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TASEKO MINES LIMITED

FINANCIAL STATEMENTS

JUNE 30, 1991

LOG NO: SEP 04 1991 VAN
ACTION:
FILE NO:

DE VISSER & COMPANY
CHARTERED ACCOUNTANTS

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NOTICE TO READER

We have compiled the balance sheet of Taseko Mines Limited as at June 30, 1991 and the statements of operations, deficit and changes in financial position for the nine month period then ended from information provided by management. We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of such information. Readers are cautioned that these statements may not be appropriate for their purposes.



CHARTERED ACCOUNTANTS

Vancouver, B.C.
August 26, 1991

TASEKO MINES LIMITED
BALANCE SHEET
JUNE 30, 1991

	1991	1990
	\$	\$
A S S E T S		
CURRENT		
Cash and term deposits	680,617	14,572
Accounts receivable	27,595	-
Due from related parties	-	542
	708,212	15,114
FIXED ASSETS		
INVESTMENTS	2,904	-
RECLAMATION BOND	15,071	88,941
MINERAL CLAIMS	8,000	-
DEFERRED EXPLORATION AND DEVELOPMENT EXPENDITURES	1,283,407	251,345
OIL AND GAS INTERESTS	882,131	643,647
	54,678	86,704
	2,954,403	1,085,751
L I A B I L I T I E S		
CURRENT		
Accounts payable	80,893	28,919
Due to related parties	30,530	-
	111,423	28,919
S H A R E H O L D E R S ' E Q U I T Y		
SHARE CAPITAL		
Authorized - 25,000,000 common shares, without par value		
Issued - 6,754,718 common shares	4,093,673	2,029,256
DEFICIT	(1,250,693)	(972,424)
	2,842,980	1,056,832
	2,954,403	1,085,751

Unaudited - see Notice to Reader

TASEKO MINES LIMITED
STATEMENT OF OPERATIONS AND DEFICIT
FOR THE NINE MONTH PERIOD ENDED JUNE 30, 1991
(Comparative figures are for the nine month period ended June 30, 1990)

	1991	1990
	\$	\$
OIL AND GAS REVENUE	-	5,132
DEPLETION	-	(3,196)
	<hr/>	<hr/>
	-	1,936
	<hr/>	<hr/>
EXPENSES		
Accounting and legal	22,071	23,526
Advertising and promotion	49,274	-
Depreciation	368	-
Filing, listing and transfer agent fees	10,642	6,927
Interest and bank charges (net)	(30,795)	(1,543)
License, insurance and fees	3,650	50
Management fees	7,500	13,500
Office, telephone and miscellaneous	6,513	2,242
Rent	10,597	-
Salaries and benefits	43,410	-
Travel	6,678	5,288
	<hr/>	<hr/>
	129,908	49,990
	<hr/>	<hr/>
	(129,908)	(48,054)
Write down of investments	(73,870)	-
	<hr/>	<hr/>
Net loss for the period	(203,778)	(48,054)
	<hr/>	<hr/>
DEFICIT - BEGINNING OF PERIOD		
As previously reported	(519,935)	(487,127)
Change in accounting policy - administration costs previously deferred	(526,980)	(437,243)
	<hr/>	<hr/>
As restated	(1,046,915)	(924,370)
	<hr/>	<hr/>
DEFICIT - END OF PERIOD	<u>(1,250,693)</u>	<u>(972,424)</u>

TASEKO MINES LIMITED
 STATEMENT OF CHANGES IN FINANCIAL POSITION
 FOR THE NINE MONTH PERIOD ENDED JUNE 30, 1991
 (Comparative figures are for the nine month period ended June 30, 1990)

	1991	1990
	\$	\$
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Net loss for the period	(203,778)	(48,054)
Add non-cash items:		
Depletion	-	3,196
Depreciation	368	-
Write-down of investments	73,870	-
	(129,540)	(44,858)
Increase (decrease) in non-cash working capital items	7,774	(11,202)
	(121,766)	(56,060)
FINANCING ACTIVITIES		
Issue of share capital net of non-cash consideration	1,045,917	33,575
	1,045,917	33,575
INVESTING ACTIVITIES		
Mineral properties:		
Acquisition	(33,562)	-
Exploration and development expenditures	(227,280)	(500)
Reclamation bond	(8,000)	-
	(268,842)	(500)
Increase (decrease) in cash	655,309	(22,985)
CASH - BEGINNING OF PERIOD	25,308	37,557
	680,617	14,572

TASEKO MINES LIMITED
 SCHEDULE OF DEFERRED EXPLORATION AND DEVELOPMENT EXPENDITURES
 FOR THE NINE MONTH PERIOD ENDED JUNE 30, 1991
 (Comparative figures are for the nine month period ended June 30, 1990)

	1991	1990
	\$	\$
Deferred Exploration and Development Expenditures:		
Jay Claims - Engineering Report	337	-
Geochemical Survey	235	-
Fish Lake - Assays	60	-
Equipment rental	75	-
Drafting	60,584	-
Drilling	20,493	-
Geological	7,000	-
Geophysical	9,343	-
Metallurgical	100,047	-
Project engineering	27,147	-
B.C. Miners' Certificate	-	500
Field supplies	1,959	-
	227,280	500
BALANCE - BEGINNING OF PERIOD	654,851	643,147
BALANCE - END OF PERIOD	882,131	643,647

TASEKO MINES LIMITED
 QUARTERLY REPORT
 JUNE 30, 1991

Schedule B: Supplementary information

1. For the current fiscal year-to-date:

Deferred exploration and development expenditures - see schedule A: financial information

2. For the quarter under review:

a) Summary of securities issued:

April 4, 1991	36,668 shares at \$1.25 per share issued upon exercise of stock option.
April 8, 1991	36,666 shares at \$1.25 per share issued upon exercise of stock option.
April 30, 1991	10,000 shares at \$3.35 per share issued for mineral property acquisition.
May 1, 1991	10,000 shares at \$1.25 per share issued upon exercise of stock option.
May 16, 1991	300,000 shares at \$3.25 per share issued for mineral property acquisition.

b) Summary of stock options granted: None

3. As at the end of the quarter:

a) Authorized capital: 25,000,000 common shares without par value
 Issued and outstanding: 6,754,718 common shares

b) Options outstanding:	<u>No. of Shares</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
	60,000	0.35	11/08/95
	36,666	1.25	12/20/92
	117,000	1.35	01/20/93
	339,000	2.10	03/08/93
Warrants outstanding:	1,175,000	0.64/0.736	01/18/93

c) There are no shares in escrow or subject to a pooling agreement.

d) List of Directors:	Robert A. Dickinson	Douglas B. Forster
	Robert G. Hunter	Jeffrey P. Franzen

SCHEDULE C: Management Discussion

For the quarter under review:

1. The Company entered into a settlement agreement with Cominco Ltd. regarding the Fish Lake gold-copper deposit (the "Property"). The agreement resolves six years of litigation and gives Taseko the exclusive right to control the property for the next three years.

Should Taseko be the subject of a successful take-over bid or sell the Property during this period, Taseko and Cominco will divide the "Project Value" of the Property. Project Value is defined as 5/3 of the value of a take-over bid for Taseko's shares on a fully diluted basis; or the Property sale price should Taseko sell the Property.

Cominco's portion of the Project Value will be allocated on the following basis:

- If the Project Value is \$60 million or less, Cominco will receive \$20 million.
- If the Project Value is between \$60 and \$70 million, Cominco will receive \$20 million plus 80% of the amount by which the Project Value exceeds \$60 million.
- If the Project Value is between \$70 million and \$120 million, Cominco will receive 40% of the Project Value.
- If the Project Value exceeds \$120 million, Cominco will receive and be capped at \$48 million.

Taseko has also agreed to issue up to 1,000,000 of its common shares to Cominco on the following basis:

- a) 300,000 shares before May 31, 1991 (issued);
- b) 300,000 shares on or before the 180th day after May 31, 1991;
- c) an additional 400,000 shares on or before the 425th day after May 31, 1991 unless the Company has earlier sold the Property or finalized a take-over bid.

Taseko or its nominee has a right of first refusal to purchase any shares issued to and sold by Cominco.

In the event that by May 31, 1994 there has been neither a successful take-over of the Company nor a sale of the Property, the Property will revert to Cominco with the Company retaining a 20% net profits interest in the Property. In addition, Cominco will grant to the Company, for a 2.5 year period following May 31, 1994, a right of first refusal on any proposed sale of the Property by Cominco.

2. A claim against the Company's interest in the Zaunbrecher No. 1 S.E. Gueydan petroleum prospect was settled for the payment of \$30,438.
3. The Company entered into an agreement to purchase a 100% interest in the Fish 1-4 mineral claims from Cascade Investments Joint Venture in consideration for the payment of \$70,000 (\$10,000 paid) and the issuance of 55,000 common shares (10,000 shares issued) in stages over three years.
4. The Company changed its registrar and transfer agent to Montreal Trust Company.

Subsequent to the quarter under review:

1. Warrants were exercised to acquire 1,175,000 flow through shares at \$0.64 per share for proceeds to the Company of \$752,000.