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TASEKO REPORTS $52 MILLION OF CASH FLOW FROM OPERATIONS FOR FIRST QUARTER 2022

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 75% 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.

May 4, 2022, Vancouver, BC – Taseko Mines Limited (TSX: TKO; NYSE American: TGB; LSE: TKO) ("Taseko" or the "Company") reports Adjusted EBITDA* of $38 million for the first quarter 2022, a 61% increase over the same period 2021. Earnings from mining operations before depletion* was $43 million and Cash flows provided by operations was $52 million for the quarter. Adjusted net income* was $6 million, or $0.02 per share.

Stuart McDonald, President and CEO of Taseko, stated, "Copper markets continue to be robust and Taseko's realized copper price of US$4.59 per pound and sales volumes of 27 million pounds drove strong financial results in the first quarter. Production of 21 million pounds of copper and 236 thousand pounds of molybdenum was on plan, as development of the upper benches of the Gibraltar pit progressed. The Gibraltar pit will be the primary source of ore for the remainder of this year and grade and continuity of mineralization are expected to gradually improve as mining advances to deeper benches. Softer ore in the Gibraltar pit is allowing for increased milling rates, in line with our expectations and historical performance. Mill throughput averaged over 87,000 tons per day in March, and 90,000 tons per day in April, well above name plate capacity. We continue to expect 2022 copper production of 115 million pounds (+/-5%), with production weighted to the back half of the year."

Mr. McDonald added, "We are seeing some inflationary pressures on certain input costs, most notably higher diesel prices, which contributed to an overall 9% (or $7 million) increase in total site costs* at Gibraltar this quarter. Operating margins are expected to improve as copper production increases over the remainder of the year."

"In March, we announced a new 40% larger mineral reserve for Gibraltar, extending the mine from 16 to 23 years. The new reserve has the same average grade as the previous, but with a slightly higher strip ratio in the latter half of the mine life. The increase in reserves was a result of updating pit designs using a copper price of US$3.05 per pound (previously US$2.75 per pound), which is still conservative but more in line with the current long-term consensus price of US$3.50 per pound. The after-tax NPV8 of Gibraltar at the long-term consensus price is now $1.1 billion for Taseko's 75% share of the mine," continued Mr. McDonald.

"At Florence Copper, we are still waiting for the draft Underground Injection Control ("UIC") permit to be issued by the US Environmental Protection Agency ("EPA"), which will initiate the 45-day public comment period. This process is taking longer than expected, but we are in regular contact with the EPA who continue to confirm that the process is advancing towards the issuance of the draft UIC permit shortly. During the first quarter, we spent a further $25 million on procurement of long-lead time items and other pre-construction work. We are well positioned to move into the construction of the commercial production facility upon receipt of the final permit," concluded Mr. McDonald.

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

First Quarter Review

- First quarter earnings from mining operations before depletion and amortization* was $42.8 million, Adjusted EBITDA* was $38.1 million and cash flow from operations was $51.8 million;
- Gibraltar sold 27.4 million pounds of copper in the quarter (100% basis) at record average realized copper prices of US$4.59 per pound in the quarter resulting in $118.3 million of revenue for Taseko;
- The Gibraltar mine produced 21.4 million pounds of copper and 236 thousand pounds of molybdenum in the first quarter. Copper head grades were 0.19% and copper recoveries were 80.2%;
- Total site costs* increased by 9% in the quarter primarily due to the impact of higher diesel costs;
- Adjusted net income* was $6.2 million ($0.02 per share) and GAAP Net income was $5.1 million ($0.02 per share) and were reduced by a $2.3 million realized derivative loss ($0.01 per share) related to copper options that expired in the quarter;
- The Company has approximately $273 million of available liquidity at March 31, 2022, including a cash balance of $213 million and its undrawn US$50 million revolving credit facility;
- Development costs incurred for Florence Copper were $25.2 million in the quarter and included further payments for major processing equipment for the SX/EW plant, other pre-construction activities and ongoing site costs;
- The Company now has copper collar contracts in place that secure a minimum copper price of US$4.00 per pound for more than 90% of its attributable production in 2022;
- The EPA continues to advance their review process and is expected to publicly issue the draft Underground Injection Control permit shortly, and then a public comment period will commence; and
- In March 2022, the Company announced a new 706 million ton proven and probable sulphide reserve for the Gibraltar mine, a 40% increase as of December 31, 2021. The new reserve estimate allows for a significant extension of the mine life to 23 years with total recoverable metal of 3.0 billion pounds of copper and 53 million pounds of molybdenum.

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

HIGHLIGHTS

Operating Data (Gibraltar - 100% basis)	Three months ended March 31,		
	2022	**2021**	**Change**
Tons mined (millions)	20.3	32.0	(11.7)
Tons milled (millions)	7.0	7.2	(0.2)
Production (million pounds Cu)	21.4	22.2	(0.8)
Sales (million pounds Cu)	27.4	22.0	5.4

Financial Data	**Three months ended March 31,**		
(Cdn$ in thousands, except for per share amounts)	**2022**	**2021**	**Change**
Revenues	118,333	86,741	31,592
Earnings from mining operations before depletion and amortization*	42,773	30,313	12,460
Cash flows provided by (used for) operations	51,753	(3,283)	55,036
Adjusted EBITDA*	38,139	23,722	14,417
Adjusted net income (loss)*	6,162	(5,534)	11,696
Per share - basic ("Adjusted EPS")*	0.02	(0.02)	0.04
Net income (loss) (GAAP)	5,095	(11,217)	16,312
Per share - basic ("EPS")	0.02	(0.04)	0.06

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

REVIEW OF OPERATIONS

Gibraltar mine (75% Owned)

Operating data (100% basis)	**Q1 2022**	**Q4 2021**	**Q3 2021**	**Q2 2021**	**Q1 2021**
Tons mined (millions)	20.3	23.3	25.2	24.9	32.0
Tons milled (millions)	7.0	7.4	7.4	7.2	7.2
Strip ratio	2.6	2.2	1.3	2.3	6.0
Site operating cost per ton milled (Cdn$)*	$11.33	$9.94	$8.99	$9.16	$8.73
Copper concentrate					
Head grade (%)	0.19	0.24	0.28	0.22	0.19
Copper recovery (%)	80.2	80.4	84.2	83.3	81.5
Production (million pounds Cu)	21.4	28.8	34.5	26.8	22.2
Sales (million pounds Cu)	27.4	23.8	32.4	26.7	22.0
Inventory (million pounds Cu)	4.0	9.9	4.9	3.5	3.6
Molybdenum concentrate					
Production (thousand pounds Mo)	236	450	571	402	530
Sales (thousand pounds Mo)	229	491	502	455	552
Per unit data (US$ per pound produced)*					
Site operating costs*	$2.95	$2.02	$1.53	$2.02	$2.23
By-product credits*	(0.18)	(0.30)	(0.25)	(0.25)	(0.27)
Site operating costs, net of by-product credits*	$2.77	$1.72	$1.28	$1.77	$1.96
Off-property costs	0.36	0.22	0.29	0.25	0.27
Total operating costs (C1)*	$3.13	$1.94	$1.57	$2.02	$2.23

First Quarter Review

Copper production in the first quarter was 21.4 million pounds and was impacted by lower grades and recoveries from ore mined in the upper benches of the Gibraltar pit. Ore quality is expected to improve for the remainder of the year as mining progresses deeper into the Gibraltar pit.

A total of 20.3 million tons were mined in the first quarter with the decrease from 2021 rates due to longer haul distances in the current phase of mining. Heavy snowfall coupled with extremely cold temperatures also impacted mine equipment and mill availabilities in January. Mill throughput improved throughout the quarter exceeding name plate capacity (85,000 tpd) by 3% in March due to the softer nature of Gibraltar ore.

The strip ratio increased over the prior quarter due to the higher initial stripping rates of the Gibraltar pit. Gibraltar ore will make up the balance of ore for the rest of 2022 as mining in the current phase of Pollyanna will be completed in the second quarter. Ore stockpiles also decreased by 1.4 million tons in the first quarter in accordance with the mine plan.

Total site costs* at Gibraltar of $75.0 million (which includes capitalized stripping of $15.1 million) for Taseko's 75% share was $6.4 million higher than the same quarter last year due primarily to higher diesel prices which were 46% higher than 2021, rising steel prices in grinding media as well as increases in other mining costs.

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

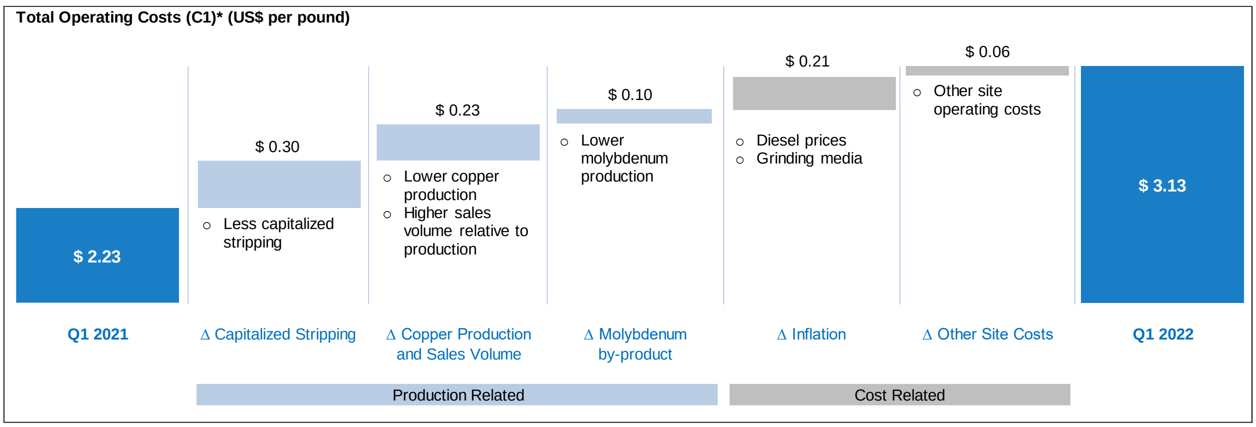
REVIEW OF OPERATIONS - CONTINUED

Molybdenum production was 236 thousand pounds in the first quarter with lower grades associated with the Gibraltar ore. At an average molybdenum price of US$19.08 per pound, molybdenum generated a by-product credit per pound of copper produced of US$0.18 in the first quarter.

The Company realized 27.4 million pounds of copper sales in the first quarter which was 6.0 million pounds higher than copper production of 21.4 million pounds. Major disruption to the highway and rail infrastructure in southwest British Columbia from severe rainstorms and flooding in November 2021 prevented significant production from being delivered to the port for shipping last quarter. Finished inventory was 4.0 million pounds at the end of March in line with historical average levels.

Off-property costs per pound produced* were US$0.36 for the first quarter which is higher than normal as it includes the off-property costs related to the additional 6.0 million pounds of excess inventory sold in the period.

Total operating costs per pound produced (C1)* were US$3.13 for the quarter and were US$0.90 per pound higher than the first quarter last year as shown in the graph below:



Of the US$0.90 variance in C1 costs in the first quarter of 2022 compared to the prior year quarter, US$0.30 was due to less mining costs being capitalized, US$0.23 was due to decreased copper production and higher offsite costs which are a result of high sales volumes (i.e. not variable with production volumes), US$0.21 was due to increased prices for diesel and other inputs, US$0.10 was due to lower molybdenum production, and US$0.06 was due to other site operating costs increases.

GIBRALTAR OUTLOOK

Gibraltar is expected to produce 115 million pounds (+/- 5%) of copper in 2022 on a 100% basis, with production weighted to the back half of the year and with the first quarter being the lowest production quarter.

Strong metal prices and US dollar combined with our copper hedge protection should continue to provide tailwinds for strong financial performance and operating margins at the Gibraltar mine over the coming year. Copper prices in the first quarter averaged US$4.53 per pound and are currently around US$4.30 per pound. Molybdenum prices are currently US$19.22 per pound, 20% higher than the average price in 2021.

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

GIBRALTAR OUTLOOK - CONTINUED

The Company has a long track record of purchasing copper price options to manage copper price volatility. This strategy provides security over the Company's cash flow as it prepares for construction of Florence Copper while continuing to provide significant copper price upside should copper prices continue at current levels or increase further. In particular, the Company currently has copper collar contracts in place that secure a minimum copper price of US$4.00 per pound for more than 90% of its attributable production for the remainder of 2022.

In March 2022, the Company announced a new 706 million ton proven and probable sulphide reserve for the Gibraltar mine, a 40% increase as of December 31, 2021. The new reserve estimate allows for a significant extension of the mine life to 23 years with total recoverable metal of 3.0 billion pounds of copper and 53 million pounds of molybdenum.

Highlights from the new reserve:

- 706 million tons grading 0.25% copper;
- Recoverable copper of 3.0 billion pounds and 53 million pounds of molybdenum;
- 23 year mine life with average annual production of approximately 129 million pounds of copper and 2.3 million pounds of molybdenum;
- Life-of-mine average strip ratio of 2.4:1; and
- After-tax NPV of $1.1 billion (75% basis) and free cash flow of $2.3 billion (75% basis) at a long-term copper price of US$3.50 per pound[1].

[1] The NPV and cash flow is based on copper prices of $4.25 (2022), $3.90 (2023) and US$3.50 per pound long-term, and a molybdenum price of US$18 (2022), US$15 (2023) and US$13 per pound long-term, a foreign exchange rate of 1.3:1 (C$:US$), and a discount rate of 8%.

FLORENCE COPPER

The commercial production facility at Florence Copper will be one of the greenest sources of copper for US domestic consumption, with carbon emissions, water and energy consumption all dramatically lower than a conventional mine. It is a low-cost copper project with an annual production capacity of 85 million pounds of copper over a 21-year mine life. With the expected C1* operating cost of US$1.10 per pound, Florence Copper will be in the lowest quartile of the global copper cost curve and will have one of the smallest environmental footprints of any copper mine in the world.

The Company has successfully operated a Production Test Facility ("PTF") since 2018 at Florence to demonstrate that the in-situ copper recovery ("ISCR") process can produce high quality cathode while operating within permit conditions.

The next phase of Florence Copper will be the construction and operation of the commercial ISCR facility with an estimated capital cost of US$230 million (including reclamation bonding and working capital) based on the Company's published 2017 NI 43-101 technical report. At a conservative copper price of US$3.00 per pound, Florence Copper is expected to generate an after-tax internal rate of return of 37%, an after-tax net present value of US$680 million at a 7.5% discount rate, and an after-tax payback period of 2.5 years.

In December 2020, the Company received the Aquifer Protection Permit ("APP") from the Arizona Department of Environmental Quality ("ADEQ"). During the APP process, Florence Copper received strong support from local community members, business owners and elected officials. The other required permit is the Underground Injection Control permit ("UIC") from the U.S. Environmental Protection Agency ("EPA"), which is the final permitting step required prior to construction of the commercial ISCR facility. On November 22, 2021, the EPA

FLORENCE COPPER - CONTINUED

provided the Company with an initial draft of the UIC permit. Taseko's project technical team completed its review of the draft UIC permit in early December 2021 and no significant issues were identified. The EPA continues to advance their review process and is expected to publicly issue the draft UIC permit shortly, and then a 45-day public comment period will commence.

Detailed engineering and design for the commercial production facility was completed in 2021 and procurement activities are well advanced with the Company making initial deposits and awarding the key contract for the major processing equipment associated with the SX/EW plant. The Company incurred $25.2 million of costs for Florence in the first quarter of 2022 including for the commercial facility activities and also had outstanding purchase commitments of $27.9 million as at March 31, 2022. Deploying this strategic capital and awarding key contracts will assist with protecting the project execution plan, mitigating inflation risk and the potential impact of supply chain disruptions and ensure a smooth transition into construction once the final UIC permit is received.

At current copper prices, the Company expects to be able to fund construction of the commercial facility from its existing sources of liquidity and cashflows from Gibraltar.

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 focusing its current efforts on advancing 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 December 2019, the Tŝilhqot'in Nation, as represented by the Tŝilhqot'in National Government, and Taseko entered into a confidential dialogue, with the involvement of the Province of British Columbia, to try to obtain a long-term resolution to the conflict regarding Taseko's proposed gold-copper mine currently known as New Prosperity, acknowledging Taseko's commercial interests and the Tŝilhqot'in Nation's opposition to the project.

The dialogue was supported by the parties' agreement on December 7, 2019 to a one-year standstill on certain outstanding litigation and regulatory matters that relate to Taseko's tenures and the area in the vicinity of Teẑtan Biny (Fish Lake). The standstill was extended on December 4, 2020, to continue what was a constructive dialogue that had been delayed by the COVID-19 pandemic. The dialogue is not complete but it remains constructive, and in December 2021, the parties agreed to extend the standstill for a further year so that they and the Province of British Columbia can continue to pursue a long-term and mutually acceptable resolution of the conflict.

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 will host a telephone conference call and live webcast on Thursday, May 5, 2022 at 11:00 a.m. Eastern Time (8:00 a.m. Pacific) to discuss these results. After opening remarks by management, there will be a question and answer session open to analysts and investors.

The conference call may be accessed by dialing 416-764-8688 in Canada, 888-390-0546 in the United States, 08006522435 in the United Kingdom, or online at tasekomines.com/investors/events.
The conference call will be archived for later playback until May 19, 2022 and can be accessed by dialing 416-764-8677 Canada, 888-390-0561 in the United States, or online at tasekomines.com/investors/events and using the passcode 489947 #.

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

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

Stuart McDonald
President & CEO

NON-GAAP PERFORMANCE MEASURES

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

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

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

(Cdn$ in thousands, unless otherwise indicated) – 75% basis	**2022 Q1**	**2021 Q4**	**2021 Q3**	**2021 Q2**	**2021 Q1**
Cost of sales	89,066	57,258	65,893	74,056	72,266
Less:					
Depletion and amortization	(13,506)	(16,202)	(17,011)	(17,536)	(15,838)
Net change in inventories of finished goods	(7,577)	13,497	762	(4,723)	2,259
Net change in inventories of ore stockpiles	(3,009)	4,804	6,291	2,259	(8,226)
Transportation costs	(5,115)	(4,436)	(5,801)	(4,303)	(3,305)
Site operating costs	59,859	54,921	50,134	49,753	47,156
Less by-product credits:					
Molybdenum, net of treatment costs	(3,831)	(7,755)	(8,574)	(6,138)	(5,604)
Silver, excluding amortization of deferred revenue	202	(330)	300	64	(238)
Site operating costs, net of by-product credits	56,230	46,836	41,860	43,679	41,314
Total copper produced (thousand pounds)	16,024	21,590	25,891	20,082	16,684
Total costs per pound produced	3.51	2.17	1.62	2.18	2.48
Average exchange rate for the period (CAD/USD)	1.27	1.26	1.26	1.23	1.27
Site operating costs, net of by-product credits (US$ per pound)	**2.77**	**1.72**	**1.28**	**1.77**	**1.96**
Site operating costs, net of by-product credits	56,230	46,836	41,860	43,679	41,314
Add off-property costs:					
Treatment and refining costs	2,133	1,480	3,643	1,879	2,414
Transportation costs	5,115	4,436	5,801	4,303	3,305
Total operating costs	63,478	52,752	51,304	49,861	47,033
Total operating costs (C1) (US$ per pound)	**3.13**	**1.94**	**1.57**	**2.02**	**2.23**

NON-GAAP PERFORMANCE MEASURES - CONTINUED

Total Site Costs

Total site costs is 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	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1
Site operating costs	59,859	54,921	50,134	49,753	47,156
Add:					
Capitalized stripping costs	15,142	12,737	10,882	14,794	21,452
Total site costs	**75,001**	**67,658**	**61,016**	**64,547**	**68,608**

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 gains/losses;
- Unrealized gain/loss on derivatives; and
- Loss on settlement of long-term debt and call premium, including realized foreign exchange gains.

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)	2022 Q1	2021 Q4	2021 Q3	2021 Q2
Net income	**5,095**	**11,762**	**22,485**	**13,442**
Unrealized foreign exchange (gain) loss	(4,398)	(1,817)	9,511	(3,764)
Unrealized (gain) loss on derivatives	7,486	4,612	(6,817)	370
Estimated tax effect of adjustments	(2,021)	(1,245)	1,841	(100)
Adjusted net income	**6,162**	**13,312**	**27,020**	**9,948**
Adjusted EPS	**0.02**	**0.05**	**0.10**	**0.04**

(Cdn$ in thousands, except per share amounts)	2021 Q1	2020 Q4	2020 Q3	2020 Q2
Net income (loss)	**(11,217)**	**5,694**	**987**	**18,745**
Unrealized foreign exchange (gain) loss	8,798	(13,595)	(7,512)	(12,985)
Realized foreign exchange gain on settlement of long-term debt	(13,000)	-	-	-
Loss on settlement of long-term debt	5,798	-	-	-
Call premium on settlement of long-term debt	6,941	-	-	-
Unrealized loss on derivatives	802	586	1,056	3,528
Estimated tax effect of adjustments	(3,656)	(158)	(285)	(953)
Adjusted net income (loss)	**(5,534)**	**(7,473)**	**(5,754)**	**8,335**
Adjusted EPS	**(0.02)**	**(0.03)**	**(0.02)**	**0.03**

NON-GAAP PERFORMANCE MEASURES - CONTINUED

Adjusted EBITDA

Adjusted EBITDA is presented as a supplemental measure of the Company's performance and ability to service debt. Adjusted EBITDA is frequently used by securities analysts, investors and other interested parties in the evaluation of companies in the industry, many of which present Adjusted EBITDA when reporting their results. Issuers of "high yield" securities also present Adjusted EBITDA because investors, analysts and rating agencies consider it useful in measuring the ability of those issuers to meet debt service obligations.

Adjusted EBITDA represents net income before interest, income taxes, and depreciation and also eliminates the impact of a number of items that are not considered indicative of ongoing operating performance. Certain items of expense are added and certain items of income are deducted from net income that are not likely to recur or are not indicative of the Company's underlying operating results for the reporting periods presented or for future operating performance and consist of:

- Unrealized foreign exchange gains/losses;
- Unrealized gain/loss on derivatives;
- Loss on settlement of long-term debt (included in finance expenses) and call premium;
- Realized foreign exchange gains on settlement of long-term debt; and
- Amortization of share-based compensation expense.

(Cdn$ in thousands)	2022 Q1	2021 Q4	2021 Q3	2021 Q2
Net income	**5,095**	**11,762**	**22,485**	**13,442**
Add:				
Depletion and amortization	13,506	16,202	17,011	17,536
Finance expense	12,155	12,072	11,875	11,649
Finance income	(166)	(218)	(201)	(184)
Income tax expense	1,188	9,300	22,310	7,033
Unrealized foreign exchange (gain) loss	(4,398)	(1,817)	9,511	(3,764)
Unrealized (gain) loss on derivatives	7,486	4,612	(6,817)	370
Amortization of share-based compensation expense	3,273	1,075	117	1,650
Adjusted EBITDA	**38,139**	**52,988**	**76,291**	**47,732**

(Cdn$ in thousands)	2021 Q1	2020 Q4	2020 Q3	2020 Q2
Net income (loss)	**(11,217)**	**5,694**	**987**	**18,745**
Add:				
Depletion and amortization	15,838	18,747	23,894	25,512
Finance expense (includes loss on settlement of long-term debt and call premium)	23,958	10,575	11,203	10,461
Finance income	(75)	(47)	(4)	(48)
Income tax (recovery) expense	(4,302)	(2,724)	(580)	4,326
Unrealized foreign exchange (gain) loss	8,798	(13,595)	(7,512)	(12,985)
Realized foreign exchange gain on settlement of long-term debt	(13,000)	-	-	-
Unrealized loss on derivatives	802	586	1,056	3,528
Amortization of share-based compensation expense	2,920	1,242	2,501	1,321
Adjusted EBITDA	**23,722**	**20,478**	**31,545**	**50,860**

NON-GAAP PERFORMANCE MEASURES - CONTINUED

Earnings from mining operations before depletion and amortization

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

	Three months ended March 31,	
(Cdn$ in thousands)	**2022**	**2021**
Earnings from mining operations	**29,267**	**14,475**
Add:		
Depletion and amortization	13,506	15,838
Earnings from mining operations before depletion and amortization	**42,773**	**30,313**

Site operating costs per ton milled

(Cdn$ in thousands, except per ton milled amounts)	**2022 Q1**	**2021 Q4**	**2021 Q3**	**2021 Q2**	**2021 Q1**
Site operating costs (included in cost of sales)	**59,859**	**54,921**	**50,134**	**49,753**	**47,156**
Tons milled (thousands) (75% basis)	5,285	5,523	5,576	5,429	5,402
Site operating costs per ton milled	**$11.33**	**$9.94**	**$8.99**	**$9.16**	**$8.73**

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 future market price of copper and the other metals that we produce or may seek to produce;
- changes in general economic conditions, the financial markets, inflation and interest rates and in the demand and market price for our input costs, such as diesel fuel, reagents, steel, concrete, electricity and other forms of energy, mining equipment, and fluctuations in exchange rates, particularly with respect to the value of the U.S. dollar and Canadian dollar, and the continued availability of capital and financing;
- uncertainties resulting from the war in Ukraine, and the accompanying international response including economic sanctions levied against Russia, which has disrupted the global economy, created increased volatility in commodity markets (including oil and gas prices), and disrupted international trade and financial markets, all of which have an ongoing and uncertain effect on global economics, supply chains, availability of materials and equipment and execution timelines for project development;
- uncertainties about the continuing impact of the novel coronavirus ("COVID-19") and the response of local, provincial, state, federal and international governments to the ongoing threat of COVID-19, on our operations (including our suppliers, customers, supply chains, employees and contractors) and economic conditions generally including rising inflation levels and in particular with respect to the demand for copper and other metals we produce;
- inherent risks associated with mining operations, including our current mining operations at Gibraltar, and their potential impact on our ability to achieve our production estimates;

- uncertainties as to our ability to control our operating costs, including inflationary cost pressures at Gibraltar without impacting our planned copper production;
- the risk of inadequate insurance or inability to obtain insurance to cover material mining or operational risks;
- uncertainties related to the feasibility study for Florence copper project (the “Florence Copper Project” or “Florence Copper”) that provides estimates of expected or anticipated capital and operating costs, expenditures and economic returns from this mining project, including the impact of inflation on the estimated costs related to the construction of the Florence Copper Project and our other development projects;
- the risk that the results from our operations of the Florence Copper production test facility (“PTF”) and ongoing engineering work including updated capital and operating costs will negatively impact our estimates for current projected economics for commercial operations at Florence Copper;
- uncertainties related to the accuracy of our estimates of Mineral Reserves (as defined below), Mineral Resources (as defined below), production rates and timing of production, future production and future cash and total costs of production and milling;
- the risk that we may not be able to expand or replace reserves as our existing mineral reserves are mined;
- the availability of, and uncertainties relating to the development of, additional financing and infrastructure necessary for the advancement of our development projects, including with respect to our ability to obtain any remaining construction financing potentially needed to move forward with commercial operations at Florence Copper;
- our ability to comply with the extensive governmental regulation to which our business is subject;
- uncertainties related to our ability to obtain necessary title, licenses and permits for our development projects and project delays due to third party opposition, particularly in respect to Florence Copper that requires one key regulatory permit from the U.S. Environmental Protection Agency (“EPA”) in order to advance to commercial operations;
- our ability to deploy strategic capital and award key contracts to assist with protecting the Florence Copper project execution plan, mitigating inflation risk and the potential impact of supply chain disruptions on our construction schedule and ensuring a smooth transition into construction once the final permit is received from the EPA;
- uncertainties related to First Nations claims and consultation issues;
- our reliance on rail transportation and port terminals for shipping our copper concentrate production from Gibraltar;
- uncertainties related to unexpected judicial or regulatory proceedings;
- changes in, and the effects of, the laws, regulations and government policies affecting our exploration and development activities and mining operations and mine closure and bonding requirements;
- our dependence solely on our 75% interest in Gibraltar (as defined below) for revenues and operating cashflows;
- our ability to collect payments from customers, extend existing concentrate off-take agreements or enter into new agreements;
- environmental issues and liabilities associated with mining including processing and stock piling ore;
- labour strikes, work stoppages, or other interruptions to, or difficulties in, the employment of labour in markets in which we operate our mine, industrial accidents, equipment failure or other events or occurrences, including third party interference that interrupt the production of minerals in our mine;
- environmental hazards and risks associated with climate change, including the potential for damage to infrastructure and stoppages of operations due to forest fires, flooding, drought, or other natural events in the vicinity of our operations;
- litigation risks and the inherent uncertainty of litigation, including litigation to which Florence Copper could be subject to;
- our actual costs of reclamation and mine closure may exceed our current estimates of these liabilities;
- our ability to meet the financial reclamation security requirements for the Gibraltar mine and Florence Project;
- the capital intensive nature of our business both to sustain current mining operations and to develop any new projects, including Florence Copper;
- our reliance upon key management and operating personnel;
- the competitive environment in which we operate;
- the effects of forward selling instruments to protect against fluctuations in copper prices, foreign exchange, interest rates or input costs such as fuel;
- the risk of changes in accounting policies and methods we use to report our financial condition, including uncertainties associated with critical accounting assumptions and estimates; and Management Discussion and Analysis (“MD&A”), quarterly reports and material change reports filed with and furnished to securities regulators, and those risks which are discussed under the heading “Risk Factors”.

For further information on Taseko, investors should review the Company’s annual Form 40-F filing with the United States Securities and Exchange Commission www.sec.gov and home jurisdiction filings that are available at www.sedar.com, including the “Risk Factors” included in our Annual Information Form.

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 financial statements and notes thereto, prepared in accordance with IAS 34 of International Financial Reporting Standards ("IFRS") for the three months ended March 31, 2022 (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 May 3, 2022. 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 20.

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 75% 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 advancing towards construction, as well as the Yellowhead copper, New Prosperity gold-copper, and Aley niobium projects.

HIGHLIGHTS

Operating Data (Gibraltar - 100% basis)	**Three months ended March 31,**		
	2022	**2021**	**Change**
Tons mined (millions)	20.3	32.0	(11.7)
Tons milled (millions)	7.0	7.2	(0.2)
Production (million pounds Cu)	21.4	22.2	(0.8)
Sales (million pounds Cu)	27.4	22.0	5.4

Financial Data	**Three months ended March 31,**		
(Cdn$ in thousands, except for per share amounts)	**2022**	**2021**	**Change**
Revenues	118,333	86,741	31,592
Earnings from mining operations before depletion and amortization*	42,773	30,313	12,460
Cash flows provided by (used for) operations	51,753	(3,283)	55,036
Adjusted EBITDA*	38,139	23,722	14,417
Adjusted net income (loss)*	6,162	(5,534)	11,696
Per share - basic ("Adjusted EPS")*	0.02	(0.02)	0.04
Net income (loss) (GAAP)	5,095	(11,217)	16,312
Per share - basic ("EPS")	0.02	(0.04)	0.06

First Quarter Review

- First quarter earnings from mining operations before depletion and amortization* was $42.8 million, Adjusted EBITDA* was $38.1 million and cash flow from operations was $51.8 million;
- Gibraltar sold 27.4 million pounds of copper in the quarter (100% basis) at record average realized copper prices of US$4.59 per pound in the quarter resulting in $118.3 million of revenue for Taseko;
- The Gibraltar mine produced 21.4 million pounds of copper and 236 thousand pounds of molybdenum in the first quarter. Copper head grades were 0.19% and copper recoveries were 80.2%;
- Total site costs* increased by 9% in the quarter primarily due to the impact of higher diesel costs;
- Adjusted net income* was $6.2 million ($0.02 per share) and GAAP Net income was $5.1 million ($0.02 per share) and were reduced by a $2.3 million realized derivative loss ($0.01 per share) related to copper options that expired in the quarter;
- The Company has approximately $273 million of available liquidity at March 31, 2022, including a cash balance of $213 million and its undrawn US$50 million revolving credit facility;
- Development costs incurred for Florence Copper were $25.2 million in the quarter and included further payments for major processing equipment for the SX/EW plant, other pre-construction activities and ongoing site costs;
- The Company now has copper collar contracts in place that secure a minimum copper price of US$4.00 per pound for more than 90% of its attributable production in 2022;
- The EPA continues to advance their review process and is expected to publicly issue the draft Underground Injection Control permit shortly, and then a public comment period will commence; and
- In March 2022, the Company announced a new 706 million ton proven and probable sulphide reserve for the Gibraltar mine, a 40% increase as of December 31, 2021. The new reserve estimate allows for a significant extension of the mine life to 23 years with total recoverable metal of 3.0 billion pounds of copper and 53 million pounds of molybdenum.

REVIEW OF OPERATIONS

Gibraltar mine (75% Owned)

Operating data (100% basis)	**Q1 2022**	**Q4 2021**	**Q3 2021**	**Q2 2021**	**Q1 2021**
Tons mined (millions)	20.3	23.3	25.2	24.9	32.0
Tons milled (millions)	7.0	7.4	7.4	7.2	7.2
Strip ratio	2.6	2.2	1.3	2.3	6.0
Site operating cost per ton milled (Cdn$)*	$11.33	$9.94	$8.99	$9.16	$8.73
Copper concentrate					
Head grade (%)	0.19	0.24	0.28	0.22	0.19
Copper recovery (%)	80.2	80.4	84.2	83.3	81.5
Production (million pounds Cu)	21.4	28.8	34.5	26.8	22.2
Sales (million pounds Cu)	27.4	23.8	32.4	26.7	22.0
Inventory (million pounds Cu)	4.0	9.9	4.9	3.5	3.6
Molybdenum concentrate					
Production (thousand pounds Mo)	236	450	571	402	530
Sales (thousand pounds Mo)	229	491	502	455	552
Per unit data (US$ per pound produced)*					
Site operating costs*	$2.95	$2.02	$1.53	$2.02	$2.23
By-product credits*	(0.18)	(0.30)	(0.25)	(0.25)	(0.27)
Site operating costs, net of by-product credits*	$2.77	$1.72	$1.28	$1.77	$1.96
Off-property costs	0.36	0.22	0.29	0.25	0.27
Total operating costs (C1)*	$3.13	$1.94	$1.57	$2.02	$2.23

OPERATIONS ANALYSIS

First Quarter Review

Copper production in the first quarter was 21.4 million pounds and was impacted by lower grades and recoveries from ore mined in the upper benches of the Gibraltar pit. Ore quality is expected to improve for the remainder of the year as mining progresses deeper into the Gibraltar pit.

A total of 20.3 million tons were mined in the first quarter with the decrease from 2021 rates due to longer haul distances in the current phase of mining. Heavy snowfall coupled with extremely cold temperatures also impacted mine equipment and mill availabilities in January. Mill throughput improved throughout the quarter exceeding name plate capacity (85,000 tpd) by 3% in March due to the softer nature of Gibraltar ore.

The strip ratio increased over the prior quarter due to the higher initial stripping rates of the Gibraltar pit. Gibraltar ore will make up the balance of ore for the rest of 2022 as mining in the current phase of Pollyanna will be completed in the second quarter. Ore stockpiles also decreased by 1.4 million tons in the first quarter in accordance with the mine plan.

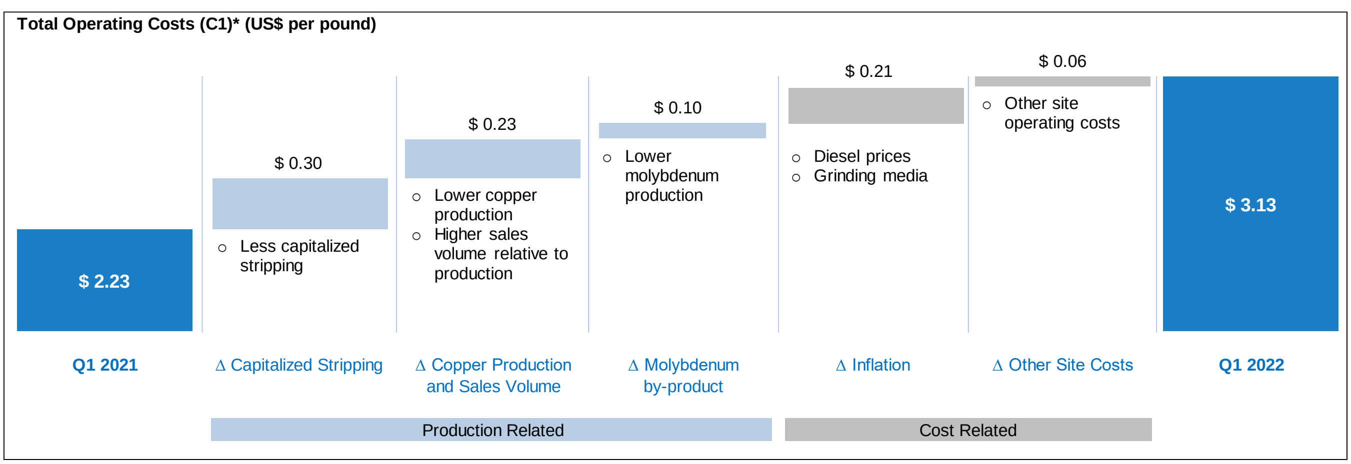
Total site costs* at Gibraltar of $75.0 million (which includes capitalized stripping of $15.1 million) for Taseko's 75% share was $6.4 million higher than the same quarter last year due primarily to higher diesel prices which were 46% higher than 2021, rising steel prices in grinding media as well as increases in other mining costs.

Molybdenum production was 236 thousand pounds in the first quarter with lower grades associated with the Gibraltar ore. At an average molybdenum price of US$19.08 per pound, molybdenum generated a by-product credit per pound of copper produced of US$0.18 in the first quarter.

The Company realized 27.4 million pounds of copper sales in the first quarter which was 6.0 million pounds higher than copper production of 21.4 million pounds. Major disruption to the highway and rail infrastructure in southwest British Columbia from severe rainstorms and flooding in November 2021 prevented significant production from being delivered to the port for shipping last quarter. Finished inventory was 4.0 million pounds at the end of March in line with historical average levels.

Off-property costs per pound produced* were US$0.36 for the first quarter which is higher than normal as it includes the off-property costs related to the additional 6.0 million pounds of excess inventory sold in the period.

Total operating costs per pound produced (C1)* were US$3.13 for the quarter and were US$0.90 per pound higher than the first quarter last year as shown in the graph below:



Of the US$0.90 variance in C1* costs in the first quarter of 2022 compared to the prior year quarter, US$0.30 was due to less mining costs being capitalized, US$0.23 was due to decreased copper production and higher offsite costs which are a result of high sales volumes (i.e. not variable with production volumes), US$0.21 was due to increased prices for diesel and other inputs, US$0.10 was due to lower molybdenum production, and US$0.06 was due to other site operating costs increases.

GIBRALTAR OUTLOOK

Gibraltar is expected to produce 115 million pounds (+/- 5%) of copper in 2022 on a 100% basis, with production weighted to the back half of the year and with the first quarter being the lowest production quarter.

Strong metal prices and US dollar combined with our copper hedge protection should continue to provide tailwinds for strong financial performance and operating margins at the Gibraltar mine over the coming year. Copper prices in the first quarter averaged US$4.53 per pound and are currently around US$4.30 per pound. Molybdenum prices are currently US$19.22 per pound, 20% higher than the average price in 2021.

The Company has a long track record of purchasing copper price options to manage copper price volatility. This strategy provides security over the Company's cash flow as it prepares for construction of Florence Copper while continuing to provide significant copper price upside should copper prices continue at current levels or increase further. In particular, the Company currently has copper collar contracts in place that secure a minimum copper price of US$4.00 per pound for more than 90% of its attributable production for the remainder of 2022.

In March 2022, the Company announced a new 706 million ton proven and probable sulphide reserve for the Gibraltar mine, a 40% increase as of December 31, 2021. The new reserve estimate allows for a significant extension of the mine life to 23 years with total recoverable metal of 3.0 billion pounds of copper and 53 million pounds of molybdenum.

Highlights from the new reserve:

- 706 million tons grading 0.25% copper;
- Recoverable copper of 3.0 billion pounds and 53 million pounds of molybdenum;
- 23 year mine life with average annual production of approximately 129 million pounds of copper and 2.3 million pounds of molybdenum;
- Life-of-mine average strip ratio of 2.4:1; and
- After-tax NPV of $1.1 billion (75% basis) and free cash flow of $2.3 billion (75% basis) at a long-term copper price of US$3.50 per pound[1].

[1] The NPV and cash flow is based on copper prices of $4.25 (2022), $3.90 (2023) and US$3.50 per pound long-term, and a molybdenum price of US$18 (2022), US$15 (2023) and US$13 per pound long-term, a foreign exchange rate of 1.3:1 (C$:US$), and a discount rate of 8%.

FLORENCE COPPER

The commercial production facility at Florence Copper will be one of the greenest sources of copper for US domestic consumption, with carbon emissions, water and energy consumption all dramatically lower than a conventional mine. It is a low-cost copper project with an annual production capacity of 85 million pounds of copper over a 21-year mine life. With the expected C1* operating cost of US$1.10 per pound, Florence Copper will be in the lowest quartile of the global copper cost curve and will have one of the smallest environmental footprints of any copper mine in the world.

The Company has successfully operated a Production Test Facility ("PTF") since 2018 at Florence to demonstrate that the in-situ copper recovery ("ISCR") process can produce high quality cathode while operating within permit conditions.

The next phase of Florence Copper will be the construction and operation of the commercial ISCR facility with an estimated capital cost of US$230 million (including reclamation bonding and working capital) based on the Company's published 2017 NI 43-101 technical report. At a conservative copper price of US$3.00 per pound, Florence Copper is expected to generate an after-tax internal rate of return of 37%, an after-tax net present value of US$680 million at a 7.5% discount rate, and an after-tax payback period of 2.5 years.

In December 2020, the Company received the Aquifer Protection Permit ("APP") from the Arizona Department of Environmental Quality ("ADEQ"). During the APP process, Florence Copper received strong support from local community members, business owners and elected officials. The other required permit is the Underground Injection Control permit ("UIC") from the U.S. Environmental Protection Agency ("EPA"), which is the final permitting step required prior to construction of the commercial ISCR facility. On November 22, 2021, the EPA provided the Company with an initial draft of the UIC permit. Taseko's project technical team completed its review of the draft UIC permit in early December 2021 and no significant issues were identified. The EPA continues to advance their review process and is expected to publicly issue the draft UIC permit shortly, and then a 45-day public comment period will commence.

Detailed engineering and design for the commercial production facility was completed in 2021 and procurement activities are well advanced with the Company making initial deposits and awarding the key contract for the major processing equipment associated with the SX/EW plant. The Company incurred $25.2 million of costs for Florence in the first quarter of 2022 including for the commercial facility activities and also had outstanding purchase commitments of $27.9 million as at March 31, 2022. Deploying this strategic capital and awarding key contracts will assist with protecting the project execution plan, mitigating inflation risk and the potential impact of supply chain disruptions and ensure a smooth transition into construction once the final UIC permit is received.

At current copper prices, the Company expects to be able to fund construction of the commercial facility from its existing sources of liquidity and cashflows from Gibraltar.

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 focusing its current efforts on advancing 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 December 2019, the Tŝilhqot'in Nation, as represented by the Tŝilhqot'in National Government, and Taseko entered into a confidential dialogue, with the involvement of the Province of British Columbia, to try to obtain a long-term resolution to the conflict regarding Taseko's proposed gold-copper mine currently known as New Prosperity, acknowledging Taseko's commercial interests and the Tŝilhqot'in Nation's opposition to the project.

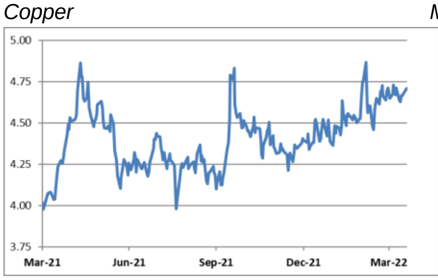
The dialogue was supported by the parties' agreement on December 7, 2019 to a one-year standstill on certain outstanding litigation and regulatory matters that relate to Taseko's tenures and the area in the vicinity of Teẑtan Biny (Fish Lake). The standstill was extended on December 4, 2020, to continue what was a constructive dialogue that had been delayed by the COVID-19 pandemic. The dialogue is not complete but it remains constructive, and in December 2021, the parties agreed to extend the standstill for a further year so that they and the Province of British Columbia can continue to pursue a long-term and mutually acceptable resolution of the conflict.

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.

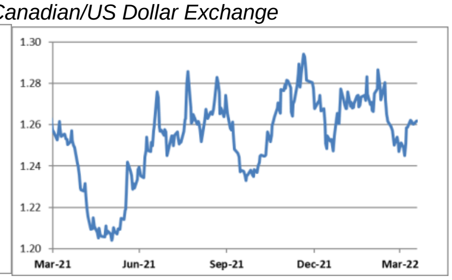
MARKET REVIEW

Copper



Molybdenum

Canadian/US Dollar Exchange



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

Copper prices are currently around US$4.30 per pound with continued upside amongst a very bullish market backdrop and sentiment. In March 2022, copper reached a record high of US$5.09 per pound due to uncertainty arising from the Ukraine conflict, rising inflation rates and low warehouse inventory levels. Copper prices have steadily recovered since the onset of COVID-19 due to these tight physical market conditions, ensuing supply chain bottlenecks, inflation pressures caused by economic stimulus measures and from geopolitical challenges. These factors provide near term catalysts for higher copper prices to continue. In addition, material changes to taxes and royalty rates in key copper producing countries, the potential nationalization of large copper mines and threats of strikes and civil unrest notably in Peru also remain a risk to copper supply in the near term. While some analysts predict a potential copper market balance by 2023 or 2024 based on current development projects under construction, the longer-term outlook for copper remains extremely favorable particularly with the focus on government investment in construction and infrastructure including initiatives focused on the energy transition and the electrification of transportation which are inherently copper intensive. Europe's imminent need to transition away from Russian energy dependence and invest further in alternative energy should also accelerate growth in the demand for copper. This increased demand for copper after years of under investment by the copper industry in new primary mine supply coupled with inherently low recycling rates is expected to support strong copper prices well into the later part of the decade.

Approximately 6% of the Company's revenue is made up of molybdenum sales. During 2021, the average molybdenum price was US$15.94 per pound and reached above US$20.00 per pound for a period. Molybdenum prices are currently around US$19.22 per pound with a strong outlook for the remainder of 2022, driven by steel demand from the global recovery, and a boom in the oil and gas sector due to the Ukraine conflict. 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 operating results and unit production costs, which are earned and in some cases reported in US dollars. Overall, the Canadian dollar strengthened throughout the quarter due to rising oil and commodity prices although average exchange rates in the first quarter were similar to the prior quarter.

FINANCIAL PERFORMANCE

Earnings

(Cdn$ in thousands)	Three months ended March 31, 2022	2021	Change
Net income (loss)	5,095	(11,217)	16,312
Unrealized foreign exchange (gain) loss	(4,398)	8,798	(13,196)
Realized foreign exchange gain on settlement of long-term debt	-	(13,000)	13,000
Loss on settlement of long-term debt	-	5,798	(5,798)
Call premium on settlement of long-term debt	-	6,941	(6,941)
Unrealized loss on copper put and fuel call options	7,486	802	6,684
Estimated tax effect of adjustments	(2,021)	(3,656)	1,635
Adjusted net income (loss)*	6,162	(5,534)	11,696

The Company's adjusted net income was $6.2 million ($0.02 per share) for the three months ended March 31, 2022, compared to an adjusted net loss of $5.5 million ($0.02 loss per share) for the same period in 2021. The increased adjusted net income in the current period was primarily due to higher copper sales volumes, higher average LME copper prices and lower depletion and amortization due to the revised Gibraltar reserve extending estimated economic useful lives. Partially offsetting these impacts was higher site costs due to the rising input costs and a decrease in waste stripping costs being capitalized in the first quarter of 2022 compared to the same prior period.

After inclusion of $4.4 million in unrealized foreign exchange gains on the outstanding senior secured notes due to the strengthening Canadian dollar and unrealized losses on copper put options of $7.5 million for copper collars covering the remainder of 2022 and related tax effects, the Company's net income was $5.1 million ($0.02 per share) for the three months ended March 31, 2022, compared to a loss of $11.2 million ($0.04 loss per share) in the same prior period.

The GAAP net loss in the first quarter of 2021 was positively impacted by a net foreign exchange gain of $4.2 million arising from the revaluation of the new 2026 Notes due to the weakening US dollar trend in the first quarter of 2021 and settlement of the US$250 million 8.75% Senior Secured Notes ("2022 Notes"). The $12.7 million settlement loss recorded upon repayment of the 2022 Notes also increased the GAAP net loss in the first quarter of 2021.

No adjustments are made to adjusted net income (loss) for positive or negative provisional price adjustments in the quarter as these adjustments normalize or reverse throughout the period.

Revenues

(Cdn$ in thousands)	Three months ended March 31, 2022	2021	Change
Copper contained in concentrate	114,455	78,750	35,705
Copper price adjustments on settlement	660	3,576	(2,916)
Molybdenum concentrate	4,070	5,686	(1,616)
Molybdenum price adjustments on settlement	102	868	(766)
Silver	1,519	1,224	295
Total gross revenue	120,806	90,104	30,702
Less: Treatment and refining costs	(2,473)	(3,363)	890
Revenue	118,333	86,741	31,592

(thousands of pounds, unless otherwise noted)			
Sales of copper in concentrate[1]	19,780	15,919	3,861
Average realized copper price (US$ per pound)	4.59	4.09	0.50
Average LME copper price (US$ per pound)	4.53	3.86	0.67
Average exchange rate (US$/CAD)	1.27	1.27	-

[1] This amount includes a net smelter payable deduction of approximately 3.5% to derive net payable pounds of copper sold.

Copper revenues for the three months ended March 31, 2022 increased by $35.7 million compared to the same period in 2021, with $22.2 million of the increase due to higher sales volumes of 3.9 million pounds (75% basis) and $13.5 million of the increase due to higher prevailing LME copper prices by US$0.67 per pound in the current quarter. Provisional price adjustments were also less of a factor in the first quarter of 2022 compared to 2021 which saw a relatively greater rising copper price environment.

Molybdenum revenues for the three months ended March 31, 2022 decreased by $1.6 million compared to the same period in 2021 due primarily to lower sales volumes by 242 thousand pounds (75% basis), partially offset by higher average molybdenum prices of US$19.08 per pound, compared to US$11.32 per pound for the same prior period.

Cost of sales

(Cdn$ in thousands)	Three months ended March 31, 2022	2021	Change
Site operating costs	59,859	47,156	12,703
Transportation costs	5,115	3,305	1,810
Changes in inventories of finished goods	7,577	(2,259)	9,836
Changes in inventories of ore stockpiles	3,009	8,226	(5,217)
Production costs	75,560	56,428	19,132
Depletion and amortization	13,506	15,838	(2,332)
Cost of sales	89,066	72,266	16,800
Site operating costs per ton milled*	$11.33	$8.73	$2.60

Site operating costs for the three months ended March 31, 2022 increased by $12.7 million compared to the same prior period due to $4.4 million more in diesel costs and $1.9 million due to other input price increases including grinding media. There was also $6.4 million less in mining costs being capitalized in the first quarter ($15.1 million) compared to the first quarter in 2021 ($21.5 million).

Cost of sales is also impacted by changes in copper concentrate inventories and ore stockpiles. Due to flooding events in southwest BC in the fourth quarter of 2021, there was 6.0 million pounds of additional copper in finished goods at year end that was sold in the first quarter of 2022, which resulted in an increase in production costs of $7.6 million for Taseko's 75% share. In addition, the ore stockpile decreased by 1.4 million tons during the first quarter of 2022, which resulted in an increase in production costs of $3.0 million.

Depletion and amortization for the three months ended March 31, 2022 decreased by $2.3 million over the same prior period due to changes in estimates of the remaining mine life and units of production arising from the Gibraltar reserve update which extended the mine life by an additional 7 years. Furthermore, ore tons that were mined from the Pollyanna pit in the first quarter of 2021 had a higher depreciation cost per ton compared to the current ore being mined from the Gibraltar pit.

Other operating (income) expenses

	Three months ended March 31,		
(Cdn$ in thousands)	**2022**	**2021**	**Change**
General and administrative	2,701	5,296	(2,595)
Share-based compensation expense	3,080	2,790	290
Realized loss on derivative instruments	2,347	1,189	1,158
Unrealized loss on derivative instruments	7,486	802	6,684
Project evaluation expenditures	168	312	(144)
Other income, net	(337)	(352)	15
	15,445	10,037	5,408

General and administrative expenses have decreased in the three months ended March 31, 2022, compared to the same prior period, primarily due to the accrual in 2021 for employment and consulting services related to retiring executives as part of the Company's succession plan.

Share-based compensation expense is comprised of amortization of share options and performance share units and the expense on deferred share units. Share-based compensation expense increased for the three months ended March 31, 2022, compared to the same period in 2021, primarily due to the higher amortized costs related to share option and performance share units. The increase is partially offset by lower expense on the revaluation of the liability for deferred share units resulting from the change in the Company's share price during the period. More information is set out in Note 14 of the Financial Statements.

For the three months ended March 31, 2022, the Company realized a loss on derivative instruments of $2.3 million for premiums paid for copper collars covering current first quarter production that settled out-of-the-money during the period. The realized loss of $1.2 million in the first quarter of 2021 relates primarily to copper put options covering the first quarter production that settled out of-the-money.

For the three months ended March 31, 2022, the net unrealized loss on derivative instruments of $7.5 million relates to the fair value adjustments on the outstanding copper collars covering the remainder of 2022. The net unrealized loss of $0.8 million in the first quarter of 2021 relates to the fair value adjustments on outstanding copper put and fuel call options.

Project evaluation expenditures represent costs associated with the New Prosperity project.

Finance expenses and income

	Three months ended March 31,		
(Cdn$ in thousands)	**2022**	**2021**	**Change**
Interest expense	10,690	9,746	944
Finance expense – deferred revenue	1,373	1,368	5
Accretion on PER	92	105	(13)
Finance income	(166)	(75)	(91)
Loss on settlement of long-term debt	-	5,798	(5,798)
	11,989	16,942	(4,953)

Interest expense for the three months ended March 31, 2022 increased from the prior year period due to higher overall interest accrued on the new senior secured notes issued in February 2021.

As part of the senior secured notes refinancing completed in February 2021, the Company redeemed its US$250 million senior secured notes on March 3, 2021, which resulted in an accounting loss of $5.8 million, comprised of the write-off of deferred financing costs of $4.0 million and additional interest costs paid over the call period of $1.8 million. The Company also paid a one-time redemption call premium of $6.9 million on the settlement of the 2022 Notes which is disclosed separately from finance expense.

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").

Income tax

	Three months ended March 31,		
(Cdn$ in thousands)	**2022**	**2021**	**Change**
Current income tax expense	519	131	388
Deferred income tax (recovery) expense	669	(4,433)	5,102
Income tax (recovery) expense	1,188	(4,302)	5,490
Effective tax rate	18.9%	27.7%	(8.8)%
Canadian statutory rate	27.0%	27.0%	-
B.C. Mineral tax rate	9.5%	9.5%	-

The overall income tax expense for the three months ended March 31, 2022 was due to deferred income tax expense recognized on income for accounting purposes. The effective tax rate for the current first quarter is lower than the combined B.C. mineral and income tax rate of 36.5% due to the non-taxability of unrealized foreign exchange gains on revaluation of the senior secured notes and as certain expenses such as finance charges and general and administration costs are not deductible for BC mineral tax purposes.

As foreign exchange revaluations on the senior secured notes are not recognized for tax purposes until realized, and in the case of capital losses, when they are applied, the effective tax rate may be significantly higher or lower than the statutory rates, as is the case for the three months ended March 31, 2021 and 2022, relative to net income (loss) for those periods.

Current income taxes represents an estimate of B.C. mineral taxes payable for the first quarter.

FINANCIAL CONDITION REVIEW

Balance sheet review

(Cdn$ in thousands)	At March 31, 2022	At December 31, 2021	Change
Cash and equivalents	212,727	236,767	(24,040)
Other current assets	81,355	100,460	(19,105)
Property, plant and equipment	869,547	837,839	31,708
Other assets	8,036	8,129	(93)
Total assets	**1,171,665**	**1,183,195**	**(11,530)**
Current liabilities	79,541	85,172	(5,631)
Debt:			
Senior secured notes	490,616	497,388	(6,772)
Equipment related financings	29,669	34,361	(4,692)
Deferred revenue	48,126	45,356	2,770
Other liabilities	161,881	162,400	(519)
Total liabilities	**809,833**	**824,677**	**(14,844)**
Equity	**361,832**	**358,518**	**3,314**
Net debt (debt minus cash and equivalents)	307,558	294,982	12,576
Total common shares outstanding (millions)	286.3	284.9	1.4

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 $31.7 million in the three months ended March 31, 2022, which includes $25.2 million for the development costs incurred for Florence Copper and capital expenditures at Gibraltar (both sustaining and capital projects).

Net debt increased by $12.6 million in the three months ended March 31, 2022, primarily due to investment of cash in the development of Florence Copper, ongoing debt repayment and the effect of a strengthening Canadian dollar against US dollar net borrowings.

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

As at May 3, 2022, there were 286,326,919 common shares and 9,609,166 stock options outstanding. More information on these instruments and the terms of their exercise is set out in Note 14 of the Financial Statements.

Liquidity, cash flow and capital resources

At March 31, 2022, the Company had cash and equivalents of $212.7 million (December 31, 2021 - $236.8 million).

Cash flow provided by operations during the three months ended March 31, 2022 was $51.8 million compared to cash flow used by operations of $3.3 million for the same prior period due higher copper prices and sales volumes and partially offset by lower capitalized stripping in the first quarter of 2022. Cash flow provided by operations in the current period was positively impacted by the sale of excess inventory whereas in the first quarter of 2021, $23.8 million in accounts receivable for shipments made in the quarter were paid in the following quarter.

Cash used for investing activities during the three months ended March 31, 2022 was $47.9 million compared to cash used for investing activities of $44.0 million for the same prior period. Investing cash flows in the first quarter includes $22.3 million for capital expenditures at Gibraltar (which includes $15.1 million for capitalized stripping costs, $3.6 million for sustaining capital, and $3.6 million for capital projects), $21.0 million of cash expenditures for Florence Copper and $4.3 million for the purchase of copper collars covering production for the second half of 2022.

Net cash used for financing activities for the three months ended March 31, 2022 was $25.1 million comprised of principal repayments for equipment loans and leases of $5.0 million, interest paid of $18.7 million and $1.9 million to settle performance share units that vested in January 2022. Net cash provided by financing activities for the three months ended March 31, 2021 was $160.7 million and included the net proceeds from the issuance of the US$400 million 7% senior secured notes ("2026 Notes") due in February 2026.

Liquidity outlook

The Company has approximately $273 million of available liquidity at March 31, 2022, including a cash balance of $213 million and an undrawn US$50 million revolving credit facility.

With a minimum US$4.00 per pound floor price for more than 90% of its expected copper production in 2022 as a result of copper collars in place, continued strong operating margins and cash flows are expected from Gibraltar in 2022. Florence Copper has an estimated capital cost (including reclamation bonding and working capital) of approximately US$230 million based on the published 2017 NI 43-101 technical report. The Company does not have any significant capital plans for its other development projects over the next 12 months. At current copper prices, the Company expects to be able to fund construction of the commercial facility at Florence Copper and planned expenditures at its other development projects from its existing sources of liquidity and cashflows from Gibraltar.

If copper prices decrease or Florence construction costs increase or if plans for other development projects materially change, the Company may require additional external funding. The Company could raise additional capital if needed 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's hedging strategy is to secure a minimum price for a significant portion of copper production using put options that are either purchased outright or partially funded by the sale of call options that are significantly out of the money. 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 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 put strike prices to provide the necessary price protection. The Company's hedging strategy is designed to mitigate short-term declines in copper price.

Considerations on the cost of the hedging program include an assessment of Gibraltar's estimated production costs, anticipated copper prices and the Company's capital requirements during the relevant period. In May 2021, the Company acquired copper collars securing a minimum copper price of US$4.00 and a ceiling copper price of US$5.60 per pound for 43 million pounds of copper over the first half of 2022. In the first quarter of 2022, the Company acquired additional copper collars securing a minimum copper price of US$4.00 and a ceiling copper price of US$5.40 per pound for 42 million pounds of copper over the second half of 2022.

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.

	Notional amount	Strike price	Term to maturity	Original cost
At March 31, 2022				
Copper collars	21.3 million lbs	US$4.00 per lb US$5.60 per lb	April to June 2022	$2.4 million
Copper collars	42.0 million lbs	US$4.00 per lb US$5.40 per lb	July to December 2022	$4.3 million

Commitments and contingencies

Commitments

	Payments due						
(Cdn$ in thousands)	Remainder of 2022	2023	2024	2025	2026	Thereafter	Total
Debt:							
2026 Notes [1]	-	-	-	-	499,840	-	499,840
Interest	17,494	34,989	34,989	34,989	17,494	-	139,955
Equipment loans:							
Principal	4,568	4,660	1,375	-	-	-	10,603
Interest	344	197	18	-	-	-	559
Lease liabilities:							
Principal	7,102	2,698	1,325	1,291	896	-	13,312
Interest	408	287	182	100	24	-	1,001
Lease related obligation:							
Rental payment	1,970	5,497	-	-	-	-	7,467
PER [2]	-	-	-	-	-	85,414	85,414
Capital expenditures	26,834	2,995	-	-	-	-	29,829
Other expenditures							
Transportation related services [3]	8,461	11,013	11,013	4,578	823	-	35,888

[1] In February 2021, the Company closed its offering of the 2026 Notes and a portion of the proceeds was used to redeem all of the 2022 Notes.

[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 March 31, 2022, the Company has provided surety bonds totaling $59.4 million for its 75% share of Gibraltar's reclamation security. For Florence Copper, the Company has provided to the federal and state regulator surety bonds totaling $12.3 million for reclamation security.

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

The Company has made capital expenditure commitments relating to equipment for the Florence Copper project totaling $27.9 million at March 31, 2022.

The Company has guaranteed 100% of certain equipment loans and leases entered into by Gibraltar in which it holds a 75% interest. As a result, the Company has guaranteed the joint venture partner's 25% share of this debt which amounted to $8.8 million as at March 31, 2022.

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 25% share of this obligation, which amounted to $7.3 million as at March 31, 2022.

SUMMARY OF QUARTERLY RESULTS

	2022	2021				2020		
(Cdn$ in thousands, except per share amounts)	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Revenues	118,333	102,972	132,563	111,002	86,741	87,398	87,780	106,005
Net income (loss)	5,095	11,762	22,485	13,442	(11,217)	5,694	987	18,745
Basic EPS	0.02	0.04	0.08	0.05	(0.04)	0.02	-	0.08
Adjusted net income (loss) *	6,162	13,312	27,020	9,948	(5,534)	(7,473)	(5,754)	8,335
Adjusted basic EPS *	0.02	0.05	0.10	0.04	(0.02)	(0.03)	(0.02)	0.03
Adjusted EBITDA *	38,139	52,988	76,291	47,732	23,722	20,478	31,545	50,860
(US$ per pound, except where indicated)								
Realized copper price	4.59	4.37	4.26	4.48	4.09	3.69	3.15	2.70
Total operating costs *	3.13	1.94	1.57	2.02	2.23	2.82	2.00	1.34
Copper sales (million pounds)	20.5	17.9	24.3	20.0	16.5	18.8	21.4	29.5

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 2021 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 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 three months ended March 31, 2022.

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 period ended March 31, 2022 that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting and disclosure.

KEY MANAGEMENT PERSONNEL

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

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

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

Executive officers and directors also participate in the Company's share option program (refer to Note 14 of the Financial Statements).

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

	Three months ended March 31,	
(Cdn$ in thousands)	**2022**	**2021**
Salaries and benefits	4,872	3,554
Post-employment benefits	178	599
Share-based compensation expense	2,618	2,537
	7,668	6,690

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	**2022 Q1**	**2021 Q4**	**2021 Q3**	**2021 Q2**	**2021 Q1**
Cost of sales	89,066	57,258	65,893	74,056	72,266
Less:					
Depletion and amortization	(13,506)	(16,202)	(17,011)	(17,536)	(15,838)
Net change in inventories of finished goods	(7,577)	13,497	762	(4,723)	2,259
Net change in inventories of ore stockpiles	(3,009)	4,804	6,291	2,259	(8,226)

Transportation costs	(5,115)	(4,436)	(5,801)	(4,303)	(3,305)
Site operating costs	59,859	54,921	50,134	49,753	47,156
Less by-product credits:					
Molybdenum, net of treatment costs	(3,831)	(7,755)	(8,574)	(6,138)	(5,604)
Silver, excluding amortization of deferred revenue	202	(330)	300	64	(238)
Site operating costs, net of by-product credits	56,230	46,836	41,860	43,679	41,314
Total copper produced (thousand pounds)	16,024	21,590	25,891	20,082	16,684
Total costs per pound produced	3.51	2.17	1.62	2.18	2.48
Average exchange rate for the period (CAD/USD)	1.27	1.26	1.26	1.23	1.27
Site operating costs, net of by-product credits (US$ per pound)	**2.77**	**1.72**	**1.28**	**1.77**	**1.96**
Site operating costs, net of by-product credits	56,230	46,836	41,860	43,679	41,314
Add off-property costs:					
Treatment and refining costs	2,133	1,480	3,643	1,879	2,414
Transportation costs	5,115	4,436	5,801	4,303	3,305
Total operating costs	63,478	52,752	51,304	49,861	47,033
Total operating costs (C1) (US$ per pound)	**3.13**	**1.94**	**1.57**	**2.02**	**2.23**

Total Site Costs

Total site costs is 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	**2022 Q1**	**2021 Q4**	**2021 Q3**	**2021 Q2**	**2021 Q1**
Site operating costs	59,859	54,921	50,134	49,753	47,156
Add:					
Capitalized stripping costs	15,142	12,737	10,882	14,794	21,452
Total site costs	**75,001**	**67,658**	**61,016**	**64,547**	**68,608**

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 gains/losses;
- Unrealized gain/loss on derivatives; and
- Loss on settlement of long-term debt and call premium, including realized foreign exchange gains.

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)	2022 Q1	2021 Q4	2021 Q3	2021 Q2
Net income	**5,095**	**11,762**	**22,485**	**13,442**
Unrealized foreign exchange (gain) loss	(4,398)	(1,817)	9,511	(3,764)
Unrealized (gain) loss on derivatives	7,486	4,612	(6,817)	370
Estimated tax effect of adjustments	(2,021)	(1,245)	1,841	(100)
Adjusted net income	**6,162**	**13,312**	**27,020**	**9,948**
Adjusted EPS	**0.02**	**0.05**	**0.10**	**0.04**

(Cdn$ in thousands, except per share amounts)	2021 Q1	2020 Q4	2020 Q3	2020 Q2
Net income (loss)	**(11,217)**	**5,694**	**987**	**18,745**
Unrealized foreign exchange (gain) loss	8,798	(13,595)	(7,512)	(12,985)
Realized foreign exchange gain on settlement of long-term debt	(13,000)	-	-	-
Loss on settlement of long-term debt	5,798	-	-	-
Call premium on settlement of long-term debt	6,941	-	-	-
Unrealized loss on derivatives	802	586	1,056	3,528
Estimated tax effect of adjustments	(3,656)	(158)	(285)	(953)
Adjusted net income (loss)	**(5,534)**	**(7,473)**	**(5,754)**	**8,335**
Adjusted EPS	**(0.02)**	**(0.03)**	**(0.02)**	**0.03**

Adjusted EBITDA

Adjusted EBITDA is presented as a supplemental measure of the Company's performance and ability to service debt. Adjusted EBITDA is frequently used by securities analysts, investors and other interested parties in the evaluation of companies in the industry, many of which present Adjusted EBITDA when reporting their results. Issuers of "high yield" securities also present Adjusted EBITDA because investors, analysts and rating agencies consider it useful in measuring the ability of those issuers to meet debt service obligations.

Adjusted EBITDA represents net income before interest, income taxes, and depreciation and also eliminates the impact of a number of items that are not considered indicative of ongoing operating performance. Certain items of expense are added and certain items of income are deducted from net income that are not likely to recur or are not indicative of the Company's underlying operating results for the reporting periods presented or for future operating performance and consist of:

- Unrealized foreign exchange gains/losses;
- Unrealized gain/loss on derivatives;
- Loss on settlement of long-term debt (included in finance expenses) and call premium;
- Realized foreign exchange gains on settlement of long-term debt; and
- Amortization of share-based compensation expense.

(Cdn$ in thousands)	2022 Q1	2021 Q4	2021 Q3	2021 Q2
Net income	**5,095**	**11,762**	**22,485**	**13,442**
Add:				
Depletion and amortization	13,506	16,202	17,011	17,536
Finance expense	12,155	12,072	11,875	11,649
Finance income	(166)	(218)	(201)	(184)
Income tax expense	1,188	9,300	22,310	7,033
Unrealized foreign exchange (gain) loss	(4,398)	(1,817)	9,511	(3,764)
Unrealized (gain) loss on derivatives	7,486	4,612	(6,817)	370
Amortization of share-based compensation expense	3,273	1,075	117	1,650
Adjusted EBITDA	**38,139**	**52,988**	**76,291**	**47,732**

(Cdn$ in thousands)	2021 Q1	2020 Q4	2020 Q3	2020 Q2
Net income (loss)	**(11,217)**	**5,694**	**987**	**18,745**
Add:				
Depletion and amortization	15,838	18,747	23,894	25,512
Finance expense (includes loss on settlement of long-term debt and call premium)	23,958	10,575	11,203	10,461
Finance income	(75)	(47)	(4)	(48)
Income tax (recovery) expense	(4,302)	(2,724)	(580)	4,326
Unrealized foreign exchange (gain) loss	8,798	(13,595)	(7,512)	(12,985)
Realized foreign exchange gain on settlement of long-term debt	(13,000)	-	-	-
Unrealized loss on derivatives	802	586	1,056	3,528
Amortization of share-based compensation expense	2,920	1,242	2,501	1,321
Adjusted EBITDA	**23,722**	**20,478**	**31,545**	**50,860**

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 March 31,	
(Cdn$ in thousands)	**2022**	**2021**
Earnings from mining operations	**29,267**	**14,475**
Add:		
Depletion and amortization	13,506	15,838
Earnings from mining operations before depletion and amortization	**42,773**	**30,313**

Site operating costs per ton milled

(Cdn$ in thousands, except per ton milled amounts)	**2022 Q1**	**2021 Q4**	**2021 Q3**	**2021 Q2**	**2021 Q1**
Site operating costs (included in cost of sales)	**59,859**	**54,921**	**50,134**	**49,753**	**47,156**
Tons milled (thousands) (75% basis)	5,285	5,523	5,576	5,429	5,402
Site operating costs per ton milled	**$11.33**	**$9.94**	**$8.99**	**$9.16**	**$8.73**

Condensed Consolidated Interim Financial Statements
March 31, 2022
(Unaudited)

TASEKO MINES LIMITED

Condensed Consolidated Balance Sheets

(Cdn$ in thousands)

(Unaudited)

	Note	March 31, 2022	December 31, 2021
ASSETS			
Current assets			
Cash and equivalents		212,727	236,767
Accounts receivable		6,759	9,604
Inventories	8	69,060	79,871
Other financial assets	9	2,812	7,014
Prepaids		2,724	3,971
		294,082	337,227
Property, plant and equipment	10	869,547	837,839
Other financial assets	9	2,884	2,902
Goodwill		5,152	5,227
		1,171,665	**1,183,195**
LIABILITIES			
Current liabilities			
Accounts payable and other liabilities		68,363	55,660
Current portion of long-term debt	11	16,502	18,305
Current portion of deferred revenue	12	5,026	13,441
Interest payable on senior secured notes		4,374	13,312
Current income tax payable		1,778	2,759
		96,043	103,477
Long-term debt	11	503,783	513,444
Provision for environmental rehabilitation ("PER")		85,414	87,571
Deferred and other tax liabilities		70,828	70,186
Deferred revenue	12	48,126	45,356
Other financial liabilities	13	5,639	4,643
		809,833	824,677
EQUITY			
Share capital	14	479,630	476,599
Contributed surplus		53,256	55,403
Accumulated other comprehensive income ("AOCI")		3,984	6,649
Deficit		(175,038)	(180,133)
		361,832	358,518
		1,171,665	**1,183,195**
Commitments and contingencies	16		

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

TASEKO MINES LIMITED

Condensed Consolidated Statements of Comprehensive Income (Loss)

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

(Unaudited)

	Note	Three months ended March 31, 2022	2021
Revenues	3	118,333	86,741
Cost of sales			
Production costs	4	(75,560)	(56,428)
Depletion and amortization	4	(13,506)	(15,838)
Earnings from mining operations		29,267	14,475
General and administrative		(2,701)	(5,296)
Share-based compensation expense	14b	(3,080)	(2,790)
Project evaluation expense		(168)	(312)
Loss on derivatives	5	(9,833)	(1,991)
Other income		337	352
Income before financing costs and income taxes		13,822	4,438
Finance expenses, net	6	(11,989)	(16,942)
Call premium on settlement of debt	6	-	(6,941)
Foreign exchange gain		4,450	3,926
Income (loss) before income taxes		6,283	(15,519)
Income tax (expense) recovery	7	(1,188)	4,302
Net income (loss)		**5,095**	**(11,217)**
Other comprehensive income (loss):			
Items that will remain permanently in other comprehensive income (loss):			
Gain (loss) on financial assets		912	(211)
Items that may in the future be reclassified to profit (loss):			
Foreign currency translation reserve		(3,577)	(2,398)
Total other comprehensive loss		**(2,665)**	**(2,609)**
Total comprehensive income (loss)		**2,430**	**(13,826)**
Earnings (loss) per share			
Basic	15	0.02	(0.04)
Diluted	15	0.02	(0.04)
Weighted average shares outstanding (thousands)			
Basic	15	285,768	282,854
Diluted	15	289,500	282,854

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

TASEKO MINES LIMITED

Condensed Consolidated Statements of Cash Flows

(Cdn$ in thousands)

(Unaudited)

	Note	Three months ended March 31, 2022	2021
Operating activities			
Net income (loss)		5,095	(11,217)
Adjustments for:			
Depletion and amortization		13,506	15,838
Income tax expense (recovery)	7	1,188	(4,302)
Finance expenses, net	6	11,989	16,942
Share-based compensation expense	14b	3,273	2,920
Loss on derivatives	5	9,833	1,991
Unrealized foreign exchange gain		(4,398)	(4,202)
Amortization of deferred revenue		(1,721)	(987)
Call premium on settlement of debt	6	-	6,941
Other operating activities		(577)	-
Net change in working capital:			
Change in accounts receivable	17	2,862	(23,844)
Change in other working capital items	17	10,703	(3,363)
Cash provided by (used) for operating activities		51,753	(3,283)
Investing activities			
Gibraltar capitalized stripping costs	10	(15,142)	(21,452)
Gibraltar sustaining capital expenditures	10	(3,572)	(2,537)
Gibraltar capital projects	10	(3,590)	(2,473)
Florence Copper development costs	10	(20,958)	(6,351)
Other project development costs	10	(41)	(523)
Purchase of copper price options	5	(4,295)	(11,143)
Other investing activities		(258)	478
Cash used for investing activities		(47,856)	(44,001)
Financing activities			
Net proceeds from issuance of senior secured notes		-	496,098
Repayment of senior secured notes		-	(317,225)
Redemption cost on settlement of senior secured notes		-	(8,714)
Interest paid		(18,678)	(5,183)
Repayment of equipment loans and leases		(5,049)	(4,777)
Settlement of performance share units		(1,927)	-
Proceeds from exercise of stock options		534	494
Cash provided by (used for) financing activities		(25,120)	160,693
Effect of exchange rate changes on cash and equivalents		(2,817)	(1,501)
(Decrease) increase in cash and equivalents		(24,040)	111,908
Cash and equivalents, beginning of period		236,767	85,110
Cash and equivalents, end of period		212,727	197,018

Supplementary cash flow disclosures 17

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

TASEKO MINES LIMITED

Consolidated Statements of Changes in Equity

(Cdn$ in thousands)

(Unaudited)

	Share capital	Contributed surplus	AOCI	Deficit	Total
Balance at January 1, 2021	472,870	53,433	7,674	(216,605)	317,372
Share-based compensation	-	1,454	-	-	1,454
Exercise of options	841	(347)	-	-	494
Total comprehensive loss	-	-	(2,609)	(11,217)	(13,826)
Balance at March 31, 2021	**473,711**	**54,540**	**5,065**	**(227,822)**	**305,494**
Balance at January 1, 2022	476,599	55,403	6,649	(180,133)	358,518
Share-based compensation	-	2,277	-	-	2,277
Exercise of options	814	(280)	-	-	534
Settlement of performance share units	2,217	(4,144)	-	-	(1,927)
Total comprehensive income (loss)	-	-	(2,665)	5,095	2,430
Balance at March 31, 2022	**479,630**	**53,256**	**3,984**	**(175,038)**	**361,832**

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

1. REPORTING ENTITY

Taseko Mines Limited (the "Company" or "Taseko") is a corporation governed by the *British Columbia Business Corporations Act.* These unaudited condensed consolidated interim financial statements of the Company as at and for the three month period ended March 31, 2022 comprise the Company, its subsidiaries and its 75% interest in the Gibraltar joint venture. The Company is principally engaged in the production and sale of metals, as well as related activities including mine permitting and development, within the province of British Columbia, Canada and the State of Arizona, USA. Seasonality does not have a significant impact on the Company's operations.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34, *Interim Financial Reporting* and follow the same accounting policies and methods of application as the Company's most recent annual financial statements. These 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 financial statements of the Company as at and for the year ended December 31, 2021, prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These condensed consolidated interim financial statements were authorized for issue by the Company's Audit and Risk Committee on May 3, 2022.

(b) Use of judgments and estimates

In preparing these condensed consolidated interim financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies 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 consolidated financial statements as at and for the year ended December 31, 2021.

The Company continues to evaluate the potential impacts of the coronavirus ("COVID-19") on all aspects of its business. The Company also continues to act to ensure the health and safety of our employees, contractors and the communities in which we operate is paramount and in accordance with public safety direction from governments and public health authorities. The duration and magnitude of COVID-19's effects on the economy, movement of goods and services across international borders, the copper market, and on the Company's financial and operational performance remains uncertain at this time.

Should the duration, spread or intensity of the COVID-19 pandemic deteriorate in the future, there could be a potentially material and negative impact on the Company's operating plan, its cash flows, and the valuation of its long-lived assets, potential future decreases in revenue from the sale of its products and the profitability of its ongoing operations. As of the date of these statements, there has not been any direct impact on the Company's operations as a result of COVID-19.

(Cdn$ in thousands - Unaudited)

(c) New Accounting Policies

Several new accounting standards, amendments to existing standards and interpretations have been published by the IASB. None of these standards or amendments to existing standards have been adopted early by the Company. Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the new standard.

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

3. REVENUE

	Three months ended March 31, 2022	2021
Copper contained in concentrate	114,455	78,750
Copper price adjustments on settlement	660	3,576
Molybdenum concentrate	4,070	5,686
Molybdenum price adjustments on settlement	102	868
Silver (Note 12)	1,519	1,224
Total gross revenue	120,806	90,104
Less: Treatment and refining costs	(2,473)	(3,363)
Revenue	118,333	86,741

4. COST OF SALES

	Three months ended March 31, 2022	2021
Site operating costs	59,859	47,156
Transportation costs	5,115	3,305
Changes in inventories of finished goods	7,577	(2,259)
Changes in inventories of ore stockpiles	3,009	8,226
Production costs	75,560	56,428
Depletion and amortization	13,506	15,838
Cost of sales	89,066	72,266

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

(Cdn$ in thousands - Unaudited)

5. DERIVATIVE INSTRUMENTS

During the three month period ended March 31, 2022, the Company purchased copper collar contracts for 42 million pounds of copper with maturity dates ranging from July 2022 through to December 2022, with a minimum copper strike price of US$4.00 per pound and a ceiling price of US$5.40 per pound, at a total cost of $4,295.

The Company recognized a net realized loss of $2,347 on copper collar contracts for 21.4 million pounds with a minimum strike price of US$4.00 per pound and a celing price of US$5.60 per pound, that expired out-of-the-money during the three month period.

	Three months ended March 31, 2022	2021
Net realized loss on settled copper options	2,347	1,659
Net unrealized loss on outstanding copper options	7,461	771
Realized gain on fuel call options	-	(470)
Other	25	31
	9,833	1,991

Details of the outstanding copper price option contracts at March 31, 2022 are summarized in the following table:

	Quantity	Strike price	Period	Cost	Fair value
Copper collar contracts	21.3 million lbs	US$4.00/per lb US$5.60/per lb	Q2 2022	2,346	14
Copper collar contracts	42.3 million lbs	US$4.00/per lb US$5.40/per lb	H2 2022	4,295	(1,622)

6. FINANCE EXPENSES

	Three months ended March 31, 2022	2021
Interest expense	10,182	9,174
Amortization of financing fees	508	572
Finance expense – deferred revenue (Note 12)	1,373	1,368
Accretion on PER	92	105
Finance income	(166)	(75)
Loss on settlement of long-term debt (Note 11a)	-	5,798
	11,989	16,942

For the three month period ended March 31, 2022, interest expense includes $324 (2021 - $489) from lease liabilities and lease related obligations.

As part of the senior secured notes refinancing completed in February of 2021, the Company redeemed its US$250 million senior secured notes on March 3, 2021, which resulted in an accounting loss of $5,798, comprised of the write-off of deferred financing costs of $4,025 and additional interest costs paid over the call period of $1,773.

(Cdn$ in thousands - Unaudited)

The Company also also paid a one-time redemption call premium of $6,941 on the settlement of the 2022 Notes, which is not included in net financing expenses shown above.

7. INCOME TAX

	Three months ended March 31, 2022	2021
Current income tax expense	519	131
Deferred income tax expense (recovery)	669	(4,433)
	1,188	(4,302)

8. INVENTORIES

	March 31, 2022	December 31, 2021
Ore stockpiles	26,219	31,845
Copper contained in concentrate	12,083	19,831
Molybdenum concentrate	481	310
Materials and supplies	30,277	27,885
	69,060	79,871

9. OTHER FINANCIAL ASSETS

	March 31, 2022	December 31, 2021
Current:		
Marketable securities	4,022	3,110
Copper price options (Note 5)	(1,608)	3,904
Fuel call options (Note 5)	398	-
	2,812	7,014
Long-term:		
Investment in private companies	1,200	1,200
Reclamation deposits	434	434
Restricted cash	1,250	1,268
	2,884	2,902

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

(Cdn$ in thousands - Unaudited)

10. PROPERTY, PLANT & EQUIPMENT

The following schedule shows the continuity of property, plant and equipment net book value for the three months ended March 31, 2022:

	Three months ended March 31, 2022
Net book value beginning of period	837,839
Additions:	
Gibraltar capitalized stripping costs	17,270
Gibraltar sustaining capital expenditures	3,572
Gibraltar capital projects	3,841
Florence Copper development costs	25,159
Yellowhead development costs	200
Aley development costs	130
Other items:	
Right of use assets	122
Rehabilitation costs asset	(1,589)
Foreign exchange translation and other	(3,861)
Depletion and amortization	(13,136)
Net book value at March 31, 2022	869,547

Net book value	Gibraltar Mines (75%)	Florence Copper	Yellowhead	Aley	Other	Total
At December 31, 2021	539,641	260,934	21,252	14,316	1,696	837,839
Net additions	24,805	25,159	200	130	(289)	50,005
Changes in rehabilitation cost asset	(1,589)	-	-	-	-	(1,589)
Depletion and amortization	(13,019)	(23)	-	-	(94)	(13,136)
Foreign exchange translation	-	(3,572)	-	-	-	(3,572)
At March 31, 2022	549,838	282,498	21,452	14,446	1,313	869,547

For the three month period ended March 31, 2022, the Company capitalized development costs of $25,152 for the Florence Copper project. Since its acquisition of Florence Copper in November 2014, the Company has incurred and capitalized a total of $186.7 million in project development and other costs.

Non-cash additions to property, plant and equipment of Gibraltar include $2,127 of depreciation on mining assets related to capitalized stripping.

Since January 1, 2020 development costs for Yellowhead of $5,213 have been capitalized as mineral property, plant and equipment.

Depreciation related to the right of use assets for the three month period ended March 31, 2022 was $1,057 (2021: $941).

(Cdn$ in thousands - Unaudited)

11. DEBT

	March 31, 2022	December 31, 2021
Current:		
Lease liabilities (d)	8,426	9,625
Secured equipment loans (e)	5,895	6,539
Lease related obligations (f)	2,181	2,141
	16,502	18,305
Long-term:		
Senior secured notes (a)	490,616	497,388
Other financing fees (b)	(1,234)	(1,352)
Lease liabilities (d)	4,963	6,067
Secured equipment loans (e)	4,683	6,025
Lease related obligations (f)	4,755	5,316
	503,783	513,444
Total debt	520,285	531,749

(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.

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. Prior to February 15, 2023, all or part of the notes may be redeemed at 100%, plus a make-whole premium, plus accrued and unpaid interest to the date of redemption. Until February 15, 2023, the Company may redeem up to 10% of the aggregate principal amount of the notes, at a redemption price of 103%, plus accrued and unpaid interest to the date of redemption.

(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 matures on April 3, 2025 and is extendable annually thereafter. The Facility will be available for capital expenditures, working capital and general corporate purposes. Amounts outstanding under the facility bear interest at LIBOR plus an applicable margin and have a standby fee of 1.125%.

(Cdn$ in thousands - Unaudited)

The Facility has customary covenants for a revolving credit facility. Financial covenants include a requirement for the Company to maintain a leverage ratio, an interest coverage ratio, a minimum tangible net worth and a minimum liquidity amount as defined under the Facility. The Company was in compliance with these covenants as at March 31, 2022.

(c) Letter of Credit Facilities

The Gibraltar joint venture has in place a $15 million credit facility with a Canadian commercial bank 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 March 31, 2022, a total of $3.75 million in LCs were issued and outstanding under this LC facility.

On April 8, 2022, the Company subsequently 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 are secured by some of the existing mobile mining equipment at the Gibraltar mine and commenced between June, 2018 and August of 2019 with monthly repayment terms ranging between 48 and 60 months and with interest rates ranging between 5.2% to 6.4%.

(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 has a term of 54 months. At the end of the lease term, the Company has an option to renew the term, an option to purchase the equipment at fair market value or option to return the equipment. The lease contains a fixed price early buy-out option exercisable at the end of 48 months.

(g) Debt continuity

The following schedule shows the continuity of total debt for the first three months of 2022:

Total debt as at December 31, 2021	531,749
Lease additions	286
Lease liabilities and equipment loans repayments	(5,049)
Unrealized foreign exchange gain	(7,326)
Amortization of deferred financing charges	625
Total debt as at March 31, 2022	520,285

(Cdn$ in thousands - Unaudited)

12. DEFERRED REVENUE

	March 31, 2022	December 31, 2021
Current:		
Customer advance payments (a)	-	5,297
Osisko – silver stream agreement (b)	5,026	8,144
Current portion of deferred revenue	5,026	13,441
Long-term portion of deferred revenue (b)	48,126	45,356
Total deferred revenue	53,152	58,797

(a) Customer advance payments

At December 31, 2021, the Company had received advance payments on 1.3 million pounds (100% basis) of copper concentrate finished goods inventory.

(b) Silver stream purchase and sale agreement

On March 3, 2017, the Company entered into a silver stream purchase and sale agreement with Osisko Gold Royalties Ltd. ("Osisko"), whereby the Company received an upfront cash deposit payment of US$33 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 cash payments of US$2.75 per ounce for all silver deliveries made under the agreement.

On April 24, 2020, Taseko entered into an amendment to its silver stream with Osisko and received $8,510 in exchange for reducing the delivery price of silver from US$2.75 per ounce to nil. 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 following table summarizes changes in the Osisko deferred revenue:

Balance at January 1, 2021	52,758
Finance expense (Note 6)	5,549
Amortization of deferred revenue	(4,807)
Balance at December 31, 2021	53,500
Finance expense (Note 6)	1,373
Amortization of deferred revenue	(1,721)
Balance at March 31, 2022	53,152

(Cdn$ in thousands - Unaudited)

13. OTHER FINANCIAL LIABILITIES

	March 31 , 2022	December 31, 2021
Long-term:		
Deferred share units (Note 14b)	5,639	4,643

14. EQUITY

(a) Share capital

	Common shares (thousands)
Common shares outstanding at January 1, 2022	284,892
Common shares issued under PSU plan	866
Exercise of share options	530
Common shares outstanding at March 31, 2022	286,288

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

In January 2022, the Company issued 866,028 common shares as part of settlement of the performance share units that vested.

(b) Share-based compensation

	Options (thousands)	Average price
Outstanding at January 1, 2022	8,270	1.33
Granted	2,113	2.58
Exercised	(530)	1.01
Cancelled/forfeited	(21)	1.58
Expired	(184)	1.50
Outstanding at March 31, 2022	9,648	1.62
Exercisable at March 31, 2022	7,385	1.45

During the three month period ended March 31, 2022, the Company granted 2,113,000 (2021 – 2,327,000) share options to directors, executives and employees, exercisable at an average exercise price of $2.58 per common share (2021 - $1.58 per common share) over a five year period. The total fair value of options granted was $2,979 (2021 – $2,024) based on a weighted average grant-date fair value of $1.41 (2020 – $0.87) 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:

(Cdn$ in thousands - Unaudited)

	Three months ended March 31, 2022
Expected term (years)	5
Forfeiture rate	0%
Volatility	64%
Dividend yield	0%
Risk-free interest rate	1.68%
Weighted-average fair value per option	$1.41

The Company has other share-based compensation plans in the form of Deferred Share Units ("DSUs") and Performance Share Units ("PSUs").

	DSUs (thousands)	**PSUs (thousands)**
Outstanding at January 1, 2022	1,786	2,780
Granted	172	595
Settled	-	(875)
Outstanding at March 31, 2022	1,958	2,500

During the three month period ended March 31, 2022, 172,000 DSUs were issued to directors (2021 - 198,000) and 595,000 PSUs to senior executives (2021 – 530,000). The fair value of DSUs and PSUs granted was $2,532 (2021 - $1,235), with a weighted average fair value at the grant date of $2.58 per unit for the DSUs (2021 - $1.58 per unit) and $3.51 per unit for the PSUs (2021 - $1.74 per unit).

Share-based compensation expense is comprised as follows:

	Three months ended March 31,	
	2022	**2021**
Share options – amortization	1,430	1,186
Performance share units – amortization	848	268
Change in fair value of deferred share units	995	1,466
	3,273	2,920

15. EARNINGS (LOSS) PER SHARE

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

	Three months ended March 31, 2022	2021
Net income (loss) attributable to common shareholders – basic and diluted	5,095	(11,217)
(in thousands of common shares)		
Weighted-average number of common shares	285,768	282,854
Effect of dilutive securities:		
Stock options	3,732	-
Weighted-average number of diluted common shares	289,500	282,854
Income (loss) per common share		
Basic earnings (loss) per share	0.02	(0.04)
Diluted earnings (loss per share	0.02	(0.04)

16. COMMITMENTS AND CONTINGENCIES

(a) Commitments

The Company is a party to certain contracts relating to service and supply agreements. Future minimum payments under these agreements as at March 31, 2022 are presented in the following table:

Remainder of 2022	8,461
2023	11,013
2024	11,013
2025	4,578
2026	823
2027 and thereafter	-
Total commitments	35,888

As at March 31, 2022, the Company had commitments to incur capital expenditures of $27,874 (December 31, 2021 - $37,943) for Florence Copper and $1,954 (December 31, 2021 - $471) 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 a 75% interest. As a result, the Company has guaranteed the joint venture partner’s 25% share of this debt which amounted to $8,778 as at March 31. 2022.

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 25% share of this obligation, which amounted to $7,313 as at March 31, 2022.

(Cdn$ in thousands - Unaudited)

17. SUPPLEMENTARY CASH FLOW INFORMATION

	For the three months ended March 31, 2022	2021
Change in non-cash working capital items:		
Accounts receivable	2,862	(23,844)
Change in other working capital items:		
Inventories	8,194	6,105
Prepaids	1,028	(382)
Accounts payable and accrued liabilities[1]	8,341	(7,275)
Advance payment on product sales	(5,297)	-
Interest payable	(63)	(11)
Mineral tax payable	(1,500)	(1,800)
	10,703	(3,363)
Non-cash investing and financing activities		
Assets acquired under capital lease	164	1,328
Right-of-use assets	122	1,929

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

18. FAIR VALUE MEASUREMENTS

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

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

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

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

The fair values of the senior secured notes are $515,335 and the carrying value is $490,616 at March 31, 2022. 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.

(Cdn$ in thousands - Unaudited)

	Level 1	Level 2	Level 3	Total
March 31, 2022				
Financial assets designated as FVPL				
Derivative asset copper put and call options	-	(1,608)	-	(1,608)
Derivative asset fuel put and call options	-	398	-	398
	-	(1,210)	-	(1,210)
Financial assets designated as FVOCI				
Marketable securities	4,022	-	-	4,022
Investment in private companies	-	-	1,200	1,200
Reclamation deposits	434	-	-	434
	4,456	-	1,200	5,656
December 31, 2021				
Financial assets designated as FVPL				
Derivative asset copper put and call options	-	3,904	-	3,904
	-	3,904	-	3,904
Financial assets designated as FVOCI				
Marketable securities	3,110	-	-	3,110
Investment in private companies	-	-	1,200	1,200
Reclamation deposits	434	-	-	434
	3,544	-	1,200	4,744

There have been no transfers between fair value levels during the reporting period. The carrying value of cash and equivalents, accounts receivable, accounts payable and accrued liabilities approximate their fair value as at March 31, 2022.

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

The Company's metal concentrate sales contracts are subject to provisional pricing with the selling price adjusted at the end of the quotational period. At each reporting date, the Company's settlement receivable on these contracts are marked-to-market based on a quoted forward price for which there exists an active commodity market. At March 31, 2022, the Company had settlement receivables of $2,015 (at December 31, 2021 - $4,885).

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. At March 31, 2022 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.

(Cdn$ in thousands - Unaudited)

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

	As at March 31, 2022
Copper increase/decrease by US$0.10/lb.[1]	316

[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. At March 31, 2022, 3.4 million pounds of copper in concentrate were exposed to copper price movements. The closing exchange rate at March 31, 2022 of CAD/USD 1.25.

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.