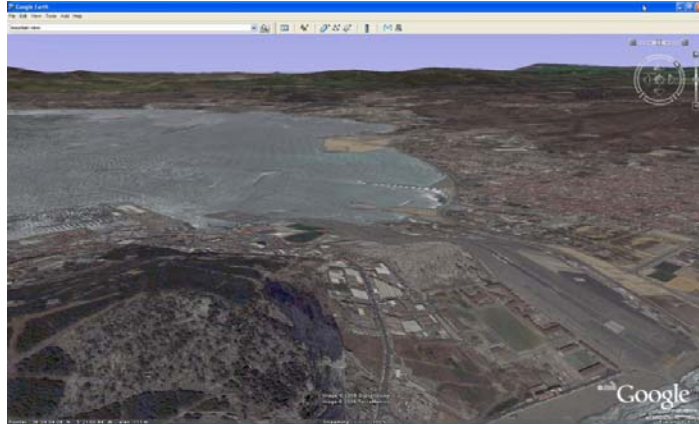


THE GIBRALTAR MINE: First Nation and Fishery Concerns

Background:

The Gibraltar Mine is an open pit copper molybdenum mine acquired by Taseko Mines Limited in 1999. Taseko and Northern Dynasty are sister companies owned by the Hunter Dickenson Group. The Gibraltar mine covers approximately 109 square kilometers, and is located in south-central British Columbia.



Wastewater Discharge to the Fraser River:

Historically the mine operated without a discharge to surface waters, storing the polluted runoff in the tailings impoundment and the pit. However, in 2005, the company determined there was no more room to store the wastewater, and applied for a permit to discharge it from the tailings impoundment into the Fraser River. The wastewater contains pollutants, such as total dissolved solids, sulphate, aluminum, copper and molybdenum. The permit authorizes the mine to discharge approximately 3,000 gallons per minute of wastewater into the river – with a maximum of 5 million cubic meters of wastewater a year.

Fishery Concerns & First Nation Opposition:

The wastewater discharge is located in an area of the Fraser River that supports many species of fish; threatened white sturgeon, bull trout, interior Coho Salmon, chubs, suckers, and more. The local First Nation, the Xats'ull, have traditionally harvested the fish in the Fraser River for subsistence. The Xats'ull First Nation strongly opposes the discharge permit, and filed an appeal of the permit with the BC Environmental Appeals Board (EAB) in May 2006, stating that it:

- Failed to adequately determine the effects of the discharge on resident fish species,
- Established discharge criteria that were not sufficiently protective of species at risk,
- Failed to consider cumulative impacts of other discharges in the Fraser River,
- Required inadequate effluent sampling requirements and inadequate environmental effects monitoring,
- Did not take into consideration established land use plans, and

- Inadequately consulted with the Xats'ull First Nation.

According to an EAB attorney, the Xats'ull appeal is one of the most substantial appeals in recent years in BC. A decision is pending. In the meantime, Taseko has posted a reclamation bond of \$18.5 million in a Reclamation Trust. As part of the reclamation plan they will establish a landfill site on the old waste rock dumps.

References:

Douglas Hill, P.Eng. BC Ministry review of Gibraltar Mines Discharge permit application PE-00416 April 10, 2006. 38 pgs.

J. Allen Isaccson, Review of the Gibraltar Mine Application for Discharge into Fraser River, no date, 5 pgs.

Rob McCandless, Environment Canada, mine permit reviewer and inspector. Personal communication, March 29, 2007.

Colleen McCrory, Executive Director of the Vahalla Wilderness Society. Personal communication, March 27, 2007.

Maggie Paquet, Fisheries Biologist, Personal communication, March 27-28, 2007

Colleen Smith, Attorney with the Environmental Appeals Board, personal communication, March 29, 2007.

Taseko mines. 2004 Environmental and Reclamation report. March 2005.

Taseko mines. 2006 Environmental and Reclamation report. March 2007.

Taseko Mines web site www.tasekomines.com