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Taseko Reports First Quarter 2024 Operational Performance and $50 Million of Adjusted EBITDA

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.sedarplus.com. Except where otherwise noted, all currency amounts are stated in Canadian dollars. In March 2024 Taseko acquired the remaining 12.5% interest and now owns 100% of the Gibraltar Mine, located north of the City of Williams Lake in south-central British Columbia. Production and sales volumes stated in this release are on a 100% basis unless otherwise indicated.

May 1, 2024, Vancouver, BC – Taseko Mines Limited (TSX: TKO; NYSE American: TGB; LSE: TKO) ("Taseko" or the "Company") reports first quarter 2024 Adjusted EBITDA* of $50 million and Earnings from mining operations before depletion and amortization* of $53 million, 38% and 29% higher than the same quarter in 2023. Revenues for the first quarter were $147 million. Net income for the quarter was $19 million ($0.07 per share) and Adjusted net earnings* were $8 million ($0.03 per share).

In the first quarter, Gibraltar produced 30 million pounds of copper and 247 thousand pounds of molybdenum. Mill throughput in the quarter was 7.7 million tons, or 84,400 tons per day, processing an average grade of 0.24% copper. Total operating cash costs (C1)* for the quarter were US$2.46 per pound of copper.

Stuart McDonald, President and CEO of Taseko, commented, "Gibraltar operations performed generally in line with plan in the first quarter, generating strong margins on a realized copper sales price of US$3.89 per pound. The operating team successfully completed a mill component replacement in January and following this maintenance downtime, mill throughput averaged 90,000 tons per day, 6% above the design capacity. The gradual transition to the Connector pit will continue over the next few months, and the in-pit crusher relocation is planned for the second quarter."

"In late March we acquired the remaining 12.5% interest in Gibraltar and now own 100% of the mine. This transaction is a real positive for Taseko, providing immediate cashflow and production growth. The acquisition cost is spread out over ten years, with the next scheduled payment in 2026 which allows us to focus our financial resources on Florence development. As part of the transaction, we also acquired additional concentrate offtake rights and, with smelter treatment costs at record lows, the timing could not have been better. This additional offtake has now been sold at negative treatment costs, resulting in cost savings of $10 million in the second half of 2024," continued Mr. McDonald.

"At Florence Copper, initial construction and wellfield development activities are progressing smoothly. There are now three drill rigs operating on the commercial facility wellfield, with a fourth drill to be mobilized in May. A total of ten new production wells have been drilled to date. Site preparation and earthworks for the SX/EW plant area are also underway and construction of the plant is expected to begin later this quarter. It is an exciting time for the Company as we move closer to commercial operations at Florence.

In April, we further strengthened our financial position through the successful refinancing of our senior secured notes. The maturity of the notes has been pushed out to 2030, and the upsizing provides additional cash proceeds and financial flexibility. With the bond refinancing complete, 100% ownership of Gibraltar, and the copper price today at US$4.49 per pound, our business is much improved from just a few months ago." concluded Mr. McDonald.

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

First Quarter Review

- First quarter cash flow from operations was $59.6 million and net income was $18.9 million ($0.07 per share) for the quarter;
- Earnings from mining operations before depletion and amortization* was $52.8 million, Adjusted EBITDA* was $49.9 million, and Adjusted net income* was $7.7 million ($0.03 per share);
- Gibraltar produced 29.7 million pounds of copper for the quarter. Average head grades were 0.24% and copper recoveries were 79% for the quarter;
- Gibraltar sold 31.7 million pounds of copper in the quarter (100% basis) at an average realized copper price of US$3.89 per pound;
- Total operating costs (C1)* for the quarter were US$2.46 per pound produced;
- On March 25, 2024, the Company completed its acquisition of the remaining 12.5% interest in Gibraltar, and now owns 100%. The Company paid $5 million on closing, with the remaining amounts payable over a 10-year period with the next scheduled payment in March 2026;
- Construction of the commercial production facility at Florence is advancing with recent site activities focused on site preparations and earthworks for the commercial wellfield and plant area. Wellfield drilling commenced in February and ten new production wells have been drilled to date;
- During the quarter, the Company received the first US$10 million deposit from Mitsui & Co. (U.S.A.) Inc. ("Mitsui") for its copper stream financing and closed its US$50 million royalty financing with Taurus Mining Royalty Fund L.P. ("Taurus"). The Company had a cash balance of $158 million and has approximately $239 million of available liquidity at March 31, 2024; and
- On April 23, 2024, the Company completed an offering of US$500 million aggregate principal amount of 8.25% Senior Secured Notes due May 1, 2030. A portion of the proceeds were used to redeem the outstanding US$400 million 7% Senior Secured Notes due on February 15, 2026. The remaining proceeds, net of transaction costs, call premium and accrued interest, are approximately $110 million.

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

Highlights

Operating Data (Gibraltar - 100% basis)	Three months ended March 31, 2024	2023	Change
Tons mined (millions)	22.8	24.1	(1.3)
Tons milled (millions)	7.7	7.1	0.6
Production (million pounds Cu)	29.7	24.9	4.8
Sales (million pounds Cu)	31.7	26.6	5.1

Financial Data (Cdn$ in thousands, except for per share amounts)	Three months ended March 31, 2024	2023	Change
Revenues	146,947	115,519	31,428
Cash flows provided by operations	59,574	27,999	31,575
Net income (GAAP)	18,896	33,788	(14,892)
Per share - basic ("EPS")	0.07	0.12	(0.05)
Earnings from mining operations before depletion and amortization*	52,797	41,139	11,658
Adjusted EBITDA*	49,923	36,059	13,864
Adjusted net income*	7,728	5,088	2,640
Per share - basic ("Adjusted EPS") *	0.03	0.02	0.01

On March 15, 2023, the Company increased its effective interest in Gibraltar from 75% to 87.5% through the acquisition of a 50% interest in Cariboo Copper Corporation ("Cariboo") from Sojitz Corporation. On March 25, 2024, the Company increased its effective interest in Gibraltar from 87.5% to 100% through the acquisition of the remaining 50% interest in Cariboo from Dowa Metals & Mining Co., Ltd. ("Dowa") and Furukawa Co., Ltd. ("Furukawa").

The financial results reported in this MD&A include the Company's 87.5% proportionate share of Gibraltar income and expenses for the period March 16, 2023 to March 24, 2024 (prior to March 15, 2023 – 75%) and 100% of Gibraltar income and expenses for the period March 25, 2024 to March 31, 2024.

The Company finalized the accounting for the acquisition of its 50% interest in Cariboo from Sojitz and the related 12.5% interest in Gibraltar in the fourth quarter of 2023. In accordance with the accounting standards for business combinations, the comparable financial statements as of March 31, 2023 and for the three months then ended have been revised to reflect the changes in finalizing the consideration paid and the allocation of the purchase price to the assets and liabilities acquired.

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

Highlights

Gibraltar Mine

Operating data (100% basis)	**Q1 2024**	**Q4 2023**	**Q3 2023**	**Q2 2023**	**Q1 2023**
Tons mined (millions)	22.8	24.1	16.5	23.4	24.1
Tons milled (millions)	7.7	7.6	8.0	7.2	7.1
Strip ratio	1.7	1.5	0.4	1.5	1.9
Site operating cost per ton milled (Cdn$)*	$11.73	$9.72	$12.39	$13.17	$13.54
Copper concentrate					
Head grade (%)	0.24	0.27	0.26	0.24	0.22
Copper recovery (%)	79.0	82.2	85.0	81.9	80.7
Production (million pounds Cu)	29.7	34.2	35.4	28.2	24.9
Sales (million pounds Cu)	31.7	35.9	32.1	26.1	26.6
Inventory (million pounds Cu)	4.9	6.9	8.8	5.6	3.7
Molybdenum concentrate					
Production (thousand pounds Mo)	247	369	369	230	234
Sales (thousand pounds Mo)	258	364	370	231	225
Per unit data (US$ per pound produced)*					
Site operating costs*	$2.21	$1.59	$2.10	$2.43	$2.94
By-product credits*	(0.17)	(0.13)	(0.23)	(0.13)	(0.37)
Site operating costs, net of by-product credits*	$2.04	$1.46	$1.87	$2.30	$2.57
Off-property costs	0.42	0.45	0.33	0.36	0.37
Total operating costs (C1)*	$2.46	$1.91	$2.20	$2.66	$2.94

Operations Analysis

First Quarter Review

Gibraltar produced 29.7 million pounds of copper for the quarter. Copper production and mill throughput in the quarter were impacted by Concentrator #2 downtime in January for a planned major component replacement which reduced operating time by ten days.

Copper head grades of 0.24% were in line with management expectations. Copper recoveries in the first quarter were 79%, lower than the recent quarters due to lower head grades and increased milling of partially oxidized material.

A total of 22.8 million tons were mined in the first quarter. The strip ratio of 1.7 was higher than the recent quarters as stripping continues in the Connector pit, and 2.0 million tons of oxide ore from the upper benches of the Connector pit were also added to the heap leach pads in the period. There was 1.1 million tons in the mill feed from ore stockpiles.

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

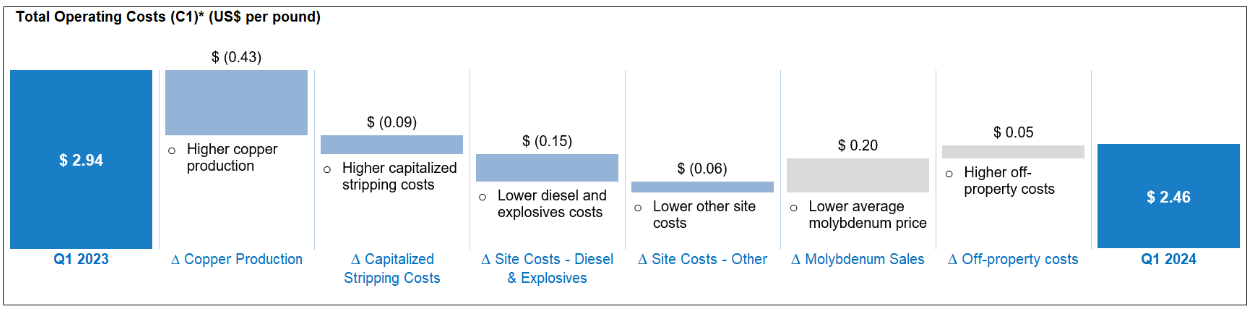
Operations Analysis - Continued

Total site costs* at Gibraltar of $109.5 million (which includes capitalized stripping of $18.5 million) was comparable to the previous quarter.

Molybdenum production was 247 thousand pounds in the first quarter. At an average molybdenum price of US$19.93 per pound, molybdenum generated a by-product credit per pound of copper produced of US$0.17 in the first quarter.

Off-property costs per pound produced* were US$0.42 for the first quarter reflecting higher copper sales volumes relative to production volumes and additional trucking costs for concentrate movements compared to the same quarter in the prior year.

Total operating costs per pound produced (C1)* was US$2.46 for the quarter, compared to US$2.94 in the prior year quarter as shown in the bridge graph below:



Gibraltar Outlook

The Gibraltar pit will continue to be the main source of mill feed for the first half of 2024 before mining of ore transitions into the Connector pit in the second half of the year. Stripping activity will continue to be focused in the Connector pit, and further oxide ore from this pit is expected to be added to the heap leach pads this year. Management is currently reviewing the potential to restart Gibraltar's SX/EW facility next year.

Concentrator #1 is scheduled for additional downtime in the second quarter for the in-pit crusher relocation and other mill maintenance. After taking into account the reduced mill availability for scheduled down times, total copper production at Gibraltar for 2024 is expected to be approximately 115 million pounds.

The estimated remaining capital cost of the crusher relocation project is $10 million, and no other significant capital projects are planned for Gibraltar this year.

With the component replacement in Concentrator #2 completed in January 2024, the Company is finalizing its insurance claim for associated property damage and business interruption as a result of the component failure. This insurance claim is expected to be finalized in the coming months.

The Company has recently tendered Gibraltar concentrate to various customers for the remainder of 2024 and for significant tonnages in 2025 and 2026. In 2023, Treatment and Refining Costs (TCRCs) accounted for approximately US$0.17 per pound of off-property costs. With these recently awarded offtake contracts, the Company expects off-property costs to reduce by approximately US$0.10 to US$0.20 per pound from the second half of 2024 through 2026 due to these fixed, lower TCRCs.

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

Gibraltar Outlook - Continued

The Company has a prudent hedging program in place to protect a minimum copper price during the Florence construction period. Currently, the Company has copper put contracts to secure a minimum copper price of US$3.25 per pound for 21 million pounds of copper covering the second quarter of 2024, copper collar contracts that secure a minimum copper price of US$3.75 per pound for 42 million pounds of copper covering the second half of 2024, and copper collar contracts that secure a minimum copper price of US$4.00 per pound for 108 million pounds of copper for 2025. The copper collar contracts also have ceiling prices between US$5.00 and US$5.40 per pound (refer to the section "Hedging Strategy" for details).

Acquisition of Remaining 12.5% Interest in Gibraltar

On March 25, 2024, the Company entered into an agreement to acquire the remaining 12.5% interest in Gibraltar from Dowa and Furukawa. Under the terms of the agreement, Taseko will acquire Dowa and Furukawa's shares in Cariboo and will then own 100% of Cariboo shares and have an effective 100% interest in Gibraltar.

The acquisition price consists of a minimum amount of $117 million payable over a period of ten years and potential contingent payments depending on copper prices and Gibraltar's cashflow. An initial $5 million was paid to Dowa and Furukawa ($2.5 million each) on closing and the remaining amounts will be settled with annual payments commencing in March 2026.

The annual payments will be based on the average LME copper price of the previous calendar year, subject to an annual cap based on a percentage of cashflow from Gibraltar. At copper prices below US$4.00 per pound, the annual payment will be $5 million, increasing pro-rata to a maximum annual payment of $15.25 million at copper prices of US$5.00 per pound or higher. The annual payments also can not exceed 6.25% of Gibraltar's annual cashflow for the 2025 to 2028 calendar years, and 10% of Gibraltar's cashflow for the 2029 to 2033 calendar years. Any outstanding balance on the minimum acquisition amount of $117 million will be repayable in a final balloon payment in March 2034.

Total consideration is capped at $142 million, limiting the contingent consideration to a maximum of $25 million. In addition, Taseko has the option to settle the full acquisition price at any time prior to 2029 by making total payments of $117 million.

The Company's minimum payment obligations for the acquisition are in the form of loans from Dowa and Furukawa to Cariboo. The loans are non-interest bearing, are guaranteed by Taseko, and a portion of the loans are secured by Cariboo's 25% joint venture interest in Gibraltar. The loans contain minimum protective covenants including the requirement not to amend the joint venture agreement for Gibraltar, or sell Cariboo's 25% interest in the joint venture.

Under the Cariboo offtake arrangements entered into in 2010, Dowa and Furukawa were entitled to receive 30% of Gibraltar's copper concentrate offtake for the life of mine at benchmark terms. Upon closing of this acquisition, the Cariboo offtake agreement was terminated and Taseko retained full marketing rights for 100% of Gibraltar's concentrate offtake going forward.

Florence Copper

The Company has all the key permits in place for the commercial production facility at Florence Copper and construction has commenced. All the major SX/EW plant components are on site and previous work on detailed engineering and procurement of long-lead items has de-risked the construction schedule. First copper production is expected in the fourth quarter of 2025.

Florence Copper - Continued

The Company has a technical report entitled "NI 43-101 Technical Report Florence Copper Project, Pinal County, Arizona" dated March 30, 2023 (the "2023 Technical Report") on SEDAR+. The 2023 Technical Report was prepared in accordance with NI 43-101 and incorporated the results of testwork from the Production Test Facility ("PTF") as well as updated capital and operating costs (Q3 2022 basis) for the commercial production facility.

Project highlights based on the 2023 Technical Report:

- Net present value of US$930 million (at $US 3.75 copper price, 8% after-tax discount rate)
- Internal rate of return of 47% (after-tax)
- Payback period of 2.6 years
- Operating costs (C1) of US$1.11 per pound of copper
- Annual production capacity of 85 million pounds of LME grade A cathode copper
- 22 year mine life
- Total life of mine production of 1.5 billion pounds of copper
- Remaining initial capital cost of US$232 million (Q3 2022 basis)

Site activities in the first quarter of 2024 have focused on site preparations and earthworks for the commercial wellfield and plant area, and the hiring of additional personnel for the construction and operations teams.

Drilling of the commercial facility wellfield commenced in February and there are currently three drills operating, with a fourth drill to be mobilized in May. At the end of April, a total of ten new production wells have been drilled, and a total of 90 new production wells will be drilled during the construction of the commercial facility.

The Company has a fixed-price contract with the general contractor for construction of the SX/EW plant and associated surface infrastructure. The general contractor continues their mobilization. Plant earthworks is underway with a focus on bulk excavation of the various facility ponds and preparations for the initial concrete pour in the plant area.

Florence Copper Quarterly Capital Spend

(US$ in thousands)	**Three months ended March 31, 2024**
Site and PTF operations	4,245
Commercial facility construction costs	17,998
Other capital costs	15,709
Total Florence project expenditures	**37,952**

The estimated remaining capital costs in the 2023 Technical Report for construction of the commercial facility was US$232 million, of which US$18.0 million has been incurred in the first quarter of 2024. Other capital costs of US$15.7 million include final payments for delivery of long-lead equipment that was ordered in 2022, and to bring forward the construction of an evaporation pond to provide additional water management flexibility. Approximately US$10 million of these other capital costs remain to be incurred in the next two quarters.

The Company has closed several Florence project level financings to fund initial commercial facility construction costs. On January 26, 2024, the Company received the first US$10 million deposit from the US$50 million copper stream transaction with Mitsui. The remaining amounts will be paid on a quarterly basis. On February 2, 2024, the Company also closed a US$50 million royalty with Taurus, which was funded in one lump-sum payment at that time.

Florence Copper - Continued

The Company considers that the construction of Florence Copper is now fully funded, and remaining project costs are expected to be funded with the Company's available liquidity, remaining instalments from Mitsui, and cashflow from its 100% ownership interest in Gibraltar.

Long-term Growth Strategy

Taseko's strategy has been to grow the Company by acquiring and developing a pipeline of projects focused on copper in North America. We continue to believe this will generate long-term returns for shareholders. Our other development projects are located in British Columbia, Canada.

Yellowhead Copper Project

Yellowhead Mining Inc. ("Yellowhead") has an 817 million tonnes reserve and a 25-year mine life with a pre-tax net present value of $1.3 billion at an 8% discount rate using a US$3.10 per pound copper price based on the Company's 2020 NI 43-101 technical report. Capital costs of the project were estimated at $1.3 billion over a 2-year construction period. During 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 produced. The Yellowhead copper project contains valuable precious metal by-products with 440,000 ounces of gold and 19 million ounces of silver production over the life of mine.

The Company is preparing to advance into the environmental assessment process and is undertaking some additional engineering work in conjunction with ongoing engagement with local communities including First Nations. The Company is also collecting baseline data and modeling which will be used to support the environmental assessment and permitting of the project.

New Prosperity Gold-Copper Project

In late 2019, the Tŝilhqot'in Nation, as represented by Tŝilhqot'in National Government, and Taseko Mines Limited entered into a confidential dialogue, with the involvement of the Province of British Columbia, seeking a long-term resolution of the conflict regarding Taseko's proposed copper-gold mine previously known as New Prosperity, acknowledging Taseko's commercial interests and the Tŝilhqot'in Nation's opposition to the project.

This dialogue has been supported by the parties' agreement, beginning December 2019, to a series of standstill agreements on certain outstanding litigation and regulatory matters relating to Taseko's tenures and the area in the vicinity of Teẑtan Biny (Fish Lake).

The dialogue process has made meaningful progress in recent months but is not complete. The Tŝilhqot'in Nation and Taseko acknowledge the constructive nature of discussions, and the opportunity to conclude a long-term and mutually acceptable resolution of the conflict that also makes an important contribution to the goals of reconciliation in Canada.

In March 2024, Tŝilhqot'in and Taseko formally reinstated the standstill agreement for a final term, with the goal of finalizing a resolution before the end of this year.

Long-term Growth Strategy - Continued

Aley Niobium Project

Environmental monitoring and product marketing initiatives on the Aley niobium project continue. The converter pilot test is ongoing and is providing additional process data to support the design of the commercial process facilities and will provide final product samples for marketing purposes. The Company has also initiated a scoping study to investigate the potential production of niobium oxide at Aley to supply the growing market for niobium-based batteries.

The Company will host a telephone conference call and live webcast on Thursday, May 2, 2024 at 11:00 a.m. Eastern Time (8:00 a.m. Pacific Time) to discuss these results. After opening remarks by management, there will be a question and answer session open to analysts and investors.

To join the conference call without operator assistance, you may pre-register at https://emportal.ink/3wakEXk to receive an instant automated call back just prior to the start of the conference call. Otherwise, the conference call may be accessed by dialing 888-390-0546 toll free, 416-764-8688 in Canada, or online at tasekomines.com/investors/events.

The conference call will be archived for later playback until May 16, 2024 and can be accessed by dialing 888-390-0541 toll free, 416-764-8677 in Canada, or online at tasekomines.com/investors/events/ and using the entry code 748928#.

For further information on Taseko, please see the Company's website at www.tasekomines.com or contact:

Brian Bergot, Vice President, Investor Relations – 778-373-4554, toll free 1-800-667-2114

Stuart McDonald
President & CEO

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.

(Cdn$ in thousands, unless otherwise indicated) – 87.5% basis (except for Q1 2023 and Q1 2024)	**2024 Q1[1]**	**2023 Q4[1]**	**2023 Q3[1]**	**2023 Q2[1]**	**2023 Q1[1]**
Cost of sales	122,528	93,914	94,383	99,854	86,407
Less:					
Depletion and amortization	(15,024)	(13,326)	(15,993)	(15,594)	(12,027)
Net change in inventories of finished goods	(20,392)	(1,678)	4,267	3,356	(399)
Net change in inventories of ore stockpiles	2,719	(3,771)	12,172	2,724	5,561
Transportation costs	(10,153)	(10,294)	(7,681)	(6,966)	(5,104)
Site operating costs	79,678	64,845	87,148	83,374	74,438
Oxide ore stockpile reclassification from capitalized stripping	-	-	-	(3,183)	3,183
Less by-product credits:					
Molybdenum, net of treatment costs	(6,112)	(5,441)	(9,900)	(4,018)	(9,208)
Silver, excluding amortization of deferred revenue	(137)	124	290	(103)	(160)
Site operating costs, net of by-product credits	73,429	59,528	77,538	76,070	68,253
Total copper produced (thousand pounds)	26,694	29,883	30,978	24,640	19,491
Total costs per pound produced	2.75	1.99	2.50	3.09	3.50
Average exchange rate for the period (CAD/USD)	1.35	1.36	1.34	1.34	1.35
Site operating costs, net of by-product credits (US$ per pound)	**2.04**	**1.46**	**1.87**	**2.30**	**2.59**
Site operating costs, net of by-product credits	73,429	59,528	77,538	76,070	68,253
Add off-property costs:					
Treatment and refining costs	4,816	7,885	6,123	4,986	4,142
Transportation costs	10,153	10,294	7,681	6,966	5,104
Total operating costs	88,398	77,707	91,342	88,022	77,499
Total operating costs (C1) (US$ per pound)	**2.46**	**1.91**	**2.20**	**2.66**	**2.94**

[1] Q1, Q2, Q3 and Q4 2023 includes the impact from the March 15, 2023 acquisition of Cariboo from Sojitz, which increased the Company's Gibraltar ownership from 75% to 87.5%. Q1 2024 includes the impact from the March 25, 2024 acquisition of Cariboo from Dowa and Furukawa, which increased the Company's Gibraltar ownership from 87.5% to 100%.

Non-GAAP Performance Measures - Continued

Total Site Costs

Total site costs are comprised of the site operating costs charged to cost of sales as well as mining costs capitalized to property, plant and equipment in the period. This measure is intended to capture Taseko's share of the total site operating costs incurred in the quarter at Gibraltar calculated on a consistent basis for the periods presented.

(Cdn$ in thousands, unless otherwise indicated) – 87.5% basis (except for Q1 2023 and Q1 2024)	**2024 Q1[1]**	**2023 Q4[1]**	**2023 Q3[1]**	**2023 Q2[1]**	**2023 Q1[1]**
Site operating costs	79,678	64,845	87,148	83,374	74,438
Add:					
Capitalized stripping costs	16,152	31,916	2,083	8,832	12,721
Total site costs – Taseko share	**95,830**	**96,761**	**89,231**	**92,206**	**87,159**
Total site costs – 100% basis	**109,520**	**110,584**	**101,978**	**105,378**	**112,799**

[1] Q1, Q2, Q3 and Q4 2023 includes the impact from the March 15, 2023 acquisition of Cariboo from Sojitz, which increased the Company's Gibraltar ownership from 75% to 87.5%. Q1 2024 includes the impact from the March 25, 2024 acquisition of Cariboo from Dowa and Furukawa, which increased the Company's Gibraltar ownership from 87.5% to 100%.

Adjusted net income (loss) and Adjusted EPS

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

- Unrealized foreign currency gains/losses;
- Unrealized gain/loss on derivatives;
- Gain on Cariboo acquisition;
- Gain on acquisition of control of Gibraltar;
- Realized gain on sale of inventory; and
- Finance and other non-recurring costs.

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.

Non-GAAP Performance Measures - Continued

(Cdn$ in thousands, except per share amounts)	2024 Q1	2023 Q4	2023 Q3	2023 Q2
Net income	**18,896**	**38,076**	**871**	**9,991**
Unrealized foreign exchange loss (gain)	13,688	(14,541)	14,582	(10,966)
Unrealized loss (gain) on derivatives	3,519	1,636	4,518	(6,470)
Gain on Cariboo acquisition	(47,426)	-	-	-
Gain on acquisition of control of Gibraltar**	(14,982)	-	-	-
Realized gain on sale of inventory**	13,354	-	-	-
Accretion and fair value adjustment on Florence royalty obligation	3,416	-	-	-
Accretion and fair value adjustment on consideration payable to Cariboo	1,555	(916)	1,244	1,451
Non-recurring other expenses	138	-	-	263
Estimated tax effect of adjustments	15,570	(195)	(1,556)	1,355
Adjusted net income (loss)	**7,728**	**24,060**	**19,659**	**(4,376)**
Adjusted EPS	**0.03**	**0.08**	**0.07**	**(0.02)**

(Cdn$ in thousands, except per share amounts)	2023 Q1	2022 Q4	2022 Q3	2022 Q2
Net (loss) income	**33,788**	**(2,275)**	**(23,517)**	**(5,274)**
Unrealized foreign exchange (gain) loss	(950)	(5,279)	28,083	11,621
Unrealized loss (gain) on derivatives	2,190	20,137	(72)	(30,747)
Gain on Cariboo acquisition	(46,212)	-	-	-
Estimated tax effect of adjustments	16,272	(5,437)	19	8,302
Adjusted net income (loss)	**5,088**	**7,146**	**4,513**	**(16,098)**
Adjusted EPS	**0.02**	**0.02**	**0.02**	**(0.06)**

**The $15.0 million gain on acquisition of control of Gibraltar relates to the write-up of finished copper concentrate inventory to its fair value at March 25, 2024. Of this amount, $13.4 million was actually realized through the sale of concentrate inventory between March 26 and March 31, 2024. This realized portion of the gain has been included in Adjusted net income.

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 derivatives;
- Amortization of share-based compensation expense;

Non-GAAP Performance Measures - Continued

- Gain on Cariboo acquisition;
- Gain on acquisition of control of Gibraltar;
- Realized gain on sale of inventory; and
- Non-recurring other expenses.

(Cdn$ in thousands)	2024 Q1	2023 Q4	2023 Q3	2023 Q2
Net income	**18,896**	**38,076**	**871**	**9,991**
Add:				
Depletion and amortization	15,024	13,326	15,993	15,594
Finance expense	19,849	12,804	14,285	13,468
Finance income	(1,086)	(972)	(322)	(757)
Income tax expense	23,282	17,205	12,041	678
Unrealized foreign exchange loss (gain)	13,688	(14,541)	14,582	(10,966)
Unrealized loss (gain) on derivatives	3,519	1,636	4,518	(6,470)
Amortization of share-based compensation expense	5,667	1,573	727	417
Gain on Cariboo acquisition	(47,426)	-	-	-
Gain on acquisition of control of Gibraltar**	(14,982)	-	-	-
Realized gain on sale of inventory**	13,354	-	-	-
Non-recurring other expenses	138	-	-	263
Adjusted EBITDA	**49,923**	**69,107**	**62,695**	**22,218**

(Cdn$ in thousands)	2023 Q1	2022 Q4	2022 Q3	2022 Q2
Net (loss) income	**33,788**	**(2,275)**	**(23,517)**	**(5,274)**
Add:				
Depletion and amortization	12,027	10,147	13,060	15,269
Finance expense	12,309	10,135	12,481	12,236
Finance income	(921)	(700)	(650)	(282)
Income tax expense	20,219	1,222	3,500	922
Unrealized foreign exchange (gain) loss	(950)	(5,279)	28,083	11,621
Unrealized loss (gain) on derivatives	2,190	20,137	(72)	(30,747)
Amortization of share-based compensation expense (recovery)	3,609	1,794	1,146	(2,061)
Gain on Cariboo acquisition	(46,212)	-	-	-
Adjusted EBITDA	**36,059**	**35,181**	**34,031**	**1,684**

**The $15.0 million gain on acquisition of control of Gibraltar relates to the write-up of finished copper concentrate inventory to its fair value at March 25, 2024. Of this amount, $13.4 million was actually realized through the sale of concentrate inventory between March 26 and March 31, 2024. This realized portion of the gain has been included in Adjusted EBITDA.

Non-GAAP Performance Measures - Continued

Earnings from mining operations before depletion and amortization

Earnings from mining operations before depletion and amortization is earnings from mining operations with depletion and amortization, also any items that are not considered indicative of ongoing operating performance are 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.

	Three months ended March 31,	
(Cdn$ in thousands)	**2024**	**2023**
Earnings from mining operations	**24,419**	**29,112**
Add:		
Depletion and amortization	15,024	12,027
Realized gain on sale of inventory	13,354	-
Earnings from mining operations before depletion and amortization	**52,797**	**41,139**

During the three months ended March 31, 2024, the realized gain on sale of inventory of $13.4 million relates to copper concentrate inventory held at March 25, 2024 that was written up from book value to net realizable value and subsequently sold between March 26 and March 31, 2024.

Site operating costs per ton milled

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 Company's site operations on a tons milled basis.

(Cdn$ in thousands, except per ton milled amounts)	**2024 Q1[1]**	**2023 Q4[1]**	**2023 Q3[1]**	**2023 Q2[1]**	**2023 Q1[1]**
Site operating costs (included in cost of sales) – Taseko share	**79,678**	**64,845**	**87,148**	**83,374**	**74,438**
Site operating costs – 100% basis	**90,040**	**74,109**	**99,598**	**95,285**	**95,838**
Tons milled (thousands)	7,677	7,626	8,041	7,234	7,093
Site operating costs per ton milled	**$11.73**	**$9.72**	**$12.39**	**$13.17**	**$13.54**

[1] Q1, Q2, Q3 and Q4 2023 includes the impact from the March 15, 2023 acquisition of Cariboo from Sojitz, which increased the Company's Gibraltar ownership from 75% to 87.5%. Q1 2024 includes the impact from the March 25, 2024 acquisition of Cariboo from Dowa and Furukawa, which increased the Company's Gibraltar ownership from 87.5% to 100%.

Technical Information

The technical information contained in this news release related to the Florence Copper Project is based upon the report entitled: "NI 43-101 Technical Report – Florence Copper Project, Pinal County, Arizona" issued March 30, 2023 with an effective date of March 15, 2023 which is available on SEDAR+. The Florence Copper Project Technical Report was prepared under the supervision of Richard Tremblay, P.Eng., MBA, Richard Weymark, P.Eng., MBA, and Robert Rotzinger, P.Eng. Mr. Tremblay is employed by the Company as Chief Operating Officer, Mr. Weymark is Vice President Engineering, and Robert Rotzinger is Vice President Capital Projects. All three are Qualified Persons as defined by NI 43–101.

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

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 included but are not limited to:

- uncertainties about the effect of COVID-19 and the response of local, provincial, federal and international governments to the threat of COVID-19 on our operations (including our suppliers, customers, supply chain, employees and contractors) and economic conditions generally and in particular with respect to the demand for copper and other metals we produce;
- 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 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.

TASEKO MINES LIMITED

Management's Discussion and Analysis

This management discussion and analysis ("MD&A") is intended to help the reader understand Taseko Mines Limited ("Taseko", "we", "our" or the "Company"), our operations, financial performance, and current and future business environment. This MD&A is intended to supplement and complement the consolidated financial statements and notes thereto, prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board for the three months ended March 31, 2024 (the "Financial Statements"). You are encouraged to review the Financial Statements in conjunction with your review of this MD&A and the Company's other public filings, which are available on the Canadian Securities Administrators' website at www.sedarplus.com and on the EDGAR section of the United States Securities and Exchange Commission's ("SEC") website at www.sec.gov.

This MD&A is prepared as of May 1, 2024. All dollar figures stated herein are expressed in Canadian dollars, unless otherwise specified. Included throughout this MD&A are references to non-GAAP performance measures which are denoted with an asterisk and further explanation including their calculations are provided on page 25.

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, global economic events arising from the coronavirus (COVID-19) pandemic outbreak, 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 the Company's other public filings with the SEC and Canadian provincial securities regulatory authorities.

Contents

Overview

Taseko is a copper focused mining company that seeks to create long-term shareholder value by acquiring, developing, and operating large tonnage mineral deposits in stable jurisdictions which are capable of supporting a mine for decades. The Company's principal operating asset is the 100% owned Gibraltar ("Gibraltar"), which is located in central British Columbia and is one of the largest copper mines in North America. Taseko also owns Florence Copper, which is commencing construction, as well as the Yellowhead copper, New Prosperity gold-copper, and Aley niobium projects.

Highlights

Operating Data (Gibraltar - 100% basis)	**Three months ended March 31,**		
	2024	**2023**	**Change**
Tons mined (millions)	22.8	24.1	(1.3)
Tons milled (millions)	7.7	7.1	0.6
Production (million pounds Cu)	29.7	24.9	4.8
Sales (million pounds Cu)	31.7	26.6	5.1

Financial Data	**Three months ended March 31,**		
(Cdn$ in thousands, except for per share amounts)	**2024**	**2023**	**Change**
Revenues	146,947	115,519	31,428
Cash flows provided by operations	59,574	27,999	31,575
Net income (GAAP)	18,896	33,788	(14,892)
Per share - basic ("EPS")	0.07	0.12	(0.05)
Earnings from mining operations before depletion and amortization*	52,797	41,139	11,658
Adjusted EBITDA*	49,923	36,059	13,864
Adjusted net income*	7,728	5,088	2,640
Per share - basic ("Adjusted EPS") *	0.03	0.02	0.01

On March 15, 2023, the Company increased its effective interest in Gibraltar from 75% to 87.5% through the acquisition of a 50% interest in Cariboo Copper Corporation ("Cariboo") from Sojitz Corporation. On March 25, 2024, the Company increased its effective interest in Gibraltar from 87.5% to 100% through the acquisition of the remaining 50% interest in Cariboo from Dowa Metals & Mining Co., Ltd. ("Dowa") and Furukawa Co., Ltd. ("Furukawa").

The financial results reported in this MD&A include the Company's 87.5% proportionate share of Gibraltar income and expenses for the period March 16, 2023 to March 24, 2024 (prior to March 15, 2023 – 75%) and 100% of Gibraltar income and expenses for the period March 25, 2024 to March 31, 2024.

The Company finalized the accounting for the acquisition of its 50% interest in Cariboo from Sojitz and the related 12.5% interest in Gibraltar in the fourth quarter of 2023. In accordance with the accounting standards for business combinations, the comparable financial statements as of March 31, 2023 and for the three months then ended have been revised to reflect the changes in finalizing the consideration paid and the allocation of the purchase price to the assets and liabilities acquired.

First Quarter Review

- First quarter cash flow from operations was $59.6 million and net income was $18.9 million ($0.07 per share) for the quarter;
- Earnings from mining operations before depletion and amortization* was $52.8 million, Adjusted EBITDA* was $49.9 million, and Adjusted net income* was $7.7 million ($0.03 per share);
- Gibraltar produced 29.7 million pounds of copper for the quarter. Average head grades were 0.24% and copper recoveries were 79% for the quarter;
- Gibraltar sold 31.7 million pounds of copper in the quarter (100% basis) at an average realized copper price of US$3.89 per pound;
- Total operating costs (C1)* for the quarter were US$2.46 per pound produced;
- On March 25, 2024, the Company completed its acquisition of the remaining 12.5% interest in Gibraltar, and now owns 100%. The Company paid $5 million on closing, with the remaining amounts payable over a 10-year period with the next scheduled payment in March 2026;
- Construction of the commercial production facility at Florence is advancing with recent site activities focused on site preparations and earthworks for the commercial wellfield and plant area. Wellfield drilling commenced in February and ten new production wells have been drilled to date;
- During the quarter, the Company received the first US$10 million deposit from Mitsui & Co. (U.S.A.) Inc. ("Mitsui") for its copper stream financing and closed its US$50 million royalty financing with Taurus Mining Royalty Fund L.P. ("Taurus"). The Company had a cash balance of $158 million and has approximately $239 million of available liquidity at March 31, 2024; and
- On April 23, 2024, the Company completed an offering of US$500 million aggregate principal amount of 8.25% Senior Secured Notes due May 1, 2030. A portion of the proceeds were used to redeem the outstanding US$400 million 7% Senior Secured Notes due on February 15, 2026. The remaining proceeds, net of transaction costs, call premium and accrued interest, are approximately $110 million.

Review of Operations

Gibraltar mine

Operating data (100% basis)	**Q1 2024**	**Q4 2023**	**Q3 2023**	**Q2 2023**	**Q1 2023**
Tons mined (millions)	22.8	24.1	16.5	23.4	24.1
Tons milled (millions)	7.7	7.6	8.0	7.2	7.1
Strip ratio	1.7	1.5	0.4	1.5	1.9
Site operating cost per ton milled (Cdn$)*	$11.73	$9.72	$12.39	$13.17	$13.54
Copper concentrate					
Head grade (%)	0.24	0.27	0.26	0.24	0.22
Copper recovery (%)	79.0	82.2	85.0	81.9	80.7
Production (million pounds Cu)	29.7	34.2	35.4	28.2	24.9
Sales (million pounds Cu)	31.7	35.9	32.1	26.1	26.6
Inventory (million pounds Cu)	4.9	6.9	8.8	5.6	3.7
Molybdenum concentrate					
Production (thousand pounds Mo)	247	369	369	230	234
Sales (thousand pounds Mo)	258	364	370	231	225
Per unit data (US$ per pound produced)*					
Site operating costs*	$2.21	$1.59	$2.10	$2.43	$2.94
By-product credits*	(0.17)	(0.13)	(0.23)	(0.13)	(0.37)
Site operating costs, net of by-product credits*	$2.04	$1.46	$1.87	$2.30	$2.57
Off-property costs	0.42	0.45	0.33	0.36	0.37
Total operating costs (C1)*	$2.46	$1.91	$2.20	$2.66	$2.94

Operations Analysis

First Quarter Review

Gibraltar produced 29.7 million pounds of copper for the quarter. Copper production and mill throughput in the quarter were impacted by Concentrator #2 downtime in January for a planned major component replacement which reduced operating time by ten days.

Copper head grades of 0.24% were in line with management expectations. Copper recoveries in the first quarter were 79%, lower than the recent quarters due to lower head grades and increased milling of partially oxidized material.

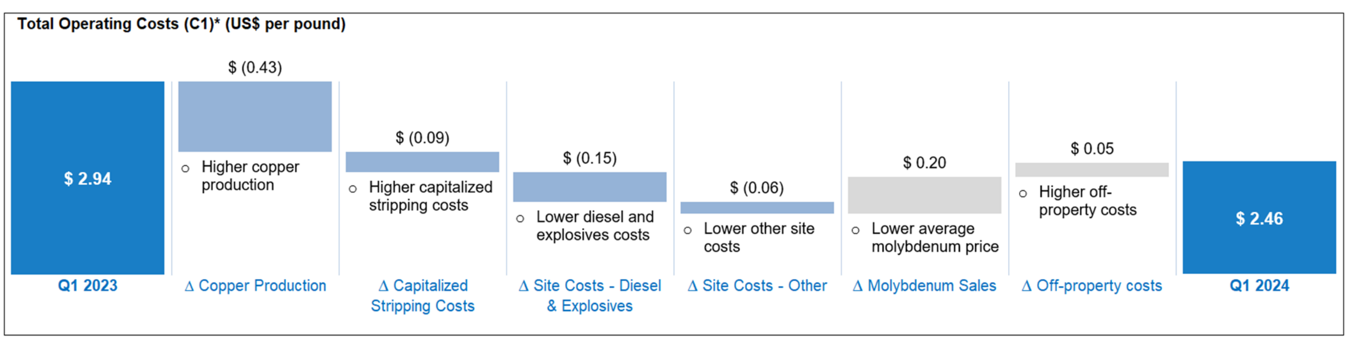
A total of 22.8 million tons were mined in the first quarter. The strip ratio of 1.7 was higher than the recent quarters as stripping continues in the Connector pit, and 2.0 million tons of oxide ore from the upper benches of the Connector pit were also added to the heap leach pads in the period. There was 1.1 million tons in mill feed from ore stockpiles.

Total site costs* at Gibraltar of $109.5 million (which includes capitalized stripping of $18.5 million) was comparable to the previous quarter.

Molybdenum production was 247 thousand pounds in the first quarter. At an average molybdenum price of US$19.93 per pound, molybdenum generated a by-product credit per pound of copper produced of US$0.17 in the first quarter.

Off-property costs per pound produced* were US$0.42 for the first quarter reflecting higher copper sales volumes relative to production volumes and additional trucking costs for concentrate movements compared to the same quarter in the prior year.

Total operating costs per pound produced (C1)* was US$2.46 for the quarter, compared to US$2.94 in the prior year quarter as shown in the bridge graph below:



Gibraltar Outlook

The Gibraltar pit will continue to be the main source of mill feed for the first half of 2024 before mining of ore transitions into the Connector pit in the second half of the year. Stripping activity will continue to be focused in the Connector pit, and further oxide ore from this pit is expected to be added to the heap leach pads this year. Management is currently reviewing the potential to restart Gibraltar's SX/EW facility next year.

Concentrator #1 is scheduled for additional downtime in the second quarter for the in-pit crusher relocation and other mill maintenance. After taking into account the reduced mill availability for scheduled down times, total copper production at Gibraltar for 2024 is expected to be approximately 115 million pounds.

The estimated remaining capital cost of the crusher relocation project is $10 million, and no other significant capital projects are planned for Gibraltar this year.

With the component replacement in Concentrator #2 completed in January 2024, the Company is finalizing its insurance claim for associated property damage and business interruption as a result of the component failure. This insurance claim is expected to be finalized in the coming months.

The Company has recently tendered Gibraltar concentrate to various customers for the remainder of 2024 and for significant tonnages in 2025 and 2026. In 2023, Treatment and Refining Costs (TCRCs) accounted for approximately US$0.17 per pound of off-property costs. With these recently awarded offtake contracts, the Company expects off-property costs to reduce by approximately US$0.10 to US$0.20 per pound from the second half of 2024 through 2026 due to these fixed, lower TCRCs.

The Company has a prudent hedging program in place to protect a minimum copper price during the Florence construction period. Currently, the Company has copper put contracts to secure a minimum copper price of US$3.25 per pound for 21 million pounds of copper covering the second quarter of 2024, copper collar contracts that secure a minimum copper price of US$3.75 per pound for 42 million pounds of copper covering the second half of 2024, and copper collar contracts that secure a minimum copper price of US$4.00 per pound for 108 million pounds of copper for 2025. The copper collar contracts also have ceiling prices between US$5.00 and US$5.40 per pound (refer to the section "Hedging Strategy" for details).

Acquisition of Remaining 12.5% Interest in Gibraltar

On March 25, 2024, the Company entered into an agreement to acquire the remaining 12.5% interest in Gibraltar from Dowa and Furukawa. Under the terms of the agreement, Taseko will acquire Dowa and Furukawa's shares in Cariboo and will then own 100% of Cariboo shares and have an effective 100% interest in Gibraltar.

The acquisition price consists of a minimum amount of $117 million payable over a period of ten years and potential contingent payments depending on copper prices and Gibraltar's cashflow. An initial $5 million was paid to Dowa and Furukawa ($2.5 million each) on closing and the remaining amounts will be settled with annual payments commencing in March 2026.

The annual payments will be based on the average LME copper price of the previous calendar year, subject to an annual cap based on a percentage of cashflow from Gibraltar. At copper prices below US$4.00 per pound, the annual payment will be $5 million, increasing pro-rata to a maximum annual payment of $15.25 million at copper prices of US$5.00 per pound or higher. The annual payments also can not exceed 6.25% of Gibraltar's annual cashflow for the 2025 to 2028 calendar years, and 10% of Gibraltar's cashflow for the 2029 to 2033 calendar years. Any outstanding balance on the minimum acquisition amount of $117 million will be repayable in a final balloon payment in March 2034.

Total consideration is capped at $142 million, limiting the contingent consideration to a maximum of $25 million. In addition, Taseko has the option to settle the full acquisition price at any time prior to 2029 by making total payments of $117 million.

The Company's minimum payment obligations for the acquisition are in the form of loans from Dowa and Furukawa to Cariboo. The loans are non-interest bearing, are guaranteed by Taseko, and a portion of the loans are secured by Cariboo's 25% joint venture interest in Gibraltar. The loans contain minimum protective covenants including the requirement not to amend the joint venture agreement for Gibraltar, or sell Cariboo's 25% interest in the joint venture.

Under the Cariboo offtake arrangements entered into in 2010, Dowa and Furukawa were entitled to receive 30% of Gibraltar's copper concentrate offtake for the life of mine at benchmark terms. Upon closing of this acquisition, the Cariboo offtake agreement was terminated and Taseko retained full marketing rights for 100% of Gibraltar's concentrate offtake going forward.

Florence Copper

The Company has all the key permits in place for the commercial production facility at Florence Copper and construction has commenced. All the major SX/EW plant components are on site and previous work on detailed engineering and procurement of long-lead items has de-risked the construction schedule. First copper production is expected in the fourth quarter of 2025.

The Company has a technical report entitled "NI 43-101 Technical Report Florence Copper Project, Pinal County, Arizona" dated March 30, 2023 (the "2023 Technical Report") on SEDAR+. The 2023 Technical Report was prepared in accordance with NI 43-101 and incorporated the results of testwork from the Production Test Facility ("PTF") as well as updated capital and operating costs (Q3 2022 basis) for the commercial production facility.

Project highlights based on the 2023 Technical Report:

- Net present value of US$930 million (at $US 3.75 copper price, 8% after-tax discount rate)
- Internal rate of return of 47% (after-tax)
- Payback period of 2.6 years
- Operating costs (C1) of US$1.11 per pound of copper
- Annual production capacity of 85 million pounds of LME grade A cathode copper
- 22 year mine life
- Total life of mine production of 1.5 billion pounds of copper
- Remaining initial capital cost of US$232 million (Q3 2022 basis)

Site activities in the first quarter of 2024 have focused on site preparations and earthworks for the commercial wellfield and plant area, and the hiring of additional personnel for the construction and operations teams.

Drilling of the commercial facility wellfield commenced in February and there are currently three drills operating, with a fourth drill to be mobilized in May. At the end of April, a total of ten new production wells have been drilled, and a total of 90 new production wells will be drilled during the construction of the commercial facility.

The Company has a fixed-price contract with the general contractor for construction of the SX/EW plant and associated surface infrastructure. The general contractor continues their mobilization. Plant earthworks is underway with a focus on bulk excavation of the various facility ponds and preparations for the initial concrete pour in the plant area.

Florence Copper Quarterly Capital Spend

(US$ in thousands)	**Three months ended March 31, 2024**
Site and PTF operations	4,245
Commercial facility construction costs	17,998
Other capital costs	15,709
Total Florence project expenditures	**37,952**

The estimated remaining capital costs in the 2023 Technical Report for construction of the commercial facility was US$232 million, of which US$18.0 million has been incurred in the first quarter of 2024. Other capital costs of US$15.7 million include final payments for delivery of long-lead equipment that was ordered in 2022, and to bring forward the construction of an evaporation pond to provide additional water management flexibility. Approximately US$10 million of these other capital costs remain to be incurred in the next two quarters.

The Company has closed several Florence project level financings to fund initial commercial facility construction costs. On January 26, 2024, the Company received the first US$10 million deposit from the US$50 million copper stream transaction with Mitsui. The remaining amounts will be paid on a quarterly basis. On February 2, 2024, the Company also closed a US$50 million royalty with Taurus, which was funded in one lump-sum payment at that time.

The Company considers that the construction of Florence Copper is now fully funded, and remaining project costs are expected to be funded with the Company's available liquidity, remaining instalments from Mitsui, and cashflow from its 100% ownership interest in Gibraltar.

Long-term Growth Strategy

Taseko's strategy has been to grow the Company by acquiring and developing a pipeline of projects focused on copper in North America. We continue to believe this will generate long-term returns for shareholders. Our other development projects are located in British Columbia, Canada.

Yellowhead Copper Project

Yellowhead Mining Inc. ("Yellowhead") has an 817 million tonnes reserve and a 25-year mine life with a pre-tax net present value of $1.3 billion at an 8% discount rate using a US$3.10 per pound copper price based on the Company's 2020 NI 43-101 technical report. Capital costs of the project were estimated at $1.3 billion over a 2-

year construction period. During 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 produced. The Yellowhead copper project contains valuable precious metal by-products with 440,000 ounces of gold and 19 million ounces of silver production over the life of mine.

The Company is preparing to advance into the environmental assessment process and is undertaking some additional engineering work in conjunction with ongoing engagement with local communities including First Nations. The Company is also collecting baseline data and modeling which will be used to support the environmental assessment and permitting of the project.

New Prosperity Gold-Copper Project

In late 2019, the Tŝilhqot'in Nation, as represented by Tŝilhqot'in National Government, and Taseko Mines Limited entered into a confidential dialogue, with the involvement of the Province of British Columbia, seeking a long-term resolution of the conflict regarding Taseko's proposed copper-gold mine previously known as New Prosperity, acknowledging Taseko's commercial interests and the Tŝilhqot'in Nation's opposition to the project.

This dialogue has been supported by the parties' agreement, beginning December 2019, to a series of standstill agreements on certain outstanding litigation and regulatory matters relating to Taseko's tenures and the area in the vicinity of Teẑtan Biny (Fish Lake).

The dialogue process has made meaningful progress in recent months but is not complete. The Tŝilhqot'in Nation and Taseko acknowledge the constructive nature of discussions, and the opportunity to conclude a long-term and mutually acceptable resolution of the conflict that also makes an important contribution to the goals of reconciliation in Canada.

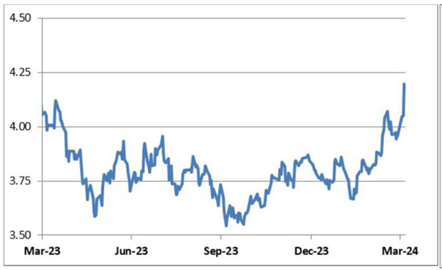
In March 2024, Tŝilhqot'in and Taseko formally reinstated the standstill agreement for a final term, with the goal of finalizing a resolution before the end of this year.

Aley Niobium Project

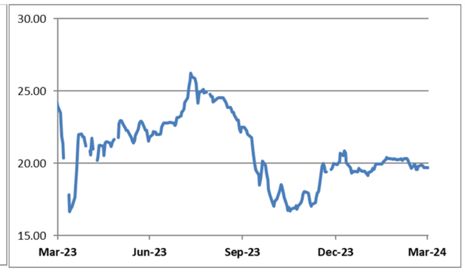
Environmental monitoring and product marketing initiatives on the Aley niobium project continue. The converter pilot test is ongoing and is providing additional process data to support the design of the commercial process facilities and will provide final product samples for marketing purposes. The Company has also initiated a scoping study to investigate the potential production of niobium oxide at Aley to supply the growing market for niobium-based batteries.

Market Review

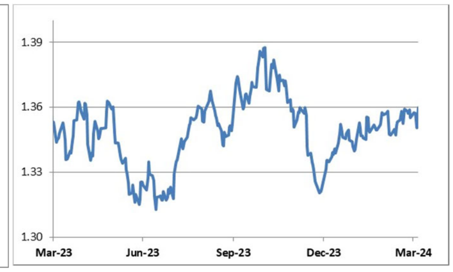
Copper



Molybdenum



Canadian/US Dollar Exchange



Prices (USD per pound for Commodities)
(Source Data: Bank of Canada, Platts Metals, and London Metals Exchange)

Copper prices are currently around US$4.50 per pound, compared to US$3.96 per pound at March 31, 2024. Copper prices have risen in recent months due to tightening supply and with a few large mines in Central and South America being closed or cutting guidance. Tight supply has also been evidenced in smelter treatment and refining charges which are reported as near zero, with some contracts being concluded at negative (premium) rates. Such conditions indicate higher copper prices could prevail in the short term.

Electrification of transportation and the focus on government investment in construction and infrastructure including initiatives focused on the renewable energy, electrification and meeting net zero targets by 2050, are inherently copper intensive and supports higher copper prices in the longer term. These factors continue to provide unprecedented catalysts for higher copper prices in the future as new mine supply lags growth in copper demand.

Approximately 4% of the Company's revenue is made up of molybdenum sales. During the first quarter of 2024, the average molybdenum price was US$19.93 per pound. Molybdenum prices are currently around US$20.95 per pound. Molybdenum demand and prices have been driven by supply challenges at large South American copper mines that produce molybdenum as a by-product. Continued strong demand from the energy sector has boosted demand for alloyed steel products, as well as growing demand from the renewables and military sectors. The Company's sales agreements specify molybdenum pricing based on the published Platts Metals reports.

Approximately 80% of Gibraltar's costs are Canadian dollar denominated and therefore, fluctuations in the Canadian/US dollar exchange rate can have a significant effect on the Company's financial results.

Financial Performance

Earnings

(Cdn$ in thousands)	Three months ended March 31, 2024	2023	Change
Net income	18,896	33,788	(14,892)
Net unrealized foreign exchange loss (gain)	13,688	(950)	14,638
Unrealized loss on derivative instruments	3,519	2,190	1,329
Gain on Cariboo acquisition	(47,426)	(46,212)	(1,214)
Gain on acquisition of control of Gibraltar**	(14,982)	-	(14,982)
Realized gain on sale of inventory in March 2024**	13,354	-	13,354
Accretion on Florence royalty obligation	3,416	-	3,416
Accretion consideration payable to Cariboo	1,555	-	1,555
Non-recurring other expenses	138	-	138
Estimated tax effect of adjustments	15,570	16,272	(702)
Adjusted net income*	7,728	5,088	2,640

**The $15.0 million gain on acquisition of control of Gibraltar relates to the write-up of finished copper concentrate inventory to its fair value at March 25, 2024. Of this amount, $13.4 million was actually realized through the sale of concentrate inventory between March 26 and March 31, 2024. This realized portion of the gain has been included in Adjusted net income.

The Company's net income was $18.9 million ($0.07 earnings per share) for the three months ended March 31, 2024 compared to a net income of $33.8 million ($0.12 earnings per share) in the prior period. The lower net income in the current period was primarily due to the $13.7 million of unrealized foreign exchange loss, $5.1 million of accretion and unrealized fair value adjustments for Cariboo and Florence royalty obligations and higher finance expense due to additional net borrowings including Florence project financings.

The Company's adjusted net income was $7.7 million ($0.03 per share) for the three months ended March 31, 2024, compared to adjusted net income of $5.1 million ($0.02 per share) for the prior year after adjusting for the gains recognized on the Company's acquisition of Cariboo in both years. The increase in adjusted net income of $2.6 million was primarily due to higher copper sales volumes (including the realized gain on the sale of inventory sold between March 26 and March 31, 2024), partially offset by higher financing costs from the Company's additional borrowings.

No adjustments are made to adjusted net income for provisional price adjustments in the quarter.

Revenues

	Three months ended March 31,		
(Cdn$ in thousands)	**2024**[1]	**2023**[1]	**Change**
Copper contained in concentrate	144,306	109,123	35,183
Copper price adjustments on settlement	(382)	(202)	(180)
Molybdenum concentrate	6,077	7,749	(1,672)
Molybdenum price adjustments on settlement	526	1,831	(1,305)
Silver	1,727	1,532	195
Total gross revenue	152,254	120,033	32,221
Less: Treatment and refining costs	(5,307)	(4,514)	(793)
Revenue	146,947	115,519	31,428
(thousands of pounds, unless otherwise noted)			
Sales of copper in concentrate[2]	27,447	20,033	7,414
Average realized copper price (US$ per pound)	3.89	4.02	(0.13)
Average LME copper price (US$ per pound)	3.83	4.05	(0.22)
Average exchange rate (Cdn$/US$)	1.35	1.35	-

[1] The financial results reported include the Company's 87.5% proportionate share of Gibraltar income and expenses for the period March 16, 2023 to March 24, 2024 (prior to March 15, 2023 – 75%) and 100% of Gibraltar income and expenses for the period March 25, 2024 to March 31, 2024.

[2] This amount includes a net smelter payable deduction of approximately 3.5% to derive net payable pounds of copper sold, 12.5% of Cariboo's share of copper sales for the period March 16, 2023 to March 24, 2024 and 25% since March 25, 2024.

Copper revenues for the three months ended March 31, 2024 increased by $35.2 million compared to the same prior period, with $41.4 million due to larger sales volumes of 7.4 million pounds of copper, partially offset by a reduction of $5.9 million due to lower copper prices. The increase in sales volumes and revenues also reflects the impact from the additional interest in Gibraltar.

Molybdenum revenues for the three months ended March 31, 2024 decreased by $1.7 million compared to the same period in 2023 primarily due to lower average molybdenum prices of US$19.93 per pound, compared to US$32.79 per pound for the prior period. The decrease was partially offset by the impact from the additional interest in Gibraltar.

Cost of sales

(Cdn$ in thousands)	Three months ended March 31, 2024[1]	2023[1]	Change
Site operating costs	79,678	74,438	5,240
Transportation costs	10,153	5,104	5,049
Changes in inventories of finished goods	20,392	399	19,993
Changes in inventories of ore stockpiles	(2,719)	(5,561)	2,842
Production costs	107,504	74,380	33,124
Depletion and amortization	15,024	12,027	2,997
Cost of sales	122,528	86,407	36,121
Site operating costs per ton milled*	$11.73	$13.54	$(1.81)

[1]The financial results reported include the Company's 87.5% proportionate share of Gibraltar income and expenses for the period March 16, 2023 to March 24, 2024 (prior to March 15, 2023 – 75%) and 100% of Gibraltar income and expenses for the period March 25, 2024 to March 31, 2024.

Site operating costs for the three months ended March 31, 2024 increased by $5.2 million compared to the same prior period primarily due to the impact of proportionately consolidating an additional 12.5% share of Gibraltar's site operating costs as a result of the acquisition of Cariboo, partially offset by an increase in waste stripping costs being capitalized in the current quarter, and decreased site costs for explosives and diesel.

Transportation costs increased due to higher production and sales volumes, and higher concentrate trucking movements including to the port.

Changes in inventories of finished goods also included $13.4 million in write-ups to net realizable value for concentrate inventory held at March 25, 2024 that was sold between March 26 and March 31, 2024. The offsetting gain was recognized and included in the $15.0 million gain on acquisition of control of Gibraltar.

Cost of sales is also impacted by changes in copper concentrate inventories and ore stockpiles including write-downs of the stockpiles to net realizable value depending on the copper price and other factors. During the first quarter of 2024, copper in finished goods inventory decreased by 2.0 million pounds, which contributed to an increase in production costs of $20.4 million. The ore stockpiles also increased by a net 0.9 million tons (which includes 2.0 million tons of oxide tons from the Connector pit that were placed on the heap leach pads), which contributed to a decrease in production costs of $2.7 million. In the comparable prior period, 1.2 million tons were added to ore stockpiles which contributed to a decrease in production costs in that comparative quarter of $5.6 million.

Depletion and amortization for the three months ended March 31, 2024 increased by $3.0 million over the same prior period primarily due impact of proportionately consolidating the additional interest of Gibraltar.

Other (income) expenses

	Three months ended March 31,		
(Cdn$ in thousands)	**2024**	**2023**	**Change**
General and administrative	3,129	3,300	(171)
Share-based compensation expense	5,440	3,385	2,055
Realized loss on derivative instruments	1,702	2,026	(324)
Unrealized loss on derivative instruments	3,519	2,190	1,329
Project evaluation expenditures	217	325	(108)
Gain on Cariboo acquisition	(47,426)	(46,212)	(1,214)
Gain on acquisition of control of Gibraltar	(14,982)	-	(14,982)
Other income, net	(138)	(434)	296
	(48,539)	(35,420)	(13,119)

General and administrative expenses for the three months ended March 31, 2024 is comparable with the same prior period.

Share-based compensation expense is comprised of the amortization of share options and performance share units and the expense on deferred share units. Share-based compensation expense increased for the three months ended March 31, 2024, compared to the same prior period, primarily due to the Company's share price and its impact on the valuation of the deferred share units. More information is set out in Note 15 of the Financial Statements.

For the three months ended March 31, 2024, the Company realized a net loss on derivative instruments of $1.7 million primarily due to the expensing of premiums paid for copper collars and fuel options for the period that settled out-of-the-money, compared to a net realized loss of $2.0 million for the prior period which related to the copper collars that settled out-the-money and expensing of premiums paid. The unrealized loss on derivative instruments of $3.5 million also includes accretion of the derivative liability to Mitsui for $2.6 million.

On March 25, 2024, the Company completed the acquisition of the remaining 50% of Cariboo from Dowa and Furukawa. The Company recognized a bargain purchase gain of $47.4 million on the acquisition for the difference between the fair value of the net assets acquired and the estimated fair value of total consideration payable. On March 15, 2023, the Company acquired 50% of Cariboo from Sojitz which gave the Company an additional 12.5 % effective interest in Gibraltar. The Company recognized a bargain purchase gain of $46.2 million on the acquisition for the difference between the fair value of the net assets acquired and the estimated fair value of total consideration payable. More information on these gains is set out in Note 3 of the Financial Statements.

The gain of $15.0 million on the acquisition of control of Gibraltar reflects the difference in the fair value of the assets acquired and liabilities assumed and their book value immediately before the acquisition. The gain was attributed to the write up of finished copper concentrate inventory up to fair value at March 25, 2024, of which $13.4 million was realized for subsequent sales of inventory between March 26 and March 31, 2024.

Project evaluation expenditures represent costs associated with the New Prosperity project and other technical expenditures undertaken by Taseko.

Finance expenses and income

	Three months ended March 31,		
(Cdn$ in thousands)	**2024**	**2023**	**Change**
Interest expense	14,820	11,541	3,279
Amortization of financing fees	740	671	69
Finance expense – deferred revenue	1,368	1,473	(105)
Accretion of PER	698	504	194
Accretion on consideration payable to Cariboo	1,555	-	1,555
Accretion on Florence royalty obligation	3,416	-	3,416
Less: interest capitalized	(2,748)	(1,880)	(868)
Finance income	(1,086)	(921)	(165)
Finance expenses, net	18,763	11,388	7,375

Net interest expense for the three months ended March 31, 2024 increased from the same prior year period is primarily due to the impact of higher interest rates on new equipment loans and draws against the revolving credit facility, which was partially offset by the capitalization of a portion of borrowing costs attributed to funding of Florence development costs.

Finance expense on deferred revenue adjustments represents the implicit financing component of the upfront deposit from the silver sales streaming arrangement with Osisko Gold Royalties Ltd. ("Osisko"). Accretion and fair value adjustments on the consideration payable to Cariboo were $1.6 million for the three months ended March 31, 2024. Accretion and fair value adjustment on the Florence royalty obligation was $3.4 million for the three months ended March 31, 2024 accounting for increased forecast copper prices on the royalty to Taurus since closing in February 2024.

Finance income for the three months ended March 31, 2024 increased from the prior year due to higher interest rates on the Company's cash balances.

Income tax

	Three months ended March 31,		
(Cdn$ in thousands)	**2024**	**2023**	**Change**
Current income tax expense	805	544	261
Deferred income tax expense	22,477	19,675	2,802
Income tax expense	23,282	20,219	3,063
Effective tax rate	55.2%	37.4%	17.8%
Canadian statutory rate	27.0%	27.0%	-
B.C. mineral tax rate	9.5%	9.5%	-

The overall income tax expense for the three months ended March 31, 2024 was due to deferred income tax expense recognized on income for accounting purposes. The effective tax rate for the first quarter of 2024 is higher than the combined B.C. mineral and income statutory tax rate due to certain expenses such as finance charges, derivative gains and general and administrative costs that are not deductible for B.C. mineral tax purposes.

As foreign exchange revaluations on the senior secured notes are not recognized for tax purposes until realized, and in the case of capital losses, when they are applied, the effective tax rate may be significantly higher or lower than the statutory rates, as is the case for the three months ended March 31, 2024, relative to net income for those periods.

The current income tax expense represents an estimate of B.C. mineral taxes payable for the first quarter.

Financial Condition Review

Balance sheet review

(Cdn$ in thousands)	At March 31, 2024	At December 31, 2023	Change
Cash and equivalents	157,661	96,477	61,184
Other current assets	164,827	152,978	11,849
Property, plant and equipment	1,475,021	1,286,001	189,020
Other assets	38,435	30,912	7,523
Total assets	**1,835,944**	**1,566,368**	**269,576**
Current liabilities[1]	133,063	113,531	19,532
Debt:			
Credit facility	25,901	25,191	710
Senior secured notes	536,761	524,491	12,270
Equipment related financings	90,673	88,209	2,464
Deferred revenue	59,721	59,720	1
Other liabilities	524,693	321,078	203,615
Total liabilities	**1,370,812**	**1,132,220**	**238,592**
Equity	**465,132**	**434,148**	**30,984**
Net debt (debt minus cash and equivalents)	495,674	541,414	(45,740)
Total common shares outstanding (millions)	290.7	290.0	0.7

[1] Excludes current portion of long-term debt

The Company's asset base is comprised principally of property, plant and equipment, reflecting the capital intensive nature of Gibraltar, constructing Florence and the mining business. Other current assets primarily include accounts receivable, inventories (concentrate inventories, ore stockpiles, and supplies), prepaid expenses, and marketable securities. Concentrate inventories, accounts receivable and cash balances can fluctuate due to transportation and cash settlement schedules.

Property, plant and equipment increased by $189.0 million in the three months ended March 31, 2024, which includes the impact from acquiring an additional 12.5% effective interest in Gibraltar from Dowa and Furukawa, $54.9 million for Florence Copper development costs in the quarter, and capital expenditures at Gibraltar (deferred stripping, sustaining capital and capital projects).

Net debt has decreased by $45.7 million in the three months ended March 31, 2024, primarily due to increase of cash position which included proceeds from the Mitsui and Taurus financings and release of restricted cash, offset by investment in the development of Florence Copper and the increase in debt due to the effect of a weakening Canadian dollar against US dollar net borrowings.

Deferred revenue relates to the advance payments received from Osisko for the sale of Taseko's share of future silver production from Gibraltar and customer advance payments on copper concentrate.

Other liabilities increased by $203.6 million primarily due to the $66.2 million for deferred consideration payable to Dowa and Furukawa for the acquisition of 50% of Cariboo and the $20.0 million additional share of Gibraltar's provision for environmental rehabilitation that the Company assumed with the purchase of Cariboo, $69.6 million of Florence royalty obligation related to the Taurus royalty financing closed in the quarter, $16.0 million for the Florence copper stream derivative liability to Mitsui, and an increase in deferred tax liabilities arising primarily from the recent acquisition of 50% of Cariboo.

As at May 1, 2024, there were 291,498,263 common shares and 10,127,999 stock options outstanding. More information on these instruments and the terms of their exercise is set out in Note 15 of the Financial Statements.

Liquidity, cash flow and capital resources

At March 31, 2024, the Company had cash and equivalents of $157.7 million (December 31, 2023 - $96.5 million).

Cash flow provided by operations during the three months ended March 31, 2024 was $59.6 million compared to $28.0 million for the prior period. The increase in cash flow provided by operations was due primarily to higher copper sales volumes and the drawdown and sale of finished inventory.

Cash used for investing activities during the three months ended March 31, 2024 was $46.7 million compared to $32.0 million for the same prior period. Investing cash flows in the first quarter includes $21.9 million for capital expenditures at Gibraltar (which includes $14.0 million for capitalized stripping costs, $5.3 million for sustaining capital, and $2.6 million for capital projects), $30.8 million of cash expenditures for Florence Copper and $2.0 million for the purchase of copper collars, offset by release of restricted cash relating to exchange of reclamation security of $12.5 million. Included in investing activities in the period is the Company's 50% acquisition of Cariboo, which included an initial fixed payment of $5.0 million to Dowa and Furukawa and the pickup of the Company's 50% share of Cariboo's cash balance of $9.8 million offset by a $10 million second instalment to Sojitz in February 2024.

Cash provided by financing activities for the three months ended March 31, 2024 was $48.5 million comprised of proceeds from Florence financings totaling $78.4 million, partially offset by interest paid of $23.6 million, Gibraltar equipment financing repayment of $6.0 million, and $0.2 million of share-based compensation.

Liquidity outlook

The Company has approximately $239 million of available liquidity at March 31, 2024, including a cash balance of $158 million and undrawn amounts under the revolving credit facility of US$60 million. The Company repaid the outstanding balance of US$20 million on its revolving credit facility in April 2024.

On April 23, 2024, the Company completed an offering of US$500 million aggregate principal amount of 8.25% Senior Secured Notes due May 1, 2030. A portion of the proceeds were used to redeem the outstanding US$400 million 7% Senior Secured Notes. The remaining proceeds, net of transaction costs, call premium and accrued interest, of approximately $110 million are available for capital expenditures, including at Florence Copper and Gibraltar, working capital and for general corporate purposes.

Based on current copper prices and forecast copper production and with copper collar hedges in place, stable operating margins and cash flows are expected from Gibraltar for 2024.

At Gibraltar, the Company has also significantly advanced a capital project to relocate the primary crusher for Mill 1 at Gibraltar to a new location scheduled for the second quarter with an estimated remaining cost of $10 million. Gibraltar has no other significant capital projects planned for 2024.

With construction underway at Florence, the Company has entered into significant capital commitments for the completion of the construction of the commercial facility. Management anticipates that the construction of Florence Copper is now fully funded, and the Company intends to finance the remaining project costs over the next two years from available liquidity, remaining instalments from Mitsui and cashflow from Gibraltar.

If needed, the Company could raise further additional capital through its revolving credit facility or through equity financings or asset sales, including royalties, sales of project interests, or joint ventures, or additional credit facilities, including additional notes offerings. The Company evaluates these financing alternatives based on a number of factors including the prevailing metal prices and projected operating cash flow from Gibraltar, relative valuation, liquidity requirements, covenant restrictions and other factors, in order to optimize the Company's cost of capital and maximize shareholder value.

Future changes in copper and molybdenum market prices could also impact the timing and amount of cash available for future investment in the Company's capital commitments and development projects, debt obligations, and other uses of capital. To mitigate commodity price risks in the short-term, copper price options are entered into for a substantial portion of Taseko's share of Gibraltar copper production and the Company has a long track record of doing so.

Hedging strategy

The Company generally fixes all or substantially all of the copper prices of its copper concentrate shipments at the time of shipment. Where the customer's offtake contract does not provide a price fixing option, the Company may look to undertake a quotational period hedge directly with a financial institution as the counterparty in order to fix the price of the shipment.

To protect against sudden and unexpected copper price volatility in the market, the Company's hedging strategy aims to secure a minimum price for a significant portion of future copper production using copper put options that are either purchased outright or substantially funded by the sale of copper call options that are out of the money. The amount and duration of the copper hedge position is based on an assessment of business-specific risk elements combined with the copper pricing outlook. Copper price and quantity exposure are reviewed regularly to ensure that adequate revenue protection is in place.

Hedge positions are typically extended by adding incremental quarters at established floor prices (i.e. the strike price of the copper put option) to provide the necessary price protection. Considerations for the cost of the hedging program include an assessment of Gibraltar's estimated production costs, copper price trends and the Company's fixed capital requirements during the relevant period. During periods of volatility or step changes in the copper price, the Company may revisit outstanding hedging contracts and determine whether the copper put (floor) or call (ceiling) levels should be adjusted in line with the market while maintaining copper price protection.

From time to time, the Company will look at potential hedging opportunities to mitigate the risk of rising input costs, including foreign exchange and fuel prices where such a strategy is cost effective. To protect against a potential operating margin squeeze that could arise from oil and diesel price shocks, the Company purchases fuel call options to provide a price cap for its share of diesel that is used by its mining fleet.

A summary of the Company's outstanding hedges are shown below:

	Notional amount	Strike price	Term to maturity	Original cost
At March 31, 2024				
Copper puts	21 million lbs	US$3.25 per lb	Q2 2024	$1.6 million
Copper collars	42 million lbs	Floor – US$3.75 per lb Ceiling – US$5.00 per lb	H2 2024	$2.0 million
Fuel call options	7.5 million ltrs	US$0.79 per ltr	Q2 2024	$0.1 million
Acquired subsequent to March 31, 2024				
Copper collars	54 million lbs	Floor – US$4.00 per lb Ceiling – US$5.00 per lb	H1 2025	$2.6 million
Copper collars	54 million lbs	Floor – US$4.00 per lb Ceiling – US$5.40 per lb	H2 2025	$2.2 million

Commitments and contingencies

	Payments due						
(Cdn$ in thousands)	Remainder of 2024	2025	2026	2027	2028	Thereafter	Total
Debt:							
2026 Notes[1]	-	-	541,560	-	-	-	541,560
Interest	18,955	37,909	18,955	-	-	-	75,819
Credit facilities:							
Principal	27,078	-	-	-	-	-	27,078
Interest	212	-	-	-	-	-	212
Equipment loans:							
Principal	14,078	20,363	22,344	9,423	6,768	-	72,976
Interest	4,658	4,576	2,636	1,074	295	-	13,239
Lease liabilities:							
Principal	9,379	4,875	2,409	989	150	-	17,802
Interest	936	534	186	58	5	-	1,719
Cariboo acquisition payments - Sojitz[2]	-	10,000	10,000	10,000	10,000	-	40,000
Cariboo acquisition payments – Dowa and Furukawa[3]	-	-	6,000	6,000	8,000	92,000	112,000
PER[4]	-	-	-	-	-	167,651	167,651
Capital expenditures	50,050	-	-	-	-	-	50,050
Other expenditures							
Transportation related services[5]	10,534	7,709	1,463	-	-	-	19,706

[1] On April 23, 2024, the Company completed its offering of US$500 million aggregate principal amount of 8.25% Senior Secured Notes due May 1, 2030. A portion of the proceeds were used to redeem all of the outstanding 2026 Notes. The remaining proceeds, net of transaction costs, call premium and accrued interest, of approximately $110 million (US$81 million) are available for capital expenditures, including at its Florence Copper project and Gibraltar, working capital and for general corporate purposes.

[2] On March 15, 2023, the Company completed its acquisition of an additional 12.5% interest in Gibraltar from Sojitz. The acquisition price consists of a minimum amount of $60 million payable over a five-year period and potential contingent payments depending on Gibraltar copper revenue and copper prices over the next five years. Remaining minimum amounts will be paid in $10 million annual instalments over the remaining four years. The Company estimates that there is $28 million payable over the next 4 years relating to the contingent consideration payable to Sojitz for its acquisition of the 12.5% interest in the shares of Cariboo which is not included in the table above.

[3] On March 25, 2024, the Company completed the acquisition of the remaining 50% of Cariboo from Dowa and Furukawa. The acquisition price payable to Dowa and Furukawa is a minimum of $117 million and a maximum of $142 million payable over a 10-year payment period, with the quantum and timing of payment depending on LME copper prices and the cashflow of Gibraltar. An initial $5 million payment was made to Dowa and Furukawa on closing. The remaining cash consideration will be repayable in annual payments commencing in March 2026. The above commitment table assumes an annual payment to Dowa and Furukawa of $6 million based on a US$4 per pound copper price. Any outstanding balance on the minimum acquisition amount of $117 million will be repayable in a final balloon payment in March 2034.

[4] Provision for environmental rehabilitation amounts presented in the table represents the present value of estimated costs of legal and constructive obligations required to retire an asset, including decommissioning and other site restoration activities, primarily for Gibraltar and Florence Copper. As at March 31, 2024, the Company has provided surety bonds of $108.5 million for Gibraltar's reclamation security. For Florence Copper, the Company has provided to the federal and state regulator surety bonds totaling $48.8 million as reclamation security.

[5] Transportation related services commitments include ocean freight and port handling services, which are both cancelable upon certain operating circumstances.

The Company has made minimum capital expenditure commitments relating to equipment, contractors and other supplies for the Florence Copper project totaling $42.8 million as at March 31, 2024.

Summary of Quarterly Results

	2024	2023				2022		
(Cdn$ in thousands, except per share amounts)	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Revenues	146,947	153,694	143,835	111,924	115,519	100,618	89,714	82,944
Net income (loss)	18,896	38,076	871	9,991	33,788	(2,275)	(23,517)	(5,274)
Basic EPS	0.07	0.13	-	0.03	0.12	(0.01)	(0.08)	(0.02)
Adjusted net income (loss) *	7,728	24,060	19,659	(4,376)	5,088	7,146	4,513	(16,098)
Adjusted basic EPS *	0.03	0.08	0.07	(0.02)	0.02	0.02	0.02	(0.06)
Adjusted EBITDA *	49,923	69,107	62,695	22,218	36,059	35,181	34,031	1,684
(US$ per pound, except where indicated)								
Average realized copper price	3.89	3.75	3.83	3.78	4.02	3.66	3.48	4.08
Total operating costs *	2.46	1.91	2.20	2.66	2.94	2.75	2.72	3.47
Copper sales (million pounds)	27.7	31.4	28.1	22.8	20.8	19.1	20.0	16.3

Financial results for the last eight quarters reflect: volatile copper and molybdenum prices and foreign exchange rates that impact realized sale prices; and variability in the quarterly sales volumes due to copper grades and timing of shipments which impacts revenue recognition. In addition, first quarter of 2024 and 2023 was impacted by the gain recorded on the purchase price allocation for the Cariboo acquisition.

Critical Accounting Policies and Estimates

The Company's material accounting policies are presented in Note 2.4 of the 2023 annual consolidated financial statements. The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies, including the accounting for the Cariboo acquisition and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In the process of applying the Company's accounting policies, significant areas where judgment is required include the determination of a joint arrangement, determining the timing of transfer of control of inventory for revenue recognition, provisions for environmental rehabilitation, reserve and resource estimation, functional currency, determination of the accounting treatment of the advance payment under the silver purchase and sale agreement reported as deferred revenue, determination of business or asset acquisition treatment, and recovery of other deferred tax assets.

Significant areas of estimation include reserve and resource estimation; fair value of assets and liabilities acquired in a business combination, asset valuations and the measurement of impairment charges or reversals; valuation of inventories; plant and equipment lives; tax provisions; provisions for environmental rehabilitation; valuation of financial instruments and derivatives; capitalized stripping costs and share-based compensation. Key estimates and assumptions made by management with respect to these areas have been disclosed in the notes to these consolidated financial statements as appropriate.

The accuracy of reserve and resource estimates is a function of the quantity and quality of available data and the assumptions made and judgment used in the engineering and geological interpretation, and may be subject to revision based on various factors. Changes in reserve and resource estimates may impact the carrying value of property, plant and equipment; the calculation of depreciation expense; the capitalization of stripping costs incurred during production; and the timing of cash flows related to the provision for environmental rehabilitation.

Changes in forecast prices of commodities, exchange rates, production costs and recovery rates may change the economic status of reserves and resources. Forecast prices of commodities, exchange rates, production costs and recovery rates, and discount rates assumptions, either individually or collectively, may impact the carrying value of derivative financial instruments, inventories, property, plant and equipment, and intangibles, as well as the measurement of impairment charges or reversals. These items also impacted the fair values of assets and liabilities recorded in the acquisition disclosed in the Note 4 of the 2023 annual consolidated financial statements and Note 3 of the Financial Statements.

There were no changes in accounting policies during the three months ended March 31, 2024.

Internal and Disclosure Controls Over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting (ICFR) and disclosure controls and procedures (DC&P).

The Company's internal control system over financial reporting is designed to provide reasonable assurance to management and the Board of Directors regarding the preparation and fair presentation of published financial statements. Internal control over financial reporting includes those policies and procedures that:

(1) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company;
(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

The Company's internal control system over disclosure controls and procedures is designed to provide reasonable assurance that material information relating to the Company is made known to management and disclosed to others and information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by us under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation.

All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined effective can provide only reasonable assurance with respect to financial reporting and disclosure.

There have been no changes in our internal controls over financial reporting and disclosure controls and procedures during the three months ended March 31, 2024 that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting and disclosure.

Key Management Personnel

Key management personnel include the members of the Board of Directors and executive officers of the Company.

The Company contributes to a post-employment defined contribution pension plan on the behalf of certain key management personnel. This retirement compensation arrangement ("RCA Trust") was established to provide benefits to certain executive officers on or after retirement in recognition of their long service. Upon retirement, the participant is entitled to the distribution of the accumulated value of the contributions under the RCA Trust. Obligations for contributions to the defined contribution pension plan are recognized as compensation expense in the periods during which services are rendered by the executive officers.

Certain executive officers are entitled to termination and change in control benefits. In the event of termination without cause, other than a change in control, these executive officers are entitled to an amount ranging from 12-month to 18-months' salary. In the event of a change in control, if a termination without cause or a resignation occurs within 12 months following the change of control, these executive officers are entitled to receive, among other things, an amount ranging from 12-months' to 24-months' salary and accrued bonus, and all stock options held by these individuals will fully vest.

Executive officers and directors also participate in the Company's share option program (refer to Note 15 of the Financial Statements).

Compensation for key management personnel (including all members of the Board of Directors and executive officers) is as follows:

	Three months ended March 31,	
(Cdn$ in thousands)	**2024**	**2023**
Salaries and benefits	2,595	2,249
Post-employment benefits	220	178
Share-based compensation expense	4,861	2,933
	7,676	5,360

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.

(Cdn$ in thousands, unless otherwise indicated) – 87.5% basis (except for Q1 2023 and Q1 2024)	**2024 Q1**[1]	**2023 Q4**[1]	**2023 Q3**[1]	**2023 Q2**[1]	**2023 Q1**[1]
Cost of sales	122,528	93,914	94,383	99,854	86,407
Less:					
Depletion and amortization	(15,024)	(13,326)	(15,993)	(15,594)	(12,027)
Net change in inventories of finished goods	(20,392)	(1,678)	4,267	3,356	(399)
Net change in inventories of ore stockpiles	2,719	(3,771)	12,172	2,724	5,561
Transportation costs	(10,153)	(10,294)	(7,681)	(6,966)	(5,104)
Site operating costs	79,678	64,845	87,148	83,374	74,438
Oxide ore stockpile reclassification from capitalized stripping	-	-	-	(3,183)	3,183
Less by-product credits:					
Molybdenum, net of treatment costs	(6,112)	(5,441)	(9,900)	(4,018)	(9,208)
Silver, excluding amortization of deferred revenue	(137)	124	290	(103)	(160)
Site operating costs, net of by-product credits	73,429	59,528	77,538	76,070	68,253
Total copper produced (thousand pounds)	26,694	29,883	30,978	24,640	19,491
Total costs per pound produced	2.75	1.99	2.50	3.09	3.50
Average exchange rate for the period (CAD/USD)	1.35	1.36	1.34	1.34	1.35
Site operating costs, net of by-product credits (US$ per pound)	**2.04**	**1.46**	**1.87**	**2.30**	**2.59**
Site operating costs, net of by-product credits	73,429	59,528	77,538	76,070	68,253
Add off-property costs:					
Treatment and refining costs	4,816	7,885	6,123	4,986	4,142
Transportation costs	10,153	10,294	7,681	6,966	5,104
Total operating costs	88,398	77,707	91,342	88,022	77,499
Total operating costs (C1) (US$ per pound)	**2.46**	**1.91**	**2.20**	**2.66**	**2.94**

[1] Q1, Q2, Q3 and Q4 2023 includes the impact from the March 15, 2023 acquisition of Cariboo from Sojitz, which increased the Company's Gibraltar ownership from 75% to 87.5%. Q1 2024 includes the impact from the March 25, 2024 acquisition of Cariboo from Dowa and Furukawa, which increased the Company's Gibraltar ownership from 87.5% to 100%.

Total Site Costs

Total site costs are comprised of the site operating costs charged to cost of sales as well as mining costs capitalized to property, plant and equipment in the period. This measure is intended to capture Taseko's share of the total site operating costs incurred in the quarter at Gibraltar calculated on a consistent basis for the periods presented.

(Cdn$ in thousands, unless otherwise indicated) – 87.5% basis (except for Q1 2023 and Q1 2024)	**2024 Q1[1]**	**2023 Q4[1]**	**2023 Q3[1]**	**2023 Q2[1]**	**2023 Q1[1]**
Site operating costs	79,678	64,845	87,148	83,374	74,438
Add:					
Capitalized stripping costs	16,152	31,916	2,083	8,832	12,721
Total site costs – Taseko share	**95,830**	**96,761**	**89,231**	**92,206**	**87,159**
Total site costs – 100% basis	**109,520**	**110,584**	**101,978**	**105,378**	**112,799**

[1] Q1, Q2, Q3 and Q4 2023 includes the impact from the March 15, 2023 acquisition of Cariboo from Sojitz, which increased the Company's Gibraltar ownership from 75% to 87.5%. Q1 2024 includes the impact from the March 25, 2024 acquisition of Cariboo from Dowa and Furukawa, which increased the Company's Gibraltar ownership from 87.5% to 100%.

Adjusted net income (loss) and Adjusted EPS

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

- Unrealized foreign currency gains/losses;
- Unrealized gain/loss on derivatives;
- Gain on Cariboo acquisition;
- Gain on acquisition of control of Gibraltar;
- Realized gain on sale of inventory; and
- Finance and other non-recurring costs.

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.

(Cdn$ in thousands, except per share amounts)	2024 Q1	2023 Q4	2023 Q3	2023 Q2
Net income	**18,896**	**38,076**	**871**	**9,991**
Unrealized foreign exchange loss (gain)	13,688	(14,541)	14,582	(10,966)
Unrealized loss (gain) on derivatives	3,519	1,636	4,518	(6,470)
Gain on Cariboo acquisition	(47,426)	-	-	-
Gain on acquisition of control of Gibraltar**	(14,982)	-	-	-
Realized gain on sale of inventory**	13,354	-	-	-
Accretion and fair value adjustment on Florence royalty obligation	3,416	-	-	-
Accretion and fair value adjustment on consideration payable to Cariboo	1,555	(916)	1,244	1,451
Non-recurring other expenses	138	-	-	263
Estimated tax effect of adjustments	15,570	(195)	(1,556)	1,355
Adjusted net income (loss)	**7,728**	**24,060**	**19,659**	**(4,376)**
Adjusted EPS	**0.03**	**0.08**	**0.07**	**(0.02)**

(Cdn$ in thousands, except per share amounts)	2023 Q1	2022 Q4	2022 Q3	2022 Q2
Net (loss) income	**33,788**	**(2,275)**	**(23,517)**	**(5,274)**
Unrealized foreign exchange (gain) loss	(950)	(5,279)	28,083	11,621
Unrealized loss (gain) on derivatives	2,190	20,137	(72)	(30,747)
Gain on Cariboo acquisition	(46,212)	-	-	-
Estimated tax effect of adjustments	16,272	(5,437)	19	8,302
Adjusted net income (loss)	**5,088**	**7,146**	**4,513**	**(16,098)**
Adjusted EPS	**0.02**	**0.02**	**0.02**	**(0.06)**

**The $15.0 million gain on acquisition of control of Gibraltar relates to the write-up of finished copper concentrate inventory to its fair value at March 25, 2024. Of this amount, $13.4 million was actually realized through the sale of concentrate inventory between March 26 and March 31, 2024. This realized portion of the gain has been included in Adjusted net income.

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 derivatives;
- Amortization of share-based compensation expense;
- Gain on Cariboo acquisition;
- Gain on acquisition of control of Gibraltar;
- Realized gain on sale of inventory; and
- Non-recurring other expenses.

(Cdn$ in thousands)	**2024 Q1**	**2023 Q4**	**2023 Q3**	**2023 Q2**
Net income	**18,896**	**38,076**	**871**	**9,991**
Add:				
Depletion and amortization	15,024	13,326	15,993	15,594
Finance expense	19,849	12,804	14,285	13,468
Finance income	(1,086)	(972)	(322)	(757)
Income tax expense	23,282	17,205	12,041	678
Unrealized foreign exchange loss (gain)	13,688	(14,541)	14,582	(10,966)
Unrealized loss (gain) on derivatives	3,519	1,636	4,518	(6,470)
Amortization of share-based compensation expense	5,667	1,573	727	417
Gain on Cariboo acquisition	(47,426)	-	-	-
Gain on acquisition of control of Gibraltar**	(14,982)	-	-	-
Realized gain on sale of inventory**	13,354	-	-	-
Non-recurring other expenses	138	-	-	263
Adjusted EBITDA	**49,923**	**69,107**	**62,695**	**22,218**

(Cdn$ in thousands)	2023 Q1	2022 Q4	2022 Q3	2022 Q2
Net (loss) income	**33,788**	**(2,275)**	**(23,517)**	**(5,274)**
Add:				
Depletion and amortization	12,027	10,147	13,060	15,269
Finance expense	12,309	10,135	12,481	12,236
Finance income	(921)	(700)	(650)	(282)
Income tax expense	20,219	1,222	3,500	922
Unrealized foreign exchange (gain) loss	(950)	(5,279)	28,083	11,621
Unrealized loss (gain) on derivatives	2,190	20,137	(72)	(30,747)
Amortization of share-based compensation expense (recovery)	3,609	1,794	1,146	(2,061)
Gain on Cariboo acquisition	(46,212)	-	-	-
Adjusted EBITDA	**36,059**	**35,181**	**34,031**	**1,684**

**The $15.0 million gain on acquisition of control of Gibraltar relates to the write-up of finished copper concentrate inventory to its fair value at March 25, 2024. Of this amount, $13.4 million was actually realized through the sale of concentrate inventory between March 26 and March 31, 2024. This realized portion of the gain has been included in Adjusted EBITDA.

Earnings from mining operations before depletion and amortization

Earnings from mining operations before depletion and amortization is earnings from mining operations with depletion and amortization, also any items that are not considered indicative of ongoing operating performance are 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 March 31, 2024	2023
Earnings from mining operations	**24,419**	**29,112**
Add:		
Depletion and amortization	15,024	12,027
Realized gain on sale of inventory	13,354	-
Earnings from mining operations before depletion and amortization	**52,797**	**41,139**

During the three months ended March 31, 2024, the realized gain on sale of inventory of $13.4 million relates to copper concentrate inventory held at March 25, 2024 that was written up from book value to net realizable value and subsequently sold between March 26 and March 31, 2024.

Site operating costs per ton milled

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 Company's site operations on a tons milled basis.

(Cdn$ in thousands, except per ton milled amounts)	2024 Q1[1]	2023 Q4[1]	2023 Q3[1]	2023 Q2[1]	2023 Q1[1]
Site operating costs (included in cost of sales) – Taseko share	**79,678**	**64,845**	**87,148**	**83,374**	**74,438**
Site operating costs – 100% basis	**90,040**	**74,109**	**99,598**	**95,285**	**95,838**
Tons milled (thousands)	7,677	7,626	8,041	7,234	7,093
Site operating costs per ton milled	**$11.73**	**$9.72**	**$12.39**	**$13.17**	**$13.54**

[1] Q1, Q2, Q3 and Q4 2023 includes the impact from the March 15, 2023 acquisition of Cariboo from Sojitz, which increased the Company's Gibraltar ownership from 75% to 87.5%. Q1 2024 includes the impact from the March 25, 2024 acquisition of Cariboo from Dowa and Furukawa, which increased the Company's Gibraltar ownership from 87.5% to 100%.

Technical Information

The technical information contained in this MD&A related to the Florence Copper Project is based upon the report entitled: "NI 43-101 Technical Report – Florence Copper Project, Pinal County, Arizona" issued March 30, 2023 with an effective date of March 15, 2023 which is available on SEDAR+. The Florence Copper Project Technical Report was prepared under the supervision of Richard Tremblay, P.Eng., MBA, Richard Weymark, P.Eng., MBA, and Robert Rotzinger, P.Eng. Mr. Tremblay is employed by the Company as Chief Operating Officer, Mr. Weymark is Vice President Engineering, and Robert Rotzinger is Vice President Capital Projects. All three are Qualified Persons as defined by NI 43–101.

Condensed Consolidated Interim Financial Statements

March 31, 2024

(Unaudited)

TASEKO MINES LIMITED

Condensed Consolidated Interim Balance Sheets

(Cdn$ in thousands)

(Unaudited)

	Note	March 31, 2024	December 31, 2023
ASSETS			
Current assets			
Cash and equivalents		157,661	96,477
Accounts receivable		13,296	16,514
Inventories	9	140,604	122,942
Prepaids		6,284	8,465
Other financial assets	10	4,643	5,057
		322,488	249,455
Property, plant and equipment	11	1,475,021	1,286,001
Inventories	9	31,195	17,554
Other financial assets	10	1,658	7,896
Goodwill		5,582	5,462
		1,835,944	**1,566,368**
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		96,595	71,748
Current portion of long-term debt	12	30,356	27,658
Deferred revenue	14	9,054	10,346
Current portion of Cariboo consideration payable	3	18,626	14,384
Interest payable		4,714	13,896
Current income tax payable		4,074	3,157
		163,419	141,189
Long-term debt	12	622,979	610,233
Cariboo consideration payable	3	109,425	55,997
Deferred revenue	14	59,721	59,720
Florence royalty obligation	13	69,647	-
Florence copper stream	6	16,039	-
Provision for environmental rehabilitation		167,651	145,786
Deferred tax liabilities		153,909	114,723
Other financial liabilities	15b	8,022	4,572
		1,370,812	1,132,220
EQUITY			
Share capital	15	487,197	486,136
Contributed surplus		55,749	54,833
Accumulated other comprehensive income ("AOCI")		26,668	16,557
Deficit		(104,482)	(123,378)
		465,132	434,148
		1,835,944	**1,566,368**

Commitments and contingencies	17
Subsequent events	6, 20

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

TASEKO MINES LIMITED

Condensed Consolidated Interim Statements of Comprehensive Income

(Cdn$ in thousands, except share and per share amounts)

(Unaudited)

	Note	Three months ended March 31, 2024	2023
Revenues	4	146,947	115,519
Cost of sales			
Production costs	5	(107,504)	(74,380)
Depletion and amortization	5	(15,024)	(12,027)
Earnings from mining operations		24,419	29,112
General and administrative		(3,129)	(3,300)
Share-based compensation expense	15b	(5,440)	(3,385)
Project evaluation expense		(217)	(325)
Loss on derivatives	6	(5,221)	(4,216)
Other income		138	434
Income before financing costs and income taxes		10,550	18,320
Finance expenses, net	7	(18,763)	(11,388)
Foreign exchange (loss) gain		(12,017)	863
Gain on Cariboo acquisition	3	47,426	46,212
Gain on acquisition of control of Gibraltar	3b	14,982	-
Income before income taxes		42,178	54,007
Income tax expense	8	(23,282)	(20,219)
Net income		**18,896**	**33,788**
Other comprehensive income (loss):			
Items that will remain permanently in other comprehensive income (loss):			
Gain (loss) on financial assets		65	(385)
Items that may in the future be reclassified to profit (loss):			
Foreign currency translation reserve		10,046	(667)
Total other comprehensive income (loss)		**10,111**	**(1,052)**
Total comprehensive income		**29,007**	**32,736**
Earnings per share			
Basic	16	0.07	0.12
Diluted	16	0.06	0.11
Weighted average shares outstanding (thousands)			
Basic	16	290,465	288,007
Diluted	16	291,962	291,039

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

TASEKO MINES LIMITED

Condensed Consolidated Interim Statements of Cash Flows

(Cdn$ in thousands)

(Unaudited)

	Note	Three months ended March 31, 2024	2023
Operating activities			
Net income for the period		18,896	33,788
Adjustments for:			
Depletion and amortization	11	15,024	12,027
Income tax expense	8	23,282	20,219
Finance expenses, net	7	18,763	11,388
Share-based compensation expense	15b	5,667	3,609
Loss on derivatives	6	5,221	4,216
Unrealized foreign exchange loss (gain)		13,688	(950)
Gain on Cariboo acquisition	3a, 3c	(47,426)	(46,212)
Unrealized gain on acquisition of control of Gibraltar	3b	(1,628)	-
Amortization of deferred revenue	14	(1,590)	(1,372)
Other operating activities		(45)	(249)
Net change in working capital	18	9,722	(8,465)
Cash provided by operating activities		59,574	27,999
Investing activities			
Gibraltar capitalized stripping costs	11	(13,957)	(12,721)
Gibraltar sustaining capital expenditures	11	(5,320)	(4,691)
Gibraltar capital project expenditures	11	(2,563)	(7,338)
Florence Copper development costs	11	(30,762)	(9,874)
Other project development costs	11	(404)	(273)
Acquisition of Cariboo, net	3a, 3c	(5,116)	2,948
Release of restricted cash	10	12,500	-
Purchase of copper price options	6	(1,985)	-
Other investing activities		922	(19)
Cash used for investing activities		(46,685)	(31,968)
Financing activities			
Interest paid		(23,609)	(20,725)
Revolving credit facility advances	12b	-	13,518
Repayment of Gibraltar equipment financings	12e	(6,043)	(5,737)
Net proceeds from Florence financings	6, 12f, 13	78,390	-
Share-based compensation		(238)	(1,631)
Cash provided by (used for) financing activities		48,500	(14,575)
Effect of exchange rate changes on cash and equivalents		(205)	(49)
Increase (decrease) in cash and equivalents		61,184	(18,593)
Cash and equivalents, beginning of period		96,477	120,858
Cash and equivalents, end of period		157,661	102,265

Supplementary cash flow disclosures 18

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

TASEKO MINES LIMITED

Condensed Consolidated Interim Statements of Changes in Equity

(Cdn$ in thousands)

(Unaudited)

	Share capital	Contributed surplus	AOCI	Deficit	Total
Balance at January 1, 2023	479,926	55,795	26,792	(206,104)	356,409
Share-based compensation	-	2,262	-	-	2,262
Exercise of options	450	(159)	-	-	291
Settlement of performance share units	3,833	(5,755)	-	-	(1,922)
Total comprehensive income (loss) for the period	-	-	(1,052)	33,788	32,736
Balance at March 31, 2023	**484,209**	**52,143**	**25,740**	**(172,316)**	**389,776**
Balance as at January 1, 2024	486,136	54,833	16,557	(123,378)	434,148
Share-based compensation	-	1,162	-	-	1,162
Exercise of options	1,061	677	-	-	1,738
Settlement of performance share units	-	(923)	-	-	(923)
Total comprehensive income for the period	-	-	10,111	18,896	29,007
Balance as at March 31, 2024	**487,197**	**55,749**	**26,668**	**(104,482)**	**465,132**

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

1. REPORTING ENTITY

Taseko Mines Limited (the “Company” or “Taseko”) is a corporation governed by the British Columbia Business Corporations Act. These unaudited condensed consolidated interim financial statements of the Company as at and for the three month period ended March 31, 2024 comprise the Company and its wholly-owned subsidiaries. The Company is principally engaged in the production and sale of metal concentrates, as well as related activities including mine permitting and development, within the province of British Columbia, Canada and the State of Arizona, USA.

As a result of the Company’s acquisition of Cariboo Copper Corporation (“Cariboo”), after March 25, 2024, the financial results of the Company reflect its 100% beneficial interest in Gibraltar ("Gibraltar”) (Note 3a). The financial results of the Company before March 15, 2023 reflect its 75% beneficial interest in Gibraltar and the financial results between March 16, 2023 and March 24, 2024 reflect its 87.5% beneficial interest in Gibraltar (Note 3c).

The Company finalized the accounting for the acquisition of its 50% interest in Cariboo from Sojitz and the related 12.5% interest in Gibraltar in the fourth quarter of 2023. In accordance with the accounting standards for business combinations, the comparable financial statements as of March 31, 2023 and for the three months then ended have been revised to reflect the changes in finalizing the consideration paid and the allocation of the purchase price to the assets and liabilities acquired (Note 3c).

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34, *Interim Financial Reporting* and follow the same accounting policies and methods of application as the Company’s most recent annual consolidated financial statements. These unaudited condensed consolidated interim financial statements do not include all of the information required for full consolidated annual financial statements and should be read in conjunction with the consolidated annual financial statements of the Company as at and for the year ended December 31, 2023, prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

These unaudited condensed consolidated interim financial statements were authorized for issue by the Company’s Audit and Risk Committee on May 1, 2024.

(b) Use of judgments and estimates

In preparing these unaudited condensed consolidated interim financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies, including the accounting for the Cariboo acquisition (Note 3) and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgments made by management in applying the Company’s accounting policies and the key sources of estimation uncertainty were the same as those applied to the annual consolidated financial statements as at and for the year ended December 31, 2023.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) IFRS Pronouncements

Several new accounting standards, amendments to existing standards and interpretations have been published by the IASB. Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the new standard.

New standards, amendments and pronouncements that became effective for the period covered by these statements have not been disclosed as they did not have a material impact on the Company's unaudited condensed consolidated interim financial statements.

3. ACQUISITION OF CARIBOO COPPER CORPORATION

a) Acquisition of Cariboo from Dowa and Furukawa

On March 25, 2024 ("Acquisition Date"), the Company completed the acquisition of the remaining 50% of Cariboo from Dowa Metals & Mining Co., Ltd. ("Dowa") and Furukawa Co., Ltd. ("Furukawa") which gives the Company an additional 12.5% effective interest in Gibraltar bringing its total effective interest to 100%. Gibraltar is operated through a joint venture which is owned 75% by Taseko and 25% by Cariboo.

The acquisition price payable to Dowa and Furukawa is a minimum of $117 million and a maximum of $142 million payable over a 10-year period, with the quantum and timing of payment depending on LME copper prices and the cashflow of Gibraltar.

An initial $5 million payment was made to Dowa and Furukawa on closing. The remaining cash consideration will be payable in annual payments commencing in March 2026. The amounts owing to Dowa and Furukawa are non-interest bearing. The annual payments will be based on the average LME copper price of the previous calendar year, subject to an annual cap based on a percentage of cashflow from Gibraltar. At copper prices below US$4.00 per pound, the annual payment will be $5 million, increasing pro-rata to a maximum annual payment of $15.25 million at copper prices of US$5.00 per pound or higher. The annual payments also cannot exceed 6.25% of Gibraltar's annual cashflow for the 2025 to 2028 calendar years, and 10% of Gibraltar's cashflow for the 2029 to 2033 calendar years. Any outstanding balance on the minimum acquisition amount of $117 million will be payable in a final balloon payment in March 2034.

The annual payments were estimated as at the Acquisition Date based on forecasted copper prices over the next 10 years. The total estimated purchase consideration was then discounted to determine its fair value and the amount as at the Acquisition Date was $71,116.

(Cdn$ in thousands - Unaudited)

3. ACQUISITION OF CARIBOO COPPER CORPORATION (CONTINUED)

a) Acquisition of Cariboo from Dowa and Furukawa (continued)

The purchase consideration has been allocated to the assets acquired and liabilities assumed, including the additional 12.5% effective interest in the Gibraltar Joint Venture, based upon their estimated fair values at the Acquisition Date. The following sets forth the preliminary allocation of the purchase price:

Cash and cash equivalents	9,884
Accounts receivable and other assets	3,046
Reclamation deposits	6,262
Inventory	24,634
Property, plant and equipment	126,194
Accounts payable and other liabilities	(7,353)
Debt	(7,143)
Deferred tax liabilities	(16,955)
Provision for environmental rehabilitation	(20,027)
Total fair value of net assets acquired	**118,542**

The fair value of the net assets acquired at March 25, 2024 was determined using a discounted cash flow model for the 12.5% interest in Gibraltar and also considering cash and working capital of Cariboo. The discounted cash flow model included key assumptions on future production and estimated remaining reserves of the Gibraltar, operating assumptions, metal prices, operating and capital costs, and foreign exchange rates, and a discount rate based on an estimate of the Company’s weighted average cost of capital. The discounted cash flow model was analyzed using a range of inputs and assumptions and provided a range of values, of which the Company recorded $118,542 at the lower end of its fair value estimate range.

To account for the difference between the fair value of net assets acquired of $118,542 and the total fair value of consideration payable of $71,116, the Company recognized a bargain purchase gain on Cariboo acquisition on the income statement of $47,426 for the three months ended March 31, 2024.

The fair value of inventories was determined based on their net realizable value, whereby the future estimated cash flows from sales of payable metal produced were adjusted for costs to complete. The fair values of accounts receivable, reclamation deposits and accounts payable and other liabilities were determined to approximate their book values. The fair value of debt owed to third parties was determined based on the principal amounts outstanding as the interest rate on the debt was considered at market. Deferred tax liabilities were determined based on 50% of the available tax pools and other tax attributes of Cariboo. The fair value of the reclamation and closure cost provisions were estimated using discounted cash flows of future expenditures to settle the obligation for disturbances at the Acquisition Date and discount rates. The fair value of property, plant and equipment other than mineral properties and the major mill equipment and infrastructure were determined based on the estimated fair value of plant and other equipment in use and independent equipment appraisals on certain mobile equipment. The remaining residual portion of the fair value of net assets acquired was allocated to mineral properties and the major mill equipment and infrastructure within property, plant and equipment which are amortizable over the estimated remaining life of Gibraltar on a units of production basis.

(Cdn$ in thousands - Unaudited)

3. ACQUISITION OF CARIBOO COPPER CORPORATION (CONTINUED)

a) Acquisition of Cariboo from Dowa and Furukawa (continued)

As at March 31, 2024, the estimated present value of the outstanding Cariboo consideration payable to Dowa and Furukawa is as follows:

Consideration payable	66,116
Accretion on consideration payable	75
Long term Cariboo consideration payable	66,191

From the Acquisition Date to March 31, 2024, $7,807 of the Company's consolidated net income relates to its share of Cariboo and the Company recognized $138 of acquisition related costs that were included in other expenses.

The following table presents unaudited pro forma results for the three months ended March 31, 2024, as though the acquisition had taken place as of January 1, 2024. Additionally, pro forma net income was adjusted to exclude acquisition related costs incurred.

Pro forma information	For the three months ended March 31, 2024
Revenue	162,363
Net income	20,793

b) Deemed Disposition at Fair Value of 87.5% Gibraltar Interest on Acquisition of Control

Prior to the Company's acquisition of the remaining 50% of Cariboo from Dowa and Furukawa on March 25, 2024, the Company had joint control over the joint arrangement and proportionately consolidated its 87.5% effective interest of all the Gibraltar Joint Venture's assets, liabilities, income and expenses. On March 25, 2024, the Company acquired the remaining 12.5% interest through its purchase of Cariboo thereby increasing its effective interest to 100% in Gibraltar. As a result, the Company obtained full control and transitioned from joint control and a joint arrangement under IFRS 11 Joint Arrangements to full control under IFRS 10 Consolidated Statements and IFRS 3 Business Combinations. This transition in applicable standards necessitates the need for the Company to reassess its previously held 87.5% interest in Gibraltar and remeasure this interest at fair value as of the March 25, 2024 acquisition date, with any gains or losses recognized immediately in the statement of comprehensive income. Additionally, the Company is required to measure all identifiable assets acquired and liabilities assumed at their fair values on this deemed acquisition date.

Management assessed whether there was a gain on the date of the acquisition based upon it's review of estimated fair values of the assets acquired and liabilities assumed. The fair value of the net assets acquired at March 25, 2024 was determined using a discounted cash flow model for the 87.5% interest in Gibraltar and also considering cash and working capital of Gibraltar Mines Ltd, a wholly-owned subsidiary of Taseko which owns the 75% interest in the Gibraltar joint venture and the 50% interest of Cariboo held by Taseko immediately before the deemed disposal and reacquisition. The discounted cash flow model included key assumptions on future production and estimated remaining reserves of Gibraltar, operating assumptions, metal prices, operating and capital costs, and foreign exchange rates, and a discount rate based on an estimate of the Company's weighted average cost of capital. The discounted cash flow model was analyzed using a range of inputs and assumptions and provided a range of values, of which the Company recorded net asset value at the lower end of its fair value estimate range. Based on the assessment performed, a gain of $14,982 was realized from the fair value adjustments of the assets acquired and liabilities assumed. This gain was solely attributable to the inventory's increased fair value.

(Cdn$ in thousands - Unaudited)

3. ACQUISITION OF CARIBOO COPPER CORPORATION (CONTINUED)

b) Deemed Disposition at Fair Value of 87.5% Gibraltar Interest on Acquisition of Control (continued)

The fair value of inventories was determined based on their net realizable value, whereby the future estimated cash flows from sales of payable metal produced were adjusted for costs to complete. For finished goods inventory consisting of copper concentrate inventory, the fair value as at the deemed acquisition date was determined to be $37,717 compared to the book value of $22,735, which resulted in a gain of $14,982. This gain was immediately recognized in the statement of comprehensive income for the three months ended March 31, 2024.

The fair values of accounts receivable, reclamation deposits and accounts payable and other liabilities were determined to approximate their book values. The fair value of debt owed to third parties was determined based on the principal amounts outstanding as the interest rate on the debt was considered at market. Deferred tax liabilities were determined based on the tax pools and attributes of Gibraltar Mines Ltd. which owns the 75% effective interest and 50% of the available tax pools and tax attributes of Cariboo. The fair value of the reclamation and closure cost provisions were estimated using discounted cash flows of future expenditures to settle the obligation for disturbances at the Acquisition Date and discount rates. The fair value of property, plant and equipment other than mineral properties and the major mill equipment and infrastructure were determined based on the estimated fair value of plant and other equipment in use and independent equipment appraisals on certain mobile equipment. The remaining residual portion of the fair value of net assets acquired was allocated to mineral properties and the major mill equipment and infrastructure within property, plant and equipment which are amortizable over the estimated remaining life of Gibraltar on a units of production basis.

The assets acquired and liabilities assumed for the Company's 87.5% effective interest in Gibraltar on March 25, 2024 were estimated on a preliminary basis as follows:

Cash and cash equivalents	5,122
Accounts receivable and other asset	21,302
Inventory	172,440
Property, plant and equipment	801,700
Accounts payable and other liabilities	(50,192)
Debt	(50,002)
Provision for environmental rehabilitation	(140,190)
Total fair value of net assets	760,180

Between March 26 and March 31, 2024, the Company sold $33,619 of concentrate inventory with a gross profit of $13,354 ($11,685 at 87.5% interest) that it wrote up to fair value on the March 25, 2024 deemed acquisition date. The remaining inventory of copper concentrate written up to fair value of $9,486 with a gross profit of $3,745 ($3,297 at 87.5% interest) was sold in April 2024.

(Cdn$ in thousands - Unaudited)

3. ACQUISITION OF CARIBOO COPPER CORPORATION (CONTINUED)

c) Acquisition of Cariboo from Sojitz in 2023

On March 15, 2023, the Company completed the acquisition of an additional 12.5% interest in the Gibraltar from Sojitz Corporation ("Sojitz") pursuant to its acquisition of Sojitz's 50% interest in Cariboo.

The acquisition price consisted of a minimum amount of $60 million payable over a five-year period and potential contingent performance payments depending on Gibraltar copper revenues and copper prices over the next five years. An initial $10 million was paid to Sojitz upon closing and the remaining minimum amount is payable in $10 million annual instalments over five years. There is no interest payable on the minimum amounts and the second instalment of $10 million was paid in February 2024.

The contingent performance payments are payable annually for five years only if the average LME copper price exceeds US$3.50 per pound in a year. The payments are calculated by multiplying Gibraltar copper revenues by a price factor, which is based on a sliding scale ranging from 0.38% at US$3.50 per pound copper to a maximum of 2.13% at US$5.00 per pound copper or above. Total contingent payments cannot exceed $57 million over the five-year period, limiting the acquisition cost to a maximum of $117 million.

The total purchase consideration was discounted to determine fair value and the amounts as at March 15, 2023 were estimated as follows:

Fixed instalments payable	51,387
Contingent performance payments payable	28,010
Total fair value of consideration payable	79,397

The purchase consideration was allocated to the assets acquired and liabilities assumed, based upon their estimated fair values at the date of acquisition. The following sets forth the allocation of the purchase price:

	Preliminary Purchase Price Allocation	**Adjustment**	**Final Purchase Price Allocation**
Cash and cash equivalents	13,467	-	13,467
Accounts receivable and other assets	1,525	-	1,525
Reclamation deposits	6,262	-	6,262
Inventory	15,860	-	15,860
Property, plant and equipment	72,304	43,275	115,579
Deferred tax asset	5,594	2,937	8,531
Accounts payable and other liabilities	(8,535)	-	(8,535)
Debt	(9,144)	-	(9,144)
Provision for environmental rehabilitation	(17,936)	-	(17,936)
Total fair value of net assets acquired	79,397	46,212	125,609

To account for the difference between the fair value of net assets acquired of $125,609 and the total fair value of consideration payable of $79,397, the Company recognized a bargain purchase gain on Cariboo acquisition on the statement of comprehensive income of $46,212 for the three months ended March 31, 2023.

(Cdn$ in thousands - Unaudited)

3. ACQUISITION OF CARIBOO COPPER CORPORATION (CONTINUED)

c) Acquisition of Cariboo from Sojitz in 2023

As at March 31, 2024, outstanding Cariboo consideration payable to Sojitz is as follows:

Fixed consideration payable	34,024
Contingent performance payments payable	27,837
Total Cariboo consideration payable	61,861
Less current portion:	
Fixed consideration payable	9,411
Contingent performance payments payable	9,215
Long-term portion of Cariboo consideration payable	43,235

The contingent performance payment of $4,549 for the 2023 calendar year was paid on April 1, 2024. The Company recognized $263 of acquisition related costs that were included in other expenses.

4. REVENUE

	Three months ended March 31,	
	2024	**2023**
Copper contained in concentrate	144,306	109,123
Copper price adjustments on settlement	(382)	(202)
Molybdenum concentrate	6,077	7,749
Molybdenum price adjustments on settlement	526	1,831
Silver (Note 14b)	1,727	1,532
Total gross revenue	152,254	120,033
Less: Treatment and refining costs	(5,307)	(4,514)
Revenue	146,947	115,519

(Cdn$ in thousands - Unaudited)

5. COST OF SALES

	Three months ended March 31,	
	2024	**2023**
Site operating costs	79,678	74,438
Transportation costs	10,153	5,104
Changes in inventories of finished goods	20,392	399
Changes in inventories of ore stockpiles	(2,719)	(5,561)
Production costs	107,504	74,380
Depletion and amortization	15,024	12,027
Cost of sales	122,528	86,407

Site operating costs include personnel costs, non-capitalized waste stripping costs, repair and maintenance costs, consumables, operating supplies and external services.

Changes in inventories of finished goods also included $13,354 in write-ups to net realizable value for concentrate inventory held at March 25, 2024 that was sold between March 26 and March 31, 2024. Of this write-up, $11,685 was realized during the three months ended March 31, 2024 and was included in the $14,982 gain on acquisition of control of Gibraltar (Note 3b).

6. DERIVATIVE INSTRUMENTS

a) Derivative Instruments – Copper Price and Fuel Contracts

The following is a summary of the derivative transactions entered into by the Company during the three months ended March 31, 2023 and 2024:

Date of purchase	Contract	Quantity	Strike price	Period	Cost
March 2024	Copper collar	42 million lbs	US$3.75 per lb US$5.00 per lb	July 2024 – December 2024	1,985
February 2024	Fuel call options	12.5 million ltrs	US$0.79 per ltr	February 2024 – June 2024	165
January 2023	Copper collar	42 million lbs	US$3.75 per lb US$4.70 per lb	July 2023 – December 2023	Zero cost
January 2023	Fuel call options	12 million ltrs	US$1.00 per ltr	July 2023 – December 2023	941

The following is a summary of the realized and unrealized derivative gain or loss incurred during the three months ended March 31, 2023 and 2024:

	Three months ended March 31,	
	2024	**2023**
Net realized loss on settled copper options	1,636	1,488
Net unrealized loss on outstanding copper options	863	1,644
Realized loss on fuel call options	66	538
Unrealized loss on fuel call options	64	546
	2,629	4,216

(Cdn$ in thousands - Unaudited)

6. DERIVATIVE INSTRUMENTS (CONTINUED)

a) Derivative Instruments – Copper Price and Fuel Contracts (continued)

Details of the outstanding copper price option contracts at March 31, 2024 are summarized in the following table:

Contract	Quantity	Strike price	Period	Cost	Fair value
Copper put options	21 million lbs	US$3.25/per lb	Q2 2024	1,556	7
Copper collars	42 million lbs	US$3.75 per lb US$5.00 per lb	H2 2024	1,985	3,204
Fuel call options	7.5 million ltrs	US$0.79 per ltr	Q2 2024	99	34

Details of the outstanding copper price option contracts purchased after March 31, 2024 are summarized in the following table:

Contract	Quantity	Strike price	Period	Cost
Copper collars	54 million lbs	US$4.00 per lb US$5.00 per lb	H1 2025	2,566
Copper collars	30 million lbs	US$4.00 per lb US$5.40 per lb	H2 2025	1,237
Copper collars	24 million lbs	US$4.00 per lb US$5.40 per lb	H2 2025	985

b) Derivative Instruments – Florence Copper Stream

On December 19, 2022, the Company signed agreements with Mitsui & Co. (U.S.A.) Inc. (“Mitsui”) to form a strategic partnership to develop the Company’s Florence Copper project (“Florence Copper”). 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 is in the form of a copper stream agreement (the “Copper Stream”) on 2.67% of the copper produced at Florence Copper and Mitsui to pay a delivery price equal to 25% of the market price of copper delivered under the contract.

In addition, Mitsui has acquired an option to invest an additional US$50 million for a 10% equity interest in Florence Copper (the “Equity Option”). The Equity Option is exercisable by Mitsui at any time up to three years following completion of construction of the commercial production facility. If Mitsui elects to exercise its Equity Option, the Copper Stream will terminate. If the Equity Option is not exercised by Mitsui by its expiry date, the Company 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.

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 initial offtake agreement will cease and be replaced with a marketing agency agreement if the Equity Option is exercised by Mitsui. Mitsui’s offtake entitlement would also reduce to 30% if the Equity Option is not exercised by its expiry date until the Copper Stream deposit has been reduced to nil.

(Cdn$ in thousands - Unaudited)

6. DERIVATIVE INSTRUMENTS (CONTINUED)

b) Derivative Instruments – Florence Copper Stream (continued)

On January 26, 2024, the Company received the first US$10 million of the US$50 million Copper Stream. The remaining amounts are payable on a quarterly instalment basis. On April 26, 2024, the Company received the second US$10 million.

For accounting purposes, the Mitsui agreement is accounted for as a financial instrument and includes derivatives that are required to be fair valued at each reporting period. The Company has determined that the fair value of the derivatives is $16,039 as of March 31, 2024 based on the timing of future instalment payments, estimates of future production, copper prices and other relevant factors. For the three months ended March 31, 2024, the Company recorded an unrealized loss of $2,592 in the statement of comprehensive income.

Proceeds from Florence copper stream	13,449
Deferred financing fees	(102)
Unrealized loss on Florence copper stream derivative	2,592
Unrealized foreign exchange loss	100
Florence copper stream as at March 31, 2024	16,039

7. FINANCE EXPENSES

	Three months ended March 31,	
	2024	**2023**
Interest expense	14,820	11,541
Amortization of financing fees	740	671
Finance expense – deferred revenue (Note 14)	1,368	1,473
Accretion on PER	698	504
Accretion and fair value adjustment on consideration payable to Cariboo (Notes 3a and 3c)	1,555	-
Accretion and fair value adjustment on Florence royalty obligation	3,416	-
Less: interest expense capitalized	(2,748)	(1,880)
Finance income	(1,086)	(921)
	18,763	11,388

For the three month period ended March 31, 2024, interest expense includes $366 (2023 - $406) from lease liabilities. For the three month period ended March 31, 2024, $2,748 (2023 - $1,880) of borrowing costs have been capitalized to Florence Copper development costs (Note 11).

(Cdn$ in thousands - Unaudited)

8. INCOME TAX

	Three months ended March 31, 2024	2023
Current income tax expense	805	544
Deferred income tax expense	22,477	19,675
	23,282	20,219

9. INVENTORIES

	March 31, 2024	December 31, 2023
Current:		
Sulphide ore stockpiles	72,533	57,678
Copper contained in concentrate	17,523	17,356
Molybdenum concentrate	1,462	711
Materials and supplies	49,086	47,197
	140,604	122,942
Long-term:		
Oxide ore stockpiles	31,195	17,554
	171,799	140,496

10. OTHER FINANCIAL ASSETS

	March 31, 2024	December 31, 2023
Current:		
Marketable securities	1,398	1,333
Copper price options (Note 6)	3,082	3,724
Fuel call options (Note 6)	163	-
	4,643	5,057
Long-term:		
Investment in private companies	1,200	1,200
Reclamation deposits	458	6,696
	1,658	7,896

The Company holds strategic investments in publicly-traded and privately owned mineral exploration and development companies, including marketable securities. Marketable securities and the investment in privately owned companies are accounted for at fair value through other comprehensive income.

During the three months ended March 31, 2024, the Company replaced its letter or credit with the Province of British Columbia with a surety bond, which resulted in a $12,500 release of restricted cash to the Company's cash and equivalents.

(Cdn$ in thousands - Unaudited)

11. PROPERTY, PLANT & EQUIPMENT

The following schedule shows the continuity of property, plant and equipment net book value for the three months ended March 31, 2024:

Net book value as at January 1, 2024	1,286,001
Additions:	
Gibraltar capitalized stripping costs	16,466
Gibraltar sustaining capital expenditures	8,944
Gibraltar capital projects	2,563
Cariboo acquisition (Note 3a)	126,194
Fair value reclass adjustment on deemed disposition (Note 3b)	(13,342)
Florence Copper development costs	54,947
Yellowhead development costs	166
Aley development costs	237
Other items:	
Right of use assets	539
Rehabilitation costs asset	1,019
Disposals	(295)
Foreign exchange translation and other	9,352
Depletion and amortization	(17,770)
Net book value as at March 31, 2024	1,475,021

Net book value	**Gibraltar Mine**	**Florence Copper**	**Yellowhead**	**Aley**	**Other**	**Total**
As at December 31, 2023	805,508	441,107	22,826	15,884	676	1,286,001
Cariboo acquisition (Note 3a)	126,194	-	-	-	-	126,194
Deemed disposition (Note 3b)	(13,342)	-	-	-	-	(13,342)
Net additions	27,958	55,206	166	237	-	83,567
Changes in rehabilitation cost asset	1,019	-	-	-	-	1,019
Depletion and amortization	(17,676)	-	(5)	-	(89)	(17,770)
Foreign exchange translation	-	9,352	-	-	-	9,352
As at March 31, 2024	929,661	505,665	22,987	16,121	587	1,475,021

For the three month period ended March 31, 2024, the Company capitalized development costs of $54,947 for the Florence Copper project, which includes $2,748 of capitalized borrowing costs (Note 7).

Non-cash additions to property, plant and equipment of Gibraltar include $2,509 of depreciation on mining assets related to capitalized stripping.

Since January 1, 2020, development costs for Yellowhead of $6,702 have been capitalized as mineral property, plant and equipment. Depreciation related to the right of use assets for the three month period ended March 31, 2024 was $2,834 (2023 - $2,249).

(Cdn$ in thousands - Unaudited)

12. DEBT

	March 31, 2024	December 31, 2023
Current:		
Lease liabilities (d)	11,321	11,040
Gibraltar equipment loans (e)	13,266	11,105
Florence equipment facility (f)	5,769	5,513
	30,356	27,658
Long-term:		
Senior secured notes (a)	541,560	529,880
Revolving credit facility (b)	27,078	26,494
Lease liabilities (d)	6,481	6,929
Gibraltar equipment loans (e)	28,006	26,887
Florence equipment facility (f)	25,935	26,851
	629,060	617,041
Deferred financing fees	(6,081)	(6,808)
Total debt	653,335	637,891

(a) Senior secured notes

On February 10, 2021, the Company completed an offering of US$400 million aggregate principal amount of senior secured notes (the "2026 Notes"). The 2026 Notes mature on February 15, 2026 and bear interest at an annual rate of 7.0%, payable semi-annually on February 15 and August 15. A portion of the proceeds were used to redeem the outstanding US$250 million 8.75% senior secured notes due on June 15, 2022. The remaining proceeds, net of transaction costs, call premium and accrued interest, of approximately $167 million (US$131 million) were available for capital expenditures, including for Florence Copper and Gibraltar, working capital and for general corporate purposes.

The 2026 Notes are secured by liens on the shares of Taseko's wholly-owned subsidiary, Gibraltar Mines Ltd., and the subsidiary's rights under the joint venture agreement relating to Gibraltar, as well as the shares of Curis Holdings (Canada) Ltd. and Florence Holdings Inc. ("Florence Holdings"). The 2026 Notes are guaranteed by each of Taseko's existing and future restricted subsidiaries.

The 2026 Notes also allow for up to US$145 million of first lien secured debt to be issued and up to US$50 million of debt for equipment financing and US$30 million for Florence project debt, all subject to the terms of the note indenture. The noted amounts also can increase as consolidated of total assets increase. The Company is also subject to certain restrictions on asset sales, issuance of preferred stock, dividends and other restricted payments. However, there are no maintenance covenants with respect to the Company's financial performance.

The Company may redeem some or all of the 2026 Notes at any time on or after February 15, 2024, at redemption prices ranging from 101.75% to 100%, plus accrued and unpaid interest to the date of redemption. On a change of control, the 2026 Notes are redeemable at the option of the holder at a price of 101%. The 2026 Notes were redeemed on April 23, 2024 (Note 20).

12. DEBT (CONTINUED)

(b) Revolving credit facility

On October 6, 2021, the Company closed a secured US$50 million revolving credit facility (the "Facility"). The Facility is secured by first liens against Taseko's rights under the Gibraltar joint venture, as well as the shares of Gibraltar Mines Ltd., Curis Holdings (Canada) Ltd., and Florence Holdings. The Facility will be available for capital expenditures, working capital and general corporate purposes.

On February 1, 2023, the Company entered into an agreement to extend the maturity date of the Facility by an additional year to July 2, 2026. On June 30, 2023, the Company entered into an amended agreement with the lender, increasing the Facility by US$30 million for a total of US$80 million.

Amounts outstanding under the facility bear interest at the Adjusted Term SOFR rate plus an applicable margin and have a standby fee of 1.00%. As at March 31, 2024, a total of US$20,000 (December 2023 - US$20,000) was advanced under the Facility, which was subsequently repaid in April 2024.

The Facility has customary covenants for a revolving credit facility. Financial covenants include a requirement for the Company to maintain a leverage ratio, an interest coverage ratio, a minimum tangible net worth and a minimum liquidity amount as defined under the Facility. The Company was in compliance with these covenants as at March 31, 2024.

(c) Letter of credit facilities

The Gibraltar joint venture has in place a $7 million credit facility for the purpose of providing letters of credit ("LC") to key suppliers of Gibraltar to assist with ongoing trade finance and working capital needs. Any LCs issued under the facility will be guaranteed by Export Development Canada ("EDC") under its Account Performance Security Guarantee program. The facility is renewable annually, is unsecured and contains no financial covenants. As at March 31, 2024, a total of $3.75 million in LCs were issued and outstanding under this LC facility (December 31, 2023 - $3.75 million).

The Company also has a US$4 million credit facility for the sole purpose of issuing LCs to certain key contractors in conjunction with the development of Florence Copper. Any LCs to be issued under this facility will also be guaranteed by EDC. The facility is renewable annually, is unsecured and contains no financial covenants. As at March 31, 2024, there were no LCs issued and outstanding under this LC facility.

(d) Lease liabilities

Lease liabilities include the Company's outstanding lease liabilities under IFRS 16. The lease liabilities have monthly repayment terms ranging between 12 and 84 months.

(Cdn$ in thousands - Unaudited)

12. DEBT (CONTINUED)

(e) Gibraltar equipment loans

The equipment loans at March 31, 2024 are secured by most of the existing mobile mining equipment at Gibraltar and commenced between December 2022 and June 2023 with monthly repayment terms of 48 months and with interest rates ranging between 8.9% to 9.4%.

On June 20, 2023, the Company entered into an equipment financing agreement for the amount of US$9.6 million with monthly repayment terms of 48 months and the loan bears interest at the rate of 9.4%.

(f) Florence equipment facility

In the fourth quarter of 2023, the Company entered into a Florence project equipment debt facility with Bank of America secured against specific to equipment for total proceeds of US$25 million. The facility contains no financial covenants and has monthly payments over a term of 60 months. The equipment facility bears interest at a blended rate of 9.3%.

(g) Debt continuity

The following schedule shows the continuity of total debt for the three months ended March 31, 2024:

Total debt as at January 1, 2024	637,891
Lease and loan additions	587
Lease liabilities and equipment loans repayments	(7,334)
Lease and equipment loans from Cariboo acquisition (Note 3a)	7,143
Unrealized foreign exchange gain	14,308
Amortization of deferred financing charges	740
Total debt as at March 31, 2024	653,335

(Cdn$ in thousands - Unaudited)

13. FLORENCE ROYALTY OBLIGATION

On January 15, 2024, Florence Holdings, an indirect wholly-owned subsidiary of Taseko, entered into agreements with Taurus Mining Royalty Fund L.P. ("Taurus"), pursuant to which Florence Holdings received US$50 million from Taurus in exchange for a perpetual gross revenue royalty interest in certain real property, mining and other rights held by Florence. The basic royalty rate is 1.95% of the gross revenue from the sale of all copper from Florence Copper for the life of the mine. If project completion of Florence Copper, as defined under the agreements is reached after July 31, 2025, the royalty rate increases to 2.05%. Proceeds from the royalty transaction were contributed to Florence Copper and are available to Florence Copper to fund the construction and development of the commercial production facility. The royalty constitutes a customary lien and encumbrance on Florence's mineral and property rights, is registered as an interest in the Florence Copper mine and is unsecured.

Under the purchase agreement with Florence Holdings, Taurus has a put right to transfer the royalty back to Florence Holdings upon the occurrence of certain circumstances, including certain breaches of the transaction document or if project completion of Florence Copper has not occurred by a long stop completion date of January 31, 2027. If Taurus exercises such put right, Florence Holdings shall pay to Taurus an amount based on the net present value of the royalty or, if the put right is exercised due to project completion being delayed beyond the long stop completion date, the original purchase price paid by Taurus. As part of the transaction, Taseko, Curis Holdings (Canada) Ltd. and Florence Holdings provided to Taurus an unsecured guarantee of the obligations of Florence Copper.

For accounting purposes, the purchase agreement with Taurus is accounted for as a financial instrument and is recorded as a financial liability at amortized cost. The Company has identified embedded derivatives which as of March 31, 2024 had no estimated value. For the three months ended March 31, 2024, the Company recorded an accretion and fair value adjustment on the royalty obligation of $3,416 in the statement of comprehensive income.

Proceeds from Florence royalty obligation	67,695
Deferred financing fees	(1,477)
Accretion and fair value adjustment on Florence royalty obligation (Note 7)	3,416
Unrealized foreign exchange loss	13
Florence royalty obligation as at March 31, 2024	69,647

(Cdn$ in thousands - Unaudited)

14. DEFERRED REVENUE

	March 31, 2024	December 31, 2023
Current:		
Customer advance payments (a)	2,027	3,096
Osisko – silver stream agreement (b)	7,027	7,250
Current portion of deferred revenue	9,054	10,346
Long-term portion of deferred revenue (b)	59,721	59,720
Total deferred revenue	68,775	70,066

(a) Customer advance payments

As at March 31, 2024, the Company received advance payments from a customer on 0.4 million pounds copper concentrate inventory (December 31, 2023 – 0.8 million pounds).

(b) Silver stream purchase and sale agreement

The Company has entered into a silver stream purchase and sale agreement with Osisko Gold Royalties Ltd. ("Osisko"), whereby the Company received upfront cash deposit payments totalling $52.7 million for the sale of an equivalent amount of its 75% share of Gibraltar payable silver production until 5.9 million ounces of silver have been delivered to Osisko. After that threshold has been met, 35% of an equivalent amount of Taseko's share of all future payable silver production from Gibraltar will be delivered to Osisko. The Company receives no further cash consideration once silver deliveries are made under the agreement.

On June 28, 2023, the Company entered into an amendment to its silver stream with Osisko and received $13,586 for the sale of an equivalent amount of its 87.5% share of Gibraltar payable silver production until 6,254,500 ounces of silver have been delivered to Osisko. After that threshold has been met, 30.625% of an equivalent amount of Taseko's share of all future payable silver production from Gibraltar will be delivered to Osisko. The amendment is accounted for as a contract modification under IFRS 15 Revenue from Contracts with Customers. The funds received are available for general working capital purposes.

The Company has recorded the deposits from Osisko as deferred revenue and recognizes amounts in revenue as silver is delivered. The amortization of deferred revenue is calculated on a per unit basis using the estimated total number of silver ounces expected to be delivered to Osisko over the life of Gibraltar. The current portion of deferred revenue is an estimate based on deliveries anticipated over the next twelve months.

The following table summarizes changes in the Osisko deferred revenue:

Balance as at December 31, 2023	66,970
Finance expense (Note 7)	1,368
Amortization of deferred revenue	(1,590)
Balance as at March 31, 2024	66,748

(Cdn$ in thousands - Unaudited)

15. EQUITY

(a) Share capital

	Common shares (thousands)
Common shares outstanding as at December 31, 2023	290,000
Exercise of share options	706
Common shares outstanding as at March 31, 2024	290,706

The Company's authorized share capital consists of an unlimited number of common shares with no par value.

(b) Share-based compensation

	Options (thousands)	**Average price**
Outstanding as at January 1, 2024	8,799	1.85
Granted	2,906	1.83
Exercised	(706)	0.97
Cancelled/forfeited	(12)	1.83
Expired	(44)	0.78
Outstanding as at March 31, 2024	10,943	1.91
Exercisable as at March 31, 2024	8,064	1.88

During the three month period ended March 31, 2024, the Company granted 2,906,000 (2023 – 2,629,000) share options to directors, executives and employees, exercisable at an average exercise price of $1.83 per common share (2023 - $2.38 per common share) over a five year period. The total fair value of options granted was $3,022 (2023 – $3,575) based on a weighted average grant-date fair value of $1.04 (2022 – $1.36) per option.

The fair value of options was measured at the grant date using the Black-Scholes formula. Expected volatility is estimated by considering historic average share price volatility. The inputs used in the Black-Scholes formula are as follows:

Expected term (years)	5.00
Forfeiture rate	0%
Volatility	64%
Dividend yield	0%
Risk-free interest rate	3.5%
Weighted-average fair value per option	$1.04

15. EQUITY (CONTINUED)

(b) Share-based compensation (continued)

Deferred, Performance and Restricted Share Units

	RSUs (thousands)	DSUs (thousands)	PSUs (thousands)
Outstanding as at January 1, 2024	380	2,301	1,955
Granted	500	304	880
Cancelled	(20)	-	-
Settled	-	-	(530)
Outstanding as at March 31, 2024	860	2,605	2,305

During the three month period ended March 31, 2024, 303,750 DSUs were issued to directors (2023 - 342,750) and 880,000 PSUs to senior executives (2023 – 830,000). The fair value of DSUs and PSUs granted was $3,067 (2023 - $4,344), with a weighted average fair value at the grant date of $1.83 per unit for the DSUs (2023 – $2.38 per unit) and $2.87 per unit for the PSUs (2023 - $4.25 per unit).

During the three month period ended March 31, 2024, the Company granted 500,000 units, with a weighted average fair value at grant date of $2.38 per unit for the RSUs.

Share-based compensation expense is comprised as follows:

	Three months ended March 31,	
	2024	**2023**
Share options – amortization	1,538	1,718
Performance share units – amortization	678	545
Restricted share units – amortization	151	69
Change in fair value of deferred share units	3,300	1,277
	5,667	3,609

16. EARNINGS PER SHARE

Earnings per share, calculated on a basic and diluted basis, is as follows:

	Three months ended	March 31,
	2024	**2023**
Net income attributable to common shareholders – basic and diluted	18,896	33,301
(in thousands of common shares)		
Weighted-average number of common shares	290,465	288,007
Effect of dilutive securities:		
Stock options	1,497	3,032
Weighted-average number of diluted common shares	291,962	291,039
Earnings per common share		
Basic earnings per share	0.07	0.12
Diluted earnings per share	0.06	0.11

(Cdn$ in thousands - Unaudited)

17. COMMITMENTS AND CONTINGENCIES

(a) Commitments

The Company is a party to certain contracts relating to service and supply agreements. Future minimum payments under these agreements as at March 31, 2024 are presented in the following table:

Remainder of 2024	10,534
2025	7,709
2026	1,463
2027	-
2028	-
2029 and thereafter	-
Total commitments	19,706

As at March 31, 2024, the Company had minimum commitments for capital expenditures of $42,764 (December 31, 2023 - $6,150) for Florence Copper and $7,286 (December 31, 2023 - $13,236) for Gibraltar mine.

18. SUPPLEMENTARY CASH FLOW INFORMATION

	Three months ended March 31,	
	2024	**2023**
Change in non-cash working capital items:		
Accounts receivable	1,795	(1,546)
Inventories	8,675	(5,612)
Prepaids	2,267	672
Accounts payable and accrued liabilities[1]	(1,939)	(1,090)
Advance payment on product sales	(1,069)	426
Interest payable	(24)	(130)
Mineral tax payable	17	(1,185)
	9,722	(8,465)
Non-cash investing and financing activities		
Cariboo acquisition, net assets (Notes 3a and 3b)	61,232	65,930
Assets acquired under capital lease	48	69
Right-of-use assets	539	5,959

1. Excludes accounts payable and accrued liability changes on capital expenditures.

(Cdn$ in thousands - Unaudited)

19. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value, by reference to the reliability of the inputs used to estimate the fair values.

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of the senior secured notes are $544,712 and the carrying value is $541,560 at March 31, 2024. The fair value of all other financial assets and liabilities approximates their carrying value.

The Company has certain financial assets and liabilities that are measured at fair value on a recurring basis and uses the fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value, with Level 1 inputs having the highest priority.

	Level 1	Level 2	Level 3	Total
March 31, 2024				
Financial assets and liabilities designated as FVPL				
Derivative asset copper put and call options	-	3,082	-	3,082
Derivative asset fuel call options	-	163	-	163
Performance payments payable	-	-	27,837	27,837
Florence copper stream	-	-	16,039	16,039
	-	3,245	43,876	47,121
Financial assets designated as FVOCI				
Marketable securities	1,398	-	-	1,398
Investment in private companies	-	-	1,200	1,200
Reclamation deposits	458	-	-	458
	1,856	-	1,200	3,056

(Cdn$ in thousands - Unaudited)

19. FAIR VALUE MEASUREMENTS (CONTINUED)

	Level 1	Level 2	Level 3	Total
December 31, 2023				
Financial assets designated as FVPL				
Derivative asset copper put and call options	-	3,724	-	3,724
Performance payments payable			25,850	25,850
	-	3,724	25,850	29,574
Financial assets designated as FVOCI				
Marketable securities	1,333	-	-	1,333
Investment in private companies	-	-	1,200	1,200
Reclamation deposits	6,696	-	-	6,696
	8,029	-	1,200	9,229

There have been no transfers between fair value levels during the reporting period. The carrying value of cash and equivalents, accounts receivable, accounts payable and accrued liabilities approximate their fair value as at March 31, 2024.

The fair value of the senior secured notes, a Level 1 instrument, is determined based upon publicly available information.

The Company's metal concentrate sales contracts are subject to provisional pricing with the selling price adjusted at the end of the quotational period. At each reporting date, the Company's settlement receivable on these contracts are marked-to-market based on a quoted forward price for which there exists an active commodity market. At March 31, 2024, the Company had net settlement receivable of $6,280 (December 31, 2023 – settlement receivable of $7,406).

The estimated performance payments payable, a Level 3 instrument, was estimated based on forecasted copper prices and sales volumes over the next 5 and 10 year periods. The total estimated performance payments payable was then discounted to determine its fair value.

The investment in private companies, a Level 3 instrument, are valued based on a management estimate. As this is an investment in a private exploration and development company, there are no observable market data inputs.

As at March 31, 2024, the determination of the estimated fair value of the investment includes comparison to the market capitalization of comparable public companies.

Commodity price risk

The Company is exposed to the risk of fluctuations in prevailing market commodity prices on the metals it produces. The Company enters into copper put and collar option contracts to reduce the risk of short-term copper price volatility. The amount and duration of the hedge position is based on an assessment of business-specific risk elements combined with the copper pricing outlook. Copper put and collar option contracts are typically extended adding incremental quarters at established put strike prices to provide the necessary price protection.

(Cdn$ in thousands - Unaudited)

19. FAIR VALUE MEASUREMENTS (CONTINUED)

Provisional pricing mechanisms embedded within the Company's sales arrangements have the character of a commodity derivative and are carried at fair value as part of accounts receivable.

The table below summarizes the impact on revenue and receivables for changes in commodity prices on the provisionally invoiced sales volumes.

	As at March 31, 2024
Copper increase/decrease by US$0.10/lb.[1]	624

[1] The analysis is based on the assumption that the period end copper price increases/decreases US$0.10 per pound, with all other variables held constant. At March 31, 2024, 4.6 million pounds of copper in concentrate were exposed to copper price movements. The closing exchange rate at March 31, 2024 of CAD/USD 1.35 was used in the analysis.

The sensitivities in the above tables have been determined with foreign currency exchange rates held constant. The relationship between commodity prices and foreign currencies is complex and movements in foreign exchange can impact commodity prices. The sensitivities should therefore be used with care.

20. SUBSEQUENT EVENTS

On April 23, 2024, the Company completed its offering of US$500 million aggregate principal amount of 8.25% Senior Secured Notes due May 1, 2030. A portion of the proceeds were used to redeem the outstanding US$400 million 7% Senior Secured Notes due on February 15, 2026. The remaining proceeds, net of transaction costs, call premium and accrued interest, of approximately $110 million are available for capital expenditures, including at its Florence Copper project and Gibraltar, working capital and for general corporate purposes.