ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders
Thompson Creek Metals Company Inc.:

We have audited the accompanying consolidated balance sheet of Thompson Creek Metals Company Inc. and subsidiaries as of December 31, 2009, and the related consolidated statements of operations, shareholders' equity and comprehensive income, and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Thompson Creek Metals Company Inc. and subsidiaries as of December 31, 2009, and the results of their operations and their cash flows for the year ended December 31, 2009, in conformity with U.S. generally accepted accounting principles.

Generally accepted accounting principles in the United States vary in certain significant respects from Canadian generally accepted accounting principles. Information relating to the nature and effect of such differences in presented in Note 22 to the consolidated financial statements.

As discussed in Note 2 to the consolidated financial statements, the Company has changed its goodwill impairment testing measurement date in 2009.

As discussed in Note 3 to the consolidated financial statements, the Company has changed its method of accounting for common stock warrants in 2009.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Thompson Creek Metals Company Inc.'s internal control over financial reporting as of December 31, 2009, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated February 25, 2010 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

/s/ KPMG LLP

Denver, Colorado
February 25, 2010

Independent Auditors' Report

To the Shareholders of Thompson Creek Metals Company Inc.

We have audited the accompanying consolidated balance sheet of Thompson Creek Metals Company Inc. as at December 31, 2008, and the related consolidated statements of operations, shareholders' equity and comprehensive income, and cash flows for each of the years in the two year period ended December 31, 2008. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits of the Company's financial statements in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform an audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. A financial statement audit also includes assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as at December 31, 2008, and the results of its operations and its cash flows for each of the years in the two year period ended December 31, 2008 in accordance with United States generally accepted accounting principles.

/s/ PricewaterhouseCoopers LLP

Chartered Accountants
Vancouver, British Columbia
March 19, 2009

THOMPSON CREEK METALS COMPANY INC.

CONSOLIDATED BALANCE SHEETS

(US dollars in millions)

	December 31,	
	2009	2008 (recast US GAAP)
ASSETS		
Current assets		
Cash and cash equivalents	$ 158.5	$ 258.0
Short-term investments	353.0	—
Accounts receivable—trade	32.4	46.1
Accounts receivable—related parties	10.3	8.9
Product inventory	43.5	59.9
Material and supplies inventory	34.5	36.2
Prepaid expense and other current assets	6.0	6.3
Income tax receivable	4.8	1.4
	643.0	416.8
Property, plant and equipment, net	605.7	538.5
Restricted cash	16.8	14.2
Reclamation deposits	30.3	26.9
Goodwill	47.0	47.0
Other assets	1.8	3.0
	$1,344.6	$1,046.4
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	$ 29.9	$ 36.5
Income and mining taxes payable	3.6	7.5
Current portion of long-term debt	3.7	5.6
Deferred income tax liabilities	6.7	8.1
	43.9	57.7
Long-term debt	9.2	11.7
Other liabilities	24.6	21.8
Asset retirement obligations	24.8	23.3
Common stock warrant derivatives (Note 7d)	115.4	—
Deferred income tax liabilities	141.3	141.3
	359.2	255.8
Commitments and contingencies (Note 14)		
Shareholders' equity		
Common stock, no-par, 139,511,257 and 122,253,257 shares issued and outstanding, as of December 31, 2009 and 2008, respectively	697.1	485.7
Common stock warrants (Note 3)	—	35.0
Additional paid-in-capital	45.7	40.4
Retained earnings (Note 3)	232.8	275.8
Accumulated other comprehensive income (loss)	9.8	(46.3)
	985.4	790.6
	$1,344.6	$1,046.4

See accompanying notes to consolidated financial statements.

THOMPSON CREEK METALS COMPANY INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

(US dollars in millions, except per share amounts)

	Years Ended December 31,		
	2009	2008	2007
		(Recast US GAAP)	
REVENUES			
Molybdenum sales	$361.9	$ 992.2	$891.1
Tolling, calcining and other	11.5	19.2	23.3
	373.4	1,011.4	914.4
COST OF SALES			
Operating expenses	241.3	557.4	588.8
Selling and marketing	6.2	10.1	9.0
Depreciation, depletion and amortization	43.4	40.0	48.2
Accretion expense	1.4	1.7	1.7
	292.3	609.2	647.7
OTHER (INCOME) EXPENSES			
Goodwill impairment	—	68.2	—
General and administrative	25.1	37.9	25.1
Exploration	6.3	8.0	4.6
Loss (gain) on foreign exchange	10.9	(21.5)	2.1
Interest and finance fees	1.2	15.1	42.1
Interest income	(1.5)	(2.4)	(7.8)
Change in fair value of common stock warrants (Note 7d)	93.4	—	—
Other	(0.3)	(0.5)	(0.7)
	135.1	104.8	65.4
Income (loss) before income and mining taxes	(54.0)	297.4	201.3
Income and mining taxes (benefit)			
Current	17.2	112.7	103.1
Deferred	(15.2)	11.6	(41.4)
	2.0	124.3	61.7
NET INCOME (LOSS)	$(56.0)	$ 173.1	$139.6
NET INCOME (LOSS) PER SHARE			
Basic	$(0.44)	$ 1.45	$ 1.27
Diluted	$(0.44)	$ 1.31	$ 1.10
Weighted average number of common shares			
Basic	127.5	119.5	110.2
Diluted	127.5	131.7	126.6

See accompanying notes to consolidated financial statements.

THOMPSON CREEK METALS COMPANY INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(US dollars in millions)

	Year Ended December 31,		
	2009	2008	2007
		(Recast US GAAP)	
OPERATING ACTIVITIES			
Net income (loss)	$ (56.0)	$ 173.1	$ 139.6
Items not affecting cash:			
Goodwill impairment	—	68.2	—
Change in fair value of warrants	93.4	—	—
Depreciation, depletion and amortization	43.4	40.0	48.2
Accretion expense	1.4	1.7	1.7
Amortization of finance fees	—	5.4	7.5
Stock-based compensation	9.2	15.6	16.3
Deferred income taxes (benefit)	(15.2)	11.6	(41.3)
Unrealized loss (gain) on derivative instruments	3.5	(15.4)	4.8
Change in working capital accounts (Note 19)	26.2	88.8	(28.4)
Cash generated by operating activities	105.9	389.0	148.4
INVESTING ACTIVITIES			
Short-term investments	(341.3)	—	—
Capital expenditures	(66.1)	(101.3)	(14.7)
Restricted cash	(2.6)	(4.2)	(1.6)
Reclamation deposit	(2.6)	(1.0)	(2.8)
Acquisition cost (Note 6)	—	(100.0)	—
Cash used in investing activities	(412.6)	(206.5)	(19.1)
FINANCING ACTIVITIES			
Proceeds from issuance of common shares, net	206.0	223.9	50.8
Repurchase of common shares	—	(19.2)	—
Repayment of long-term debt	(5.3)	(262.1)	(168.2)
Proceeds from issuance of long-term debt	—	36.5	—
Cash generated (used) by financing activities	200.7	(20.9)	(117.4)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	6.5	(17.3)	3.7
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(99.5)	144.3	15.6
Cash and cash equivalents, beginning of period	258.0	113.7	98.1
Cash and cash equivalents, end of period	$ 158.5	$ 258.0	$ 113.7

Supplementary cash flow information (Note 19)

See accompanying notes to consolidated financial statements.

THOMPSON CREEK METALS COMPANY INC.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY and COMPREHENSIVE INCOME
Years Ended December 31, 2009, 2008, and 2007
(US dollars in millions, except share data in thousands)

	Common Stock		Paid-in Capital	Retained Earnings (Deficit)	Common Stock Purchase Warrants	Accumulated Other Comprehensive Income (Loss)	Total
	Shares	Amount					
Balances at January 1, 2007	100,528	$211.5	$15.0	$(28.0)	$ 35.5	$ (9.6)	$224.4
Issuance of common stock, net	3,000	31.9	—	—	—	—	31.9
Amortization of the fair value of stock options	—	—	16.3	—	—	—	16.3
Proceeds from stock option exercises	4,720	15.3	—	—	—	—	15.3
Transferred from paid-in capital on exercise of options	—	6.9	(6.9)	—	—	—	—
Proceeds from the exercise of warrants	5,116	3.6	—	—	—	—	3.6
Transferred from paid-in capital on exercise of warrants	—	0.5	—	—	(0.5)	—	—
Stock-based compensation tax adjustment	—	—	2.1	—	—	—	2.1
Comprehensive income:							
Net income	—	—	—	139.6	—	—	139.6
Foreign currency translation	—	—	—	—	—	37.8	37.8
Total comprehensive income	—	—	—	—	—	—	177.4
Balances at December 31, 2007	113,364	$269.7	$26.5	$111.6	$ 35.0	$ 28.2	$471.0
Issuance of common stock, net	10,915	218.1	—	—	—	—	218.1
Amortization of the fair value of stock options	—	—	15.6	—	—	—	15.6
Proceeds from stock option exercises	776	5.8	—	—	—	—	5.8
Transferred from paid-in capital on exercise of options	—	2.7	(2.7)	—	—	—	—
Proceeds from the exercise of warrants	1	—	—	—	—	—	—
Stock-based compensation tax adjustment	—	—	0.9	—	—	—	0.9
Share Repurchase	(2,803)	(10.6)	0.1	(8.9)	—	—	(19.4)
Comprehensive income:							
Net income	—	—	—	173.1	—	—	173.1
Foreign currency translation	—	—	—	—	—	(74.5)	(74.5)
Total comprehensive income	—	—	—	—	—	—	98.6
Balances at December 31, 2008	122,253	$485.7	$40.4	$275.8	$ 35.0	$(46.3)	$790.6
Cumulative adjustment—warrant accounting (Note 3)	—	—	—	13.0	(35.0)	—	(22.0)
Balances at January 1, 2009	122,253	485.7	40.4	288.8	—	(46.3)	768.6
Issuance of common stock, net	15,500	194.6	—	—	—	—	194.6
Amortization of the fair value of stock options	—	—	10.5	—	—	—	10.5
Proceeds from stock option exercises	1,757	11.4	—	—	—	—	11.4
Transferred from paid-in capital on exercise of options	—	5.4	(5.4)	—	—	—	—
Proceeds from the exercise of warrants	1	—	—	—	—	—	—
Stock-based compensation tax adjustment	—	—	0.2	—	—	—	0.2
Comprehensive income:							
Net income (loss)	—	—	—	(56.0)	—	—	(56.0)
Foreign currency translation	—	—	—	—	—	56.1	56.1
Total comprehensive income	—	—	—	—	—	—	0.1
Balances at December 31, 2009	139,511	$697.1	$45.7	$232.8	$ —	$ 9.8	$985.4

See accompanying notes to consolidated financial statements.

THOMPSON CREEK METALS COMPANY INC.

Notes to the Consolidated Financial Statements

Years ended December 31, 2009, 2008 and 2007

(US dollars in millions, except per share amounts)

1. Description of Business

Thompson Creek Metals Company Inc. (the "Corporation") is a North American molybdenum mining corporation, governed by the laws of British Columbia, with vertically integrated mining, milling, processing and marketing operations in Canada and the United States ("US"). The US operations include the Thompson Creek Mine (mine and mill) in Idaho and the Langeloth Metallurgical Roasting Facility in Pennsylvania. The Canadian operation consists of 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 has two underground molybdenum exploration projects comprised of an option to acquire up to 75% of the Mount Emmons molybdenum property ("Mt. Emmons Project"), located in Colorado, and the 100% owned Davidson molybdenum property ("Davidson Project"), located in British Columbia.

2. Significant Accounting Policies

Basis of Preparation

The Corporation determined that as of June 30, 2009 more than 50% of its outstanding shares were held by US residents. Therefore, the Corporation no longer meets the definition of a foreign private issuer under the Rules and Regulations of the US Securities and Exchange Commission ("SEC"). The Corporation is required to file as a domestic US registrant with the SEC beginning January 1, 2010 related to its filings with the SEC. As a result, the accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP"). Prior to becoming a domestic registrant in the United States, the Corporation prepared its consolidated financial statements in accordance with generally accepted accounting principles in Canada ("Canadian GAAP"). The previously issued consolidated financials for 2008 and 2007 have been recast to US GAAP from Canadian GAAP. Significant measurement differences between US GAAP and Canadian GAAP are described in Note 22.

All financial figures are presented in US dollars unless otherwise stated.

Principles of Consolidation

The consolidated financial statements include the accounts of the Corporation and its subsidiaries.

The Corporation also consolidates its 75% proportionate interest in the accounts of the unincorporated Endako Mine. Intercompany accounts and transactions have been eliminated on consolidation.

Certain comparative information has been reclassified to conform to the current year's presentation.

Currency Translation

The functional currency of the Corporation and its US operations is the US dollar. Monetary assets and liabilities denominated in foreign currencies are translated into US dollars at exchange rates in effect at the balance sheet date with resulting gains or losses being reported in other income or expense in the computation of net income. Other non-monetary assets and liabilities are translated at

2. Significant Accounting Policies (Continued)

historic rates. Revenues, expenses and cash flows completed in foreign currencies are translated into US dollars at average exchange rates, except for depreciation, depletion and amortization which is recorded at historical rates.

The Endako Mine's functional currency is the Canadian dollar. The Endako Mine's assets and liabilities are translated at exchange rates in effect at the balance sheet date and revenues and expenditures are translated at average exchange rates. Differences arising from these foreign currency translations are recorded in the consolidated statements as other comprehensive income (loss).

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. As the estimation process is inherently uncertain, actual future outcomes could differ from current estimates and assumptions, potentially having material effects on future financial statements.

Cash and Cash Equivalents

Cash is comprised of cash deposits held at banks. Cash equivalents are financial instruments issued or guaranteed by major financial institutions and governments that have an original maturity date of less than 90 days. Cash equivalents are stated at cost, which approximates market value.

Short-term Investments

These investments consist of US and Canadian government-backed securities with original maturities greater than 90 days and less than 180 days. These short-term investments are categorized as held-to-maturity financial instruments and are recorded at amortized cost. When there is objective evidence that held-to-maturity financial assets are impaired and there is a decline in the fair value below amortized cost that is considered other than temporary, an impairment loss is recorded for the excess of amortized cost over fair value. There has not been an impairment loss recorded to date related to the Corporation's short-term investments.

Product Inventories

Product inventories are carried at the lower of cost or market. Cost is comprised of production costs for ore produced and processed from the Corporation's mines and amounts paid for molybdenum concentrate purchased from third parties. Production costs include the costs of materials, costs of processing and roasting, direct labor, stock-based compensation, mine site and processing facility overhead costs and depreciation, depletion and amortization. Stripping costs (*i.e.*, the costs of removing overburden and waste material to access mineral deposits) incurred during the production phase of a mine are considered variable production costs and are included as a component of inventory produced during the period in which stripping costs are incurred. The Corporation uses the first-in, first-out cost method for production and sales of product inventory.

2. Significant Accounting Policies (Continued)

Property, Plant and Equipment

Property, plant and equipment are recorded at cost. Expenditures for property, plant and equipment relating to new assets or improvements are capitalized if they extend useful lives or extend functionality. Fixed plant and machinery are amortized using the units-of-production method over the estimated life of the ore body based on recoverable pounds to be produced from estimated proven and probable mineral reserves. Facilities, mobile and other equipment are depreciated on either a declining-balance or straight-line basis over the shorter of their estimated useful life or the life of the mine. Repairs and maintenance costs are charged to expense as incurred, except when these repairs extend the life or functionality of the asset. In these instances, that portion of the expenditures is capitalized and amortized over the period benefited.

The Corporation capitalizes the costs to acquire mineral properties. On acquisition of a mineral property, the Corporation estimates the fair value of proven and probable mineral reserves as well as the value beyond proven and probable mineral reserves and records these costs as assets at the date of acquisition. Mineral properties in production are amortized over the life of the mine using the units-of-production method based on the volume of mineral produced in relation to the total estimated proven and probable mineral reserves. The cost assigned to value beyond proven and probable mineral reserves is not amortized. However, as new information is gained or economics change, mineralized material may be converted into proven and probable mineral reserves at which time the capitalized costs associated with mineralized material are reclassified as costs subject to amortization.

Capitalization of mine development costs that meet the definition of an asset begins once all operating permits have been secured, mineralization is classified as proven and probable reserves and a final feasibility study has been completed. Mine development costs include engineering and metallurgical studies, drilling and other related costs to delineate an ore body, and the removal of overburden to initially expose an ore body at open pit surface mines. Costs incurred during the start-up phase of a mine are expensed as incurred. Costs incurred before mineralization is classified as proven and probable reserves are expensed and classified as exploration expense, unless there is a high degree of confidence, prior to the commencement of a drilling program, that the drilling costs will result in the conversion of a mineral resource into proven and probable reserves. All capitalized costs are amortized using the units of production method over the estimated life of the ore body based on recoverable pounds to be mined from proven and probable reserves. Interest expense allocable to the cost of developing mining properties and to construct new facilities is capitalized until assets are ready for their intended use. Gains or losses from sales or retirements of assets are included in other income or expense.

Depreciation, depletion and amortization is allocated to inventory cost and then included as a component of operating expenses as inventory is sold.

Exploration

Costs include geological and geophysical work on areas without identified reserves together with drilling and other related costs. These costs are expensed as incurred.

2. Significant Accounting Policies (Continued)

Goodwill

Acquisitions are accounted for using the purchase method whereby tangible and intangible assets and liabilities acquired are recorded at their fair values as of the date of acquisition and any excess of the purchase price over the fair value of the net assets required is recorded as goodwill. Goodwill is identified and assigned to reporting units by preparing estimates of the fair value of each reporting unit and comparing this amount to the carrying value of assets and liabilities in the reporting unit.

The Corporation evaluates the carrying amount of goodwill for impairment on an annual basis or when events or changes in circumstances indicate that the related carrying amount may not be recoverable. If the carrying value of a reporting unit exceeds its fair value, then the Corporation compares the implied fair value of the reporting unit's goodwill to its carrying amount, and any excess of the carrying value over the fair value is charged against earnings. Assumptions underlying fair value estimates are subject to significant risk and uncertainties.

In evaluating goodwill for impairment, estimates of after-tax discounted future cash flows of the individual mining operations are used to perform the test for impairment. The estimated cash flows used to assess recoverability of the Corporation's goodwill are derived from current life-of-mine plans developed using near-term price forecasts reflective of the current price environment and management's projections for long-term average metal prices and operating costs.

In 2009, the Corporation changed its impairment testing measurement date to October 1 to more closely align the impairment testing date with the Corporation's long-range planning and forecasting process. This accounting change is preferable as this date coincides with the Corporation's planning and forecasting process and provides additional time prior to year end to complete the impairment test.

Asset Impairment

Management reviews and evaluates its long-lived assets for impairment when events and changes in circumstances indicate that the related carrying amounts of its assets may not be recoverable. If total estimated future cash flows on an undiscounted basis are less than the carrying amount of the assets, then the Corporation performs an evaluation of the estimated fair value of the asset or asset group. An impairment loss is measured and recorded based on the difference between book value and the estimated fair value of the asset or asset group. Fair value is estimated using discounted estimated future cash flows, or the application of an expected present value technique to estimate fair value in the absence of a market price. Future cash flows include estimates of recoverable pounds, molybdenum prices (considering current and historical prices, price trends and related factors), production levels and capital, all based on life-of-mine plans and projections. Assumptions underlying future cash flow estimates are subject to risks and uncertainties. Any differences between significant assumptions and market conditions and/or the Corporation's operating performance could have a material effect on the Corporation's determination of ore reserves, or its ability to recover the carrying amounts of its long-lived assets resulting in impairment charges. In estimating future cash flows, assets are grouped at the lowest level for which identifiable cash flows exist that are largely independent of cash flows from other asset groups. Generally, in estimating future cash flows, all assets are grouped at a particular mine for which there are identifiable cash flows.

2. Significant Accounting Policies (Continued)

Derivative Instruments

The Corporation enters into various arrangements such as foreign currency forward contracts and molybdenum purchase and sale contracts. The Corporation does not account for any of these arrangements using hedge accounting. As of October 1, 2009 the Corporation designated its fixed-priced molybdenum contracts as "normal sales and purchase contracts" (see Note 7).

Financial and derivative instruments, including embedded derivatives, and the Corporation's outstanding common stock warrants are recorded at fair value on the balance sheet. Changes in the fair value of derivatives are recorded each period in the consolidated statements of operations.

Income and Mining Taxes

The Corporation computes income taxes using the asset and liability approach that results in the recognition of deferred tax liabilities and assets for the expected future tax consequences or benefits of temporary differences between the financial reporting basis and the tax basis of assets and liabilities, as well as operating loss and tax credit carryforwards, using enacted tax rates in effect in the years in which the differences are expected to reverse.

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of its deferred tax assets will not be realized. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment. A valuation allowance is provided for the portion of the Corporation's net deferred tax assets for which it is not more likely than not that they will be realized.

Asset Retirement Obligations

Future obligations to retire an asset including site closure, dismantling, remediation and ongoing treatment and monitoring are recorded as a liability at fair value at the time incurred. The fair value determination is based on estimated future cash flows, the current credit-adjusted risk-free discount rate, and an estimated inflation factor. The value of asset retirement obligations is evaluated on an annual basis or as new information becomes available on the expected amounts and timing of cash flows required to discharge the liability. The fair value of the liability is added to the carrying amount of the associated asset, and this additional carrying amount is depreciated over the life of the asset. An accretion cost, representing the increase over time in the present value of the liability, is recorded each period in accretion expense. As reclamation work is performed or liabilities are otherwise settled, the recorded amount of the liability is reduced.

Revenue Recognition

The Corporation recognizes revenue from molybdenum sales when persuasive evidence of an arrangement exists, the price is fixed and determinable, the product has been delivered, title has transferred, and collection is reasonably assured. The Corporation's sale contracts specify the point in the delivery process at which title transfers to the customer (shipping point or destination). Shipping and handling fees are accounted for on a gross basis under the terms of the contract. The Corporation

2. Significant Accounting Policies (Continued)

recognizes tolling and calcining revenue under contractual arrangements as the services are performed on a per unit basis.

From time to time the Corporation enters into provisionally-priced sales contracts, whereby the contracts settle at prices to be determined at a future date based upon provisional assays and quoted prices. The future pricing mechanism of these agreements constitutes an embedded derivative which is bifurcated and separately marked to estimated fair value at the end of each period. Changes to the fair value of embedded derivatives related to molybdenum sales agreements are included in molybdenum sales revenue in the determination of net income.

Stock-based Compensation

The Corporation accounts for all stock-based compensation using the fair-value method. Under this method, the fair value of stock options at grant date is estimated using the Black-Scholes option pricing model. Compensation expense is recognized on a straight-line basis over the stock option vesting period and included in the specific income statement categories that include the costs and benefits of the employees granted the stock-based award. Proceeds arising from the exercise of stock options are credited to common stock.

Earnings per Share

Earnings per share calculations are based on the weighted average number of common shares issued and outstanding during the year. Diluted earnings per share are calculated using the treasury stock method, which assumes that outstanding stock options and warrants with an average exercise price less than the average market price of the Corporation's common shares are exercised and the proceeds are used to repurchase common shares at the average market price of the common shares for the period. In years in which a loss is incurred, the effect of potential issuances of shares under options and warrants would be anti-dilutive and therefore are excluded from basic and diluted calculations.

3. Recent Accounting Pronouncements

Common stock warrant derivatives

In June 2008, the Emerging Issues Task Force ("EITF") reached a conclusion that an equity-linked financial instrument would not be considered indexed to the Corporation's own stock if the strike price is denominated in a currency other than the issuer's functional currency, beginning for fiscal years beginning on or after December 15, 2008. Given that the functional currency of the Corporation is the US dollar and given that the common stock warrants exercise price is denominated in the Canadian dollar, these warrants are now required to be treated as a derivative liability with changes in fair value recorded to earnings. This guidance was adopted by the Corporation on January 1, 2009. See Note 7d for further discussion.

3. Recent Accounting Pronouncements (Continued)

Derivatives

In March 2008, the Financial Accounting Standards Board ("FASB") issued new accounting standards related to enhanced disclosures about how and why an entity uses derivative instruments, how derivative instruments and related hedged items are accounted for and how derivative instruments and related hedged items affect an entity's financial position, financial performance and cash flows. The new accounting standards were adopted effective January 1, 2009 and were effective for the Corporation's fiscal year, beginning January 1, 2009. See Note 7 for the Corporation's required disclosure.

4. Inventory

Product inventory is comprised of the following:

	December 31, 2009	December 31, 2008
Finished product	$27.7	$45.3
Work-in-process	13.2	10.9
Stockpiled ore	2.6	3.7
	$43.5	$59.9

As of December 31, 2009, the market value of the Corporation's inventory exceeded the carrying value. As of December 31, 2008, the carrying value of the Corporation's inventory exceeded the market value resulting in an inventory write-down of $4.9 million.

5. Property, Plant and Equipment

Property, plant and equipment is comprised of the following:

	December 31, 2009	December 31, 2008
Mining properties	$ 320.2	$274.0
Mining equipment	213.3	163.9
Processing facilities	113.9	110.2
Endako mill expansion	63.9	43.4
Construction in progress	22.3	30.8
Other	2.7	1.1
	736.3	623.4
Less: Accumulated depreciation, depletion and amortization	(130.6)	(84.9)
	$ 605.7	$538.5

Property, plant and equipment include costs associated with the Endako mill expansion of $20.5 million and $43.4 million for the years ended December 31, 2009 and 2008, respectively. No depletion or depreciation is currently being recognized on these assets as the facility has not yet been completed or placed into service.

Depreciation for mining properties is determined using the unit-of-production method. Mining equipment is depreciated on either a declining-balance or straight-line basis over the shorter of their estimated useful life and the life of the mine. The declining-balance percentages range from 10% to 50% and the estimated useful lives range from 3 years to life of mine. Processing facilities are depreciated on a straight-line basis over the estimated useful lives ranging from 3-20 years.

6. Goodwill

On October 26, 2006, the Corporation acquired Thompson Creek Metals Company USA ("Thompson Creek USA"), a private corporation with producing molybdenum mines and processing facilities in Canada and the US. This acquisition was accounted for using the purchase method, whereby the purchase consideration was allocated to the estimated fair values of the assets acquired and liabilities assumed at the effective date of the purchase. As the purchase price exceeded the fair value of the net identifiable assets acquired, the Corporation recorded goodwill related to this transaction. In January 2008, the Corporation made a final payment of $100 million for this acquisition.

The goodwill balance of $47.0 million as of December 31, 2009 is unchanged from the balance as of December 31, 2008. The Corporation evaluated its goodwill for impairment as of October 1, 2009 and December 31, 2008 and 2007, which resulted in the recognition of goodwill impairment charges of $nil, $68.2 million, and $nil, respectively.

7. Derivative Financial Instruments

a) Forward Currency Contracts

The US dollar is the functional currency of the majority of the Corporation's activities. However, the Canadian dollar ("C$") is the functional currency of the Endako Mine operations. The Corporation has potential currency exposures related to items denominated in currencies other than the operations' functional currency. The Corporation's foreign exchange exposures include:

- Transactional exposure related to the Endako Mine operations as molybdenum sales are denominated in US dollars and a portion of capital expenditures are in US dollars;
- Transactional exposure related to the Endako Mine operations; whereby, those operations hold financial instruments (which includes cash and cash equivalents, short-term investments and accounts receivable) in US dollars; and
- Transactional exposure to Canadian dollar transactions and balances in US dollar functional currency operations.

The Corporation uses foreign currency forward contracts to fix the rate of exchange of US dollars 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 December 31, 2009, the Corporation had no open forward currency contracts. At December 31, 2008 the Corporation had open forward currency contracts to purchase C$6.0 million at an average Canadian dollar to US dollar exchange rate of 1.23 to 1.

The Corporation does not consider these contracts to be hedges for accounting purposes and has determined these contracts to be derivative instruments. As of December 31, 2008, the fair value of open forward currency contracts was an asset of $0.1 million.

For the year ended December 31, 2009, a gain of $1.9 million has been included in loss (gain) on foreign exchange related to these contracts. For the years ended December 31, 2008 and 2007, a loss of $2.7 million and a gain of $2.3 million, respectively, have been included in loss (gain) on foreign exchange related to these contracts.

b) Provisionally-priced contracts

As of December 31, 2009 and 2008, the fair value of the embedded derivatives in provisionally-priced sales contracts was a liability of $0.1 million and an asset of $0.1 million, respectively. For the years ended December 31, 2009, 2008 and 2007 a loss of $0.2 million, a gain of $0.1 million, and $nil, respectively, has been included in molybdenum sales for these embedded derivatives on the Corporation's consolidated statements of operations.

Changes to the fair value of the embedded derivatives related to molybdenum purchases are included in operating expenses in the consolidated statement of operations. As of December 31, 2009 and 2008, the fair value of these embedded derivatives was $nil and an asset of $0.7 million, respectively. For the years ended December 31, 2009, 2008 and 2007, loss of $0.7 million, a gain of $20.5 million, and a loss of $8.6 million, respectively, have been included in operating expenses on the Corporation's consolidated statements of operations.

7. Derivative Financial Instruments (Continued)

The following table sets forth the Corporation's outstanding provisionally-priced contracts as of December 31, 2009, which all mature in 2010:

	Pounds Sold/Purchased (000's lb)
Provisionally priced sales	72
Provisionally priced purchases	489

c) Fixed Price Contracts

The Corporation's results of operations and operating cash flows are affected by changes in market prices for molybdenum. To mitigate a portion of this risk, the Corporation enters into certain molybdenum sales contracts where it sells future molybdenum production at fixed prices. These fixed prices may be different than the quoted market prices at the date of sale. Forward sales contracts in place at December 31, 2009 cover the period 2009 to 2011. As of December 31, 2009, the Corporation had committed to sell approximately 1.9 million pounds at an average market price of $15.94 per pound.

Historically, these contracts were recorded as derivatives with changes in the fair value recorded to net income (loss). Beginning October 1, 2009, the Corporation elected to treat these fixed price contracts as normal purchase and normal sales contracts. As such, these contracts will no longer be recorded at market value (mark-to-market) at each reporting period. The mark-to-market asset of $3.5 million as of September 30, 2009 is being amortized to molybdenum sales revenue as the Corporation makes the physical deliveries related to those contracts. For the fourth quarter 2009 a $1.6 million loss was recorded in molybdenum sales related to the September 30, 2009 balance. For the year ended December 31, 2009, the Corporation recorded an unrealized loss of $2.7 million in its consolidated statements of operations. In 2008 and 2007, a gain of $11.5 million and a loss of $7.0 million, respectively, was included in molybdenum sales in its consolidated statements of operations.

The following table sets forth the Corporation's outstanding fixed price molybdenum sales contracts as of December 31, 2009:

	2010	2011
Molybdenum committed (000's lb)	1,509	417
Average price ($/lb)	$14.54	$21.00

7. Derivative Financial Instruments (Continued)

d) Common Stock Warrant Derivatives

The following table summarizes common share warrant transactions:

	Number of Shares (000's)
Balance, December 31, 2008	**24,505**
Warrants exercised	**(1)**
Balance, December 31, 2009	**24,504**

In October 2006, the Corporation issued 20.9 million warrants in connection with the acquisition of Thompson Creek USA. Additionally, on this date the Corporation also issued 3.6 million warrants to a former shareholder of Thompson Creek USA. Each warrant entitles the holder to purchase one common share of the Corporation at a price of C$9.00 until October 23, 2011. The Corporation determined the fair value allocated to these warrants to be C$1.70 based on a pro-rata allocation of the fair value of common shares issued and the estimated fair value of the warrants issued using the Black-Scholes model and applying the following assumptions: expected life of 5 years; expected volatility of 45.8%; risk free interest rate of 4.02%; and an expected dividend of 0%.

As described further in significant accounting policies, the Corporation reclassified the warrants to a derivative liability with a cumulative adjustment for the change in accounting principle to the opening balance of the Corporation's retained earnings as of January 1, 2009, as indicated in the table below.

	Balance as of January 1, 2009		
	As reported	Change in accounting principle	Cumulative effect of change in accounting principle
Common stock warrant derivatives	$ —	$ 22.0	$ 22.0
Common stock warrants—equity	35.0	(35.0)	—
Retained earnings	275.8	13.0	288.8

The Corporation recorded an unrealized loss related to the change in fair value of its warrants of $93.4 million for the year ended December 31, 2009 in its consolidated statements of operations. As the accounting rule was effective beginning January 1, 2009, no similar changes in the fair value of the warrants have been recorded for the years ended December 31, 2008 and 2007.

7. Derivative Financial Instruments (Continued)

e) Financial statement classification

None of the Corporation's derivative instruments are treated as hedges and are recorded on the consolidated balance sheet at fair value (except those in which the Corporation has taken the normal purchase and normal sales exception), with changes in fair value recorded to the consolidated statements of operations. The following tables summarize the location and fair value amounts of all derivative instruments in the consolidated balance sheets.

		Fair Value	
Derivative Type	**Balance Sheet Classification**	**December 31, 2009**	**December 31, 2008**
Derivative assets			
Provisionally-priced sales	Accounts receivable—trade	$ (0.1)	$ 0.1
Fixed-price contracts—current	Prepaid expense and other current assets	0.9	1.5
Fixed-price contracts—noncurrent	Other assets	1.7	3.0
Forward currency contracts	Prepaid expense and other current assets	—	0.1
Total derivative assets		$ 2.5	$ 4.7
Derivative liabilities			
Provisionally-priced purchases	Accounts payable and accrued liabilities	$ —	$(0.7)
Fixed-priced contracts	Accounts payable and accrued liabilities	0.8	—
Common Stock warrant derivatives	Common stock warrant derivatives	115.4	—
Total derivative liabilities		$116.2	$(0.7)

The following represent the mark-to-market gains (losses) on derivative instruments as of December 31, 2009.

		Gain/(loss) for the years ended		
Derivative Type	**Statement of Operations Classification**	**December 31, 2009**	**December 31, 2008**	**December 31, 2007**
Provisionally-priced sales	Molybdenum sales	$ (0.2)	$ 0.1	$ —
Provisionally-priced purchases	Operating expenses	(0.7)	20.5	(8.6)
Fixed-price contracts	Molybdenum sales	(2.7)	11.5	(7.0)
Forward currency contracts	Gain (loss) on foreign exchange	1.9	(2.7)	2.3
Common Stock warrant derivatives	Change in fair value of warrants	(93.4)	—	—
		$(95.1)	$29.4	$(13.3)

7. Derivative Financial Instruments (Continued)

f) Credit Risk—Derivative Instruments

The Corporation is exposed to credit loss when counterparties with which it has entered into derivative transactions (commodities, foreign exchange and interest rate swaps) are unable to pay. To reduce counter-party credit exposure, the Corporation deals only with a group of large credit-worthy financial institutions and limits credit exposure to each. The Corporation believes the counterparties to the contracts to be credit-worthy entities, and therefore credit risk of counterparty non-performance is unlikely. The Corporation does not anticipate non-performance by any of its counterparties.

8. Fair Value Measurement

US GAAP accounting standards define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The standards establish a fair value hierarchy that distinguishes between (1) market participant assumptions developed based on market data obtained from independent sources (observable inputs) and (2) an entity's own assumptions about market participant assumptions developed based on the best information available in the circumstances (unobservable inputs). The fair value hierarchy consists of three broad levels, which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 Quoted prices in markets that are not active or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

8. Fair Value Measurement (Continued)

The following table sets forth the Corporation's financial assets and liabilities measured at fair value by level within the fair value hierarchy. As required, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement:

	Fair Value at December 31, 2009			
	Total	Level 1	Level 2	Level 3
Assets:				
Provisionally-priced sales	$ (0.1)	$ —	$(0.1)	$ —
Fixed-price contracts—current	0.9	—	—	0.9
Fixed-price contracts—noncurrent	1.7	—	—	1.7
	$ 2.5	$ —	$(0.1)	$2.6
Liabilities:				
Common Stock warrant derivatives	$115.4	$115.4	$ —	$ —
Fixed-price contracts—current	0.8	—	—	0.8
	$116.2	$115.4	$ —	$0.8

The table below sets forth a summary in fair value of the Corporation's Level 3 financial assets and liabilities for the year ended December 31, 2009:

	Fixed-Priced Contracts
Balance at January 1, 2009	$ 4.5
Unrealized and realized (loss)	(2.7)
Balance at December 31, 2009	$ 1.8

As of December 31, 2009 and 2008, the carrying values and the fair values of the Corporation's financial assets and liabilities are not significantly different from their fair values.

9. Long-term Debt

Long-term debt consists of:

	December 31, 2009	December 31, 2008
Equipment loans	$11.9	$17.3
Other	1.0	—
	12.9	17.3
Less: Current portion	(3.7)	(5.6)
	$ 9.2	$11.7

9. Long-term Debt (Continued)

As of December 31, 2009, the Corporation had a $35 million revolving line of credit secured by a significant amount of the Corporation's US based assets. This credit facility, which had a final maturity date of October 26, 2011, had an interest rate of LIBOR plus 2.5% and included both standard financial and non-financial covenants, including ratio tests for leverage, interest coverage and working capital. The facility was secured by all of the Corporation's assets, except for the Davidson Project and Endako Mine properties and related assets. The Corporation was in compliance with these covenants as of December 31, 2009. Effective February 2, 2010 the Corporation terminated this $35 million credit facility.

In 2008 and 2007, the Corporation had other borrowing facilities that are no longer in place. Total interest expense for the years ended was December 31, 2009, 2008, and 2007 was $nil, $8.9 million, and $34.0 million, respectively.

Equipment loans

As of December 31, 2009, the Corporation also had equipment loans with each loan secured by the underlying equipment assets. The variable rate loans bear interest at LIBOR plus 2% with the fixed rate loan bearing interest at 5.9%. These loans are scheduled to mature no later than October 31, 2013.

Total interest expense on the equipment loans for the years ended December 31, 2009, 2008, and 2007 was $0.8 million, $0.7 million and $1.2 million, respectively.

10. Asset Retirement Obligations

Asset retirement obligations arise from the acquisition, development, construction and normal operation of mining property, plant and equipment, due to government controls and regulations that protect the environment on the closure and reclamation of mining properties. The Corporation has future obligations to retire its mining assets, including dismantling, remediation and ongoing treatment and monitoring of sites. The exact nature of environmental issues and costs, if any, which the Corporation may encounter in the future are subject to change, primarily because of the changing character of environmental requirements that may be enacted by governmental agencies.

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, the 75% owned Endako Mine and Davidson Project:

	Thompson Creek Mine	Endako Mine	Davidson Project	Total
At January 1, 2009	$18.7	$4.4	$0.2	$23.3
Additions	1.8	—	—	1.8
Revisions	(2.3)	—	—	(2.3)
Accretion	1.1	0.3	—	1.4
Foreign exchange	—	0.6	—	0.6
At December 31, 2009	$19.3	$5.3	$0.2	$24.8

10. Asset Retirement Obligations (Continued)

The Corporation has a cash deposit and surety bonds in place to provide financial assurance of future mine reclamation costs at its Thompson Creek Mine. This arrangement provides the Corporation with an aggregate limit of $35.0 million for the reclamation of the Thompson Creek Mine, including $22.2 million and $21.8 million in cash recorded as reclamation deposits as of December 31, 2009 and 2008, respectively. The Corporation also has a reclamation bond ($0.6 million) and cash on deposit of $2.3 million with the State of Idaho for the Thompson Creek Mine in accordance with its reclamation obligation. As of December 31, 2009, the Corporation anticipates that these costs will be incurred over the period 2026 to 2040. The estimated future reclamation costs for the Thompson Creek Mine have been discounted using rates from 6.7% to 8.0%. The total inflated and undiscounted reclamation costs for Thompson Creek Mine is $61.8 million as of December 31, 2009.

A mine reclamation and closure plan is also in place for the Endako Mine. In connection with this plan, the British Columbia Ministry of Energy, Mines and Petroleum Resources has required security in the amount of $6.5 million as of December 31, 2009, and $5.6 million as of December 31, 2008, of which the Corporation's proportionate share is $4.9 million and $4.2 million, respectively. As of December 31, 2009, the Corporation estimates its proportionate share of these costs will be incurred over the period 2010 to 2035. The estimated future reclamation costs for the Endako Mine have been discounted using rates of approximately 6.64%. The Corporation's share of the total inflated and undiscounted reclamation costs for the Endako Mine is $13.6 million.

The Corporation's Davidson Project is presently in the exploration stage. The estimated future reclamation costs for the Davidson Project have been discounted using rates ranging from 6.6% to 7.5% which reflect the underlying funding arrangements at the time these costs were identified. In connection with this plan, the British Columbia Ministry of Energy, Mines and Petroleum Resources has required security in the amount of $0.3 million as of December 31, 2009 and 2008.

11. Employee Benefits

Deferred compensation

The Corporation maintains an employee deferred compensation program for certain individuals who were employed at the time of the acquisition of Thompson Creek USA. The Corporation recognizes a liability for the future obligation associated with the program and the cost is charged as an expense during the period according to the payment formula, which is based on the employee's compensation. As of December 31, 2009, and 2008 the Corporation had recorded a liability of $17.0 million and $14.5 million, respectively, related to this program, which are included in other liabilities. As of December 31, 2009, $6.3 million of the obligation is payable in June 2012, or earlier under certain conditions according to the provisions of the program. The remaining obligation is payable upon reaching a certain age requirement or earlier according to the provisions of the program. 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 as of December 31, 2009, and 2008 totaled $16.8 million and $14.2 million, respectively, and the trust has been consolidated. For the years ended December 31, 2009, 2008, and 2007, the Corporation recognized an expense of $3.9 million, $4.9 million, and $3.9 million, respectively, for the deferred compensation program.

11. Employee Benefits (Continued)

Defined Contribution Pension Plans

The Corporation, through its subsidiaries, maintains defined contribution pension plans available to certain employees.

The Corporation's 401(k) Savings Plan (the "Plan") is a defined contribution pension plan and covers all individuals employed in the US. The Plan is subject to the provisions of the US Employee Retirement Income Security Act of 1974, as amended, and Section 401(k) of the US Internal Revenue Code. The assets of the Plan are held and the related investment transactions are executed by the Plan's trustee. Administrative fees, including accounting and attorney fees, are paid by the Corporation on behalf of the Plan. The Corporation contributed approximately $1.7 million, $1.5 million, and $0.9 million, respectively, to the Plan for the years ended December 31, 2009, 2008 and 2007. The Corporation may make additional contributions to the Plan at its sole discretion; however, the Corporation has no further obligation relating to benefits under this Plan.

The Endako Mine maintains a defined contribution pension plan (the "Endako Plan") covering all of its employees. The assets of the Endako Plan are held and the related investment transactions are executed by the Endako Plan's trustee. Administrative fees, including any accounting and legal fees are paid by the Endako Mine on behalf of the Endako Plan. The Endako Mine contributed $0.7 million, $0.8 million and $0.7 million to the Endako Plan for the years ended December 31, 2009, 2008 and 2007, respectively. The Corporation has recorded its proportionate share of 75% related to these contributions. The Corporation has no further obligation relating to pension benefits under this Plan.

Postretirement Benefits

Under the union agreement at the Langeloth facility, the Corporation is required to provide postretirement medical benefits for certain retired former employees and their dependants by making the monthly medical insurance premium payment on their behalf. Substantially all of the Corporation's current unionized employees may become eligible for this benefit if certain age and service requirements are met at the time of retirement as specified in the union agreement. The benefit ceases when the eligible retired employee reaches 65 years of age. The Corporation does not have any obligation related to eligible retired unionized employees beyond the monthly medical insurance premiums. The Corporation follows current accounting guidance related to postretirement benefits for this plan. Prior service costs, actuarial gains and losses, and transition obligations are amortized over the average life expectancy of the plan's participants.

Included in the results of operations for the year ended December 31, 2009 is an out-of-period adjustment related to the accrual of the postretirement medical benefits, which resulted in a $1.6 million increase to net loss (net of tax of $1.0 million) for the year ended December 31, 2009.

11. Employee Benefits (Continued)

The following table sets forth the actuarial present value of postretirement medical benefit obligations and amounts recognized in the Corporation's financial statements:

	December 31, 2009
Change in benefit obligations:	
Net benefit obligation at beginning of year	$ —
Out-of-period adjustment	2.6
Service cost	0.3
Interest cost	0.1
Benefits paid	(0.2)
	$ 2.8

The liability of $2.8 million has been included in other liabilities on the Corporation's consolidated balance sheet as of December 31, 2009.

The assumptions used to determine the benefit obligations as of December 31, 2009 included a measurement date of December 31, 2009 and a discount rate of 5.75%. The yield curve matching our benefit obligation was derived using a cash flow analysis under the Citigroup pension liability index. The Citigroup pension discount curve shows the relationship between interest rates and duration for hypothetical zero coupon investments. This yield curve was used in determining the discount rate for the Corporation's postretirement benefit obligation.

The components of net periodic benefit costs for the year ended December 31, 2009 included $0.3 million of service cost and $0.1 million of interest cost for a total net periodic benefit cost of $0.4 million.

The health care cost trend assumed that average cost of coverage was 9.0% for 2010, reduced annually to an ultimate trend of 5.0% in 2016 and beyond. The assumed health care cost trend rates have a significant effect on the amounts reported for postretirement medical benefits. The effect of a one percent change on the health care cost trend rate used to calculate periodic postretirement medical costs and the related benefit obligation would be insignificant.

The expected postretirement medical benefits expected to be paid in the next five fiscal years are insignificant to any individual year.

12. Shareholders' Equity

The authorized share capital of the Corporation is comprised of an unlimited number of common shares and an unlimited number of preferred shares, issuable in series with terms determinable upon issuance. As of December 31, 2009, the Corporation has not issued any preferred shares.

On September 16, 2009, the Corporation completed an equity offering of 15.5 million common shares and received $194.6 million in net proceeds.

12. Shareholders' Equity (Continued)

The Corporation filed in September 2008, which expired in September 2009, its Notice of Intention to make a Normal Course Issuer Bid ("NCIB") to purchase for cancellation a specified number of its issued and outstanding common shares. Through December 31, 2008, the Corporation repurchased 2.8 million common shares for cancellation at an average price of C$7.41 per share for an aggregate cost of $19.4 million. The NCIB was completed on September 28, 2009 and no additional shares were repurchased.

13. Stock-based Compensation

The Corporation has a stock option plan for directors, officers, employees and consultants, enabling them to purchase common shares. The maximum number of shares that may be issued pursuant to this plan and all options granted is limited to 11,174,916 common shares, effective May 10, 2007. The expiration date and vesting provisions of options granted are established at the time an award is made. Options may be exercised by the holder upon vesting of the grant. When an option is exercised, the Corporation issues the requisite shares from authorized but unissued common stock (new shares). The exercise price of option grants awarded is the greater of: (i) the weighted-average trading price of the underlying shares over the five consecutive trading days immediately before the grant date and (ii) if the award date occurs in a trading black-out period, the weighted-average trading price over the five consecutive trading days immediately after the black-out period has been lifted.

In June 2009, the Corporation completed a voluntary stock option surrender program offered to all holders of stock options with an exercise price of C$16.19 per share and above. Under the terms of the surrender program, options to acquire an aggregate of 2,414,500 common shares were voluntarily surrendered by 55 holders, effective June 22, 2009. A non-cash compensation charge of approximately $2.8 million was recorded in the quarter ending June 30, 2009, representing the remaining unamortized, stock-based compensation cost for the surrendered options.

Compensation cost charged against earnings for stock-based awards is shown below for the years ended December 31, 2009, 2008 and 2007:

	Years Ended December 31,		
	2009	2008	2007
Total stock-based compensation	$10.4	$15.7	$16.3
Amount capitalized to product inventory	(1.2)	(0.1)	—
Stock-based compensation expense	9.2	15.6	16.3
Tax benefit	(1.3)	(1.8)	(2.5)
Impact on net income	$ 7.9	$13.8	$13.8

13. Stock-based Compensation (Continued)

The following table summarizes the location and amounts of stock-based compensation expense recorded in the statement of operations exclusive of income tax impacts:

Statement of operations classification	Years Ended December 31, 2009	2008	2007
Operating expenses	$0.5	$ 2.0	$ 7.1
General and administrative	8.7	13.5	9.2
Exploration and development	—	0.1	—
Stock-based compensation expense	$9.2	$15.6	$16.3

The following table summarizes stock option activity during the years ended December 31, 2007, 2008 and 2009:

	Shares (000's)	Weighted Average Exercise Price (C$)	Aggregate Intrinsic Value (C$)
Stock options outstanding at January 1, 2007	9,651	$ 5.28	$44.3
Granted	2,565	17.47	—
Exercised	(4,720)	3.50	45.4
Canceled/expired	—	—	—
Stock options outstanding at December 31, 2007	7,496	10.57	52.5
Granted	2,110	17.73	—
Exercised	(776)	7.50	10.2
Canceled/expired	(42)	22.16	—
Stock options outstanding at December 31, 2008	8,788	12.51	0.4
Granted	1,877	13.08	—
Exercised	(1,757)	7.20	9.9
Canceled/expired/surrendered	(2,594)	19.60	—
Stock options outstanding at December 31, 2009	6,314	$10.89	$30.8

13. Stock-based Compensation (Continued)

The following table summarizes information about stock options outstanding and exercisable as of December 31, 2009:

	Options Outstanding			Options Exercisable		
Range of Exercise Prices (C$)	Number Outstanding (000's)	Weighted Average Exercise Price (C$)(a)	Weighted Average Remaining Contractual Life	Number Outstanding (000's)	Weighted Average Exercise Price (C$)(a)	Weighted Average Remaining Contractual Life
$2.94 - $8.93	3,339	$ 7.45	2.1	3,231	$ 7.46	2.0
$12.35 - $17.33	2,574	$13.91	4.4	1,189	$14.54	4.0
$18.51 - $20.61	365	$19.92	0.8	365	$19.92	0.8
$23.10 - $23.93	36	$23.35	3.2	36	$23.35	3.2

(a) The weighted average exercise price of options granted is shown in Canadian dollars as the majority of the outstanding options have a strike price denominated in Canadian dollars. Options with a US dollar strike prices have been converted to Canadian dollars for these disclosure purposes only using the exchange rates on the respective date of grant.

As of December 31, 2009, approximately 1.5 million options had not vested and were not exercisable. The total compensation cost related to these nonvested awards not yet recognized was $8.3 million as of December 31, 2009, and is expected to be recognized over 1.6 years.

As of December 31, 2009, approximately 4.8 million awards had vested and were exercisable. The aggregate intrinsic value of these exercisable awards was $15.0 million as of December 31, 2009.

The weighted average fair value of stock options on the date of grant, and the assumptions used to estimate the fair value of the stock options using the Black-Scholes option valuation model were as follows:

	Year Ended December 31,		
	2009	2008	2007
Weighted average fair value of options granted(a)	C$ 6.71	C$ 7.28	C$ 7.34
Expected volatility	77.2%	51.8%	46.2%
Expected life	2.8 years	4.2 years	4.8 years
Risk-free interest rate	1.5%	2.9%	4.1%
Expected dividend yield	0.0%	0.0%	0.0%

(a) The weighted average fair value of options granted is shown in Canadian dollars as the majority of the outstanding options have a strike price denominated in Canadian dollars. Options with a US dollar strike prices have been converted to Canadian dollars for these disclosure purposes only using the exchange rates on the respective date of grant.

13. Stock-based Compensation (Continued)

The Corporation made the determination that the historic volatility of its common share price was characteristic of a development company rather than of the operating company upon acquisition of Thompson Creek USA in 2006. In computing the fair value of option grants made subsequent to the acquisition of Thompson Creek USA, the Corporation has utilized an expected volatility that has been computed using a weighted average of the average volatility of a peer group of operating mining companies and the Corporation's actual share price volatility from the date it acquired Thompson Creek USA. Further, in the absence of reliable evidence to support a lesser estimated expected life, the Corporation used the full contractual life of option awards in determining the fair value of options awarded subsequent to the acquisition of Thompson Creek USA until October 2007. An estimated life based on actual experience has been used in determining the fair value of options awarded after October 2007.

14. Commitments and Contingencies

In the normal course of operations, the Corporation may be subject to litigation. The Corporation has determined that there are no material claims outstanding as of December 31, 2009.

In the normal course of operations, the Corporation enters into agreements for the purchase of molybdenum. As of December 31, 2009, the Corporation had commitments to purchase approximately 8.1 million pounds of molybdenum sulfide concentrate in 2010, to be priced at a discount to the market price for molybdenum oxide at the time of purchase.

The Corporation has contractual obligations related to the mill expansion project at the Endako Mine of $48.1 million as of December 31, 2009.

On December 9, 2009, the Corporation entered into a guarantee agreement with British Columbia Hydro and Power Authority, related to the Endako Mine expansion project. The Corporation has guaranteed payment by Thompson Creek Mining Ltd. for a shortfall in the estimated usage of electrical power related to the mill expansion project at the Endako Mine. The amount of the shortfall, if any, will be determined subsequent to the commission of the new mill facility at the Endako Mine. The new mill facility is currently scheduled for completion in 2011. The amount of the guarantee as of December 31, 2009 was C$3.7 million. As of December 31, 2009, a shortfall in future usage cannot be determined and is not deemed to be probable. As such, no accrual has been recorded. The Corporation will make an accrual when a determination that a shortfall is probable and a reasonable estimate can be made.

15. Exploration

The following table summarizes the Corporation exploration expenses by project:

	Years Ended December 31,		
	2009	2008	2007
Davidson Project	$1.6	$4.9	$3.4
Mt. Emmons Project	4.7	2.5	—
Endako Mine	—	0.6	1.2
	$6.3	$8.0	$4.6

16. Income and Mining Taxes

Income (loss) from continuing operations before income taxes consists of the following for the periods presented:

	Year Ended December 31,		
	2009	2008	2007
Canada	$(98.3)	$109.5	$110.5
United States	44.3	187.9	90.8
	$(54.0)	$297.4	$201.3

16. Income and Mining Taxes (Continued)

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:

	Year Ended December 31,		
	2009	2008	2007
Income before income and mining taxes	$(54.0)	$297.4	$201.3
Combined Canadian federal and provincial income tax rates	30.0%	31.0%	34.1%
Income taxes based on above rates	(16.2)	92.2	68.6
Increase (decrease) to income taxes due to:			
Unrealized loss on warrants	28.0	—	—
Difference in foreign statutory tax rates	3.1	14.0	4.9
Provincial and state mining and franchise taxes	1.2	14.8	12.3
Withholding taxes	1.1	1.2	4.5
Capital taxes	0.2	—	—
Non-deductible expenses	8.3	11.6	5.4
Non-taxable income	(3.0)	(6.1)	(7.7)
Asset impairment and other charges	—	24.2	—
Foreign tax credits	—	(2.0)	(18.1)
Foreign tax differences	(10.4)	(3.8)	—
Depletion allowance	(12.9)	(38.2)	(25.0)
Domestic production allowance	—	(2.4)	(2.2)
Unrealized foreign exchange gain on translation of investments	(5.7)	5.4	—
Change in valuation allowance	16.4	15.7	22.2
Impact of reduction in tax on future income and mining taxes	(7.6)	1.3	(8.2)
Other	(0.5)	(3.6)	5.0
Income and mining taxes	$ 2.0	$124.3	$ 61.7

16. Income and Mining Taxes (Continued)

Net Deferred Tax Liabilities

Deferred tax assets and liabilities arise from temporary differences in the recognition of income and expenses for financial reporting and tax purposes. The significant components of future income and mining tax assets and liabilities as of December 31, 2009 and 2008 are as follows:

	December 31, 2009	December 31, 2008
Deferred tax assets:		
Working capital	$ 0.6	$ 1.4
Tax losses and credits carried forward	88.8	74.8
Property, plant and equipment	4.3	3.5
Contractual sales obligations	0.9	1.1
Asset retirement obligations	2.9	1.8
Share issuance costs	4.6	3.8
Other deductible temporary differences	11.5	12.4
Deferred tax assets	113.6	98.8
Valuation allowances	(92.3)	(76.1)
Net deferred tax assets	$ 21.3	$ 22.7
Deferred tax liabilities:		
Inventory	$ (6.6)	$ (8.1)
Other taxable temporary differences—Current	(0.7)	(1.4)
Property, plant and equipment	(161.1)	(156.5)
Other taxable temporary differences—Non-current	(0.9)	(6.1)
Total deferred tax liabilities	(169.3)	(172.1)
Net deferred tax liabilities	$(148.0)	$(149.4)

At December 31, 2009, the Corporation had $147.4 million in loss and credit carry forwards available for tax purposes that begin to expire after 2014.

A valuation allowance is recorded on substantially all of the benefits associated with the loss and credit carry forwards as it is not more likely than not the benefit related to the specific deferred tax assets will be realized based on the available sources of taxable income.

The Corporation intends to indefinitely reinvest earnings from certain foreign operations. Accordingly, US and non-US income and withholding taxes for which deferred taxes might otherwise be required, have not been provided on a cumulative amount of temporary differences (including, for this purpose, any difference between the tax basis in the stock of a consolidated subsidiary and the amount of the subsidiary's net equity determined for financial reporting purposes) related to investments in foreign subsidiaries of approximately $691.4 and $605.4 as of December 31, 2009 and 2008, respectively. The additional US and non-US income and withholding tax that would arise on the reversal of the temporary differences could be offset in part, by tax credits. Because the determination

16. Income and Mining Taxes (Continued)

of the amount of available tax credits and the limitations imposed on the annual utilization of such credits are subject to a highly complex series of calculations and expense allocations, it is impractical to estimate the amount of net income and withholding tax that might be payable if a reversal of temporary differences occurred.

Income Tax Uncertainties

A summary of the activities associated with the Corporation's uncertainty in income taxes reserve for unrecognized tax benefits follows:

Balance at January 1, 2009	$ 1.7
Additions for tax positions of prior years	0.6
Reductions for tax positions of prior years:	
Settlements	(0.9)
Lapse of statute of limitations	(0.1)
Balance at December 31, 2009	$ 1.3

The Corporation recognizes interest and penalties related to unrecognized tax benefits in operating expenses. During the years ended December 31, 2008 and 2009, the Corporation recognized interest and penalties of approximately $0.5 million and $0.1 million, respectively.

The Corporation or one of its subsidiaries files income tax returns in the Canadian federal jurisdiction, US federal jurisdiction and various state and provincial jurisdictions. The tax years for the Corporation and its significant subsidiaries that remain subject to examination are as follows:

Jurisdiction	Years Under Examination	Additional Open Years
US Federal		2006 - 2008
Canada		2005 - 2008
British Columbia		2003 - 2008
Colorado		2005 - 2008
Idaho	2006 - 2007	2008
Pennsylvania		2006 - 2008

17. Net Income per Share

The following is a reconciliation of net income and weighted-average common shares outstanding for purposes of calculating diluted net income per share for the years ended December 31, 2009, 2008 and 2007:

	For the years ended December 31,		
	2009	2008	2007
Net income (loss)	$(56.0)	$173.1	$139.6
Basic weighted-average number of shares outstanding	127.5	119.5	110.2
Effect of dilutive securities			
Common share warrants	—	9.6	12.2
Stock options	—	2.6	4.2
Diluted weighted-average number of shares outstanding	127.5	131.7	126.6
Net income (loss) per share			
Basic	$(0.44)	$ 1.45	$ 1.27
Diluted	$(0.44)	$ 1.31	$ 1.10

For the year ended December 31, 2009 approximately 6.3 million stock options have been excluded from the computation of diluted securities as their effect would have been anti-dilutive. Of the stock options excluded from the computation of diluted securities for the year ended December 31, 2009, approximately 4.4 million shares had exercise prices that were lower than the average market price for the year; however, these were excluded from the computation of diluted securities as a result of the Corporation having a loss before income and mining taxes for the year.

For the years ended December 31, 2008 and 2007, 2.2 million and 2.0 million options, respectively, were not included in the computation of diluted weighted-average shares because the strike prices of the options exceeded the price of the common stock.

The Corporation has excluded approximately 24.5 million shares related to warrants for the year ended December 31, 2009 as their effect would have been anti-dilutive. All of the excluded warrants have exercise prices lower than the average market price for the year; however, these were excluded from the computation of diluted securities as a result of the Corporation having a loss before income and mining taxes for the year. There were no warrants excluded for the years ended December 31, 2008 and 2007.

18. Related Party Transactions

Total sales to members of a group of companies affiliated with the other participant in the Endako Mine joint venture were $83.7 million, $235.7 million and $176.1 million for the years ended December 31, 2009, 2008 and 2007, respectively. This represented 23.2%, 23.3%, and 19.2% of the Corporation's total revenues for the years ended December 31, 2009, 2008 and 2007. For the years ended December 31, 2009, 2008 and 2007, the Corporation recorded management fee income of

18. Related Party Transactions (Continued)

$0.3 million, $0.8 million and $0.7 million, and selling and marketing costs of $0.6 million, $1.6 million and $1.4 million, respectively, from this group of companies.

As of December 31, 2009 and 2008, the Corporation's accounts receivable included $10.3 million and $8.9 million owing from this group of companies.

19. Supplementary Cash Flow Information

	For the year ended December 31,		
	2009	2008	2007
Change in working capital accounts:			
Accounts receivable	$13.0	$ 25.4	$ 4.5
Product inventory	16.7	81.3	(4.2)
Material and supplies inventory	3.0	(5.2)	(1.1)
Prepaid expense and other current assets	1.7	(2.2)	(1.3)
Income and mining taxes recoverable	(3.1)	12.1	(11.3)
Accounts payable and accrued liabilities	(0.7)	(31.2)	15.9
Income and mining taxes payable	(4.4)	8.6	(30.9)
	$26.2	$ 88.8	$(28.4)
Cash interest paid	$ 1.0	$ 13.4	$ 35.5
Cash income taxes paid	$26.8	$ 91.8	$149.5

20. Concentration of Credit Risk

The Corporation is exposed to counterparty risk from its cash and cash equivalent balances, its short-term cash investments, and its reclamation deposits held by an insurance company and governmental entities. The Corporation monitors its positions with, and the credit quality of, the financial institutions in which it invests its cash, cash equivalents and short-term investments, and that hold its reclamation deposits. Counterparties to cash balances, money market instruments, government treasury securities and its reclamation deposits are US and Canadian institutions and the US and Canadian governments. The Corporation's investment policy limits investments to government-backed financial instruments, other than balances maintained in various bank operating accounts.

The Corporation manages its credit risk from its accounts receivable through established credit monitoring activities. As of December 31, 2009 the Corporation had three customers which owed the Corporation more than $3.0 million and accounted for approximately 41% of all receivables outstanding. There were another six customers having balances greater than $1.0 million but less than $3.0 million that accounted for 22.4% of total receivables. All of these balances were compliant with credit terms and scheduled payment dates.

The Corporation's maximum credit risk exposure is the carrying value of its accounts receivable. The carrying amounts of accounts receivable, accounts payable and accrued liabilities and fixed and variable rate debt approximate fair value as of December 31, 2009 and December 31, 2008.

21. Segment Information

The Corporation has two reportable segments: US Operations and Canadian Operations. The US Operations segment includes all mining, milling, roasting and sale of molybdenum products from the Thompson Creek Mine and the Langeloth Metallurgical Facility, as well as all roasting and sales of third party purchased material. The Canadian Operations segment includes all mining, milling, roasting and sale of molybdenum products from the 75% owned Endako Mine. The Corporation evaluates segment performance based on income from mining and processing. The Corporation attributes other income and expenses to the reporting segments if the income or expense is directly related to segment operations, as described above. The Corporation does not allocate corporate expenditures such as general and administrative, exploration and development, and interest income and expense items. The Corporation does not report income and mining taxes by reporting segment as the Corporation's tax attributes are determined by legal entity.

Segment information for the years ended and as at December 31, 2009, 2008 and 2007 is as follows:

For the year ended December 31, 2009

	US Operations	Canadian Operations	Total
Revenues			
Molybdenum sales	$270.7	$91.2	$361.9
Tolling, calcining and other	11.5	—	11.5
	282.2	91.2	373.4
Cost of sales			
Operating expenses	194.0	47.3	241.3
Selling and marketing	4.3	1.9	6.2
Depreciation, depletion and amortization	26.7	16.7	43.4
Accretion expense	1.1	0.3	1.4
	226.1	66.2	292.3
Segment income from mining and processing	56.1	25.0	81.1
Other segment expenses:			
Loss on foreign exchange	—	12.2	12.2
Segment income before income and mining taxes	$ 56.1	$12.8	$ 68.9

21. Segment Information (Continued)

For the year ended December 31, 2008

	US Operations	Canadian Operations	Total
Revenues			
Molybdenum sales	$758.0	$234.2	$ 992.2
Tolling, calcining and other	19.2	—	19.2
	777.2	234.2	1,011.4
Cost of sales			
Operating expenses	497.7	59.7	557.4
Selling and marketing	6.9	3.2	10.1
Depreciation, depletion and amortization	23.3	16.7	40.0
Accretion expense	1.4	0.3	1.7
	529.3	79.9	609.2
Segment income from mining and processing	247.9	154.3	402.2
Other segment expenses:			
Goodwill impairment	33.0	35.2	68.2
Loss on foreign exchange	—	(24.0)	(24.0)
	33.0	11.2	44.2
Segment income before income and mining taxes	$214.9	$143.1	$ 358.0

21. Segment Information (Continued)

For the year ended December 31, 2007

	US Operations	Canadian Operations	Total
Revenues			
Molybdenum sales	$681.6	$209.5	$891.1
Tolling, calcining and other	23.3	—	23.3
	704.9	209.5	914.4
Cost of sales			
Operating expenses	524.6	64.2	588.8
Selling and marketing	6.5	2.5	9.0
Depreciation, depletion and amortization	29.7	18.5	48.2
Accretion expense	1.3	0.4	1.7
	562.1	85.6	647.7
Segment income from mining and processing	142.8	123.9	266.7
Other segment expenses:			
Loss on foreign exchange	—	4.3	4.3
	—	4.3	4.3
Segment income before income and mining taxes	$142.8	$119.6	$262.4

Reconciliation of segment income to net income

	For the year ended December 31,		
	2009	2008	2007
Segment income	$ 68.9	$358.0	$262.4
Other (income) expense			
Change in fair value of common stock warrants	93.4	—	—
General and administrative	25.1	37.9	25.1
Exploration	6.3	8.1	4.6
Interest and finance fees	1.2	15.1	42.1
Interest income	(1.5)	(2.4)	(7.8)
Other	(1.6)	1.9	(2.9)
Income before income and mining taxes	(54.0)	297.4	201.3
Income and mining taxes	2.0	124.3	61.7
Net income (loss)	$(56.0)	$173.1	$139.6

21. Segment Information (Continued)

Other segment information regarding capital expenditures, assets and liabilities, including the assets and liabilities attributed to corporate operations, is as follows:

As of December 31, 2009	US Operations	Canadian Operations	Corporate	Total
Capital expenditures	$ 29.4	$ 33.8	$ 2.9	$ 66.1
Capital assets	$260.0	$345.3	$ 0.4	$ 605.7
Goodwill	$ 47.0	$ —	$ —	$ 47.0
Assets	$628.4	$615.1	$101.1	$1,344.6
Liabilities	$129.5	$111.9	$117.8	$ 359.2

As of December 31, 2008	US Operations	Canadian Operations	Corporate	Total
Capital expenditures	$ 36.9	$ 64.0	$0.4	$ 101.3
Capital assets	$257.0	$281.0	$0.5	$ 538.5
Goodwill	$ 47.0	$ —	$ —	$ 47.0
Assets	$627.7	$410.2	$8.5	$1,046.4
Liabilities	$144.6	$108.5	$2.7	$ 255.8

As of December 31, 2007	US Operations	Canadian Operations	Corporate	Total
Capital expenditures	$ 12.9	$ 0.9	$ 0.9	$ 14.7
Capital assets	$242.7	$287.9	$ 2.4	$ 533.0
Goodwill	$ 80.0	$ 43.7	$ —	$ 123.7
Assets	$506.2	$407.6	$169.2	$1,083.0
Liabilities	$157.1	$116.4	$338.5	$ 612.0

22. Reconciliation to Canadian Generally Accepted Accounting Principles

The Corporation's consolidated financial statements have been prepared according to US GAAP which differs in certain respects from those principles that the Corporation would have followed had the consolidated financial statements been prepared in accordance with Canadian GAAP. The

22. Reconciliation to Canadian Generally Accepted Accounting Principles (Continued)

significant differences between US GAAP and Canadian GAAP and their effect on the consolidated financial statements are detailed below.

		December 31, 2009		December 31, 2008	
		US GAAP	Canadian GAAP	US GAAP	Canadian GAAP
Assets					
Current assets					
Cash and cash equivalents		$ 158.5	$ 158.5	$ 258.0	$ 258.0
Short-term investments		353.0	353.0	—	—
Accounts receivable		42.7	42.7	55.0	55.0
Product inventory	a)	43.5	40.6	59.9	57.1
Material and supplies inventory		34.5	34.5	36.2	36.2
Prepaid expense and other current assets		6.0	6.0	6.3	6.3
Income taxes receivable		4.8	4.8	1.4	1.4
		643.0	640.1	416.8	414.0
Property, plant and equipment	a)	605.7	680.0	538.5	594.1
Restricted cash		16.8	16.8	14.2	14.2
Reclamation deposits		30.3	30.3	26.9	26.9
Goodwill		47.0	47.0	47.0	47.0
Other assets		1.8	1.8	3.0	3.0
		$1,344.6	$1,416.0	$1,046.4	$1,099.2
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities		$ 29.9	$ 29.9	$ 36.5	$ 36.5
Income and mining taxes payable		3.6	3.6	7.5	7.5
Current portion of long-term debt		3.7	3.7	5.6	5.6
Deferred income tax liabilities		6.7	6.7	8.1	8.1
		43.9	43.9	57.7	57.7
Long-term debt		9.2	9.2	11.7	11.7
Other liabilities		24.6	24.6	21.8	21.8
Asset retirement obligations		24.8	24.8	23.3	23.3
Common stock warrant derivatives	b)	115.4	—	—	—
Deferred income tax liabilities	a,c)	141.3	168.0	141.3	167.2
		359.2	270.5	255.8	281.7
Shareholders' Equity					
Common stock	c)	697.1	695.5	485.7	484.1
Common stock warrants	b)	—	35.0	35.0	35.0
Additional paid-in-capital		45.7	45.7	40.4	40.4
Retained earnings	a,b,c)	232.8	359.5	275.8	304.3
Accumulated other comprehensive income (loss)		9.8	9.8	(46.3)	(46.3)
		985.4	1,145.5	790.6	817.5
		$1,344.6	$1,416.0	$1,046.4	$1,099.2

22. Reconciliation to Canadian Generally Accepted Accounting Principles (Continued)

The following table reconciles the consolidated net income (loss) and consolidated comprehensive income (loss) as reported under Canadian GAAP with that which would have been reported under US GAAP.

	For the years ended December 31,		
	2009	2008	2007
Net income (loss)—US GAAP	$(56.0)	$173.1	$139.6
Reconciling items:			
Change in fair value of common stock warrants	93.4	—	—
Stripping costs incurred during production (net of amortization)	18.7	25.9	26.8
Financial instruments	—	—	0.5
Amortization of deferred finance fees	—	—	(0.3)
Income tax effect of above adjustments	(5.9)	(10.3)	(10.2)
Share based payment valuation allowance	5.0	(5.5)	—
Issuance of flow-through shares	—	—	0.9
Net income—Canadian GAAP	$ 55.2	$183.2	$157.3
Net income per share			
Basic	$ 0.43	$ 1.53	$ 1.43
Diluted	$ 0.42	$ 1.39	$ 1.24
Net income—Canadian GAAP	$ 55.2	$183.2	$157.3
Foreign currency translation adjustment	56.1	(74.5)	37.8
Comprehensive income—Canadian GAAP	$111.3	$108.7	$195.1

In 2009, 2008, and 2007, under Canadian GAAP, cash flows from operating activities would increase by $26.1 million, $28.6 million and $34.2 million, respectively, and cash flows from investing activities would decrease by $26.1 million, $28.6 million and $34.2 million, respectively, due to the stripping costs incurred during production.

Current Differences in Accounting Principles

a) *Stripping Costs Incurred During Production*

Under US GAAP, capitalization of stripping costs after a mine has entered its production phase is not permitted and requires such stripping costs to be accounted for as a variable production cost to be included in the costs of inventory.

Effective January 1, 2007, for Canadian GAAP purposes, the Corporation prospectively adopted EIC-160 "Stripping Costs Incurred in the Production Phase of a Mining Operation". Under EIC-160, stripping activity at operating mines that represents a betterment is capitalized to property, plant and equipment and amortized on a unit of production basis over the related proven and probable reserves. Betterment occurs when the stripping activity increases future output of the mine by providing additional sources of mineral reserves.

22. Reconciliation to Canadian Generally Accepted Accounting Principles (Continued)

Accordingly, for the year ended December 31, 2009, inventory and cost of sales for Canadian GAAP purposes would decrease by $2.9 million and $18.7 million, respectively, and property, plant and equipment would increase by $18.8 million (net of amortization). For the year ended December 31, 2008, inventory and cost of sales for Canadian GAAP purposes would decrease by $2.8 million and $25.9 million, respectively, and property, plant and equipment would increase by $21.7 million (net of amortization). For the year ended December 31, 2007, inventory and cost of sales for Canadian GAAP purposes would decrease by $7.0 million and $26.8 million, respectively, and property, plant and equipment would increase by $33.8 million (net of amortization).

b) *Common stock warrant derivatives*

In June 2008, the EITF reached a conclusion that an equity-linked financial instrument would not be considered indexed to the Corporation's own stock if the strike price is denominated in a currency other than the issuer's functional currency, beginning for fiscal years beginning on or after December 15, 2008. Given that the functional currency of the Corporation is the US dollar and given that the common stock warrants exercise price is denominated in the Canadian dollar, these warrants are now required to be treated as a derivative liability under US GAAP with changes in fair value recorded to earnings. This guidance was adopted by the Corporation under US GAAP on January 1, 2009.

Under Canadian GAAP, the Corporation's stock purchase warrants are still treated as equity. Accordingly, for the year ended December 31, 2009, common stock warrant derivatives and change in fair value of common stock warrants would decrease by $115.4 million and $93.4 million, respectively, under Canadian GAAP. As of December 31, 2009, retained earnings would decrease by $13.0 million and common stock warrants would increase by $35.0 million under Canadian GAAP.

c) *Realization of Deferred Tax Asset for Stock Compensation*

For US GAAP purposes, a deferred tax asset is recognized for the temporary difference related to share options based on the stock-based compensation recognized for financial statement purposes. The deferred tax asset is recognized in the period that the stock-based compensation expense is recorded. At each reporting period, the deferred tax asset is reduced by a valuation allowance if it is more likely than not that some or all of the deferred tax asset will not be realized.

For Canadian GAAP purposes, a deferred tax asset is recognized for the temporary difference related to share options based on the stock-based compensation recognized for financial statement purposes. However, at each reporting period, if there is a decline in the market price of the Corporation's common stock below the option strike price, this factor is taken into account in determining whether recoverability of the deferred tax asset is considered more likely than not.

Accordingly, under Canadian GAAP, $5.0 million of the 2008 valuation allowance of $5.5 million was reversed during 2009. A valuation of $0.5 million and $5.5 million was recorded as of December 31, 2009, and 2008, respectively, against the related deferred tax asset for options whose market price is below their share price under Canadian GAAP.

22. Reconciliation to Canadian Generally Accepted Accounting Principles (Continued)

Recent Canadian GAAP Accounting Pronouncements

Goodwill and Intangible Assets

Effective January 1, 2009, the Corporation adopted, for Canadian GAAP, Canadian Institute of Chartered Accountants ("CICA") Section 3064, "Goodwill and Intangible Assets", replacing Section 3062, "Goodwill and Other Intangible Assets" and Section 3450, "Research and Development Costs". 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 Section 3062. The adoption of Section 3064 did not have any impact on the consolidated financial statements.

Credit Risk and Fair Value of Financial Assets and Liabilities

In January 2009, the CICA issued Emerging Issues Committee ("EIC") Abstract 173, "Credit Risk and the Fair Value of Financial Assets and Financial Liabilities". The EIC provides guidance on evaluating credit risk of an entity and counterparty when determining the fair value of financial assets and financial liabilities, including derivative instruments. This standard is effective for the fiscal year beginning January 1, 2009. The adoption of EIC-173, for Canadian GAAP purposes, did not have a significant impact on the Corporation's consolidated financial statements.

Mining Exploration Costs

In March 2009, the CICA issued EIC-174, "Mining Exploration Costs". The EIC provides guidance on the accounting and the impairment review of exploration costs. This standard is effective for the fiscal year beginning January 1, 2009. The adoption of EIC-174, for Canadian GAAP purposes, did not have any impact on the Corporation's consolidated financial statements.

23. Subsequent Events

The Corporation has evaluated subsequent events through February 25, 2010. Subsequent to December 31, 2009 the Corporation terminated its $35 million revolving credit facility and the liens that collateralized the Corporation's US based assets were released. The termination of the Corporation's $35 million revolving credit facility was effective as of February 2, 2010.

24. Summary of Quarterly Financial Data (Unaudited)

The following table sets forth a summary of the quarterly results of operations for the years ended December 31, 2009 and 2008 (recast in US GAAP):

For the Year December 31, 2009	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Revenues	$78.8	$ 74.0	$114.4	$106.2
Net income (loss)	$ 8.7	$(89.3)	$ (1.4)	$ 26.0
Basic net income (loss) per share	$0.07	$(0.73)	$(0.01)	$ 0.19
Diluted net income (loss) per share	$0.07	$(0.73)	$(0.01)	$ 0.18

For the Year December 31, 2008	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Revenues	$254.8	$243.9	$331.1	$181.6
Net income (loss)	$ 42.6	$ 59.5	$ 94.8	$(23.8)
Basic net income (loss) per share	$ 0.38	$ 0.51	$ 0.76	$(0.19)
Diluted net income (loss) per share	$ 0.33	$ 0.44	$ 0.69	$(0.19)

Quarterly reconciliation to Canadian GAAP (unaudited)

The following table sets forth a summary of the quarterly results under US GAAP as reconciled to Canadian GAAP. See Note 22 for discussion of the differences between US and Canadian GAAP.

For the Year December 31, 2009	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Net income (loss)—US GAAP	$ 8.7	$(89.3)	$(1.4)	$26.0
Unrealized loss (gain) on warrants	0.3	83.0	15.7	(5.6)
Stripping costs incurred during production	3.4	5.5	4.9	4.9
Income tax effect of above adjustments	(1.2)	(2.0)	(1.8)	(0.9)
Share based payment valuation allowance	—	2.4	2.3	0.3
Net income (loss)—Canadian GAAP	$11.2	$ (0.4)	$19.7	$24.7

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

The Corporation's disclosure controls and procedures are designed to ensure that information required to be disclosed in the reports that are filed under the Securities Exchange Act of 1934, as amended (the "Exchange Act") is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission, and that such information is accumulated and communicated to the Corporation's management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. Management necessarily applies its judgment in assessing the costs and benefits of such controls and procedures that, by their nature, can only provide reasonable assurance regarding management's control objectives.

The Chief Executive Officer and the Chief Financial Officer, with assistance from the Corporation's Disclosure Committee and the Corporation's management, have evaluated the effectiveness of disclosure controls and procedures as of December 31, 2009. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer have concluded that the Corporation's disclosure controls and procedures are effective as of December 31, 2009.

The Chief Executive Officer and the Chief Financial Officer, with assistance from the Corporation's Disclosure Committee and the Corporation's management, have evaluated the effectiveness of disclosure controls and procedures as of December 31, 2008. Based on that evaluation, as of December 31, 2008, management had identified a material weakness, as discussed below, and the Chief Executive Officer and the Chief Financial Officer have concluded that the Corporation's disclosure controls and procedures were not effective as of December 31, 2008. The material weakness was remediated as of December 31, 2009.

The certifications attached as Exhibits 31 and 32 hereto should be read in conjunction with the disclosures set forth herein.

Change in Internal Control over Financial Reporting

The Corporation had a change in the internal control over financial reporting during the fourth quarter of fiscal 2009 that affected, or is reasonably likely to affect, the Corporation's internal control over financial reporting. The Corporation implemented a new software system that impacted the financial processes and controls within the area of accounting consolidation. However, to ensure adequate transition to the new system, the existing consolidation process was also maintained through year-end 2009. Management continued to rely on manual controls until the financial processes and system controls as originally designed are fully operational in the first quarter of 2010, at which point the Corporation expects to have controls that are improved from before the new system implementation.

Management's Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Exchange Act Rules 13a-15(f). The Corporation's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements, for external purposes, in accordance with generally accepted accounting principles ("GAAP").

The Chief Executive and Chief Financial Officers, with assistance from the Corporation's Disclosure Committee and the Corporation's management, have evaluated the effectiveness of internal control over financial reporting as of December 31, 2009 based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organization of the Treadway Commission. Based on its evaluation, management concluded that the Corporation's internal control over financial reporting was effective as of December 31, 2009. Because of its inherent limitations, internal control over financial reporting, may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies or procedures may deteriorate.

The Corporation's independent registered public accounting firm has audited the effectiveness of the Corporation's internal control over financial reporting as of December 31, 2009, as stated in the report which appears herein.

Remediation of Material Weakness

As of December 31, 2008, management had identified a material weakness in disclosure controls and procedures and internal control over financial reporting. Specifically, the Corporation did not perform a timely and rigorous review over the application of complex GAAP in both the Canadian GAAP to US GAAP reconciliations and the goodwill impairment processes. This control deficiency resulted in a material audit adjustment to goodwill and related disclosures in the Corporation's consolidated financial statements for the year ended December 31, 2008. Unless remediated, this control deficiency could result in a material misstatement of the Corporation's consolidated financial statements that would not be prevented or detected. During 2009, management completed the following remediation plan:

(1) Reviewed and redefined key controls within the financial reporting process.

(2) Hired a technical accounting expert to address the accounting treatment for complex GAAP transactions, including the preparation and review of the US and Canadian GAAP reconciliations and goodwill impairment analysis.

(3) Implemented a formal forecast and review process to identify any complex GAAP transactions requiring accounting research and significant accounting judgment.

(4) Completed the automation of the consolidation process, in addition to maintaining the existing system of consolidation. This ensured adequate transition to the new automated system through December 31, 2009. The new consolidation software system has improved transparency, automated calculations, and allowed for more time to analyze and review complex GAAP transactions.

(5) Implemented bi-monthly conference calls and lead a Controller's Conference with the corporate and site personnel who are critical to the financial reporting process. These activities enhance communication and provide training regarding standardized policies, procedures and internal controls related to the Corporation's financial closing and reporting of financial results, including complex GAAP transactions requiring significant accounting judgment.

(6) Performed testing of disclosure controls, procedures and internal controls earlier and more frequently during the year to monitor the effectiveness of remediation efforts undertaken.

As of December 31, 2009 management completed the execution of the remediation plan, evaluated and tested the effectiveness of these controls as of December 31, 2009 and determined that the material weakness related to the accounting of complex GAAP transactions has been remediated.

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
Thompson Creek Metals Company Inc.:

We have audited Thompson Creek Metals Company Inc.'s internal control over financial reporting as of December 31, 2009, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Thompson Creek Metals Company Inc.'s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

In our opinion, Thompson Creek Metals Company Inc. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2009, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Thompson Creek Metals Company, Inc. and subsidiaries as of December 31, 2009, and the related consolidated statements of operations, shareholders' equity and comprehensive income, and cash flows for the year then ended, and our report dated February 25, 2010 expressed an unqualified opinion on those consolidated financial statements.

/s/ KPMG LLP

Denver, Colorado
February 25, 2010