

**FEDERAL REVIEW PANEL
PROSPERITY GOLD-COPPER MINE PROJECT**

November 10, 2009

Chief Marilyn Baptiste
Xeni Gwet'in First Nations Government
#253 Fourth Avenue North
Williams Lake, BC
V2G 4T4

Dear Chief Baptiste:

The federal Prosperity Review Panel (the Panel) would like to acknowledge receipt of your November 6, 2009 letter sent on behalf of the Tsilhqot'in National Government. Your letter references the November 2, 2009 announcement by Taseko Mines Ltd. regarding the 70% increase in mineral reserves at the proposed Prosperity Copper-Gold Mine project¹.

On November 10, 2009, the Panel requested that Taseko Mines Ltd. provide additional information with respect to the potential expansion of the mine life of the proposed project, taking into consideration those requests made by the Tsilhqot'in National Government. In its letter, the Panel indicated that it will make Taseko Mines Ltd.'s response available for a public comment period in order to receive input from interested parties. The Panel will take the proponent's responses and any public comments received into consideration in determining whether the Environmental Impact Statement is sufficient to proceed to the public hearing.

The Panel's letter of November 10, 2009 addressed to Mr. Brian Battison of Taseko Mines Ltd. is attached for your convenience.

Sincerely,



Robert Connelly
Panel Chair

¹ The Taseko Mines Ltd. press release is available at <http://www.tasekomines.com/tko/Home.asp>

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November 10, 2009

Brian Battison
Vice President, Corporate Affairs
Taseko Mines Ltd.
Suite 300, 905 West Pender Street
Vancouver, BC V6C 1L6

Dear Mr. Battison:

The Panel is aware of the November 2, 2009 news release by Taseko Mines Ltd. announcing a 70% increase in mineral reserves at the proposed Prosperity Gold-Copper Mine project¹. The news release indicates that this increase in recoverable metal would extend the proposed mine life from 20 years to 33 years. The Panel is also aware of your response to the British Columbia Environmental Assessment Office in which you indicate that Taseko Mines Ltd. is not proposing a change to the 20 year mine plan as described in the Application currently being assessed².

The Panel understands that the recent announcement of increased mineral reserves does not guarantee that the life of the proposed mine would be extended from 20 years to 33 years, as such a decision would be based on the future strength of commodity prices. However, the Panel is also cognizant of the wording used by Taseko Mines Ltd. in its press release, which states “[t]his increase in recoverable metal, under present mine design criteria, *extends Prosperity’s mine life from 20 to 33 years*” [emphasis added]. This seems to suggest that Taseko Mines Ltd. is reasonably certain that the mine life would be extended.

In response to the Panel’s Information Request 2.1, Taseko Mines Ltd. submitted the “Supplemental Report on the Assessment of Alternatives for Tailings and Waste Rock Storage”³. Section 5.1 and Appendix F of this report provide information regarding the potential configuration of the open pit, waste rock piles, low grade ore stockpiles and the tailings storage facility in an ‘extended mine life resources’ scenario and an ‘example higher commodity prices’ scenario. This report states that the project is designed such that future reserve increases could be accommodated within the currently proposed extent of the non-potentially acid generating waste rock piles and low grade ore storage, and the existing footprint of the tailings storage facility. Further, the mine infrastructure and facilities would not increase in spatial extent. The report states that the open pit is the only aspect of the project that would expand. However, by way of example, neither the Supplemental Report nor the Environmental Impact Statement address how

¹ The Taseko Mines Ltd. press release is available at <http://www.tasekomines.com/tko/Home.asp>

² Prosperity Project Registry, CEAR #1309

³ Prosperity Project Registry, CEAR #1078

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the following aspects of the project could be affected by the increase in mineral reserves and associated extension in mine life:

- fish and fish habitat compensation plan;
- site water balance, including potential changes as a result of increased water requirements in the tailings storage facility (ex. more potentially acid generating waste rock and tailings requiring a water cover) and a larger open pit (ex. a larger pit would take longer to fill);
- groundwater and surface water quality predictions, including changes as a result of increased loadings;
- effects of increased release of criteria air contaminants and heavy metals on fish, wildlife, vegetation and human health;
- effects on key wildlife indicators and other inferred wildlife species, such as increased direct mortality risks and reductions of animal health, including effects as a result of prolonging the use of the transmission line and access roads;
- access roads and traffic, such as prolonged availability of access and related traffic volume; and
- predicted socio-economic effects.

The Panel therefore requests that Taseko Mines Ltd. provide information regarding whether this announced increase in mineral reserves would result in changes to the predicted effects of the proposed project.

If Taseko Mines Ltd. does not anticipate any changes to the predicted effects, the Panel requests that the proponent provide a rationale for why changes to the predictions are not required.

Once the Panel has received Taseko Mines Ltd.'s response to the above questions, it will make the response available for a public comment period in order to receive input from interested parties. The Panel will take the proponent's responses and any public comments received into consideration in determining whether the Environmental Impact Statement is sufficient to proceed to the public hearing.

Yours sincerely,



Robert Connelly
Panel Chair

c.c. Garry Alexander, British Columbia Environmental Assessment Office