

TASEKO MINES LTD.

[TKO-V; TKOCF-NASDAQ] 20,342,709 SHS.

TASEKO MINES COMPLETES - Robert G. Hunter, chairman,
GIBRALTAR ACQUISITION Taseko Mines Ltd. has completed
its acquisition of the GibraltarMine near the City of Williams Lake, central BC, from **BOLIDEN LTD.** (BOL-T) and certain affiliates, including all mineral interests, mining and processing equipment and facilities, and responsibility for ongoing reclamation.

The large-scale open pit copper mine had been the subject of negotiations among Taseko, Boliden and the Government of BC, pursuant to which Taseko assumed ownership of Gibraltar on 21Jul99.

Pursuant to the terms of the acquisition, Taseko's wholly owned subsidiary, Gibraltar Mines Ltd., acquired mining equipment and parts valued at \$19,000,000, an existing Government environmental deposit of \$8,000,000, mineral interests valued at \$4,700,000 and will receive over 18 months, \$20,100,000 from Boliden of which \$14,100,000 will be cash, and \$6,000,000 will be a letter of credit. Of the \$20,100,000 a total of \$17,000,000 will be included in a 10 year non-interest bearing convertible debenture

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issued to Boliden. The principal sum advanced under the debenture is initially convertible into Taseko shares in the first 18 months as to \$5,000,000 at \$3.14 per Taseko share and \$12,000,000 at \$3.39. The conversion price escalates 25¢ per Taseko share each year over the 10 year term of the debenture. The debenture may be prepaid at any time. After five years the debenture can be converted at Taseko's option at then prevailing market prices for Taseko shares. Taseko retains certain rights of first refusal respecting any proposed sale of shares acquired by Boliden under the debenture. Taseko will also issue 400,000 shares and 180,000 one year warrants exercisable at \$3.14 to arms-length persons who assisted in completing the acquisition.

Mr. Hunter said the province has agreed to provide a Power for Jobs agreement that will ensure competitive power rates for Gibraltar, particularly during periods of low metal prices.

Gibraltar is a large-scale, 35,000 tonne per day capacity open pit copper mine. Mine operations at Gibraltar have been on standby care and maintenance since December 1998, due to low copper prices. Under normal operations, it produces 80,000,000 pounds of copper and 700,000 pounds of molybdenum annually.

Taseko estimates current proven reserves at Gibraltar will sustain another 12 years of profitable mine operations, upon a return to historic average copper prices. Taseko also plans to initiate a major exploration program at the Gibraltar property, with a view to delineating additional deposits at higher than average grades to extend the life of the mine.

Mr. Hunter noted Taseko will be tapping the operational expertise of the Gibraltar team to incorporate their experience into the company's feasibility study for their 100% owned Prosperity copper, gold project (formerly known as Fish Lake) located 100 km southwest of Williams Lake. (SEE GCNL NO.41, 1Mar99, P.5 FOR PREVIOUS PROSPERITY PROJECT INFORMATION)

Since 1972, annual production at the Gibraltar Mine has averaged 75,000,000 pounds of copper in a 28% concentrate, 5,000,000 pounds of cathode copper from a solvent extraction electrowinning (SX-EW) plant and 700,000 pounds of molybdenum in concentrate. In total, the mine has processed 290,000,000 tonnes of ore grading 0.35% copper and 0.016% molybdenum. Gibraltar has employed an average of 270 workers, paid an average annual payroll of \$15,000,000 and spent some \$5,000,000 per year on goods and services in the Williams Lake area since mine operations began 28 years ago. (SEE GCNL NO.81, 28Apr99, P.5 FOR PREVIOUS GIBRALTAR MINE ACQUISITION INFORMATION)