

**TSILHQOT'IN NATIONAL GOVERNMENT**

#253 Fourth Avenue North • Williams Lake, BC V2G 4T4 • Phone (250) 392-3018 • Fax (250) 398-6798

April 17, 2009

Federal Review Panel
Prosperity Gold-Copper Mine
160 Elgin Street, 22nd Floor
Ottawa ON K1A 0H3

Attention: Robert Connelly, Chair

Dear Mr. Connelly:

Re: Response to Taseko's Comments on TNG's Request to Extend the Comment Period

On behalf of the Tsilhqot'in National Government (TNG), I am responding to Taseko's comments (by letter dated April 15, 2009) concerning TNG's request to extend the 60-day public comment period. We would appreciate the opportunity to clarify a number of important facts Taseko has distorted or omitted from its highly selective account of the background to this Panel review.

I have taken the liberty of attaching a previous letter from TNG to Taseko that addresses these same issues in more depth. I have also attached the earlier correspondence referenced in the footnotes to that letter.

Taseko argues that TNG could have commented on the EIS at any time through the provincial Technical Working Group meetings. What Taseko conveniently fails to mention is that the TNG cannot participate in the British Columbia Environmental Assessment Office (BCEAO) because the actions of the provincial government, prompted by Taseko, have shattered the confidence of the Tsilhqot'in leadership and the Tsilhqot'in people in the integrity of that process. As you may know, TNG negotiated together for months with the Province and Canada to form a joint federal-provincial review panel which would be acceptable to all parties. The Province unilaterally terminated this process, at the urging of Taseko, only days after Taseko threatened not to proceed with the Project if it was subject to a joint panel review.

Taseko bears direct responsibility for the TNG's inability to participate in the provincial Technical Working Group meetings or to comment on draft chapters and other materials submitted in this process. The TNG cannot, and will not, participate in the current BCEAO where it is demonstrably more concerned with appeasing the proponent than addressing the concerns of the Tsilhqot'in Nation in good faith. The TNG has elected, instead, to focus its efforts and resources on the federal environmental assessment which, to date, appears to offer the possibility of a fair and impartial hearing.

Taseko says that it is "preposterous and misleading" for TNG to contend that, until Canadian Environmental Assessment Agency (CEAA) participation funding is secured, it lacks the resources to engage in the massive technical undertaking required to review the EIS, explain this huge and complex document to our communities, and provide an informed response that will assist the Panel in its mandate. The funding provided by Taseko in the past was expended on the formidable task of building our internal capacity to the state that we could even begin to deal with the Project and to engage with Taseko. Taseko then abruptly terminated this funding, leaving TNG with a significant amount owing for work that was conducted in good faith. This left us completely without funding or resources, just as the environmental assessment process was starting in earnest.

TNG is close to concluding its Contribution Agreement with CEAA, which will provide the funding TNG urgently requires to properly review the EIS for sufficiency and confidentiality Tsilhqot'in Rights. CEAA funding is allocated, in part, to address this specific objective. The purpose of this funding will be largely frustrated if the comment period is not extended to allow reasonable time to actually implement the funding once it becomes available.

TNG is in general agreement with the Contribution Agreement provided by CEAA, and has today responded by asking for some minor amendments to reflect the particular circumstances of the Tsilhqot'in Nation. We fully expect to conclude this Agreement imminently.

In its comments to the Panel, Taseko continues to attack the motives and character of the Tsilhqot'in leadership simply because they currently oppose development of Project until the EA process is complete. The TNG has been clear with Taseko from the outset the Tsilhqot'in people and the Tsilhqot'in leadership are opposed to the Project so long as it requires the destruction of Teztan Biny and the surrounding lands and waters. Taseko was aware of that position all along. Again, this is addressed in more detail in the attached correspondence. It is an unfortunately feature of Taseko's approach to our Nation that it continues to disparage the actions that we are taking in good faith to protect our lands, our people and our traditional way of life.

We ask that the Panel not defer to Taseko's thinly veiled threat to abandon its Project unless the Panel and the government accede to its demands. The Province's capitulation to these exact same threats has irrevocably destroyed the legitimacy of the provincial environmental assessment and the faith of our Nation, and many others, in regards to impartiality and creditability. We ask the Panel pursue its mandate without regard to these threats and take all necessary steps to ensure that the public interest is served.

Contrary to Taseko's assertions, our reasonable request is not a "delay" tactic. Originally, we sought a joint Canada-TNG-BCEAO mandate, differing from the current public hearing process. It is essential and considered meaningful for us, for the comment period to have any legitimacy; it's necessary to access to CEEA funding to development a CEEA panel report for decision of Federal Ministers. It seems to us the public interest, and the "coordinated panels", are best served by ensuring the Tsilhqot'in Nation, as stewards and rights holders to lands and waters have the opportunity to meaningfully comment on the "common EIS".

Thank you once again for considering our request. We will look forward to your response.

Yours truly,

ON BEHALF OF THE TSILHQOT'IN NATIONAL GOVERNMENT:

<Original signed by>

Chief Bernie Elkins,
?Esdilagh (Alexandria Indian Band)
Tsilhqot'in National Government Prosperity Project Director

cc. Jim Prentice, Minister of Environment

via fax: 819-953-0279



TSILHQOT'IN NATIONAL GOVERNMENT

253 - 4th Avenue North, Williams Lake, British Columbia V2G 4T4 • Phone 250-362-3818 • Fax 250-368-5798

March 6, 2009

Taseko Mines Ltd.
Suite 300 - 905 West Pender Street
Vancouver, British Columbia V6C 1L6

Attention: **Russell Halbauer**
President & CEO

Dear Mr. Halbauer:

I am writing in response to your letter of February 6, 2009. You have made it clear that, despite our offer to continue discussions with Taseko on select issues of mutual benefit, your company has no intention of engaging further with the Tsilhqot'in people about your proposed Prosperity Project. I am writing you now only because your letter distorts the truth on a number of important issues, and we want to set the record straight.

As you know, from our earliest discussions with your company, the Tsilhqot'in Nation has been absolutely clear about our position: we were willing to meet with your company and engage in productive dialogue, but this in no way constituted support for the Prosperity Project. We made it clear, in fact, on a number of occasions that the Xeni Gwet'in people and the Tsilhqot'in Nation strongly opposed the Prosperity Project so long as it requires the destruction of Teztan Biny.¹ Your own Environmental Impact Statement documents early, strong opposition from the Tsilhqot'in on this ground.²

We have never wavered from that position. Your company assured us, in writing, that it understood our position.³ It is completely disingenuous for you now to assert that we have not acted in "good faith" simply because we continue to oppose your Project and have taken steps to protect Teztan Biny, our Aboriginal rights, and our traditional way of life. We did not "launch a lawsuit" out of some malicious intent to "frustrate the regulatory review of Prosperity" (in fact, the lawsuit in no way impedes this review from proceeding) or simply to throw up "legal impediments to Prosperity". We launched the law suit because we saw no other means to protect our Aboriginal rights and our ancestral lands against your proposal to destroy Teztan Biny and the surrounding lands, streams and rivers.

¹ See, for example, Lener, October 2, 2006, J. Alphonse (TNG) to R. Halbauer (Taseko).

² See Volume 8-2-A.

³ Lener, October 30, 2006, J. McManus (Taseko) to J. Alphonse (TNG); Lener, January 29, 2007, J. McManus (Taseko) to J. Alphonse (TNG) ("The Company fully understands and accepts that working together with the TNG does not mean that the TNG approves of the development of this project").

We were straight with you. You knew this was our position all along. You can disagree with our position, but we see no need to attack the motives and character of the Tsilhqot'in leadership and people for acting to protect Textan Biny, like we told you we would from the start.

In fact, we resorted to the courts to protect Textan Biny and our Aboriginal rights only after our considerable efforts at negotiating a mutually acceptable joint review panel with Canada and British Columbia were actively undermined at a late stage by your company, in a manner that destroyed our confidence in the integrity of the provincial environmental assessment process. These are not just assertions. These are the facts.

The fact is, back in September 2006, when Tasco was desperate to get DFO to reconsider its position against participating in an environmental assessment for the Prosperity Project, your company declared its agreement with a joint federal-provincial panel review, and said that it wanted to proceed to a joint panel "immediately".⁴ Later that month, when TNG advised that it was opposed to the destruction of Textan Biny, you personally wrote to TNG to assert "a Panel Review makes the most sense in terms of how we believe the Company should attempt to deal with all the issues surrounding any development of the Prosperity property".⁵

When DFO agreed to participate, over TNG's objections, TNG shifted its efforts to negotiating an acceptable framework for a provincial-federal joint review panel to address the issues and concerns of the Tsilhqot'in people. TNG spent months in good faith negotiations with Canada and British Columbia to this end, with Tasco's support. In fact, by letter dated September 5, 2007, Tasco complained to CEAA and the BCEAO that a Panel Review had not yet been recommended to the Ministers and asserted that the "right path" to a solution required the Ministers to "refer Prosperity to panel review".⁶

Everything changed after a joint review panel recommended against Kerness North. The federal government accepted this recommendation. Suddenly the "right path" for the environmental assessment of Prosperity was the last path your company and the BCEAO wanted to travel. BCEAO responded by tabling a draft panel review process that, remarkably, would have empowered a joint panel to recommend in *favour* of the Prosperity Project, but not *against* it. And after months of pushing for a joint review panel, you advised CEAA and BCEAO that you would not take your Project before a joint panel, in part because it "puts the future of a billion dollar mine in the hands of 3 unelected, unaccountable individuals".⁷

A mere four days later, the Province followed suit. BCEAO advised that a joint review panel was no longer an option, unless the panel was barred from making a recommendation as to whether or not the Project should proceed.⁸ Over our Nation's objections, British Columbia then terminated the joint review panel negotiations and ordered a separate, BCEAO-led review

⁴ Letter, Sept. 13 2006, S. Jones (Tasco) to P. Sprout (DFO).

⁵ Letter, Sept. 22, 2006, R. Halikauer (Tasco) to J. Alphonse (TNG).

⁶ Letter, Sept. 5, 2007, J. McManus (Tasco) to S. Chupmen (CEAA), G. Alexander (BCEAO) and others.

⁷ Letter, May 9, 2008, B. Hutison (Tasco) to S. Hargetz (CEAA) and G. Alexander (BCEAO).

⁸ Letter, May 13, 2008, G. Alexander (BCEAO) to Chief M. Biplaine (XG/TNG).

05-MAR-2009 02:41PM FROM-TSILHQBT:RNATION GOV

+12503995799

T-576 P.004/005 F-294

process.³ This is why we find ourselves in precisely the situation we spent months working towards a framework agreement to avoid, caught up in the unreasonable demands of multiple consultation and EA processes unfolding simultaneously.

In your letter, you attribute the breakdown of the joint review panel negotiations to "the position of the TNG", but it is clear that after supporting the joint review process for months, your company and the BCEAO reversed directions for fear that an independent panel might actually recommend against the Prosperity Project. The actions of BCEAO and your company have completely deprived the provincial environmental assessment process of legitimacy, shattered the confidence of our people (among others) in this process, and effectively pushed us into the courts to defend our rights and interests.

You state that your company has "generously" provided financial assistance to TNG for capacity funding, from June 2006 ~ July 2008. Let's face it: the funding your company provided to TNG was, in large part, to assist Taseko in satisfying its consultation duties and regulatory requirements. I remind you that our Nation did not choose to have this mine, or to spend the past several years and the foreseeable future struggling to preserve Teetan Biny and our traditional lands.

Despite our express opposition to the proposed destruction of Teetan Biny, we have engaged with your company since the early 1990s, with almost no capacity for this task. By the time Taseko started providing funding in 2006, your company had already conducted studies, reports, research, etc., and we had a long way to catch up to begin reviewing and understanding your project.

Considerable funds were required to start building capacity within TNG to deal with your project (for example, the salary for a Mining Coordinator), to retain outside consultants and technical experts, to attend numerous meetings with your company, to prepare for the community impact assessment (which was aborted when you unilaterally terminated funding), etc. Further, as you know, you insisted on proceeding with your project, notwithstanding the lands in question fell within the claim area of our Aboriginal rights and title case, which was before the B.C. Supreme Court. As a result, we required ongoing legal advice to fully appreciate and protect our rights and interests throughout our engagement with your company and the regulatory review process.

Your company presumably considered these expenses appropriate and necessary, as you reviewed and paid the invoices as they came due. When British Columbia pulled the plug on the joint review panel process, our Nation was understandably outraged. Our people and leadership felt betrayed, and strongly expressed once again our opposition to the Prosperity Project so long as it requires the destruction of Teetan Biny. Your company used this as an opportunity to terminate our funding and, contrary to your letter, left us with a considerable amount owing for work that was conducted in good faith.

This left us completely without funding or resources on a going-forward basis, just as the environmental assessment process was ramping up. We still have not received a single dollar

³ Letter, June 27, 2008, G. Alexander (BCEAO) to Chief E. Charleyboy (TDD/TNG), Chief M. Baptiste (XG/TNG) and B. Harrison (Taseko).

from CEAA to participate in the federal Panel review. Again, we did not choose to engage in this process – it has been forced upon us. Without appropriate funding for our participation, in this decision of profound importance for our people, this process will be entirely hollow, and the Crown will fail to honourably discharge its constitutional duties to our Nation.

You conclude your letter by rejecting our offer to continue discussing select issues of mutual benefit, by stating "I can't now possibly guess at what more we might be reasonably expected to do to satisfy you. You have exhausted our imagination". I will remind you that we were responding to *your* company's repeated requests for us to comment on and commit to a consultation process with Tsasko (among numerous other matters), so that you could discharge your regulatory consultation requirements. It certainly calls the good faith of your company into question, when it tables a proposed consultation plan, purportedly to engage with our Nation about our concerns, at the same time as you complain that you can't "possibly guess" at what more you "might be reasonably expected to do to satisfy" our people.

Frankly, we find your exasperation hard to swallow. Your company is doing everything in its power to construct a massive open-pit mine in the heart of our traditional lands, and you have offered no options that do not require the complete destruction of an ancestral lake that has sustained our people for generations. You are coming into our homeland with plans to desecrate an enduring bond between our people and our lands that is deeper than you will ever understand – all for some twenty years of "prosperity". When you deride our efforts to honour our responsibilities and to protect our lands as "activist strategies", and when you complain that we still oppose your project after you have "exhausted" your imagination to please us, you make it abundantly clear that you have not heard a word that we have said, despite your careful records of countless meetings. We stand committed to the protection of Teztan Biny and our traditional lands.

Despite all of our differences we invite you to contact our Mining Coordinator Lorena Williams to set a meeting in the near future.

Yours truly,

ON BEHALF OF THE TSILHQOTIN NATIONAL GOVERNMENT:

<Original signed by>

Chief Ervith Charleyboy, Chairman

Cc: Steve Burgess, CEAA
 Gary Alexander, BCEAO
 Gordon Hogg, Minister of Mines
 Barry Penner, Minister of Environment
 John McManus, Tsasko Mines Ltd.
 Brian Bettison, Tsasko Mines Ltd.
 Williams Lake Tribune

4 | P a g e



TSILHQOT'IN NATIONAL GOVERNMENT

102 - 983 Olive Street, Williams Lake, British Columbia V2G 1M4 • Phone 250-392-3918 • Fax 250-395-6798

October 2, 2006

Russell E. Hallbauer, President
Taseko Mines Ltd
1020 - 800 West Pender St.
Vancouver, BC, V6C2V6

Dear Mr. Hallbauer

Thank-you for your letter of September 22, 2006, sent as a follow-up to my conversation with John McManus.

To be very clear about the position stated in our September 13th letter to the Minister, and my subsequent letter to you on September 18th, the TNG is prepared to engage in the environmental assessment process with you in advancing a mining project at Fish Lake. However, our engagement in the process cannot prejudice the position we might take at the end of it with respect to opposing or supporting the project.

The letter to the Minister was written because the one option you apparently preparing for government approval will result in complete destruction of Fish Lake, and we do not support that option.

We are being totally upfront, before the assessment process takes place, about our position on this. While we are prepared to engage in the environmental assessment to learn more about this option, it is very unlikely that we would change our mind and support this option at the end of the day. You need to know that we would be going through the EA process with this position. That does not mean that we will engage in the EA process on a trivial basis. To the contrary, we will participate as meaningfully as we can on the available resources to do so, with the intent of learning as much about the project as we can, and with a view to making a more informed decision at the end of the process.

But to be clear, if Taseko wants a mining project at Fish Lake, you would be well advised to present alternative approaches to mining the deposit.

Such options must protect the ecosystem of Fish Lake, largely or completely, to be acceptable to us. As we have stated in our previous correspondence, we are completely prepared to consider a mining option which achieves this objective.

We know that the company evaluated different options seven years or so ago, but those evaluations are not relevant today. This is because mineral prices have risen dramatically since then and the economic feasibility of various options will have changed completely. Besides, any options identified need to be environmentally assessed, and your process selected your preferred option prior to a full environmental assessment of them.

Finally, and most importantly, we were not involved in the evaluation of options and we must be.

We cannot force the company to change its preferred option in preparing the application, but we can assure you that an option that protects Fish Lake will stand a much greater chance of being acceptable to our people at the end of the day. You need to be mindful of the fact that any mining proposal must eventually undergo a review and approval process by the Tsihqot'in people to win their support. The political leadership of the TNG must represent the wishes of our people through a community referendum when considering land use proposals for our territory. To repeat, a single proposal that results in the destruction of Fish Lake is very unlikely to win such support, and we need to be clear with you about that.

We appreciate the apparent willingness of the company in assisting us through the environmental assessment process, and we will participate in accordance with the participation agreements we have signed, and may sign with you over the next year or so while the application is being reviewed. We agree that a meeting between TNG and Taseko in the near future to discuss our mutual objectives and to sort out the next steps is appropriate.

Given the substantial workload of the TNG chiefs this fall, this will take a couple of weeks to organize and set a date. In order to start this process, I would appreciate immediate payment of all our outstanding invoices related to the Taseko project. Once we receive your cheque, I will make the necessary arrangements for meeting at the earliest opportunity.

I have also been asked by the Chiefs to follow up on Chief Roger William's earlier request to the company for a letter of assurance that the company will not proceed with the project if the TNG membership decides, through a community referendum at the end of the EA process, that the project is unacceptable to them. Such a letter from Taseko would result in a much greater level of comfort about the process ahead, as well as faith in the company that it is truly respectful of the Tsihqot'in people's rights and plans for their territory.

Finally, we acknowledge your concern about the short timeline for the provincial EA process and your hopes for a joint panel review. We understand that there is much work yet to be done in preparing the application and for ourselves in understanding the project. To that end, we are completely prepared to write a letter of support to the BC Government if Taseko is going to request an extension to the existing Time Limit Extension Order setting the April 30, 2007, deadline.

We trust the above clarifies our position and our intent with respect to our relationship with Taseko. We will be happy to meet with you in person once our outstanding invoices have been reimbursed and we can organize the Chiefs' availability for a meeting.

If you have any questions between now and then, please contact me. I should stress that, given the company's behaviour at our last meeting, respectful protocols for engaging with the Chiefs are essential. Your representatives should understand that meetings with our political leadership need to be respectfully conducted, and properly pre-arranged so that the time required by the Chiefs to meet with you is efficiently and productively spent.

Sincerely,

<Original signed by>

Joe Alphonse
Director of Government Services
Tsilhqot'in National Government

OCT-31-2006 01:03PM FROM-TSILHQCTINNATION GCV

+125039857

7-150 P.002/003 F-518



Taseko Mines Limited

1020 - 800 West Pender Street
Vancouver, B.C.
Canada V6C 2V6

October 30, 2006

Mr. Jos Alphonse
Director of Government Services
Tsilhqot'in National Government
102-383 Oliver Street
Williams Lake, BC
V2G 1M4

Fax: 250-398-5798

Dear Mr. Alphonse

Thank you for your letter of October 2, 2006 which was addressed to Russell E. Hallbauer. I am responding on behalf of Mr. Hallbauer as well as on behalf of Taseko Mines Limited.

You have clarified that while the TNG is prepared to engage meaningfully in the environmental assessment of the proposed Prosperity mining project, you remain opposed to the option put forward which results in the destruction of Fiza Lake. As a result of that clarification, and as a result of the points and questions that you raise in your letter, I now have a better understanding of those issues which must be better explained and discussed so that the TNG and the people represented by the TNG can see the validity of why the company is saying that there really is only one option which could be successfully developed.

While the company is unable to provide a letter of assurance that the project absolutely will not proceed without support of the TNG membership through a referendum, we are committed to working with the TNG so that all aspects of the project can be understood to the level necessary for general acceptance. Part of that commitment to working together is the provision by the company of resources, access to resources, and assistance to the TNG during the environmental assessment process. Regarding your comments that Taseko pay outstanding invoices before we can meet again, my understanding is that, as per the Letter of Intent, Taseko essentially prepays for TNG expenses incurred on the environmental assessment on a monthly basis so I trust that this is in order.

As we discussed on September 20th, and in subsequent letters, the company would appreciate the opportunity to "paint the picture" in its entirety for the TNG. We are all aware that the picture is complicated, full of minute detail, and not without some aspects that we would prefer weren't there, but when taken as a whole I remain confident that this is an opportunity which should not be missed. The company commits to presenting to and including TNG in the evaluation of the options, explaining fully why current metal prices do not change the outcome of that evaluation, and providing an explanation of what will occur following closure of the mine as well as during operation. Also, as I have said more than once, it is time to discuss how the people of the TNG could participate in the project itself, if it were to go ahead. We are willing to enter those discussions prior to completion of the environmental assessment and we fully understand that these discussions should in no way be perceived to mean that the TNG has given approval to the project.

OCT-31-2006 01:03PM FROM-TSILHQ OTINHATION GOV

+1250388576

7-150 P.003/003 P-518

We would be more than pleased to work with you in order to ensure that the time spent in meetings between the company and the representatives of the TNG, including the Chiefs, can be most productive and efficient. I suggest that in future we develop an agenda prior to having meetings or at the very least, provide a letter which outlines the purpose of the meeting and who we expect will attend from the company.

I appreciate your clarity of language and I look forward to our next meeting. Please feel free to contact either myself, Scott Jones, or Bob Patterson if you have any further comments, questions, or concerns.

Sincerely,

TASEKO MINES LIMITED

<Original signed by>

John W. McManus, P. Eng.
Vice President, Operations

CC: Russell E. Hallbauer, President and CEO, Tasoko Mines Limited
Scott Jones, General Manager, Project Development, Tasoko Mines Limited
Bob Patterson, Manager Environment and Governmental Affairs, Tasoko Mines Limited

JAN-31-2007 03:34PM FROM-TSILHQCTINNATION GOV

+12503985798

T-898 P.002/002 F-915



Taseko Mines Limited

Taseko Mines Ltd.
1020-800 West Fender Street
Vancouver, BC V6C 2V8
Canada

Tel.: (604) 684-6345 Fax: (604) 639-9203

January 29, 2007

Mr. Joe Alphonse
Director of Government Services
Tsilhqot'in National Government
102-383 Oliver Street
Williams Lake, BC V2G 1M4
Fax: 250-398-5798

Dear Mr. Alphonse:

I am writing to update you on Taseko's work on the various development options for the Prosperity Copper-Gold Mine Project.

Currently, the Company is re-examining the development options for the Prosperity Mine. The intention of this exercise is to once again ensure that technically and economically viable mine development options are seriously considered. If an option is identified which could preserve all or part of Fish Lake, TML will perform a Multiple Accounts Evaluation (MAE) with the TNG as participants, as you have requested, and along the lines of Tony Pearce's December 1st letter. Taseko has now reached the point in the process where TNG should be working with the Company on the design of the potential MAE process and scope. In keeping with Tony's letter we need to locate and engage a mutually agreeable professional mining engineer and a MAE practitioner to represent TNG. Scott James will discuss this with Tony Pearce and Loretha Williams. The Federal and Provincial Governments will also be involved with the MAE and the Company will be approaching the appropriate Ministries to determine how they wish to participate.

On behalf of the Company, I would like to express our great appreciation for the considerable time and effort committed by yourself and others in the Tsilhqot'in National Government on the Environmental Assessment of the Prosperity Project. The Company fully understands and accepts that working together with the TNG does not mean that the TNG approves of the development of this project. It is my belief that establishing and maintaining a positive relationship with the TNG is necessary for achieving successful mine development and operations, and for providing a legacy which is positive for the TNG at all stages of the project, including post-closure.

I trust that this is acceptable to yourself and the TNG and I truly look forward to continuing working with you on this project.

Sincerely yours,

<Original signed by>

John W. McManus, P.Eng.
Vice President, Operations

FILE COPY

Department of Fisheries and Oceans
Suite 200-401 Burrard Street
Vancouver, B.C.
V6C 3S4

September 13, 2006

Attention: Paul Sprout, Regional Director General

Dear Mr. Sprout

Re: Prosperity Gold Copper Project Environmental Assessment

I am writing to you at the suggestion of Ginny Flood, National Director, Environmental Assessment and Major Projects/Habitat Management.

The purpose of this letter is to outline the current status of the Prosperity Project and to request the opportunity to meet with you on an urgent basis to discuss critical issues.

Taseko Mines is the 100% owner of the Prosperity gold copper project in central B.C. The Prosperity Project has the potential to rank as one of the largest single private sector investments in British Columbia this decade, generating an estimated capital investment of up to \$800 million over the life of the project and over 10,000 man years of direct employment if the project is developed.

When Taseko became the owner of the project in the early 1990's, the company proceeded in good faith that the project was significant enough in scale and scope that it deserved a fair and open review as is allowed under both Canadian and Provincial laws, policies, and guidelines. By the end of the decade, the company had invested \$55M in geological, engineering, economic, social and environmental assessments of the project.

The project has been under a Canada-BC harmonized environmental assessment review since 1996. DFO's participation in this review has been guided by various Ministerial directives including a letter dated June 6, 1997 by Minister Mifflin. Despite this direction, it was apparent then and it remains so today that DFO officials are focused primarily on

discharging their limited responsibilities with respect to fish and fish habitat rather than on first participating in a full and transparent review of the project.

When the Canada-BC Harmonized review of this project began in 1996, the environmental assessment was being conducted as a comprehensive study. As it progressed DFO officials made clear their position that DFO reserved the right to remove consideration of the loss of Fish Lake and the possible need for a Section 35(2) Authorization from the review. From our perspective this position created the possibility of there being a second or parallel review process or even worse the possibility that after completion of a harmonized review, assuming that the outcome was a recommendation of certification, that DFO could then deny issuance of a Section 35(2) Authorization effectively killing the project. For this and other reasons work on the environmental assessment and review of the project was suspended in 2000.

In October of 2005 the provincial Environmental Assessment Office granted the final extension order, indicating that the environmental assessment had to be substantially completed by April of 2007. Since that time we have initiated further environmental and engineering studies aimed at updating information in preparation for the completion of the environmental assessment.

We have actively engaged in extensive consultations with First Nations, local and regional government officials, and the public. Over the past nine months we have also met with both regional and national DFO, CEAA, provincial Ministry of Environment, and Energy Mines and Environmental Assessment officials. Virtually all interested parties we have engaged, with the exception of the DFO, have expressed a desire to have a thorough review to see if the Prosperity Project can pass all of the hurdles that would make it a clean, safe generator of economic benefits for many years to come, while at the same time not only avoiding unnecessary impacts on the environment but in fact perhaps providing the means to actually enhance and improve environmental undertakings in the Chilcotin.

Senior federal DFO and CEAA officials familiar with the history of this project have informally advised us that for the project to receive a full and open review it will need to go to a Federal-Provincial Panel review. Taseko is in agreement with this and is prepared to proceed to Panel immediately.

Provincial MOE, and EAO officials at the DM level have recently corresponded with your Deputy Minister expressing their desire to see a full and open review completed and to have any decision regarding the potential loss of Fish Lake considered as part of that full and open review. The only issue holding up this review is a decision from DFO as to whether or not it will participate.

Based upon our recent meetings with your departmental officials it is our understanding that DFO officials making the recommendation whether or not to participate in a panel review are doing so based solely upon historical context, information and positions. It is our strong belief and view that such a decision must be looked at in today's context,

taking into account amongst other things the overwhelming desire of stakeholders and interests to see the project undergo a full and open review and not have the acceptability of this project decided a priori by a single focused interest such as DFO

DFO officials have indicated that a decision regarding their participation will be forthcoming by mid-October of this year.

If the recommendation from the region to the Minister is that DFO not participate in a Panel review, Taseko management would certainly want the opportunity to discuss the issue with the Minister prior to that decision.

In the interim, we respectfully request on an urgent basis an opportunity to discuss this situation with yourself and whomever else you believe should have an opportunity to hear what we have to say before the region makes their recommendation.

Thank-you for your time and consideration and I look forward to your reply.

Sincerely,

Scott Jones, P.Eng.
General Manager, Project Development
Taseko Mines Limited

Cc: Adam Silverstein, Pacific Environmental Assessment and Major Projects
Manager
Ginny Flood, National Director, Environmental Assessment and Major
Projects/Habitat Management
John McManus, Vice President Operations, Taseko Mines Limited



Taseko Mines Limited

1020 - 800 West Pender Street
 Vancouver, B.C.
 Canada V6C 2V6
 Tel 604-684-6363
 Fax 604-684-8092
 www.taseko.com

Sam
 COPY

September 22, 2006

Mr. Joe Alphonse
 Tsilhqot'in National Government
 102-383 Oliver Street
 Williams Lake, BC
 V2G 1M4

Fax: 250-398-3798

Dear Mr. Alphonse

Thank you for your letter of September 18, 2006.

I am of the understanding that a good portion of the concerns you raise in your letter were addressed in the conversation you had yesterday with John McManus. Even with that having occurred, I feel it is very important that you receive a response to your letter from me so that you hopefully will understand why we feel the September 13th letter from the TNG Chiefs to the Minister of Fisheries is of such great consequence to the Prosperity Project and therefore to the Company, Taseko Mines Limited.

The position taken by the TNG Chiefs in their letter to Minister Hearn has now made a comprehensive environmental assessment of the Project much more difficult. DFO staff have stated, as you have indicated, that they are not prepared to enter into an evaluation or Panel Review of the Project, based on their historical position on Fish Lake in relation to the Fisheries Act respecting disturbance to fish habitat, associated compensation and fishery enhancement. This position is held by DFO in the face of ample evidence for them to deal with compensation and enhancement in terms of what has occurred at other sites, Kemess North, Duncan Lake, Skoti and Diavik to name but a few. The Chiefs' letter will further entrench the position of DFO staff in that regard, and if we do not have a Panel Review we will be time challenged in completing an Environmental Assessment under the conditions laid out by the Provincial government. That is why the TNG Chief's letter is so pre-emptive, as the issue is not about government policy, it's about having the DFO participate in a process.

Given an opportunity, we believe the facts ultimately will speak for themselves on Fish Lake, including all the various mining and mitigation options once everyone has had input into the Environmental Assessment, a process which up until we received your letter we believed the TNG would be actively involved in, with your concerns in that framework being fairly represented. A very important aspect of the Letter of Intent we completed with the TNG, for us as a Company, is in Section 11 of the Agreement, "Taseko and the Tsilhqot'in acknowledge the importance of conducting a comprehensive environmental assessment of the Project". In that context there are important aspects of the Letter of Intent that have been clearly misunderstood. Taseko believes we have fulfilled our end of the bargain in good faith and we believe we have been straight forward, honest and upfront on all our dealings.

SEP-27-2008 10:33AM FROM-TSILHQ@TINNATION.GOV

+12503005700

T-744 P.003/003 F-856

-2-

Up until Taseko received a copy of your letter to Minister Hearn, current Taseko management understood that there was a component of your community that was opposed to the project. It is, however, the first time that the TNG's position that the removal of Fish Lake was completely unacceptable, and that only other mining options would be considered.

We have not lobbied the Minister nor his staff about the current Fisheries Act and fisheries habitat compensation in relation to Fish Lake, although we have been in discussions with DFO staff regarding participating in the Panel Review, which would hopefully clarify what could or would be done on the compensation side should a panel deem it appropriate. I believe you have been given all of our correspondence with the DFO in a timely manner.

We believe the framework of the Letter of Intent from our end has for all purposes followed Phase I. Whether the Company moves forward on Phase II and Phase III will be based on the clear understanding of where the TNG wishes to go in further discussions as it relates to being engaged and involved in the process, whatever that might be. Taseko has indicated to the various government agencies involved with Prosperity, including the DFO, that a Panel Review makes the most sense in terms of how we believe the Company should attempt to deal with all the issues surrounding any development of the Prosperity property.

Taseko management has attempted to comply fully with the terms of the Letter of Intent in all respects. If the TNG Chiefs had sat down and discussed with us what they were planning in regards to the letter to the Minister at least we would have had the opportunity to discuss the possible end result. We may not have convinced the TNG to not send the letter, but you could have understood the potential consequences from Taseko's end. I believe the Letter of Intent fully contemplated situations like that which I describe, and in turn how to reach a mutually agreeable solution.

With all the discussion around the removal of Fish Lake, Taseko has taken extraordinary efforts in evaluating other mining options over the years. From our intensive engineering and economic studies, other options could not have supported an economical mine development nor could they minimize the environmental impacts on other watersheds. A Panel Review would have hopefully illustrated that for the TNG as well as other groups. Possibly a clearer presentation of where we are in that undertaking will help you understand that issue better. I am pleased to hear that you are working to arrange a meeting where that full picture can be painted and questions and concerns can be expressed openly and addressed to the best of our ability.

Please contact either myself, John McManus or Scott Jones for further follow-up. Our management group is prepared, as we have always been, to discuss issues with the TNG in an open and positive framework recognizing both parties concerns.

Yours truly,

TASEKO MINES LIMITED

<Original signed by>

Russell E. Hailbauer
President & CEO

CC: John McManus, VP Operations, Taseko Mines Limited
Scott Jones, General Manager, Project Development, Taseko Mines Limited



3A02

Taseko Mines Ltd.
1020-803 West Pender Street
Vancouver, BC V6C 2V8
Canada

Tel.: (604) 684-6365 Fax: (604) 633-9203

VIA FACSIMILE AND REGULAR MAIL

September 5, 2007

Dominic Cliché, Steven Chapman, and Bruce Young
Canadian Environmental Assessment Agency
22nd Floor, Place Bell
160 Elgin Street
Ottawa, ON K1A 0H3
Fax: 613-957-0941

Adam Silverstein and Peter Delaney
Fisheries and Oceans Canada
Suite 200 - 401 Burrard Street
Vancouver, B.C. V6C 3S4
Fax: 604-666-1847

Lori Young and Derek Nishimura
Transport Canada
620 - 800 Burrard Street
Vancouver, British Columbia
Canada
V6Z 2J8
Fax: 604-666-7255

Andrew Thrift
Natural Resources Canada
605 Robson Street
Vancouver, BC V6B 5J3
Fax: 604-666-1124

Gary Alexander
British Columbia Environmental Assessment
Office
1st Floor 836 Yates St
PO Box 9426 Stn Prov Govt
Victoria, BC V8W 9V1
Fax: 250-356-6448

Dear Sirs:

We are writing in response to Chief Roger Williams' August 23, 2007 letter regarding the Tsilhqot'in National Government framework agreement respecting the Environmental Assessment (EA) review of the Prosperity Project (the "Project").

This letter is sent to express Taseko Mines Limited's support of the Tsilhqot'in National Government's effort to negotiate a framework agreement with the Governments of Canada and British Columbia. We further encourage Canada and BC to move forward with those negotiations with the objective of providing them with adequate resources, enabling their meaningful participation in the EA process.

COPY

While we appreciate the hard work and commitment that has already been expended by CEAA and BCEAO, and while contemplating the points identified in Chief Williams letter, we would also draw to your attention the following issue.

Process delays in getting the formal Environmental Assessment review started, not the environmental or social issues that a review is meant to address, threaten to hinder the development of an \$800 million mine development project.

In January 2007 the responsible government agencies (RA's) that would be involved in the Environmental Assessment review of Prosperity recommended the project go to a panel review.

Now, nine months later, the provincial Environmental Assessment Office (EAO) and Canadian Environmental Assessment Agency (CEAA) officials have yet to refer that recommendation to their respective Ministers of Environment for a decision.

The effect of these delays brings into question the sincerity of the federal government initiative to make major project reviews more efficient and effective.

THE PROBLEM

While both the Government of Canada and of BC have expressed a desire to move the project along, the process is taking too long:

- Federal government officials lack clear direction/authority when dealing with First Nation issues;
- An apparent lack of agency resources/personnel is causing delays and inefficient handling of the project review process

THE SOLUTION

We see the following as the right path to a solution.

1. Finalize necessary consultations with First Nations so that Ministers can then make a decision as to whether or not the project should be referred to a panel review.
2. Federal and provincial Ministers of Environment to refer Prosperity to panel review. Make the decision before the end of September 2007.
3. Negotiate a framework agreement with Tsilhqot'in National Government (TNG) with the objective of providing them with adequate resources which will enable them to participate meaningfully in EA process.
4. Once the decision is made to refer the project to Panel, establish a committee of senior assistant deputy minister-level personnel to ensure a timely Environmental Assessment process for Prosperity without undue delay.

- a. Federal and Provincial agencies to establish guidelines for the Prosperity Environmental Assessment (using existing Project Report Specifications as a base with input from First Nations, regulators, proponent, and the public)
 - b. Federal and Provincial agencies to make a determination of adequacy of the submitted Environmental Assessment
5. Adopt clear terms of reference and well defined timelines for the panel process to follow.

We strongly urge you to act on these five recommendations. We believe that doing so will help restore timeliness and certainty, key elements in ensuring continued public confidence in the regulatory review process.

Yours truly,

<Original signed by>

John McManus, P.Eng.
Vice President, Operations
Taseko Mines Limited

Cc: Chief Roger William
The Hon. John Baird, Minister of Environment Canada
The Hon. Loyola Hearn, Minister of Fisheries and Oceans Canada
The Hon. Lawrence Cannon, Minister of Transportation Canada
The Hon. Gary Lunn, Minister of Natural Resources Canada
Jean-Claude Bouchard, President, CEAA
The Hon. Barry Penner, Minister of Environment, British Columbia
The Hon. Mke de Jong, Minister of Aboriginal Relations and Reconciliation
Joan Hesketh, Executive Director, BC Environmental Assessment Office
Tony Pearce
Jack Woodward and Heather Mahony, Woodward and Company

Addendum**BACKGROUND**

An Environmental Assessment review process -- In order for the Prosperity project to move through the appropriate Environmental Assessment (EA) review process, First Nations need to be consulted on the process and encouraged to participate.

"Panel Review" -- The EA review process deemed most appropriate for Prosperity is called a "Panel Review process."

Both governments recommend panel review -- In the fall of 2006, federal and provincial staff indicated that a recommendation to-go-to-panel would very soon ("within days") be submitted to their respective ministers and that their concurrence to do so would quickly follow.

Almost a year has now gone by -- By the end of August 2007, almost a year later, we are told that federal and provincial staff will "soon" refer the project to their respective Minister's recommending the project proceed to a panel review (referral now expected within "2-3 weeks").

First Nations want to participate -- First Nations (Tsilhqot'in National Government -- TNG) and others want to participate in the process. The TNG have put forward a draft framework agreement outlining the terms and conditions that would enable them to participate in the panel review process.

The provincial government will talk to First Nations -- The provincial government (Environmental Assessment Office -- EAO) is willing to discuss all elements outlined within the Draft Framework Agreement while federal officials are not willing to discuss aspects related to the panel process until the matter has been referred to Ministers for a decision.

THE SIGNIFICANCE OF THE PROSPERITY PROJECT

Taseko Mines Limited, operators of the Gibraltar Mine near Williams Lake, is proposing to develop a similar open-pit gold and copper mine 125 kilometres southwest of Williams Lake B.C.

The Prosperity mineral deposit is a large gold-copper resource and has the potential to generate:

- An estimated capital investment of up to \$800 million over the life of the project
- The project is worth \$5 billion in economic activity ... \$200 million in spending each year for 20+ years
- 550 direct and 1,280 indirect jobs annually

- 20+ years of economic development

If we are successful in gaining the necessary government approvals to build the mine, Prosperity will rank as one of the largest single private sector investments in British Columbia this decade.

TASEKO MINES LIMITED

804 639 9203

P. 2



Taseko Mines Ltd.
1020-800 West Pender Street
Vancouver, BC V6C 2V9
Canada

Tel: (604) 694-6545 Fax: (604) 639-9270

May 9, 2008

VIA FACSIMILE & REGULAR MAIL

Steve Burgess
Acting Vice-President, Operations
Canadian Environmental Assessment Agency
22nd Floor, Place Bell
160 Elgin Street
Ottawa ON K1A 0H3
Fax: 613-957-0862

Gary Alexander
British Columbia Environmental Assessment Office
1st Floor 836 Yates St
PO Box 9426 Stn Prov Govt
Victoria, BC V8W 9V1
Fax: 250-356-6448

Dear Sirs;

I am unable to recommend to the President & CEO and ultimately the Board of Directors, that we move the Prosperity Project into the panel review process outlined in your letter to Chief Marilyn Baptiste, Tailhqt'in National Government, dated April 16, 2008.

The reasons are as follows:

1. The proposed process puts the future of a billion dollar mine in the hands of 3 unelected, unaccountable individuals. Our company assets cannot be subjected to that degree of risk. Decisions of this magnitude should rest solely with the elected Government Officials – Provincial and Federal. Elected Officials should be able to make an unfettered final decision on whether or not the project proceeds.
2. Under the proposed process, third party influence will jeopardize the delivery of an unbiased examination of the Project.
3. The proposed process places an excessive emphasis on consideration of established or asserted Aboriginal rights or title within the scope of environmental assessment. Such matters should be dealt with elsewhere, outside the scope of environmental assessment.

The proposal does not stipulate a mechanism of entry in future & time limited review.
Nor does the proposal stipulate timelines or provide a mechanism to ensure

05 MAY 2008 11:00AM TASEKO MINING LIMITED 504 639 9203

P.3

May 9, 2008

Page 2 of 2

Federal Regulators perform their duties in a timely and efficient manner. Traditionally, while Provincial Officials/Regulators are governed by regulated timelines their Federal counterparts are not.

5. The proposal fails to specifically mention the fundamental principle that the review of our project will be based upon the work completed thus far – Project Report Specifications for Tasco Mines Ltd Prosperity Gold-Copper Project – approved under the former British Columbia *Environmental Assessment Act*.

There are positive aspects to the proposal, specifically the existence of the Draft Consultation Protocol Agreement, the inclusion of a dispute resolution mechanism and the ability for the panel to hold "set-aside" technical hearings, and the provision for parallel discussions among the TNG, Canada and British Columbia.

Whether the Project is able to move forward is dependent on the Federal and Provincial Government. The choices are limited as we see it. One option is for you to suggest a new process, one that ensures a level playing field of assessment, where the full impact of this Project will be considered – economic, social and environmental.

Sincerely,

<Original signed by>

Brian Battisto
Vice President, Corporate Affairs

CC: Robin Janger, Associate Deputy Minister
Peter Sylvester, President, Canadian Environmental Assessment Agency
Loretha Williams, Mining Coordinator, Tailhgot's National Government
Chief Marliya Baptiste, Kenu Gover'n First Nation
Chief Ervin Charleyboy, Alexis Creek Indian Band
Chief Doris Baptista, Alexandria First Nation
Chief Francis Lacasse, T'esogax (Toosy Indian Band)
Chief Ivor D. Myers, Yamsit'in Government (Stone River Band)
Peter Delaney, Fisheries and Oceans Canada
Derek Nishimura, Transport Canada
Andrew Thrift, Natural Resources Canada
Heather Mahony, Woodward and Company
Euan Hallbauer, President and CEO, Tasco Mines Limited

MAY-16-2008 11:00AM FROM-TSILHQOT:NNATION GOV

+12503995700

T-004 P.002/002 F-001

32100-10/TPSE
Kathleen Sam
TNG Chiefs



Telephone: 250-367-9675
Facsimile: 250-250-8448
File: 20200-200703-04-01

Ref: 97673

May 13, 2008

Chief Marilyn Baptiste
Tsilhqot'in National Government
102 383 Oliver St
Williams Lake BC V2G 1M4

Dear Chief Baptiste:

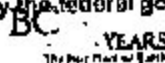
The Environmental Assessment Office (EAO) and the Canadian Environmental Assessment Agency (CEAA) wrote to the Tsilhqot'in National Government (TNG) on April 16, 2008 asking for your comment on a revised proposed draft Joint Panel Agreement and proposed Consultation Protocol with the TNG regarding the assessment of the Prosperity Gold-Copper Project (Project). We requested your reply by April 30, 2008, but on April 29, 2008 you advised that given other ongoing matters the TNG did not anticipate having a reply for several weeks. As you know, the TNG had previously expressed objection to an earlier panel proposal.

On May 9, 2008 EAO received a letter from Taseko Mines Ltd. expressing concern with the revised proposed draft panel agreement. This letter was copied to the TNG Chiefs.

As previously discussed, the EAO does not typically use a panel process, and any decision to do so would require both a recommendation by the Executive Director and ministerial approval. EAO has however been exploring the idea of a panel based on the fact that we had understood that both Taseko and First Nations were likely in favour of it. The limited response to date from the TNG, and the May 9 response from Taseko, raises significant questions in this regard.

In the circumstances, EAO feels that there are two options at this point:

(a) continue to pursue the notion of recommending a joint review panel to ministers, but limit the role of the panel to examining potential adverse effects, potential mitigation/compensation, and supporting analysis without the panel having responsibility for providing an overall recommendation as to whether or not the Project should proceed. Any such approach would of course be dependent on agreement by the federal government.



...12

Environmental
Assessment
Office

Mailing Address:
PO Box 9426 Stn Prov Govt
Victoria BC V8W 9V1

Location:
1st & 2nd Fl - 850 Yates Street
Victoria

TSILHQOT:NNATION GOV

MAY-16-2008 11:00AM FROM-TSILHQOTINNATION GOV

+12503005700

T-208 P.033/038 F-057

- 2 -

(b) EAO would not recommend a panel to the provincial minister and would proceed with the normal EAO-led environmental assessment process, which could be initiated in the weeks ahead. The EAO would coordinate our process with whatever federal process is undertaken, to the extent possible.

The EAO would appreciate receiving your comments on the above options in writing by May 27, 2008, with copy to Taseko and the CEAA. By copy of this letter we also seek written comments from Taseko, with copies to the TNG and CEAA, within the same time period.

Yours truly,

<Original signed by>

Garry Alexander
Project Assessment Director

cc Brian Battison, Taseko Mines Ltd
Steve Burgess, Canadian Environmental Assessment Agency
Chief Ervin Charleyboy, Alexis Creek Indian Band
Chief Denis Baptiste, Alexandria First Nation
Chief Frances Lacasse, Tl'esqox (Toosey Indian Band)
Chief Ivor D. Myers, Yunesil'in Government (Stone River Band)

2009-03-17 03:23PM FROM-TSILHQOTINNATION GOV

+12503885708

T-208 P 002 F-871



Tel: 250-387-8877
Fax: 250-388-5468

File: 2008-20/Proc-24-07

Ref: 97734

June 27, 2008

Chief Erwin Charlebois
Chairman
Tsilhqot'in National Government
253 - 4th Ave North
Williams Lake BC V2G 4T4

Chief Marilyn Baptista
Xeni Gwet'in First Nations Government
102 - 383 Oliver St
Williams Lake BC V2G 1M4

Brian Battison
Vice President Corporate Affairs
Tasako Mines Ltd
Suite 300 - 805 West Pender St
Vancouver BC V6C 1L8

Dear Chief Charlebois, Chief Baptista and Mr. Battison:

I am writing further to my letter of May 13, 2008, seeking comments on options for proceeding with the environmental assessment (EA) review of the Prosperity Gold-Copper Project (Project).

In response to the above noted letter, we received a May 27, 2008 letter from the Tsilhqot'in National Government (TNG), a May 27, 2008 letter from the Soda Creek Indian Band and a May 15, 2008 letter from Tasako Mines Ltd (Proponent). There were no other replies from First Nations.

.../2

Environmental
Assessment
Office

Mailing Address:
PO Box 9425 Stn Prov Govt
Vancouver BC V6W 9V7

Location:
1st & 2nd Fl - 388 Water Street
Vancouver

TSILHQOTIN
NATION GOVERNMENT

JUL-03-2008 03:23PM FROM-TS1:REGISTRATION GOV

+12503985798

T-708 P.003 F-071

- 2 -

Having considered the above noted correspondence, the Minister of Environment has issued an order (copy attached) under section 14 of the *Environmental Assessment Act*. More specifically, the minister has directed that the Environmental Assessment Office (EAO) undertake the provincial EA of the Project and issue further orders to the Proponent to set out the steps and procedures for the review in consultation with First Nations. The responsibility for this order rests with the Executive Director, who has been delegated this function by the Minister.

The Minister's decision was based on the fact that the provincial EA process does not require use of, and does not typically use, a panel process, and having regard to the fact that, despite an initial interest in a panel process by both First Nations and the Proponent, EAO's best efforts to develop a potential joint panel process resulted only in First Nations expressing opposition to the proposal, and the Proponent indicating it would not proceed with a review of the Project through such a process. While the determination of type of review process was one for the Minister, and neither First Nations nor the Proponent can require a specific form of review, the differing positions of those parties was a material factor in the decision in these circumstances.

The EAO is confident that there are considerable opportunities for harmonizing and coordinating the EAO-led process with the review process undertaken by the federal government pursuant to the *Canadian Environmental Assessment Act*, in accordance with the Canada - BC Agreement on Environmental Assessment Cooperation. We are also confident that we can coordinate consultations with First Nations. To that end, we look forward to further discussions with the federal government, First Nations representatives and the Proponent as appropriate and on such issues.

With respect to establishing the detailed steps of the EAO review process, I am enclosing a copy of a draft procedural order for your review and comment. I would welcome any thoughts you may have on this draft order by July 21, 2008. Further, if you believe it would be preferable to discuss these proposed procedural steps by teleconference sometime before July 21, I would be happy to do so. It is our hope that this draft order, along with the related government to government discussions we are contemplating with the TNG, provides a meaningful way for all interested parties to engage in the review.

Also, I wish to note that EAO is organizing a technical working group meeting on September 3, 2008 to discuss the updating of the Project Report Specifications (Project Terms of Reference). We would welcome the participation of the TNG in this and future meetings of this group. A copy of the draft Specifications are attached for your review and comment prior to the meeting.

.../3

JUL-03-2009 03:23PM FROM-TSILHQOTINNATION GOV

+12503985796

T-209 P.004

F-076

- 3 -

Finally, we wish to note that we have not yet received any feedback from the TNG on the draft Consultation Protocol that we sent for review and comment in April. As you know, that draft protocol addressed issues such as a TNG participation in the EA review process and related working groups, a separate government to government dialogue, and funding. EAO remains committed to negotiating such an agreement with the TNG and the federal government and would welcome the opportunity to meet with the TNG and federal officials to discuss changes to this draft document to reflect the path of review that is being undertaken, and the interests of all parties.

I will be contacting you or your representatives soon by phone to arrange a meeting date to discuss the Consultation Protocol, Project Report Specifications and funding to enable the TNG to participate in the proposed September working group meeting.

Yours truly,

<Original signed by>

Gary Alexander
Project Assessment Director

cc: Steve Burgess, Canadian Environmental Assessment Agency

IN THE MATTER OF THE
ENVIRONMENTAL ASSESSMENT ACT S.B.C. 2002, c.43 (Act)

AND

AN ENVIRONMENTAL ASSESSMENT OF THE PROPOSED
PROSPERITY GOLD/COPPER PROJECT (Project)

ORDER UNDER SECTION 14

WHEREAS:

- A. Taseko Mines Ltd. (Proponent) proposes to develop the Prosperity Gold-Copper Project, an open-pit mine located 125 km southwest of Williams Lake in south-central British Columbia, to mine the gold/copper deposit;
- B. The Project is a reviewable project under the Act and an assessment of the Project under the *Environmental Assessment Act*, R.S.B.C. 1996, c.119 was in progress;
- C. On December 30, 2002, the Executive Director, in accordance with sections 10(1)(c), 24(2), 51(5) and (8) of the Act, issued Order #02-12;
- D. On April 5, 2007, the Executive Director referred the Project to the Minister for a determination under section 14 of the Act; and,
- E. The Minister has determined that an alternative assessment process is not warranted in the circumstances and wishes the Executive Director to undertake an assessment of the Project in a manner similar to that which would occur for a review undertaken in accordance with sections 11, 13, 16 and 17 of the Act and related practices and procedures of the Environmental Assessment Office.

NOW THEREFORE:

Pursuant to section 14 of the Act, I order that the environmental assessment of the Project be conducted by the Executive Director. And I hereby delegate all my powers under section 14 to make Orders determining the scope, procedures and methods of the assessment to the Executive Director.

<Original signed by>

Honourable Bary Penner
Minister of Environment

Dated: JUNE 22, 2008 at Victoria, British Columbia