Taseko Reports 2019 Fourth Quarter and Annual Financial Results

This release should be read with the Company's Financial Statements and Management Discussion & Analysis ("MD&A"), available at www.tasekomines.com and filed on www.sedar.com. Except where otherwise noted, all currency amounts are stated in Canadian dollars. Taseko's 75% owned Gibraltar Mine is located north of the City of Williams Lake in south-central British Columbia. Production volumes stated in this release are on a 100% basis unless otherwise indicated.

VANCOUVER, Feb. 20, 2020 /CNW/ – Taseko Mines Limited (TSX: TKO; NYSE American: TGB; LSE: TKO) ("Taseko" or the "Company") reports financial results for the fourth quarter and full year ending December 31, 2019. For the fourth quarter, Taseko recorded earnings from mining operations before depletion and amortization* of $23.9 million, adjusted EBITDA* of $18.2 million and an adjusted net loss of $16.2 million ($0.07 per share). For the full year, Taseko reports earnings from mining operations before depletion and amortization* of $70.6 million, adjusted EBITDA* of $51.1 million and an adjusted net loss of $68.6 million ($0.28 per share).

Russell Hallbauer, Chief Executive Officer of Taseko, commented, "Operationally, we are happy with the performance at Gibraltar in 2019. Grade variability was low and copper production of 126 million pounds met our annual production guidance. Additionally, molybdenum production of 2.7 million pounds was the best ever at Gibraltar and, combined with strong molybdenum pricing, generated an important by-product credit. For 2020, we maintain guidance of 130 million pounds (+/-5%) of copper production, on a 100% basis, consistent with the life of mine average."

Stuart McDonald, President of Taseko, stated, "Earnings and cashflow were lower in 2019, mainly due to a lower average copper price. Even though the price of copper has been impacted recently by global events, we still believe the supply/demand fundamentals remain intact with the opportunity for a significant positive copper price movement. With our production from Gibraltar we continue to have significant cashflow leverage to the copper price upside, and on the downside we have copper put options in place until the end of April at a strike price of US$2.60 per pound, which protect our cash flow in the event copper drops from current levels. Offsetting lower copper prices, we are seeing reductions in off-property costs and other input costs. For 2020, benchmark treatment and refining costs are more than 20% lower than last year, and combined with recent fuel price declines and other supplier cost reduction initiatives, represent approximately seven cents per pound of annualized cost savings to begin the year."

"Our Florence Copper Project is making headway, both from a technical perspective as well as the permitting process. After 14 months of operating the test facility, our knowledge of the in-situ leaching operation continues to grow. The wellfield continues to produce a commercial grade leach solution and the SX/EW plant is producing LME Grade A copper cathode on a steady-state basis. Detailed engineering for the commercial scale facility is progressing, benefitting from the many months of test facility operating data. With both the state and federal regulators (Arizona Department of Environmental Quality and US Environmental Protection Agency) actively involved, permitting is advancing and now in the technical review phase," added Mr. McDonald.

"Going forward, our focus will be on maintaining operating cash flow at Gibraltar, given the lower copper pricing currently being realized. While we expect a recovery in copper price, we will operate our company in the most cost-effective manner and manage project and other discretionary spending appropriately in the current environment," concluded Mr. McDonald.

*Non-GAAP performance measure. See end of news release.

2019 Annual Review

- Earnings from mining operations before depletion and amortization* was $70.6 million and Adjusted EBITDA* was $51.1 million;
- Cash flows from operations was $42.6 million and capital expenditures for the year totalled $50.8 million;
- Cash balance at December 31, 2019 was $53 million, which was $8 million higher than the end of 2018;
- Site operating costs, net of by-product credits* was US$1.75 per pound produced, and total operating costs (C1)* was US$2.06 per pound produced;
- Net loss for the year was $53.4 million ($0.22 per share) with depreciation $39 million greater than the prior year due to the amortization of capitalized strip associated with ore mined from the Granite pit. Adjusted net loss* was $68.6 million ($0.28 per share) after adjusting for the unrealized foreign exchange gain of $15.2 million;
- The Gibraltar Mine (100% basis) produced 125.9 million pounds of copper in 2019, a slight improvement over 2018. Copper recoveries were 86.2% and copper head grades for the year were 0.245%;
- Gibraltar produced 2.7 million pounds of molybdenum in 2019 compared to 2.4 million pounds in 2018. Molybdenum provided a by-product credit of US$0.20 per pound of copper consistent with 2018;
- Sales of copper were 122 million pounds in 2019 with finished goods inventory at Gibraltar (100% basis) including 5.0 million pounds of copper. This copper concentrate inventory at December 31, 2019 had a sales value of approximately $14 million for Taseko's share;
- Taseko continued to advance its production test facility operation at the Florence Copper project with the wellfield performing to expectation. The SX-EW plant continues to produce LME grade A copper cathode. Commercial permit applications for Phase 2 were submitted to the state and federal agencies in the middle of 2019 and permitting initiatives are underway; and
- In February 2019, the Company acquired the remaining interests in Yellowhead Mining

Inc. that it did not already own for consideration of $13 million in the Company's common shares. On January 16, 2020, the Company published the results of its updated NI 43-101 Technical report on the Yellowhead project outlining a significantly improved development plan and economics.

Fourth Quarter Review

- Fourth quarter earnings from mining operations before depletion and amortization* was $23.9 million, and Adjusted EBITDA* was $18.2 million;
- Cash flow from operations was $9.2 million;
- Site operating costs, net of by-product credits* was US$1.69 per pound produced, consistent with the prior two quarters;
- Net loss was $9.9 million ($0.04 per share) after depletion and amortization of $31.4 million in the quarter. Adjusted net loss* was $16.2 million ($0.07 per share) after adjusting for the unrealized foreign exchange gain of $5.9 million;
- Copper production in the fourth quarter was consistent with previous quarters at 33.4 million pounds and copper sales were 33.3 million pounds (100% basis); and
- Molybdenum production was steady at 728 thousand pounds in Q4; molybdenum prices averaged US$9.67 per pound during the quarter down from US$11.83 per pound in Q3.

*Non-GAAP performance measure. See end of news release.

HIGHLIGHTS

Financial Data	**Year ended December 31,**			**Three Months Ended December 31,**		
(Cdn$ in thousands, except for per share amounts)	**2019**	**2018**	**Change**	**2019**	**2018**	**Change**
Revenues	329,163	343,870	(14,707)	89,932	111,121	(21,189)
Earnings from mining operations before depletion and amortization*	70,613	112,003	(41,390)	23,921	28,450	(4,529)
Adjusted EBITDA*	51,057	98,217	(47,160)	18,246	26,489	(8,243)
Cash flows provided by operations	42,641	94,078	(51,437)	9,227	44,120	(34,893)
Earnings (loss) from mining operations	(39,143)	41,222	(80,365)	(7,459)	10,578	(18,037)
Net loss	(53,382)	(35,774)	(17,608)	(9,931)	(19,720)	9,789
Per share – basic ("EPS")	(0.22)	(0.16)	(0.06)	(0.04)	(0.09)	0.05
Adjusted net loss*	(68,610)	(8,508)	(60,102)	(16,159)	(1,310)	(14,849)
Per share – basic ("Adjusted EPS")*	(0.28)	(0.04)	(0.24)	(0.07)	(0.01)	(0.06)
Operating Data (Gibraltar – 100% basis)	**Year ended December 31,**			**Three Months Ended December 31,**		
	2019	**2018**	**Change**	**2019**	**2018**	**Change**
Tons mined (millions)	100.4	111.6	(11.2)	25.8	28.4	(2.6)
Tons milled (millions)	29.9	30.1	(0.2)	7.8	7.1	0.7
Production (million pounds Cu)	125.9	125.2	0.7	33.4	25.8	7.6
Sales (million pounds Cu)	122.4	126.5	(4.1)	33.3	42.7	(9.4)

*Non-GAAP performance measure. See end of news release.

REVIEW OF OPERATIONS

Gibraltar Mine (75% Owned)

Operating data (100% basis)	**Q4 2019**	**Q3 2019**	**Q2 2019**	**Q1 2019**	**Q4 2018**	**YE 2019**	**YE 2018**
Tons mined (millions)	25.8	24.7	26.6	23.3	28.4	100.4	111.6

Tons milled (millions)	7.8	7.5	7.7	6.8	7.1	29.9	30.1
Strip ratio	2.1	3.0	2.3	3.2	5.1	2.6	2.7
Site operating cost per ton milled (CAD$)*	$10.46	$10.83	$11.51	$10.88	$9.16	$10.92	$9.71
Copper concentrate							
Head grade (%)	0.253	0.249	0.256	0.216	0.222	0.245	0.251
Copper recovery (%)	84.5	87.7	87.7	84.6	81.3	86.2	82.7
Production (million pounds Cu)	33.4	33.0	34.7	24.9	25.8	125.9	125.2
Sales (million pounds Cu)	33.3	33.5	32.3	23.3	42.7	122.4	126.5
Inventory (million pounds Cu)	5.0	5.0	5.5	3.1	1.6	5.0	1.6
Molybdenum concentrate							
Production (thousand pounds Mo)	728	620	653	738	727	2,739	2,366
Sales (thousand pounds Mo)	791	518	708	770	738	2,787	2,304
Per unit data (US$ per pound produced)*							
Site operating costs*	$1.85	$1.88	$1.92	$2.23	$1.92	$1.95	$1.80
By-product credits*	(0.16)	(0.16)	(0.21)	(0.32)	(0.30)	(0.20)	(0.20)
Site operating costs, net of by-product credits*	$1.69	$1.72	$1.71	$1.91	$1.62	$1.75	$1.60
Off-property costs	0.32	0.33	0.30	0.30	0.49	0.31	0.33
Total operating costs (C1)*	$2.01	$2.05	$2.01	$2.21	$2.11	$2.06	$1.93

OPERATIONS ANALYSIS

Full-year results

In 2019, Gibraltar produced 125.9 million pounds of copper compared to 125.2 million in 2018. Copper grade for the year averaged 0.245% copper, slightly below the life of mine average grade. Copper recovery for 2019 was 86.2%, an improvement over 2018 as a result of processing improvements and processing less oxidized ore.

A total of 100.4 million tons were mined in 2019, a 10% decrease over the prior year due to the mining deeper within Granite pit resulting in longer haul distances. Waste stripping costs of $22.9 million (75% basis) were capitalized in 2019 compared to $48.8 million in 2018 as more waste stripping was performed in the Granite pit in the prior year.

Site operating costs* for the year were US$1.95 per pound of copper produced, an increase from 2018, due primarily to the greater capitalization of stripping costs in the prior year. There was also higher mining costs per ton mined in 2019 arising from greater haulage distances.

Molybdenum production for 2019 was 2.7 million pounds compared to 2.4 million pounds in 2018. This additional production was offset by a decrease in the average molybdenum price, which was US$11.36 per pound in 2019 compared to US$12.20 per pound in 2018. The resulting by-product credits per pound of copper produced* of US$0.20 remained consistent with the prior year.

Off property costs* were US$0.31 per pound of copper produced, consistent with US$0.33 per pound produced in 2018. The decrease was attributed to improved TCRCs on spot tenders in 2019 compared to 2018.

Total operating costs (C1)* were US$2.06 per pound of copper produced for the year compared to $1.93 per pound in 2018 due to the difference in site operating costs as noted above.

Fourth quarter results

Copper production in the fourth quarter was 33.4 million pounds. Copper grade for the quarter averaged 0.253%, which was in line with the life of mine average grade. Copper recovery in the mill was 84.5% during the quarter which was lower than the first three quarters as a higher percentage of oxide ore was processed. The decrease in recovery was offset by an increase in mill throughput during the quarter.

A total of 25.8 million tons were mined during the period, an increase of 1.1 million tons over the previous quarter and the ore stockpile increased by 0.5 million tons. The strip ratio for the fourth quarter was 2.1 to 1 as more mining took place in Granite. This resulted in less overall waste stripping of Pollyanna in the quarter.

Capitalized stripping costs totaled $4.3 million (75% basis) compared to $8.6 million in the prior quarter and $18.9 million in Q4 2018. The capitalized stripping costs are substantially attributable to advancement into the Pollyanna pit and associated waste stripping costs while no ore from Pollyanna has been mined yet. Total site spending (including capitalized stripping costs) was slightly lower than the previous quarter. The remaining decrease in site operating cost per ton milled*, which was $10.46 for the quarter, was due to greater throughput.

Molybdenum production was 728 thousand pounds in the fourth quarter. Molybdenum prices averaged US$9.67 per pound over the fourth quarter compared to US$11.83 per pound in the prior quarter and US$12.04 per pound in Q4 2018. By-product credits per pound of copper produced* was US$0.16 in the fourth quarter.

Off-property costs per pound produced* were US$0.32 for the fourth quarter of 2019 and consist of concentrate treatment, refining and transportation costs. These costs are in line with recent quarters relative to pounds of copper sold.

Health, Safety, and Environment

Health and safety have always been a high-level commitment for Taseko, Gibraltar, and Florence management. Taseko is committed to operational practices that result in improved efficiencies, safety performance and occupational health. Nothing is more important to the Company than the safety, health and well-being of our workers and their families.

Taseko places a high priority on the continuous improvement of performance in the areas of employee health and safety at the workplace and protection of the environment. In 2019, Gibraltar had five loss time incidents and a loss time frequency of 0.68 (per 200,000 hours worked). This is lower than the British Columbia industry average loss time frequency of 0.78 (per 200,000 hours worked). The Company remains committed to a culture of safety-first, ensuring safety is the first consideration in all actions taken.

The same priority on health, safety, and environmental performance, as well as the methods and culture at Gibraltar are being imported and implemented at Florence Copper.

*Non-GAAP performance measure. See end of news release.

GIBRALTAR OUTLOOK

Gibraltar is expected to produce approximately 130 million pounds (+/-5%) on a 100% basis in 2020.

The fundamentals for copper remain strong and despite short-term volatility caused by global events including the coronavirus, most industry analysts are projecting a continued supply constraint and higher copper prices than current levels in the coming years. Expansion of overseas copper smelting capacity and tighter supply conditions resulted in a reduced benchmark for 2020 for concentrate treatment and refining charges ("TCRC") which were set 23% below 2019 benchmark levels.

On November 6, 2019, the Company published an updated NI 43-101 Technical report on the Gibraltar Mine. Based on this updated technical report, sufficient Mineral Reserves exist to support an approximate 19-year production plan out to 2038 with annual average copper production of 130 million pounds. Mineral Resource potential exists to potentially further extend the mine life beyond the known reserves.

REVIEW OF PROJECTS

Taseko's strategy has been to grow the Company from the operating cash flow and credit quality of the Gibraltar Mine to assemble and develop a pipeline of projects. We continue to believe this will generate long-term returns for shareholders. Our development projects are focused primarily on copper and are located in stable mining jurisdictions in British Columbia and Arizona. Our current focus is on the near term development of the Florence Copper Project.

Florence Copper Project

The Production Test Facility ("PTF") operated as planned during 2019. Steady state operation was achieved and the focus turned to testing different wellfield operating strategies, including adjusting pumping rates, solution strength, flow direction, and the use of packers in recovery and injection wells to isolate different zones of the ore body. The Florence Copper technical team is using physical and operating control mechanisms to adjust solution chemistry and flow rates and is successfully achieving targeted copper concentration in solution. The PTF wellfield is performing to its design and the SX-EW plant continues to produce LME grade A copper cathode.

The main focus of the PTF phase is to demonstrate to regulators and key stakeholders that hydraulic control of underground leach solutions can be maintained and provide valuable data to validate the Company's leach model as well as optimize well design and performance and hydraulic control parameters. Successful operation of the in-situ leaching process will allow permits to be amended for the full-scale commercial operation, which is expected to produce 85 million pounds of copper cathode annually for 20 years.

Two permits are required to commence construction of the commercial scale wellfield at Florence Copper. These are the Aquifer Protection Permit ("APP") from the Arizona Department of Environmental Quality ("ADEQ") and the Underground Injection Control ("UIC") Permit from the U.S. Environmental Protection Agency ("EPA"). In June 2019, the Company submitted the APP application for the Phase 2 commercial facility to the ADEQ. The UIC permit application for the Phase 2 commercial facility was submitted to the EPA in August 2019. Both permits are advancing through the technical review process. The Company is in active dialogue with the regulators and targeting to have permitting for the commercial facility completed in 2020.

The Company has continued to advance various project financing options from debt providers, royalty companies, and potential joint venture partners for the Phase 2 commercial development of the Florence Copper Project. Management is targeting to have the project finance funding committed in advance of both the APP and UIC permit amendments being issued by the ADEQ and EPA, respectively.

Total net expenditures at the Florence Project for the year ended December 31, 2019 were $16.0 million including the PTF operation and other project development costs.

Yellowhead Copper Project

On February 15, 2019, the Company acquired all of the outstanding common shares of Yellowhead Mining Inc. ("Yellowhead") that it did not already own, in exchange for 17.3 million Taseko common shares. Yellowhead holds a 100% interest in a copper-gold-silver development project located in south-central British Columbia.

In January 2020, the Company announced the results of its technical studies on Yellowhead which resulted in a 22% increase in recoverable copper reserves and significantly improved project economics. The Company filed a new NI 43-101 technical report ("Technical Report on the Mineral Reserve Update at the Yellowhead Copper Project" dated January 16, 2020) (the "Technical Report") on Sedar.

The updated Technical Report outlines a new development plan for the project, which includes an 817 million tonne reserve and a 25-year mine life with a pre-tax NPV of $1.3 billion at an 8% discount rate using a US$3.10 per pound copper price. This represents a $500 million increase over the 2014 Feasibility Study completed by the previous owner.

Capital costs of the project are estimated at $1.3 billion over a 2-year construction period. Over the first 5 years of operation, the copper equivalent grade will average 0.35% producing an average of 200 million pounds of copper per year at an average C1 cost, net of by-product credit, of US$1.67 per pound of copper. The Yellowhead Copper Project contains valuable precious metal by-products with 440,000 ounces of gold and 19 million ounces of silver with a life of mine value of over $1 billion at current prices.

The Company is focusing its efforts in 2020 on ongoing engagement with local communities including First Nations, environmental assessment work, additional engineering and joint venture partnering discussions with strategic industry offtake groups.

New Prosperity Gold- Copper Project

On December 5, 2019, the Company announced that the Tŝilhqot'in Nation as represented by Tŝilhqot'in National Government and Taseko have entered into a dialogue, facilitated by the Province of British Columbia, to try to obtain a long-term solution to the conflict regarding Taseko's proposed gold-copper mine currently known as New Prosperity, acknowledging Taseko's commercial interests and the opposition of the Tŝilhqot'in Nation to the Project. While the details of this process are confidential, in order to facilitate a dialogue, the parties have agreed to a standstill on certain outstanding litigation and regulatory matters which relate to Taseko's tenures and the area in the vicinity of Teztan Biny (Fish Lake).

Aley Niobium Project

Environmental monitoring and product marketing initiatives on the Aley Niobium project continue. A pilot plant scale program commenced in the second quarter on the niobium flotation and converter processes. The pilot plant will also provide final product samples for marketing purposes. Aley project expenditures for the year ended December 31, 2019 were $0.8 million.

The Company will host a telephone conference call and live webcast on Friday, February 21, 2020 at 11:00 a.m. Eastern Time (8:00 a.m. PST, 4:00 p.m. GMT) to discuss these results. After opening remarks by management, there will be a question and answer session open to analysts and investors. The conference call may be accessed by dialing (888) 390-0546 within North America, or (416) 764-8688 for international callers. The conference call will be archived for later playback until March 6, 2020 and can be accessed by dialing (888) 390-0541 within North America or (416) 764-8677 internationally and using the passcode 966107#.

Russell Hallbauer
Chief Executive Officer & Director

No regulatory authority has approved or disapproved of the information in this news release.

NON-GAAP PERFORMANCE MEASURES

This document includes certain non-GAAP performance measures that do not have a standardized meaning prescribed by IFRS. These measures may differ from those used by, and may not be comparable to such measures as reported by, other issuers. The Company believes that these measures are commonly used by certain investors, in conjunction with conventional IFRS measures, to enhance their understanding of the Company's performance. These measures have been derived from the Company's financial statements and applied on a consistent basis. The following tables below provide a reconciliation of these non-GAAP measures to the most directly comparable IFRS measure.

Total operating costs and site operating costs, net of by-product credits

Total costs of sales include all costs absorbed into inventory, as well as transportation costs and insurance recoverable. Site operating costs are calculated by removing net changes in inventory, depletion and amortization, insurance recoverable, and transportation costs from cost of sales. Site operating costs, net of by-product credits is calculated by subtracting by-product credits from the site operating costs. Site operating costs, net of by-product credits per pound are calculated by dividing the aggregate of the applicable costs by copper pounds produced. Total operating costs per pound is the sum of site operating costs, net of by-product credits and off-property costs divided by the copper pounds produced. By-product credits are calculated based on actual sales of molybdenum (net of treatment costs) and silver during the period divided by the total pounds of copper produced during the period. These measures are calculated on a consistent basis for the periods presented.

	Three months ended December 31,		**Year ended December 31,**	
(Cdn$ in thousands, unless otherwise indicated) – 75% basis	**2019**	**2018**	**2019**	**2018**
Cost of sales	**97,391**	**100,543**	**368,306**	**302,648**
Less:				
Depletion and amortization	(31,380)	(17,872)	(109,756)	(70,781)
Insurance recovered	–	38	–	7,913
Net change in inventories of finished goods	(1,193)	(20,028)	5,570	(2,435)
Net change in inventories of ore stockpiles	1,426	(8,905)	(1,677)	(1,078)
Transportation costs	(5,025)	(4,656)	(17,832)	(17,163)
Site operating costs	**61,219**	**49,120**	**244,611**	**219,104**
Less by-product credits:				
Molybdenum, net of treatment costs	(5,205)	(7,643)	(25,223)	(23,419)
Silver, excluding amortization of deferred revenue	30	(118)	(557)	(327)
Site operating costs, net of by-product credits	**56,044**	**41,359**	**218,831**	**195,358**
Total copper produced (thousand pounds)	25,047	19,372	94,428	93,888
Total costs per pound produced	2.24	2.13	2.32	2.08
Average exchange rate for the period (CAD/USD)	1.32	1.32	1.33	1.30
Site operating costs, net of by-product credits (US$ per pound)	**1.70**	**1.62**	**1.75**	**1.60**
Site operating costs, net of by-product credits	56,044	41,359	218,831	195,358
Add off-property costs:				
Treatment and refining costs	5,520	7,764	21,417	22,381
Transportation costs	5,025	4,656	17,832	17,163
Total operating costs	66,589	53,779	258,080	234,902
Total operating costs (C1) (US$ per pound)	**2.01**	**2.11**	**2.06**	**1.93**

Adjusted net income (loss)

Adjusted net income (loss) remove the effect of the following transactions from net income as reported under IFRS:

- Unrealized foreign currency gains/losses; and
- Unrealized gain/loss on copper put options.

Management believes these transactions do not reflect the underlying operating performance of our core mining business and are not necessarily indicative of future operating results. Furthermore, unrealized gains/losses on derivative instruments, changes in the fair value of financial instruments, and unrealized foreign currency gains/losses are not necessarily reflective of the underlying operating results for the reporting periods presented.

	Three months ended December 31,		**Year ended December 31,**	
($ in thousands, except per share amounts)	**2019**	**2018**	**2019**	**2018**
Net loss	**(9,931)**	**(19,720)**	**(53,382)**	**(35,774)**
Unrealized foreign exchange (gain) loss	(5,850)	17,887	(15,228)	28,704
Unrealized (gain) loss on copper put options	(518)	716	–	(1,970)
Estimated tax effect of adjustments	140	(193)	–	532
Adjusted net loss	**(16,159)**	**(1,310)**	**(68,610)**	**(8,508)**
Adjusted EPS	**(0.07)**	**(0.01)**	**(0.28)**	**(0.04)**

Adjusted EBITDA

Adjusted EBITDA is presented as a supplemental measure of the Company's performance and ability to service debt. Adjusted EBITDA is frequently used by securities analysts, investors and other interested parties in the evaluation of companies in the industry, many of which present Adjusted EBITDA when reporting their results. Issuers of "high yield" securities also present Adjusted EBITDA because investors, analysts and rating agencies consider it useful in measuring the ability of those issuers to meet debt service obligations.

Adjusted EBITDA represents net income before interest, income taxes, and depreciation and also eliminates the impact of a number of items that are not considered indicative of ongoing operating performance. Certain items of expense are added and certain items of income are deducted from net income that are not likely to recur or are not indicative of the Company's underlying operating results for the reporting periods presented or for future operating performance and consist of:

- Unrealized foreign exchange gains/losses;
- Unrealized gain/loss on copper put options; and
- Amortization of share-based compensation.

($ in thousands)	Three months ended December 31, 2019	2018	Year ended December 31, 2019	2018
Net loss	**(9,931)**	**(19,720)**	**(53,382)**	**(35,774)**
Add:				
Depletion and amortization	31,380	17,872	109,756	70,781
Finance expense	10,109	9,691	40,324	38,564
Finance income	(113)	(314)	(1,202)	(1,254)
Income tax expense (recovery)	(7,543)	645	(32,337)	448
Unrealized foreign exchange (gain) loss	(5,850)	17,887	(15,228)	28,704
Unrealized (gain) loss on copper put options	(518)	716	–	(1,970)
Amortization of share-based compensation expense (recovery)	712	(288)	3,126	(1,282)
Adjusted EBITDA	**18,246**	**26,489**	**51,057**	**98,217**

Earnings (loss) from mining operations before depletion and amortization

Earnings from mining operations before depletion and amortization is earnings from mining operations with depletion and amortization added back. The Company discloses this measure, which has been derived from our financial statements and applied on a consistent basis, to provide assistance in understanding the results of the Company's operations and financial position and it is meant to provide further information about the financial results to investors.

(Cdn$ in thousands)	Three months ended December 31, 2019	2018	Year ended December 31, 2019	2018
Earnings (loss) from mining operations	**(7,459)**	**10,578**	**(39,143)**	**41,222**
Add:				
Depletion and amortization	31,380	17,872	109,756	70,781
Earnings from mining operations before depletion and amortization	**23,921**	**28,450**	**70,613**	**112,003**

Site operating costs per ton milled

(Cdn$ in thousands, except per ton milled amounts)	Three months ended December 31, 2019	2018	Year ended December 31, 2019	2018
Site operating costs (included in cost of sales)	**61,219**	**49,120**	**244,611**	**219,104**
Tons milled (thousands) (75% basis)	5,855	5,361	22,405	22,569
Site operating costs per ton milled	**$10.46**	**$9.16**	**$10.92**	**$9.71**

CAUTION REGARDING FORWARD-LOOKING INFORMATION

This document contains "forward-looking statements" that were based on Taseko's expectations, estimates and projections as of the dates as of which those statements were made. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "outlook", "anticipate", "project", "target", "believe", "estimate", "expect", "intend", "should" and similar expressions.

Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking statements. These include but are not limited to:

- uncertainties and costs related to the Company’s exploration and development activities, such as those associated with continuity of mineralization or determining whether mineral resources or reserves exist on a property;
- uncertainties related to the accuracy of our estimates of mineral reserves, mineral resources, production rates and timing of production, future production and future cash and total costs of production and milling;
- uncertainties related to feasibility studies that provide estimates of expected or anticipated costs, expenditures and economic returns from a mining project;
- uncertainties related to our ability to complete the mill upgrade on time estimated and at the scheduled cost;
- uncertainties related to the ability to obtain necessary licenses permits for development projects and project delays due to third party opposition;
- uncertainties related to unexpected judicial or regulatory proceedings;
- changes in, and the effects of, the laws, regulations and government policies affecting our exploration and development activities and mining operations, particularly laws, regulations and policies;
- changes in general economic conditions, the financial markets and in the demand and market price for copper, gold and other minerals and commodities, such as diesel fuel, steel, concrete, electricity and other forms of energy, mining equipment, and fluctuations in exchange rates, particularly with respect to the value of the U.S. dollar and Canadian dollar, and the continued availability of capital and financing;
- the effects of forward selling instruments to protect against fluctuations in copper prices and exchange rate movements and the risks of counterparty defaults, and mark to market risk;
- the risk of inadequate insurance or inability to obtain insurance to cover mining risks;
- the risk of loss of key employees; the risk of changes in accounting policies and methods we use to report our financial condition, including uncertainties associated with critical accounting assumptions and estimates;
- environmental issues and liabilities associated with mining including processing and stock piling ore; and
- labour strikes, work stoppages, or other interruptions to, or difficulties in, the employment of labour in markets in which we operate mines, or environmental hazards, industrial accidents or other events or occurrences, including third party interference that interrupt the production of minerals in our mines.

For further information on Taseko, investors should review the Company’s annual Form 40-F filing with the United States Securities and Exchange Commission www.sec.gov and home jurisdiction filings that are available at www.sedar.com.

Cautionary Statement on Forward-Looking Information

This discussion includes certain statements that may be deemed “forward-looking statements”. All statements in this discussion, other than statements of historical facts, that address future production, reserve potential, exploration drilling, exploitation activities, and events or developments that the Company expects are forward-looking statements. Although we believe the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, continued availability of capital and financing and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. All of the forward-looking statements made in this MD&A are qualified by these cautionary statements. We disclaim any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except to the extent required by applicable law. Further information concerning risks and uncertainties associated with these forward-looking statements and our business may be found in our most recent Form 40-F/Annual Information Form on file with the SEC and Canadian provincial securities regulatory authorities.