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TASEKO MINES LIMITED
1991
REPORT TO SHAREHOLDERS

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Taseko Mines Limited is a public company committed to the growth of shareholder value through rapid development of Canada's largest gold-copper project at Fish Lake, central British Columbia, Canada.

CORPORATE PROFILE

With an initial reserve block of 600 million tons containing 10 million ounces of gold and 4 billion pounds copper, the Fish Lake deposit has all the elements required for high volume, low cost, open pit mine development. Average annual production potential is forecast at 280,000 ounces gold and 130 million pounds copper over a 30 year mine life. Project development work is progressing rapidly to meet that goal. By controlling North America's leading development stage mining project, Taseko Mines Limited has become an attractive acquisition target for growth-oriented senior mining companies.

As of January 30, 1992, the Company has 9,227,384 shares outstanding on a fully diluted basis, with shareholders in Canada, United States and Europe.

Common shares of Taseko Mines Limited trade on the Vancouver Stock Exchange (TKO:V) and a listing on the NASDAQ system is expected in early 1992.

ACHIEVEMENTS 1991

CORPORATE

- Control of Company passed to new management.
- Resolved Fish Lake property litigation with Cominco Ltd.
- Raised \$1,860,750 in new financing.

FISH LAKE PROJECT

- Completed \$1.4 million prefeasibility program.
- Completed 24,620 feet of diamond drilling.
- Completed extensive metallurgical testing.
- Outlined Canada's largest gold-copper deposit.
- Initiated detailed studies for feasibility engineering.

OBJECTIVES 1992

CORPORATE

- Complete NASDAQ listing.
- Complete feasibility program financing.
- Continue to minimize dilution of shareholder's equity.

FISH LAKE PROJECT

- Expand and define reserves by drilling.
- Complete pilot plant metallurgical program.
- Work to obtain government production approval.
- Complete \$10 million feasibility program.

REPORT TO SHAREHOLDERS

PROJECT DEVELOPMENTS

During 1991, Taseko Mines Limited created tremendous wealth through the discovery of Canada's largest open pit gold-copper deposit at Fish Lake, British Columbia, Canada.

Copper mineralization on the Fish Lake property was first discovered in 1966 by Phelps Dodge Corporation. Phelps Dodge allowed the project claims to lapse in 1969 and the ground was re-staked by Taseko Mines Limited. Over the years a number of mining companies including Quintana Minerals, Nittetsu Mineral Company, Bethlehem Copper and Cominco Ltd., under option agreements with Taseko, have directed exploration programs on the property.

Historical work includes; grid establishment, ground magnetometer, VLF-EM, Induced Polarization and soil geochemical surveys; and percussion and diamond drilling programs. Property drilling totals 110,400 feet in 180 holes with 110 holes in the Fish Lake deposit. The remainder were drilled elsewhere within the 6 square mile disseminated sulphide system that is host to the Fish Lake deposit.

This early work outlined a disseminated gold-copper sulphide deposit approximately 3000 feet in diameter and 600 feet deep. Many of

the early drill holes stopped in significant gold-copper mineralization.

During 1991, Taseko drilled ten large diameter, vertical core holes totalling 24,620 feet. These holes tested, at depth, an area measuring 2000 feet north-south and 1600 feet east-west where the earlier, small diameter-shallow holes (600 feet) had outlined a mineable reserve of 230 million tons grading 0.24% copper and 0.014 ounces gold per ton. All ten Taseko drill holes intersected widespread gold-copper mineralization with average grades of 0.32% copper and 0.016 ounces gold per ton over an average continuous core length of 2182 feet. These 1/2 mile deep drill holes established three new and important facts at Fish Lake:

- gold-copper mineralization is widespread, continuous and extends for an additional 1600 feet below the shallow reserve.
- copper grades show a dramatic and consistent increase below the shallow reserve.
- Reserve grades for both gold and copper are, on average, 17% higher than previously reported for the shallow reserve.

An initial reserve block of 600 million tons at an average grade of 0.86% copper equivalent

has been outlined. This gold-copper reserve has exceptional grade and continuity and is open to expansion in all directions. With a metal content in excess of 10 million ounces gold and 4 billion pounds copper, Fish Lake ranks among the world's largest bulk tonnage metal deposits.

Also during the year an extensive prefeasibility metallurgical testwork program was completed on a one ton bulk sample of Fish Lake ore. Program results were excellent and confirmed that conventional grinding and standard flotation processes can recover 77% of the gold and 88% of the copper from average grade material to produce an 18% copper concentrate containing 1 ounce gold per ton.

Prefeasibility projections for the Fish Lake deposit indicate that at a production rate of 66,000 tons per day, average annual production would be in the order of 280,000 ounces gold and 130,000,000 pounds copper over a mine life in excess of 30 years. Comparatively low capital and operating costs can be expected for the Fish Lake project due to a combination of a number of favourable economic and environmental factors including: existing highway access with proximity to

established infrastructure in the heart of open pit mining country; gentle topography; low stripping ratio; low work index ore, low sulphide ore; and environmentally favourable acid consuming waste rock and tailings.

The 1991, \$1.4 million prefeasibility work program at Fish Lake confirmed both large scale reserves and excellent metallurgy. Taseko Mines is now budgeting and scheduling a \$10 million accelerated feasibility, engineering and permitting program for a large-scale, low cost, open-pit mine development. The feasibility program will begin during the first quarter of 1992. A major cost component of the program will be a 115,000 foot delineation drilling program to determine the full extent of the Fish Lake deposit and provide data required for feasibility level open pit mine planning. A second major component will be a 150 ton pilot plant metallurgical program to obtain criteria for mill plant design.

CORPORATE DEVELOPMENTS

Taseko's technical success at Fish Lake was accompanied by the successful resolution of six years of litigation between the Company and Cominco Ltd. The May, 1991 Taseko/Cominco

settlement agreement resolved a title dispute and allowed the Company to proceed with property development work after many years of inactivity. The Agreement with Cominco gives Taseko the exclusive right to control the Fish Lake Property for the next four years and to sell the Fish Lake Project either through an outright sale of the claims or by a successful take-over bid for Taseko Mines' outstanding shares. Should either of these two methods of sale occur, Taseko and Cominco will divide the Project's Value. The maximum percentage of the Project's Value that Cominco will receive is 40%. If the Project's Value exceeds \$120 million Cominco will be capped at \$48 million. Several examples of how the Project's Value will be allocated between Taseko and Cominco in the event of a successful takeover bid for

Taseko Mines Limited are shown below:

Taseko also agreed to issue up to 1,000,000 of its common shares to Cominco during its control period of which 600,000 have already been issued. Taseko or its nominee has a right of first refusal to purchase any shares issued to and sold by Cominco, and Taseko has no work expenditure obligations on the Property.

In the event that by May 31, 1995 there has been neither a successful take-over of Taseko Mines Limited nor a sale of the Property, the Property will revert to Cominco with Taseko retaining a 20% net profits interest. In addition, Cominco granted Taseko, for a 2.5 year period following May 31, 1995, the right of first refusal on any proposed sale of the Property by Cominco.

EXAMPLES BUYER TAKES OVER TASEKO MINES LIMITED						
PROJECT'S VALUE BUYER'S TOTAL COST		COMINCO RECEIVES FROM BUYER	TASEKO SHAREHOLDERS RECEIVE TAKE-OVER BID FROM BUYER		PERCENT OF PROJECT	
\$ MILLIONS	\$ PER CONTAINED OZ OF GOLD	\$ MILLIONS	\$ MILLIONS	\$ PER SHARE	COMINCO %	TASEKO %
120	12	48	72	8	40	60
150	15	48	102	11	32	68
180	18	48	132	14	27	73
270	27	48	222	24	18	82
360	36	48	312	34	13	87

FINANCIAL DEVELOPMENTS

During the year, \$1,860,750 in new financings were completed. Private placement funding totalled \$1,504,000 and exercise of stock options provided a further \$356,750. At fiscal year end working capital was \$457,826. Additional financing will be required in 1992 to fund the Company's planned \$10 million feasibility program. The recognized value of the Fish Lake Project will enable additional development financing to be raised with comparative ease. Future funding will be completed with the goal of minimum dilution to shareholder equity. A NASDAQ listing is expected for early 1992.

The Fish Lake Project's capital and operating costs cannot be accurately determined prior to completion of feasibility engineering work. However, preliminary capital costs of \$400 million and cash operating costs of \$4 to \$5 per ton milled are currently estimated.

Confirmation of the immense Fish Lake deposit has made Taseko Mines Limited North America's leading development-stage mining company and an attractive target for growth orientated senior mining companies. The 1992 feasibility program will allow the Fish Lake project to be properly valued by the investment and mining communities. A number of senior mining companies are closely following

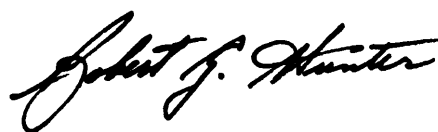
progress at Fish Lake.

ACKNOWLEDGEMENTS

The Company's success in 1991 was the result of a dedicated and co-operative team effort by all employees. Outstanding ability was shown in bringing the Fish Lake Project to its current technical level in record time. This spirit combined with the recognition by the investment and mining communities of Fish Lake's remarkable calibre will allow Taseko Mines Limited to experience further growth in 1992.

Our sincere gratitude is extended to loyal shareholders. Without your support these initial goals would not have been achieved. We look forward to all shareholders participating in the rewards created from very substantial wealth in gold and copper.

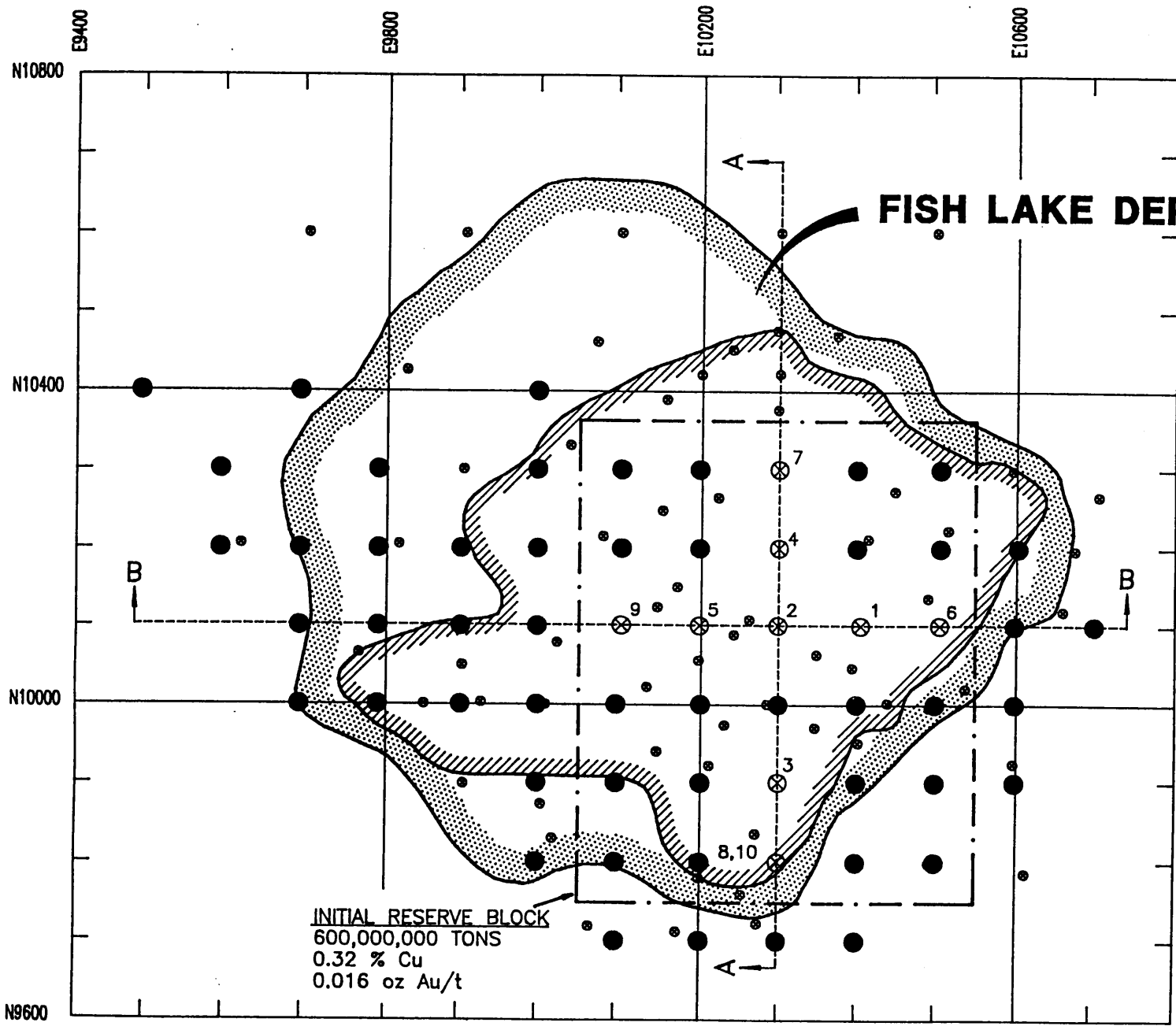
ON BEHALF OF THE BOARD



Robert G. Hunter
Chairman and Chief Executive Officer



Robert A. Dickinson
President and Chief Financial Officer



INITIAL RESERVE BLOCK
 600,000,000 TONS
 0.32 % Cu
 0.016 oz Au/t

FISH LAKE DEPOSIT

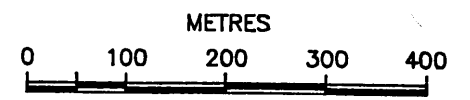


DRILLHOLE LEGEND

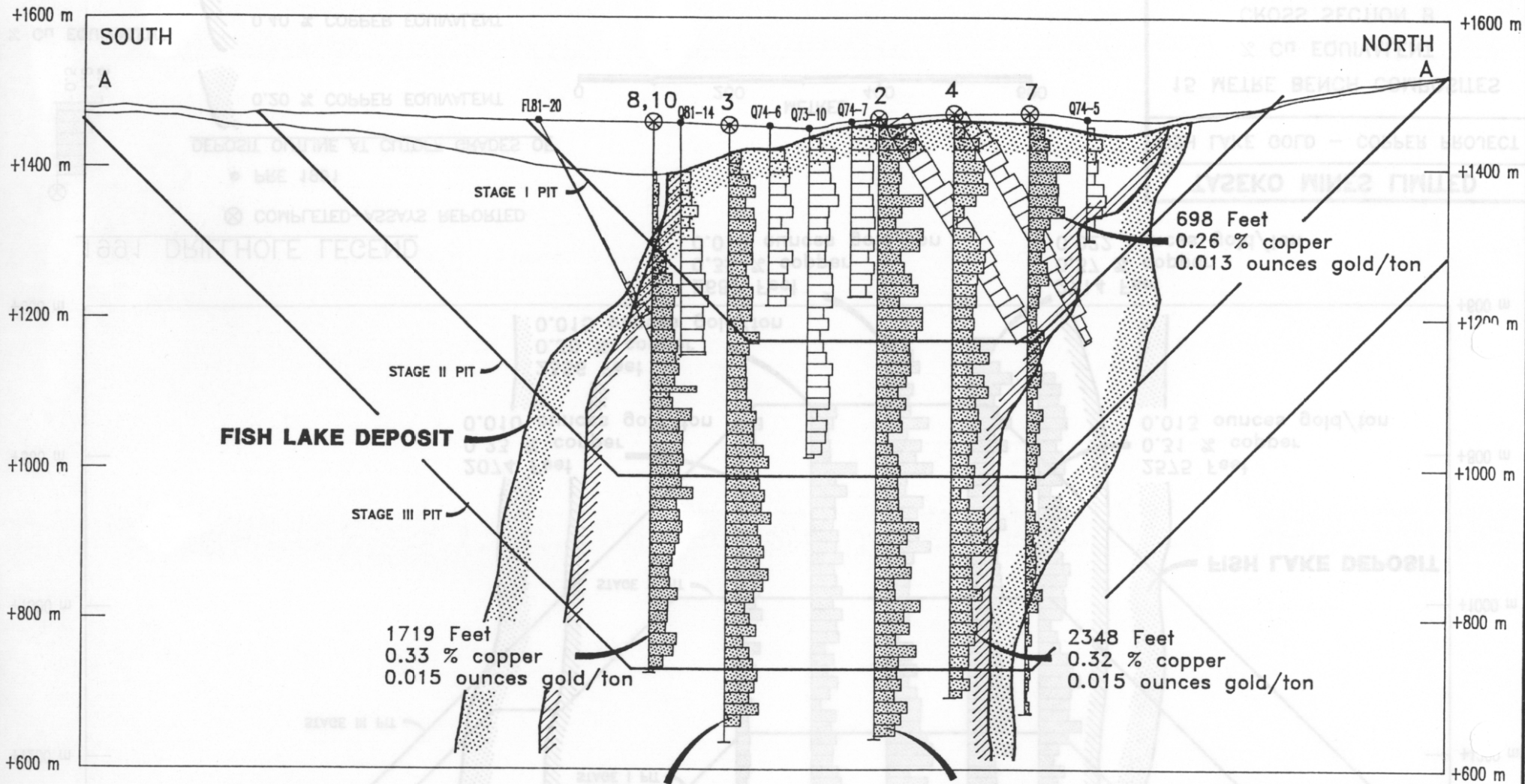
- PLANNED 1992
- ⊗ COMPLETED 1991
- PRE 1991

DEPOSIT OUTLINE AT CUTOFF GRADES OF

- 0.20 % COPPER EQUIVALENT
- 0.40 % COPPER EQUIVALENT



TASEKO MINES LIMITED
FISH LAKE GOLD-COPPER DEPOSIT
DIAMOND DRILLHOLE PLAN

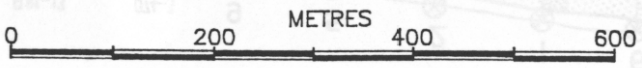


1991 DRILLHOLE LEGEND

- ⊗ COMPLETED—ASSAYS REPORTED
- PRE 1991

DEPOSIT OUTLINE AT CUTOFF GRADES OF

- 0.20 % COPPER EQUIVALENT
- 0.35 % COPPER EQUIVALENT
- 0.40 % COPPER EQUIVALENT



TASEKO MINES LIMITED
FISH LAKE GOLD – COPPER PROJECT
15 METRE BENCH COMPOSITES % Cu EQUIVALENT CROSS SECTION A

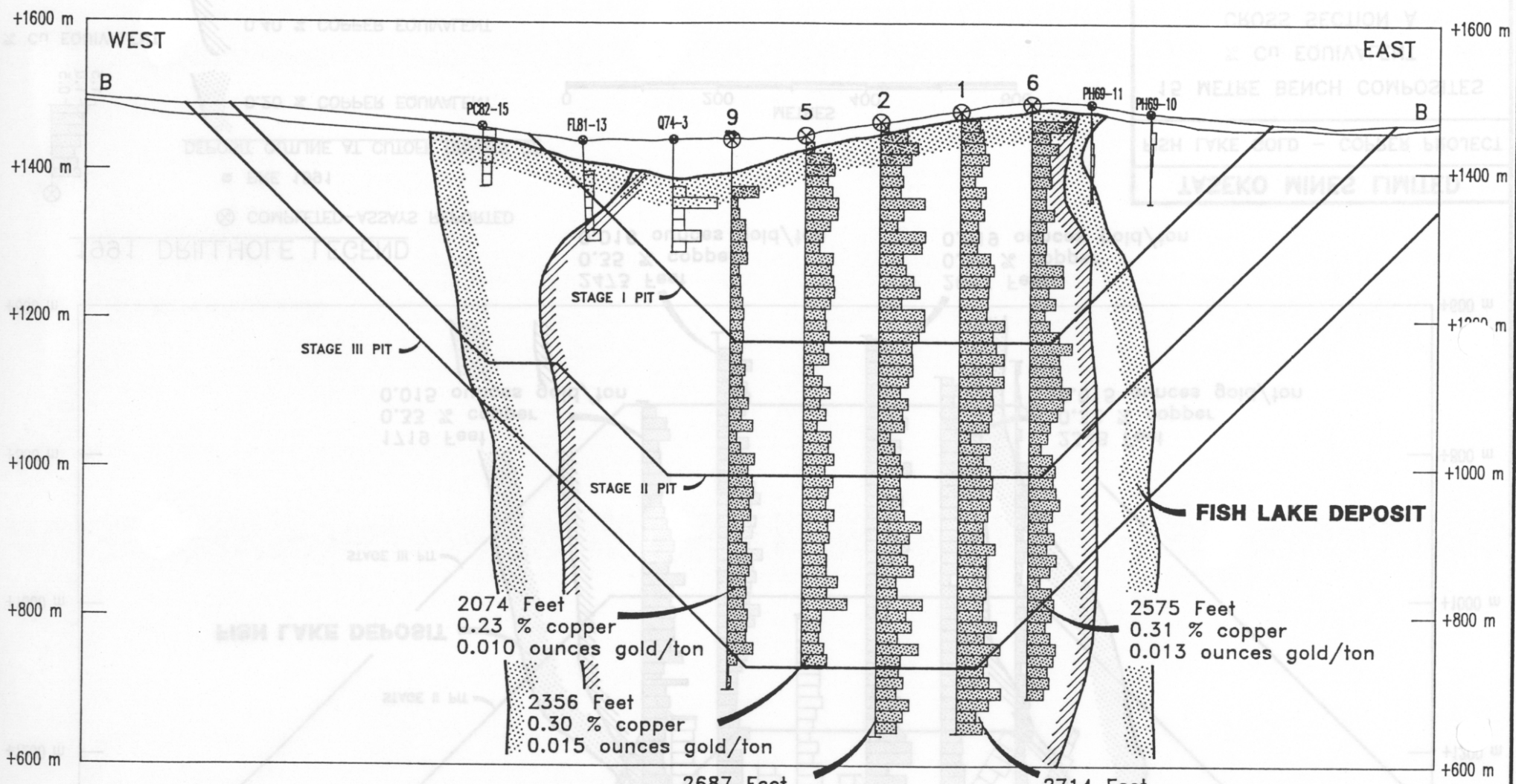
1719 Feet
0.33 % copper
0.015 ounces gold/ton

698 Feet
0.26 % copper
0.013 ounces gold/ton

2473 Feet
0.35 % copper
0.016 ounces gold/ton

2687 Feet
0.35 % copper
0.019 ounces gold/ton

2348 Feet
0.32 % copper
0.015 ounces gold/ton



1991 DRILLHOLE LEGEND

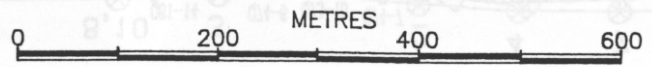
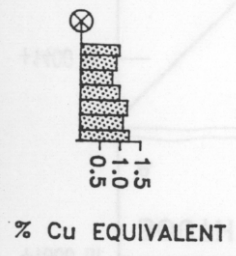
⊗ COMPLETED—ASSAYS REPORTED

• PRE 1991

DEPOSIT OUTLINE AT CUTOFF GRADES OF

0.20 % COPPER EQUIVALENT

0.40 % COPPER EQUIVALENT



TASEKO MINES LIMITED
FISH LAKE GOLD – COPPER PROJECT
15 METRE BENCH COMPOSITES % Cu EQUIVALENT CROSS SECTION B

TASEKO MINES LIMITED

CORPORATE INFORMATION

Officers

Robert G. Hunter, Chairman
Robert A. Dickinson, President
Aziz Shariff, Vice President
Douglas B. Forster, Secretary

Directors

Robert A. Dickinson
Douglas B. Forster
Jeffrey P. Franzen
Robert G. Hunter

Corporate Address

1020-800 West Pender Street
Vancouver, B.C. V6C 2V6
Telephone (604)684-6365
Fax (604)684-8092

Solicitors

Lang, Michener,
Lawrence & Shaw
2500, 595 Burrard Street
Vancouver, British Columbia
Canada V7X 1L1

Auditors

DeVisser & Co.
#201-960 Richards Street
Vancouver, British Columbia
Canada V6B 3C1

Transfer Agent

Montreal Trust Company
2nd Floor, 510 Burrard Street
Vancouver, British Columbia
Canada V6C 3B9

Bank

Canadian Imperial Bank
of Commerce
400 Burrard Street
Vancouver, British Columbia
Canada V6C 3A6

Trades

Vancouver Stock Exchange (TKO:V)

Capitalization - as at February 15, 1992

<i>Common authorized</i>	<i>25,000,000</i>
<i>Issued</i>	<i>8,401,384</i>
<i>Fully Diluted</i>	<i>9,227,384</i>

Annual Meeting

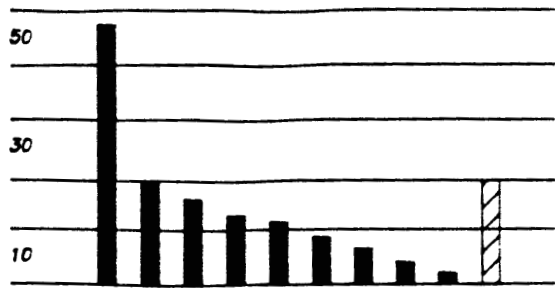
The Annual General Meeting of the Shareholders of Taseko Mines Limited will be held at 2:00 pm on March 25, 1992 at the Terminal City Club, 837 W. Hastings Street, Vancouver, BC.

For further information contact:

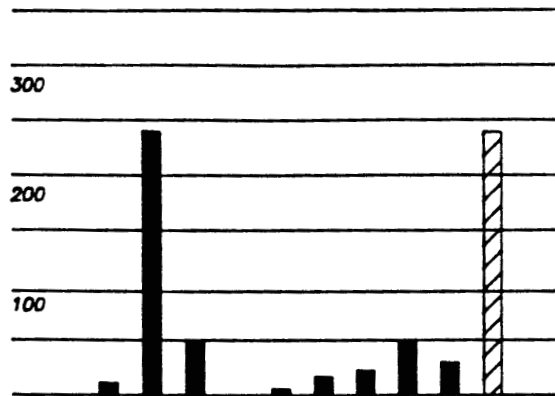
Walter J. Schmid, Manager of Investor Relations
#1020, 800 West Pender Street
Vancouver, British Columbia
Canada V6C 2V6
Telephone: 604-684-6365
Facsimile: 604-684-8092

- Porphyries

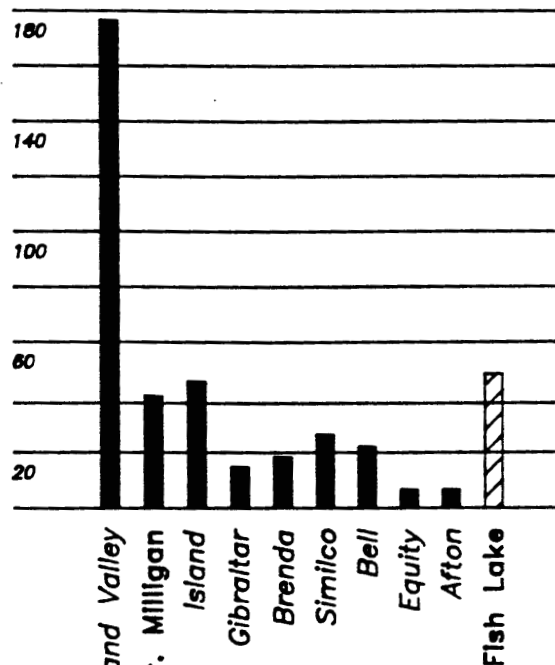
Milling Capacity
(million ounces/year)



Gold production
(thousand ounces/year)

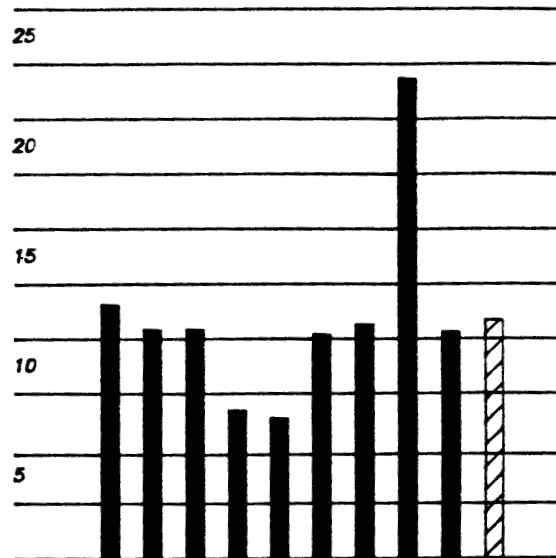


Copper Production
(thousand tonnes/year)

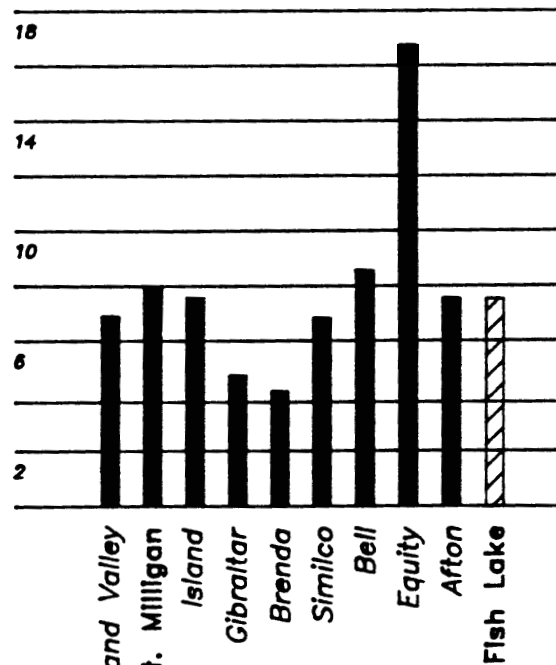


British Columbia
Open Pit Mines

Gross Metal Value
(C\$/tonne)



Net Smelter Return
(C\$/tonne)

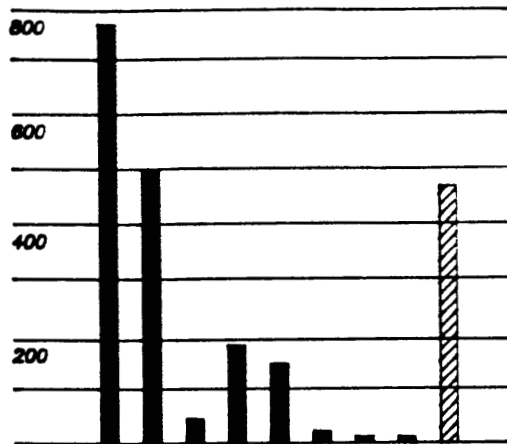


British Columbia
Open Pit Mines

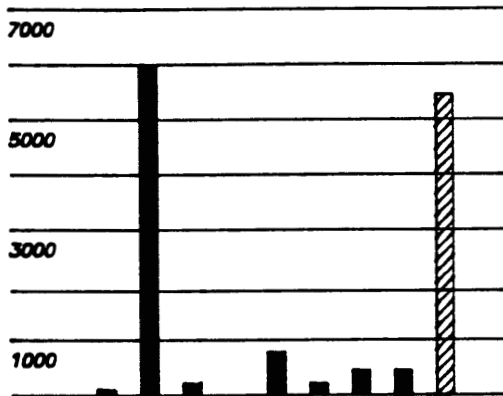
TASEKO MINES LIMITED

May '91

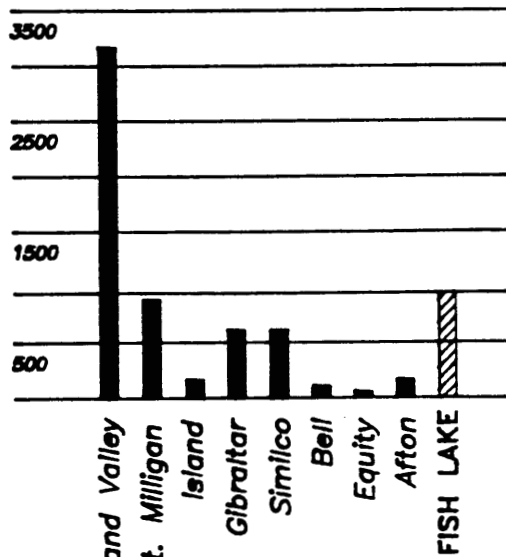
Reserves
(million tonnes)



Gold Content of Reserves
(thousand ounces)



Copper Content of Reserves
(thousand tonnes)



British Columbia
Open Pit Mines

TASEKO MINES LIMITED

May '91