

TASEKO MINES LTD  
Form 20-F  
April 18, 2006

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 20-F**

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) or 12(g) OF THE *SECURITIES EXCHANGE ACT OF 1934*

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE *SECURITIES EXCHANGE ACT OF 1934*

For the fiscal year ended **September 30, 2005**

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE *SECURITIES EXCHANGE ACT OF 1934*

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE *SECURITIES EXCHANGE ACT OF 1934*

Date of event requiring this shell company report \_\_\_\_\_

Commission file number 0-19476

**TASEKO MINES LIMITED**

(Exact name of Registrant specified in its charter)

**BRITISH COLUMBIA, CANADA**

(Jurisdiction of incorporation or organization)

**Suite 1020, 800 West Pender Street**

**Vancouver, British Columbia, Canada, V6C 2V6**

(Address of principal executive offices)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of Each Class

Name of each exchange on which registered

**Common Shares without Par Value**

**American Stock Exchange**

Securities registered or to be registered pursuant to Section 12(g) of the Act

**None**

(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act. **None**

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Number of outstanding shares of the only class of the capital stock of Taseko Mines Limited as on September 30, 2005.

**103,457,316 Common Shares without Par Value**

Indicate by check mark whether Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the *Securities Exchange Act of 1934* during the preceding 12 months (or for such shorter period that Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES  NO

Indicate by check mark which financial statement item Registrant has elected to follow:

Item 17  Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

YES  NO

- ii -

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## TABLE OF CONTENTS

	<b>Page</b>
<u>GENERAL</u>	3
<u>ITEM 1</u> <u>IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS</u>	8
<u>ITEM 2</u> <u>OFFER STATISTICS AND EXPECTED TIMETABLE</u>	9
<u>ITEM 3</u> <u>KEY INFORMATION</u>	10
<u>A.</u> <u>SELECTED FINANCIAL DATA</u>	10
<u>B.</u> <u>CAPITALIZATION AND INDEBTEDNESS</u>	13
<u>C.</u> <u>REASONS FOR THE OFFER AND USE OF PROCEEDS</u>	13
<u>D.</u> <u>RISK FACTORS</u>	13
<u>ITEM 4</u> <u>INFORMATION ON THE COMPANY</u>	19
<u>A.</u> <u>HISTORY AND DEVELOPMENT OF THE COMPANY</u>	19
<u>B.</u> <u>BUSINESS OVERVIEW</u>	22
<u>C.</u> <u>ORGANIZATIONAL STRUCTURE</u>	25
<u>D.</u> <u>PROPERTY, PLANT AND EQUIPMENT</u>	25
<u>ITEM 5</u> <u>OPERATING AND FINANCIAL REVIEW AND PROSPECTS</u>	45
<u>A.</u> <u>OPERATING RESULTS</u>	47
<u>B.</u> <u>LIQUIDITY AND CAPITAL RESOURCES</u>	51
<u>C.</u> <u>RESEARCH EXPENDITURES</u>	55
<u>D.</u> <u>TREND INFORMATION</u>	55
<u>E.</u> <u>OFF-BALANCE SHEET ARRANGEMENTS</u>	56
<u>F.</u> <u>TABULAR DISCLOSURE OF CONTRACTUAL OBLIGATIONS</u>	56
<u>G.</u> <u>SAFE HARBOR</u>	56
<u>ITEM 6</u> <u>DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES</u>	57
<u>A.</u> <u>DIRECTORS AND SENIOR MANAGEMENT</u>	57
<u>B.</u> <u>COMPENSATION</u>	64
<u>C.</u> <u>BOARD PRACTICES</u>	67
<u>D.</u> <u>EMPLOYEES</u>	68
<u>E.</u> <u>SHARE OWNERSHIP</u>	69
<u>ITEM 7</u> <u>MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS</u>	72
<u>A.</u> <u>MAJOR SHAREHOLDERS</u>	72

<u>B.</u>	<u>RELATED PARTY TRANSACTIONS</u>	<u>73</u>
<u>C.</u>	<u>INTERESTS OF EXPERTS AND COUNSEL</u>	<u>74</u>
<u>ITEM 8</u>	<u>FINANCIAL INFORMATION</u>	<u>75</u>
<u>A.</u>	<u>CONSOLIDATED STATEMENTS AND OTHER FINANCIAL INFORMATION</u>	<u>75</u>
<u>B.</u>	<u>SIGNIFICANT CHANGES</u>	<u>75</u>
<u>ITEM 9</u>	<u>THE OFFER AND LISTING</u>	<u>76</u>
<u>A.</u>	<u>OFFER AND LISTING DETAILS</u>	<u>76</u>
<u>B.</u>	<u>PLAN OF DISTRIBUTION</u>	<u>76</u>

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<u>C.</u>	<u>MARKETS</u>	<u>77</u>
<u>D.</u>	<u>SELLING SHAREHOLDERS</u>	<u>77</u>
<u>E.</u>	<u>DILUTION</u>	<u>77</u>
<u>F.</u>	<u>EXPENSES OF THE ISSUE</u>	<u>77</u>
<u>ITEM 10</u>	<u>ADDITIONAL INFORMATION</u>	<u>78</u>
<u>A.</u>	<u>SHARE CAPITAL</u>	<u>78</u>
<u>B.</u>	<u>MEMORANDUM AND ARTICLES OF ASSOCIATION</u>	<u>78</u>
<u>C.</u>	<u>MATERIAL CONTRACTS</u>	<u>84</u>
<u>D.</u>	<u>EXCHANGE CONTROLS</u>	<u>85</u>
<u>E.</u>	<u>TAXATION</u>	<u>86</u>
<u>F.</u>	<u>DIVIDENDS AND PAYING AGENTS</u>	<u>94</u>
<u>G.</u>	<u>STATEMENT BY EXPERTS</u>	<u>94</u>
<u>H.</u>	<u>DOCUMENTS ON DISPLAY</u>	<u>94</u>
<u>I.</u>	<u>SUBSIDIARY INFORMATION</u>	<u>95</u>
<u>ITEM 11</u>	<u>QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK</u>	<u>96</u>
<u>A.</u>	<u>TRANSACTION RISK AND CURRENCY RISK MANAGEMENT</u>	<u>96</u>
<u>B.</u>	<u>EXCHANGE RATE SENSITIVITY</u>	<u>96</u>
<u>C.</u>	<u>INTEREST RATE RISK AND EQUITY PRICE RISK</u>	<u>96</u>
<u>D.</u>	<u>COMMODITY PRICE RISK</u>	<u>96</u>
<u>ITEM 12</u>	<u>DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES</u>	<u>98</u>
<u>A.</u>	<u>DEBT SECURITIES</u>	<u>98</u>
<u>B.</u>	<u>WARRANTS AND RIGHTS</u>	<u>98</u>
<u>C.</u>	<u>OTHER SECURITIES</u>	<u>98</u>
<u>D.</u>	<u>AMERICAN DEPOSITARY SHARES</u>	<u>98</u>
<u>ITEM 13</u>	<u>DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES</u>	<u>100</u>
<u>ITEM 14</u>	<u>MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS</u>	<u>101</u>
<u>ITEM 15</u>	<u>CONTROLS AND PROCEDURES</u>	<u>102</u>
<u>ITEM 16</u>	<u>AUDIT COMMITTEE, CODE OF ETHICS, ACCOUNTANT FEES AND EXEMPTIONS</u>	<u>103</u>
<u>A.</u>	<u>AUDIT COMMITTEE FINANCIAL EXPERT</u>	<u>103</u>
<u>B.</u>	<u>CODE OF ETHICS</u>	<u>103</u>
<u>C.</u>	<u>PRINCIPAL ACCOUNTANT FEES AND SERVICES</u>	<u>103</u>
<u>D.</u>	<u>EXEMPTIONS FROM LISTING STANDARDS FOR AUDIT COMMITTEES</u>	<u>104</u>
<u>E.</u>	<u>PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS</u>	<u>104</u>

<u>ITEM 17</u>	<u>FINANCIAL STATEMENTS</u>	<u>106</u>
<u>ITEM 18</u>	<u>FINANCIAL STATEMENTS</u>	<u>107</u>
<u>ITEM 19</u>	<u>EXHIBITS</u>	<u>108</u>

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## GENERAL

In this Annual Report on Form 20-F, all references to "Taseko" and the "Company" refer to Taseko Mines Limited and its consolidated subsidiaries.

The Company uses the Canadian dollar as its reporting currency. All references in this document to "dollars" or "\$" are expressed in Canadian dollars, unless otherwise indicated. See also Item 3 - "Key Information" for more detailed currency and conversion information.

Except as noted, the information set forth in this Annual Report is as of March 30, 2006 and all information included in this document should only be considered correct as of such date.

References to this "Annual Report" mean references to this Annual Report on Form 20-F for the year ended September 30, 2005.

## NOTE REGARDING FORWARD LOOKING STATEMENTS

This Annual Report on Form 20-F contains statements that constitute "forward-looking statements" within the meaning of Section 27A of the *Securities Act of 1933* and Section 21E of the *Securities Exchange Act of 1934*. These statements appear in a number of different places in this Annual Report and can be identified by words such as "anticipates", "estimates", "projects", "expects", "intends", "believes", "plans", or their negatives or other comparable words. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements that may expressed or implied by such forward-looking statements. The statements, including the statements contained in Item 3D "Risk Factors", Item 4B "Business Overview", Item 5 "Operating and Financial Review and Prospects" and Item 11 "Quantitative and Qualitative Disclosures About Market Risk", are inherently subject to a variety of risks and uncertainties that could cause actual results, performance or achievements to differ significantly. Forward-looking statements include statements regarding the outlook for the Company's future operations, plans and timing for its exploration programs, statements about future market conditions, supply and demand conditions, forecasts of future costs and expenditures, the outcome of legal proceedings, and other expectations, intentions and plans that are not historical facts. You are cautioned that any such forward-looking statements are not guarantees and may involve risks and uncertainties. The Company's actual results may differ materially from those in the forward-looking statements due to risks facing the Company or due to actual facts differing from the assumptions underlying the Company's predictions. Some of these risks and assumptions include:

- general economic and business conditions, including changes in interest rates;
  - prices of natural resources, costs associated with mineral exploration and other economic conditions;
  - natural phenomena;
  - actions by government authorities, including changes in government regulation;
  - uncertainties associated with legal proceedings;
  - changes in the resources market;
  - future decisions by management in response to changing conditions;
  - the Company's ability to execute prospective business plans; and misjudgements in the course of preparing forward-looking statements.
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The Company advises you that these cautionary remarks expressly qualify in their entirety all forward-looking statements attributable to the Company or persons acting on its behalf. You should carefully review the cautionary statements and risk factors contained in this and other documents that the Company files from time to time with the Securities and Exchange Commission.

## GLOSSARY

In this Form 20-F, the following technical terms, abbreviations and units of measurement have been used:

Bio-oxidation	A process employing oxidation of elements caused by bio-organisms; it is enhanced in a gold recovery process by providing the optimum temperature, acidity (pH) and level of oxygen for the natural oxidation process to work more effectively.
Epithermal deposit	A mineral deposit formed at low temperature (50-200 degrees Celsius), usually within one kilometre of the earth's surface, often as structurally controlled veins.
Induced polarization ("IP") survey	A geophysical survey used to identify a feature that appears to be different from the typical or background survey results when tested for levels of electro-conductivity; IP detects both chargeable, pyrite-bearing rock and non-conductive rock that has high content of quartz. IP is one of the best tools for detecting the presence of porphyry deposits, like those at Gibraltar and Prosperity properties.
mineral reserve	<p>Securities and Exchange Commission Industry Guide 7 <i>Description of Property by Issuers Engaged or to be Engaged in Significant Mining Operations</i> of the Securities and Exchange Commission defines a 'reserve' as that part of a mineral deposit which could be economically and legally extracted or produced at the time of the reserve determination. Reserves consist of:</p> <p>(1) <i>Proven (Measured) Reserves</i>. Reserves for which: (a) quantity is computed from dimensions revealed in outcrops, trenches, workings or drill holes; grade and/or quality are computed from the results of detailed sampling; and (b) the sites for inspection, sampling and measurement are spaced so closely and the geologic character is so well defined that size, shape, depth and mineral content of reserves are well-established.</p> <p>(2) <i>Probable (Indicated) Reserves</i>. Reserves for which quantity and grade and/or quality are computed from information similar to that used for proven (measured) reserves, but the sites for inspection, sampling and measurement are farther apart or are otherwise less adequately spaced. The degree of assurance, although lower than that for proven (measured) reserves, is high enough to assume continuity between points of observation.</p>

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mineral resource Canadian National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101") defines a "Mineral Resource" as a concentration or occurrence of natural, solid, inorganic or fossilized organic material 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.

Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories. An Inferred Mineral Resource has a lower level of confidence than that applied to an Indicated Mineral Resource. An Indicated Mineral Resource has a higher level of confidence than an Inferred Mineral Resource but has a lower level of confidence than a Measured Mineral Resource.

(1) *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.

(2) *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.

(3) *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.

Industry Guide 7 "*Description of Property by Issuers Engaged or to be Engaged in Significant Mining Operations*" of the Securities and Exchange Commission does not define or recognize resources. As used in this Form 20-F, "resources" are as defined in NI 43-101.

Mineral symbols Au Gold; Cu Copper; Pb Lead; Ag Silver; Zn Zinc; Mo molybdenum.

Porphyry deposit A type of mineral deposit in which mainly metal-bearing sulphide, and sometimes metal-bearing oxide, minerals are widely disseminated. Porphyry deposits are generally of low grade but large tonnage.

Solvent extraction electrowinning ("SX-EW") A metal extraction technique in which a copper oxide is dissolved into solution, then an electric current is induced through the solution between a pair of electrodes (anode & cathode), and metal is deposited on the cathode. Since this ion deposition is selective, the cathode product is generally high grade and requires little further treatment before it is used in manufacturing processes.

Conversion of metric units (used in Canada) into imperial (US) equivalents is as follows:

<u>Metric Units</u>	<u>Multiply by</u>	<u>Imperial Units</u>
hectares	2.471	= acres
metres	3.281	= feet
kilometres	0.621	= miles (5,280 feet)
grams	0.032	= ounces (troy)
tons	1.102	= short tons (2,000 lbs)
grams/ton	0.029	= troy ounces per short ton

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**PART 1**

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**ITEM 1 IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS**

Not applicable.

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**ITEM 2 OFFER STATISTICS AND EXPECTED TIMETABLE**

Not applicable.

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### **ITEM 3 KEY INFORMATION**

#### **A. Selected Financial Data**

The following constitutes selected financial data for Taseko for the last five fiscal years ended September 30, 2005 based on Taseko's financial statements presented in accordance with Canadian generally accepted accounting principles ("CDN GAAP") and reconciled to United States generally accepted accounting principles ("US GAAP").

The selected financial data at September 30, 2005 and 2004 and for the years ended September 30, 2005, 2004 and 2003 has been derived from Taseko's consolidated financial statements included in this Annual Report. Taseko's consolidated financial statements have been audited by KMPG LLP, an independent registered public accounting firm. Summary financial data at September 30, 2003, 2002 and 2001 and for the years ended September 30, 2002 and 2001 has been derived from our consolidated financial statements that are not included in this Annual Report. The following selected financial data should be read in conjunction with, and are qualified in their entirety by reference to, our consolidated financial statements and the notes thereto.

These figures are presented in thousands of Canadian dollars, except per-share amounts and number of common shares outstanding.

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CANADIAN GAAP	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
		(restated)	(restated)	(restated)	(restated)
<b><u>BALANCE SHEET</u></b>					
Total assets	\$ 190,997	\$ 130,866	\$ 49,471	\$ 47,873	\$ 18,804
Total liabilities	150,057	125,027	18,161	20,048	14,755
Share capital	160,829	150,481	99,446	91,889	61,255
Tracking preferred shares	26,642	26,642	26,642	26,642	26,642
Convertible debenture equity	21,653	20,577	19,599	18,710	17,902
Contributed surplus	5,335	4,948	65		
Deficit	(173,519)	(196,809)	(114,442)	(109,416)	(101,751)
Shareholders equity (deficit)	40,940	5,839	31,310	27,825	(4,048)
Working capital (deficit)	6,357	(22,291)	(19)	(6,559)	(2,588)
Plant and equipment (net)	9,914	26,980	69	4	6
Mineral property interests	3	3	28,813	28,813	602
<b><u>STATEMENT OF OPERATIONS</u></b>					
Revenue	87,638				
Cost of sales	57,800				
Treatment and transportation costs	13,549				
Amortization	2,657	17	43	2	3
Interest and other income	10,549	5,154	721	552	1,110
Accretion of reclamation obligation	1,574	1,431	1,300	1,183	1,075
Exploration	506	4,598	2,025	1,955	3,797
Foreign exchange	34				
Loss (gain) on sale of equipment	2,161		(132)		
General and administrative expenses	2,412	2,693	1,058	1,972	3,391
Interest expense	3,175				
Premium paid for acquisition of Gibraltar Reclamation Trust Ltd. Partnership		5,095			
Refinery project			500	1,699	3,572
Restart project	6,347	14,982			
Stock based compensation	1,129	5,172	65		
Write downs of mineral property acquisition costs		28,810		599	41,252
Current income taxes expense (recovery)	(4,099)	23,744			
Future income taxes expense (recovery)	(13,423)				
Income (loss) for the year	\$ 24,365	\$ (81,389)	\$ (4,138)	\$ (6,858)	\$ (51,980)
Income (loss) per common share - basic	\$ 0.24	\$ (1.09)	\$ (0.09)	\$ (0.23)	\$ (2.07)
Income (loss) per common share - diluted	\$ 0.22	\$ (1.09)	\$ (0.09)	\$ (0.23)	\$ (2.07)
Weighted average number of common shares outstanding (thousands) - basic	<b>100,022</b>	<b>75,113</b>	<b>46,984</b>	<b>30,338</b>	<b>25,068</b>
Weighted average number of common shares outstanding (thousands) - diluted	<b>110,733</b>	<b>75,113</b>	<b>46,984</b>	<b>30,338</b>	<b>25,068</b>

Effective October 1, 2004, the Company adopted the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3110, "Asset Retirement Obligations". The standard requires the recognition of any statutory, contractual or



other legal obligation related to the retirement of tangible long-lived assets when such obligations are incurred, if a reasonable estimate of fair value can be made. This standard has been adopted retroactively with a restatement of all prior periods presented.

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- 12 -

US GAAP	2005	2004	2003	2002	2001
<b>BALANCE SHEET</b>					
Total assets	\$ 196,316	\$ 132,300	\$ 33,108	\$ 33,066	\$ 18,804
Total liabilities	167,057	138,141	35,556	37,048	31,755
Convertible debenture liability	17,000	17,000	17,000	17,000	17,000
Share capital	160,251	149,903	98,868	91,889	87,897
Tracking preferred shares	13,391	13,391	13,391	13,391	
Contributed surplus	5,989	5,604	720	655	109
Deficit	(150,372)	(174,737)	(115,428)	(109,917)	(100,957)
Shareholders equity (deficit)	29,259	(5,841)	(2,449)	(3,982)	(12,951)
Working capital (deficit)	6,357	(23,866)	(19)	(6,559)	(2,588)
Plant and equipment (net)	15,234	28,412	3	4	6
Mineral property interests	3	3	12,515	14,006	602
<b>STATEMENT OF OPERATIONS</b>					
Revenue	87,638				
Cost of sales	57,800				
Treatment and transportation costs	13,549				
Amortization	2,657	17	43	2	3
Interest and other income	10,549	5,154	721	552	1,110
Accretion of reclamation obligation	1,574	1,431	1,300	1,183	1,075
Exploration	506	4,202	1,842	1,955	3,797
Loss (gain) on sale of equipment	2,161		(132)	(1)	
General and administrative expenses	2,446	2,693	1,058	1,972	3,391
Interest expense	3,175				
Premium paid for acquisition of Gibraltar Reclamation Trust Ltd. Partnership		5,095			
Refinery project			500	1,699	3,572
Restart project	6,347	14,982			
Stock based compensation	1,129	5,172	65	546	109
Write downs of mineral property acquisition costs		11,964	1,117	1,756	40,889
Current income taxes expense (recovery)	(4,099)	23,744			
Future income taxes expense (recovery)	(13,423)				
Other			(11,651)		
Income (loss) for the year	\$ 24,365	\$ (64,146)	\$ 6,580	\$ (8,560)	\$ (51,726)
Income (loss) per common share - basic	\$ 0.23	\$ (1.08)	\$ 0.14	\$ (0.28)	\$ (2.06)
Income (loss) per common share - diluted	\$ 0.21	\$ (1.08)	\$ 0.14	\$ (0.28)	\$ (2.06)
Weighted average number of common shares					&n