UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 40-F

☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☒ **ANNUAL REPORT PURSUANT TO SECTION 13(a) OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended **December 31, 2021** Commission File Number: **001-31965**

TASEKO MINES LIMITED

(Exact name of Registrant as specified in its charter)

British Columbia	**1040**	**Not Applicable**
(Province or Other Jurisdiction of Incorporation or Organization)	*(Primary Standard Industrial Classification Code)*	*(I.R.S. Employer Identification No.)*

12th Floor - 1040 West Georgia Street
Vancouver, British Columbia
Canada V6E 4H1
(778) 373-4533

(Address and telephone number of Registrant's principal executive offices)

Corporation Service Company
Suite 400, 2711 Centerville Road
Wilmington, Delaware 19808
(800) 927-9800

(Name, address (including zip code) and telephone number (including area code) of agent for service in the United States)

Securities registered or to be registered pursuant to section 12(b) of the Act:

Title Of Each Class	Name Of Each Exchange On Which Registered
Common Shares, no par value	**NYSE American**

Securities registered or to be registered pursuant to Section 12(g) of the Act: **None**

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: **None**

For annual reports, indicate by check mark the information filed with this Form:

☒ Annual Information Form ☒ Audited Annual Financial Statements

Indicate the number of outstanding shares of each of the Registrant's classes of capital or common stock as of the close of the period covered by the annual report: **284,892,291 Common Shares as of December 31, 2021**

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files).

Yes ☒ No ☐

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 12b-2 of the Exchange Act.

Emerging growth company ☐

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act. ☐

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

Auditor Name: KMPG LLP **Auditor Location**: Vancouver, Canada **Auditor Firm ID**: 85

INTRODUCTORY INFORMATION

Taseko Mines Limited (the "**Company**" or "**Taseko**") is a Canadian public company whose common shares are listed on the Toronto Stock Exchange, London Stock Exchange, and the NYSE American Exchange (the "**NYSE American**"). Taseko is a "foreign private issuer" as defined in Rule 3b-4 under Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), and is eligible to file this annual report on Form 40-F (the "**Annual Report**") pursuant to the multi-jurisdictional disclosure system (the "**MJDS**").

PRINCIPAL DOCUMENTS

The following documents that are filed as exhibits to this annual report are incorporated by reference herein:

Document	Exhibit No.
Annual Information Form of the Company for the year ended December 31, 2021 (the "**AIF**")	99.1
Audited consolidated financial statements of the Company for the years ended December 31, 2021 and 2020, including the reports of independent registered public accounting firm with respect thereto (the "**Audited Financial Statements**")	99.2
Management's Discussion and Analysis of the Company for the year ended December 31, 2021 (the "**MD&A**")	99.3

CAUTIONARY NOTE TO UNITED STATES INVESTORS CONCERNING ESTIMATES OF RESERVES AND MEASURED, INDICATED AND INFERRED RESOURCES

As a British Columbia corporation and a "reporting issuer" under Canadian securities laws, the Company is required to provide disclosure regarding its mineral properties in accordance with Canadian National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("**NI 43-101**"). NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. In accordance with NI 43-101, the Company uses the terms mineral reserves and resources as they are defined in accordance with the CIM Definition Standards on mineral reserves and resources (the "**CIM Definition Standards**") adopted by the Canadian Institute of Mining, Metallurgy and Petroleum.

The SEC has adopted amendments to its disclosure rules to modernize the mineral property disclosure requirements for issuers whose securities are registered with the United States Securities and Exchange Commission (the "**SEC**") under the U.S. Exchange Act. These amendments became effective February 25, 2019 (the "**SEC Modernization Rules**"). The SEC Modernization Rules have replaced the historical property disclosure requirements for mining registrants that were included in SEC Industry Guide 7 ("**Guide 7**"), which have been rescinded. The Company is not required to provide disclosure on its mineral properties under the SEC Modernization Rules as the Company is presently a "foreign issuer" under the U.S. Exchange Act and entitled to file continuous disclosure reports with the SEC under the MJDS Disclosure System between Canada and the United States.

The SEC Modernization Rules include the adoption of terms describing mineral reserves and mineral resources that are substantially similar to the corresponding terms under the CIM Definition Standards. As a result of the adoption of the SEC Modernization Rules, SEC will now recognize estimates of "measured mineral resources", "indicated mineral resources" and "inferred mineral resources". In addition, the SEC has amended its definitions of "proven mineral reserves" and "probable mineral reserves" to be substantially similar to the corresponding CIM Definitions.

United States investors are cautioned that while the above terms are substantially similar to CIM Definitions, there are differences in the definitions under the SEC Modernization Rules and the CIM Definition Standards. Accordingly, there is no assurance any mineral reserves or mineral resources that the Company may report as "proven reserves", "probable reserves", "measured mineral resources", "indicated mineral resources" and "inferred mineral resources" under NI 43-101 would be the same had the Company prepared the reserve or resource estimates under the standards adopted under the SEC Modernization Rules.

United States investors are also cautioned that while the SEC will now recognize "measured mineral resources", "indicated mineral resources" and "inferred mineral resources", investors should not to assume that any part or all of the mineralization in these categories will ever be converted into a higher category of mineral resources or into mineral reserves. Mineralization described using these terms has a greater amount of uncertainty as to their existence and feasibility than mineralization that has been characterized as reserves. Accordingly, investors are cautioned not to assume that any "measured mineral resources", "indicated mineral resources", or "inferred mineral resources" that the Company reports are or will be economically or legally mineable.

Further, "inferred resources" have a greater amount of uncertainty as to their existence and as to whether they can be mined legally or

economically. Therefore, United States investors are also cautioned not to assume that all or any part of the inferred resources exist. In accordance with Canadian rules, estimates of "inferred mineral resources" cannot form the basis of feasibility or other economic studies, except in limited circumstances where permitted under NI 43-101.

For the above reasons, information contained in this Annual Report and the documents incorporated by reference herein containing descriptions of our mineral deposits may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements under the United States federal securities laws and the rules and regulations thereunder.

NOTE TO UNITED STATES READERS REGARDING DIFFERENCES BETWEEN UNITED STATES AND CANADIAN REPORTING PRACTICES

International Financial Reporting Standards

The Company is permitted under the MJDS to prepare this Annual Report in accordance with Canadian disclosure requirements, which are different from those of the United States.

The Company's Audited Consolidated Financial Statements that are incorporated by reference into this Registration Statement have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board (the "**IASB**").

DISCLOSURE CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Disclosure controls and procedures are defined in Rule 13a-15(e) under the Exchange Act to mean controls and other procedures of an issuer that are designed to ensure that information required to be disclosed by the issuer in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms and includes, without limitation, controls and procedures designed to ensure that such information is accumulated and communicated to the issuer's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Management's Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this report, our management carried out an evaluation, with the participation of our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered by this report, our disclosure controls and procedures, as defined in Rule 13a-15(e), were effective as at December 31, 2021.

See "Internal and Disclosure Controls Over Financial Reporting" on page 27 of the MD&A incorporated herein by reference.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

Internal Control over Financial Reporting

Internal control over financial reporting is defined in Rule 13a-15(f) and 15d-15(f) of the Exchange Act as a process designed by, or under the supervision of, the issuer's principal executive and principal financial officers and effected by the issuer's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that may have a material effect on the financial statements.

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

Management's Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting (as such term is defined in Rule 13a-15(f) of the Exchange Act) for the Company.

With the participation of the CEO and CFO, management carried out an evaluation of the Company's internal control over financial reporting as of December 31, 2021. In making this evaluation, the Company's management used the framework established in Internal Control-Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based upon this evaluation, management concluded that the Company's internal control over financial reporting was effective as of December 31, 2021.

A copy of management's report on the effectiveness of our internal controls is included under "Management's Report on Internal Control Over Financial Reporting" on page 3 of our Audited Consolidated Financial Statements incorporated herein by reference.

Attestation Report of the Registered Public Accounting Firm

The Company is required to provide an attestation report of the Company's independent registered public accounting firm on internal control over financial reporting as of December 31, 2021. In this report, the Company's auditor, KPMG LLP, must state its opinion as to the effectiveness of the Company's internal control over financial reporting as of December 31, 2021. KPMG LLP has audited the Company's internal controls over financial reporting and has issued an attestation report on the Company's internal control over financial reporting as of December 31, 2021 which is included in our Audited Consolidated Financial Statements incorporated herein by reference.

No Changes in Internal Control Over Financial Reporting

There were no changes in the Company's internal control over financial reporting that occurred during the period covered by this Annual Report that have materially affected, or are reasonably likely to affect, the Company's internal control over financial reporting.

NOTICES PURSUANT TO REGULATION BTR

The Company did not send any notices required by Rule 104 of Regulation BTR during the year ended December 31, 2021 concerning any equity security subject to a blackout period under Rule 101 of Regulation BTR.

AUDIT AND RISK COMMITTEE

The disclosure provided under "Composition of Audit and Risk Committee" on page 99 of our AIF is incorporated herein by reference. The Company's Board of Directors has established a separately-designated Audit and Risk Committee of the Board in accordance with Section 3(a)(58)(A) of the Exchange Act. The Board has determined that each of the members of the Audit Committee is independent as determined under Rule 10A-3 of the Exchange Act and Section 803 of the NYSE American LLC Company Guide.

AUDIT AND RISK COMMITTEE FINANCIAL EXPERT

The Company's Board of Directors has determined that Peter Mitchell and Ron Thiessen, members of the Audit and Risk Committee of the Board, are audit committee financial experts (as that term is defined in Item 407 of Regulation S-K under the Exchange Act) and are independent directors under applicable laws and regulations and the requirements of the NYSE American Exchange.

PRINCIPAL ACCOUNTANT FEES AND SERVICES

The disclosure provided under "Principal Accountant Fees and Services" on page 100 of our AIF is incorporated herein by reference. This disclosure includes the fees paid by the Company to KPMG LLP (PCAOB ID: 85) of Vancouver, British Columbia, Canada for professional services rendered during each of the years ended December 31, 2021 and 2020.

AUDIT AND RISK COMMITTEE PRE-APPROVAL POLICIES AND PROCEDURES

The disclosure provided under "Audit and Risk Committee-Pre-Approval Policies and Procedures" on page 101 of our AIF is incorporated herein by reference.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on the Company's financial condition, changes in financial condition, revenues, expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

CONTRACTUAL OBLIGATIONS

The disclosures provided under "Commitments and contingencies" on page 18 of our MD&A is incorporated herein by reference.

CODE OF ETHICS

The disclosure provided under "Code of Ethics" on page 100 of our AIF is incorporated herein by reference.

During the Company's fiscal year ended December 31, 2021, the Company did not (i) substantively amend its Code of Ethics or (ii) grant a waiver, including any implicit waiver, from any provision of its Code of Ethics with respect to any of the directors, executive officers or employees subject to it.

NYSE AMERICAN CORPORATE GOVERNANCE

The Company is subject to corporate governance requirements prescribed under applicable Canadian securities laws, rule and policies. The Company is also subject to corporate governance requirements prescribed by the listing standards of the NYSE American, and the rules and regulations promulgated by the SEC under the Exchange Act (including those applicable rules and regulations mandated by the Sarbanes-Oxley Act of 2002).

Section 110 of the NYSE American company guide permits NYSE American to consider the laws, customs and practices of foreign issuers in relaxing certain NYSE American listing criteria, and to grant exemptions from NYSE American listing criteria based on these considerations. A company seeking relief under these provisions is required to provide written certification from independent local counsel that the non-complying practice is not prohibited by home country law. A description of the significant ways in which the Company's governance practices differ from those followed by domestic companies pursuant to NYSE American standards is contained on the Company's website at www.tasekomines.com.

The Company's governance practices also differ from those followed by U.S. domestic companies pursuant to NYSE American listing standards in the following manner:

Board Meetings

Section 802 (c) of the NYSE American Company Guide requires that the Board of Directors hold meetings on at least a quarterly basis. The Board of Directors of the Company is not required to meet on a quarterly basis under the laws of the Province of British Columbia.

Solicitation of Proxies

NYSE American requires the solicitation of proxies and delivery of proxy statements for all shareholder meetings, and requires that these proxies shall be solicited pursuant to a proxy statement that conforms to applicable SEC proxy rules. Since the Company is a foreign private issuer, the equity securities of the Company are exempt from the proxy rules set forth in Sections 14(a), 14(b), 14(c) and 14(f) of the Exchange Act. The Company solicits proxies in accordance with applicable rules and regulations in Canada.

Shareholders Approval for Dilutive Private Placement Financings

Section 713 of the NYSE American Company Guide requires that the Company obtain the approval of its shareholders for share issuances equal to 20 percent or more of presently outstanding shares for a price which is less than the greater of book or market value of the shares. This requirement does not apply to public offerings. There is no such requirement under British Columbia law or under the Company's home stock exchange rules (Toronto Stock Exchange ("TSX")) unless the dilutive financing:

(i) materially affects control of the issuer;

(ii) provides consideration to insiders in the aggregate of 10% or greater of the issuer's market capitalization or outstanding shares, or a non-diluted basis, where certain conditions are met; and

(iii) is in respect of private placement or an acquisition where the issuer will issue shares in excess of 25% of its presently outstanding shares, on a non-diluted basis.

The Company will seek a waiver from NYSE American's section 713 requirements should a dilutive private placement financing trigger the NYSE American shareholders' approval requirement in circumstances where the same financing does not trigger such a requirement under British Columbia law or under the TSX rules.

The Company believes that there are otherwise no significant differences between its corporate governance policies and those required to be followed by United States domestic issuers listed on the NYSE American. In particular, in addition to having a separate Audit and Risk Committee, the Company's Board of Directors has established a separately-designated Compensation Committee that materially meets the requirements for a compensation committee under section 805 of the NYSE American Company Guide, as currently in force.

Copies of the Company's corporate governance materials are available on the Company's website at www.tasekomines.com (under the About Us / Corporate Governance tabs). In addition, the Company is required by National Instrument 58-101 of the Canadian Securities Administrators, *Disclosure of Corporate Governance Practices*, to describe its practices and policies with regard to corporate governance in management information circulars that are furnished to the Company's shareholders in connection with annual meetings of shareholders. Information on the Company's website is not incorporated by reference herein.

MINE SAFETY DISCLOSURE

Pursuant to Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (" **Dodd-Frank Act**"), issuers that are operators, or that have a subsidiary that is an operator, of a coal or other mine in the United States are required to disclose in their periodic reports filed with the SEC information regarding specified health and safety violations, orders and citations, related assessments and legal actions, and mining-related fatalities under the regulation of the Federal Mine Safety and Health Administration under the Federal Mine Safety and Health Act of 1977.

The Company's operations in the United States were not subject to regulation by the Federal Mine Safety and Health Administration under the Federal Mine Safety and Health Act of 1977 during the fiscal year ended December 31, 2021.

UNDERTAKING

The Registrant undertakes to make available, in person or by telephone, representatives to respond to inquiries made by the Commission staff, and to furnish promptly, when requested to do so by the Commission staff, information relating to: the securities registered pursuant to Form 40-F; the securities in relation to which the obligation to file an annual report on Form 40-F arises; or transactions in said securities.

CONSENT TO SERVICE OF PROCESS

The Company previously filed an Appointment of Agent for Service of Process and Undertaking on Form F-X signed by the Company and its agent for service of process with respect to the class of securities in relation to which the obligation to file this annual report arises.

SIGNATURES

Pursuant to the requirements of the Exchange Act, the Company certifies that it meets all of the requirements for filing on Form 40-F and has duly caused this annual report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: March 30, 2022

TASEKO MINES LIMITED

By: */s/ Bryce Hamming*
Bryce Hamming
Chief Financial Officer

EXHIBIT INDEX

Exhibit Number	Exhibit Description
99.1(1)	Annual Information Form of the Company for the year ended December 31, 2021
99.2(1)	Audited consolidated balance sheets as of December 31, 2021 and 2020 and the consolidated statements of comprehensive income (loss), changes in equity, and cash flows for the years ended December 31, 2021 and 2020, including the notes thereto and reports of the Company's independent registered public accounting firm thereon and on the effectiveness of the Company's internal control over financial reporting as of December 31, 2021
99.3(1)	Management's discussion and analysis of financial condition and results of operations for the year ended December 31, 2021
99.4(1)	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
99.5(1)	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
99.6(1)	Certification of Chief Executive Officer pursuant to Rule 13a-14(b) of the Exchange Act and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
99.7(1)	Certification of Chief Financial Officer pursuant to Rule 13a-14(b) of the Exchange Act and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
99.8(1)	Consent of KPMG LLP
99.9(1)	Consent of Richard Weymark, P. Eng., MBA
99.10(1)	Consent of Dan Johnson, P.E.
	Interactive Data File
101.INS(1)	Inline XBRL Instance Document–the instance document does not appear in the Interactive Data File as its XBRL tags are embedded within the Inline XBRL document
101.SCH(1)	Inline XBRL Taxonomy Extension Schema Document
101.CAL(1)	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF(1)	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB(1)	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE(1)	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104(1)	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

(1) Filed as an exhibit to this Annual Report on Form 40-F



ANNUAL INFORMATION FORM

FOR THE YEAR ENDED DECEMBER 31, 2021

AS AT MARCH 30, 2022

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APPENDIX A

Audit and Risk Committee Charter	

INTRODUCTORY NOTES

Forward-Looking Statements

This Annual Information Form ("AIF"), including the documents incorporated by reference, contains forward-looking statements and forward-looking information (collectively referred to as "forward-looking statements") which may not be based on historical fact, including without limitation statements regarding our expectations in respect of future financial position, business strategy, future production, reserve potential, feasibility of development projects, exploration drilling, exploitation activities, events or developments that we expect to take place in the future, projected costs and plans and objectives, financial capacity to complete anticipated development projects, and anticipated effects of changes in taxation levels on the value of development projects. Often, but not always, forward-looking statements can be identified by the use of the words "believes", "may", "plan", "will", "estimate", "scheduled", "continue", "anticipates", "intends", "expects", "aim" and similar expressions.

Such statements reflect our current views with respect to future events and are subject to risks and uncertainties. These statements are necessarily based upon a number of estimates and assumptions that are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause our actual results, performance or achievements to be materially different from any future results, performance, or achievements that may be expressed or implied by such forward-looking statements, including, among others:

- 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; and
- 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".

Such information is included, among other places, in this AIF under the headings "Taseko's Business" and "Risk Factors".

Should one or more of these risks and uncertainties materialize, or should underlying factors or assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Material factors or assumptions involved in developing forward-looking statements include, without limitation, that:

- the price of copper and other metals will not decline significantly or for a protracted period of time;
- our mining operations will not experience any significant production disruptions that would materially affect our production forecasts or our revenues;
- our estimates regarding future capital and operating costs, including factoring in potential inflation impacts, at Gibraltar will be accurate;
- grades and recoveries at Gibraltar remain consistent with current mine plans;
- the results from our operations of the PTF at Florence Copper will continue to support that commercial operations at Florence Copper are technically and economically feasible;
- we will be able to obtain any remaining construction financing necessary for us to advance Florence Copper to a positive construction decision and eventual commercial production;
- we will be able to obtain the required permits necessary for us to proceed with construction and commercial operations at Florence;
- potential supply chain disruptions and associated logistical challenges will not significantly impact our planned capital projects, including our expected development of Florence;
- litigation regarding Florence Copper will not materially impede or delay our ability to proceed with construction and commercial operations at Florence;
- there are no changes to any existing agreements or relationships with affected First Nations groups which would materially and adversely impact our operations;
- there are no adverse regulatory changes affecting any of our operations;

- exchange rates, inflationary pressure on prices of key consumables, costs of power, labour, material costs, supplies and services, and other cost assumptions at our projects are not significantly higher than prices assumed in planning;
- our mineral reserve and resource estimates and the assumptions on which they are based, are accurate;
- our estimates of reclamation liabilities, mine closure costs and bonding needs are accurate; and
- we will continue to generate positive cash flows from Gibraltar and be able to secure additional funding necessary for the development and continued advancement of Gibraltar and our development projects, including Florence.

These factors should be considered carefully and readers are cautioned not to place undue reliance on any forward-looking statements. Readers are also cautioned that the foregoing list of risk factors is not exhaustive and it is recommended that prospective investors carefully read the more complete discussion of risks and uncertainties facing the Company included under "Risk Factors" in this AIF.

Although the Company believes that the expectations conveyed by the forward-looking statements are reasonable based on the information available to it on the date such statements were made, no assurances can be given as to future results, approvals or achievements. The forward-looking statements contained in this AIF and the documents incorporated by reference herein are expressly qualified by this cautionary statement. The Company disclaims any duty to update any of the forward-looking statements after the date of the AIF to conform such statements to actual results or to changes in the Company's expectations except as otherwise required by applicable law.

Documents Incorporated by Reference

Incorporated by reference into this AIF are the audited consolidated financial statements, together with the auditors' report thereon, and MD&A for Taseko Mines Limited for the year ended December 31, 2021. The financial statements are available for review on the SEDAR website at www.sedar.com. All financial information in this AIF is prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and expressed in Canadian dollars.

Non-GAAP Performance Measures

This AIF, including the documents incorporated by reference, includes the following non-GAAP performance measures: (i) total operating costs and site operating costs, net of by-product credits; (ii) adjusted net income (loss); (iii) adjusted EBITDA; and (iv) earnings from mining operations before depletion and amortization. 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. See "Non-GAAP Performance Measures" in our MD&A for the year ended December 31, 2021 for a reconciliation of these measures to the most directly comparable IFRS measure.

Currency and Metric Equivalents

The Company's accounts are maintained in Canadian dollars and all dollar amounts herein are expressed in Canadian dollars unless otherwise indicated.

The following factors for converting Imperial measurements into metric equivalents are provided:

To Convert from Imperial	To Metric	Multiply by
acres	hectares	0.405
feet	metres	0.305
miles	kilometres	1.609
tons (2,000 pounds)	tonnes	0.907
ounces (troy)/ton	grams/tonne	34.286

In this AIF, the following capitalized terms have the defined meanings set forth below:

ASCu	The weight percentage of copper per unit weight of rock that is acid soluble, including native copper.
ADEQ	Arizona Department of Environmental Quality.
APP and TAPP	Aquifer Protection Permit and Temporary Aquifer Protection Permit.
Common Shares	The Company's common shares without par value, being the only class or kind of the Company's authorized capital.
Carbonatite Deposit	Carbonatite deposits are igneous rocks largely consisting of the carbonate minerals calcite and dolomite, which contain the niobium mineral pyrochlore, rare earth minerals or copper sulphide minerals.
Concentrator	A type of mineral processing facility that converts raw ore from the mine into a metal concentrate that can then be sold to a smelter for further processing.
EPA	U.S. Environmental Protection Agency.
Epithermal Deposit	A mineral deposit formed at low temperature (50 to 200°C), usually within one kilometre of the earth's surface, often as structurally controlled veins.

Flotation	Flotation is a method of mineral separation whereby, after crushing and grinding ore, froth created in a slurry by a variety of reagents causes some finely crushed minerals to float to the surface where they are skimmed off.
ISCR	In-situ copper recovery.
LSE	The London Stock Exchange being one of the three stock exchanges (together with the NYSE American and TSX) on which the Common Shares are listed.
NSR	Net smelter return, a general proxy for the gross value of metals derived from concentrates delivered to a smelter for refining.
Mineral Deposit	A deposit of mineralization, which may or may not be ore.
Mineral Symbols	Ag - silver; Au - gold; Cu - copper; Pb - lead; Zn - Zinc; Mo - molybdenum; and Nb - niobium.
NYSE American	The NYSE American, being one of the three stock exchanges (together with the LSE and TSX) on which the Common Shares are listed.
PLS	Pregnant leach solutions containing copper.
PTF	The production test facility, a 24-well ISCR operation designed to prove the feasibility of extracting copper at Florence Copper using in-situ mining methods.
Porphyry Deposit	A type of mineral deposit in which ore minerals are widely disseminated, generally of low grade but large tonnage.
Semi-autogenous Grinding ("SAG")	SAG mills are essentially autogenous mills, but utilize grinding balls to aid in grinding like in a ball mill. A SAG mill is generally used as a primary or first stage grinding solution.
Solvent Extraction/ Electrowinning ("SX/EW")	Solvent extraction is the technique of transferring a solute from one solution to another; for example when copper oxide is dissolved into solution, copper becomes the solute. Electrowinning is the process in which an electric current flows between a pair of electrodes (anode & cathode) in a solution containing metal ions (electrolyte). Metal is deposited on the cathode in accordance with the metal's ability to gain or lose electrons. Since ion deposition is selective, the cathode product is generally high grade and requires little further refining.

Taseko or the Company	Taseko Mines Limited, including its subsidiaries, unless the context requires otherwise.
TSX	The Toronto Stock Exchange, being one of the three stock exchanges (together with the LSE and NYSE American) on which the Company's Common Shares are listed.
UIC	Underground Injection Control permit.

Resource and Reserve Categories (Classifications) Used in this AIF

The discussion of mineral deposit classifications in this AIF adheres to the resource/reserve definitions and classification criteria developed by the Canadian Institute of Mining, Metallurgy and Petroleum (the "CIM Council") as required reporting standards in Canada and in accordance with Canadian National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101"). Estimated mineral resources fall into two broad categories dependent on whether their economic viability has been established and these are namely "resources" (economic viability not established) and "reserves" (viable economic production is feasible). Resources are sub-divided into categories depending on the confidence level of the estimate based on level of detail of sampling and geological understanding of the deposit. The categories, from lowest confidence to highest confidence, are inferred resource, indicated resource and measured resource. Similarly reserves are sub-divided by order of confidence into probable (lowest) and proven (highest). These classifications can be more particularly described as follows in accordance with the CIM Definition Standards on Mineral Resources and Reserves (the "2014 CIM Standards") adopted by the CIM Council on May 10, 2014:

A "**feasibility study**" is a comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable modifying factors together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate, at the time of reporting, that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a pre-feasibility study.

A "**Mineral Resource**" is a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade or quality, continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling.

An "**Inferred Mineral Resource**" is that part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply, but not verify geological, and grade or quality continuity. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.

An "**Indicated Mineral Resource**" is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation. An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Mineral Reserve.

A "**Measured Mineral Resource**" is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing and is sufficient to confirm geological and grade or quality continuity between points of observation. A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proven Mineral Reserve or to a Probable Mineral Reserve.

A "**Mineral Reserve**" is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. The U.S. Securities and Exchange Commission require permits in hand or their issuance imminent to classify mineralized material as reserves.

A "**pre-feasibility study**" is a comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the modifying factors and the evaluation of any other relevant factors which are sufficient for a Qualified Person, acting reasonably, to determine if all or part of the mineral resource may be converted to a mineral reserve at the time of reporting. A pre-feasibility is at a lower confidence level than a feasibility study.

A "**Probable Mineral Reserve**" is the economically mineable part of an Indicated Mineral Resource, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Mineral Reserve is lower than that applying to a Proven Mineral Reserve.

A "**Proven Mineral Reserve**" is the economically mineable part of a Measured Mineral Resource. A Proven Mineral Reserve implies a high degree of confidence in the Modifying Factors.

"Modifying Factors" are considerations used to convert Mineral Resources to Mineral Reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.

CAUTIONARY NOTE TO UNITED STATES INVESTORS CONCERNING ESTIMATES OF RESERVES AND MEASURED, INDICATED AND INFERRED RESOURCES

The disclosure in this AIF, including the documents incorporated by reference herein, uses terms that comply with reporting standards in Canada in accordance with NI 43-101 and the 2014 CIM Standards. NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. Unless otherwise indicated, all reserve and resource estimates contained in or incorporated by reference in this AIF have been prepared in accordance with NI 43-101 and the 2014 CIM Standards.

The SEC has adopted amendments to its disclosure rules to modernize the mineral property disclosure requirements for issuers whose securities are registered with the SEC under the U.S. Exchange Act, effective February 25, 2019 (the "SEC Modernization Rules"). The SEC Modernization Rules replace the historical property disclosure requirements for mining registrants that were included in SEC Industry Guide 7.

The SEC Modernization Rules include the adoption of definitions of terms, which are "substantially similar" to the corresponding terms under the 2014 CIM Standards that are presented above under "Resource and Reserve Categories (Classifications) Used in this AIF".

We will not be required to provide disclosure on our mineral properties under the SEC Modernization Rules as we are presently a "foreign issuer" under the U.S. Exchange Act and entitled to file continuous disclosure reports with the SEC under the Multijurisdictional Disclosure System ("MJDS") between Canada and the United States. Accordingly, we anticipate that we will be entitled to continue to provide disclosure on our mineral properties in accordance with NI 43-101 disclosure standards and CIM Definition Standards. However, if we either cease to be a "foreign issuer" or cease to be able to or entitled to file reports under the MJDS, then we will be required to provide disclosure on our mineral properties under the SEC Modernization Rules. Accordingly, United States investors are cautioned that the disclosure that we provide on our mineral properties in the AIF and under our continuous disclosure obligations under the U.S. Exchange Act may be different from the disclosure that we would otherwise be required to provide as a U.S. domestic issuer or a non-MJDS foreign issuer under the SEC Modernization Rules.

United States investors are cautioned that while the above terms under the SEC Modernization Rules are "substantially similar" to CIM Definitions, there are differences in the definitions under the SEC Modernization Rules and the CIM Definition Standards. Accordingly, there is no assurance any resources and reserves that we may report as "measured mineral resources", "indicated mineral resources" and "inferred mineral resources" and "proven mineral reserves" and "probable mineral reserves" under NI 43-101 would be the same had we prepared these estimates under the standards adopted under the SEC Modernization Rules.

United States investors are also cautioned that while the SEC now recognizes "measured mineral resources", "indicated mineral resources" and "inferred mineral resources", investors should not assume that any part or all of the mineral deposits in these categories will ever be converted into a higher category of mineral resources or into mineral reserves. Mineralization described by these terms has a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. Accordingly, investors are cautioned not to assume that any "measured mineral resources", "indicated mineral resources", or "inferred mineral resources" that we report in this AIF are or will be economically or legally mineable.

Further, "inferred resources" have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically. Therefore, United States investors are also cautioned not to assume that all or any part of the inferred resources exist. In accordance with Canadian rules, estimates of "inferred mineral resources" cannot form the basis of feasibility or other economic studies, except in limited circumstances where permitted under NI 43-101.

For the above reasons, information contained in this AIF and the documents incorporated by reference herein containing descriptions of our mineral deposits may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements under the United States federal securities laws and the rules and regulations thereunder.

CORPORATE STRUCTURE

Taseko Mines Limited was incorporated on April 15, 1966, pursuant to the *Company Act* (British Columbia). This corporate legislation was superseded in 2004 by the *British Columbia Business Corporations* Act which is now the corporate law statute that governs us . Our registered office is located at Suite 1500, 1055 West Georgia Street, Vancouver, British Columbia, V6E 4N7, and our head office is located at Suite 1200, 1040 West Georgia Street, Vancouver, British Columbia, V6E 4H1.

The following is a list of the Company's principal subsidiaries:

Subsidiary	Jurisdiction of Incorporation	Ownership
Gibraltar Mines Ltd. [1]	British Columbia	100%
Curis Holdings (Canada) Ltd. [2]	British Columbia	100%
Florence Holdings Inc. [2]	Nevada, USA	100%
Florence Copper Inc. [2]	Nevada, USA	100%
Yellowhead Mining Inc.	British Columbia	100%
Aley Corporation	Canada	100%

1. Taseko owns 100% of Gibraltar Mines Ltd., which owns 75% of the Gibraltar Joint Venture.

2. Taseko owns 100% of Curis Holdings (Canada) Ltd., which owns 100% of Florence Holdings Inc., which owns 100% of Florence Copper Inc.

Gibraltar Joint Venture

On March 31, 2010, we established an unincorporated joint venture ("JV") between Gibraltar Mines Ltd., and Cariboo Copper Corp. ("Cariboo") over the Gibraltar copper and molybdenum mine (the "Gibraltar Mine" or "Gibraltar"), whereby Cariboo acquired a 25% interest in the Gibraltar Mine and we retained a 75% interest with Gibraltar Mines Ltd. Under the related Joint Venture Formation Agreement ("JVFA"), the Company contributed to the Joint Venture substantially all assets and obligations pertaining to the Gibraltar Mine, and Cariboo paid the Company $187 million to obtain its 25% interest in the JV. Gibraltar Mines Ltd. continues to be the operator of the Gibraltar Mine under the Joint Venture Operating Agreement (the "JVOA") which is filed at www.sedar.com. Cariboo is a Japanese consortium jointly owned by Sojitz Corporation (50%), Dowa Metals & Mining Co., Ltd. (25%) and Furukawa Co., Ltd. (25%).

TASEKO's BUSINESS

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 with commercial production expected in 2023, as well as the Yellowhead copper, New Prosperity copper-gold, and Aley niobium projects.

Taseko's mineral properties are summarized in the table below.

Project/Mine	Ownership Interest	Location	Principal Mineralization
Gibraltar Mine	75%	British Columbia	Copper/ Molybdenum/ Silver
Florence Copper	100%	Arizona, USA	Copper
Yellowhead	100%	British Columbia	Copper/ Gold/ Silver
New Prosperity	100%	British Columbia	Copper/ Gold
Aley	100%	British Columbia	Niobium

The map below highlights the location of our mineral properties:

Figure 1: Location of Taseko's Properties



Gibraltar

Taseko's principal operating asset is its 75% joint venture interest in the Gibraltar Mine in British Columbia, Canada. Gibraltar is the second largest open pit copper mine in Canada, having produced 112 million pounds of copper and 2.0 million pounds of molybdenum (on a 100% basis) in 2021. Gibraltar has an expected mine life of at least 23 years based on Proven and Probable Sulphide Mineral Reserves of 706 million tons at a grade of 0.25% copper as of December 31, 2021.

Between 2006 and 2013, the Company expanded and modernized the Gibraltar Mine ore concentrator, added a second ore concentrator, increased the mining fleet and made other production improvements at the mine. Following this period of mine expansion and capital expenditure, Gibraltar has achieved a stable level of operations and the Company's focus is on further improvements to operating practices to reduce unit costs and increase production.

Florence Copper

Taseko is proceeding with the development of Florence Copper in Arizona. 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 being on 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 development of Florence Copper is occurring in two phases. For the first phase, Florence Copper completed construction of a PTF in 2018 with PTF wellfield operations commencing in the fourth quarter of 2018. Operation of the PTF wellfield performed to its design and the small-scale SX/EW plant produced 1.1 million pounds of copper cathode before the leaching test phase was completed in June 2020. The PTF operation subsequently transitioned into a demonstration of rinsing the ore zone which is currently underway and progressing in line with expectation.

The second 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 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 APP from the 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 UIC permit from the EPA, which is the final permitting step required prior to construction of the commercial ISCR facility. On November 22, 2021, the Company announced 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.

Detailed engineering and design for the commercial production facility is complete 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 in 2021. The Company incurred $58 million of development costs for Florence in 2021 including early lead order activities and detailed engineering relating to the commercial facility and also had outstanding purchase commitments of $38 million as at December 31, 2021 to be incurred in 2022. Deploying this early capital and awarding key contracts ahead of the final UIC permit will assist with protecting the project execution plan including potential supply chain risks, mitigating inflation risk and to 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 at Florence Copper from its existing sources of liquidity and cashflows from Gibraltar.

Other Development Projects

Taseko has a diverse pipeline of wholly-owned development projects at various stages of technical and economic feasibility studies, including the Yellowhead copper project, the Aley niobium project, and the New Prosperity gold and copper project (collectively as the "Other Development Projects").

Business Strategy

Taseko's strategy has been to grow the Company by acquiring and developing a pipeline of mineral resource projects focused on copper in stable mining jurisdictions, while it continues the operation and development of the Gibraltar Mine. We continue to believe this will generate long-term returns for shareholders. All of our producing and development projects are located in British Columbia and Arizona and represent a diverse range of metals, including copper, molybdenum, gold, silver and niobium. Our project focus is currently on the development of Florence Copper.

Development of Taseko's Business over the Past Three Years

The following is a summary of the development of Taseko's business over the last three financial years:

2019

During 2019, Gibraltar produced 126 million pounds of copper and 2.7 million pounds of molybdenum and realized an average copper price of US$2.74 per pound.

Commissioning of the PTF SX/EW plant for Florence Copper was completed in the first quarter of 2019 and first copper was produced in April. The PTF achieved steady state operation and the focus turned to testing different wellfield operating strategies, including adjusting pumping rates, solution strength, flow direction, and the use of packers in recovery and injection wells to isolate different zones of the orebody. PTF operations of the wellfield performed to design and the SX/EW plant produced copper cathode.

With progress on the PTF, the Company submitted permit applications for the commercial production facilities at Florence Copper. The APP amendment application was submitted to the ADEQ in June 2019 and the UIC permit application was submitted to the EPA in August 2019.

In November 2019, the Company listed its common shares on the LSE Main Market. The Company did not raise capital in conjunction with the LSE admission.

In December 2019, the Tŝilhqot'in Nation, as represented by Tŝilhqot'in National Government, and Taseko entered into a dialogue, with the Province of British Columbia, to try to obtain a long-term solution 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 Teẓtan Biny (Fish Lake).

2020

During 2020, Gibraltar produced 123 million pounds of copper and 2.3 million pounds of molybdenum and realized an average copper price of US$2.84 per pound. The Company adopted a revised mining plan in April 2020 in response to COVID-19 which resulted in reduced site costs over the second and third quarter while maintaining copper production.

In January 2020, the Company announced the results of an updated technical study on Yellowhead which resulted in a 22% increase in recoverable copper reserves and significantly improved project economics.

In May 2020, Taseko published its first Environmental, Social, and Governance report, which included an examination of the Company's sustainable performance for 2017, 2018 and 2019.

By mid-2020, Taseko had successfully operated the Florence PTF for 18 months, demonstrating that the ISCR process can produce high quality cathode while operating within permit conditions. In June of 2020, the Company ceased injection of solution and by November, the last cathode was produced from the SX/EW resulting in 1.1 million pounds in copper production from the PTF wellfield. The Company entered into the final rinsing phase of the PTF operation.

In November 2020, Taseko closed an offering of 34,322,138 common shares of the Company for net proceeds of $34.3 million. The proceeds of the offering are available to fund ongoing operating, engineering and project costs in connection with the advancement of Florence Copper and for general corporate purposes and working capital.

In December 2020, the Company received the APP from the ADEQ. The APP was issued following a public comment period and public hearing in August 2020 where the project received strong support from local community members, business owners and elected officials.

In December 2020, the Tŝilhqot'in Nation and Taseko agreed to extend the standstill for an additional one year period as progress was made in establishing a constructive dialogue despite COVID-19 impacting the commencement of the dialogue for several months.

2021

During 2021, Gibraltar produced 112 million pounds of copper and 2 million pounds of molybdenum and realized an average copper price of US$4.31 per pound. With mining in the Granite pit completed in 2020, the majority of ore was mined from the Pollyanna pit in 2021 along with waste stripping transitioning to the Gibraltar pit which will provide the majority of ore production in 2022.

In February 2021, the Company completed an offering of US$400 million aggregate principal amount of 7.0% Senior Secured Notes due February 15, 2026. A majority of the proceeds were used to redeem the outstanding US$250 million 8.75% Senior Secured Notes due on June 15, 2022. The remaining proceeds, net of transaction costs, call premium and accrued interest, of approximately $167 million (US$131 million) are available for capital expenditures, including at Florence Copper and the Gibraltar mine, working capital and for general corporate purposes.

In April 2021, Taseko published its second Environmental, Social, and Governance report, which highlighted its sustainability performance for 2020.

In September 2021, Taseko's Harmony gold project ("Harmony"), an exploration stage gold property, was sold to JDS Gold Inc. ("JDS"). Taseko will retain a 15% carried interest in JDS and a 2% net smelter return royalty on Harmony. Taseko also has the right to terminate the agreement and revert to 100% ownership of Harmony in the event JDS does not achieve certain project development milestones and an Initial Public Offering or other liquidity event within an agreed timeframe.

In October 2021, the Company signed a US$50 million revolving credit facility which was arranged and fully underwritten by National Bank of Canada and is available for working capital and general corporate purposes.

In November 2021, the EPA provided the Company with an initial draft of the UIC permit for Florence Copper. Taseko's project technical team completed a review of the permit wording with no significant issues noted.

The Company ratified a new, long term labour agreement with its unionized workforce at the Gibraltar mine in November which will be in place until May 31, 2024.

In December, 2021, Taseko extended its standstill with the Tŝilhqot'in Nation 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.

Competitive Conditions

Copper prices are currently around US$4.70 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 for the remainder of 2022. 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 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 alternative energy sources 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.

The average molybdenum price was US$15.94 per pound during 2021, compared to US$8.68 per pound in 2020. During 2021, molybdenum prices reached decade high levels at over US$20.00 per pound and are currently around US$19.33 per pound with a strong outlook for 2022, driven by steel demand from the global recovery and oil and gas recovering and seeing decade high prices 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 average Canadian dollar strengthened against the US dollar during 2021 compared to the average rate in the prior year.

Environmental Protection Requirements

Taseko's mining, exploration and development activities in Canada are subject to various levels of Canadian Federal and British Columbia Provincial laws and regulations relating to the protection of the environment. Similarly, Florence Copper is subject to various levels of US Federal and Arizona State laws and regulations relating to protection of the environment. All of the jurisdictions include requirements for closure and reclamation of mining properties as part of their regulatory framework.

Employees

The Company had the following employees and contractors as at December 31, 2021:

Location	Full-time Salaried	Hourly	Contractors
Vancouver, BC, Canada	22	-	-
McLeese Lake, BC, Canada	163	505	17
Florence, Arizona, USA	22	12	1
Total	**207**	**517**	**18**

Environment, Social and Governance

Taseko places a high priority on the continuous improvement of performance in the areas of employee health and safety at the workplace and protection of the environment.

In April 2021, Taseko published its second Environmental, Social, and Governance ("ESG") report, which includes an examination of the Company's sustainability performance for 2020. The report is available on the Company's website at www.tasekomines.com/esg.

In this report, Taseko has reported Scope 1 and 2 greenhouse gas emissions for the Gibraltar mine which show that the mine ranks in the first quartile of all copper mines globally. When commercial operations at Florence Copper commences, the Company's combined greenhouse gas emissions intensity will drop even lower, to an estimated 1.53 tonnes of CO_2 per tonne of copper equivalent, based on an independent analysis by Skarn Associates.

Taseko's 2021 ESG report will be published in the second quarter of 2022.

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

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

The same priority on health, safety, and environmental performance, as well as the methods and culture at Gibraltar are being implemented at Florence Copper as it prepares for construction.

MINERAL PROPERTIES

Our material properties are the Gibraltar Mine and Florence Copper. Information regarding the Gibraltar Mine, Florence Copper and Yellowhead Copper Project is based on current technical reports available on SEDAR, as updated by the Company's Vice President Engineering, Richard Weymark, P. Eng., MBA, (in respect of the Gibraltar Mine, Florence Copper, and Yellowhead Copper Project). Information regarding our other projects, New Prosperity and Aley, has been prepared by Richard Weymark.

Gibraltar Mine

Unless stated otherwise, information of a technical or scientific nature related to the Gibraltar Mine contained in this AIF (including documents incorporated by reference herein) is summarized or extracted from a technical report entitled "Technical Report on the Mineral Reserve Update at the Gibraltar Mine" dated March 30, 2022 (the "Gibraltar Technical Report"), prepared under the supervision of Richard Weymark, P. Eng., MBA, filed on Taseko's profile at www.sedar.com. Mr. Weymark is employed by the Company as Vice President Engineering and is a "Qualified Person" as defined by Canadian securities regulatory instrument NI 43-101.

Project Description, Location, and Access

The Gibraltar open pit mine and related facilities are located 65 kms north of the City of Williams Lake and are centered at latitude 52 ^{o} 30'N and longitude 122^{o} 16'W in the Cariboo Mining Division. Williams Lake is approximately 590 kms north of Vancouver, British Columbia.

Access to the Gibraltar Mine from Williams Lake is 45 kms via Highway 97 to McLeese Lake, and then 20 kilometres by paved road to the mine site.

The Gibraltar Mine property consists of 252 tenures held as summarized in Table 1 below.

Table 1: Mineral Tenures - Gibraltar Mine

Tenure Type	Number	Area (ha)
Leases	32	2,275
Claims	215	21,425
Optioned Claims	5	2,888
Total	**252**	**26,588**

There are 32 mining leases at the Gibraltar Mine which are valid until at least July 2023 as long as renewal fees, which are due on an annual basis, are paid. Rights to use the surface accompany each mining lease. There are 215 claims included in the Gibraltar property tenure package all of which are due to expire in August 2022 or later. It is intended that all leases and claims will be renewed prior to their renewal fees being due (in the case of the leases) and prior to their expiry (in the case of the claims).

There are several land parcels for which surface rights were purchased outright. There is one fee simple lot at the Gibraltar Mine on which the plant site is located and annual taxes are paid. In addition, the Gibraltar Mine holds three other land parcels.

In December 2020, Gibraltar Mines Ltd. entered into an option agreement granting Gibraltar the exclusive right and option to acquire a 100% title and interest in five additional mineral claims covering 2,888 hectares which are located northeast of the Gibraltar Mine. Collectively, these claims are known as the Copper King ("CKN") claims. In order to acquire a 100% interest in the five optioned mineral claims described above, Gibraltar Mines Ltd. is required to perform certain exploration activity on the claims and make cumulative payments of $270,000 by December 2023. Milestone payments of $200,000 are required upon completion of a NI 43-101 mineral resource and $500,000 in the event of a production decision on the relevant claims. Upon production from the claims, they are subject to a 2% NSR royalty which could be reduced to 0.5% NSR in exchange for a one-time payment of $3 million. None of the Gibraltar Mineral Resources and Reserves are contained within the optioned claims

In March 2017, Taseko entered into an agreement to sell its 75% share of payable silver production from the Gibraltar Mine to Osisko Gold Royalties Ltd. ("Osisko"). In April 2020, Taseko entered into an amendment to the Osisko Silver Sale Agreement and received $8.5 million in exchange for reducing the delivery price of silver from US$2.75 per ounce to nil. The Gibraltar property is not subject to any other royalties, back-in rights, payments or encumbrances. The agreement is further described under Purchase and Sale Agreement with Osisko.

There are no significant factors or risks that might affect access, title or ability to perform work on the property.

History

In 1964, Gibraltar acquired a group of claims in the McLeese Lake area from Malabar Mining Co. Ltd.

Canadian Exploration Limited ("Canex"), at that time a wholly-owned subsidiary of Placer Development ("Placer"), and Duval Corporation ("Duval") had also been exploring on claims known as the Pollyanna Group which they had acquired adjacent to Gibraltar's claims. In 1969 Canex and Duval optioned the Gibraltar property. In 1970 Canex acquired Duval's remaining interest to hold both properties.

Placer began construction of the mine in October 1970. The concentrator commenced production in March 1972 and was fully operational by April 1972. A cathode copper plant with an annual capacity of 10 million pounds of market-ready copper metal began operation in October 1986.

In October 1996, Westmin Resources Limited ("Westmin") acquired 100% control of Gibraltar and in December 1997, Boliden Westmin (Canada) Limited ("Boliden") acquired Westmin. In March 1998, Boliden announced that it would cease mining operations at the Gibraltar Mine at the end of 1998.

In July 1999, Taseko's subsidiary, Gibraltar Mines Ltd., purchased the Gibraltar Mine assets from Boliden and certain of its affiliates, including all mineral interests, mining and processing equipment and facilities, and assumed responsibility for reclamation obligations.

From 1999 to 2004, Taseko geologists and engineers sought to better define known resources and explored for additional mineralized material. The on-site staff completed on-going reclamation work and maintained the Gibraltar Mine for re-start. Operating and environmental permits were kept in good standing. The mine re-opened in October 2004.

Gibraltar has been owned and operated as an unincorporated joint venture between Taseko and Cariboo since March 31, 2010. The Company's wholly-owned subsidiary, Gibraltar Mines Ltd. and Cariboo hold 75% and 25% beneficial interests in the Joint Venture, respectively.

Gibraltar increased design mill capacity to 55,000 tons per day in 2011. Gibraltar further increased design mill capacity to 85,000 tons per day in 2013 through installation of a complete independent second concentrator and a stand-alone molybdenum separation plant.

Total production since 1972 is 705 million tons of ore producing 3,575 million pounds of copper in concentrate, 102 million pounds of cathode copper and 44 million pounds of molybdenum.

Geological Setting, Mineralization, and Deposit Types

The Gibraltar open pit mine is a calc-alkalic porphyry copper-molybdenum deposit entirely hosted by the Late Triassic Granite Mountain batholith, a component of the Quesnel volcanic arc terrane. The Granite Mountain batholith is a composite body consisting of three major phases; Border Phase diorite, Mine Phase tonalite, and Granite Mountain trondhjemite. Mineralization occurs predominantly in the Mine Phase tonalite. Contacts between the major phases are gradational over widths ranging from two metres to several hundred metres.

There are currently five defined mineralized zones on the Gibraltar Mine property. They are the Granite, Pollyanna, Connector, Gibraltar, and Extension zones. They occur in a broad zone of shearing and alteration.

Two major ore structure orientations have been recognized; the Sunset and Granite Creek systems. Ore host structures of the Sunset system are mainly shear zones, with minor development of stockworks and associated foliation lamellae whereas oriented stockworks with associated pervasive foliation lamellae predominate in the Granite Creek system.

Copper ore at Gibraltar typically occurs in potassic and ankeritic hydrothermal mineral assemblages, as predominantly disseminated and vein-hosted chalcopyrite mineralization. Pyrite and chalcopyrite are the principal primary sulphide minerals. Small concentrations of other sulphides are present in the Gibraltar ores with molybdenite being a minor but economically important associate of chalcopyrite in the Pollyanna, Granite, and Connector deposits.

Exploration

A property-scale Induced Polarization ("IP") geophysical survey was designed and initiated in August 2000. Field activities included 237 kms of line cutting and some 220 kms of IP survey. Several deposit scale anomalies external to current reserves were identified and drill tested in 2003.

In 2011, Gibraltar Mines Ltd. had an airborne Z-Axis Tipper electromagnetic and magnetic ("ZTEM") survey flown over its then existing claims surrounding the Gibraltar mine. A total of some 690 line kms of ZTEM data was collected.

In 2015, a ground magnetometer survey was performed over 36.6 line kms on four mineral claims.

In 2017, two geophysical surveys were conducted over the Gibraltar NW area by Walcott & Associates. The first consisted of an airborne magnetics survey flown over the property. The survey covered a total of 346 line-km flown along northeast orientated lines at 100 m spacings. The second survey consisted of a ground IP survey that covered a total of 41.5 line-km along 11 northeasterly orientated lines with spacing between 200 and 400 metres. The collected data was used to target a diamond drill program which consisted of two exploration diamond drill holes totaling 3,941 feet (1,201.4 m) in the area northwest of the current Extension Resource.

In 2021, a program targeting the porphyry core with deep-penetrating geophysical surveys was conducted using 23.7 line-km of IP and 27.1 km of magnetotelluric surveys on four lines. The survey was extended with 19.7 line-km on four lines of follow-up IP to better define anomalies in the Copper King North area for the purpose of drill targeting. This program was augmented by the collection of 1,201 soil samples on a 400 m by 50 m grid.

Drilling

Extensive drilling has taken place on the Gibraltar Mine property in 49 of the last 57 years totaling 1.5 million feet in 2,526 holes. The sampling and assaying component of this drilling provide critical support for the mineral resource and reserve estimates. In addition, drilling provides significant geological, geotechnical, hydrological and metallurgical information for planning and is important for mine production and water management. Overall drill core recovery at Gibraltar is typically very good and averages 96%.

Taseko geologists and engineers have sought to better define known resources and explore for additional mineralized material. Since 1999, 929 core holes totalling 0.8 million feet have been drilled. The main goals of the drilling programs were (1) to collect high-quality geological, geotechnical and assay data, (2) to improve the geological understanding of the ore body, and (3) to increase the drill density within and confidence level of the resource model.

From mid-1999 to mine restart in 2004, 223 holes and 118,874 feet of drilling were added to the mine database. A core drilling program for pit definition for the Granite and Connector deposits and property exploration at the 98 Oxide Zone was carried out between September and November 2005. A further drilling program carried out in 2006 was designed to define the mineral resources between the existing pits by tying together the extensive mineralization zones, and to test for additional mineralization at depth.

The 2007 program tested a number of targets to define further mineralization, provided definition drilling in the Pollyanna-Granite saddle zone and Granite West areas and included condemnation drilling for the proposed extensions of both the #5 and #6 Dump footprints. The targets for further mineralization were south Gibraltar, north Pollyanna IP anomaly and the Gunn Zone.

The 2008 exploration program was conducted on the southern and eastern margins of the Gibraltar pit and northwest of the Gibraltar West pit. The objective was to upgrade identified inferred resources to indicated or measured categories through "in-fill" drilling. Holes drilled in the Gibraltar West pit area were incorporated into the 2008 reserve estimate for the new Gibraltar Extension Pit.

The 2010 program was conducted on the northern and western margins of the Gibraltar Pit, and one hole on the southwest margin. The objective was to define the ultimate limit of the Gibraltar Pit to the north and west and the 2010 drilling program successfully met this objective. A total of 28,129 feet was drilled in 34 drill holes in 2010.

The 2011 program was aimed at identifying mineralization down-dip of the Gibraltar and Granite deposits. A total of 12,229 feet were drilled in 5 holes. A deep zone of anomalous copper and molybdenum mineralization was encountered in drill-hole 2011-003. It extends from approximately 2,600 to 3,700 feet and consists of intermittent intercepts grading up to 1.3% total copper ("TCu") and 0.4% molybdenum.

In 2013, two drill programs completed, one in the summer and the other in the fall. Both programs targeted the projected mineralization south of the current Granite Pit. A total of 38,093 feet in 33 holes were drilled between the two programs.

In early spring of 2014, a resource drill program commenced targeting the Connector pit and the area between Gibraltar East and Granite Pit. A geotechnical drill program was undertaken at the same time. Between the two programs a total of 38 holes were drilled with a cumulative length of 37,456 feet.

In late 2015, one exploration drill hole was drilled to expand the current known mineralization northwest of the Extension deposit. A significant interval of copper was encountered at above reserve grade in this 2,507 foot long hole. This work indicated that mineralization to the west, northwest and at depth in this area is open and that more drilling is needed to confirm if the Extension pit can be expanded to include this material.

In 2016, two drill programs were completed. The first program targeted the conversion of resource material from inferred to measured/indicated at the Granite and Pollyanna deposits. This reserve definition program totaled 35 holes with a cumulative length of 29,342 feet. The second program was an exploration program that targeted the extension of the mineralization discovered in the 2015 exploration hole. Drilling totaled 14,432 feet in 7 holes. The preliminary exploration results were positive with the best results received from the northwestern most hole.

In 2017, two drill programs were completed. The first program targeted the conversion of resource material from inferred to measured/indicated at the Granite, Pollyanna and Connector deposits. This reserve definition program totaled 38 holes with a cumulative length of 38,821 feet. The second program was an exploration program that targeted Extension area mineralization discovered in the 2015/2016 exploration drilling with 4 holes with a cumulative length of 7,996 feet. This program had 2 phases: two holes (4,055 feet) drilled between January 4, 2017 and February 14, 2017 and two holes (3,941 feet) drilled between September 15, 2017 and October 3, 2017. The exploration results of the 2016 and 2017 drilling expanded the known mineralization to the west, northwest and at depth. Mineralization in these areas is open in these directions, and further drilling is required to prove up its extents.

In 2019, a single 1,327 foot drill hole targeting a deeper zone below the Granite pit was completed with the purpose of upgrading and expanding inferred resources to measured/indicated below the Granite pit. The results received confirmed the presence of mineralization that remains open at depth to the southwest.

In 2020, 12 core holes were drilled, including five monitoring wells, in and around the perimeter of the active Gibraltar and Pollyanna mining areas, for a total of 12,234 feet.

Sixteen core holes were drilled in 2021, including ten holes totaling 10,280 feet in and around the perimeter of active mining areas. Six exploration drill holes were also completed in the 2021 program; three holes in the CKN area on geophysical and geochemical anomalies, two holes in the Gunn area, and one hole in the 98 Oxide area, for a total of 7,998 feet. Results of these holes are discussed in the Gibraltar Technical Report.

Sampling, Analysis, and Data Verification

Almost 140,000 samples have been taken for total copper analysis from drilling at Gibraltar since 1965. About 95% of these samples were also assayed for molybdenum, 51% for acid soluble copper, 51% for acid soluble iron, 47% for multi-element inductively coupled plasma ("ICP") and 38% for gold. Essentially all rock drilled and recovered is sampled in 10 ft intervals. Unconsolidated overburden material, where it exists, is generally not recovered by core drilling and therefore not usually sampled.

From discovery in 1965 through mine start-up in 1971, and since mine re-start in 2004, 93% of the assays on exploration drill samples have been performed by reputable, independent third party analytical laboratories. Mine laboratory personnel performed all exploration drill core sample analyses from 1979 to 1998 and in 2003, and on all rotary air blast percussion holes drilled between 2009 and 2021.

Well-documented sample preparation, security and analytical procedures used on the Gibraltar drill programs since 1999 have been carried out in an appropriate manner consistent with common industry practice. The results are supported by many years of mine production. A significant amount of due diligence and analytical quality assurance and quality control ("QA/QC") for copper and molybdenum has been completed on the samples that were used in the current mineral resource/reserve estimate. No significant factors of drilling, sampling, or recovery that impact the accuracy and reliability of the analytical results were observed. The quality of the work performed on the digital database provides confidence that it is of good quality and acceptable for use in geological and resource modeling of the Gibraltar deposits.

The survey accuracy of the Gibraltar drill holes is acceptable, and they have been used to guide mining activities for many years. Details of sample preparation, assay laboratories, security, and data verification used in the Gibraltar drill hole sampling and analytical programs is documented in the Gibraltar Technical Report. Sample preparation, security and data verification protocols since the Gibraltar Technical Report continue to apply these same procedures and standards.

Mineral Processing and Metallurgical Testing

Sulphide ore from the Gibraltar deposits has been processed on-site since 1972 and run of mine oxide ore has been leached since 1986. The current mineral reserves are contained within zones which have been significantly mined, with the exception of the Extension Zone. Metallurgical testing associated with the Extension Zone returned results consistent with the rest of the mineralized zones.

The basis for predictions of copper concentrate flotation recovery is plant performance data from both of the existing concentrators based on sulphide and oxide content. Copper recovery is expected to average 85% over the remaining operating period of the reserves.

Predictions of recoverable pounds of molybdenum from the reserve have been informed by historic test work and plant production data. The overall molybdenum recovery is predicted to be 50% for the remaining reserves.

The basis of the predictions of copper cathode produced from heap leaching and subsequent solvent extraction is based on an economic assessment of recoverable copper using a kinetic leach curve developed from historic production data in conjunction with the copper oxide ore release schedule from the mine plan. It is predicted that approximately 50% of placed oxide copper mass in the reserve is economically recoverable to cathode.

Mineral Resource and Mineral Reserve Estimates

The Gibraltar Mine mineral resources and reserves are effective December 31, 2021, as documented in the Gibraltar Technical Report.

The reserve estimate uses long-term metal prices of US$3.05/lb for copper and US$12.00/lb for molybdenum and a foreign exchange rate of C$1.00=US$0.80.

The proven and probable sulphide reserves as of December 31, 2021, are summarized in Table 2 below.

Table 2: Gibraltar Mine Sulphide Mineral Reserves as of December 31, 2021 at 0.15% Copper Cut-off

Pit	**Category**	**Tons (millions)**	**Cu (%)**	**Mo (%)**
Pollyanna	Proven	93	0.24	0.008
	Probable	27	0.21	0.007
	Subtotal	120	0.23	0.008
Connector	Proven	159	0.25	0.010
	Probable	7	0.22	0.007
	Subtotal	167	0.25	0.010
Gibraltar	Proven	173	0.24	0.008
	Probable	149	0.23	0.008
	Subtotal	322	0.24	0.008
Extension	Proven	84	0.31	0.002
	Probable	8	0.25	0.002
	Subtotal	92	0.31	0.002
Ore Stockpiles		6	0.18	0.007
Total		**706**	**0.25**	**0.008**

(1) Mineral Reserves follow CIM Definition Standards for Mineral Resources and Mineral Reserves (2014).
(2) Sulphide Mineral Reserves are exclusive of Oxide Mineral Reserves and are contained within Mineral Resources.
(3) Mineral Reserves are assumed to be extracted using open pit mining methods and are based on US$3.05/lb Cu price, $12.00/lb Mo price, exchange rate of US$0.80=C$1.00, metallurgical recoveries of 85% TCu and 40% Mo for sulphide ore and 50% ASCu for oxide ore.
(4) A tonnage factor of 12ft ^{3}/ton has been applied for rock and 15ft ^{3}/ton for overburden and fill.
(5) Numbers may not add due to rounding.

There are also oxide reserves as summarized in Table 3 below. These oxide reserves as of December 31, 2021 are in addition to the sulphide reserves stated in Table 2.

Table 3: Gibraltar Mine - Oxide Mineral Reserves as of December 31, 2021 at 0.10% ASCu Cut-off

Pit	Category	Tons (millions)	ASCu (%)
Connector	Proven	1	0.16
	Probable	14	0.15
	Subtotal	15	0.15
Gibraltar	Proven	0	0.14
	Probable	2	0.17
	Subtotal	2	0.17
Ore Stockpiles		0	0.15
Total		**17**	**0.15**

(1) Mineral Reserves follow CIM Definition Standards for Mineral Resources and Mineral Reserves (2014).
(2) Oxide Mineral Reserves are exclusive of Sulphide Mineral Reserves and are contained within Mineral Resources.
(3) Mineral Reserves are assumed to be extracted using open pit mining methods and are based on US$3.05/lb Cu price, $12.00/lb Mo price, exchange rate of US$0.80=C$1.00, metallurgical recoveries of 85% TCu and 40% Mo for sulphide ore and 50% ASCu for oxide ore.
(4) A tonnage factor of 12ft ^{3}/ton has been applied for rock and 15ft ^{3}/ton for overburden and fill.
(5) Numbers may not add due to rounding.

The resource estimate uses long-term metal prices of US$3.50/lb for copper and US$14.00/lb for molybdenum and a foreign exchange rate of C$1.00=US$0.80.

The mineral reserves stated in Table 2 and Table 3 above are mutually exclusive and are contained within the mineral resources as of December 31, 2021 as summarized in Table 4 below:

Table 4: Gibraltar Mine Mineral Resources as of December 31, 2021 at 0.15% Copper Cut-off

Category	Tons (millions)	Cu (%)	Mo (%)
Measured	845	0.25	0.007
Indicated	370	0.23	0.007
Total (M&I)	**1,215**	**0.24**	**0.007**
Inferred	**78**	**0.22**	**0.004**

(1) Mineral Resources follow CIM Definition Standards for Mineral Resources and Mineral Reserves (2014).

(2) Mineral Resources are reported inclusive of Mineral Reserves.
(3) Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
(4) The Mineral Resource has been confined by a "reasonable prospects of eventual economic extraction" pit using the following assumptions: Cu price of US$3.50/lb, Mo price of US$14.00/lb, Exchange rate of US$0.80=C$1.00, metallurgical recoveries of 85% for Cu and 40% for Mo.
(5) A tonnage factor of 12ft ^{3}/ton has been applied for rock and 15ft ^{3}/ton for overburden and fill.
(6) Numbers may not add due to rounding.

The mineral resource and reserve estimations were completed by Taseko and Gibraltar Mine staff and contributing consultants under the supervision of Richard Weymark, P.Eng., MBA, Vice President Engineering, a Qualified Person under NI 43-101 and the author of the Gibraltar Technical Report. Mr. Weymark has verified the methods used to determine grade and tonnage in the geological model, reviewed the long-range mine plan, and directed the updated economic evaluation.

Mining Operations

The Gibraltar Mine is a typical open pit operation that utilizes drilling, blasting, cable shovel loading and large-scale truck hauling to excavate rock. The Gibraltar Mine is planned for excavation of sulphide mineralized material of sufficient grade that it can be economically mined, crushed, ground and processed to a saleable product by froth flotation.

Rock containing oxide mineralization can be leached with a highly diluted sulphuric acid, which is naturally assisted by bacterial action, and the resultant copper sulphate solution can be processed to cathode copper in the Gibraltar Mine's SX/EW plant.

The strip ratio over the remaining 23 year operating period of the reserve will average 2.4:1. Strip ratio refers to the ratio of the amount of waste material required to be mined in order to extract a unit of ore. The strip ratio will vary and be managed over the course of the mine life based on exchange rates, commodity prices, and grade distribution during annual and mid-range mine planning process to optimize the economic performance of the operation.

Processing and Recovery Operations

The processing facilities at the Gibraltar Mine consist of two separate bulk sulphide concentrators, a dedicated molybdenum flotation plant, and a series of leach piles which feed a SX/EW facility.

Run of mine ore is fed to the two sulphide concentrators in parallel at a combined design rate of approximately 85,000 tons per day. These two bulk concentrators, while differing in size, follow the same process path. Ore is fed to primary crushing with the product reporting to a closed circuit SAG/Ball comminution stage. Ground ore is processed through a rougher flotation stage. Tailings from the rougher flotation stage are pumped to a storage facility, while the concentrate is reground and processed through two further cleaner flotation stages. Final bulk concentrate contains both copper and molybdenum values.

The bulk concentrate from both facilities is combined and processed through a single molybdenum flotation plant. The bulk concentrate is floated in a rougher stage which depresses the copper values and selectively recovers molybdenum. The underflow from this plant is the site's final copper concentrate. This copper concentrate is dewatered and shipped in bulk to market. The rougher concentrate is reground and processed through two further cleaner flotation stages. Molybdenum final concentrate from this plant is dewatered and bagged, and subsequently shipped to market. The molybdenum flotation plant was restarted in September 2016 after being idled in July 2015 during a decline in molybdenum prices.

Oxide ore from the mine is delivered to oxide leach dumps. The SX/EW plant is designed to extract copper from the pregnant leach solutions ("PLS") collected from the site's leach dumps. Acidic solution is passed through the leach pile and extracts copper in the form of copper ions in this PLS. This copper laden solution is delivered to the SX/EW plant via collection ditches, ponds and pumps where required. The process takes PLS and selectively extracts the copper ions in solvent extraction mixer-settlers. The copper is transferred from this acid solution to an organic phase and finally to a clean electrolyte. The electrolyte is filtered and heated before being passed through the electrowinning cells where the copper is plated out on stainless steel cathodes. The resultant high quality cathode copper is bundled and sold. The barren solution leaving the plant, raffinate, is pumped back to leach additional copper from the leach piles. The SX/EW facility has been placed in care and maintenance since 2015 due to depleted leach dumps and limited fresh oxide ore feed from the mining activity. The plant will be restarted in 2024 when sufficient oxide ore is mined to justify its operation.

Gibraltar's copper concentrate has a nominal 28.5% copper grade and includes silver as a by-product with no significant deleterious elements. Gibraltar's molybdenum concentrate has a nominal grade of 48% molybdenum and 3.0% copper. Gibraltar copper cathode is nominally 99.9%+ pure copper.

Infrastructure, Permitting and Compliance Activities

The Canadian National Railway ("CN") has rail service to facilitate the shipping of copper concentrates to Vancouver Wharves, owned and operated by PKM Canada Marine Terminal LP (or "Pembina") in North Vancouver, British Columbia. The Company operates the concentrate rail load-out facility on the CN rail line at Macalister, 26 kms from the mine site. Gibraltar owns the buildings and a portion of the land upon which the siding is located and has an agreement in place for the use of CN-owned siding materials.

Electricity is obtained from BC Hydro. Natural gas is provided by Fortis BC. The communities of Williams Lake and Quesnel are sufficiently close to the site to supply goods, services, and personnel to the Gibraltar Mine. Fresh water for the mine site is obtained from a set of wells on the Gibraltar Mine property. Process facilities operate using reclaimed water from the existing tailings storage facility.

Crusher 1, the in-pit primary crusher feeding Concentrator 1, will be relocated in 2023 to allow subsequent mining of the Connector Pit. Engineering and design work for the crusher move are currently underway. Construction of the new crusher station and supporting mechanical and electrical systems will occur in 2022 and 2023 with the relocation of the crusher itself scheduled to occur in mid-2023.

Tailings will continue to be deposited in the Tailings Storage Facility ("TSF") located approximately 3.5 kms north of the plant site through 2038. Starting in 2039 tailings will be deposited in the mined-out Gibraltar and Extension pits.

Water stored in the TSF and Gibraltar Pit is currently being pumped to the mined-out Granite Pit while work progresses on nitrate treatment which will allow discharge to the Fraser River to recommence. In addition, a water treatment plant is being permitted and expected to be built and operational by mid-2023 that will allow more excess water to be discharged offsite.

Gibraltar Mine operates under Mines Act Permit M-40 issued by the Ministry of Energy, Mines and Low Carbon Innovation ("EMLI"). Environmental protection programs at the mine are regulated through effluent permit PE-416 and air permit PA-1595, both of which are administered under the BC Environmental Management Act.

Amendments to the above permits will be required for proposed pit, waste rock storage facility and TSF expansions as well as in-pit tailings deposition. Approvals will also be required for route changes to the site access road and a utility corridor containing several individual utility lines.

Capital and Operating Costs

As the majority of the mine's facilities are in place and operating, the only capital requirements are for:

- Purchasing additional mining equipment in 2036 and 2037;
- Restarting the SX/EW plant in 2024;
- Relocating the in-pit primary crusher and mine area electrical substation outside of the planned Connector Pit in 2022 and 2023;
- Relocating a portion of the mine access road and utility services that run through the planned Gibraltar and Extension Pits in 2031 and 2032;
- Ongoing TSF construction activities through 2038 and establishment of in-pit tailings deposition in 2039;
- Water management costs upgrades including construction of a water treatment plant by mid-2023 and expansion of the surface water management infrastructure in 2022, 2027 and 2032; and
- General sustaining capital to maintain the integrity of the mining and processing equipment.

The total anticipated site capital requirements over the next 23 years are summarized in Table 5.

Table 5: Capital Cost Summary

Area	Total Capital (in millions)
Major Mining Equipment	41
Process Improvements	5
Crusher & Substation Relocation	43
Road & Utility Realignment	24
Tailings	135
Water Management & Treatment	35
General Sustaining	635
Total	**917**

(1) Totals may not add due to rounding.

Average estimated unit site operating costs over the next 23 years are summarized in Table 6:

Table 6: Site Operating Cost Summary

Operating Category	Life of Mine Cost
Mine cost/ton milled	$5.91
Processing cost/ton milled	$4.55
General and Admin cost/ton milled	$1.00
Total Operating cost/ton milled	**$11.47**

(1) Totals may not add due to rounding.

The basis for capital and operating cost estimates is documented in the Gibraltar Technical Report.

Exploration, Development, and Production

Gibraltar has a number of continuous improvement initiatives underway with focus areas that include improving productivity of the mining and processing equipment, improving the efficiency of the various unit operations and reducing operating costs. Initiatives that demonstrate value will ultimately result in reduced unit cost per pound of copper relative to current assumptions.

Florence Copper

Unless stated otherwise, the information of a technical or scientific nature related to the Florence Copper Project contained in this AIF is summarized or extracted from the technical report entitled "NI 43-101 Technical Report, Florence Copper Project, Florence, Pinal County, Arizona" dated February 28, 2017, amended and restated December 4, 2017 (the "Florence Copper Technical Report") filed on Taseko's profile at www.sedar.com and updated with production and development results since that time.

Competent Persons Report

As a requirement of the LSE listing process in November 2019, the Company engaged an independent report writer to prepare an independent Competent Persons Report ("CPR") for the Florence Copper Project. The Florence Copper Project CPR is included with the Company's United Kingdom prospectus, a copy of which was filed on SEDAR on November 18, 2019. The report conforms to the requirements for a CPR as established by the European Securities and Markets Authority ("ESMA") Recommendations on consistent implementation of Commission Regulation ("EC") No 809/2004, implementing the Prospectus Directive (the ESMA Recommendations, as revised in March 2013), and was not prepared in accordance with National Instrument 43-101F1. The Florence Copper Project CPR was based on observations and data collection from on site visits to the Florence Copper Project, data provided by Taseko, including interviews with key personnel involved in the operation and management of the assets. The Florence Copper Project CPR contained a number of estimates which are different than the estimates in the 2017 Florence Technical Report dated February 28, 2017, amended and restated December 4, 2017. The authors of the Florence Copper Project CPR applied more conservative cut-off grades and recovery rates, operating and capital cost escalation from a fourth quarter 2017 basis to a June 2019 basis partly based on indexes and partly on expected results of development, and adjusted some measured resources to indicated. No new scientific or technical information was used in preparing those estimates. The updates to the resource estimate and project economics contained in the CPR are not considered by the Company to constitute a material change either in its assessment of the Florence Copper Project or in relation to the Company as a whole. Accordingly, the Florence Copper Technical Report remains current and continues to be relied upon by the Company.

Project Description, Location and Access

The Florence Copper Project is an advanced-stage oxide copper project controlled by Taseko. The project hosts a buried porphyry copper deposit that is amenable to ISCR and SX/EW copper production.

Florence Copper is located in the Sonoran Desert of Pinal County in south-central Arizona at latitude 33 02' 49" North and longitude 111 25' 48" West within the limits of the Town of Florence. The Florence Copper site entrance is 14 miles by paved highway from Interstate 10 and can be accessed from the center of the Town of Florence via 4 miles of highway (AZ-79 and Hunt Highway). The Copper Basin Railway, a federally regulated shortline railroad, is located 100 feet north of Hunt Highway adjacent to the project site and provides rail access between the Town of Winkelman and the Union Pacific Railroad at the Magma loading station near Interstate 10.

The Florence Copper property is 1,342 acres and consists of two contiguous parcels of land, including 160 acres of leased State Trust Land. Florence Copper owns surface and subsurface rights to 1,182 acres of patented land held in fee simple that includes the majority of the project area. The patented land is subject to annual property taxes and falls within the jurisdiction of the Town of Florence for zoning and land use. Florence Copper also holds Arizona State Mineral Lease 11-26500 that includes approximately 160 acres of surface and subsurface mineral rights on Arizona State Trust Lands, which is not subject to the jurisdiction of the Town of Florence for land use. The Arizona State Mineral Lease term is from December 2013 through to December 2033 and is renewable with Florence Copper having the preferred right to renew thereafter. The mineral lease requires annual rent to be paid to the State of Arizona and includes a royalty requirement on production from the mineral lease land. The Arizona State Mineral Lease is in good standing and the State Trust Lands overlie approximately 42 percent of the targeted copper resource.

There are three separate royalties applicable to Florence Copper. The land subject to Arizona State Mineral Lease 11-26500 is subject to a royalty payable to the State of Arizona based on a percentage (between 2% and 8% according to a "Copper Index Price") of the gross value of minerals produced. A 3% "Net Returns" royalty on the entire property is payable to Conoco Inc. and a 2.5% "Net Profits Interest" royalty applicable to the patented land is payable to BHP Billiton.

Although there are some limited environmental liabilities on the project site relating to historical mining and exploration activities conducted by previous owners, as well as Florence Copper's PTF operations, these are managed by the Company and do not pose a risk to access, title or the ability to perform work on the project.

The patented land portion of the project was subject of a legal non-conforming use litigation which was decided in the Company's favour. Further legal details are included in the section of this AIF entitled "Legal and Permitting".

History

The project has had four previous owners whose primary business is exploration and mining development including Continental Oil Company ("Conoco"), Magma Copper Company ("Magma"), BHP Copper Inc. ("BHP") and Curis Resources Ltd. ("Curis"). BHP conveyed the land constituting the Florence Copper Project to Florence Copper Inc. on May 2000. In the years between 2002 and 2009 the ownership of the private property passed through a number of companies including Roadrunner Resorts LLC, WHM Merrill Ranch Investments LLC, The Peoples Bank, and Merrill Ranch Properties LLC. Ownership of Arizona State Mineral Lease 11-26500 remained with Florence Copper Inc. which was acquired by Felix-Hunt Highway LLC in 2008. Curis purchased the surface rights and all of the mineral rights to the 1,182 acre private land component of the Florence Copper Project in December 2009. In February 2010, Curis obtained assignment of Arizona State Mineral Lease 11-26500 completing the land holdings that form the Florence Copper site. Curis was acquired by Taseko in November 2014.

Conoco discovered the Florence Copper deposit in 1970 while executing an exploratory drilling program southwest of Poston Butte. From 1970 to 1977 Conoco completed approximately 620,000 feet of exploration drilling in 612 drill holes. In 1974, Conoco mined approximately fifty thousand tons of mineralized material from a single-level, underground mine designed to collect samples for metallurgical and geological testing. Metallurgical testing of the recovered material was performed using a small plant built on the property. The mine shafts are now capped at the ground surface and the mine is flooded.

Magma acquired the property from Conoco in July 1992 and initiated a pre-feasibility study to verify the Conoco work and to determine the most effective technology for extracting copper from the deposit. The results from copper resource modeling, metallurgical testing, material property testing, and financial analysis supported the conclusion that the preferred method for development of the property was ISCR and SX/EW to produce cathode copper. Magma also completed approximately 150,000 feet of exploration drilling in 172 drill holes over the period from 1994 to 1996.

In January 1996, Broken Hill Proprietary Company Limited of Australia acquired Magma and created BHP. In 1998, BHP conducted a 90-day field optimization ISCR test to demonstrate hydraulic control, gather copper recovery and other technical data for a feasibility study. The outcome of the study confirmed to regulatory agencies that production wells could be efficiently installed into the mineralized zone, hydraulic control of the injected and process solutions could be maintained and documented, and that the ISCR method was a viable method for copper extraction at Florence Copper. BHP also completed approximately 17,000 feet of exploration drilling in 21 drill holes in 1997.

After completing the acquisition of Florence Copper in February 2010, Curis conducted approximately 8,000 feet of drilling in 6 drill holes to verify previous results, provide metallurgical samples, and information for further project development. Curis performed detailed data verification and generated a new resource model for the project as well as undertaking a metallurgical program focused on simulating in-situ conditions by using whole core box leach tests.

Geological Setting, Mineralization and Deposit Types

The Florence Copper Project hosts a porphyry copper deposit consisting of a large core of sulfide copper mineralization underlying a zone of oxide copper mineralization. The deposit formed when numerous dike swarms of Laramide granodiorite porphyry intruded Precambrian quartz monzonite near Poston Butte. Hydrothermal solutions associated with the intrusion altered the host rock depositing copper and iron sulfide minerals in the strongly faulted and fractured rocks.

Mid-Tertiary Basin and Range extensional faults subsequently elevated and isolated much of the Florence Copper deposit as a horst block and this block as well as the downthrown fault blocks were exposed to weathering and erosion. The centre of the deposit was eventually eroded to a gently undulating surface and the deposit was buried due to regional erosion processes to a depth of approximately 400 feet. During this period of erosion and deposition, a clay layer was deposited approximately 75 feet above the bedrock surface that impedes the mixing of groundwater between the near surface aquifer and the deeper aquifer hosting the mineralized zone.

Mineralization in the highly-fractured oxide zone consists primarily of chrysocolla with lesser "copper wad," tenorite, cuprite, native copper, and trace azurite and brochantite. The majority of the copper occurs as chrysocolla in veins and fracture fillings, while the remainder occurs as copper-bearing clays in fracture fillings and former plagioclase sites. The average thickness of the oxidized zone is approximately 400 feet.

The main sulfide minerals in the deposit are chalcopyrite, pyrite and molybdenite with minor chalcocite and covellite. The supergene chalcocite blanket is very thin and irregular and in most instances the transition from the oxide zone to the sulfide zone is quite abrupt.

Exploration

Substantial exploration work has been undertaken on the Florence Copper site by previous owners including drilling (exploration, assessment, condemnation, geotechnical and environmental), underground mine development, geophysical surveys and mineralogy studies.

Over the period since Taseko acquired Florence Copper, the Company has not conducted any exploration work on the property, its activities concentrating on permitting, metallurgical testing, engineering, and the construction and operation of the PTF.

Drilling

Drilling on the Florence Copper site has been undertaken by means of core drilling, RC rotary drilling and conventional rotary drilling. Conoco developed a detailed geologic core logging protocol in the early to mid-1970s and subsequent geologists have continued to use this method, with slight modifications, to maintain continuity of the geologic data produced.

Since 2009, work on the property has been focused on the site's potential copper production through ISCR which has included the drilling of 6 holes to obtain samples for metallurgical testing and engineering studies to support planning for project development.

Drilling performed on the property is summarized in Table 7 below.

Table 7: Drilling by Company

Company	# of Drill Holes	Core Length (feet)
Curis Resources (2011)	6	7,752
BHP Copper (1997)	21	16,638
Magma Copper Company (1994-1996)	172	146,891
Conoco (1970-1977)	612	620,483
Other	6	3,716
Total	**817**	**795,480**

The construction and operation of the PTF required the drilling of 9 recovery wells, 4 injection wells, and 7 observation wells. These wells were drilled by the rotary reverse circulation method and cuttings were not assayed.

Sampling, Analysis and Data Verification

Sampling protocols were developed by previous owners to ensure consistency and mitigate bias. Sampling consisted of core samples and cuttings from drilling, as well as bulk samples obtained from the underground workings. Core samples as well as conventional rotary and reverse circulation drill cuttings were all assayed, although assays for conventional rotary cuttings are considered unreliable and have not been used in the project data set. Core samples provide the most representative, unbiased samples of the mineralized materials encountered in the boreholes.

Assays of drill samples were conducted by various laboratories under the supervision of Arizona-registered assayers and laboratory managers. The "San Manuel Method" was consistently used by Magma, BHP and outside laboratories contracted for the analysis of percent acid-soluble copper content in the Florence drill and metallurgical test samples.

Data verification has been performed by each company conducting exploration and development at the site and the information and data generated by all prior owners have been reviewed and verified to ensure that the data is of good quality and is suitable for use in mineral reserve estimates. Details of sample preparation, assay laboratories, security, and data verification used in the drill hole sampling and analytical programs is documented in the Florence Technical Report.

Mineral Processing and Metallurgical Testing

The Florence Copper property has a long history of metallurgical testing which establishes the amenability of the site oxide copper mineralization to leaching. Historic test work has included laboratory scale column testing and vat leaching as well as pilot scale vat and agitation leaching. These tests have been conducted on material sourced from drill core as well as a bulk sample from the test underground mining.

Recent metallurgical test work has focused on test methods specific to simulating ISCR performance. This program began in 2011 with box leach tests where whole drill core was leached at near atmospheric pressure to simulate leaching of undisturbed ore. In 2013 development of a pressurized test apparatus led to tests on whole drill core to simulate the hydrostatic pressure in the ore body during leaching and rinsing. This pressurized test apparatus has been refined to more accurately simulate ISCR conditions as the test work has proceeded and a test linking seven pressurized cells in series was completed in 2016. This series leach test passed solutions through approximately 15 feet of whole core with a solution transit time of about 13 days, representing approximately the mid-point of scale-up between a single pressurized test with a solution transit time of less than two days and the full scale well field with an estimated 30 days transit time. The development of the ISCR leach test methodologies culminating in the series leach test has allowed the laboratory to produce mature leach solutions with compositions that closely correspond to those predicted for the full-scale operation. All of the ISCR leach testing was conducted in closed circuit and used solvent extraction to recover the leached copper into a proxy electrolyte solution.

The leaching model for ISCR at Florence is based on data from the box leach tests, individual pressurized tests and the series testing. Laboratory data used for modelling is subjected to a validation process based on established industry practice in the copper leaching field. The leach model is then combined with a model of sweep efficiency, which adjusts for the amount of mineralized material that would be contacted by solutions over time in the ISCR well field, and a recovery factor to account for the proportion of copper leached which is plated as cathode copper. Recovery to cathode copper is predicted to be 70% over a four year leach cycle for Florence Copper.

Mineral Resource and Mineral Reserve Estimates

The Florence Copper mineral reserves and resources are based on the Florence Copper Technical Report and reflect depletion due to the operation of the PTF and rinsing to the end of 2021. The reserve and resource tonnages are unchanged, as leaching has not been completed in any portion of the deposit; however, copper grades and contained copper values have been updated to reflect PTF copper extraction to date.

The reserve estimate utilizes a copper price of US$2.50 per pound and the reserves as of December 31, 2021 are presented in Table 8 below.

Table 8: Reserve Estimate at 0.05% TCu Cut-off

	Tons (in millions)	**Grade**	**Contained Cu (in millions lbs)**
Probable	345	0.36	2,472
Note: Contained metal values do not account for metallurgical recoveries. The tonnage factor is 12.5 ft ^{3}/ton.			

The mineral resource estimate utilizes a copper price of US$2.50 per pound and the mineral resource estimate includes only oxide mineralization in bedrock as sulfide mineralization is considered not recoverable by ISCR methods and is consequently not included in either the mineral resource or reserve estimates.

The Florence Copper mineral resource as of December 31, 2021 is summarized in Table 9 and includes the mineral reserves included in Table 8 above.

Table 9: Florence Project Mineral Resources

All Oxide in Bedrock (0.05 %TCu cutoff)			
Class	**Tons (in millions)**	**Grade**	**Cu (in millions lbs)**
Measured	296	0.35	2,093
Indicated	134	0.28	745
M+I	**429**	**0.33**	**2,838**
Inferred	63	0.24	295
Note: All oxide includes the entire copper oxide zone and iron-oxide leached cap zone including the top 40-foot of bedrock (bedrock exclusion zone). Contained metal values do not account for metallurgical recoveries. The tonnage factor is 12.5 ft^3/ton.			

Mining Operations

The mining method proposed for Florence Copper is ISCR which is an extraction method used for selected mineral deposit conditions as an alternative to open pit or underground mine methods. The Florence Copper deposit is amenable to the ISCR method due to the high degree of natural fracturing in the oxide zone, connectivity of the fractures, acid soluble copper mineralization that occurs on the faces of the fractures, and host rocks as well as deposit hydrologic conditions which are favorable for leaching operations.

The ISCR process involves drilling wells into the mineralized material and circulating a dilute low pH lixiviant solution (consisting of 99% water) through the ore between injection and recovery wells. The lixiviant solution dissolves the copper minerals and the resulting copper rich solution is processed in a conventional SX/EW plant where the copper is removed from the solution and plated as cathode copper.

The ISCR method is highly environmentally efficient, does not require the large-scale movement of waste rock or ore and will have minimal impact on the site topography. Using ISCR will result in the project consuming less energy, less water and producing less carbon dioxide emissions and waste per pound of copper produced than a conventional mining operation. The project well field design includes a surrounding network of perimeter wells and monitoring wells to ensure that the process solutions remain in the mineralized zone and, when leaching in an area is completed, the process solutions will be rinsed from the block to restore the ground water quality.

Processing and Recovery Operations

Copper recovery at Florence Copper will utilize conventional SX//EW technology to produce cathode copper from the copper-bearing leach solutions pumped from the ISCR wellfield. The planned commercial SX/EW plant is designed for a flow of 11,000 gpm with a PLS grade of 2 grams per litre.

The planned processing plant and associated infrastructure will be located on Florence Copper private land to the east of the State Land parcel. The process fluids are piped to and from the process plant in lined trenches.

The process consists of the following elements:

- ISCR wellfield;
- Lined PLS and raffinate ponds;
- SX plant with four mixer settlers;
- Tank farm for handling process liquids;
- EW tankhouse;
- Ancillary warehouse and maintenance facilities;
- Water treatment plant and solution ponds; and
- Existing administration office complex.

Infrastructure, Permitting and Compliance Activities

The Florence Copper area has excellent local infrastructure and vendor resources to support exploration, development, and mining. Service companies for the metals/non-metals, coal, oil and gas industries are located in Phoenix and Tucson as well as, at a greater distance, in Albuquerque, New Mexico and Denver, Colorado. Skilled manpower resources are readily available locally due to the area's long history of copper exploration and mining.

The project site has an administration building, warehouse building, equipment laydown yard and core storage facility. The project site is serviced from existing water wells owned by the Company for its' potable water needs as well as for future process requirements. The site is also presently serviced with electrical power, trash pick-up, a septic system for sanitary wastes and full communication services including landline telephone, cellular telephone and internet services.

Power for commercial development of the project is available from an Arizona Public Service high-voltage transmission line at the northwest corner of the property. Natural gas is available in the area from Southwest Gas approximately one mile east of the site.

Development of the site is planned to occur in two phases. The first phase was the construction and operation of the PTF, which demonstrated the application of ISCR to the Florence Copper Project. The second phase is the construction and operation of the commercial ISCR facility. The various permits required to authorize the PTF have been issued by the regulators. The status of permitting activities is provided below.

The TAPP for the PTF was issued in August 2016 by the ADEQ and was subject to an administrative appeal and a complaint for judicial review. The Water Quality Appeals Board ("WQAB") conducted a hearing on the issues under appeal and dismissed the appeal, upholding the permit. Subsequently the Superior Court in Maricopa County heard the complaint for judicial review and affirmed the decision of the WQAB, upholding the permit. The Superior Court's decision was appealed to the Arizona Court of Appeals in January 2019. The Court upheld the lower court's ruling in May 2020.

In December 2016, the Company received the final UIC permit for the PTF from the EPA. The permit was subject to petitions for review to the Environmental Appeals Board ("EAB") and the EAB upheld the permit in September 2017. The EAB's ruling was the subject of an appeal to the Ninth Circuit of the U.S. Court of Appeals which was dismissed with prejudice by the appellants ending the appeals of the UIC permit.

Construction of the PTF was completed in 2018 and wellfield operations commenced in the fourth quarter of 2018. Operation of the PTF has continued since that time and the PTF is currently in the rinsing phase of testing.

Two permits are required to commence certain construction of the commercial-scale wellfield at Florence Copper. These are the APP from the ADEQ and the UIC permit from the EPA.

On December 8, 2020, the Company received the APP from the ADEQ. The APP was issued following a public comment period and public hearing in August 2020 where the project received strong support from local community members, business owners and elected officials. One appeal was filed during the 30-day public comment period. This appeal was subsequently withdrawn with prejudice.

The UIC permit application for the Phase 2 commercial facility was submitted to the EPA in August 2019. The UIC permit is the final permitting step required prior to construction of the commercial ISCR facility. In November 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. A 45-day public comment period will commence after the EPA publicly issues the draft UIC permit..

Additional details are available in the "Legal and Permitting" section.

Capital and Operating Costs

The estimated pre-production capital cost for the Florence Copper commercial production facility is US$204 million in Q4 2016 dollar terms. A summary of the major components of the capital cost estimate is presented in Table 10.

Table 10: Summary of Pre-Production Capital Cost Estimate

Item	Capital Cost (millions $US)
Pre-Production ISCR Wellfield	$42
SX/EW Plant	$49
Utilities, Infrastructure and Ancillaries	$14
Indirect Costs	$61
Owner's Costs	$21
Total Construction Capital Costs	**$188**
Pre-Production Operating Costs	$16
Total Pre-Production and Capital Costs	**$204**

Sustaining capital expenditures during the production period were estimated to be US$713 million. This capital will be expended over a 22-year period and consists of US$624 million for well field development and US$89 million for a water treatment plant and construction of process water ponds.

Details of the basis for capital cost estimates can be found in the Florence Copper Technical Report.

The estimated average operating costs for Florence Copper over the life of mine is US$0.90 per pound of copper and the estimated total production cost is US$1.10 per pound of copper produced inclusive of royalties. Details of the estimated operating costs are presented in Table 11.

Table 11: Summary of Operating Cost Estimate

Item	Operating Cost ($US per lb copper)
ISCR Well Field	$0.33
SX/EW Plant	$0.24
Water Treatment	$0.07
General and Administration	$0.19
Reclamation	$0.04
Off Property Costs	$0.02
Total Operational Costs	**$0.90**
Royalties	$0.21
Total Production Costs	**$1.10**

The details of the basis for the project operating cost estimate can be found in the Florence Copper Technical Report.

The main assumptions and inputs to the base case economic analysis of Florence Copper are:

- Total pre-production capital costs of US$230 million (including reclamation bonding and working capital);
- Life of project sustaining capital costs of US$713 million;
- Copper recovery of 70%;
- Total production costs of US$1.10 per pound of copper; and
- Long-term copper price of US$3.00 per pound.

The following after-tax economic indicators are derived from the base case life of mine cash flow assuming the tax rates in effect at the effective date of the Florence Technical Report:

- Project after-tax net present value of $680 million at a 7.5% discount rate;
- Internal rate of return of 37%; and
- Payback period of 2.5 years.

Exploration, Development and Production

Development of the site is planned to occur in two phases. The first phase was construction and operation of the PTF which demonstrated the application of ISCR to the Florence Copper Project. The second phase is the construction and operation of the commercial ISCR facility with an estimated annual production capacity of 85 million pounds of cathode copper and an expected average annual production of 81 million pounds of copper over 21 years.

The main focus of the PTF phase was to demonstrate to regulators and key stakeholders that hydraulic control of underground leach solutions can be maintained and provide valuable data to validate the Company's leach model as well as optimize well design and performance and hydraulic control parameters.

The PTF was constructed and commenced operations in the fourth quarter of 2018. Steady state operation of the PTF was achieved in 2019 and the focus turned to testing different wellfield operating strategies, including adjusting pumping rates, solution strength, flow direction, and the use of packers in recovery and injection wells to isolate different zones of the ore body. The operating team has used physical and operating control mechanisms to adjust solution chemistry and flow rates and has successfully achieved targeted copper concentration in solution. PLS grade in the centre recovery well (most representative of the performance of the commercial wellfield) has achieved targeted levels and the SX/EW plant produced at a rate of approximately one million pounds of copper cathode per year, mainly from the centre recovery well, prior to switching to the rinsing phase of testing in late June 2020. Data collected during this final rinsing phase will further inform commercial operations.

The PTF has provided valuable data to validate the Company's models and planned operating parameters, and this data is being used to refine operating plans for the commercial phase. Detailed engineering for the commercial facility is ongoing with the objective to have it substantially complete ahead of receipt of the final permits and a final construction decision.

The PTF also successfully demonstrated that hydraulic control could be achieved and maintained and confirming that the oxide ore zone behaves hydrologically as an equivalent porous media, thereby ensuring protection of underground sources of drinking water.

Legal and Permitting

On December 8, 2020, the Company received the commercial APP from the ADEQ. The APP was issued following a public comment period and public hearing in August 2020 where the project received strong support from local community members, business owners and elected officials. One appeal was filed during the 30-day public comment period. This appeal was subsequently withdrawn with prejudice. The final commercial APP was issued by the ADEQ to Florence Copper on April 30, 2021.

The second required operating permit is the UIC permit issued by the EPA. The UIC permit application for the Phase 2 commercial ISCR facility was submitted to the EPA in August 2019. The UIC permit is the final permitting step required prior to construction of the commercial ISCR facility. In November 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. After the EPA publicly issues the draft UIC permit a 45-day public comment period will commence.

Yellowhead Project

Unless stated otherwise, the information of a technical or scientific nature related to the Yellowhead Copper Project contained in this AIF is summarized or extracted from the technical report entitled "Technical Report on the Mineral Reserve Update at the Yellowhead Copper Project" dated January 16, 2020 (the "Yellowhead Copper Technical Report") prepared under the supervision of Richard Weymark, P.Eng., MBA, who is a Qualified Person as defined by NI 43-101 and filed on www.sedar.com under Taseko's profile.

Project Description, Location and Access

The Yellowhead Copper Project is located approximately 150 kms northeast of Kamloops at latitude 51°30' north and longitude 119°48' west in the Kamloops Mining Division. The project has paved highway, rail, and power access at Highway #5 within 10 kms of the property.

The property consists of one mineral lease which is valid until at least June 2050 and 91 mineral claims covering a total of approximately 42,000 hectares. All mineral claims are in good standing until at least November 2024. There are three parcels of fee simple land located 2.5 kms west of the nearest community, Vavenby, where the rail load-out facility would be located.

Six claims are subject to a 2.5% net smelter returns ("NSR") royalty to Xstrata while 31 claims are subject to a 3% NSR royalty to US Steel Corp., capped at C$3.0 million, subject to inflation.

History

Copper mineralization was discovered in the immediate vicinity of the deposit in the mid-1960s. The initial discovery was followed-up by extensive prospecting, line cutting, road building, surface geochemical sampling, geological mapping, geophysics, trenching and diamond drilling programs.

Noranda Exploration Company ("Noranda") and Québec Cartier Mining Company ("QCM"), a 100% wholly owned subsidiary of US Steel, staked claims in the deposit area in 1965 and 1966 respectively. This resulted in the area west of the Harper Creek tributary belonging to Noranda and east of it to QCM. The two companies worked independently on their properties from 1966 until 1970. In late 1970, the companies formed a joint venture, which explored their contiguous properties until 1974.

Further work in the deposit area occurred in 1986 and 1996. This included trenching, core resampling and metallurgical testing and additional drilling.

Historical core drilling took place on the property in 11 different years over a 30-year period between 1967 and 1996. The total length of the 191 holes drilled on the property was 30,800 m. Of these holes, 165 targeted what is now known as the Yellowhead Copper Deposit, for a total of 28,200 m or 92% of the overall drilling.

No further drilling on the deposit area took place until 2006.

Yellowhead Mining Inc. ("YMI") formed as a private British Columbia company and obtained control of the project through staking, purchase and option agreements in 2005. YMI undertook their first phase of field exploration on the project in 2006 and completed 65,000 m of drilling from 2006 through 2013.

Historical resource estimates date back to 2007 culminating in a feasibility study completed in 2014 including the establishment of a proven and probable mineral reserve. Historical resource and reserve estimates are summarized in the Yellowhead Copper Technical Report filed by Taseko on SEDAR.

In February 2019, Taseko acquired a 100% interest in YMI.

Geological Setting, Mineralization, and Deposit Types

The project is located within structurally complex, low-grade metamorphic rocks of the Eagle Bay Assemblage, part of the Kootenay Terrane on the western margin of the Omineca Belt in south-central BC.

The Eagle Bay Assemblage incorporates Lower Cambrian to Mississippian sedimentary and volcanic rocks subject to deformation and metamorphism. The Eagle Bay Assemblage divides into four northeast-dipping thrust sheets that collectively contain a succession of Lower Cambrian rocks overlain by a succession of Devonian-Mississippian rocks. The Lower Cambrian rocks include quartzites, grits and quartz mica schists (Units EBH and EBQ), mafic metavolcanic rocks and limestone (Unit EBG), and overlying schistose sandstones and grits (Unit EBS) with minor calcareous and mafic volcanic units. These older units are overlain by Devonian-Mississippian succession of mafic to intermediate metavolcanic rocks (Units EBA and EBF) intercalated with and overlain by dark grey phyllite, sandstone and grit (Unit EBP).

Unit EBA of the Devonian-Mississippian succession hosts the deposit.

The northeast trending Harper Creek Fault separates the deposit into a west domain and east domain. In the west domain, chalcopyrite mineralization is primarily in three copper bearing horizons. The upper horizon ranges from 60 m to 170 m in width and is continuous along an east-west strike for some 1,300 m, dipping approximately 30º north. The middle horizon is not as well developed and is often fragmented. It primarily exists within a graphitic and variably silicified package of rocks that range from 30 m to 40 m in width at the western extent, increasing up to 90 m locally eastward, gradually appearing to blend into the upper horizon. The lowest or third horizon has less definition mainly due to a lack of drill intersections. Commonly hosted within mafic to intermediate volcaniclastics and fragmental rocks, it can range from 30 m to 90 m in width although typical intersections are in the 30 m range. These horizons generally contain foliation-parallel wisps and bands as the dominant style of sulphide mineralization.

In the east domain, mineralization characterized by high angle, discontinuous, tension fractures of pyrrhotite, chalcopyrite ± bornite is frequently associated with quartz carbonate gangue. This style is common within, but not limited to, the metasedimentary rocks and areas of increased pervasive silicification. Mineralization is not selective to individual units and frequently transgresses lithological contacts throughout the area. At the near surface areas in the south and down-dip to the north, widths of mineralization typically range from 120 m to 160 m. In the central area of the east domain where thrust/reverse fault stacking has been interpreted, mineralization thicknesses typically range from 220 m to 260 m with local intersections of up to 290 m.

The deposit type is a remobilized polymetallic volcanogenic massive sulphide deposit, comprising lenses of disseminated, fracture-filling and banded iron and copper sulphides with accessory magnetite. Mineralization is generally conformable with the host-rock stratigraphy as is consistent with the volcanogenic model. Observed sulphide lenses measure many tens of metres in thickness with km-scale strike and dip extents.

Exploration

Exploration work undertaken on the Yellowhead Copper site by historical owners included stream sediment sampling, reconnaissance geological mapping, soil sampling, geophysical surveying and diamond drilling. Subsequent exploration completed between 2005 and 2013 by YMI included diamond drilling and historical core relogging, airborne geophysics (magnetic and electromagnetic), ground geophysics (magnetic, electromagnetic and induced polarization), soil sampling, rock sampling, geological mapping and petrographic and whole rock analysis of drill core and surface rock samples. This work largely focussed on the west-central part of the property in the deposit area.

Summaries of the exploration work completed are discussed in the Yellowhead Copper Technical Report. There has been no exploration on the property since 2013.

Drilling

A significant amount of drilling has taken place on the Yellowhead Copper Project, totalling 95,735 m by YMI and historical operators in 408 holes. All were cored diamond drillholes. Results from these drill programs are the basis for the mineral resource estimate. There are no drilling, sampling, or recovery factors that could materially impact the accuracy and reliability of the results.

YMI relogged and resampled selected historical core in the deposit area from the Noranda 1968-1971 and American Comstock 1996 drill campaigns with the goal of verifying the historical analytical copper results. Results of this program showed good correlation of copper grades and thicknesses with the historically reported drill core intersections.

Drilling performed on the property is summarized in Table 12 below.

Table 12: Drilling by Company

Company	# of Drill Holes	Core Length (metres)
Québec Cartier Mining Company (1967-1969)	33	5,285
Noranda Exploration Co. Ltd. (1968-1970)	87	12,156
Noranda/QCM Joint Venture (1970-1973)	48	9,012
Other Historical Owners (1983-1996)	23	4,300
Yellowhead Mining Inc. (2006-2013)	217	64,985
Total	**408**	**95,741**

Sampling, Analysis and Data Verification

YMI and previous project operators systematically sampled and analyzed all potentially mineralized sections of drill core on the Yellowhead deposit for copper, the primary element of interest. Early operators in the 1960's and 1970's, typically only analyzed for copper. This expanded to include gold, silver and several other elements in the programs of the 1980's and 1990's. From 2005 onwards, over 30 elements made up the standard assaying protocol for drill core, including historical core resampled and reanalysed since then. This historical core was from the Noranda, Noranda / QCM Joint Venture and Comstock drilling. Samples taken for copper assay from all historical and modern drillholes number over 55,000 with an average core length of 1.5 m.

In 2019, the Cohesion Consulting Group ("CCG") completed an audit of the Yellowhead project drillhole database. CCG reviewed the digital files comprising the drillhole database, assay certificates, geological models and supporting documents used in the mineral resource and mineral reserve estimates. The audit found no errors, omissions, QA/QC failures or differences between this drillhole database and the supporting documents of significance to the resource and reserve estimate.

Details of sample preparation, assay laboratories, security, and data verification used in the Yellowhead drill hole sampling and analytical programs is documented in the Yellowhead Technical Report.

Mineral Processing and Metallurgical Testing

The basis of process design for the project was informed from feasibility level metallurgical test work program conducted in 2011 and early 2012 at G&T Metallurgical Services Ltd. ("G&T"), in Kamloops, BC.

This test program consisted of a suite of open circuit batch flotation testing, lock cycle testing, ore hardness testing, a pilot plant campaign, and mineralogical characterization of both a primary master composite representing feed from the earlier phases of mine development along with a suite of composite samples representing variable lithology and discreet spatial zones within the pit. Additional laboratory comminution test work conducted in 2011 at FLSmidth ("FLS") of Bethlehem, Pennsylvania, was also used to inform process comminution circuit design and power requirements.

The proposed process for the project consists of a conventional milling circuit to recover copper via grinding, rougher flotation, regrinding of rougher concentrate, followed by a cleaner flotation circuit. All comminution testing conducted to date suggest the ore is soft to moderately soft and very amenable to both SAG milling and ball milling.

Mineralogy characterization on ore samples from the deposit demonstrate that chalcopyrite is the dominant copper bearing mineral making up over 98% of the copper species in majority of the deposit.

Lock cycle testing produced a final copper concentrate grade of 26% copper at about a 90% total copper recovery. The final concentrate produced from lock cycle testing and the pilot plant produced a clean concentrate with deleterious elements below typical penalty limits at smelters, and also containing payable gold and silver values.

Mineral Resource and Mineral Reserve Estimates

The Yellowhead Copper mineral reserve estimate uses long-term metal prices of US$2.40/lb for copper, US$1,000/oz for gold and US$13.50/oz silver and a foreign exchange rate of C$1.00=US$0.80.

The proven and probable reserves as of December 31, 2019, are tabulated in Table 13 below.

Table 13: Yellowhead Reserve Estimate at 0.17% Copper Cut-off

	Tonnes (in millions)	**Cu (%)**	**Au (gpt)**	**Ag (gpt)**
Proven	458	0.29	0.031	1.3
Probable	359	0.26	0.028	1.2
Total	817	0.28	0.030	1.3
Note: Totals may not add due to rounding.				

The Yellowhead mineral resource estimate as of December 31, 2019 is summarized in Table 14 and includes the mineral reserves included in Table 13 above. The mineral resource uses a copper price of US$3.25/lb for copper, US$1,300/oz for gold and US$17.00/oz silver and a foreign exchange rate of C$1.00=US$0.80.

Table 14: Yellowhead Resource Estimate at 0.15% Copper Cut-off

Class	Tonnes (in millions)	Cu (%)	Au (gpt)	Ag (gpt)
Measured	561	0.27	0.029	1.2
Indicated	730	0.24	0.027	1.2
M+I	**1,292**	**0.25**	**0.028**	**1.2**
Inferred	109	0.24	0.026	1.2
Note: Totals may not add due to rounding.				

Mining Operations

The Yellowhead open pit is designed to be mined utilizing conventional truck and shovel mining techniques. The equipment utilized in this operation would be typical of that found in today's large open pit operations. Open pit operations are planned to supply a conventional copper concentrator with 90,000 tpd of ore at a cut-off grade of 0.17% copper at a strip ratio of 1.4:1 for 25 years. Ore would be delivered to a primary crusher located at the southwestern rim of the ultimate pit. An ore stockpile would be established during the first five years of operation to maximize ore grade delivered to the mill during that period and provide operating flexibility. Potentially acid generating ("PAG") waste rock would be stored inside the Yellowhead TSF while non-acid generating ("NAG") waste and overburden would be placed in conventional waste storage locations proximal to the open pit.

Processing and Recovery Operations

The proposed process plant for the project is a conventional sulphide concentrator utilizing three-stages of comminution, sulphide flotation and concentrate dewatering.

The concentrator is designed to process a nominal 90,000 tpd of ore and produce a marketable copper concentrate containing silver and gold. The concentrator would consist of a primary gyratory crusher fed run-of-mine ore from the pit transported via haul trucks. The product from the crusher would be transported via overland conveyors to a coarse ore stockpile. Ore from the stockpile would then be reclaimed and fed to two parallel SAG-ball mill circuits which produce feed for a single rougher flotation bank. The rougher flotation concentrate would be reground with two parallel vertical stirred mills prior to being reprocessed in a two stage cleaner flotation circuit which includes both tank and column flotation cells. Sulphide minerals are collected with a conventional xanthate collector and pyrite is rejected using lime.

The final concentrate would be dewatered by thickening followed by filtration prior to being conveyed to the final concentrate stockpile. The final concentrate would be trucked off-site to a proximal rail load-out facility for subsequent transport to the Port of Vancouver or direct rail to other North American markets.

Both rougher and first cleaner flotation tailings would be transported separately to the TSF. Process water from the TSF would be reclaimed and recycled back to the process plant for reuse.

Infrastructure, Permitting and Compliance Activities

Road access proposed to the project site is from Highway #5 at the town of Vavenby via 24 km of existing forest service roads ("FSRs"). These FSRs will require minor upgrading for operations traffic, such as widening, alignment and surface reparation. A 2.5 km extension from the end of the FSRs will be required to reach the plant site.

A rail load-out facility is designed to be constructed at an existing rail siding on a property owned by Taseko near Vavenby. Concentrate would be trucked from the plant site to the rail load-out facility where it would be loaded onto trains and transported to North American markets and/or to the port of Vancouver for overseas shipping.

Electrical power for the project would be supplied by BC Hydro from the Vavenby substation. The current Vavenby substation would need upgrades from BC Hydro to be able to provide stable power to site. The Company proposes to construct a 22 km overhead transmission line to bring power from the Vavenby substation to the project site.

Processing facilities would include a primary crusher located near the crest of the pit and associated overland conveyor; a coarse ore stockpile with a 45,000 tonne capacity; a concentrator building housing the grinding, flotation and dewatering circuits; and a concentrate shed.

The TSF is proposed to be located in the valley on the south side of the plant site, downstream of the concentrator. The main embankment would initially be constructed as a water retaining starter embankment, constructed with a rock fill shell in a downstream fashion. After year 5, cycloned sand would be used to construct centreline raises on top of the starter embankment to a final height of 165 m with a 3.5H:1V downstream slope.

Two additional embankments will be required to provide storage capacity for operations. The north and northwest embankments would be constructed in years 12 through 16.

A water treatment plant is designed as a stand-alone plant used for processing site contact water. The initial water treatment plant is proposed for construction in year 2 and commissioning in year 3.

The mobile equipment maintenance shop would be a pre-engineered building. The designed mobile equipment maintenance shop includes a haul truck wash bay, four haul truck service bays, eight medium duty bays, four light duty bays, light duty wash bay and an adjacent welding tent sized for truck box repair and rebuilds.

Various other support facilities are planned including a two-storey administration building, mine dry, warehouse building and associated cold storage laydown, assay lab, mill reagent building, fixed plant maintenance shop and bulk explosives manufacturing and storage. Planned support facilities also include a gatehouse and first aid building, emergency response and training building and a small parking lot for suppliers and visitors.

Taseko has engaged with both the British Columbia Environmental Assessment Office ("BCEAO") and the Impact Assessment Agency of Canada ("IAC") regarding the Yellowhead project but it is not yet formally in the environmental assessment process. BCEAO is expected to confirm that an assessment is required in order for the project to proceed and an environmental assessment ("EA") certificate needs to be issued after the review of the EA application.

Federally, the Impact Assessment Act came into effect in August 2019 and applies to projects described in the Physical Activities Regulation. It is expected that the agency will confirm that an impact assessment is required.

Additional detail regarding EA and permitting requirements can be found in the Yellowhead Technical Report.

Capital and Operating Costs

A summary of the pre-production capital costs estimated for the project is provided in Table 15. All costs shown are in Q4, 2019 Canadian dollars.

Table 15: Pre-Production Capital Cost Estimate

Area	Total Pre-Production Capital ($ millions)
Mining Equipment* / Pre-Production Mining Costs	169
Processing Facilities	486
Tailings & Water Collection Facilities	132
Ancillary Facilities / Infrastructure	199
Subtotal Direct Costs	**986**
Indirect Costs	360
Grand Total	**1,347**
** Includes down payment and lease costs in pre-production years only.*	
Note: Totals may not add due to rounding.	

The sustaining capital estimate includes a water treatment plant ("WTP"), staged TSF embankment construction, additional water collection systems, additional mining equipment, mining equipment lease payments, and general sustaining capital through the life of the mine. Sustaining capital costs are shown in Table 16.

Table 16: Sustaining Capital Cost Estimate

Area	Total Sustaining Capital ($ millions)
Water Treatment, TSF Construction and Water Collection	140
Mine Incremental Capital / Equipment Leases	275
General Sustaining Capital	209
Total	**624**
Note: Totals may not add due to rounding.	

Details of the basis for capital cost estimates can be found in the Yellowhead Copper Technical Report.

Onsite operating costs comprise mining, processing and general and administration. Average onsite costs for the project are summarized in Table 17.

Offsite costs include copper concentrate transportation costs, smelter fees and deductions, and royalty payments. Average offsite costs are US$0.39/lb.

Table 17: Summary of Operating Cost Estimate

Item	Operating Cost ($/t Milled)
Mining	4.53
Processing	4.65
General and Administration	0.79
Total Onsite Costs	**9.97**

The following pre-tax economic indicators are derived from the base case life of mine cash flow:

- Project pre-tax net present value of $1.3 billion at an 8% discount rate;
- Pre-tax internal rate of return of 18%; and
- Payback period of 4.2 years.

Results of the valuation are presented on a 100% basis and assume no debt financing costs except for mining equipment leases. Metal prices used are US$3.10/lb, for copper, US$1,350/oz for gold and US$18.00/oz for silver and a foreign exchange rate of C$1.00=US$0.80. All values are in Canadian dollars unless otherwise noted.

Exploration, Development and Production

The Company is focusing its current efforts on advancing into the EA 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 EA and permitting of the project.

New Prosperity Project

The Company has determined that, in light of the Company's current focus on Florence Copper and the Yellowhead Copper Project, and the Company's assessment of the relative value currently attributed to each of the Company's projects and its current operations, the Company does not consider the New Prosperity Project to be material at this time. The Company's assessment of materiality could change and the New Prosperity Project may again become material in the future. The Company will update this information if the New Prosperity Project once again becomes material to the Company.

Project Description, Location, and Access

The New Prosperity Project is located at latitude 51° 28' N and longitude 123° 37' W in the Clinton Mining Division, approximately 125 kms southwest of the City of Williams Lake, British Columbia.

Access from Williams Lake is via Highway 20 to Lee's Corner, then via an all-weather main logging haulage road to the site, a total road distance of 192 kms.

The New Prosperity Project consists of one mineral lease which is valid until at least June 2037 and 85 mineral claims covering the mineral rights for approximately 190 square kms. All claims are in good standing until at least July 2022. It is intended that all leases and claims will be renewed prior to their renewal fees being due (in the case of the lease) and prior to their expiry in the case of the claims. The claims are 100% owned by Taseko and are not subject to any royalties or carried interests.

History

The New Prosperity deposit was explored and extensively drilled by seven different companies between 1963 and 2007. A total 158,204 m of core and percussion drilling was completed in 481 drill holes during the twenty one years in which active drill exploration took place.

Pre-feasibility and feasibility studies were completed in 1994, 2007, and 2009.

Geological Setting, Mineralization, and Deposit Types

The project is located within the western-most portion of the Intermontane Belt at the boundary between the Intermontane and Coast morphologic belts. The project hosts a large porphyry gold-copper deposit.

Pyrite and chalcopyrite are the principal sulphide minerals in the deposit. They are uniformly distributed in disseminations, fracture fillings, veins and veinlets. Native gold occurs as inclusions in and along microfractures with copper-bearing minerals and pyrite.

Environmental Assessment

Between 2009 and 2010, the BCEAO led a review of the Project in a coordinated manner with the Canadian Environmental Assessment Agency ("CEAA").

In January 2010, Taseko received the EA certificate for the New Prosperity Project from the Province of B.C. but in November 2010, the Federal Minister of Environment announced that the Project, as proposed, would not be granted federal authorizations to proceed.

In February 2011, the Company submitted a revised project description for the New Prosperity Project to the Federal Government that addressed the concerns identified during the federal review process.

In June 2011, Taseko submitted an application to the BCEAO to amend the EA Certificate in accordance with the New Prosperity Project description.

On September 20, 2012, the Environmental Impact Statement ("EIS") was submitted to the three-member Review Panel (the "Panel") established for the federal environmental assessment of the project. Following a series of public hearings the Panel submitted their report to the Federal Minister of the Environment on October 31, 2013.

The Panel report found that the proposed project is not likely to cause significant adverse environmental effects in respect of 33 different areas provided effective mitigation was undertaken but found significant adverse environmental effects were likely in relation to three matters: (i) water quality in Fish Lake and Wasp Lake; (ii) fish and fish habitat in Fish Lake, wetlands and riparian ecosystems; and (iii) Tŝilhqot'in current use of lands for traditional purposes, cultural heritage and archaeological/historical resources.

On November 29, 2013, the Company filed an application for judicial review in the Federal Court, asking the court for a declaration that certain findings relating to seepage and water quality be set aside, and that the Panel failed in certain respects to comply with principles of procedural fairness and the rules of natural justice.

On February 26, 2014, the Minister of the Environment announced her conclusion, based on the Panel report, that the New Prosperity Project is likely to cause significant adverse environmental effects that cannot be mitigated. She referred the matter to the Governor in Council who decided that those effects are not justified in the circumstances.

On March 26, 2014, the Company filed an application for judicial review in Federal Court, seeking to quash the decisions of the Minister and Governor in Council communicated on February 26, 2014.

The two Judicial Reviews initiated by Taseko were heard in federal court in the week of January 30, 2017. On December 5, 2017 each application for judicial review was dismissed by the court.

On January 3, 2018, Taseko filed Notices' to Appeal for both decisions. These appeals were heard by the Federal Court of Appeal on January 14 and 15, 2019, and were dismissed by the court. On February 14, 2020, Taseko filed an application for leave to appeal these Federal Court of Appeal decisions to the Supreme Court of Canada. The Supreme Court of Canada dismissed Taseko's application for leave to appeal on May 14, 2020.

In December 2019, the Tŝilhqot'in Nation, as represented by Tŝilhqot'in National Government, and Taseko entered into a confidential dialogue, with the involvement of the Province of British Columbia, 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 Project

The Company has determined that, in light of the Company's current focus on Florence Copper and the Yellowhead Copper Project, and the Company's assessment of the relative value currently attributed to each of the Company's projects, the Company does not consider the Aley Project to be material at this time. The Company's assessment of materiality could change and the Aley Project may again become material in the future.

Project Description, Location, and Access

Niobium is a metal used in high strength low alloy steels which are required to manufacture automobiles, bridges, pipes, jet turbines and other high technology applications.

The property is located in the Omineca Mining Division in British Columbia, Canada, centred at latitude 56 27'N and longitude 123 13'W, approximately 140 kms north northwest of the Municipality of Mackenzie. Logging roads from Mackenzie provide access to the Ospika Logging Camp on the east side of Williston Lake. The property is located about 30 kms from the Ospika Camp and is currently accessed via helicopter.

The Aley property consists of one mineral lease valid until at least December 2045 and one hundred and eleven mineral claims covering the mineral rights for approximately 470 square kms. All claims are in good standing until at least December 2024. The Aley Property is not subject to any royalty terms, back-in rights, payments or any other agreements or encumbrances.

History

Aley Corporation acquired the property from Cominco in 2004. Since Taseko acquired Aley Corporation in 2007, Taseko has completed over 26,000 metres of drilling in 129 holes, metallurgical test work, project engineering, and environmental baseline data collection.

Geological Setting, Mineralization, and Deposit Type

The Aley region lies within the Western Foreland belt of the Rocky Mountains. The Aley Carbonatite complex intrudes Cambrian to Ordovician sedimentary rocks of the Kechika (limestone), Skoki (dolomite to volcaniclastics) and Road River Group formations (clastic sedimentary rocks). The intrusion is ovoid in plan with a diameter of approximately 2 kms and surrounded by a fenite aureole up to 500 metres.

Niobium (Nb) bearing minerals at Aley are pyrochlore, fersmite and columbite.

Environmental Assessment

In 2014, the Project entered the provincial and federal environmental assessment processes. Under a substitution agreement with the CEAA, the province will conduct the assessment and directed Taseko to draft Application Information Requirements ("AIR") for the environmental assessment application. The Company is currently preparing the draft AIR.

A drill program completed in the third quarter of 2018 collected samples for further metallurgical testing.

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.

RISK FACTORS

There are a number of risks that may have a material and adverse impact on the future operating and financial performance of Taseko and could cause the Company's operating and financial performance to differ materially from the estimates described in forward-looking statements relating to the Company.

Risks Relating to Our Business and Our Industry

Changes in the market price of copper and other metals, which are volatile and have fluctuated widely, affect the profitability of our operations and financial condition.

Our profitability and long-term viability depend, in large part, upon the market price of metals, primarily copper, and potentially molybdenum, gold, silver and other metals and minerals. The market price of copper is volatile and is affected by numerous factors beyond our control, including:

- copper demand, especially from China and from the global energy transition;
- expectations with respect to the rate of inflation;
- the relative strength of the U.S. dollar and certain other currencies;
- interest rates;
- global or regional political or economic conditions, including the impact that the war in Ukraine and the global response to it will have on these conditions and the inherent volatility this uncertainty will create;
- global mine supply, scrap recycling rates and potential substitutions of metal;
- global demand for industrial products like copper; and
- sales by central banks and other holders, speculators and producers of copper, precious and other metals in response to any of the above factors.

The copper market is volatile and cyclical and consumption of copper is influenced by global economic growth, trends in industrial production, conditions in the housing and automotive industries, economic growth in China, which is the largest consumer of refined copper in the world, and the energy transition away from traditional sources to alternative, sustainable and less carbon intensive sources which inherently utilize more copper. Should demand weaken and consumption patterns change, in particular if consumers seek out lower cost substitute materials, the price of copper could be materially adversely affected, which could negatively affect our business and results of operations. Future demand could also be impacted by the perceived carbon intensity of our products in contrast with competing alternatives.

A decrease in the market price of copper and molybdenum would affect the profitability of Gibraltar and our ability to finance the exploration and development of our other mineral properties, which would have a material adverse effect on our business and results of operations. We also enter into provisionally priced sales contracts for our copper concentrate from Gibraltar which could have a negative impact on our revenues if copper prices subsequently decline after shipment. There can be no assurance that the market price of copper and other metals will remain at current levels or that such prices will improve. If commercial quantities of copper, gold and other metals are discovered, there is no assurance that a profitable market will exist or continue to exist for a production decision to be made or for the ultimate sale of the metals.

The war in Ukraine and the international response to it could have a material adverse effect on the economics of the Company's operations and development projects

The recent outbreak of war in Ukraine and the accompanying international response to it including economic sanctions levied against Russia, has disrupted the global economy, creating increased volatility in commodity markets (including oil and gas prices), 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 any project development. There is substantial uncertainty about the extent to which this conflict will continue to impact economic and financial affairs, and there is the potential for escalation of the conflict both within Europe and globally. There is a risk of substantial market and financial turmoil arising from the conflict which could have a material adverse effect on the economics of the Company's operations and developments projects.

Fluctuations in foreign currency exchange rates could have a material adverse effect on our business, results of operations and financial condition.

Fluctuations in the Canadian dollar relative to the U.S. dollar could significantly affect our business, results of operations and financial condition. As our Gibraltar operation is located in Canada, our costs are incurred primarily in Canadian dollars. However, our revenue is based on the market price of copper and other metals and is denominated in United States dollars. A strengthening of the Canadian dollar relative to the United States dollar will reduce our profitability, materially adversely affect our financial condition, and may also affect our ability to finance Florence Copper and our Other Development Projects. We do not currently enter into foreign currency contracts to hedge against currency risk.

Failure to achieve production targets or cost estimates could adversely affect our sales, profitability, cash flows and financial performance.

The Company prepares future operating and capital cost estimates with respect to existing operations. Actual production and costs may vary from the estimates for a variety of reasons such as estimates of grade, tonnage, dilution and metallurgical and other characteristics of the ore varying from the actual ore mined, revisions to mine plans, risks and hazards associated with mining, adverse weather conditions, unexpected labour shortages or strikes, equipment failures and other interruptions in production capabilities. Operating costs may also be affected by increased mining costs, variations in predicted grades of the deposits, labour costs, raw material costs, inflation, availability due to supply chain disruptions and fluctuations in currency exchange rates. Failure to achieve production targets or cost estimates could have a material adverse impact on the Company's sales, profitability, cash flow and overall financial performance. We may also in the future be required to undertake capital projects to (i) address or mitigate the impacts of climate change and extreme weather events at our facilities, (ii) comply with new government regulation directed at reducing the impacts of climate change, (iii) reduce the carbon intensity or footprint of our existing operations by reducing or eliminating fossil fuel usage, or (iv) comply with new government regulation directed at improving environmental protection.

Mining is inherently risky and operations are subject to conditions or events beyond our control, which could have a material adverse effect on our business and results of operations.

Mining involves various types of risks and hazards, including:

- uncertainties inherent in estimating mineral reserves and mineral resources;
- environmental hazards;
- discharge of pollutants or hazardous chemicals;
- industrial or environmental accidents;
- health and safety hazards and risks arising from related regulatory changes;
- machinery breakdown;
- metallurgical and other processing problems;
- unusual or unexpected rock formations and other geological problems;
- structural cave-ins or slides;
- flooding;
- fire, including wildfires;
- supply chain disruptions and availability of key materials and equipment;
- metals losses; and
- periodic interruptions due to inclement or hazardous weather conditions, including on transportation infrastructure that operations are dependent upon.

These risks could result in injury or death, environmental damage, damage to, or destruction of, mineral properties, production facilities or other properties, delays in mining, increased production costs, monetary losses and possible legal liability. Interruptions to our mining or processing operations may adversely impact our ability to continue production of concentrate at expected rates, with the result that our business and results of operations may be materially adversely affected.

The Company maintains insurance against certain risks that are typical in the mining industry and in amounts that the Company believes to be reasonable, but which may not provide adequate coverage in certain circumstances. However, we may not be able to obtain adequate insurance to cover these risks at economically feasible premiums. Insurance against certain environmental risks, including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from production, is not generally available to us or to other companies within the mining industry. We may suffer a material adverse impact on our business and results of operations if we incur losses related to any significant events that are not covered by insurance policies.

We are solely dependent on Gibraltar for revenues and suspension of production at that mine would materially adversely affect our business, results of operations and financial condition.

Until our development projects are developed and operational and are beginning to produce revenue, we are dependent solely upon Gibraltar for revenues. If Gibraltar were to cease production for any reason, it would have a material adverse effect on our business, results of operations, and financial position.

The Company does not wholly own the Gibraltar mine.

The Company is the operator of and owns a 75% joint venture interest in Gibraltar. Cariboo, a consortium of Japanese companies, holds the remaining 25%. The Gibraltar Joint Venture is governed by a joint venture operating agreement, which outlines the responsibilities of the Company as operator and the decision and approval processes, including those decisions that require the consent of Cariboo.

There is a risk that Cariboo may elect not to approve certain activities or may breach the terms of the Gibraltar Joint Venture. Similarly, there is a risk that Cariboo may default in its obligations to fund capital or meet other funding obligations and, as such, the Company may be required to contribute all or part of any such funding shortfall.

Risks associated with the operation of the Gibraltar mine.

The Company's future success will be affected by the Company's ability to operate Gibraltar profitably. Mining involves various types of risks and hazards and operation of Gibraltar could experience interruptions, incur increased costs or cease due to a number of factors, including but not limited to:

- changes in the regulatory environment relating to the operation of Gibraltar;
- industrial or environmental accidents, discharge of pollutants or hazardous chemicals;
- inability to attract, train and retain a sufficient number of workers;
- increases in inflation resulting in increases in mining and milling costs including energy, diesel fuel, material and labour costs;

- supply chain disruptions impacting critical material or equipment availability and related inflationary pressures on costs;
- metallurgical and other processing problems;
- unusual or unexpected rock formations and other geological problems;
- lack of availability, breakdown or failure of mining equipment;
- catastrophic events such as wildfires, flooding and environmental issues which could impact access to the mine site or transportation of concentrate products to the market; or
- performance of the processing plant and ancillary operations falling below expected levels of output or efficiency.

These risks could result in injury or death, environmental damage, damage to, or destruction of, mineral properties, production facilities or other properties, delays in mining, increased production costs, monetary losses, and possible legal liability.

Disruption to the Company's mining and processing operations at the Gibraltar mine and/or supporting infrastructure for a sustained period would have a material adverse effect on production which may result in lower revenue or cash flows from operating activities until such time, if at all, that the disruption is cured and consequently the Company's business, financial position and results of operations. Further limiting the impact of such risks if they arise may require additional capital or operational expenditure, which may have a material adverse impact on the business and its profitability.

Risks associated with the development of Florence Copper.

The development and commencement of commercial production at Florence Copper is key to the Company's future growth strategy. Florence Copper, given its unique geological conditions, will deploy an in-situ wellfield recovery method that, while in use in other resource extraction sectors (most notably in uranium), will be one of the first of its kind to extract copper at commercial levels relying solely on this method. This in-situ mining method of Florence Copper presents additional development ramp-up risks and complexity compared to a traditional underground or open pit operation which could result in delays, interruptions, lower recoveries than forecasted and/or increased costs to the development of the Project.

Demonstration of feasibility from the PTF is a key element of any decision to move towards full commercial development at Florence Copper. However, there is no assurance that the in-situ extraction of copper at Florence Copper can be completed as demonstrated by the PTF or as currently contemplated in the feasibility study for Florence Copper. Specifically, there is no assurance that the recoveries of leached copper in solution will be as expected based on the results demonstrated by the PTF. In addition, changes to mining operations at Florence Copper may be required as a result of the PTF operations, which may result in delays and/or higher than anticipated construction and operating costs for commercial development of Florence Copper.

Development of Florence Copper could also be delayed, experience interruptions, incur increased operating and capital costs or be unable to complete due to a number of factors, including but not limited to:

- delays in receiving the updated permits required for development of the commercial facility;
- litigation which could take several years and significant costs to defend and resolve;
- non-performance by third party consultants and contractors;
- inability to attract, train and retain a sufficient number of qualified workers;
- escalation in anticipated capital costs of development or construction delays in the project execution plan including availability of critical processing equipment due to supply chain challenges;
- disruptions, shortages and inflationary pressures impacting critical operating inputs and their costs;
- material decreases in the expected recovery of copper through the in-situ process;
- increases in expected wellfield costs including the number and scale up of wells, as well as drilling, material and labour costs;
- catastrophic natural events such as drought, flooding or storms; or
- the breakdown or failure of equipment or processes.

It is not uncommon for mining developments to experience these factors during their construction, commissioning and production start-up, or indeed for such projects to fail or experience significant delays as a result of one or more of these factors occurring to a material extent.

There can be no assurance that the Company will complete the various stages of development necessary in order to achieve its strategy in the timeframe expected by the Company or at all. Any of these factors may have a material adverse effect on the development of Florence Copper and, consequently the Company's business, results of operations and activities, financial condition and prospects.

The need for infrastructure could delay or prevent us from developing our Projects.

Completion of the development of Florence Copper and our Other Development Projects is subject to various requirements, including government permitting and the need to establish power, water and transportation facilities. The lack of availability on acceptable terms or the delay in the availability of any one or more of these services could prevent or delay development of Florence Copper and our Other Development Projects. If adequate infrastructure is not available in a timely manner, there can be no assurance that:

- the development of our projects will be commenced or completed on a timely basis, if at all;
- the resulting operations will achieve the anticipated production volume; or
- the construction costs and ongoing operating costs associated with the development of Florence Copper and our Other Development Projects will not be higher than anticipated.

Florence Copper may require substantial additional financing for completion, may not achieve anticipated production capacity, may experience unanticipated costs or may be delayed or not completed at all. Our Other Development projects will require substantial additional financing in order to develop them into commercial mining operations.

Florence Copper and our Other Development Projects are at various stages of development. The development of a mining project is a complex and challenging process that may take longer and cost more than initially projected, or may not be completed at all. In addition, anticipated production capacity may never be achieved. We may encounter unforeseen geological conditions or delays in obtaining required construction, environmental or operating permits or mine design adjustments. Operating delays may cause reduced production and cash flow while certain fixed costs, such as minimum royalties or loan payments, may still have to be paid on a predetermined schedule.

Moreover, completion of Florence Copper and our Other Development Projects is subject to, among other things, the cashflows from Gibraltar and the availability of additional financing if needed. In order to finance future development of its projects, the Company may raise funds through the issuance of common shares or the issuance of debt instruments or other securities convertible into common shares. The Company cannot predict the size of future issuances of securities, of the effect, if any that future issuances and sales or securities or other additional financings will have on the market price of our common shares or bonds.

Even if financing is available, our Indenture and Credit Facility contain, and agreements for future financings will likely contain, a number of restrictive covenants that impose significant operating and financial restrictions on us, including on our ability to incur additional debt or other finance. These restrictions could significantly limit our ability to obtain adequate financing for the development of Florence Copper if needed and our Other Development Projects. Without funds available to finance construction and development activities, Florence Copper and our Other Development Projects may not be completed and the potential benefits of Florence Copper and our Other Development Projects may never be realized. There can be no assurance that Florence Copper or our Other Development Projects will ever materially contribute to our revenues and capital expenditures for Florence Copper and our Other Development Projects may materially adversely affect our business and results of operations.

If Proven Mineral Reserves or Probable Mineral Reserves are developed, it may take a number of years and substantial expenditures from the initial phases of drilling until production is possible, during which time the economic feasibility of production may change. The combination of these factors may cause us to expend significant resources (financial and otherwise) on a property without receiving a return on investment.

In addition, our future ability to secure financing for our operations may be impacted by initiatives of global banks to increase their commitments to "sustainable financing" and to ultimately achieve net-zero emissions in their lending portfolio. These commitments may reduce the availability or increase the cost of financing based on the perceived carbon intensity of a borrower's operations. We presently are unable to evaluate how global financial markets would assess the carbon intensity of our operations and any consequent impact that this assessment would have on our ability to secure future financing or the costs of securing this financing.

We are subject to extensive governmental regulation of all aspects of our business.

Our operations and exploration and development activities are subject to extensive federal, provincial, state and local laws and regulations governing various matters, including:

- environmental protection;
- management and use of toxic substances and explosives;
- management of tailings and other wastes generated by our operations;
- management of natural resources;
- exploration and development of mines, production and post-closure reclamation;
- reclamation bonding requirements before the start of construction and during operation;
- exports;
- price controls;
- taxation;
- labour standards and occupational health and safety, including mine safety; and
- historic and cultural preservation.

Failure to secure approvals or comply with applicable laws and regulations may result in civil or criminal fines or penalties or enforcement actions, including orders issued by regulatory or judicial authorities enjoining or curtailing operations or requiring corrective measures, installation of additional equipment or remedial actions, any of which could result in our incurring significant expenditures. We may also be required to compensate private parties suffering loss or damage by reason of a breach of such laws, regulations or permitting requirements. It is also possible that future laws and regulations, or a more stringent enforcement of current laws and regulations by governmental authorities, could cause additional expense, capital expenditures, restrictions on or suspensions of our operations and delays in the development of our properties.

We are subject to risks related to government regulation, permits, licenses and approvals.

Government regulations relating to mineral rights tenure, permission to disturb areas, land use and the right to operate can adversely affect Taseko. Our exploration, development and operations will require permits, licenses and approvals from various governmental authorities.

There can be no assurance that all necessary permits, licenses and approvals will be obtained or updated on a timely basis in order for us to carry out planned exploration, development or operational activities on our properties, including amendments to our existing permits at Gibraltar, and the planned development of Florence Copper and our Other Development Projects, and, if obtained or updated, that the costs involved will not exceed those that we have estimated. It is possible that the costs and delays associated with the compliance with the standards and regulations under such permits, licenses and approvals could result in Taseko not proceeding with the development or operation of its projects, or result in the curtailment of existing operations or plans.

Although Florence Copper was previously permitted for a period and has obtained a number of the required permits, licenses and approvals, Florence Copper is currently awaiting approval of the final UIC from the EPA, but there can be no assurance as to the outcome of this process. There are, and may in the future be, legal challenges to the validity of permits, licenses and approvals obtained by Florence Copper, and there can be no assurance that such challenges will successfully be defeated.

There is considerable uncertainty as to our ability to obtain the required permits for development of the New Prosperity Project. In addition, the Company has determined that, in light of the Company's current focus on Gibraltar and Florence Copper, and the Company's assessment of the relative value currently attributed to each of the Company's projects and its current operations, the Company does not consider the New Prosperity Project to be material at this time. The Company's assessment of materiality could change and the New Prosperity Project may again become material in the future.

The Company is reliant on rail transportation and port terminal services for delivery of its products from Gibraltar to overseas markets.

Copper concentrate production from Gibraltar is transported by rail to the Pembina port terminal in the Port of Vancouver utilizing the Canadian National Railway ("CN") rail line. In the past, rail service to Vancouver has been disrupted by derailments, avalanches, flooding, CN labour stoppages and other service issues. Similar disruptions and service delays may occur again in the future. In the event of any sustained interruption to rail service, the Company would likely be limited to trucking in order to transport its production to this port terminal. Transporting concentrate production by truck is more expensive and subject to greater scheduling constraints to facilitate the timely loading of ships at the Port of Vancouver. There are limited readily available alternatives for terminal services if the Port of Vancouver was unavailable for an extended period of time.

To the extent that climate change results in more frequent severe weather occurrences, we may experience increased frequency of transportation disruptions in future years which may again result in a disruption of our ability to deliver and our ability to ship concentrate and other products that we produce. In addition, the potential of increased frequency of severe weather events may ultimately result in increased transportation costs as transportation providers, including railways, undertake capital expenditures to improve the ability of the transportation infrastructure to withstand severe weather events or to repair damage from severe weather events in order to maintain services.

In the event that the Company is unable to transport its concentrate production by rail on a reliable basis over routine timing intervals, this could lead to increased transport costs and variability in the timing of the receipt of revenues which would have a material effect on the Company's business and financial condition.

Disruption to the services provided by the CN rail line or the Port of Vancouver in connection with the shipping of our copper concentrate could have a material adverse effect on our business.

Shortages of water supply, critical spare parts, maintenance service and new equipment and machinery may materially and adversely affect our operations and development projects.

Our mining operations require significant quantities of water for mining, ore processing and related support facilities. Although Gibraltar and Florence currently have access to sufficient water resources to cover their operational demands, the extinction of some or all water resources, failure in the water supply infrastructure, or the loss of some or all water supply contracts or relevant rights in relation to our operations, in whole or in part, or shortages of water could require us to curtail or shut down operations and could prevent us from pursuing expansion opportunities.

Changes in the quantity of water, whether in excess or deficient amounts, may impact development activities, mining and processing operations, water management and treatment facilities, tailings storage facilities, closure and reclamation efforts, and may increase levels of dust in dry conditions and land erosion and slope stability in case of prolonged wet conditions. Extreme weather events such as droughts can also reduce water available for ore processing and power supply in regions that rely on hydro-electric power plants. We may experience both a lack of water and loss of power due to drought.

The available water supply may be adversely affected by shortages or changes in governmental regulations. Additionally, laws, regulations and permit requirements focused on water management and discharge requirements for operations and water treatment in closure are becoming increasingly stringent. We cannot assure you that water will be available in sufficient quantities to meet our future production needs or will prove sufficient to meet our water supply needs. In addition, we cannot provide any assurance that our existing licenses related to water rights will be maintained. A reduction of our water supply could materially and adversely affect our business, results of operations and financial condition.

In addition to water and energy, our mining operations require intensive use of equipment and machinery. Shortage in the supply of key spare parts or adequate maintenance service or new equipment and machinery to replace old ones and cover expansion requirements could materially and adversely affect our operations.

We may be adversely affected by our inability to control operating costs.

Our profitability depends in part on our ability to control operating costs. Inflationary pressures, which have significantly risen in recent months, on services, equipment, labour and other key inputs, such as diesel fuel, steel, electricity and other operating supplies, could cause operating costs at Gibraltar and Florence to increase materially, resulting in delays if services or equipment cannot be obtained in a timely manner due to inadequate availability, and increased potential for scheduling difficulties and cost increases due to the need to coordinate the availability of services or equipment, any of which could materially increase project operating, development or construction costs, result in project delays, or both. Increases in operating costs at Gibraltar or Florence may materially adversely affect our business and results of operations. Changes in environmental regulation directed at climate change may result in our having to incur increased capital or operating expenditures in order to ensure that our operations comply with these requirements, specifically any requirements that require reduction in the carbon intensity in our operations or incentivize the reduction in carbon intensity through carbon taxes or other financial measures.

Our ability to expand or replace depleted reserves and the possible recalculation of our reserves and resources could materially affect our business and results of operations.

Our reported Mineral Reserves and Mineral Resources are only estimates. No assurance can be given that the estimated Mineral Reserves and Mineral Resources will be recovered or that they will be recovered at the rates estimated. Mineral Reserve and Mineral Resource estimates are based on limited sampling and, consequently, are uncertain because the samples may not be representative. Mineral Reserve and Mineral Resource estimates may require revision (either up or down) based on actual production experience. Market fluctuations in the price of metals, as well as increased production costs or reduced recovery rates, changes in the mine plan or pit design, or increasing capital costs may render certain Mineral Reserves and Mineral Resources uneconomic and may ultimately result in a restatement of Mineral Reserves and/or Mineral Resources. Moreover, short-term operating factors relating to the Mineral Reserves and Mineral Resources, such as the need for sequential development of ore bodies and the processing of new or different ore grades, may adversely affect our profitability in any particular accounting period.

There are uncertainties inherent in estimating Proven Mineral Reserves and Probable Mineral Reserves and Measured Mineral Resources, Indicated Mineral Resources and Inferred Mineral Resources, including many factors beyond our control. Estimating Mineral Reserves and Mineral Resources is a subjective process. Accuracy depends on the quantity and quality of available data and assumptions and judgments used in engineering and geological interpretation, which may be unreliable. It is impossible to have full knowledge of particular geological structures, faults, voids, intrusions, natural variations in and within rock types and other occurrences. Failure to identify and account for such occurrences in our assessment of Mineral Reserves and Mineral Resources may make mining more expensive and cost ineffective, which could have a material and adverse effect on our business and results of operations.

There is no assurance that Mineral Reserve and Mineral Resource figures are accurate, or that the Mineral Reserves or Mineral Resources can be mined or processed profitably. Mineral Resources that are not classified as Mineral Reserves do not have demonstrated economic viability. You should not assume that all or any part of the Measured Mineral Resources, Indicated Mineral Resources, or Inferred Mineral Resources will ever be upgraded to a higher category or that any or all of an Inferred Mineral Resource exists or is economically or legally feasible to mine.

In addition, since mines have limited lives based on proven and probable mineral reserves, we continually seek to replace and expand our reserves. Mineral exploration, at both newly acquired properties and existing mining operations, is highly speculative in nature, involves many risks and frequently does not result in the discovery of mineable reserves. If Proven Mineral Reserves or Probable Mineral Reserves are developed, it may take a number of years and substantial expenditures from the initial phases of drilling until production is possible, during which time the economic feasibility of production may change.

Any material reductions in estimates of Mineral Reserves and/or Mineral Resources, or our ability to extract those resources, could have a material adverse effect on our business and results of operations.

As our existing copper and molybdenum offtake agreements expire, our revenues and operating profits could be negatively impacted if we are unable to extend existing agreements or enter into new agreements due to competition, changing copper and molybdenum purchasing patterns, or other variables.

As our copper and molybdenum offtake agreements at Gibraltar expire, we will compete with other copper and molybdenum suppliers to renew these agreements or to obtain new sales. If we cannot renew these copper and molybdenum supply agreements with our customers or find alternate customers willing to purchase our copper and molybdenum, our revenue and operating profits would suffer.

Our customers may decide not to extend existing agreements or enter into new long-term contracts or, in the absence of long-term contracts, may decide to purchase less copper and molybdenum than in the past or on different terms, including under different concentrate pricing terms. To the degree that we operate outside of long-term contracts, our revenues are subject to pricing in the concentrate spot market that can be significantly more volatile than the pricing structure negotiated through a long-term copper and molybdenum concentrate supply agreement. This volatility could materially adversely affect our business and results of operations if conditions in the spot market pricing for copper and molybdenum concentrate are unfavorable.

Our ability to operate our Company efficiently could be impaired if we lose key personnel or fail to continue to attract qualified personnel. Our directors may have other interests which conflict with our interests.

We manage our business with a number of key personnel at each location, including key contractors, the loss of a number of whom could have a material adverse effect on us. In addition, as our business develops and expands, we believe that our future success will depend greatly on our continued ability to attract and retain highly skilled and qualified personnel and contractors. We cannot be certain that key personnel will continue to be employed by us or that we will be able to attract and retain qualified personnel and contractors in the future. Failure to retain or attract key personnel could have a material adverse effect on us.

Certain of our directors also serve as directors or advisors to other companies involved in natural resource exploration, development and production. Such associations may give rise to actual or perceived conflicts of interest from time to time. All directors, employees/officers and key advisors of the Company are required by law or professional standards to act honestly and in good faith and to disclose any actual and potential conflicts of interest they might have to the Company.

There is no assurance that we will be able to renegotiate our existing union agreement for Gibraltar when it expires in May 2024.

We have a union agreement in place for our unionized employees at Gibraltar which expires in May 2024. If we are unable to renew this union agreement on acceptable terms when it becomes subject to renegotiation, we could experience a disruption of operations, higher labour costs or both. A lengthy strike or other labour disruption could have a material adverse effect on our business and results of operations.

We are subject to risks related to environmental matters.

All of our exploration, development, and mining operations are subject to environmental laws and regulations, which can make operations expensive or prohibit them altogether. Such laws and regulations include, among other matters, federal, provincial, state, municipal and local environmental regulations relating to air emissions and pollutants, wastewater (effluent) discharges, solid and hazardous waste, landfill operations, permitting obligations, site remediation and the protection of threatened or endangered species and critical habitat. .

Many environmental laws and regulations require us to obtain and update permits for our activities from time to time, which may include environmental impact analyses, cultural resources analyses and public review processes. Concerns over climate change, carbon emissions, water and land-use practices and the protection of threatened or endangered species and critical habitat could also lead governments to enact additional or more stringent environmental laws and regulations. We must comply with stringent environmental legislation in carrying out work on our projects. Environmental legislation is evolving in a manner that will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. It is possible that future changes in environmental laws, regulations and permits, or changes in their enforcement or regulatory interpretation, could increase the cost of, or altogether prohibit, carrying out exploration, development, or operation of our projects or any other properties we may acquire. Further, compliance with new or additional environmental legislation may result in delays to development activities. It is possible that future changes in applicable laws, regulations and permits or changes in their enforcement or regulatory interpretation could require us to incur significant capital or operating expenditures, pay higher taxes or fees, including carbon related taxes or otherwise could adversely affect our operations or financial conditions and could have a significant impact on some portion of our business, causing development activities to be economically re-evaluated at that time.

We may be subject to potential risks and liabilities associated with the protection of the environment, as a result of our mineral exploration, development and production. To the extent that we are subject to environmental liabilities, the payment of such liabilities or the costs that we may incur to remedy such liabilities would reduce funds otherwise available to us and could have a material adverse effect on us. If we are unable to fully remedy an environmental liability, we might be required to suspend operations or enter into interim compliance measures pending completion of the required remedy. The potential exposure may be significant and could have a material adverse effect on us.

We are subject to risks related to health and personal safety hazards.

By their nature, mining activities present a variety of hazards and associated health and safety risks. Workers involved in the Company's operations are subject to many inherent health and safety risks and hazards, including, but not limited to, equipment or structural fires, pit wall failures, rock falls, rock slides, rock bursts, floods, falls of ground, tailings dam failures, chemical hazards, exposure to biological, physical or ergonomic agents, mineral dusts, gases and fumes, use of explosives, noise, electricity and moving equipment (especially heavy equipment) and vehicle incidents, incidents related to cranes and rigging, and slips and falls, which could result in occupational illness or health issues, personal injury, and loss of life, and/or facility and workforce evacuation.

There is no guarantee that the health and safety measures implemented by the Company will eliminate the occurrence of accidents or other incidents, which may result in personal injuries or damage to property, and in certain instances such occurrences could give rise to regulatory fines and/or civil liability. While every effort is made to control and eliminate potential health and safety risks, these risks cannot be eliminated and may adversely affect the Company's reputation, business and future operations.

Our actual costs of reclamation and mine closure costs may exceed current estimates.

We are required to prepare and file reclamation and mine closure plans for Gibraltar with the B.C. Ministry of Energy and Mines and to post security for the estimated costs to complete this reclamation and mine closure work. Security for reclamation obligations is returned once the site is reclaimed to a satisfactory level and there are no ongoing monitoring and maintenance requirements.

The Gibraltar reclamation and mine closure plans are updated every five years and the amount of security for reclamation bonding is agreed based on this plan. The most recent five year reclamation and closure plan was submitted in March 2017 and security of $50.0 million (100% basis) has been posted as of December 31, 2021 to meet reclamation bonding requirements for Gibraltar. The Company provided an additional $29.3 million (100% basis) for additional reclamation security for Gibraltar on January 31, 2022. These reclamation security amounts may need to be increased in the future and by significant amounts.

Security in the amount of $12.4 million has been provided to meet reclamation bonding requirements for the Florence Project and this amount will need to be increased in the future when the project is developed into a commercial operation.

There is no assurance that our bonding requirements, the recorded provision for environmental rehabilitation, and the actual costs of reclamation and mine closure for each of our properties will not exceed current estimates or that the estimated costs will not increase in the future when our reclamation and mine closure plans are updated. Accordingly, the amount we are required to spend on reclamation and mine closure activities could be materially different from current estimates. Any additional amounts required to be spent on bonding requirements, reclamation costs, and mine closure activities could materially adversely affect our business and results of operations.

We are subject to risks related to the title of the properties that we own and lease.

Our mining operations are conducted on properties owned, subject to claims or leased by us from provincial and state governments. Although we have exercised reasonable due diligence with respect to determining title to properties we own or lease, there is no guarantee that title to such properties and other tenure will not be challenged or impugned. No assurances can be given that there are no title defects affecting the properties. There may be valid challenges to the title of our properties which, if successful, could make us unable to operate our properties as planned or permitted, or unable to enforce our rights with respect to our properties. In British Columbia, the rights of aboriginal peoples and their claims to much of British Columbia's land area are not settled.

In addition, we may not be able to negotiate new leases or obtain contracts for properties containing surface, underground or subsidence rights necessary to develop any of our proven mineral reserves and probable mineral reserves at Florence Copper and our Other Development Projects. Furthermore, our leasehold interests could potentially be at risk if mining operations are not commenced during the term of the lease.

The Canadian and U.S. governments currently have in place or may in the future implement laws, regulations, policies or agreements that may negatively affect the Company's ownership rights with respect to its mineral properties or its access to the properties. These may restrain or block the Company's ability to advance the exploration and development of its mineral properties or significantly increase the costs and timeframe to advance the properties.

Our business requires substantial capital expenditures.

Our business is capital intensive and requires construction of new mines and infrastructure and maintenance of existing operations. Specifically, the exploration, permitting and development of reserves, mining costs, the maintenance of machinery and equipment and compliance with applicable laws and regulations require substantial capital expenditures. While the capital expenditures required to build-out Gibraltar have been spent, we must continue to invest capital to maintain or to increase the amount of reserves that we develop and the amount of metal that we produce. We make no assurances that we will be able to maintain our production levels or generate sufficient cash flow, or that we will have access to sufficient financing to continue our production, exploration, permitting and development activities at or above our present levels and we may be required to defer all or a portion of our future capital expenditures. Moreover, increases in costs of key inputs may substantially increase our capital expenditures. Our business, results of operations and financial condition may be adversely affected if we cannot make such capital expenditures.

Increased competition could adversely affect our ability to attract necessary capital funding and could adversely affect our ability to acquire suitable mineral properties for development in the future.

The mining industry is intensely competitive. Significant competition exists for the acquisition of properties producing or capable of producing copper, gold or other metals. We are at a competitive disadvantage in acquiring additional mining properties because we must compete with other individuals and companies, many of which have greater financial resources, operational experience and technical capabilities than we do. We may also encounter increasing competition from other mining companies in our efforts to hire experienced mining professionals. Increased competition could adversely affect our ability to attract necessary capital funding, or to acquire it on acceptable terms, or acquire suitable producing properties or prospects for mineral exploration in the future.

We are subject to risks related to litigation.

We are or may be subject to legal proceedings related to the development of our projects, our operations, titles to our properties, environmental issues and shareholder or other investor lawsuits. The causes of potential litigation cannot be known and may arise from, among other things, business activities, employment matters, including compensation issues, environmental, health and safety laws and regulations, tax matters, volatility in the price of our securities, failure to comply with disclosure obligations or the presence of illegal miners or labour disruptions at our mine sites.

Given the uncertain nature of these actions, the Company cannot predict the outcome of any such proceedings which proceedings, arbitrations or investigations could involve the United States and other foreign jurisdictions and, based on a judgment or a settlement agreement, could require the Company to significant litigation costs and pay substantial damages. Defense and settlement costs may be substantial, even with respect to claims that have no merit. If the Company cannot resolve these disputes favourably, its business, reputation, financial condition, results of operations and future prospects may be materially adversely affected.

There is no assurance that any of our expansion or development plans will not be opposed.

There is an increasing level of awareness relating to the perceived environmental and social impacts of mining activities. Opposition to mining activities by communities or indigenous groups, including aboriginal peoples, may have an impact on our ability to proceed with the expansion or development of our projects and the timetable and costs for these projects. While we are committed to operating in a socially responsible manner, there can be no assurance that our community relations efforts will mitigate this potential risk. Opponents of Florence Copper have in the past, and may in the future, file legal challenges to the validity of permits, licenses and approvals obtained by Florence Copper, and there can be no assurance that such challenges will successfully be defeated. Obtaining, updating and defending the necessary governmental permits, licenses and approvals is a complex, time-consuming and costly process, the success of which is contingent upon many variables outside of our control. Obtaining, updating, or defending permits, licenses and approvals may increase costs and cause delays depending on the nature of the activity to be permitted and the interpretation of applicable requirements implemented by the permitting authority.

The planned development of Florence Copper has been subject to a number of legal challenges which have delayed development of the project.

Opponents of Florence Copper have in the past, and may in the future, file legal challenges to the validity of permits, licences and approvals sought and/or obtained by the Company in relation to Florence Copper, the defence of which can be a complex, time-consuming and costly process and there can be no assurance that such challenges will successfully be defeated, with success being contingent upon many variables outside of the Company's control. Similar legal challenges could occur again in the future and delay development of the commercial facility at Florence. Currently there are no legal claims in state or federal court relating to the Company's proposed development of Florence Copper.

If we are found to be in violation of anti-corruption or anti-bribery laws and regulations, it may result in significant penalties, fines and/or sanctions imposed on us which could result in a material adverse effect on our reputation, financial performance and results of operations.

Our operations are governed by, and involve interactions with, various levels of government in numerous countries, we are required to comply with anti-corruption and anti-bribery laws, including the U.S. Foreign Corrupt Practices Act and the Canadian Corruption of Foreign Public Officials Act, by virtue of us operating in jurisdictions that may be vulnerable to the possibility of bribery, collusion, kickbacks, theft, improper commissions, facilitation payments, conflicts of interest and related party transactions.

There has been a general increase in the frequency of enforcement and the severity of penalties under such laws, resulting in greater scrutiny and punishment of companies convicted of violating anti-corruption and anti-bribery laws. If we are subject to an enforcement action or are found to be in violation of such laws, this may result in significant penalties, fines and/or sanctions imposed on us which could result in a material adverse effect on our reputation, financial performance and results of operations. If we choose to operate in additional foreign jurisdictions in the future we may become subject to additional anti-corruption and anti-bribery laws in such jurisdictions.

Any failure or breach of our information technology ("IT") systems could disrupt our operations.

Like any company, the security of our IT systems, including user access, security of our sites and our corporate IT system, are an important part of our business and operations. And like any company, we are susceptible to internal and external threats to these systems. Any IT failure pertaining to availability, access or system security could result in disruption for personnel and could adversely affect our reputation, operations or financial performance. A cyber security incident resulting in a security breach or a failure to identify a security threat could disrupt business and could result in the loss of business sensitive, confidential or personal information or other assets, as well as litigation, regulatory enforcement, violation of privacy or securities laws and regulations, and remediation costs, which could materially impact our business or reputation.

We process, store and use personal information and other data, which subjects us to governmental regulation and other legal obligations related to privacy, and violation of these privacy obligations could result in a claim for damages, regulatory action, loss of business, or unfavorable publicity.

We receive, store and process personal and other information from and about our employees, customers, and users of our web site. As a result, we face the following risks:

- It may prove difficult to comply with all applicable laws and regulations in Canada, the United States, and other jurisdictions regarding privacy and the storing, use, processing, and disclosure and protection of personal information.
- The scope of these laws, regulations and how they are enforced is changing and may also be inconsistent with each other.
- We face the risk of failing, and being perceived as failing, to comply with these applicable laws and regulations and to protect the privacy of this information.
- As a result of the above, we face some legal and compliance uncertainty and these things could increase in our compliance costs.

The increase in regulations surrounding climate change and related increase in compliance costs may have a material adverse effect on us.

We acknowledge climate change and that the increased regulation of greenhouse gas emissions (such as carbon taxes) may adversely affect our operations and related legislation is becoming more stringent. Policy and regulatory risk related to actual and proposed changes in climate- and water-related laws, regulations and taxes developed to regulate the transition to a low-carbon economy may result in increased costs for our operations and our suppliers, including increased energy, capital equipment, environmental monitoring and reporting and other costs to comply with such regulations. Regulatory uncertainty may incur higher costs and lower economic returns than originally estimated for new development projects and operations, including closure reclamation obligations. The effects of climate change or extreme weather events may cause prolonged disruption to operations and the delivery of essential commodities which could negatively affect production efficiency. Mining is an energy-intensive business, resulting in a significant carbon footprint and we acknowledge climate change as an area of risk requiring specific focus. A number of governments and/or governmental bodies have introduced or are contemplating regulatory changes in response to the potential impacts of climate change. The increased regulation, such as of limiting the greenhouse gas emissions and introducing new carbon or water taxes, may adversely affect our operations, and related legislation is becoming more stringent, with an impact on our compliance costs. Canada's federal and provincial legislations impose mandatory greenhouse gas emissions reporting requirements, to which our Gibraltar is subject.

The effects of climate change and extreme weather events could cause prolonged disruption of our operations or production efficiency.

The physical risks of climate change may have an adverse effect on our operations. Global climate change could exacerbate certain of the threats facing our business, including the frequency and severity of weather-related events such as windstorms, flooding, hailstorms, drought, wildfires, snow, ice storms, resource shortages, changes in rainfall and storm patterns and intensities, and changing temperatures, which can (i) damage our infrastructure or properties, (ii) disrupt our operations by impacting the availability and cost of materials needed for mining operations (iii) increase insurance and other operating costs, (iv) interrupt power supply, (v) adversely affect transportation of finished product to our customers, and (vi) create financial risk to our business or otherwise have a material adverse effect on our results of operations, financial position or liquidity. Such climate change events or conditions could also have adverse effects on the workforce and on the local communities surrounding the areas where we operate.

We make efforts to mitigate climate risks by ensuring that extreme weather conditions are included in our emergency response plans. However, there is no assurance that the response will be effective or that the physical risks of climate change will not have an adverse effect on our operations and profitability. These climate change related events may result in substantial costs to respond during the event, to recover from the event and possibly to modify existing or future infrastructure requirements to prevent recurrence.

We may suffer reputational losses that lead to increased challenges in developing and maintaining government and community relations, decreased investor confidence and act as an impediment to our overall ability to advance our projects, or to access equity or debt financing.

Our reputation can be impacted by the actual or perceived occurrence of any number of events, including, allegations of fraud or improper conduct, environmental non-compliance or damage, or the failure to meet our objectives or guidance. Publicity adverse to us could result from the actual or perceived occurrence of any number of events (for example, with respect to the handling of environmental matters, community relations or litigation), whether true or not. Any of these events could result in negative publicity to us, regardless of whether the underlying event is true or not. In addition, as a result of the increased usage and reach of social media and other internet platforms used to create and publish user-generated content, companies today are at much greater risk of losing control over how they are perceived in the marketplace.

Additionally, climate change and the transition to a low-carbon economy is expected to impact us in a number of ways. Mining is an energy-intensive business, currently resulting in a significant carbon footprint. Transitioning to a lower-carbon economy will require significant investment and may entail extensive policy, legal, technology, and market changes to address mitigation and adaptation requirements related to climate change. Depending on the nature, speed, and focus of these changes, transition risks may pose varying levels of reputational risk to the business and could reduce our attractiveness to stakeholders such as customers, investors, and potential employees.

Although we actively manage efforts on protecting our image and reputation, we do not ultimately have direct control over how it is perceived by others. Reputational loss may lead to increased challenges in developing and maintaining government and community relations, decreased investor confidence and act as an impediment to our overall ability to advance our projects, or to access equity or debt financing.

Aboriginal peoples' title claims and rights to consultation and accommodation may impact our ability to expand our existing operations and proceed with our development projects.

Provincial and federal governments in Canada are required by law to consult with aboriginal peoples with respect to the issuance or amendment of project authorizations in Canada and to try to accommodate aboriginal peoples' needs to the extent considered appropriate. There is considerable uncertainty as to the meaning, implications and use of the word "accommodate." In practice, it is extraction industry participants who are often left to engage with affected local aboriginal communities with the goal often being the achievement of an impacts and benefits agreement. Such agreements may provide promises of priority for employment opportunities, the provision of commercial services such as transportation and catering, social, educational and environmental initiatives and cash payments. This consultation and accommodation may affect the timetable and costs of our development projects and may impact the manner in which we proceed with the development of these projects. These legal requirements may also affect the Company's ability to expand or transfer existing operations or to develop new projects.

Laws and regulations in this area continue to evolve, including with the recent passage of the British Columbia *Declaration on the Rights of Indigenous Peoples Act* ("DRIPA") to implement the United Nations Declaration on the Rights of Indigenous Peoples ("UNDRIP"), becoming the first Canadian province to do so. UNDRIP consists of 46 articles that offer guidance to governments on recognizing and promoting rights of Indigenous people around the world. Pursuant to DRIPA, the Provincial Government is required to consider UNDRIP when adopting laws that affect the rights of indigenous people. Indigenous groups in British Columbia have challenged the mineral tenure system as being contrary to UNDRIP. It remains unclear whether the adoption of UNDRIP will affect existing mineral tenures or the acquisition of mineral tenures in British Columbia in the future.

Multiple listings on the TSX, NYSE American and LSE may lead to an inefficient market in the Company's shares.

Multiple listing of the Common Shares will result in differences in liquidity, settlement and clearing systems, trading currencies, prices and transaction costs between the exchanges where the Common Shares will be quoted. These and other factors may hinder the transferability of the Common Shares between the three exchanges.

The Common Shares are quoted on TSX, NYSE American, and the LSE. Consequently, the trading in and liquidity of the Common Shares will be split between these three exchanges. The price of the Common Shares may fluctuate and may at any time be different on the TSX, the NYSE American and the LSE. This could adversely affect the trading of the Common Shares on these exchanges and increase their price volatility and/or adversely affect the price and liquidity of the Common Shares on these exchanges.

The Common Shares are quoted and traded in Canadian Dollars on the TSX, in US Dollars on the NYSE American, and in pounds sterling on the LSE. The market price of the Common Shares on those exchanges may also differ due to exchange rate fluctuations.

Shareholder activism.

We have in the past been subject to, and may in the future become the target of, shareholder activist activities. The effects of shareholder activist activities could have a negative effect on Taseko and its business. We cannot predict with certainty the outcome of any future shareholder activist activities.

The market price of the Company's common shares may experience volatility.

Securities of mining companies experience volatility, at times unrelated to the financial performance or prospects of the companies involved. The Company's share price may be significantly affected by factors unrelated to the Company's performance. Macro-economic, geo-political, and industry-related events, speculation about the Company in the press or investment community, speculation about the metals the Company produces, changes in valuation of similar companies, the evaluation of the Company's performance and practices by third party rating agencies or analysts on ESG matters, which may limit the ability of some institutions or other investors to invest in the Company's common shares, attempts to benefit from shorting the Company's common shares, additions or departures of key personnel, strategic acquisitions by the Company or competitors and regulatory changes, among others, may affect investor sentiment and have an impact on the price of the Company's common shares. As a result of these changes, the market price of the Company's common shares at any given point in time may not accurately reflect its long-term value. If an active market for the Shares does not continue, the liquidity of an investor's investment may be limited, and the price of the Company's Shares may decline. If an active market does not exist, investors may lose their entire investment in the Company. Securities class-action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

Losses resulting from hedging activities.

The nature of our operations results in exposure to fluctuations in commodity prices, foreign exchange and other key inputs used in our mining operations including diesel fuel. To reduce our exposure to fluctuations in copper and fuel prices, the Company enters into derivative instruments from time to time for a significant portion of our share of copper production and fuel consumption. We expect that our commodity hedging agreements will be limited in duration, usually for periods of one year or less; however, in conjunction with project development, including our Florence Copper project, we may enter into or acquire hedges for longer periods. The terms of our various hedging agreements may limit the benefit to the Company of commodity price improvements. We may also suffer financial loss if the Company is unable to produce copper or other metals, or if counterparties to our hedging agreements fail to fulfill their obligations under the hedging agreements.

Our hedging transactions will impact our earnings in various ways, known and unknown. Due to the volatility of commodity prices, the Company may be required to recognize mark-to-market gains and losses on derivative instruments, as the estimated fair value of our commodity derivative instruments is subject to significant fluctuations from period to period. The amount of any actual gains or losses recognized will likely differ from our period-to-period estimates and will be a function of the actual price of the commodities on the settlement date of the particular derivative instrument. The Company expects that commodity prices will continue to fluctuate in the future, and, as a result, our periodic financial results will be subject to fluctuations related to its derivative instruments.

Risks Relating to the Senior Secured Notes and Credit Facility

Our high level of indebtedness could adversely affect our financial condition and prevent us from fulfilling our obligations under the senior secured notes.

As of December 31, 2021, our total debt was $531.7 million. Our high level of indebtedness could have important consequences to us:

- making it more difficult for us to satisfy our obligations with respect to the senior secured notes and any other existing or future debt;
- limiting our ability to obtain additional financing to fund Florence Copper and our Other Development Projects, working capital, capital expenditures, acquisitions or other general corporate purposes;
- requiring a substantial portion of our cash flows to be dedicated to debt service payments instead of other purposes, thereby reducing the amount of cash flows available for investments, working capital, capital expenditures, acquisitions and other general corporate purposes;
- increasing our vulnerability to general adverse economic and industry conditions;
- limiting our flexibility in planning for and reacting to changes in the industry in which we operate;
- placing us at a disadvantage compared to other, less leveraged competitors; and
- increasing our cost of borrowing.

In addition, the senior secured note indenture and Credit Facility will, and any future debt may, contain restrictive covenants that limit our ability to engage in activities that may be in our long-term best interest. Our failure to comply with those covenants could result in an event of default, which, if not cured or waived, could result in the acceleration of some or all of our debt.

We and our subsidiaries may still be able to incur substantially more debt. This could further exacerbate the risks associated with our high level of indebtedness.

The terms of the 2026 Secured Notes Indenture and Credit Facility will permit us to incur substantial additional indebtedness in the future, including to finance working capital, capital expenditures, investments or acquisitions.

Although the 2026 Secured Notes Indenture and our Credit Facility will limit our ability and the ability of our restricted subsidiaries to incur additional indebtedness, and to incur liens to secure such indebtedness, these restrictions are subject to a number of qualifications and exceptions and, under certain circumstances, debt incurred in compliance with these restrictions could be substantial. To the extent that we incur additional indebtedness, the risks associated with our substantial leverage described above, including our possible inability to service our debt, would increase.

To service our indebtedness, we will require a significant amount of cash. Our ability to generate cash depends on many factors beyond our control.

Our ability to make payments on and to refinance our indebtedness, including the senior secured notes and the Credit Facility, and to fund planned capital expenditures and other general corporate purposes, among other things, will depend on our ability to generate cash in the future. This, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. We cannot assure you that our business will generate sufficient cash flow from operations or that future capital will be available to us in an amount sufficient to enable us to make payments on or to refinance our indebtedness, including the senior secured notes, or to fund our other liquidity needs.

If our cash flows and capital resources are insufficient to allow us to make payments on our indebtedness, we may need to reduce or delay capital expenditures, sell assets, seek additional capital or restructure or refinance all or a portion of our indebtedness, including the senior secured notes, on or before maturity. We cannot assure you that we will be able to refinance any of our indebtedness, including the senior secured notes and the Credit Facility, on commercially reasonable terms or at all, or that the terms of that indebtedness will allow any of the above alternative measures or that these measures would satisfy our debt service obligations. If we are unable to generate sufficient cash flow or refinance our debt on favorable terms, it would significantly adversely affect our financial condition, the value of our outstanding debt and our ability to make any required cash payments under our indebtedness.

The terms of existing indebtedness will, and future indebtedness may, restrict our current and future operations, particularly our ability to respond to changes in our business and to take certain actions.

The instruments governing our current indebtedness contain, and agreements governing future indebtedness may contain, a number of restrictive covenants that impose significant operating and financial restrictions on us and may limit our ability to engage in acts that may be in our long-term best interest, including restrictions on our ability to:

- transfer and sell assets;
- pay dividends or distributions on our capital stock, repurchase our capital stock, make payments on subordinated indebtedness and make certain investments;
- incur additional debt;
- create or incur liens on our assets;
- create restrictions on the ability of our restricted subsidiaries to pay dividends, make loans or sell assets to us or any of our restricted subsidiaries;
- merge, amalgamate or consolidate with another company; and
- enter into transactions with affiliates.

The covenants in the 2026 Secured Notes Indenture are subject to certain exceptions and qualifications. In addition, our Credit Facility contains financial covenants, including maintenance covenants that would require us to satisfy such covenants on an ongoing basis. Our ability to comply with these financial covenants can be affected by events beyond our control.

A breach of the covenants under the 2026 Secured Notes Indenture or our Credit Facility, or under any agreements for future indebtedness, could result in an event of default under the applicable indebtedness. Such a default may allow the creditors of the defaulted indebtedness to accelerate the related debt and may also result in the acceleration of any other debt which has a cross-acceleration or cross-default provision to the related debt. Furthermore, if we were unable to repay the amounts due and payable under any secured arrangement, those respective lenders could proceed against the collateral securing such indebtedness, which could include our interest in Gibraltar and Gibraltar's interest in the JVOA. In the event our lenders or note holders accelerate the repayment of our borrowings, we and our subsidiaries may not have sufficient assets to repay that indebtedness.

As a result of restrictions contained in the 2026 Secured Notes Indenture and our Credit Facility, and that may be contained in any agreements for future indebtedness, we may be limited in how we conduct our business, unable to raise additional debt or equity financing to operate during general economic or business downturns or unable to compete effectively or to take advantage of new business opportunities.

These restrictions may affect our ability to grow in accordance with our strategy.

A lowering or withdrawal of the credit ratings assigned to our debt securities by rating agencies may adversely affect the market value of the senior secured notes, increase our future borrowing costs and reduce our access to capital.

Any credit rating assigned to us could be lowered or withdrawn entirely by a rating agency if, in that rating agency's judgment, future circumstances relating to the basis of the rating, such as adverse changes, so warrant.

Consequently, real or anticipated changes in our credit ratings will generally affect the market value of the notes. Credit ratings are not recommendations to purchase, hold or sell the notes. Additionally, credit ratings may not reflect the potential effect of risks relating to the structure or marketing of the notes. Any downgrade by a rating agency could decrease earnings and may result in higher borrowing costs. Any future lowering of our ratings likely would make it more difficult or more expensive for us to obtain additional debt financing.

The 2026 Secured Notes and our Credit Facility are denominated in U.S. dollars, and we may incur additional debt in the future denominated in U.S. dollars.

The 2026 Secured Notes and our Credit Facility are, and our future indebtedness may be, denominated in U.S. dollars. Fluctuations in exchange rates may significantly increase or decrease the amount of debt and interest expense recorded in our financial statements. We may employ derivative instruments to hedge foreign exchange risk related to our U.S. dollar denominated debt; however, no derivative instruments will protect against all fluctuations and the derivative instruments we employ may cause us to incur losses. We do not currently employ derivative instruments to hedge foreign exchange risk related to our U.S. dollar denominated debt.

We may not have the ability to raise funds necessary to finance any change of control offer required under the 2026 Secured Notes Indenture.

If a change of control (as defined in the 2026 Secured Notes Indenture) occurs, we will be required to offer to purchase the 2026 Secured Notes at 101% of their principal amount plus accrued and unpaid interest. Our ability to repurchase 2026 Secured Notes upon such a change of control would be limited by our access to funds at the time of the repurchase and the terms of our other debt agreements. The source of funds for any purchase of 2026 Secured Notes would be our available cash, cash generated from our subsidiaries' operations or other sources, including sales of assets and issuances of debt or equity. In addition, any future credit facility or other debt agreement that we may enter into in the future may contain provisions relating to a change of control. Upon a change of control, we may be required immediately to repay the outstanding principal, any accrued interest on and any other amounts owed by us under any future credit facility or other debt agreement that we may enter into in the future. The source of funds for these repayments would be the same sources noted above to repurchase the notes upon a change of control. However, we cannot assure you that we will have sufficient funds available or that we will be permitted by our other debt instruments to fulfill these obligations upon a change of control in the future, in which case the lenders under any secured debt instruments would have the right to foreclose on our assets, which would have a material adverse effect on us. Furthermore, certain events that constitute a change of control could also constitute an event of default under any future indebtedness, and we might not be able to obtain a waiver of such defaults. In order to avoid the obligations to repurchase the notes upon a change of control, we may have to avoid transactions that would otherwise be beneficial to us.

The 2026 Secured Notes mature in 2026 and will require refinancing and our Credit Facility matures in 2025 and may not be extended.

With refinancing of the 2022 Senior Notes completed as of March 3, 2021, a substantial portion of the Company's debt now matures in 2026 exposing the Company to risks relating to the refinancing of such debt. While the maturity of its debt have been extended, the Company currently intends to refinance the 2026 Notes with new bonds, there is no certainty that the Company will be able to refinance the 2026 Notes in their entire amount. Further the Company's ability to obtain debt financing will depend, inter alia, on prevailing financial market conditions at the time and the Company's business performance, including its successful construction and operation of the proposed mine at Florence Copper. The Credit Facility matures in April 2025 and is extendable annually thereafter but there is no certainty that it will be extended and if drawn, will need to be refinanced.

Successful refinancing of the bonds and Credit Facility is dependent upon a number of factors many of which are outside of the Company's control including the copper price which directly impacts the Company's profitability and debt capacity and capital market factors including prevailing interest rates at the time of refinance.

Furthermore, any additional debt financing may involve restrictive covenants, which may limit or affect the Company's operating and financial flexibility. In the event the Company cannot refinance its debt on acceptable terms or at all, this could adversely affect its ability to carry out its operations.

DIVIDENDS

The Company has not paid dividends to date and the Company has no plans to pay a dividend before construction of the Florence Copper Project is completed. The Company will reassess its dividend policy when the Florence Copper Project is in commercial production or if copper prices are sustained at current levels or increase further.

Pursuant to the Note Indenture and Credit Facility, the Company is restricted from paying dividends if an event of default exists or would exist upon paying the dividend, and further restricts the total dividends that can be paid in any given year.

DESCRIPTION OF CAPITAL STRUCTURE

Share Capital

Taseko's share capital consists of an unlimited number of no par value common shares. As of March 30, 2022, there were 286,287,919 common shares issued and outstanding and 9,655,166 stock options outstanding. All shares are required by law to be issued only as fully paid and non-assessable.

The holders of Taseko's common shares are entitled to one vote for each share on all matters submitted to a vote of shareholders.

There have been no changes in the classification of common shares (reclassifications, consolidations, reverse splits or the like) within the previous five years. All common shares of Taseko rank *pari passu* (i.e. equally) for the payment of any dividends and distributions in the event of a wind-up.

There are no constraints imposed on the foreign ownership of securities of Taseko, however an acquisition of control of Taseko by a non-Canadian would be subject to a review by the Canadian government under its foreign investment laws if the aggregate acquisition price were to exceed certain thresholds all of which are much higher than the Company's current implied value.

Senior Secured Notes

On February 10, 2021, the Company completed the US$400 million offering for the 2026 Notes. The 2026 Notes mature on February 15, 2026 and bear interest at an annual rate of 7.0%, payable semi-annually on February 15 and August 15. A portion of the proceeds were used to redeem the outstanding US$250 million 2022 Notes due on June 15, 2022.

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 purchase money debt for equipment financing, all subject to the terms of the 2026 Notes 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. In addition, until February 15, 2023, the Company may redeem up to 40% of the aggregate principal amount of the notes, in an amount not greater than the net proceeds of certain equity offerings, at a redemption price of 107%, plus accrued and unpaid interest to the date of redemption. On a change of control, the 2026 Notes are redeemable at the option of the holder at a price of 101%.

Revolving Credit Facility

On October 6, 2021, the Company closed a secured, revolving US$50 million Credit Facility. The Credit 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 Credit Facility matures on April 3, 2025 and is extendable annually thereafter. The Credit Facility is 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%.

The Credit 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 Credit Facility. The Company was in compliance with these covenants as at December 31, 2021.

Purchase and Sale Agreement with Osisko

On March 3, 2017, the Company entered into a silver stream purchase and sale agreement with 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.

On April 24, 2020, Taseko entered into an amendment to its silver stream with Osisko and received $8.5 million in exchange for reducing the delivery price of silver from US$2.75 per ounce to nil.

The silver sale agreement has a minimum term of 50 years and automatically renews for successive 10-year periods as long as Gibraltar mining operations are active. If the initial deposits are not fully reduced through silver deliveries at current market prices at time of the deliveries, a cash payment for the remaining amount will be due to Osisko at the expiry date of the agreement. The Company's obligations under the agreement are secured by a pledge of Taseko's 75% interest in the Gibraltar joint venture and shares of Gibraltar Mines Ltd.

Ratings

The following table sets out the ratings of Taseko's senior secured notes due 2026 by the rating agencies indicated as at March 30, 2022:

	Rating Agency		
	S&P Global Ratings	**Moody's Investors Service**	**Fitch Ratings Inc.**
Senior Secured Notes	B-	B3	B-
Trend / Outlook	Stable	Stable	Stable

S&P Global Ratings ("S&P") credit ratings are on a long-term rating scale that ranges from AAA to D, which represents the range from highest to lowest quality of such securities rated. On February 1, 2022, S&P reaffirmed Taseko a corporate credit rating of B-/Stable. According to S&P, this rating reflects the removal of refinancing risk associated with the Taseko's senior secured notes due 2022. The refinancing extended Taseko's maturity profile to 2026 and addressed a key source of uncertainty and risk. In S&P's view, this is particularly important in advance of significant growth-related capital expenditures over the next two years. The stable outlook reflects its view that Taseko will maintain adequate liquidity to fund the development of Florence Copper, supported by favorable copper prices and resulting robust cash flow generation in 2022, with potential upside in 2023 and stronger credit measures once commercial production commences. In the meantime, the Company faces several risks common to development project construction, including cost overruns and commodity price volatility.

The ratings from AAA to D may be modified by the addition of a plus (+) or a minus (-) sign to show relative standing within the major categories. In addition, S&P may add a rating outlook of "positive", "negative" or "stable" which assesses the potential direction of a long-term credit rating over the intermediate term (typically six months to two years).

Moody's Investors Service ("Moody's") credit ratings are on a long-term debt rating scale that ranges from Aaa to Caa, which represents the range from highest to lowest quality of such securities rated. On December 15, 2021, Moody's assigned Taseko a corporate family credit rating of B3 and a credit rating of B3/LGD4 on the senior secured notes due 2026 with a stable outlook. Moody's cited that Taseko is constrained by 1) the concentration of cash flows from primarily one metal (copper) at a single mine 2) variability in grade and costs due to mine sequencing, 3) execution risk for Florence Copper that includes permitting, and the technical risks of in-situ mining, which has not been used for a large scale copper project to date and 4) expected negative free cash flow before the Florence project starts producing. Taseko benefits from its mine locations in favorable mining jurisdictions and long reserve life at Gibraltar and Florence. Taseko's metrics have historically demonstrated volatility, as changes in ore grade, strip ratio, copper prices, and the Canadian/US exchange rate can substantively change leverage. Moody's view that Taseko's liquidity is adequate over the next 12 months.

Moody's appends numerical modifiers 1, 2 and 3 to each generic rating classification from AA through C. The modifier 1 indicates that the security ranks in the higher end of its generic rating category, the modifier 2 indicates a mid-range ranking and the modifier 3 indicates a ranking in the lower end of the generic category.

Fitch Ratings Inc. ("Fitch") credit ratings are on a long-term rating scale that ranges from AAA to D, which represents the range from highest to lowest quality of such securities rated. On October 5, 2021, Fitch reaffirmed Taseko a corporate credit rating of B-/Stable. According to Fitch, this rating reflects Taseko's small size, concentration on one operation and cost position in the fourth quartile of the global copper cost curve. The Gibraltar mine benefits from a stable production profile, a favorable mining jurisdiction and a long mine life. The stable outlook reflects Fitch's view that the Florence Project with go forward and limited Florence project financing.

The ratings from AAA to D may be modified by the addition of a plus (+) or a minus (-) sign to show relative standing within the major categories. In addition, Fitch may add a rating outlook of "positive", "negative" or "stable" which assesses the potential direction of a long-term credit rating over the intermediate term.

The credit ratings accorded to the senior secured notes by S&P, Moody's, and Fitch are not recommendations to purchase, hold or sell the senior notes as such ratings do not comment as to market price or suitability for a particular investor. There is no assurance that any rating will remain in effect for any given period of time or that any rating will not be revised or withdrawn entirely by a rating agency in the future if, in its judgment, circumstances so warrant.

MARKET FOR SECURITIES

Taseko's common shares are listed on the TSX, NYSE American, and the LSE under the symbols TKO, TGB, and TKO, respectively. The following table shows the price ranges and average daily trading volume ("ADTV") traded by month in 2021, based on trading information published by each exchange.

	TSX			NYSE American			LSE		
2021	**High (C$)**	**Low (C$)**	**ADTV**	**High (US$)**	**Low (US$)**	**ADTV**	**High (GB£)**	**Low (GB£)**	**ADTV**
December	2.77	2.30	456,505	2.20	1.78	1,687,677	1.60	1.40	65,400
November	2.96	2.41	420,527	2.38	1.91	1,750,010	1.70	1.50	8,478
October	2.97	2.31	501,905	2.41	1.82	1,801,410	1.68	1.34	11.016
September	2.53	2.14	373,643	2.01	1.67	1,563,005	1.40	1.28	4,566
August	2.32	1.92	267,676	1.86	1.49	1,131,436	1.38	1.15	10,590
July	2.59	2.01	398,119	2.12	1.57	1,542,276	1.53	1.23	10,417
June	3.07	2.36	379,009	2.56	1.90	1,784,150	1.70	1.45	22,089
May	3.22	2.47	663,955	2.67	2.00	3,500,875	1.83	1.48	18,756
April	2.65	2.14	523,329	2.16	1.70	2,739,676	1.50	1.30	18,110

March	2.35	1.86	693,396	1.89	1.47	2,885,052	1.35	1.23	11,103
February	2.63	1.59	937,684	2.09	1.24	4,367,358	1.63	0.98	20,389
January	1.85	1.38	323,480	1.47	1.07	2,366,079	1.13	0.93	10,745

DIRECTORS AND OFFICERS

As at March 30, 2022, the directors and executive officers of Taseko, as a group, beneficially owned, directly or indirectly, or exercised control or direction over 9,408,996 common shares, representing less than five percent of the total number of common shares outstanding before giving effect to the exercise of options to purchase common shares held by such directors and executive officers. The statement as to the number of common shares beneficially owned, directly or indirectly, or over which control or direction is exercised by the directors and executive officers of Taseko as a group is based upon information furnished by the directors and officers as reflected on SEDI (www.sedi.com).

Name, Position and Office, and Province or State and Country of Residence	**Period a Director and/or Officer of Taseko**
Directors	
Anu Dhir, Director Toronto, Ontario, Canada	Since September 2017
Robert A. Dickinson, Director Lions Bay, British Columbia, Canada	Since January 1991
Russell E. Hallbauer, Director West Vancouver, British Columbia, Canada	Since July 2005
Stuart McDonald, President, Chief Executive Officer and Director North Vancouver, British Columbia, Canada	Since September 2013
Peter Mitchell, Director Naples, Florida, USA	Since June 2020
Kenneth Pickering, Director Chemainus, British Columbia, Canada	Since December 2018
Ronald W. Thiessen, Chairman of the Board and Director West Vancouver, British Columbia, Canada	Since October 1993
Executive Officers	
Brian Bergot, Vice President, Investor Relations North Vancouver, British Columbia, Canada	Since March 2014
Bryce Hamming, Chief Financial Officer North Vancouver, British Columbia, Canada	Since June 2019
Sean Magee, Vice President Corporate Affairs North Vancouver, British Columbia, Canada	Since September 2021
Robert Rotzinger, Vice President, Capital Projects West Vancouver, British Columbia, Canada	Since December 2012

Name, Position and Office, and Province or State and Country of Residence	Period a Director and/or Officer of Taseko
Richard Tremblay, Senior Vice President, Operations Vancouver, British Columbia, Canada	Since June 2019
Trevor Thomas, Secretary Vancouver, British Columbia, Canada	Since August 2008
Richard Weymark, Vice President, Engineering North Vancouver, British Columbia, Canada	Since July 2021

At the annual general meeting held in June 2021, all the directors listed above, were re-elected as directors, except for Mr. McDonald who was appointed as a director in September 2021. All directors have a term of office expiring at the next annual general meeting of Taseko.

All officers have a term of office lasting until their removal or replacement by the Board of Directors. However, there are certain employment agreements in place with respect to these persons which will affect any termination of services.

Committees of the Board of Directors

Audit and Risk Committee

The Audit and Risk Committee is comprised of Peter Mitchell (Chair), Ron Thiessen, and Anu Dhir.

Compensation Committee

The Compensation Committee is comprised of Kenneth Pickering (Chair), Anu Dhir, and Peter Mitchell.

Nominating and Governance Committee

The Nominating and Governance Committee is comprised of Anu Dhir (Chair), Robert A. Dickinson, and Peter Mitchell.

Environmental, Health and Safety Committee

The Environmental, Health and Safety Committee is comprised of Kenneth Pickering (Chair), Robert A. Dickinson, and Russell Hallbauer.

Florence Oversight Committee

The Florence Oversight Committee is comprised of Russell Hallbauer and Kenneth Pickering.

Principal Occupations and Other Information

Anu Dhir, B.A. JD. - Director

Ms. Anu Dhir is a co-founder and executive of ZinQ Mining, a private base metals and precious metals royalty company that focuses on the Latin America region. Ms. Dhir is also the Managing Director of Miniqs Limited, a private group primarily interested in developing resource projects. Prior to Miniqs and ZinQ Mining, Ms. Dhir was Vice President, Corporate Development and Company Secretary at Katanga Mining Limited. Ms. Dhir is currently a non-executive director of Lomiko Metals Inc. Ms. Dhir is a graduate of the General Management Program (GMP) at Harvard Business School, she has a law degree (Juris Doctor) from Quinnipiac University and a Bachelor of Arts from the University of Toronto.

Ms. Dhir is, or within the past five years, was a director of the following public companies:

Company	Positions Held	From	To
Golden Star Resources	Director	February 2014	January 2022
Lomiko Metals Inc.	Director	December 2021	Present
Taseko Mines Limited	Director	September 2017	Present

Robert A. Dickinson, B.Sc., M.Sc. - Director

Mr. Dickinson is an economic geologist who has been actively involved in mineral exploration and mine development for over 45 years and was inducted into the Canadian Mining Hall of Fame in 2012. He is Chairman of Hunter Dickinson Inc. ("HDI") and Hunter Dickinson Services Inc. ("HDSI") as well as a director and member of the management team of a number of public companies associated with HDSI. He is also President and Director of United Mineral Services Ltd., a private resources company.

Mr. Dickinson is, or within the past five years was, an officer and/or director of the following public companies:

Company	Positions Held	From	To
Amarc Resources Ltd.	Director	April 1993	Present
	Chairman	April 2004	Present
Blackwolf Copper and Gold Ltd.	Director	November 2009	August 2020
Northcliff Resources Ltd.	Director	June 2011	Present
Northern Dynasty Minerals Ltd.	Director	June 1994	Present
	Chairman	April 2004	Present
Quartz Mountain Resources Ltd.	Director	December 2003	February 2019
Taseko Mines Limited	Director	January 1991	Present

Russell E. Hallbauer, P.Eng. - Director

Mr. Hallbauer graduated from the Colorado School of Mines with a B.Sc. in Mining Engineering in 1979. He is a Registered Professional Engineer with the Association of Professional Engineers of British Columbia. He has been a member of the Canadian Institute of Mining and Metallurgy since 1975 and is a director and former chairman of the Mining Association of B.C.

In 1983, he joined Teck Corporation's Bullmoose mine, advancing through Engineering and Supervisory positions to become Mine Superintendent in 1987, and in 1992, became General Manager of Quintette. In 1995, he assumed new responsibilities in Vancouver when he was appointed General Manager, Coal Operations, overseeing Teck's three operating coal mines in the Province. In 2002, he was appointed General Manager, Base Metal Joint Ventures, responsible for Teck Cominco's interests in Highland Valley Copper, Antamina in Peru, and Louvicourt in Quebec. Mr. Hallbauer is a director of HDSI (and HDI), a company providing management and administrative services to several publicly-traded companies, and focuses on directing corporate development and financing activities.

Mr. Hallbauer is, or within the past five years was, an officer and/or director of the following public companies:

Company	Positions Held	From	To
Taseko Mines Limited	Director	July 2005	Present
	President	July 2005	June 2019
	Chief Executive Officer	July 2005	June 2021

Stuart McDonald, CPA, CA - President & CEO and Director

Mr. McDonald is a mining executive with over 25 years of experience in mining, corporate development, financial and management roles. He joined Taseko as Chief Financial Officer in 2013, was appointed President in June 2019, and CEO in July 2021. Prior to Taseko, he held a number of senior roles in the mining industry including CFO of Quadra FNX Mining Ltd. (and its predecessor Quadra Mining Ltd.) and CFO of Yukon Zinc Corp. He was also Corporate Controller at Cumberland Resources Ltd. until its acquisition by Agnico-Eagle Mines in 2007. Prior to joining the mining industry, he spent 10 years in public accounting with Deloitte & Touche and Ernst & Young. Mr. McDonald is a Chartered Professional Accountant (British Columbia) and a U.S. Certified Public Accountant (Illinois). He holds a Bachelor of Commerce (Finance) degree from the University of British Columbia

Mr. McDonald is, or within the past five years was, an officer of the following public companies:

Company	Positions Held	From	To
Taseko Mines Limited	Chief Financial Officer	September 2013	June 2019
Taseko Mines Limited	President	June 2019	Present
Taseko Mines Limited	Chief Executive Officer	June 2021	Present
Taseko Mines Limited	Director	September 2021	Present

Peter Michell, CPA - Director

Mr. Mitchell is a Chartered Professional Accountant with over 35 years of senior financial management experience in both public and private equity sponsored companies. Most recently, he was Senior Vice President and Chief Financial Officer of Coeur Mining, Inc., a precious metals producer operating mines throughout North America. Peter joined Coeur in 2013 and was responsible for investor relations, financial planning and analysis, financial reporting, information technology, tax and compliance, in addition to serving as a key team member on the Company's acquisition and divestiture team as well as leading all capital markets activity in multiple equity and debt financings.

Previously, he held executive leadership positions in finance and operations with a variety of U.S. and Canadian companies, among them Taseko Mines Limited, Vatterott Education Centers, Von Hoffmann Corporation and Crown Packaging Ltd. He is currently a member of the Board of Directors of Stabilis Solutions Inc., Montage Gold Corp. and Northcliff Resources Ltd. where he is also the Audit Committee Chair. He earned a BA in Economics from Western University and an MBA in Finance from the University of British Columbia.

Mr. Mitchell is, or within the past five years was, an officer of the following public companies:

Company	Positions Held	From	To
Coeur Mining Inc.	Chief Financial Officer	June 2013	December 2018
Montage Gold Corp.	Director	September 2019	Present
Northcliff Resources Ltd.	Director	June 2011	Present
Stabilis Solutions Inc.	Director	July 2019	Present
Taseko Mines Limited	Director	June 2020	Present

Kenneth Pickering - Director

Mr. Pickering is a Professional Engineer and mining executive with 40 years of experience in a variety of capacities in the natural resources industry. He has led the development, construction and operation of world-class mining projects in Canada, Chile, Australia, Peru and the United States, focusing on operations, executive responsibilities and country accountabilities.

Mr. Pickering is, or within the past five years was, an officer of the following public companies:

Company	Positions Held	From	To
Enaex S.A. Chile	Director	May 2011	May 2018
Endeavour Silver Corp.	Director	August 2012	Present
Northern Dynasty Minerals Ltd.	Director	September 2013	Present
Teck Resources Limited	Director	March 2015	Present
Taseko Mines Limited	Director	December 2018	Present

Ronald W. Thiessen, CPA, FCA - Chairman of the Board and Director

Mr. Thiessen is a Chartered Professional Accountant with professional experience in finance, taxation, mergers, acquisitions and re-organizations. Since 1986, Mr. Thiessen has been involved in the acquisition and financing of mining and mineral exploration companies. Mr. Thiessen is a director of HDSI (and HDI), a company providing management and administrative services to several publicly-traded companies, and focuses on directing corporate development and financing activities.

Mr. Thiessen is, or within the past five years was, an officer and/or director of the following public companies:

Company	Positions Held	From	To
Amarc Resources Ltd.	Director	September 1995	February 2019
	CEO	September 2000	February 2019
Northern Dynasty Minerals Ltd.	Director	November 1995	Present
	President and CEO	November 2001	Present
Quartz Mountain Resources Ltd.	Director	December 2011	December 2017
	President and CEO	December 2011	December 2017
Taseko Mines Limited	Director	October 1993	Present
	Chairman	May 2006	Present

Brian Bergot - Vice President, Investor Relations

Mr. Bergot was appointed Vice President, Investor Relations in March 2014 and has over 20 years of experience in the natural resources sector. Brian joined Taseko in 2006 and has held roles of increasing responsibility, in both Investor Relations and Marketing & Logistics. Prior to his career in mining, Mr. Bergot spent 14 years at Methanex Corporation, a $7 billion BC-based chemical company. At Methanex, he held a number of corporate and operational roles including investor relations and marketing & logistics. As Vice President, Investor Relations, he is responsible for expanding the Company's shareholder base in the North American and European markets.

Mr. Bergot is, or within the past five years was, an officer of the following public companies:

Company	Positions Held	From	To
Taseko Mines Limited	Vice President, Investor Relations	March 2014	Present

Bryce Hamming, CFA, CPA, CA - Chief Financial Officer

Mr. Hamming joined Taseko in 2018 and was appointed Chief Financial Officer in June 2019. Mr. Hamming is a financial executive with more than 20 years of experience in corporate finance, corporate development, treasury, tax and financial reporting oversight. He was most recently a corporate finance adviser to Seaspan Corporation. From 2011 to 2019, he was Chief Financial Officer of Northcliff Resources Ltd. and was also employed by the Hunter Dickinson group on various other mining development projects throughout North America. From 2007 to 2009, he worked for the Royal Bank of Scotland in debt capital markets origination and worked with Ernst &Young LLP's mining advisory groups based out of London from 2006 to 2007. He articled with KPMG LLP (Vancouver) as a senior tax manager. Mr. Hamming is a Chartered Financial Analyst and a Chartered Professional Accountant (British Columbia) and he holds a Bachelor of Business Administration from Simon Fraser University.

Mr. Hamming is, or within the past five year was, an officer of the following public companies.

Company	Positions Held	From	To
Northcliff Resources Ltd.	Chief Financial Officer	June 2011	March 2019
Taseko Mines Limited	Chief Financial Officer	June 2019	Present

Sean Magee - Vice President, Corporate Affairs

Mr. Magee joined Taseko in September 2021 as Vice President Corporate Affairs and is responsible for leading Taseko's public affairs and community relations programs, as well as for government relations, corporate communications, media, and policy initiatives.

Mr. Magee has more than 25 years' experience as a public affairs professional supporting mining and other natural resource industries in Canada and throughout North America - most recently as Principal of regulatory and public affairs consulting firm One-eighty Consulting Group Inc., and previously in senior executive roles with a number of publicly traded companies. In these roles, he provided senior public affairs and management counsel to a suite of mineral exploration and development, mining and energy companies, with direct responsibility for strategic communication planning, issues and crisis management, ESG and sustainability programs and partnerships, public and stakeholder consultation, Indigenous engagement, government relations and reputation management.

He is a former journalist, speechwriter and media trainer, with extensive experience working on high profile development projects in Canada and the United States.

Mr. Magee is, or within the past five years was, an officer of the following public companies:

Company	Positions Held	From	To
Taseko Mines Limited	Vice President, Corporate Affairs	September 2021	Present
Northern Dynasty Minerals Ltd.	Vice President, Public Affairs	July 2015	August 2021

Robert Rotzinger, P. Eng. - Vice-President, Capital Projects

Mr. Rotzinger has over 20 years of experience in the mining industry with Taseko and predecessor companies. Mr. Rotzinger has been a key participant in the $700 million capital investment program at Gibraltar including managing the engineering, construction and commissioning of the three phase mine expansion project. In 2014, he was the recipient of the Canadian Mineral Processors Society "Mineral Processor of the Year Award" and in 2010, he was a co-recipient of the Association of Mineral Exploration British Columbia E.A. Scholz Award for Excellence in Mine Development for the expansion and modernization of Gibraltar. He has also received PowerSmart Excellence Awards from BC Hydro in 2008 for Outstanding Energy Efficient Project and again in 2010 for the Application of New Energy Efficient Technology.

Mr. Rotzinger is, or within the past five years was, an officer of the following public companies:

Company	Positions Held	From	To
Taseko Mines Limited	Vice President, Capital Projects	December 2012	Present

Richard Tremblay, P. Eng. - Senior Vice President, Operations

Mr. Tremblay joined Taseko as General Manager, Gibraltar in July 2014. Mr. Tremblay is an experienced senior level executive with over 30 years in the mining industry. He has a strong operations background in Open Pit Mining as well as Mineral Processing. Prior to joining Taseko Mr. Tremblay held positions as Vice President Operations, Coalspur, General Manager Fording River Operations Teck Coal, General Manager Line Creek Operations, Elk Valley Coal Corporation and Superintendent, Processing Elkview Operations and Coal Mountain Operations, Elk Valley Coal Corporation.

In May 2019, Mr. Tremblay was named Mining Person of the Year by the Mining Association of BC for his work on the BC Health, Safety, and Reclamation Code Committee and the Mining Jobs Task Force. He also served as Chair of the BC Mine Managers Committee from 2007 to 2009. Mr. Tremblay holds an MBA from Simon Fraser University and is a professional engineer with a Bachelor of Science in Chemical Engineering from Queen's University.

Mr. Tremblay is, or within the past five years was, an officer of the following public companies:

Company	Positions Held	From	To
Taseko Mines Limited	Senior Vice President, Operations	June 2019	Present

Trevor Thomas, LLB - Secretary

Mr. Thomas has practiced in the areas of corporate commercial, corporate finance, securities and mining law since 1995, both in private practice environment as well as in-house positions and is currently general counsel for Hunter Dickinson Inc. Prior to joining Hunter Dickinson Inc. he served as in-house legal counsel with Placer Dome Inc.

Mr. Thomas is, or within the past five years was, an officer of the following public companies:

Company	Positions Held	From	To
Amarc Resources Ltd.	Secretary	February 2008	Present
Blackwolf Copper and Gold Ltd.	Secretary	July 2013	August 2020
Electric Royalties Ltd.	Secretary	June 2020	November 2021
Mineral Mountain Resources Ltd.	Director	September 2016	Present
Northcliff Resources Ltd.	Secretary	June 2011	Present
Northern Dynasty Minerals Ltd.	Secretary	February 2008	Present
Quadro Resources Ltd.	Director	June 2017	Present
Quartz Mountain Resources Ltd.	Secretary	June 2013	Present
	Director, President and CEO	February 2019	Present

Rathdowney Resources Ltd.	Secretary	March 2011	Present
RE Royalties Ltd.	Secretary	November 2018	Present
Taseko Mines Limited	Secretary	August 2008	Present

Richard Weymark, P. Eng. - Vice President, Engineering

Mr. Weymark is a Professional Mining Engineer with over 14 years of experience in the mining industry in British Columbia. Mr. Weymark joined Taseko as Chief Engineer in July 2018 and was appointed Vice President, Engineering in July 2021.

Mr. Weymark's primary focus is the advancement of the engineering and environmental aspects of Taseko's pipeline of development projects. Prior to joining Taseko, he held progressively senior roles at Teck's Highland Valley Copper operations in mine engineering, mine operations, business improvement and tailings dam construction.

Mr. Weymark holds a Bachelor of Applied Science in Mining Engineering from the University of British Columbia and a Master of Business Administration from Queen's University

Mr. Weymark is, or within the past five years was, an officer of the following public companies:

Company	**Positions Held**	**From**	**To**
Taseko Mines Limited	Vice President, Engineering	July 2021	Present

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No director or executive officer of Taseko is as of the date of this AIF, or has been within the 10 years before the date of this AIF, a director or executive officer of any company that was the subject of a cease trade order or similar penalty or sanction while that person was acting in that capacity, or was the subject of a cease trade order or similar penalty or sanction after the director or executive officer ceased to act in that capacity and which resulted from any event that occurred while that person was acting in the capacity of a director or executive officer.

Except as disclosed below, no director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially control of the Company, (i) is, or within ten years prior to the date hereof has been, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (ii) has, within ten years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

As publicly disclosed at www.sedar.com, in September 2012, Great Basin Gold Ltd. ("GBG"), a company for which, at the time, Mr. Ronald W. Thiessen and Ms. Anu Dhir were directors, became bankrupt due to heavy indebtedness, mine production issues and falling gold prices.

No director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Potential Conflicts of Interest

Several directors of Taseko also serve as directors of one or more other resource companies involved in mineral exploration and/or development. It may occur from time to time that as a consequence of their activity in the mineral industry and serving on such other boards that a director may become aware of potential resource property opportunities which are of interest to more than one of the companies on whose boards that person serves. Furthermore, it is possible that the directors of Taseko and the directors of one or more such other companies may also agree to allow joint participation on Taseko's properties or the properties of that other company. Accordingly, situations may arise in the ordinary course which involves a director in an actual or potential conflict of interest as well as issues in connection with the general obligation of a director to make corporate opportunities available to the company on which the director serves. In all such events, any director who might have a disclosable financial interest in a contract or transaction by virtue of office, employment or security holdings or other such interest in another company or in a property interest under consideration by the Taseko Board, would be obliged to abstain from voting as a Taseko director in respect of any transaction involving that other company(s) or in respect of any property in which an interest is held by him. The directors will use their best business judgment to help avoid situations where conflicts or corporate opportunity issues might arise and they must at all times fulfill their duties to act honestly and in the best interests of Taseko.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Company has not been subject to any securities regulatory authority or other regulatory authority or court penalty or sanction.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

None of the directors or senior officers of the Company, nor any person who has held such a position since the beginning of the last completed financial year end of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any material transaction of the Company other than as set out herein.

TRANSFER AGENT AND REGISTRAR

The Company's registrar and transfer agent for its common shares is Computershare Investor Services Inc. at its offices in Vancouver, British Columbia.

MATERIAL CONTRACTS

The following contracts are considered material and have been filed at www.sedar.com:

(a) Joint Venture Operating Agreement with Cariboo, dated March 18, 2010, whereby the Gibraltar Mine is operated in a 75:25 joint venture with Cariboo; and

(b) 2026 Secured Note Indenture, dated as of February 10, 2021, between the Company and each of the Guarantors Party, and The Bank of New York Mellon, as U.S. Trustee, and BNY Trust Company of Canada, as Canadian Co-Trustee and Collateral Agent. Information on the terms of the 2026 Secured Notes and the 2026 Secured Note Indenture is incorporated by reference from the Company's material change report dated February 10, 2021 filed on SEDAR on February 10, 2021.

INTERESTS OF EXPERTS

The following is a list of the persons or companies named as having prepared or certified a statement, report or valuation, in this AIF either directly or in a document incorporated by reference and whose profession or business gives authority to the statement, report or valuation made by the person or company:

(a) The Company's independent auditors are KPMG LLP, Chartered Professional Accountants, who have issued independent auditors' reports dated February 22, 2022 in respect of the Company's consolidated financial statements as of December 31, 2021 and for the fiscal year ended December 31, 2021 and the Company's internal control over financial reporting as of December 31, 2021;

(b) Richard Weymark, P. Eng., MBA, Vice President Engineering, authored the "Technical Report on the Mineral Reserve Update at the Gibraltar Mine" dated March 30, 2022 and the "Technical Report on the Mineral Reserve Update at the Yellowhead Copper Project" dated January 16, 2020, and reviewed and approved the information herein relating to the Gibraltar, Florence Copper, Yellowhead Copper, New Prosperity and Aley projects; and

(c) Dan Johnson, P.E., authored the "NI 43-101 Technical Report, Florence Copper Project, Florence, Pinal County, Arizona" dated February 28, 2017, amended and restated December 4, 2017.

To our knowledge, none of Richard Weymark or Dan Johnson hold, directly or indirectly, more than 1% of our issued and outstanding common shares.

KPMG are the auditors of the Company and have confirmed that they are independent of the Company within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulation and also that they are independent accountants with respect to the Company under all relevant US professional and regulatory standards.

Based on information provided by the relevant persons, and except as otherwise disclosed in this AIF, none of the persons or companies referred to above has received or will receive any direct or indirect interests in our property or the property of an associated party or an affiliate of ours.

ADDITIONAL INFORMATION

Additional information, including additional financial information, directors' and officers' remuneration, indebtedness of officers, executive stock options and interests of management and others in material transactions, where applicable, is contained in annual financial statements, MD&A, proxy circulars and interim financial statements available under the Company's profile at the SEDAR website (www.sedar.com).

The following documents can be obtained upon request from Taseko's Shareholder Communication Department by calling (778) 373-4533:

I. this Annual Information Form, together with any document incorporated herein by reference;

II. the annual report and MD&A of the Company and any interim financial statements and MD&A filed with Securities Commissions subsequent to the audited financial statements for the Company's most recently completed financial year; and

III. the Proxy Circular for the June 17, 2021 annual general meeting of the Company dated May 18, 2021.

The Company may require the payment of a reasonable charge from persons, other than security holders of the Company, requesting copies of these documents.

AUDIT AND RISK COMMITTEE

The Audit and Risk Committee has adopted a charter that sets out its mandate and responsibilities, and is attached to this AIF as Appendix A.

Composition of Audit and Risk Committee

The Audit and Risk Committee, consisting of Peter Mitchell (Chair), Ronald Thiessen and Anu Dhir, reviews all financial statements of the Company prior to their publication, meets with the auditors as part of their review of audit findings, considers the adequacy of audit procedures, recommends the appointment of independent auditors, reviews and approves the professional services to be rendered by them and reviews fees for audit services. The charter has set criteria for membership which all members of the Audit and Risk Committee are required to meet consistent with National Instrument 52-110 *Audit Committees* and other applicable regulatory requirements. The Audit and Risk Committee, as needed, meets separately (without management present) with the Company's auditors to discuss the various aspects of the Company's financial statements and the independent audit.

Each Audit and Risk Committee member is an independent director and is financially literate. Mr. Mitchell is the Audit and Risk Committee's Chairman. Messrs. Mitchell and Thiessen are financial experts.

Relevant Education and Experience

Disclosure respecting the education and experience of the Audit and Risk Committee is provided in their biographies above. As a result of their education and experience, each member of the Audit Committee has familiarity with, an understanding of, or experience in:

- the accounting principles used by the Company to prepare its financial statements, and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- reviewing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements; and
- internal controls and procedures for financial reporting.

Code of Ethics

The Company has adopted a code of ethics that applies to all directors, officers and employees of the Company, including the Chief Executive Officer, Senior Vice President, Operations, Chief Financial Officer and other senior finance staff. A copy of the Code of Ethics, which is included as a part of the Company's Governance Policies and Procedures Manual, is available on the Company's website at www.tasekomines.com and at the SEDAR web site www.sedar.com.

Principal Accountant Fees and Services

The following table discloses the aggregate fees billed for each of the last two years for professional services rendered by the Company's audit firm for various services.

Services		Year Ended December 31, 2021		Year Ended December 31, 2020
Audit Fees[1]	$	682,000	$	687,000
Audit Related Fees[2]		-		-
Tax Fees		-		-
All Other Fees		-		-
Total	$	682,000	$	687,000

(1) "Audit Fees" for the years ended December 31, 2021 and 2020 includes administrative costs and disbursements related to professional services rendered.

(2) "Audit Related Fees" include services that are traditionally performed by the auditor.

Pre-Approval Policies and Procedures

Management of the Company requests approval from the Audit and Risk Committee for all audit and non-audit services to be provided by the Company's auditors. The Audit and Risk Committee pre-approves all such services with set maximum dollar amounts for each itemized service. During such deliberations, the Audit and Risk Committee assesses, among other factors, whether the services requested would be considered "prohibited services" as contemplated under Canadian independence standards and by the US Securities and Exchange Commission, and whether the services requested and the fees related to such services could impair the independence of the auditors. No audit-related fees, tax fees or other non-audit fees for such "prohibited services" were approved by the Audit and Risk Committee.

APPENDIX A

Audit and Risk Committee Charter

1. Purpose: Responsibilities and Authority

The Audit and Risk Committee (the "Audit Committee" or "Committee") shall carry out its responsibilities under applicable laws, regulations and stock exchange requirements with respect to the employment, compensation and oversight of the Company's independent auditor, and other matters under the authority of the Committee. The Committee also shall assist the Board of Directors in carrying out its oversight responsibilities relating to the Company's financial, accounting and reporting processes, the Company's system of internal accounting and financial controls, the Company's compliance with related legal and regulatory requirements, and the fairness of transactions between the Company and related parties. In furtherance of this purpose, the Committee shall have the following responsibilities and authority:

(a) ***Relationship with Independent Auditor.***

(i) Subject to the law of British Columbia as to the role of the Shareholders in the appointment of independent auditors, the Committee shall have the sole authority to appoint or replace the independent auditor.

(ii) The Committee shall be directly responsible for the compensation and oversight of the work of the independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work.

(iii) The independent auditor shall report directly to the Committee.

(iv) The Committee shall approve in advance all audit and permitted non-audit services with the independent auditor, including the terms of the engagements and the fees payable; provided that the Committee Chairman may approve services to be performed by the independent auditors and the fee therefor between Committee meetings if the amount of the fee does not exceed $50,000, provided that any such approval shall be reported to the Committee at the next meeting thereof. The Committee may delegate to a subcommittee the authority to grant pre-approvals of audit and permitted non-audit services, provided that the decision of any such subcommittee shall be presented to the full Committee at its next scheduled meeting.

(v) At least annually, the Committee shall review and evaluate the experience and qualifications of the lead partner and senior members of the independent auditor team.

(vi) At least annually, the Committee shall obtain and review a report from the independent auditor regarding:

(A) the independent auditor's internal quality-control procedures;

(B) any material issues raised by the most recent internal quality-control review, or peer review, of the auditor, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the firm;

(C) any steps taken to deal with any such issues; and

(D) all relationships between the independent auditor and the Company.

(vii) At least annually, the Committee shall evaluate the qualifications, performance and independence of the independent auditor, including considering whether the auditor's quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditor's independence.

(viii) The Committee shall ensure the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit, the concurring partner responsible for reviewing the audit, and other audit partners as required by law.

(ix) The Committee shall consider whether, in order to assure continuing auditor independence, it is appropriate to adopt a policy of rotating the independent auditing firm on a regular basis.

(x) The Committee shall recommend to the Board policies for the Company's hiring of employees or former employees of the independent auditor who were engaged on the Company's account or participated in any capacity in the audit of the Company.

(xi) The Committee shall oversee the implementation by management of appropriate information technology systems for the Company, including as required for proper financial reporting and compliance.

(b) ***Financial Statement and Disclosure Review.***

(i) The Committee shall review and discuss with management and the independent auditor the annual audited financial statements, including disclosures made in management's discussion and analysis, and recommend to the Board whether the audited financial statements should be filed with applicable securities regulatory authorities and included in the Company's annual reports.

(ii) The Committee shall review and discuss with management (and, to the extent the Committee deems it necessary or appropriate, the independent auditor) the Company's quarterly financial statements, including disclosures made in management's discussion and analysis, and recommend to the Board whether such financial statements should be filed with applicable securities regulatory authorities.

(iii) The Committee shall review and discuss with management and the independent auditor significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including the independent auditor's assessment of the quality of the Company's accounting principles, any significant changes in the Company's selection or application of accounting principles, any major issues as to the adequacy of the Company's internal controls over financial reporting, and any special steps adopted in light of material control deficiencies.

(iv) At least annually and prior to the publication of annual audited financial statements, the Committee shall review and discuss with management and the independent auditor a report from the independent auditor on:

(A) all critical accounting policies and practices used by the Company;

(B) all alternative accounting treatments of financial information that have been discussed with management since the prior report, ramifications of the use of such alternative disclosures and treatments, the treatment preferred by the independent auditor, and an explanation of why the independent auditor's preferred method was not adopted; and.

(C) other material written communications between the independent auditor and management since the prior report, such as any management letter or schedule of unadjusted differences, the development, selection and disclosure of critical accounting estimates, and analyses of the effect of alternative assumptions, estimates or GAAP methods on the Company's financial statements.

(v) Prior to their filing or issuance, the Committee shall review the Company's Annual Information Form/Annual Report to the SEC, quarterly and annual earnings press releases, and other financial press releases, including the use of "pro forma" or "adjusted" non-GAAP information.

(vi) The Committee shall review and discuss with management the financial information and earnings guidance provided to analysts and rating agencies. Such discussion may be specific or it may be in general regarding the types of information to be disclosed and the types of presentations to be made.

(c) ***Conduct of the Annual Audit***. The Committee shall oversee the annual audit, and in the course of such oversight the Committee shall have the following responsibilities and authority:

(i) The Committee shall meet with the independent auditor prior to the audit to discuss the planning and conduct of the annual audit, and shall meet with the independent auditor as may be necessary or appropriate in connection with the audit.

(ii) The Committee shall ascertain that the independent auditor is registered and in good standing with the Canadian Public Accounting Board and the Public Company Accounting Oversight Board ("PCAOB") and that the independent auditor satisfies all applicable Canadian independence standards (Canadian Auditing Standard 200), PCAOB Rule 3526 and SEC Regulation S-X, Section 2-01. The Committee shall obtain from the auditor a written statement description of all relationships between the auditor and the Company and persons in a financial reporting oversight role at the Company as per PCAOB Rule 3526, that may reasonably be thought to bear on independence.

(iii) The Committee shall discuss with the independent auditor the matters required to be discussed by PCAOB Auditing Standard No. 16 and Canadian Auditing Standard 260 relating to the conduct of the audit.

(iv) The Committee shall obtain from the independent auditor assurance that the audit was conducted in a manner consistent with Section 10A of the Securities Exchange Act of 1934 and that, in the course of conducting the audit, the independent auditor has not become aware of information indicating that an illegal act has or may have occurred or, if such an act may have occurred, that the independent auditor has taken all action required by Section 10A(b) of the Securities Exchange Act of 1934.

(v) The Committee shall make such inquiries to the management and the independent auditor as the Committee members deem necessary or appropriate to satisfy themselves regarding the efficacy of the Company's financial and internal controls and procedures and the auditing process.

(d) ***Compliance and Oversight.***

(i) The Committee shall meet periodically with management and the independent auditor in separate executive sessions. The Committee may also, to the extent it deems necessary or appropriate, meet with the Company's investment bankers and financial analysts who follow the Company.

(ii) The Committee shall discuss with management and the independent auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements.

(iii) The Committee shall discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies, and regularly review the top risks identified by management and the policies and practices adopted by the Company to mitigate those risks.

(iv) At least annually and prior to the filing of the AIF/Annual Report to the SEC, the Committee shall review with management and the independent auditor the disclosure controls and procedures and confirm that the Company (with CEO and CFO participation) has evaluated the effectiveness of the design and operation of the controls within 90 days prior to the date of filing of the AIF/Annual Report to the SEC. The Committee also shall review with management and the independent auditor any deficiencies in the design and operation of internal controls and significant deficiencies or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls. As a part of that review, the Committee shall review the process followed in preparing and verifying the accuracy of the required CEO and CFO annual certifications.

(v) At least annually and prior to the filing of the AIF/Annual Report to the SEC, the Committee shall review with management and the independent auditor management's internal control report and assessment of the internal controls and procedures, and the independent auditor's report on and assessment of the internal controls and procedures. In connection with its review of interim and annual financial statements and related management's discussion and analysis, the Committee shall confirm with management that the Company (with CEO and CFO participation) has taken all actions required in connection with the certifications required by National Instrument NI 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings.

(vi) The Committee shall establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

(vii) The Committee shall discuss with management and the independent auditor any correspondence with regulators or governmental agencies and any employee complaints or reports which raise material issues regarding the Company's financial statements or accounting policies.

(viii) At least annually, the Committee shall meet with the Company's legal counsel and discuss any legal matters that may have a material impact on the financial statements or the Company's compliance policies.

(ix) The Committee shall oversee the preparation of reports relating to the Audit Committee required under applicable laws, regulations and stock exchange requirements.

(x) The Committee shall exercise oversight with respect to anti-fraud programs and controls.

(e) ***Related Party Transactions.***

(i) The Committee shall review for fairness to the Company proposed transactions, contracts and other arrangements between the Company and its subsidiaries and any related party or affiliate, and make recommendations to the Board whether any such transactions, contracts and other arrangements should be approved or continued. The foregoing shall not include any compensation payable pursuant to any plan, program, contract or arrangement subject to the authority of the Company's Compensation Committee.

(ii) As used herein the term "related party" means any officer or director of the Company or any subsidiary, or any shareholder holding a greater than 10% direct or indirect financial or voting interest in the Company, and the term "affiliate" means any person, whether acting alone or in concert with others, that controls, is controlled by or is under common control with another person. "Related party" includes Hunter Dickinson Services Inc., its principals, and their affiliates.

(f) ***Additional duties.*** The Committee shall perform the following additional duties:

(i) The Committee shall review and recommend dividend policies.

(ii) The Committee shall oversee the Company's insurance program and approve insurance policy limits.

(iii) The Committee shall review the appointment of senior financial personnel and make recommendations to the Board of Directors regarding the appointment of the Chief Financial Officer.

(iv) The Committee shall recommend to the Nominating and Governance Committee the qualifications and criteria for membership on the Committee.

(v) The Committee shall review and discuss with management the requirement for annual public disclosure pursuant to the *Extractive Sector Transparency Measures Act* and shall be responsible for approving such disclosures.

2. Structure and Membership

(a) **Number and qualification**. The Committee shall consist of three persons unless the Board should from time to time otherwise determine. All members of the Committee shall meet the experience and financial literacy requirements of National Instrument NI 52-110 and the rules of the TSX and the NYSE American. At least one member of the Committee shall be a "financial expert" as defined in Item 407 of SEC Regulation S-K.

(b) **Selection and Removal**. Members of the Committee shall be appointed by the Board, upon the recommendation of the Nominating and Corporate Governance Committee. The Board may remove members of the Committee at any time with or without cause.

(c) **Independence**. All of the members of the Committee shall be "independent" as required for audit committees by National Instrument NI 52-110, the rules of the TSX and the NYSE American, and SEC Rule 10A-3.

(d) **Chair**. Unless the Board elects a Chair of the Committee, the Committee shall elect a Chair by majority vote.

(e) **Compensation**. The compensation of the Committee shall be as determined by the Board.

(f) **Term**. Members of the Committee shall be appointed for one-year terms. Each member shall serve until his or her replacement is appointed, or until he or she resigns or is removed from the Board or the Committee.

3. Procedures and Administration

(a) **Meetings**. The Committee shall meet as often as it deems necessary in order to perform its responsibilities, but not less than quarterly. The Committee shall keep minutes of its meetings and any other records as it deems appropriate.

(b) **Subcommittees**. The Committee may form and delegate authority to one or more subcommittees, consisting of at least one member, as it deems appropriate from time to time under the circumstances.

(c) **Reports to the Board**. The Committee shall regularly report to the Board with respect to such matters as are relevant to the Committee's discharge of its responsibilities, and shall report in writing on request of the Chairman of the Board.

(d) **Charter**. The Committee shall, at least annually, review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval.

(e) **Independent Advisors**. The Committee shall have the authority to engage such independent legal and other advisors as it deems necessary or appropriate to carry out its responsibilities. Such independent advisors may be regular advisors to the Company. The Committee is empowered, without further action by the Board, to cause the Company to pay appropriate compensation to advisors engaged by the Committee.

(f) **Investigations**. The Committee shall have the authority to conduct or authorize investigations into any matters within the scope of its responsibilities as it deems appropriate, including the authority to request any Officer or other person to meet with the Committee and to access all Company records.

(g) **Annual Self-Evaluation**. The Committee shall evaluate its own performance at least annually.

4. Additional Powers

The Committee shall have such other duties as may be delegated from time to time by the Board of Directors.

5. Limitation of Committee's Role

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with IFRS and applicable rules and regulations. These are the responsibilities of management and the independent auditor.

6. Committee Member Independence, Financial Literacy and Financial Expert Requirements

A. Independence

See the Company's Corporate Governance Overview and Guidelines.

B. Financial Literacy and Financial Expert Requirements

NI 52-110

Section 3.1(4) states that each audit committee member must be financially literate.

Section 1.6 defines the meaning of financial literacy as follows:

"For the purposes of this Instrument, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the issuer's financial statements."

NYSE American Section 803(B)(2)(a)(iii)

Each issuer must have an Audit Committee of at least three members, each of whom:

"is able to read and understand fundamental financial statements, including a company's balance sheet, income statement, and cash flow statement. Additionally, each issuer must certify that it has, and will continue to have, at least one member of the audit committee who is financially sophisticated, in that he or she has past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the individual's financial sophistication, including but not limited to being or having been a chief executive officer, chief financial officer, other senior officer with financial oversight responsibilities. A director who qualifies as an audit committee financial expert under Item 407(d)(5)(ii) of Regulation S-K …. is presumed to qualify as financially sophisticated."

ITEM 407(d)(5)(ii) OF REGULATION S-K, DEFINITION OF FINANCIAL EXPERT

For purposes of this Item, an audit committee financial expert means a person who has the following attributes:

(A) An understanding of generally accepted accounting principles and financial statements;

(B) The ability to assess the general application of such principles in connection with the accounting for estimates, accruals and reserves;

(C) Experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the registrant's financial statements, or experience actively supervising one or more persons engaged in such activities;

(D) An understanding of internal control over financial reporting; and

(E) An understanding of audit committee functions.

A person shall have acquired such attributes through:

(A) Education and experience as a principal financial officer, principal accounting officer, controller, public accountant or auditor or experience in one or more positions that involve the performance of similar functions;

(B) Experience actively supervising a principal financial officer, principal accounting officer, controller, public accountant, auditor or person performing similar functions;

(C) Experience overseeing or assessing the performance of companies or public accountants with respect to the preparation, auditing or evaluation of financial statements; or

(D) Other relevant experience.

Consolidated Financial Statements
December 31, 2021

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

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

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

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

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

/s/ Stuart McDonald

Stuart McDonald
Chief Executive Officer

/s/ Bryce Hamming

Bryce Hamming
Chief Financial Officer

Vancouver, British Columbia
February 22, 2022

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

The Company's management, under the supervision of the Chief Executive Officer and the Chief Financial Officer, assessed the effectiveness of the Company's internal control over financial reporting as defined in Rule 13a-15(f) and Rule 15d-15(f) under the Exchange Act as of December 31, 2021. In making this assessment, it used the criteria set forth in the Internal Control-Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this assessment, management has concluded that, as of December 31, 2021, the Company's internal control over financial reporting is effective based on those criteria.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2021 has been audited by KPMG LLP, the Company's independent registered public accounting firm, as stated in their report immediately preceding the Company's audited consolidated financial statements for the years ended December 31, 2021 and 2020.

/s/ Stuart McDonald

Stuart McDonald
Chief Executive Officer

/s/ Bryce Hamming

Bryce Hamming
Chief Financial Officer

Vancouver, British Columbia
February 22, 2022

KPMG LLP
Chartered Professional Accountants
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Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors
Taseko Mines Limited:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Taseko Mines Limited (the "Company") as of December 31, 2021 and 2020, the related consolidated statements of comprehensive income (loss), changes in equity, and cash flows for each of the years in the two-year period ended December 31, 2021 and the related notes (collectively, the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and its financial performance and its cash flows for each of the years in the two-year period ended December 31, 2021, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2021, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 22, 2022 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Basis for Opinion

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

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

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative (“KPMG International”), a Swiss entity. KPMG Canada provides services to KPMG LLP.

Critical Audit Matters

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

Evaluation of capitalized stripping costs incurred during production

As discussed in Note 2.4(f) to the consolidated financial statements, stripping costs incurred during production that generate future economic benefit by increasing the productive capacity, extending the productive life of the mine or allowing access to a mineable reserve, are capitalized as mineral property development costs. As discussed in Note 14 to the consolidated financial statements, capitalized stripping costs were $69,228 thousand for the year ended December 31, 2021.

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

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

KPMG LLP (Signed)

Chartered Professional Accountants

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

Vancouver, Canada
February 22, 2022

KPMG LLP
Chartered Professional Accountants
PO Box 10426 777 Dunsmuir Street
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Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors
Taseko Mines Limited:

Opinion on Internal Control Over Financial Reporting

We have audited Taseko Mines Limited's (the "Company") internal control over financial reporting as of December 31, 2021, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2021, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2021 and 2020, the related consolidated statements of comprehensive income (loss), changes in equity, and cash flows for each of the years in the two-year period ended December 31, 2021, and the related notes (collectively, the "consolidated financial statements"), and our report dated February 22, 2022 expressed an unqualified opinion on those consolidated financial statements.

Basis for Opinion

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

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

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative (“KPMG International”), a Swiss entity. KPMG Canada provides services to KPMG LLP.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

KPMG LLP (Signed)

Chartered Professional Accountants

Vancouver, Canada
February 22, 2022

TASEKO MINES LIMITED
Consolidated Balance Sheets
(Cdn$ in thousands)

	Note	December 31, 2021	December 31, 2020
ASSETS			
Current assets			
Cash and equivalents		236,767	85,110
Accounts receivable	11	9,604	6,689
Inventories	12	79,871	58,841
Other financial assets	13	7,014	3,583
Prepaids		3,971	2,975
		337,227	157,198
Property, plant and equipment	14	837,839	742,619
Other financial assets	13	2,902	5,298
Goodwill	15	5,227	5,250
		1,183,195	**910,365**
LIABILITIES			
Current liabilities			
Accounts payable and other liabilities	16	55,660	51,747
Current portion of long-term debt	17	18,305	17,617
Current portion of deferred revenue	18	13,441	5,604
Interest payable on senior secured notes		13,312	1,160
Current income tax payable		2,759	2,356
		103,477	78,484
Long-term debt	17	513,444	345,787
Provision for environmental rehabilitation ("PER")	19	87,571	78,983
Deferred and other tax liabilities	10c	70,186	39,060
Deferred revenue	18	45,356	47,154
Other financial liabilities	21b	4,643	3,525
		824,677	592,993
EQUITY			
Share capital	20a	476,599	472,870
Contributed surplus		55,403	53,433
Accumulated other comprehensive income ("AOCI")		6,649	7,674
Deficit		(180,133)	(216,605)
		358,518	317,372
		1,183,195	**910,365**
Commitments and contingencies	18,23		

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

TASEKO MINES LIMITED
Consolidated Statements of Comprehensive Income (Loss)
(Cdn$ in thousands, except share and per share amounts)

	Note	For the years ended December 31, 2021	2020
Revenues	4	433,278	343,267
Cost of sales			
Production costs	5	(202,886)	(224,241)
Depletion and amortization	5	(66,587)	(95,301)
Earnings from mining operations		163,805	23,725
General and administrative		(16,937)	(14,636)
Share-based compensation expense	21c	(5,507)	(5,075)
Project evaluation recovery (expense)		408	(1,397)
Gain (loss) on derivatives	7	(13,008)	1,937
Other income	8	1,483	1,495
Income before financing costs and income taxes		130,244	6,049
Finance expenses, net	9	(51,935)	(42,761)
Call premium on settlement of debt	9	(6,941)	-
Foreign exchange gain (loss)		(555)	4,092
Income (loss) before income taxes		70,813	(32,620)
Income tax recovery (expense)	10	(34,341)	9,096
Net income (loss)		**36,472**	**(23,524)**
Other comprehensive income (loss):			
Items that will remain permanently in other comprehensive income (loss):			
Gain (loss) on financial assets		(677)	5,360
Items that may in the future be reclassified to profit (loss):			
Foreign currency translation reserve		(348)	(4,513)
Total other comprehensive income (loss)		**(1,025)**	**847**
Total comprehensive income (loss)		**35,447**	**(22,677)**
Earnings (loss) per share			
Basic	22	0.13	(0.09)
Diluted	22	0.13	(0.09)
Weighted average shares outstanding (thousands)			
Basic	22	283,593	250,529
Diluted	22	287,504	250,529

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

TASEKO MINES LIMITED
Consolidated Statements of Cash Flows
(Cdn$ in thousands)

	Note	For the years ended December 31, 2021	2020
Operating activities			
Net income (loss) for the year		36,472	(23,524)
Adjustments for:			
Depletion and amortization		66,587	95,301
Income tax expense (recovery)	10	34,341	(9,096)
Finance expenses, net	9	51,935	42,761
Share-based compensation expense	21c	5,762	5,310
Loss (gain) on derivatives	7	13,008	(1,937)
Unrealized foreign exchange gain		(272)	(4,345)
Amortization of deferred revenue	18	(4,807)	(4,915)
Deferred revenue deposit	18	-	8,510
Call premium on settlement of debt	9	6,941	-
Other operating activities		(3,227)	1,457
Net change in working capital	24	(31,971)	(3,327)
Cash provided by operating activities		174,769	106,195
Investing activities			
Gibraltar capitalized stripping costs	14	(59,864)	(26,349)
Gibraltar capital expenditures	14	(27,863)	(20,349)
Florence Copper development costs	14	(42,871)	(15,294)
Other project development costs	14	(3,058)	(3,504)
Purchase of copper price options	7	(15,837)	(5,110)
Proceeds from copper put options		-	6,104
Net proceeds from the sale of marketable securities		-	7,270
Other investing activities		1,781	(2,411)
Cash used for investing activities		(147,712)	(59,643)
Financing activities			
Net proceeds from issuance of senior secured notes	17a	496,098	-
Repayment of senior secured notes	17a	(317,225)	-
Redemption cost on settlement of senior secured notes	9	(8,714)	-
Financing fees paid	17b	(1,451)	-
Interest paid		(25,590)	(32,891)
Repayment of equipment loans and leases	17f	(19,737)	(14,362)
Proceeds from equity issuance, net of costs		-	34,299
Proceeds from exercise of stock options		2,406	1,018
Cash provided by (used for) financing activities		125,787	(11,936)
Effect of exchange rate changes on cash and equivalents		(1,187)	(2,704)
Increase in cash and equivalents		151,657	31,912
Cash and equivalents, beginning of year		85,110	53,198
Cash and equivalents, end of year		236,767	85,110
Supplementary cash flow disclosures	24		

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

TASEKO MINES LIMITED
Consolidated Statements of Changes in Equity
(Cdn$ in thousands)

	Share capital	Contributed surplus	AOCI	Deficit	Total
Balance at January 1, 2020	436,318	51,622	6,827	(193,081)	301,686
Common shares issued, net of issue costs	34,299	-	-	-	34,299
Tax effect on share issue costs	802	-	-	-	802
Share-based compensation	-	2,244	-	-	2,244
Exercise of options	1,451	(433)	-	-	1,018
Total comprehensive income (loss) for the year	-	-	847	(23,524)	(22,677)
Balance at December 31, 2020	**472,870**	**53,433**	**7,674**	**(216,605)**	**317,372**
Balance at January 1, 2021	472,870	53,433	7,674	(216,605)	317,372
Share-based compensation	-	3,293	-	-	3,293
Exercise of options	3,729	(1,323)	-	-	2,406
Total comprehensive income (loss) for the year	-	-	(1,025)	36,472	35,447
Balance at December 31, 2021	**476,599**	**55,403**	**6,649**	**(180,133)**	**358,518**

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

1. REPORTING ENTITY

Taseko Mines Limited (the "Company" or "Taseko") is a corporation governed by the *British Columbia Business Corporations Act*. The consolidated financial statements of the Company as at and for the year ended December 31, 2021 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. BASIS OF PREPARATION

2.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. Comparative prior year figures presented in the statement of cash flows under investing activities have been reclassified to conform to the current year's presentation.

These consolidated financial statements were authorized for issue by the Board of Directors on February 22, 2022.

2.2 Basis of measurement, judgment and estimation

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

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

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

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, reserve and resource estimates, functional currency, determination of the accounting treatment of the advance payment under the silver purchase and sale agreement reported as deferred revenue (Note 18), provisions for environmental rehabilitation, 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, including determination of appropriate discount rates; valuation of financial instruments and derivatives; capitalized stripping costs and share-based compensation. Key estimates and assumptions made by management with respect to these areas have been disclosed in the notes to these consolidated financial statements as appropriate.

The accuracy of reserve and resource estimates is a function of the quantity and quality of available data 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, provisions for environmental rehabilitation, inventories, property, plant and equipment, and intangibles, as well as the measurement of impairment charges or reversals.

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.

2.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and controlled entities as at December 31, 2021. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income (loss) from the date the Company gains control until the date the Company ceases to control the subsidiary. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Company's accounting policies. All intercompany transactions between the subsidiaries of the Company are eliminated in full on consolidation.

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

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

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

2.4 Significant Accounting Policies

(a) Revenue recognition.

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

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

(b) Cash and equivalents

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

(c) Financial instruments

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

A financial asset is classified as measured at fair value and subsequently at either: amortized cost; Fair Value through Other Comprehensive Income (FVOCI); or Fair Value through Profit or Loss (FVPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

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

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

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

Financial assets at amortized cost

Financial assets at amortized cost are financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, these financial assets are recorded at amortized cost using the effective interest method, except for short-term receivables when the recognition of interest would be immaterial. Accounts receivable are assessed for evidence of impairment at each reporting date, with any impairment recognized in earnings for the period. Financial assets in this category include cash and cash equivalents and accounts receivables.

Financial assets at fair value through other comprehensive income (FVOCI)

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

All financial assets not classified as measured at amortized cost or FVOCI are measured at fair value through profit or loss (FVPL). Derivative financial instruments that are not designated and effective as hedging instruments are classified as FVPL. Financial instruments classified as FVPL are stated at fair value with any changes in fair value recognized in earnings for the period. Financial assets in this category include derivative financial instruments that the Company acquires to manage exposure to commodity price fluctuations. These instruments are non-hedge derivative instruments.

Financial liabilities

Financial liabilities are initially recorded at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method. The Company has accounted for accounts payable and accrued liabilities and long-term debt under this method.

Fair value measurement

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

(d) Exploration and evaluation

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

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

(e) Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined on a weighted average basis and includes direct labour and materials; non-capitalized stripping costs; depreciation and amortization; freight; and overhead costs. Net realizable value is determined with reference to relevant market prices, less applicable variable selling costs and estimated remaining costs of completion to bring the inventories into saleable form.

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

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

(f) Property, plant and equipment

Land, buildings, plant and equipment

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

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

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

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

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

Mineral properties

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

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

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

Construction in progress

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

Capitalized interest

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

Leased assets

The Company has adopted *IFRS 16, Leases* effective January 1, 2019 using the modified retrospective method. The Company assesses whether a contract is a lease or contains a lease, at the inception of a contract. The Company recognizes a right-of-use asset ("ROU asset") and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, at the commencement of the lease, with the exception of short-term and low value leases, which are recognized on a straight-line basis over the lease term.

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

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

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

Impairment

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

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

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

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

(g) Income taxes

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

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

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

(h) Share-based compensation

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

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

(i) Provisions

Environmental rehabilitation

The Company records the present value of estimated costs of legal and constructive obligations required to retire an asset in the period in which the obligation occurs. Environmental rehabilitation activities include facility decommissioning and dismantling; removal and treatment of waste materials, including water treatment; site and land rehabilitation, including compliance with and monitoring of environmental regulations; and related costs required to perform this work and/or operate equipment designed to reduce or eliminate environmental effects. The provision for environmental rehabilitation ("PER") is adjusted each period for new disturbances, and changes in regulatory requirements, the estimated amount of future cash flows required to discharge the liability, the timing of such cash flows and the pre-tax discount rate specific to the liability. The unwinding of the discount is recognized in earnings as a finance cost.

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

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

Other provisions

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

(j) Finance income and expenses

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

(k) Earnings (loss) per share

The Company presents basic and diluted earnings (loss) per share data for its common shares, calculated by dividing the earnings (loss) attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings per share is determined by adjusting the earnings attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares, which comprise warrants and share options granted. There is no dilution impact when the Company incurs a loss.

(l) Interests in joint arrangements

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

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

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

2.5 New accounting standards and interpretations

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 audited consolidated financial statements.

3. INTEREST IN GIBRALTAR JOINT VENTURE

On March 31, 2010, the Company entered into an agreement with Cariboo Copper Corp. (Cariboo) whereby the Company contributed certain assets and liabilities of the Gibraltar mine, operating in British Columbia, into an unincorporated joint venture to acquire a 75% interest in the joint venture. Cariboo contributed $186,800 to purchase the remaining 25% interest.

The assets and liabilities contributed by the Company to the joint venture were mineral property interests, plant and equipment, inventories, prepaid expenses, reclamation deposits, capital lease obligations, and site closure and reclamation obligations. Certain key strategic, operating, investing and financing policies of the joint venture require unanimous approval such that neither venturer is in a position to exercise unilateral control over the joint venture. The Company continues to be the operator of the Gibraltar mine.

The Company has joint control over the joint arrangement and as such consolidates its 75% portion of all the joint venture's assets, liabilities, income and expenses.

The following is a summary of the Gibraltar joint venture financial information on a 100% basis.

	As at December 31,	
	2021	**2020**
Cash and equivalents	43,387	46,440
Other current assets	119,833	88,814
Current assets	163,220	135,254
Non-current assets	959,828	927,211
Accounts payable and accrued liabilities	43,409	53,662
Other current financial liabilities	31,500	23,703
Current liabilities	74,909	77,365
Long-term debt	21,343	40,178
Provision for environmental rehabilitation	108,916	97,432
Non-current liabilities	130,259	137,610

	Years ended December 31,	
	2021	**2020**
Revenues	578,736	458,305
Production costs	(271,364)	(298,988)
Depletion and amortization	(102,209)	(139,643)
Other operating expense	(4,349)	(4,529)
Interest expense	(4,379)	(5,689)
Interest income	40	82
Foreign exchange gain (loss)	(1,042)	348
Comprehensive income for joint arrangement	195,433	9,886

4. REVENUE

	Years ended December 31, 2021	2020
Copper contained in concentrate	401,514	331,584
Copper price adjustments on settlement	8,098	9,394
Molybdenum concentrate	28,862	18,842
Molybdenum price adjustments on settlement	2,580	460
Silver (Note 18)	5,010	5,218
Total gross revenue	446,064	365,498
Less: Treatment and refining costs	(12,786)	(22,231)
Revenue	433,278	343,267

5. COST OF SALES

	Years ended December 31, 2021	2020
Site operating costs	201,964	216,415
Transportation costs	17,845	18,248
Changes in inventories of finished goods	(11,795)	939
Changes in inventories of ore stockpiles	(5,128)	(11,361)
Production costs	202,886	224,241
Depletion and amortization	66,587	95,301
Cost of sales	269,473	319,542

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

During the year ended December 31, 2020, site operating costs and general administrative expenses include $ 6,013 and $364, respectively, for benefits related to claims submitted by the Company for the Canada Emergency Wage Subsidy. No claims were submitted for 2021.

6. COMPENSATION EXPENSE

	Years ended December 31, 2021	2020
Wages, salaries and benefits	82,344	71,481
Post-employment benefits	1,765	1,986
Share-based compensation expense (Note 21c)	5,762	5,310
	89,871	78,777

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

7. DERIVATIVE INSTRUMENTS

During the year ended December 31, 2021, the Company purchased copper put option contracts for 41 million pounds of copper with maturity dates ranging from July 2021 through to December 2021, at a strike price of US$ 3.75, at a total cost of $ 11,143. In May 2021, the Company purchased copper collar contracts for a total of 43 million pounds of copper with maturity dates ranging from January 2022 to June 2022, with a minimum copper strike price of US$4.00 per pound and a ceiling price of US$ 5.60 per pound, at a total cost of $ 4,693.

During the year ended December 31, 2020, the Company purchased copper put option contracts for 59.5 million pounds of copper with maturity dates ranging from January 2020 through to December 2020, at strike prices between US$ 2.30 and US$2.60 per pound, at a total cost of $1,742. In addition, during the quarter ended December 31, 2020, the Company purchased copper put option contracts for 37.5 million pounds of copper with maturity dates from January 2021 to June 2021 at strike prices between $ 2.80 and $3.20 per pound, at a total cost of $ 3,368.

The Company purchased fuel call options during 2020 for diesel with maturity dates ranging from April 2020 to March 2021, at a total cost of $916. During the year ended December, 31, 2021, the Company received proceeds of $ 717 on diesel fuel call options that settled during the year. There were no fuel call options outstanding at December 31, 2021.

	Years ended December 31,	
	2021	**2020**
Net realized (gain) loss on settled copper puts	14,511	(4,361)
Net unrealized (gain) loss on outstanding copper options	(1,064)	1,853
Realized (gain) loss on fuel call options	(470)	602
Unrealized (gain) loss on fuel call options	31	(31)
	13,008	(1,937)

Details of the outstanding copper price option contracts at December 31, 2021 are summarized in the following table:

	Quantity	**Strike price**	**Period**	**Cost**	**Fair value**
Copper collar contracts	42.7 million lbs	US$4.00/per lb US$5.60/per lb	H1 2022	4,693	3,904

In January and February of 2022, the Company purchased copper collar contracts for a total of 42 million pounds of copper with maturity dates ranging from July 2022 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.

8. OTHER INCOME

	Years ended December 31,	
	2021	**2020**
Management fee income	1,180	1,198
Other operating income, net	303	297
	1,483	1,495

9. FINANCE EXPENSES

	Years ended December 31, 2021	2020
Interest expense	38,853	34,650
Amortization of financing fees	2,040	2,638
Finance expense - deferred revenue (Note 18)	5,549	5,172
Accretion on PER (Note 19)	373	550
Finance income	(678)	(249)
Loss on settlement of long-term debt (Note 17a)	5,798	-
	51,935	42,761

For the year ended December 31, 2021, interest expense includes $ 1,728 (2020 - $2,012) from lease liabilities and lease related obligations.

As part of the senior secured notes refinancing completed in February, 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.

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.

10. INCOME TAX

(a) Income tax expense (recovery)

	Years ended December 31, 2021	2020
Current income tax:		
Current expense	3,203	1,769
Deferred income tax:		
Origination and reversal of temporary differences	31,129	(10,648)
Deferred tax adjustments related to prior periods	9	(217)
Deferred income tax expense (recovery)	31,138	(10,865)
Income tax expense (recovery)	34,341	(9,096)

(b) Effective tax rate reconciliation

	Years ended December 31, 2021	2020
Income tax at Canadian statutory rate of 36.5% (2020: 36.5%)	25,840	(11,922)
Permanent differences	13,110	4,189
Foreign tax rate differential	96	(3)
Unrecognized tax benefits	(4,714)	(1,143)
Deferred tax adjustments related to prior periods	9	(217)
Income tax expense (recovery)	34,341	(9,096)

(c) Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	As at December 31,	
	2021	**2020**
Property, plant and equipment	(190,768)	(154,587)
Other financial assets	6,156	5,714
Provisions	22,746	20,422
Tax loss carry forwards	91,680	89,391
Deferred tax liability	(70,186)	(39,060)

(d) Unrecognized deferred tax assets and liabilities

	As at December 31,	
	2021	**2020**
Deductible temporary differences:		
Debt	56,921	58,643
Losses and tax pools	30,523	30,523
Other financial assets	13,879	12,304
Deferred tax asset:		
Debt	7,655	7,873
Losses and tax pools	8,241	8,241
Other financial assets	1,873	1,672

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

Losses and tax pools of $30,523 (2020: $30,523) relate to non-capital losses in Canada which expire between 2027 and 2039.

11. ACCOUNTS RECEIVABLE

	As at December 31,	
	2021	**2020**
Trade and settlement receivables	5,859	4,676
Goods and services tax receivable	1,099	1,358
Other receivables	2,646	655
	9,604	6,689

12. INVENTORIES

	As at December 31, 2021	2020
Ore stockpiles	31,845	21,946
Copper contained in concentrate	19,831	7,948
Molybdenum concentrate	310	398
Materials and supplies	27,885	28,549
	79,871	58,841

During the year ended December 31, 2021, the Company recorded a recovery of $ 4,561 (2020: loss of $5,353) to adjust the carrying value of ore stockpiles to cost, of which $1,510 (2020: $2,216) is recorded in depletion and amortization and the balance in production costs.

13. OTHER FINANCIAL ASSETS

	As at December 31, 2021	2020
Current:		
Marketable securities	3,110	1,791
Copper price options (Note 7)	3,904	1,514
Fuel call options (Note 7)	-	278
	7,014	3,583
Long-term:		
Investment in private companies	1,200	1,200
Reclamation deposits	434	2,825
Restricted cash	1,268	1,273
	2,902	5,298

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).

In December, 2021, the Company arranged for the issuance of a letter of credit for US$ 1,500 to replace the cash collateral with a surety bond provider, as security for outstanding surety bonds issued to the federal and state regulators for the Florence Copper project.

During the year ended December 31, 2020, the Company received net proceeds of $ 7,270 from the sale of marketable securitites of a publicly traded company and the resulting gain is recognized in other comprehensive income.

14. PROPERTY, PLANT & EQUIPMENT

Cost	Property acquisition costs	Mineral properties	Plant and equipment	Construction in progress	Total
At January 1, 2020	111,644	387,404	748,295	-	1,247,343
Additions	-	44,454	22,351	12,660	79,465
Changes in rehabilitation cost asset	-	12,906	-	-	12,906
Disposals	-	-	(7,023)	-	(7,023)
Foreign exchange translation	(1,749)	(693)	(1,029)	-	(3,471)
Transfers between categories	-	-	7,334	(7,334)	-
At December 31, 2020	109,895	444,071	769,928	5,326	1,329,220
Additions	-	82,343	46,921	35,358	164,622
Changes in rehabilitation cost asset	-	12,087	-	-	12,087
Disposals	-	-	(13,283)	-	(13,283)
Foreign exchange translation	(369)	(186)	(255)	-	(810)
Transfers between categories	-	-	17,944	(17,944)	-
At December 31, 2021	109,526	538,315	821,255	22,740	1,491,836
Accumulated depreciation					
At January 1, 2020	-	231,114	258,223	-	489,337
Depletion and amortization	-	59,540	43,929	-	103,469
Disposals	-	-	(6,205)	-	(6,205)
At December 31, 2020	-	290,654	295,947	-	586,601
Depletion and amortization	-	34,979	44,144	-	79,123
Disposals	-	-	(11,727)	-	(11,727)
At December 31, 2021	-	325,633	328,364	-	653,977
Net book value					
At December 31, 2020	109,895	153,417	473,981	5,326	742,619
At December 31, 2021	109,526	212,682	492,891	22,740	837,839

	As at December 31, 2021	2020
Net book value beginning of period	742,619	758,006
Additions:		
Gibraltar capitalized stripping costs	69,228	30,918
Gibraltar capital expenditures	29,251	23,057
Florence Copper development costs	58,667	18,059
Yellowhead development costs	2,603	2,409
Aley development costs	455	1,095
Other items:		
Right of use assets	4,418	3,927
Rehabilitation costs asset	12,087	12,906
Disposals	(1,556)	(818)
Foreign exchange translation	(810)	(3,471)
Depletion and amortization	(79,123)	(103,469)
Net book value at December 31	837,839	742,619

Net book value	**Gibraltar Mines (75%)**	**Florence Copper**	**Yellowhead**	**Aley**	**Other**	**Total**
At December 31, 2020	504,995	203,079	18,649	13,861	2,035	742,619
Net additions	101,281	58,679	2,603	455	48	163,066
Changes in rehabilitation cost asset (Note 19)	12,087	-	-	-	-	12,087
Depletion and amortization	(78,722)	(14)	-	-	(387)	(79,123)
Foreign exchange translation	-	(810)	-	-	-	(810)
At December 31, 2021	539,641	260,934	21,252	14,316	1,696	837,839

During the year, the Company capitalized development costs of $ 58,667 (2020: $18,059) for the Florence Copper project. Since its acquisition of Florence Copper in November 2014, the Company has incurred and capitalized a total of $163.8 million in project development and other costs.

Non-cash additions to property, plant and equipment of Gibraltar include $ 9,364 (2020: $4,569) of depreciation on mining assets related to capitalized stripping.

Since January 1, 2020 development costs for Yellowhead of $ 5,012 have been capitalized as mineral property, plant and equipment.

Depreciation related to the right of use assets for the year ended December 31, 2021 was $ 3,941 (2020: $4,270).

15. GOODWILL

Goodwill was recorded on the Company's acquisition of Curis Resources Ltd. ("Curis") in 2014 which at the time indirectly owned 100% of the Florence Copper Project. During the year ended December 31, 2021, the carrying value of the goodwill decreased by $23 as a result of foreign currency translation.

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

16. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	As at December 31,	
	2021	**2020**
Trade payables	30,100	32,775
Accrued liabilities	25,560	18,972
	55,660	51,747

17. DEBT

	As at December 31,	
	2021	**2020**
Current:		
Lease liabilities (c)	9,625	8,094
Secured equipment loans (d)	6,539	7,536
Lease related obligations (e)	2,141	1,987
	18,305	17,617
Long-term:		
Senior secured notes (a)	497,388	313,965
Other financing fees (b)	(1,352)	-
Lease liabilities (c)	6,067	11,829
Secured equipment loans (d)	6,025	12,536
Lease related obligations (e)	5,316	7,457
	513,444	345,787
Total debt	531,749	363,404

(a) Senior secured notes

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

The 2026 Notes are secured by liens on the shares of Taseko's wholly-owned subsidiary, Gibraltar Mines Ltd., and the subsidiary's rights under the joint venture agreement relating to 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. In addition, until February 15, 2023, the Company may redeem up to 40% of the aggregate principal amount of the notes, in an amount not greater than the net proceeds of certain equity offerings, at a redemption price of 107%, plus accrued and unpaid interest to the date of redemption. On a change of control, the 2026 Notes are redeemable at the option of the holder at a price of 101%.

The settlement of the 2022 Notes resulted in finance expenses as further described in Note 9.

(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%.

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 December 31, 2021.

(c) Lease liabilities

Lease liabilities include the Company's outstanding lease liabilities under IFRS 16 . At December 31, 2021, the net carrying amount of leased assets was $28,823 (2020: $32,449). The lease liabilities have monthly repayment terms ranging between 12 and 84 months and with interest rates between 1.2% and 11.9%.

(d) 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%.

(e) 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.

(f) Debt continuity

The following schedule shows the continuity of total debt for the years ended December 31, 2021 and 2020:

	As at December 31,	
	2021	**2020**
Total debt as at January 1	363,404	373,485
Settlement of 2022 Notes	(317,225)	-
Foreign exchange gain	(1,075)	-
Write-off of deferred financing charges	4,025	-
Issuance of 2026 Notes	507,560	-
Deferred financing charges	(12,913)	-
Lease additions	6,042	8,131
Lease liabilities and equipment loans repayments	(19,737)	(14,362)
Unrealized foreign exchange gain	(488)	(6,541)
Amortization of deferred financing charges	2,156	2,691
Total debt as at December 31	531,749	363,404

18. DEFERRED REVENUE

	As at December 31,	
	2021	**2020**
Current:		
Customer advance payments (a)	5,297	-
Osisko - silver stream agreement (b)	8,144	5,604
Current portion of deferred revenue	13,441	5,604
Long-term portion of deferred revenue (b)	45,356	47,154
Total deferred revenue	58,797	52,758

(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 . 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 silver sale agreement has a minimum term of 50 years and automatically renews for successive 10-year periods as long as Gibraltar mining operations are active. If the initial deposit is not fully reduced through silver deliveries at current market prices at time of the deliveries, a cash payment for the remaining amount will be due to Osisko at the expiry date of the agreement. The Company's obligations under the agreement are secured by a pledge of Taseko's 75% interest in the Gibraltar joint venture.

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

The following table summarizes changes in the Osisko deferred revenue:

Balance at January 1, 2020	43,991
Additional deposit on silver stream amendment	8,510
Finance expense (Note 9)	5,172
Amortization of deferred revenue	(4,915)
Balance at December 31, 2020	52,758
Finance expense (Note 9)	5,549
Amortization of deferred revenue	(4,807)
Balance at December 31, 2021	53,500

19. PROVISION FOR ENVIRONMENTAL REHABILITATION

	2021	2020
Beginning balance at January 1	78,983	66,373
Change in estimates	12,087	12,906
Accretion	373	550
Settlements	(3,846)	(728)
Foreign exchange differences	(26)	(118)
Ending balance at December 31	87,571	78,983

The PER represents the present value of estimated costs of legal and constructive obligations required to retire an asset, including decommissioning and other site restoration activities. The majority of these expenditures occur after the end of the life of the related operation. For the Gibraltar mine, it is anticipated that these costs will be incurred over a period of at least 100 years beyond the end of the current mine life based on known reserves. The change in the PER during 2021 is primarily due to changes in the risk-free discount rates applied in determining the obligation.

As at December 31, 2021, the PER was calculated on a present value basis for closure costs to be incurred in the first 30 years using a nominal risk-free discount rate of 1.79% (2020 - 1.63%) based on the 30 year overnight index swap (OIS) rate. For discounting annual closure cashflows beyond 30 years, a risk free yield curve was extrapolated from the implied OIS swap rate for liquid, investment grade corporate bonds with durations between 50 to 100 years. A nominal risk free rate of up to 2.61% was utilized in 2021 (2020 - 2.86%) for discounting closure costs up to 100 years from the estimated date of site closure for Gibraltar based on current reserves. A long-term inflation rate range between 1.82% to 1.50% (2020 - 1.49%) over tenors between 30 to 100 years was applied to derive nominal cash flow estimates.

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

As at December 31, 2021, the Company has provided letters of credit and surety bonds to the regulatory authorities for its share of reclamation obligations totalling $37.5 million for Gibraltar and $ 12.4 million for Florence. On January 31, 2022, the Company provided additional surety of $21.9 million for its 75% share of Gibraltar reclamation security. Security for reclamation obligations is returned once the site is reclaimed to a satisfactory level and there are no ongoing monitoring and maintenance requirements.

20. EQUITY

(a) Share capital

	Common shares (thousands)
Common shares outstanding at January 1, 2020	246,194
Common shares issued	34,322
Exercise of share options	1,599
Common shares outstanding at December 31, 2020	282,115
Exercise of share options	2,777
Common shares outstanding at December 31, 2021	284,892

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

In November 2020, the Company completed a common share offering for a total of 34,322,138 common shares of the Company at the price of US$0.83 per offered share for net proceeds of $ 34,299.

(b) Contributed surplus

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

(c) Accumulated other comprehensive income ("AOCI")

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

21. SHARE-BASED COMPENSATION

(a) Share Options

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

	Options (thousands)	Average price
Outstanding at January 1, 2020	10,756	1.12
Granted	1,835	0.85
Exercised	(1,599)	0.53
Cancelled/forfeited	(74)	1.31
Expired	(1,949)	1.02
Outstanding at January 1, 2021	8,969	1.19
Granted	2,402	1.60
Exercised	(2,777)	0.93
Expired	(324)	2.86
Outstanding at December 31, 2021	8,270	1.33
Exercisable at December 31, 2021	6,098	1.31

During the year ended December 31, 2021, the Company granted 2,402,000 (2020 - 1,835,000) share options to directors, executives and employees, exercisable at an average exercise price of $1.60 per common share (2020 - $0.85 per common share) over a five year period. The total fair value of options granted was $2,114 (2020 - $844) based on a weighted average grant-date fair value of $0.88 (2020 - $0.46) per option.

Range of exercise price	Options (thousands)	Average life (years)
$0.38 to $0.75	1,727	2.41
$0.76 to $1.00	2,248	2.00
$1.01 to $1.42	811	2.25
$1.43 to $1.86	2,215	4.09
$1.87 to $2.86	1,269	1.04
	8,270	2.15

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:

	2021	At December 31, 2020
Expected term (years)	5.0	5.0
Forfeiture rate	0%	0%
Volatility	67%	65%
Dividend yield	0%	0%
Risk-free interest rate	0.4%	1.1%
Weighted-average fair value per option	$ 0.88	$ 0.46

(b) Deferred Share Units and Performance Share Units

The Company has adopted a Deferred Share Unit ("DSU") Plan (the "DSU Plan") that provides for an annual grant of DSUs to each non-employee director of the Company, or an equivalent cash payment in lieu thereof, which participants have agreed would in the first instance be used to assist in complying with the Company's share ownership guidelines. DSUs vest immediately upon grant and are paid out in cash when a participant ceases to be a director of the Company. A long-term financial liability of $4,643 has been recorded at December 31, 2021 (2020 - $3,525), representing the fair value of the liability, which is based on the Company's stock price at the reporting period date.

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

	DSUs (thousands)	**PSUs (thousands)**
Outstanding at January 1, 2020	2,354	1,675
Granted	572	1,375
Settled	(803)	(400)
Outstanding at January 1, 2021	2,123	2,650
Granted	198	530
Settled	(535)	(400)
Outstanding at December 31, 2021	1,786	2,780

During the year ended December 31, 2021, 198,000 DSUs were issued to directors (2020 - 572,000) and 530,000 PSUs to senior executives (2020 - 1,375,000). The fair value of DSUs and PSUs granted was $ 1,235 (2020 - $1,856), with a weighted average fair value at the grant date of $1.58 per unit for the DSUs (2020 - $ 0.72 per unit) and $ 1.74 per unit for the PSUs (2020 - $ 1.05 per unit).

(c) *Share-based compensation expenses*

Share based compensation expense is comprised as follows:

	Years ended December 31,	
	2021	**2020**
Share options - amortization	2,142	1,013
Performance share units - amortization	1,151	1,231
Change in fair value of deferred share units	2,469	3,066
	5,762	5,310

22. EARNINGS (LOSS) PER SHARE

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

	Year ended December 31, 2021	2020
Net income (loss) attributable to common shareholders - basic and diluted	36,472	(23,524)
(in thousands of common shares)		
Weighted-average number of common shares	283,593	250,529
Effect of dilutive securities:		
Stock options	3,911	-
Weighted-average number of diluted common shares	287,504	250,529
Income (loss) per common share		
Basic earnings per share	0.13	(0.09)
Diluted earnings per share	0.13	(0.09)

23. COMMITMENTS AND CONTINGENCIES

(a) Commitments

The Company is a party to certain contracts relating to service and supply agreements. Future minimum payments under these agreements as at December 31, 2021 are presented in the following table:

2022	4,146
2023	3,291
2024	3,291
2025	3,291
2026	823
2027 and thereafter	-
Total commitments	14,842

As at December 31, 2021, the Company had outstanding capital commitments of $ 38,415 (2020: $2,733).

(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 $ 10,079 as at December 31, 2021.

24. SUPPLEMENTARY CASH FLOW INFORMATION

	For the year ended December 31, 2021	2020
Change in non-cash working capital items		
Accounts receivable	(2,915)	7,409
Inventories	(16,713)	(11,292)
Prepaids	(1,921)	(1,584)
Accounts payable and accrued liabilities [1]	(12,984)	2,967
Advance payment on product sales	5,297	-
Interest payable	65	(7)
Income tax payable	(2,800)	(820)
	(31,971)	(3,327)
Non-cash investing and financing activities		
Assets acquired under capital lease	1,644	4,267
Right-of-use assets	4,398	3,864

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

25. FINANCIAL RISK MANAGEMENT

(a) Overview

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

(b) Market risk

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

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

Commodity price risk

The Company is exposed to the risk of fluctuations in prevailing market commodity prices on the metals it produces. The Company enters into copper put 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 option contracts are typically extended adding incremental quarters at established put strike prices to provide the necessary price protection.

Provisional pricing mechanisms embedded within the Company's sales arrangements have the character of a commodity derivative and are carried at fair value as part of accounts receivable. The table below summarizes the impact on revenue and receivables for changes in commodity prices on the provisionally invoiced sales volumes.

	As at December 31, 2021	2020
Copper increase/decrease by US$0.10/lb.[1]	1,143	2,588

[1]The analysis is based on the assumption that the year-end copper price increases/decreases US$ 0.10/lb. with all other variables held constant. At December 31, 2021, 12 million (2020: 20 million) pounds of copper in concentrate were exposed to copper price movements. The closing exchange rate at December 31, 2021 of CAD/USD 1.27 (2020: 1.27) was used in the analysis.

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

Interest rate risk

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

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

	Years ended December 31, 2021	2020
Fair value sensitivity for fixed-rate instruments		
Senior secured notes	(2,371)	(1,696)
Lease liabilities	(157)	(61)
Lease related obligations	(65)	(83)
Secured equipment loans	(117)	(142)
	(2,710)	(1,982)
Cash flow sensitivity for variable-rate instruments		
Cash and equivalents	1,602	617

Currency risk

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

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

	Years ended December 31, 2021	2020
Cash and equivalents	(13,656)	(6,213)
Accounts receivable	(847)	(412)
Accounts payable and accrued liabilities	1,522	563
Senior secured notes	37,992	23,321
Equipment loans	266	414
Lease liabilities	20	40

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

(c) Liquidity risk

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

(d) Credit risk

Credit risk is the risk of potential loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk from its receivables, marketable securities and investments, and derivatives. In general, the Company manages its credit exposure by transacting only with reputable counterparties. The Company monitors the financial condition of its customers and counterparties to contracts. The Company deals with a limited number of counterparties for its metal sales. The Company had two significant customers in 2021 that represented 82% of gross copper concentrate revenues (2020: two customers accounted for 88% of gross copper concentrate revenues). The trade receivable balance at December 31, 2021 is comprised of three customers (2020: three customers). There are no impairments recognized on the trade receivables.

(e) Fair values of financial instruments

The fair values of the senior secured notes is $527,958 and the carrying value is $497,388 at December 31, 2021. The fair value of all other financial assets and liabilities approximates their carrying value.

The Company uses the fair value hierarchy described in Note 2.4(c) for determining the fair value of instruments that are measured at fair value.

	Level 1	Level 2	Level 3	Total
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
December 31, 2020				
Financial assets designated as FVPL				
Derivative asset copper put options	-	1,514	-	1,514
Derivative asset fuel call options	-	278	-	278
	-	1,792	-	1,792
Financial assets designated as FVOCI				
Marketable securities	1,791	-	-	1,791
Investment in private companies	-	-	1,200	1,200
Reclamation deposits	2,825	-	-	2,825
	4,616	-	1,200	5,816

There have been no transfers between fair value levels during the reporting period. The carrying value of cash and equivalents, accounts receivable, accounts payable and accrued liabilities approximate their fair value as at December 31, 2021.

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 December 31, 2021, the Company had settlement receivables of $4,885 (2020 - $4,676).

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 December 31, 2021 the determination of the estimated fair value of the investment includes comparison to the market capitalization of comparable public companies.

(f) Capital management

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

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

	As at December 31, 2021	2020
Cash	(236,767)	(85,110)
Current portion of long-term debt	18,305	17,617
Long-term debt	513,444	345,787
Net debt	**294,982**	**278,294**
Shareholders' equity	**358,518**	**317,372**

In order to facilitate the management of its capital requirements, the Company prepares annual operating budgets that are approved by the Board of Directors. Management also actively monitors the covenants on its long-term debt to ensure compliance. The Company's investment policy is to invest cash in highly liquid interest-bearing investments that are readily convertible to known amounts of cash. There were no changes to the Company's approach to capital management during the year ended December 31, 2021.

26. RELATED PARTIES

(a) Principal Subsidiaries

	Ownership interest as at December 31, 2021	2020
Gibraltar Mines Ltd.	100%	100%
Curis Holdings (Canada) Ltd.	100%	100%
Florence Holdings Inc.	100%	100%
Florence Copper Inc.	100%	100%
Aley Corporation	100%	100%
Yellowhead Mining Inc.	100%	100%

(b) Key management personnel compensation

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

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

Certain executive officers are entitled to termination and change in control benefits. In the event of termination without cause, other than a change in control, these executive officers are entitled to an amount ranging from 9-month to 12-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-month to 24-months' salary and accrued bonus, and all stock options held by these individuals will fully vest.

Executive officers and directors also participate in the Company's share option program (Note 21).

	Year ended December 31,	
	2021	**2020**
Salaries and benefits	6,252	6,527
Post-employment benefits	1,672	1,827
Share-based compensation expense	5,011	4,963
	12,935	13,317

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

(c) Related party transactions

Under the terms of the joint venture operating agreement, the Gibraltar joint venture pays the Company a management fee for services rendered by the Company as operator of Gibraltar. Net management fee income in 2021 was $1,227 (2020: $1,291). In addition, the Company pays certain expenses on behalf of the Gibraltar joint venture and invoices the joint venture for these expenses. In 2021, net reimbursable compensation expenses and third party costs of $343 (2020: $190) were charged to the joint venture.

This management discussion and analysis ("MD&A") is intended to help the reader understand Taseko Mines Limited ("Taseko", "we", "our" or the "Company"), our operations, financial performance, and current and future business environment. This MD&A is intended to supplement and complement the consolidated financial statements and notes thereto, prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board for the year ended December 31, 2021 (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 February 22, 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 30.

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.

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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 with commercial production expected in 2023, as well as the Yellowhead copper, New Prosperity gold-copper, and Aley niobium projects.

HIGHLIGHTS

Operating Data (Gibraltar - 100% basis)	Three months ended December 31,			Year ended December 31,		
	2021	2020	Change	2021	2020	Change
Tons mined (millions)	23.3	26.4	(3.1)	105.4	98.7	6.7
Tons milled (millions)	7.4	7.5	(0.1)	29.2	30.1	(0.9)
Production (million pounds Cu)	28.8	25.0	3.8	112.3	123.0	(10.7)
Sales (million pounds Cu)	23.8	25.0	(1.2)	104.9	124.0	(19.1)

Financial Data (Cdn$ in thousands, except for per share amounts)	Three months ended December 31,			Year ended December 31,		
	2021	2020	Change	2021	2020	Change
Revenues	102,972	87,398	15,574	433,278	343,267	90,011
Earnings from mining operations before depletion and amortization*	61,916	27,062	34,854	230,392	119,026	111,366
Cash flows provided by operations	37,231	20,424	16,807	174,769	106,195	68,574
Adjusted EBITDA*	52,988	20,478	32,510	200,733	108,229	92,504
Adjusted net income (loss)*	13,312	(7,473)	20,785	44,745	(26,539)	71,284
Per share - basic ("Adjusted EPS")*	0.05	(0.03)	0.08	0.16	(0.11)	0.27
Net income (loss) (GAAP)	11,762	5,694	6,068	36,472	(23,524)	59,996
Per share - basic ("EPS")	0.04	0.02	0.02	0.13	(0.09)	0.22

2021 Annual Review

- Earnings from mining operations before depletion and amortization* was $230.4 million, Adjusted EBITDA* was $200.7 million, and cash flows from operations was $174.8 million;
- Adjusted net income* was $44.7 million ($0.16 per share) and GAAP Net income was $36.5 million ($0.13 per share) for the year;
- Total operating costs (C1)* for the year were US$1.90 per pound produced;
- The Gibraltar mine produced 112.3 million pounds of copper and 2.0 million pounds of molybdenum in 2021. Copper recoveries were 82.4% and copper head grades were 0.23%;
- Gibraltar sold 104.9 million pounds of copper for the year (100% basis) which contributed to record revenue for Taseko of $433.3 million and an increase of 26% over 2020. Average realized copper prices were US$4.31 per pound for year, compared to the LME average price of US$4.23 per pound;
- The Company has approximately $300 million of available liquidity at December 31, 2021, including a cash balance of $237 million and a new US$50 million revolving credit facility with National Bank of Canada which closed in early October;
- Development costs incurred for Florence Copper were $57.9 million in the year and included, detailed engineering and design of the commercial facility, initial deposits for major processing equipment for the SX/EW plant and ongoing site operating costs. These activities will allow the Florence project team to efficiently advance into construction upon receipt of the Underground Injection Control ("UIC") permit; and
- In December 2021, the Company completed its review of the draft UIC permit and no significant issues were identified. The EPA continues to advance their review process and the public comment period on the draft UIC permit is expected to commence shortly after the draft UIC permit is publicly issued.

Fourth Quarter Review

- Fourth quarter earnings from mining operations before depletion and amortization* was $61.9 million, Adjusted EBITDA* was $53.0 million, Adjusted net income* was $13.3 million ($0.05 per share) and GAAP Net income was $11.8 million ($0.04 per share);
- Total operating costs (C1)* for the quarter were US$1.94 per pound produced;
- The Gibraltar mine produced 28.8 million pounds of copper and 450 thousand pounds of molybdenum in the fourth quarter. Copper recoveries were 80.4% and copper head grades were 0.24%;
- Gibraltar sold 23.8 million pounds of copper in the quarter (100% basis). Due to extreme flooding in southwest British Columbia in November which washed out highways and rail infrastructure, transportation options were impacted which resulted in a build-up of copper concentrate inventory to 9.9 million pounds at year end. Concentrate inventory should return to more normal levels by the end of the first quarter of 2022;
- Average realized copper prices were US$4.37 per pound in the quarter, which contributed $103.0 million of revenue for Taseko;
- Cashflow from operations was $37.2 million which was impacted by $20.5 million in non-cash working capital attributed to the higher year-end inventory. Capital expenditures of $35.2 million included Florence spend of $14.8 million in the quarter;
- The Company has recently extended its copper price protection and now has more than 90% of its attributable production secured for 2022 year at a minimum copper price of US$4.00 per pound. Fourth quarter Adjusted net income and Adjusted EBITDA were impacted by a $6.4 million realized derivative loss ($0.02 per share) related to copper put options that expired in the quarter; and

- In November 2021, Gibraltar's unionized workforce ratified a new, long-term collective bargaining agreement which will be in place until May 31, 2024.

REVIEW OF OPERATIONS

Gibraltar mine (75% Owned)

Operating data (100% basis)	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	YE 2021	YE 2020
Tons mined (millions)	23.3	25.2	24.9	32.0	26.4	105.4	98.7
Tons milled (millions)	7.4	7.4	7.2	7.2	7.5	29.2	30.1
Strip ratio	2.2	1.3	2.3	6.0	1.9	2.5	2.0
Site operating cost per ton milled (Cdn$)*	$ 9.94	$ 8.99	$ 9.16	$ 8.73	$ 11.67	$ 9.21	$ 9.59
Copper concentrate							
Head grade (%)	0.24	0.28	0.22	0.19	0.20	0.23	0.24
Copper recovery (%)	80.4	84.2	83.3	81.5	83.3	82.4	84.3
Production (million pounds Cu)	28.8	34.5	26.8	22.2	25.0	112.3	123.0
Sales (million pounds Cu)	23.8	32.4	26.7	22.0	25.0	104.9	124.0
Inventory (million pounds Cu)	9.9	4.9	3.5	3.6	3.4	9.9	3.4
Molybdenum concentrate							
Production (thousand pounds Mo)	450	571	402	530	549	1,954	2,269
Sales (thousand pounds Mo)	491	502	455	552	487	2,000	2,239
Per unit data (US$ per pound produced)*							
Site operating costs*	$ 2.02	$ 1.53	$ 2.02	$ 2.23	$ 2.67	$ 1.91	$ 1.75
By-product credits*	(0.30)	(0.25)	(0.25)	(0.27)	(0.14)	(0.27)	(0.13)
Site operating costs, net of by-product credits*	$ 1.72	$ 1.28	$ 1.77	$ 1.96	$ 2.53	$ 1.64	$ 1.62
Off-property costs	0.22	0.29	0.25	0.27	0.29	0.26	0.30
Total operating costs (C1)*	$ 1.94	$ 1.57	$ 2.02	$ 2.23	$ 2.82	$ 1.90	$ 1.92

OPERATIONS ANALYSIS

Full Year Results

Gibraltar produced 112.3 million pounds of copper in 2021 compared to 123.0 million in 2020. Copper grade for the year averaged 0.23% copper, compared to 0.24% in 2020. Copper recoveries for 2021 was 82.4%, compared to 84.3% in 2020.

A total of 105.4 million tons were mined in the year in line with the mine plan and a 7% increase over the prior year period. The strip ratio increased primarily as a result of the waste mining transitioning into the Pollyanna pit in the first quarter of 2021 and lower mining rates in 2020 in response to the onset of COVID-19. Pollyanna ore was the primary mill feed in 2021, and waste stripping activities began in the Gibraltar pit in 2021 with first ore being mined in the fourth quarter.

Total site spending (including capitalized stripping of $59.9 million on a 75% basis) was 9% higher than the prior year due to higher mining rates in 2021. Sustaining capital expenditures at Gibraltar (75% basis) were $27.9 million for the year, compared to $20.3 million for the prior year due to greater scheduled component replacements in 2021 for the mining fleet.

Molybdenum production was 2.0 million pounds in the year compared to 2.3 million pounds in the prior year. Molybdenum prices also strengthened in 2021 with an average molybdenum price of US$15.94 per pound, an increase of 84% compared to the 2020 average price of US$8.68 per pound. By-product credits per pound of copper produced was US$0.27 in the year compared to US$0.13 in the prior year.

Off-property costs per pound produced* were US$0.26 for the year, which is US$0.04 lower than the prior year, as the Company benefited by a 4% reduction in the benchmark treatment and refining charges ("TCRC") in 2021 and realized lower TCRCs for spot tenders that were delivered at some of the lowest levels ever seen by the Gibraltar mine due to tight copper market conditions.

Total operating costs per pound produced (C1)* were US$1.90 for the year, a slight decrease compared to the prior year. The decrease in the C1* costs was primarily due to the higher by-product credits and lower off-property costs, partially offset by the increase in site costs and the impact of decreased copper production.

Fourth Quarter Results

Copper production in the fourth quarter was 28.8 million pounds and was impacted by lower grades and recoveries from ore mined in the upper benches of the Gibraltar pit. Increased oxidization and pyrite content in this ore has resulted in lower recoveries which management believes is a short-term issue that will be resolved. Ore quality is expected to improve as mining progresses deeper into the Gibraltar pit. In December, heavy snowfall and temperatures as low as minus 35 degrees Celsius also impacted mine equipment and mill availabilities, resulting in decreased mill throughput and a need to draw ore from lower grade stockpiles.

The Company realized 23.8 million pounds of copper sales in the fourth quarter which was lower than copper production of 28.8 million pounds. Major disruption to the highway and rail infrastructure in southwest British Columbia from severe rainstorms and flooding in November prevented significant production from being delivered to the port for shipping. Copper concentrate inventories ended the year at 9.9 million pounds.

A total of 23.3 million tons were mined in the fourth quarter. The strip ratio increased over the prior quarter due to mining activities transitioning into the higher strip ratio Gibraltar pit. The mill feed in the fourth quarter came primarily from Pollyanna but also included ore from the Gibraltar pit.

Total site spending (including capitalized stripping of $12.7 million on a 75% basis) was 7% higher than the prior quarter and included retroactive payments from the newly ratified collective bargaining agreement. Sustaining capital expenditures at Gibraltar of $6.5 million on a 75% basis included component replacements for the mining fleet, including scheduled work on the shovels.

Molybdenum production was 450 thousand pounds in the fourth quarter and at an average molybdenum price of US$18.89 per pound, generated a notable by-product credit per pound of copper produced of US$0.30 in the fourth quarter.

Off-property costs per pound produced* were US$0.22 for the fourth quarter which benefitted from lower copper pounds sold. The Company also realized lower TCRC in the fourth quarter as two spot tenders were delivered at much lower TCRC rates than the annual benchmark rate, which reflects the tight physical market for copper concentrate from overseas smelters.

Total operating costs per pound produced (C1)* were US$1.94 for the quarter and increased due to the decreased copper production and higher site costs in the fourth quarter compared to the third quarter.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Nothing is more important to Taseko than the safety, health and well-being of our workers and their families. Taseko places a high priority on the continuous improvement of performance in the areas of employee health and safety at the workplace and protection of the environment.

In April 2021, Taseko published its second Environmental, Social, and Governance ("ESG") report, which includes an examination of the Company's sustainability performance for 2020. The report is available on the Company's website at www.tasekomines.com/esg.

In this report, Taseko has reported Scope 1 and 2 greenhouse gas emissions for the Gibraltar mine which show that the mine ranks in the first quartile of all copper mines globally. When commercial operations at Florence Copper commences, the Company's combined greenhouse gas emissions intensity will drop even lower, to an estimated 1.53 tonnes of CO_2 per tonne of copper equivalent, based on an independent analysis by Skarn Associates.

Gibraltar's 2021 ESG report will be published in the second quarter of 2022.

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 the first quarter being the lowest production quarter, similar to 2021. The expected sales of excess copper concentrate inventory carried over from 2021 will bolster earnings in the first quarter of 2022.

Strong metal prices and US dollar combined with our copper hedge protection continues to provide tailwinds for a strong financial performance and operating margins at the Gibraltar mine over the coming year. Copper prices in 2021 averaged US$4.23 per pound and are currently around US$4.50 and molybdenum prices are currently US$18.78 per pound, 18% higher than the average price in 2021.

The copper price outlook for 2022 remains quite favorable with limited exchange inventories and ongoing supply constraints failing to keep up to demand. Many governments are focusing on increased infrastructure investment to stimulate economic recovery after the pandemic, including green initiatives, which will require new primary supplies of copper. Although some analysts predict a balanced copper market by 2023 based on known projects currently under development, most industry analysts are projecting ongoing supply constraints and deficits, which should support higher copper prices in the years to come.

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 providing significant upside should copper prices continue at these levels or increase further. In particular, the Company has secured more than 90% of attributable production with copper collars which protect a minimum copper price of US$4.00 per pound for 2022.

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 UIC permit 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. Based on ongoing dialogue with the EPA, the Company continues to expect the draft UIC permit to be publicly issued very soon, and then a 45-day public comment period will commence.

Detailed engineering and design for the commercial production facility is complete 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 in 2021. The Company incurred $58 million of costs for Florence in 2021 including for the commercial facility activities and also had outstanding purchase commitments of $38 million as at December 31, 2021 to be incurred in 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 late 2019, the Tŝilhqot'in Nation, as represented by Tŝilhqot'in National Government, and Taseko entered into a confidential dialogue, with the involvement of the Province of British Columbia, 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.

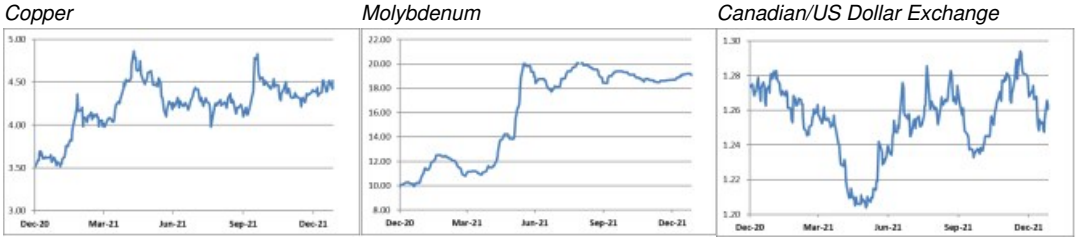
The dialogue was supported by the parties' agreement on December 7, 2019 to a one-year standstill on certain outstanding litigation and regulatory matters that relate to Taseko's tenures and the area in the vicinity of Teẑtan Biny (Fish Lake). The standstill was extended on December 4, 2020, to continue what was a constructive dialogue that had been delayed by the COVID-19 pandemic. The dialogue is not complete but it remains constructive, and the parties have therefore 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$4.50 per pound with continued upside amongst a bullish market backdrop and sentiment. Record levels of more than US$4.70 per pound were tested in both May and September of 2021 due to tight physical metal availability in the market. Copper prices have steadily recovered since the onset of COVID-19 and supply chain bottlenecks and tight supply conditions provide near term catalysts for elevated prices to continue. Material changes to taxes and royalty rates in key copper producing countries and threats of strikes and civil unrest also remain a risk to supply in the near term. Focus for 2022 turns to the expected demand growth and inflation arising from the economic recovery in North America and Europe resulting from unprecedented stimulus measures being implemented by central governments, although some geopolitical headwinds continue to create volatility in the timing and duration of this recovery. While some analysts predict a potential copper market balance by 2023 based on development projects under construction, the longer-term outlook for copper remains extremely favorable with the focus on government investment in construction and infrastructure including initiatives focused on green sources of power and the electrification of transportation which are inherently copper intensive. This increased demand for copper after years of under investment by the industry in new mine supply is expected to support strong copper prices well into the later part of this decade.

The average molybdenum price was US$15.94 per pound during 2021, compared to US$8.68 per pound in 2020. During 2021, molybdenum prices reached decade high levels at over US$20.00 per pound and are currently around US$18.78 per pound with a strong outlook for 2022, driven by steel demand from the global recovery and a rebound in the oil and gas sector. 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 average Canadian dollar strengthened against the US dollar during 2021 compared to the average rate in the prior year.

FINANCIAL PERFORMANCE

Earnings

(Cdn$ in thousands)	Year ended December 31, 2021	2020	Change
Net income (loss)	36,472	(23,524)	59,996
Net unrealized foreign exchange (gain) loss	12,728	(4,345)	17,073
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 (gain) loss on derivative instruments	(1,033)	1,822	(2,855)
Estimated tax effect of adjustments	(3,161)	(492)	(2,669)
Adjusted net income (loss) *	44,745	(26,539)	71,284

The Company's adjusted net income was $44.7 million ($0.16 per share) for the year ended December 31, 2021, compared to an adjusted net loss of $26.5 million ($0.11 loss per share) for the prior year. The increased adjusted net income in the current year was primarily due to the impact of higher copper prices and lower capitalized stripping costs. During 2021, earnings from mining operations was positively impacted by a higher average LME copper price of US$4.23 per pound, an increase of 51% over the average price in 2020, partially offset by the lower copper sales volumes. An increase in waste stripping costs being capitalized due to transitions in Pollyanna and mining in the Gibraltar Pit and lower depletion and amortization expense also positively impacted earnings. After inclusion of the foreign exchange gains and losses and unrealized gains on derivative instruments, the Company's net income was $36.5 million ($0.13 per share) for the year ended December 31, 2021, compared to net loss of $23.5 million ($0.09 loss per share) for the prior year.

Net income (GAAP) for the year ended December 31, 2021 was impacted by the $5.8 million settlement loss and $6.9 million call premium paid upon repayment of the 2022 senior secured notes ("2022 Notes") from the February 2022 Note refinancing. Earnings was also impacted by a realized loss on copper puts purchased for $14.5 million in premium paid covering 2021 production, which are not adjusted for.

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

Revenues

(Cdn$ in thousands)	Year ended December 31, 2021	2020	Change
Copper contained in concentrate	401,514	331,584	69,930
Copper price adjustments on settlement	8,098	9,394	(1,296)
Molybdenum concentrate	28,862	18,842	10,020
Molybdenum price adjustments on settlement	2,580	460	2,120
Silver	5,010	5,218	(208)
Total gross revenue	446,064	365,498	80,566
Less: Treatment and refining costs	(12,786)	(22,231)	9,445
Revenue	433,278	343,267	90,011
(thousands of pounds, unless otherwise noted)			
Sales of copper in concentrate [1]	75,830	89,697	(13,867)
Average realized copper price (US$ per pound)	4.31	2.84	1.47
Average LME copper price (US$ per pound)	4.23	2.80	1.43
Average exchange rate (US$/CAD)	1.25	1.34	(0.09)

[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 year ended December 31, 2021 increased by $69.9 million compared to the prior year, primarily due to higher copper prices in 2021, partially offset by decreases in the volume of payable copper sold by 13.9 million pounds (75% basis) and a stronger Canadian dollar. The Company also recognized positive net price adjustments of $8.1 million, for provisionally priced copper concentrate due to increasing copper price trends following shipment.

Molybdenum revenues for the year ended December 31, 2021 increased by $10.0 million compared to the prior year, primarily due to higher average molybdenum prices of US$15.94 per pound, compared to US$8.68 per pound for the prior year period, partially offset by lower molybdenum sales volumes by 179 thousand pounds (75% basis).

Treatment and refining costs for the year ended December 31, 2021 decreased by $9.4 million compared to the prior year, due to lower copper TCRC benchmarks in 2021, more competitive terms and deep discounts on spot tenders and long-term contracts, and a decrease in the copper sales volume.

Cost of sales

(Cdn$ in thousands)	Year ended December 31, 2021	2020	Change
Site operating costs	201,964	216,415	(14,451)
Transportation costs	17,845	18,248	(403)
Changes in inventories of finished goods	(11,795)	939	(12,734)
Changes in inventories of ore stockpiles	(5,128)	(11,361)	6,233
Production costs	202,886	224,241	(21,355)
Depletion and amortization	66,587	95,301	(28,714)
Cost of sales	269,473	319,542	(50,069)
Site operating costs per ton milled*	$ 9.21	$ 9.59	$ (0.38)

Site operating costs for the year ended December 31, 2021 decreased by $14.5 million compared to the prior year primarily due to greater mining costs being capitalized in 2021 ($59.9 million) compared to 2020 ($26.3 million) partially offset by higher operating costs associated with more tons being mined in 2021. Fuel prices and other input cost savings reduced operating costs in 2020 during the onset of the COVID-19 pandemic.

Cost of sales is also impacted by changes in copper concentrate inventories and ore stockpiles. For the year ended December 31, 2021, there was an increase of 6.5 million pounds of copper concentrate inventories during the year, which resulted in a decrease in production costs of $11.8 million. There was also an overall increase of 1.3 million tons in the ore stockpiles during 2021, which resulted in a decrease in production costs of $5.1 million compared to an increase of 3.0 million tons in ore stockpiles and a decrease in production costs of $11.4 million in 2020.

Depletion and amortization for the year ended December 31, 2021 decreased by $28.7 million over the prior year as ore tons that were mined from the Granite pit in 2020 had a higher capitalized stripping depreciation cost per ton compared to the ore being mined from the Pollyanna and Gibraltar pits in 2021.

Other operating (income) expenses

(Cdn$ in thousands)	Year ended December 31, 2021	2020	Change
General and administrative	16,937	14,636	2,301
Share-based compensation expense	5,507	5,075	432
Project evaluation (recovery) expenditures	(408)	1,397	(1,805)
Realized (gain) loss on derivative instruments	14,041	(3,759)	17,800
Unrealized (gain) loss on derivative instruments	(1,033)	1,822	(2,855)
Other income, net	(1,483)	(1,495)	12
	33,561	17,676	15,885

General and administrative expenses have increased in the year ended December 31, 2021, compared to prior year, primarily due to employment and consulting services provided by retiring executives as part of the Company's succession plan.

Share-based compensation expense is comprised of the amortization of share options and performance share units and the expense on deferred share units. Share-based compensation expense increased for the year ended December 31, 2021, compared to the prior year, primarily due to the revaluation of the liability for deferred share units resulting from an increase in the Company's share price during the year. More information is set out in Note 21 of the December 31, 2021 Financial Statements.

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

During the year ended December 31, 2021, the Company realized a net loss of $14.0 million for its derivatives instruments, which consists of $14.5 million for premiums paid for copper put options that settled out-of-the-money during the year and a $0.5 million gain on fuel call options. The net realized gain of $3.8 million in the year ended December 31, 2020 relates primarily to copper put options that settled in the money during 2020. For the year ended December 31, 2021, the net unrealized gain of $1.0 million relates substantially to outstanding copper collars covering production for the first half of 2022.

Finance expenses and income

(Cdn$ in thousands)	Year ended December 31, 2021	2020	Change
Interest expense	40,893	37,288	3,605
Finance expense - deferred revenue	5,549	5,172	377
Accretion of PER	373	550	(177)
Finance income	(678)	(249)	(429)
Loss on settlement of long-term debt	5,798	-	5,798
Finance expenses, net	51,935	42,761	9,174
Call premium on settlement of long-term debt	6,941	-	6,941

Interest expense increased in 2021 due to the increase in long term debt by US$150 million from the issuance of the US$400 million 2026 Notes in February While the coupon on the 2026 Notes have decreased by 1.75%, there is an increase of US$6.1. million in annual interest payable under the 2026 Notes compared to the 2022 Notes. The increase in interest expense in 2021 compared to the prior year was partially offset by the impact of foreign exchange and a stronger Canadian dollar in 2021.

As part of the senior secured notes refinancing in February, the Company redeemed its US$250 million 2022 Notes 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 over the call period of $1.8 million.

The Company also paid a redemption call premium of $6.9 million on the settlement of the 2022 Notes.

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

(Cdn$ in thousands)	Year ended December 31, 2021	2020	Change
Current income tax expense	3,203	1,769	1,434
Deferred income tax expense (recovery)	31,138	(10,865)	42,003
Income tax expense (recovery)	34,341	(9,096)	43,437
Effective tax rate	48.5%	27.9%	20.6%
Canadian statutory rate	27.0%	27.0%	-
B.C. mineral tax rate	9.5%	9.5%	-

The overall income tax expense for the year ended December 31, 2021 was due to deferred income tax expense recognized on income for accounting purposes. The effective tax rate for the year is greater than the combined B.C. mineral and income tax rate of 36.5% due to the non-deductibility of unrealized foreign exchange loss 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 year ended December 31, 2020 and 2021, relative to net income (loss) for those periods.

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

FINANCIAL CONDITION REVIEW

Balance sheet review

(Cdn$ in thousands)	At December 31, 2021	At December 31, 2020	Change
Cash and equivalents	236,767	85,110	151,657
Other current assets	100,460	72,088	28,372
Property, plant and equipment	837,839	742,619	95,220
Other assets	8,129	10,548	(2,419)
Total assets	**1,183,195**	**910,365**	**272,830**
Current liabilities	85,172	60,867	24,305
Debt:			
Senior secured notes	497,388	313,965	183,423
Equipment related financings	34,361	49,439	(15,078)
Deferred revenue	45,356	47,154	(1,798)
Other liabilities	162,400	121,568	40,832
Total liabilities	**824,677**	**592,993**	**231,684**
Equity	**358,518**	**317,372**	**41,146**
Net debt (debt minus cash and equivalents)	294,982	278,294	16,688
Total common shares outstanding (millions)	284.9	282.1	2.8

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 can fluctuate due to transportation and cash settlement schedules.

Property, plant and equipment increased by $95.2 million in the year ended December 31, 2021, which includes $57.9 million for the development costs incurred for Florence Copper and due to greater capitalized stripping in 2021 in Gibraltar.

Net debt has increased by $16.7 million in the year ended December 31, 2021, primarily due to the senior secured notes refinancing in February 2021 including related transaction costs and the Company's investment in copper price protection extending out to June 2022.

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

Other liabilities increased by $40.8 million primarily due to an increase in deferred tax liabilities and the changes in the estimate of the provision for environmental rehabilitation.

As at February 22, 2022, there were 285,980,119 common shares and 9,853,966 stock options outstanding. More information on these instruments and the terms of their exercise is set out in Note 21 of the December 31, 2021 Financial Statements.

Liquidity, cash flow and capital resources

At December 31, 2021, the Company had cash and equivalents of $236.8 million (December 31, 2020 - $85.1 million).

Cash flow provided by operations during the year ended December 31, 2021 was $174.8 million compared to cash flow provided by operations of $106.2 million for the prior year and increased primarily due to higher copper prices in 2021.

Cash used for investing activities during the year ended December 31, 2021 was $147.7 million compared to cash used for investing activities of $59.6 million for the prior year. Investing cash flows for the year ended December 31, 2021 includes $87.8 million for capital expenditures at Gibraltar (including $59.9 million for capitalized stripping costs) and $42.9 million of capital expenditures paid for Florence Copper. Also included in investing activities is $15.8 million for the purchase of copper put options covering production for 2021 and copper collars covering the first half of 2022 for the Company's share of Gibraltar's production.

Net cash provided by financing activities for the year ended December 31, 2021 was $125.8 million. The Company received net incremental proceeds of $170.2 million from issuance of the US$400 million 7% senior secured notes ("2026 Notes") due in February 2026 and after redemption of the US$250 million 2022 Notes. There are no principal payments required on the 2026 Notes until the maturity date in February 2026. The first interest payment of US$14.4 million was paid on August 16, 2021.

Principal repayments for Gibraltar equipment loans and leases were $19.7 million and interest paid was $25.6 million for the year ended December 31, 2021.

Liquidity outlook

The Company has approximately $300 million of available liquidity at December 31, 2021, including a cash balance of $237 million and a new US$50 million revolving credit facility which closed in early October.

With a minimum US$4.00 per pound floor price for more than 90% of its expected copper production in 2022, 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. 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 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 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 December 31, 2021				
Copper collars	42.7 million lbs	US$4.00 per lb US$5.60 per lb	January 2022 to June 2022	$4.7 million
Acquired subsequent to December 31, 2021				
Copper collars	42.0 million lbs	US$4.00 per lb US$5.40 per lb	July 2022 to December 2022	$4.2 million

Commitments and contingencies

Commitments

	Payments due						
(Cdn$ in thousands)	**2022**	**2023**	**2024**	**2025**	**2026**	**Thereafter**	**Total**
Debt:							
2026 Notes [1]	-	-	-	-	507,120	-	507,120
Interest	35,498	35,498	35,498	35,498	17,749	-	159,741
Equipment loans:							
Principal	6,539	4,682	1,375	-	-	-	12,596
Interest	510	197	18	-	-	-	725
Lease liabilities:							
Principal	9,529	2,599	1,284	1,288	896	-	15,596
Interest	589	279	180	100	24	-	1,172
Lease related obligation:							
Rental payment	2,620	2,627	-	-	-	-	5,247
PER [2]	-	-	-	-	-	87,571	87,571
Capital expenditures	36,530	1,885	-	-	-	-	38,415
Other expenditures							
Transportation related services [3]	4,146	3,291	3,291	3,291	823	-	14,842

[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 December 31, 2021, the Company has provided a surety bond of $37.5 million for its 75% share of Gibraltar's reclamation security. On January 31, 2022, the Company posted additional surety of $21.9 million for its 75% share of Gibraltar reclamation security. For Florence Copper, the Company has provided to the federal and state regulator surety bonds totaling $12.4 million as reclamation security.

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

The Company has made capital expenditure commitments relating to equipment for the Florence Copper project totaling $37.9 million at December 31, 2021.

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 $10.1 million as at December 31, 2021.

SELECTED ANNUAL INFORMATION

(Cdn$ in thousands, except per share amounts)	For the years ended December 31, 2021	2020	2019
Revenues	433,278	343,267	329,163
Net income (loss)	36,472	(23,524)	(53,382)
Per share - basic	0.13	(0.09)	(0.22)
Per share - diluted	0.13	(0.09)	(0.22)

	As at December 31, 2021	2020	2019
Total assets	1,183,195	910,365	883,996
Total long-term financial liabilities	518,087	349,312	358,508

FOURTH QUARTER RESULTS

Consolidated Statements of Comprehensive Income (Loss) (Cdn$ in thousands, except per share amounts)	Three months ended December 31, 2021	 2020
Revenues	102,972	87,398
Cost of sales		
Production costs	(41,056)	(60,336)
Depletion and amortization	(16,202)	(18,747)
Earnings from mining operations	45,714	8,315
General and administrative	(3,570)	(4,944)
Share-based compensation expense	(1,033)	(1,216)
Project evaluation recovery (expenditures)	733	(109)
Loss on derivatives	(11,033)	(1,753)
Other income	337	352
Income before financing costs and income taxes	31,148	645
Finance expenses, net	(11,854)	(10,528)
Foreign exchange gain	1,768	12,853
Income before income taxes	21,062	2,970
Income tax recovery (expense)	(9,300)	2,724
Net income for the period	**11,762**	**5,694**
Other comprehensive income (loss):		
Unrealized gain (loss) on financial assets	206	(2,855)
Foreign currency translation reserve	(1,024)	(9,109)
Total other comprehensive loss for the period	**(818)**	**(11,964)**
Total comprehensive income (loss) for the period	**10,944**	**(6,270)**
Earnings per share		
Basic	0.04	0.02
Diluted	0.04	0.02
Weighted-average shares outstanding (in thousands)		
Basic	284,167	263,227
Diluted	288,511	266,140

Consolidated Statements of Cash Flows (Cdn$ in thousands)	Three months ended December 31, 2021	 2020
Operating activities		
Net income for the period	11,762	5,694
Adjustments for:		
Depletion and amortization	16,202	18,747
Income tax expense (recovery)	9,300	(2,724)
Finance expenses, net	11,854	10,528
Share-based compensation expense	1,075	1,242
Loss on derivatives	11,033	1,753
Unrealized foreign exchange gain	(1,817)	(13,595)
Amortization of deferred revenue	(826)	(1,229)
Other operating activities	(805)	-
Net change in working capital:		
Change in inventory	(17,761)	(8,991)
Change in other working capital items	(2,786	8,999
Cash provided by operating activities	37,231	20,424
Investing activities		
Gibraltar capitalized stripping costs	(12,737)	(1,236)
Gibraltar capital expenditures	(6,487)	(11,303)
Florence Copper development costs	(14,766)	(3,923)
Other project development costs	(1,187)	(1,029)
Purchase of copper price options	-	(3,367)
Other investing activities	2,312	46
Cash used for investing activities	(32,865)	(20,812)
Financing activities		
Proceeds from equity issuance, net of costs	-	34,299
Other financing fees	(1,451)	-
Repayment of equipment loans and leases	(4,938)	(4,655)
Interest paid	(788)	(14,861)
Proceeds from exercise of stock options	1,148	391
Cash provided by (used for) financing activities	(6,029)	15,174
Effect of exchange rate changes on cash and equivalents	(721)	(2,354)
Increase (decrease) in cash and equivalents	(2,384)	12,432
Cash and equivalents, beginning of period	239,151	72,678
Cash and equivalents, end of period	**236,767**	**85,110**

Earnings

(Cdn$ in thousands)	Three months ended December 31, 2021	2020	Change
Net income	11,762	5,694	6,068
Unrealized foreign exchange gain	(1,817)	(13,595)	11,778
Unrealized loss on copper put and fuel call options	4,612	586	4,026
Estimated tax effect of adjustments	(1,245)	(158)	(1,087)
Adjusted net income (loss)*	13,312	(7,473)	20,785

The Company's adjusted net income was $13.3 million ($0.05 per share) for the three months ended December 31, 2021, compared to an adjusted net loss of $7.5 million ($0.03 loss per share) in 2020. The increased adjusted net income in the current period was primarily due to greater earnings from mining operations before depletion and amortization* which was $61.9 million for the current quarter compared to $27.1 million for the same period in 2020. During the fourth quarter of 2021, earnings from mining operations was positively impacted by a higher average LME copper price of US$4.40 per pound, an increase of 35% over the fourth quarter of 2020, which more than offset the lower copper sales volumes. An increase in waste stripping costs being capitalized and lower depletion and amortization expense also positively impacted earnings. After inclusion of $1.8 million in unrealized foreign exchange gains on the outstanding senior secured notes and unrealized losses on derivative instruments, the Company's net income was $11.8 million ($0.04 per share) for the three months ended December 31, 2021, compared to $5.7 million ($0.02 per share) in 2020.

Net income (GAAP) for the three months ended December 31, 2020 was impacted by the increase in the Canadian dollar which resulted in an unrealized foreign exchange gain of $13.6 million for the period, compared to $1.8 million in unrealized foreign exchange gain in the three months ended December 31, 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 December 31, 2021	2020	Change
Copper contained in concentrate	95,143	77,523	17,620
Copper price adjustments on settlement	396	8,413	(8,017)
Molybdenum concentrate	8,660	4,162	4,498
Molybdenum price adjustments on settlement	(103)	364	(467)
Silver	1,156	1,097	59
Total gross revenue	105,252	91,559	13,693
Less: Treatment and refining costs	(2,280)	(4,161)	1,881
Revenue	102,972	87,398	15,574
(thousands of pounds, unless otherwise noted)			
Copper in concentrate [1]	17,208	18,091	(883)
Average realized copper price (US$ per pound)	4.37	3.69	0.68
Average LME copper price (US$ per pound)	4.40	3.25	1.15
Average exchange rate (CAD/USD)	1.26	1.30	(0.04)

[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 December 31, 2021 increased by $17.6 million compared to the same period in 2020, due to higher prevailing LME copper prices by US$1.15 per pound in the current quarter. Provisional price adjustments were less of a factor in the fourth quarter of 2021 compared to 2020 which saw a rising copper price environment. Partially offsetting the higher copper price this quarter is the decrease in the volume of payable copper sold by 0.9 million pounds (75% basis) and the weakening US dollar, which decreased 3.1% from the same prior period.

Molybdenum revenues for the three months ended December 31, 2021 increased by $4.5 million compared to the same period in 2020 due to higher average molybdenum prices of US$18.89 per pound, compared to US$9.01 per pound for the same prior period.

Cost of sales

(Cdn$ in thousands)	Three months ended December 31, 2021	2020	Change
Site operating costs	54,921	65,287	(10,366)
Transportation costs	4,436	3,768	668
Changes in inventories of finished goods	(13,497)	(2,087)	(11,410)
Changes in inventories of ore stockpiles	(4,804)	(6,632)	1,828
Production costs	41,056	60,336	(19,280)
Depletion and amortization	16,202	18,747	(2,545)
Cost of sales	57,258	79,083	(21,825)
Site operating costs per ton milled*	$ 9.94	$ 11.67	$ (1.73)

Site operating costs for the three months ended December 31, 2021 decreased by $10.4 million compared to the same prior period primarily due to greater mining costs being capitalized in 2021 ($12.7 million) compared to 2020 ($1.2 million) and lower operating costs associated with 12% fewer tons being mined in the quarter.

Cost of sales is also impacted by changes in copper concentrate inventories and ore stockpiles. Due to extreme flooding in southwest BC in the fourth quarter and its impact on transportation, there was an increase of 5.0 million pounds of copper in finished goods which resulted in a decrease in production costs of $13.5 million.

Depletion and amortization for the three months ended December 31, 2021 decreased by $2.5 million over the same prior period. The decrease was primarily due to lower amortization of capitalized stripping costs due to lower ore tons mined in the current period compared to the same prior period.

Other operating (income) expenses

	Three months ended December 31,		
(Cdn$ in thousands)	**2021**	**2020**	**Change**
General and administrative	3,570	4,944	(1,374)
Share-based compensation expense	1,033	1,216	(183)
Project evaluation (recovery) expenditures	(733)	109	(842)
Realized loss on derivative instruments	6,421	1,167	5,254
Unrealized loss on derivative instruments	4,612	586	4,026
Other income, net	(337)	(352)	15
	14,566	7,670	6,896

General and administrative expenses have decreased in the three months ended December 31, 2021, compared to the same prior period, primarily due to the accrual in 2020 for employment and consulting services related to retiring executives as part of the Company's succession plan.

During the three months ended December 31, 2021, the Company realized a loss of $6.4 million for premiums paid for copper put options covering fourth quarter production at a strike price of US$3.75 per pound that settled out-of-the-money during the period. The realized loss of $1.2 million in the fourth quarter of 2020 relates primarily to copper put options that settled out of-the-money.

For the three months ended December 31, 2021, the net unrealized loss of $4.6 million relates to the fair value adjustments on the outstanding copper collars covering the first half of 2022.

Finance expenses and income

(Cdn$ in thousands)	Three months ended December 31, 2021	2020	Change
Interest expense	10,636	9,147	1,489
Finance expense - deferred revenue	1,373	1,291	82
Accretion of PER	63	137	(74)
Finance income	(218)	(47)	(171)
Finance expense, net	11,854	10,528	1,326

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

Finance expense on deferred revenue adjustments represents the implicit financing component of the upfront deposit from the silver sales streaming arrangement with Osisko.

Income tax

(Cdn$ in thousands)	Three months ended December 31, 2021	2020	Change
Current income tax expense	908	490	418
Deferred income tax expense (recovery)	8,392	(3,214)	11,606
	9,300	(2,724)	12,024
Effective tax rate	44.2%	(91.7)%	135.9%
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 December 31, 2021 was due to deferred income tax expense recognized on income for accounting purposes. The effective tax rate for the current fourth quarter is greater 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 December 31, 2020 and 2021, relative to net income (loss) for those periods

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

Liquidity, cash flow and capital resources

Cash flow provided by operations during the three months ended December 31, 2021 was $37.2 million compared to cash flow provided by operations of $20.4 million for the same prior period due primarily to higher copper prices and higher capitalized stripping in 2021. Cash flow provided by operations in the current period was impacted by negative net working capital adjustments of $20.5 million.

Cash used for investing activities during the three months ended December 31, 2021 was $32.9 million compared to cash used for investing activities of $20.8 million for the same prior period. Investing cash flows in the fourth quarter includes $19.2 million for capital expenditures at Gibraltar (including $12.7 million for capitalized stripping costs) and $14.8 million of cash expenditures for Florence Copper.

Net cash used by financing activities for the three months ended December 31, 2021 was $6.0 million comprised of principal repayments for equipment loans and leases of $4.9 million, interest paid of $0.8 million and $1.5 million in fees relating to the new revolving credit facility closed in October 2021. Net cash provided by financing activities for the three months ended December 31, 2020 was $15.2 million and included in financing activities is the net proceeds from the equity offering of $34.3 million.

SUMMARY OF QUARTERLY RESULTS

	2021				2020			
(Cdn$ in thousands, except per share amounts)	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenues	102,972	132,563	111,002	86,741	87,398	87,780	106,005	62,084
Net income (loss)	11,762	22,485	13,442	(11,217)	5,694	987	18,745	(48,950)
Basic EPS	0.04	0.08	0.05	(0.04)	0.02	-	0.08	(0.20)
Adjusted net income (loss)*	13,312	27,020	9,948	(5,534)	(7,473)	(5,754)	8,335	(21,647)
Adjusted basic EPS*	0.05	0.10	0.04	(0.02)	(0.03)	(0.02)	0.03	(0.09)
Adjusted EBITDA*	52,988	76,291	47,732	23,722	20,478	31,545	50,860	5,346
(US$ per pound, except where indicated)								
Realized copper price*	4.37	4.26	4.48	4.09	3.69	3.15	2.70	2.06
Total operating costs*	1.94	1.57	2.02	2.23	2.82	2.00	1.34	1.82
Copper sales (million pounds)	17.9	24.3	20.0	16.5	18.8	21.4	29.5	23.3

Financial results for the last eight quarters reflect: volatile copper and molybdenum prices and foreign exchange rates that impact realized sale prices; and variability in the quarterly sales volumes due to copper grades and timing of shipments which impacts revenue recognition.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The Company's significant accounting policies are presented in Note 2.4 of the 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.

CHANGE IN ACCOUNTING POLICIES

Several new standards, and amendments to standards and interpretations, are not yet effective for the year ended December 31, 2021, and have not been applied in preparing these consolidated financial statements. None are currently considered by the Company to be significant or likely to have a material impact on future financial statements.

INTERNAL AND DISCLOSURE CONTROLS OVER FINANCIAL REPORTING

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

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

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

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, 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 control over financial reporting and disclosure controls and procedures during the 2021 financial year that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting and disclosure.

The Company's management, under the supervision of the Chief Executive Officer and the Chief Financial Officer, assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2021. In making this assessment, it used the criteria set forth in the Internal Control-Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this assessment, management has concluded that, as of December 31, 2021, the Company's internal control over financial reporting is effective based on those criteria. The Company's certifying officers have evaluated the effectiveness of the ICFR and DC&P at the financial year end and concluded that ICFR and DC&P are effective as at December 31, 2021 based on the evaluation.

FINANCIAL INSTRUMENTS

The Company uses a mixture of cash, long-term debt and shareholders' equity to maintain an efficient capital allocation and ensure adequate liquidity exists to meet the ongoing cash requirements of the business. In the normal course of business, the Company is inherently exposed to financial risks, including market risk, commodity price risk, interest rate risk, currency risk, liquidity risk and credit risk. The Company manages these risks in accordance with its risk management policies. To mitigate some of these inherent business risks, the Company uses commodity derivative instruments that do not qualify for hedge accounting treatment. These non-hedge derivatives are summarized in Note 7 to the Financial Statements. The financial risks and the Company's exposure to these risks, is provided in various tables in Note 25 of the Financial Statements. For a discussion on the methods used to value financial instruments, as well as significant assumptions, refer also to Notes 2 and 25 of the Financial Statements.

Summary of Financial Instruments	Carrying Amount	Associated Risks
Financial assets		
Amortized cost		
Cash and equivalents	236,767	Interest rate
Accounts receivable	9,604	Credit Market
Fair value through other comprehensive income (FVOCI)		
Marketable securities	3,110	Market
Investment in private companies	1,200	Market
Financial liabilities		
Accounts payable and accrued liabilities	55,660	Currency
Senior secured notes	497,388	Currency
Lease liabilities	15,692	Interest rate
Lease related obligations	7,457	Interest rate
Secured equipment loans	12,564	Currency Interest rate

RELATED PARTY TRANSACTIONS

Key management personnel

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

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

Certain executive officers are entitled to termination and change in control benefits. In the event of termination without cause, other than a change in control, these executive officers are entitled to an amount ranging from 9-month to 12-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 21 of the Financial Statements).

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

(Cdn$ in thousands)	Year ended December 31, 2021	2020
Salaries and benefits	6,252	6,527
Post-employment benefits	1,672	1,827
Share-based compensation expense	5,011	4,963
	12,935	13,317

Other related parties

Gibraltar Joint Venture

Under the terms of the joint venture operating agreement, Gibraltar pays the Company a management fee for services rendered by the Company as operator of the Gibraltar mine. In addition, the Company pays certain expenses on behalf of Gibraltar and invoices the Gibraltar for these expenses. In 2021, net management fee income for $1,227 (2020: $1,291) and net reimbursable compensation expenses and third party costs of $343 (2020: $190) were charged to the joint venture partner.

NON-GAAP PERFORMANCE MEASURES

This document includes certain non-GAAP performance measures that do not have a standardized meaning prescribed by IFRS. These measures may differ from those used by, and may not be comparable to such measures as reported by, other issuers. The Company believes that these measures are commonly used by certain investors, in conjunction with conventional IFRS measures, to enhance their understanding of the Company's performance. These measures have been derived from the Company's financial statements and applied on a consistent basis. The following tables below provide a reconciliation of these non-GAAP measures to the most directly comparable IFRS 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	**2021 Q4**	**2021 Q3**	**2021 Q2**	**2021 Q1**	**2021 YE**
Cost of sales	57,258	65,893	74,056	72,266	269,473
Less:					
Depletion and amortization	(16,202)	(17,011)	(17,536)	(15,838)	(66,587)
Net change in inventories of finished goods	13,497	762	(4,723)	2,259	11,795
Net change in inventories of ore stockpiles	4,804	6,291	2,259	(8,226)	5,128
Transportation costs	(4,436)	(5,801)	(4,303)	(3,305)	(17,845)
Site operating costs	54,921	50,134	49,753	47,156	201,964
Less by-product credits:					
Molybdenum, net of treatment costs	(7,755)	(8,574)	(6,138)	(5,604)	(28,071)
Silver, excluding amortization of deferred revenue	(330)	300	64	(238)	(204)
Site operating costs, net of by-product credits	46,836	41,860	43,679	41,314	173,689
Total copper produced (thousand pounds)	21,590	25,891	20,082	16,684	84,247
Total costs per pound produced	2.17	1.62	2.18	2.48	2.06
Average exchange rate for the period (CAD/USD)	1.26	1.26	1.23	1.27	1.25
Site operating costs, net of by-product credits (US$ per pound)	**1.72**	**1.28**	**1.77**	**1.96**	**1.64**
Site operating costs, net of by-product credits	46,836	41,860	43,679	41,314	173,689
Add off-property costs:					
Treatment and refining costs	1,480	3,643	1,879	2,414	9,416
Transportation costs	4,436	5,801	4,303	3,305	17,845
Total operating costs	52,752	51,304	49,861	47,033	200,950
Total operating costs (C1) (US$ per pound)	**1.94**	**1.57**	**2.02**	**2.23**	**1.90**

(Cdn$ in thousands, unless otherwise indicated) - 75% basis	2020 Q4	2020 Q3	2020 Q2	2020 Q1	2020 YE
Cost of sales	79,083	75,969	81,181	83,309	319,542
Less:					
Depletion and amortization	(18,747)	(23,894)	(25,512)	(27,148)	(95,301)
Net change in inventories of finished goods	2,087	1,415	(5,753)	1,302	(949)
Net change in inventories of ore stockpiles	6,632	4,186	(50)	603	11,371
Transportation costs	(3,768)	(4,127)	(5,834)	(4,519)	(18,248)
Site operating costs	65,287	53,549	44,032	53,547	216,425
Less by-product credits:					
Molybdenum, net of treatment costs	(3,649)	(4,109)	(4,252)	(3,231)	(15,241)
Silver, excluding amortization of deferred revenue	133	(54)	(28)	(354)	(303)
Site operating costs, net of by-product credits	61,771	49,386	39,752	49,962	200,871
Total copper produced (thousand pounds)	18,725	21,658	27,576	24,318	92,277
Total costs per pound produced	3.30	2.28	1.44	2.05	2.18
Average exchange rate for the period (CAD/USD)	1.30	1.33	1.39	1.34	1.34
Site operating costs, net of by-product credits (US$ per pound)	**2.53**	**1.71**	**1.04**	**1.53**	**1.62**
Site operating costs, net of by-product credits	61,771	49,386	39,752	49,962	200,871
Add off-property costs:					
Treatment and refining costs	3,284	4,254	5,676	4,956	18,170
Transportation costs	3,768	4,127	5,834	4,519	18,248
Total operating costs	68,823	57,767	51,262	59,437	237,289
Total operating costs (C1) (US$ per pound)	**2.82**	**2.00**	**1.34**	**1.82**	**1.92**

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)	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2021 YE
Net income (loss)	**11,762**	**22,485**	**13,442**	**(11,217)**	**36,472**
Unrealized foreign exchange (gain) loss	(1,817)	9,511	(3,764)	8,798	12,728
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 (gain) loss on derivatives	4,612	(6,817)	370	802	(1,033)
Estimated tax effect of adjustments	(1,245)	1,841	(100)	(3,657)	(3,161)
Adjusted net income (loss)	**13,312**	**27,020**	**9,948**	**(5,535)**	**44,745**
Adjusted EPS	**0.05**	**0.10**	**0.04**	**(0.02)**	**0.16**

(Cdn$ in thousands, except per share amounts)	2020 Q4	2020 Q3	2020 Q2	2020 Q1	2020 YE
Net income (loss)	**5,694**	**987**	**18,745**	**(48,950)**	**(23,524)**
Unrealized foreign exchange (gain) loss	(13,595)	(7,512)	(12,985)	29,747	(4,345)
Unrealized (gain) loss on derivatives	586	1,056	3,528	(3,348)	1,822
Estimated tax effect of adjustments	(158)	(285)	(953)	904	(492)
Adjusted net income (loss)	**(7,473)**	**(5,754)**	**8,335**	**(21,647)**	**(26,539)**
Adjusted EPS	**(0.03)**	**(0.02)**	**0.03**	**(0.09)**	**(0.11)**

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 gain on settlement of long-term debt; and
- Amortization of share-based compensation expense.

(Cdn$ in thousands)	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2021 YE
Net income (loss)	**11,762**	**22,485**	**13,442**	**(11,217)**	**36,472**
Add:					
Depletion and amortization	16,202	17,011	17,536	15,838	66,587
Finance expense (includes loss on settlement of long-term debt and call premium)	12,072	11,875	11,649	23,958	59,554
Finance income	(218)	(201)	(184)	(75)	(678)
Income tax (recovery) expense	9,300	22,310	7,033	(4,302)	34,341
Unrealized foreign exchange (gain) loss	(1,817)	9,511	(3,764)	8,798	12,728
Realized foreign exchange gain on settlement of long-term debt	-	-	-	(13,000)	(13,000)
Unrealized (gain) loss on derivatives	4,612	(6,817)	370	802	(1,033)
Amortization of share-based compensation expense	1,075	117	1,650	2,920	5,762
Adjusted EBITDA	**52,988**	**76,291**	**47,732**	**23,722**	**200,733**

(Cdn$ in thousands)	2020 Q4	2020 Q3	2020 Q2	2020 Q1	2020 YE
Net income (loss)	**5,694**	**987**	**18,745**	**(48,950)**	**(23,524)**
Add:					
Depletion and amortization	18,747	23,894	25,512	27,148	95,301
Finance expense	10,575	11,203	10,461	10,771	43,010
Finance income	(47)	(4)	(48)	(150)	(249)
Income tax (recovery) expense	(2,724)	(580)	4,326	(10,118)	(9,096)
Unrealized foreign exchange (gain) loss	(13,595)	(7,512)	(12,985)	29,747	(4,345)
Unrealized (gain) loss on derivatives	586	1,056	3,528	(3,348)	1,822
Amortization of share-based compensation expense	1,242	2,501	1,321	246	5,310
Adjusted EBITDA	**20,478**	**31,545**	**50,860**	**5,346**	**108,229**

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.

(Cdn$ in thousands)	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2021 YE
Earnings from mining operations	**45,714**	**66,670**	**36,946**	**14,475**	**163,805**
Add:					
Depletion and amortization	16,202	17,011	17,536	15,838	66,587
Earnings from mining operations before depletion and amortization	**61,916**	**83,681**	**54,482**	**30,313**	**230,392**

(Cdn$ in thousands)	2020 Q4	2020 Q3	2020 Q2	2020 Q1	2020 YE
Earnings (loss) from mining operations	**8,315**	**11,811**	**24,824**	**(21,225)**	**23,725**
Add:					
Depletion and amortization	18,747	23,894	25,512	27,148	95,301
Earnings from mining operations before depletion and amortization	**27,062**	**35,705**	**50,336**	**5,923**	**119,026**

Site operating costs per ton milled

(Cdn$ in thousands, except per ton milled amounts)	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2021 YE
Site operating costs (included in cost of sales)	**54,921**	**50,134**	**49,753**	**47,156**	**201,964**
Tons milled (thousands) (75% basis)	5,523	5,576	5,429	5,402	21,930
Site operating costs per ton milled	**$ 9.94**	**$ 8.99**	**$ 9.16**	**$ 8.73**	**$ 9.21**

(Cdn$ in thousands, except per ton milled amounts)	2020 Q4	2020 Q3	2020 Q2	2020 Q1	2020 YE
Site operating costs (included in cost of sales)	**65,287**	**53,549**	**44,032**	**53,547**	**216,415**
Tons milled (thousands) (75% basis)	5,594	5,595	5,748	5,622	22,559
Site operating costs per ton milled	**$ 11.67**	**$ 9.57**	**$ 7.66**	**$ 9.52**	**$ 9.59**

CERTIFICATION
PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Stuart McDonald, certify that:

(1) I have reviewed this annual report on Form 40-F of Taseko Mines Limited;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

(4) The issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

(a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

(5) The issuer's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

(a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: March 30, 2022

By: */s/ Stuart McDonald*
Name: Stuart McDonald
Title: Chief Executive Officer

CERTIFICATION
PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Bryce Hamming, certify that:

(1) I have reviewed this annual report on Form 40-F of Taseko Mines Limited;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

(4) The issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

(a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

(5) The issuer's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

(a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: March 30, 2022

By: */ s/ Bryce Hamming*
Name: Bryce Hamming
Title: Chief Financial Officer

CERTIFICATION
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Stuart McDonald, Chief Executive Officer of Taseko Mines Limited (the "Company"), hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

(1) The Annual Report on Form 40-F of the Company for the fiscal year ended December 31, 2021 (the "Annual Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Annual Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: */s/ Stuart McDonald*
Name: Stuart McDonald
Title: Chief Executive Officer
Date: March 30, 2022

This written statement is being furnished to the Securities and Exchange Commission as an exhibit to the Company's Annual Report on Form 40-F. A signed original of this statement has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

This certification accompanies this Annual Report on Form 40-F pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by such Act, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.

CERTIFICATION
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Bryce Hamming, Chief Financial Officer of Taseko Mines Limited (the "Company"), hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

(1) The Annual Report on Form 40-F of the Company for the fiscal year ended December 31, 2021 (the "Annual Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Annual Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: */s/ Bryce Hamming*
Name: Bryce Hamming
Title: Chief Financial Officer
Date: March 30, 2022

This written statement is being furnished to the Securities and Exchange Commission as an exhibit to the Company's Annual Report on Form 40-F. A signed original of this statement has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

This certification accompanies this Annual Report on Form 40-F pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by such Act, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.

KPMG LLP
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Vancouver BC V7Y 1K3
Canada
Telephone (604) 691-3000
Fax (604) 691-3031

Consent of Independent Registered Public Accounting Firm

The Board of Directors
Taseko Mines Limited

We consent to the use of:

- our report dated February 22, 2022 on the consolidated financial statements of Taseko Mines Limited (the "Entity") which comprise the consolidated statements of financial position as at December 31, 2021 and December 31, 2020, the related consolidated statements of comprehensive income (loss), changes in equity and cash flows for each of the years then ended, and the related notes (collectively the "consolidated financial statements"), and
- our report dated February 22, 2022 on the effectiveness of the Entity's internal control over financial reporting as of December 31, 2021

each of which is included in the Annual Report on Form 40-F of the Entity for the fiscal year ended December 31, 2021.

We also consent to the incorporation by reference of such reports in the Registration Statement (No. 333-237948) on Form F-10/A of Taseko Mines Limited filed with the United States Securities and Exchange Commission.

//**s**// **KPMG LLP**
Chartered Professional Accountants

March 30, 2022
Vancouver, Canada

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Taseko Mines Limited
12th Floor, 1040 West Georgia St.
Vancouver, BC V6E 4H1
tasekomines.com

March 30, 2022

VIA EDGAR

To: United States Securities and Exchange Commission

Re: Taseko Mines Limited (the "**Company**")
Annual Report on Form 40-F
Consent of Expert

This consent is provided in connection with the Company's annual report on Form 40-F report for the year ended December 31, 2021 to be filed by the Company with the United States Securities and Exchange Commission (the "SEC") and any amendments thereto (the "**Annual Report**"). The Annual Report incorporates by reference, among other things, the Company's Annual Information Form for the year ended December 31, 2021 (the "**AIF**").

I hereby consent to the use of my name in connection with reference to my involvement in the preparation of the following technical reports (the "**Technical Reports**"):

- Technical Report on the Mineral Reserve Update at the Gibraltar Mine, British Columbia, Canada dated March 30, 2022
- Technical Report on the Mineral Reserve Update at the Yellowhead Copper Project, British Columbia, Canada dated January 16, 2020

and to references to the Technical Reports, or portions thereof, in the Annual Report and the AIF and to the inclusion and incorporation by reference of the information derived from the Technical Report in the Annual Report and the AIF.

I also consent to the incorporation by reference of such Technical Reports in the Registration Statement (No. 333-237948) on Form F-10/A of Taseko Mines Limited filed with the United States Securities and Exchange Commission.

Yours truly,

/s/ Richard Weymark
Richard Weymark, P.Eng., MBA, VP Engineering

March 30, 2022

VIA EDGAR

To: United States Securities and Exchange Commission

Re: Taseko Mines Limited (the "**Company**")
Annual Report on Form 40-F
Consent of Expert

This consent is provided in connection with the Company's annual report on Form 40-F report for the year ended December 31, 2021 to be filed by the Company with the United States Securities and Exchange Commission (the "SEC") and any amendments thereto (the "**Annual Report**"). The Annual Report incorporates by reference, among other things, the Company's Annual Information Form for the year ended December 31, 2021 (the "**AIF**").

I hereby consent to the use of my name in connection with reference to my involvement in the preparation of the following technical reports (the "**Technical Reports**"):

- Florence Copper Project, NI 43-101 Technical Report, Florence, Pinal County, Arizona, USA dated February 28, 2017, amended and restated December 4, 2017

and to references to the Technical Report, or portions thereof, in the Annual Report and the AIF and to the inclusion and incorporation by reference of the information derived from the Technical Report in the Annual Report and the AIF.

I also consent to the incorporation by reference of such Technical Report in the Registration Statement (No. 333-237948) on Form F-10/A of Taseko Mines Limited filed with the United States Securities and Exchange Commission.

Yours truly,

/s/ Dan Johnson
Dan Johnson, P.E.