THOMPSON CREEK METALS COMPANY INC.
Consolidated Balance Sheets
(US dollars in millions – Unaudited)

	Note	March 31 2008	December 31 2007
Assets			
Current assets			
Cash and cash equivalents		**$ 47.5**	$ 113.7
Accounts receivable		**122.7**	84.1
Product inventory		**114.3**	131.3
Material and supplies inventory		**37.4**	32.9
Prepaid expense and other current assets		**4.5**	4.6
Income and mining taxes recoverable		**–**	13.4
		326.4	380.0
Other assets	4(d)	**2.0**	2.4
Restricted cash	9	**12.4**	10.0
Reclamation deposits		**26.9**	26.8
Property, plant and equipment	5	**554.1**	566.8
Goodwill		**121.9**	123.7
		$ 1,043.7	$ 1,109.7
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		**$ 80.3**	$ 60.4
Acquisition cost payable	13	**–**	100.0
Income and mining taxes payable		**1.6**	–
Current portion of long-term debt	7	**67.8**	67.2
Future income and mining taxes		**6.8**	6.4
		156.5	234.0
Long-term debt	7	**152.9**	170.2
Contractual sales obligations	8	**9.2**	9.7
Severance and other liabilities	9	**21.6**	20.3
Asset retirement obligations	10	**27.1**	26.4
Future income and mining taxes		**150.8**	161.5
		518.1	622.1
Shareholders' Equity			
Common shares	11	**268.7**	268.1
Common share warrants	11	**35.0**	35.0
Contributed surplus		**28.4**	26.5
Retained earnings		**176.5**	129.8
Accumulated other comprehensive income		**17.0**	28.2
		525.6	487.6
		$ 1,043.7	$ 1,109.7
Commitments and contingencies	13		

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

THOMPSON CREEK METALS COMPANY INC.
Consolidated Statements of Income
(US dollars in millions, except per share amounts – Unaudited)

	Note	Three months ended March 31 2008	March 31 2007
Revenues			
Molybdenum sales		**$ 250.2**	$ 260.7
Tolling and calcining		**4.6**	7.2
		254.8	267.9
Cost of sales			
Operating expenses		**166.6**	161.7
Selling and marketing		**2.5**	1.6
Depreciation, depletion and amortization		**7.7**	16.1
Accretion		**0.7**	0.4
		177.5	179.8
Income from mining and processing		**77.3**	88.1
Other (income) expenses			
General and administrative		**3.4**	3.1
Exploration and development		**1.0**	1.9
Interest and finance fees	14	**6.7**	17.9
Stock-based compensation	12	**1.7**	2.6
Interest income		**(0.8)**	(1.9)
Other	15	**(0.7)**	(0.5)
		11.3	23.1
Income before income and mining taxes		**66.0**	65.0
Income and mining taxes (recoverable)			
Current	16	**25.5**	37.8
Future	16	**(6.3)**	(20.5)
		19.2	17.3
Net income		**$ 46.8**	$ 47.7
Net income per share	17		
Basic		**$ 0.41**	$ 0.46
Diluted		**$ 0.37**	$ 0.43

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

THOMPSON CREEK METALS COMPANY INC.
Consolidated Statements of Cash Flows
(US dollars in millions – Unaudited)

	Note	Three months ended March 31 2008	March 31 2007
Operating Activities			
Net income		**$ 46.8**	$ 47.7
Items not affecting cash:			
Depreciation, depletion and amortization		**7.7**	16.1
Accretion		**0.7**	0.4
Amortization of finance fees		**0.6**	4.8
Stock-based compensation		**1.7**	2.6
Future income and mining taxes		**(6.3)**	(20.5)
Unrealized loss on derivative instruments		**1.0**	6.5
Change in non-cash working capital	19	**11.2**	47.4
Cash generated by operating activities		**63.4**	105.0
Investing Activities			
Property, plant and equipment		**(8.1)**	(2.6)
Deferred stripping costs		**(2.8)**	(6.9)
Restricted cash		**(2.4)**	(0.7)
Reclamation deposit		**(0.2)**	(0.2)
Acquisition cost		**(100.0)**	–
Cash used in investing activities		**(113.5)**	(10.4)
Financing Activities			
Proceeds from issuance of common shares		**0.4**	5.2
Repayment of long-term debt		**(17.4)**	(83.2)
Proceeds from revolving facility		**22.5**	–
Repayment of revolving facility		**(22.5)**	–
Cash used in financing activities		**(17.0)**	(78.0)
Effect of exchange rate changes on cash		**0.9**	(0.2)
(Decrease) increase in cash and cash equivalents		**(66.2)**	16.4
Cash and cash equivalents, beginning of period		**113.7**	98.1
Cash and cash equivalents, end of period		**$ 47.5**	$ 114.5
Supplementary cash flow information	19		

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

THOMPSON CREEK METALS COMPANY INC.
Consolidated Statements of Shareholders' Equity
(US dollars in millions – Unaudited)

	Three months ended March 31 2008	Three months ended March 31 2007
Common Shares		
Balance, beginning of period	**$ 268.1**	$ 210.8
Proceeds from exercise of stock options	**0.4**	2.1
Transferred from contributed surplus on exercise of options	**0.2**	0.7
Proceeds from exercise of warrants	**–**	3.1
Transferred from warrants on exercise of warrants	**–**	0.3
Issue costs	**–**	(0.9)
Balance, end of period	**$ 268.7**	$ 216.1
Common Share Warrants		
Balance, beginning of period	**$ 35.0**	$ 35.4
Transferred to common shares on exercise of warrants	**–**	(0.3)
Balance, end of period	**$ 35.0**	$ 35.1
Contributed Surplus		
Balance, beginning of period	**$ 26.5**	$ 15.0
Amortization of fair value of employee stock options	**2.0**	2.6
Transferred to common shares on exercise of options	**(0.2)**	(0.7)
Stock-based compensation tax adjustment	**0.1**	–
Balance, end of period	**$ 28.4**	$ 16.9
Retained Earnings (Deficit)		
Balance, beginning of period	**$ 129.7**	$ (27.5)
Net income	**46.8**	47.7
Balance, end of period	**$ 176.5**	$ 20.2
Accumulated Other Comprehensive Income (Loss)		
Balance, beginning of period	**$ 28.2**	$ (9.6)
Foreign currency translation adjustments	**(11.2)**	(0.5)
Balance, end of period	**$ 17.0**	$ (10.1)
Shareholders' Equity, end of period	**$ 525.6**	$ 278.2

Consolidated Statements of Comprehensive Income
(US dollars in millions – Unaudited)

	Three months ended March 31 2008	Three months ended March 31 2007
Net income	**$ 46.8**	$ 47.7
Foreign currency translation adjustments	**(11.2)**	(0.5)
Comprehensive income	**$ 35.6**	$ 47.2

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

1. Description of Business

Thompson Creek Metals Company Inc. ("Thompson Creek" or "the Corporation") is a Canadian molybdenum mining company with vertically integrated mining, milling, processing and marketing operations in Canada and the United States ("US"). The Corporation's operations include the Thompson Creek Mine (mine and mill) in Idaho, the Langeloth Metallurgical Facility in Pennsylvania and a 75% joint venture interest in the Endako Molybdenum Mine Joint Venture ("Endako Mine") (mine, mill and roaster) in British Columbia.

In addition to its active mining and processing operations, the Corporation is developing the Davidson molybdenum property ("Davidson Project"), located in British Columbia.

2. Basis of Presentation

The accompanying unaudited interim consolidated financial statements have been prepared according to Canadian generally accepted accounting principles ("Canadian GAAP"). All financial figures are presented in US dollars unless otherwise stated.

These unaudited interim consolidated financial statements include the accounts of the Corporation and its subsidiaries. The principal subsidiaries of the Corporation are:

- Thompson Creek Metals Company USA
- Langeloth Metallurgical Company LLC
- Thompson Creek Mining Co.
- Cyprus Thompson Creek Mining Company
- Thompson Creek Mining Ltd.
- Blue Pearl Mining Inc.

These unaudited interim consolidated financial statements also include the Corporation's pro rata share of its 75% joint venture interest in the Endako Mine.

All intercompany accounts and transactions have been eliminated on consolidation.

3. Accounting Changes and Accounting Policy Developments

Accounting Changes

a) Financial Instrument and Capital Disclosures

Effective January 1, 2008, the Corporation adopted Canadian Institute of Chartered Accountants ("CICA") handbook Section 3862, "Financial Instruments – Disclosure", Section 3863, "Financial Instruments – Presentation", and Section 1535, "Capital Disclosures".

Section 3862, "Financial Instruments – Disclosure" and Section 3863, "Financial Instruments – Presentation", replace existing Section 3861, "Financial Instruments – Disclosure and Presentation". The new disclosure requirements of Section 3862 are to enable users to evaluate the significance of financial instruments on financial position and performance, as well as the nature and extent of risks the Corporation is exposed to from financial instruments and how those risks are being managed. Section 3863 carries forward, unchanged, the presentation requirements of existing Section 3861.

Section 1535, "Capital Disclosures" requires the Corporation to provide disclosures on its objectives, policies and processes for managing capital.

The adoption of these new accounting standards did not impact the amounts reported in the Company's financial statements, however, it did result in expanded note disclosure (see Note 20 and Note 21).

b) Inventories

Effective January 1, 2008, the Corporation adopted the new CICA Handbook Section 3031, "Inventories". This new standard replaces the existing Section 3030 "Inventories" and provides more prescriptive guidance on the measurement and disclosure of inventory. Key requirements of this new standard include that inventories be measured at the lower of cost and net realizable value and the reversal of previous write-downs of inventory to net realizable value when there has been a subsequent increase in the value of this inventory. The adoption of this standard did not have any impact on the Corporation's financial statements.

Accounting Policy Developments

a) Goodwill and Intangible Assets

In February 2008, the CICA issued Section 3064, "Goodwill and Intangible Assets", replacing Section 3062, "Goodwill and Other Intangible Assets" and Section 3450, "Research and Development Costs". This new Section will be applicable to financial statements relating to fiscal years beginning on or after October 1, 2008. Accordingly, the Corporation will adopt the new standards for its fiscal year beginning January 1, 2009. Section 3064 establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062. The Corporation is currently assessing the impact that the adoption of this standard will have on its financial statements.

b) Convergence with International Financial Reporting Standards

The CICA plans to transition Canadian GAAP for public companies to International Financial Reporting Standards ("IFRS"). The effective changeover date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The impact of the transition to IFRS on the Corporation's consolidated financial statements is not yet determinable.

4. Derivative Financial Instruments

a) Interest Rate Protection Agreement

The Corporation has entered into an interest rate protection agreement which caps the underlying LIBOR at 6.0% on a specified amount of its First Lien credit facility (see Note 7). At March 31, 2008, the principal amount covered under this agreement was $107.1 million (December 31, 2007 – $116.5 million). The Corporation has determined this interest rate protection agreement to be a derivative instrument, the fair value of which was negligible at March 31, 2008 and December 31, 2007.

b) Forward Currency Contracts

The Corporation uses foreign currency forward contracts to fix the rate of exchange for Canadian dollars at future dates in order to reduce the Corporation's exposure to foreign currency fluctuations on cash flows related to its share of the Endako Mine's operations. The terms of these contracts are less than one year. At March 31, 2008, the Corporation had open forward currency contracts with a total commitment to purchase Cdn$30.0 million at an average rate of US$0.99 (December 31, 2007 – Cdn$21.0 million at an average rate of US$1.04).

The Corporation does not consider these contracts to be hedges for accounting purposes and has determined these contracts to be derivative instruments, the fair value of which was a liability of $0.6 million at March 31, 2008 (December 31, 2007 – liability of $0.6 million). This liability has been included in accounts payable and accrued liabilities on the Corporation's consolidated balance sheets. For the three month period ended March 31, 2008, a loss of $0.6 million has been included in other expense on the Corporation's consolidated statements of income related to these contracts (2007 – $0.5 million gain).

c) Embedded Derivatives

The Corporation enters into agreements to purchase molybdenum at prices to be determined in the future. The future pricing mechanism of these agreements constitutes an embedded derivative which must be bi-furcated and separately recorded. Changes to the fair value of the embedded derivative are included in the determination of net income. At March 31, 2008, the fair value of these embedded derivatives was a liability of $0.6 million (December 31, 2007 – $0.3 million), which has been included in accounts payable and accrued liabilities on the Corporation's consolidated balance sheets. For the three month period ended March 31, 2008, a loss of $0.5 million has been included in operating expenses on the Corporation's consolidated statements of income (2007 – $ nil).

d) Forward Sales Contracts

The Corporation has forward sales contracts with fixed-price agreements under which it is required to sell certain future molybdenum production at prices that are different than the prevailing market price. Forward sales contracts in place at March 31, 2008 cover the period 2008 to 2011. At March 31, 2008, certain contracts have a positive mark-to-market value totaling $2.0 million which has been included in other assets on the Corporation's consolidated balance sheets (December 31, 2007 – $2.4 million). In addition, certain contracts have a negative mark-to-market value totalling $9.2 million which has been included in severance and other liabilities on the Corporation's consolidated balance sheets (December 31, 2007 – $9.5 million) (see Note 9). For the three month period ended March 31, 2008, a loss of $0.2 million related to these forward sales contracts has been included in molybdenum sales on the Corporation's consolidated statements of income (2007 – $7.4 million).

5. Property, Plant and Equipment

(US$ in millions)		**March 31 2008**		December 31 2007
Mining properties	**$**	**323.2**	$	333.2
Mining equipment		**151.6**		150.6
Processing facilities		**108.5**		106.7
Deferred stripping costs		**37.0**		34.2
Development properties		**2.1**		1.1
Projects in progress		**1.3**		1.2
Other		**0.5**		0.5
		624.2		627.5
Less: Accumulated depreciation, depletion and amortization		**(70.1)**		(60.7)
	$	**554.1**	$	566.8

In the three month period ended March 31, 2008, the Corporation recorded $2.8 million in deferred stripping costs and related amortization of $1.6 million (2007 – $6.9 million and $ nil, respectively).

6. Joint Venture

Endako Molybdenum Mine Joint Venture is an unincorporated joint venture in which the Corporation has a 75% interest. The following table presents a summary of the Corporation's 75% pro-rata share of the assets, liabilities, revenue, expenses, net earnings and cash flows of the joint venture.

(US$ in millions)		**March 31 2008**		December 31 2007
Assets				
Current assets	**$**	**69.2**	$	68.5
Property, plant and equipment, net	**$**	**275.8**	$	287.9
Goodwill	**$**	**41.9**	$	43.5
Other long-term assets	**$**	**4.4**	$	4.5
Liabilities				
Current liabilities	**$**	**9.0**	$	6.7
Other liabilities	**$**	**99.4**	$	103.2

	Three Months Ended March 31			
		2008		**2007**
Revenue	**$**	**55.3**	$	51.6
Cost of sales	**$**	**21.0**	$	24.6
Income before income and mining taxes	**$**	**35.4**	$	26.7
Cash flows				
Operating	**$**	**31.9**	$	34.1
Investing	**$**	**(3.3)**	$	(0.1)
Financing	**$**	**–**	$	–

7. Long-term Debt

Long-term debt consists of:

(US$ in millions)		**March 31 2008**		December 31 2007
First Lien	**$**	**219.4**	$	236.1
Equipment loans		**6.1**		6.7
		225.5		242.8
Less: Finance fees		**(4.8)**		(5.4)
		220.7		237.4
Less: Current portion		**(67.8)**		(67.2)
	$	**152.9**	$	170.2

The First Lien credit facility is collateralized by the assets of Thompson Creek USA and is scheduled to mature on September 30, 2012. This facility bears interest at LIBOR plus 475 basis points. At March 31, 2008, the three-month LIBOR rate applicable to this facility was 2.69% (December 31, 2007 – 4.70%).

The First Lien facility includes a $22.5 million revolving collateralized line of credit. This element of the First Lien facility is scheduled to mature on October 26, 2011. The Corporation utilized this facility during the three months ended March 31, 2008, borrowing and subsequently repaying the full amount of $22.5 million. This facility was not drawn at March 31, 2008 or at December 31, 2007. This facility bears interest at LIBOR plus 475 basis points.

The First Lien facility limits capital expenditures to $15.0 million in 2008. The Corporation anticipates that it will exceed this limit during 2008 and accordingly, is considering alternatives to address this limitation, including seeking a waiver from the current lenders or new debt or equity financing.

The Corporation's equipment loans are collateralized by mining equipment and are scheduled to mature no later than 2010. These loans bear interest at LIBOR plus 200 basis points. At March 31, 2008, the one-month LIBOR rate applicable to this facility was 2.70% (December 31, 2007 – 4.60%).

8. Contractual Sales Obligations

The Corporation has a contractual agreement to sell up to 10% of certain production at the Thompson Creek Mine at an amount that may be less than the then prevailing market price. Deliveries under this contract commenced in 2007 and continue through to 2011. As at March 31, 2008, the Corporation had recorded a liability of $9.2 million related to future deliveries under this agreement (December 31, 2007 – $9.7 million). As this contractual agreement is satisfied by delivery of product, the liability is being released to molybdenum sales in the determination of net income. For the three month period ended March 31, 2008, $0.5 million of this liability has been realized and released to molybdenum sales in the determination of net income (2007 – $ nil).

9. Severance and Other Liabilities

Severance and other liabilities consist of:

(US$ in millions)	March 31 2008	December 31 2007
Severance and retention liability	$ **12.4**	$ 10.8
Forward sales contracts (Note 4(d))	**9.2**	9.5
	$ **21.6**	$ 20.3

The Corporation maintains an employee severance and retention program for certain individuals employed by Thompson Creek USA. As at March 31, 2008, the Corporation had recorded a liability of $12.4 million related to this program (December 31, 2007 – $10.8 million). The Corporation has set aside funding for this liability by making periodic contributions to a trust fund based upon program participants' salaries. The trust fund assets totalled $12.4 million at March 31, 2008 (December 31, 2007 – $10.0 million) and have been presented as restricted cash, a long-term asset, on the Corporation's consolidated balance sheets.

10. Asset Retirement Obligations

The following table details items affecting asset retirement obligations for future mine closure and reclamation costs in connection with the Corporation's Thompson Creek Mine, Endako Mine and Davidson Project:

(US$ in millions)	Thompson Creek Mine	Endako Mine	Davidson Project	Total
At December 31, 2006	$ 20.9	$ 4.9	$ 0.2	$ 26.0
Adjustments to acquisition value	0.8	0.2	–	1.0
Revisions to expected cash flows	(2.2)	(0.9)	–	(3.1)
Accretion	1.4	0.3	–	1.7
Reclamation spending	–	(0.1)	–	(0.1)
Foreign exchange	–	0.9	–	0.9
At December 31, 2007	20.9	5.3	0.2	26.4
Revisions to expected cash flows	**0.5**	**–**	**–**	**0.5**
Accretion	**0.3**	**0.1**	**–**	**0.4**
Foreign exchange	**–**	**(0.2)**	**–**	**(0.2)**
At March 31, 2008	**$ 21.7**	**$ 5.2**	**$ 0.2**	**$ 27.1**

11. Common Share Capital and Common Share Warrants

a) Common Shares

The following table summarizes common share transactions:

(US$ in millions)	Number of Shares (000's)		Amount
Balance, December 31, 2006	100,528	$	210.8
Private placement	3,000		31.9
Options exercised	4,720		22.2
Warrants exercised	5,116		4.1
Issue costs	–		(0.9)
Balance, December 31, 2007	113,364		268.1
Options exercised	139		0.6
Balance, March 31, 2008	113,503	$	268.7

b) Common Share Warrants

The following table summarizes common share warrant transactions:

(US$ in millions)	Number of Warrants (000's)		Amount
Balance, December 31, 2006	29,630	$	35.4
Warrants exercised	(5,116)		(0.4)
Warrants expired	(8)		–
Balance, December 31, 2007 and March 31, 2008	24,506	$	35.0

12. Stock-based Compensation

The Corporation uses the fair value method of accounting for stock-based compensation and recognized a stock-based compensation expense of $1.7 million for the three months ended March 31, 2008 (2007 – $2.6 million). The stock-based compensation expense recorded in each period includes costs related to option awards made during the period as well as the amortization of costs of prior period awards that did not vest at the grant date.

The Corporation granted 25,000 stock options during the three months ended March 31, 2008 (2007 – 500,000). Options awarded in the current period have an exercise price of Cdn$18.51 (2007 – range of Cdn$8.93 to Cdn$12.35), a term of five years and all vested at the time of award (2007 – five years and immediate vesting, respectively). The fair value of stock options granted for the periods noted was computed using the Black-Scholes option pricing model and the following weighted-average assumptions:

	Three Months Ended March 31	
	2008	2007
Number of options granted	**25,000**	500,000
Expected life (years)	**3.7**	5.0
Risk-free interest rate	**2.8%**	4.0%
Expected volatility	**51.0%**	45.3%
Dividend yield	**0.0%**	0.0%
Fair value of options granted	**Cdn$8.55**	Cdn$4.23

The following table summarizes the status and changes of the stock-option plan:

	Options Outstanding (000's)		**Weighted-average Exercise Price per Option ($Cdn)**
Balance, December 31, 2006	9,651	$	5.28
Options granted	2,565	$	17.47
Options exercised	(4,720)	$	3.50
Balance, December 31, 2007	7,496	$	10.57
Options granted	25	$	18.51
Options exercised	(139)	$	2.76
Balance, March 31, 2008	7,382	$	10.75

13. Commitments and Contingencies

The Corporation has entered into commitments to buy Canadian dollars at future dates at established exchange rates (see Note 4) b)).

The Corporation has committed to sell a certain amount of production at a defined price that may be less than market (see Note 4) d) and Note 8).

In the normal course of operations, the Corporation enters into agreements for the purchase of molybdenum. As at March 31, 2008, the Corporation had commitments to purchase approximately 6.6 million pounds of molybdenum, including approximately 3.8 million pounds in the balance of 2008 and 1.4 million pounds in each of 2009 and 2010.

A payment of $100.0 million was made to the former shareholders of Thompson Creek Metals Company USA in January 2008 to settle an acquisition price adjustment recorded in 2007 related to the market price of molybdenum in 2007. The Corporation may be responsible for a further contingent payment in early 2010 of $25.0 million if the average price of molybdenum exceeds $15.00 per pound in 2009.

THOMPSON CREEK METALS COMPANY INC.
Notes to the Consolidated Financial Statements
Three Months Ended March 31, 2008
(Unaudited)

14. Interest and Finance Fees

(US$ in millions)	Three Months Ended March 31	
	2008	2007
Interest expense	**$ 6.1**	$ 10.6
Finance fees	**0.6**	4.8
Debt prepayment premium	**–**	2.5
	$ 6.7	$ 17.9

15. Other Expense and Income

(US$ in millions)	Three Months Ended March 31	
	2008	2007
Gain on foreign exchange	**$ (1.5)**	$ (0.1)
Unrealized loss (gain) on derivative instruments	**0.6**	(0.8)
Other	**0.2**	0.4
	$ (0.7)	$ (0.5)

16. Income and Mining Taxes

(US$ in millions)	Three Months Ended March 31	
	2008	2007
Current income and mining taxes	**$ 25.5**	$ 37.8
Future income and mining taxes recoverable	**(6.3)**	(20.5)
	$ 19.2	$ 17.3

Income and mining taxes differ from the amount that would result from applying the Canadian federal and provincial income tax rates to earnings before income taxes. The differences result from the following items:

(US$ in millions)	Three Months Ended March 31	
	2008	2007
Income before income and mining taxes	**$ 66.0**	$ 65.0
Combined Canadian federal and provincial income tax rates	**31.00%**	34.12%
Income taxes based on above rates	**20.5**	22.2
Increase (decrease) to income taxes due to:		
Difference in statutory tax rates on earnings of foreign operations	**2.5**	1.7
Provincial and state mining taxes	**3.6**	2.7
Withholding taxes	**0.1**	–
Non-deductible expenses	**1.7**	0.6
Non-taxable income	**(0.4)**	–
Depletion allowance	**(6.9)**	(9.5)
Change in valuation allowance	**–**	0.7
Impact of reduction in tax rates on future income and mining taxes	**(2.6)**	–
Other	**0.7**	(1.1)
Income and mining taxes	**$ 19.2**	$ 17.3

17. Net Income per Share

(US$ in millions except per share amounts)	Three Months Ended March 31	
	2008	2007
Net income	**$ 46.8**	$ 47.7
Basic weighted-average number of shares outstanding (000's)	**113,457**	103,249
Effect of dilutive securities		
Common share warrants	**11,720**	4,567
Stock options	**2,497**	2,459
Diluted weighted-average number of shares outstanding (000's)	**127,674**	110,275
Net income per share		
Basic	**$ 0.41**	$ 0.46
Diluted	**$ 0.37**	$ 0.43

For the three months ended March 31, 2008, 2,025,500 stock options and nil warrants (2007 – 235,000 stock options and nil warrants) have been excluded from the computation of diluted securities as these would be considered to be anti-dilutive.

18. Related Party Transactions

Consolidated sales to members of a group of companies affiliated with the other participant in the Endako Mine joint venture were $54.2 million for the three month period ended March 31, 2008, representing 21.3% of the Corporation's total revenues for this period (2007 – $46.1 million and 17.2%, respectively). For the three month period ended March 31, 2008, the Corporation recorded management fee income of $0.2 million (2007 – $0.2 million) and selling and marketing costs of $0.4 million (2007 – $0.3 million) from this group of companies. At March 31, 2008, the Corporation's accounts receivable included $18.8 million owing from this group of companies (December 31, 2007 – $8.9 million).

19. Supplementary Cash Flow Information

(US$ in millions)	Three Months Ended March 31			
		2008		2007
Change in non-cash working capital:				
Accounts receivable	**$**	**(39.8)**	$	(28.1)
Product inventory		**21.0**		60.0
Material and supplies inventory		**(4.9)**		(0.1)
Prepaid expense and other current assets		**0.1**		0.7
Income and mining taxes recoverable		**13.4**		2.8
Accounts payable and accrued liabilities		**19.7**		11.9
Income and mining taxes payable		**1.7**		0.2
	$	**11.2**	$	47.4
Cash interest paid	**$**	**5.0**	$	12.8
Cash income taxes paid	**$**	**10.2**	$	10.7
Cash and cash equivalents is comprised of:				
Cash	**$**	**47.5**	$	25.1
Cash equivalents		**–**		89.4
	$	**47.5**	$	114.5

Cash equivalents consist of deposits and money market instruments issued or guaranteed by major financial institutions and governments that have an original maturity date of less than 90 days.

20. Financial Risk Management

The Corporation's activities expose it to a variety of financial risks which include foreign exchange risk, interest rate risk, commodity price risk, credit risk and liquidity risk.

The Corporation enters into foreign exchange forward contracts, molybdenum forward sales contracts, molybdenum purchase contracts and an interest rate cap contract to manage its exposure to fluctuations in foreign exchange, molybdenum prices and interest rates. The Corporation does not trade derivatives.

Foreign Exchange Risk

The US dollar is the functional currency of the majority of the Corporation's activities. However, the Canadian dollar is the functional currency of the Corporation's interest in its joint venture operation. The Corporation has potential currency exposures in respect of items denominated in currencies other than the operations' functional currency. The Corporations foreign exchange exposures include:

- Transactional exposure on its investment in a Canadian dollar self sustaining operation as molybdenum sales are denominated in US dollars and the majority of operating expenses are in Canadian dollars;
- Translational exposure on its investment in a Canadian dollar self sustaining operation whose net assets are exposed to foreign currency translation risk; and
- Transactional and translational exposure to Canadian dollar transactions and balances in US dollar functional currency operations.

The Corporation enters into foreign exchange forward contracts to manage these exposures. As at March 31, 2008, the Corporation had forward exchange contracts for Cdn$30.0 million to sell US dollars / buy Canadian dollars at a weighted average exchange rate of US$0.99. All foreign exchange forward contracts are due within the year. As at March 31, 2008, the fair value of these contracts is a liability of $0.6 million.

For the three months ended March 31, 2008, with other variables unchanged, a $0.01 strengthening (weakening) of the Canadian dollar against the US dollar would have an insignificant impact on net earnings. As at March 31, 2008, the estimated impact on other comprehensive income from a $0.01 strengthening (weakening) of the Canadian dollar against the US dollar would be $2.8 million.

Interest Rate Risk

The Corporation has invested and borrowed at variable rates. Cash and cash equivalents receive interest based on market interest rates. The Corporation's debt facilities are variable rate facilities based on LIBOR rates. The Corporation has entered into an interest rate cap agreement limiting the LIBOR rate to 6% on a specified amount of the First Lien credit facility.

For the three months ended March 31, 2008, with other variables unchanged, a 1% change in the LIBOR rate would have an insignificant impact on net earnings. There would be no effect on other comprehensive income.

Commodity Price Risk

The Corporation enters into molybdenum sales contracts where it sells future molybdenum production with fixed prices. These fixed prices may be different than the quoted market prices at the date of sale. The Corporation physically delivers molybdenum under these contracts; however, has chosen not to use the normal usage exemption and therefore treats these contracts as non-financial derivatives. The fair value is recorded on the balance sheet with changes in fair value recorded in revenue. The fair value is calculated using a discounted cash flow based on estimated forward prices. As long-term molybdenum prices are not based on an organized forward market, the Corporation uses the average of molybdenum price forecasts from various metals industry analysts as the estimated forward price.

As at March 31, 2008, the fair value of the Corporation's fixed forward sales contracts are as follows:

(US$ in millions except per pound amounts)		**2008**		**2009**		**2010**		**2011**
Fair value – asset	$	–	$	–	$	–	$	2.0
Fair value – liability	$	7.1	$	0.4	$	1.6	$	–
Molybdenum committed (000's lb)		1,061		123		490		416
Average price ($/lb)	$	26.25	$	25.00	$	17.00	$	21.00

The Corporation also enters into molybdenum purchase agreements with provisional pricing mechanism where the final prices are determined by quoted market prices subsequent to the date of the purchase. As a result the value of the trade payable changes as the underlying market prices varies. This component of the contract is an embedded derivative, which is initially recorded at fair value with subsequent changes in fair value recorded in operating expenses.

As at March 31, 2008, the Corporation had purchased 1.2 million pounds of molybdenum with provisional pricing mechanisms. The fair value of the Corporation's embedded derivative is a liability of $0.6 million. These contracts will mature within the year.

For the three months ended March 31, 2008, with other variables unchanged, a 10% change in molybdenum price would have an insignificant impact on the change in the fair value of the molybdenum forward sales contracts and the provisionally priced molybdenum purchase contracts. As at March 31, 2008, there would be no effect on other comprehensive income.

Credit Risk

The Corporation is exposed to credit risk from its accounts receivable and its money market investments. Counterparties to money market investments are established financial institutions and governments. The Corporation manages its credit risk from money market investments by establishing approved counterparties and assigning credit limits to each counterparty.

The Corporation manages its credit risk from its accounts receivable through established credit monitoring activities. As at March 31, 2008 the Corporation had three customers which owed the Corporation more than $5.0 million each and accounted for approximately 48% of all receivables owing including a $33.0 million balance relating to one customer group. There were two customers having balances greater than $3.0 million that accounted for 6% of total receivables. The Corporation's maximum credit risk exposure is the carrying value of its accounts receivable.

Liquidity Risk

The Corporation manages its liquidity risk by maintaining cash and cash equivalent balances and by utilizing its line of credit. Surplus cash is invested in a range of less than 90 day money market instruments as per the Corporation's investment policy. As at March 31, 2008, the Corporation had an unutilized line of credit of $22.5 million.

As at March 31, 2008, contractual undiscounted cash flow requirements for financial liabilities, including interest payments are as follows:

(US$ in millions)	2008	2009 to 2011	2012 onward	Total
Accounts payable	$ 80.3	$ –	$ –	$ 80.3
Long-term debt	$ 63.1	$ 131.7	$ 62.0	$ 256.8
Currency contracts	$ 29.8	$ –	$ –	$ 29.8

Financial Assets and Liabilities by Category

As at March 31, 2008, the Corporation's financial assets and liabilities are categorized as follows:

(US$ in millions)	Loans and receivables	Held at fair value	Financial assets and liabilities at amortized cost	Total
Financial Assets				
Cash	$ –	$ –	$ 47.5	$ 47.5
Accounts receivable	$ 122.7	$ –	$ –	$ 122.7
Commodity contracts	$ –	$ 2.0	$ –	$ 2.0
Financial Liabilities				
Accounts payable and accrued liabilities	$ –	$ –	$ 80.3	$ 80.3
Long-term debt	$ –	$ –	$ 220.7	$ 220.7
Currency and commodity contracts	$ –	$ 10.4	$ –	$ 10.4

Fair Values

The carrying value of accounts receivable, accounts payable and accrued liabilities approximate fair value due to the short maturity of these instruments. The currency and commodity contracts are derivative instruments and therefore they are carried at their fair value. The carrying amount of the long-term debt is at amortized cost and its fair value is based on indicative market prices based on thin trading activity.

As at March 31, 2008, the carrying values and the fair values of the Corporation's financial assets and liabilities are shown in the following table:

(US$ in millions)		**Carrying value**		**Fair value**
Financial Assets				
Cash	$	47.5	$	47.5
Accounts receivable	$	122.7	$	122.7
Commodity contracts	$	2.0	$	2.0
Financial Liabilities				
Accounts payable and accrued liabilities	$	80.3	$	80.3
Long term debt	$	220.7	$	191.7
Currency and commodity contracts	$	10.4	$	10.4

Pledged Financial Assets

The Corporation has financial assets that are pledged for employee compensation and reclamation obligations. The Corporation maintains a separate trust fund to satisfy its obligation to employees under a severance and retention compensation arrangement. Reclamation deposits are maintained to satisfy the Corporation's obligation for future reclamation expenditures at its mine sites.

21. Capital Risk Management

The Corporation defines its capital as follows:

- Shareholders' equity;
- Long-term debt; and
- Short-term debt.

Capital as defined above as at March 31, 2008 and December 31, 2007 was as follows:

(US$ in millions)		**March 31 2008**		December 31 2007
Shareholders' equity	**$**	**525.6**	$	487.6
Long-term debt		**220.7**		237.4
Short-term debt		**–**		–
	$	**746.3**	$	725.0

The Corporation's objectives with regard to its capital are:

- Maintain adequate capital to operate its business;
- Optimize debt levels;
- Comply with financial covenants on outstanding debt; and
- Incur short-term borrowing only to meet working capital needs.

The Corporation's capital structure is managed and adjusted as necessary by monitoring economic conditions, debt and equity markets, and changes to the Corporation's plans. Covenants relating to existing debt are monitored regularly to ensure compliance. Outstanding debt is reviewed from time to time to determine if it contains the most favourable terms available to the Corporation or if the Corporation should reduce the amount outstanding from cash available or new share issues.

The outstanding First Lien credit facility requires the Corporation to comply with certain defined financial covenants that include a maximum leverage ratio, a minimum interest coverage ratio, a maximum fixed charge coverage ratio and a capital expenditure limit. The Corporation was in compliance with these covenants at March 31, 2008.

22. Segment Information

The Corporation has two operating segments, being the mining, milling, roasting and sale of molybdenum products at the Corporation's US and Canadian operations. Geographic segment information for the three month periods ended and as at March 31, 2008 and 2007 is as follows:

Three Months Ended March 31, 2008 (US$ in millions)	**US Operations**	**Canadian Operations**	**Corporate**	**Total**
Revenues				
Molybdenum sales	$ **195.7**	$ **54.5**	$ **–**	$ **250.2**
Tolling and calcining	**4.6**	**–**	**–**	**4.6**
	200.3	**54.5**	**–**	**254.8**
Cost of sales				
Operating expenses	**150.8**	**15.8**	**–**	**166.6**
Selling and marketing	**1.8**	**0.7**	**–**	**2.5**
Depreciation, depletion and amortization	**4.4**	**3.3**	**–**	**7.7**
Accretion	**0.6**	**0.1**	**–**	**0.7**
	157.6	**19.9**	**–**	**177.5**
Income from mining and processing	$ **42.7**	$ **34.6**	$ **–**	**77.3**
Other (income) expenses				
General and administrative				**3.4**
Exploration and development				**1.0**
Interest and finance fees				**6.7**
Stock-based compensation				**1.7**
Interest income				**(0.8)**
Other				**(0.7)**
				11.3
Income before income and mining taxes				$ **66.0**
As at March 31, 2008				
Capital expenditures	$ **3.7**	$ **4.4**	$ **–**	$ **8.1**
Capital assets	$ **274.6**	$ **277.1**	$ **2.4**	$ **554.1**
Goodwill	$ **80.0**	$ **41.9**	$ **–**	$ **121.9**
Total assets	$ **643.9**	$ **394.9**	$ **4.9**	$ **1,043.7**
Total liabilities	$ **179.9**	$ **117.6**	$ **220.6**	$ **518.1**

Three Months Ended March 31, 2007 (US$ in millions)	**US Operations**	**Canadian Operations**	**Corporate**	**Total**
Revenues				
Molybdenum sales	$ 208.8	$ 51.9	$ –	$ 260.7
Tolling and calcining	7.2	–	–	7.2
	216.0	51.9	–	267.9
Cost of sales				
Operating expenses	145.1	16.6	–	161.7
Selling and marketing	1.1	0.5	–	1.6
Depreciation, depletion and amortization	10.3	5.8	–	16.1
Accretion	0.3	0.1	–	0.4
	156.8	23.0	–	179.8
Income from mining and processing	$ 59.2	$ 28.9	$ –	$ 88.1
Other (income) expenses				
General and administrative				3.1
Exploration and development				1.9
Interest and finance fees				17.9
Stock-based compensation				2.6
Interest income				(1.9)
Other				(0.5)
				23.1
Income before income and mining taxes				$ 65.0
As at March 31, 2007				
Capital expenditures	$ 2.2	$ 0.1	$ 0.3	$ 2.6
Capital assets	$ 419.2	$ 55.0	$ 1.9	$ 476.1
Goodwill	$ 32.1	$ 18.8	$ –	$ 50.9
Total assets	$ 648.0	$ 215.0	$ 48.0	$ 911.0
Total liabilities	$ 228.6	$ 86.3	$ 318.0	$ 632.9