

# Taseko And Mitsui Enter Strategic Partnership To Develop Florence Copper

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VANCOUVER, Dec. 20, 2022 - [Taseko Mines Ltd.](#) (TSX: TKO) (NYSE American: TGB) (LSE: TKO) ("Taseko" or the "Company") pleased to announce it has signed agreements with Mitsui & Co. (U.S.A.) Inc. ("Mitsui") to form a strategic partnership to develop the Company's Florence Copper project (the "Project"), located in Arizona USA.

Mitsui has committed to an initial investment of US\$50 million, with proceeds to be used for construction of the commercial production facility. The initial investment will be in the form of a copper stream agreement (the "Copper Stream") on 2.67% of the copper produced at Florence Copper.

In addition, Mitsui has the option to invest an additional US\$50 million (for a total investment of US\$100 million) for a 10% interest in Florence Copper (the "Equity Option"). The Equity Option is exercisable by Mitsui within a three-year period from the completion of construction of the commercial production facility. If Mitsui elects to exercise its Equity Option the Copper Stream will terminate.

As part of the arrangement, Taseko and Mitsui have entered into an offtake contract for 81% of the copper cathode produced at Florence during the initial years of production. The parties intend to use this period to develop premium sales channels for 'made-in-the-US copper' in the United States, leveraging Mitsui's existing US cathode trading business and the unique environmental benefits of Florence Copper, which is expected to be the lowest carbon- and energy-intensity copper producer in North America.

Stuart McDonald, President & CEO of Taseko, stated, "This agreement with Mitsui establishes a strategic partnership with a leading international company. Mitsui's investment will complement Taseko's financing requirements and construction timeline to advance our goal of ensuring the copper produced at Florence is recognized for its unique low-carbon profile that will appeal to US manufacturers and consumers. In the future, Taseko and Mitsui will collectively evaluate additional investments towards establishing Florence Copper as a zero-carbon copper producer (Scope 1 and 2)."

Sayu Ueno, President & CEO of Mitsui & Co. (U.S.A.), commented, "We are excited to partner with Taseko and its unique low-carbon and low-impact Florence Copper project. When in production, Florence Copper will significantly expand our US trading business, while providing an environmentally sound, domestically produced product that can be marketed on the basis of its low-carbon advantages. We believe Florence Copper will be a preferred source of 'made-in-the-US' copper for many years in North America."

## Transaction Details

Under the terms of the initial US\$50 million Copper Stream agreement, Mitsui's first deposit payment of US\$10 million will be available for drawdown after receipt of Florence Copper's Underground Injection Control permit, with additional US\$10 million instalments available each quarter thereafter to fund project construction. Mitsui will receive 2.67% of the copper metal produced at Florence and pay a delivery price equal to 25% of the market price of copper delivered under the contract.

If Mitsui elects to exercise its Equity Option and invest an additional US\$50 million in the Project, these additional funds towards the Copper Stream will be converted into a 10% equity interest in Florence Copper. At that time, the initial offtake agreement will be terminated and be replaced with a marketing agency agreement.

If the Copper Stream is not converted into an equity interest Taseko will have the right to buy-back 100% of the Copper Stream; otherwise, it will terminate when 40 million pounds of copper have been delivered under the agreement. Mitsui's offtake commitment would also reduce to 30% until the Copper Stream deposit has been reduced to nil.

## About Mitsui & Co.

With a long history in the United States, Mitsui & Co. (U.S.A.), Inc. ("Mitsui USA") is a wholly owned subsidiary of Mitsui & Co. Ltd., Tokyo, Japan, one of the most diversified and comprehensive trading, investment, and service enterprises in the world.

Taseko is focused on the operation and development of copper mines in North America. Headquartered in Vancouver, Taseko is the owner (75%) and operator of the Gibraltar Mine, the second largest open pit copper mine in Canada. Taseko's Florence Copper Project in Arizona is a near-term growth project, which will nearly double the Company's annual copper production. Construction of Florence Copper is expected to commence in 2023. Taseko's Yellowhead Copper Project, Prosperity Gold-Copper Project and Aley Niobium Project are all advanced staged projects which provide the Company with a diverse commodity pipeline.

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

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 forward-looking terminology such as "outlook", "anticipate", "project", "target", "believe", "estimate", "expect", "intend", "similar expressions.

- uncertainties about the future market price of copper and the other metals that we produce or may seek to produce;
- changes in general economic conditions, the financial markets, inflation and interest rates and in the demand and for our input costs, such as diesel fuel, reagents, 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 availability of capital and financing;
- uncertainties resulting from the war in Ukraine, and the accompanying international response including economic sanctions levied against Russia, which has disrupted the global economy, created increased volatility in commodity markets (oil and gas prices), and disrupted international trade and financial markets, all of which have an ongoing and uncertain impact on global economics, supply chains, availability of materials and equipment and execution timelines for project development;
- uncertainties about the continuing impact of the novel coronavirus ("COVID-19") and the response of local, provincial, federal and international governments to the ongoing threat of COVID-19, on our operations (including our suppliers, customers, supply chains, employees and contractors) and economic conditions generally including rising inflation rates, in particular with respect to the demand for copper and other metals we produce;
- inherent risks associated with mining operations, including our current mining operations at Gibraltar, and their potential impact on our ability to achieve our production estimates;
- uncertainties as to our ability to control our operating costs, including inflationary cost pressures at Gibraltar with respect to our planned copper production;
- the risk of inadequate insurance or inability to obtain insurance to cover material mining or operational risks;
- uncertainties related to the feasibility study for Florence copper project (the "Florence Copper Project" or "Florence Project") that provides estimates of expected or anticipated capital and operating costs, expenditures and economic return for the mining project, including the impact of inflation on the estimated costs related to the construction of the Florence Copper Project and our other development projects;
- the risk that the results from our operations of the Florence Copper production test facility ("PTF") and ongoing engineering work including updated capital and operating costs will negatively impact our estimates for current projected economic commercial operations at Florence Copper;
- uncertainties related to the accuracy of our estimates of Mineral Reserves (as defined below), Mineral Resources (as defined below), production rates and timing of production, future production and future cash and total costs of production;
- the risk that we may not be able to expand or replace reserves as our existing mineral reserves are mined;
- the availability of, and uncertainties relating to the development of, additional financing and infrastructure necessary for the advancement of our development projects, including with respect to our ability to obtain any remaining construction financing potentially needed to move forward with commercial operations at Florence Copper;

- our ability to comply with the extensive governmental regulation to which our business is subject;
- uncertainties related to our ability to obtain necessary title, licenses and permits for our development projects and delays due to third party opposition, particularly in respect to Florence Copper that requires one key regulatory permit from the U.S. Environmental Protection Agency ("EPA") in order to advance to commercial operations;
- our ability to deploy strategic capital and award key contracts to assist with protecting the Florence Copper project plan, mitigating inflation risk and the potential impact of supply chain disruptions on our construction schedule and smooth transition into construction once the final permit is received from the EPA;
- uncertainties related to First Nations claims and consultation issues;
- our reliance on rail transportation and port terminals for shipping our copper concentrate production from Gibraltar;
- 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 and mine closure and bonding requirements;
- our dependence solely on our 75% interest in Gibraltar (as defined below) for revenues and operating cashflows;
- our ability to collect payments from customers, extend existing concentrate off-take agreements or enter into new agreements;
- environmental issues and liabilities associated with mining including processing and stock piling ore;
- labour strikes, work stoppages, or other interruptions to, or difficulties in, the employment of labour in markets in which we operate our mine, industrial accidents, equipment failure or other events or occurrences, including third party interference, that interrupt the production of minerals in our mine;
- environmental hazards and risks associated with climate change, including the potential for damage to infrastructure and stoppages of operations due to forest fires, flooding, drought, or other natural events in the vicinity of our operations;
- litigation risks and the inherent uncertainty of litigation, including litigation to which Florence Copper could be subject;
- our actual costs of reclamation and mine closure may exceed our current estimates of these liabilities;
- our ability to meet the financial reclamation security requirements for the Gibraltar mine and Florence Project;
- the capital intensive nature of our business both to sustain current mining operations and to develop any new projects, including Florence Copper;
- our reliance upon key management and operating personnel;
- the competitive environment in which we operate;
- the effects of forward selling instruments to protect against fluctuations in copper prices, foreign exchange, interest rates and input costs such as fuel;
- 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; and Management Discussion and Analysis ("MD&A") reports and material change reports filed with and furnished to securities regulators, and those risks which are disclosed under the heading "Risk Factors".

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](http://www.sec.gov) and home jurisdiction filings that are available at [www.sedar.com](http://www.sedar.com), including the "Risk Factors" included in our Annual Information Form.

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#### Contact

For further information on Taseko, see the Company's website at [www.tasekomines.com](http://www.tasekomines.com) or contact: Brian Bergot, Vice President, Investor Relations - 778-373-4533 or toll free 1-877-441-4533

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