

TASEKO MINES LTD. (TKO-V)

MAJOR FUNDING AND RESERVE EXPANSION PROGRAM UNDERWAY

Robert G. Hunter, chairman has reported Taseko Mines Ltd. has raised \$7,144,000 by private placement financing, subject to regulatory approval.

Taseko Mines has moved a 50 man camp, a crew of 50 persons and three large diameter core drilling rigs to the Fish Lake property, 150 km southeast of Williams Lake, B.C. to start a second phase of drilling to in-fill and expand present ore reserves. The program is budgetted at \$8,500,000 for exploration, engineering, feasibility and permitting. Work will include a minimum of 50 holes each to about 1,500 feet, 700 meters for a total of 75,000 feet or 25,000 meters. One of the old holes cut 220 feet of 0.7% copper equivalent some 400 feet west of the presently considered reserve area. Further holes will be drilled in this area. As well, as shown on the map overleaf, a number of in-fill holes will be drilled to confirm reserves to 100 meter spacing.

Terms of the financing provide that Taseko will issue convertible notes in a principal amount of \$3,350,000 convertible into 335,000 units at \$10 per unit and 379,400 flow-through units at \$10 per unit for additional proceeds of \$3,794,000. The company will therefore issue, in aggregate, a total of 714,400 units for total proceeds of \$7,144,000. Each unit or flow-through unit consists of a common share plus a four month share purchase warrant or flow-through share purchase warrant, both of which are exercisable at \$10 per warrant. Taseko has agreed to qualify for resale the shares and shares issuable on exercise of the warrants by way of a prospectus. Upon receipt of the prospectus, the convertible notes will automatically

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convert into units which will be identical to the flow-through units except for tax considerations respecting the latter. If all warrants are exercised, Taseko will have issued a total of 1,428,800 shares for gross aggregate proceeds of \$14,288,000. Finder's fees totalling \$299,700 are payable in units or cash with respect to the financing. Insiders of the company are participating to the extent of 75,000 flow-through units which will be priced in accordance with VSE policies. The company currently has 8,401,134 shares issued, or 10,227,384 fully diluted prior to the financing or 11,676,184 shares fully diluted after the financing.

This drilling program has been designed to determine the full extent of the Fish Lake deposit following the 1991 discovery of widespread gold-copper mineralization over continuous 1/2 mile core lengths. Results from the company's 1991 drill program outlined an initial reserve block containing 600,000,000 tons at an average grade of 0.32% copper and 0.016 oz. gold/t. The initial reserve block contains 10,000,000 ounces gold and 4,000,000,000 pounds copper and is open to expansion in all directions.

The second component of the program will consist of delineation and in-fill diamond drilling, pilot plant metallurgical work and an environmental permitting program. Results from this work will form the basis for a bankable feasibility evaluation.

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