

ENVIRONMENTAL MATTERS

The Corporation's mining, exploration and development activities are subject to various levels of federal, provincial and state laws and regulations relating to the protection of the environment, including requirements for closure and reclamation of mining properties.

For a discussion of environmental matters, reference is made to the information contained under the caption "Environmental Considerations" in each property description under Items 1 and 2 of this report and in Item 8, Consolidated Financial Statements, Note 10-Asset Retirement Obligations.

ITEM 1A. RISK FACTORS

The following discussion of risk factors contains "forward-looking statements," as discussed in Part II, Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations," or MD&A. These risk factors may be important to understanding any statement in this Annual Report on Form 10-K or elsewhere. The following information should be read in conjunction with Item 1. "Business," Part II, Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations," and the Consolidated Financial Statements and related notes in Part II, Item 8. of this Annual Report on Form 10-K.

The Corporation's business routinely encounters and addresses risks, some of which will cause the Corporation's future results to be different -sometimes materially different—than presently anticipated. Discussion about important operational risks that the Corporation's businesses encounter can be found in the MD&A section and in the business descriptions in Item 1. "Business" of this Annual Report on Form 10-K. Below, the Corporation describes certain factors affecting operations and future financial performance. The Corporation's reactions to material future developments, as well as competitors' reactions to those developments, will affect the Corporation's future results.

Risks Relating to the Corporation's Business

The operations of the Corporation are speculative due to the high-risk nature of its business which is the acquisition, financing, exploration, development and operation of mining properties. These risk factors could materially affect the Corporation's future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to the Corporation.

Molybdenum market price declines could adversely affect the Corporation's earnings and cash flows and could adversely affect the trading prices of the Corporation's equity securities.

Molybdenum prices fluctuate widely. Molybdenum demand depends primarily on the global steel industry, which uses the metal as a hardening and corrosion inhibiting agent. Approximately 80 percent of molybdenum production is used in this application. The remainder is used in specialty chemical applications such as catalysts, water treatment agents and lubricants. These industries, as well as certain other industries that use molybdenum, are cyclical in nature. Approximately 40-50 percent of global molybdenum production is a by-product of copper mining, which is relatively insensitive to molybdenum prices. Decreased demand for molybdenum during the fourth quarter of 2008 resulted in a sudden and sharp decline in molybdenum prices.

During the three years ended December 31, 2009, the published *Platt's Metals Week* molybdenum price ranged from a low of \$7.70 to a high of \$33.75 per pound. Molybdenum prices are affected by numerous factors that are outside of the Corporation's control, including the rates of global economic growth (especially construction and infrastructure activity that requires significant amounts of steel), the worldwide balance of molybdenum demand and supply, the volume of molybdenum produced from primary mines and as a by-product primarily from copper mines, molybdenum inventory levels, the

relative strength or weakness of the US dollar and related currency exchange fluctuations and production costs of competitors.

Future price declines would materially reduce the Corporation's profitability and could cause the Corporation to reduce output at its operations (including possibly closing one or more of the Corporation's mines or plants), all of which could reduce the Corporation's cash flow from operations and depress the trading prices of the Corporation's equity securities. Furthermore, a significant decrease in molybdenum prices may require the Corporation to revise its mineral reserve calculations and life-of-mine plans, which could result in material write-downs of its investment in mining properties and increased amortization, reclamation and closure charges. In addition to adversely affecting the Corporation's reserve estimates and financial condition, declining molybdenum prices can impact operations by requiring a reassessment of the feasibility of a particular project. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

The Corporation's revenues are dependent on its molybdenum production; sustaining current production levels or increasing its mineral production. Future growth depends on the Corporation's ability to bring new mines into production and to expand mineral reserves at existing mines.

The Corporation generates revenues primarily through the production and sale of molybdenum. Subject to any future expansion or other development, production from existing operations is expected to decline over the life of mine. In addition, these production estimates and the life-of-mine estimates included in this Annual Report on Form 10-K and in the Corporation's other continuous disclosure documents may vary materially from the actual production from, or productive life of, the subject mines because the feasibility of mineral reserves is largely dependent on market conditions, the regulatory environment and available technology. As a result, the Corporation's ability to maintain its current production or increase its annual production of molybdenum and generate revenues therefrom will depend significantly upon its ability to discover or acquire and to successfully bring new mines into production and to expand mineral reserves at existing mines.

The Corporation may not be able to acquire desirable mining assets in the future.

One of the Corporation's strategies is to grow its business by acquiring attractive, quality mining assets. The Corporation expects to selectively seek strategic acquisitions in the future. However, there can be no assurance that suitable acquisition opportunities will be identified. The Corporation's ability to consummate and to integrate effectively any future acquisitions on terms that are favorable to the Corporation may be limited by the number of attractive acquisition targets, internal demands on its resources, competition from other mining companies and, to the extent necessary, its ability to obtain financing on satisfactory terms, if at all.

Estimates of mineral reserves and projected cash flows may prove to be inaccurate which could negatively impact the Corporation's results of operations and financial condition.

There are numerous uncertainties inherent in estimating mineral reserves and the future cash flows that might be derived from their production. Accordingly, the figures for mineral reserves and future cash flows contained in this report are estimates only. In respect of mineral reserve estimates, no assurance can be given that the anticipated tonnages and grades will be achieved, that the indicated level of recovery will be realized or that mineral reserves can be mined or processed profitably. In addition, in respect of future cash flows, actual cash flows may differ materially from estimates. Estimates of mineral reserves, and future cash flows to be derived from the production of such mineral reserves, necessarily depend upon a number of variable factors and assumptions, including, among others, geological and mining conditions that may not be fully identified by available exploration data or that may differ from experience in current operations, historical production from the area compared

with production from other producing areas, the assumed effects of regulation by governmental agencies and assumptions concerning metal prices, exchange rates, interest rates, inflation, operating costs, development and maintenance costs, reclamation costs, and the availability and cost of labor, equipment, raw materials and other services required to mine and refine the ore. In addition, there can be no assurance that mineral recoveries in small scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production. For these reasons, estimates of the Corporation's mineral reserves in this Annual Report on Form 10-K, including classifications thereof based on probability of recovery, and any estimates of future cash flows expected from the production of those mineral reserves, prepared by different engineers or by the same engineers at different times may vary substantially. The actual volume and grade of mineral reserves mined and processed, and the actual cash flows derived from that production, may not be as currently anticipated in such estimates. If the Corporation's actual mineral reserves or cash flows are less than its estimates, the Corporation's results of operations and financial condition may be materially impaired.

The Corporation must continually replace ore reserves depleted by production. The Corporation's exploration activities may not result in additional discoveries.

The Corporation's ability to replenish the Corporation's ore reserves is important to the Corporation's long-term viability. Produced ore reserves must be replaced by further delineation of existing ore bodies or by locating new deposits in order to maintain production levels over the long term. Exploration is highly speculative in nature. Exploration projects involve many risks, require substantial expenditures and may not result in the discovery of sufficient additional mineral deposits that can be mined profitably. Once a site with mineralization is discovered, it may take several years from the initial phases of drilling until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish recoverable proven and probable reserves and to construct mining and processing facilities. As a result, there is no assurance that current or future exploration programs, such as the Mount Emmons Project or Davidson Project, will be successful. There is a risk that depletion of reserves will not be offset by discoveries or acquisitions. As a result, the Corporation cannot provide assurance that its exploration, development or acquisition efforts will result in any new commercial mining operations or yield new mineral reserves to replace or expand current mineral reserves.

The Endako Mill Expansion Project may not be completed which could adversely affect the Corporation's profitability or operating results.

The construction, commissioning and start-up of the Endako Mine mill expansion is a significant project and changes in costs, construction schedules, or both, can affect project economics. In addition, the Corporation has not yet received approval from its joint venture partner for the latest expansion plan. There are a number of factors that can affect costs and construction schedules, including, but not limited to, the difficulty of estimating construction costs over a period of more than one year; delays in obtaining equipment, material, services and permits or permit amendments essential to completing the mill expansion in a timely manner; changes in environmental or other government regulation; the availability of labor, power, transportation, commodities and infrastructure; design and instrumentation modifications; changes in input commodity prices and labor costs; weather and severe climate impacts; potential delays related to social and community issues; and fluctuation in foreign currency exchange rates. There can be no assurance that the Corporation will complete the expansion in accordance with current expectations or at all.

The Corporation's financial condition, results of operations, cash flows and competitive position may be adversely impacted by recessionary economic conditions.

The recent recessionary economic conditions in the US and around the globe in late 2008 and 2009 have impacted the demand for molybdenum. The Corporation's two largest molybdenum customer industries, the steel and chemical industries, have reduced their purchase volumes due to the impact of the recession on their businesses. The reduced demand for molybdenum has also resulted in significantly decreased molybdenum prices in late 2008 and 2009. In order for the Corporation to maintain or increase its profitability, it must maintain or increase its revenues and improve cash flows and continue to control its operational and selling, general and administrative expenses. While the market price and demand for molybdenum have improved in 2009 and early 2010, any weakening or worsening of the current economic conditions, any stagnation in economic recovery or a prolonged global, national or regional economic recession or other events that could produce major changes in demand patterns could have a material adverse effect on the Corporation's sales, margins and profitability. If the Corporation is unable to maintain its revenues and control its costs, the Corporation's financial condition, results of operations, cash flows and competitive position could be materially adversely affected.

Fluctuations in the price of molybdenum may adversely impact the Corporation's cash flow as a result of the Corporation entering into provisionally-priced sales contracts.

The Corporation's consolidated molybdenum sales represent the sale of molybdenum in various forms from the Corporation's mines and from third party material that is purchased, processed and sold. Molybdenum sales for 2009 were \$361.9 million, with cash generated from operations of \$105.9 million. For each \$1 per pound change in molybdenum prices (using the molybdenum pounds sold in 2009), the impact on the Corporation's annual cash flow would approximate \$28 million.

From time to time the Corporation enters into provisionally-priced sales contracts, whereby the contracts settle at prices to be determined at a future date based upon provisional assays and quoted prices. The future pricing mechanism of these agreements constitutes an embedded derivative which is bifurcated and separately marked to estimated fair value at the end of each period. Changes to the fair value of embedded derivatives related to molybdenum sales agreements are included in molybdenum sales revenue in the determination of net income. To the extent final prices are higher or lower than what was recorded on a provisional basis, an increase or decrease to molybdenum sales is recorded each reporting period until the date of final pricing. Accordingly, in times of rising molybdenum prices, molybdenum sales benefit from higher prices received for contracts priced at current market rates and also from an increase related to the final pricing of provisionally priced sales pursuant to contracts entered into in prior years; in times of falling molybdenum prices, the opposite occurs.

Disruptions in the financial and capital markets have had an adverse effect on the Corporation's operating results and financial condition for 2009.

The widely reported domestic and global recession, the associated low molybdenum prices, and the levels of disruption and continuing illiquidity in the credit markets have had an adverse effect on the Corporation's operating results and financial condition for 2009, and such adverse effects could continue or worsen. Disruptions in the credit and financial markets have adversely affected financial institutions, inhibited lending and limited access to capital and credit for many companies. If future financing is not available to the Corporation when required, as a result of limited access to the credit markets or otherwise, or is not available on acceptable terms, the Corporation may be unable to invest needed capital for the Corporation's development and exploration programs, take advantage of business growth opportunities or respond to competitive pressures, any of which could have an adverse effect on the Corporation's operating results and financial condition.

Changes to the market price of molybdenum and assumptions concerning future operating expenses may make capital more costly or unavailable to the Corporation.

The Corporation is required, from time to time, to post financial assurances, and there can be no assurance that the Corporation will continue to be able to obtain financial assurances on acceptable terms.

In addition to the Corporation's reclamation bonding obligations, Thompson Creek will from time to time be required to post other financial assurance in the normal course of conducting its daily activities. This financial assurance can take several forms, including but not limited to letters of credit, performance bonds, deposits into escrow accounts for the benefit of the counterparty or the posting of cash collateral directly with the counterparty. In each case, the form of financial assurance to be provided is dictated by several factors including expected length of time the financial assurance obligation is expected to remain outstanding, the amount of the obligation, the cost to the Corporation of providing the various forms of financial assurance and the creditworthiness of the counterparty. The ability of the Corporation to obtain certain forms of financial assurance going forward will be impacted by the Corporation's future financial performance, changes to its credit rating and other factors that may be beyond the Corporation's control. There can be no assurance the Corporation will be able to obtain certain forms of financial assurance going forward or that it will be able to post cash collateral in lieu of being able to secure one of these other forms of financial assurance.

Mining operations and roasting facilities are subject to conditions or events beyond the Corporation's control, which could have a material adverse effect on the Corporation's business; Insurance may not cover these risks and hazards adequately or at all.

Mining operations and roasting facilities, by their nature, are subject to many operational risks and factors that are generally outside of the Corporation's control and could adversely affect the business, operating results and cash flows. These operational risks and factors include unanticipated ground and water conditions; adverse claims to water rights and shortages of water to which the Corporation has rights; adjacent land ownership that results in constraints on current or future mine operations; geological problems, including earthquakes and other natural disasters; metallurgical and other processing problems; unusual or unexpected rock formations; ground or slope failures; structural cave-ins or slides; flooding or fires; seismic activity; rock bursts; equipment failures; and periodic interruptions due to inclement or hazardous weather conditions or operating conditions and other force majeure events; lower than expected ore grades or recovery rates; accidents; delays in the receipt of or failure to receive necessary government permits; the results of litigation, including appeals of agency decisions; uncertainty of exploration and development; delays in transportation; interruption of energy supply; labor disputes; inability to obtain satisfactory insurance coverage; and the failure of equipment or processes to operate in accordance with specifications or expectations.

These risks could result in damage to, or destruction of, mines and other producing facilities resulting in partial or complete shutdowns, personal injury or death, environmental or other damage to the Corporation's properties or the properties of others, delays in mining, monetary losses and potential legal liability. Milling operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas that may result in environmental pollution and consequential liabilities.

The Corporation's insurance will not cover all the potential risks associated with its operations. In addition, although certain risks are insurable, the Corporation may be unable to maintain insurance to cover these risks at economically feasible premiums. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Corporation or to other companies in the mining industry on acceptable terms. The Corporation might also become subject to liability for pollution or other hazards that may not be insured against or that the Corporation may elect not to insure against because of premium costs or

other reasons. Losses from these events may cause the Corporation to incur significant costs that could have a material adverse effect upon the Corporation's business.

The Corporation's operations are subject to currency fluctuations which could adversely affect its results of operations and financial condition.

Exchange rate fluctuations may affect the costs that the Corporation incurs in its operations. The Corporation's costs for the Endako Mine are incurred principally in Canadian dollars. However, the Corporation's revenue is tied to market prices for molybdenum, which are denominated in US dollars. The appreciation of the Canadian dollar against the US dollar can increase the cost of molybdenum production in US dollar terms and results of operations and financial condition could be materially adversely affected. Although the Corporation may use hedging strategies to limit its exposure to currency fluctuations, there can be no assurance that such hedging strategies will be successful or that they will mitigate the risk of such fluctuations.

Increased energy prices could adversely affect the Corporation's results of operations and financial condition.

Mining operations and facilities are intensive users of electricity and carbon based fuels. Energy prices can be affected by numerous factors beyond the Corporation's control, including global and regional supply and demand, political and economic conditions, and applicable regulatory regimes. The prices of various sources of energy may increase significantly from current levels. An increase in energy prices could materially adversely affect the Corporation's results of operations and financial condition. The Corporation does not currently have any material energy hedges in place.

The Corporation's inability to provide reclamation bonding or maintain insurance could adversely affect its operating results and financial condition.

The Corporation is required by US federal and state laws and Canadian provincial laws to provide financial assurance sufficient to allow a third party to implement approved closure and reclamation plans if the Corporation is unable to do so. These laws are complex and vary from jurisdiction to jurisdiction. The laws govern the determination of the scope and cost of the closure and reclamation obligations and the amount and forms of financial assurance.

The Corporation has currently provided the appropriate regulatory authorities in the US and Canada with \$30.3 million in reclamation financial assurance for mine closure obligations in the various jurisdictions in which it operates. The amount and nature of the financial assurances are dependent upon a number of factors, including the Corporation's financial condition and reclamation cost estimates. Changes to these amounts, as well as the nature of the collateral to be provided, could significantly increase the Corporation's costs, making the maintenance and development of existing and new mines less economically feasible. However, the regulatory authorities may require further financial assurances. To the extent that the value of the collateral provided to the regulatory authorities is or becomes insufficient to cover the amount of financial assurance the Corporation is required to post, the Corporation would be required to replace or supplement the existing security with more expensive forms of security, which might include cash deposits, which would reduce the Corporation's cash available for operations and financing activities. There can be no guarantee that the Corporation will be able to maintain or add to its current level of financial assurance. The Corporation may not have sufficient capital resources to further supplement its existing security.

The Corporation purchased a Mine Reclamation Costs Policy, effective July 31, 2002 through July 31, 2022 (the "Policy"), from an AIG Commercial Insurance Group, Inc. subsidiary ("AIG"). The Policy secures the Corporation's future reclamation obligations at the Thompson Creek Mine, and was uniquely tailored to cover the requirements of the regulatory authorities and the Corporation's anticipated reclamation cost exposures. The Policy provides the Corporation with an aggregate limit of

\$35 million for such reclamation costs at the mine. The insurance component provides coverage for increases in reclamation costs due to changes in regulatory requirements and cost increases. As of July 30, 2007, the insurance component was “paid up” in full. No further payments are required under the Policy for the insurance component.

AIG also provides reclamation bonds to the regulatory authorities for the Thompson Creek Mine totaling \$23.2 million. In order for AIG to provide reclamation bonds, the Corporation funded a commutation account (“Commutation Account”). As of December 31, 2009, the accumulated Commutation Account balance was \$22.2 million, which represents a deposit. The Corporation may elect at any time to withdraw the accumulated Commutation Account balance from the Commutation Account, subject to certain conditions, including the possible loss of the insurance component. This may result in increased costs to the Corporation under a replacement program.

The Corporation is currently in negotiation with AIG regarding the Policy, including the reclamation bonds, Commutation Account, and insurance components of the Policy. As a result of such negotiations, the Corporation may elect to commute the Policy. Other factors will include market conditions and the availability of comparable alternative surety or insurance vehicles satisfactory to regulatory authorities. Failure to provide regulatory authorities with the required financial assurances could potentially result in the closure of one or more of the Corporation’s operations. There can be no assurance that the choice of one or more of the foregoing options will not result in a material adverse effect on the Corporation’s operating results and financial condition.

The Corporation owns certain assets through joint ventures and any disagreement or failure of partners to meet obligations could have a material adverse effect on the Corporation’s results of operations and financial condition.

The Corporation holds a 75% interest in the Endako Mine, the other 25% interest being held by Sojitz Moly Resources Inc. The Corporation’s interest in the Endako Mine is subject to the risks normally associated with the conduct of joint ventures. The existence or occurrence of one or more of the following circumstances and events could have a material adverse impact on the Corporation’s profitability or the viability of its interests held through joint ventures, which could have a material adverse impact on the Corporation’s future cash flows, earnings, results of operations and financial condition: (i) disagreement with joint venture partners on how to develop and operate mines efficiently; (ii) inability of joint venture partners to meet their obligations to the joint venture or third parties; and (iii) litigation between joint venture partners regarding joint venture matters. The Endako Mine mill expansion project is subject to the final approval of Sojitz Moly Resources Inc. There can be no assurance that such approval will be obtained, which may have a material adverse effect on the Endako Mine mill expansion project and the Corporation’s financial condition.

The Corporation must comply with comprehensive environmental regulations and faces significant environmental risks, and the failure to comply could materially adversely affect its results of operations and financial condition.

All phases of the Corporation’s operations are subject to environmental regulation in Canada and the US Environmental legislation is evolving in a manner that may 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. There is no assurance that existing or future environmental regulation will not have a material adverse effect on the Corporation’s business, financial condition and results of operations. The Corporation owns or owned or has had care, management or control of properties that may result in a requirement to remediate such properties that could involve material costs. In addition, environmental hazards may exist on the properties on which the Corporation holds interests that are unknown to the Corporation at present and that have been caused by previous or

existing owners or operators of the properties. The Corporation may also acquire properties with environmental risks.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations, including the Corporation, may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Corporation and cause increases in exploration expenses, remedial and reclamation obligations, capital expenditures or production costs, reduction in levels of production at producing properties, or abandonment or delays in development of new mining properties.

Regulation of greenhouse gas emissions effects and climate change issues may adversely affect the Corporation's operations and markets.

Energy is a significant input to the Corporation's mining and processing operations. The Corporation's principal energy sources are electricity, purchased petroleum products, and natural gas. Many scientists believe that emissions from the combustion of carbon-based fuels contribute to greenhouse effects and therefore potentially to climate change.

The US federal government may enact a carbon cap and trade or similar program for greenhouse gas ("GHG") emissions which may have a material impact on the Corporation's energy and other costs. On June 26, 2009, the US House of Representatives passed the American Clean Energy and Security Act of 2009 ("ACES") by a vote of 219 to 212. The US Senate debated, but did not bring to a final vote, a similar proposal. If enacted, ACES would establish a federal economy wide cap-and-trade program for carbon dioxide, methane and several other GHG's ACES would impose new performance standard on certain emissions industries. The cap-and-trade program, performance standards and other regulatory requirements in ACES could increase the costs and compliance obligations associated with energy intensive businesses, including mining. The EPA is also in the process of developing, through a combination of proposed new rules, a GHG reporting requirement and other emissions limitations pursuant to the Clean Air Act. These regulations could have a similar impact on coal-based and energy-intensive businesses as cap-and-trade legislation.

In addition, several states have initiated legislative action on climate change, either independently or as part of a multi-state regional collaborative. The Regional Greenhouse Gas Initiative ("RGGI") is a cooperative effort by ten Northeast and Mid-Atlantic States to limit greenhouse gas emissions with several Canadian provinces participating as observers. RGGI is the first mandatory, market-based CO2 emissions reduction program in the United States. The RGGI states have capped CO2 emissions from the power sector and will require a 10 percent reduction in these emissions by 2018. The Western Climate Initiative ("WCI") is a cooperative effort of certain US states and Canadian provinces (including British Columbia and Ontario) that are collaborating to identify policies to reduce GHG emissions, including the design and implementation of a regional cap and trade program. The design for the WCI cap and trade program is comprehensive. When it is fully implemented in 2015, the WCI program will cover up to 90% of the GHG missions in WCI partner states and provinces. The Midwestern Greenhouse Gas Reduction Accord is a preliminary agreement between six Midwestern states and one Canadian province to address GHG emissions through a regional process. The Corporation will continue to monitor these developments along with other such initiatives and their

potential impacts on operations. The Corporation will continue to assess energy efficiency opportunities across all of its operations with the goal of reducing both costs and GHG emissions.

Internationally, a number of governments or governmental bodies have introduced or are contemplating regulatory changes in response to the potential impacts of climate change. The December 1997 Kyoto Protocol established a set of greenhouse gas emission targets for developed countries that have ratified the Protocol. Representatives from many major world economies reconvened in Copenhagen in December 2009 to negotiate a new regulatory framework to replace the Kyoto Protocol, which expires in 2012. The Copenhagen meeting concluded without firm commitments for new GHG emission reductions from most nations, however many governments (including China) have pledged to begin to implement some form of climate change mitigation policy in the near future.

Although neither the Kyoto Protocol nor any agreement from Copenhagen has been ratified by the United States, many believe that some form of federal climate change legislation or EPA regulation is likely to become effective in the next few years. If either occurs, it will result in increased future energy and compliance costs. For example, the Corporation may be required to install new equipment to reduce emissions from its processing facilities in order to comply with new regulatory standards or to mitigate the financial impact of a new climate change program. From a medium and long-term perspective, management believes the Corporation is likely to see an increase in costs relating to its assets that emit significant amounts of greenhouse gases as a result of regulatory initiatives in the U.S. and Canada. These regulatory initiatives will be either voluntary or mandatory and may impact the Corporation's operations directly or through suppliers or customers. Assessments of the potential impact of future climate change regulation are uncertain, given the wide scope of potential regulatory change in countries in which the Corporation operates.

The potential physical impacts of climate change on the Corporation's operations are highly uncertain, and would be particular to the geographic circumstances. These may include changes in weather and rainfall patterns, water shortages, changing storm patterns and intensities, and changing temperatures. These effects may adversely impact the cost, production and financial performance of the Corporation's operations.

The Corporation must remove and reduce impurities and toxic substances naturally occurring in molybdenum and comply with applicable law relating thereto, which could result in remedial action and other costs.

Mineral ores and mineral products, including molybdenum ore and molybdenum products, contain naturally occurring impurities and toxic substances. Although Thompson Creek has implemented procedures that are designed to identify, isolate and safely remove or reduce such impurities and substances, such procedures require strict adherence and no assurance can be given that employees, contractors or others will not be exposed to or be affected by such impurities and toxic substances, which may attract liability to the Corporation. A risk to the operation of the Thompson Creek Mine, the Endako Mine and the Langeloth Facility is that standard operating procedures may not identify, isolate and safely remove or reduce such substances. The Corporation is aware that both careful monitoring and effective control are vital, but there is still a risk that the presence of impurities or toxic substances in the Corporation's product may result in such product being rejected by the Corporation's customers, penalties being imposed due to such impurities or the products being barred from certain markets. Such incidents could require remedial action and could result in curtailment of operations.

Legislation requiring manufacturers, importers and downstream users of chemical substances, including metals and minerals, to establish that the substances can be handled and used without negatively affecting health or the environment may impact the Corporation's operations and markets. These potential compliance costs, litigation expenses, regulatory delays, remediation expenses and operational costs could negatively affect the Corporation's financial results.

The age of Langeloth Facility requires the Corporation to expand significant capital to maintain and upgrade it.

The Langeloth Facility began operations in 1924. It has been modernized through the years and modernization programs continue. Digital control systems are replacing old analog systems. The main electrical feed system and transformers are being replaced under current arc flash guidelines. Old structures are being upgraded for better access, lighting and heating conservation. All these projects require significant capital which could have a material adverse effect on the Corporation's business, financial condition or results of operations.

Geologic instability and old plant equipment at the Endako Mine could have a material adverse effect on the Corporation's results of operations and financial condition.

Pit wall failures have occurred in the north and south walls about half way along the Endako pit where two major faults intersected. Both these areas have been identified as areas of weakness and are being monitored extensively. As a result of the failure of the south wall of the Endako pit in November 2007, although approval to continue mining in the area of the failure was received from the Ministry of Energy and Mines, Endako Mine made the decision to relocate all mining equipment and the in-pit crusher to the Denak West pit. These mining activities in 2008 and 2009 were in the Denak West pit.

Most of the equipment in the mine is quite old and has been operated for many years. Endako Mine is currently in the process of replacing the older mine equipment. During 2008, four new 240-ton rear dump haul trucks were purchased and placed into service. Another shovel, additional trucks and a rotary drill are expected to be delivered in 2010.

Any structural failures or unavailability of mine equipment could have a material adverse effect on the Corporation's business, financial condition or results of operations.

The Corporation is subject to substantial government regulation and changes to regulation or more stringent implementation could have a material adverse effect on the Corporation's results of operations and financial condition.

The Corporation's mining, processing, development and mineral exploration activities are subject to various laws governing prospecting, development, production, taxes, labor standards and occupational health, mine safety, toxic substances and other matters. Mining and exploration activities are also subject to various laws and regulations relating to the protection of the environment. Although the Corporation believes that its exploration activities and mining operations are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner that could limit or curtail production or development of the Corporation's properties. Amendments to current laws and regulations governing the Corporation's operations and activities or more stringent implementation thereof could have a material adverse effect on the Corporation's business, financial condition and results of operations.

Title to some of the Corporation's mineral properties may be challenged or defective. Any impairment or effect in title could have a negative impact on the Corporation's results of operations and financial condition.

The acquisition of title to mineral properties is a very detailed and time-consuming process. Title to mineral concessions may be disputed. The Corporation did not undertake detailed title searches to ensure proper title to the properties acquired in connection with the Thompson Creek Acquisition and there is no guarantee that title to any of such properties will not be challenged or impaired. Third parties may have valid claims underlying portions of the Corporation's interests, including prior unregistered liens, agreements, transfers or claims, including aboriginal land claims, and title may be affected by, among other things, undetected defects. As a result, the Corporation may be constrained in

its ability to operate its properties or unable to enforce its rights with respect to its properties. An impairment to, or defect in, the Corporation's title to its properties could have a material adverse effect on its business, financial condition or results of operations.

Intense competition could reduce the Corporation's market share or harm its financial performance.

The mining industry is intensely competitive and the Corporation competes with many companies possessing greater financial and technical resources than the Corporation. Since mines have a limited life, the Corporation must compete with others who seek mineral reserves through the acquisition of new properties. In addition, the Corporation also competes for the technical expertise to find, develop, and operate such properties, the labor to operate the properties, and the capital for the purpose of funding such properties. Many competitors not only explore for and mine metals, but conduct refining and marketing operations on a global basis. Such competition may result in the Corporation being unable to acquire desired properties, to recruit or retain qualified employees or to acquire the capital necessary to fund its operations and develop its properties. The Corporation also competes with manufacturers of substitute materials or products for which molybdenum is typically used. Existing or future competition in the mining industry could materially adversely affect the Corporation's prospects for mineral exploration and success in the future.

The temporary shutdown of any of the Corporation's operations could expose it to significant costs and adversely affect its access to skilled labor.

From time to time, the Corporation may have to temporarily shut down one or more of its mines if they are no longer considered commercially viable. There are a number of factors that may cause the Corporation's operations to be no longer commercially viable, many of which are beyond the Corporation's control. These factors include adverse changes in interest rates or currency exchange rates, decreases in the price of molybdenum or the market rates for treatment and refining charges, increases in concentrate transportation costs, and increases in labor costs. During such temporary shutdowns, the Corporation will have to continue to expend capital to maintain the plant and equipment. The Corporation may also incur significant labor costs as a result of a temporary shutdown if it is required to give employees notice prior to any layoff or to pay severance for any extended layoff. Furthermore, temporary shutdowns may adversely affect the Corporation's future access to skilled labor, as employees who are laid off may seek employment elsewhere. As well, if the Corporation's operations are shut down for an extended period of time, it may be required to engage in environmental remediation of the plant sites, which would require it to incur additional costs. Given the costs involved in a temporary shutdown of the Corporation's operations, it may instead choose to continue to operate those operations at a loss. This could have a material adverse effect on the Corporation's results of operations and financial conditions.

The Corporation is required to obtain government permits in order to conduct operations.

Government approvals and permits are currently required in connection with all of the Corporation's operations, and further approvals and permits may be required in the future. The Corporation must obtain and maintain a variety of licenses and permits, including air quality control, water, electrical and municipal licenses. The duration and success of the Corporation's efforts to obtain permits are contingent upon many variables outside of its control. Obtaining governmental permits 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. There can be no assurance that all necessary permits will be obtained and, if obtained, that the costs involved will not exceed the Corporation's estimates or that the Corporation will be able to maintain such permits. To the extent such approvals are required and not obtained or maintained, the Corporation's operations

may be curtailed or it may be prohibited from proceeding with planned exploration, development, or operation of mineral properties.

The Langeloth Plant is currently operating with a National Pollutants Discharge Elimination System (“NPDES”) permit and Title V air quality permit, the terms of which have expired. However, timely applications to renew both the NPDES and air quality permits have been filed and the Langeloth Plant is therefore authorized to continue to operate under its existing permits until renewed permits are issued. The plant is taking all steps necessary to meet its existing NPDES and air quality permit requirements. The Pennsylvania Department of Environmental Protection (“PaDEP”) has yet to take action on the pending renewal of the plant’s air quality permit. As proposed, the renewed NPDES permit would impose more stringent effluent limitations for several constituents which are present in the treated waste water associated with the operation of the Langeloth Plant, but affords the operator, a compliance (extension) schedule to come into compliance with certain of these new effluent limits. Violations of the existing, or new, air quality or NPDES permit conditions, at the Langeloth Plant could result in a range of criminal and civil penalties under federal Clean Water Act and Clean Air Act or the Pennsylvania Clean Streams Law or Air Pollution Control Act. There is no assurance that new air quality or NPDES permits will be issued and, once issued and final, will not contain more onerous requirements to which the Corporation must comply.

Obtaining and maintaining the various permits for mine development operations at the Mount Emmons Project will be complex, time-consuming, and expensive. Changes in a mine’s design, production rates, quality of material mined, and many other matters, often require submission of the proposed changes for agency approval prior to implementation. There can be no assurance that the required permits will be obtained. In addition, changes in operating conditions beyond the Corporation’s control, or changes in agency policy and federal and state laws, could further affect the successful permitting of operations.

Disruption of transportation services or increased transportation costs could have a material adverse effect on the Corporation’s business, financial condition and results of operations.

Disruption of transportation services due to weather-related problems, strikes, lock-outs or other events could have a material adverse effect on the Corporation’s business, financial condition and results of operations. If transportation for the Corporation’s products becomes unavailable, the Corporation’s ability to market its products could suffer. Additionally, increases in the Corporation’s transportation costs relative to those of its competitors could make the Corporation’s operations less competitive and could affect its profitability.

The Corporation is dependent upon key management personnel and executives.

The Corporation is dependent upon a number of key management personnel, including the services of certain key Thompson Creek employees. The Corporation’s ability to manage its exploration, development and operating activities, and hence its success, will depend in large part on the efforts of these individuals. The Corporation faces intense competition for qualified personnel, and there can be no assurance that the Corporation will be able to attract and retain such personnel. The Corporation does not maintain “key person” life insurance. Accordingly, the loss of the services of one or more of such key management personnel could have a material adverse effect on the Corporation.

From time to time, some of the Corporation’s directors and officers may be involved with other natural resource companies.

Certain of the directors and officers of the Corporation also serve or may serve as directors and/or officers of other companies involved in natural resource exploration and development and consequently there exists the possibility for such directors and officers to be in a position of conflict. As a result of

any such conflict, the Corporation may miss the opportunity to participate in certain transactions, which may have a material adverse effect on the Corporation.

The Corporation's securities have experienced high price volatility and prices may be adversely affected by factors beyond its control.

Securities of mining companies have experienced substantial volatility, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally, the recent recessionary economic conditions and market perceptions of the attractiveness of particular industries. The prices of the Corporation's securities are also likely to be significantly affected by short-term changes in molybdenum prices or in the Corporation's financial condition or results of operations as reflected in its quarterly earnings reports. Other factors unrelated to the Corporation's performance that may have an effect on the price of the common shares of the Corporation (the "Common Shares") and its common share purchase warrants (the "Warrants") include the following: the extent of analytical coverage available to investors concerning the Corporation's business; the lessening of trading volume and general market interest in the Corporation's securities; and the ability of some institutions to invest in the Corporation's securities.

As a result of any of these factors, the market price of the Common Shares and the Warrants at any given point in time may not accurately reflect the Corporation's long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Corporation 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.

The Corporation's business will depend on good relations with its employees.

Production at the Corporation's mining operations depends on the efforts of its employees. Although most of the Corporation's employees are non-unionized, its subsidiary, Langeloth Metallurgical Company LLC, owner of the Langeloth Facility, has certain unionized employees. Although these unionized employees have agreed to "no-strike" clauses in their Collective Agreement, there can be no assurance that the Langeloth Plant, and consequently the Corporation's business, will not suffer from work stoppages. This Collective Agreement expires on March 11, 2010 and is currently being re-negotiated between the Corporation and the Union. After expiry of the collective agreement, either party may terminate upon seven days notice to the other party. Further, relations with the Corporation's non-unionized employees may be affected by changes in the scheme of labor relations that may be introduced by the relevant governmental authorities in whose jurisdictions the Corporation carries on business. Changes in such legislation or otherwise in the Corporation's relationship with its employees or Langeloth Metallurgical Company's relationship with its unionized employees may result in strikes, lockouts or other work stoppages, any of which could have a material adverse effect on the Corporation's business, results of operations and financial condition.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 3. LEGAL PROCEEDINGS

None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

None.