

September 7, 2017

VIA EMAIL

Michel K. Vitou
Chief of Compliance and Enforcement
Canadian Environmental Assessment Agency
160 Elgin St, 22nd Floor
Ottawa, ON K1A 0H3

Re: Taseko Mines Limited (“Taseko”) – Notice of Work – Exploration Permit MX-3-131 dated July 14, 2017

We write further to your letter of August 11, 2017.

Your letter seeks confirmation that Taseko will not proceed with any work pursuant to Exploration Permit MX-3-131 dated July 14, 2017 (the “Permit”) as issued to Taseko by the British Columbia Ministry of Energy, Mines and Petroleum Resources unless and until it has “obtained a positive federal environmental assessment decision for the New Prosperity Project.”

As set out in our letter to you of August 9, 2017, Taseko has and continues to voluntarily stand down in connection with the Permit as an act of good faith in light of the ongoing disagreement between CEAA and Taseko regarding whether the activities contemplated under the Permit are prohibited by s. 6 of the *Canadian Environmental Assessment Act, 2012* (“CEAA, 2012”). We confirm that any forbearance by Taseko from taking any steps under its Permit is expressly without prejudice to Taseko’s position regarding the proper scope and application of s. 6 of CEAA, 2012 as it relates to the Permit.

In order to achieve a resolution of the current situation, Taseko intends to take steps to seek a determination from the court regarding the proper scope and application of s. 6 of CEAA, 2012 as soon as practicable. Taseko confirms that it does not intend to proceed with any work under the Permit until the earlier of:

- (a) a pronouncement from a court of competent jurisdiction that has the effect of confirming that s. 6 of CEAA, 2012 does not apply to the intended work under the Permit; or
- (b) any other judicial decision, legislative change (e.g. amendment or repeal of CEAA, 2012) or other regulatory development that is to similar effect.

If Taseko's position in this regard changes such that it intends to proceed with work pursuant to the Permit, we will provide you with no less than 21 days' notice of our intention to do so.

We confirm that the foregoing position with respect to Permit activities is not intended to limit in any way Taseko's ability to carry out its regular and ongoing activities in connection with its Mining Lease and Mineral Claims areas. These activities include, for example, site inspections, and monitoring and maintenance of existing well sites and weather stations some of which may be required under the terms of its existing permits, our Mineral Lease or other to adhere to other regulatory requirements. For further clarity, and to avoid any potential confusion associated with Taseko's occasional presence at the site for these other purposes, we confirm that any such inspection, monitoring and maintenance activities performed on the site form no part of, and are not related to, the Notice of Work program activities authorized by the Permit.

Given the extant litigation, and in order to keep the British Columbia Ministry of Energy and Mines and the Tsilhqot'in National Government apprised of Taseko's position and intentions in respect of the Permit, we have copied them with this letter.

We trust this answers the inquiry in your letter.

Yours truly,

TASEKO MINES LIMITED

<Original signed by>

Russell E. Hallbauer, P. Eng.
President & CEO

cc. Michelle Mungall, Minister of Energy, Mines and Petroleum Resources
J.P. Laplante, Tsilhqot'in National Government