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Taseko Reports $63 Million of Adjusted EBITDA for Third Quarter 2023

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.sedar.com**. Except where otherwise noted, all currency amounts are stated in Canadian dollars. Taseko's 87.5% owned Gibraltar Mine is 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.

November 1, 2023, Vancouver, BC – Taseko Mines Limited (TSX: TKO; NYSE American: TGB; LSE: TKO) ("Taseko" or the "Company") reports third quarter 2023 Adjusted EBITDA* of $63 million and Earnings from mining operations before depletion and amortization* of $65 million. Adjusted net earnings* for the quarter were $20 million, or $0.07 per share.

Gibraltar produced 35 million pounds of copper and 369 thousand pounds of molybdenum in the third quarter, 26% and 60% higher than the second quarter, respectively. Improved production was a result of higher grades, throughput and recoveries. Higher production, of both copper and molybdenum, drove Total operating costs (C1)* down 17% to US$2.20 per pound.

Adjusted EBITDA* increased by 182% over the prior quarter despite third quarter sales volumes being impacted by a port workers strike in July. The excess inventory at the end of the third quarter is expected to be shipped and sold in the fourth quarter.

Stuart McDonald, President and CEO of Taseko, commented "In the third quarter a major milestone was achieved at our Florence Copper project; receipt of the final Underground Injection Control permit from the U.S. Environmental Protection Agency ("EPA"). This week the EPA confirmed that no appeals or objections have been received and that the permit is now effective. This is a great result and evidence of the quality and integrity of the project.

We are now preparing for construction and site preparation will begin later in the fourth quarter. Florence financing discussions are well advanced and tthe additional financings are expected to close in early 2024, and then wellfield drilling will commence."

Mr. McDonald continued, "We are pleased with Gibraltar's performance in the third quarter. Copper head grade increased to 0.26% in the period as the lower benches of the Gibraltar pit provided the higher grades and more consistent mineralized zones we expected. Mill performance was also strong as copper recoveries averaged 85% and the softer ore in the Gibraltar pit helped to achieve a throughput rate over 87,000 tons per day, 10% higher than the first half of 2023. The Gibraltar pit will continue to be our main source of ore through the middle of 2024, providing us with predictable and consistent mill feed. The operation remains on track to meet the original 2023 production guidance of 115 million pounds of copper (+/-5%)."

"We continue to have our copper put protection in place US$3.75 per pound until the end of the year, and we now have a minimum price of US$3.25 per pound protected for the first quarter of 2024." concluded Mr. McDonald.

Third Quarter Review

- In September, the U.S. Environmental Protection Agency ("EPA") issued the Final Underground Injection Control ("UIC") permit for the Florence Copper Project and the permit became effective on October 31, 2023. The Company now has all key permits in place to commence construction of the commercial production facility at Florence;
- Third quarter earnings from mining operations before depletion and amortization* was $65.4 million, Adjusted EBITDA* was $62.7 million, and cash flows from operations were $27.0 million;
- GAAP net income was $0.9 million (nil per share) and Adjusted net income* was $19.7 million ($0.07 per share) after normalizing for unrealized foreign exchange and derivative losses;
- Gibraltar produced 35.4 million pounds of copper for the quarter, a 26% improvement over the prior quarter as a result of higher grades, improved recoveries and increased mill throughput;
- Copper head grades in the quarter improved to 0.26% as mining progressed deeper into the Gibraltar pit and the lower benches provided the expected improvement in ore grade and quality;
- Molybdenum grades also increased in the period, resulting in a 60% increase in quarterly molybdenum production;
- Gibraltar sold 32.1 million pounds of copper in the third quarter (100% basis). The B.C. port workers labour strike in early July caused shipping delays and a build-up of Gibraltar copper concentrate inventory. As a result, third quarter sales volumes lagged production by three million pounds, and the excess inventory is expected to be shipped and sold in the fourth quarter;
- Total site costs* in the third quarter were $102.0 million on a 100% basis, $3.4 million lower than the previous quarter due to lower explosive and grinding media use, contractor services, and repairs and maintenance costs. C1 costs were US$2.20 per pound in the quarter;
- On October 25, 2023, the Company received the first US$20 million tranche of its US$25 million equipment loan commitment from Bank of America for Florence Copper; and
- The Company had a closing cash balance of $82 million at September 30, 2023.

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

Highlights

Operating Data (Gibraltar – 100% basis)	Three months ended September 30,			Nine months ended September 30,		
	2023	**2022**	**Change**	**2023**	**2022**	**Change**
Tons mined (millions)	16.5	23.2	(6.7)	64.0	65.7	(1.7)
Tons milled (millions)	8.0	8.2	(0.2)	22.4	23.0	(0.6)
Production (million pounds Cu)	35.4	28.3	7.1	88.5	70.3	18.2
Sales (million pounds Cu)	32.1	26.7	5.4	84.8	75.8	9.0

Financial Data (Cdn$ in thousands, except for per share amounts)	Three months ended September 30,			Nine months ended September 30,		
	2023	**2022**	**Change**	**2023**	**2022**	**Change**
Revenues	143,835	89,714	54,121	371,278	290,991	80,287
Earnings from mining operations before depletion and amortization*	65,445	18,570	46,875	134,248	68,564	65,684
Cash flows provided by operations	26,989	12,115	14,874	88,257	82,212	6,045
Adjusted EBITDA*	62,695	34,031	28,664	120,972	73,854	47,118
Net income (loss) (GAAP)	871	(23,517)	24,388	15,301	(23,696)	38,997
Per share – basic ("EPS")	-	(0.08)	0.08	0.05	(0.08)	0.13
Adjusted net income (loss)*	19,659	4,513	15,146	20,371	(5,423)	25,794
Per share – basic ("adjusted EPS")*	0.07	0.02	0.05	0.07	(0.02)	0.09

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

Review of Operations

Gibraltar mine

Operating data (100% basis)	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Tons mined (millions)	16.5	23.4	24.1	22.9	23.2
Tons milled (millions)	8.0	7.2	7.1	7.3	8.2
Strip ratio	0.4	1.5	1.9	1.1	1.5
Site operating cost per ton milled (Cdn$)*	$12.39	$13.17	$13.54	$13.88	$11.33
Copper concentrate					
Head grade (%)	0.26	0.24	0.22	0.22	0.22
Copper recovery (%)	85.0	81.9	80.7	83.4	77.1
Production (million pounds Cu)	35.4	28.2	24.9	26.7	28.3
Sales (million pounds Cu)	32.1	26.1	26.6	25.5	26.7
Inventory (million pounds Cu)	8.8	5.6	3.7	5.4	4.2
Molybdenum concentrate					
Production (thousand pounds Mo)	369	230	234	359	324
Sales (thousand pounds Mo)	370	231	225	402	289
Per unit data (US$ per pound produced)*					
Site operating costs*	$2.10	$2.43	$2.94	$2.79	$2.52
By-product credits*	(0.23)	(0.13)	(0.37)	(0.40)	(0.15)
Site operating costs, net of by-product credits*	$1.87	$2.30	$2.57	$2.39	$2.37
Off-property costs	0.33	0.36	0.37	0.36	0.35
Total operating costs (C1)*	$2.20	$2.66	$2.94	$2.75	$2.72

Operations Analysis

Third Quarter Review

Gibraltar produced 35.4 million pounds of copper for the third quarter, a 26% increase over the second quarter due to higher mill throughput, ore grade and recoveries. The lower benches of the Gibraltar pit are providing the expected higher grades and more consistent mineralized zones. Mill throughput was 8.0 million tons for the period averaging 87,000 tons per day, which is above nameplate capacity and 10% higher than the average throughput in the first half of the year.

Copper head grades of 0.26% were higher than recent quarters as ore quality improved in the lower benches of the Gibraltar pit, in line with management expectations. Copper recoveries in the third quarter were 85.0%, improved over previous quarters with the increasing head grades.

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

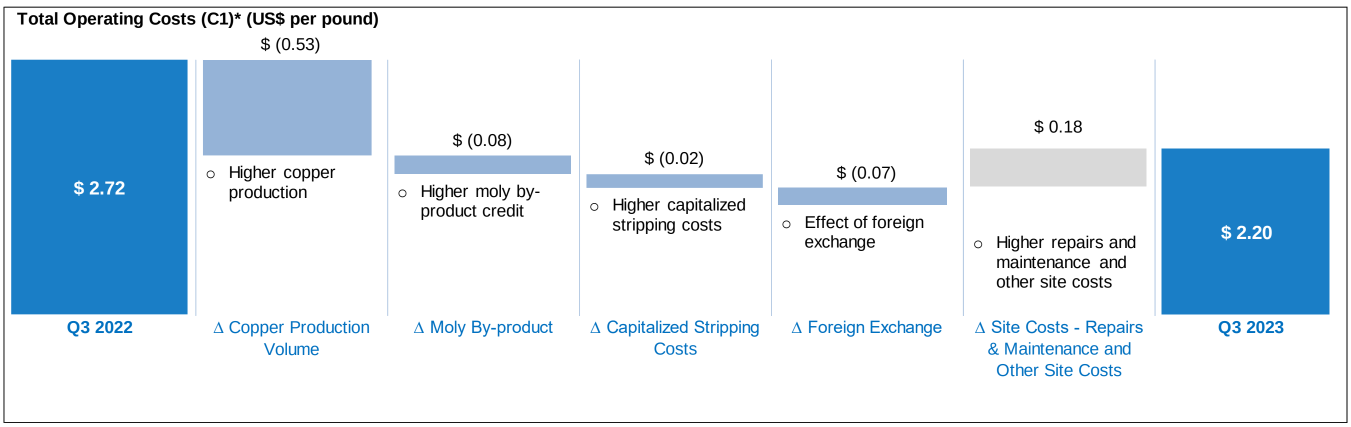
Operations Analysis - Continued

A total of 16.5 million tons were mined in the third quarter which was lower than recent quarters due to longer haul distances from the lower benches of the Gibraltar pit. Total site costs* at Gibraltar of $102.0 million were $3.4 million lower than the previous quarter. Ore stockpiles increased by 2.9 million tons in the third quarter.

Molybdenum generated a by-product credit of US$0.23 per pound of copper produced in the third quarter. Molybdenum production increased by 60% over the second quarter due to the higher grade and consistency in mill operations. The molybdenum price increased from the second quarter's average price of US$21.30 per pound to an average of US$23.76 per pound.

Off-property costs per pound produced* were US$0.33 which is lower than the recent quarters as copper sales lagged production.

Total operating costs per pound produced (C1)* were US$2.20 for the third quarter, compared to US$2.72 in the same period in 2022 mainly attributed to the higher production and with other key variances summarized in the bridge graph below:



Gibraltar Outlook

Mining is well established in the lower benches of the Gibraltar pit and the operation remains on track to meet the original production guidance of 115 million pounds of copper (+/-5%). The Gibraltar pit will continue to be the main source of mill feed through to the middle of 2024. The excess inventory at the end of the third quarter of 2023 as a result of the B.C. port workers strike is expected to be shipped and sold before the end of this year.

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

Gibraltar Outlook - Continued

Mill 2 is scheduled to be down for two weeks in the first quarter of 2024 for a component replacement. The in-pit crusher for Mill 1 is planned to be relocated in the second quarter of 2024 with an estimated remaining cost of $9 million. The approximate three-week downtime associated with the crusher move will align with a maintenance shutdown that is required for Mill 1. No other significant capital projects are planned for Gibraltar in 2024.

Our copper hedge protection continues to provide stable operating margins at the Gibraltar mine amidst copper price volatility. Copper prices in the third quarter averaged US$3.79 per pound, compared to the year-to-date average of US$3.89 and the 2022 average of US$3.99 per pound. The Company currently has copper price collar contracts in place that secure a minimum copper price of US$3.75 per pound for 21 million pounds of copper for the fourth quarter and copper price put contracts in place that secure a minimum copper price of US$3.25 per pound for 21 million pounds of copper during the first quarter of 2024.

Florence Copper

On September 14, 2023, the Company received the final UIC permit from the EPA, and the UIC permit became effective on October 31, 2023. The Company now has all the key permits in place and is preparing to commence construction of the commercial production facility. The next steps include procurement of materials and supplies and finalizing agreements with key contractors, including the general contractor for the solvent extraction and electrowinning ("SX/EW") plant and the drilling contractors for the wellfield development. Site preparation and clearing for the initial wellfield, plant and infrastructure will commence in the fourth quarter and the Company has started the hiring of additional management and site personnel positions for the construction and operations teams.

Detailed engineering and design for the commercial production facility is substantially completed and procurement activities are well advanced. Major processing equipment associated with the SX/EW plant has been procured and delivered to the Florence site. The Company incurred $45.0 million of capital expenditures at the Florence project in the first nine months of 2023.

The Company is also advancing Florence project level financing to fund construction activities. On October 25, 2023, the Company closed the first US$20 million tranche of its US$25 million equipment loan commitment from Bank of America. The Company's financial adviser, Endeavour Financial, has been leading the origination of additional finance commitments for Florence Copper. Discussions are well advanced and the Company is targeting additional funding commitments of approximately US$100 million in royalties and debt at Florence Copper, in addition to the commitments already received from Mitsui and Bank of America.

In March 2023, the Company announced the results of recent technical work and updated economics for the Florence Copper project. The Company has filed a new technical report entitled "NI 43-101 Technical Report Florence Copper Project, Pinal County, Arizona" dated March 30, 2023 (the "Technical Report") on SEDAR. The Technical Report was prepared in accordance with NI 43-101 and incorporates updated capital and operating costs for the commercial production facility and refinements made to the operating models, based on the Production Test Facility ("PTF") results.

Florence Copper - Continued

The technical work completed by Taseko in recent years has been extensive and has de-risked the project significantly. The PTF operated successfully over an 18-month period and provided a valuable opportunity to test operational controls and strategies which will be applied in future commercial operations. In addition, a more sophisticated leaching model has been developed and calibrated to the PTF wellfield performance. This detailed modeling data, along with updated costing, has been used to update assumptions for the ramp up and operation of the commercial wellfield and processing facility.

Florence Copper Project Highlights:

- Net present value of US$930 million (after-tax at an 8% 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
- Total estimated initial capital cost of US$232 million remaining
- Long-term copper price of US$3.75 per pound

Long-term Growth Strategy

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

Yellowhead Copper Project

Yellowhead Mining Inc. ("Yellowhead") has an 817 million tonnes reserve and a 25-year mine life with a pre-tax net present value of $1.3 billion at an 8% discount rate using a US$3.10 per pound copper price based on the Company's 2020 NI 43-101 technical report. Capital costs of the project are estimated at $1.3 billion over a 2-year construction period. Over the first 5 years of operation, the copper equivalent grade will average 0.35% producing an average of 200 million pounds of copper per year at an average C1* cost, net of by-product credit, of US$1.67 per pound of copper. The Yellowhead copper project contains valuable precious metal by-products with 440,000 ounces of gold and 19 million ounces of silver with a life of mine value of over $1 billion at current prices.

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

Long-term Growth Strategy - Continued

New Prosperity Gold-Copper Project

In late 2019, the Tŝilhqot'in Nation, as represented by Tŝilhqot'in National Government, and Taseko entered into a confidential dialogue, with the involvement of the Province of British Columbia, in order to obtain 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 one-year standstills on certain outstanding litigation and regulatory matters relating to Taseko's tenures and the area in the vicinity of Teẑtan Biny (Fish Lake). The standstill agreement was most recently extended for a fourth one-year term in December 2022, with the goal of providing time and opportunity for the Tŝilhqot'in Nation and Taseko to negotiate a final resolution.

The dialogue process has made tangible progress in the past 12 months but is not complete. In agreeing to extend the standstill through 2023, the Tŝilhqot'in Nation and Taseko acknowledge the constructive nature of discussions to date, and the future 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

Environmental monitoring and product marketing initiatives on the Aley niobium project continue. The converter pilot test is ongoing and is providing additional process data to support the design of the commercial process facilities and will provide final product samples for marketing purposes. The Company has also initiated lab testwork on flowsheet development to produce niobium oxide from floatation concentrate at Aley to supply the growing market for niobium-based batteries.

The Company will host a telephone conference call and live webcast on Thursday, November 2, 2023 at 11:00 a.m. Eastern Time (8:00 a.m. Pacific Time) to discuss these results. After opening remarks by management, there will be a question and answer session open to analysts and investors.

To join the conference call without operator assistance, you may pre-register at https://bit.ly/Taseko-Q3-rapidconnect to receive an instant automated call back just prior to the start of the conference call. Otherwise, the conference call may be accessed by dialing 888-390-0546 toll free, 416-764-8688 in Canada, or online at tasekomines.com/investors/events.

The conference call will be archived for later playback until November 16, 2023 and can be accessed by dialing 888-390-0541 toll free, 416-764-8677 in Canada, or online at tasekomines.com/investors/events/ and using the entry code 154098#.

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

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

Stuart McDonald
President & CEO

Non-GAPP Performance Measures

This document includes certain non-GAAP performance measures that do not have a standardized meaning prescribed by IFRS. These measures may differ from those used by, and may not be comparable to such measures as reported by, other issuers. The Company believes that these measures are commonly used by certain investors, in conjunction with conventional IFRS measures, to enhance their understanding of the Company's performance. These measures have been derived from the Company's financial statements and applied on a consistent basis. The following tables below provide a reconciliation of these non-GAAP measures to the most directly comparable IFRS measure.

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

Total costs of sales include all costs absorbed into inventory, as well as transportation costs and insurance recoverable. Site operating costs are calculated by removing net changes in inventory, depletion and amortization, insurance recoverable, and transportation costs from cost of sales. Site operating costs, net of by-product credits is calculated by subtracting by-product credits from the site operating costs. Site operating costs, net of by-product credits per pound are calculated by dividing the aggregate of the applicable costs by copper pounds produced. Total operating costs per pound is the sum of site operating costs, net of by-product credits and off-property costs divided by the copper pounds produced. By-product credits are calculated based on actual sales of molybdenum (net of treatment costs) and silver during the period divided by the total pounds of copper produced during the period. These measures are calculated on a consistent basis for the periods presented.

(Cdn$ in thousands, unless otherwise indicated) – 75% basis (except for Q1, Q2 and Q3 2023)	2023 Q3[1]	2023 Q2[1]	2023 Q1[1]	2022 Q4	2022 Q3
Cost of sales	94,383	99,854	86,407	73,112	84,204
Less:					
Depletion and amortization	(15,993)	(15,594)	(12,027)	(10,147)	(13,060)
Net change in inventories of finished goods	4,267	3,356	(399)	1,462	2,042
Net change in inventories of ore stockpiles	12,172	2,724	5,561	18,050	3,050
Transportation costs	(7,681)	(6,966)	(5,104)	(6,671)	(6,316)
Site operating costs	87,148	83,374	74,438	75,806	69,920
Oxide ore stockpile reclassification from capitalized stripping	-	(3,183)	3,183	-	-
Less by-product credits:					
Molybdenum, net of treatment costs	(9,900)	(4,018)	(9,208)	(11,022)	(4,122)
Silver, excluding amortization of deferred revenue	290	(103)	(160)	263	25
Site operating costs, net of by-product credits	77,538	76,070	68,253	65,047	65,823
Total copper produced (thousand pounds)	30,978	24,640	19,491	20,020	21,238
Total costs per pound produced	2.50	3.09	3.50	3.25	3.10
Average exchange rate for the period (CAD/USD)	1.34	1.34	1.35	1.36	1.31
Site operating costs, net of by-product credits (US$ per pound)	**1.87**	**2.30**	**2.59**	**2.39**	**2.37**
Site operating costs, net of by-product credits	77,538	76,070	68,253	65,047	65,823

Non-GAPP Performance Measures - Continued

Add off-property costs:					
Treatment and refining costs	6,123	4,986	4,142	3,104	3,302
Transportation costs	7,681	6,966	5,104	6,671	6,316
Total operating costs	91,342	88,022	77,499	74,822	75,441
Total operating costs (C1) (US$ per pound)	**2.20**	**2.66**	**2.94**	**2.75**	**2.72**

[1] Q1, Q2 and Q3 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%.

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 the Gibraltar mine calculated on a consistent basis for the periods presented.

(Cdn$ in thousands, unless otherwise indicated) – 75% basis (except for Q1, Q2 and Q3 2023)	**2023 Q3[1]**	**2023 Q2[1]**	**2023 Q1[1]**	**2022 Q4**	**2022 Q3**
Site operating costs	87,148	83,374	74,438	75,806	69,920
Add:					
Capitalized stripping costs	2,083	8,832	12,721	3,866	1,121
Total site costs – Taseko share	**89,231**	**92,206**	**87,159**	**79,672**	**71,041**
Total site costs – 100% basis	**101,978**	**105,378**	**112,799**	**106,230**	**94,721**

[1] Q1, Q2 and Q3 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%.

Adjusted net income (loss)

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

- Unrealized foreign currency gain/loss;
- Unrealized gain/loss on derivatives; and
- Finance and other non-recurring costs.

Management believes these transactions do not reflect the underlying operating performance of our core mining business and are not necessarily indicative of future operating results. Furthermore, unrealized gains/losses on derivative instruments, changes in the fair value of financial instruments, and unrealized foreign currency gains/losses are not necessarily reflective of the underlying operating results for the reporting periods presented.

Non-GAPP Performance Measures - Continued

(Cdn$ in thousands, except per share amounts)	2023 Q3	2023 Q2	2023 Q1	2022 Q4
Net income (loss)	**871**	**9,991**	**4,439**	**(2,275)**
Unrealized foreign exchange (gain) loss	14,582	(10,966)	(950)	(5,279)
Unrealized (gain) loss on derivatives	4,518	(6,470)	2,190	20,137
Finance and other non-recurring costs	1,244	1,714	-	-
Estimated tax effect of adjustments	(1,556)	1,355	(591)	(5,437)
Adjusted net income (loss)	**19,659**	**(4,376)**	**5,088**	**7,146**
Adjusted EPS	**0.07**	**(0.02)**	**0.02**	**0.02**

(Cdn$ in thousands, except per share amounts)	2022 Q3	2022 Q2	2022 Q1	2021 Q4
Net income (loss)	**(23,517)**	**(5,274)**	**5,095**	**11,762**
Unrealized foreign exchange (gain) loss	28,083	11,621	(4,398)	(1,817)
Unrealized (gain) loss on derivatives	(72)	(30,747)	7,486	4,612
Estimated tax effect of adjustments	19	8,302	(2,021)	(1,245)
Adjusted net income (loss)	**4,513**	**(16,098)**	**6,162**	**13,312**
Adjusted EPS	**0.02**	**(0.06)**	**0.02**	**0.05**

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 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; and
- Non-recurring other expenses

Non-GAPP Performance Measures - Continued

(Cdn$ in thousands)	2023 Q3	2023 Q2	2023 Q1	2022 Q4
Net income (loss)	**871**	**9,991**	**4,439**	**(2,275)**
Add:				
Depletion and amortization	15,993	15,594	12,027	10,147
Finance expense	14,285	13,468	12,309	10,135
Finance income	(322)	(757)	(921)	(700)
Income tax expense	12,041	678	3,356	1,222
Unrealized foreign exchange loss (gain)	14,582	(10,966)	(950)	(5,279)
Unrealized loss (gain) on derivatives	4,518	(6,470)	2,190	20,137
Amortization of share-based compensation expense	727	417	3,609	1,794
Non-recurring other expenses	-	263	-	-
Adjusted EBITDA	**62,695**	**22,218**	**36,059**	**35,181**

Earnings from mining operations before depletion and amortization

Earnings from mining operations before depletion and amortization is earnings from mining operations with depletion and amortization added back. The Company discloses this measure, which has been derived from our financial statements and applied on a consistent basis, to provide assistance in understanding the results of the Company's operations and financial position and it is meant to provide further information about the financial results to investors.

	Three months ended September 30,		Nine months ended September 30,	
(Cdn$ in thousands)	**2023**	**2022**	**2023**	**2022**
Earnings from mining operations	**49,452**	**5,510**	**90,634**	**26,729**
Add:				
Depletion and amortization	15,993	13,060	43,614	41,835
Earnings from mining operations before depletion and amortization	**65,445**	**18,570**	**134,248**	**68,564**

Non-GAPP 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)	2023 Q3[1]	2023 Q2[1]	2023 Q1[1]	2022 Q4	2022 Q3
Site operating costs (included in cost of sales) – Taseko share	**87,148**	**83,374**	**74,438**	**75,806**	**69,920**
Site operating costs – 100% basis	**99,598**	**95,285**	**95,838**	**101,075**	**93,226**
Tons milled (thousands)	8,041	7,234	7,093	7,282	8,229
Site operating costs per ton milled	**$12.39**	**$13.17**	**$13.54**	**$13.88**	**$11.33**

[1] Q1, Q2 and Q3 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%.

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

Caution Regarding Forward-Looking Information

This document contains “forward-looking statements” that were based on Taseko’s expectations, estimates and projections as of the dates as of which those statements were made. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as “outlook”, “anticipate”, “project”, “target”, “believe”, “estimate”, “expect”, “intend”, “should” and similar expressions.

Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking statements. These included but are not limited to:

- uncertainties about the effect of COVID-19 and the response of local, provincial, federal and international governments to the threat of COVID-19 on our operations (including our suppliers, customers, supply chain, employees and contractors) and economic conditions generally and in particular with respect to the demand for copper and other metals we produce;
- uncertainties and costs related to the Company’s exploration and development activities, such as those associated with continuity of mineralization or determining whether mineral resources or reserves exist on a property;
- uncertainties related to the accuracy of our estimates of mineral reserves, mineral resources, production rates and timing of production, future production and future cash and total costs of production and milling;
- uncertainties related to feasibility studies that provide estimates of expected or anticipated costs, expenditures and economic returns from a mining project;
- uncertainties related to the ability to obtain necessary licenses permits for development projects and project delays due to third party opposition;
- uncertainties related to unexpected judicial or regulatory proceedings;
- changes in, and the effects of, the laws, regulations and government policies affecting our exploration and development activities and mining operations, particularly laws, regulations and policies;
- changes in general economic conditions, the financial markets and in the demand and market price for copper, gold and other minerals and commodities, such as diesel fuel, steel, concrete, electricity and other forms of energy, mining equipment, and fluctuations in exchange rates, particularly with respect to the value of the U.S. dollar and Canadian dollar, and the continued availability of capital and financing;
- the effects of forward selling instruments to protect against fluctuations in copper prices and exchange rate movements and the risks of counterparty defaults, and mark to market risk;
- the risk of inadequate insurance or inability to obtain insurance to cover mining risks;
- the risk of loss of key employees; the risk of changes in accounting policies and methods we use to report our financial condition, including uncertainties associated with critical accounting assumptions and estimates;
- environmental issues and liabilities associated with mining including processing and stock piling ore; and
- labour strikes, work stoppages, or other interruptions to, or difficulties in, the employment of labour in markets in which we operate mines, or environmental hazards, industrial accidents or other events or occurrences, including third party interference that interrupt the production of minerals in our mines.

For further information on Taseko, investors should review the Company’s annual Form 40-F filing with the United States Securities and Exchange Commission www.sec.gov and home jurisdiction filings that are available at www.sedar.com.

Cautionary Statement on Forward-Looking Information

This discussion includes certain statements that may be deemed "forward-looking statements". All statements in this discussion, other than statements of historical facts, that address future production, reserve potential, exploration drilling, exploitation activities, and events or developments that the Company expects are forward-looking statements. Although we believe the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, continued availability of capital and financing and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. All of the forward-looking statements made in this MD&A are qualified by these cautionary statements. We disclaim any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except to the extent required by applicable law. Further information concerning risks and uncertainties associated with these forward-looking statements and our business may be found in our most recent Form 40-F/Annual Information Form on file with the SEC and Canadian provincial securities regulatory authorities.

TASEKO MINES LIMITED

Management's Discussion and Analysis

This management discussion and analysis ("MD&A") is intended to help the reader understand Taseko Mines Limited ("Taseko", "we", "our" or the "Company"), our operations, financial performance, and current and future business environment. This MD&A is intended to supplement and complement the condensed consolidated interim financial statements and notes thereto, prepared in accordance with IAS 34 of International Financial Reporting Standards ("IFRS") for the three and nine months ended September 30, 2023 (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.sedar.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 November 1, 2023. 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 22.

Cautionary Statement on Forward-Looking Information

This discussion includes certain statements that may be deemed "forward-looking statements". All statements in this discussion, other than statements of historical facts, that address future production, reserve potential, exploration drilling, exploitation activities, and events or developments that the Company expects are forward-looking statements. Although we believe the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, global economic events arising from the coronavirus (COVID-19) pandemic outbreak, exploitation and exploration successes, continued availability of capital and financing and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. All of the forward-looking statements made in this MD&A are qualified by these cautionary statements. We disclaim any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except to the extent required by applicable law. Further information concerning risks and uncertainties associated with these forward-looking statements and our business may be found in the Company's other public filings with the SEC and Canadian provincial securities regulatory authorities.

Contents

Overview

Taseko is a copper focused mining company that seeks to create long-term shareholder value by acquiring, developing, and operating large tonnage mineral deposits in stable jurisdictions which are capable of supporting a mine for decades. The Company's principal operating asset is the 87.5% owned Gibraltar mine, which is located in central British Columbia and is one of the largest copper mines in North America. Taseko also owns Florence Copper, which is preparing for construction, as well as the Yellowhead copper, New Prosperity gold-copper, and Aley niobium projects.

Highlights

Operating Data (Gibraltar – 100% basis)	Three months ended September 30,			Nine months ended September 30,		
	2023	**2022**	**Change**	**2023**	**2022**	**Change**
Tons mined (millions)	16.5	23.2	(6.7)	64.0	65.7	(1.7)
Tons milled (millions)	8.0	8.2	(0.2)	22.4	23.0	(0.6)
Production (million pounds Cu)	35.4	28.3	7.1	88.5	70.3	18.2
Sales (million pounds Cu)	32.1	26.7	5.4	84.8	75.8	9.0

Financial Data (Cdn$ in thousands, except for per share amounts)	Three months ended September 30,			Nine months ended September 30,		
	2023	**2022**	**Change**	**2023**	**2022**	**Change**
Revenues	143,835	89,714	54,121	371,278	290,991	80,287
Earnings from mining operations before depletion and amortization*	65,445	18,570	46,875	134,248	68,564	65,684
Cash flows provided by operations	26,989	12,115	14,874	88,257	82,212	6,045
Adjusted EBITDA*	62,695	34,031	28,664	120,972	73,854	47,118
Net income (loss) (GAAP)	871	(23,517)	24,388	15,301	(23,696)	38,997
Per share – basic ("EPS")	-	(0.08)	0.08	0.05	(0.08)	0.13
Adjusted net income (loss)*	19,659	4,513	15,146	20,371	(5,423)	25,794
Per share – basic ("adjusted EPS")*	0.07	0.02	0.05	0.07	(0.02)	0.09

Third Quarter Review

- In September, the U.S. Environmental Protection Agency ("EPA") issued the Final Underground Injection Control ("UIC") permit for the Florence Copper Project and the permit became effective on October 31, 2023. The Company now has all key permits in place to commence construction of the commercial production facility at Florence;
- Third quarter earnings from mining operations before depletion and amortization* was $65.4 million, Adjusted EBITDA* was $62.7 million, and cash flows from operations were $27.0 million;
- GAAP net income was $0.9 million (nil per share) and Adjusted net income* was $19.7 million ($0.07 per share) after normalizing for unrealized foreign exchange and derivative losses;
- Gibraltar produced 35.4 million pounds of copper for the quarter, a 26% improvement over the prior quarter as a result of higher grades, improved recoveries and increased mill throughput;
- Copper head grades in the quarter improved to 0.26% as mining progressed deeper into the Gibraltar pit and the lower benches provided the expected improvement in ore grade and quality;
- Molybdenum grades also increased in the period, resulting in a 60% increase in quarterly molybdenum production;
- Gibraltar sold 32.1 million pounds of copper in the third quarter (100% basis). The B.C. port workers labour strike in early July caused shipping delays and a build-up of Gibraltar copper concentrate inventory. As a result, third quarter sales volumes lagged production by three million pounds, and the excess inventory is expected to be shipped and sold in the fourth quarter;
- Total site costs* in the third quarter were $102.0 million on a 100% basis, $3.4 million lower than the previous quarter due to lower explosive and grinding media use, contractor services, and repairs and maintenance costs. C1 costs were US$2.20 per pound in the quarter;
- On October 25, 2023, the Company received the first US$20 million tranche of its US$25 million equipment loan commitment from Bank of America for Florence Copper; and
- The Company had a closing cash balance of $82 million at September 30, 2023.

Review of Operations

Gibraltar mine

Operating data (100% basis)	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Tons mined (millions)	16.5	23.4	24.1	22.9	23.2
Tons milled (millions)	8.0	7.2	7.1	7.3	8.2
Strip ratio	0.4	1.5	1.9	1.1	1.5
Site operating cost per ton milled (Cdn$)*	$12.39	$13.17	$13.54	$13.88	$11.33
Copper concentrate					
Head grade (%)	0.26	0.24	0.22	0.22	0.22
Copper recovery (%)	85.0	81.9	80.7	83.4	77.1
Production (million pounds Cu)	35.4	28.2	24.9	26.7	28.3
Sales (million pounds Cu)	32.1	26.1	26.6	25.5	26.7
Inventory (million pounds Cu)	8.8	5.6	3.7	5.4	4.2
Molybdenum concentrate					
Production (thousand pounds Mo)	369	230	234	359	324
Sales (thousand pounds Mo)	370	231	225	402	289
Per unit data (US$ per pound produced)*					
Site operating costs*	$2.10	$2.43	$2.94	$2.79	$2.52
By-product credits*	(0.23)	(0.13)	(0.37)	(0.40)	(0.15)
Site operating costs, net of by-product credits*	$1.87	$2.30	$2.57	$2.39	$2.37
Off-property costs	0.33	0.36	0.37	0.36	0.35
Total operating costs (C1)*	$2.20	$2.66	$2.94	$2.75	$2.72

Operations Analysis

Third Quarter Review

Gibraltar produced 35.4 million pounds of copper for the third quarter, a 26% increase over the second quarter due to higher mill throughput, ore grade and recoveries. The lower benches of the Gibraltar pit are providing the expected higher grades and more consistent mineralized zones. Mill throughput was 8.0 million tons for the period averaging 87,000 tons per day, which is above nameplate capacity and 10% higher than the average throughput in the first half of the year.

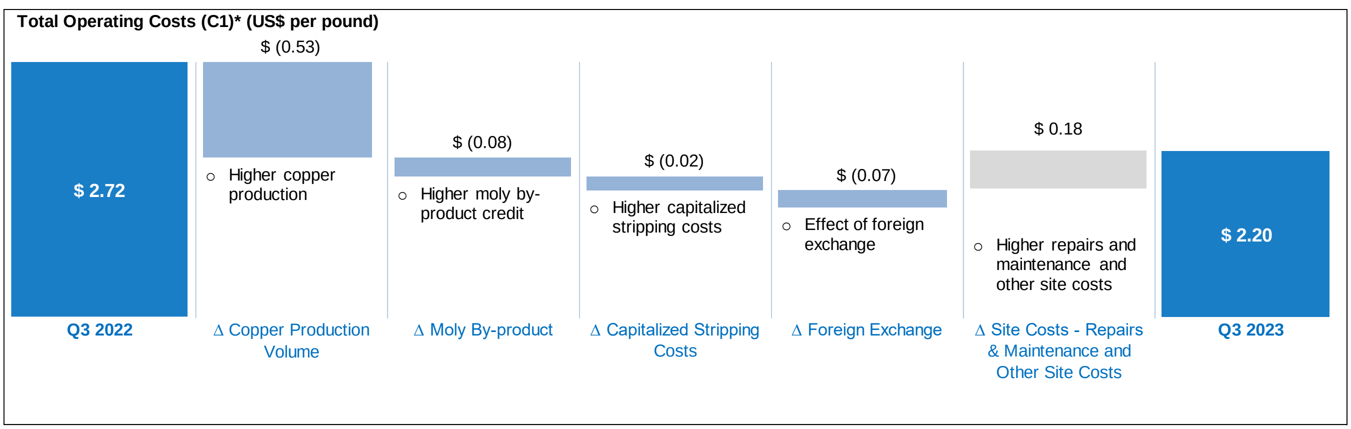
Copper head grades of 0.26% were higher than recent quarters as ore quality improved in the lower benches of the Gibraltar pit, in line with management expectations. Copper recoveries in the third quarter were 85.0%, improved over previous quarters with the increasing head grades.

A total of 16.5 million tons were mined in the third quarter which was lower than recent quarters due to longer haul distances from the lower benches of the Gibraltar pit. Total site costs* at Gibraltar of $102.0 million were $3.4 million lower than the previous quarter. Ore stockpiles increased by 2.9 million tons in the third quarter.

Molybdenum generated a by-product credit of US$0.23 per pound of copper produced in the third quarter. Molybdenum production increased by 60% over the second quarter due to the higher grade and consistency in mill operations. The molybdenum price increased from the second quarter's average price of US$21.30 per pound to an average of US$23.76 per pound.

Off-property costs per pound produced* were US$0.33 which is lower than the recent quarters as copper sales lagged production.

Total operating costs per pound produced (C1)* were US$2.20 for the third quarter, compared to US$2.72 in the same period in 2022 mainly attributed to the higher production and with other key variances summarized in the bridge graph below:



Gibraltar Outlook

Mining is well established in the lower benches of the Gibraltar pit and the operation remains on track to meet the original production guidance of 115 million pounds of copper (+/-5%). The Gibraltar pit will continue to be the main source of mill feed through to the middle of 2024. Excess inventory at the end of the third quarter of 2023 as a result of the B.C. port workers strike is expected to be shipped and sold before the end of this year.

Mill 2 is scheduled to be down for two weeks in the first quarter of 2024 for a component replacement. The in-pit crusher for Mill 1 is planned to be relocated in the second quarter of 2024 with an estimated remaining cost of $9 million. The approximate three-week downtime associated with the crusher move will align with a maintenance shutdown that is required for Mill 1. No other significant capital projects are planned for Gibraltar in 2024.

Our copper hedge protection continues to provide stable operating margins at the Gibraltar mine amidst copper price volatility. Copper prices in the third quarter averaged US$3.79 per pound, compared to the year-to-date average of US$3.89 and the 2022 average of US$3.99 per pound. The Company currently has copper price collar contracts in place that secure a minimum copper price of US$3.75 per pound for 21 million pounds of copper for the fourth quarter and copper price put contracts in place that secure a minimum copper price of US$3.25 per pound for 21 million pounds of copper during the first quarter of 2024.

Florence Copper

On September 14, 2023, the Company received the final UIC permit from the EPA, and the UIC permit became effective on October 31, 2023. The Company now has all the key permits in place and is preparing to commence construction of the commercial production facility. The next steps include procurement of materials and supplies and finalizing agreements with key contractors, including the general contractor for the solvent extraction and electrowinning ("SX/EW") plant and the drilling contractors for the wellfield development. Site preparation and clearing for the initial wellfield, plant and infrastructure will commence in the fourth quarter and the Company has started the hiring of additional management and site personnel positions for the construction and operations teams.

Detailed engineering and design for the commercial production facility is substantially completed and procurement activities are well advanced. Major processing equipment associated with the SX/EW plant has been procured and delivered to the Florence site. The Company incurred $45.0 million of capital expenditures at the Florence project in the first nine months of 2023.

The Company is also advancing Florence project level financing to fund construction activities. On October 25, 2023, the Company closed the first US$20 million tranche of its US$25 million equipment loan commitment from Bank of America. The Company's financial adviser, Endeavour Financial, has been leading the origination of additional finance commitments for Florence Copper. Discussions are well advanced and the Company is targeting additional funding commitments of approximately US$100 million in royalties and debt at Florence Copper, in addition to the commitments already received from Mitsui and Bank of America.

In March 2023, the Company announced the results of recent technical work and updated economics for the Florence Copper project. The Company has filed a new technical report entitled "NI 43-101 Technical Report Florence Copper Project, Pinal County, Arizona" dated March 30, 2023 (the "Technical Report") on SEDAR. The Technical Report was prepared in accordance with NI 43-101 and incorporates updated capital and operating costs for the commercial production facility and refinements made to the operating models, based on the Production Test Facility ("PTF") results.

The technical work completed by Taseko in recent years has been extensive and has de-risked the project significantly. The PTF operated successfully over an 18-month period and provided a valuable opportunity to test operational controls and strategies which will be applied in future commercial operations. In addition, a more sophisticated leaching model has been developed and calibrated to the PTF wellfield performance. This detailed modeling data, along with updated costing, has been used to update assumptions for the ramp up and operation of the commercial wellfield and processing facility.

Florence Copper Project Highlights:

- Net present value of US$930 million (after-tax at an 8% 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
- Total estimated initial capital cost of US$232 million remaining
- Long-term copper price of US$3.75 per pound

Long-term Growth Strategy

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

Yellowhead Copper Project

Yellowhead Mining Inc. ("Yellowhead") has an 817 million tonnes reserve and a 25-year mine life with a pre-tax net present value of $1.3 billion at an 8% discount rate using a US$3.10 per pound copper price based on the Company's 2020 NI 43-101 technical report. Capital costs of the project are estimated at $1.3 billion over a 2-year construction period. Over the first 5 years of operation, the copper equivalent grade will average 0.35% producing an average of 200 million pounds of copper per year at an average C1* cost, net of by-product credit, of US$1.67 per pound of copper. The Yellowhead copper project contains valuable precious metal by-products with 440,000 ounces of gold and 19 million ounces of silver with a life of mine value of over $1 billion at current prices.

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

New Prosperity Gold-Copper Project

In late 2019, the Tŝilhqot'in Nation, as represented by Tŝilhqot'in National Government, and Taseko entered into a confidential dialogue, with the involvement of the Province of British Columbia, in order to obtain 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 one-year standstills on certain outstanding litigation and regulatory matters relating to Taseko's tenures and the area in the vicinity of Teẑtan Biny (Fish Lake). The standstill agreement was most recently extended for a fourth one-year term in December 2022, with the goal of providing time and opportunity for the Tŝilhqot'in Nation and Taseko to negotiate a final resolution.

The dialogue process has made tangible progress in the past 12 months but is not complete. In agreeing to extend the standstill through 2023, the Tŝilhqot'in Nation and Taseko acknowledge the constructive nature of discussions to date, and the future 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.

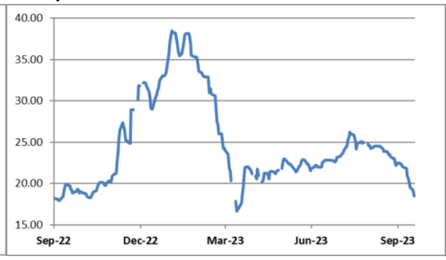
Aley Niobium Project

Environmental monitoring and product marketing initiatives on the Aley niobium project continue. The converter pilot test is ongoing and is providing additional process data to support the design of the commercial process facilities and will provide final product samples for marketing purposes. The Company has also initiated lab testwork on flowsheet development to produce niobium oxide from floatation concentrate at Aley to supply the growing market for niobium-based batteries.

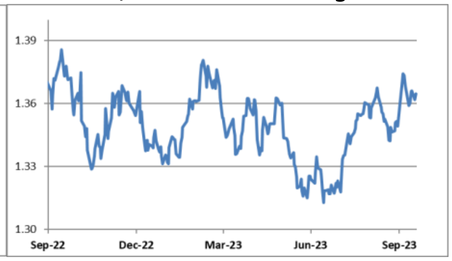
Market Review

Copper

Molybdenum



Canadian/US Dollar Exchange



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

Copper prices are currently around US$3.68 per pound, compared to an average of US$3.79 per pound for the quarter ended September 30, 2023. Short-term volatility in copper prices is expected to continue in the near term due to macroeconomic uncertainty, geopolitical unrest in the Middle East and the risk of a US and global recession which is causing a potential slowdown in industrial demand. With growing LME warehouse copper inventory in recent weeks amidst weakening demand, some analysts are now predicting a modest surplus of copper metal and concentrates in the short term.

Electrification of transportation and the focus on government investment in construction and infrastructure including initiatives focused on the renewable energy, electrification and meeting net zero targets by 2050, are inherently copper intensive and supports higher copper prices in the longer term. According to S&P Global's copper market outlook report published in July 2022, titled '*The Future of Copper: Will the looming supply gap short-circuit the energy transition?*', global demand for copper is projected to double from approximately 25 million metric tons today to roughly 50 million metric tons by 2035, a record high that will be sustained and continue to grow to 53 million metric tons by 2050, in order to achieve net-zero targets. All of 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. During the third quarter of 2023, the average molybdenum price was US$23.76 per pound. Molybdenum prices are currently around US$17.25 per pound. Molybdenum demand and prices have been driven by supply challenges at large South American copper mines that produce molybdenum as a by-product. Continued strong demand from the energy sector has boosted demand for alloyed steel products, as well as growing demand from the renewables and military sectors. The Company's sales agreements specify molybdenum pricing based on the published Platts Metals reports.

Approximately 80% of the Gibraltar mine'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

	Three months ended September 30,			Nine months ended September 30,		
(Cdn$ in thousands)	**2023**	**2022**	**Change**	**2023**	**2022**	**Change**
Net income (loss)	871	(23,517)	24,388	15,301	(23,696)	38,997
Net unrealized foreign exchange loss	14,582	28,083	(13,501)	2,666	35,306	(32,640)
Unrealized (gain) loss on derivative instruments	4,518	(72)	4,590	238	(23,333)	23,571
Finance and other non-recurring costs	1,244	-	1,244	2,958	-	2,958
Estimated tax effect of adjustments	(1,556)	19	(1,575)	(792)	6,300	(7,092)
Adjusted net income (loss)*	19,659	4,513	15,146	20,371	(5,423)	25,794

The Company's adjusted net income* was $19.7 million ($0.07 earnings per share) for the three months ended September 30, 2023, compared to $4.5 million ($0.02 earnings per share) for the same period in 2022. Earnings in the third quarter were positively impacted by higher copper sales volume, higher copper and molybdenum prices and increases in concentrate and ore stockpile inventories, partially offset by higher site operating costs including the timing of repairs and maintenance. Also positively impacting earnings in the same quarter last year was a $16.4 million realized gain primarily due to copper hedges.

The Company's adjusted net income* was $20.4 million ($0.07 earnings per share) for the nine months ended September 30, 2023, compared to an adjusted net loss* of $5.4 million ($0.02 loss per share) for the same period in 2022. Earnings for the nine months ended September 30, 2023 were impacted by higher copper sales volumes, the favorable impact of a stronger US dollar, and increases in inventories of concentrate and ore stockpiles in the current period. The increase was partially offset by lower copper prices, higher site operating costs, and net realized losses of $4.4 million from the Company's copper price and diesel protection program compared to an $11.7 million gain for the same period in 2022.

Net income was $0.9 million (nil earnings per share) for the three months ended September 30, 2023 after inclusion of the $14.6 million in unrealized foreign exchange losses on the outstanding senior secured notes due to the stronger US dollar in the quarter and $4.5 million of an unrealized loss on derivatives that reversed prior quarter unrealized gains due to the increasing copper price in the third quarter of 2023.

Net income was $15.3 million ($0.05 per share) for the nine months ended September 30, 2023 after inclusion of the $2.7 million in unrealized foreign exchange losses on the outstanding senior secured notes due to the stronger US dollar in the first nine months of 2023.

No adjustments are made to adjusted net income for provisional price adjustments in the three and nine month periods or for write-downs of ore stockpile inventories.

Revenues

	Three months ended September 30,			Nine months ended September 30,		
(Cdn$ in thousands)	**2023**	**2022**	**Change**	**2023**	**2022**	**Change**
Copper contained in concentrate	137,011	87,987	49,024	359,066	289,625	69,441
Copper price adjustments on settlement	1,652	(541)	2,193	(105)	(5,350)	5,245
Molybdenum concentrate	10,333	4,416	5,917	23,794	12,190	11,604
Molybdenum price adjustments on settlement	209	156	53	789	(126)	915
Silver	1,395	1,448	(53)	4,441	4,122	319
Total gross revenue	150,600	93,466	57,134	387,985	300,461	87,524
Less: Treatment and refining costs	(6,765)	(3,752)	(3,013)	(16,707)	(9,470)	(7,237)
Revenue	143,835	89,714	54,121	371,278	290,991	80,287
(thousands of pounds, unless otherwise noted)						
Sales of copper in concentrate[1]	26,993	19,229	7,764	68,101	54,677	13,423
Average realized copper price (US$ per pound)	3.83	3.48	0.35	3.86	4.05	(0.19)
Average LME copper price (US$ per pound)	3.79	3.51	0.28	3.89	4.11	(0.22)
Average exchange rate (US$/CAD)	1.34	1.31	0.03	1.35	1.28	0.07

[1] This amount includes a net smelter payable deduction of approximately 3.5% to derive net payable pounds of copper sold and 12.5% of Cariboo's share of copper sales since March 15, 2023.

Copper revenues for the three months ended September 30, 2023 increased by $49.0 million compared to the same period in 2022, with $35.7 million due to the larger sales volumes of 7.8 million pounds from higher grade, recovery and throughput from the Gibraltar mine in the quarter, $9.0 million due to higher copper prices and $4.2 million due to the favorable impact of a stronger US dollar in the current period. Positive provisional price adjustments in the current quarter were $1.6 million due to the increase in copper price. The increase in copper sales volume also reflects the impact from the acquisition of Cariboo in March 2023.

Copper revenues for the nine months ended September 30, 2023 increased by $69.4 million compared to the same period in 2022, with $74.5 million due to larger sales volumes of 13.4 million pounds of copper and $17.2 million due to the favorable impact of a stronger US dollar in the current period, partially offset by a reduction of $22.3 million due to lower copper prices.

Molybdenum revenues for the three months ended September 30, 2023 increased by $5.9 million compared to the same period in 2022 due primarily to higher average molybdenum prices of US$23.76 per pound, compared to US$16.10 per pound for the same prior period and the impact from an increase in molybdenum volume due to higher grades and consistency in throughput in the current quarter as well as the acquisition the additional 12.5% Gibraltar interest in March.

Molybdenum revenues for the nine months ended September 30, 2023 increased by $11.6 million compared to the same period in 2022 due primarily to higher average molybdenum prices of US$26.05 per pound, compared to US$17.83 per pound for the same prior period and the impact from an increase in attributed molybdenum volume due to the Cariboo acquisition in March.

Cost of sales

	Three months ended September 30,			Nine months ended September 30,		
(Cdn$ in thousands)	**2023**	**2022**	**Change**	**2023**	**2022**	**Change**
Site operating costs	87,148	69,920	17,228	244,960	194,016	50,944
Transportation costs	7,681	6,316	1,365	19,751	15,801	3,950
Changes in inventories of finished goods	(4,267)	(2,042)	(2,225)	(7,224)	9,188	(16,412)
Changes in inventories of ore stockpiles	(12,172)	(3,050)	(9,122)	(20,457)	3,422	(23,879)
Production costs	78,390	71,144	7,246	237,030	222,427	14,603
Depletion and amortization	15,993	13,060	2,933	43,614	41,835	1,779
Cost of sales	94,383	84,204	10,179	280,644	264,262	16,382
Site operating costs per ton milled*	$12.39	$11.33	$1.06	$13.11	$11.26	$1.85

Site operating costs for the three and nine months ended September 30, 2023 increased by $17.2 million and $50.9 million, respectively, compared to the same prior periods primarily due to the impact of proportionately consolidating an additional 12.5% share of Gibraltar's site operating costs as a result of the acquisition of 50% of Cariboo in March 2023. Other increases in site operating costs were due to the timing of repairs and maintenance, and external contractors costs, partially offset by decreased spend on grinding media due to lower steel prices.

Cost of sales is also impacted by changes in copper concentrate inventories and ore stockpiles including write-downs of the stockpiles to net realizable value depending on the copper price. During the third quarter of 2023, copper in finished goods inventory increased by 3.2 million pounds, which contributed to a decrease in production costs of $4.3 million. A combination of increased production and the timing of shipments contributed to the increase in finished goods inventory for the quarter. The increase in finished goods inventory in the third quarter of 2022 by 1.5 million pounds contributed to the decrease in production costs of $2.0 million.

During the nine months ended September 30, 2023, the accounting impact from the acquisition of the additional 12.5% Gibraltar interest and the increase in copper in finished goods inventory contributed to an increase in production costs of $7.2 million. Due to extreme flooding events in southwest BC in the fourth quarter of 2021, there was 6.0 million pounds of additional copper in finished goods at the 2021 year end that was sold in the first quarter of 2022. The decrease in finished goods in the nine months ending September 30, 2022 contributed to the increase in production costs of $9.2 million.

In addition, the ore stockpile increased by 3.0 million tons from the Connector pit that were placed on the heap leach pads and ore stock piles increased by 3.5 million tons during the nine months ended September 30, 2023, which resulted in a net decrease in production costs of $20.5 million, net of write-downs of ore stockpiles to net realizable value during the period of $7.1 million.

Other operating (income) expenses

	Three months ended September 30,			Nine months ended September 30,		
(Cdn$ in thousands)	**2023**	**2022**	**Change**	**2023**	**2022**	**Change**
General and administrative	2,506	2,263	243	9,396	8,261	1,135
Share-based compensation expense	675	1,101	(426)	4,404	2,068	2,336
Realized loss (gain) on derivative instruments	470	(16,375)	16,845	4,407	(11,730)	16,137
Unrealized loss (gain) on derivative instruments	4,518	(72)	4,590	238	(23,333)	23,571
Project related expenditures	259	91	168	796	369	427
Other income, net	(528)	(326)	(202)	(732)	(981)	249
	7,900	(13,318)	21,218	18,509	(25,346)	43,855

General and administrative expenses for the three and nine months ended September 30, 2023 increased by $0.2 million and $1.1 million, respectively, compared to the same prior periods due to an increase in payroll, consulting fees and timing of expenditures.

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 changes for the three and nine months ended September 30, 2023, compared to the same periods in 2022, was primarily due to the Company's share price and its impact on the valuation of the deferred share units. More information is set out in Note 15 of the Financial Statements.

For the three months ended September 30, 2023, the Company realized a loss on derivative instruments of $0.5 million primarily due to the fuel call options for the quarter that settled out-of-the-money, compared to a realized gain of $16.4 million in the third quarter of 2022.

For the nine months ended September 30, 2023, the Company realized a loss on derivative instruments of $4.4 million due to the write-off of premiums paid for copper collars and fuel options covering production and fuel for the quarters that settled out-of-the-money, compared to a realized gain of $11.7 million in the same period of 2022.

For the three months ended September 30, 2023, the net unrealized loss on derivative instruments of $4.5 million relates primarily to the decrease in the fair value of outstanding copper price collars covering the remainder of 2023. The zero cost copper collars for the third quarter expired out-of-the-money during the quarter. The net unrealized gain on derivatives for the third quarter of 2022 was only $0.1 million.

The net unrealized gain on derivatives for the nine months ended September 30, 2022 was $23.3 million and related to a significant drop in copper prices starting in June 2022. The net unrealized loss on derivatives for the nine months ended September 30, 2023 was only $0.2 million.

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

Finance expenses and income

	Three months ended September 30,			Nine months ended September 30,		
(Cdn$ in thousands)	**2023**	**2022**	**Change**	**2023**	**2022**	**Change**
Interest expense	12,250	10,317	1,933	35,072	30,475	4,597
Amortization of financing fees	665	635	30	2,053	1,876	177
Finance expense – deferred revenue	1,836	1,441	395	4,801	4,250	551
Accretion of PER	572	92	480	1,648	275	1,373
Accretion on consideration payable to Sojitz	1,244	-	1,244	2,695	-	2,695
Less: interest capitalized	(2,282)	-	(2,282)	(6,207)	-	(6,207)
Finance income	(322)	(654)	332	(2,000)	(1,102)	(898)
Finance expenses, net	13,963	11,831	2,132	38,062	35,774	2,288

Net interest expense for the three and nine months ended September 30, 2023 increased from the prior year period primarily due to the impact of higher interest from new equipment loans drawn in December 2022 and draws against the revolving credit facility in 2023, which was partially offset by the capitalization of certain borrowing costs attributed to funding of Florence development costs.

Finance expense on deferred revenue adjustments represents the implicit financing component of the upfront deposit from the silver sales streaming arrangement with Osisko Gold Royalties Ltd. ("Osisko"). Accretion on consideration payable to Sojitz commenced in mid-March and was $1.2 million and $2.7 million for the three and nine months ended September 30, 2023.

Finance income for the three months ended September 30, 2023 decreased from the same period in the prior year due to the Company's lower overall cash balances. Finance income for the nine months ended September 30, 2023 increased from the same period in prior year due to the impact of higher interest rates on the Company's lower cash balances.

Income tax

	Three months ended September 30,			Nine months ended September 30,		
(Cdn$ in thousands)	**2023**	**2022**	**Change**	**2023**	**2022**	**Change**
Current income tax expense	1,244	224	1,020	2,003	212	1,791
Deferred income tax expense	10,797	3,276	7,521	14,072	5,398	8,674
Income tax expense	12,041	3,500	8,541	16,075	5,610	10,465
Effective tax rate	93.3%	(17.5)%	110.8%	51.2%	(31.0)%	82.2%
Canadian statutory rate	27.0%	27.0%	-	27.0%	27.0%	-
B.C. Mineral tax rate	9.5%	9.5%	-	9.5%	9.5%	-

The overall income tax expense for the three and nine months ended September 30, 2023 was due to deferred income tax expense recognized on income for accounting purposes. The effective tax rate for the third quarter of 2023 is higher than the combined B.C. mineral and income tax rate of 36.5% due primarily to the non-taxability of the unrealized foreign exchange loss related to the senior secured notes and site costs that are not deductible for mineral tax.

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 and nine months ended September 30, 2022 and 2023, relative to net income (loss) for those periods.

Current income tax represents an estimate of B.C. mineral taxes payable.

Financial Condition Review

Balance sheet review

(Cdn$ in thousands)	**At September 30, 2023**	**At December 31, 2022**	**Change**
Cash and equivalents	82,014	120,858	(38,844)
Other current assets	152,946	120,013	32,933
Property, plant and equipment	1,185,232	1,029,240	155,992
Other assets	39,418	8,573	30,845
Total assets	**1,459,610**	**1,278,684**	**180,926**
Current liabilities	100,988	94,229	6,759
Debt:			
Credit facility	39,307	-	39,307
Senior secured notes	537,192	534,118	3,074
Equipment related financings	62,324	52,451	9,873
Deferred revenue	60,043	47,620	12,423
Other liabilities	284,713	193,857	90,856
Total liabilities	**1,084,567**	**922,275**	**162,292**
Equity	**375,043**	**356,409**	**18,634**
Net debt (debt minus cash and equivalents)	556,809	465,711	91,098
Total common shares outstanding (millions)	288.7	286.5	2.2

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

Property, plant and equipment increased by $156.0 million in the nine months ended September 30, 2023, which includes the impact from acquiring an additional 12.5% effective interest in the Gibraltar mine from Sojitz, $45.0 million for Florence Copper development costs as well as capital expenditures at Gibraltar (both sustaining and capital projects).

Net debt increased by $91.1 million in the nine months ended September 30, 2023, primarily due to investment of cash in the development of Florence Copper, ongoing debt repayment and the impact from acquiring the additional interest in Gibraltar and its attributable liabilities, partially offset from funds received from Osisko.

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

Other liabilities increased by $90.9 million in the nine months ended September 30, 2023, due to the deferred consideration payable to Sojitz over the next five years for the acquisition of 50% of Cariboo and the additional share of Gibraltar's provision for environmental rehabilitation that it assumed with the purchase of Cariboo, and an increase in the deferred tax liabilities.

As at November 1, 2023, there were 288,727,146 common shares and 10,057,783 stock options outstanding. The Company has not issued any shares under its at-the-market equity offering ("ATM") program. More information on these instruments and the terms of their exercise is set out in Note 15 of the Financial Statements.

Liquidity, cash flow and capital resources

At September 30, 2023, the Company had cash and equivalents of $82.0 million (December 31, 2022 - $120.9 million).

Cash flow provided by operations during the three months ended September 30, 2023 was $27.0 million compared to cash flow provided by operations of $12.1 million for the same prior period. The increase in cash flow provided by operations was due primarily to the impact of increased sales of copper. The increase in cash flow provided by operations was partially offset by the change in working capital, which included the net increase in ore stockpiles and materials and supplies inventory.

Cash flow provided by operations during the nine months ended September 30, 2023 was $88.3 million compared to cash flow provided by operations of $82.2 million for the same prior period. The increase in cash flow provided by operations was due primarily to the impact of increased sales of copper and the Osisko deferred revenue deposit during the current period. The increase in cash flow provided by operations was partially offset by the change in working capital, which included the increase in finished concentrate inventory, ore stockpiles and materials and supplies inventory in the current period.

In June 2023, the Company entered into a second amendment to its silver stream with Osisko and received $13.6 million in exchange for an increase of the payable silver from 75% to 87.5% and increasing the threshold delivery amount of silver for the updated reserves published in 2022.

Cash used for investing activities during the three months ended September 30, 2023 was $31.0 million compared to $27.5 million for the same prior period. Investing cash flows in the third quarter includes $11.9 million for capital expenditures at Gibraltar (which includes $2.1 million for capitalized stripping costs, $2.7 million for sustaining capital, and $7.1 million for capital projects), and $20.4 million of cash expenditures for development costs at Florence Copper. The higher expenditure in Florence Copper in the quarter related to preparations being made for the commencement of construction for the commercial production facility.

Cash used for investing activities during the nine months ended September 30, 2023 was $108.6 million compared to $129.0 million for the same prior period. Investing cash flows in the three quarters of 2023 includes $76.2 million for capital expenditures at Gibraltar (which includes $23.7 million for capitalized stripping costs, $27.9 million for sustaining capital, and $24.7 million for capital projects), and $36.9 million of cash expenditures for development costs at Florence Copper. Included in investing activities in the nine month period is the Company's 50% acquisition of Cariboo, which included an initial fixed payment of $10.0 million to Sojitz and the pickup of the Company's proportionate share of Cariboo's cash of $13.5 million.

Net cash provided by financing activities for the three months ended September 30, 2023 was $0.5 million comprised primarily of an advance from the revolving credit facility of $27.5 million, partially offset by interest paid of $20.9 million and principal repayments for equipment loans and leases of $6.1 million.

Net cash used by financing activities for the nine months ended September 30, 2023 was $17.6 million comprised primarily of interest paid of $44.5 million, principal repayments for equipment loans and leases of $23.6 million, and settlement of performance share units of $1.9 million, partially offset by an advance from the revolving credit facility of $40.7 million and Gibraltar equipment financing proceeds of $11.1 million.

Liquidity outlook

The Company has approximately $150 million of available liquidity at September 30, 2023, including a cash balance of $82 million and undrawn amounts under the revolving credit facility of US$50 million. In February 2023, the Company entered into an agreement to extend the maturity date of the revolving credit facility by an additional year to July 2026. In addition to the one-year extension, ING Capital LLC joined the syndicate and provided credit approval for the US$30 million accordion feature bringing the total credit facility size to US$80 million.

With a minimum US$3.75 per pound floor price for 21 million pounds of copper production until December 2023 combined with improved copper production, stable operating margins and cash flows are expected from Gibraltar for the remainder of 2023. In addition to ongoing sustaining capital at Gibraltar, the Company has significantly advanced a capital project to relocate the primary crusher for Mill 1 at the Gibraltar mine to a new location scheduled for spring of 2024.

The Company is also preparing for the commencement of the construction of the commercial facility at Florence Copper now that it has received the final UIC permit from the EPA. The Company intends to finance the majority of the remaining capital spend over the next two years primarily from project level finance from external parties, cash on hand and cashflow from Gibraltar.

In December 2022, the Company signed agreements with Mitsui & Co. (U.S.A.) Inc. ("Mitsui") to form a strategic partnership to develop Florence Copper. Mitsui has committed to an initial investment of US$50 million with proceeds to be used for construction of the commercial production facility. The initial investment will be in the form of a copper stream agreement and Mitsui has the option to invest an additional US$50 million (for a total investment of US$100 million) for a 10% equity interest in Florence Copper.

In October, the Company closed US$20 million of its underwritten commitment for US$25 million from Bank of America to fund costs associated with the SX/EW plant equipment for the Florence Copper commercial production facility.

The Company is also working with Endeavour Financial to secure financial commitments totalling at least US$100 million from royalty and debt providers to fund additional construction costs at Florence.

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. 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 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 (see "Hedging Strategy").

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 overall 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 significantly out of the money. The amount and duration of the copper hedge position is based on an assessment of business-specific risk elements combined with the copper pricing outlook. Copper price and quantity exposure are reviewed regularly to ensure that adequate revenue protection is in place.

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

From time to time, the Company will look at potential hedging opportunities to mitigate the risk of rising input costs, including foreign exchange and fuel prices where such a strategy is cost effective. To protect against a potential operating margin squeeze that could arise from oil and diesel price shocks, the Company purchases diesel call options to provide a price cap for its share of diesel that is used by its mining fleet. Taseko has in place diesel price protection to December 2023 which caps its site landed diesel cost to an estimated $1.75 per litre. The Company will continue to look to extend this protection depending on market conditions.

	Notional amount	Strike price	Term to maturity	Original cost
At September 30, 2023				
Copper collars	21 million lbs	US$3.75 per lb US$4.70 per lb	Q4 2023	Zero cost collar
Copper puts	21 million lbs	US$3.25 per lb	Q1 2024	$1.6 million
Fuel call options	6 million ltrs	US$1.00 per ltr	July to December 2023	$0.5 million

Commitments and contingencies

Commitments

	Payments due						
At September 30, 2023 (Cdn$ in thousands)	**Remainder of 2023**	**2024**	**2025**	**2026**	**2027**	**Thereafter**	**Total**
Debt:							
2026 Notes	-	-	-	543,160	-	-	543,160
Interest	-	38,021	38,021	19,011	-	-	95,053
Equipment loans:							
Principal	2,477	11,384	12,453	13,622	1,671	-	41,607
Interest	923	3,069	2,000	831	46	-	6,869
Lease liabilities:							
Principal	3,716	10,361	3,865	1,929	796	50	20,717
Interest	442	1,106	424	141	40	-	2,153
Cariboo acquisition payments [1]	-	10,000	10,000	10,000	10,000	10,000	50,000
PER [2]	-	-	-	-	-	133,016	133,016
Capital expenditures							
Gibraltar	6,286	-	-	-	-	-	6,286
Florence Copper	9,968	3,683	-	-	-	-	13,651
Other expenditures							
Transportation related services [3]	1,152	13,630	5,471	960	-	-	21,213

[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 production and copper prices over the next five years. An initial $10 million has been paid to Sojitz on closing and the remaining minimum amount will be paid in $10 million annual instalments over the next five years. There is no interest payable on the minimum amounts. The Company estimates that there is $34 million payable over the next 5 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] 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 September 30, 2023, the Company has provided surety bonds of $88.7 million and restricted cash of $6.3 million for its share of Gibraltar's reclamation security. For Florence Copper, the Company has provided to the federal and state regulator surety bonds totaling $12.4 million as reclamation security.

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

The Company has made future capital expenditure commitments relating to equipment for the Florence Copper project totaling $13.7 million at September 30, 2023.

The Company has guaranteed 100% of certain equipment loans and leases entered into by Gibraltar in which it holds an 87.5% effective interest. As a result, the Company has guaranteed the joint venture partner's 12.5% share of this debt which amounted to $6.7 million as at September 30, 2023.

The Company has also indemnified 100% of a surety bond issued by the Gibraltar joint venture to the Province of British Columbia. As a result, the Company has indemnified the joint venture partner's 12.5% share of this obligation, which amounted to $7.3 million as at September 30, 2023.

On October 30, 2023, the Company increased the surety bond with the EPA for the UIC permit to US$31 million.

Summary of Quarterly Results

	2023			2022				2021
(Cdn$ in thousands, except per share amounts)	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Revenues	143,835	111,924	115,519	100,618	89,714	82,944	118,333	102,972
Net income (loss)	871	9,991	4,439	(2,275)	(23,517)	(5,274)	5,095	11,762
Basic EPS	-	0.03	0.02	(0.01)	(0.08)	(0.02)	0.02	0.04
Adjusted net income (loss) *	19,659	(4,376)	5,088	7,146	4,513	(16,098)	6,162	13,312
Adjusted basic EPS *	0.07	(0.02)	0.02	0.02	0.02	(0.06)	0.02	0.05
Adjusted EBITDA *	62,695	22,218	36,059	35,181	34,031	1,684	38,139	52,988
(US$ per pound, except where indicated)								
Provisional copper price	3.79	3.83	4.05	3.66	3.51	4.33	4.57	4.40
Realized copper price	3.83	3.78	4.02	3.66	3.48	4.08	4.59	4.37
Total operating costs *	2.20	2.66	2.94	2.75	2.72	3.47	3.13	1.94
Copper sales (million pounds)	28.1	22.8	20.8	19.1	20.0	16.3	20.5	17.9

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.

Critical Accounting Policies and Estimates

The Company's significant accounting policies are presented in Note 2.4 of the 2022 annual consolidated financial statements. The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies, including the accounting for the Cariboo acquisition and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

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

Significant areas of estimation include reserve and resource estimation; 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.

There were no changes in accounting policies during the nine months ended September 30, 2023.

Internal and Disclosure Controls Over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting and disclosure controls and procedures.

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

(1) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

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

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

There have been no changes in our internal controls over financial reporting and disclosure controls and procedures during the nine months ended September 30, 2023 that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting and disclosure.

Key Management Personnel

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

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

Certain executive officers are entitled to termination and change in control benefits. In the event of termination without cause, other than a change in control, these executive officers are entitled to an amount ranging from 12-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 (refer to Note 15 of the Financial Statements).

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

	Three months ended September 30,		**Nine months ended September 30,**	
(Cdn$ in thousands)	**2023**	**2022**	**2023**	**2022**
Salaries and benefits	897	841	4,043	3,668
Post-employment benefits	220	178	702	552
Share-based compensation expense	442	959	3,493	1,325
	1,559	1,978	8,238	5,545

Non-GAAP Performance Measures

This document includes certain non-GAAP performance measures that do not have a standardized meaning prescribed by IFRS. These measures may differ from those used by, and may not be comparable to such measures as reported by, other issuers. The Company believes that these measures are commonly used by certain investors, in conjunction with conventional IFRS measures, to enhance their understanding of the Company's performance. These measures have been derived from the Company's financial statements and applied on a consistent basis. The following tables below provide a reconciliation of these non-GAAP measures to the most directly comparable IFRS measure.

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

Total costs of sales include all costs absorbed into inventory, as well as transportation costs and insurance recoverable. Site operating costs are calculated by removing net changes in inventory, depletion and amortization, insurance recoverable, and transportation costs from cost of sales. Site operating costs, net of by-product credits is calculated by subtracting by-product credits from the site operating costs. Site operating costs, net of by-product credits per pound are calculated by dividing the aggregate of the applicable costs by copper pounds produced. Total operating costs per pound is the sum of site operating costs, net of by-product credits and off-property costs divided by the copper pounds produced. By-product credits are calculated based on actual sales of molybdenum (net of treatment costs) and silver during the period divided by the total pounds of copper produced during the period. These measures are calculated on a consistent basis for the periods presented.

(Cdn$ in thousands, unless otherwise indicated) – 75% basis (except for Q1, Q2 and Q3 2023)	**2023 Q3[1]**	**2023 Q2[1]**	**2023 Q1[1]**	**2022 Q4**	**2022 Q3**
Cost of sales	94,383	99,854	86,407	73,112	84,204
Less:					
Depletion and amortization	(15,993)	(15,594)	(12,027)	(10,147)	(13,060)
Net change in inventories of finished goods	4,267	3,356	(399)	1,462	2,042
Net change in inventories of ore stockpiles	12,172	2,724	5,561	18,050	3,050
Transportation costs	(7,681)	(6,966)	(5,104)	(6,671)	(6,316)
Site operating costs	87,148	83,374	74,438	75,806	69,920
Oxide ore stockpile reclassification from capitalized stripping	-	(3,183)	3,183	-	-
Less by-product credits:					
Molybdenum, net of treatment costs	(9,900)	(4,018)	(9,208)	(11,022)	(4,122)
Silver, excluding amortization of deferred revenue	290	(103)	(160)	263	25
Site operating costs, net of by-product credits	77,538	76,070	68,253	65,047	65,823
Total copper produced (thousand pounds)	30,978	24,640	19,491	20,020	21,238
Total costs per pound produced	2.50	3.09	3.50	3.25	3.10
Average exchange rate for the period (CAD/USD)	1.34	1.34	1.35	1.36	1.31
Site operating costs, net of by-product credits (US$ per pound)	**1.87**	**2.30**	**2.59**	**2.39**	**2.37**
Site operating costs, net of by-product credits	77,538	76,070	68,253	65,047	65,823
Add off-property costs:					
Treatment and refining costs	6,123	4,986	4,142	3,104	3,302
Transportation costs	7,681	6,966	5,104	6,671	6,316
Total operating costs	91,342	88,022	77,499	74,822	75,441
Total operating costs (C1) (US$ per pound)	**2.20**	**2.66**	**2.94**	**2.75**	**2.72**

[1] Q1, Q2 and Q3 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%.

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 the Gibraltar mine calculated on a consistent basis for the periods presented.

(Cdn$ in thousands, unless otherwise indicated) – 75% basis (except for Q1, Q2 and Q3 2023)	2023 Q3[1]	2023 Q2[1]	2023 Q1[1]	2022 Q4	2022 Q3
Site operating costs	87,148	83,374	74,438	75,806	69,920
Add:					
Capitalized stripping costs	2,083	8,832	12,721	3,866	1,121
Total site costs – Taseko share	**89,231**	**92,206**	**87,159**	**79,672**	**71,041**
Total site costs – 100% basis	**101,978**	**105,378**	**112,799**	**106,230**	**94,721**

[1] Q1, Q2 and Q3 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%.

Adjusted net income (loss)

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

- Unrealized foreign currency gain/loss;
- Unrealized gain/loss on derivatives; and
- Finance and other non-recurring costs.

Management believes these transactions do not reflect the underlying operating performance of our core mining business and are not necessarily indicative of future operating results. Furthermore, unrealized gains/losses on derivative instruments, changes in the fair value of financial instruments, and unrealized foreign currency gains/losses are not necessarily reflective of the underlying operating results for the reporting periods presented.

(Cdn$ in thousands, except per share amounts)	2023 Q3	2023 Q2	2023 Q1	2022 Q4
Net income (loss)	**871**	**9,991**	**4,439**	**(2,275)**
Unrealized foreign exchange (gain) loss	14,582	(10,966)	(950)	(5,279)
Unrealized (gain) loss on derivatives	4,518	(6,470)	2,190	20,137
Finance and other non-recurring costs	1,244	1,714	-	-
Estimated tax effect of adjustments	(1,556)	1,355	(591)	(5,437)
Adjusted net income (loss)	**19,659**	**(4,376)**	**5,088**	**7,146**
Adjusted EPS	**0.07**	**(0.02)**	**0.02**	**0.02**

(Cdn$ in thousands, except per share amounts)	2022 Q3	2022 Q2	2022 Q1	2021 Q4
Net income (loss)	**(23,517)**	**(5,274)**	**5,095**	**11,762**
Unrealized foreign exchange (gain) loss	28,083	11,621	(4,398)	(1,817)
Unrealized (gain) loss on derivatives	(72)	(30,747)	7,486	4,612
Estimated tax effect of adjustments	19	8,302	(2,021)	(1,245)
Adjusted net income (loss)	**4,513**	**(16,098)**	**6,162**	**13,312**
Adjusted EPS	**0.02**	**(0.06)**	**0.02**	**0.05**

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 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; and
- Non-recurring other expenses

(Cdn$ in thousands)	2023 Q3	2023 Q2	2023 Q1	2022 Q4
Net income (loss)	**871**	**9,991**	**4,439**	**(2,275)**
Add:				
Depletion and amortization	15,993	15,594	12,027	10,147
Finance expense	14,285	13,468	12,309	10,135
Finance income	(322)	(757)	(921)	(700)
Income tax expense	12,041	678	3,356	1,222
Unrealized foreign exchange loss (gain)	14,582	(10,966)	(950)	(5,279)
Unrealized loss (gain) on derivatives	4,518	(6,470)	2,190	20,137
Amortization of share-based compensation expense	727	417	3,609	1,794
Non-recurring other expenses	-	263	-	-
Adjusted EBITDA	**62,695**	**22,218**	**36,059**	**35,181**

(Cdn$ in thousands)	2022 Q3	2022 Q2	2022 Q1	2021 Q4
Net income (loss)	**(23,517)**	**(5,274)**	**5,095**	**11,762**
Add:				
Depletion and amortization	13,060	15,269	13,506	16,202
Finance expense	12,481	12,236	12,155	12,072
Finance income	(650)	(282)	(166)	(218)
Income tax expense	3,500	922	1,188	9,300
Unrealized foreign exchange (gain) loss	28,083	11,621	(4,398)	(1,817)
Unrealized (gain) loss on derivatives	(72)	(30,747)	7,486	4,612
Amortization of share-based compensation expense (recovery)	1,146	(2,061)	3,273	1,075
Adjusted EBITDA	**34,031**	**1,684**	**38,139**	**52,988**

Earnings from mining operations before depletion and amortization

Earnings from mining operations before depletion and amortization is earnings from mining operations with depletion and amortization added back. The Company discloses this measure, which has been derived from our financial statements and applied on a consistent basis, to provide assistance in understanding the results of the Company's operations and financial position and it is meant to provide further information about the financial results to investors.

	Three months ended September 30,		Nine months ended September 30,	
(Cdn$ in thousands)	2023	2022	2023	2022
Earnings from mining operations	**49,452**	**5,510**	**90,634**	**26,729**
Add:				
Depletion and amortization	15,993	13,060	43,614	41,835
Earnings from mining operations before depletion and amortization	**65,445**	**18,570**	**134,248**	**68,564**

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)	2023 Q3[1]	2023 Q2[1]	2023 Q1[1]	2022 Q4	2022 Q3
Site operating costs (included in cost of sales) – Taseko share	**87,148**	**83,374**	**74,438**	**75,806**	**69,920**
Site operating costs – 100% basis	**99,598**	**95,285**	**95,838**	**101,075**	**93,226**
Tons milled (thousands)	8,041	7,234	7,093	7,282	8,229
Site operating costs per ton milled	**$12.39**	**$13.17**	**$13.54**	**$13.88**	**$11.33**

[1] Q1, Q2 and Q3 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 Gibraltar mine has been reviewed and approved by Richard Weymark, P.Eng., MBA, VP Engineering, who is a Qualified Person in accordance with the requirements of NI 43-101.

The technical information contained in this MD&A related to the Florence Copper Project has been reviewed and approved by Richard Weymark, P.Eng., MBA, VP Engineering, Robert Rotzinger, P.Eng., VP Capital Projects, and Richard Tremblay, P.Eng., MBA, Senior VP Operations, who are Qualified Persons in accordance with the requirements of NI 43-101.

Condensed Consolidated Interim Financial Statements

September 30, 2023

(Unaudited)

TASEKO MINES LIMITED

Condensed Consolidated Interim Balance Sheets

(Cdn$ in thousands)

(Unaudited)

	Note	September 30, 2023	December 31, 2022
ASSETS			
Current assets			
Cash and equivalents		82,014	120,858
Accounts receivable		13,719	13,223
Inventories	9	129,209	92,846
Other financial assets	10	4,086	9,013
Prepaids		5,932	4,931
		234,960	240,871
Property, plant and equipment	11	1,185,232	1,029,240
Inventories	9	16,003	-
Other financial assets	10	7,895	2,989
Deferred tax assets		9,921	-
Goodwill		5,599	5,584
		1,459,610	**1,278,684**
LIABILITIES			
Current liabilities			
Accounts payable and other liabilities		71,709	66,716
Current portion of long-term debt	12	23,348	18,409
Current portion of deferred revenue	13	7,106	12,065
Current portion of other financial liabilities	14	15,262	-
Interest payable on senior secured notes		4,753	14,221
Current income tax payable		2,158	1,227
		124,336	112,638
Long-term debt	12	615,475	568,160
Provision for environmental rehabilitation ("PER")		133,016	113,725
Deferred and other tax liabilities		91,533	76,255
Deferred revenue	13	60,043	47,620
Other financial liabilities	14	60,164	3,877
		1,084,567	922,275
EQUITY			
Share capital	15	484,602	479,926
Contributed surplus		54,243	55,795
Accumulated other comprehensive income ("AOCI")		27,001	26,792
Deficit		(190,803)	(206,104)
		375,043	356,409
		1,459,610	**1,278,684**

Commitments and contingencies	17
Subsequent events	20

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

TASEKO MINES LIMITED

Condensed Consolidated Interim Statements of Comprehensive Income (Loss)

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

(Unaudited)

		Three months ended September 30,		Nine months ended September 30,	
	Note	**2023**	**2022**	**2023**	**2022**
Revenues	4	143,835	89,714	371,278	290,991
Cost of sales					
Production costs	5	(78,390)	(71,144)	(237,030)	(222,427)
Depletion and amortization	5	(15,993)	(13,060)	(43,614)	(41,835)
Earnings from mining operations		49,452	5,510	90,634	26,729
General and administrative		(2,506)	(2,263)	(9,396)	(8,261)
Share-based compensation expense	15b	(675)	(1,101)	(4,404)	(2,068)
Project evaluation expense		(259)	(91)	(796)	(369)
(Loss) gain on derivatives	6	(4,988)	16,447	(4,645)	35,063
Other income		528	326	732	981
Income before financing costs and income taxes		41,552	18,828	72,125	52,075
Finance expenses, net	7	(13,963)	(11,831)	(38,062)	(35,774)
Foreign exchange loss		(14,677)	(27,014)	(2,687)	(34,387)
Income (loss) before income taxes		12,912	(20,017)	31,376	(18,086)
Income tax expense	8	(12,041)	(3,500)	(16,075)	(5,610)
Net income (loss)		**871**	**(23,517)**	**15,301**	**(23,696)**
Other comprehensive income (loss):					
Items that will remain permanently in other comprehensive income (loss):					
Loss on financial assets		(300)	(1,078)	(1,120)	(1,933)
Items that may in the future be reclassified to profit (loss):					
Foreign currency translation reserve		9,566	19,731	1,329	24,283
Total other comprehensive income		**9,266**	**18,653**	**209**	**22,350**
Total comprehensive income (loss)		**10,137**	**(4,864)**	**15,510**	**(1,346)**
Earnings (loss) per share					
Basic		-	(0.08)	0.05	(0.08)
Diluted		-	(0.08)	0.05	(0.08)
Weighted average shares outstanding (thousands)					
Basic		288,681	286,377	288,406	286,167
Diluted		290,945	286,377	291,043	286,167

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

TASEKO MINES LIMITED

Condensed Consolidated Interim Statements of Cash Flows

(Cdn$ in thousands)

(Unaudited)

		Three months ended September 30,		Nine months ended September 30,	
	Note	2023	2022	2023	2022
Operating activities					
Net income (loss) for the period		871	(23,517)	15,301	(23,696)
Adjustments for:					
Depletion and amortization		15,993	13,060	43,614	41,835
Income tax expense	8	12,041	3,500	16,075	5,610
Finance expenses, net	7	13,963	11,831	38,062	35,774
Share-based compensation expense	15b	727	1,146	4,753	2,358
Loss (gain) on derivatives	6	4,988	(16,447)	4,645	(35,063)
Unrealized foreign exchange loss		14,582	28,083	2,666	35,306
Amortization of deferred revenue		(1,685)	(1,472)	(4,468)	(4,385)
Deferred revenue deposit	13	-	-	13,586	-
Other operating activities		(40)	(1,291)	(356)	(2,203)
Net change in working capital	18	(34,451)	(2,778)	(45,621)	26,676
Cash provided by operating activities		26,989	12,115	88,257	82,212
Investing activities					
Gibraltar capitalized stripping costs	11	(2,083)	(1,121)	(23,670)	(28,151)
Gibraltar sustaining capital expenditures	11	(2,743)	(7,797)	(27,871)	(17,439)
Gibraltar capital project expenditures	11	(7,095)	(9,096)	(24,704)	(21,205)
Florence Copper development costs	11	(20,351)	(27,256)	(36,860)	(72,439)
Other project development costs	11	(422)	(329)	(951)	(645)
Acquisition of Cariboo Copper Corp., net	3,14	-	-	2,948	-
Purchase of copper price options	6	-	-	-	(7,269)
Proceeds from copper put options		-	18,598	-	18,598
Other investing activities		1,680	(489)	2,520	(434)
Cash used for investing activities		(31,014)	(27,490)	(108,588)	(128,984)
Financing activities					
Interest paid		(20,902)	(18,646)	(44,452)	(38,059)
Repayment of equipment loans and leases		(6,109)	(4,426)	(23,611)	(14,595)
Revolving credit facility advance, net of repayment	12b	27,490	-	40,737	-
Proceeds from equipment financings		-	-	11,067	-
Settlement of performance share units		-	-	(1,922)	(1,927)
Proceeds from exercise of stock options		77	-	544	598
Cash provided by (used for) financing activities		556	(23,072)	(17,637)	(53,983)
Effect of exchange rate changes on cash and equivalents		(79)	4,819	(876)	6,036
Decrease in cash and equivalents		(3,548)	(33,628)	(38,844)	(94,719)
Cash and equivalents, beginning of period		85,562	175,676	120,858	236,767
Cash and equivalents, end of period		82,014	142,048	82,014	142,048

Supplementary cash flow disclosures 18

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

TASEKO MINES LIMITED

Condensed Consolidated Interim Statements of Changes in Equity

(Cdn$ in thousands)

(Unaudited)

	Share capital	Contributed surplus	AOCI	Deficit	Total
Balance as at January 1, 2022	476,599	55,403	6,649	(180,133)	358,518
Share-based compensation	-	3,908	-	-	3,908
Exercise of options	910	(312)	-	-	598
Settlement of performance share units	2,217	(4,144)	-	-	(1,927)
Total comprehensive income (loss) for the period	-	-	22,350	(23,696)	(1,346)
Balance as at September 30, 2022	**479,726**	**54,855**	**28,999**	**(203,829)**	**359,751**
Balance as at January 1, 2023	479,926	55,795	26,792	(206,104)	356,409
Share-based compensation	-	4,501	-	-	4,501
Exercise of options	843	(298)	-	-	545
Settlement of performance share units	3,833	(5,755)	-	-	(1,922)
Total comprehensive income for the period	-	-	209	15,301	15,510
Balance as at September 30, 2023	**484,602**	**54,243**	**27,001**	**(190,803)**	**375,043**

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

1. REPORTING ENTITY

Taseko Mines Limited (the "Company" or "Taseko") is a corporation governed by the *British Columbia Business Corporations Act.* These unaudited condensed consolidated interim financial statements of the Company as at and for the three and nine month periods ended September 30, 2023 comprise the Company, its subsidiaries and its 87.5% effective interest in the Gibraltar joint venture. 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.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting* and follow the same accounting policies and methods of application as the Company's most recent annual consolidated financial statements. These unaudited condensed consolidated interim financial statements do not include all of the information required for full consolidated annual financial statements and should be read in conjunction with the consolidated annual financial statements of the Company as at and for the year ended December 31, 2022, prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These unaudited condensed consolidated interim financial statements were authorized for issue by the Company's Audit and Risk Committee on November 1, 2023.

(b) Use of judgments and estimates

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

The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the annual consolidated financial statements as at and for the year ended December 31, 2022.

(c) IFRS Pronouncements

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

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

(Cdn$ in thousands - Unaudited)

3. ACQUISITION OF CARIBOO COPPER CORPORATION

On March 15, 2023 (“Acquisition Date”), the Company completed the acquisition of an additional 12.5% interest in the Gibraltar Mine from Sojitz Corporation (“Sojitz”). Gibraltar is operated through a joint venture which is owned 75% by Taseko and 25% by Cariboo. Under the terms of the agreement, Taseko has acquired Sojitz’s 50% interest in Cariboo and now holds directly and indirectly an effective 87.5% interest in the Gibraltar mine.

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

Taseko acquired Sojitz’s 50% interest in Cariboo and became a party to the existing Cariboo shareholders agreement with Dowa Metals & Mining Co., Ltd. (“Dowa”) (25%) and Furukawa Co., Ltd. (“Furukawa”) (25%). There will be no change to the offtake contracts established in 2010 and Dowa and Furukawa will continue to receive 30% of Gibraltar’s copper concentrate offtake. There will be no impact to the operation of the Gibraltar Joint Venture.

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 will be calculated by multiplying Gibraltar mine 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 the Acquisition Date are estimated as follows:

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

The Company has joint control over Cariboo which is a joint arrangement and as such proportionately consolidates its 50% portion of all the Cariboo assets, liabilities, income and expenses. The purchase consideration has been 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 preliminary purchase price:

(Cdn$ in thousands - Unaudited)

3. ACQUISITION OF CARIBOO COPPER CORPORATION (CONTINUED)

Cash and cash equivalents	13,467
Accounts receivable and other assets	1,525
Reclamation deposits	6,262
Inventory	15,860
Property, plant and equipment	72,304
Deferred tax asset	5,594
Accounts payable and other liabilities	(8,535)
Debt	(9,144)
Provision for environmental rehabilitation	(17,936)
Total fair value of net assets acquired	79,397

From the Acquisition Date to September 30, 2023, $4,868 of the Company's consolidated net income relates to its share of Cariboo.

During the three and nine months ended September 30, 2023, the Company recognized nil and $263 of acquisition related costs that were included in other expenses.

The values of assets and liabilities acquired are based on preliminary fair values, which are subject to change upon finalization of a complete valuation.

The following table presents unaudited pro forma results for the three and nine months ended September 30, 2023 as though the acquisition had taken place as of January 1, 2023. Additionally, pro forma net earnings were adjusted to exclude acquisition related costs incurred.

Pro forma information	**Three months ended September 30, 2023**	**Nine months ended September 30, 2023**
Revenue	143,835	386,305
Net earnings	871	17,369

4. REVENUE

	Three months ended September 30,		**Nine months ended September 30,**	
	2023	**2022**	**2023**	**2022**
Copper contained in concentrate	137,011	87,987	359,066	289,625
Copper price adjustments on settlement	1,652	(541)	(105)	(5,350)
Molybdenum concentrate	10,333	4,416	23,794	12,190
Molybdenum price adjustments on settlement	209	156	789	(126)
Silver (Note 13)	1,395	1,448	4,441	4,122
Total gross revenue	150,600	93,466	387,985	300,461
Less: Treatment and refining costs	(6,765)	(3,752)	(16,707)	(9,470)
Revenue	143,835	89,714	371,278	290,991

(Cdn$ in thousands - Unaudited)

4. REVENUE (CONTINUED)

As a result of the acquisition of Cariboo, after March 15, 2023, the financial results of the Company reflect its 87.5% beneficial interest in the Gibraltar mine (Note 3).

5. COST OF SALES

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Site operating costs	87,148	69,920	244,960	194,016
Transportation costs	7,681	6,316	19,751	15,801
Changes in inventories of finished goods	(4,267)	(2,042)	(7,224)	9,188
Changes in inventories of ore stockpiles	(12,172)	(3,050)	(20,457)	3,422
Production costs	78,390	71,144	237,030	222,427
Depletion and amortization	15,993	13,060	43,614	41,835
Cost of sales	94,383	84,204	280,644	264,262

Site operating costs include personnel costs, non-capitalized waste stripping costs, repair and maintenance costs, consumables, operating supplies and external services. As a result of the acquisition of Cariboo, after March 15, 2023, the financial results of the Company reflect its 87.5% beneficial interest in the Gibraltar mine (Note 3).

6. DERIVATIVE INSTRUMENTS

In January 2023, the Company purchased zero cost copper collar contracts for 42 million pounds of copper with maturity dates ranging from July through to December 2023, with a minimum copper strike price of US$3.75 per pound and a ceiling price of US$4.70 per pound.

In January 2023, the Company purchased fuel call options for 12 million litres of diesel with maturity dates ranging from July to December 2023, at a total cost of $941.

During the three and nine months period ended September 30, 2023, the Company recognized a net realized loss of nil and $2,873 on copper collar contracts for 21 million pounds and 51 million pounds, respectively, with a minimum strike price of US$3.75 per pound and a ceiling price between US$4.70 and US$4.72 per pound, that expired out-of-the-money.

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Net realized (gain) loss on settled copper options	-	(16,587)	2,873	(11,894)
Net unrealized loss (gain) on outstanding copper options	5,000	(898)	591	(24,027)
Realized loss on fuel call options	470	212	1,534	164
Unrealized (gain) loss on fuel call options	(482)	826	(353)	694
	4,988	(16,447)	4,645	(35,063)

(Cdn$ in thousands - Unaudited)

6. DERIVATIVE INSTRUMENTS (CONTINUED)

Details of the outstanding copper price option contracts at September 30, 2023 are summarized in the following table:

	Quantity	Strike price	Period	Cost	Fair value
Copper collar contracts	21 million lbs	US$3.75/per lb US$4.70/per lb	Q4 2023	Zero-cost	2,619

In October 2023, the Company purchased copper put contracts for 21 million pounds of copper with maturity dates ranging from January through to March 2024, with a minimum copper strike price of US$3.25 per pound at a cost of $1,632.

7. FINANCE EXPENSES

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Interest expense	12,250	10,317	35,072	30,475
Amortization of financing fees	665	635	2,053	1,876
Finance expense – deferred revenue (Note 13)	1,836	1,441	4,801	4,250
Accretion on PER	572	92	1,648	275
Accretion on consideration payable to Sojitz (Note 3)	1,244	-	2,695	-
Less: interest expense capitalized	(2,282)	-	(6,207)	-
Finance income	(322)	(654)	(2,000)	(1,102)
	13,963	11,831	38,062	35,774

For the three and nine months ended September 30, 2023, interest expense includes $464 (2022 – $263) and $1,514 (2022 – $882), respectively, from lease liabilities and lease related obligations.

8. INCOME TAX

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Current income tax expense	1,244	224	2,003	212
Deferred income tax expense	10,797	3,276	14,072	5,398
	12,041	3,500	16,075	5,610

(Cdn$ in thousands - Unaudited)

9. INVENTORIES

	September 30, 2023	December 31, 2022
Current:		
Ore stockpiles	65,264	45,306
Copper contained in concentrate	19,313	12,105
Molybdenum concentrate	432	417
Materials and supplies	44,200	35,018
	129,209	92,846
Long-term:		
Oxide ore stockpiles	16,003	-
	145,212	92,846

For the three months ended September 30, 2023, the Company recorded a reversal of $1,113 to adjust the carrying value of ore stockpiles to cost, of which $254 is recorded in depletion and amortization and the balance in production costs.

For the nine months ended September 30, 2023, the Company recorded a write-down of $6,985 to adjust the carrying value of ore stockpiles to cost, of which $1,513 is recorded in depletion and amortization and the balance in production costs.

For the three and nine months ended September 30, 2023, the Company recorded a write-down of $2,518 to adjust the carrying value of oxide ore stockpiles to cost, of which $501 is recorded in depletion and amortization and the balance in production costs.

10. OTHER FINANCIAL ASSETS

	September 30, 2023	December 31, 2022
Current:		
Marketable securities	1,447	2,568
Copper price options (Note 6)	2,619	6,184
Fuel call options (Note 6)	20	261
	4,086	9,013
Long-term:		
Investment in private companies	1,200	1,200
Reclamation deposits	6,695	434
Restricted cash	-	1,355
	7,895	2,989

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

(Cdn$ in thousands - Unaudited)

11. PROPERTY, PLANT & EQUIPMENT

The following schedule shows the continuity of property, plant and equipment net book value for the three and nine months ended September 30, 2023:

	Three months ended September 30, 2023	Nine months ended September 30, 2023
Net book value as at beginning of period	1,164,344	1,029,240
Additions:		
Gibraltar capitalized stripping costs	2,053	27,161
Gibraltar sustaining capital expenditures	4,667	29,296
Gibraltar capital projects	7,095	24,704
Cariboo acquisition (Note 3)	-	70,769
Florence Copper development costs	17,592	44,983
Yellowhead development costs	136	353
Aley development costs	230	542
Other items:		
Right of use assets	297	10,696
Rehabilitation costs asset	1	38
Disposals	(271)	(1,161)
Foreign exchange translation and other	8,990	948
Depletion and amortization	(19,902)	(52,337)
Net book value as at September 30, 2023	1,185,232	1,185,232

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)	70,769	-	-	-	-	70,769
Net additions	90,519	45,102	411	542	-	136,574
Changes in rehabilitation cost asset	38	-	-	-	-	38
Depletion and amortization	(52,067)	-	(3)	-	(267)	(52,337)
Foreign exchange translation	-	948	-	-	-	948
As at September 30, 2023	719,658	427,037	22,358	15,415	764	1,185,232

During the three and nine months ended September 30, 2023, the Company capitalized development costs of $17,592 and $44,983, respectively, for the Florence Copper project, which includes $2,281 and $6,206, respectively, of capitalized borrowing costs. Since its acquisition of Florence Copper in November 2014, the Company has incurred and capitalized a total of $326.9 million in project development and other costs.

(Cdn$ in thousands - Unaudited)

11. PROPERTY, PLANT & EQUIPMENT (CONTINUED)

During the three and nine months ended September 30, 2023, non-cash additions to property, plant and equipment of Gibraltar include $30 and $3,551, respectively, of depreciation on mining assets related to capitalized stripping.

Since January 1, 2020, development costs for Yellowhead of $6,410 have been capitalized as mineral property, plant and equipment.

Depreciation related to the right of use assets for the three and nine months ended September 30, 2023 was $2,856 (2022 – $1,087) and $7,875 (2022 – $3,231), respectively.

12. DEBT

	September 30, 2023	**December 31, 2022**
Current:		
Lease liabilities (d)	12,217	7,613
Secured equipment loans (e)	11,131	8,489
Lease related obligations (f)	-	2,307
	23,348	18,409
Long-term:		
Senior secured notes (a)	543,160	541,760
Revolving credit facility (b)	40,737	-
Lease liabilities (d)	8,500	7,409
Secured equipment loans (e)	30,476	24,550
Lease related obligations (f)	-	3,009
	622,873	576,727
Deferred financing fees	(7,398)	(8,567)
Total debt	638,823	586,569

(a) Senior secured notes

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

12. DEBT (CONTINUED)

(a) Senior secured notes (continued)

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

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

The Company may redeem some or all of the 2026 Notes at any time on or after February 15, 2023, at redemption prices ranging from 103.5% to 100%, plus accrued and unpaid interest to the date of redemption. On a change of control, the 2026 Notes are redeemable at the option of the holder at a price of 101%.

(b) Revolving credit facility

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

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

Amounts outstanding under the facility bear interest at the Adjusted Term SOFR rate plus an applicable margin and have a standby fee of 1.00%. As at September 30, 2023, a total of $40,737 was advanced under the Facility, $13,707 of which was prepaid in October 2023.

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 September 30, 2023.

(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 the Gibraltar mine to assist with ongoing trade finance and working capital needs. Any LCs issued under the facility will be guaranteed by Export Development Canada ("EDC") under its Account Performance Security Guarantee program. The facility is renewable annually, is unsecured and contains no financial covenants. As at September 30, 2023, a total of $3.75 million in LCs were issued and outstanding under this LC facility (December 31, 2022 – $3.75 million).

(Cdn$ in thousands - Unaudited)

12. DEBT (CONTINUED)

(c) Letter of credit facilities (continued)

On April 8, 2022, the Company closed a US$4 million credit facility for the sole purpose of issuing LCs to certain key contractors in conjunction with the development of Florence Copper. Any LCs to be issued under this facility will also be guaranteed by EDC. The facility is renewable annually, is unsecured and contains no financial covenants.

(d) Lease liabilities

Lease liabilities include the Company's outstanding lease liabilities under IFRS 16.

(e) Secured equipment loans

The equipment loans as at September 30, 2023 are secured by some of the existing mobile mining equipment at the Gibraltar mine and commenced between December 2022 and June 2023 with monthly repayment terms of 48 months and with interest rates ranging between 8.9% to 9.4%.

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

(f) Lease related obligations

Lease related obligations relate to a lease arising under a sale leaseback transaction on certain items of equipment at the Gibraltar mine. The lease commenced in June 2019 and had a term of 54 months with an early buy-out option. In June 2023, the Company exercised the early buy-out option for the equipment and repaid the lease obligation balance of $5,578.

(g) Debt continuity

The following schedule shows the continuity of total debt for the nine months ended September 30, 2023:

Total debt as at January 1, 2023	586,569
Revolving credit facility advances, net of repayment (Note 12b)	40,737
Lease and loan additions	22,798
Lease liabilities and equipment loans repayments	(24,251)
Lease and equipment loans from Cariboo acquisition (Note 3)	9,144
Unrealized foreign exchange loss	1,773
Amortization of deferred financing charges (Note 7)	2,053
Total debt as at September 30, 2023	638,823

(Cdn$ in thousands - Unaudited)

13. DEFERRED REVENUE

	September 30, 2023	December 31, 2022
Current:		
Customer advance payments (a)	-	6,456
Osisko – silver stream agreement (b)	7,106	5,609
Current portion of deferred revenue	7,106	12,065
Long-term portion of deferred revenue (b)	60,043	47,620
Total deferred revenue	67,149	59,685

(a) Customer advance payments

As at September 30, 2023, there was no advance payments from customer on copper concentrate inventory (December 31, 2022 – 2.0 million pounds).

(b) Silver stream purchase and sale agreement

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

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

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

(Cdn$ in thousands - Unaudited)

13. DEFERRED REVENUE (CONTINUED)

The following table summarizes changes in the Osisko deferred revenue:

Balance as at December 31, 2022	53,229
Finance expense (Note 7)	4,801
Amortization of deferred revenue	(4,467)
Deferred revenue deposit (amendment to silver stream)	13,586
Balance as at September 30, 2023	67,149

14. OTHER FINANCIAL LIABILITIES

	September 30, 2023	**December 31, 2022**
Fixed consideration payable to Sojitz (Note 3)	40,592	-
Estimated performance payments to Sojitz (Note 3)	28,010	-
Accretion on consideration payable to Sojitz	2,695	-
Deferred share units (Note 15b)	3,911	3,877
Restricted share units (Note 15b)	218	-
Balance as at September 30, 2023	75,426	3,877
Less current portion:		
Fixed consideration payable to Sojitz (Note 3)	9,346	-
Estimated performance payments to Sojitz (Note 3)	5,916	-
Long-term portion of other financial liabilities	60,164	3,877

15. EQUITY

(a) Share capital

	Common shares (thousands)
Common shares outstanding as at December 31, 2022	286,493
Common shares issued under PSU plan	1,597
Exercise of share options	637
Common shares outstanding as at September 30, 2023	288,727

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

In January 2023, the Company issued 1,597,177 common shares as part of settlement of the performance share units that vested.

(Cdn$ in thousands - Unaudited)

15. EQUITY (CONTINUED)

(b) Share-based compensation

	Options (thousands)	Average price
Outstanding as at January 1, 2023	9,288	1.62
Granted	2,729	2.36
Exercised	(637)	0.85
Cancelled/forfeited	(156)	2.31
Expired	(1,166)	2.86
Outstanding as at September 30, 2023	10,058	1.72
Exercisable as at September 30, 2023	7,638	1.50

During the nine months ended September 30, 2023, the Company granted 2,729,000 (2022 – 2,113,000) share options to directors, executives and employees, exercisable at an average exercise price of $2.36 per common share (2022 – $2.58 per common share) over a five year period. The total fair value of options granted was $3,684 (2022 – $2,979) based on a weighted average grant-date fair value of $1.35 (2022 – $1.41) per option.

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

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

Deferred, Performance and Restricted Share Units

	RSUs (thousands)	DSUs (thousands)	PSUs (thousands)
Outstanding as at January 1, 2023	-	1,958	2,500
Granted	380	343	830
Settled	-	-	(1,375)
Outstanding as at September 30, 2023	380	2,301	1,955

During the nine month period ended September 30, 2023, 342,750 DSUs were issued to directors (2022 – 172,000) and 830,000 PSUs to senior executives (2022 – 595,000). The fair value of DSUs and PSUs granted was $4,344 (2022 – $2,532), with a weighted average fair value at the grant date of $2.38 per unit for the DSUs (2022 – $2.58 per unit) and $4.25 per unit for the PSUs (2022 – $3.51 per unit).

15. EQUITY (CONTINUED)

(b) Share-based compensation (continued)

During the nine month period ended September 30, 2023, the Company established a non-executive employee Restricted Share Units ("RSUs") plan for employees as long-term incentive compensation and granted 380,000 units, with a weighted average fair value at grant date of $2.34 per unit for the RSUs.

Share-based compensation expense is comprised as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2023	**2022**	**2023**	**2022**
Share options – amortization	568	442	2,866	2,318
Performance share units – amortization	546	371	1,635	1,590
Restricted share units – amortization	74	-	218	-
Change in fair value of deferred share units	(461)	333	34	(1,550)
	727	1,146	4,753	2,358

(c) 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 November 1, 2023, the Company has not made any share issuances under the ATM program.

16. EARNINGS (LOSS) PER SHARE

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

	Three months ended September 30,		Nine months ended September 30,	
	2023	**2022**	**2023**	**2022**
Net income (loss) attributable to common shareholders – basic and diluted	871	(23,517)	15,301	(23,696)
(in thousands of common shares)				
Weighted-average number of common shares	288,681	286,377	288,406	286,167
Effect of dilutive securities:				
Stock options	2,264	-	2,637	-
Weighted-average number of diluted common shares	290,945	286,377	291,043	286,167
Earnings (loss) per common share				
Basic earnings (loss) per share	-	(0.08)	0.05	(0.08)
Diluted earnings (loss) per share	-	(0.08)	0.05	(0.08)

(Cdn$ in thousands - Unaudited)

17. COMMITMENTS AND CONTINGENCIES

(a) Commitments

The Company is a party to certain contracts relating to service and supply agreements. Future minimum payments under these agreements as at September 30, 2023 are presented in the following table:

Remainder of 2023	1,152
2024	13,630
2025	5,471
2026	960
2027	-
2028 and thereafter	-
Total commitments	21,213

As at September 30, 2023, the Company had commitments to incur capital expenditures of $13,651 (December 31, 2022 – $9,265) for Florence Copper and $6,286 (December 31, 2022 – $2,795) for the Gibraltar joint venture.

(b) Contingencies

The Company has guaranteed 100% of certain capital lease and equipment loans entered into by the Gibraltar joint venture in which it holds an 87.5% interest. As a result, the Company has guaranteed the joint venture partner’s 12.5% share of this debt which amounted to $6,403 as at September 30, 2023.

The Company has also indemnified 100% of a surety bond issued by the Gibraltar joint venture to the Province of British Columbia. As a result, the Company has indemnified the joint venture partner’s 12.5% share of this obligation, which amounted to $7,313 as at September 30, 2023.

(c) Mitsui financing

On December 19, 2022, the Company signed agreements with Mitsui & Co. (U.S.A.) Inc. (“Mitsui”) to form a strategic partnership to develop the Company’s Florence Copper project. Mitsui has committed to an initial investment of US$50 million conditional on receipt of the final Underground Injection Control permit from the Environmental Protection Agency, with proceeds to be used for construction of the commercial production facility. The initial investment will be in the form of a copper stream agreement (the “Copper Stream”) on 2.67% of the copper produced at Florence Copper and Mitsui to pay a delivery price equal to 25% of the market price of copper delivered under the contract.

In addition, Mitsui has acquired an option to invest an additional US$50 million for a 10% equity interest in Florence Copper (the “Equity Option”). The Equity Option is exercisable by Mitsui at any time up to three years following completion of construction of the commercial production facility. If Mitsui elects to exercise its Equity Option, the Copper Stream will terminate. If the Equity Option is not exercised by Mitsui by its expiry date, the Company will have the right to buy-back 100% of the Copper Stream, otherwise, it will terminate when 40 million pounds of copper have been delivered under the agreement.

(Cdn$ in thousands - Unaudited)

17. COMMITMENTS AND CONTINGENCIES (CONTINUED)

(c) Mitsui financing (continued)

As part of the arrangement, Taseko and Mitsui have entered into an offtake contract for 81% of the copper cathode produced at Florence during the initial years of production. The initial offtake agreement will cease and be replaced with a marketing agency agreement if the Equity Option is exercised by Mitsui. Mitsui's offtake entitlement would also reduce to 30% if the Equity Option is not exercised by its expiry date until the Copper Stream deposit has been reduced to nil.

For accounting purposes, the Mitsui agreements include derivatives that are required to be fair valued at each reporting period. The Company has determined that the fair value of the derivatives is negligible as of September 30, 2023 based on the contingent nature of the Mitsui agreements and the consideration of other relevant factors.

18. SUPPLEMENTARY CASH FLOW INFORMATION

	Three months ended September 30,		Nine months ended September 30,	
	2023	**2022**	**2023**	**2022**
Change in non-cash working capital items:				
Accounts receivable	(8,777)	(6,015)	(42)	59
Inventories	(21,815)	(7,765)	(31,138)	6,401
Prepaids	1,350	1,361	(1,382)	(708)
Accounts payable and accrued liabilities[1]	55	10,038	(5,143)	25,094
Advance payment on product sales	(5,540)	19	(6,456)	(2,412)
Interest payable	240	21	(114)	179
Mineral tax payable	36	(437)	(1,346)	(1,937)
	(34,451)	(2,778)	(45,621)	26,676
Non-cash investing and financing activities				
Cariboo acquisition, net assets (Note 3)	-	-	65,930	-
Assets acquired under capital lease	(34)	219	834	435
Right-of-use assets	497	1,977	10,897	2,378

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

(Cdn$ in thousands - Unaudited)

19. FAIR VALUE MEASUREMENTS

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

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

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

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

The fair values of the senior secured notes, excluding deferred financing fees, are $509,082 and the carrying value is $543,160 as at September 30, 2023. The fair value of all other financial assets and liabilities approximates their carrying value.

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

	Level 1	**Level 2**	**Level 3**	**Total**
September 30, 2023				
Financial assets designated as FVPL				
Derivative asset copper put and call options	-	2,619	-	2,619
Derivative asset fuel call options	-	20	-	20
	-	2,639	-	2,639
Financial assets designated as FVOCI				
Marketable securities	1,447	-	-	1,447
Investment in private companies	-	-	1,200	1,200
Reclamation deposits	6,695	-	-	6,695
	8,142	-	1,200	9,342
December 31, 2022				
Financial assets designated as FVPL				
Derivative asset copper put and call options	-	6,184	-	6,184
Derivative asset fuel call options	-	261	-	261
	-	6,445	-	6,445
Financial assets designated as FVOCI				
Marketable securities	2,568	-	-	2,568
Investment in private companies	-	-	1,200	1,200
Reclamation deposits	434	-	-	434
	3,002	-	1,200	4,202

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 September 30, 2023.

(Cdn$ in thousands - Unaudited)

19. FAIR VALUE MEASUREMENTS (CONTINUED)

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

The Company's metal concentrate sales contracts are subject to provisional pricing with the selling price adjusted at the end of the quotational period. At each reporting date, the Company's settlement receivable on these contracts are marked-to-market based on a quoted forward price for which there exists an active commodity market. As at September 30, 2023, the Company had net settlement receivable of $4,535 (December 31, 2022 – settlement payables of $209).

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 September 30, 2023, the determination of the estimated fair value of the investment includes comparison to the market capitalization of comparable public companies.

Commodity price risk

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

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

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

	As at September 30, 2023
Copper increase/decrease by US$0.10/lb.[1]	525

1. The analysis is based on the assumption that the period-end copper price increases/decreases US$0.10/lb, with all other variables held constant. As at September 30, 2023, 3.9 million pounds of copper in concentrate were exposed to copper price movements. The closing exchange rate as at September 30, 2023 of CAD/USD 1.36.

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

20. SUBSEQUENT EVENTS

On October 25, 2023, the Company entered into an equipment financing facility related to Florence Copper's solvent extraction and electrowinning equipment for US$20 million. The facility contains no financial covenants and has a term of 5 years.