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Taseko Reports 2024 Fourth Quarter and Annual Earnings

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.

February 19, 2025, Vancouver, BC – Taseko Mines Limited (TSX: TKO; NYSE American: TGB; LSE: TKO) ("Taseko" or the "Company") reports full year 2024 Adjusted EBITDA* of $224 million and Earnings from mining operations before depletion and amortization and non-recurring items* of $244 million. Revenues for 2024 were $608 million from the sale of 108 million pounds of copper and 1.4 million pounds of molybdenum. For the year, a Net loss of $13 million ($0.05 loss per share) was recorded and Adjusted net income* was $57 million ($0.19 per share).

For the fourth quarter, Adjusted EBITDA* was $56 million, Earnings from mining operations before depletion and amortization and non-recurring items* was $59 million and Cash flows from operations was $73 million. A Net loss of $21 million ($0.07 loss per share) was recorded and Adjusted net income* was $10 million ($0.03 per share).

Gibraltar produced 29 million pounds of copper and 578 thousand pounds of molybdenum in the fourth quarter at Total operating costs (C1) of $2.42 per pound of copper produced. Mill throughput averaged 89,600 tons per day, which is the highest ever achieved for a quarter at Gibraltar.

For the year, copper production was 106 million pounds, in line with the revised production guidance, and molybdenum production was 1.4 million pounds. Higher than normal scheduled downtime in both concentrators and an 18-day labour strike impacted annual production by approximately 15 million pounds in 2024. Copper grades in 2024 averaged 0.23% and Total operating costs (C1) were US$2.66 per pound produced.

Copper production in 2025 is expected to increase to 120 to 130 million pounds as mill operating time returns to normal levels and the restart of the SX/EW plant adds additional capacity. However, production will be weighted to the back half of the year and the first quarter will be the lowest production quarter as lower grade ore stockpiles will be used to supplement mined ore from a new pushback in the Connector pit.

At Florence Copper, construction is advancing on schedule, including all critical path items, and the overall project completion was over 60% as of the end of January. A total of 58 out of the 90 production wells to be drilled during the construction phase have now been completed. In the SX/EW area, construction activities are focussed on mechanical, piping and electrical installations. The erection of the electrowinning building has commenced, and construction of the tank farm is well advanced. Work in the pipe corridor continues with lining and pipe installation nearly complete.

Stuart McDonald, President and CEO of Taseko, commented, "We had a strong finish to the year at Gibraltar and, with both concentrators operating well, the mine achieved a new record for quarterly mill throughput. With stable milling operations expected in 2025 we expect a significant improvement in annual production of copper and molybdenum, although we will see lower head grades in the first part of the year during a new pushback in the Connector pit. The refurbishment of the SX/EW plant is progressing on schedule and first cathode production at Gibraltar is anticipated in the second quarter."

Mr. McDonald continued, “We remain pleased with the construction progress at Florence. Four drill rigs are advancing wellfield drilling which is scheduled for completion in the second quarter. Our construction workforce is currently at approximately 360 workers, and will reach peak manpower levels this quarter. First copper production continues to be targeted before the end of the year.”

“The Company remains in a solid financial position with a year end cash balance of $173 million and available liquidity of approximately $331 million, including our undrawn credit facility. Recent trends in global markets are benefitting Gibraltar as copper prices have risen 8% since the start of the year, and the Canadian dollar has weakened relative to the US dollar. Gibraltar’s cost structure will also benefit this year from copper offtake contracts at average TC/RCs of zero, higher by-product credits from increased molybdenum production, and lower oil prices. Our copper price protection at a minimum price of US$4.00 per pound for all of 2025, provides additional downside protection. We’re very excited about the year ahead as we’re now less than 12 months from first copper production at Florence Copper, which is going to dramatically improve our business outlook,” added Mr. McDonald.

“In the longer term, the Yellowhead project represents another major growth opportunity for our North American copper business. We’re advancing project permitting this year and also publishing a new technical report, with updated costing and metal prices, and incorporating the new Canadian tax credits available for copper mine development,” concluded Mr. McDonald.

2024 Annual Review

- Earnings from mining operations before depletion, amortization and non-recurring items* for the year was $243.6 million, Adjusted EBITDA* was $224.0 million, and cash flow from operations was $232.6 million;
- GAAP net loss for the year totalled $13.4 million ($0.05 loss per share) and Adjusted net income* was $56.9 million ($0.19 per share);
- Total operating costs (C1)* for the year were US$2.66 per pound produced and the average realized copper price was US$4.17 per pound;
- The Gibraltar mine produced 105.6 million pounds of copper and 1.4 million pounds of molybdenum in 2024. Copper head grades were 0.23% and mill recoveries averaged 78.5% for the year;
- Gibraltar sold 108.0 million pounds of copper for the year (100% basis), resulting in $608.1 million of revenue to Taseko;
- In January 2024, the Company commenced construction of the commercial production facility at its wholly-owned Florence Copper project. Construction activities are advancing on schedule and the project is approximately 56% complete at year end. First copper is expected to be produced in the fourth quarter of 2025;
- In March 2024, Taseko acquired the remaining 12.5% interest in Gibraltar, increasing its effective interest in the mine from 87.5% to 100%. An initial payment of $5 million was paid on closing with remaining consideration to be paid in annual instalments commencing in March 2026, with payments based on the average LME copper price subject to a cap tied to a percentage of Gibraltar’s cashflow; and
- In April 2024, the Company completed an offering of US$500 million aggregate principal amount of 8.25% Senior Secured Notes due 2030. A portion of the proceeds was used to redeem the outstanding US$400 million Senior Secured Notes due 2026 and pay related transaction costs with the remaining proceeds available for capital expenditures, working capital, and general corporate purposes.

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

Fourth Quarter Review

- Fourth quarter earnings from mining operations before depletion, amortization and non-recurring items* was $59.4 million, Adjusted EBITDA* was $55.6 million, and cash flow from operations was $73.3 million;
- GAAP net loss for the quarter totalled $21.2 million ($0.07 loss per share) and Adjusted net income* was $10.5 million ($0.03 per share);
- Gibraltar produced 28.6 million pounds of copper for the quarter. Average head grades were 0.22% and copper recoveries were 78.2% for the quarter;
- Gibraltar sold 27.4 million pounds of copper in the quarter (100% basis) at an average realized copper price of US$4.13 per pound;
- Total operating costs (C1)* for the quarter were US$2.42 per pound produced;
- At Florence, seventeen production wells were constructed in the quarter, bringing the total completed wells to 51 out of the 90 planned. Development of the main pipe corridor from the wellfield to the processing plant are mostly completed. Electrical, mechanical and piping installations are underway for the solvent extraction and electrowinning ("SX/EW") plant and other site infrastructure;
- In November 2024, the Company entered into an amendment to its revolving credit facility, extending the maturity date to November 2027, and increasing the facility amount to US$110 million from US$80 million. No amounts are currently drawn against the revolving credit facility;
- In December 2024, the Company closed a transaction with Osisko Gold Royalties, amending the Gibraltar silver stream agreement and increasing the attributable silver percentage from 87.5% to 100% in exchange for an additional cash payment of US$12.7 million; and
- The Company had a cash balance of $173 million and approximately $331 million of available liquidity at December 31, 2024 including its undrawn corporate credit facility.

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

Highlights

Operating Data (Gibraltar - 100% basis)	Three months ended December 31,			Year ended December 31,		
	2024	2023	Change	2024	2023	Change
Tons mined (millions)	24.0	24.1	(0.1)	88.3	88.1	0.2
Tons milled (millions)	8.3	7.6	0.7	29.3	30.0	(0.7)
Production (million pounds Cu)	28.6	34.2	(5.6)	105.6	122.6	(17.0)
Sales (million pounds Cu)	27.4	35.9	(8.5)	108.0	120.7	(12.7)

Financial Data	Three months ended December 31,			Year ended December 31,		
(Cdn$ thousands, except per share amounts)	2024	2023	Change	2024	2023	Change
Revenues	167,799	153,694	14,105	608,093	524,972	83,121
Cash flows from operations	73,292	62,835	10,457	232,615	151,092	81,523
Net (loss) income	(21,207)	38,076	(59,283)	(13,444)	82,726	(96,170)
Per share - basic ("EPS")	(0.07)	0.13	(0.20)	(0.05)	0.29	(0.34)
Earnings from mining operations before depletion, amortization and non-recurring items*	59,405	73,106	(13,701)	243,646	207,354	36,292
Adjusted EBITDA*	55,602	69,107	(13,505)	223,991	190,079	33,912
Adjusted net income*	10,468	24,061	(13,593)	56,927	44,431	12,496
Per share - basic ("Adjusted EPS")*	0.03	0.08	(0.05)	0.19	0.15	0.04

Effective as of March 25, 2024, the Company increased its ownership in Gibraltar from 87.5% to 100%. As a result, the financial results reported in this MD&A include 100% of Gibraltar's income and expenses for the period March 25, 2024, to December 31, 2024 (87.5% for the period March 16, 2023 to March 24, 2024, and 75% prior to March 15, 2023).

The Company finalized the accounting for the acquisition of the remaining 50% interest in Cariboo from Dowa Metals & Mining Co., Ltd. ("Dowa") and Furukawa Co., Ltd. ("Furukawa") and the related 12.5% interest in Gibraltar in the fourth quarter of 2024. For more information on the Company's acquisition of Cariboo, please refer to the Financial Statements – Note 3.

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

Review of Operations

Gibraltar mine

Operating data (100% basis)	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	YE 2024	YE 2023
Tons mined (millions)	23.9	23.2	18.4	22.8	24.1	88.3	88.1
Tons milled (millions)	8.3	7.6	5.7	7.7	7.6	29.3	30.0
Strip ratio	1.9	1.2	1.6	1.7	1.5	1.6	1.3
Site operating cost per ton milled (Cdn$)*	$12.18	$14.23	$13.93	$11.73	$9.72	$12.93	$12.16
Copper concentrate							
Head grade (%)	0.22	0.23	0.23	0.24	0.27	0.23	0.25
Copper recovery (%)	78.2	78.9	77.7	79.0	82.2	78.5	82.6
Production (million pounds Cu)	28.6	27.1	20.2	29.7	34.2	105.6	122.6
Sales (million pounds Cu)	27.4	26.3	22.6	31.7	35.9	108.0	120.7
Inventory (million pounds Cu)	4.1	2.9	2.3	4.9	6.9	4.1	6.9
Molybdenum concentrate							
Production (thousand pounds Mo)	578	421	185	247	369	1,432	1,202
Sales (thousand pounds Mo)	607	348	221	258	364	1,434	1,190
Per unit data (US$ per pound produced)*							
Site operating costs*	$2.52	$2.91	$2.88	$2.21	$1.59	$2.61	$2.19
By-product credits*	(0.42)	(0.25)	(0.26)	(0.17)	(0.13)	(0.28)	(0.20)
Site operating costs, net of by-product credits*	$2.10	$2.66	$2.62	$2.04	$1.46	$2.33	$1.99
Off-property costs	0.32	0.26	0.37	0.42	0.45	0.33	0.38
Total operating costs (C1)*	$2.42	$2.92	$2.99	$2.46	$1.91	$2.66	$2.37

Operations Analysis

Full Year Results

Gibraltar produced 105.6 million pounds of copper for the year compared to 122.6 million pounds of copper in 2023 with lower mill running time being the primary factor for the decreased production.

Both concentrators were down for 18 days in June when the unionized workforce went on strike. The strike overlapped with planned downtime in Concentrator #1 for its primary crusher move as well as major maintenance on its SAG, which extended the downtime to approximately seven weeks. Concentrator #2 was also down in January 2024 for a planned major component replacement on its ball mill. The reduced operating hours in 2024 resulted in approximately 15 million fewer copper pounds being produced compared to normal milling rates at similar grades and recoveries.

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

Operations Analysis - Continued

A total of 88.3 million tons were mined in the year consistent with the 88.1 million tons mined in 2023. The strip ratio increased to 1.6 from 1.3 as mining operations transitioned into the Connector pit in 2024. The Gibraltar pit, which was the main source of ore in 2023, had a lower strip ratio. Ore stockpiles also increased by 5.0 million tons in 2024, comprised primarily of oxide ore from the upper benches of the Connector pit. The oxide ore stockpiled will allow the restart of the Gibraltar SX/EW plant in the second quarter of 2025.

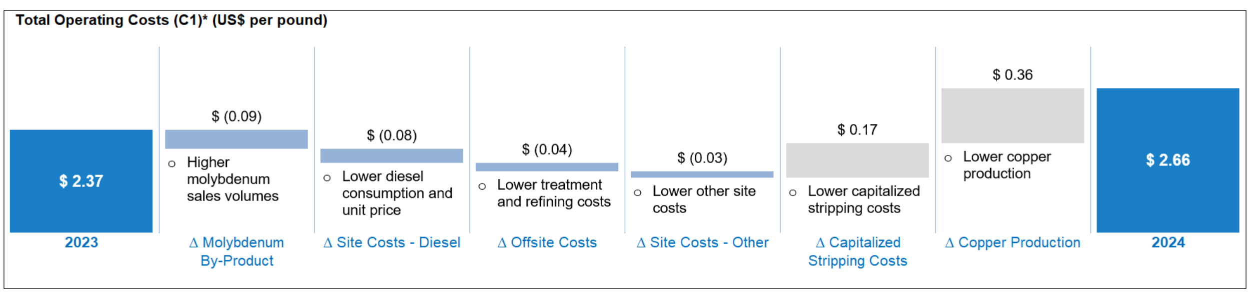
Total site costs* at Gibraltar of $413.9 million (100% basis) were $16.9 million lower than 2023 due to lower input costs such as diesel and the impact of the 18-day labour strike in June 2024 which reduced site operating costs in the second quarter of 2024.

Transportation costs for the year ended December 31, 2024 increased by $5.4 million over the same prior period, due to higher costs for rail, ocean freight and port handling costs, and trucking related costs.

Molybdenum production was 1.4 million pounds in the year compared to 1.2 million pounds in the prior year. Molybdenum prices weakened in 2024 with an average molybdenum price of US$21.30 per pound, a decrease of 12% compared to the 2023 average price of US$24.19 per pound.

Off-property costs per pound produced* were US$0.33 for the year, which is US$0.05 lower than the prior year primarily due to a decrease in realized treatment and refining charges (TC/RC) rates due to the tightening smelter market.

Total operating costs per pound produced (C1)* was US$2.66 for the year, compared to US$2.37 in the prior year and the increase was substantially attributed to lower production and less capitalized stripping costs as shown in the bridge graph below:



Fourth Quarter Results

Gibraltar produced 28.6 million pounds of copper in the quarter. Copper head grades were 0.22% and copper recoveries in the fourth quarter were 78%, in line with recent quarters. Mill throughput was 8.3 million tons, consistently above nameplate capacity throughout the quarter and benefitting from the softer characteristics of the ore feed.

A total of 24.0 million tons were mined in the fourth quarter at an average strip ratio of 1.9 and the majority of ore and waste mining occurred in the Connector pit.

Total site costs* at Gibraltar of $102.5 million (100% basis) were lower than the third quarter of 2024, with the prior quarter including repairs and maintenance costs associated with a large maintenance project on one of the shovels.

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

Operations Analysis - Continued

Molybdenum production was 578 thousand pounds in the fourth quarter. The 57% increase in quarter-over-quarter production is primarily due to higher molybdenum grade in the Connector pit ore. At an average molybdenum price of US$21.71 per pound, molybdenum generated a meaningful by-product credit per pound of copper produced of US$0.42 in the fourth quarter.

Off-property costs per pound produced* were US$0.32 for the fourth quarter, in line with average costs for the year.

Gibraltar Outlook

With the major project and related mill maintenance work completed in 2024, increased mill availability and higher throughput is expected to be the primary driver of improved copper production in 2025. Refurbishment of Gibraltar's SX/EW plant, which has been idle since 2015, is underway and the plant is expected to start producing copper cathode in the second quarter. Total copper production for the year is expected to be in the range of 120 to 130 million pounds.

Mining activities have transitioned to the Connector pit, which will be the main source of mill feed going forward. A new pushback in the Connector pit has been initiated in early 2025 resulting in a higher strip ratio in the first quarter. Lower grade ore stockpiles will be utilized to supplement mined ore during this period, and as a result 2025 copper production will be weighted to the second half of the year.

Molybdenum production is forecast to increase in 2025 as molybdenum head grades are expected to be notably higher in the Connector pit ore compared to the Gibraltar pit ore.

The Company has previously entered into offtake contracts for Gibraltar concentrate production in 2025 and 2026, which will result in significantly lower treatment and refining costs ("TC/RCs"). In 2024, TC/RCs accounted for approximately US$0.09 per pound of off-property costs, and with the new offtake contracts, the Company expects average TC/RCs to reduce to zero in 2025 and 2026.

The Company benefits from a strengthening of the US dollar relative to the Canadian dollar as our sales contracts are priced in US dollars whereas our Gibraltar mine costs are primarily incurred in Canadian dollars.

The Company also has a prudent hedging program in place to protect a minimum copper price during the Florence construction period. Currently, the Company has 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).

Florence Copper

The Company has all the key permits in place for the commercial production facility at Florence Copper and construction of the Florence Copper commercial production facility continues to advance on schedule. Nearly 450,000 project hours have been worked with no reportable injuries or environmental incidents. The Company has a fixed-price contract with the general contractor for construction of the SX/EW plant and associated surface infrastructure.

A total of 51 production wells out of a total of 90 new wells had been completed as of December 31, 2024. Process ponds and surface water runoff pond construction are complete, and development of the main pipe corridor is substantially complete with the installation of high density polyethylene piping in the corridor ongoing. Mechanical and piping installations are underway throughout the SX/EW plant, erection of structural steel for solvent extraction pipe rack is nearing completion, and the electrical work has commenced.

Florence Copper - Continued

Florence Copper Quarterly Capital Spend

(US$ in thousands)	Three months ended December 31, 2024	Year ended December 31, 2024
Site and PTF operations	6,007	19,512
Commercial facility construction costs	57,647	154,970
Other capital costs	-	28,943
Total Florence project expenditures	**63,654**	**203,425**

Construction costs in the fourth quarter were US$57.6 million, and US$155.0 million has been incurred for the year ended December 31, 2024. Other capital costs of US$28.9 million include final payments for delivery of long-lead equipment that was ordered in 2022, and the construction of an evaporation pond to provide additional water management flexibility. Construction of this evaporation pond was completed in the third quarter of 2024.

The Company has closed several Florence project level financings to fund initial commercial facility construction costs. In October the Company received the fourth deposit of US$10 million from the US$50 million copper stream transaction with Mitsui & Co. (U.S.A.) Inc. ("Mitsui"). The final deposit of US$10 million was received in January 2025.

Remaining project construction costs are expected to be funded with the Company's available liquidity and cashflow from its 100% ownership interest in Gibraltar. The Company also has in place an undrawn corporate revolving credit facility for US$110 million.

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)

Based on the 2023 Technical report, the estimated remaining construction costs for the commercial facility were US$232 million (basis Q3 2022), and management expects that total costs will be within 10% to 15% of that estimate. Florence Copper remains on track for first copper production in late 2025.

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

The Yellowhead Project ("Yellowhead") is expected to produce 4.4 billion pounds of copper over a 25-year mine life at an average C1* cost, net of by-product credit, of US$1.67 per pound. During the first 5 years of operation, Yellowhead will produce an average of 200 million pounds of copper per year at an average C1* cost, net of by-product credit, of US$1.43 per pound. The Yellowhead project also 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 economic analysis in the 2020 Technical Report was prepared using long-term copper price of US$3.10 per pound, a gold price of US$1,350 per ounce, and silver price of US$18 per ounce. This report entitled "Technical Report on the Mineral Reserve Update at the Yellowhead Copper Project, British Columbia, Canada" was published on January 16, 2020, under the supervision of Richard Weymark, P. Eng., MBA, Vice President, Engineering for Taseko and a Qualified Person as defined by NI 43-101. Taseko plans to publish a new technical report in 2025 using updated long-term metal price assumptions, updated project costing, and incorporating the new Canadian tax credits available for copper mine development.

The Company is ready to enter the environmental assessment process and plans to submit an Initial Project Description to formally commence this process with the regulators in the second quarter this year. The Company is also focusing discussions with the regulators on developing a workplan to streamline the overall permitting process. Taseko opened a project office in 2024 to support ongoing engagement with local communities including First Nations.

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 Teztan Biny (Fish Lake).

The dialogue process has made meaningful progress in recent months and is close to completion. 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.

Aley Niobium Project

The converter pilot test is ongoing to provide additional process data to support the design of commercial process facilities and final product samples to support product marketing initiatives. 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.

Conference Call and Webcast

The Company will host a telephone conference call and live webcast on Thursday, February 20, 2025, at 11:00 a.m. Eastern Time (8:00 a.m. Pacific) to discuss these results. After opening remarks by management, there will be a question-and-answer session open to analysts and investors.

Participants can join by conference call dial-in or webcast:

Conference Call Dial-In

- Participants can dial in to the conference call; however, pre-registration is required
- To register, visit https://bit.ly/Q42024_Dialin
- Once registered, an email will be sent, including dial-in details and a unique access code required to join the live call
- Please ensure you have registered at least 15 minutes prior to the conference call start time

Webcast

- A live webcast of the conference call can be accessed at Taseko Mines | Events
- The webcast will be archived for later playback until March 13, 2025 at Taseko Mines | Events

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

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

Non-GAAP Performance Measures

This document includes certain non-GAAP performance measures that do not have a standardized meaning prescribed by IFRS. These measures may differ from those used by, and may not be comparable to such measures as reported by, other issuers. The Company believes that these measures are commonly used by certain investors, in conjunction with conventional IFRS measures, to enhance their understanding of the Company's performance. These measures have been derived from the Company's financial statements and applied on a consistent basis. The following tables below provide a reconciliation of these non-GAAP measures to the most directly comparable IFRS Accounting Standards 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)	**2024 Q4**	**2024 Q3**	**2024 Q2**	**2024 Q1**[1]	**2024 YE**[1]
Cost of sales	134,940	124,833	108,637	122,528	490,938
Less:					
Depletion and amortization	(24,641)	(20,466)	(13,721)	(15,024)	(73,852)
Net change in inventories of finished goods	4,064	2,938	(10,462)	(20,392)	(23,852)
Net change in inventories of ore stockpiles	(3,698)	9,089	1,758	2,719	9,868
Transportation costs	(10,170)	(8,682)	(6,408)	(10,153)	(35,413)
Site operating costs	100,495	107,712	79,804	79,678	367,689
Less by-product credits:					
Molybdenum, net of treatment costs	(16,507)	(8,962)	(7,071)	(6,112)	(38,652)
Silver, excluding amortization of deferred revenue	(139)	(241)	(144)	(137)	(661)
Site operating costs, net of by-product credits	83,849	98,509	72,589	73,429	328,376
Total copper produced (thousand pounds)	28,595	27,101	20,225	26,694	102,615
Total costs per pound produced	2.94	3.63	3.59	2.75	3.20
Average exchange rate for the period (CAD/USD)	1.40	1.36	1.37	1.35	1.37
Site operating costs, net of by-product credits (US$ per pound)	2.10	2.66	2.62	2.04	2.33
Site operating costs, net of by-product credits	83,849	98,509	72,589	73,429	328,376
Add off-property costs:					
Treatment and refining costs	2,435	816	3,941	4,816	12,008
Transportation costs	10,170	8,682	6,408	10,153	35,413
Total operating costs	96,454	108,007	82,938	88,398	375,797
Total operating costs (C1) (US$ per pound)	**2.42**	**2.92**	**2.99**	**2.46**	**2.66**

[1] Q1 2024 includes the impact from the March 25, 2024 acquisition of Cariboo from Dowa and Furukawa, which increased the Company's Gibraltar mine ownership from 87.5% to 100%.

Non-GAAP Performance Measures - Continued

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

(Cdn$ in thousands, unless otherwise indicated)	2023 Q4	2023 Q3	2023 Q2	2023 Q1[1]	2023 YE[1]
Cost of sales	93,914	94,383	99,854	86,407	374,558
Less:					
Depletion and amortization	(13,326)	(15,993)	(15,594)	(12,027)	(56,940)
Net change in inventories of finished goods	(1,678)	4,267	3,356	(399)	5,546
Net change in inventories of ore stockpiles	(3,771)	12,172	2,724	5,561	16,686
Transportation costs	(10,294)	(7,681)	(6,966)	(5,104)	(30,045)
Site operating costs	64,845	87,148	83,374	74,438	309,805
Oxide ore stockpile reclassification from capitalized stripping	-	-	(3,183)	3,183	-
Less by-product credits:					
Molybdenum, net of treatment costs	(5,441)	(9,900)	(4,018)	(9,208)	(28,567)
Silver, excluding amortization of deferred revenue	124	290	(103)	(160)	151
Site operating costs, net of by-product credits	59,528	77,538	76,070	68,253	281,389
Total copper produced (thousand pounds)	29,883	30,978	24,640	19,491	104,992
Total costs per pound produced	1.99	2.50	3.09	3.50	2.68
Average exchange rate for the period (CAD/USD)	1.36	1.34	1.34	1.35	1.35
Site operating costs, net of by-product credits (US$ per pound)	1.46	1.87	2.30	2.59	1.99
Site operating costs, net of by-product credits	59,528	77,538	76,070	68,253	281,389
Add off-property costs:					
Treatment and refining costs	7,885	6,123	4,986	4,142	23,136
Transportation costs	10,294	7,681	6,966	5,104	30,045
Total operating costs	77,707	91,342	88,022	77,499	334,570
Total operating costs (C1) (US$ per pound)	**1.91**	**2.20**	**2.66**	**2.94**	**2.37**

[1] Q1 2023 includes the impact from the March 15, 2023 acquisition of Cariboo from Sojitz, which increased the Company’s Gibraltar mine ownership from 75% to 87.5%.

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) – 100% basis (except for Q1 2024)	**2024 Q4**	**2024 Q3**	**2024 Q2**	**2024 Q1[1]**	**2024 YE[1]**
Site operating costs	100,495	107,712	79,804	79,678	367,689
Add:					
Capitalized stripping costs	1,981	3,631	10,732	16,152	32,496
Total site costs – Taseko share	**102,476**	**111,343**	**90,536**	**95,830**	**400,185**
Total site costs – 100% basis	**102,476**	**111,343**	**90,536**	**109,520**	**413,875**

[1] Q1 2024 includes the impact from the March 25, 2024 acquisition of Cariboo from Dowa and Furukawa, which increased the Company's Gibraltar mine ownership from 87.5% to 100%.

(Cdn$ in thousands, unless otherwise indicated) – 87.5% basis (except for Q1 2023)	**2023 Q4**	**2023 Q3**	**2023 Q2**	**2023 Q1[1]**	**2023 YE[1]**
Site operating costs	64,845	87,148	83,374	74,438	309,805
Add:					
Capitalized stripping costs	31,916	2,083	8,832	12,721	55,552
Total site costs – Taseko share	**96,761**	**89,231**	**92,206**	**87,159**	**365,357**
Total site costs – 100% basis	**110,584**	**101,978**	**105,378**	**112,799**	**430,739**

[1] Q1 2023 includes the impact from the March 15, 2023 acquisition of Cariboo from Sojitz, which increased the Company's Gibraltar mine ownership from 75% to 87.5%.

Non-GAAP Performance Measures - Continued

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;
- Other operating costs;
- Call premium on settlement of debt;
- Loss on settlement of long-term debt, net of capitalized interest;
- Bargain purchase gains on Cariboo acquisition;
- Gain on acquisition of control of Gibraltar;
- Realized gain on sale of finished goods inventory;
- Inventory write-ups to net realizable value that was sold or processed;
- Accretion and fair value adjustment on Florence royalty obligation; and
- Finance and other non-recurring costs for Cariboo acquisition.

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.

Adjusted EPS is the Adjusted net income (loss) attributable to common shareholders of the Company divided by the weighted average number of common shares outstanding during the period.

Non-GAAP Performance Measures - Continued

Adjusted net income (loss) and Adjusted EPS (Continued)

(Cdn$ in thousands, except per share amounts)	2024 Q4	2024 Q3	2024 Q2	2024 Q1	2024 YE
Net (loss) income	**(21,207)**	**(180)**	**(10,953)**	**18,896**	**(13,444)**
Unrealized foreign exchange loss (gain)	40,462	(7,259)	5,408	13,688	52,299
Unrealized (gain) loss on derivatives	(25,514)	1,821	10,033	3,519	(10,141)
Other operating costs[1]	4,132	4,098	10,435	-	18,665
Call premium on settlement of debt	-	-	9,571	-	9,571
Loss on settlement of long term debt, net of capitalized interest	-	-	2,904	-	2,904
Gain on Cariboo acquisition	-	-	-	(47,426)	(47,426)
Gain on acquisition of control of Gibraltar[2]	-	-	-	(14,982)	(14,982)
Realized gain on sale of inventory[3]	-	-	3,768	13,354	17,122
Inventory write-ups to net realizable value that was sold or processed[4]	1,905	3,266	4,056	-	9,227
Accretion and fair value adjustment on Florence royalty obligation	3,682	3,703	2,132	3,416	12,933
Accretion and fair value adjustment on consideration payable to Cariboo	4,543	9,423	8,399	1,555	23,920
Non-recurring other expenses for Cariboo adjustment	-	-	394	138	532
Estimated tax effect of adjustments	2,465	(6,644)	(15,644)	15,570	(4,253)
Adjusted net income	**10,468**	**8,228**	**30,503**	**7,728**	**56,927**
Adjusted EPS	**0.03**	**0.03**	**0.10**	**0.03**	**0.19**

[1] Other operating costs relates to the in-pit crusher relocation project and care and maintenance costs due to the June 2024 labour strike.

[2] The $15.0 million gain on acquisition of control of Gibraltar in Q1 2024 relates to the write-up of finished copper concentrate inventory for Taseko's 87.5% share to its fair value at March 25, 2024.

[3] Cost of sales for the year ended December 31, 2024 included $17.1 million in write-ups to net realizable value for concentrate inventory held at the date of acquisition of control of Gibraltar (March 25, 2024) that were subsequently sold. The realized portion of the gains recorded in the first quarter for GAAP purposes was $13.4 million and for the second quarter were $3.8 million and have been included in Adjusted net income in the period they were sold.

[4] Write-ups to net realizable value for inventory held at the date of acquisition of control of Gibraltar (March 25, 2024) totaled $9.2 million. The inventory write-ups in the first quarter for GAAP purposes have been included in Adjusted net income in the period they were sold or processed. Cost of sales for the year ended December 31, 2024 included $9.2 million in inventory write-ups that were subsequently sold or processed between the second and fourth quarter.

Non-GAAP Performance Measures - Continued

(Cdn$ in thousands, except per share amounts)	2023 Q4	2023 Q3	2023 Q2	2023 Q1	2023 YE
Net income	**38,076**	**871**	**9,991**	**33,788**	**82,726**
Unrealized foreign exchange (gain) loss	(14,541)	14,582	(10,966)	(950)	(11,875)
Unrealized loss (gain) on derivatives	1,636	4,518	(6,470)	2,190	1,874
Gain on Cariboo acquisition	-	-	-	(46,212)	(46,212)
Finance and other non-recurring costs	(916)	1,244	1,714	-	2,042
Estimated tax effect of adjustments	(194)	(1,556)	1,355	16,271	15,876
Adjusted net income (loss)	**24,061**	**19,659**	**(4,376)**	**5,087**	**44,431**
Adjusted EPS	**0.08**	**0.07**	**(0.02)**	**0.02**	**0.15**

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;
- Other operating costs;
- Call premium on settlement of debt;
- Loss on settlement of long-term debt;
- Bargain purchase gains on Cariboo acquisition;
- Gain on acquisition of control of Gibraltar;
- Realized gain on sale of finished goods inventory;
- Inventory write-ups to net realizable value that was sold or processed; and
- Finance and other non-recurring costs for Cariboo acquisition.

Non-GAAP Performance Measures - Continued

Adjusted EBITDA (Continued)

(Cdn$ in thousands)	2024 Q4	2024 Q3	2024 Q2	2024 Q1	2024 YE
Net (loss) income	**(21,207)**	**(180)**	**(10,953)**	**18,896**	**(13,444)**
Add:					
Depletion and amortization	24,641	20,466	13,721	15,024	73,852
Finance and accretion expense	21,473	25,685	21,271	19,849	88,278
Finance income	(1,674)	(1,504)	(911)	(1,086)	(5,175)
Income tax expense (recovery)	11,707	(200)	(3,247)	23,282	31,542
Unrealized foreign exchange loss (gain)	40,462	(7,259)	5,408	13,688	52,299
Unrealized (gain) loss on derivatives	(25,514)	1,821	10,033	3,519	(10,141)
Amortization of share-based compensation (recovery) expense	(323)	1,496	2,585	5,667	9,425
Other operating costs	4,132	4,098	10,435	-	18,665
Call premium on settlement of debt	-	-	9,571	-	9,571
Loss on settlement of long-term debt	-	-	4,646	-	4,646
Gain on Cariboo acquisition	-	-	-	(47,426)	(47,426)
Gain on acquisition of control of Gibraltar[1]	-	-	-	(14,982)	(14,982)
Realized gain on sale of inventory[2]	-	-	3,768	13,354	17,122
Inventory write-ups to net realizable value that was sold or processed[3]	1,905	3,266	4,056	-	9,227
Non-recurring other expenses for Cariboo acquisition	-	-	394	138	532
Adjusted EBITDA	**55,602**	**47,689**	**70,777**	**49,923**	**223,991**

[1] The $15.0 million gain on acquisition of control of Gibraltar in Q1 2024 relates to the write-up of finished copper concentrate inventory for Taseko's 87.5% share to its fair value at March 25, 2024.

[2] Cost of sales for the year ended December 31, 2024 included $17.1 million in write-ups to net realizable value for concentrate inventory held at the date of acquisition of control of Gibraltar (March 25, 2024) that were subsequently sold. The realized portion of the gains recorded in the first quarter for GAAP purposes was $13.4 million and for the second quarter were $3.8 million and have been included in Adjusted net income in the period they were sold.

[3] Write-ups to net realizable value for inventory held at the date of acquisition of control of Gibraltar (March 25, 2024) totaled $9.2 million. The inventory write-ups in the first quarter for GAAP purposes have been included in Adjusted net income in the period they were sold or processed. Cost of sales for the year ended December 31, 2024 included $9.2 million in inventory write-ups that were subsequently between the second and fourth quarter.

Non-GAAP Performance Measures - Continued

Adjusted EBITDA (Continued)

(Cdn$ in thousands)	2023 Q4	2023 Q3	2023 Q2	2023 Q1	2023 YE
Net income	**38,076**	**871**	**9,991**	**33,788**	**82,726**
Add:					
Depletion and amortization	13,326	15,993	15,594	12,027	56,940
Finance and accretion expense	12,804	14,285	13,468	12,309	52,866
Finance income	(972)	(322)	(757)	(921)	(2,972)
Income tax expense	17,205	12,041	678	20,219	50,143
Unrealized foreign exchange (gain) loss	(14,541)	14,582	(10,966)	(950)	(11,875)
Unrealized loss (gain) on derivatives	1,636	4,518	(6,470)	2,190	1,874
Amortization of share-based compensation expense	1,573	727	417	3,609	6,326
Gain on Cariboo acquisition	-	-	-	(46,212)	(46,212)
Non-recurring other expenses for Cariboo acquisition	-	-	263	-	263
Adjusted EBITDA	**69,107**	**62,695**	**22,218**	**36,059**	**190,079**

Non-GAAP Performance Measures - Continued

Earnings from mining operations before depletion, amortization, and non-recurring items

Earnings from mining operations before depletion, amortization, and non-recurring items is earnings from mining operations with depletion and amortization, and any items that are not considered indicative of ongoing operating performance added back. The Company discloses this measure, which has been derived from our financial statements and applied on a consistent basis, to assist 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)	2024 Q4	2024 Q3	2024 Q2	2024 Q1	2024 YE
Earnings from mining operations	**28,727**	**26,686**	**44,948**	**24,419**	**124,780**
Add:					
Depletion and amortization	24,641	20,466	13,721	15,024	73,852
Realized gain on sale of inventory[1]	-	-	3,768	13,354	17,122
Inventory write-ups to net realizable value that was sold or processed[2]	1,905	3,266	4,056	-	9,227
Other operating costs[3]	4,132	4,098	10,435	-	18,665
Earnings from mining operations before depletion, amortization, and non-recurring items	**59,405**	**54,516**	**76,928**	**52,797**	**243,646**

[1] Cost of sales for the year ended December 31, 2024 included $17.1 million in write-ups to net realizable value for concentrate inventory held at the date of acquisition of control of Gibraltar (March 25, 2024) that were subsequently sold. The realized portion of the gains recorded in the first quarter for GAAP purposes was $13.4 million and for the second quarter were $3.8 million and have been included in Adjusted net income in the period they were sold.

[2] Write-ups to net realizable value for inventory held at the date of acquisition of control of Gibraltar (March 25, 2024) totaled $9.2 million. The inventory write-ups in the first quarter for GAAP purposes have been included in Adjusted net income in the period they were sold or processed. Cost of sales for the year ended December 31, 2024 included $9.2 million in inventory write-ups that were subsequently sold or processed in the second and third quarters.

[3] Other operating costs relates to the in-pit crusher relocation project and care and maintenance costs due to the June 2024 labour strike.

During the year ended December 31, 2024, the realized gain on sale of inventory and inventory write-ups to net realizable value that was sold or processed, relates to inventory held at the date of acquisition of control of Gibraltar (March 25, 2024) that was written-up from book value to net realizable value and subsequently sold or processed.

(Cdn$ in thousands)	2023 Q4	2023 Q3	2023 Q2	2023 Q1	2023 YE
Earnings from mining operations	**59,780**	**49,452**	**12,070**	**29,112**	**150,414**
Add:					
Depletion and amortization	13,326	15,993	15,594	12,027	56,940
Earnings from mining operations before depletion and amortization	**73,106**	**65,445**	**27,664**	**41,139**	**207,354**

Non-GAAP Performance Measures - Continued

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 Q4	2024 Q3	2024 Q2	2024 Q1[1]	2024 YE[1]
Site operating costs (included in cost of sales) – Taseko share	**100,495**	**107,712**	**79,804**	**79,678**	**367,689**
Site operating costs – 100% basis	**100,495**	**107,712**	**79,804**	**90,040**	**378,050**
Tons milled (thousands)	8,250	7,572	5,728	7,677	29,227
Site operating costs per ton milled	**$12.18**	**$14.23**	**$13.93**	**$11.73**	**$12.93**

[1] 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%.

(Cdn$ in thousands, except per ton milled amounts)	2023 Q4	2023 Q3	2023 Q2	2023 Q1[1]	2023 YE[1]
Site operating costs (included in cost of sales) – Taseko share	**64,845**	**87,148**	**83,374**	**74,438**	**309,805**
Site operating costs – 100% basis	**74,109**	**99,598**	**95,285**	**95,838**	**364,830**
Tons milled (thousands)	7,626	8,041	7,234	7,093	29,994
Site operating costs per ton milled	**$9.72**	**$12.39**	**$13.17**	**$13.54**	**$12.16**

[1] Q1 2023 includes the impact from the March 15, 2023 acquisition of Cariboo from Sojitz, which increased the Company's Gibraltar mine ownership from 75% to 87.5%.

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.

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.sedarplus.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.

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 compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") for the year ended December 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 February 19, 2025. 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 41.

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 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 assets are the 100% owned Gibraltar mine ("Gibraltar"), which is located in central British Columbia and one of the largest copper mines in North America, and the Florence Copper project ("Florence Copper") in Arizona, which is currently under construction. Taseko also owns the Yellowhead copper, New Prosperity gold-copper, and Aley niobium projects in British Columbia.

Highlights

Operating Data (Gibraltar - 100% basis)	Three months ended December 31,			Year ended December 31,		
	2024	2023	Change	2024	2023	Change
Tons mined (millions)	24.0	24.1	(0.1)	88.3	88.1	0.2
Tons milled (millions)	8.3	7.6	0.7	29.3	30.0	(0.7)
Production (million pounds Cu)	28.6	34.2	(5.6)	105.6	122.6	(17.0)
Sales (million pounds Cu)	27.4	35.9	(8.5)	108.0	120.7	(12.7)

Financial Data	Three months ended December 31,			Year ended December 31,		
(Cdn$ thousands, except per share amounts)	2024	2023	Change	2024	2023	Change
Revenues	167,799	153,694	14,105	608,093	524,972	83,121
Cash flows from operations	73,292	62,835	10,457	232,615	151,092	81,523
Net (loss) income	(21,207)	38,076	(59,283)	(13,444)	82,726	(96,170)
Per share - basic ("EPS")	(0.07)	0.13	(0.20)	(0.05)	0.29	(0.34)
Earnings from mining operations before depletion, amortization and non-recurring items*	59,405	73,106	(13,701)	243,646	207,354	36,292
Adjusted EBITDA*	55,602	69,107	(13,505)	223,991	190,079	33,912
Adjusted net income*	10,468	24,061	(13,593)	56,927	44,431	12,496
Per share - basic ("Adjusted EPS")*	0.03	0.08	(0.05)	0.19	0.15	0.04

Effective as of March 25, 2024, the Company increased its ownership in Gibraltar from 87.5% to 100%. As a result, the financial results reported in this MD&A include 100% of Gibraltar's income and expenses for the period March 25, 2024, to December 31, 2024 (87.5% for the period March 16, 2023 to March 24, 2024, and 75% prior to March 15, 2023).

The Company finalized the accounting for the acquisition of the remaining 50% interest in Cariboo from Dowa Metals & Mining Co., Ltd. ("Dowa") and Furukawa Co., Ltd. ("Furukawa") and the related 12.5% interest in Gibraltar in the fourth quarter of 2024. For more information on the Company's acquisition of Cariboo, please refer to the Financial Statements – Note 3.

Highlights (Continued)

2024 Annual Review

- Earnings from mining operations before depletion, amortization and non-recurring items* for the year was $243.6 million, Adjusted EBITDA* was $224.0 million, and cash flow from operations was $232.6 million;
- GAAP net loss for the year totalled $13.4 million ($0.05 loss per share) and Adjusted net income* was $56.9 million ($0.19 per share);
- Total operating costs (C1)* for the year were US$2.66 per pound produced and the average realized copper price was US$4.17 per pound;
- The Gibraltar mine produced 105.6 million pounds of copper and 1.4 million pounds of molybdenum in 2024. Copper head grades were 0.23% and mill recoveries averaged 78.5% for the year;
- Gibraltar sold 108.0 million pounds of copper for the year (100% basis), resulting in $608.1 million of revenue to Taseko;
- In January 2024, the Company commenced construction of the commercial production facility at its wholly-owned Florence Copper project. Construction activities are advancing on schedule and the project is approximately 56% complete at year end. First copper is expected to be produced in the fourth quarter of 2025;
- In March 2024, Taseko acquired the remaining 12.5% interest in Gibraltar, increasing its effective interest in the mine from 87.5% to 100%. An initial payment of $5 million was paid on closing with remaining consideration to be paid in annual instalments commencing in March 2026, with payments based on the average LME copper price subject to a cap tied to a percentage of Gibraltar's cashflow; and
- In April 2024, the Company completed an offering of US$500 million aggregate principal amount of 8.25% Senior Secured Notes due 2030. A portion of the proceeds was used to redeem the outstanding US$400 million Senior Secured Notes due 2026 and pay related transaction costs with the remaining proceeds available for capital expenditures, working capital, and general corporate purposes.

Highlights (Continued)

Fourth Quarter Review

- Fourth quarter earnings from mining operations before depletion, amortization and non-recurring items* was $59.4 million, Adjusted EBITDA* was $55.6 million, and cash flow from operations was $73.3 million;
- GAAP net loss for the quarter totalled $21.2 million ($0.07 loss per share) and Adjusted net income* was $10.5 million ($0.03 per share);
- Gibraltar produced 28.6 million pounds of copper for the quarter. Average head grades were 0.22% and copper recoveries were 78.2% for the quarter;
- Gibraltar sold 27.4 million pounds of copper in the quarter (100% basis) at an average realized copper price of US$4.13 per pound;
- Total operating costs (C1)* for the quarter were US$2.42 per pound produced;
- At Florence, seventeen production wells were constructed in the quarter, bringing the total completed wells to 51 out of the 90 planned. Development of the main pipe corridor from the wellfield to the processing plant are mostly completed. Electrical, mechanical and piping installations are underway for the solvent extraction and electrowinning ("SX/EW") plant and other site infrastructure;
- In November 2024, the Company entered into an amendment to its revolving credit facility, extending the maturity date to November 2027, and increasing the facility amount to US$110 million from US$80 million. No amounts are currently drawn against the revolving credit facility;
- In December 2024, the Company closed a transaction with Osisko Gold Royalties, amending the Gibraltar silver stream agreement and increasing the attributable silver percentage from 87.5% to 100% in exchange for an additional cash payment of US$12.7 million; and
- The Company had a cash balance of $173 million and approximately $331 million of available liquidity at December 31, 2024 including its undrawn corporate credit facility.

Review of Operations

Gibraltar mine

Operating data (100% basis)	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	YE 2024	YE 2023
Tons mined (millions)	24.0	23.2	18.4	22.8	24.1	88.3	88.1
Tons milled (millions)	8.3	7.6	5.7	7.7	7.6	29.3	30.0
Strip ratio	1.9	1.2	1.6	1.7	1.5	1.6	1.3
Site operating cost per ton milled (Cdn$)*	$12.18	$14.23	$13.93	$11.73	$9.72	$12.93	$12.16
Copper concentrate							
Head grade (%)	0.22	0.23	0.23	0.24	0.27	0.23	0.25
Copper recovery (%)	78.2	78.9	77.7	79.0	82.2	78.5	82.6
Production (million pounds Cu)	28.6	27.1	20.2	29.7	34.2	105.6	122.6
Sales (million pounds Cu)	27.4	26.3	22.6	31.7	35.9	108.0	120.7
Inventory (million pounds Cu)	4.1	2.9	2.3	4.9	6.9	4.1	6.9
Molybdenum concentrate							
Production (thousand pounds Mo)	578	421	185	247	369	1,432	1,202
Sales (thousand pounds Mo)	607	348	221	258	364	1,434	1,190
Per unit data (US$ per pound produced)*							
Site operating costs*	$2.52	$2.91	$2.88	$2.21	$1.59	$2.61	$2.19
By-product credits*	(0.42)	(0.25)	(0.26)	(0.17)	(0.13)	(0.28)	(0.20)
Site operating costs, net of by-product credits*	$2.10	$2.66	$2.62	$2.04	$1.46	$2.33	$1.99
Off-property costs	0.32	0.26	0.37	0.42	0.45	0.33	0.38
Total operating costs (C1)*	$2.42	$2.92	$2.99	$2.46	$1.91	$2.66	$2.37

Operations Analysis

Full Year Results

Gibraltar produced 105.6 million pounds of copper for the year compared to 122.6 million pounds of copper in 2023 with lower mill running time being the primary factor for the decreased production.

Both concentrators were down for 18 days in June when the unionized workforce went on strike. The strike overlapped with planned downtime in Concentrator #1 for its primary crusher move as well as major maintenance on its SAG, which extended the downtime to approximately seven weeks. Concentrator #2 was also down in January 2024 for a planned major component replacement on its ball mill. The reduced operating hours in 2024 resulted in approximately 15 million fewer copper pounds being produced compared to normal milling rates at similar grades and recoveries.

A total of 88.3 million tons were mined in the year consistent with the 88.1 million tons mined in 2023. The strip ratio increased to 1.6 from 1.3 as mining operations transitioned into the Connector pit in 2024. The Gibraltar pit, which was the main source of ore in 2023, had a lower strip ratio. Ore stockpiles also increased by 5.0 million tons in 2024, comprised primarily of oxide ore from the upper benches of the Connector pit. The oxide ore stockpiled will allow the restart of the Gibraltar SX/EW plant in the second quarter of 2025.

Total site costs* at Gibraltar of $413.9 million (100% basis) were $16.9 million lower than 2023 due to lower input costs such as diesel and the impact of the 18-day labour strike in June 2024 which reduced site operating costs in the second quarter of 2024.

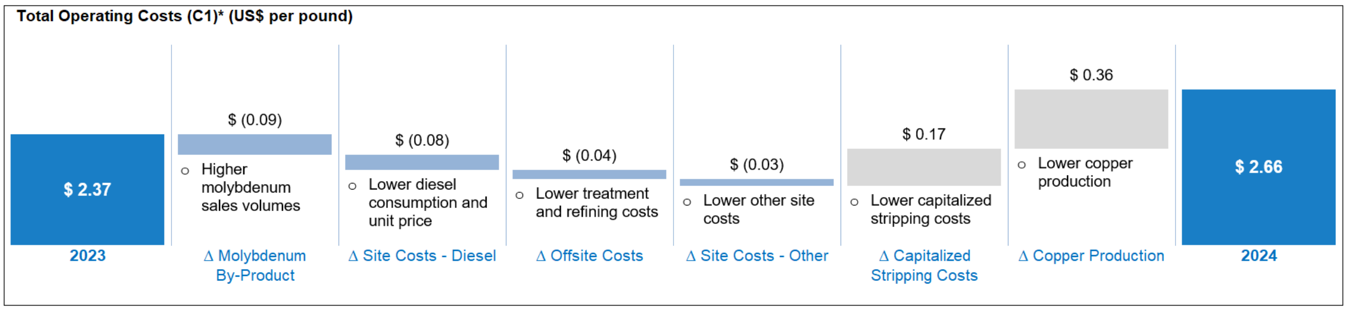
Transportation costs for the year ended December 31, 2024 increased by $5.4 million over the same prior period, due to higher costs for rail, ocean freight and port handling costs, and trucking related costs.

Molybdenum production was 1.4 million pounds in the year compared to 1.2 million pounds in the prior year. Molybdenum prices weakened in 2024 with an average molybdenum price of US$21.30 per pound, a decrease of 12% compared to the 2023 average price of US$24.19 per pound.

Off-property costs per pound produced* were US$0.33 for the year, which is US$0.05 lower than the prior year primarily due to a decrease in realized treatment and refining charges (TC/RC) rates due to the tightening smelter market.

Operations Analysis (Continued)

Total operating costs per pound produced (C1)* was US$2.66 for the year, compared to US$2.37 in the prior year and the increase was substantially attributed to lower production and less capitalized stripping costs as shown in the bridge graph below:



Fourth Quarter Results

Gibraltar produced 28.6 million pounds of copper in the quarter. Copper head grades were 0.22% and copper recoveries in the fourth quarter were 78%, in line with recent quarters. Mill throughput was 8.3 million tons, consistently above nameplate capacity throughout the quarter and benefitting from the softer characteristics of the ore feed.

A total of 24.0 million tons were mined in the fourth quarter at an average strip ratio of 1.9 and the majority of ore and waste mining occurred in the Connector pit.

Total site costs* at Gibraltar of $102.5 million (100% basis) were lower than the third quarter of 2024, with the prior quarter including repairs and maintenance costs associated with a large maintenance project on one of the shovels.

Molybdenum production was 578 thousand pounds in the fourth quarter. The 57% increase in quarter-over-quarter production is primarily due to higher molybdenum grade in the Connector pit ore. At an average molybdenum price of US$21.71 per pound, molybdenum generated a meaningful by-product credit per pound of copper produced of US$0.42 in the fourth quarter.

Off-property costs per pound produced* were US$0.32 for the fourth quarter, in line with average costs for the year.

Gibraltar Outlook

With the major project and related mill maintenance work completed in 2024, increased mill availability and higher throughput is expected to be the primary driver of improved copper production in 2025. Refurbishment of Gibraltar's SX/EW plant, which has been idle since 2015, is underway and the plant is expected to start producing copper cathode in the second quarter. Total copper production for the year is expected to be in the range of 120 to 130 million pounds.

Mining activities have transitioned to the Connector pit, which will be the main source of mill feed going forward. A new pushback in the Connector pit has been initiated in early 2025 resulting in a higher strip ratio in the first quarter. Lower grade ore stockpiles will be utilized to supplement mined ore during this period, and as a result 2025 copper production will be weighted to the second half of the year.

Molybdenum production is forecast to increase in 2025 as molybdenum head grades are expected to be notably higher in the Connector pit ore compared to the Gibraltar pit ore.

The Company has previously entered into offtake contracts for Gibraltar concentrate production in 2025 and 2026, which will result in significantly lower treatment and refining costs ("TC/RCs"). In 2024, TC/RCs accounted for approximately US$0.09 per pound of off-property costs, and with the new offtake contracts, the Company expects average TC/RCs to reduce to zero in 2025 and 2026.

The Company benefits from a strengthening of the US dollar relative to the Canadian dollar as our sales contracts are priced in US dollars whereas our Gibraltar mine costs are primarily incurred in Canadian dollars.

The Company also has a prudent hedging program in place to protect a minimum copper price during the Florence construction period. Currently, the Company has 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).

Florence Copper

The Company has all the key permits in place for the commercial production facility at Florence Copper and construction of the Florence Copper commercial production facility continues to advance on schedule. Nearly 450,000 project hours have been worked with no reportable injuries or environmental incidents. The Company has a fixed-price contract with the general contractor for construction of the SX/EW plant and associated surface infrastructure.

A total of 51 production wells out of a total of 90 new wells had been completed as of December 31, 2024. Process ponds and surface water runoff pond construction are complete, and development of the main pipe corridor is substantially complete with the installation of high density polyethylene piping in the corridor ongoing. Mechanical and piping installations are underway throughout the SX/EW plant, erection of structural steel for solvent extraction pipe rack is nearing completion, and the electrical work has commenced.

Florence Copper (Continued)

Florence Copper Quarterly Capital Spend

(US$ in thousands)	Three months ended December 31, 2024	Year ended December 31, 2024
Site and PTF operations	6,007	19,512
Commercial facility construction costs	57,647	154,970
Other capital costs	-	28,943
Total Florence project expenditures	**63,654**	**203,425**

Construction costs in the fourth quarter were US$57.6 million, and US$155.0 million has been incurred for the year ended December 31, 2024. Other capital costs of US$28.9 million include final payments for delivery of long-lead equipment that was ordered in 2022, and the construction of an evaporation pond to provide additional water management flexibility. Construction of this evaporation pond was completed in the third quarter of 2024.

The Company has closed several Florence project level financings to fund initial commercial facility construction costs. In October the Company received the fourth deposit of US$10 million from the US$50 million copper stream transaction with Mitsui & Co. (U.S.A.) Inc. ("Mitsui"). The final deposit of US$10 million was received in January 2025.

Remaining project construction costs are expected to be funded with the Company's available liquidity and cashflow from its 100% ownership interest in Gibraltar. The Company also has in place an undrawn corporate revolving credit facility for US$110 million.

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)

Based on the 2023 Technical report, the estimated remaining construction costs for the commercial facility were US$232 million (basis Q3 2022), and management expects that total costs will be within 10% to 15% of that estimate. Florence Copper remains on track for first copper production in late 2025.

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

The Yellowhead Project ("Yellowhead") is expected to produce 4.4 billion pounds of copper over a 25-year mine life at an average C1* cost, net of by-product credit, of US$1.67 per pound. During the first 5 years of operation, Yellowhead will produce an average of 200 million pounds of copper per year at an average C1* cost, net of by-product credit, of US$1.43 per pound. The Yellowhead project also 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 economic analysis in the 2020 Technical Report was prepared using long-term copper price of US$3.10 per pound, a gold price of US$1,350 per ounce, and silver price of US$18 per ounce. This report entitled "Technical Report on the Mineral Reserve Update at the Yellowhead Copper Project, British Columbia, Canada" was published on January 16, 2020, under the supervision of Richard Weymark, P. Eng., MBA, Vice President, Engineering for Taseko and a Qualified Person as defined by NI 43-101. Taseko plans to publish a new technical report in 2025 using updated long-term metal price assumptions, updated project costing, and incorporating the new Canadian tax credits available for copper mine development.

The Company is ready to enter the environmental assessment process and plans to submit an Initial Project Description to formally commence this process with the regulators in the second quarter this year. The Company is also focusing discussions with the regulators on developing a workplan to streamline the overall permitting process. Taseko opened a project office in 2024 to support ongoing engagement with local communities including First Nations.

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 Teztan Biny (Fish Lake).

The dialogue process has made meaningful progress in recent months and is close to completion. 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.

Aley Niobium Project

The converter pilot test is ongoing to provide additional process data to support the design of commercial process facilities and final product samples to support product marketing initiatives. 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.

Sustainability

The safety, health and well-being of our workers and their families is of key importance to Taseko. Taseko places a high priority on the continuous improvement of performance in the areas of employee health and safety at the workplace and protection of the environment.

Our annual Sustainability report is available on the Company's website at www.tasekomines.com/esg/overview.

Taseko recognizes that responsible environmental management is critical to our success and has committed that it will:

- Consider the environmental impacts of its operations and take appropriate steps to prevent environmental pollution;
- Comply with relevant environmental legislation, regulations and corporate requirements;
- Integrate environmental policies, programs and practices into all activities;
- Ensure that all employees and service providers understand their environmental responsibilities and encourage dialogue on environmental issues;
- Develop, maintain and test emergency preparedness plans to ensure protection of the environment, employees and the public;
- Work with government and the public to develop effective and efficient measures to improve protection of the environment, based on sound science; and
- Maintain an environmental committee to review environmental performance, objectives and targets, and to ensure continued recognition of environmental issues as a high priority.

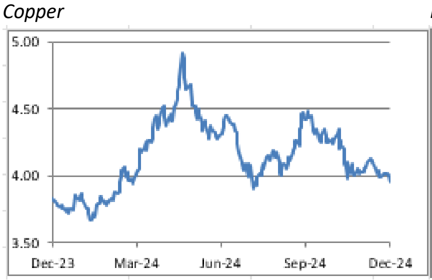
The same priority on health, safety, and environmental performance, as well as the methods and culture at Gibraltar are being implemented at Florence Copper as it advances commences construction and nears commercial production later this year.

We received a rating of 'BBB' from MSCI.

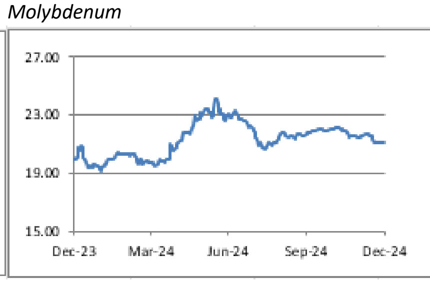
Taseko's 2024 Sustainability report will be published in the second quarter of 2025.

Market Review

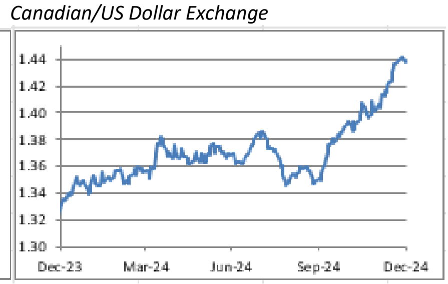
Copper



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$4.22 per pound, compared to US$3.95 per pound at December 31, 2024.

Market Review (Continued)

Copper prices have recovered in recent weeks due to tariff threats and the start of potential trade wars including potential tariffs on copper by the US. The US copper market has seen significant stockpiling, with a significant premium on the Comex price compared to the LME price. Tight supply conditions are expected to continue due to few available sources of new primary copper supply capacity and growing demand trends primarily for electrification, energy transition, and overall industrial activity. Smelter treatment and refining charges remain historically low, including spot rates at negative (premium) rates. Such conditions indicate a shortfall of concentrate supply and potential shortages of copper metal could continue which could lead to higher copper prices further into 2025.

Electrification of transportation and the focus on government investment in construction and infrastructure including initiatives focused on the renewable energy and electrification, 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 7% of the Company's revenue is made up of molybdenum sales and Connector pit ore will provide higher moly grades in the coming years. During the fourth quarter of 2024, the average molybdenum price was US$21.71 per pound. Molybdenum prices are currently around US$20.52 per pound. 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)	Year ended December 31, 2024	2023	Change
Net (loss) income	(13,444)	82,726	(96,170)
Unrealized foreign exchange loss (gain)	52,299	(11,875)	64,174
Unrealized (gain) loss on derivatives	(10,141)	1,874	(12,015)
Crusher relocation costs	16,141	-	16,141
Site care and maintenance costs	2,524	-	2,524
Call premium on settlement of debt	9,571	-	9,571
Loss on settlement of long term debt, net of capitalized interest	2,904	-	2,904
Gain on Cariboo acquisition	(47,426)	(46,212)	(1,214)
Gain on acquisition of control of Gibraltar[1]	(14,982)	-	(14,982)
Realized gain on sale of inventory[2]	17,122	-	17,122
Inventory write ups to net realizable value that was sold or processed[3]	9,227	-	9,227
Accretion and fair value adjustment on Florence royalty obligation	12,933	-	12,933
Accretion and fair value adjustment on Cariboo consideration payable	23,920	-	23,920
Non-recurring expenses relating to Cariboo acquisition	532	2,042	(1,510)
Estimated tax effect of adjustments	(4,253)	15,876	(20,129)
Adjusted net income*	56,927	44,431	12,496

[1] The $15.0 million gain on acquisition of control of Gibraltar in Q1 2024 relates to the write-up of finished copper concentrate inventory for Taseko's 87.5% share to its fair value at March 25, 2024.

[2] Cost of sales for the year ended December 31, 2024 included $17.1 million in write-ups to net realizable value for concentrate inventory held at the date of acquisition of control of Gibraltar (March 25, 2024) that were subsequently sold. For calculating adjusted earnings, the realized portion of the gains recorded in the first quarter for GAAP purposes have been included in Adjusted net income in the period they were sold.

[3] Cost of sales for the year ended December 31, 2024 included $9.2 million in ore stockpile and molybdenum concentrate inventory write-ups to net realizable value for inventory held at March 25, 2024 being the date of the deemed acquisition of control of Gibraltar that were subsequently sold or processed in the remainder of the year.

The Company's net loss was $13.4 million ($0.05 loss per share) for the year ended December 31, 2024 compared to net income of $82.7 million ($0.29 earnings per share) in the prior year. The net loss in the current year was primarily due to the unrealized foreign exchange loss on the Company's US dollar denominated debt, higher net finance and accretion expense due to financings closed in 2024, as well as increased production costs due to less capitalized stripping costs in the current year. Partially offsetting these negative impacts were an insurance recovery of $26.3 million, higher copper prices compared to 2023, and higher attributable sales volumes.

Financial Performance (Continued)

Earnings (continued)

The Company's adjusted net income was $56.9 million ($0.19 per share) for the year ended December 31, 2024, compared to adjusted net income of $44.4 million ($0.15 per share) for the prior year after elimination of the gains recognized on the Company's acquisition of Cariboo and gain on the deemed acquisition of control of Gibraltar in March 2024. These gains were substantially offset by the $52.3 million in unrealized foreign exchange losses in 2024. Other adjustments included adding back $16.1 million of the primary crusher relocation costs that were expensed, and accretion and fair value adjustments on the Florence royalty obligation and deferred consideration payable for Cariboo.

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

Financial Performance (Continued)

Revenues

(Cdn$ in thousands)	Year ended December 31, 2024[1]	2023[1]	Change
Copper contained in concentrate	573,479	512,376	61,103
Copper price adjustments on settlement	1,533	818	715
Molybdenum concentrate	40,445	31,713	8,732
Molybdenum price adjustments on settlement	1,267	(1,013)	2,280
Silver	6,437	6,346	91
Total gross revenue	623,161	550,240	72,921
Less: Treatment and refining costs	(15,068)	(25,268)	10,200
Revenue	608,093	524,972	83,121
(thousands of pounds, unless otherwise noted)			
Sales of copper in concentrate[2]	100,759	98,289	2,470
Average realized copper price (US$ per pound)	4.17	3.84	0.33
Average LME copper price (US$ per pound)	4.15	3.85	0.30
Average exchange rate (CAD/US$)	1.37	1.35	0.02

[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 December 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.

The Company reported total revenue of $608.1 million for 2024. Copper revenues for the year ended December 31, 2024, increased by $61.1 million compared to the same prior year period, with $42.2 million attributed to higher copper prices, $10.6 million from increased attributable sales volumes of 2.5 million pounds, and $8.3 million from the favorable impact of a stronger US dollar in 2024 compared to 2023. The increase in sales volumes reflects the impact of the Cariboo acquisition in March, partially offset by lower mill availability due to the 18-day union strike at Gibraltar in June, the relocation of the primary crusher and maintenance on Mill 1, and the component replacement in Mill 2 in January.

Molybdenum revenues for the year ended December 31, 2024 increased by $8.7 million compared to the prior year period due primarily to higher molybdenum sales volume and the impact from the additional ownership interest in Gibraltar. The increase was partially offset by lower average molybdenum prices of US$21.30 per pound in 2024, compared to US$24.19 per pound in the prior year period.

Financial Performance (Continued)

Cost of sales

(Cdn$ in thousands)	Year ended December 31, 2024[1]	2023[1]	Change
Site operating costs	367,689	309,805	57,884
Transportation costs	35,413	30,045	5,368
Change in inventories:			
Changes in finished goods	23,852	(5,546)	29,398
Changes in sulphide ore stockpiles	2	(1,828)	1,830
Changes in oxide ore stockpiles	(9,870)	(14,858)	4,988
Production costs	417,086	317,618	99,468
Depletion and amortization	73,852	56,940	16,912
Cost of sales	490,938	374,558	116,380
Site operating costs per ton milled*	$12.93	$12.16	$0.77
Other operating costs:			
Crusher relocation costs	16,141	-	16,141
Site care and maintenance costs	2,524	-	2,524
	18,665	-	18,665
Insurance recovery	(26,290)	-	(26,290)

[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 December 31, 2024.

Site operating costs for the year ended December 31, 2024 increased by $57.9 million over the same prior period primarily due to the Company's increased ownership in Gibraltar in the current period and lower capitalized stripping costs, partially offset by lower input costs such as diesel and the impact of the 18-day union strike in June 2024 which reduced site operating costs in the second quarter of 2024.

Costs of sales was for the year ended December 31, 2024 included write-ups of inventory to net realizable value of $17.1 million for concentrate inventory and $9.2 million for ore stockpiles and molybdenum concentrate held at the date of acquisition of control of Gibraltar (March 25, 2024) that were subsequently sold or processed in the current year.

Transportation costs for the year ended December 31, 2024 increased by $5.4 million over the same prior period, primarily due to the impact of proportionately consolidating the additional interest of Gibraltar, and higher costs for rail, ocean freight and port handling costs, partially offset by lower trucking related costs.

During the year ended December 31, 2024, the Company incurred costs of $16.1 million in relation to the in-pit crusher relocation project for Concentrator #1 including relocation related costs for the physical move, demolition costs of the old station's concrete foundation and write-downs of decommissioned conveyor components considered redundant. The Company also incurred costs of $2.5 million in relation to Gibraltar mine being on care and maintenance during the labour strike in June 2024.

The Company received $26.3 million in the second quarter of 2024 for a business interruption insurance claim related to a component replacement in Concentrator #2.

Depletion and amortization for the year ended December 31, 2024 increased by $16.9 million, over the same prior period primarily due to the impact of proportionately consolidating the additional interest of Gibraltar, and amortization of new equipment acquired, including the new primary crusher station that was completed in the year.

Other (income) expenses

(Cdn$ in thousands)	Year ended December 31, 2024	2023	Change
General and administrative	12,942	13,465	(523)
Share-based compensation expense	9,002	5,919	3,083
Realized loss on derivative instruments	5,342	3,045	2,297
Unrealized (gain) loss on derivative instruments	(21,020)	1,874	(22,894)
Unrealized loss on Florence copper stream derivative	10,880	-	10,880
Project evaluation expenses	3,623	1,721	1,902
Call premium on settlement of debt	9,571	-	9,571
Gain on Cariboo acquisition	(47,426)	(46,212)	(1,214)
Gain on acquisition of control of Gibraltar	(14,982)	-	(14,982)
Other expenses (income), net	307	(731)	1,038
	(31,761)	(20,919)	(10,842)

General and administrative expenses for the year ended December 31, 2024 was comparable to the prior year.

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 year ended December 31, 2024, compared to the prior year, primarily due to the Company's share price performance and its impact on the valuation of the deferred share units. More information is set out in Note 22 of the December 31, 2024 Financial Statements.

For the year ended December 31, 2024, the Company realized a net loss of $5.3 million on derivative instruments, primarily due to the expensing of premiums paid for copper collars and fuel options that settled out-of-the-money, compared to a net loss of $3.0 million in the prior year.

For the year ended December 31, 2024, the net unrealized gain on derivative instruments of $21.0 million, relates primarily to the change in the fair value of outstanding copper price collars covering the full year of 2025. These hedge positions were in-the-money at the end of the year due to lower copper price trends in the last quarter.

For the year ended December 31, 2024, the unrealized loss on the Florence copper stream derivative was $10.9 million. The unrealized loss was primarily due to the impact of higher estimated copper prices over the forecast period.

In April 2024, the Company paid a one-time redemption call premium of $9,571 on the redemption of the US$400 million senior secured notes.

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 the first 50% of Cariboo from Sojitz Corporation which gave the Company an additional 12.5% effective interest in Gibraltar and recognized a bargain purchase gain of $46.2 million on that acquisition. More information on these gains is set out in Note 3 of the December 31, 2024 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 to fair value at March 25, 2024 which was subsequently sold in the first half of 2024.

Project evaluation expenses represent costs associated with the New Prosperity project and other technical expenditures undertaken by Taseko's engineering and technical teams on various project initiatives.

Finance and accretion expense

	Year ended December 31,		
(Cdn$ in thousands)	**2024**	**2023**	**Change**
Interest expense	61,886	48,181	13,705
Amortization of deferred financing charges	2,515	2,791	(276)
Finance income	(5,175)	(2,972)	(2,203)
Loss on settlement of long-term debt	4,646	-	4,646
Less: interest expense capitalized	(23,060)	(8,865)	(14,195)
Finance expenses, net	40,812	39,135	1,677
Accretion on deferred revenue	7,244	6,652	592
Accretion on PER	2,780	2,328	452
Accretion and fair value adjustment on Cariboo consideration payable	23,920	1,779	22,141
Accretion and fair value adjustment on Florence royalty obligation	12,993	-	12,993
Accretion expenses	46,937	10,759	36,178

Finance expenses for the year ended December 31, 2024 increased from the prior year primarily due to the impact of higher principal on the new senior secured notes coupled with the higher coupon as well as additional borrowings. Finance expenses are partially offset by the capitalization of a portion of borrowing costs attributed to funding of Florence development costs, which has increased over 2023 due to the increased spend on the project in 2024.

Accretion expenses increased due to the acquisition of the remaining 50% of Cariboo in 2024 as well as changes in estimated timing of payments due to increased copper price expectations over the repayment period, as well as the accretion on the Florence royalty with Taurus entered into in early 2024.

Financial Performance (Continued)

Finance income for the year ended December 31, 2024 increased from the prior year due to more cash held throughout the year and higher interest rates earned on the Company's cash balances.

Income tax

(Cdn$ in thousands)	Year ended December 31, 2024	2023	Change
Current income tax expense	3,482	3,002	480
Deferred income tax expense	28,060	47,141	(19,081)
Income tax expense	31,542	50,143	(18,601)
Effective tax rate	174.3%	37.7%	136.6%
Canadian statutory rate	27.0%	27.0%	-
B.C. mineral tax rate	9.5%	9.5%	-

Effective tax rate reconciliation

(Cdn$ in thousands)	Year ended December 31, 2024	2023	Change
Income tax expense at Canadian statutory rate of 36.5%	6,603	48,484	(41,881)
Permanent differences	20,684	2,641	18,043
Foreign tax rate differential	629	104	525
Unrecognized tax benefits	6,627	(1,189)	7,816
Deferred tax adjustments related to prior periods	(3,001)	103	(3,104)
Income tax expense	31,542	50,143	(18,601)

The overall lower income tax expense for the year ended December 31, 2024, was due in part to lower income for accounting purposes. The effective tax rate for the year is higher than the combined B.C. mineral and income tax rate of 36.5% primarily due to the purchase of the residual 12.5% interest of Cariboo resulting in a deferred tax expense of $17 million from the bargain purchase gain. There is also no deduction for unrealized foreign exchange losses. Other expenses that result in a higher effective tax rate are 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 year ended December 31, 2024 and 2023, relative to net income (loss) for those periods.

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

Financial Condition Review

Balance sheet review

(Cdn$ in thousands)	At December 31, 2024	At December 31, 2023	Change
Cash and equivalents	172,732	96,477	76,255
Other current assets	180,507	152,978	27,529
Property, plant and equipment	1,770,102	1,286,001	484,101
Other assets	71,702	48,683	23,019
Total assets	**2,195,043**	**1,584,139**	**610,904**
Current liabilities[1]	173,983	113,531	60,452
Debt:			
Credit facility	-	25,191	(25,191)
Senior secured notes	706,741	524,491	182,250
Equipment related financings	90,467	88,209	2,258
Deferred revenue	77,327	59,720	17,607
Other liabilities	643,303	338,849	304,454
Total liabilities	**1,691,821**	**1,149,991**	**541,830**
Equity	**503,222**	**434,148**	**69,074**
Net debt* (debt minus cash and equivalents)	624,476	541,414	83,062
Total common shares outstanding (millions)	304.7	290.0	14.7

[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 its large scale, open pit mining operation at Gibraltar and construction of the commercial facility at Florence. 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 sales and cash settlement schedules.

Property, plant and equipment increased by $484.1 million in the year ended December 31, 2024, which includes the impact from acquiring an additional 12.5% effective interest in the Gibraltar mine from Dowa and Furukawa, $287.3 million for Florence Copper project expenditures, $23.1 million in capitalized interest, $48.2 million in foreign currency translation of Florence Copper assets, as well as capital expenditures at Gibraltar (capitalized stripping, sustaining and capital projects).

Net debt has increased by $83.1 million in the year ended December 31, 2024, primarily due to the new senior secured notes issued and release of restricted cash offset by investment of cash in the development of Florence Copper and 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 $304.5 million primarily due to the $84.3 million of Florence royalty obligation related to the Taurus royalty financing closed in February, $75.5 million for deferred consideration payable to Dowa and Furukawa for the acquisition of 50% of Cariboo and the $23.0 million additional share of Gibraltar's provision for environmental rehabilitation that the Company assumed with the purchase of Cariboo.

As at February 19, 2025, there were 310,546,191 common shares and 11,423,666 stock options outstanding. More information on these instruments and the terms of their exercise is set out in Note 22 of the December 31, 2024 Financial Statements.

Liquidity, cash flow and capital resources

At December 31, 2024, the Company had cash and equivalents of $172.7 million (December 31, 2023 - $96.5 million).

Cash flow provided by operations during year ended December 31, 2024 was $232.6 million compared to $151.1 million for the prior year. The increase in cash flow provided by operations was attributable to higher copper sales volumes and prices, higher molybdenum sales volumes, offset by higher site operating costs due to less stripping costs being capitalized in 2024. Cash flow provided by operations was also reduced due to an increase in inventories, including an increase in ore stockpiles, including oxide ore placed on the heap leach pads.

In December 2024, the Company closed a transaction with Osisko Gold Royalties, amending the Gibraltar silver stream agreement and increasing the attributable silver percentage from 87.5% to 100% in exchange for an additional cash payment of US$12.7 million.

Cash used for investing activities during the year ended December 31, 2024 was $317.9 million compared to $167.6 million for the prior year. Investing cash flows used in the year includes $83.1 million for capital expenditures at Gibraltar (which includes $30.6 million for capitalized stripping costs, $31.7 million for sustaining capital, and $20.8 million for capital projects), $231.0 million of cash expenditures for Florence Copper and $6.8 million for the purchase of copper collars covering production from January 2025 to December 2025. Included in investing activities in the year 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 and $4.5 million performance payment to Sojitz for 2023.

Cash provided by financing activities for the year ended December 31, 2024, was $157.2 million, compared to $7.1 million of cash used in the prior year. Financing activities primarily consisted of net proceeds from the issuance of the 2030 senior secured notes, after the repayment of the 2026 Notes, totaling $113.9 million, and net proceeds from Florence financings of $114.3 million. These were offset by interest paid of $70.3 million, repayment of the revolving credit facility of $26.5 million, and Gibraltar net equipment financing repayment of $14.3 million.

Liquidity outlook

The Company has approximately $331.0 million of available liquidity at December 31, 2024, including a cash balance of $172.7 million and undrawn amounts under the revolving credit facility of US$110 million. On November 6, 2024, the Company entered into an amendment for its revolving credit facility, extending the maturity date to November 2027 from July 2026, and increasing the facility amount to US$110 million from US$80 million. No amounts are currently drawn against the revolving credit facility.

Financial Condition Review (Continued)

Liquidity outlook (Continued)

Copper production in 2025 is expected to increase to the 120 to 130 million pound range, with molybdenum production also expected to increase due to higher molybdenum grades in the Connector pit ore. Lower-grade ore stockpiles will be used to supplement mined ore in the first half of the year, with annual production weighted to the second half of the year. At current copper prices and with copper price protection in place for 108 million pounds, Gibraltar is expected to deliver stable operating margins and cash flows for 2025. Other than refurbishment of the SX/EW plant, Gibraltar has no other significant capital projects planned for 2025.

With construction underway at Florence Copper, the Company has entered into significant capital commitments for the remaining construction of the commercial facility. The Company intends to finance the remaining costs over the next twelve months from available liquidity, cash flow from Gibraltar and the corporate credit facility.

If needed, the Company could raise further additional capital through equity financings or asset sales, including royalties, sales of project interests, or joint ventures, or additional credit facilities, including additional notes offerings or increasing borrowings from commercial banks or credit funds. 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.

Financial Condition Review (Continued)

Hedging strategy (Continued)

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 December 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
Fuel call options	18 million ltrs	US$0.65 per ltr	H1 2025	$0.6 million

Financial Condition Review (Continued)

Commitments and contingencies

	Payments due						
(Cdn$ in thousands)	**2025**	**2026**	**2027**	**2028**	**2029**	**Thereafter**	**Total**
Debt:							
2030 Notes	-	-	-	-	-	719,250	719,250
Interest	59,338	59,338	59,338	59,338	59,338	29,669	326,359
Equipment loans:							
Principal	25,267	27,560	14,048	11,281	-	-	78,156
Interest	5,754	3,460	1,554	462	-	-	11,230
Lease liabilities:							
Principal	7,619	3,751	1,172	450	252	52	13,296
Interest	944	395	97	27	7	1	1,471
Cariboo acquisition payments:							
– Sojitz[1]	10,000	10,000	10,000	10,000	-	-	40,000
– Dowa and Furukawa[2]	-	9,000	11,000	10,000	8,000	74,000	112,000
PER[3]	-	-	-	-	-	169,570	169,570
Capital expenditures	54,463	-	-	-	-	-	54,463
Other expenditures							
Transportation related services[4]	7,826	1,463	-	-	-	-	9,289

[1] On March 15, 2023, the Company completed its acquisition of an additional 12.5% interest in the Gibraltar mine 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 mine copper revenue and copper prices over the next five years. An initial $10 million has been paid to Sojitz on closing, $10 million in 2024, and the remaining minimum amounts will be paid in $10 million annual instalments over the next four years. There is no interest payable on the minimum amounts. The Company estimates that there is $40 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.

[2] 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.

[3] 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 the Gibraltar mine and Florence Copper. As at December 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 $51.9 million as reclamation security.

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

Financial Condition Review (Continued)

Commitments and contingencies (Continued)

The Company has made capital expenditure commitments relating to equipment for the Florence Copper project totaling $47.9 million as at December 31, 2024.

In late December 2024, Gibraltar received an amendment to its M-40 permit in which the required closure bonding from the Province of British Columbia was increased from $108.5 million to $139.9 million. Gibraltar is required to post this additional bonding over the next 15 months, with $15.7 million due on March 31, 2025 and a second tranche for the same amount due by March 31, 2026. Taseko intends to place additional surety bonds to meet these increased bonding requirements from the Province of British Columbia from insurance underwriters.

Selected Annual Information

	For the years ended December 31,		
(Cdn$ in thousands, except per share amounts)	**2024**	**2023**	**2022**
Revenues	608,093	524,972	391,609
Net (loss) income	(13,444)	82,726	(25,971)
Per share – basic	(0.05)	0.29	(0.09)
Per share – diluted	(0.05)	0.28	(0.09)

	As at December 31,		
	2024	**2023**	**2022**
Total assets	2,195,043	1,584,139	1,278,684
Total long-term financial liabilities[1]	901,928	670,802	572,037

[1] Long-term financial liabilities includes long-term debt, long-term Cariboo consideration payable and other financial liabilities.

Fourth Quarter Results

Consolidated Statements of Comprehensive Income (Cdn$ in thousands, except per share amounts)	**Three months ended December 31,** **2024**	**2023**
Revenues	167,799	153,694
Cost of sales		
Production costs	(110,299)	(80,588)
Depletion and amortization	(24,641)	(13,326)
Other operating costs	(4,132)	-
Earnings from mining operations	28,727	59,780
General and administrative	(2,754)	(4,069)
Share-based compensation recovery (expense)	385	(1,515)
Project evaluation expenditures	(191)	(925)
Gain (loss) on derivatives	24,511	(274)
Other expenses	(69)	(1)
Income before financing costs and income taxes	50,609	52,996
Finance expenses, net	(8,645)	(10,217)
Accretion expenses	(11,154)	(1,615)
Foreign exchange (loss) gain	(40,310)	14,117
(Loss) income before income taxes	(9,500)	55,281
Income tax expense	(11,707)	(17,205)
Net (loss) income for the period	**(21,207)**	**38,076**
Other comprehensive income (loss):		
Unrealized loss on financial assets	(792)	(115)
Foreign currency translation reserve	27,478	(10,329)
Total other comprehensive income (loss) for the period	26,686	(10,444)
Total comprehensive income for the period	**5,479**	**27,632**
(Loss) earnings per share		
Basic	(0.07)	0.13
Diluted	(0.07)	0.13
Weighted-average shares outstanding (in thousands)		
Basic	303,794	289,018
Diluted	303,794	290,736

Fourth Quarter Results (Continued)

Consolidated Statements of Cash Flows (Cdn$ in thousands)	**Three months ended December 31, 2024**	**2023**
Operating activities		
Net (loss) income for the period	(21,207)	38,076
Adjustments for:		
Depletion and amortization	24,641	13,326
Income tax expense	11,707	17,205
Finance expenses, net	8,585	10,217
Accretion expense	11,214	1,615
(Gain) loss on derivatives	(24,511)	274
Unrealized foreign exchange loss (gain)	40,462	(14,541)
Inventory sold or processed with write-ups to net realizable value	1,905	-
Deferred revenue deposit	18,244	-
Amortization of deferred revenue	(1,645)	(2,029)
Share-based compensation (recovery) expense	(323)	1,573
Other operating activities	3,839	(383)
Net change in working capital	381	(2,498)
Cash provided by operating activities	73,292	62,835
Investing activities		
Gibraltar capitalized stripping costs	(2,315)	(31,882)
Gibraltar sustaining capital expenditures	(17,454)	(3,221)
Gibraltar capital project expenditures	(9,345)	(6,587)
Florence Copper development costs	(84,470)	(15,530)
Other project development costs	(1,213)	(1,804)
Net outflows related to copper price options	-	(1,360)
Other investing activities	1,708	1,367
Cash used for investing activities	(113,089)	(59,017)
Financing activities		
Interest paid	(35,575)	(3,303)
Net proceeds from Florence financings	12,516	33,287
Proceeds from Gibraltar equipment financings	15,673	-
Repayment of Gibraltar equipment financings	(9,011)	(6,147)
Revolving credit facility repayment	-	(14,243)
Net proceeds from share issuance	14,208	-
Net share-share based compensation	445	993
Cash (used for) provided by financing activities	(1,744)	10,587
Effect of exchange rate changes on cash and equivalents	5,522	58
(Decrease) increase in cash and equivalents	(36,019)	14,463
Cash and equivalents, beginning of period	208,751	82,014
Cash and equivalents, end of period	**172,732**	**96,477**

Fourth Quarter Results (Continued)

Earnings

(Cdn$ in thousands)	Three months ended December 31, 2024	2023	Change
Net (loss) income	(21,207)	38,076	(59,283)
Unrealized foreign exchange loss (gain)	40,462	(14,541)	55,003
Unrealized (gain) loss on derivative instruments	(25,514)	1,636	(27,150)
Other operating costs[1]	4,132	-	4,132
Inventory write ups to net realizable value that was sold or processed[2]	1,905	-	1,905
Accretion and fair value adjustment on Florence royalty obligation	3,682	-	3,682
Accretion and fair value adjustment on consideration payable to Cariboo	4,543	-	4,543
Non-recurring other income for Cariboo adjustment	-	(916)	916
Estimated tax effect of adjustments	2,465	(194)	2,659
Adjusted net income*	10,468	24,061	(13,593)

[1] Other operating costs relate to the write-down of certain equipment as part of the in-pit crusher relocation project.

[2] Write-ups to net realizable value for inventory held at the date of acquisition of control of Gibraltar (March 25, 2024) totaled $9.2 million. Cost of sales for the three months ended December 31, 2024 included $1.9 million in inventory write-ups that were subsequently sold or processed in fourth quarter.

The Company's net loss was $21.2 million ($0.07 loss per share) for the three months ended December 31, 2024 compared to $38.1 million in net income ($0.13 per share) in the same prior year quarter. Earnings in the fourth quarter were positively impacted by higher average LME copper prices and unrealized derivative gains from the Company's copper collar contracts, offset by lower copper sales volumes, less capitalized stripping costs, higher finance and accretion expenses due to additional financings undertaken in 2024, and unrealized foreign exchange losses due to the impact of the weakening Canadian dollar on US dollar denominated borrowings.

Adjusted net income was $10.5 million ($0.03 per share) for the three months ended December 31, 2024 after adding back $40.5 million in unrealized foreign exchange losses, deducting $25.5 million of unrealized gains on derivative instruments due to the lower copper price at the end of December, and adjusting for non-cash accretion and adjustments to fair value for the consideration payable to Cariboo and the Florence royalty obligation. Other operating costs in the quarter included the write-down of certain conveyor systems that were made redundant as part of the primary crusher relocation project.

Fourth Quarter Results (Continued)

Revenues

(Cdn$ in thousands)	Three months ended December 31, 2024[1]	2023[1]	Change
Copper contained in concentrate	152,785	153,310	(525)
Copper price adjustments on settlement	(842)	923	(1,765)
Molybdenum concentrate	18,083	7,919	10,164
Molybdenum price adjustments on settlement	(247)	(1,802)	1,555
Silver	1,783	1,905	(122)
Total gross revenue	171,562	162,255	9,307
Less: Treatment and refining costs	(3,763)	(8,561)	4,798
Revenue	167,799	153,694	14,105
(thousands of pounds, unless otherwise noted)			
Sales of copper in concentrate[2]	26,282	30,188	(3,906)
Average realized copper price (US$ per pound)	4.13	3.75	0.38
Average LME copper price (US$ per pound)	4.17	3.70	0.47
Average exchange rate (CAD/US$)	1.40	1.36	0.04

[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 December 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 December 31, 2024 were comparable overall to same prior year period. Higher copper prices and the favorable impact of a stronger US dollar in fourth quarter of 2024 compared to 2023, mostly offset lower attributable sales volumes of 3.9 million pounds. Negative provisional copper price adjustments in the current year period were $0.8 million due to the decreasing copper price trend in December.

Molybdenum revenues for the three months ended December 31, 2024 increased by $10.2 million compared to the prior year period primarily due to higher sales volume and the impact from the additional ownership interest in Gibraltar, and the higher average molybdenum prices of US$21.71 per pound in the current period, compared to US$18.64 per pound in the prior year period.

Fourth Quarter Results (Continued)

Cost of sales

(Cdn$ in thousands)	Three months ended December 31, 2024[1]	2023[1]	Change
Site operating costs	100,495	64,845	35,650
Transportation costs	10,170	10,294	(124)
Change in inventories:			
Changes in finished goods	(4,064)	1,678	(5,742)
Changes in sulphide ore stockpiles	4,248	6,200	(1,952)
Changes in oxide ore stockpiles	(550)	(2,429)	1,879
Production costs	110,299	80,588	29,711
Depletion and amortization	24,641	13,326	11,315
Cost of sales	134,940	93,914	41,026
Site operating costs per ton milled*	$12.18	$9.72	$2.46
Other operating costs:			
Crusher relocation costs	4,132	-	4,132

[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 December 31, 2024.

Site operating costs for the three months ended December 31, 2024 increased by $35.7 million over the same prior period due to a significant decrease in capitalized waste stripping by $30 million compared to the prior year quarter and the Company's increased ownership in Gibraltar in the current period, partially offset by lower input prices on consumables such as diesel.

Finished inventory increased during the quarter which reduced overall production costs by $4.1 million in the quarter. Oxide tons added to the heap leach pads were nominal in the current period.

Transportation costs for the three months ended December 31, 2024 decreased by $0.1 million over the same prior period, primarily due to lower copper sales volume, partially offset by the impact of proportionately consolidating the additional interest of Gibraltar.

Depletion and amortization for the three months ended December 31, 2024 increased by $11.3 million, over the same prior period primarily due to the commencement of depreciation on newly commissioned assets during the current year, as well as the impact of proportionately consolidating the additional interest in Gibraltar.

During the three months ended December 31, 2024, the Company incurred other operating costs of $4.1 million in relation to the in-pit crusher relocation project, specifically related to the non-cash write-down of historical conveyor equipment and mechanical components that were made redundant following completion of the project.

Fourth Quarter Results (Continued)

Other expense (income)

	Three months ended December 31,		
(Cdn$ in thousands)	**2024**	**2023**	**Change**
General and administrative	2,754	4,069	(1,315)
Share-based compensation (recovery) expense	(385)	1,515	(1,900)
Realized loss (gain) on derivative instruments	1,002	(1,362)	2,364
Unrealized (gain) loss on derivative instruments	(29,786)	1,636	(31,422)
Unrealized loss on Florence copper stream derivative	4,272	-	4,272
Project evaluation expenditures	191	925	(734)
Other expense, net	69	1	68
	(21,883)	6,784	(28,667)

General and administrative expenses decreased by $1.3 million in the three months ended December 31, 2024, compared to the same prior period due to timing of expenditures and costs allocations to ongoing capital projects.

Share-based compensation expense is comprised of amortization of share options and performance share units and the expense on deferred and restricted share units. Share-based compensation expense decreased for the three months ended December 31, 2024, compared to the same period in 2023, primarily due to a decrease in the Company's share price during the period and its impact on the valuation of the deferred share units. More information is set out in Note 22 of the Financial Statements.

For the three months ended December 31, 2024, the Company realized a net loss on derivative instruments of $1.0 million primarily due to the expensing of premiums paid for copper collars for the period that settled out-of-the money.

For the three months ended December 31, 2024, the net unrealized gain on derivative instruments of $29.8 million, relates primarily to the change in the fair value of outstanding copper price collars covering 108 million pounds of copper in 2025. These hedge positions were in-the-money due to the decline in copper prices towards the end of the quarter.

For the three months ended December 31, 2024, the unrealized loss on the Florence copper stream derivative was $4.3 million, primarily due to the impact of higher estimated copper prices over the forecast period.

Fourth Quarter Results (Continued)

Finance and accretion expense

(Cdn$ in thousands)	Three months ended December 31, 2024	2023	Change
Interest expense	17,236	13,109	4,127
Amortization of deferred financing charges	577	738	(161)
Finance income	(1,674)	(972)	(702)
Less: interest expense capitalized	(7,554)	(2,658)	(4,896)
Finance expenses, net	8,585	10,217	(1,632)
Accretion on deferred revenue	2,239	1,851	388
Accretion on PER	690	680	10
Accretion and fair value adjustment on Cariboo consideration payable	4,543	(916)	5,459
Accretion and fair value adjustment on Florence royalty obligation	3,742	-	3,742
Accretion expenses	11,214	1,615	9,599

Interest expense for the three months ended December 31, 2024 increased from the prior year period primarily due to the impact of the higher coupon rate on the new senior secured notes and interest on new equipment loans, which was partially offset by the capitalization of a portion of borrowing costs attributed to the 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.

Accretion and fair value adjustments on consideration payable for Cariboo were $4.5 million for the three months ended December 31, 2024, and were primarily due to the impact of higher estimated future copper prices over the repayment period. Accretion and fair value adjustments on the Florence royalty obligation was $3.7 million for the three months ended December 31, 2024, driven by the increasing forecast copper prices since closing of the transaction in February 2024, combined with the advancement of the Florence Copper Project towards initial production.

Finance income for the three months ended December 31, 2024 increased from the same period in prior year due to the impact of higher interest rates on the Company's cash balances.

Fourth Quarter Results (Continued)

Income tax

(Cdn$ in thousands)	Three months ended December 31, 2024	2023	Change
Current income tax expense	1,129	999	130
Deferred income tax expense	10,578	16,206	(5,628)
Income tax expense	11,707	17,205	(5,498)
Effective tax rate	(123.2)%	31.1%	(154.3%)
Canadian statutory rate	27.0%	27.0%	-
B.C. mineral tax rate	9.5%	9.5%	-

Effective tax rate reconciliation

(Cdn$ in thousands)	Three months ended December 31, 2024	2023	Change
Income tax (recovery) expense at Canadian statutory rate of 36.5%	(3,468)	13,898	(17,366)
Permanent differences	16,772	3,154	13,618
Foreign tax rate differential	138	41	97
Unrecognized tax benefits	(832)	246	(1,078)
Deferred tax adjustments related to prior periods	(903)	(134)	(769)
Income tax expense	11,707	17,205	(5,498)

The overall lower income tax expense for the three months ended December 31, 2024, was due in part to lower income for accounting purposes. The effective tax rate for the three months ended December 31, 2024 is negative, in comparison to the combined B.C. mineral and income tax rate of 36.5% primarily due to the unrealized foreign exchange loss on debt, the benefit of which is not recognized for 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 December 31, 2024 and 2023, relative to net income (loss) for those periods.

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

Fourth Quarter Results (Continued)

Liquidity, cash flow and capital resources

Cash flow provided by operations during the three months ended December 31, 2024 was $73.3 million compared to cash flow provided operations of $62.8 million for the same prior period. The increase in cash flow provided by operations was due primarily to higher copper prices and the closing of the Osisko stream amendment in December, partially offset by lower attributable sale volumes than the comparative period.

Cash used for investing activities during the three months ended December 31, 2024 was $113.1 million compared to $59.0 million for the same prior period. Investing cash flows in the fourth quarter includes $29.1 million for capital expenditures at Gibraltar (which includes $2.3 million for capitalized stripping costs, $17.5 million for sustaining capital, and $9.3 million for capital projects), and $84.5 million of cash expenditures for development costs at Florence Copper.

Net cash from financing activities for the three months ended December 31, 2024 resulted in an outflow of $1.7 million, comprised of interest paid on financings of $35.6 million, offset by net proceeds from new financings of $19.2 million and the net proceeds from equity share issuances of $14.2 million.

Summary of Quarterly Results

	2024				2023			
(Cdn$ in thousands, except per share amounts)	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
Revenues	167,799	155,617	137,730	146,947	153,694	143,835	111,924	115,519
Net (loss) income	(21,207)	(180)	(10,953)	18,896	38,076	871	9,991	33,788
Basic EPS	(0.07)	-	(0.04)	0.07	0.13	-	0.03	0.12
Adjusted net income (loss) *	10,468	8,228	30,503	7,728	24,061	19,659	(4,376)	5,087
Adjusted basic EPS*	0.03	0.03	0.10	0.03	0.08	0.07	(0.02)	0.02
Adjusted EBITDA *	55,602	47,689	70,777	49,923	69,107	62,695	22,218	36,059

(US$ per pound, except where indicated)								
Average realized copper price	4.13	4.23	4.49	3.89	3.75	3.83	3.78	4.02
Total operating costs *	2.42	2.92	2.99	2.46	1.91	2.20	2.66	2.94
Copper sales (million pounds)	27.4	26.3	22.6	27.7	31.4	28.1	22.8	20.8

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 were both 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 2024 annual consolidated financial statements. The preparation of the financial statements in conformity with IFRS Accounting Standards 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 3 of the December 31, 2024 Financial Statements.

Change in Accounting Policies

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, but did not have a material impact on the Company's audited consolidated financial statements, have not been disclosed. The Company adopted amendments to IAS 1, Presentation of Financial Statements and IAS 1, Presentation of Financial Statements, effective January 1, 2023 and January 1, 2024 respectively. Amendments to IAS 1, Presentation of Financial Statements required the disclosure of "material" rather than "significant" accounting policies.

Change in Accounting Policies (continued)

Amendments to IAS 1, Presentation of Financial Statements, clarifies that the classification of liabilities as current or non-current depends on the rights existing at the end of the reporting period as opposed to the expectations of exercising the right for settlement of the liability. These amendments did not change any of the amounts previously reported and did not impact any of the amounts in the current year.

In May 2024, the IASB issued 'Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)'. The amendments clarify the date of recognition and derecognition of some financial assets and financial liabilities, with a new exception that permits companies to elect to derecognize certain financial liabilities settled via electronic payment systems earlier than the settlement date. It also clarifies guidance on assessing whether a financial asset meets the solely payments of principal and interest criterion, it adds new disclosures for certain instruments with contractual terms that can change cash flows and updates the disclosures for equity instruments designated at fair value through other comprehensive income. The amendments apply for annual reporting periods beginning on or after January 1, 2026, and are applied retrospectively. The Company is currently evaluating the impact of the new standard on its consolidated financial statements.

In April 2024, the IASB published its new standard IFRS 18 'Presentation and Disclosures in Financial Statements' that will replace IAS 1 'Presentation of Financial Statements' which sets out presentation and base disclosure requirements for financial statements. The changes, which mostly affect the statement of comprehensive income, include the introduction of categories and defined subtotals to allow better comparison between entities. Along with the introduction of requirements to improve aggregation and disaggregation of line items presented on the primary financial statements, that aim at additional relevant information and ensure that material information is not obscured. Companies will also have to disclose information on Management-defined Performance Measures in the notes to the financial statements. The amendments apply for annual reporting periods beginning on or after January 1, 2027, and are applied retrospectively. The Company is currently evaluating the impact of the new standard on its consolidated financial statements.

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 Accounting Standards, 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.

Internal and Disclosure Controls Over Financial Reporting (continued)

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 control over financial reporting and disclosure controls and procedures during the 2024 financial year that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting and disclosure.

The Company's management, under the supervision of the Chief Executive Officer and the Chief Financial Officer, assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2024. In making this assessment, it used the criteria set forth in the Internal Control-Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this assessment, management has concluded that, as of December 31, 2024, the Company's internal control over financial reporting is effective based on those criteria. The Company's certifying officers have evaluated the effectiveness of the ICFR and DC&P at the financial year end and concluded that ICFR and DC&P are effective as at December 31, 2024 based on the evaluation.

Financial Instruments

The Company uses a mixture of cash, long-term debt and shareholders' equity to maintain an efficient capital allocation and ensure adequate liquidity exists to meet the ongoing cash requirements of the business. In the normal course of business, the Company is inherently exposed to financial risks, including market risk, commodity price risk, interest rate risk, currency risk, liquidity risk and credit risk. The Company manages these risks in accordance with its risk management policies. To mitigate some of these inherent business risks, the Company uses commodity derivative instruments that do not qualify for hedge accounting treatment. These non-hedge derivatives are summarized in Note 7 to the Financial Statements. The financial risks and the Company's exposure to these risks, is provided in various tables in Note 26 of the Financial Statements. For a discussion on the methods used to value financial instruments, as well as significant assumptions, refer also to Notes 2 and 26 of the Financial Statements.

Summary of Financial Instruments	**Carrying Amount**	**Associated Risks**
Financial assets		
Amortized cost		
Cash and equivalents	172,732	Interest rate
Accounts receivable	5,643	Credit, Market
Fair value through other comprehensive income (FVOCI)		
Marketable securities	895	Market
Investment in private companies	500	Market
Fair value through profit and loss (FVPL)		
Derivative asset copper put and call options	26,568	Commodity price risk
Financial liabilities		
Accounts payable and accrued liabilities	129,927	Currency
Senior secured notes	719,250	Currency
Lease liabilities	13,296	Interest rate
Gibraltar equipment loans	48,998	Currency, Interest rate
Florence project debt facility	29,158	Currency, Interest rate
Cariboo consideration payable	145,868	Commodity price risk

Related Party Transactions

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 22 of the Financial Statements).

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

(Cdn$ in thousands)	**Three months ended December 31, 2024**	**2023**	**Year ended December 31, 2024**	**2023**
Salaries and benefits	1,085	943	5,465	4,986
Post-employment benefits	220	220	880	922
Share-based compensation (recovery) expense	(650)	1,268	7,543	4,761
	655	2,431	13,888	10,669

Other related parties

Gibraltar Joint Venture

Under the terms of the joint venture operating agreement, Gibraltar pays the Company a management fee for services rendered by the Company as operator of the Gibraltar mine. In addition, the Company pays certain expenses on behalf of Gibraltar and invoices the Gibraltar for these expenses. In 2024, net management fee income of $137 (2023 - $713) and net reimbursable compensation expenses and third party costs of $61 (2023 - $289) were charged to the joint venture partner.

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 Accounting Standards 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.

Non-GAAP Performance Measures (Continued)

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

(Cdn$ in thousands, unless otherwise indicated)	2024 Q4	2024 Q3	2024 Q2	2024 Q1[1]	2024 YE[1]
Cost of sales	134,940	124,833	108,637	122,528	490,938
Less:					
Depletion and amortization	(24,641)	(20,466)	(13,721)	(15,024)	(73,852)
Net change in inventories of finished goods	4,064	2,938	(10,462)	(20,392)	(23,852)
Net change in inventories of ore stockpiles	(3,698)	9,089	1,758	2,719	9,868
Transportation costs	(10,170)	(8,682)	(6,408)	(10,153)	(35,413)
Site operating costs	100,495	107,712	79,804	79,678	367,689
Less by-product credits:					
Molybdenum, net of treatment costs	(16,507)	(8,962)	(7,071)	(6,112)	(38,652)
Silver, excluding amortization of deferred revenue	(139)	(241)	(144)	(137)	(661)
Site operating costs, net of by-product credits	83,849	98,509	72,589	73,429	328,376
Total copper produced (thousand pounds)	28,595	27,101	20,225	26,694	102,615
Total costs per pound produced	2.94	3.63	3.59	2.75	3.20
Average exchange rate for the period (CAD/USD)	1.40	1.36	1.37	1.35	1.37
Site operating costs, net of by-product credits (US$ per pound)	2.10	2.66	2.62	2.04	2.33
Site operating costs, net of by-product credits	83,849	98,509	72,589	73,429	328,376
Add off-property costs:					
Treatment and refining costs	2,435	816	3,941	4,816	12,008
Transportation costs	10,170	8,682	6,408	10,153	35,413
Total operating costs	96,454	108,007	82,938	88,398	375,797
Total operating costs (C1) (US$ per pound)	**2.42**	**2.92**	**2.99**	**2.46**	**2.66**

[1] Q1 2024 includes the impact from the March 25, 2024 acquisition of Cariboo from Dowa and Furukawa, which increased the Company's Gibraltar mine ownership from 87.5% to 100%.

Non-GAAP Performance Measures (Continued)

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

(Cdn$ in thousands, unless otherwise indicated)	**2023 Q4**	**2023 Q3**	**2023 Q2**	**2023 Q1[1]**	**2023 YE[1]**
Cost of sales	93,914	94,383	99,854	86,407	374,558
Less:					
Depletion and amortization	(13,326)	(15,993)	(15,594)	(12,027)	(56,940)
Net change in inventories of finished goods	(1,678)	4,267	3,356	(399)	5,546
Net change in inventories of ore stockpiles	(3,771)	12,172	2,724	5,561	16,686
Transportation costs	(10,294)	(7,681)	(6,966)	(5,104)	(30,045)
Site operating costs	64,845	87,148	83,374	74,438	309,805
Oxide ore stockpile reclassification from capitalized stripping	-	-	(3,183)	3,183	-
Less by-product credits:					
Molybdenum, net of treatment costs	(5,441)	(9,900)	(4,018)	(9,208)	(28,567)
Silver, excluding amortization of deferred revenue	124	290	(103)	(160)	151
Site operating costs, net of by-product credits	59,528	77,538	76,070	68,253	281,389
Total copper produced (thousand pounds)	29,883	30,978	24,640	19,491	104,992
Total costs per pound produced	1.99	2.50	3.09	3.50	2.68
Average exchange rate for the period (CAD/USD)	1.36	1.34	1.34	1.35	1.35
Site operating costs, net of by-product credits (US$ per pound)	1.46	1.87	2.30	2.59	1.99
Site operating costs, net of by-product credits	59,528	77,538	76,070	68,253	281,389
Add off-property costs:					
Treatment and refining costs	7,885	6,123	4,986	4,142	23,136
Transportation costs	10,294	7,681	6,966	5,104	30,045
Total operating costs	77,707	91,342	88,022	77,499	334,570
Total operating costs (C1) (US$ per pound)	**1.91**	**2.20**	**2.66**	**2.94**	**2.37**

[1] Q1 2023 includes the impact from the March 15, 2023 acquisition of Cariboo from Sojitz, which increased the Company's Gibraltar mine ownership from 75% to 87.5%.

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) – 100% basis (except for Q1 2024)	**2024 Q4**	**2024 Q3**	**2024 Q2**	**2024 Q1[1]**	**2024 YE[1]**
Site operating costs	100,495	107,712	79,804	79,678	367,689
Add:					
Capitalized stripping costs	1,981	3,631	10,732	16,152	32,496
Total site costs – Taseko share	**102,476**	**111,343**	**90,536**	**95,830**	**400,185**
Total site costs – 100% basis	**102,476**	**111,343**	**90,536**	**109,520**	**413,875**

[1] Q1 2024 includes the impact from the March 25, 2024 acquisition of Cariboo from Dowa and Furukawa, which increased the Company's Gibraltar mine ownership from 87.5% to 100%.

(Cdn$ in thousands, unless otherwise indicated) – 87.5% basis (except for Q1 2023)	**2023 Q4**	**2023 Q3**	**2023 Q2**	**2023 Q1[1]**	**2023 YE[1]**
Site operating costs	64,845	87,148	83,374	74,438	309,805
Add:					
Capitalized stripping costs	31,916	2,083	8,832	12,721	55,552
Total site costs – Taseko share	**96,761**	**89,231**	**92,206**	**87,159**	**365,357**
Total site costs – 100% basis	**110,584**	**101,978**	**105,378**	**112,799**	**430,739**

[1] Q1 2023 includes the impact from the March 15, 2023 acquisition of Cariboo from Sojitz, which increased the Company's Gibraltar mine ownership from 75% to 87.5%.

Non-GAAP Performance Measures (Continued)

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;
- Other operating costs;
- Call premium on settlement of debt;
- Loss on settlement of long-term debt, net of capitalized interest;
- Bargain purchase gains on Cariboo acquisition;
- Gain on acquisition of control of Gibraltar;
- Realized gain on sale of finished goods inventory;
- Inventory write-ups to net realizable value that was sold or processed;
- Accretion and fair value adjustment on Florence royalty obligation; and
- Finance and other non-recurring costs for Cariboo acquisition.

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.

Adjusted EPS is the Adjusted net income (loss) attributable to common shareholders of the Company divided by the weighted average number of common shares outstanding during the period.

Non-GAAP Performance Measures (Continued)

Adjusted net income (loss) and Adjusted EPS (Continued)

(Cdn$ in thousands, except per share amounts)	2024 Q4	2024 Q3	2024 Q2	2024 Q1	2024 YE
Net (loss) income	**(21,207)**	**(180)**	**(10,953)**	**18,896**	**(13,444)**
Unrealized foreign exchange loss (gain)	40,462	(7,259)	5,408	13,688	52,299
Unrealized (gain) loss on derivatives	(25,514)	1,821	10,033	3,519	(10,141)
Other operating costs[1]	4,132	4,098	10,435	-	18,665
Call premium on settlement of debt	-	-	9,571	-	9,571
Loss on settlement of long term debt, net of capitalized interest	-	-	2,904	-	2,904
Gain on Cariboo acquisition	-	-	-	(47,426)	(47,426)
Gain on acquisition of control of Gibraltar[2]	-	-	-	(14,982)	(14,982)
Realized gain on sale of inventory[3]	-	-	3,768	13,354	17,122
Inventory write-ups to net realizable value that was sold or processed[4]	1,905	3,266	4,056	-	9,227
Accretion and fair value adjustment on Florence royalty obligation	3,682	3,703	2,132	3,416	12,933
Accretion and fair value adjustment on consideration payable to Cariboo	4,543	9,423	8,399	1,555	23,920
Non-recurring other expenses for Cariboo adjustment	-	-	394	138	532
Estimated tax effect of adjustments	2,465	(6,644)	(15,644)	15,570	(4,253)
Adjusted net income	**10,468**	**8,228**	**30,503**	**7,728**	**56,927**
Adjusted EPS	**0.03**	**0.03**	**0.10**	**0.03**	**0.19**

[1] Other operating costs relates to the in-pit crusher relocation project and care and maintenance costs due to the June 2024 labour strike.

[2] The $15.0 million gain on acquisition of control of Gibraltar in Q1 2024 relates to the write-up of finished copper concentrate inventory for Taseko's 87.5% share to its fair value at March 25, 2024.

[3] Cost of sales for the year ended December 31, 2024 included $17.1 million in write-ups to net realizable value for concentrate inventory held at the date of acquisition of control of Gibraltar (March 25, 2024) that were subsequently sold. The realized portion of the gains recorded in the first quarter for GAAP purposes was $13.4 million and for the second quarter were $3.8 million and have been included in Adjusted net income in the period they were sold.

[4] Write-ups to net realizable value for inventory held at the date of acquisition of control of Gibraltar (March 25, 2024) totaled $9.2 million. The inventory write-ups in the first quarter for GAAP purposes have been included in Adjusted net income in the period they were sold or processed. Cost of sales for the year ended December 31, 2024 included $9.2 million in inventory write-ups that were subsequently sold or processed between the second and fourth quarter.

Non-GAAP Performance Measures (Continued)

Adjusted net income (loss) and Adjusted EPS (Continued)

(Cdn$ in thousands, except per share amounts)	2023 Q4	2023 Q3	2023 Q2	2023 Q1	2023 YE
Net income	**38,076**	**871**	**9,991**	**33,788**	**82,726**
Unrealized foreign exchange (gain) loss	(14,541)	14,582	(10,966)	(950)	(11,875)
Unrealized loss (gain) on derivatives	1,636	4,518	(6,470)	2,190	1,874
Gain on Cariboo acquisition	-	-	-	(46,212)	(46,212)
Finance and other non-recurring costs	(916)	1,244	1,714	-	2,042
Estimated tax effect of adjustments	(194)	(1,556)	1,355	16,271	15,876
Adjusted net income (loss)	**24,061**	**19,659**	**(4,376)**	**5,087**	**44,431**
Adjusted EPS	**0.08**	**0.07**	**(0.02)**	**0.02**	**0.15**

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;
- Other operating costs;
- Call premium on settlement of debt;
- Loss on settlement of long-term debt;
- Bargain purchase gains on Cariboo acquisition;
- Gain on acquisition of control of Gibraltar;
- Realized gain on sale of finished goods inventory;
- Inventory write-ups to net realizable value that was sold or processed; and
- Finance and other non-recurring costs for Cariboo acquisition.

Non-GAAP Performance Measures (Continued)

Adjusted EBITDA (Continued)

(Cdn$ in thousands)	2024 Q4	2024 Q3	2024 Q2	2024 Q1	2024 YE
Net (loss) income	**(21,207)**	**(180)**	**(10,953)**	**18,896**	**(13,444)**
Add:					
Depletion and amortization	24,641	20,466	13,721	15,024	73,852
Finance and accretion expense	21,473	25,685	21,271	19,849	88,278
Finance income	(1,674)	(1,504)	(911)	(1,086)	(5,175)
Income tax expense (recovery)	11,707	(200)	(3,247)	23,282	31,542
Unrealized foreign exchange loss (gain)	40,462	(7,259)	5,408	13,688	52,299
Unrealized (gain) loss on derivatives	(25,514)	1,821	10,033	3,519	(10,141)
Amortization of share-based compensation (recovery) expense	(323)	1,496	2,585	5,667	9,425
Other operating costs	4,132	4,098	10,435	-	18,665
Call premium on settlement of debt	-	-	9,571	-	9,571
Loss on settlement of long-term debt	-	-	4,646	-	4,646
Gain on Cariboo acquisition	-	-	-	(47,426)	(47,426)
Gain on acquisition of control of Gibraltar[1]	-	-	-	(14,982)	(14,982)
Realized gain on sale of inventory[2]	-	-	3,768	13,354	17,122
Inventory write-ups to net realizable value that was sold or processed[3]	1,905	3,266	4,056	-	9,227
Non-recurring other expenses for Cariboo acquisition	-	-	394	138	532
Adjusted EBITDA	**55,602**	**47,689**	**70,777**	**49,923**	**223,991**

[1] The $15.0 million gain on acquisition of control of Gibraltar in Q1 2024 relates to the write-up of finished copper concentrate inventory for Taseko's 87.5% share to its fair value at March 25, 2024.

[2] Cost of sales for the year ended December 31, 2024 included $17.1 million in write-ups to net realizable value for concentrate inventory held at the date of acquisition of control of Gibraltar (March 25, 2024) that were subsequently sold. The realized portion of the gains recorded in the first quarter for GAAP purposes was $13.4 million and for the second quarter were $3.8 million and have been included in Adjusted net income in the period they were sold.

[3] Write-ups to net realizable value for inventory held at the date of acquisition of control of Gibraltar (March 25, 2024) totaled $9.2 million. The inventory write-ups in the first quarter for GAAP purposes have been included in Adjusted net income in the period they were sold or processed. Cost of sales for the year ended December 31, 2024 included $9.2 million in inventory write-ups that were subsequently between the second and fourth quarter.

Non-GAAP Performance Measures (Continued)

Adjusted EBITDA (Continued)

(Cdn$ in thousands)	2023 Q4	2023 Q3	2023 Q2	2023 Q1	2023 YE
Net income	**38,076**	**871**	**9,991**	**33,788**	**82,726**
Add:					
Depletion and amortization	13,326	15,993	15,594	12,027	56,940
Finance and accretion expense	12,804	14,285	13,468	12,309	52,866
Finance income	(972)	(322)	(757)	(921)	(2,972)
Income tax expense	17,205	12,041	678	20,219	50,143
Unrealized foreign exchange (gain) loss	(14,541)	14,582	(10,966)	(950)	(11,875)
Unrealized loss (gain) on derivatives	1,636	4,518	(6,470)	2,190	1,874
Amortization of share-based compensation expense	1,573	727	417	3,609	6,326
Gain on Cariboo acquisition	-	-	-	(46,212)	(46,212)
Non-recurring other expenses for Cariboo acquisition	-	-	263	-	263
Adjusted EBITDA	**69,107**	**62,695**	**22,218**	**36,059**	**190,079**

Non-GAAP Performance Measures (Continued)

Earnings from mining operations before depletion, amortization, and non-recurring items

Earnings from mining operations before depletion, amortization, and non-recurring items is earnings from mining operations with depletion and amortization, and any items that are not considered indicative of ongoing operating performance added back. The Company discloses this measure, which has been derived from our financial statements and applied on a consistent basis, to assist 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)	2024 Q4	2024 Q3	2024 Q2	2024 Q1	2024 YE
Earnings from mining operations	**28,727**	**26,686**	**44,948**	**24,419**	**124,780**
Add:					
Depletion and amortization	24,641	20,466	13,721	15,024	73,852
Realized gain on sale of inventory[1]	-	-	3,768	13,354	17,122
Inventory write-ups to net realizable value that was sold or processed[2]	1,905	3,266	4,056	-	9,227
Other operating costs[3]	4,132	4,098	10,435	-	18,665
Earnings from mining operations before depletion, amortization, and non-recurring items	**59,405**	**54,516**	**76,928**	**52,797**	**243,646**

[1] Cost of sales for the year ended December 31, 2024 included $17.1 million in write-ups to net realizable value for concentrate inventory held at the date of acquisition of control of Gibraltar (March 25, 2024) that were subsequently sold. The realized portion of the gains recorded in the first quarter for GAAP purposes was $13.4 million and for the second quarter were $3.8 million and have been included in Adjusted net income in the period they were sold.

[2] Write-ups to net realizable value for inventory held at the date of acquisition of control of Gibraltar (March 25, 2024) totaled $9.2 million. The inventory write-ups in the first quarter for GAAP purposes have been included in Adjusted net income in the period they were sold or processed. Cost of sales for the year ended December 31, 2024 included $9.2 million in inventory write-ups that were subsequently sold or processed in the second and third quarters.

[3] Other operating costs relates to the in-pit crusher relocation project and care and maintenance costs due to the June 2024 labour strike.

During the year ended December 31, 2024, the realized gain on sale of inventory and inventory write-ups to net realizable value that was sold or processed, relates to inventory held at the date of acquisition of control of Gibraltar (March 25, 2024) that was written-up from book value to net realizable value and subsequently sold or processed.

(Cdn$ in thousands)	2023 Q4	2023 Q3	2023 Q2	2023 Q1	2023 YE
Earnings from mining operations	**59,780**	**49,452**	**12,070**	**29,112**	**150,414**
Add:					
Depletion and amortization	13,326	15,993	15,594	12,027	56,940
Earnings from mining operations before depletion and amortization	**73,106**	**65,445**	**27,664**	**41,139**	**207,354**

Non-GAAP Performance Measures (Continued)

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 Q4	2024 Q3	2024 Q2	2024 Q1[1]	2024 YE[1]
Site operating costs (included in cost of sales) – Taseko share	**100,495**	**107,712**	**79,804**	**79,678**	**367,689**
Site operating costs – 100% basis	**100,495**	**107,712**	**79,804**	**90,040**	**378,050**
Tons milled (thousands)	8,250	7,572	5,728	7,677	29,227
Site operating costs per ton milled	**$12.18**	**$14.23**	**$13.93**	**$11.73**	**$12.93**

[1] 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%.

(Cdn$ in thousands, except per ton milled amounts)	2023 Q4	2023 Q3	2023 Q2	2023 Q1[1]	2023 YE[1]
Site operating costs (included in cost of sales) – Taseko share	**64,845**	**87,148**	**83,374**	**74,438**	**309,805**
Site operating costs – 100% basis	**74,109**	**99,598**	**95,285**	**95,838**	**364,830**
Tons milled (thousands)	7,626	8,041	7,234	7,093	29,994
Site operating costs per ton milled	**$9.72**	**$12.39**	**$13.17**	**$13.54**	**$12.16**

[1] Q1 2023 includes the impact from the March 15, 2023 acquisition of Cariboo from Sojitz, which increased the Company's Gibraltar mine ownership from 75% to 87.5%.

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.

Consolidated Financial Statements

December 31, 2024

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The consolidated financial statements, the notes thereto and other financial information contained in the Management's Discussion and Analysis have been prepared in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and are the responsibility of the management of Taseko Mines Limited ("Taseko" or the "Company"). The financial information presented elsewhere in the Management's Discussion and Analysis is consistent with the data that is contained in the consolidated financial statements. The consolidated financial statements, where necessary, include amounts which are based on the best estimates and judgment of management.

In order to discharge management's responsibility for the integrity of the financial statements, the Company maintains a system of internal control over financial reporting. These controls are designed to provide reasonable assurance that the Company's assets are safeguarded, transactions are executed and recorded in accordance with management's authorization, proper records are maintained and relevant and reliable financial information is produced. These controls include maintaining quality standards in hiring and training of employees, establishing policies and procedures, a corporate code of conduct and ensuring that there is proper accountability for performance within appropriate and well-defined areas of responsibility.

The Board of Directors is responsible for overseeing management's performance of its responsibilities for financial reporting and internal control over financial reporting. The Audit Committee, which is composed of non-executive directors, meets with management as well as the external auditors to ensure that management is properly fulfilling its financial reporting responsibilities to the Directors who approve the consolidated financial statements. The external auditors have full and unrestricted access to the Audit Committee to discuss the scope of their audits, the adequacy of the system of internal control over financial reporting and review financial reporting issues.

The consolidated financial statements have been audited by KPMG LLP, the Company's independent registered public accounting firm, in accordance with the standards of the Public Company Accounting Oversight Board (United States).

/s/ Stuart McDonald

Stuart McDonald
Chief Executive Officer

/s/ Bryce Hamming

Bryce Hamming
Chief Financial Officer

Vancouver, British Columbia
February 19, 2025

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company's management, including the Chief Executive Officer and the Chief Financial Officer, is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) and Rule 15d-15(f) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act") as a process designed by, or under the supervision of, the Company's principal executive and principal financial officers and effected by the Company's Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards. The Company's internal control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and

- 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 management, under the supervision of the Chief Executive Officer and the Chief Financial Officer, assessed the effectiveness of the Company's internal control over financial reporting as defined in Rule 13a-15(f) and Rule 15d-15(f) under the Exchange Act as of December 31, 2024. In making this assessment, it used the criteria set forth in the Internal Control-Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this assessment, management has concluded that, as of December 31, 2024, the Company's internal control over financial reporting is effective based on those criteria.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2024 has been audited by KPMG LLP, the Company's independent registered public accounting firm, as stated in their report immediately preceding the Company's audited consolidated financial statements for the years ended December 31, 2024 and 2023.

/s/ Stuart McDonald

Stuart McDonald
Chief Executive Officer

/s/ Bryce Hamming

Bryce Hamming
Chief Financial Officer

Vancouver, British Columbia
February 19, 2025

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Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors
Taseko Mines Limited

Opinion on the Consolidated *Financial Statements*

We have audited the accompanying consolidated balance sheets of Taseko Mines Limited and subsidiaries (the Company) as of December 31, 2024 and 2023, the related consolidated statements of comprehensive income, changes in equity, and cash flows for each of the years then ended, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and its financial performance and its cashflows for each of the years then ended, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 19, 2025 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Evaluation of capitalized stripping costs incurred during production

As discussed in Note 2.4(f) to the consolidated financial statements, stripping costs incurred during production that generate future economic benefit by increasing the productive capacity, extending the productive life of the mine or allowing access to a mineable reserve, are capitalized as mineral property development costs. As discussed in Note 14 to the consolidated financial statements, capitalized stripping costs were $35,771 thousand for the year ended December 31, 2024.

We identified the evaluation of capitalized stripping costs incurred during production as a critical audit matter. The magnitude of costs incurred and the complexity in determining whether the costs were incurred for developing the mineral property, required a high degree of auditor judgement and significant auditor effort.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls related to the critical audit matter, including controls related to the preparation of the mine plan and determination of the strip ratio reflected in the mine plan, determination of the tonnage of materials mined in the year, determination of production costs incurred and determination of the allocation of production costs to capitalized stripping costs or to inventories. We evaluated the professional qualifications, knowledge, skill, and ability of the Company's qualified persons responsible for preparing the mine plan and determining the strip ratio reflected in the mine plan. We compared the Company's historical estimates of projected production information in the mine plan to actual results to assess the accuracy of the Company's forecasting process. We assessed the strip ratios for the current year production by comparing it to the tonnage of materials mined to mine production reports. We selected a sample of production costs, examined the underlying documentation and assessed whether the expenditure related to production. We checked the accuracy of the allocation of production costs between capitalized stripping costs and inventories.

Fair value measurement of purchase consideration and property, plant and equipment acquired in the acquisition of an effective 12.5% interest in the Gibraltar Joint Venture

As discussed in Note 3 to the consolidated financial statements, on March 25, 2024, the Company acquired an additional 12.5% effective interest in the Gibraltar Joint Venture by acquiring 50% of Cariboo Copper Corporation ("Cariboo"), also a joint venture. The Company treated the acquisition as a business combination including the incremental 12.5% interest and recorded total purchase consideration of $71,116. In connection with the transaction, the purchase consideration was allocated to the assets acquired and liabilities assumed of Cariboo including the additional 12.5% effective interest in the Gibraltar Joint Venture based upon their fair values as of the acquisition date, primarily comprised of property, plant and equipment which the Company estimated the fair value to be $126,194 thousand. The acquisition date fair value of the purchase consideration was $71,116 thousand. The acquisition resulted in a gain on Cariboo acquisition of $47,426 thousand which is recorded in the consolidated statement of comprehensive income.

We identified the evaluation of the fair value measurement of the purchase consideration and the 12.5% interest in the property, plant and equipment of the Gibraltar Joint Venture acquired in the Cariboo acquisition at the acquisition date as a critical audit matter. Specifically, there was complex auditor judgment involved in evaluating (1) the discount rate and the expected copper revenues and copper price assumptions used to estimate the fair value of the purchase consideration which were sensitive to changes in those assumptions, and (2) the estimated fair value of the property, plant and equipment that was valued using a discounted cash flow model. The discounted cash flow model included assumptions for future production based on the most recent mineral reserve update, expected metal prices and foreign exchange rates, projected operating costs and the weighted average cost of capital. Changes in any of these assumptions could have had a significant effect on the determination of the fair value of the purchase consideration, the fair value of the property, plant and equipment, and the gain on the Cariboo acquisition recorded as a result of the acquisition.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls over the Company's process to determine the acquisition-date valuation of the purchase consideration and acquisition-date valuation of the 12.5% interest in the property, plant and equipment, including controls related to the determination of the assumptions listed above. We evaluated the reasonableness of the Company's forecasted copper prices as of the acquisition date by comparing the prices to analyst forecasted copper prices. We evaluated the reasonableness of the production volumes by comparing them to the recent mineral reserve update prepared by the Company's qualified persons and by comparing them to historical production volumes over the past 5 years. We evaluated the competence, experience and objectivity of the qualified persons responsible for determining the production volumes and the mineral reserves based on the most recent mineral reserve update. We also compared projected operating costs to historical operating costs over the past 5 years. In addition, we involved valuation professionals with specialized skills and knowledge, who assisted in evaluating (1) the weighted average cost of capital and discount rates by independently developing a range using independent sources and market data for comparable entities (2) the metal prices and foreign exchange rates by comparing them to third party data; and (3) the use of a discounted cash flow model to value the property, plant and equipment.

Fair value measurement of the deemed consideration for the acquisition of 100% control of the Gibraltar Joint Venture and the deemed sale of the existing 87.5% joint venture interest

As discussed in Note 3 to the consolidated financial statements, on March 25, 2024, the Company acquired an additional 12.5% effective interest in the Gibraltar Joint Venture by acquiring 50% of Cariboo, also a joint venture. This acquisition resulted in the Company effectively owning 100% of the Gibraltar Joint Venture which provided the Company with control over the Gibraltar Joint Venture and Cariboo. The Company is deemed to have sold its 87.5% joint venture interest in the Gibraltar Joint Venture and to have reacquired the 87.5% of the Gibraltar Joint Venture in a business combination transaction. The Company treated the deemed sale and acquisition as a business combination and recorded total sale and purchase consideration of $760,180 thousand. In connection with the transaction, the purchase consideration was allocated to the assets acquired and liabilities assumed of the Gibraltar Joint Venture based upon their fair values as of the acquisition date. The deemed acquisition resulted in a gain on sale of the 87.5% joint venture interest of $14,982 thousand which is recorded in the consolidated statement of comprehensive income.

We identified the evaluation of the fair value measurement of the 87.5% interest in the Gibraltar Joint Venture acquired in the deemed acquisition and sale of the 87.5% interest as a critical audit matter. Specifically, there was complex auditor judgment involved in evaluating the estimated fair value of the deemed consideration that was valued using a discounted cash flow model. The discounted cash flow model included assumptions for future production based on the most recent mineral reserve update, expected metal prices and foreign exchange rates, projected operating costs and the weighted average cost of capital. Changes in any of these assumptions could have had a significant effect on the determination of the fair value of the deemed consideration, and the gain on sale of the joint venture interest recorded as a result of the acquisition and deemed disposition.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls over the Company's process to determine the acquisition-date valuation of the deemed consideration paid, including controls related to the determination of the assumptions listed above. We evaluated the reasonableness of the Company's forecasted copper prices as of the acquisition date by comparing the prices to analyst forecasted copper prices. We evaluated the reasonableness of the production volumes by comparing them to the recent mineral reserve update prepared by the Company's qualified persons and by comparing them to historical production volumes over the past 5 years. We evaluated the competence, experience and objectivity of the qualified persons responsible for determining the production volumes and the mineral reserves based on the most recent mineral reserve update. We also compared projected operating costs to historical operating costs over the past 5 years. In addition, we involved valuation professionals with specialized skills and knowledge, who assisted in evaluating (1) the weighted average cost of capital by independently developing a range using independent sources and market data for comparable entities (2) the metal prices and foreign exchange rates by comparing them to third party data; and (3) the use of a discounted cash flow model to value the deemed consideration.

//s// KPMG LLP

Chartered Professional Accountants
We have served as the Company's auditor since 1999.

Vancouver, Canada
February 19, 2025

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Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors
Taseko Mines Limited

Opinion on Internal Control Over Financial Reporting

We have audited Taseko Mines Limited's (the Company) internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2024 and 2023, the related consolidated statements of comprehensive income, changes in equity and cash flows for each of the years then ended, and the related notes (collectively, the consolidated financial statements), and our report dated February 19, 2025, expressed an unqualified opinion on those consolidated financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying "Management's Report on Internal Controls over Financial Reporting". Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's 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 generally accepted accounting principles, 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.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

//s// KPMG LLP

Chartered Professional Accountants

Vancouver, Canada
February 19, 2025

TASEKO MINES LIMITED

Consolidated Balance Sheets

(Cdn$ in thousands)

	Note	December 31, 2024	December 31, 2023
ASSETS			
Current assets			
Cash and equivalents		172,732	96,477
Accounts receivable	11	5,643	16,514
Inventories	12	138,890	122,942
Prepaids		8,179	8,465
Other financial assets	13	27,795	5,057
		353,239	249,455
Property, plant and equipment	14	1,770,102	1,286,001
Inventories	12	39,586	17,554
Other financial assets	13	959	7,896
Deferred tax assets	10c	25,226	17,771
Goodwill	15	5,931	5,462
		2,195,043	**1,584,139**
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	16	129,927	71,748
Current portion of long-term debt	17	32,853	27,658
Deferred revenue	19	13,666	10,346
Current portion of Cariboo consideration payable	3	16,447	14,384
Interest payable		9,890	13,896
Current income tax payable		4,053	3,157
		206,836	141,189
Long-term debt	17	764,355	610,233
Cariboo consideration payable	3	129,421	55,997
Deferred revenue	19	77,327	59,720
Florence royalty obligation	18	84,383	-
Florence copper stream	7b	67,813	-
Provision for environmental rehabilitation	20	169,570	145,786
Deferred tax liabilities	10c	183,964	132,494
Other financial liabilities	22b	8,152	4,572
		1,691,821	1,149,991
EQUITY			
Share capital	21a	529,413	486,136
Contributed surplus		57,786	54,833
Accumulated other comprehensive income ("AOCI")		52,845	16,557
Deficit		(136,822)	(123,378)
		503,222	434,148
		2,195,043	**1,584,139**

Commitments and contingencies	24
Subsequent events	7b, 21d

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

TASEKO MINES LIMITED

Consolidated Statements of Comprehensive Income

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

	Note	For the years ended December 31, 2024	2023
Revenues	4	608,093	524,972
Cost of sales			
Production costs	5	(417,086)	(317,618)
Depletion and amortization	5	(73,852)	(56,940)
Other operating costs	5	(18,665)	-
Insurance recovery	5	26,290	-
Earnings from mining operations		124,780	150,414
General and administrative		(12,942)	(13,465)
Share-based compensation expense	22b	(9,002)	(5,919)
Project evaluation expense		(3,623)	(1,721)
Gain (loss) on derivatives	7	4,799	(4,919)
Other income (expense)	8	(307)	731
Income before financing costs and income taxes		103,705	125,121
Finance expenses, net	9	(40,812)	(39,135)
Accretion expenses	9	(46,937)	(10,759)
Foreign exchange gain (loss)		(50,695)	11,430
Call premium on settlement of debt	9	(9,571)	-
Gain on Cariboo acquisition	3a, 3c	47,426	46,212
Gain on acquisition of control of Gibraltar	3b	14,982	-
Income before income taxes		18,098	132,869
Income tax expense	10	(31,542)	(50,143)
Net (loss) income		**(13,444)**	**82,726**
Other comprehensive income (loss):			
Items that will remain permanently in other comprehensive income (loss):			
Loss on financial assets		(1,138)	(1,235)
Items that may in the future be reclassified to profit (loss):			
Foreign currency translation reserve		37,426	(9,000)
Total other comprehensive income (loss)		**36,288**	**(10,235)**
Total comprehensive income		**22,844**	**72,491**
(Loss) earnings per share			
Basic	23	(0.05)	0.29
Diluted	23	(0.05)	0.28
Weighted average shares outstanding (thousands)			
Basic	23	295,306	288,560
Diluted	23	295,306	290,979

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

TASEKO MINES LIMITED

Consolidated Statements of Cash Flows

(Cdn$ in thousands)

	Note	For the years ended December 31, 2024	2023
Operating activities			
Net (loss) income for the year		(13,444)	82,726
Adjustments for:			
Depletion and amortization	14	74,321	56,940
Income tax expense	10	31,542	50,143
Finance expenses, net	9	40,812	39,135
Accretion expense	9	46,937	10,759
Call premium on settlement of debt	9	9,571	-
(Gain) loss on derivatives	7a	(4,799)	4,919
Unrealized foreign exchange loss (gain)		52,299	(11,875)
Gain on Cariboo acquisition	3a	(47,426)	(46,212)
Gain on acquisition of control of Gibraltar	3b	(14,982)	-
Inventory sold or processed with write-ups to net realizable value	3b	26,349	-
Deferred revenue deposit	19b	18,244	13,586
Amortization of deferred revenue	19b	(5,776)	(6,497)
Share-based compensation expense	22b	9,425	6,326
Other operating activities		3,625	(739)
Net change in working capital - other	25	5,917	(48,119)
Cash provided by operating activities		232,615	151,092
Investing activities			
Gibraltar capitalized stripping costs	14	(30,635)	(55,552)
Gibraltar sustaining capital expenditures	14	(31,700)	(31,092)
Gibraltar capital project expenditures	14	(20,803)	(31,291)
Florence Copper development costs	14	(231,044)	(52,390)
Other project development costs	14	(4,224)	(2,755)
Acquisition of Cariboo, net	3a, 3c	(9,665)	2,948
Release of restricted cash	25	12,500	-
Net outflows related to copper price options	7a	(6,770)	(1,360)
Other investing activities		4,449	3,887
Cash used for investing activities		(317,892)	(167,605)
Financing activities			
Interest paid		(70,302)	(47,755)
Net proceeds from issuance of senior secured notes	17a	670,419	-
Repayment of senior secured notes and call premium	9, 17a	(556,491)	-
Net proceeds from Florence financings	7b, 18	114,332	33,287
Proceeds from Gibraltar equipment financings	17e	15,673	11,067
Repayment of Gibraltar equipment financings	17e	(29,948)	(29,758)
Revolving credit facility advances (repayment)	17b	(26,494)	26,494
Net proceeds from share issuance	21d	37,340	-
Net share-based compensation		2,632	(385)
Cash provided by (used for) financing activities		157,161	(7,050)
Effect of exchange rate changes on cash and equivalents		4,371	(818)
Increase (decrease) in cash and equivalents		76,255	(24,381)
Cash and equivalents, beginning of year		96,477	120,858
Cash and equivalents, end of year		172,732	96,477

Supplementary cash flow disclosures 25

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

TASEKO MINES LIMITED

Consolidated Statements of Changes in Equity

(Cdn$ in thousands)

	Share capital	Contributed surplus	AOCI	Deficit	Total
Balance as at January 1, 2023	479,926	55,795	26,792	(206,104)	356,409
Share-based compensation	-	5,633	-	-	5,633
Exercise of options	2,377	(840)	-	-	1,537
Settlement of performance share units	3,833	(5,755)	-	-	(1,922)
Total comprehensive income (loss) for the year	-	-	(10,235)	82,726	72,491
Balance as at December 31, 2023	**486,136**	**54,833**	**16,557**	**(123,378)**	**434,148**
Balance as at January 1, 2024	486,136	54,833	16,557	(123,378)	434,148
Share-based compensation	-	5,845	-	-	5,845
Exercise of options	5,524	(1,969)	-	-	3,555
Share issuance, net	37,753	-	-	-	37,753
Settlement of performance share units	-	(923)	-	-	(923)
Total comprehensive income (loss) for the year	-	-	36,288	(13,444)	22,844
Balance as at December 31, 2024	**529,413**	**57,786**	**52,845**	**(136,822)**	**503,222**

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

1. REPORTING

Taseko Mines Limited (the "Company" or "Taseko") is a corporation governed by the British Columbia Business Corporations Act. The consolidated financial statements of the Company as at and for the year ended December 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 the Gibraltar mine ("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).

2. MATERIAL ACCOUNTING POLICIES

2.1 Statement of Compliance

These consolidated financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These consolidated financial statements were authorized for issuance by the Board of Directors on February 19, 2025.

2.2 Use of Judgements and Estimates

These consolidated financial statements have been prepared on a historical cost basis, except for those measured at fair value through profit or loss, or fair value through other comprehensive income.

These consolidated financial statements are presented in Canadian dollars, which is the Company's functional currency. Foreign currency monetary assets and liabilities are translated into Canadian dollars at the closing exchange rate as of the balance sheet date. Foreign currency non-monetary assets and liabilities, revenues, and expenses are translated into Canadian dollars at the prevailing rate of exchange on the dates of the transactions. Any gains and losses are included in profit and loss. The Company's U.S. subsidiary measures the items in its financial statements using the U.S. dollar as its functional currency. The assets and liabilities of the U.S. subsidiary are translated into Canadian dollars using the period-end exchange rate. The income and expenses are translated into Canadian dollars at the weighted average exchange rates to the period-end reporting date. Any gains and losses on translation are included in accumulated other comprehensive income ("AOCI"). All financial information presented in Canadian dollars has been rounded to the nearest thousand, unless otherwise noted.

The preparation of these consolidated financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions that affect the application of accounting policies 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.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Use of Judgements and Estimates (continued)

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

Significant areas of estimation include reserve and resource estimation; fair values 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 useful life; tax provisions; provisions for environmental rehabilitation, including the determination of appropriate discount rates; 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, as well as 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 alter the economic status of reserves and resources. Forecast prices of commodities, exchange rates, production costs, recovery rates, and discount rate assumptions, either individually or collectively, may impact the carrying value of derivative financial instruments, provisions for environmental rehabilitation, inventories, property, plant and equipment, and intangibles, as well as the measurement of impairment charges or reversals. These items also impact the fair values of assets and liabilities recorded in the Cariboo acquisition disclosed in Note 3, where the .

2.3 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and controlled subsidiaries (all controlled entities are wholly owned subsidiaries) as at December 31, 2024. Control is achieved when the Company is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The Company reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Assets, liabilities, income, and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income (loss) from the date the Company gains control until the date the Company ceases to control the subsidiary. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Company's accounting policies. All intercompany transactions between the subsidiaries of the Company are eliminated in full on consolidation.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.3 Basis of Consolidation (continued)

The Company applies the acquisition method in accounting for business combinations. The consideration transferred by the Company to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred, and the equity interests issued by the Company, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The Company recognizes identifiable assets acquired and liabilities assumed in a business combination, regardless of whether they have been previously recognized in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Goodwill is stated after the separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of a) the fair value of consideration transferred, b) the recognized amount of any non-controlling interest in the acquiree, and c) the acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount, being a bargain purchase gain, would be recognized in profit or loss immediately as a gain on the acquisition.

2.4 Material Accounting Policies

(a) Revenue Recognition

Under IFRS 15, Revenue from Contracts with Customers, revenue is recognized when a customer obtains control of the goods or services, and the Company has satisfied its performance obligations. Determining the timing of the transfer of control, whether at a point in time or over time, requires judgment. Cash received in advance of meeting these conditions is recorded as advance payments on product sales. In the case of Gibraltar's copper concentrate, control is generally transferred upon shipment of the product, as the product is placed over the ship's rails or, under certain circumstances, upon delivery to the concentrate shed at the shipping port.

Under the terms of the Company's concentrate sales contracts, the final sales amount is based on final assay results and quoted market prices, which may occur in a period subsequent to the date of sale. Revenues for these sales, net of treatment and refining charges, are recorded when the customer obtains control of the concentrate, based on an estimate of metal contained using initial assay results and forward market prices for the expected date that final sales prices will be fixed. The period between provisional pricing and final settlement can be up to four months. This settlement receivable is recorded at fair value each reporting period by reference to forward market prices until the date of final pricing, with changes in fair value recorded as an adjustment to revenue.

(b) Cash and equivalents

Cash and equivalents consist of cash and highly liquid investments with terms of three months or less from the date of acquisition that are readily convertible to known amounts of cash. Cash and equivalents exclude cash subject to restrictions.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Material Accounting Policies (continued)

(c) Financial Instruments

Financial assets and liabilities are recognized on the balance sheet when the Company becomes a party to the contractual provisions of the instrument. The classification of financial instruments dictates how these assets and liabilities are subsequently measured in the Company's consolidated financial statements.

A financial asset is classified as measured at fair value and subsequently at either: amortized cost; Fair Value through Other Comprehensive Income (FVOCI); or Fair Value through Profit or Loss (FVPL).

The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

A financial asset is measured at amortized cost if: (i) it is held within a business model whose objective is to hold assets to collect contractual cash flows; (ii) its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding; and (iii) it is not designated as FVPL. This category of financial assets is subsequently measured at amortized cost using the effective interest method and reduced by impairment losses. Interest income, foreign exchange gains and losses, and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis. Equity investments measured at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

All financial assets not classified as measured at amortized cost or FVOCI, as described above, are measured at FVPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset as FVPL if doing so significantly reduces an accounting mismatch that would otherwise arise. Financial assets classified as FVPL are subsequently measured at fair value, with net gains and losses, including any interest or dividend income, recognized in profit or loss.

Financial Assets at Amortized Cost

Financial assets at amortized cost are recorded at amortized cost using the effective interest method, except for short-term receivables where the recognition of interest would be immaterial. Accounts receivable are assessed for evidence of impairment at each reporting date, with any impairment recognized in profit or loss for the period. Financial assets in this category include cash and cash equivalents and accounts receivable.

Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI) and Profit or Loss (FVPL)

Marketable securities, investment in subscription receipts and reclamation deposits are designated as FVOCI and recorded at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Material Accounting Policies (continued)

(c) Financial instruments (continued)

Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI) and Profit or Loss (FVPL) (Continued)

All financial assets not classified as measured at amortized cost or FVOCI are measured at fair value through profit or loss. Derivative financial instruments that are not designated and effective as hedging instruments are classified as FVPL. Derivatives embedded in non-derivative contracts that have more than nominal value, are recognized separately, unless they are closely related to it's host contract. Financial instruments classified as FVPL are stated at fair value, with any changes in fair value recognized in profit or loss for the period. Financial assets in this category include derivative financial instruments that the Company acquires to manage exposure to commodity price fluctuations. These instruments are non-hedge derivative instruments.

Financial Liabilities

Financial liabilities are initially recorded at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method. The Company has accounted for accounts payable, accrued liabilities, long-term debt, and the Florence royalty obligation under this method, which is amortized cost. In addition, certain financial liabilities are measured at FVPL when designated upon initial recognition or held for trading purposes, with changes in fair value recognized in the income statement. The contingent performance payments under the Cariboo consideration payables and the Florence Copper Stream are measured at FVPL.

Fair Value Measurement

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, based on 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).

(d) Exploration and Evaluation and Development Costs

Exploration and evaluation expenditures relate to the initial search for a mineral deposit and the subsequent evaluation to determine the economic potential of the mineral deposit. The exploration and evaluation stage commences when the Company obtains the legal right or license to begin exploration. Exploration and evaluation expenditures are recognized in profit or loss in the period in which they are incurred.

Capitalization of development costs as mineral property, plant and equipment commences once the technical feasibility and commercial viability of the extraction of mineral reserves and resources associated with the Company's evaluation properties are established, and management has made a decision to proceed with development.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Material Accounting Policies (continued)

(e) Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined on a weighted average basis and includes direct labour and materials; non-capitalized stripping costs; depreciation and amortization; freight; and overhead costs. Oxide ore inventory is considered a co-product and is recorded at cost, excluding any allocation of the cost of waste material, which is solely allocated to sulphide ore and capitalized stripping. Net realizable value is determined with reference to relevant market prices, less applicable variable selling costs and estimated remaining costs of completion to bring the inventories into saleable form.

Ore stockpiles represent stockpiled ore that has not yet completed the production process and is not yet in a saleable form. Finished goods inventories represent metals in saleable form that have not yet been sold. Materials and supplies inventories represent consumables used in the production process, as well as spare parts and other maintenance supplies that are not classified as capital items.

The quantity of recoverable metal in stockpiled ore and in the processing circuits is an estimate based on the tons of ore added and removed, expected grade, and recovery. The quantity of recoverable metal in concentrate is an estimate using initial assay results.

(f) Property, Plant and Equipment

Land, Buildings, Plant and Equipment

Land, buildings, plant and equipment are recorded at cost, including all expenditures incurred to prepare an asset for its intended use.

Repairs and maintenance costs are expensed as incurred, except when these repairs significantly extend the life of an asset or result in an operating improvement. In these instances, the portion of these repairs relating to the betterment is capitalized as part of plant and equipment.

Depreciation is based on the cost of the asset less residual value. Where an item of plant and equipment is comprised of major components with different useful lives, the components are accounted for as separate items and depreciated separately. Depreciation commences when an asset is available for use. Estimates of remaining useful lives and residual values are reviewed annually. Changes in estimates are accounted for prospectively.

The depreciation rates for the major asset categories are as follows:

Land	Not depreciated
Buildings	Straight-line basis over 10-25 years
Plant and equipment	Units-of-production basis
Mining Equipment[1]	Straight-line basis over 5-20 years
Light vehicles and other mobile equipment	Straight-line basis over 2-5 years
Furniture, computer and office equipment	Straight-line basis over 2-3 years

[1] Where appropriate, the Company may designate certain equipment as depreciable on a units-of-production basis.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Material Accounting Policies (continued)

(f) Property, Plant and Equipment (continued)

Mineral Properties

Mineral properties consist of the costs of acquiring, permitting, and developing mineral properties. Once in production, mineral properties are amortized on a units-of-production basis over the component of the ore body to which the capitalized costs relate.

Property acquisition costs arise either from an individual asset purchase or as part of a business combination and may represent a combination of proven and probable reserves, resources, or future exploration potential. When management has not determined that the technical feasibility and commercial viability of extracting a mineral resource are demonstrable, the entire amount is considered property acquisition costs and not amortized. When such property moves into development, the property acquisition cost asset is transferred to mineral properties within property, plant, and equipment.

Mineral property development costs include stripping costs incurred to provide initial access to the ore body; stripping costs incurred during production that generate a future economic benefit by increasing the productive capacity, extending the productive life of the mine, or allowing access to a mineable reserve; capitalized project development costs; and capitalized interest.

Construction in Progress

Construction in progress includes the purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for its intended use. It also includes advances on long-lead items. Construction in progress is not depreciated. Once the asset is complete and available for use, the costs of construction are transferred to the appropriate category of property, plant and equipment, and depreciation commences.

Capitalized Interest

Interest is capitalized for qualifying assets. Qualifying assets are those that require a substantial period of time to prepare for their intended use. Capitalization ceases when the asset is substantially complete or if construction is interrupted for an extended period. When the funds used to finance a project form part of general borrowings, the amount capitalized is calculated using a weighted average of rates applicable to the Company's relevant general borrowings during the period.

Leased Assets and Liabilities

The Company assesses whether a contract is a lease or contains a lease at the inception of the contract. The Company recognizes a right-of-use asset (“ROU asset”) and a corresponding lease liability with respect to all lease arrangements in which it is the lessee at the commencement of the lease, except for short-term and low-value leases, which are recognized on a straight-line basis over the lease term.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Material Accounting Policies (continued)

(f) Property, Plant and Equipment (continued)

Leased Assets and Liabilities (continued)

The ROU asset is initially measured based on the present value of lease payments, lease payments made at or before the commencement date, and any initial direct costs. It is subsequently measured at cost less accumulated depreciation and impairment losses. The ROU asset is depreciated over the shorter of the lease term or the useful life of the underlying asset and is subject to testing for impairment if there is an indicator of impairment.

The lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. Lease payments include fixed payments less any lease incentives and any variable lease payments where variability depends on an index or rate. When the lease contains an extension or purchase option that the Company considers reasonably certain to be exercised, the cost of the option is included in the lease payments.

ROU assets are included in property, plant and equipment (Note 14), and the lease liability is included in debt in the consolidated balance sheet (Note 17).

Impairment

The carrying amounts of the Company's non-financial assets are reviewed for impairment whenever circumstances suggest that the carrying value may not be recoverable. If such an indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment, if any. These assessments require the use of estimates and assumptions, such as long-term commodity prices, discount rates, future capital requirements, exploration potential, and operating performance.

The recoverable amount of an asset or cash-generating unit ("CGU") is the higher of fair value less costs of disposal and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's-length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows largely independent of the cash flows of other assets or CGUs. If the recoverable amount of an asset or its related CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount, and the impairment loss is recognized in profit or loss for the period.

Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but not to an amount that exceeds the carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

The carrying amount of the CGU to which goodwill has been allocated is tested annually for impairment, or when there is an indication that the goodwill may be impaired. Any goodwill impairment is recognized as an expense in profit or loss. If there is a recovery in the value of a CGU, any impairment of goodwill previously recorded is not subsequently reversed.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Material Accounting Policies (continued)

(g) Income Taxes

Income tax on earnings for the periods presented comprises current and deferred tax. Income tax is recognized in earnings, except to the extent that it relates to items recognized directly in equity or other comprehensive income. Income tax is calculated using tax rates that are enacted or substantively enacted at the reporting date, applicable to the period of expected realization or settlement.

Current tax expense is the expected tax payable on taxable income for the year, adjusted for amendments to tax payable related to previous years.

Deferred tax is determined using the balance sheet liability method, which provides for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. The following temporary differences are not provided for: the initial recognition of assets or liabilities acquired (other than in a business combination) that affect neither accounting nor taxable profit on acquisition; and differences related to investments in subsidiaries, associates, and joint ventures, to the extent that they are not expected to reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amounts of assets and liabilities. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(h) Share-based Compensation

The fair-value method is used for the Company's share-based payment transactions. Under this method, the cost of share options and equity-settled performance share units is recorded based on their estimated fair value at the grant date, including an estimate of the forfeiture rate. The fair value of the share options and performance share units is expensed on a graded amortization basis over the vesting period of the awards, with a corresponding increase in equity.

Share-based compensation expense related to cash-settled awards, including deferred share units, is recognized based on the quoted market value of the Company's common shares on the date of grant. The related liability is re-measured to fair value each reporting period to reflect changes in the market value of the Company's common shares, with changes in fair value recorded in profit or loss.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Material Accounting Policies (continued)

(i) Provisions

Environmental Rehabilitation

The Company records the present value of estimated costs for legal and constructive obligations required to retire an asset in the period in which the obligation occurs. Environmental rehabilitation activities include facility decommissioning and dismantling, removal and treatment of waste materials (including water treatment), site and land rehabilitation (including compliance with and monitoring of environmental regulations), and other related costs necessary to perform this work or operate equipment designed to reduce or eliminate environmental effects.

The provision for environmental rehabilitation ("PER") is adjusted each period for new disturbances, changes in regulatory requirements, the estimated amount of future cash flows required to settle the liability, the timing of such cash flows, and the pre-tax risk-free discount rate specific to the liability. The unwinding of the discount is recognized in profit or loss as a finance cost.

When a PER is initially recognized, the corresponding cost is capitalized, increasing the carrying amount of the related asset, and amortized to profit or loss on a unit-of-production basis. Costs are capitalized only to the extent that the amount meets the definition of an asset and represents future economic benefits to the operation.

Significant estimates and assumptions are made in determining the provision for environmental rehabilitation, as various factors affect the ultimate liability. These factors include the extent and cost of rehabilitation activities, the timing of future cash flows, changes in discount rates, inflation rates, and regulatory requirements.

Other Provisions

Other provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event, and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation. When the effect is material, the provision is discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The accretion expense is included in finance expense.

(j) Finance Income and Expenses

Finance income comprises interest income on funds invested, gains on the disposal of marketable securities, and changes in the fair value of derivatives included in cash and equivalents and marketable securities. Interest income is recognized as it accrues in profit or loss, using the effective interest method. Finance expenses comprise interest expense on borrowings, unwinding of the discount on provisions, the finance component on deferred revenue, losses on the disposal of marketable securities, changes in the fair value of derivatives included in cash and cash equivalents and marketable securities, and impairment losses recognized on financial assets. Borrowing costs that are not directly attributable to the acquisition, construction, or production of a qualifying asset are recognized in profit or loss using the effective interest method.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Material Accounting Policies (continued)

(k) Earnings (Loss) per Share

The Company calculates basic and diluted earnings (loss) per share for its common shares by dividing the earnings (loss) attributable to common shareholders by the weighted average number of common shares outstanding during the period. Diluted earnings per share is calculated by adjusting the earnings attributable to common shareholders and the weighted average number of shares outstanding for the effects of all dilutive potential common shares, such as warrants and share options. No dilution is recognized when the Company reports a loss.

(l) Interests in Joint Arrangements

IFRS defines a joint arrangement as one over which two or more parties have joint control, which is the contractually agreed sharing of control over an arrangement. This exists only when the decisions about the relevant activities (being those that significantly affect the returns of the arrangement) require the unanimous consent of the parties sharing control.

A joint operation is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities, relating to the arrangement. In relation to its interests in joint operations, the Company recognizes its:

- Assets, including its share of any assets held jointly;
- Liabilities, including its share of any liabilities incurred jointly;
- Revenue from the sale of its share of the output arising from the joint operation; and
- Expenses, including its share of any expenses incurred jointly.

The Company applied IFRS on joint arrangements to reflect its 87.5% beneficial interest in Gibraltar mine for the financial results of the Company before March 15, 2024. Subsequently, financial results of the Company reflect its 100% beneficial interest.

2.5 New Accounting Standards and Interpretations issued

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, but did not have a material impact on the Company's audited consolidated financial statements, have not been disclosed. The Company adopted amendments to IAS 1, Presentation of Financial Statements and IAS 1, Presentation of Financial Statements, effective January 1, 2023 and January 1, 2024 respectively. Amendments to IAS 1, Presentation of Financial Statements required the disclosure of "material" rather than "significant" accounting policies. Amendments to IAS 1, Presentation of Financial Statements, clarifies that the classification of liabilities as current or non-current depends on the rights existing at the end of the reporting period as opposed to the expectations of exercising the right for settlement of the liability. These amendments did not change the Company's accounting policies.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.6 New Accounting Standards Issued but not Effective

In May 2024, the IASB issued 'Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)'. The amendments clarify the date of recognition and derecognition of some financial assets and financial liabilities, with a new exception that permits companies to elect to derecognize certain financial liabilities settled via electronic payment systems earlier than the settlement date. It also clarifies guidance on assessing whether a financial asset meets the solely payments of principal and interest criterion, it adds new disclosures for certain instruments with contractual terms that can change cash flows and updates the disclosures for equity instruments designated at fair value through other comprehensive income. The amendments apply for annual reporting periods beginning on or after January 1, 2026, and are applied retrospectively. The Company is currently evaluating the impact of the new standard on its consolidated financial statements.

In April 2024, the IASB published its new standard IFRS 18 ‘Presentation and Disclosures in Financial Statements' that will replace IAS 1 'Presentation of Financial Statements' which sets out presentation and base disclosure requirements for financial statements. The changes, which mostly affect the statement of comprehensive income, include the introduction of categories and defined subtotals to allow better comparison between entities. Along with the introduction of requirements to improve aggregation and disaggregation of line items presented on the primary financial statements, that aim at additional relevant information and ensure that material information is not obscured. Companies will also have to disclose information on Management-defined Performance Measures in the notes to the financial statements. The amendments apply for annual reporting periods beginning on or after January 1, 2027, and are applied retrospectively. The Company is currently evaluating the impact of the new standard on its consolidated financial statements.

(Cdn$ in thousands)

3. ACQUISITION OF CARIBOO COPPER CORPORATION

a) Acquisition of Cariboo from Dowa and Furukawa

On March 25, 2024 (the "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"), resulting in an additional 12.5% effective interest in Gibraltar, bringing its total effective interest to 100%. Gibraltar is operated through a joint venture in which Taseko, through its wholly owned subsidiary, Gibraltar, holds a 75% interest and Cariboo holds the remaining 25% interest.

The acquisition price payable to Dowa and Furukawa ranges from a minimum of $117 million to a maximum of $142 million, with payments spread over a 10-year period (the "Purchase Consideration"). The amount and timing of these payments depend on LME copper prices and Gibraltar's cashflow.

An initial payment of $5 million was made to Dowa and Furukawa on closing. The remaining cash consideration will be paid in annual instalments 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 for the previous calendar year, subject to an annual cap tied to a percentage of Gibraltar's cashflow. At copper prices below US$4.00 per pound, the annual payment of the Purchase Consideration will be $5 million. This amount will increase proportionally, reaching a maximum of $15.25 million when copper prices are US$5.00 per pound or higher. Additionally, annual payments of the Purchase Consideration cannot exceed 6.25% of Gibraltar's annual cashflow between 2025 and 2028, and 10% between 2029 and 2033. Any remaining balance on the minimum Purchase Consideration of $117 million will be paid as a final balloon payment in March 2034. At the Acquisition Date, the Purchase Consideration was estimated based on forecasted copper prices over the next 10 years. The total estimated Purchase Consideration was then discounted to determine its fair value, which as of the Acquisition Date was $71,116.

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 on their estimated fair values at the Acquisition Date. The allocation of the Purchase Consideration is as follows:

Cash and cash equivalents	9,884
Accounts receivable and other assets	3,046
Reclamation deposits	6,262
Inventory	24,634
Property, plant and equipment and mineral properties	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.

(Cdn$ in thousands)

3. ACQUISITION OF CARIBOO COPPER CORPORATION (CONTINUED)

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

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 statement of comprehensive income of $47,426 for the year ended December 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 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. 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 portion of the fair value of net assets acquired was attributable 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.

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

Fair value of the Purchase Consideration payable as at Acquisition Date	71,116
Consideration paid in the year	(5,000)
Accretion on consideration payable	7,543
Current and Long term Cariboo consideration payable	**73,659**

From the Acquisition Date to December 31, 2024, $16,246 of the Company's consolidated net income relates to its share of Cariboo, the Company additionally recognized $547 of acquisition related costs (100% basis) that were included in other expenses.

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

	Year ended December 31,	
Pro forma information	**2024**	**2023**
Revenue	623,509	631,675
Net (loss) income	(11,547)	105,324

3. ACQUISITION OF CARIBOO COPPER CORPORATION (CONTINUED)

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 requires 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.

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. 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, major mill equipment and infrastructure within property, plant, and equipment. The remaining portion of the fair value of net assets acquired was attributable to mineral properties which are amortizable over the estimated remaining life of Gibraltar on a units of production basis.

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 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.

(Cdn$ in thousands)

3. ACQUISITION OF CARIBOO COPPER CORPORATION (CONTINUED)

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

In total, a gain of $14,982 was immediately recognized in the statement of comprehensive income for year ended December 31, 2024. In addition, for ore stockpiles and molybdenum concentrate inventory, the fair value as at the deemed acquisition date was determined to be $134,723 compared to the book value of $121,381, which resulted in a reclassification between mineral property and inventory of $13,342.

The assets acquired and liabilities assumed for the Company's 87.5% effective interest in Gibraltar on March 25, 2024, based upon their estimated fair values at the deemed acquisition date, are as follows:

Cash and cash equivalents	5,122
Accounts receivable and other asset	21,302
Inventory	172,440
Property, plant and equipment and mineral properties	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 December 31, 2024, the Company sold $43,105 of concentrate inventory with a gross profit of $17,122 that it wrote up to fair value on the March 25, 2024 deemed acquisition date. The $17,122 write up consists of the fair value inventory adjustments of $2,140 on acquisition of Cariboo from Dowa and Furukawa and $14,982 on deemed disposition of the Gibraltar interest on acquisition of control. In addition, the Company sold or processed other inventory that were written up to fair value of $9,227. For the year ended December 31, 2024, inventory write-ups to net realizable value totaling $26,349 was recognized in the statement of comprehensive income.

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 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**

(Cdn$ in thousands)

3. ACQUISITION OF CARIBOO COPPER CORPORATION (CONTINUED)

c) Acquisition of Cariboo from Sojitz in 2023 (continued)

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 year ended December 31, 2023.

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

Fixed consideration payable	35,846
Contingent performance payments payable	36,363
Total Cariboo consideration payable	**72,209**
Less current portion:	
Fixed consideration payable	9,915
Contingent performance payments payable	6,532
Long-term portion of Cariboo consideration payable	**55,762**

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 in the year ended December 31, 2023.

(Cdn$ in thousands)

4. REVENUE

	Years ended December 31, 2024	2023
Copper contained in concentrate	573,479	512,376
Copper price adjustments on settlement	1,533	818
Molybdenum concentrate	40,445	31,713
Molybdenum price adjustments on settlement	1,267	(1,013)
Silver (Note 19)	6,437	6,346
Total gross revenue	623,161	550,240
Less: Treatment and refining costs	(15,068)	(25,268)
Revenue	**608,093**	**524,972**

As a result of the acquisition of Cariboo, after March 25, 2024, the financial results of the Company reflect its wholly owned interest in the Gibraltar mine (Note 3). Financial results between March 16, 2023 and March 24, 2024 reflect the Company's 87.5% share of Gibraltar's mine revenues and before March 15, 2023 reflects the 75% interest.

5. COST OF SALES AND OTHER OPERATIONAL COSTS

	Years ended December 31, 2024	2023
Site operating costs	367,689	309,805
Transportation costs	35,413	30,045
Change in inventories:		
Changes in finished goods	23,852	(5,546)
Changes in sulphide ore stockpiles	2	(1,828)
Changes in oxide ore stockpiles	(9,870)	(14,858)
Production costs	417,086	317,618
Depletion and amortization	73,852	56,940
Cost of sales	**490,938**	**374,558**
Other operating cost:		
Crusher relocation costs	16,141	-
Site care and maintenance	2,524	-
Other operating costs	**18,665**	**-**
Insurance recovery	**(26,290)**	**-**

(Cdn$ in thousands)

5. COST OF SALES AND OTHER OPERATIONAL COSTS (CONTINUED)

As a result of the acquisition of Cariboo, after March 25, 2024, the financial results of the Company reflect its wholly owned interest in the Gibraltar mine (Note 3). Financial results between March 15, 2023 and March 24, 2024 include the Company's 87.5% share of Gibraltar's cost of sales and other operational costs and prior to March 15, 2023, the financial results reflects the 75% interest.

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

For the year ended December 31, 2024, the Company has recognized costs of $16,141 in the statement of comprehensive income (loss) related to the in-pit primary crusher relocation project which includes relocation related costs for the physical move of the primary crusher to its new location, demolition costs for the old station and $4.1 million in writedowns of decommissioned conveyor components considered redundant.

In June 2024, operations at the Gibraltar mine were suspended for 18 days due to the unionized workforce strike which started on June 1, 2024. The resulting care and maintenance costs during the 18 day period amounted to $2,524 are expensed as incurred and do not form part of the cost of inventory and cost of sales. Operations at Gibraltar resumed on June 19, 2024, after the ratification of a new agreement by union members.

With the component replacement in Concentrator #2 completed in January 2024, the Company finalized its insurance claim for associated property damage and business interruption as a result of a component failure. During the year ended December 31, 2024 , the Company recognized an insurance recovery of $26,290 related to the business interruption portion of the insurance claim in the statement of comprehensive income as a credit against operating costs as it relates to estimated lost revenue.

6. COMPENSATION EXPENSE

	Years ended December 31,	
	2024	**2023**
Wages, salaries and benefits	115,730	97,929
Post-employment benefits	879	921
Share-based compensation expense (Note 22)	9,425	6,326
	126,034	105,176

Compensation expense is presented as a component of cost of sales, general and administrative expense, and project development costs.

(Cdn$ in thousands)

7. 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 years ended December 31, 2024 and 2023:

	Years ended December 31, 2024	2023
Net gain (loss) on copper price and fuel contracts (a)	15,679	(4,919)
Fair value adjustment on Florence copper stream derivative (b)	(10,880)	-
Gain (loss) on derivatives	**4,799**	**(4,919)**

Date of purchase	Contract	Quantity	Strike price	Period	Cost
Jan 2023	Copper collar	42 million lbs	US$3.75/ US$4.70 per lb	Jul 2023 – Dec 2023	Zero cost
Oct 2023	Copper put	21 million lbs	US$3.25 per lb	Jan 2024 – Mar 2024	1,632
Nov 2023	Copper put	21 million lbs	US$3.25 per lb	Apr 2024 – Jun 2024	1,556
Jan 2023	Fuel call options	12 million ltrs	US$1.00 per ltr	Jul 2023 – Dec 2023	941
Mar 2024	Copper collar	42 million lbs	US$3.75/ US$5.00 per lb	Jul 2024 – Dec 2024	1,985
Apr 2024	Copper collar	54 million lbs	US$4.00/ US$5.00 per lb	Jan 2025 – Jun 2025	2,563
Apr 2024	Copper collar	54 million lbs	US$4.00/ US$5.40 per lb	Jul 2025 – Dec 2025	2,222
Feb 2024	Fuel call options	12.5 million ltrs	US$0.79 per ltr	Feb 2024 – Jun 2024	165
Sept 2024	Fuel call options	18 million ltrs	US$0.65 per ltr	Jan 2025 – Jun 2025	561

During the year ended December 31, 2024, the Company recognized a net realized loss of $5,177 (2023 - $1,041) on copper collar contracts and a net realized loss of $165 (2023 - $2,004) on fuel call options that expired out-of-the-money.

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

	Years ended December 31, 2024	2023
Net realized loss on settled copper options and collars	(5,177)	(1,041)
Net unrealized gain (loss) on outstanding copper options and collars	21,250	(2,677)
Realized loss on fuel call options	(165)	(2,004)
Unrealized gain (loss) on fuel call options	(229)	803
	15,679	(4,919)

(Cdn$ in thousands)

7. DERIVATIVE INSTRUMENTS (CONTINUED)

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

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

	Quantity	Strike price	Period	Cost	Fair value
Copper collars	54 million lbs	US$4.00 per lb US$5.00 per lb	H1 2025	2,563	10,454
Copper collars	54 million lbs	US$4.00per lb US$5.40 per lb	H2 2025	2,222	16,114
Fuel call options	18 million ltrs	US$0.65 per ltr	H1 2025	561	332

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 Florence Copper project. Mitsui has committed to an initial investment of US$50 million, with proceeds to be used for the 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, with 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 the 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 its expiry date, the Company will have the right to buy back 100% of the Copper Stream; otherwise, it will terminate once 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 is reduced to nil.

During the year, the Company received the first four US$10 million instalments of the US$50 million Copper Stream. The remaining US$10 million was received on January 27, 2025.

(Cdn$ in thousands)

7. DERIVATIVE INSTRUMENTS (CONTINUED)

b) Derivative Instruments – Florence Copper Stream (continued)

For accounting purposes, the Mitsui agreement is classified as a financial instrument and includes derivatives that must be fair valued at each reporting period. The Company has determined that the carrying value of the financial instrument and the fair value of the derivatives is $67,813 as at December 31, 2024, based on the timing of future instalment payments, estimates of future production, future copper prices, and other relevant factors. For the year ended December 31, 2024, the Company recorded an unrealized loss of $10,880 in the statement of comprehensive income.

Proceeds from Florence copper stream	54,842
Deferred financing fees	(1,086)
Fair value adjustment on Florence copper stream derivative	10,880
Unrealized foreign exchange gain	3,177
Florence copper stream as at December 31, 2024	67,813

8. OTHER INCOME (EXPENSE)

	Years ended December 31,	
	2024	**2023**
Management fee income	198	713
Other operating income (expense), net	(505)	18
Other income (expense)	**(307)**	**731**

9. FINANCE AND ACCRETION EXPENSES

	Years ended December 31,	
	2024	**2023**
Interest expense	61,886	48,181
Amortization of deferred financing charges	2,515	2,791
Finance income	(5,175)	(2,972)
Loss on settlement of long-term debt (Note 17a)	4,646	-
Less: interest expense capitalized (Note 14)	(23,060)	(8,865)
Finance expenses, net	**40,812**	**39,135**
Accretion on deferred revenue (Note 19)	7,244	6,652
Accretion on PER (Note 20)	2,780	2,328
Accretion and fair value adjustment on Cariboo consideration payable (Note 3)	23,920	1,779
Accretion and fair value adjustment on Florence royalty obligation (Note 18)	12,993	-
Accretion expenses	**46,937**	**10,759**

(Cdn$ in thousands)

9. FINANCE AND ACCRETION EXPENSES (CONTINUED)

For the year ended December 31, 2024, interest expense includes $1,378 (2023 - $1,945) from lease liabilities and lease related obligations.

As part of the senior secured notes refinancing completed in April 2024, the Company redeemed its US$400 million aggregate principal amount of senior secured notes (the "2026 Notes") on April 23, 2024, which resulted in an accounting loss of $4,646 due to the accumulated write-off of deferred financing costs. $1,742 of the accounting loss was capitalized to the Florence Copper development costs, as further discussed below.

The Company also paid a one-time redemption call premium of $9,571 on the settlement of the 2026 Notes, which is not included in net financing expenses shown above.

For the year ended December 31, 2024, $23,060 (2023 - $8,865) of borrowing costs have been capitalized to Florence Copper development costs (Note 14).

10. INCOME TAX

a) Income Tax Expense

	Years ended December 31,	
	2024	**2023**
Current income tax:		
Current expense	3,482	3,002
Deferred income tax:		
Origination and reversal of temporary differences	31,061	47,036
Deferred tax adjustments related to prior periods	(3,001)	105
Deferred income tax expense	28,060	47,141
Income tax expense	**31,542**	**50,143**

b) Effective Tax Rate Reconciliation

	Years ended December 31,	
	2024	**2023**
Income tax expense (recovery) at Canadian statutory rate of 36.5%	6,603	48,484
Permanent differences	20,684	2,641
Foreign tax rate differential	629	102
Unrecognized tax benefits	6,627	(1,189)
Deferred tax adjustments related to prior periods	(3,001)	105
Income tax expense	**31,542**	**50,143**

(Cdn$ in thousands)

10. INCOME TAX (CONTINUED)

c) Deferred Tax Assets and Liabilities

Deferred tax assets and liabilities are attributable to the following:

	As at December 31,	
	2024	**2023**
Property, plant and equipment	(3,620)	(1,835)
Other financial assets	6,370	2,830
Provisions	-	(11)
Other financial liabilities	(9,585)	(3,442)
Tax loss carry forwards and other tax attributes	32,061	20,229
Deferred tax assets	**25,226**	**17,771**
Property, plant and equipment	(336,232)	(261,258)
Other financial assets	31,511	7,462
Provisions	44,096	37,951
Other financial liabilities	-	(109)
Tax loss carry forwards	76,661	83,460
Deferred tax liabilities	**(183,964)**	**(132,494)**

d) Unrecognized Deferred Tax Assets and Liabilities

	As at December 31,	
	2024	**2023**
Deductible temporary differences:		
Debt	89,820	78,359
Losses and tax pools	28,082	28,082
Other financial assets	16,951	15,314
Deferred tax asset:		
Debt	17,096	10,469
Losses and tax pools	7,582	7,582
Other financial assets	2,288	2,067

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilize the benefits. There are no unrecognized deferred tax liabilities.

Losses and tax pools of $28,082 (2023 - $28,082) relate to non-capital losses in Canada which expire between 2027 and 2039.

(Cdn$ in thousands)

11. ACCCOUNTS RECEIVABLE

	As at December 31,	
	2024	**2023**
Trade and settlement receivables	5,397	11,039
Insurance proceeds receivable	16	4,057
Other receivables	230	1,418
Accounts receivable	**5,643**	**16,514**

12. INVENTORIES

	As at December 31,	
	2024	**2023**
Current:		
Sulphide ore stockpiles	76,696	57,678
Copper contained in concentrate	14,932	17,356
Molybdenum concentrate	642	711
Materials and supplies	46,620	47,197
	138,890	**122,942**
Long term:		
Oxide ore stockpiles	39,586	17,554
	178,476	**140,496**

No adjustments to net realizable value were recorded for the year ended December 31, 2024. For the year ended December 31, 2023, the Company recorded a write-down of $7,613 to adjust the carrying value of ore stockpiles to lower of cost and net realizable value of which $1,695 is recorded in depletion and amortization and the balance in production costs.

13. OTHER FINANCIAL ASSETS

	As at December 31,	
	2024	**2023**
Marketable securities	895	1,333
Copper price options (Note 7)	26,568	3,724
Fuel call options (Note 7)	332	-
Other financial assets, current	**27,795**	**5,057**
Investment in private companies	500	1,200
Reclamation deposits	459	6,696
Other financial assets, long-term	**959**	**7,896**

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

(Cdn$ in thousands)

14. PROPERTY, PLANT AND EQUIPMENT

Cost	**Property acquisition costs**	**Mineral properties**	**Plant and equipment**	**Construction in progress**	**Total**
As at January 1, 2023	115,442	661,268	803,183	145,718	1,725,611
Additions	-	102,346	31,305	72,690	206,341
Cariboo acquisition (Note 3)	-	34,520	75,686	5,373	115,579
Changes in rehabilitation cost asset	-	12,673	-	-	12,673
Disposals	-	-	(18,911)	-	(18,911)
Foreign exchange translation	(2,029)	(2,415)	(1,516)	(2,082)	(8,042)
Transfers between categories	-	-	17,975	(17,975)	-
As at December 31, 2023	113,413	808,392	907,722	203,724	2,033,251
Additions	-	63,581	34,351	309,586	407,518
Cariboo acquisition (Note 3)	-	55,763	65,197	5,234	126,194
Deemed disposition (Note 3)	-	(12,838)	(504)	-	(13,342)
Changes in rehabilitation cost asset	-	1,481	-	-	1,481
Disposals	-	-	(44,658)	-	(44,658)
Foreign exchange translation	7,774	12,586	1,056	26,792	48,208
Transfers between categories	-	-	119,585	(119,585)	-
As at December 31, 2024	**121,187**	**928,965**	**1,082,749**	**425,751**	**2,558,652**
Accumulated depreciation					
As at January 1, 2023	-	337,048	359,323	-	696,371
Depletion and amortization	-	14,008	54,732	-	68,740
Disposals	-	-	(17,861)	-	(17,861)
As at December 31, 2023	-	351,056	396,194	-	747,250
Depletion and amortization	-	66,324	13,410	-	79,734
Disposals	-	-	(38,434)	-	(38,434)
As at December 31, 2024	**-**	**417,380**	**371,170**	**-**	**788,550**
Net book value					
As at December 31, 2023	113,413	457,336	511,528	203,724	1,286,001
As at December 31, 2024	**121,187**	**511,585**	**711,579**	**425,751**	**1,770,102**

(Cdn$ in thousands)

14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The following schedule shows the continuity of property, plant and equipment net book value for the year ended December 31, 2024 and 2023:

	As at December 31,	
	2024	**2023**
Net book value as at January 1	1,286,001	1,029,240
Additions:		
Gibraltar capitalized stripping costs	35,771	61,614
Gibraltar sustaining capital expenditures	29,963	32,724
Gibraltar capital expenditures	20,803	31,291
Cariboo acquisition (Note 3)	126,194	115,579
Deemed disposition (Note 3)	(13,342)	-
Florence Copper development costs	287,265	59,178
Florence Copper capitalized borrowing costs	23,060	8,865
Yellowhead development costs	3,049	826
Aley development costs	1,289	1,011
Other items:		
Right of use assets	6,317	10,981
Rehabilitation costs asset (Note 20)	1,481	12,673
Disposals	(6,223)	(1,199)
Foreign exchange translation and other	48,208	(8,042)
Depletion and amortization	(79,734)	(68,740)
Net book value as at December 31	**1,770,102**	**1,286,001**

(Cdn$ in thousands)

14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Net book value	Gibraltar Mine	Florence Copper	Yellowhead	Aley	Other	Total
As at December 31, 2022	610,399	380,987	21,950	14,873	1,031	1,029,240
Cariboo acquisition (Note 3)	115,579	-	-	-	-	115,579
Net additions	135,234	68,162	884	1,011	-	205,291
Changes in rehabilitation cost asset (Note 20)	12,673	-	-	-	-	12,673
Depletion and amortization	(68,377)	-	(8)	-	(355)	(68,740)
Foreign exchange translation	-	(8,042)	-	-	-	(8,042)
As at December 31, 2023	805,508	441,107	22,826	15,884	676	1,286,001
Cariboo acquisition (Note 3)	126,194	-	-	-	-	126,194
Deemed disposition (Note 3)	(13,342)	-	-	-	-	(13,342)
Net additions	86,372	310,584	3,049	1,289	-	401,294
Changes in rehabilitation costs asset (Note 20)	445	1,036	-	-	-	1,481
Depletion and amortization	(79,266)	-	(113)	-	(355)	(79,734)
Foreign exchange translation	-	48,208	-	-	-	48,208
As at December 31, 2024	925,911	800,935	25,762	17,173	321	1,770,102

During the year ended December 31, 2024, the Company capitalized development costs of $287,524 (2023 - $59,178) for the Florence Copper project, and capitalized $23,060 (2023 - $8,865) in related borrowing costs.

During the year ended December 31, 2024, non-cash additions to property, plant and equipment of Gibraltar include $5,784 (2023 - $10,835) of depreciation on mining assets related to capitalized stripping.

Since January 1, 2020, development costs for Yellowhead of $9,537 have been capitalized as mineral property, plant and equipment.

Depreciation related to the right of use assets for the year ended December 31, 2024, was $12,269 (2023 - $10,740).

(Cdn$ in thousands)

15. GOODWILL

Goodwill was recorded on the Company's acquisition of Curis Holdings (Canada) Ltd. ("Curis") in 2014, which at the time indirectly owned 100% of the Florence Copper Project. During the year ended December 31, 2024, the carrying value of the goodwill increased by $469 (2023 – decreased by $122) due to foreign currency translation.

The Company performed its annual goodwill impairment test, and the recoverable amount of the Curis CGU was determined to be higher than its carrying amount, with no impairment loss recognized.

16. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	As at December 31,	
	2024	**2023**
Trade payables	45,417	28,557
Accrued liabilities	84,510	43,191
Accounts payable and accrued liabilities	**129,927**	**71,748**

17. DEBT

	As at December 31,	
	2024	**2023**
Lease liabilities (d)	7,638	11,040
Gibraltar equipment loans (e)	18,579	11,105
Florence project facility (f)	6,636	5,513
Current portion of long-term debt	**32,853**	**27,658**
Senior secured notes (a)	719,250	529,880
Revolving credit facility (b)	-	26,494
Lease liabilities (d)	5,658	6,929
Gibraltar equipment loans (e)	30,419	26,887
Florence project facility (f)	22,522	26,851
Deferred financing fees	(13,494)	(6,808)
Long-term debt	**764,355**	**610,233**
Total debt	797,208	637,891

17. DEBT (CONTINUED)

a) Senior Secured Notes

On April 23, 2024, the Company completed an offering of US$500 million aggregate principal amount of senior secured notes (the “2030 Notes”). The 2030 Notes mature on May 1, 2030, and bear interest at an annual rate of 8.25%, payable semi-annually on May 1 and November 1. The majority of the proceeds were used to redeem the outstanding 2026 Notes. The remaining proceeds, net of transaction costs, call premium, and accrued interest, of approximately $110 million (US$81 million), were available for capital expenditures, including for Florence Copper and Gibraltar, working capital, and general corporate purposes.

The 2030 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 related to Gibraltar, as well as the shares of Curis, Florence Holdings Inc. (“Florence Holdings”), and Cariboo. The 2030 Notes are guaranteed by each of Taseko’s existing and future restricted subsidiaries. The liens on the collateral securing the notes and the guarantees will be first liens, junior in priority to the corresponding liens of the revolving credit facility. 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 2030 Notes at any time on or after November 1, 2026, at redemption prices ranging from 104.125% to 100%, plus accrued and unpaid interest to the date of redemption. Prior to November 1, 2026, all or part of the notes may be redeemed at 100%, plus a make-whole premium, plus accrued and unpaid interest to the date of redemption. Until November 1, 2026, the Company may redeem up to 10% of the aggregate principal amount of the notes, at a redemption price of 103%, plus accrued and unpaid interest to the date of redemption. In addition, until November 1, 2026, the Company may redeem up to 40% of the aggregate principal amount of the notes, in an amount not greater than the net proceeds of certain equity offerings, at a redemption price of 108.25%, plus accrued and unpaid interest to the date of redemption. On a change of control, the 2030 Notes are redeemable at the option of the holder at a price of 101%.

b) Revolving Credit Facility

The Company has in place a secured US$80 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., Florence Holdings and Cariboo. The Facility is available for capital expenditures, working capital and general corporate purposes. The maturity date of the Facility is July 2, 2026. On November 6, 2024, the Company entered into an amendment, pushing out the Facility’s maturity to November 2027. The Company also upsized the facility amount from US$80 million to US$110 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 December 31, 2024, no amount was advanced under the Facility (December 31, 2023 - US$20 million). The Facility has customary covenants for a revolving credit facility. Financial covenants include a requirement for the Company to maintain a senior debt 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 December 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.

(Cdn$ in thousands)

17. DEBT (CONTINUED)

c) Letter of Credit Facilities (continued)

As at December 31, 2024, a total of $3.75 million in LCs was 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 issued under this facility will also guaranteed by EDC. The facility is renewable annually, is unsecured and contains no financial covenants. As at December 31, 2024, no LCs were issued and outstanding under this LC facility.

d) Lease Liabilities

Lease liabilities include the Company's outstanding lease liabilities under IFRS 16, Leases. As at December 31, 2024, the net carrying amount of leased assets was $11,481 (2023 - $18,537). The lease liabilities have monthly repayment terms ranging from 12 to 72 months.

e) Gibraltar Equipment Loans

The equipment loans as at December 31, 2024, are secured by most of the existing mobile mining equipment at the Gibraltar mine. These loans commenced between December 2022 and December 2024, have monthly repayment terms of 48 months, and carry interest rates ranging from 6.3% to 9.4%.

f) Florence Project Facility

In the fourth quarter of 2023, the Company entered into a Florence project debt facility with Bank of America, secured against specific equipment, for total proceeds of US$25 million. The facility contains no financial covenants and has monthly repayments 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 years ended December 31, 2024 and 2023:

	2024	**2023**
Total debt as at January 1	637,891	586,569
Issuance of 2030 Notes	683,650	-
Settlement of 2026 Notes	(546,920)	-
Write-off of deferred financing charges (Note 9)	4,646	-
Deferred financing charges	(13,780)	(190)
Lease and loan additions	9,548	12,267
Net proceeds from Equipment loans	15,673	45,302
Lease and equipment loans from Cariboo acquisition (Note 3)	7,143	9,144
Lease liabilities and equipment loans repayments	(35,466)	(31,953)
Revolving credit facility advance (repayment)	(26,494)	26,494
Unrealized foreign exchange loss (gain)	58,802	(12,533)
Amortization of deferred financing charges (Note 9)	2,515	2,791
Total debt as at December 31	797,208	637,891

(Cdn$ in thousands)

18. 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 the 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 fund the construction and development of the commercial production facility. The royalty constitutes a customary lien and encumbrance on Florence Copper'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 specific breaches of the transaction document or if project completion of Florence Copper has not occurred by the long stop completion date of January 31, 2027. If Taurus exercises this 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 and Florence Holdings provided an unsecured guarantee to Taurus for the obligations of Florence Copper.

For accounting purposes, the purchase agreement with Taurus is classified as a financial instrument and is recorded as a financial liability at amortized cost. The Company has identified embedded derivatives, which, as of December 31, 2024, had no estimated value. For the year ended December 31, 2024, the Company recorded an accretion and fair value adjustment on the royalty obligation of $12,993 in the statement of comprehensive income.

Proceeds from Florence royalty obligation	67,695
Deferred financing fees	(1,086)
Accretion and fair value adjustments on Florence royalty obligation (Note 9)	12,993
Unrealized foreign exchange loss	4,781
Florence royalty obligation as at December 31, 2024	84,383

(Cdn$ in thousands)

19. DEFERRED REVENUE

	As at December 31, 2024	2023
Current:		
Customer advance payments (a)	4,311	3,096
Osisko – silver stream agreement (b)	9,355	7,250
Current portion of deferred revenue	13,666	10,346
Long-term portion of Osisko silver stream agreement (b)	77,327	59,720
Total deferred revenue	90,993	70,066

a) Customer Advance Payments

At December 31, 2024, the Company had received advance payments from a customer on 0.9 million pounds of copper concentrate inventory (2023 - 0.8 million pounds).

b) Silver Stream Purchase and Sale Agreement

On February 24, 2017, the Company entered into a silver stream purchase and sale agreement with Osisko Gold Royalties Ltd. ("Osisko"), whereby the Company received upfront cash deposit payments totaling $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, 35% of an equivalent amount of Taseko's share of all future payable silver production from Gibraltar will be delivered to Osisko.

On December 20, 2024, the Company further amended the silver stream with Osisko and received US$12.7 million for the sale of an equivalent amount of its 100% share of Gibraltar payable silver production until 6,811,603 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.

All the amendments were accounted for as a contract modification under IFRS 15, Revenue from Contracts with Customers.

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 the Gibraltar mine. 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:

	2024	2023
Balance as at January 1	66,970	53,229
Accretion on deferred revenue (Note 9)	7,244	6,652
Amortization of deferred revenue	(5,776)	(6,497)
Deferred revenue deposit (amendment to silver stream)	18,244	13,586
Ending balance as at December 31	86,682	66,970

(Cdn$ in thousands)

20. PROVISION FOR ENVIRONMENTAL REHABILITATION

	2024	2023
Beginning balance as at January 1	145,786	113,725
Change in estimates	1,481	12,673
Accretion (Note 9)	2,780	2,328
Settlements	(949)	(740)
PER from Cariboo acquisition (Note 3)	20,027	17,936
Foreign exchange differences	445	(136)
Ending balance as at December 31	**169,570**	**145,786**

The PER represents the present value of estimated costs of legal and constructive obligations required to retire an asset, including decommissioning and other site restoration activities. The majority of these expenditures occur after the end of the life of the related operation. For the Gibraltar mine, it is anticipated that these costs will be incurred over a period of at least 100 years beyond the end of the current mine life based on known reserves. The change in the PER during 2024 is primarily due to the changes in the estimates of future cash flows required to settle the obligation and pre-tax risk-free discount rates applied in determining the obligation.

As at December 31, 2024, the Gibraltar mine PER was calculated on a present value basis for closure costs to be incurred in the first 30 years using a nominal risk-free discount rate of 3.00% (2023 - 2.96%) based on the 30 year overnight index swap (OIS) rate. For discounting annual closure cashflows beyond 30 years, a risk-free yield curve was extrapolated from the implied OIS swap rate for liquid, investment grade corporate bonds with durations between 50 to 100 years. A nominal risk-free rate of up to 4.19% was utilized in 2024 (2023 - 3.91%) for discounting closure costs up to 100 years from the estimated date of site closure for Gibraltar based on current reserves. A long-term inflation rate range between 1.89% to 1.67% (2023 - 1.72% to 1.65%) over tenors between 30 to 100 years was applied to derive nominal cash flow estimates. The PER calculation is sensitive to changes in the nominal risk-free rate and as at December 31, 2024 a 25 basis point increase or decrease could result in a change in the PER by approximately $23,680.

PER estimates are reviewed regularly and there have been adjustments to the amount and timing of cash flows as a result of updated information. Assumptions are based on the current economic environment, but actual rehabilitation costs will ultimately depend upon future market prices for the necessary decommissioning work required, which will reflect market conditions at the relevant time. Furthermore, the timing of rehabilitation will depend on when the mine ceases production which, in turn, will depend on future mineral reserves, metal prices, operating conditions and many other factors which are inherently uncertain.

As at December 31, 2024, the Company has provided surety bonds to the regulatory authorities for its share of reclamation obligations totaling $108.5 million (2023 - $96.0 million) and no restricted cash (2023 - $6.3 million) for its share of Gibraltar's reclamation security. For Florence Copper, the Company has provided surety bonds totaling $51.9 million (2023 - $47.8 million) to the federal and state regulators as reclamation security. Security for reclamation obligations is returned once the site is reclaimed to a satisfactory level and there are no ongoing monitoring and maintenance requirements.

(Cdn$ in thousands)

21. EQUITY

a) Share Capital

	Common shares (thousands)
Common shares outstanding as at January 1, 2023	286,493
Common shares issued under PSU plan	1,597
Exercise of share options	1,910
Common shares outstanding as at January 1, 2024	290,000
Issuance of share from at-the-market equity offering program	12,061
Exercise of share options	2,615
Common shares outstanding as at December 31, 2024	304,676

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

b) Contributed surplus

Contributed surplus represents employee entitlements to equity-settled share-based awards that have been charged to the statement of comprehensive income and loss in the periods during which the entitlements were accrued and have not yet been exercised.

c) Accumulated other comprehensive income ("AOCI")

AOCI is comprised of the cumulative net change in the fair value of FVOCI financial assets and cumulative translation adjustments arising from the translation of foreign subsidiaries.

d) At-the-market equity offering program

On May 3, 2023, the Company announced that it has entered into an equity distribution agreement providing for an at-the-market equity offering program ("ATM"). The total proceeds from potential share issuances made under the ATM would have an aggregate offering price of up to US$50 million. As at December 31, 2024, the Company issued 12,060,966 (2023 - nil) shares under the ATM program for total gross proceeds of $38,266 (2023 - nil) at an average share price of $3.17 (2023 – nil).

Between January 1, 2025, and February 19, 2025, the Company issued 5,478,996 shares under the ATM program for total gross proceeds of $15,620 at an average share price of $2.85.

(Cdn$ in thousands)

22. SHARE-BASED COMPENSATION

a) Share Options

The Company has an equity-settled share option plan approved by the shareholders that allows it to grant options to directors, officers, employees and other service providers. Under the plan, a maximum of 9.5% of the Company's outstanding common shares may be granted. The maximum allowable number of outstanding options to independent directors as a group at any time is 1% of the Company's outstanding common shares. The exercise price of an option is set at the time of grant using the five-day volume-weighted average price of the common shares. Options are exercisable for a maximum of five years from the effective date of grant under the plan. Vesting conditions of options are at the discretion of the Board of Directors at the time the options are granted.

	Options (thousands)	**Average price**
Outstanding as at January 1, 2023	9,288	1.62
Granted	2,769	2.35
Exercised	(1,910)	0.80
Cancelled/forfeited	(182)	2.34
Expired	(1,166)	2.86
Outstanding as at January 1, 2024	8,799	1.85
Granted	2,996	1.88
Exercised	(2,615)	1.36
Cancelled/forfeited	(97)	1.97
Expired	(50)	0.91
Outstanding as at December 31, 2024	9,033	2.01
Exercisable as at December 31, 2024	6,226	2.00

During the year ended December 31, 2024, the Company granted 2,996,000 (2023 - 2,769,000) share options to directors, executives and employees, exercisable at an average exercise price of $1.88 per common share (2023 - $2.35 per common share) over a five-year period. The total fair value of options granted was $3,156 (2023 - $3,738) based on a weighted average grant-date fair value of $1.05 (2023 - $1.35) per option.

Range of exercise price	**Options (thousands)**	**Average life (years)**
$0.69 to $1.58	2,217	0.89
$1.59 to $2.01	2,812	3.98
$2.02 to $2.58	3,914	2.61
$2.59 to $3.45	50	4.33
$3.46 to $3.51	40	4.77
	9,033	2.63

(Cdn$ in thousands)

22. SHARE-BASED COMPENSATION (CONTINUED)

a) Share Options (continued)

	2024	**2023**
Expected term (years)	5.0	5.0
Forfeiture rate	0%	0%
Volatility	64%	66%
Dividend yield	0%	0%
Risk-free interest rate	3.5%	3.0%
Weighted-average fair value per option	$1.05	$1.35

b) Deferred, Performance and Restricted Share Units

The Company has adopted a Deferred Share Unit ("DSU") Plan (the "DSU Plan") that provides for an annual grant of DSUs to each non-employee director of the Company, or an equivalent cash payment in lieu thereof, which participants have agreed would, in the first instance, be used to assist in complying with the Company's share ownership guidelines. DSUs vest immediately upon grant and are paid out in cash when a participant ceases to be a director of the Company.

The Company has established a Performance Share Unit ("PSU") Plan (the "PSU Plan") whereby PSUs are issued to executives as long-term incentive compensation. PSUs issued under the PSU Plan entitle the holder to a cash or equity payment (as determined by the Board of Directors) at the end of a three-year performance period equal to the number of PSUs granted, adjusted for a performance factor and multiplied by the quoted market value of a Taseko common share on the completion of the performance period. The performance factor can range from 0% to 250% and is determined by comparing the Company's total shareholder return to those achieved by a peer group of companies. The Company has also established a non-executive employee Restricted Share Units ("RSUs") plan for employees as long-term incentive compensation.

A long-term financial liability of $8,152 has been recorded as at December 31, 2024 (2023 - $4,572), representing the fair value of the liability, which is based on the Company's stock price at the reporting period date.

	RSUs (thousands)	**DSUs (thousands)**	**PSUs (thousands)**
Outstanding at January 1, 2023	-	1,958	2,500
Granted	380	343	830
Settled	-	-	(1,375)
Outstanding as at January 1, 2024	380	2,301	1,955
Granted	500	304	880
Cancelled	(80)	-	-
Settled	-	-	-
Outstanding as at December 31, 2024	800	2,605	2,835

22. SHARE-BASED COMPENSATION (CONTINUED)

b) Deferred, Performance and Restricted Share Units (continued)

During the year ended December 31, 2024, 303,750 DSUs were issued to directors (2023 – 342,750), 880,000 PSUs to senior executives (2023 – 830,000) and 500,000 RSUs to non-executives (2023 – 380,000). The fair value of DSUs, PSUs and RSUs granted was $2,993 (2023 – $4,344), with a weighted average fair value at the grant date of $1.78 per unit for the DSUs (2023 – $2.38 per unit), $2.87 per unit for the PSUs (2023 – $4.25 per unit), and $1.78 per unit for the RSUs (2023 - $2.34).

c) Share-based Compensation Expenses

Share-based compensation expense is comprised as follows:

	2024	**2023**
Share options – amortization	3,133	3,452
Performance share units – amortization	2,713	2,178
Restricted share units – amortization	566	293
Change in fair value of deferred share units	3,013	403
	9,425	6,326

23. (LOSS) EARNINGS PER SHARE

(Loss) earnings per share, calculated on a basic and diluted basis, is as follows:

	Year ended December 31,	
	2024	**2023**
Net (loss) income attributable to common shareholders – basic and diluted	(13,444)	82,726
(in thousands of common shares)		
Weighted-average number of common shares	295,306	288,560
Effect of dilutive securities:		
Stock options	-	2,419
Weighted-average number of diluted common shares	295,306	290,979
(Loss) Earnings per common share		
Basic (loss) earnings per share	(0.05)	0.29
Diluted (loss) earnings per share	(0.05)	0.28

(Cdn$ in thousands)

24. 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 December 31, 2024, are presented in the following table:

2025	7,826
2026	1,463
2027	-
2028	-
2029 and thereafter	-
Total commitments	**9,289**

As at December 31, 2024, the Company had commitments to incur capital expenditures of $47,863 (2023 - $6,150) for Florence Copper and $6,600 (2023 - $13,236) for Gibraltar.

In late December 2024, Gibraltar received an amendment to its M-40 permit in which the required closure bonding confirmed from the Province of British Columbia was increased from $108.5 million to $139.5 million. Gibraltar is required to post this additional bonding over the next 15 months, with $15.5 million due on March 31, 2025 and a second tranche for the same amount due by March 31, 2026. Taseko intends to place additional surety bonds to meet these increased bonding requirements from the Province of British Columbia from insurance underwriters.

b) Contingencies

There are no known contingencies that would impact the financial position or performance of the Company as at December 31, 2024.

25. SUPPLEMENTARY CASH FLOW INFORMATION

	Years ended December 31,	
	2024	**2023**
Change in non-cash working capital items		
Accounts receivable	8,689	(2,842)
Inventories	(5,958)	(23,972)
Prepaids	763	(4,239)
Accounts payable and accrued liabilities[1]	4,140	(12,226)
Advance payment on product sales	1,216	(3,371)
Interest payable	-	(128)
Mineral tax payable	(2,933)	(1,341)
	5,917	(48,119)
Non-cash investing and financing activities		
Cariboo acquisition, net assets (Note 3)	61,232	65,930
Assets acquired under capital lease	2,568	1,087
Right-of-use assets	8,886	11,179

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

25. SUPPLEMENTARY CASH FLOW INFORMATION (CONTINUED)

During the first quarter of 2024, the Company replaced its letter of 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.

26. FINANCIAL RISK MANAGEMENT

a) Overview

In the normal course of business, the Company is inherently exposed to market, liquidity, and credit risk through its use of financial instruments. The timeframe and manner in which the Company manages these risks vary based on management's assessment of the risk and available alternatives for mitigating it. The Board approves and monitors risk management processes, including treasury policies, counterparty limits, and controlling and reporting structures.

b) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: commodity price risk; interest rate risk; and currency risk. Financial instruments affected by market risk include: cash and equivalents; accounts receivable; marketable securities; subscription receipts; reclamation deposits; accounts payable and accrued liabilities; debt and derivatives.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Company buys copper put options in order to reduce commodity price risk. The derivative instruments employed by the Company are considered to be economic hedges but are not designated as hedges for accounting purposes.

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 are 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.

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.

(Cdn$ in thousands)

26. FINANCIAL RISK MANAGEMENT (CONTINUED)

Commodity Price Risk (continued)

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

	As at December 31,	
	2024	**2023**
Copper increase/decrease by US$0.10 per pound[1]	1,270	461

1. The analysis is based on the assumption that the year-end copper price increases/decreases US$0.10 per pound with all other variables held constant. At December 31, 2024, 8.8 million (2023 - 3.5 million) pounds of copper in concentrate were exposed to copper price movements. The closing exchange rate at December 31, 2024 of CAD/USD 1.44 (2023 - 1.32) 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.

Interest Rate Risk

The Company is exposed to interest rate risk on its outstanding debt and investments, including cash and cash equivalents, from the possibility that changes in market interest rates will affect future cash flows or the fair value of fixed-rate interest-bearing financial instruments.

The table below summarizes the impact on earnings after tax and equity for a change of 100 basis points in interest rates at the reporting date. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. It assumes that the change in interest rates is effective from the beginning of the financial year and balances are constant over the year. However, interest rates and balances of the Company may not remain constant in the coming financial year, and therefore such sensitivity analysis should be used with care.

	As at December 31,	
	2024	**2023**
Fair value sensitivity for fixed-rate instruments		
Senior secured notes	(3,444)	(3,941)
Lease liabilities	(358)	(189)
Lease related obligations	-	-
Gibraltar equipment loans	(421)	(337)
	(4,223)	(4,467)
Cash flow sensitivity for variable-rate instruments		
Cash and equivalents	1,206	689

(Cdn$ in thousands)

26. FINANCIAL RISK MANAGEMENT (CONTINUED)

b) Market Risk (continued)

Currency Risk

The Canadian dollar is the functional currency of the Company and, as a result, currency exposure arises from transactions and balances in currencies other than the Canadian dollar, primarily the US dollar. The Company's potential currency exposures comprise translational exposure in respect of non-functional currency monetary items and transactional exposure in respect of non-functional currency revenues and expenditures.

The following table demonstrates the sensitivity to a 10% strengthening in the CAD against the USD. With all other variables held constant, the Company's shareholders equity and earnings after tax would both increase/(decrease) due to changes in the carrying value of monetary assets and liabilities. A weakening in the CAD against the USD would have had the equal but opposite effect to the amounts shown below.

	As at December 31,	
	2024	**2023**
Cash and equivalents	(9,995)	(5,079)
Accounts receivable	(278)	(1,198)
Copper price option contracts	1,964	98
Accounts payable and accrued liabilities	610	1,950
Senior secured notes	53,227	39,697
Equipment loans	2,452	5,153
Lease liabilities	210	274

The Company's financial asset and liability profile may not remain constant; therefore, these sensitivities should be used with care.

c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages liquidity risk by holding sufficient cash and equivalents and scheduling long-term obligations based on estimated cash inflows. There were no defaults on loans payable during the year.

The following table summarizes the maturities of the Company's financial liabilities as at December 31, 2024, on an undiscounted cash flow basis:

	Less than 1 year	2 to 3 years	4 to 5 years	After 5 years
Trade and other payables	129,928	-	-	-
Long-term debt	59,338	118,676	118,676	748,919
PER	-	-	-	648,134
Equipment loans	31,021	46,622	11,743	-
Lease liabilities	8,563	5,415	736	53
Cariboo Consideration Payable	10,000	40,000	27,113	74,888
Florence Copper Stream	-	16,401	21,342	146,518
Florence Royalty Obligation	-	16,790	21,848	153,173
	238,850	243,904	201,458	1,771,685

(Cdn$ in thousands)

26. FINANCIAL RISK MANAGEMENT (CONTINUED)

d) Credit Risk

Credit risk is the risk of potential loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk from its receivables, marketable securities and investments, and derivatives. In general, the Company manages its credit exposure by transacting only with reputable counterparties. The Company monitors the financial condition of its customers and counterparties to contracts. The Company deals with a limited number of counterparties for its metal sales. The Company had 3 significant customers in 2024 that represented 99% of gross copper concentrate revenues (2023 - three customers accounted for 87% of gross copper concentrate revenues). The trade receivable balance at December 31, 2024 is comprised of three customers (2023 - six customers). There are no impairments recognized on the trade receivables.

e) Fair Values of Financial Instruments

	Level 1	Level 2	Level 3	Total
December 31, 2024				
Financial assets and liabilities designated as FVPL				
Derivative asset fuel call options	-	332	-	332
Derivative asset copper put and call options	-	26,568	-	26,568
Performance payments payable	-	-	(36,363)	(36,363)
Florence copper stream	-	-	(67,813)	(67,813)
	-	26,900	(104,176)	(77,276)
Financial assets designated as FVOCI				
Marketable securities	895	-	-	895
Investment in private companies	-	-	500	500
Reclamation deposits	1,481	-	-	1,481
	2,376	-	500	2,876
December 31, 2023				
Financial assets and liabilities 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)	(22,126)
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

26. FINANCIAL RISK MANAGEMENT (CONTINUED)

e) Fair Values of Financial Instruments (continued)

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 December 31, 2024.

The fair value of the senior secured notes, a Level 1 instrument, is determined based upon publicly available information. The fair values of the senior secured notes, excluding deferred financing fees, are $735,038 (2023 – $506,597) and the carrying value is $719,250 (2023 – $529,880) as at December 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.

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. As at December 31, 2024, the Company had net settlement receivable of $1,460 (2023 – settlement payables 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 4 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 December 31, 2024, the determination of the estimated fair value of the investment includes comparison to the market capitalization of comparable public companies.

f) Capital Management

The Company's primary objective when managing capital is to ensure that the Company is able to continue its operations and has sufficient ability to satisfy its capital obligations and ongoing operational expenses, as well as to have sufficient liquidity available to fund suitable business opportunities as they arise.

The Company considers the components of shareholders' equity, as well as its cash and equivalents, credit facilities, and debt as capital. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue or buy back equity, issue, buy back, or repay debt, sell assets, or return capital to shareholders.

(Cdn$ in thousands)

26. FINANCIAL RISK MANAGEMENT (CONTINUED)

f) Capital Management (continued)

	As at December 31,	
	2024	**2023**
Current portion of long-term debt	32,853	27,658
Long-term debt	764,355	610,233
Cash	(172,732)	(96,477)
Net debt	**624,476**	**541,414**
Shareholders' equity	**503,222**	**434,148**

In order to facilitate the management of its capital requirements, the Company prepares annual operating budgets that are approved by the Board of Directors. Management also actively monitors the covenants on its long-term debt to ensure compliance. The Company's investment policy is to invest cash in highly liquid, interest-bearing investments that are readily convertible to known amounts of cash. There were no changes to the Company's approach to capital management during the year ended December 31, 2024.

27. RELATED PARTIES

a) Principal Subsidiaries

	Ownership interest as at December 31,	
	2024	**2023**
Gibraltar Mines Ltd.	100%	100%
Cariboo Copper Corporation	100%	50%
Curis Holdings (Canada) Ltd.	100%	100%
Florence Holdings Inc.	100%	100%
Florence Copper Holdings Inc.	100%	100%
FC-ISR Holdings Inc.	100%	100%
Florence Copper LLC	100%	100%
Aley Corporation	100%	100%
Yellowhead Mining Inc.	100%	100%

b) Key Management Personnel Compensation

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 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 profit or loss in the periods during which services are rendered by the executive officers.

(Cdn$ in thousands)

27. RELATED PARTIES (CONTINUED)

b) Key Management Personnel Compensation (continued)

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 9 months 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 (Note 22).

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

	Year ended December 31,	
	2024	**2023**
Salaries and benefits	5,465	4,986
Post-employment benefits	880	922
Share-based compensation expense	7,543	4,761
	13,888	**10,669**

c) Related Party Transactions

Under the terms of the joint venture operating agreement, the Gibraltar joint venture pays the Company a management fee for services rendered by the Company as operator of Gibraltar. Net management fee income in 2024 was $137 (2023 - $713). In addition, the Company pays certain expenses on behalf of the Gibraltar joint venture and invoices the joint venture for these expenses. In 2024, net reimbursable compensation expenses and third-party costs of $61 (2023 - $289) were charged to the joint venture.