

THOMPSON CREEK METALS COMPANY INC.
Management's Discussion and Analysis
Three and Nine Months Ended September 30, 2008

This Management's Discussion and Analysis ("MD&A") of financial condition and results of operation of Thompson Creek Metals Company Inc. ("Thompson Creek" or the "Corporation") is prepared as at November 6, 2008, and should be read in conjunction with the unaudited consolidated financial statements of the Corporation and the notes thereto for the three and nine months ended September 30, 2008 and with the audited consolidated financial statements of the Corporation and the notes thereto for the year ended December 31, 2007. All dollar amounts are expressed in United States ("US") dollars unless otherwise indicated. Additional information on the Corporation is available on SEDAR at www.sedar.com.

Business Overview

Thompson Creek Metals Company Inc. is a Canadian molybdenum mining company with vertically integrated mining, milling, processing and marketing operations in Canada and the US. The Corporation's operations include the Thompson Creek Mine (mine and mill) in Idaho, the Langeloth Metallurgical Roasting 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, the Corporation is evaluating two high-grade underground molybdenum projects, the Davidson molybdenum property ("Davidson Project"), located in British Columbia, and the Mount Emmons molybdenum property, located in the US in Colorado.

Highlights 2008

- **Net income** for the 2008 third quarter was \$100.6 million, or \$0.74 per diluted share. Net income for the first nine months of 2008 was \$207.8 million, or \$1.56 per diluted share.
- **Consolidated revenues** for the third quarter and first nine months of 2008 were \$331.1 million and \$829.8 million, respectively, representing a 65% increase from the third quarter of 2007 and a 16% increase from the comparable nine month period in 2007. .
- **Operating cash flows** were \$110.3 million for the third quarter of 2008 and \$236.6 million for the first nine months of 2008.
- **Capital expenditures** totalled \$75.4 million for the first nine months of 2008 which primarily represented new mobile equipment purchases at the Thompson Creek and Endako mines together with the Endako mill expansion.
- **Total cash was \$151.7 million and total debt was \$4.7 million** at September 30, 2008. During the second quarter of 2008, the Corporation retired all of its remaining \$219.4 million debt incurred for the acquisition of Thompson Creek Metals Company USA.
- **In June 2008, 10,914,700 common shares were issued** from treasury for net proceeds of \$218.1 million. The proceeds from this share issuance were used to retire debt, as discussed above.
- **Molybdenum production** in the third quarter and first nine months of 2008 significantly improved from the comparable 2007 periods, with total production of 6.5 million pounds for the 2008 third quarter and 18.3 million pounds for the first nine months of 2008.
- **Molybdenum sold** during the third quarter and first nine months of 2008 was 9.9 million pounds and 24.9 million pounds, respectively, which includes amounts sold from the Corporation's mines of 6.9 million pounds and 15.8 million pounds for the 2008 quarter and nine month period, respectively.

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- **The average realized price on molybdenum sales** in the third quarter and first nine months of 2008 was \$32.85 per pound and \$32.75 per pound, respectively.
- **In September 2008, a normal course issuer bid was approved** by the Board of Directors. Beginning in October 2008 and through the date of this report, the Corporation repurchased 2.4 million common shares for cancellation at an average price of Cdn\$8.21 per share. Approximately 9.9 million additional common shares can be acquired under the share repurchase program.

Events Subsequent to September 30, 2008

As a result of the worldwide financial crisis and economic downturn in recent weeks, there is significant uncertainty in the near-term demand and price outlook for molybdenum. For the week of October 6, 2008, the average Platts Metals Week published molybdenum oxide price was \$31.40 per pound while for the week of November 3, 2008, the average Platts Metals Week published molybdenum oxide price was \$17.05 per pound. These compare to the Corporation's average realized sales price of \$32.85 per pound for the third quarter of 2008. Molybdenum sales prices for the fourth quarter of 2008 will be lower than the third quarter of 2008. Based on current projections, each \$1 per pound change in molybdenum prices in the fourth quarter of 2008 would impact both income before income and mining taxes and operating cash flows, before taxes, in that quarter by approximately \$6.0 million.

Despite this downturn, the Corporation is well positioned with working capital of \$355.6 million as of September 30, 2008, including \$151.7 million of cash and cash equivalents, \$168.3 million of receivables, no outstanding debt under its credit facility and \$3.1 million as the current portion of equipment loans. The Thompson Creek Mine is expected to perform at record levels for 2009, with increased production together with lower oxide production costs. However, given this sudden economic downturn, management is in the process of reviewing and revising future capital expenditures, development projects and operating plans to ensure that adequate working capital levels are maintained.

Outlook

For calendar 2008, the Corporation is upgrading the target for the previously announced estimated molybdenum production from 23 to 24.5 million pounds to 25 to 26 million pounds. The Thompson Creek Mine remains on target for the previously announced estimated molybdenum production of 16.5 to 17.0 million pounds. The Corporation's 75% share of the Endako Mine molybdenum production for calendar 2008 is being upgraded from the previously announced estimate of 6.5 to 7.5 million pounds to an estimated 8.5 to 9.0 million pounds as a result of higher grades and recoveries than were originally expected. The Corporation experiences a cycle of up to two and a half months between the time a pound of molybdenum is mined and when the same pound is recorded as a sale. As a result of this two and a half month production cycle, the molybdenum sales for 2008 will be from production over a one year period starting early in the fourth quarter of 2007 and ending early in the fourth quarter of 2008. The Corporation sold 15.8 million pounds of molybdenum from its own mines in the first nine months of 2008 and currently remains on target to sell approximately 22.0 million pounds from its own mines for all of calendar 2008, as previously announced.

For calendar 2008, anticipated oxide direct production costs per pound produced have been revised from the previous annual guidance to an estimated \$7.30 per pound, with the Thompson Creek Mine expected to be approximately \$7.00 per pound (compared to previous guidance of \$6.00 to \$6.50 per pound) and the Endako Mine at \$7.50 to \$8.00 per pound (compared to previous guidance of \$9.50 to \$10.25 per pound). This assumes an improvement in the US\$/Cdn\$ exchange rate from 1.0 for the

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previous guidance for the Endako Mine to 1.2 for the fourth quarter of 2008. For the first nine months of 2008, the oxide production costs per pound produced at Thompson Creek Mine were \$7.08 per pound and the Endako Mine was \$7.75 per pound. Oxide production costs per pound produced represent the direct cost to produce molybdenum oxide at each mine (mining, milling, and roasting) and do not include adjustments for opening and closing inventory amounts, amortization of deferred stripping costs and the effects of purchase price adjustments, nor do they include additional costs related to the production of downstream products produced by the Corporation such as ferromolybdenum. For the Thompson Creek Mine, which only produces sulphide on site, oxide production costs per pound produced include an allocation of roasting costs incurred at the Langeloth facility to roast Thompson Creek Mine material from sulphide to oxide.

For 2009, the Corporation expects molybdenum production volumes to be 31.5 to 34.0 million pounds, with the Thompson Creek Mine at approximately 24.5 to 26.0 million pounds and the 75% share of the Endako Mine at 7 to 8 million pounds. The Corporation expects to sell 30.0 to 34.0 million pounds from its own mines, which represents production achieved over a one year period from the fourth quarter of 2008 through the early part of the fourth quarter of 2009. The Corporation has some discretion in building or depleting inventory levels depending upon the economic conditions and the related demand and sales prices for molybdenum. For calendar 2009, anticipated oxide direct production costs per pound produced are estimated at \$6.00 to \$7.00 per pound, with \$5.00 to \$6.00 per pound at the Thompson Creek Mine and \$8.00 to \$9.00 per pound at the Endako Mine (assuming a US\$/Cdn\$ exchange rate of 1.20). For the Endako Mine, a \$0.01 change in the Canadian foreign exchange rate results in a \$0.10 change in the direct production cost per pound produced.

The Corporation and the other joint venture participant in the Endako Mine approved the mill expansion project in the first quarter of 2008 and the project has commenced with detailed engineering, the ordering of major mill equipment and earthwork and site preparation. Through September 30, 2008, the Corporation's 75% share of capital expenditures for the Endako expansion project totalled \$24 million. Additionally, the Corporation had commitments related to the purchase of major mill equipment for its 75% share of the Endako mill expansion of approximately \$69.9 million as of September 30, 2008. The Corporation's total share of expansion capital expenditures is expected to be Cdn\$280.0 million over the period 2008 to 2010.

During 2007, mineral ore reserves were recalculated and increased at both operating mines using a long-term price of \$10.00 per pound for molybdenum sales. Development drilling and reserve analysis is continuing at the Thompson Creek Mine to complete the second stage of its mineral reserve study which is expected to further increase reserves when completed in 2009. The Corporation is also conducting development and exploration drilling on the Endako Mine property.

The environmental application for the Davidson Project has been submitted to the regulatory authorities. However, given current economic conditions, management has made a decision to postpone the development of this project until economic conditions improve.

In August 2008, the Corporation signed an option with U.S. Energy Corp. ("USE") to acquire up to 75% of the Mount Emmons underground molybdenum project in the US state of Colorado. Under the agreement, the Corporation made a \$0.5 million payment to USE upon signing and, unless the agreement is terminated early, the Corporation will pay \$1 million annually to USE for six years beginning January 1, 2009 and ending January 1, 2014 ("Minimum Payments"). The Corporation has the right to terminate this agreement at any time. Management is currently developing a long-term strategy for a complete evaluation of the Mount Emmons property. As a result, the Corporation expects to spend the required expenditures under this earn-in agreement of \$2.5 million for the remainder of 2008 and \$5 million for 2009, which includes the Minimum Payments.

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In January 2008, a payment of \$100.0 million was made to the former shareholders of Thompson Creek Metals Company USA 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, as reported by Platts Metals Week, exceeds \$15.00 per pound in 2009.

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Selected Consolidated Operations and Financial Information

(US\$ in millions except per pound and per share amounts – Unaudited)	Three months ended		Nine months ended	
	September 30		September 30	
	2008	2007	2008	2007
Operations				
Molybdenum production from mines (000's lb) ¹	6,499	3,024	18,272	12,923
Direct production costs (\$/lb produced) ²	\$ 6.63	\$ 11.63	\$ 7.31	\$ 7.69
Molybdenum sold (000's lb)				
Thompson Creek Mine and Endako Mine production	6,879	3,391	15,791	16,327
Product purchased, processed and resold	3,044	2,722	9,116	8,426
	9,923	6,113	24,907	24,753
Realized price (\$/lb)	\$ 32.85	\$ 32.06	\$ 32.75	\$ 28.20
Cash operating expenses (\$/lb sold) ³	\$ 7.25	\$ 9.16	\$ 8.17	\$ 7.80
Financial				
Revenue				
Molybdenum sales	\$ 325.9	\$ 195.9	\$ 815.7	\$ 697.9
Tolling and calcining	5.2	5.0	14.1	18.7
	331.1	200.9	829.8	716.6
Cost of sales				
Operating expenses	155.2	125.5	447.5	415.0
Selling and marketing	3.0	2.4	8.0	7.5
Depreciation, depletion and amortization	13.6	11.7	31.2	39.8
Accretion	0.3	0.4	1.4	1.2
	172.1	140.0	488.1	463.5
Income from mining and processing	\$ 159.0	\$ 60.9	\$ 341.7	\$ 253.1
Net income	\$ 100.6	\$ 24.0	\$ 207.8	\$ 128.5
Net income per share				
- basic	\$ 0.80	\$ 0.21	\$ 1.75	\$ 1.18
- diluted	\$ 0.74	\$ 0.18	\$ 1.56	\$ 1.03
Cash flow provided by operating activities	\$ 110.3	\$ 31.4	\$ 236.6	\$ 136.8
			September 30	December 31
			2008	2007
Cash and cash equivalents			\$ 151.7	\$ 113.7
Total assets			\$ 1,215.6	\$ 1,109.7
Total debt			\$ 4.7	\$ 237.4
Total liabilities			\$ 306.2	\$ 622.1
Shareholders' equity			\$ 909.4	\$ 487.6
Shares outstanding (000's)			125,046	113,364

¹ Mined production pounds are oxide and pure molybdenum trioxide ("HPM") from the Thompson Creek Mine and the Corporation's 75% share of the Endako Mine production; excludes molybdenum produced from purchased product.

² Weighted-average of Thompson Creek Mine and Endako Mine direct production costs (mining, milling and roasting) for product produced in the period; excludes the effect of purchase price adjustments recorded on acquisition of Thompson Creek Metals Company USA and excludes amortization of deferred stripping costs. Direct production costs do not take into account the effects of changes in inventory. For the Thompson Creek Mine, which only produces sulphide on site, direct production costs includes an allocation of roasting costs incurred at the Langeloth facility to roast Thompson Creek Mine material from sulphide to oxide. See Non-GAAP Financial Measures for additional information.

³ Weighted-average of Thompson Creek Mine and Endako Mine cash operating expenses for product sold in the period; excludes the effect of purchase price adjustments recorded on acquisition of Thompson Creek Metals Company USA and excludes amortization of deferred stripping costs. See Non-GAAP Financial Measures for additional information.

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Summary of Quarterly Results

(US\$ in millions except per pound and per share amounts – Unaudited)

	Dec 31 2006	Mar 31 2007	Jun 30 2007	Sep 30 2007	Dec 31 2007	Mar 31 2008	Jun 30 2008	Sep 30 2008
Operations								
Mined molybdenum production (000's lb)	3,846	5,433	4,466	3,024	3,443	5,589	6,184	6,499
Direct production costs (\$/lb produced) ¹	\$ 6.28	\$ 5.63	\$ 7.09	\$ 11.63	\$ 10.60	\$ 7.91	\$ 7.56	\$ 6.63
Molybdenum sold (000's lb)								
Thompson Creek Mine and Endako Mine production	4,274	7,857	5,079	3,391	3,151	4,082	4,830	6,879
Product purchased, processed and resold	1,463	2,629	3,075	2,722	3,066	3,572	2,500	3,044
	<u>5,737</u>	<u>10,486</u>	<u>8,154</u>	<u>6,113</u>	<u>6,217</u>	<u>7,654</u>	<u>7,330</u>	<u>9,923</u>
Realized price (\$/lb)	\$ 25.74	\$ 24.87	\$ 29.59	\$ 32.06	\$ 31.08	\$ 32.69	\$ 32.68	\$ 32.85
Cash operating expenses (\$/lb sold) ¹	\$ 6.30	\$ 8.59	\$ 5.66	\$ 9.16	\$ 11.51	\$ 10.54	\$ 7.49	\$ 7.25
Financial								
Revenue	\$ 150.8	\$ 267.9	\$ 247.8	\$ 200.9	\$ 197.8	\$ 254.8	\$ 243.9	\$ 331.1
Income from mining and Processing	\$ 5.7	\$ 88.1	\$ 104.1	\$ 60.9	\$ 47.9	\$ 77.3	\$ 105.4	\$ 159.0
Net income (loss)	\$ (12.5)	\$ 47.7	\$ 56.8	\$ 24.0	\$ 28.9	\$ 46.8	\$ 60.4	\$ 100.6
Income (loss) per share								
- basic	\$ (0.14)	\$ 0.46	\$ 0.51	\$ 0.21	\$ 0.25	\$ 0.41	\$ 0.52	\$ 0.80
- diluted	\$ (0.14)	\$ 0.43	\$ 0.45	\$ 0.18	\$ 0.22	\$ 0.37	\$ 0.45	\$ 0.74
Cash flow (used) provided by operating activities	\$ 85.2	\$ 105.0	\$ 0.4	\$ 31.4	\$ 45.7	\$ 63.4	\$ 62.9	\$ 110.3

¹ See Non-GAAP Financial Measures for additional information.

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Financial Review

Three Months Ended September 30, 2008

Income Statement

Net income for the three months ended September 30, 2008 was \$100.6 million or \$0.80 per basic and \$0.74 per diluted share. This compares to \$24.0 million or \$0.21 per basic and \$0.18 per diluted share for the third quarter of 2007.

Revenues for the three months ended September 30, 2008 were \$331.1 million, up \$130.2 million or 65% from \$200.9 million for the same period in 2007. This increase reflects higher molybdenum sales volume and slightly higher average realized sales prices in the 2008 third quarter. Molybdenum sold from the Corporation's mines in the third quarter of 2008 was 6.9 million pounds, up 103% from 3.4 million pounds sold in the same period in 2007. Sales volumes in the current year period are higher than the same period in 2007 primarily due to increased production levels and a higher opening inventory for the 2008 quarter which resulted in selling more pounds than were produced. From mid-April 2008 to mid-May 2008, a scheduled maintenance shutdown at the Langeloth facility caused the 2008 third quarter opening inventory to be higher. During this period, there was a build up of material from the Thompson Creek Mine at the Langeloth facility awaiting roasting. The average realized sales price for molybdenum in the third quarter of 2008 was \$32.85 per pound compared to \$32.06 per pound in the third quarter of 2007. The volume of material toll roasted and processed for third parties was down 33% in the third quarter of 2008 relative to the same period in 2007 due to lower demand for these services in the current year period.

Operating expenses for the three months ended September 30, 2008 were \$155.2 million, up \$29.7 million or 24 % from \$125.5 million for the same period in 2007. This increase is primarily due to the 62% higher volume of total molybdenum sold in the period and increased costs of molybdenum product purchased for processing and resale in the third quarter of 2008 compared to the same period in 2007. While total operating expenses increased, cash operating expenses per pound sold decreased to \$7.25 per pound sold from \$9.16 per pound sold for the 2007 third quarter. Additionally, direct production costs per pound produced from the Corporation mines declined in the 2008 quarter to \$6.63 per pound produced from \$11.63 per pound produced for the comparable quarter in 2007. The decline in direct production costs is primarily due to increased production as a result of higher ore grades, recoveries and throughput at the Corporation's mines.

Depreciation, depletion and amortization expense for the three months ended September 30, 2008 was \$13.6 million or 16% more than \$11.7 million for the third quarter of 2007. This increase is primarily due to the higher volume of molybdenum sold in the 2008 quarter compared to the 2007 quarter, which was partially offset by the effects of increased mineral reserve bases established at both of the Corporation's mines in late 2007.

General and administrative expense for the three months ended September 30, 2008 was \$6.6 million, compared to \$2.6 million for the same period in 2007. This increase primarily relates to amounts accrued under a bonus program, an accrual related to the transition of functions from Vancouver to Denver, and increased public company costs related to Sarbanes-Oxley compliance work. In 2007, bonus amounts were discretionary and were recorded in the fourth quarter of that year when amounts had been approved by the Board.

Exploration and development expense for the three months ended September 30, 2008 was \$1.2 million compared to \$1.1 million for the same period in 2007. During the third quarter of 2008, this

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expense represented the Corporation's share of development drilling activities at the Thompson Creek and Endako mines as well as Davidson Project permitting costs. During the third quarter of 2007, the exploration and development expense primarily represented feasibility study and permitting costs at the Davidson Project.

Interest and finance fees for the three months ended September 30, 2008 were \$0.1 million, down \$7.7 million from \$7.8 million for the same period in 2007. This favourable variance can be attributed to the repayment of the first lien loan in the second quarter of 2008, which eliminated the interest expense on such facility in the third quarter.

Stock-based compensation for the three months ended September 30, 2008 was \$4.8 million, up \$1.7 million from \$3.1 million for same period in 2007 due to additional options granted in the second and third quarters of 2008.

Interest income for the three months ended September 30, 2008 was \$0.7 million, down \$1.1 million from \$1.8 million for the same period in 2007. This decrease is due to lower interest rates during the third quarter of 2008.

Other income for the three months ended September 30, 2008 was \$3.1 million compared to a loss of \$1.4 million for the same period of 2007. During the 2008 period the income was primarily related to a foreign exchange gain due the strengthening of the US\$ against the Cdn\$ during the 2008 quarter, which was partially offset by a loss on foreign exchange derivative instruments. During the 2007 third quarter, the loss of \$1.4 million was primarily due to a foreign exchange loss with the Cdn\$ strengthening against the US\$, which was partially offset by a gain of foreign exchange derivative instruments.

Income and mining taxes for the three months ended September 30, 2008 totalled \$49.5 million or 33% of income before income and mining taxes, compared to \$22.7 million or 49% of income before income and mining taxes for the same period in 2007. The 2007 third quarter tax rate was significantly higher than the comparable 2008 quarter primarily due to a tax expense of \$4.4 million for withholding taxes on the cross-border distribution of earnings and a greater proportionate share of income from the Endako Mine in Canada in the quarter which is subject to a higher effective tax rate than income from the Thompson Creek Mine in the US.

Cash Flows

Cash generated by operating activities for the three months ended September 30, 2008 was \$110.3 million compared to \$31.4 million for the same period in 2007. This increase in cash flow from operations is mainly due to the higher revenues and related net income for the period.

Cash used in investing activities for the three months ended September 30, 2008 was \$33.5 million compared to \$15.7 million for the same period in 2007. In the third quarter of 2008, property, plant and equipment acquisitions increased by \$22.2 million to \$26.1 million due largely to Endako mill expansion costs. Deferred stripping costs at the Thompson Creek Mine decreased by \$2.1 million to \$9.9 million in the third quarter of 2008 compared to the third quarter of 2007. Stripping activity focused on Phase 6 in 2007 while the 2008 stripping relates to Phase 7.

Cash used by financing activities for the three months ended September 30, 2008 was \$0.8 million compared to \$12.6 million for the same period in 2007. During the third quarter of 2008, the Corporation repaid \$0.8 million of principal on the equipment loans. During the third quarter of 2007, the Corporation repaid \$16.8 million of principal under its first lien loan and \$0.6 million of principal

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on the equipment loans.

Nine Months Ended September 30, 2008

Income Statement

Net income for the nine months ended September 30, 2008 was \$207.8 million or \$1.75 per basic and \$1.56 per diluted share. This compares to \$128.5 million or \$1.18 per basic and \$1.03 per diluted share for the first nine months of 2007.

Revenues for the nine months ended September 30, 2008 were \$829.8 million, up \$113.2 million or 16% from \$716.6 million for the same period in 2007. This increase primarily reflects higher average realized sales prices and higher molybdenum sales volumes in the current year period. Average realized molybdenum sales prices for the first nine months of 2008 were \$32.75 per pound, up 16% from \$28.20 per pound in the first nine months of 2007. Molybdenum sold from the Corporation's own mines in the first nine months of 2008 was 15.8 million pounds, down from 16.3 million pounds sold in the same period in 2007. This volume variance can be attributed to a number of factors including lower production at the Corporation's mines in the fourth quarter of 2007, resulting in less product being available for sale during the first quarter of 2008. At the beginning of 2007, a greater volume of product inventory was available which allowed for greater sales in the first quarter of 2007. The number of pounds of material toll roasted and processed for third parties was down 63% in the first nine months of 2008 relative to the same period in 2007, primarily due to lower demand for these services in the current year period.

Operating expenses for the nine months ended September 30, 2008 were \$447.5 million, up \$32.5 million or 8% from \$415.0 million for the same period in 2007. The comparative operating expense amount for 2007 includes \$29.6 million in non-cash costs related to fair value adjustments arising from the purchase price allocated to inventory on hand at the acquisition of Thompson Creek Metals Company USA which were sold in the 2007 period, with no comparable item in the current period. Additionally, higher-cost opening inventory, increased cash operating expenses per pound and higher market prices for molybdenum product purchased for processing and resale in the first nine months of 2008 also contributed to increased operating expenses compared to the same period in 2007.

Direct production costs per pound produced from the Corporation mines declined in the 2008 period to \$7.31 per pound produced from \$7.69 per pound produced for the comparable quarter in 2007. The decline in direct production costs is due to higher production volumes as a result of higher ore grades, recoveries and throughput at the Corporation's mines, which were partially offset by higher labour costs, higher milling costs (due primarily to higher grinding ball costs and freight costs) and higher mining costs (primarily due to increased fuel and consumption costs together with major equipment rebuilds).

Depreciation, depletion and amortization expense for the nine months ended September 30, 2008 was \$31.2 million or 22% less than \$39.8 million for the first nine months of 2007. This decrease is primarily due to the effects of increased mineral reserve bases established at both of the Corporation's mines in late 2007.

General and administrative expense for the nine months ended September 30, 2008 was \$15.7 million, compared to \$9.4 million for the same period in 2007. This increase primarily relates to amounts accrued under a bonus program, an accrual related to the transition of functions from Vancouver to Denver, increased public company costs related to Sarbanes-Oxley compliance work and higher legal and consulting costs. In 2007, bonus amounts were discretionary and were recorded in the fourth

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quarter of that year when amounts had been approved by the Board.

Exploration and development expense for the nine months ended September 30, 2008 was \$2.5 million, down \$2.8 million from \$5.3 million for the first nine months of 2007. During the 2008 period, this expense represented the Corporation's share of development drilling activities at the Thompson Creek and Endako Mines as well as Davidson Project permitting costs. During the 2007 period, the exploration and development expense primarily represented the Davidson feasibility study released earlier in the year and to work relating to permitting this project.

Interest and finance fees for the nine months ended September 30, 2008 were \$14.9 million, down \$20.5 million from \$35.4 million for the same period in 2007. This favourable variance can be attributed to the repayment of the first lien loan in the second quarter of 2008, which eliminated the interest expense on such facility in the third quarter. The 2008 amount also includes a \$4.4 million expense for finance fees related to the early repayment of the first lien credit facility and the 2007 amount includes both a one-time prepayment premium of \$2.5 million and a \$3.5 million expense for finance fees related to the early repayment of the second lien credit facility.

Stock-based compensation for the nine months ended September 30, 2008 was \$13.0 million, up \$1.5 million from \$11.5 million for first nine months of 2007, due to additional options granted with higher Black-Scholes values in the second and third quarters of 2008.

Interest income for the nine months ended September 30, 2008 was \$2.3 million, down \$3.7 million from \$6.0 million for the same period in 2007. This decrease is due to lower interest rates together with lower outstanding cash balances during the first nine months of 2008.

Other income for the nine months ended September 30, 2008 was \$5.9 million compared to a loss of \$2.8 million for the same period of 2007. During the 2008 period the income was primarily related to a foreign exchange gain due the strengthening of the US dollar against the Canadian dollar during the 2008 quarter, including a gain on foreign exchange derivative instruments. During the 2007 period, the loss of \$2.8 million was primarily due to a foreign exchange loss with the Canadian dollar strengthening against the US dollar, which was partially offset by a gain of foreign exchange derivative instruments.

Income and mining taxes for the nine months ended September 30, 2008 totalled \$96.0 million or 32% of income before income and mining taxes, compared to \$66.2 million or 34% of income before income and mining taxes for the same period in 2007. During the 2007 period, tax expense included \$4.4 million of withholding taxes on the cross-border distribution of earnings. Excluding these withholding taxes, the effective tax rate for the 2007 period was 32%.

Cash Flows

Cash generated by operating activities for the nine months ended September 30, 2008 was \$236.6 million compared to \$136.8 million for the same period in 2007. This increase in cash flow from operations is mainly due to the higher net income for the period.

Cash used in investing activities for the nine months ended September 30, 2008 was \$179.4 million compared to \$39.1 million for the same period in 2007. In January 2008, a \$100.0 million payment was made to the former shareholders of Thompson Creek Metals Company USA to settle an acquisition price adjustment recorded in 2007 related to the market price of molybdenum in 2007. Also in 2008, property, plant and equipment acquisitions increased by \$45.2 million to \$54.7 million largely due to Endako mill expansion costs and the purchase of haul trucks. Deferred stripping costs

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at the Thompson Creek Mine were down by \$4.8 million to \$20.7 million for the 2008 period. In 2007 stripping opened up Phase 6 while in 2008 stripping activity is focused on Phase 7.

Cash used in financing activities for the nine months ended September 30, 2008 was \$14.4 million compared to \$102.4 million for the same period in 2007. In 2008, the Corporation completed an equity financing for net proceeds of \$218.1 million on the issuance of 10,914,700 shares. In addition, 766,000 stock options were exercised in 2008 generating cash proceeds of \$5.7 million. During the 2008 period, the Corporation made \$238.2 million in principal payments on its long-term debt obligations, including \$236.2 million to fully retire borrowings on the first lien facility and \$2.0 million on equipment loans. In the first nine months of 2007, the Corporation made debt repayments of \$150.9 million, including \$61.9 million to prepay the second lien credit facility, \$87.2 million in principal payments on the first lien facility and \$1.8 million in principal payments on equipment loans. In addition, \$48.5 million was raised through the issuance of common shares during the first nine months of 2007 including \$31.9 million on the private placement of 3,000,000 shares and \$16.6 million on the exercise of stock options and warrants.

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Three and Nine Months Ended September 30, 2008

Operations Review

Thompson Creek Mine

The following is a summary of the Thompson Creek Mine's operating and financial results for the three and nine month periods ended September 30, 2008 and 2007:

(US\$ in millions except per pound amounts – Unaudited)	Three months ended September 30		Nine months ended September 30	
	2008	2007	2008	2007
Operations				
Mined (000's ore tonnes)	2,967	917	8,498	3,239
Milled (000's tonnes)	2,352	2,279	6,953	5,813
Grade (% molybdenum)	0.099	0.039	0.092	0.080
Recovery (%)	85.59	65.70	86.30	75.70
Molybdenum production (000's lb) ¹	4,328	1,131	11,941	7,316
Direct production costs (\$/lb produced) ²	\$ 6.29	\$ 15.57	\$ 7.08	\$ 7.20
Molybdenum sold (000's lb)	4,550	1,438	9,875	10,620
Realized price (\$/lb)	\$ 32.49	\$ 34.65	\$ 32.11	\$ 27.44
Cash operating expenses (\$/lb sold) ²	\$ 6.65	\$ 8.52	\$ 8.13	\$ 7.58
Financial				
Molybdenum sales	\$ 147.8	\$ 49.9	\$ 317.1	\$ 291.5
Cost of sales				
Operating expenses	33.5	12.3	83.6	110.1
Selling and marketing	1.5	0.9	3.9	3.7
Depreciation, depletion and amortization	7.2	3.7	13.9	16.3
Accretion	0.2	0.3	1.1	0.9
	42.4	17.2	102.5	131.0
Income from mining and processing	\$ 105.4	\$ 32.7	\$ 214.6	\$ 160.5

¹ Production pounds are oxide and HPM.

² Since the Thompson Creek Mine only produces sulphide on site, direct production costs includes an allocation of roasting costs incurred at the Langeloth facility to roast Thompson Creek Mine material from sulphide to oxide. See Non-GAAP Financial Measures for additional information.

The Thompson Creek Mine produced 4.3 million pounds of molybdenum in the third quarter of 2008 compared to 1.1 million pounds in the third quarter of 2007. During the first nine months of 2008, Thompson Creek Mine molybdenum production was 11.9 million pounds compared to 7.3 million pounds in the same period in 2007. During the 2008 periods the grade of ore mined was significantly higher than in the prior year periods, averaging 0.099% molybdenum over the 2008 quarter and 0.092% over the first nine months of 2008. In the comparable 2007 periods, mining activity was transitioning and much of the production in this period was from lower grade, stockpiled material with the grade averaging 0.039% molybdenum over the 2007 quarter and 0.080% molybdenum over the 2007 nine month period, respectively. Higher recoveries and higher throughput also contributed to the increase in volumes produced. Mill availability was also higher in the 2008 periods compared to 2007. Milling began operating 7 days a week, from the previous 5 days per week, in late April 2007 thus increasing throughput volumes.

Direct production costs per pound produced decreased by 60% to \$6.29 per pound for the 2008 quarter from \$15.57 per pound for the 2007 quarter. During the first nine month of 2008, direct production costs per pound produced decreased to \$7.08 per pound from \$7.20 per pound for the comparable period in 2007. This decline is primarily the result of higher production, which was partially offset by

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higher labour costs, higher milling costs (due primarily to higher grinding ball costs and freight costs) and higher mining costs (primarily due to increased fuel and consumption costs together with major equipment rebuilds). Direct production costs per pound produced are trending down over the last few quarters (Q4 2007 - \$9.96; Q1 2008 - \$8.14; Q2 2008 - \$7.02; Q3 2008 - \$6.29) as access to the core of the ore body improves and as ore grade and recoveries from this material continues to increase.

Molybdenum sold from Thompson Creek Mine material for the 2008 third quarter was 4.5 million pounds and for the 2008 nine month period 9.9 million pounds, resulting in \$147.8 million and \$317.1 million of sales revenue in the third quarter and first nine months of 2008, respectively. In the comparable periods of 2007 molybdenum sold was 1.4 million and 10.6 million pounds for the 2007 third quarter and first nine months, respectively, resulting in sales revenue of \$49.9 million for the 2007 quarter and \$291.5 million for the 2007 nine month period. Sales volumes in the 2008 third quarter were over 200% higher than the same quarter in 2007 due to the sale of inventory during the quarter which resulted in selling more pounds than was produced. From mid-April 2008 to mid-May 2008, a scheduled maintenance shutdown at the Langeloth facility caused the 2008 third quarter opening inventory to be higher. During this period, there was a build up of material from the Thompson Creek Mine at the Langeloth facility awaiting roasting. Sales volumes for the 2008 nine month period were 7% lower than the same period in 2007 due to changes in opening and closing inventory balances for both periods. In 2007, opening inventory was high and was reduced by period end resulting in sales significantly in excess of production. Near the end of 2007, lower grade material was mined from the margin of Phase 6 which limited the available inventory at the beginning of 2008. Realized prices averaged \$32.49 per pound in the third quarter of 2008 and \$32.11 per pound in the 2008 nine month period, which were 6% lower and 17% higher than prices realized in the same periods last year, respectively. During the third quarter and first nine months of 2008, sales included delivery against certain forward sales contracts related to Phase 6 production for 0.5 million and 1.3 million pounds, respectively, at an average realized sales price of \$17.40 and \$18.60 per pound, respectively. During the quarter and first nine months of 2007, sales included delivery against certain forward sales contracts with fixed-prices for 0.15 million and 0.30 million pounds, respectively, at an average realized sales price of \$28.46 and \$27.06 per pound.

Operating expenses in the third quarter and first nine months of 2008 were \$33.5 million and \$83.6 million, which were more than double the expense in the third quarter of 2007 and 24% less than the first nine months of 2007. The comparative operating expense amount for 2007 includes \$29.6 million in non-cash costs related to fair value adjustments arising from the purchase price allocated to inventory on hand at the acquisition of Thompson Creek Metals Company USA which were sold in the 2007 period, with no comparable item in the current period. For the 2008 quarter, the increased operating expenses can be attributable to a 200% increase in the pounds sold during the 2008 quarter. Additionally, input costs for fuel, grinding media, consumables and labour increased during the 2008 quarter. However, cash operating expenses per pound sold of \$6.65 in the 2008 quarter were 22% lower than the comparative 2007 quarter of \$8.52 per pound sold. Opening inventories sold during the 2008 and 2007 quarters were at a lower cost in the 2008 quarter which contributed to the lower unit costs in 2008. Cash operating expenses were \$8.13 per pound sold for the first nine months of 2008 compared to \$7.58 per pound sold for the same period in 2007. The 2007 cash operating costs per pound sold were lower due to a higher sales volume during this period compared to the 2008 period.

Depreciation, depletion and amortization expense for the third quarter and first nine months of 2008 were \$7.2 million and \$13.9 million, respectively, compared to \$3.7 million and \$16.3 million for the third quarter and nine month period of 2007, respectively. The increase for the 2008 third quarter is primarily due to the higher molybdenum sales volumes in the 2008 quarter compared to the 2007 quarter, which was partially offset by the effects of increased mineral reserve bases established at both of the Corporation's mines in late 2007. The decline for the first nine months of 2008 can primarily be

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attributed to an increased mineral reserve base established in late 2007.

Endako Mine

The following is a summary of the Corporation's 75% share of the Endako Mine's operating and financial results for the three and nine month periods ended September 30, 2008 and 2007:

(US\$ in millions except per pound amounts – Unaudited)	Three months ended September 30		Nine months ended September 30	
	2008	2007	2008	2007
Operations				
Mined (000's ore tonnes)	3,031	2,971	7,057	6,572
Milled (000's tonnes)	2,171	2,094	6,146	5,807
Grade (% molybdenum)	0.071	0.061	0.069	0.061
Recovery (%)	76.51	72.10	76.87	73.80
Molybdenum production (000's lb)	2,171	1,893	6,330	5,607
Direct production costs (\$/lb produced) ¹	\$ 7.32	\$ 9.27	\$ 7.75	\$ 8.34
Molybdenum sold (000's lb)	2,329	1,952	5,916	5,706
Realized price (\$/lb)	\$ 33.77	\$ 30.33	\$ 33.02	\$ 27.43
Cash operating expenses (\$/lb sold) ¹	\$ 8.44	\$ 9.63	\$ 8.24	\$ 8.20
Financial				
Molybdenum sales	\$ 78.6	\$ 59.2	\$ 195.3	\$ 156.5
Cost of sales				
Operating expenses	19.6	18.8	48.7	46.8
Selling and marketing	1.0	0.8	2.5	2.0
Depreciation, depletion and amortization	4.8	5.0	11.9	15.6
Accretion	0.1	0.1	0.3	0.3
	25.5	24.7	63.4	64.7
Income from mining and processing	\$ 53.1	\$ 34.5	\$ 131.9	\$ 91.8

¹ See Non-GAAP Financial Measures for additional information.

The Corporation's 75% share of molybdenum production at the Endako Mine increased in the third quarter of 2008 to 2.2 million pounds from 1.9 million pounds for the third quarter of 2007. For the first nine months of 2008, the Corporation's share of molybdenum production at the Endako Mine increased to 6.3 million pounds for the 2008 period compared to 5.6 million pounds for the 2007 period. The mill throughput increased relative to the prior year periods, with the processing of ore that had higher grades and higher recoveries from ore mined in the Denak pit in 2008 compared to ore mined in the Endako pit for 2007. Grades for the third quarter of 2008 versus 2007 were 0.071% vs. 0.061% molybdenum and recoveries were 76.51% vs. 72.10%. For the first nine months of 2008, grades were 0.069% vs. 0.061% molybdenum and recoveries were 76.87% vs. 73.80%.

Direct production costs per pound decreased by 21% to \$7.32 per pound for the 2008 quarter from \$9.27 per pound for the 2007 quarter. During the first nine months of 2008, direct production costs per pound decreased to \$7.75 per pound from \$8.34 per pound for the comparable period in 2007. This decline is primarily the result of higher production, which was partially offset by higher labour costs, higher milling costs (due primarily to higher consumable costs and higher repairs and maintenance costs) and higher mining costs (primarily due to increased fuel and consumption costs).

The Corporation's share of molybdenum sold from Endako Mine for the third quarter of 2008 was 2.3 million pounds resulting in \$78.6 million of sales revenue in the third quarter of 2008. In the comparable quarter of 2007, molybdenum sold was 1.9 million pounds resulting in sales revenue of

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\$59.2 million. Sales volumes in the third quarter of 2008 were higher than production due to a higher opening inventory as a result of an inventory build up during the second quarter in anticipation of a planned three week maintenance shutdown of the Endako roaster in July 2008.

The Corporation's share of molybdenum sold from Endako Mine for the first nine months of 2008 was 5.9 million pounds resulting in \$195.3 million of sales revenue in the 2008 period. In the comparable period of 2007, molybdenum sold was 5.7 million pounds resulting in sales revenue of \$156.5 million. Sales volumes in the first nine months of 2008 were higher than the 2007 period due to increased production volumes together with a higher opening inventory level in the 2008 period compared to the 2007 period.

In addition to the increased volume sold in the 2008 periods, stronger average sales prices were realized resulting in increased revenues. Average realized prices for the third quarter and first nine months of 2008 were \$33.77 per pound and \$33.02 per pound, respectively, or \$3.44 per pound and \$5.59 per pound higher than average realized prices for the third quarter and first nine months of 2007, respectively.

The Corporation's share of operating expenses in the third quarter of 2008 was \$19.6 million, or 4% greater than the comparable 2007 quarter. Operating expenses for the first nine months of 2008 were \$48.7 million, or 4% greater than the same period in 2007. For the 2008 periods, fuel, consumables, electrical services and labour costs increased. Cash operating expenses per pound sold of \$8.44 in the 2008 quarter were 13% lower than the comparative 2007 quarter. Opening inventories sold during the 2008 and 2007 quarters were at a lower cost in 2008 which contributed to the lower unit costs compared to the 2007 quarter. Cash operating expenses per pound sold of \$8.24 for the first nine months of 2008 was substantially the same as the comparative 2007 period. During the first nine months of 2008, opening inventory that was sold in 2008 was at a higher-cost which resulted in the cash operating expenses per pound sold to be substantially the same period over period.

Depreciation, depletion and amortization expense for the third quarter and first nine months of 2008 were \$4.8 million and \$11.9 million, respectively, compared to \$5.0 million and \$15.6 million for the third quarter and nine month periods of 2007, respectively. The decreases can primarily be attributed to an increased mineral reserve base established in late 2007.

The Endako mill expansion project was approved during the first quarter of 2008. This project is expected to increase milling capacity to 50,000 tonnes per day from the current 28,000 tonnes per day. Work on the project has now commenced with detailed engineering in progress, earthwork and site preparation and the placement of orders for major mill equipment. Through September 30, 2008, the Corporation's 75% share of Endako expansion capital incurred was \$24 million, with the 75% share of the additional capital commitments as of that date being approximately \$69.9 million. The Corporation's share of the capital costs are expected to be approximately Cdn\$280.0 million over the period from 2008 to 2010.

Other Operations

The Corporation operates the Langeloth Metallurgical Facility located near Pittsburgh, Pennsylvania. Operations at Langeloth include roasting of molybdenum sulphide concentrate into molybdenum oxide, upgrading molybdenum oxide to pure sublimed oxide, oxide briquettes, ferromolybdenum, as well as the roasting of other metal products. Langeloth also processes molybdenum and certain other metals for other third parties on a tolling, or cost-per-unit processed, basis.

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Concentrate produced by the Thompson Creek Mine provides much of the feed source for the operations at Langeloth. From time to time, concentrate produced by the Endako Mine also provide a feed source for the operations at Langeloth. In addition, molybdenum product is also purchased from third parties for processing at the Langeloth facility. These purchases are made to improve operating efficiency by increasing capacity utilization at the Langeloth facility and to maintain customers with a continuing molybdenum supply, especially in periods when molybdenum produced from the Corporation's mining operations is lower.

Operating results for other operations represent activities related to the roasting and processing of third-party concentrate and other metals at the Langeloth facility and excludes product volumes and costs related to the roasting and processing of Thompson Creek and Endako Mine concentrate. Langeloth costs associated with roasting and processing of Thompson Creek Mine and Endako Mine concentrate are included in their respective operating results.

The following is a summary of other operations' operating results for the three and nine month periods ended September 30, 2008 and 2007:

(Unaudited)	Three months ended		Nine months ended	
	September 30		September 30	
	2008	2007	2008	2007
Operations				
Molybdenum sold from purchased product (000's lb)	3,044	2,722	9,116	8,426
Realized price on molybdenum sold from purchased product (\$/lb)	\$ 32.69	\$ 31.91	\$ 33.27	\$ 29.66
Toll roasted and upgraded molybdenum (000's lb)	1,471	2,191	3,981	10,816
Roasted metal products processed (000's lb)	6,108	7,450	18,278	19,548

In the third quarter and first nine months of 2008, 3.0 million pounds and 9.1 million pounds of molybdenum processed from purchased concentrate were sold, up 12% and 8% from the amount sold in the comparative periods in 2007, respectively. While purchases of third-party concentrates have declined in the 2008 periods compared to the prior year periods due to increased production at Thompson Creek Mine, the purchased concentrate sales volumes were higher due to increased opening inventory balances in the 2008 periods. Prices averaged \$32.69 per pound and \$33.27 per pound in the third quarter and first nine months of 2008, respectively, increasing \$0.74 per pound and \$3.61 per pound realized for the respective prior year periods.

The volume of toll roasted and upgraded molybdenum sold decreased by 32% and 63% in the third quarter and first nine months of 2008 compared to the same periods in 2007. This decrease was anticipated due to reduced demand for this service as a result of additional roasting capacity in the marketplace. In these same periods, the volume of other roasted metal products processed decreased by 18% and 6% for the 2008 quarter and first nine months of 2008, respectively.

Davidson Project

Permitting of the project continued throughout the first nine months of 2008. A detailed feasibility study was completed on the Davidson Project in March 2008 which indicated a capital cost of Cdn\$109.0 million and completion in 2010. The environmental application for the Davidson Project has been submitted to the regulatory authorities. However, given current economic conditions, management has made a decision to postpone the development of this project until economic conditions improve.

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Mount Emmons Project

In August 2008, the Corporation signed an option with USE to acquire up to 75% of an underground molybdenum project in the US state of Colorado. The Corporation made a \$0.5 million payment to USE upon signing the agreement and under the terms of the agreement, unless the agreement is terminated early, the Corporation will make annual payments of \$1.0 million to USE for a period of six years beginning January 1, 2009 and ending January 1, 2014. The Corporation can earn the right to acquire a 15% interest in the property by spending a total of \$15.0 million on the property, including the Minimum Payments to USE, by June 30, 2011. The Corporation can earn a 50% interest in the property by spending a cumulative total of \$50.0 million on the property by July 31, 2018. If the Corporation terminates the agreement during the option period, advance or shortfall payments made to that date are forfeited and the Corporation remains obligated to maintain the property in good standing for a period of three months thereafter. Should the Corporation obtain a 50% interest in the property, the Corporation may elect to form a 50/50 joint venture with USE, or may elect to increase its interest in the property to 75% by incurring an additional \$350.0 million in project expenditures, for a cumulative total of \$400.0 million in expenditures and payments.

Liquidity and Capital Resources

At September 30, 2008, the Corporation had cash and cash equivalents of \$151.7 million, up from cash and cash equivalents of \$113.7 million at December 31, 2007. Operating activities provided \$236.6 million during the nine month period ended September 30, 2008. The use of funds for investing activities was \$179.4 million, including \$100.0 million paid to the former owners of the Thompson Creek Metals Company USA in settlement of a contingent liability based on molybdenum prices in 2007. The use of funds for financing activities included the \$236.2 million repayment of the outstanding first lien loan incurred for acquisition of Thompson Creek Metals Company USA, which was primarily funded through the share issue proceeds of \$223.8 million. This loan repayment was the most significant factor for 2008 contributing to improved liquidity, eliminating future principal and interest payments.

The Corporation has committed to construct the Endako mill expansion, at an estimated cost of Cdn\$280.0 million for its 75% share, from 2008 to 2010. At September 30, 2008, the Corporation's share of commitments to purchase major mill equipment for the Endako mill expansion was approximately \$69.9 million. These purchases are anticipated to be made over the next two year period.

The revolving credit facility which was part of the first lien loan that was repaid was amended and increased from \$22.5 million to \$35.0 million during the third quarter. To date, there have not been any borrowings under this amended revolving credit facility. At September 30, 2008, the Corporation had \$4.7 million in outstanding equipment loans. In October, an additional equipment loan of \$14.0 million was put in place for haul trucks purchased at the Thompson Creek Mine. Management intends to continue to utilize equipment loans to finance the acquisition of new mobile equipment during the remainder of 2008 and calendar 2009.

Cash flows generated from the sale of planned production together with existing cash reserves, the revolving credit facility and equipment financings are expected to meet the Corporation's cash requirements for operations and sustaining capital as well as planned future capital expenditures. In light of the recent worldwide financial crisis and economic downturn together with the resulting uncertainty about the near-term demand and price outlook for molybdenum, management is in the process of reviewing and revising future capital expenditures, development projects and operating plans to ensure that adequate working capital levels are maintained.

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Non-GAAP Financial Measures – Direct Production Costs per Pound Produced and Cash Operating Expenses per Pound Sold

Throughout this MD&A reference is made to direct production costs per pound produced and cash operating expenses per pound sold. Direct production costs per pound produced and cash operating expenses per pound sold are considered key measures by Thompson Creek in evaluating the Corporation's operating performance. Direct production costs and cash operating expenses are not measures of financial performance, nor do they have standardized meanings prescribed by generally accepted accounting principles ("GAAP"), and they may not be comparable to similar measures presented by other companies. The Corporation's management believes these non-GAAP measures provides useful supplemental information to investors in order that they may evaluate the Corporation's financial performance using the same measures as management, and that as a result, the investor is afforded greater transparency in assessing the financial performance of the Corporation. Non-GAAP financial measures should not be considered as a substitute for, nor superior to, measures of financial performance prepared in accordance with GAAP.

The following tables provide a reconciliation of direct production costs per pound produced and cash operating expenses per pound sold and operating expenses included in the Corporation's consolidated statements of income in the determination of net income for the three and nine month periods ended September 30, 2008 and 2007.

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Three Month Period ended September 30 (US\$ in millions except per pound amounts – Unaudited)

Oxide Production Cost per Pound Produced

	2008			2007		
		Pounds ¹ Produced (000's lbs)	\$/lb		Pounds ¹ Produced (000's lbs)	\$/lb
Thompson Creek Mine						
Oxide production cost ²	\$ 27.2	4,328	\$ 6.29	\$ 17.6	1,131	\$ 15.57
Upgrade costs ³	2.6			1.2		
Amortization of deferred stripping costs	(1.8)			–		
Write-down of materials and supplies inventory	3.3			–		
Inventory change	2.2			(6.5)		
Operating expenses	<u>\$ 33.5</u>			<u>\$ 12.3</u>		
Endako Mine						
Oxide production cost	\$ 15.9	2,171	\$ 7.32	\$ 17.6	1,893	\$ 9.27
Inventory change	3.7			1.2		
Operating expenses	<u>\$ 19.6</u>			<u>\$ 18.8</u>		
Weighted-average oxide production cost	<u>\$ 43.1</u>	6,499	\$ 6.63	<u>\$ 35.2</u>	3,024	\$ 11.63

Cash Operating Expenses per Pound Sold

	2008			2007		
	Operating Expenses	Pounds Sold ⁴ (000's lbs)	\$/lb	Operating Expenses	Pounds Sold ⁴ (000's lbs)	\$/lb
Thompson Creek Mine						
Cash operating expenses ⁵	\$ 30.2	4,550	\$ 6.65	\$ 12.3	1,438	\$ 8.52
Write-down of materials and supplies inventory	3.3			–		
	<u>33.5</u>			<u>12.3</u>		
Endako Mine						
Cash operating expenses	19.6	2,329	\$ 8.44	18.8	1,952	\$ 9.63
Other Operations	<u>102.1</u>	<u>3,044</u>		<u>94.4</u>	<u>2,722</u>	
Operating expenses – consolidated	<u>\$ 155.2</u>	<u>9,923</u>		<u>\$ 125.5</u>	<u>6,113</u>	
Weighted-average cash operating expenses	<u>\$ 49.8</u>	<u>6,879</u>	\$ 7.25	<u>\$ 31.1</u>	<u>3,391</u>	\$ 9.16

¹ Pounds of molybdenum oxide produced.

² Since the Thompson Creek Mine only produces sulphide on site, oxide production costs includes an allocation of roasting costs incurred at the Langeloth facility to roast Thompson Creek Mine material from sulphide to oxide.

³ Includes costs to convert oxide to other products sold.

⁴ Pounds of all molybdenum products sold.

⁵ Excludes stripping costs which have been deferred in the period.

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Nine Month Period ended September 30 (US\$ in millions except per pound amounts – Unaudited)

Oxide Production Cost per Pound Produced

	2008			2007		
		Pounds ¹ Produced (000's lbs)	\$/lb		Pounds ¹ Produced (000's lbs)	\$/lb
Thompson Creek Mine						
Oxide production cost ²	\$	84.5	11,941	\$	7.08	\$ 52.7 7,316 \$ 7.20
Upgrade costs ³		5.0			4.9	
Amortization of deferred stripping costs		(4.9)			–	
Write-down of materials and supplies inventory		3.3			–	
Inventory purchase price adjustment ⁴		–			29.6	
Inventory change		(4.3)			22.9	
Operating expenses	\$	<u>83.6</u>		\$	<u>110.1</u>	
Endako Mine						
Oxide production cost	\$	49.0	6,330	\$	7.75	\$ 46.8 5,607 \$ 8.34
Inventory change		(0.3)			–	
Operating expenses	\$	<u>48.7</u>		\$	<u>46.8</u>	
Weighted-average oxide production cost	\$	<u>133.5</u>	18,271	\$	7.31	\$ <u>99.5</u> 12,923 \$ 7.69

Cash Operating Expenses per Pound Sold

	2008			2007		
	Operating Expenses	Pounds Sold ⁵ (000's lbs)	\$/lb	Operating Expenses	Pounds Sold ⁵ (000's lbs)	\$/lb
Thompson Creek Mine						
Cash operating expenses ⁶	\$	80.3	9,875	\$	8.13	\$ 80.5 10,620 \$ 7.58
Write-down of materials and supplies inventory		3.3			–	
Inventory purchase price adjustment ⁴		–			29.6	
		<u>83.6</u>			<u>110.1</u>	
Endako Mine						
Cash operating expenses		48.7	5,916	\$	8.24	\$ 46.8 5,706 \$ 8.20
Other Operations		<u>315.2</u>	<u>9,116</u>		<u>258.1</u>	<u>8,426</u>
Operating expenses – consolidated	\$	<u>447.5</u>	<u>24,907</u>	\$	<u>415.0</u>	<u>24,753</u>
Weighted-average cash operating expenses	\$	<u>129.0</u>	<u>15,791</u>	\$	8.17	\$ <u>127.3</u> 16,327 \$ 7.80

¹ Pounds of molybdenum oxide produced.

² Since the Thompson Creek Mine only produces sulphide on site, oxide production costs includes an allocation of roasting costs incurred at the Langeloth facility to roast Thompson Creek Mine material from sulphide to oxide.

³ Includes costs to convert oxide to other products sold.

⁴ A non-cash fair-value adjustment was charged to operating expenses as inventory purchased on acquisition of Thompson Creek Metals Company USA was sold.

⁵ Pounds of all molybdenum products sold.

⁶ Excludes stripping costs which have been deferred in the period.

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Cautionary Statement on Forward-looking Information

This MD&A contains “forward-looking information” within the meaning of the United States Private Securities Litigation Reform Act of 1995 and applicable Canadian securities legislation which may include, but is not limited to, statements with respect to the timing and amount of estimated future production. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes” or variations (including negative variations) of such words and phrases, or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Thompson Creek and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include those factors discussed in the section entitled “Risk Factors” in Thompson Creek’s current annual information form which is available on SEDAR at www.sedar.com and is incorporated in its Annual Report on Form 40-F filed with the United States Securities and Exchange Commission which is available at www.sec.gov. Although Thompson Creek has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this MD&A and Thompson Creek does not undertake to update any such forward-looking statements, except in accordance with applicable securities laws. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

Critical Accounting Estimates

In preparing financial statements, management has to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Critical accounting assumptions affect the consolidated financial statements materially and require a significant level of judgement by management. There is a reasonable likelihood that materially different amounts could be reported under different conditions or using different assumptions and estimates.

Goodwill and Goodwill Impairment

Goodwill arising from business combinations is allocated to reporting units by preparing estimates of the fair value of each reporting unit as compared to the fair value of the assets and liabilities of the reporting unit. Goodwill is tested for impairment on an annual basis or when circumstances indicate that the value may have become impaired. This assessment includes a comparison of the carrying value and fair value of each reporting unit to determine whether the fair value exceeds its carrying value. If the carrying value exceeds the fair value a more detailed goodwill impairment assessment would have to be undertaken. In determining fair value, management must exercise judgment and make assumptions and different judgments and assumptions could affect the determination of fair value and any resulting impairment write-down.

At December 31, 2007, each reporting unit’s estimated fair value was greater than its carrying value. As of September 30, 2008, management assessed impairment indicators and concluded that there were no indicators that would require a full impairment analysis of goodwill or long lived assets. This assessment was based primarily on an analysis of the potential impact of declines in both the market price of the Corporation’s common shares and recent softening of the molybdenum prices. However,

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the timing and amount of future goodwill impairment charges is difficult to determine and may be impacted by molybdenum prices, the timing and future value of additions to proven and probable mineral reserves, operating costs, level of capital expenditures and currency exchange, discount and interest rates.

Depreciation, Depletion and Amortization

Plant, facilities and machinery used directly in mining operations are amortized using the units-of-production method over the estimated life of the ore body based on recoverable pounds to be mined from estimated proven and probable mineral reserves. Mobile and other equipment are depreciated on a straight-line basis over the shorter of their estimated useful life and the life of the mine.

The estimate that most significantly affects the unit of production rate is the quantities of proven and probable molybdenum mineral reserves. The estimation of the extent of mineral reserves is a complex task in which a number of estimates and assumptions are made. These involve the use of geological sampling and models as well as estimate of long term molybdenum prices and future costs. This data could change over time as a result of numerous factors including new information gained from development activities, evolving production history and a reassessment of the viability of production under different economic conditions. Significant judgment is involved in the reserve estimates and actual results may differ significantly from current assumptions.

Property, Plant and Equipment

The Corporation reviews and evaluates the carrying value of its operating mines and development properties for impairment when events or changes in circumstances indicate that the carrying value of the assets may not be recoverable.

An impairment loss is measured and recorded when the carrying amount exceeds the estimated future undiscounted cash flows. These future cash flows are developed using assumptions that reflect the long-term operating plans for an asset given management's best estimate of the most probable set of economic conditions. Changes in market conditions, reserve estimates and other assumptions used in these estimates may result in future write-downs.

Asset Retirement Obligations

Accounting for reclamation and remediation obligations requires management to make estimates of the future costs the Corporation will incur to complete the work required to comply with existing laws and regulation at each mining operation. Actual costs may differ from those amounts estimated. Also, future changes to environmental laws and regulations could increase the extent of reclamation and remediation work required.

Income and Mining Taxes

The determination of the Corporation's tax expense for the year and its future tax liabilities and assets involves significant management estimation and judgment involving a number of assumptions. In determining these amounts, management interprets tax legislation in a variety of jurisdictions and makes estimates of the expected timing of the reversal of future tax assets and liabilities. Management also makes estimates of future earnings which affect the extent to which potential future tax benefits may be used. The Corporation is subject to assessments by various taxation authorities which may interpret tax legislation differently. These differences may affect the final amount or the timing of the

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payment of taxes. The Corporation provides for such differences where known based on management's best estimate of the probable outcome of these matters.

Accounting Changes

a) *Financial Instruments 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 Notes 19 and 20 of the unaudited interim consolidated financial statements for the three and nine months ended September 30, 2008).

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. A key requirement 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 adoption of this standard is not expected to have an impact on the Corporation's financial statements.

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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 Corporation has undertaken a diagnostic review of IFRS and its impact to the Corporation. Once completed and reviewed, the Corporation will identify an IFRS project manager and develop a project plan for the transition to IFRS. The impact of the transition to IFRS on the Corporation's consolidated financial statements has not yet been determined.

Outstanding Share Data

Common shares and convertible securities outstanding at November 6, 2008 were:

Security	Expiry Dates	Exercise Price (Cdn\$)	Common Shares on Exercise (000's)
Common shares			122,653
Warrants	October 23, 2011	\$9.00	24,505
Share options	August 11, 2010 to August 8, 2013	\$0.60 to \$23.93	8,343
			<u>155,501</u>