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A BORING WORLD CLASS GOLD AND COPPER PROPERTY

I looked at this company a dozen different ways to see why it was so cheap and could only come up with one reason, boring. It seems investors would rather buy a \$6 overpriced exploration company, because their going to drill some property in the jungle or in the vicinity of another mine, than put \$6 into a company that already has what everyone is looking for. That is a world-class copper and gold deposit. Taseko Mines Limited has a proven deposit of mineable reserves containing over 10 million ounces of gold and 3.7 billion pounds of copper.

Taseko, TKOCF on Nasdaq or TKO on Vancouver, has been recommended before by many other newsletters, in hind sight, I can say the only thing they had wrong was the timing. Market timing is one of the four ingredients I look for and now is the time to pick up these shares at a rock bottom price.

The property has been drilled and reserves proven, a feasibility has been completed by Kilborn Engineering and the property is now in the tedious and may I say boring, permitting phase. I don't see any reason why this mine will not get the permits, but before that happens this property is going to be gobbled up at a much higher share price. I will continue now with my analysis and I think you will agree.

Taseko Mines Limited trades on Nasdaq under TKOCF.

5 3/8 to 10 1/2	Current Price 5 7/8 US
I would buy at \$5 7/8 US	Stop Loss at \$5 US
Shares outstanding	12,349,274
Fully Diluted	16,000,000 approx. (includes recent financing)

The shares also trade on Vancouver under symbol TKO, but are mostly traded on Nasdaq and much more liquid there.

MANAGEMENT

Taseko is one of the Hunter-Dickinson Group of Companies, which also includes Misty Mountain Gold Limited (MGL on Toronto). MGL has a web site (<http://www.info-mine.com/misty/Welcome.html>) and has been in the news lately with their drilling activity at the Specogna Deposit near the center of Graham Island about 560 miles northwest of Vancouver. If you like Misty, you have to like Taseko for all the same reasons and more. That is because Taseko is trading at about 1/3 the value of Misty on a share per asset valuation (assuming Misty can prove up 6M ounces of gold) and Taseko has a much more valuable and better located property.

Robert Hunter and Robert Dickinson (sometimes referred to as the 2 Bobs) and their team do not manage mines, rather they explore properties, prove up reserves, bring the property through feasibility and continue to advanced engineering and mine permitting stage. They then market the property to mining companies and have a well proven track record. Previous deals include sale of

North American Metals to Homestake in 1988 for \$38M and Continental Gold to Placer Dome in 1990 for \$210 million. Most recently in August 1995 was El Condor Resources Ltd. to Royal Oak Mines for about \$28 US per mineable ounce of gold. I believe Taseko will be the next one to reward shareholders generously.

THE PROPERTY

Taseko Mines Limited owns 100% of the Prosperity Gold-Copper Project, formally known as Fish Lake deposit, which it took control of from Cominco in 1991 after six years of litigation. The property is located 77 miles southwest from the City of Williams Lake in southcentral British Columbia. Prosperity has everything going for it, all but three of British Columbia's well known open pit mines will have depleted their reserves by the year 2000 and there is considerable pressure on the government to retain jobs in the mining industry. Copper and gold are both enjoying strong and worldwide demand.

Environmentally there should be no problem, the entire property falls within the area designated for resource extraction by the government's Cariboo-Chilcotin Land Use Plan. I am quite impressed how Taseko's team handles the environmental issue, being pro-active and conducting open house presentations and site sponsored tours. The project began environmental review proceedings in August 1993. The project has the support of the local community and elected officials. The mining project would cost \$460M, employing an average of 250 persons over a 26 month construction period and a workforce of 442 afterwards.

TECHNICAL DETAIL

Early exploration from Bethlehem Copper and Cominco included 88,600 feet in 176 shallow drill holes. From 1991 to 1993 Taseko conducted a multi-rig drill program of 139 large diameter holes for a total of 253,914 feet. A comprehensive prefeasibility was completed by Kilborn Engineering Pacific Ltd. in mid 1994. This confirmed an economically attractive, large scale, long life open pit mine with a comparatively low cost.

Then in 1995 the company completed a twelve hole angle drill program on the upper part of the deposit. The reason being was that the geological interpretation showed much of the ore is near a vertical fracture system. Therefore, the vertical drill grid may have underestimated the grades. This was confirmed as the angle drilling proved 11% higher grade copper and 4% higher grade gold utilizing four different statistical methods. To this date, Taseko has spent \$43.5 million on this project, of which \$28.7M for acquisition and \$14.8M on exploration.

This deposit is huge, 744 million tons grading .246% copper and 0.014 ounce gold/ton. This equates to 3.7 billion pounds of copper and 10.5 million ounces gold. Extensive metallurgical and milling tests confirm recovery of 73% for gold and 87% for copper, using conventional crushing grinding and flotation.

The Kilborn Engineering Prefeasibility Study in 1994 include design of a 66,000 ton/day mine mill complex. This would put average expected production to approximately 245,000 ounces gold and 100 million pounds copper and 530,000 ounces of silver per year, for 31 years.

Taseko has raised \$7M to \$8M for 1996 to complete another angle drill program, beginning in June, to prove the increased copper and gold grades for the first 15 years of mine life. This program will drill deeper than the previous angle drilling to prove the higher grades deeper. This will also increase the reserve figures and make up for the recent dilution of the shares from recent financing. As well further engineering will be completed for a 90,000 ton/day mill. Taseko estimates production would increase to 365,625 ounces gold and 153 million pounds of copper per year. Applying copper and silver as credits, cost of gold production would be about \$80/ounce. Cost of mine complex would increase to about Cdn. \$590M with an impressive four year payback period.

FINANCIALS

Hunter-Dickinson are a well known respected group that will have no trouble raising any required funds. The recent financing is nearly fully subscribed and should close in a few days. This will provide \$7 to \$8M for the 1996 program.

SUMMARY

Many gold properties have sold for between \$30 and \$40 a mineable ounce gold. Lets apply this to value Taseko shares:

16,000,000 shares (diluted) and 10.4M ounces gold at following prices:

\$30	equals	\$20.00/share
\$35	equals	\$22.75/share
\$40	equals	\$26.00/share

These calculations don't include the likely higher grades, after the drill program, which should bring gold reserves to about 11M.

These shares are an absolute bargain at today's prices. Now is the time to accumulate these shares at the bottom of their trading range, while they are asleep and boring. Once the drilling gets underway and speculation grows again about potential suitors, the shares will be back up to the \$10 to \$15 range.

I believe it is not a matter of if, but when this property is snatched up and I think this will happen before the year is out. Then we can cash in our boring stock for some boring 200% to 400% profits.

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