



TŚILHQOT'IN NATIONAL GOVERNMENT

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Open Letter to the Shareholders of Taseko Mines Ltd.

The Information Circular released by Taseko Mines Ltd. (TML) on March 31st states, “*Taseko has a very successful relationship with First Nations at Gibraltar*”. We respectfully and strongly disagree with this statement and we need to set the record straight so shareholders are fully informed about TML management’s record in dealing with the Tsilhqot’in Nation. We can only describe this record as disrespectful.

TML has operated the 44-year old Gibraltar Mine—Canada’s second largest open pit copper mine—since 1999. ?Esdilagh, a member of Tsilhqot’in Nation, is the closest Aboriginal community to Gibraltar Mine—?Esdilagh reserve lands almost directly adjoin the mine site.

For years, the Tsilhqot’in Nation and ?Esdilagh have urged the management of TML to enter into a meaningful Impact Benefit Agreement with ?Esdilagh, so there is a share in the benefits from the mining operation and not just the decades of negative impacts. However, to date, TML’s management has offered only short-term agreements on terms unacceptable to ?Esdilagh and, in our view, far below industry standards. As a result, TML still does not have ?Esdilagh or Tsilhqot’in consent for the Gibraltar Mine.

The management of TML has also been repeatedly disrespectful, litigious and insensitive in matters involving the Tsilhqot’in Nation. In particular, TML’s management has twice embarked on trying to get the Prosperity, and then New Prosperity, project permitted in an area of profound cultural and spiritual importance to the Tsilhqot’in Nation. The Tsilhqot’in Nation had warned TML’s management—in no uncertain terms—the area was too highly important to our people and to the survival of our culture to allow the mine to proceed, and contrary to our draft mining policy.

The costs for shareholders of TML’s management proceeding in the face of these clear warnings have been significant. Twice the Federal Government rejected Prosperity and then New Prosperity. Each lengthy and expensive environmental assessment process resulted in a significant loss in market capitalization, in our opinion. In the lawsuit filed by TML on February 11th, 2016, the company states it has spent well over \$130 Million on the failed permitting costs for both Prosperity and New Prosperity.

This figure does not include further litigation costs for the failed defamation lawsuit against the Wilderness Committee (where TML has been ordered to pay special costs); the two judicial reviews in Federal Court in response to the Federal Government’s rejection of New Prosperity; and the lawsuit in the BC Supreme Court against the Federal Government for damages. The

figure also ignores the negative social and community impacts from the process on our communities, and the enormous waste of time and money the Tsilhqot'in Nation has incurred.

TML's current management has been consistently disrespectful to the Tsilhqot'in Nation by advancing the Prosperity project over the strong objections of our people, in a place of such profound cultural and spiritual significance, and by refusing to enter into a meaningful IBA to fairly compensate ?Esdilagh for the impacts of their existing mine, Gibraltar.

In June 2014, the Supreme Court of Canada recognized our Aboriginal Title. This has only strengthened our resolve.

Mining has evolved. The simple truth is if you want to build a mine, then you first have to build a relationship, based on respect and trust. The current management of TML has burnt that bridge and the shareholders of TML have suffered huge losses because of management's flawed strategy.

It is time for TML to do the right thing at Gibraltar and make sure ?Esdilagh community sees not only impacts, but also meaningful benefits from the Gibraltar Mine. It is time TML built a real relationship with ?Esdilagh and the Tsilhqot'in Nation, starting with a fair benefit sharing agreement for Gibraltar Mine.

We think it's time for a change.

Yours respectfully



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