TECHNICAL REPORT
ALEY CARBONATITE NIOBIUM PROJECT

Omineca Mining District
British Columbia, Canada

Prepared for

TASEKO MINES LIMITED
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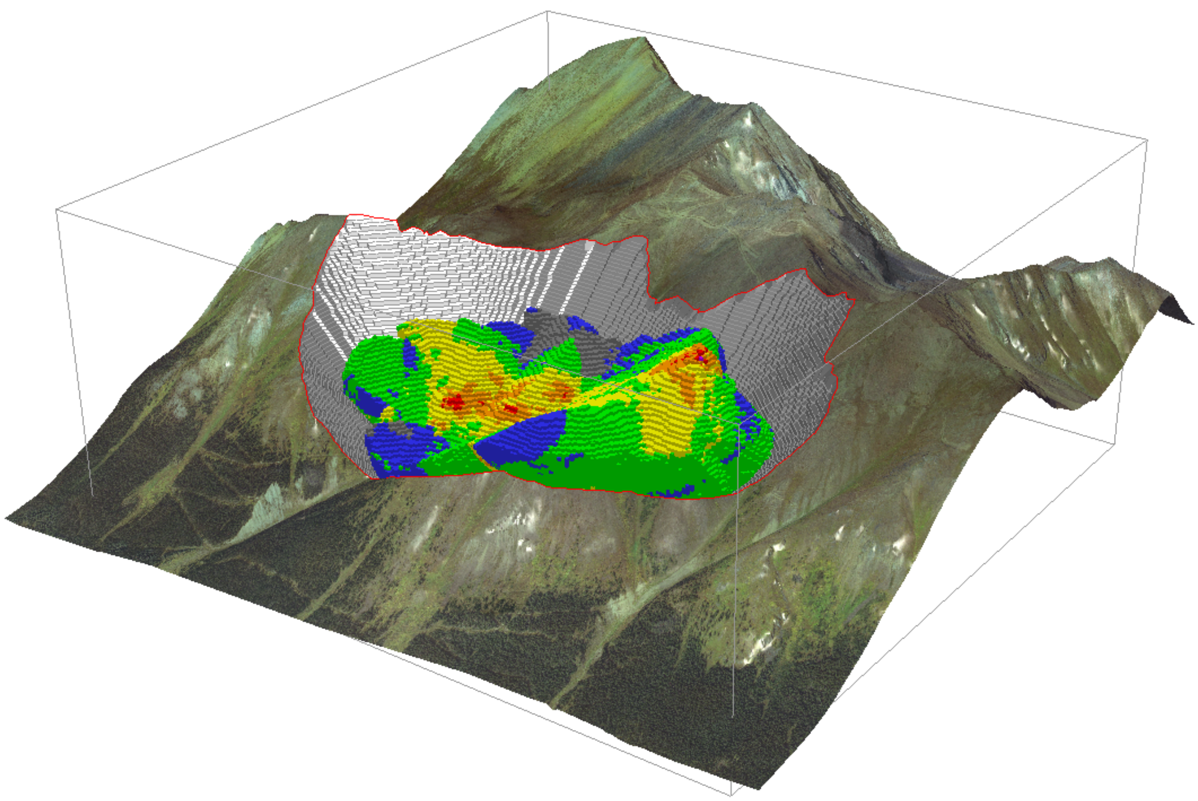

Effective date: March 1, 2012
Report Date: March 29, 2012

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DATE AND SIGNATURE PAGE

The effective date of this Technical report, entitled “Technical Report, Aley Carbonatite Niobium Project” is March 1, 2012.

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1 SUMMARY

This technical report on the Aley Niobium Project has been prepared by Geosim Services Inc. (Geosim) at the request of Taseko Mines Limited (“Taseko” or the “Corporation”), which is based in Vancouver B.C., Canada. The purpose of the report is to support the announcement of a mineral resource estimate for the Aley property announced in the Taseko News Release dated March 28, 2012. The report was written in compliance with disclosure and reporting requirements set forth in the Canadian Securities Administrators’ National Instrument 43-101, Companion Policy 43-101CP, and Form 43-101F1. In general, the information in this report is based on work completed and assay results received as of March 1, 2012. An updated mineral resource estimate is provided based upon the current geological interpretation and exploration results obtained up to the effective date of March 1, 2012.

1.1 Introduction

The Aley Property is owned by Aley Corporation which is a wholly-owned subsidiary of Taseko Mines Limited (“Taseko”). The project is located in northeastern British Columbia within the Omineca Mining Division. The property comprises 104 mineral claims covering 43,316 hectares in the headwaters of the Ospika River closely adjacent to Ospika Arm of Williston Lake. The Aley claims are centered on 56° 27’ N 123° 44’ W, NTS mapsheets 94B.041 and 94B.042.

1.2 Geology and Mineralization

The Aley Carbonatite complex intrudes Cambrian to Ordovician sedimentary rocks of the Kechika (limestone), Skoki (dolomite to volcaniclastics) and Road River Group formations (clastic sedimentary rocks). The intrusion is ovoid in plan with a diameter of approximately 2 km and surrounded by a fenite aureole up to 500 m. The complex is predominantly composed of dolomite carbonatite (CD) with minor calcite carbonatite (CC). Texturally relationships suggest CD to be metasomatic in origin while CC is interpreted to be primary.

Niobium (Nb) bearing minerals at Aley are pyrochlore, fersmite and columbite, the latter two being alteration products of pyrochlore. Alteration at Aley has followed a general sequence: pyrochlore has altered to fersmite then fersmite has altered to columbite

1.3 Project History

Cominco Ltd. (“Cominco”) acquired the property in 1980 after following up on base metals soil anomalies in the northern part of the property. Cominco geologists followed the stratigraphy from the anomalies to the southeast and encountered the carbonatite complex. Samples collected in the Aley area showed evidence of carbonatite including the presence of pyrochlore. In October 1982, the claims Aley 1 through Aley 4 (80 units total) were staked to cover the carbonatite complex. In 1986 the claims Aley 5 through Aley 7 (32 units) were staked and the final claim, Aley 8, was added in March 1986 (20 units).

Field work by Cominco commenced in 1983 and continued regularly through the 1986 field season. The work included access trail construction, ground magnetic and scintillometer surveys, geologic mapping, soil and rock chip sampling and drilling of 19 core holes (3,046 m). Preliminary metallurgical work followed in 1983-85 using material from a 5 ton bulk sample.

Following the acquisition of control of the mineral claims by Aley Corporation in 2004, exploration efforts concentrated on trench sampling for metallurgical material and the confirmation of previous geology and drill hole collar locations.

In 2006, some metallurgical test work continued on surface samples blasted from the Saddle and Central Zone trenches. Approximately 1200 kg of material was shipped to Process Research Associates ("PRA") laboratories in Vancouver for metallurgical work.

In 2007 Taseko took over as operator of the project and completed a program of helicopter supported exploration drilling comprising a total of 1,369m in 11 holes.

In 2010, an additional exploration program was completed comprising geological mapping and diamond drilling of 23 drill holes (2010-12 through 2010-34), for a total of 4,460 metres

In the fall of 2010, petrological work was carried out on 35 core samples (Kressall, 2010).

In 2011 Taseko completed an additional 70 exploration core holes totaling 17,093 m.

1.4 Drill Hole and Assay Database

The sample database for the Aley project contains results from 104 core holes drilled between 1985 and the end of 2011. The Central Zone has been tested by 96 holes (21,434m) all of which were entirely within the carbonatite complex. Six of these were drilled by Cominco in 1986 and 90 by Taseko Mines in 2010 and 2011.

1.5 Metallurgical Testing

A metallurgical testing program on eight samples from the Central Zone of the Aley carbonatite was initiated in November 2004 at PRA under the direction of Michel Robert. The program was based on applying and testing the same mineral processing scheme used commercially at the Niobec niobium mine in Quebec since 1976.

The laboratory unit processes investigated were desliming, magnetic separation, carbonate rougher flotation, niobium rougher and scavenger flotation, and the first and second niobium cleaner flotation stages. Sufficient work has been performed to establish a bench mark for these unit processes and establish operating criteria. The results obtained compared favorably to the operating results at Niobec.

The 2008 test program at PRA was conducted on a composite sample of Saddle Zone material that was extracted in 2005 from a surface trench and used the same test parameters developed on Central Zone material. The Saddle Zone material is in the same mineral complex and adjacent to the Central Zone, but is not part of the inferred resource described in this report. These tests were conducted to test coarser feed particle sizes than the previous test work on the Central Zone. Feed size targets were conducted at 80 % passing 180 microns, 150 microns, and 110 microns. The 110 micron tests were to provide a point of reference that could be used to compare the results to the 2005 work, as this is the same target size used in that program.

The 2008 test program encompassed five stages of niobium cleaner flotation. These test results indicate that decreasing grade and recovery of NB_2O_5 to the 5th cleaner concentrate were observed with increasing particle size. In comparison to the 2005 test program, the 2008 second cleaner concentrate results show similar recovery at the same feed target size, but a reduced concentrate grade.

A metallurgical test program has been initiated utilizing drill core from the 2010 field season.

1.6 Resource Estimate

The Resource Estimate was prepared by Ronald G. Simpson, P.Geo of Geosim Services Inc. of Vancouver, Canada, utilizing analytical results from the 96 core holes drilled on the Central Zone to date. Assays were composited in 6 metre down-hole intervals. Grades were not capped as no significant outlier population was identified.

Block grades were estimated by means of ordinary kriging in three passes using incremental search distances. The first pass used a maximum anisotropic search of 50m equivalent to ¼ of the maximum variogram range. The second pass search was set at ¾ of the variogram range at 150m and the final pass search was extended to the maximum range of 200m.

Blocks were classified as 'Measured' if there were two composites from at least two drill holes within 50 m of the block centroid based on the anisotropic search parameters. Blocks not meeting the criteria for 'Measured' were classified as 'Indicated' if there were two composites from at least two drill holes within 100m of the block centroid. All other estimated blocks were classified as 'Inferred'.

In order to meet the requirements of NI43-101 with respect to reasonable prospects of economic extraction by open pit mining methods, a 45°wall slope Lerchs-Grossman pit was generated to constrain the resource within the block model. Metal prices assumed were US$50kg Nb with process recovery of 50%. General & Administration, Processing and Ore Mining costs were assumed to be $30/tonne. Base waste mining costs were assumed to be $1.50/tonne.

The in-pit mineral resource for the Central Zone of the Aley Deposit is summarized in the table below for a range of cutoff grades with the base case of 0.2% Nb_2O_5 in boldface. The effective date of the mineral resource is March 1, 2012.

Table 1-1 Mineral Resource Estimate

COG % Nb_2O_5	MEASURED		INDICATED		MEASURED+INDICATED	
	Tonnes 000's	% Nb_2O_5	Tonnes 000's	% Nb_2O_5	Tonnes 000's	% Nb_2O_5
0.10	137,373	0.36	215,145	0.31	352,518	0.33
0.15	126,769	0.38	197,767	0.33	324,536	0.35
0.20	**112,651**	**0.41**	**173,169**	**0.35**	**285,820**	**0.37**
0.25	96,183	0.44	131,999	0.39	228,182	0.41
0.30	81,377	0.47	102,966	0.42	184,343	0.45

COG % Nb_2O_5	INFERRED	
	Tonnes 000's	% Nb_2O_5
0.10	177,350	0.29
0.15	168,733	0.30
0.20	**144,216**	**0.32**
0.25	97,891	0.37
0.30	68,976	0.41

1.7 Conclusions and Recommendations

Evaluation of the exploration programs and results available to the effective date of this report indicates that:

- The geology is sufficiently well understood to support the mineral resource estimation presented in this report and summarized in the section above.
- Core drilling has identified a continuous body of near-surface niobium mineralization within an area measuring 1400m E-W by 500m N-S and to a depth below surface of about 250 m. The ultimate limits have not been defined.
- Data collection to the end of 2011 at the drill site is acceptable.
- Average grades for all the drill assays returned from the Central Zone as of the report effective date were 0.32% Nb_2O_5.
- The database contains all drilling data collected on the project to date and has been structured for resource estimation.
- QA/QC with respect to the results received to date for the Taseko 2007, 2010 and 2011 exploration programs is acceptable and protocols have been well documented.
- As of March 1, 2012, the Aley deposit is estimated to contain a measured and indicated resource of 286 million tonnes grading 0.37% Nb_2O_5 using a cut-off grade of 0.2% Nb_2O_5.. An additional 144 million tonnes averaging 0.32% Nb_2O_5 is classified as inferred.

Additional drilling is warranted to define the extents of the Nb mineralization in the Central Zone, to upgrade the resource classification and to follow up on other targets on the property.

Metallurgical testwork designed to support a Preliminary Economic Assessment should be continued.

2 INTRODUCTION AND TERMS OF REFERENCE

2.1 Introduction

Taseko Mines Limited (“Taseko” or the “Corporation”), requested that Geosim Services Inc. (Geosim) provide a Technical Report on the Aley Carbonatite Niobium Project (the Project), located in the Omineca Mining Division, British Columbia, Canada. The purpose of the report is to support a mineral resource estimate announced by Taseko on March 28, 2012.

2.2 Terms of Reference

Geosim is independent of both Aley Corporation and Taseko Mines Limited, and has no beneficial interest in the Aley Carbonatite Niobium Project. Fees for this Technical Report are not dependent in whole or in part on any prior or future engagement or understanding resulting from the conclusions of this report.

In preparing this report, the author relied on geological maps, reports and miscellaneous technical data listed in Section 21 of this report.

The author conducted a site visit to the Aley Carbonatite Niobium Project on August 29, 2011. The purpose of the visit was to review the geology and mineralization encountered in the drill holes completed to date. In addition, drilling, sampling, quality assurance/quality control (QA/QC), sample preparation and analytical protocols and procedures, and database structure were reviewed.

The Effective Date of the Technical Report is March 1, 2012.

All measurement units used in this report are metric, and currency is expressed in United States dollars unless stated otherwise.

3 RELIANCE ON OTHER EXPERTS

Geosim has not conducted independent land status evaluations, and has relied upon these statements and updated information from Aley regarding property status, legal title and environmental compliance for the project, which Geosim believes to be accurate.

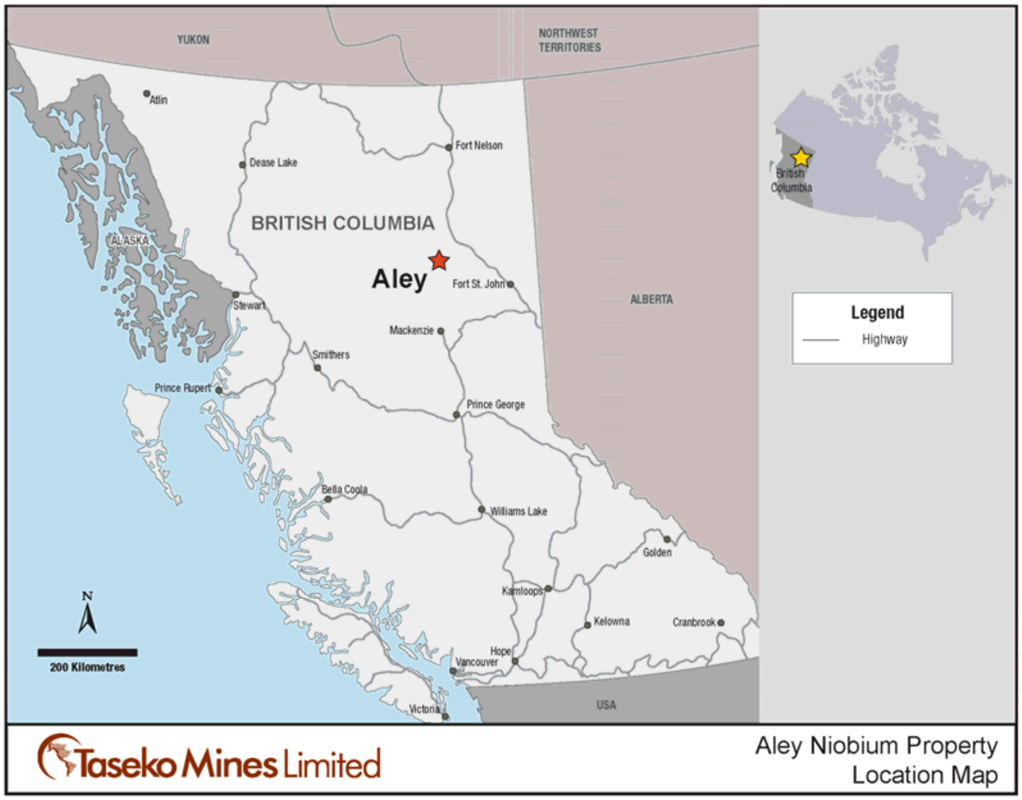
Metallurgical data (Section 16) has been provided by Aley and the author has no reason to believe this information is misleading or misrepresented.

4 PROPERTY DESCRIPTION AND LOCATION

4.1 Location

The Aley claims are located in the Omineca Mining District in northeastern BC (Figure 4-1), centered at 56°27’N and 123°44’W. The property derives its name from Aley Creek, a prominent valley located northeast of the claims. No other named topographic features on NTS topographic sheet 94B/05 (1:50,000 scale) occur on the property.

Figure 4-1 Location Map



4.2 Mineral Rights

Taseko Mines Limited, through its wholly owned subsidiary Aley Corporation, is the 100% owner of the Aley mineral claims. The property comprises 104 mineral claims covering 43,316 hectares in the headwaters of the Ospika River closely adjacent to Ospika Arm of Williston Lake. A map of all claims is presented in Figure 4-2.

Table 4-1 provides a summary of the claims and their present status.

Figure 4-2 Mineral claims

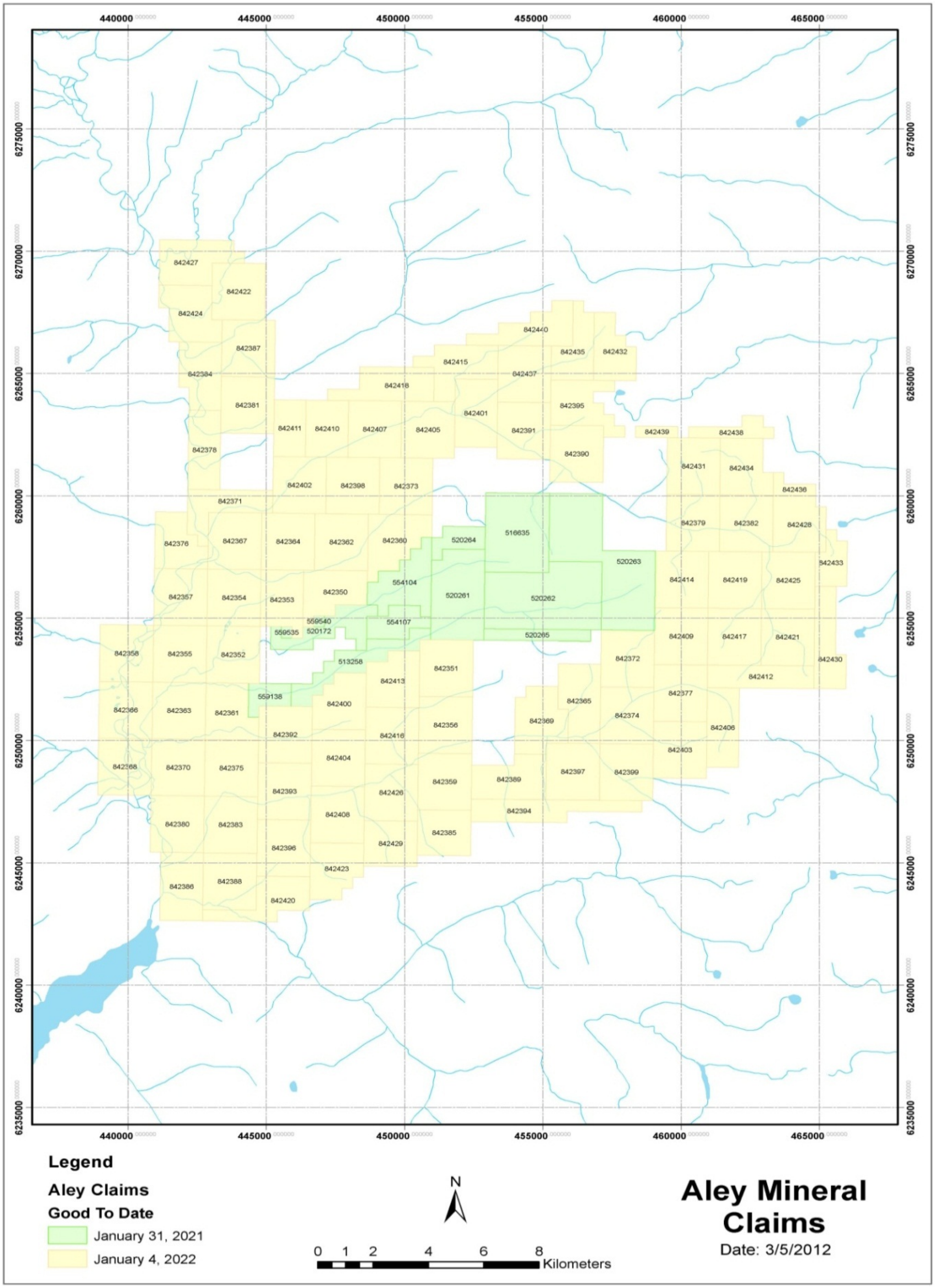


Table 4-1 Mineral Tenures

Tenure Number	Issue Date	Good To Date	Status	Area (ha)
513258	2005/May/24	2021/Jan/31	GOOD	411.56
516635	2005/Jul/11	2021/Jan/31	GOOD	750.58
520172	2005/Sep/19	2021/Jan/31	GOOD	339.85
520261	2005/Sep/21	2021/Jan/31	GOOD	697.37
520262	2005/Sep/21	2021/Jan/31	GOOD	1,072.95
520263	2005/Sep/21	2021/Jan/31	GOOD	1,161.98
520264	2005/Sep/21	2021/Jan/31	GOOD	178.72
520265	2005/Sep/21	2021/Jan/31	GOOD	178.89
554104	2007/Mar/12	2021/Jan/31	GOOD	446.98
554107	2007/Mar/12	2021/Jan/31	GOOD	232.52
559138	2007/May/24	2021/Jan/31	GOOD	161.12
559535	2007/May/30	2021/Jan/31	GOOD	17.89
559540	2007/May/30	2021/Jan/31	GOOD	17.89
842350	2011/Jan/04	2022/Jan/04	GOOD	393.37
842351	2011/Jan/04	2022/Jan/04	GOOD	447.38
842352	2011/Jan/04	2022/Jan/04	GOOD	447.30
842353	2011/Jan/04	2022/Jan/04	GOOD	375.52
842354	2011/Jan/04	2022/Jan/04	GOOD	447.04
842355	2011/Jan/04	2022/Jan/04	GOOD	447.31
842356	2011/Jan/04	2022/Jan/04	GOOD	447.66
842357	2011/Jan/04	2022/Jan/04	GOOD	447.05
842358	2011/Jan/04	2022/Jan/04	GOOD	447.32
842359	2011/Jan/04	2022/Jan/04	GOOD	447.90
842360	2011/Jan/04	2022/Jan/04	GOOD	446.79
842361	2011/Jan/04	2022/Jan/04	GOOD	393.90
842362	2011/Jan/04	2022/Jan/04	GOOD	446.80
842363	2011/Jan/04	2022/Jan/04	GOOD	447.61
842364	2011/Jan/04	2022/Jan/04	GOOD	446.81
842365	2011/Jan/04	2022/Jan/04	GOOD	447.55
842366	2011/Jan/04	2022/Jan/04	GOOD	447.61
842367	2011/Jan/04	2022/Jan/04	GOOD	446.81
842368	2011/Jan/04	2022/Jan/04	GOOD	447.85
842369	2011/Jan/04	2022/Jan/04	GOOD	447.65
842370	2011/Jan/04	2022/Jan/04	GOOD	447.85
842371	2011/Jan/04	2022/Jan/04	GOOD	375.20
842372	2011/Jan/04	2022/Jan/04	GOOD	447.35
842373	2011/Jan/04	2022/Jan/04	GOOD	446.55
842374	2011/Jan/04	2022/Jan/04	GOOD	447.62

Tenure Number	Issue Date	Good To Date	Status	Area (ha)
842375	2011/Jan/04	2022/Jan/04	GOOD	447.85
842376	2011/Jan/04	2022/Jan/04	GOOD	357.46
842377	2011/Jan/04	2022/Jan/04	GOOD	447.52
842378	2011/Jan/04	2022/Jan/04	GOOD	374.97
842379	2011/Jan/04	2022/Jan/04	GOOD	446.78
842380	2011/Jan/04	2022/Jan/04	GOOD	448.09
842381	2011/Jan/04	2022/Jan/04	GOOD	446.17
842382	2011/Jan/04	2022/Jan/04	GOOD	446.79
842383	2011/Jan/04	2022/Jan/04	GOOD	448.09
842384	2011/Jan/04	2022/Jan/04	GOOD	392.50
842385	2011/Jan/04	2022/Jan/04	GOOD	358.49
842386	2011/Jan/04	2022/Jan/04	GOOD	430.43
842387	2011/Jan/04	2022/Jan/04	GOOD	445.93
842388	2011/Jan/04	2022/Jan/04	GOOD	448.34
842389	2011/Jan/04	2022/Jan/04	GOOD	429.98
842390	2011/Jan/04	2022/Jan/04	GOOD	446.42
842391	2011/Jan/04	2022/Jan/04	GOOD	446.29
842392	2011/Jan/04	2022/Jan/04	GOOD	447.71
842393	2011/Jan/04	2022/Jan/04	GOOD	447.95
842394	2011/Jan/04	2022/Jan/04	GOOD	448.02
842395	2011/Jan/04	2022/Jan/04	GOOD	410.50
842396	2011/Jan/04	2022/Jan/04	GOOD	448.19
842397	2011/Jan/04	2022/Jan/04	GOOD	447.86
842398	2011/Jan/04	2022/Jan/04	GOOD	446.56
842399	2011/Jan/04	2022/Jan/04	GOOD	447.87
842400	2011/Jan/04	2022/Jan/04	GOOD	393.86
842401	2011/Jan/04	2022/Jan/04	GOOD	428.35
842402	2011/Jan/04	2022/Jan/04	GOOD	446.57
842403	2011/Jan/04	2022/Jan/04	GOOD	447.77
842404	2011/Jan/04	2022/Jan/04	GOOD	447.80
842405	2011/Jan/04	2022/Jan/04	GOOD	446.28
842406	2011/Jan/04	2022/Jan/04	GOOD	376.05
842407	2011/Jan/04	2022/Jan/04	GOOD	446.28
842408	2011/Jan/04	2022/Jan/04	GOOD	448.04
842409	2011/Jan/04	2022/Jan/04	GOOD	447.26
842410	2011/Jan/04	2022/Jan/04	GOOD	357.03
842411	2011/Jan/04	2022/Jan/04	GOOD	267.77
842412	2011/Jan/04	2022/Jan/04	GOOD	357.96
842413	2011/Jan/04	2022/Jan/04	GOOD	411.66
842414	2011/Jan/04	2022/Jan/04	GOOD	447.02

Tenure Number	Issue Date	Good To Date	Status	Area (ha)
842415	2011/Jan/04	2022/Jan/04	GOOD	428.16
842416	2011/Jan/04	2022/Jan/04	GOOD	447.71
842417	2011/Jan/04	2022/Jan/04	GOOD	447.27
842418	2011/Jan/04	2022/Jan/04	GOOD	428.24
842419	2011/Jan/04	2022/Jan/04	GOOD	447.03
842420	2011/Jan/04	2022/Jan/04	GOOD	394.60
842421	2011/Jan/04	2022/Jan/04	GOOD	447.28
842422	2011/Jan/04	2022/Jan/04	GOOD	445.68
842423	2011/Jan/04	2022/Jan/04	GOOD	394.48
842424	2011/Jan/04	2022/Jan/04	GOOD	427.94
842425	2011/Jan/04	2022/Jan/04	GOOD	447.03
842426	2011/Jan/04	2022/Jan/04	GOOD	447.95
842427	2011/Jan/04	2022/Jan/04	GOOD	445.54
842428	2011/Jan/04	2022/Jan/04	GOOD	428.93
842429	2011/Jan/04	2022/Jan/04	GOOD	358.53
842430	2011/Jan/04	2022/Jan/04	GOOD	375.73
842431	2011/Jan/04	2022/Jan/04	GOOD	446.52
842432	2011/Jan/04	2022/Jan/04	GOOD	338.95
842433	2011/Jan/04	2022/Jan/04	GOOD	214.54
842434	2011/Jan/04	2022/Jan/04	GOOD	392.96
842435	2011/Jan/04	2022/Jan/04	GOOD	338.94
842436	2011/Jan/04	2022/Jan/04	GOOD	89.33
842437	2011/Jan/04	2022/Jan/04	GOOD	446.05
842438	2011/Jan/04	2022/Jan/04	GOOD	178.54
842439	2011/Jan/04	2022/Jan/04	GOOD	71.41
842440	2011/Jan/04	2022/Jan/04	GOOD	410.21
			Total Area	43,316.11

4.3 Nature and Extent of Issuer's Title

The extent of Aley Corporation's title to the Aley property are the claims listed in Section 4.2. There are no title encumbrances that would preclude Aley Corporation from carrying out further exploration or developing a mine.

There are no surface right issues or legal access obligations that must be met in order for Aley Corporation to retain this property. The Aley Property is not subject to any royalty terms, back-in rights, payments or any other agreements or encumbrances.

4.4 Permits & Environmental Liabilities

The Aley property is subject to environmental liabilities related to the rehabilitation of drill sites and exploration access roads associated with the work permits received for the 2010, 2011 exploration drilling programs and the road right of way construction taking place in 2012. Funds to cover the expense of these reclamation activities are held in trust and are fully recoverable by Aley Corporation once the site has been rehabilitated to the satisfaction of the Inspector of Mines.

To the extent known, there are no other environmental liabilities to which the property is subject.

At this stage, further exploration work and road right of way construction is being carried out under stipulations assigned through Notices of Work and Reclamation Programs held under Mines Act Permit # MX-13-141. Licenses to Cut, and Road Use Permits required to carry out all planned work are in place and valid.

5 Accessibility, Climate, Infrastructure and Physiography

5.1 Accessibility

The property is situated approximately 20 km northeast of the head of the Ospika Arm of Williston Lake. Logging roads lead from Mackenzie, BC along the west shore of Williston Lake around its head, via the Tsay Keh Dene community, and down the east shore of the same lake to CANFOR's Ospika Camp. Northern Thunderbird Air of Prince George operates a charter air flight service that links Prince George to the Ospika Camp. Barge access has historically been available from Mackenzie (approximately 90 km south on Williston Lake) for the purposes of movement of heavy equipment. Logging roads and a caterpillar trail constructed by Cominco in 1985 once provided rough surface access to the property, however due to the poor state of repair of this trail and in consideration of the time consuming permitting process for its reestablishment, site access and equipment transport during the 2007, 2010 and 2011 field seasons was effected by Bell 206 and 407 helicopters. Helicopter access was conducted principally from the airstrip at Ospika Camp approximately 30 km from the claims as well as a staging site on a cut block 10 km from the claims.

Recently-constructed logging roads under the jurisdiction of CANFOR extend approximately 20 km beyond the Ospika Camp towards the property. Road use permits have been obtained for these roads. These logging roads are proximal to the disused Cominco trail. Right of way clearing for a new trail to tie into the Cominco Trail had progressed four out of the total twelve kilometres at the time of the effective date of this report.

After the right of way is constructed and freshette has ended in 2012, the access trail will be upgraded to allow access for exploration equipment to the site. This upgraded road will connect the logging roads from Ospika Camp to the exploration sites. In 2005 (prior to the acquisition of Aley Corporation by Taseko Mines Limited), AllNorth Consultants ("AllNorth") of Prince George conducted a helicopter-supported survey of the access to the Aley claims via existing CANFOR logging roads, upon which a route (on Aley claim blocks) connecting these logging roads to the disused trail was designed. The AllNorth road has been substantially modified from Cominco's trail in compliance with the current Forest Practices Code of British Columbia, and the Forest Road Engineering Guide for road construction. This work was presented by AllNorth in a detailed report entitled "Aley Property Exploration Road Survey" dated September 6, 2005 by Ken MacDonald, P.Geo. The design for this road is being used to construct the road right of way and will guide construction of the exploration road upgrade in the latter half of 2012. Until this road is complete, exploration activities will continue to be supported through helicopters.

5.2 Local Resources Infrastructure

The property is located near the northern shore of Williston Lake. The W.A.C. Bennett hydroelectric dam is about 120 km east-southeast of the centre of the property at Hudson's Hope. The BC Railway lies approximately 160 km to the east-northeast.

Logging operations in recent years have improved access into the area. Road construction in 2012 will allow for rough exploration access but this road will require further upgrades if the project progresses through to construction and operation.

A temporary exploration camp has been constructed on the CANFOR Ospika camp land. Several trailers are in place providing sleeping quarters, dining, showers and toilet facilities. Core sheds and maintenance buildings are also on the camp site. A landing strip, helicopter pad, and barge landing are all available. Electricity is currently provided by generators. Potable water is trucked in. Garbage is either incinerated or trucked offsite as is sewage.

5.3 Physiography

Elevations range from 1,300 m in the creek valleys to the west and south of the claim blocks to 2,233 m on the ridge to the very east of the property known as the Saddle Zone. The topography primarily consists of steep mountainous terrain with U to V-shaped glacial valleys. Small creeks drain from several peaks that form a ridge that surrounds the property in all directions. Flows are seasonal depending on snow meltwater, rain, and winter freezing and avalanche terrain is evident on some of the steeper slopes.

Boreal forest covers the area below the tree line (~1600-m). Much of the central part of the claims lies above the tree line and this area is dominated by alpine shrubs and grasses. The higher elevations are commonly covered with sparse grass, broken scree, and outcrop.

5.4 Climate

The northern boreal forest region is subjected to an extreme range of weather conditions throughout the year. Summers are short, from June to late September and are variably dry to wet. Local storms of heavy rainfall or even snow may occur at any time. Autumn is short with the rapid onset of snowstorms and heavy rains starting in late September, which effectively ends the field season. Snow stays on the ground from October through early June and may remain year round in relatively shaded patches on the peaks on the property. As such, exploration is limited to the period from June to late September.

6 HISTORY

Cominco acquired the property after following up on regional base metals anomalies in 1980 north of the property. While following the stratigraphy southeast from the anomalies they encountered the carbonatite complex. Samples showed evidence of carbonatite including the presence of pyrochlore. In 1982, Cominco revisited the property to collect additional samples and assess the scale of the carbonatite and, in October 1982, the claims Aley 1 through Aley 4 (80 units total) were staked to cover the carbonatite complex. Aley 5 through Aley 7 (32 units) were staked in 1986 and the final claim Aley 8 was added in March 1986 (20 units).

Field work started in 1983 and continued regularly through the 1986 field season. Metallurgical work followed in 1983-85. No exploration has been done since September 1986 prior to the current studies. There is no record of why Cominco suspended work on the property.

7 GEOLOGICAL SETTING AND MINERALIZATION

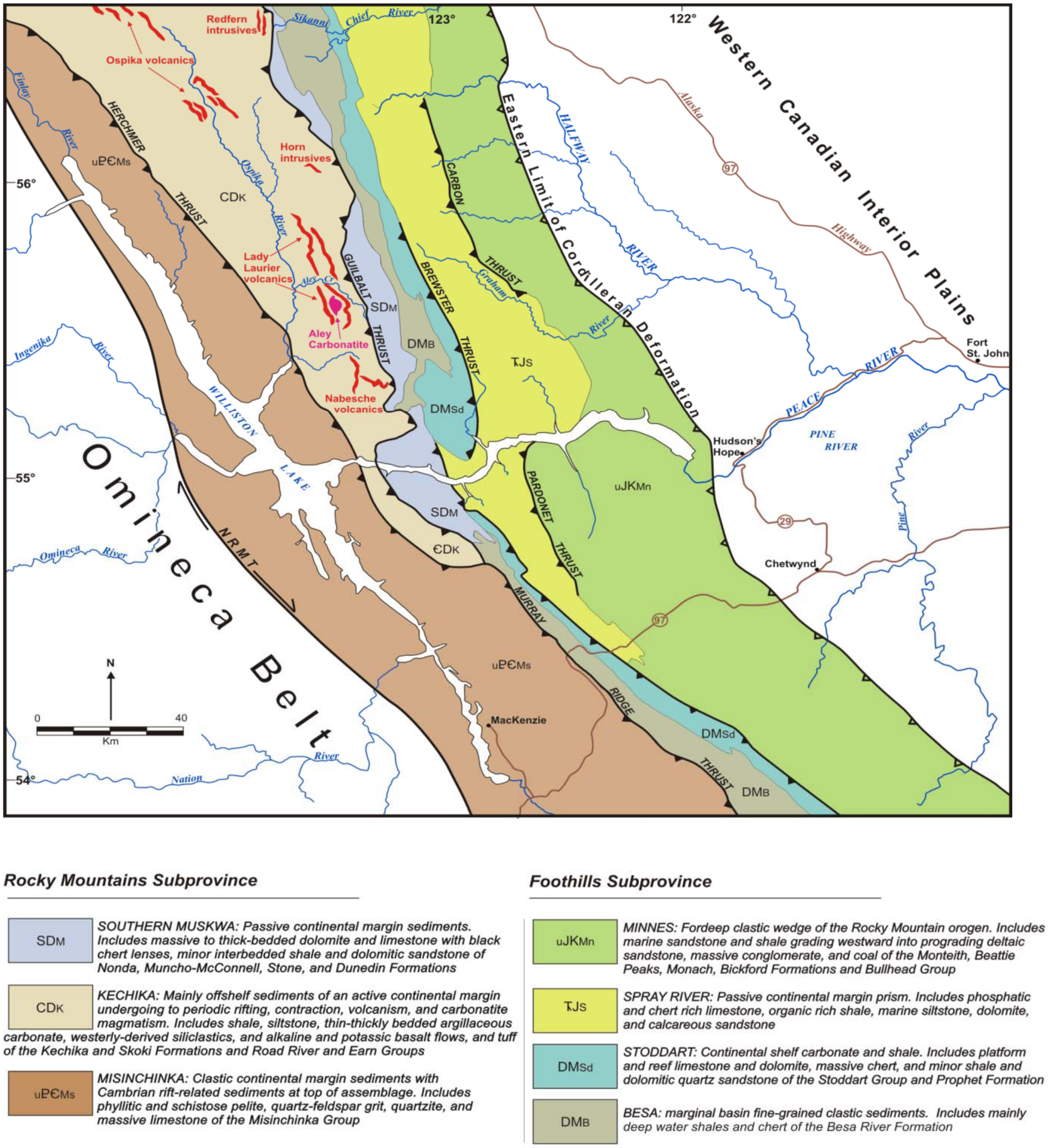
7.1 Regional Geology

Reference: McLeish, 2011 - Technical Report on Structural Geology, Aley Carbonatite Niobium Project

The Aley region lies within the Western Foreland belt of the Rocky Mountains which is characterized by Early to Middle Paleozoic deep water carbonates and shales (Fig. 2.1). These slope to off-shelf deep water strata defining the paleogeographic Kechika Trough. In the Aley region, the north-south trending, 50 km wide trough is bound to the west by the Northern Rocky Mountain Trench (NRMT), which is host to an Eocene dextral strike-slip fault interpreted to have accommodated >400 km of dextral strike-slip displacement; and to the east by a facies boundary defined by the western limit of shallow water carbonates of the Macdonald Platform. North of 59 degrees N Latitude, the Kechika Trough widens into the Selwyn Basin. The trough terminates immediately south of the Aley region, where the facies boundary marking the east margin of the trough curves around to the west, and is truncated against the NRMT fault. Strata on the western side of the NRMT are: (1) lithologically similar Paleozoic continental margin sediments, (2) assigned to the Kechika formation, and (3) form part of the Cassiar terrane, a continental block of uncertain paleogeographic affinity (Pope and Sears, 1997).

The Aley Creek area lies near the eastern limit of Paleozoic volcanism and coarse clastic sedimentation in the Foreland Belt. The Lady Laurier volcanics and westerly derived Earn Group conglomerates, exposed to the immediate north and west of the Aley carbonatite (Fig. 2.2), have been cited as evidence for tectonism in the mid-Paleozoic (e.g. Gordey et al., 1987). Synmagmatic contractional deformation structures in continental margin strata that is host to the Aley carbonatite suggest that this activity was (1) at least in part the result of convergence along the parent margin and (2) associated with carbonatite emplacement (McLeish, 2011).

Figure 7-1 Regional geologic setting (after Wheeler and McFeely, 1991)



7.2 Local and Property Geology

The Aley Carbonatite complex intrudes Cambrian to Ordovician sedimentary rocks of the Kechika (limestone), Skoki (dolomite to volcaniclastics) and Road River Group formations (clastic sedimentary rocks). The intrusion is ovoid in plan view with a diameter of approximately 2 km and surrounded by a fenite aureole up to 500 m thick that has previously been mapped as “amphibolite” (Pride, Cominco Ltd., 1987) and “syenite” (Mäder, 1986). The complex is predominantly composed of dolomite carbonatite (CD) with minor calcite carbonatite (CC).

Texturally relationships suggest that CD is metasomatic in origin while CC is interpreted to be primary. An overview of the property geology and stratigraphic table is presented in Figure 7-2.

Following a detailed petrographic study of the Aley carbonatite complex during the 2010 exploration program, a system of geological codes was established for the purposes of harmonized core-logging and as a basis for geological interpretation. This system comprises standardized composite nomenclature based on primary lithology (represented in upper case), modified by prefixes designed to capture information pertinent to the style of mineralization, its fabric and texture (indicated in lower case) and suffixes formulated to record structural detail (also indicated in lower case). The underlying basis for this coding system is presented in Table 7-1; in which regard an example, banded laminated porphyritic cumulate carbonatite would be represented as “blpCM”. Such data are directly captured by core shack personnel using an MSAccess-based logging system developed by Hunter Dickinson. Regular site meetings, led by either the senior or project geologist, are held to ensure consistency of logging between core-shack personnel.

Table 7-1 Lithology and modifier codes

Mineralization Style	Fabric	Texture	Lithology	Structure
n - barren	m - massive	f - decalcified	CASE - casing	z - fault
d - disseminated	l - laminated	p - porhyritic	OVBN - overburden	e - strained
g - aggregated	x - brecciated	v - veined	OXID - oxide	s - sheared
b - banded	c - crenulated	I - inequigranular	AM - amphibole	y - dyke
			CC - calcite carbonatite	
			CD - dolomite carbonatite	
			CCCD - mixed calcite and dolomite carbonatite	
			AMX - amphibole and mixed carbonatite	
			CM - carbonatite cumulate	
			PH - phoscorite	
			CS - silicocarbonatite	
			GMS - geomechanical sample	

In view of the composite nature of this system, the process of assigning codes to each logged interval inevitably resulted in numerous code permutations. While such codes are believed to be geologically accurate, these often require simplification in order to be of use in geological modeling for resource estimation. For this reason, resource domains were primarily defined on the basis of simplified observation of pre-alteration lithology, specifically Cumulate Carbonatite (CM), Dolomite Carbonatite (CD) and Silicocarbonatite (CS), the qualifying criteria for which are laid out below. In addition to lithological constraint, consideration was also given to trends and discontinuities identified in preliminary unconstrained grade-shell modeling, as well as points of inflection in down-hole assay data.

Cumulate Carbonatite (CM):

Primary, unaltered lithologies principally comprise:

(i) Banded laminated +/- porphyritic cumulate carbonatite or mixed calcite and dolomite carbonatite (blpCM or blpCCCD, respectively).

(ii) Globular and laminate cumulate carbonatite or globular laminated mixed calcite and dolomite carbonatite (glCM or glCCCD, respectively).

Secondary, dolomitized lithologies principally comprise :

(iii) Banded laminated +/- porphyritic dolomite carbonatite or banded, massive porphyritic dolomite carbonatite (blpCD or bmpCD, respectively).

Dolomite Carbonatite (CD)

(i) Due to the propensity of this domain to exhibit intensely oxidized to calcitized and highly fractured intervals near surface or in the vicinity of faults, these intervals commonly exhibit brecciation, decalcification and faulting, as well as inequigranularity, in association with the principal dolomite carbonatite (CD) identifier. In addition, due to the close textural association of the dolomite carbonatite domain with the cumulate magnetite domain it is common for, disseminated, banded, massive and l – laminated textures to be associated with the domain, in which regard it should be noted that assay results are generally required to distinguish the dolomite carbonatite domain from the cumulate carbonatite domain and delimit with greater certainty its boundary.

Silicocarbonatite (CS)

Primary, unaltered lithologies principally comprise

(i) aggregated, laminated +/- porphyritic silicocarbonatite or aggregated and massive silicocarbonatite or disseminated, massive and porphyritc silicocarbonatite or massive, laminate and porphyritic silicocarbonatite (glpCS or gmCS or dmpCS or mlpCS, respectively).
(ii) aggregated phoscorite (gPH)
(iii) banded, laminated +/- porphyritic mixed calcite and dolomite carbonatitie orbanded, massive +/- porphyritic mixed calcite and dolomite carbonatitie (blpCCCD or bmpCCCD)
(iv) aggregated, laminated and porphyritic cumulate carbonatite or aggregated and massive cumulate carbonatite or banded, laminated and porphyritc cumulate carbonatite (glpCM or gmCM or blpCM)

Secondary, dolomitized lithogies comprise:

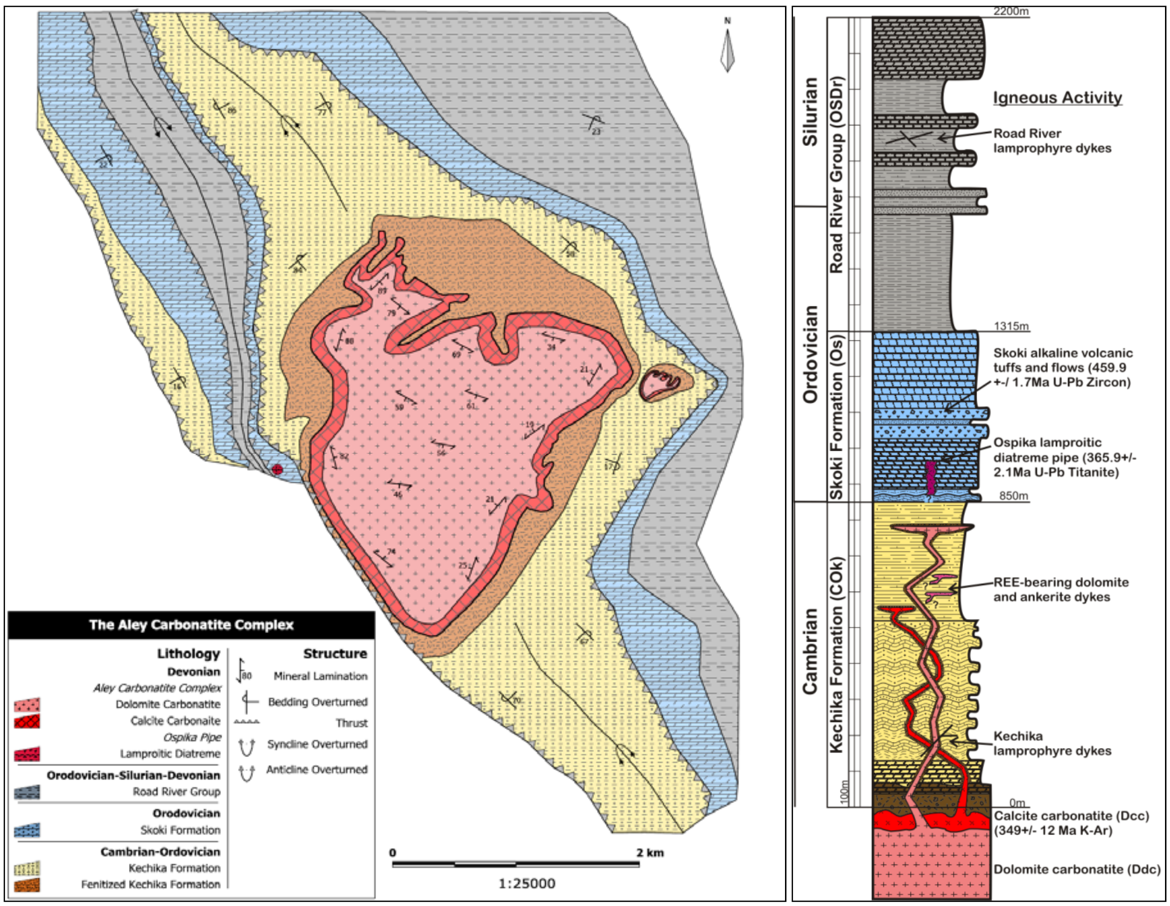
(i) +/- disseminated, +/- laminated and porphyritic dolomite carbonatite (dlpCD)

The significant range in lithological codes associated with the silicocarbonatite occurs due to the fact that the domain contains texturally variable lithologies (see Section 7.1).

For each of the three geological domains the modifiers for mineralization style, fabric, texture and structure have potential to be associated with fenite, giving rise to AMX intervals and in general would represent the characteristic of the carbonatite in which the fenite was hosted. In such situations, unless the fenite clasts or blocks were encapsulated in clearly-defined intervals with little ambiguity, core-logs and core photos were used to confirm the domain to which it was assigned.

Under circumstances where ambiguity remained as to which domain to which the interval was attributed, core-logs and core photos were consulted, and where appropriate drill core re-examined to establish the nature of the interval. In instances where uncertainty still remained subsequent to drill core examination, assay records were applied in further characterization of the intervals.

Figure 7-2 Aley carbonatite complex and host stratigraphy (McLeish, 2011)



7.3 Mineralization

The niobium (Nb) minerals at Aley consist of pyrochlore, fersmite, and columbite. The alteration follows a general sequence whereby pyrochlore, and to a lesser degree, columbite, alter to fersmite. The chemistry of the alteration minerals appears to be inherited from the parent mineral. At Aley, no significant amount of tantalum (Ta) has been noted in the pyrochlore and the alteration minerals also do not contain it. Likewise, the reduction of solid solution capacity in the minerals reduces in the alteration sequence. The iron (Fe) content appears to increase in atomic proportion towards columbite.

The term *Pyrochlore* applies to a broad group of minerals, one of three subgroups and one mineral in a subgroup of the same name (Hogarth, 1977). The mineral *pyrochlore* has generic formula: $A_{2-m} B_2O_6(O,OH,F)_{1-n} .pH_2O$ with a wide variety of elements occurring as the A element, including (**Na, Ca**, K, Sn, Ba, REE, Pb, Bi, U) and T or Ti occurring as B. (Bold = essential element; italics = low/rare elements). Pyrochlore forms euhedral to subhedral octahedral crystals 0.2 to 4-mm in size concentrated in the heavy mineral bands.

Fersmite is a relatively rare Nb oxide mineral found in carbonatites and certain pegmatites. It has been recorded in less than 15 places globally. It has the generic formula $AB_2(O,OH,F)_6$, where A = (**Ca**,Na,Ce) and B = (**Nb**,Ti,*Fe,Ta*). Fe is a potential but not essential element. There appears to be a range of solid solution that may accommodate Ta, but it isn't an essential element. It forms as fine granular anhedral, subhedral, and rarely euhedral crystals growing within the boundaries of pyrochlore octahedral with lesser amounts of primary fersmite growing as sprays and single crystals in carbonate.

Columbite is an end-member of the columbite-tantalite series with the formula $(Fe, Mn)(Nb,Ta)_2O_6$. The Nb-rich member is columbite. Fe is an essential element. Columbite can be ferroan or manganoan, depending on the dominance in the elements in the A-sites. It occurs at Aley only as an alteration of fersmite. Limited data suggests it occurs more persistently, perhaps as a majority Nb-mineral, in the Central Zone in dolomite carbonatite (McLeod, 1986d).

The two largest exploration targets are the Central and Saddle zones. The Central Zone occupies the core of the carbonatite complex and has a strike varying from 070° to 120° strike (predominantly 120) and dips 60° to 70° to the south. Mineralization is associated with bands and swirls of magnetite. The Saddle zone occupies the northern part of the carbonatite complex in proximity to the contact with the amhibolite annulus and has a strike of 070° to 090° dipping at 60° to 70° to the north. Mineralization is associated with alternating bands of pyritic calcite (varying in width from 5cm to 5m) with dolomitic or calcitic carbonatite.

8 DEPOSIT TYPE

In the Aley deposit, niobium occurs in pyrochlore that formed as early-stage mineral precipitates in primary magma. Alteration of the dolomite carbonatite by unknown factors created the Nb bearing alteration minerals fersmite and columbite. The changes are believed to have occurred largely in situ, and as such there has been less scope for transport or concentration of Nb by secondary processes. The type of deposit is considered to be that of magmatic segregation.

Fluid dynamics in the liquid magma provided the primary influence on Nb distribution. Magmatic carbonate differs from silicate magmas by not exhibiting the polymerisation of the latter and thus remaining more liquid until the initial stages of solidification. Fluid flow within the magma chamber is relatively rapid and turbulent. Mäder (Mäder, 1986g) notes that apatite and pyrochlore precipitated early in the dolomite carbonate magma, and pyrochlore, apatite, magnetite, richterite, and biotite precipitated early in the calcite carbonate magma. These heavier minerals were then lifted by thermal convection currents within the lighter, high carbonate magmas, only to be entrained by and settle within counterflow currents. These currents concentrate the minerals into subvertical bands or sheets that have significant vertical and lateral continuity, even though they may be less than several metres wide. The rapid convection means that the heavy minerals will not settle into subhorizontal layers, as occurs in silicate magmas, such as immiscible sulphides in ultramafic magmas. The bands were blocked during solidus. Some streaming and attenuation likely occurred during emplacement of the Aley carbonatite in its sub-solidus (crystal mush) state. The mineral bands were already steeply dipping, and little change in band geometry or orientation is believed to have occurred during intrusion.

The control of location of the mineral bands lies mainly in the shape of the magma chamber and the form of the intrusion. With no evidence of post-emplacement remobilisation or concentration of Nb, the inherited geometry of the bands provides the final control of Nb emplacement. The Aley intrusion is roughly ovoid. Measurements of the mineral bands show that they are subparallel with the intrusive contacts in concentric, arcuate bands (Mäder, 1986g). Traditional exploration for Nb involves identifying the richest bands and following them with surface and drill testing.

9 EXPLORATION

9.1 Cominco Ltd. 1983-1986

Field work started in 1983 and continued regularly through the 1986 field season. Metallurgical work followed in 1983-85. The work, which was accomplished in 10 months of field work, included

- Roads: over 20-km of bulldozer access trail from the Ospika barge landing to the Aley camp (1984). This is now partially superseded by the recent logging roads and Ospika Camp of CANFOR.
- Trail developments: skid trails accessible by means of 4x4 vehicle from the Aley camp in the vicinity of the drill targets for a total ~28 km of trail.
- Orthophotography (1983) and derived base maps.
- Geophysical surveys: magnetometer surveys at several scales from reconnaissance to detailed local grids (17 line-kilometres); scintillometer reconnaissance surveys.
- Geological mapping at a scale of 1:5,000 over claims Aley 1-7 and on a more localized basis at a scale of 1:2,500 plus mapping of trenches at a scale of 1:500.
- Soil sampling on contour lines and along road banks.
- Rock chip sampling of outcrops, talus, road cuts with outcrop/subcrop, and all trenches (5-m contiguous samples).
- Diamond drilling in two campaigns for a total of 3,046.36m in 19 holes. NQ diameter core was drilled in 1985 and BQ diameter in 1986. Core was stored on site.
- An environmental baseline study conducted over the 1985 and 1986 field seasons by Norelco.
- Mineralogical studies conducted on samples throughout programs.
- Sample preparation for rock and core samples was done in the field.

9.2 Aley Corporation 2004-2006

Following the acquisition of control of the mineral claims by Aley Corporation in 2004, exploration efforts were concentrated on trench sampling for metallurgical material, confirmation of previous geology and establishment of historic drill hole collar locations. Trenches were opened by means of drilling and blasting in the vicinity of the Cominco trenches cut in 1985 and 1986. The purpose of these new trenches was twofold, firstly to acquire material suitable for metallurgical testwork, and secondly to confirm the grades estimated by Cominco in the 1980's. The samples were collected from trenches in the Central Zone near to the location of historic trenches CZ-85-6, CZ-85-6A and CZ-85-8, and in the Saddle Zone at SZ-84-4. In total, 912 kg of sample were gathered from the Aley site. During the same period, all of the major zones identified by Cominco were visited and drill holes locations identified and logged using a GPS. This work was carried out as a means by which to validate the previous mapping and survey work undertaken using conventional survey compass mapping, as compared to current GPS technology in order to identify any systematic errors in the mapping developed by Cominco. Aley Corporation reported a “reasonable correlation” between the Cominco sampling work and that of Aley Corporation and that in their view GPS survey work verified the Cominco mapping as reasonable and suitable for continued exploration, with the recommendation of conducting a survey for future resource work.

In 2006, a geological review and compilation of previous drilling and trenching was performed by Dave Thomas of AMEC with the objective of evaluating the mineralization and planning the 2006 field program. The 2006 drilling program was postponed to 2007 to accommodate a study being carried out on mountain goat movements.

Also in 2006, some metallurgical test work was continued on surface samples blasted from the Saddle and Central Zone trenches to which end approximately 1200 kg of material was worked on by PRA laboratories in Vancouver.

9.3 Taseko Mines Limited 2007-2011

In 2007 Taseko took over as operator of the project and completed a program of helicopter supported exploration drilling comprising 1,369 metres in 11 holes. The objective of the drill program was the confirmation of previous exploration work undertaken by Cominco between 1985 and 1986.

In 2009, and independently of Taseko, a five-week academically oriented mapping campaign was conducted on the property by Duncan F. McLeish, Dr. Stephen T. Johnston, and Mitch G. Mihalynuk with the objective of gaining a better understanding of the tectonic and structural controls on, and timing of, emplacement of carbonatites in the Canadian Cordillera. Observations from this work formed the basis of a M.Sc. thesis (McLeish, 2011). In 2010, a two-week mapping campaign by Duncan F. McLeish was conducted under the auspices of Taseko, with the objective of providing a structural and petrographic basis within which to undertake the targeting of exploration drilling that summer.

In 2010, an exploration program comprising diamond drilling of 23 drill holes (2010-12 through 2010-34), for a total of 4,460 metres was completed.

In the fall of 2010, petrological and petrographic characterization work was carried out on 35 core samples (Kressall, 2010).

In 2011 Taseko completed an additional 70 exploration core holes totaling 17,093 m.

10 DRILLING

10.1 Historical Drilling (1985-1986)

The Aley deposit was discovered in 1980 by Cominco. From 1985 to 1986, 3062 meters of diamond drilling was completed in 20 holes (A85-01 to A85-10 and A86-01 to A86-10) with average length of 153 meters (Table 10-1). The holes were drilled at various azimuths (20º to 345º) and inclinations (-45º to -65º). No downhole surveys were performed on the 1985 holes.

In 1986, downhole surveys were performed all ten holes, with three holes having two downhole surveys. The downhole survey method is unknown. The 1985 drilling was completed in the Saddle, Saddle West, Bear Extension and East Zones. In 1986, the first six holes were drilled in the Central Zone with the remaining four in the Saddle and Saddle West.

Although core recovery data records for the 1985 and 1986 drill programs were not located, the 1985 and 1986 assessment reports state that core recovery average greater than 85%. NQ (47.6 mm) and BQ (36.4 mm) core sizes were drilled and a total of 1,026 core samples with average length of 3 meters were taken.

Table 10-1 Historical drilling summary

Operator	Year	Drill Hole ID	No. of Holes	Core Size	Metres
Cominco	1985	A85-01 to A85-02	10	BQ/NQ	1580.8
Cominco	1986	A85-01 to A85-02	10	BQ/NQ	1481.4

10.2 2007 Drilling

In 2007, 11 drill holes (2007-001 through 2007-011) were completed by Taseko Mines Limited for a total length of 1,369 meters. Among them, 2007-001, 2007-002, 2007-004, 2007-006, 2007-007 and 2007-010 were of NQ (50.6 mm) diameter, and 2007-003, 2007-005, 2007-008, 2007-009 and 2007-011 were of BTW (48.5 mm) diameter.

All 2007 holes were drilled vertically and geotechnical data was measured on all holes except 2007-008 and 2007-011. Core was measured on 318 drill runs averaging 3.1 metres in length and averaging 97% in recovery. The only non-vertical hole, 2007-011 at an azimuth of 040º and an inclination of -88.3º, also recorded the only downhole survey taken that year.

The 2007 drill core was cut in half lengthwise using a diamond saw. Sample lengths averaged 3 metres. The half-core samples were tagged, bagged and assembled into shipping containers and shipped by commercial carrier to International Plasma Labs Ltd (IPL), Richmond, BC for preparation and analysis.

10.3 2010 Drilling

In 2010, 23 holes (2010-012 through 2010-034) were drilled by Taseko for a total length of 4,516 meters. All holes were drilled at similar orientation with azimuths ranging from 020º to 060º and inclination from -45º to -55º. Downhole surveys by single shot magnetic tool were performed on 18 of the 23 holes drilled in 2010. Five holes were not surveyed due the unavailability of survey equipment. The downhole survey tests performed also included magnetic strength and temperature measurements. The directional component of the surveys was later evaluated as to the degree of curvature implied in each borehole. A few records deemed to be errant due to magnetic influence were removed.

All 2010 drill holes were of NQ (47.6 mm) diameter. Geotechnical data were collected for most of the holes with the exception of 2010-031 through 2010-034. A total of 1,178 drill runs averaging 3.0 m in length were measured with 97% overall average core recovery

The 2010 drill core samples were transported by helicopter from drill sites on the Aley Project to the nearby Ospika Camp where it was logged and sampled by company personnel. Samples were taken by cutting the drill core in half lengthwise using a diamond saw. Cores from the first six drill holes were split at Ospika and cores from the remaining 17 drill holes were split at the Gibraltar Mine, under supervision of company geological personnel. The 2010 drill cores and split samples were trucked from Ospika to the Gibraltar Mine by commercial carrier. The half-core samples were tagged, bagged and shipped by commercial carrier to Inspectorate Exploration & Mining Services Ltd. (Inspectorate), Richmond, BC for preparation and analysis. The half core remaining in the boxes is stored at the Gibraltar Mine site. Coarse rejects and pulp samples are stored at the Hunter Dickinson warehouse facility in Surrey, BC.

A total of 1,314 half core samples averaging 3 m in length were collected during 2010.

10.4 2011 Drilling

A total of 17,093.5 meters of drilling was completed in 70 Central Zone drill holes in 2011 by Taseko Mines Limited on the Central Zone. The 70 hole total includes, 65 exploration drill holes numbered 2011-035 through 2011-099 and three geomechanical holes 2011-GM-01 through 2011-GM-03 completed by Blackhawk Drilling, and two geotechnical holes GTF-4 and GTF-5 drilled by Foundex Drilling.

In addition, six vertical monitoring wells, 2011-MW01 through 2011-MW06, and three geotechnical holes 2011-GT01 through 2011-GT03 were drilled by Foundex outside of the Central Zone area to test site infrastructure options. These nine monitoring well and geotechnical holes drilled are not reflected in the footage totals.

The exploration holes were drilled predominantly with azimuths of between 20° and 30° and were typically inclined from -40° to -60°. The geomechanical holes were drilled at the following collar azimuth and inclination: 2011-GM-1 at 28° and -56°, 2011-GM-02 at 201° and -70°, 2011-GM-03 at 21° and -75°. Geotechnical holes GTF-4 and GTF-5 were drilled vertically. Downhole surveys were performed on all 2011 holes drilled by Blackhawk holes 2011-035, 2011-036 and 2011-07 due to the unavailability of equipment. None of the holes drilled by Foundex had downhole surveys.

All exploration and geomechanical drill holes were cored at NQ diameter (47.6 mm). Recoveries were measured on 5,203 drill runs averaging 3.0 m in length from these holes. Overall average core recovery was 95%.

The 2011 drill core samples were transported by helicopter from drill sites on the Aley property to Ospika Camp where the core was logged and samples laid out by company personnel. Samples were taken by cutting the drill core in half lengthwise using a diamond saw. The half-core samples were tagged, bagged and shipped by commercial carrier to Inspectorate Exploration & Mining Services Ltd. (Inspectorate), Richmond, BC for preparation and analysis. The half core remaining in the core boxes is stored at the Mackenzie core storage facility and will, in part, be used for purposes of metallurgical test work. Coarse rejects and pulp samples are stored at the Hunter Dickinson warehouse in Port Kells, BC.

A total of 5,437 half core samples were collected in 2011 drilling program with an average length of 3 m.

A summary of all drilling completed by Taseko is presented in Table 10-2. Hole collar data for the 2011 drilling is shown in Table 10-3. Drill hole locations are illustrated in Figure 10-1.

Table 10-2 Drilling Summary 2007-2011

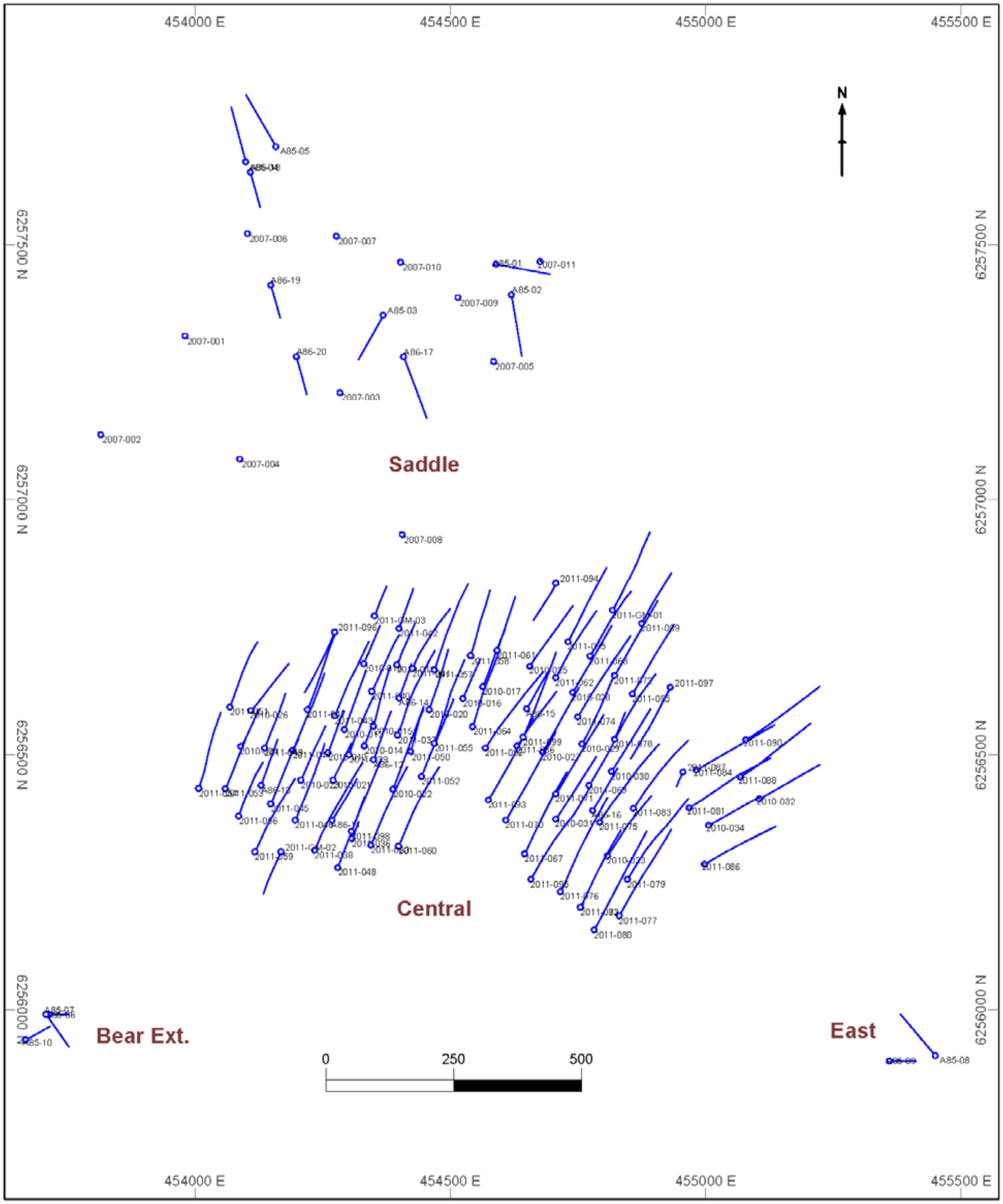
Year	Drill Hole ID	No. of Holes	Core Size	Meters
2007	2007-001 to 2007-011	11	NQ2/BTW	1369.0
2010	2010-012 to 2010-034	23	NQ	4,515.8
2011*	2011-035 to 2011-099 2011-GM-01 to 2011-GM-03 GTF-4 to GTF-5	70	NQ	17,093.5
Total		**104**		**22,978.3**

Table 10-3 2011 Drill Hole Collars

Hole-ID	East	North	Elev	Length	Azmuth	Dip
2011-035	454340.278	6256408.945	1557.080	201.17	21.00	-55.00
2011-036	454308.550	6256334.430	1534.300	64.31	21.00	-55.00
2011-037	454397.364	6256537.453	1614.780	326.80	19.00	-55.00
2011-038	454235.493	6256311.741	1537.850	329.18	19.00	-55.00
2011-039	454302.440	6256499.983	1602.800	216.41	19.00	-55.00
2011-040	454347.239	6256623.911	1635.110	213.36	21.00	-55.00
2011-041	454426.323	6256668.399	1676.450	246.89	19.00	-55.00
2011-042	454400.285	6256746.447	1702.410	142.34	19.00	-55.00
2011-043	454274.485	6256575.788	1649.290	274.31	19.00	-55.00
2011-044	454192.768	6256507.610	1628.990	295.66	19.00	-56.00
2011-045	454149.000	6256402.889	1589.410	252.98	19.00	-55.00
2011-046	454197.673	6256370.939	1558.560	304.80	19.00	-56.00
2011-047	454221.430	6256587.806	1674.920	283.46	21.00	-55.00
2011-048	454280.884	6256277.082	1510.810	344.42	19.00	-45.00
2011-049	454137.290	6256512.739	1623.030	204.22	19.00	-53.00
2011-050	454423.605	6256505.855	1607.920	152.41	19.00	-55.00
2011-051	454069.612	6256592.624	1672.300	228.60	19.00	-54.00
2011-052	454444.406	6256456.152	1581.880	304.80	21.00	-55.00
2011-053	454060.554	6256432.238	1634.090	207.26	21.00	-55.00
2011-054	454008.998	6256433.516	1664.760	251.46	20.00	-50.00
2011-055	454469.384	6256521.596	1616.650	304.19	21.00	-55.00
2011-056	454086.942	6256378.814	1615.220	195.07	19.00	-55.00
2011-057	454469.093	6256665.868	1692.940	316.99	21.00	-55.00
2011-058	454540.784	6256693.137	1704.520	234.70	21.00	-55.00
2011-059	454118.177	6256308.737	1586.440	292.60	21.00	-55.00
2011-060	454399.600	6256319.437	1549.870	314.55	21.00	-55.00
2011-061	454592.308	6256703.777	1691.500	202.39	21.00	-55.00
2011-062	454707.233	6256650.051	1702.370	258.08	28.00	-55.00
2011-063	454345.432	6256321.153	1514.010	307.85	21.00	-55.00
2011-064	454544.404	6256554.886	1627.200	271.27	21.00	-55.00
2011-065	454731.285	6256720.614	1728.450	240.79	28.00	-45.00
2011-066	454631.295	6256516.526	1654.340	188.06	28.00	-45.00

Hole-ID	East	North	Elev	Length	Azmuth	Dip
2011-067	454646.511	6256304.796	1693.790	262.13	28.00	-45.00
2011-068	454774.493	6256692.200	1747.690	210.31	28.00	-45.00
2011-069	454772.922	6256439.087	1742.950	231.65	28.00	-45.00
2011-070	454609.436	6256370.163	1652.910	292.61	28.00	-45.00
2011-071	454707.997	6256422.615	1706.110	262.13	28.00	-45.00
2011-072	454822.360	6256654.116	1777.790	179.83	28.00	-45.00
2011-073	454756.259	6256199.675	1791.780	15.24	28.00	-45.00
2011-074	454750.671	6256573.699	1729.770	263.96	28.00	-45.00
2011-075	454793.006	6256366.562	1767.510	263.65	28.00	-45.00
2011-076	454716.338	6256230.073	1758.390	292.61	28.00	-45.00
2011-077	454831.372	6256183.933	1836.250	280.52	28.00	-45.00
2011-078	454822.237	6256529.685	1778.810	210.97	28.00	-45.00
2011-079	454847.347	6256254.459	1826.710	277.37	28.00	-45.00
2011-080	454782.094	6256155.449	1811.270	313.94	28.00	-45.00
2011-081	454968.844	6256394.696	1846.170	304.80	59.00	-50.00
2011-082	454755.939	6256199.160	1791.680	295.66	28.00	-55.00
2011-083	454859.793	6256393.009	1802.310	234.70	28.00	-45.00
2011-084	454982.614	6256469.320	1860.190	283.46	58.00	-50.00
2011-085	454857.924	6256618.005	1800.060	219.46	28.00	-45.00
2011-086	454998.314	6256284.783	1814.790	253.10	58.00	-50.00
2011-087	454956.178	6256465.774	1851.470	258.17	208.00	-82.00
2011-088	455068.313	6256455.346	1852.010	274.32	59.00	-50.00
2011-089	454875.113	6256756.531	1821.400	161.54	28.00	-45.00
2011-090	455079.413	6256528.022	1889.630	283.47	58.00	-50.00
2011-091	455605.104	6256598.424	1864.530	201.17	58.00	-50.00
2011-092	454569.888	6256512.107	1614.130	259.08	27.00	-45.00
2011-093	454575.263	6256410.928	1628.340	262.13	28.00	-45.00
2011-094	454707.667	6256835.559	1754.430	262.13	204.00	-70.00
2011-095	454658.155	6256254.422	1717.540	301.79	28.00	-45.00
2011-096	454274.000	6256740.000	1720.000	334.98	201.00	-65.00
2011-097	454931.502	6256631.772	1846.850	347.47	208.00	-62.00
2011-098	454307.000	6256349.000	1530.000	112.78	21.00	-50.00
2011-099	454643.456	6256533.178	1662.000	258.17	21.00	-45.00
2011-GM-01	454818.370	6256782.094	1790.600	305.39	28.00	-56.00
2011-GM-02	454169.000	6256309.000	1558.180	261.21	201.00	-70.00
2011-GM-03	454352.063	6256771.347	1695.420	250.84	21.00	-75.00

Figure 10-1 Aley Project Drill Hole Plan



11 SAMPLE PREPARATION, ANALYSES AND SECURITY

11.1 Historical Samples (1985-2986)

The 1985 and 1986 samples were analyzed by the Exploration Research Laboratory of Cominco in Vancouver, BC by the pressed pellet XRF method. Samples were dried, crushed to 9 mm, a ¼ split taken, pulverized and mixed with boric acid. A subsample was placed in a 40 mm diameter by 3 mm high aluminum cup and the mixture was compressed at 40,000 psi to make the pressed pellet. The preserved pellet was analysed by XRF to determine Nb_2O_5 in percent. A total of 1,026 core samples were assayed by this method.

11.2 2007 Samples

Samples from the 2007 drill program were dried and crushed to 70% passing 2 mm (10 mesh). Then 250 g sub-samples were split and pulverized to 95% passing 150 mesh (106 micron).

In 2007 drill program, IPL (renamed as Inspectorate in 2010) performed the primary assay work. Nb2O5 (%) was determined by special multi-acid digestion with ICP finish (IPL code: 0785). Ta (ppm) was determined by multi-acid digestion with inductively coupled plasma mass spectroscopy (ICP-MS) finish (IPL code: 0784). Th (ppm) was determined by Aqua Regia digestion with atomic absorption spectroscopy AAS/ICP finish (IPL code: 0527). U (ppm) by aqua regia digestion with ICP finish (IPL code: 0728). Re (ppm) by multi-acid digestion with ICP-MS finish (IPL code: 0143). The major components (Al2O3, BaO, CaO, Fe2O3, K2O, MgO, MnO, Na2O, P2O5, SiO2, TiO2 and LOI) were analyzed using whole rock method (HNO3 digestion with ICP finish, IPL code: 0401~ 0417).

11.3 2010 Samples

Samples collected in 2022 were dried and crushed to 70% passing 2 mm (10 mesh). From this material, 250 g sub-samples were then split and pulverized to 95% passing 150 mesh (106 micron).

In 2011, primary assay analysis was performed by Inspectorate, Richmond, BC. Nb_2O_5 (%) were determined by multi-acid digestion with ICP finish (Inspectorate code: Nb_2O_5-AD3-OR-ICP). Ta (ppm) by 4 acid digestion with ICP finish (Inspectorate code: Ta-4A-LL-ICP). Th (ppm) by 4 acid digestion with ICP finish (Inspectorate code: Th-4A-LL-ICP). U (ppm) by 4 acid digestion with ICP finish (Inspectorate code: U-4A-OR-ICP). REE group (ppm) by lithium borate fusion with ICP-MS finish (Inspectorate code: REE-LB-MS). The major oxide whore rock components (Al_2O_3, BaO, CaO, Fe_2O_3, K_2O, MgO, MnO, Na_2O, P_2O_5, SiO_2, TiO_2 and LOI) were analyzed by lithium borate fusion with ICP finish, (Inspectorate code: WR-FS-ICP). An additional 30 elements were measured by 4 acid digestion with ICP finish (Inspectorate code: 30-4A-TR). In-line duplicates were analysed the same as in 2010.

In 2010, in-line preparation duplicates were assayed at the same time as the mainstream samples by Inspectorate. These duplicate samples were prepared by pulverizing a coarse reject split and inserting it within the regular assay stream. Additional check assays were also carried out by Acme Analytical Laboratories in Vancouver, BC. Nb, U, W, Mo and Sr were determined by phosphoric acid digestion with ICP finish (Acme code: 7KP). REE group and refractory elements were determined by lithium borate fusion with ICP-MS finish (Acme code: 4B02).

11.4 2011 Samples

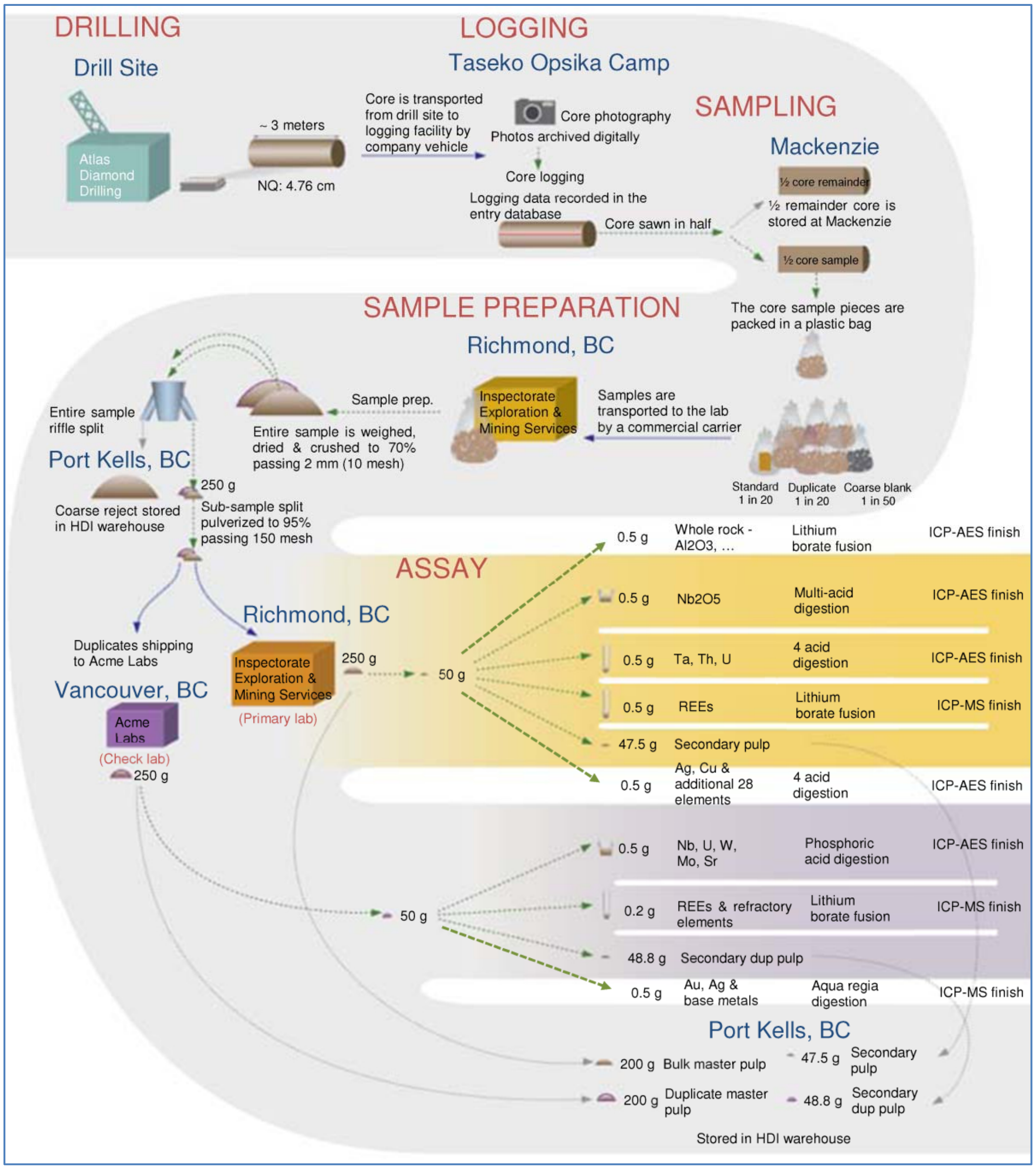
Samples collected in 2011 were dried and crushed to 70% passing 2 mm (10 mesh). Then 250 g sub-samples were split and pulverized to 95% passing 150 mesh (106 micron).

In 2011, primary assay analysis was performed by Inspectorate, Richmond, BC. Nb2O5 (%) were determined by multi-acid digestion with ICP finish (Inspectorate code: Nb2O5-AD3-OR-ICP). Ta (ppm) by 4 acid digestion with ICP finish (Inspectorate code: Ta-4A-LL-ICP). Th (ppm) by 4 acid digestion with ICP finish (Inspectorate code: Th-4A-LL-ICP). U (ppm) by 4 acid digestion with ICP finish (Inspectorate code: U-4A-OR-ICP). REE group (ppm) by lithium borate fusion with ICP-MS finish (Inspectorate code: REE-LB-MS). The major oxide whore rock components (Al2O3, BaO, CaO, Fe2O3, K2O, MgO, MnO, Na2O, P2O5, SiO2, TiO2 and LOI) were analyzed by lithium borate fusion with ICP finish, (Inspectorate code: WR-FS-ICP). An additional 30 elements were measured by 4 acid digestion with ICP finish (Inspectorate code: 30-4A-TR). In-line duplicates were analysed the same as in 2010.

Additional check assay was performed by Acme Analytical Laboratories (Vancouver) Ltd (“Acme”). Nb, U, W, Mo and Sr are determined by phosphoric acid digestion with ICP finish (Acme code: 7KP). REE group and refractory elements were determined by lithium borate fusion with ICP-MS finish (Acme code: 4B02). This work is in progress at the time of this report.

The sample preparation and analytical protocol for the 2011 drill program is shown in Figure 11-1.

Figure 11-1 2010 Drill Core Sample Preparation and Analytical Flow Chart



11.5 QAQC Programs

A summary of the external QAQC programs throughout the history of the project is presented in Table 11-1.

Table 11-1 QA/QC Summary

Year	MS	DP	DX	SD	ST	BL	Total
1985	440	-		-	-	-	440
1986	586	-		-	-	-	586
2007	410	22		-	23	11	466
2010	1,314	78	78	-	75	25	1,492
2011	5,437	-	306	2	302	81	6,128
Sum	**8,187**	**100**	**384**	**2**	**400**	**117**	**9,112**

MS – Main stream sample; DP – Duplicate; DX – Inline duplicate;
ST – Standard; SD – Standard duplicate; BL – Blank.

11.5.1 1985-1986

The Cominco Exploration Research Laboratory was well-recognized within the industry as a facility that performed high quality analytical work. However, no indication of external QAQC samples inserted along with core samples for the historical drilling prior to 2007 was noted in the project files

11.5.2 2007

For the 2007 drill program, Taseko implemented a standard external QA/QC program, which included external standards, duplicates and blanks. A total of 23 commercial standards, 22 coarse reject duplicates and 11 barren rock blanks were applied to the analytical program on the 2007 drill core.

Two niobium standard materials were used for QA/QC purposes: one matrix-matched, project-based standard AHG1 and Canmet standard Oka-1.

Check assaying for Nb, Ta, Th, Nd, Ce, La and major oxides was performed on 92 pulp duplicate samples and 6 standards by Corem Laboratory in Quebec, QC. Teck Cominco Global Discovery Lab, Vancouver, BC analysed the same 22 duplicate pulp samples and 2 standards by pressed pellet XRF analysis for Nb, Th and U and by Li borate fusion XRF for major oxides (whole rock). The duplicate results from these two laboratories match the original IPL results reasonably well.

11.5.3 2010

For the 2010 drill program, Taseko Mines Limited implemented a similar external QA/QC program to that used in 2007. A total of 75 standards, 78 coarse reject duplicates and 25 barren rock blanks were applied to the analytical program of 2010 drill core.

11.6 Standards

In the 2010 drilling program, four different standards were used for QA/QC purposes, namely: Aley-1, Aley-2, Aley-3 and OKA-1 (Table 11-2). These standards were inserted into the sample stream at a frequency of approximately one in every twenty samples. Ideally, standards were placed to match the anticipated grade range of the surrounding samples. These standards are in addition to those routinely analyzed by the analytical laboratories as an internal check. Standard performance was monitored and the results were compared with the expected value and range, as determined from the round-robin testing of the standard.

Nb_2O_5 assay results were monitored for QA/QC failures defined as results outside the control limits, and re-analyzed as necessary.

Warning limits: ± 2 S.D.

Control Limits: ± 3 S.D.

Table 11-2 Reference Materials Used in 2010 Drill Program

Standard	Times Used	Nb_2O_5 %	2 Std. Dev. Nb_2O_5
Aley-1	23	0.448	0.045
Aley-2	21	0.720	0.055
Aley-3	14	0.866	0.027
OKA-1	17	0.529	0.066
Sum	75	-	-

Prior to 2011 drilling program, five new matrix-matched standards (Aley-4 to Aley-8) were prepared and packaged by CDN Resource Laboratories Ltd, and round robin assayed by six commercial laboratories (ALS Chemex, Vancouver; Actlabs, Ancaster; Genalysis, Perth; Ultratrace, Perth; IPL Vancouver; Acme, Vancouver). The results were certified for Nb, La, Ce, Fe_2O_3 and P_2O_5 by Smee & Associates Consulting Ltd. These five standards are derived from core coarse rejects from the 2010 Aley drill program and range from 0.28 to 1.3% Nb_2O_5. They are listed in Table 11-3

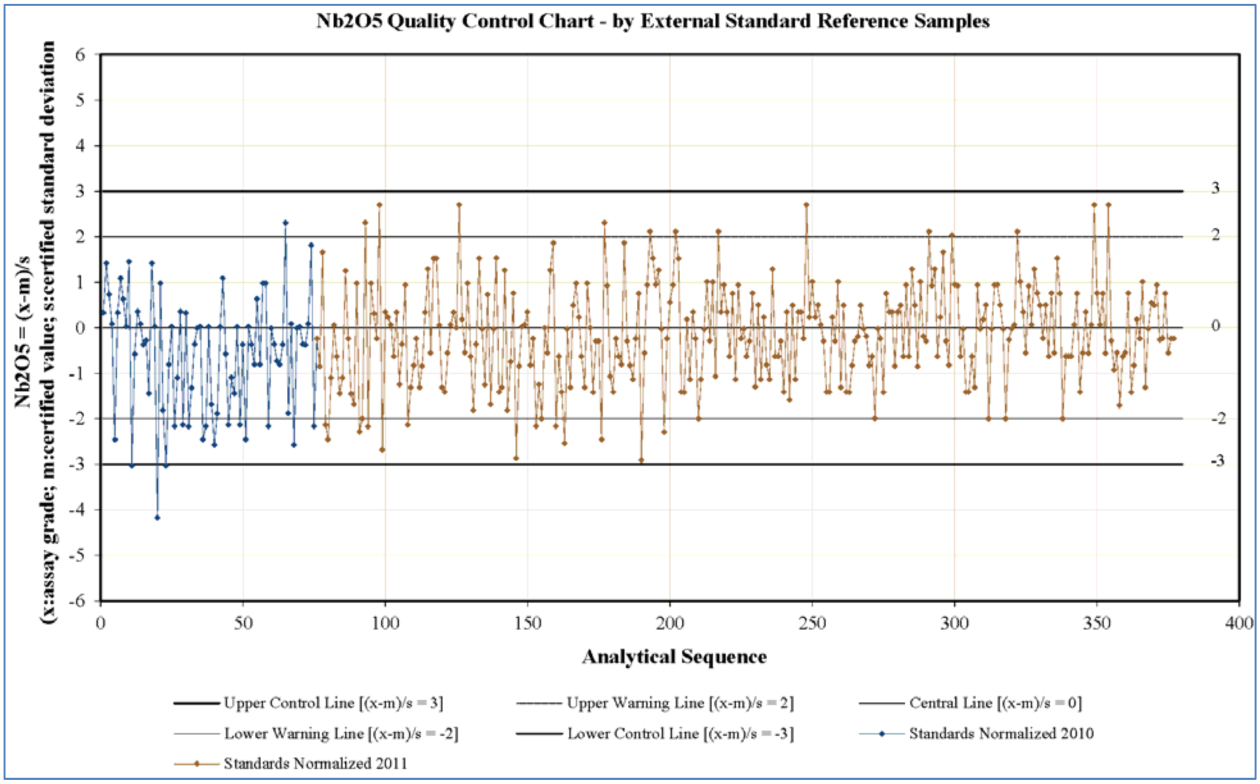
Table 11-3 New Matrix-Match Standard Specifications

Standard Name	Type	Source
Aley-4	Fresh core with low Nb grade	Central Zone 2010 Drill Core Coarse Rejects
Aley-5	Oxidized core	
Aley-6	Magnetite-rich core	
Aley-7	Phosphorus-rich core	
Aley-8	Fresh core with high Nb grade	

In the 2011 drilling program, eight standards (Aley 1 to Aley 8) were used for QA/QC purposes. They were inserted into the sample stream approximately one in every twenty samples. Ideally, standards were placed to match the anticipated grade range of the surrounding samples. Standard performance was monitored and the results were compared with the expected value and range, as determined from the round-robin testing of the standard.

Niobium assay results were monitored upon receipt from the laboratory for QA/QC performance and results outside the control limits were subject to re-analysis (Figure 11-2).

Figure 11-2 Niobium Quality Control Chart for 2010 & 2011 Drill Programs



11.7 Blanks

Coarse granite and sand blanks were submitted with the regular half core samples in the field to test for possible sources of contamination during analyses. The laboratory was instructed to crush and prepare the samples in numerical order, so that an assessment of possible cross-contamination could be made. In 2010, total 25 blank samples were inserted. Most of them returned normal values and without significant contamination except for 2 samples from hole 2010-021 (sample: 875385) and hole 2010-034 (sample: 912823). The first one was likely contaminated from the previous sample and the second one appears to be a duplicate of the mainstream (sample 912824) that was mislabeled.

In the 2011 drill program, a total of 81 course blanks (granite) were inserted to monitor the potential contamination during sample preparation. The results indicate that there is no significant contamination except for one swapped sample (hole 2011-085 – sample 943639: swapped with 943641) and one mixed sample (hole 2011-093 – sample 942708: mixed up with 942707).

11.8 Duplicates

In 2010, a total of 78 field duplicates were assigned; 71 of these were analyzed by Inspectorate using the same methods as the mainstream samples (results from 7 duplicates are pending).

The Nb_2O_5 comparison between the mainstreams and the field duplicates is shown in Figure 11-3.

In addition, 41 inline duplicates and 6 standards were sent to Acme for further checks. The comparison between the inline duplicate results and the interlab check results is shown in Figure 11-4.

In general, these duplicate pairs exhibited reasonable correlation with no significant bias.

Figure 11-3 Field Duplicate Results

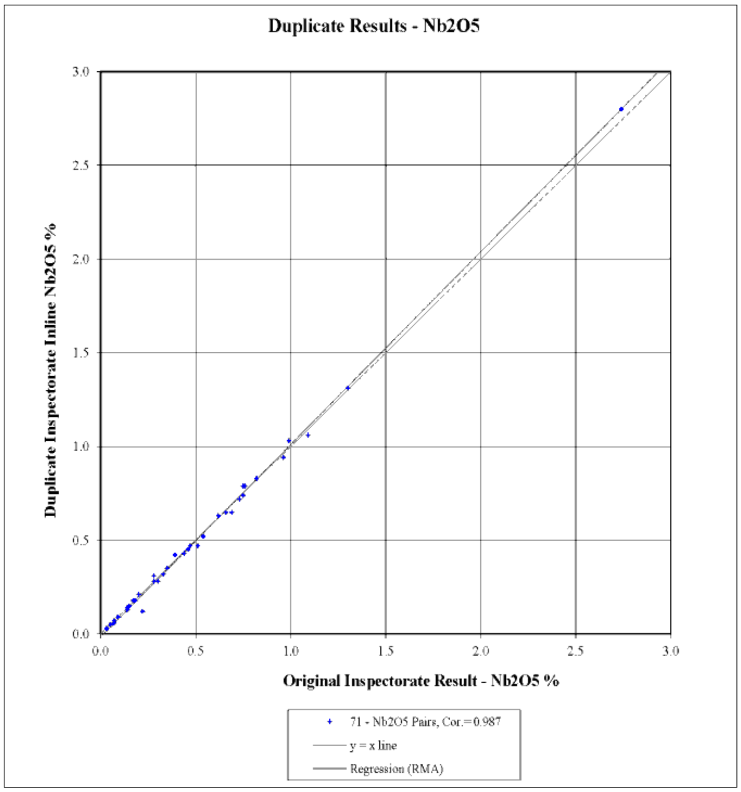
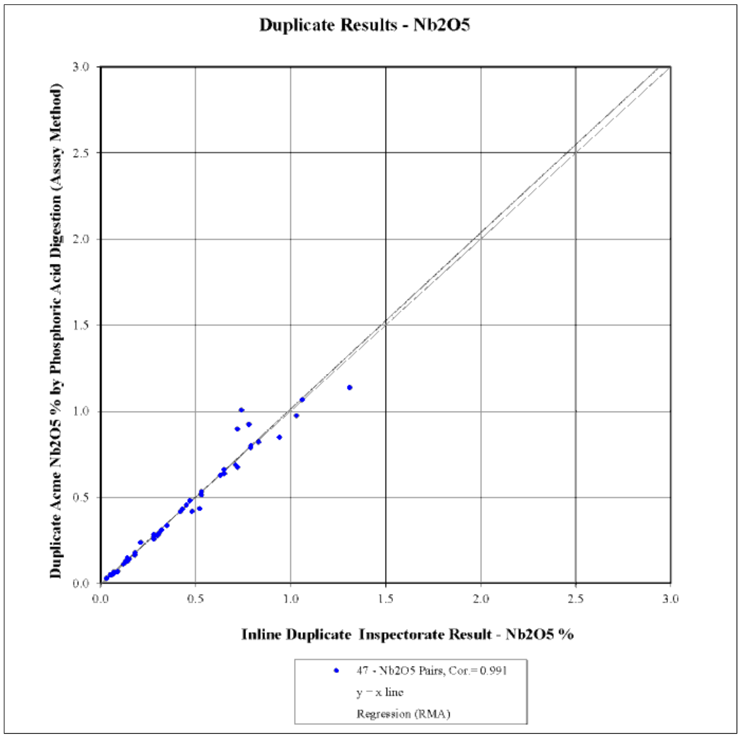


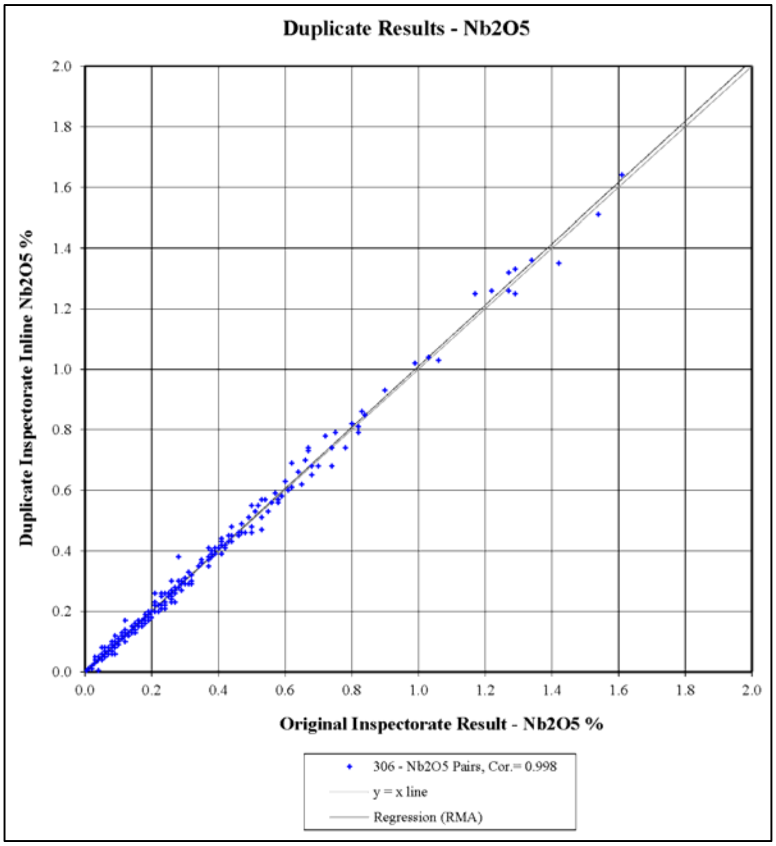
Figure 11-4 Interlab Duplicate Results



In 2011, a total of 306 in-line preparation (reject) duplicates were assigned and analyzed by Inspectorate using the exact same methods as the mainstream samples. In addition, all the pulps from the mainstream samples parallel to the in-line duplicates were sent to Acme for check assays. This work was still in progress at the time of the report.

The duplicate pairs show reasonable correlation with no significant bias (Figure 11-5).

Figure 11-5 In-line Reject Duplicate Performance - 2011



11.9 Density Data

A total of 3,818 individual density and specific gravity (SG) measurements were taken on Aley drill core samples during the 2077, 2010 and 2011 programs. Process Research Associates Ltd (PRA) took 88 density measurements in 2007 using the wax coat method from Saddle Zone drill core samples. Site personnel took 481 measurements in 2010 and 3,249 measurements in 2011 using an uncoated, quick-dunk water immersion method from whole drill core samples, predominantly from the Central Zone deposit area.

The procedures of the PRA wax-coated density method are as follows:

- Samples dried in low temperature oven overnight
- Weighed single piece of drill core, coated with molten wax, recorded total weight
- Waxed sample placed into a graduated cylinder with water, removed bubbles
- Volume change was recorded. Specific gravity of wax from literature.

The procedures of the uncoated, quick-dunk water immersion method are as follows:

- Dry, whole core samples, typical of the surrounding rock
- Sample spacing one in ten assay samples, roughly every 10 m down hole
- Weigh sample weighed in air (Ma)
- Weight sample suspended in water (Mw)

- Read Mw quickly after balance stabilizes to minimize water incursion into rock pores

The summary of the bulk density is shown in Table 11-4.

Table 11-4 Bulk Density Summary by Year

Year	Number of Measurements	SG Minimum	SG Mean	SG Median	SG Maximum	Note
2007	88	2.34	2.77	2.78	3.06	PRA - Wax-coated method
2010	481	1.04	2.77	2.78	3.98	Site - Un-coated method
2011	3,249	2.25	2.92	2.90	4.02	Site - Un-coated method
Overall	**3,818**	**1.04**	**2.89**	**2.89**	**4.02**	

In 2007, 88 apparent specific gravity measurements were taken by Process Research Associates Ltd in 2007 using wax-coat water displacement method on drill core samples from the Saddle Zone. This method more closely approximates the bulk density as any pores or vugs in the core sample would be sealed from water penetrations and therefore included in the measurement. The minimum value of this data set is 2.34 and the maximum is 3.06 with the mean value of 2.77.

In 2010, a total of 481 specific gravity measurements were done by site personnel using a rapid measurement water immersion method. In this method, the weight in water is measured before water permeates the sample.

The minimum value measured was 1.04 and the 3.98 and the mean value 2.77. All the higher values correspond with higher iron content (mostly magnetite) so were therefore deemed to be reasonable. Sixteen values from the upper part of hole 2010-022 which were lower than 2.0 were deemed to be unreasonably low and were removed from the database.

In 2011, a total of 3,249 specific gravity measurements were taken by site personnel using water immersion method. In 2011, each sample was weighed 2 to 3 times in air and then once in water. A total of 1,083 independent samples were measured. HDI personnel cross-checked and verified the original data set. Based on this review, some data entry and test errors were found. These erroneous data were removed from the data set. The calibration standard weight records were also verified to confirm that the relative error (RSD) is acceptably low.

After verification and elimination of erroneous data, a minimum SG value of 2.25, a maximum of 4.02 and a mean of 2.92 was obtained. Most of the higher values correspond to high iron content (magnetite-rich rock) and are deemed to be reasonable.

11.10 Data Handling

All drilling data are compiled in a SQL database with tables that are compatible with Microsoft® Access database. Drillhole logs are entered into laptop computers running the Access data entry module for the Project at the core logging facility. The core logging computers are synchronized on a daily basis with the master entry database on the file server in the geology office at site.

Digital core photographs are also transferred to the file server in the geology office on a daily basis. The compiled site data is transmitted to the Vancouver office on a weekly basis where the logging data are imported into the master drill database and merged with digital assay results provided by the analytical laboratories. A further printing, validation and verification step follows after the data is imported.

Analytical re-runs are submitted to the analytical laboratories and corrections to analytical results within the database are made in the Vancouver office. Compiled data are exported to the site entry database, to resource modeling and other users.

Project data are processed so they can be assessed with respect to ongoing requirements for timely disclosure of material information. In this regard, compiled drill data and assay results are made available to project management, the technical team and project consultants advancing the project, immediately after the initial error trapping and analytical QA/QC appraisal processes are completed, provided there are no significant concerns. The data are then subjected to more extensive, long-term validation, verification, QA/QC, and error correction processes. The findings of these longer-term reviews are assessed as to their impact on previous disclosures and the necessity for further disclosure in the event of material change.

The author is of the opinion that the sample preparation, security and analytical procedures meet or exceeds industry standards and is adequate to support a mineral resource estimate as defined under NI 43-101.

12 DATA VERIFICATION

12.1 Verification by Aley Corporation

Following the acquisition of control of the mineral claims by Aley Corporation in 2004, the exploration efforts concentrated on trench sampling for metallurgical material and the confirmation of previous geology and drill hole collar locations. Trenches were opened by means of blasting in the vicinity of the previous Cominco trenches cut in 1985 and 1986. The purpose of these trenches was twofold, firstly to acquire material suitable for metallurgical testwork, and secondly to confirm the grades estimated by Cominco in the 1980’s. The samples were collected from trenches in the Central Zone in the vicinity of CZ-85-6, CZ-85-6A and CZ-85-8, and in the Saddle Zone at SZ-84-4. In total, 912 kg of sample was gathered from the Aley site. During the same period, all of the major zones identified by Cominco were visited and drill holes locations identified and logged using GPS. This work was carried out as a means by which to validate the previous mapping and survey work undertaken using conventional survey compass mapping, as compared to current GPS technology in order to identify any systematic errors in the mapping developed by Cominco. Aley Corporation reported a “reasonable correlation” between the Cominco sampling work and that of Aley Corporation and that in their view GPS survey work verified the Cominco mapping as reasonable and suitable for continued exploration, with the recommendation of conducting a survey for future resource work.

In 2006, a geological review and compilation of previous drilling and trenching was performed by Dave Thomas of AMEC with the objective of evaluating the mineralization and planning the field program that year.

12.2 Verification by Taseko Mines

Before the property was acquired by Taseko company personnel reviewed related report and assay results.

12.3 Verification by Hunter Dickinson

Since acquisition, HDI staff reviewed the existing database and related technical reports on behalf of Taseko. In addition, the following validation and verification was conducted:

(1) Creation of a new drill database with tables compatible with Gemcom GEMS™ mining exploration software.

(2) Verification of data based on system automatic check (duplicate check, unmatched check, max value check etc.) functions.

(3) Verification of assay data in the database against the original certificates.

(4) Review of QAQC sample results. Re-runs were triggered if external standards failed.

(5) Assessment and periodic comparison of assay methods and assay results.

(6) Corrections and updates were performed regularly.

12.4 Verification by Geosim

The author visited the site and the Mackenzie sampling facility on August 29, 2011. The purpose of the visit was to review the geology and mineralization encountered in the drill holes completed to date. In addition, drilling, sampling, quality assurance/quality control (QA/QC), sample preparation and analytical protocols and procedures were reviewed.

Eleven drill hole collar locations were verified by GPS readings.

The author did not collect or submit samples for analysis.

12.5 Conclusions and Recommendations

The author is of the opinion that the data is adequate to support a measured, indicated and inferred mineral resource estimate as defined under NI 43-101.

Pulp re-checks at a secondary laboratory are recommended.

13 MINERAL PROCESSING AND METALLURGICAL TESTING

Metallurgical test work conducted prior to 2007 by Cominco and the Aley Corporation prior to its purchase by Taseko is considered historical. These tests were conducted using material from drill or trenching programs that do not have documentation available with regards to sample preparation, analysis procedures, or QA/QC. The metallurgical composites generated for these tests are not representative of what has now been identified as a measured, indicated and inferred resource. While these test programs are indicative in nature and provide valuable information with regards to the process conditions and response of the Aley mineralization, the analytical issues preclude using the results for predictive purposes.

13.1 Pre 2004 Cominco Test Programs

Test work conducted by Cominco included a variety of alternate processes for extraction including flotation on a 5 ton bulk sample.

13.2 2004-2005 Test Program

Reference: Nethery, 2006 – Report of Technical Exploration and Development – 2006 Evaluation and Exploration Planning on the Aley Carbonatite Property

A metallurgical testing program on samples from the Aley carbonatite was initiated in November 2004 at Process Research Associates Ltd, Vancouver BC, under the direction of Michel Robert.

The program was based on the application and testing of the same mineral processing scheme used commercially at the Niobec mine in Quebec since 1976. This metallurgical process for Niobec was developed through a major test program and is more complex than processes typically applied to sulphide minerals. However, individually, the unit processes are not unique in the application of mineral processing.

The composite used for the scoping test program was prepared from eight fresh samples collected in October 2004 by trenching in the Central Zone that had been identified by Cominco.

The laboratory unit processes investigated were de-sliming, magnetic separation, carbonate rougher flotation, niobium rougher and scavenger flotation, and the first and second niobium cleaner flotation stages. Sufficient work was performed to establish a bench mark for these unit processes and establish operating criteria. The results obtained compare favorably to the operating results at Niobec.

The process steps from the Niobec flow sheet that were not investigated in this program include; the third to sixth cleaner flotation stages for niobium, flotation of pyrite from the niobium concentrate, leaching of the niobium concentrate and two stage cleaning of the carbonate concentrate. These other unit processes require a sufficiently large sample of second stage cleaner concentrate, thus final recovery and grade were not determined in this program.

The Niobec flow sheet is presented (with the permission of Niobec) in Figure 13-1.

Figure 13-1 Simplified Niobec Flowsheet

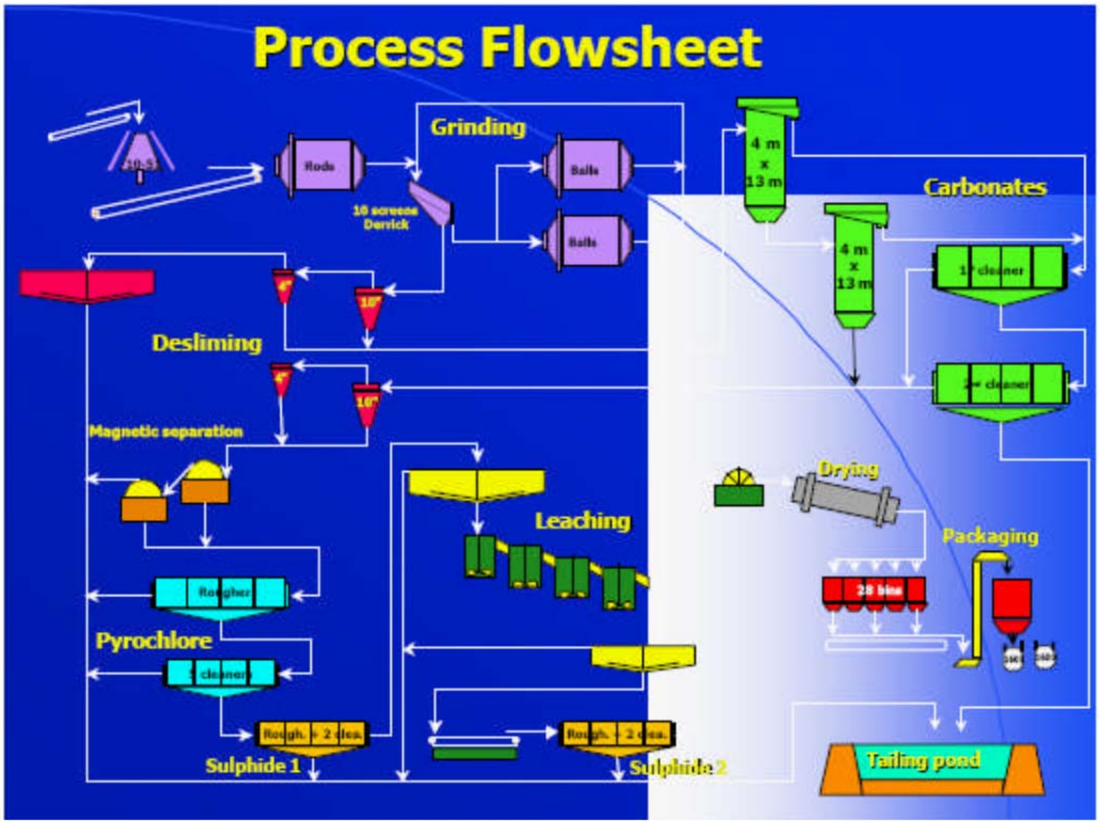


Table 13-1 shows the main process results of the Niobec concentrator, compared to the bench mark test (F39) carried out by Process Research Associates Ltd on the Central Zone Composite from Aley.

The reference benchmark for the Aley Central Zone test is a batch test, without recirculation of intermediate products, while the Niobec results include recirculation of intermediate products. Hence the benchmark test results assume no recovery from the various recycle loops, such as cleaner tails and carbonate cleaners products.

Table 13-1 Results of Niobec (2004-5) and Aley Benchmark Test F39

Conditions	NIOBEC	ALEY
Head Grade (%Nb_2O_5)	0.62	0.74
Grind Size (P80)	130 microns	110 microns
Weight of slimes rejected, (% of feed)	18%	13%
Nb_2O_5 lost with slimes	15%	10%
d50 of slimes	8 microns	9 microns
Recovery of 20 microns material	100%	100%
Weight of carbonate rejected, (% of feed)	28%	36%
Grade of Nb_2O_5 in carbonate rejected	0.10%	0.22%
Nb_2O_5 lost with carbonate	5%	11%
Weight of magnetite separated, (% of feed)	3%	6%

Conditions	NIOBEC	ALEY
Grade of Nb_2O_5 in magnetite separated	0.20%	0.20%
Nb_2O_5 lost with magnetite	>2%	>2%
Niobium in feed to flotation (% of Nb in feed)	78% - 80%	77%
Stage Recovery of Niobium (%)	80% - 85%	90%
Rougher Tails (%Nb_2O_5)	0.18% - 0.25%	0.15%
Rougher concentrate grade (%Nb_2O_5)	~ 2%	6%
Overall Recovery to Ro. Concentrate (%)	65% - 70%	70%
First Cleaner Stage Recovery (%)	95%	95%
Concentration Ratio	1.9	1.4
Concentrate grade (%Nb_2O_5)	~ 4%	8.50%
Overall Recovery to 1st Cl. Concentrate (%)	64%	66.50%
Second Cleaner Stage Recovery (%)	95%	97%
Concentration Ratio	1.9	1.2
Concentrate grade (%Nb_2O_5)	~8%	10%
Overall Recovery to 2nd Concentrate (%)	60% - 62%	64.50%

The flotation response of the composite from the Aley Central Zone is similar to that from the ore at Niobec. In some aspects, the test work indicates improved performance over the Niobec results, in particular the lower quantity of niobium rejected with the slimes, and generally better stage recoveries in the niobium rougher, first and second cleaners.

Iron minerals in the niobium cleaner concentrates contribute to the mass of the concentrates. These iron minerals are typically removed by mild leaching of the niobium concentrate and reverse flotation of the remaining pyrite as in the Niobec flowsheet.

A columbite mineral present in a small quantity in the composite also floated with fersmite/pyrochlore, according to the mineralogical investigation. At Niobec, neither columbite nor ferrous pyrochlore is recovered in any significant quantity.

13.3 2008 Test Program

The 2008 test program was conducted at Process Research Associates on a composite of saddle zone material that was extracted in 2005 from a surface trench sample, and used the test parameters developed on Central Zone material. The Saddle Zone material is of the same mineral complex and adjacent to the Central Zone, but is not part of the inferred resource developed for the Aley Project. These tests were conducted to target coarser feed particle sizes than the previous test work on the Central Zone. Feed size targets were conducted at 80 % passing 180 microns, 150 microns, and 110 microns. The 110 micron tests were undertaken to provide a point of reference that could be used to compare the results to the 2005 work, as this is the same target size used in that program.

The 2008 test program encompassed five stages of niobium cleaner flotation. Test results indicate that decreasing grade and recovery of Nb_2O_5 to the fifth cleaner concentrate occurred with increasing particle size. For comparison to the 2005 test program, the 2008 second cleaner concentrate results show similar recovery at the same feed target size, but with a reduced concentrate grade.

Qualitative mineralogical analysis of select flotation products from the 2008 program showed that the niobium carrier minerals were either liberated or intergrown, with subordinate amounts of particle-locking with apatite, carbonate and quartz. The heterogeneous mineral distribution indicates that the selectivity of the recovery process is influenced more strongly by factors other than mineral liberation. However, the identified mineral locking is consistent with the lower grade observed in the 2nd cleaner concentrate at 110 micron flotation when compared to the results from the 2005 test program conducted at the same particle size. This locking grade relationship is also consistent with the observed decrease in grade and recovery at coarser particle sizes.

A metallurgical test program is presently underway utilizing drill core from the 2010 field season.

14 MINERAL RESOURCE ESTIMATE

Drilling to date on the Project has partially defined the Central Zone, which comprises a continuous body of near-surface niobium mineralization within an area measuring 1400m E-W by 500m N-S and to a depth below surface of about 250 m. The ultimate limits have yet to be defined.

14.1 Exploratory Data Analysis

The sample database for the Aley project contains results from 104 core holes drilled between 1985 and the end of 2011. The Central Zone has been tested by 96 holes (21,434m) all of which were entirely within the carbonatite complex. Six of these were drilled by Cominco in 1986 and 90 by Taseko Mines in 2010 and 2011. The area of the Central Zone defined by the drilling is roughly 1200m E-W by 500m N-S and to a depth below surface of about 250 m.

The bulk of the Nb_2O_5 mineralization is hosted by the magnetite-apatite carbonatite cumulate domain (CM). Some mineralization is hosted in the dolomite carbonatite (CD) domain with lesser amounts in the silicocarbonatite (CS).

Cumulative frequency distribution for the Nb_2O_5 samples within the three main domains of the Central Zone is illustrated in Figure 14-1 to Figure 14-3. The sample population within the CD and CM domains is moderately skewed approaching log normal distribution with no significant bimodality evident. The CS domain exhibits possible bimodal character but primarily represents sub-economic grades of $Nb_2O_{5.}$

Basic statistics for the individual and collective domains are shown in Table 14-1.

In the CM domain, Nb_2O_5 displays a weak to moderate positive correlation with P_2O_5 and Fe_2O_3 values with correlation coefficients of 0.22 and 0.43 respectively. A weak positive correlation with TiO_2 was also noted. There is also a moderate positive correlation with Cu grades but the levels of Cu are not of economic significance, rarely exceeding 100 ppm.

In the CD domain, Nb_2O_5 is weakly correlated with Fe_2O_3 but shows no correlation with P_2O_5. In the CS domain there is no significant correlation between Nb_2O_5 and Fe_2O_3 or P_2O_5

Figure 14-1 Frequency distribution of Nb_2O_5 in CD domain

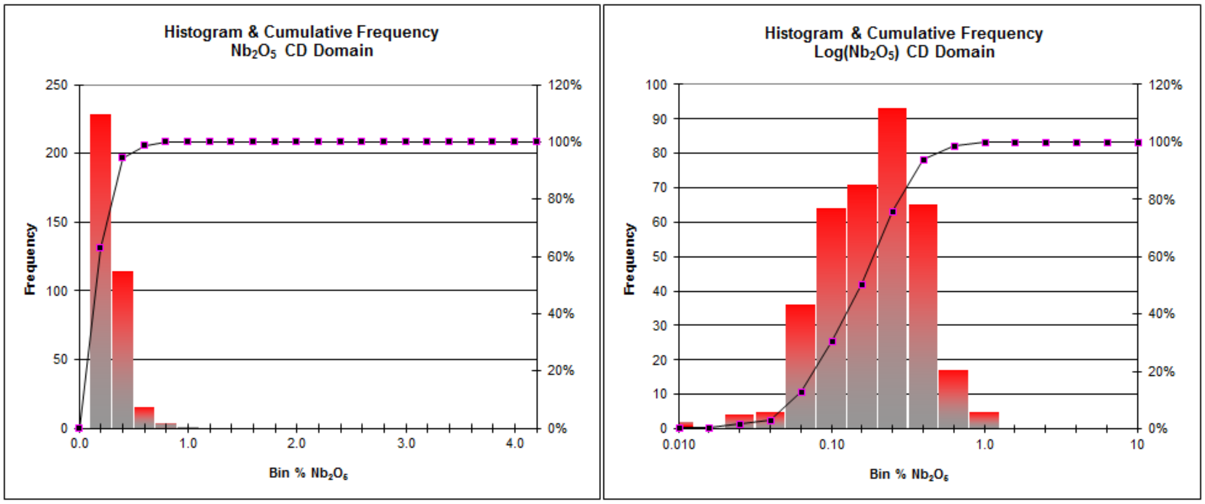


Figure 14-2 Frequency distribution of Nb2O5 in CM domain

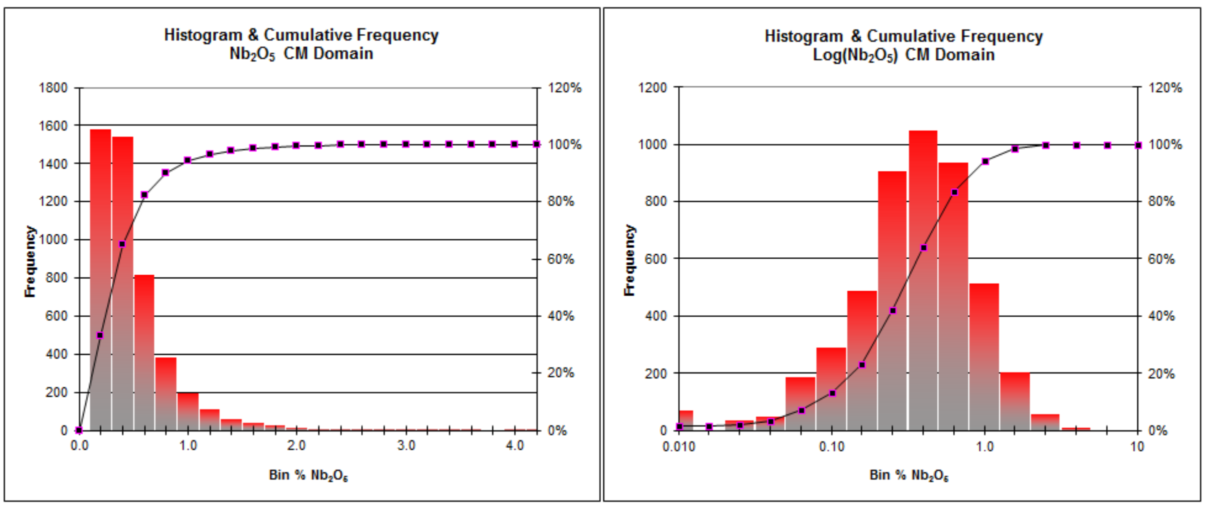


Figure 14-3 Frequency distribution of Nb2O5 in CS domain

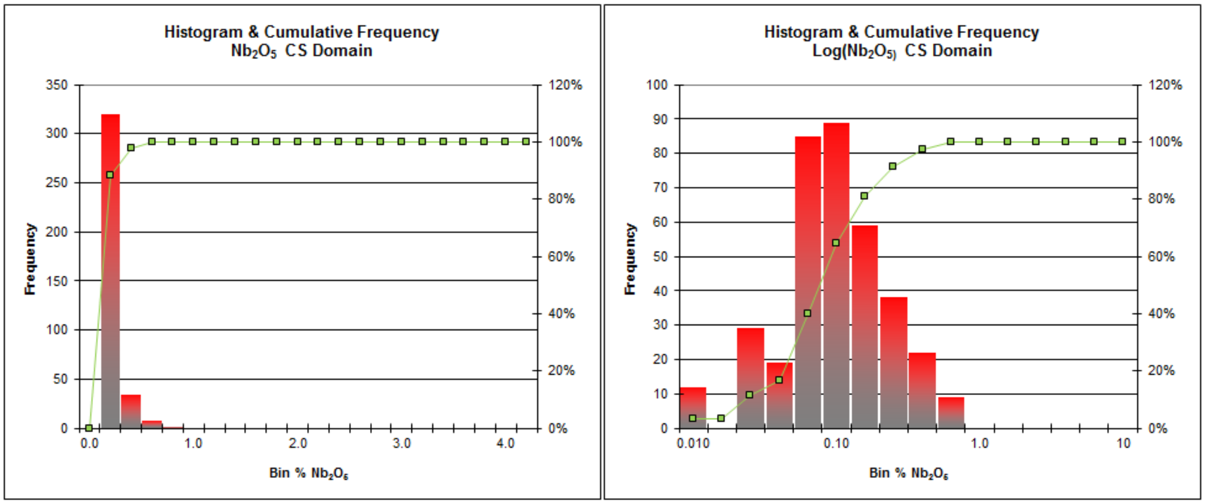


Table 14-1 Sample Statistics Nb_2O_5

Domain	CD	CM	CS	ALL
n	362	5135	1520	7017
Min	0.01	0.01	0.01	0.01
Max	1.00	6.75	1.17	6.75
Median	0.15	0.30	0.08	0.23
Mean	0.19	0.39	0.12	0.32
Wt Avg	0.19	0.38	0.12	0.31
Variance	0.02	0.13	0.02	0.11
Std Dev	0.13	0.36	0.12	0.33
CV	0.70	0.90	1.07	1.03

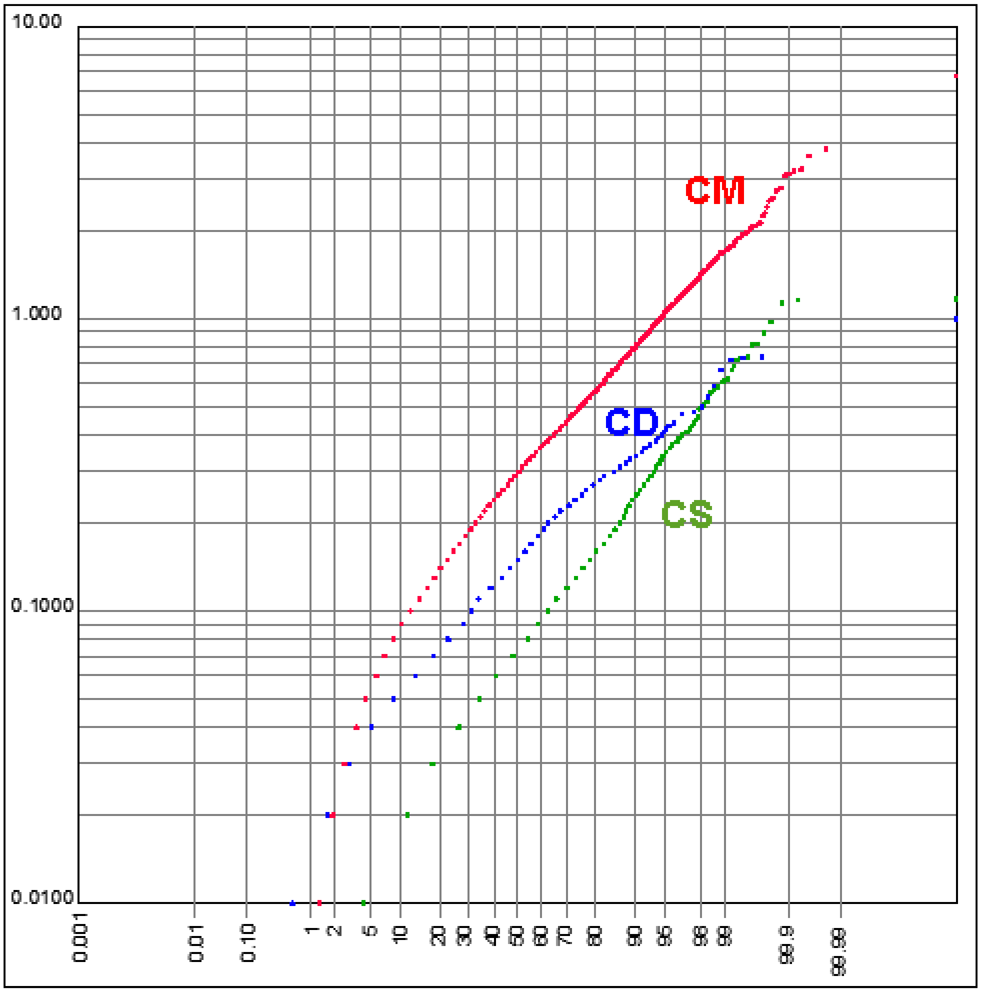
14.1 Outlier Analysis

Before compositing, grade distribution in the raw sample data was examined to determine if grade capping or special treatment of high outliers was warranted. Cumulative log probability plots were examined for outlier populations and decile analyses was performed for Nb_2O_5 within the zone domains. As a general rule, the cutting of high grades is warranted if:

- the last decile (upper 10% of samples) contains more than 40% of the metal; or
- the last decile contains more than 2.3 times the metal of the previous decile; or
- the last centile (upper 1%) contains more than 10% of the metal; or
- the last centile contains more than 1.75 times the next highest centile.

None of these criteria were met for any of the Central Zone domains. The last decile contains less than 35% of the contained metal and less than 8% is contained in the last centile. The cumulative probability plot of the data shows a break above 2.1% Nb_2O_5 in the CM domain with a few scattered outliers above this level. After compositing, only 2 composites were above this level with the maximum value of 2.35. It is concluded that capping or outlier restriction is not necessary for the Central Zone Nb_2O_5 grades.

Figure 14-4 Cumulative log probability plot for Nb_2O_5



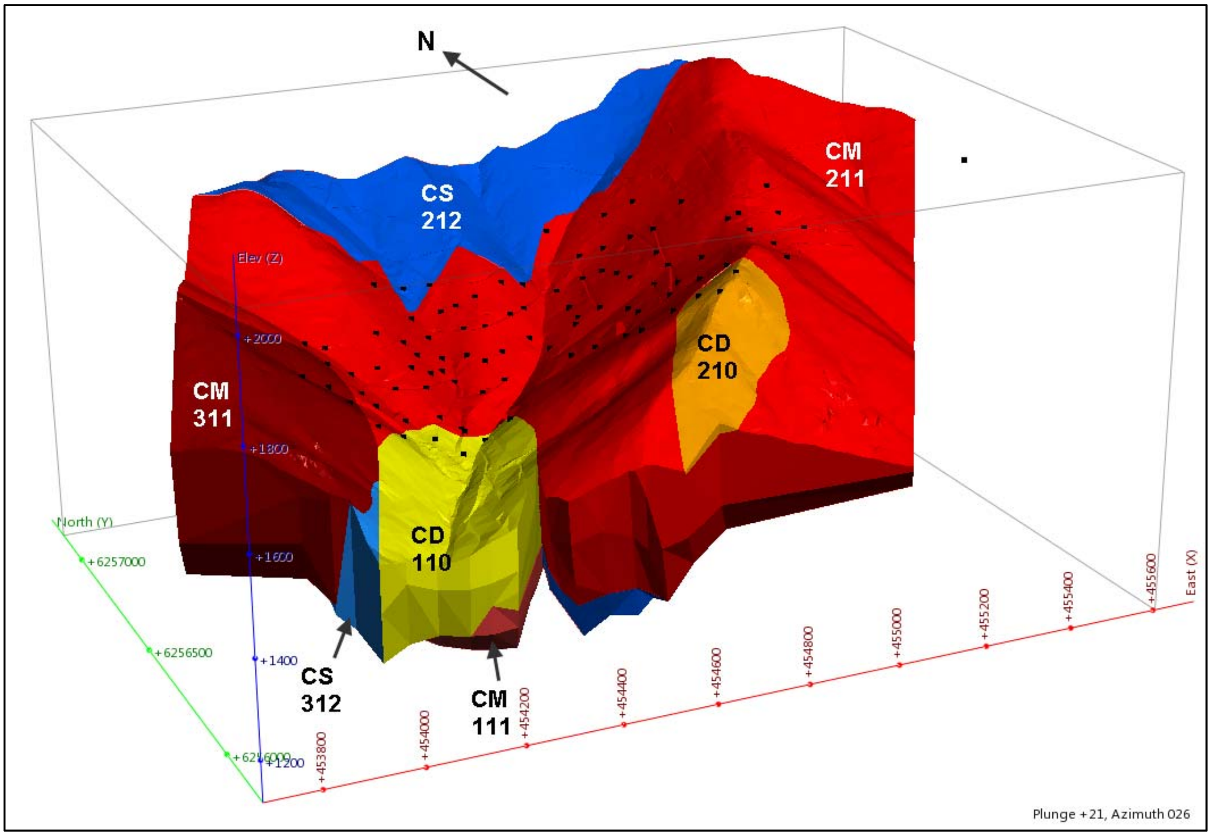
14.2 Deposit Modeling

In 2011, Taseko personnel generated a geological model on the basis of lithological and assay data from the 2010 and 2011 drill programs. Within this model six initial lithofacies were defined, namely Cumulate Carbonatite (CM), Fenite-bearing Cumulate Carbonatite (ACM), Dolomite Carbonatite (CD), Fenite-bearing Dolomite Carbonatite (ACD), Silicocarbonatite (SC) and Fenite-bearing Silicocarbonatite (ACS). The six domains were initially delineated as polygons on a series of paper cross-sections covering the entire deposit area, and were then digitized using MapInfo and Discover 3D. From the digital polygons, a series of continuous 3D solids were then created by means of wireframing using a largely manual tie-line process. Following appraisal, the original six lithofacies were simplified to three facies - specifically CM, CD and CS - for the purposes of resource constraint, this simplification being effected through the inclusion of the fenite bearing material into its corresponding lithofacies.

On the basis of sectional interpretation, three fault-bounded blocks controlling mineralization were modeled. Within these blocks, a combination of steeply-dipping and low-angle faults have been recognized by subtle variations in apatite, zircon, and niobium mineralization.

The final solid models are a simplified combination of the fault domains and lithofacies and were used as hard boundaries to constrain grade estimation in the block model. The domains and corresponding integer codes are illustrated in Figure 14-5.

Figure 14-5 Aley zone domains



14.3 Compositing

Best fit downhole composites of Nb_2O_5 were generated within each of the 7 domains using a nominal 6 metre interval from drill holes within the Central Zone. Basic statistics are shown in Table 14-2. The mean values are identical to the weighted averages of the samples. The pre-2007 data represents about 4% of the total composites.

Table 14-2 Composite statistics

	CD	CM	CS	Combined
n	191	2621	825	3637
Min	0.03	0.01	0.01	0.01
Max	0.54	2.75	0.58	2.75
Median	0.16	0.32	0.09	0.25
Mean	0.19	0.38	0.12	0.31
Variance	0.01	0.07	0.01	0.07
Std Dev	0.10	0.27	0.09	0.26
CV	0.54	0.70	0.81	0.83

14.4 Density

A total of 1538 density measurements were made on drill core from the central zone. Statistics for density measurements within the zone domains are presented in Table 14-3. The mean values were assigned to blocks within the corresponding domains. A value of 2 was assumed for overburden.

Table 14-3 Density statistics by domain

Domain	n	min	max	mean	median	Std Dev	CV
CD	58	2.77	3.02	2.90	2.91	0.05	0.02
CM	1106	2.25	4.02	2.89	2.88	0.19	0.07
CS	343	2.44	3.45	2.88	2.88	0.15	0.05
ALL	1507	2.25	4.02	2.89	2.88	0.18	0.06

14.5 Variogram Analysis

Directional semi-variograms were modeled for the main CM domain using the 6m composites. A nested spherical model was interpreted with moderate anisotropy. The model parameters are shown in Table 14-4

Table 14-4 Variogram model of Central Zone

Axis	Azim	Dip	co	c1	r1	c2	r2
Major	87	0	0.335	0.367	40	0.298	200
S-Major	177	-60	0.335	0.367	30	0.298	150
Minor	357	-30	0.335	0.367	23.4	0.298	120

14.6 Block Model and Grade Estimation Procedures

A block model was set up in Gemcom Surpac© software with block dimensions of 10 x 10 x 10m. Model extents are shown in Table 14-5.

Table 14-5 Block model extents

	Min	Max	Extent (m)	Block Size	# Blocks
x	453400	455800	2400	10	240
y	6255700	6258100	2400	10	240
z	1200	2300	1100	10	110

Block grades were estimated by means of ordinary kriging in three passes using incremental search distances. The first pass used a maximum anisotropic search of 50m equivalent to ¼ of the maximum variogram range. The second pass search was set at ¾ of the variogram range at 150m and the final pass search was extended to the maximum range of 200m.

A preliminary octant search pass was used to define interpolated blocks for classification purposes but was not used for final grade estimation. This pass used a maximum search of 150m and required composites in a minimum of 5 octants.

Block model search parameters used in grade estimation are summarized in Table 14-6.

Table 14-6 Block model search parameters

Pass	Max Search Dist	Min # Composites	Max # Composites	Max/ Hole
1	50	3	12	2
2	150	4	16	3
3	200	5	20	4

Views of the model grades in cross section and perspective views are illustrated in Figure 14-6 to Figure 14-10.

Figure 14-6 Block model grades - 1550 level

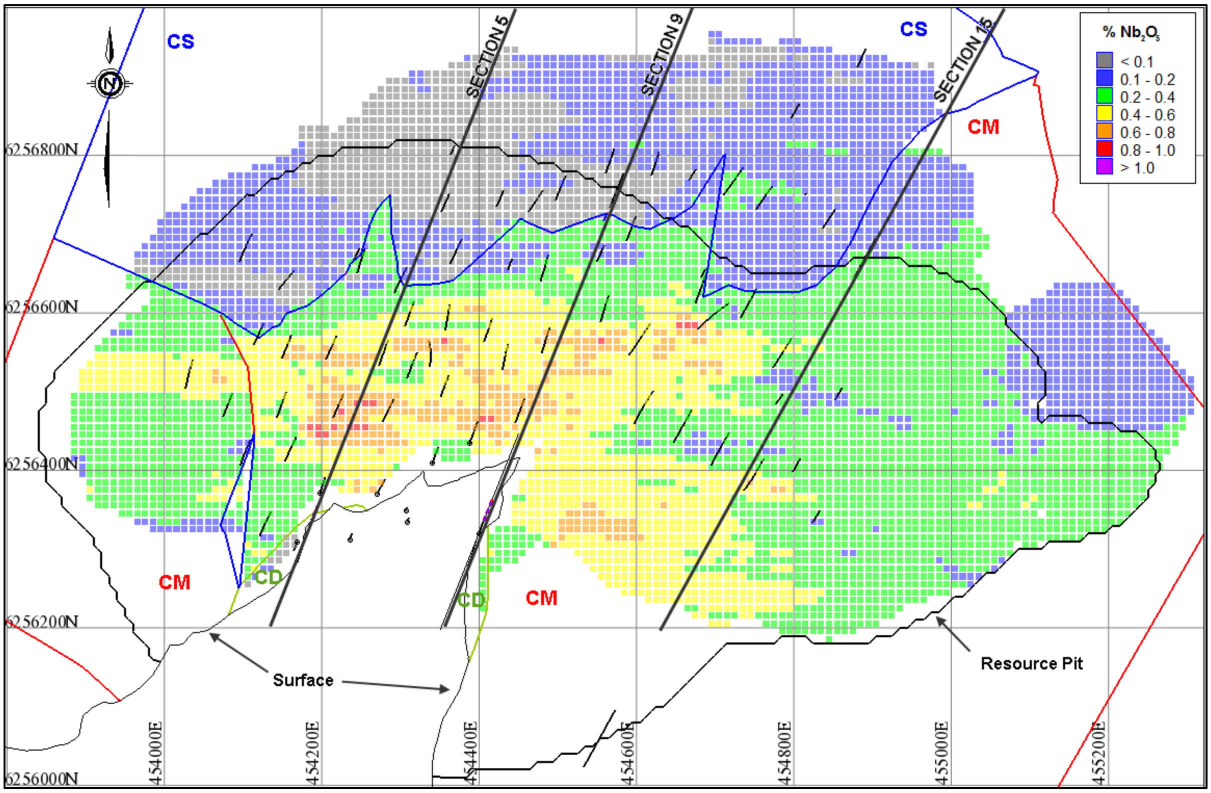


Figure 14-7 Block model grades - Section 6256600 N

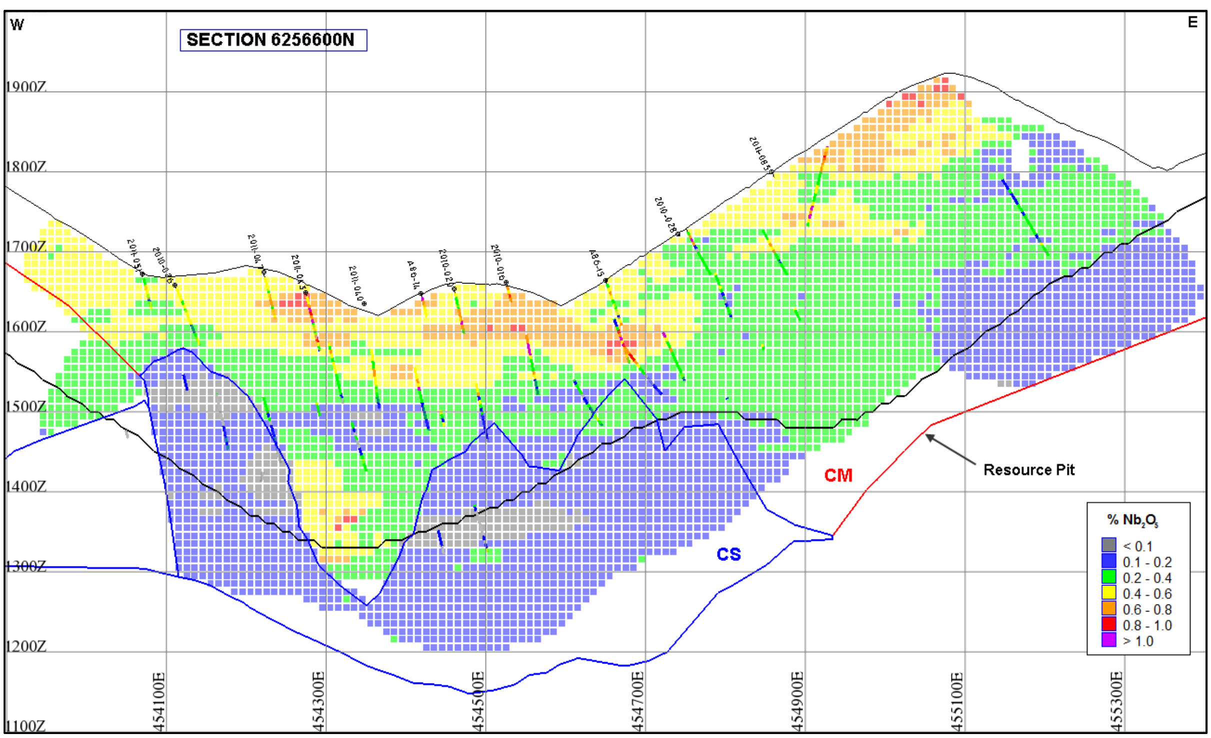


Figure 14-8 Block model grades - Section 5

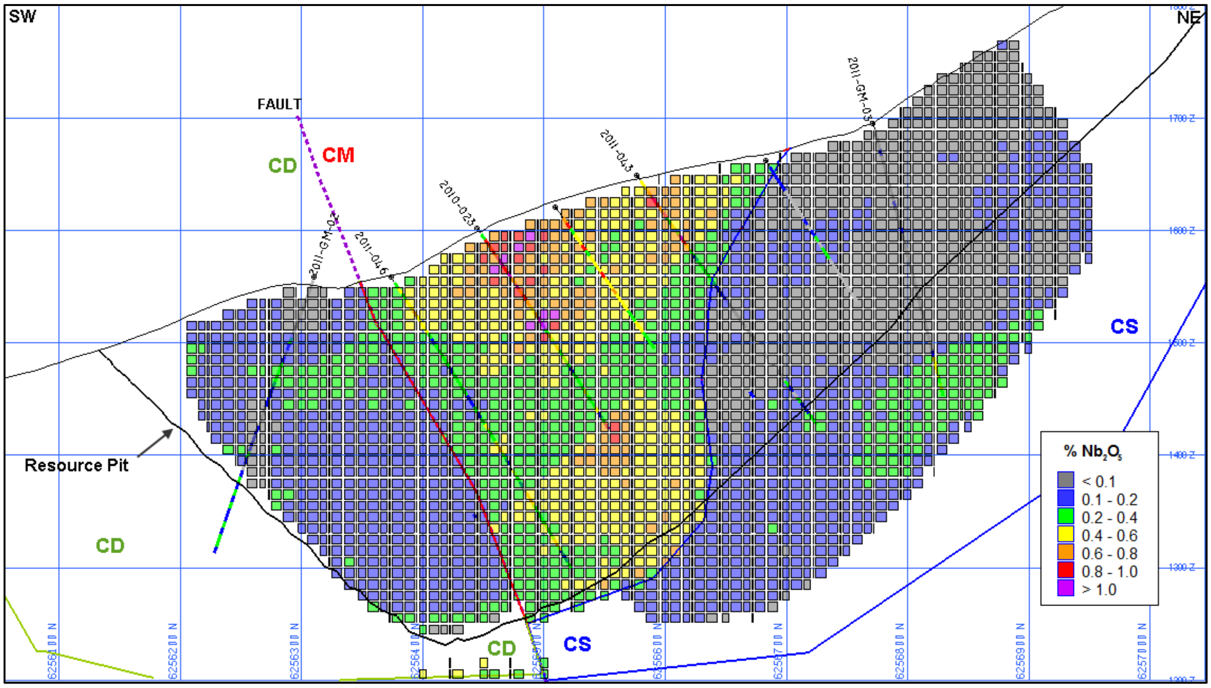


Figure 14-9 Block model grades - Section 9

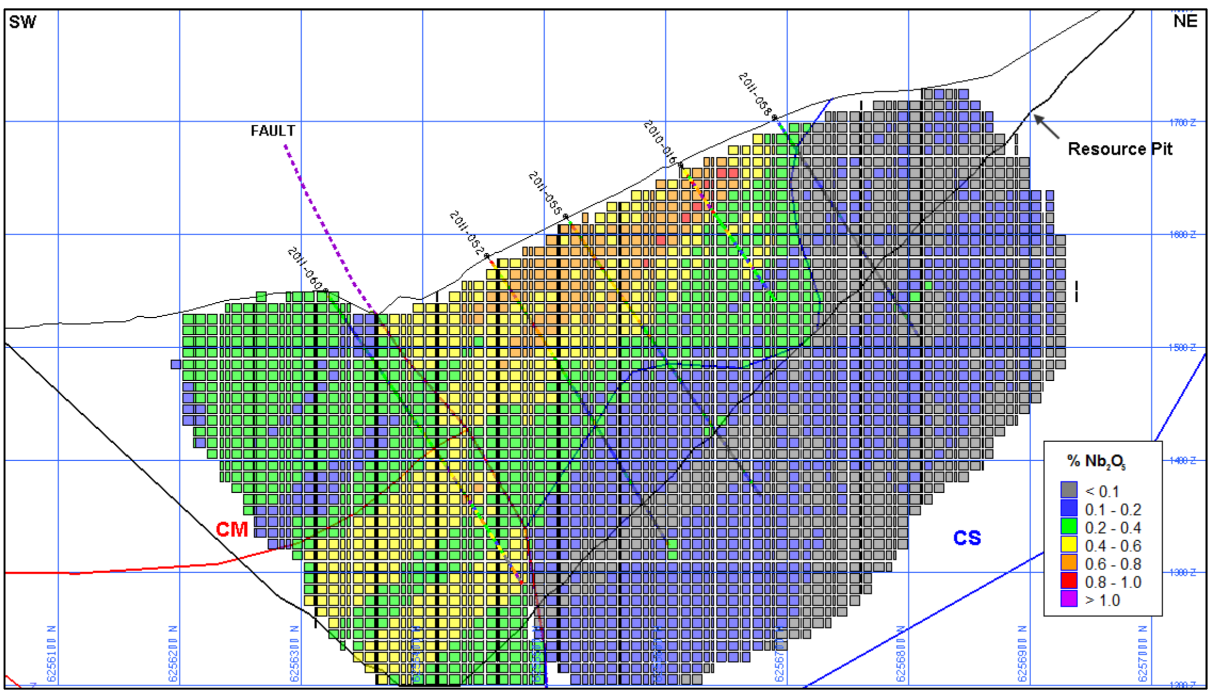
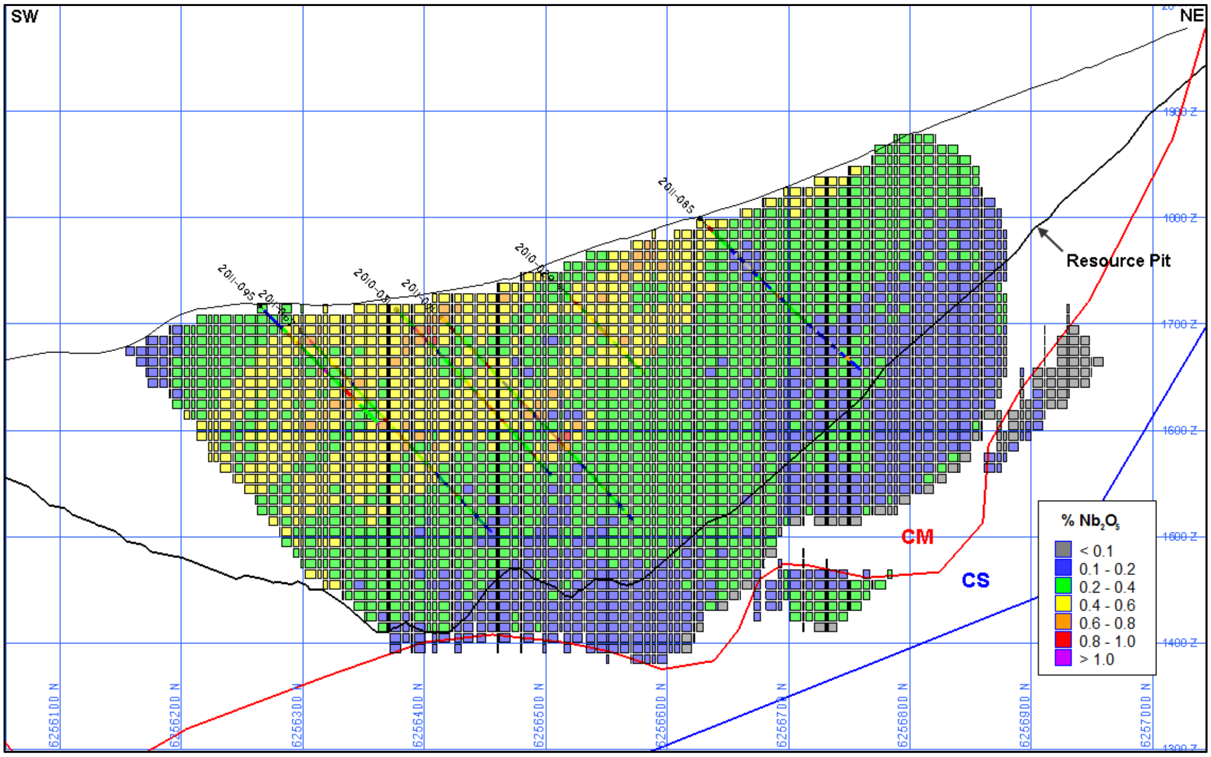


Figure 14-10 Block model grades - Section 15



14.7 Mineral Resource Classification

Resource classifications used in this study conform to the following definitions from National Instrument 43-101:

Mineral Resource

A Mineral Resource is a concentration or occurrence of diamonds, natural solid inorganic material, or natural solid fossilized organic material including base and precious metals, coal, and industrial minerals in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge.

Measured Mineral Resource

A 'Measured Mineral Resource' is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, *pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity.*

Indicated Mineral Resource

An 'Indicated Mineral Resource' is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed.

Inferred Mineral Resource

An 'Inferred Mineral Resource' is that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.

Blocks were classified as 'Measured' if there were two composites from at least two drill holes within 50 m of the block centroid based on the anisotropic search parameters. Blocks not meeting the criteria for 'Measured' were classified as 'Indicated' if there were two composites from at least two drill holes within 100m of the block centroid. All other estimated blocks were classified as 'Inferred'.

In order to meet the requirements of NI43-101 with respect to reasonable prospects of economic extraction by open pit mining methods, a 45°wall slope Lerchs-Grossman pit was generated to constrain the resource within the block model. Metal prices assumed were $50/kg Nb with process recovery of 50%. General & Administration, Processing and Ore Mining costs were assumed to be $30/tonne. Base waste mining costs were assumed to be $1.50/tonne.

Block classification on plan and section are illustrated in Figure 14-11 and Figure 14-12. The resource pit shell is illustrated in Figure 14-13.

Figure 14-11 Block Classification - 1550 Level

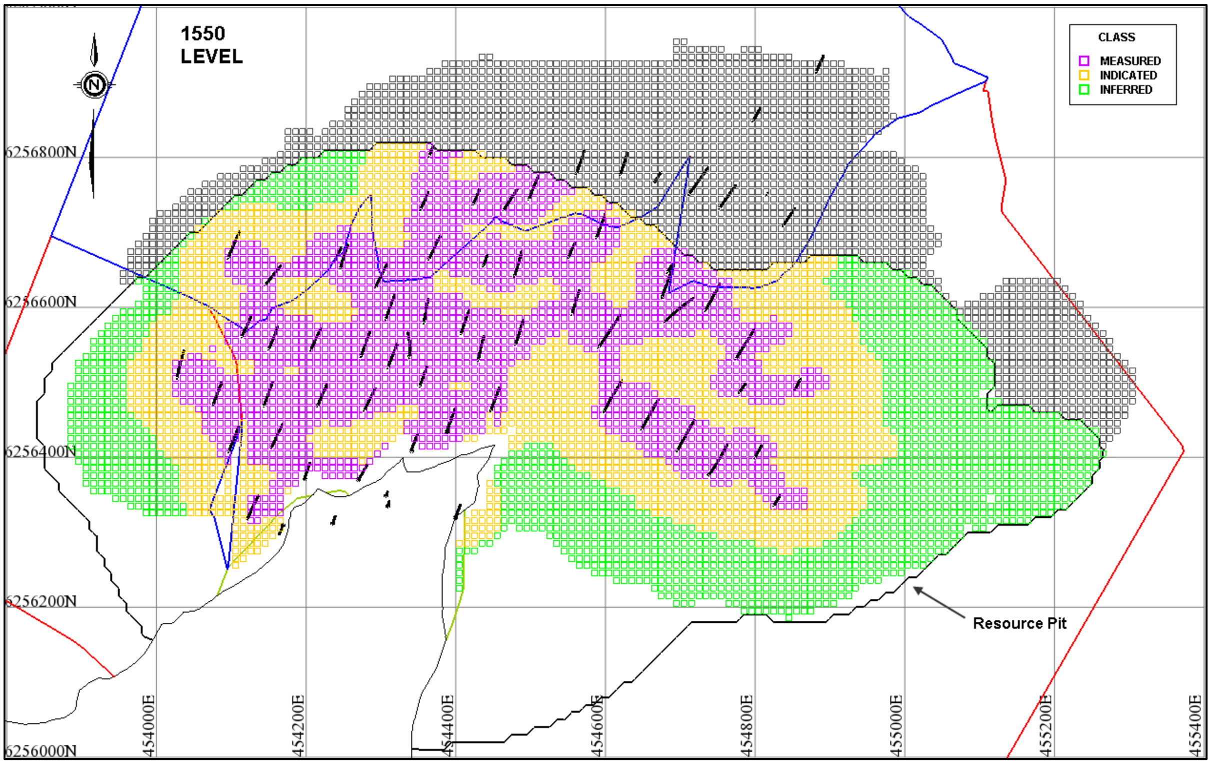


Figure 14-12 Block Classification - Section 6256600 N

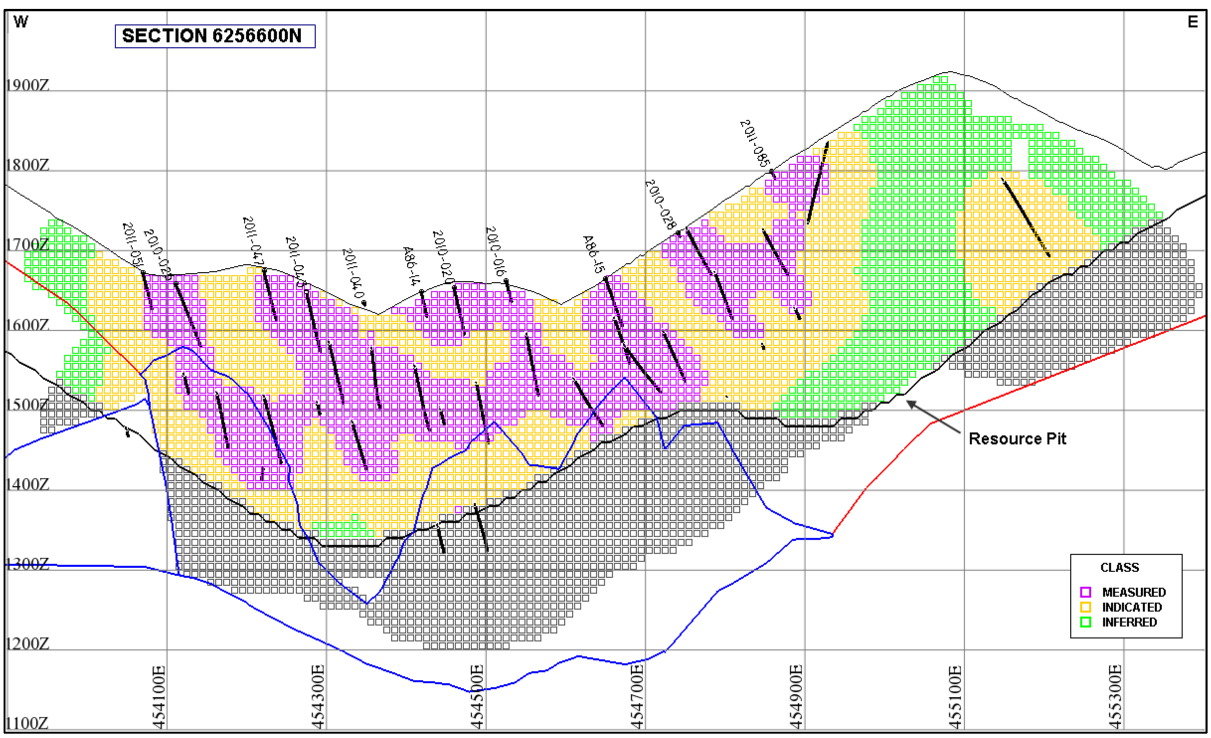
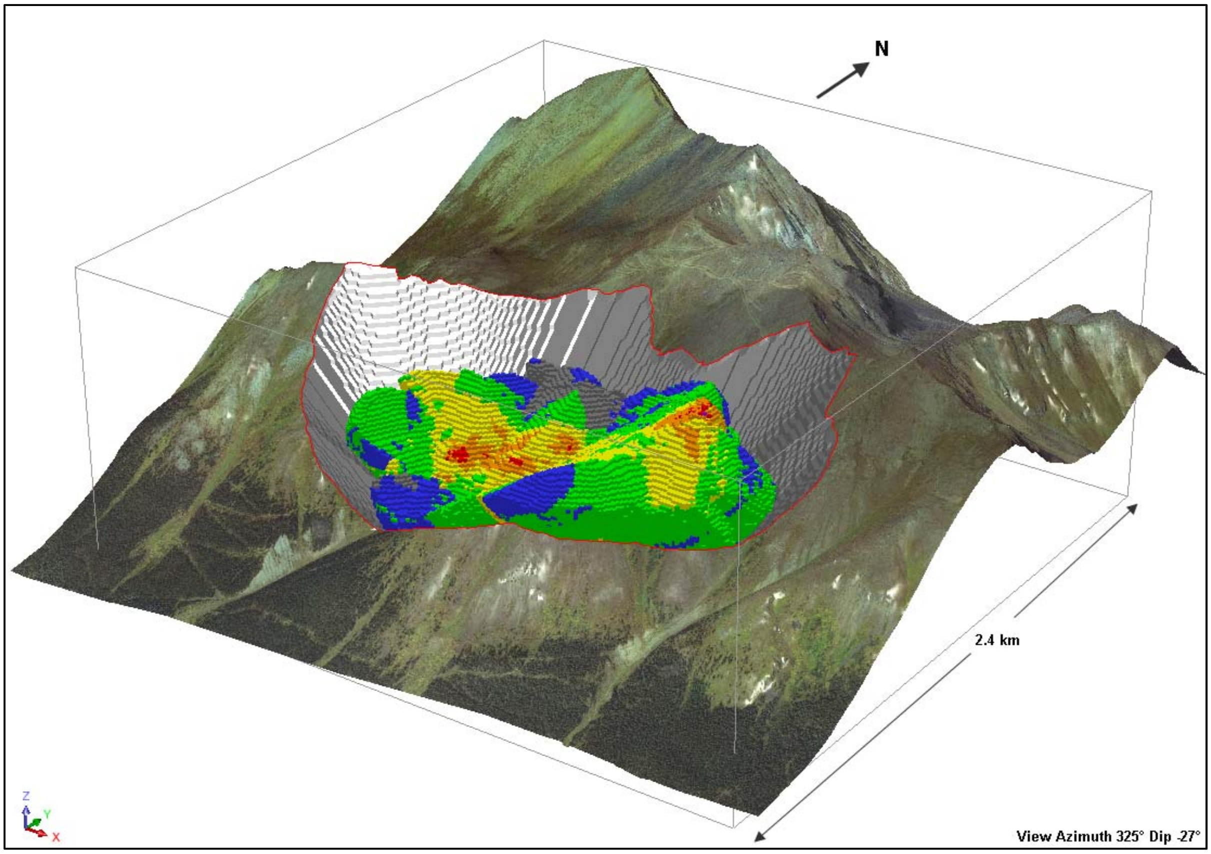


Figure 14-13 Perspective view of estimated blocks and pit shell



14.8 Model Validation

Model verification was initially carried out by visual comparison of blocks and sample grades in plan and section views. The estimated block grades showed reasonable correlation with adjacent composite grades.

Block grades were also estimated using ID^2 and nearest neighbour methods. A comparison of global mean values within the grade shell domain shows a reasonably close relationship with samples, composites and block model values (Table 14-7).

Table 14-7 Global mean grade comparison

Data Set	% Nb_2O_5
Samples (Wt Avg)	0.31
Composites	0.31
Kriged Blocks	0.26
ID^2 Blocks	0.26
Nearest Neighbour	0.26

Swath plots were generated to assess the model for global bias by comparing kriged, ID^2 and nearest-neighbour estimates on panels through the deposit. Results show a reasonable comparison between the methods, particularly in the main portions of the deposit indicated by the bar charts (Figure 14-14 to Figure 14-17).

Figure 14-14 Swath plot (E-W) from 6256560-6256605N

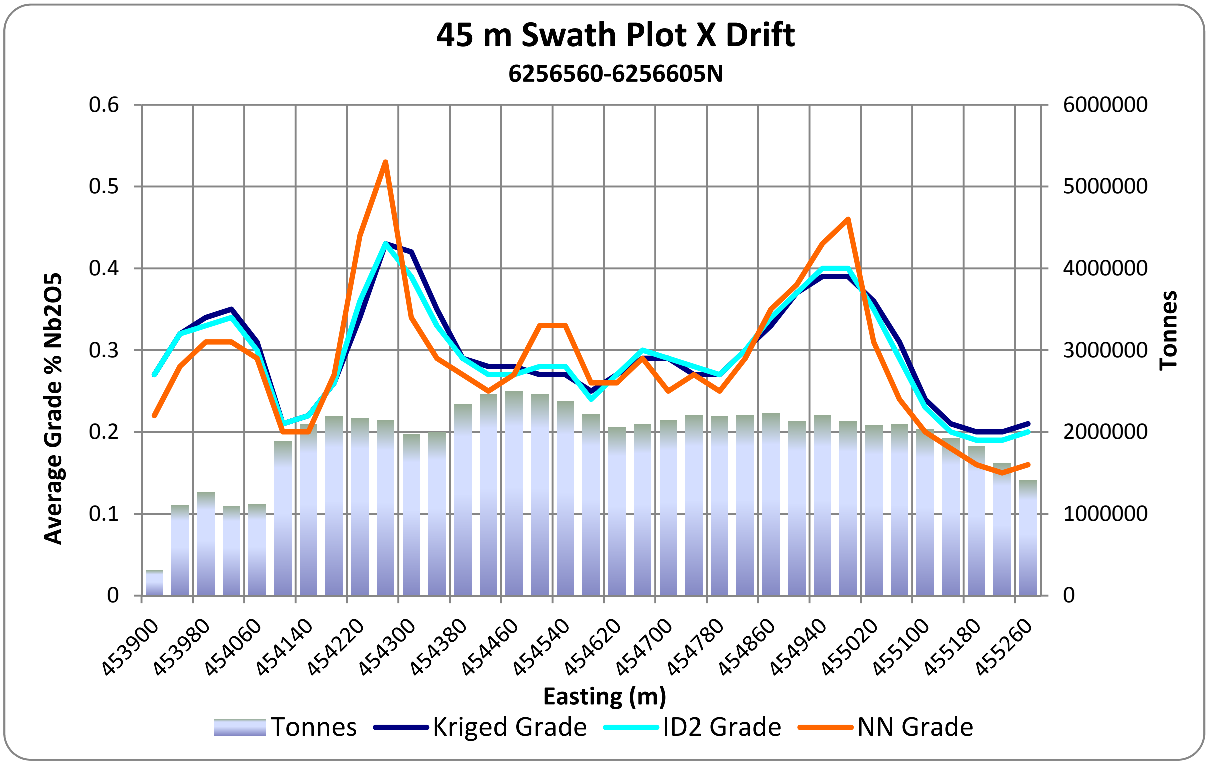


Figure 14-15 Swath plot (S-N) from 454250-424295E

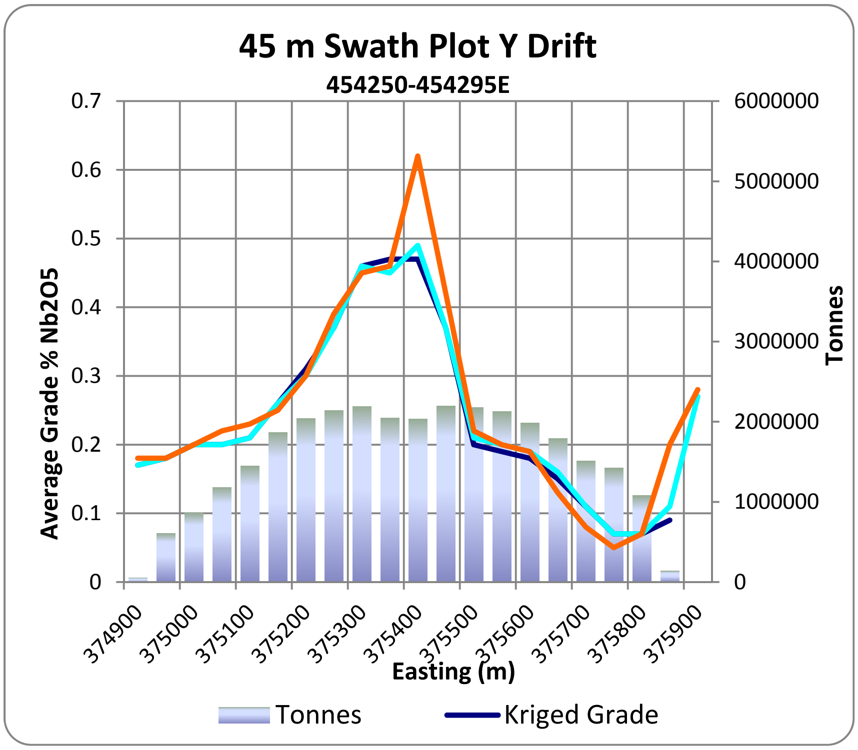


Figure 14-16 Swath plot (S-N) from 45790-454835E

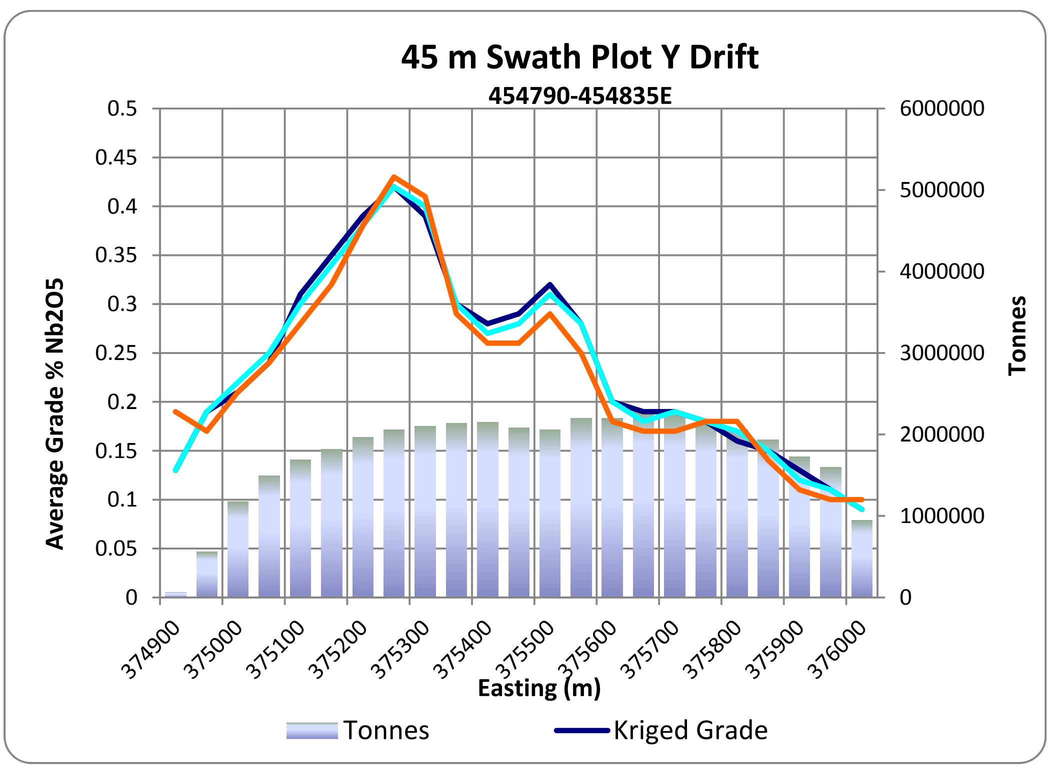
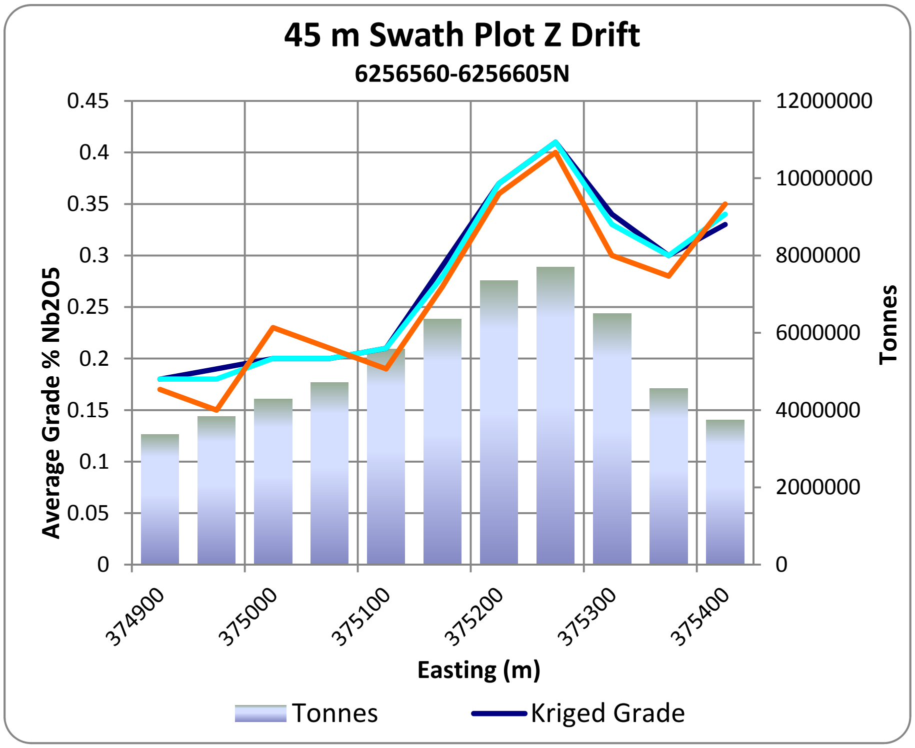


Figure 14-17 Swath plot (Vertical) from 6256560-6256605N



14.9 Mineral Resource Summary

The in-pit mineral resource for the Central Zone of the Aley Deposit is summarized in the table below for a range of cutoff grades with the base case of 0.2% Nb_2O_5 in boldface. The effective date of the mineral resource is March 1, 2012.

Table 14-8 Mineral Resource Estimate

COG % Nb_2O_5	MEASURED		INDICATED		MEASURED+INDICATED	
	Tonnes 000's	% Nb_2O_5	Tonnes 000's	% Nb_2O_5	Tonnes 000's	% Nb_2O_5
0.10	137,373	0.36	215,145	0.31	352,518	0.33
0.15	126,769	0.38	197,767	0.33	324,536	0.35
0.20	**112,651**	**0.41**	**173,169**	**0.35**	**285,820**	**0.37**
0.25	96,183	0.44	131,999	0.39	228,182	0.41
0.30	81,377	0.47	102,966	0.42	184,343	0.45

COG % Nb_2O_5	INFERRED	
	Tonnes 000's	% Nb_2O_5
0.10	177,350	0.29
0.15	168,733	0.30
0.20	**144,216**	**0.32**
0.25	97,891	0.37
0.30	68,976	0.41

The mineral resource estimate is quite sensitive to metal price. There are no other known factors or issues that materially affect the estimate other than normal risks faced by mining projects in the province in terms of environmental, permitting, taxation, socio-economic, marketing and political factors. There are no known legal or title issues that would materially affect the mineral resource estimate.

15 ADJACENT PROPERTIES

Not applicable

16 OTHER RELEVANT DATA AND INFORMATION.

There are no other data known to Geosim that are relevant to this Technical Report: therefore there are no relevant data or information presented in this section.

17 INTERPRETATION AND CONCLUSIONS

Evaluation of the exploration programs and results available to the effective date of this report indicates that:

- The geology is sufficiently well understood to support the mineral resource estimation presented in this report and summarized in the section above.
- Core drilling has identified a continuous body of near-surface niobium mineralization within an area measuring 1400m E-W by 500m N-S and to a depth below surface of about 250 m. The ultimate limits have not been defined.
- Data collection to the end of 2011 at the drill site is acceptable.
- Average grades for all the drill assays returned from the Central Zone as of the report effective date were 0.32% Nb_2O_5.
- The database contains all drilling data collected on the project to date and has been structured for resource estimation.
- QA/QC with respect to the results received to date for the Taseko 2007, 2010 and 2011 exploration programs is acceptable and protocols have been well documented.
- As of March 1, 2012 the Aley deposit is estimated to contain a measured and indicated resource of 286 million tonnes grading 0.37% Nb_2O_5 using a cut-off grade of 0.2% Nb_2O_5. An additional 144 million tonnes averaging 0.32% Nb_2O_5 is classified as inferred.

18 RECOMMENDATIONS

Additional drilling is warranted to define the extents of the Nb mineralization in the Central Zone, to upgrade the resource classification and to follow up on other targets on the property.

Metallurgical testwork designed to support a Preliminary Economic Assessment should be continued.

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Certificate of Author – Ronald G. Simpson, P.Geo.

I, Ronald G. Simpson, P.Geo, residing at 1975 Stephens St., Vancouver, British Columbia, V6K 4M7, do hereby certify that:

1. I am president of GeoSim Services Inc.
2. This certificate applies to the Technical Report entitled “Technical report, Aley Carbonatite Niobium Project, Omineca Mining District, British Columbia” dated March 29, 2012.
3. I graduated with an Honours Degree of Bachelor of Science in Geology from the University of British Columbia in 1975. I have practiced my profession continuously since 1975. My relevant experience includes 37 years’ experience in mining and mineral exploration and 25 years’ experience in mineral resource estimation.
4. I am a member in good standing of the Association of Professional Engineers and Geoscientists of British Columbia (Registered Professional Geoscientist, No. 19513) and a Fellow of the Geological Association of Canada. I am a “qualified person” for the purposes of National Instrument 43-101 (“NI 43-101”) due to my experience and current affiliation with a professional organization as defined in NI 43-101.
5. I have visited the property on August 30, 2011.
6. I am independent of the issuer applying all of the tests in section 1.4 of NI 43 101.
7. I have had prior involvement with the property that is the subject of the Technical Report, the nature of which involves the preparation of a technical report prepared for Aley Corporation dated October 26, 2011_ and titled “Technical Report, Aley Carbonatite Niobium Project, Omineca Mining District, British Columbia”.
8. I have read NI 43-101 and Form 43-101F1, and the Technical Report has been prepared in compliance with that instrument and form.
9. As of the date of this certificate, to the best of my knowledge, information and belief, the Technical Report contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading
10. I consent to the filing of the Technical Report with any stock exchange and other regulatory authority and any publication by them, including electronic publication in the public company files on their websites accessible by the public, of the Technical Report.

DATED this 29th day of March, 2012

PROFESSIONAL
PROVINCE OF
R. G. SIMPSON
BRITISH COLUMBIA
GEOSCIENTIST

Ronald G. Simpson, P.Geo.