



# Taseko

## Letter to Shareholders from CEO & Director Russell Hallbauer

Dear Shareholders,

There is no question about it, 2020 will be a year no one will forget.

The effects of COVID-19 were felt worldwide with impacts that could not have been predicted at the onset of 2020; however, individuals and companies found ways to adapt and Taseko was no different. We kept our operations running and our employees working and safe.

### TASEKO'S ADVANTAGE

It is the experience of Taseko's management team, as well as the dedication and commitment of our employees, that has resulted in exceptional performance in regards to, safety, environmental, Indigenous partnerships, and production.

### BUILDING A MULTI-ASSET COPPER PRODUCER IN THE WORLD'S TOP MINING JURISDICTIONS



## 2020 GIBRALTAR PRODUCTION HIGHLIGHTS

### Copper Production

**123** Million  
Pounds

### Molybdenum Production

**2.3** Million  
Pounds

## GIBRALTAR + FLORENCE COPPER ESTIMATED GHG EMISSIONS

### CO<sub>2</sub>e Intensity

**1.5** Tonnes CO<sub>2</sub>e/t  
Copper Equivalent

## GIBRALTAR MINE

At Gibraltar, our number one priority remains the safety of our employees. While we faced the challenges of COVID-19, we maintained our outstanding safety performance and kept operations running. Gibraltar had zero loss time incidents, zero days lost, zero loss time severity, and zero loss time frequency – this is a remarkable accomplishment.

In addition, in September 2020, Gibraltar's Environmental team was recognized by the British Columbia Technical and Research Committee on Reclamation for their outstanding work in mine reclamation and Indigenous collaboration.

And just as important to note, 123 million pounds of copper and 2.3 million pounds of molybdenum were produced at Gibraltar. For 2021, we expect a slight increase in production to 125 million pounds of copper.

## FLORENCE COPPER PROJECT

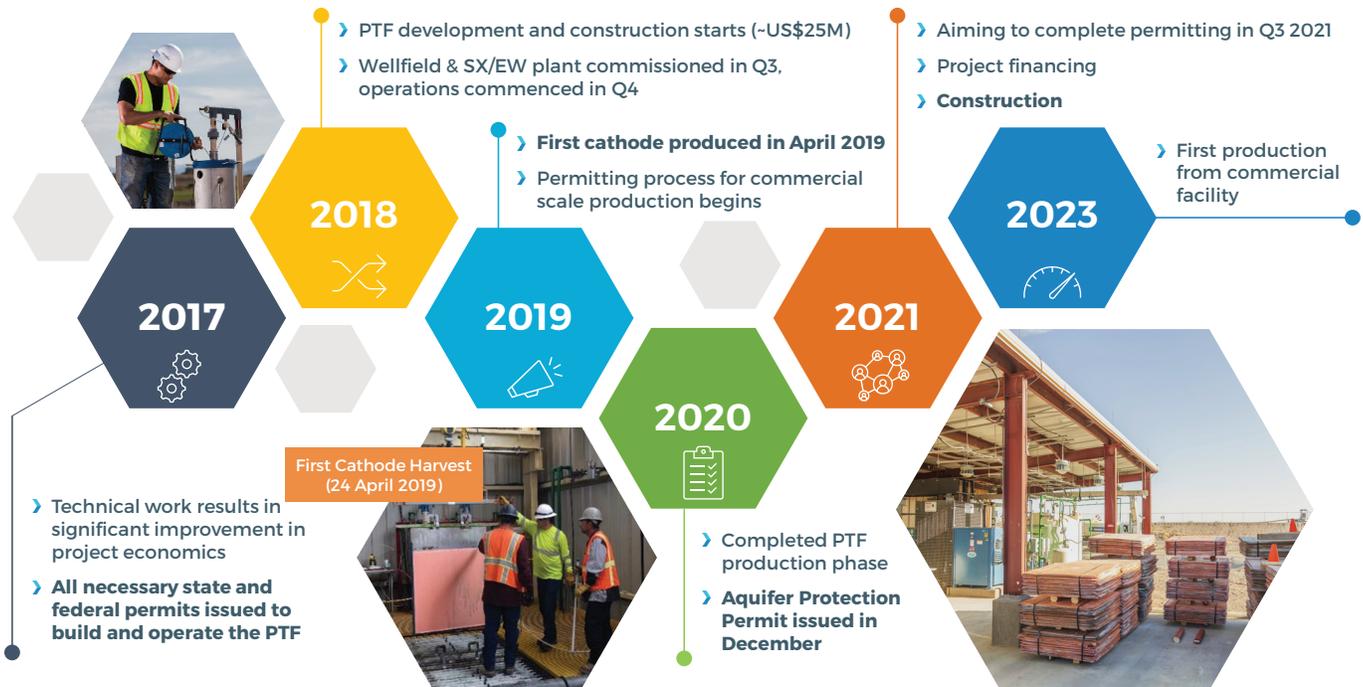
Florence Copper is the next exciting project for our Company.

When operations commence, Taseko will have one of the smallest environmental footprints of any copper mining company in the world. With the addition of Florence Copper, the Company's combined GHG emissions intensity will drop lower in the first quartile of global copper producers to an estimated 1.5 tonnes of CO<sub>2</sub>e per tonne of copper equivalent (based on an analysis by Skarn Associates).

Throughout 2020, Taseko continued to advance Florence through permitting. In December 2020, the state permit was issued and we expect to receive the federal permit from the EPA in the coming months.

In conjunction with the permitting process, we completed a successful bond refinancing and upsizing to US\$400 million, which will provide capital for development of the commercial production facility. With these advancements, Taseko has de-risked the project considerably and we look forward to commencing construction of the full scale facility in 2021 and to be producing copper in 2023.

## FLORENCE COPPER TIMELINE



## LONGER-TERM PROJECTS

### YELLOWHEAD COPPER PROJECT TECHNICAL STUDY

#### Copper Reserve

**820 Million**  
Tonnes

#### Copper Production

**180 Million**  
Pounds / Year

#### Mine Life

**25 Years**

In January of 2020, we completed an updated technical study of our Yellowhead Copper Project. Our technical work resulted in a new 820 million tonne reserve and improved economics. This is a great project, not too far from our Gibraltar Mine, which will produce 180 million pounds of copper annually over its 25 year mine life.

Today, we are focusing on additional engineering work and engagement with local communities including the indigenous communities. Our plan is to advance Yellowhead through the environmental assessment process with the goal of having the project construction ready once Florence Copper has reached steady-state production.

In regards to New Prosperity, the T̓silhqot̓'in Nation and Taseko have made progress in establishing a constructive dialogue. In December 2020 it was agreed to extend a standstill for a further year to continue this dialogue (see December 7, 2020 News Release: Taseko and the T̓silhqot̓'in Nation Extend Standstill to Continue Dialogue).

## THE COPPER MARKET

The health pandemic brought great volatility to financial and commodity markets in 2020. Copper in particular, fell to US\$2.10 per pound in March of 2020 but swiftly recovered and in 2021 reached a decade long high of over US\$4.50 per pound.

Amid resurging demand as the world recovers from the pandemic, trillions of dollars being invested to rebuild infrastructure as well as transitioning to a green economy, the outlook for copper is extremely bullish. Even with copper at a near all-time high price, there are indications and estimates for it to climb higher, driven by strong demand and a lack of new supply over the coming years.

## LOOKING TO THE FUTURE

Our goal is to grow Taseko's production base by developing our excellent pipeline of projects and we remain focused on copper production in stable political mining jurisdictions. We believe this approach will generate the best long-term returns for shareholders.

## THANK YOU

Given the challenges associated with the global pandemic and the initial negative impact on economic markets, I believe our employees have proved their resiliency and accomplished a great deal over the past year. Our achievements were throughout our business – from operations, to safety and environment, to stakeholder relations.

I'd like to thank all of our 700 employees for their hard work and dedication that made 2020 successful and I look forward to 2021!



**Russell Hallbauer**  
CEO & Director

