

TASEKO MINES LIMITED

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CORPORATE BROCHURE



Building on success

Taseko Mines Limited is about to embark on the third phase of modernisation at Canada's second largest open pit copper mine. VP of Operations Dave Rouleau talks to Gay Sutton about future-proofing the mine against the cyclical nature of commodity prices

Mid-tier Canadian mining company Taseko Mines Limited owns a diverse portfolio of projects at various stages of exploration, development and production. The company is forging ahead with its strategy to increase productivity and reduce costs at its 75 percent owned Gibraltar Mine, while furthering exploration and development at its other projects.

The Gibraltar Mine, located near Williams Lake in south-central British Columbia, is not only Taseko's revenue earner but is also Canada's second largest open pit copper mine. First opened by Placer Development in 1971 it has been producing copper and molybdenum for some 40 years. "Gibraltar has been around for a long time and will continue to be around for a lot longer," said VP of Operations Dave Rouleau. Much of that longevity and continued productivity is a result of the investments made into the operation.



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Taseko acquired the idled Gibraltar Mine in 1999. The mine had been shut down due to the copper price environment, which had fallen below cash costs of production. However, with significant reserves, plenty of scope for operational improvement and future exploration, Taseko perceived this as a great opportunity. In 2004, as metal prices were rising, Taseko re-started the mine. "Our aim has been to optimise the asset and produce copper at the lowest possible cost. This ensures positive cash flow at all points of the copper price cycle and creates value for our shareholders," said Rouleau.

To date, the company has invested over \$300 million in two phases of expansion and improvements. Phase I, which was completed in 2008, increased mill throughput from 35,000 to 46,000 tons per day, adding a new semi-autogenous grinding (SAG) mill, upgrading the grinding circuit, and installing a new flotation recovery system consisting of 10 modern flotation cells.

Phase II is now approaching completion. It will utilize the full capacity of the SAG mill and increase throughput to 55,000 tons per day. The work has included installing a direct feed system to the SAG mill, increasing the regrind capacity with a vertimill, installing cleaner flotation





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cells to improve metal recovery, upgrading the tailings pumping system by installing a second line independent of the first, commissioning a new pressure filter to increase concentrate drying capacity, as well as modernizing the mine equipment fleet.

In addition, a new programme of improvements has just been announced. "In February this year we made a decision to invest a further \$235 million in Gibraltar, to increase the current design capacity of the mill from 55,000 tons a day to 85,000 tons per day," Rouleau said. "The programme, which is called the Gibraltar Development Plan 3 (GDP3), will increase our production by roughly 50 percent, boosting our copper output to 180 million pounds a year."

The plan is to construct a new 30,000 ton per day concentrator alongside the existing 55,000 ton facility. The project also includes the installation of a



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new molybdenum recovery facility which will increase molybdenum production by roughly 1 million pounds annually to almost 3 million pounds per year. As part of this expansion, approximately \$90 million of additional funding has also been earmarked for new mining equipment to ensure the mining operation keeps pace with demand from the upgraded plant. Construction will begin in the spring of 2011, with commissioning anticipated for Q4 2012.

Since 2004, the company has spent over \$20 million on exploration programs to expand reserves and resources at Gibraltar. To coincide with GDP3, the company has planned a ten-hole drill program to begin this April with the objective of a further reserve increase.

“We have a great team at Gibraltar who are hard at work in optimizing the assets at hand to maximize the value of the resource”

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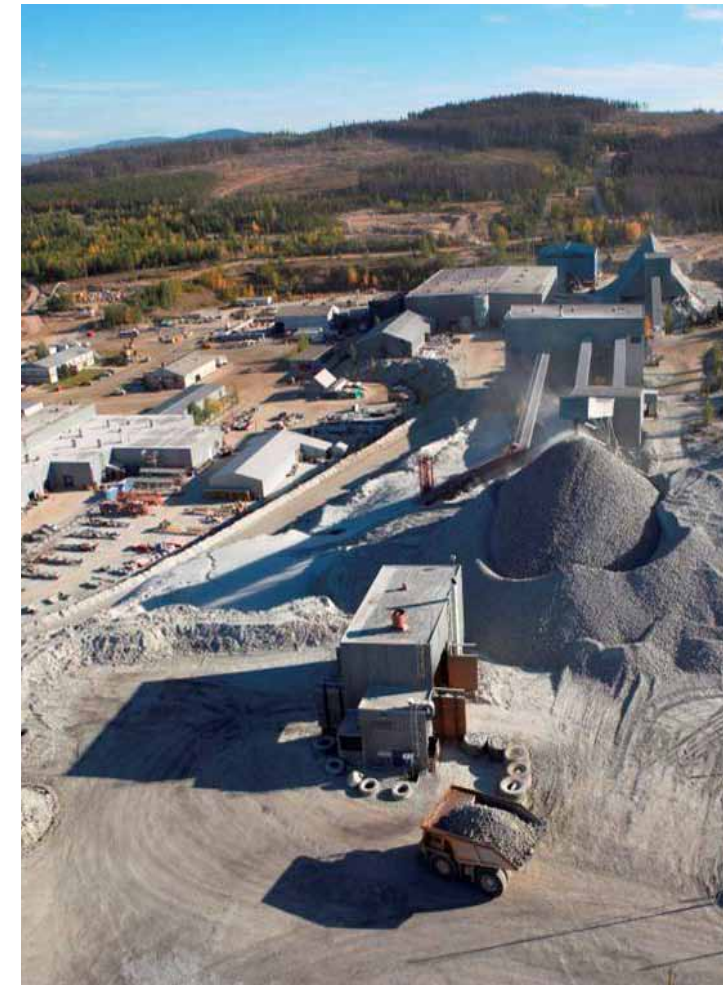
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Alongside modernisation and expansion, Taseko has been increasing its workforce to keep pace with production. Today, the mine employs some 475 people, 370 of whom work in the operations and maintenance areas. “We have a great team at Gibraltar who are hard at work in optimizing the assets at hand to maximize the value of the resource,” Rouleau said. “They are clearly focused on improving the bottom line through a number of business improvement initiatives.” The new expansion programme will be no exception, and estimates indicate that an additional 140 employees are likely to be required to run the upgraded site. With the current mining boom in Canada, and indeed around the globe, finding people to fill these positions may well pose some challenges, but Rouleau is optimistic. “We have been successful in finding the right people in the past,” he commented. “The Cariboo region of British Columbia is a great area and helps attract good, skilled people. In addition, the investments we’ve made into this long life asset help draw the necessary workforce.”

The company also actively invests in new technical graduates. “We know these young people are going to be running our business in the future, so we provide them with great opportunities and we have a well established training programme.” Currently at the mine there are 10 engineers in training in disciplines ranging from metallurgy and mine engineering to electrical and mechanical engineering. “We move them systematically from department to department so they’ll get experience in all aspects of our business, including short range and long range planning, drilling and blasting, maintenance, mine and mill operations and so on.



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One important element of the training program includes a short term placement at the corporate head office in Vancouver learning the business aspects of the company and the industry.

While Gibraltar is the revenue generating side of the business, Taseko boasts three additional exploration and development projects that promise future growth.

Taseko's Prosperity Project is one of Canada's largest undeveloped gold-copper mines. Situated approximately 175 km from Gibraltar, it has mineral reserves of roughly 7.7 million ounces of gold and 3.6 billion pounds of copper and could yield an average of 300,000 ounces of gold and 130 million pounds of copper a year over its estimated 20 year mine life. The project is well advanced and if all goes according to plan it should commence production in 2015. “We hope to receive a Federal Environmental Assessment Certificate in mid-2012. Based on this timeline, we expect to start construction in the first quarter of 2013 with first production in 2015.”

The Aley Project lies in northern BC, 150 km north of MacKenzie. “This project is in the exploration stage. We drilled 23 holes in 2010 and identified a potential resource which may contain somewhere between 230 and 430 million pounds of niobium.” The plan for 2011 is to continue drilling and potentially begin a feasibility study by the end of the year.

Taseko's other exploration project, the Harmony Project, located in the Queen Charlotte Islands (Haida Gwaii), has resources of approximately 3 million ounces of gold. The company plans to enter into the prefeasibility stage in 2011.

“So it's all on the go and we believe the timing is good,” Rouleau said, “particularly with metal prices where they are today. We will continue to increase capacity at Gibraltar, and we have some very promising projects in the pipeline. Taseko is ideally positioned. We have a strong management team with plenty of expertise and with high growth expectations and we're always looking, as every company is, for the next opportunities.”

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