

Edgar Filing: Thompson Creek Metals CO Inc. - Form 6-K

Thompson Creek Metals CO Inc.
Form 6-K
November 05, 2009
FORM 6-K

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Report of Foreign Private Issuer

Pursuant to Rule 13a-16 or 15d-16

of the Securities Exchange Act of 1934

For the month of **November 2009**

Commission File Number **001-33783**

THOMPSON CREEK METALS COMPANY INC.

**401 Bay Street, Suite 2010
Toronto, Ontario
M5H 2Y4
(416) 860-1438**

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F ☐ Form 40-F ☒

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ☐

Note: Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ☐

Note: Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K if submitted to furnish a report or other document that the registrant foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant's "home country"), or under the rules of the home country exchange on which the registrant's securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant's security holders, and, if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

THOMPSON CREEK METALS COMPANY INC.

/s/ Lorna D. MacGillivray

Lorna D. MacGillivray

Assistant Secretary

Date: November 5, 2009

EXHIBIT INDEX

Exhibit

No. **Description**

99.1 Consolidated Financial Statements for the Three and Nine Months Ended September 30, 2009

99.2 Management's Discussion and Analysis for the Three and Nine Months Ended September 30, 2009

EXHIBIT 99.1**THOMPSON CREEK METALS COMPANY INC.****Consolidated Balance Sheets****(US dollars in millions – Unaudited)**

		September 30,	December 31,
	Note	2009	2008
Assets			
Current assets			
Cash and cash equivalents	18	\$ 303.5	\$ 258.0
Short-term investments	4	174.7	—
Accounts receivable	8,17	55.7	55.0
Product inventory	5	45.6	57.1
Material and supplies inventory		34.6	36.2
Prepaid expense and other current assets	8	4.2	6.3
Income and mining taxes recoverable		3.0	1.4
		621.3	414.0
Other assets	8	1.9	3.0
Restricted cash	9	16.1	14.2
Reclamation deposits		30.1	26.9
Property, plant and equipment	6	664.4	594.1
Goodwill		47.0	47.0
		\$ 1,380.8	\$ 1,099.2
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	8,9	\$ 31.9	\$ 36.5
Income and mining taxes payable		8.2	7.5
Current portion of long-term debt	7	4.4	5.6
Future income and mining taxes		6.1	8.1
		50.6	57.7
Long-term debt	7	9.9	11.7
Other liabilities	9	21.3	21.8
Asset retirement obligations	10	24.9	23.3
Future income and mining taxes		172.4	167.2
		279.1	281.7
Shareholders' Equity			
Common shares	11	691.8	484.1
Common share warrants	11	35.0	35.0
Contributed surplus		42.5	40.4
Retained earnings		334.8	304.3
Accumulated other comprehensive loss		(2.4)	(46.3)
		1,101.7	817.5
		\$ 1,380.8	\$ 1,099.2

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

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

		Three months ended September 30		Nine months ended September 30	
	Note	2009	2008	2009	2008
Revenues					
Molybdenum sales	8, 9,17	\$ 111.8	\$ 325.9	\$ 258.5	\$ 815.7
Tolling and calcining		2.6	5.2	8.6	14.1
		114.4	331.1	267.1	829.8
Cost of sales					
Operating expenses	8	55.7	155.2	153.6	447.5
Selling and marketing		1.9	3.0	4.4	8.0
Depreciation, depletion and amortization		13.4	13.6	37.6	31.2
Accretion	10	0.4	0.3	1.1	1.4
		71.4	172.1	196.7	488.1
Income from mining and processing		43.0	159.0	70.4	341.7
Other (income) expenses					
General and administrative		3.7	6.6	11.5	15.7
Stock-based compensation	12	0.9	4.8	6.3	13.0
Exploration and development	14	1.2	1.2	4.9	2.5
Loss (gain) on foreign exchange		6.8	(2.8)	10.8	(5.5)
Interest and finance fees	7	0.4	0.1	0.9	14.9
Interest income		(0.8)	(0.7)	(1.8)	(2.3)
Other		(0.1)	(0.3)	(0.5)	(0.4)
		12.1	8.9	32.1	37.9
Income before income and mining taxes		30.9	150.1	38.3	303.8
Income and mining taxes (recoverable)					
Current	15	9.2	39.5	16.1	90.5
Future	15	2.0	10.0	(8.3)	5.5
		11.2	49.5	7.8	96.0
Net income		\$ 19.7	\$ 100.6	\$ 30.5	\$ 207.8
Net income per share	16				
Basic		\$ 0.16	\$ 0.80	\$ 0.25	\$ 1.75
Diluted		\$ 0.14	\$ 0.74	\$ 0.24	\$ 1.56

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

	Three months ended September 30		Nine months ended September 30	
	2009	2008	2009	2008
Net income	\$ 19.7	\$ 100.6	\$ 30.5	\$ 207.8
Foreign currency translation adjustments	26.9	(14.6)	43.9	(23.9)
Comprehensive income	\$ 46.6	\$ 86.0	\$ 74.4	\$ 183.9

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

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THOMPSON CREEK METALS COMPANY INC.**Consolidated Statements of Cash Flows**

(US dollars in millions – Unaudited)

	Note	Three months ended September 30		Nine months ended September 30	
		2009	2008	2009	2008
Operating Activities					
Net income		\$ 19.7	\$ 100.6	\$ 30.5	\$ 207.8
Items not affecting cash:					
Depreciation, depletion and amortization		13.4	13.6	37.6	31.2
Accretion expense		0.4	0.3	1.1	1.4
Amortization of finance fees		—	—	—	5.4
Stock-based compensation		0.9	4.8	6.3	13.0
Future income taxes (recoverable)		2.0	10.0	(8.3)	5.5
Unrealized loss (gain) on derivative instruments		(0.8)	(3.9)	0.9	(5.3)
Change in working capital accounts	18	(7.0)	(15.1)	18.4	(22.4)
Cash generated by operating activities		28.6	110.3	86.5	236.6
Investing Activities					
Short-term investments		9.6	—	(172.2)	—
Property, plant and equipment		(13.1)	(26.1)	(54.4)	(54.7)
Deferred stripping costs		(4.4)	(7.8)	(18.8)	(20.7)
Restricted cash		(0.1)	0.6	(1.9)	(3.3)
Reclamation deposit		(0.1)	(0.2)	(2.6)	(0.7)
Acquisition cost		—	—	—	(100.0)
Cash used in investing activities		(8.1)	(33.5)	(249.9)	(179.4)
Financing Activities					
Proceeds from issuance of common shares, net		199.8	—	203.5	223.8
Repayment of long-term debt		(1.3)	(0.8)	(4.0)	(238.2)
Cash generated (used) by financing activities		198.5	(0.8)	199.5	(14.4)
Effect of exchange rate changes on cash		7.0	(3.6)	9.4	(4.8)
Increase in cash and cash equivalents		226.0	72.4	45.5	38.0
Cash and cash equivalents, beginning of period		77.5	79.3	258.0	113.7
Cash and cash equivalents, end of period		\$ 303.5	\$ 151.7	\$ 303.5	\$ 151.7
Supplementary cash flow information	18				

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

THOMPSON CREEK METALS COMPANY INC.**Consolidated Statements of Shareholders' Equity**

(US dollars in millions – Unaudited)

	Three months ended September 30		Nine months ended September 30	
	2009	2008	2009	2008
Common Shares				
Balance, beginning of period	\$ 489.5	\$ 494.6	\$ 484.1	\$ 268.1
Proceeds from equity issue	203.5	—	203.5	230.3
Proceeds from exercise of stock options	5.2	—	8.9	5.7
Transferred from contributed surplus on exercise of options	2.5	—	4.2	2.7
Issue costs	(8.9)	—	(8.9)	(12.2)
Balance, end of period	\$ 691.8	\$ 494.6	\$ 691.8	\$ 494.6
Common Share Warrants				
Balance, beginning and end of period	\$ 35.0	\$ 35.0	\$ 35.0	\$ 35.0
Contributed Surplus				
Balance, beginning of period	\$ 44.1	\$ 33.8	\$ 40.4	\$ 26.5
Amortization of fair value of employee stock options	0.9	4.1	6.3	13.2
Transferred to common shares on exercise of options	(2.5)	—	(4.2)	(2.7)
Stock-based compensation tax adjustment	—	—	—	0.9
Balance, end of period	\$ 42.5	\$ 37.9	\$ 42.5	\$ 37.9
Retained Earnings				
Balance, beginning of period	\$ 315.1	\$ 237.0	\$ 304.3	\$ 129.8
Net income	19.7	100.6	30.5	207.8
Balance, end of period	\$ 334.8	\$ 337.6	\$ 334.8	\$ 337.6
Accumulated Other Comprehensive (Loss) Income				
Balance, beginning of period	\$ (29.3)	\$ 18.9	\$ (46.3)	\$ 28.2
Foreign currency translation adjustments	26.9	(14.6)	43.9	(23.9)
Balance, end of period	\$ (2.4)	\$ 4.3	\$ (2.4)	\$ 4.3
Shareholders' Equity, end of period	\$ 1,101.7	\$ 909.4	\$ 1,101.7	\$ 909.4

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

THOMPSON CREEK METALS COMPANY INC.

Notes to the Consolidated Financial Statements

Three and Nine Months Ended September 30, 2009

(US dollars in millions unless indicated otherwise - Unaudited)

1. Description of Business

Thompson Creek Metals Company Inc. is a North American molybdenum mining corporation, incorporated in 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, the Langeloth Metallurgical Roasting Facility in Pennsylvania, as well as all roasting and sales of third party purchased material. 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 development 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. Basis of Presentation and Measurement Uncertainty

Basis of Presentation

The accompanying unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP") for interim financial information and are expressed in US dollars unless otherwise stated. Accordingly, the interim consolidated financial statements of the Corporation do not include all information and note disclosures as required under Canadian GAAP for annual financial statements, and should be read in conjunction with the Corporation's 2008 audited consolidated financial statements and the corresponding notes thereto.

The accompanying unaudited interim consolidated financial statements include all adjustments that are, in the opinion of management, necessary for a fair presentation.

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities as of the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period.

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

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

The consolidated financial statements also include the Corporation's pro rata share of its 75% joint venture interest in the Endako Mine. All intercompany accounts and transactions have been eliminated on consolidation.

Certain comparative figures for 2008 have been reclassified to conform to the 2009 financial statement presentation.

THOMPSON CREEK METALS COMPANY INC.

Notes to the Consolidated Financial Statements

Three and Nine Months Ended September 30, 2009

(US dollars in millions unless indicated otherwise - Unaudited)

Measurement Uncertainty

The Corporation's financial statements are based on a number of significant estimates, including the fair value of goodwill, impairments of long-lived assets, the timing and costs associated with its asset retirement obligations, estimates of molybdenum mineral reserves used for depreciation, depletion and amortization, and the fair value of financial and derivative instruments. 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.

3. Accounting Changes and Accounting Policy Developments

Accounting Changes

Goodwill and Intangible Assets

Effective January 1, 2009 the Corporation adopted 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 Corporation's 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 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 did not have any impact on the Corporation's consolidated financial statements.

Accounting Policy Developments

Conversion to US Generally Accepted Accounting Principles

As of June 30, 2009 more than 50% of the outstanding common stock of the Corporation was directly or indirectly owned by US citizens or residents. As a result, 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 will be 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 of becoming a domestic US registrant, the Corporation will recast its financial information to US generally accepted accounting principles ("US GAAP") beginning with its annual financial information on

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THOMPSON CREEK METALS COMPANY INC.**Notes to the Consolidated Financial Statements****Three and Nine Months Ended September 30, 2009**

(US dollars in millions unless indicated otherwise - Unaudited)

Form 10-K as of December 31, 2009, and for the three years then ended. The conversion to US GAAP will impact the Corporation's accounting policies and disclosure controls and procedures. The Corporation has historically disclosed the differences between Canadian GAAP and US GAAP in the notes to its audited annual financial statements.

Corporation's Warrants

In June 2008, the Emerging Issues Task Force ("EITF") reached a conclusion in EITF 07-05, "Determining Whether an Instrument (or Embedded Feature) is Indexed to an Entity's Own Stock", 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. The Corporation's warrants with such provisions are no longer deemed to be indexed to the Corporation's own stock and will no longer be classified in equity upon conversion to US GAAP. Instead, these warrants will be reclassified as a derivative liability on January 1, 2009 with a cumulative adjustment to retained earnings upon adoption. Subsequent changes to the fair value of the outstanding warrants will be recorded to the income statement at the end of each period. The fair value of the Corporation's warrants on January 1, 2009 and September 30, 2009 was a liability of approximately \$22 million and \$121 million, respectively. The Corporation will continue to review the full impact of this accounting pronouncement as it transitions to US GAAP.

4. Short-term Investments

As of September 30, 2009, the Corporation had \$174.7 million of short-term investments (\$nil as of December 31, 2008). 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. To date, no impairment losses have been recorded on these short-term investments.

5. Inventory

	September 30,	December 31,
	2009	2008
Finished product	\$ 29.7	\$ 42.9
Work-in-process	12.8	10.5
Stockpiled ore	3.1	3.7
	\$ 45.6	\$ 57.1

As of September 30, 2009, of the \$29.7 million classified as finished product, \$nil was valued at net realizable value. At December 31, 2008, of the \$42.9 million classified as finished product, \$19.4 million was valued at net realizable value.

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THOMPSON CREEK METALS COMPANY INC.**Notes to the Consolidated Financial Statements****Three and Nine Months Ended September 30, 2009****(US dollars in millions unless indicated otherwise - Unaudited)****6. Property, Plant and Equipment**

	September 30,	December 31,
	2009	2008
Mining properties	\$ 315.0	\$ 274.0
Mining equipment	204.9	163.9
Processing facilities	111.3	110.2
Deferred stripping costs	81.6	62.8
Endako mill expansion	58.7	43.4
Construction in progress	21.8	30.8
Other	2.7	1.1
	796.0	686.2
Less: Accumulated depreciation, depletion and amortization	(131.6)	(92.1)
	\$ 664.4	\$ 594.1

The following table summarizes the stripping costs that have been deferred related to the Corporation's US operations. Deferred stripping is amortized once production of the related phase begins based upon units of production:

	Deferred	Accumulated	Net deferred
	costs	amortization	Costs
As of December 31, 2008	\$ 62.8	\$ (7.2)	\$ 55.6
Costs deferred in period	18.8	—	18.8
Amortization of previously deferred costs	—	(5.7)	(5.7)
As of September 30, 2009	\$ 81.6	\$ (12.9)	\$ 68.7

THOMPSON CREEK METALS COMPANY INC.**Notes to the Consolidated Financial Statements****Three and Nine Months Ended September 30, 2009**

(US dollars in millions unless indicated otherwise - Unaudited)

7. Long-term Debt

Long-term debt consists of:

	September 30,	December 31,
	2009	2008
Promissory note	\$ 1.0	\$ —
Equipment loan – fixed rate	11.7	13.6
Equipment loans – variable rate	1.6	3.7
	14.3	17.3
Less: Current portion	(4.4)	(5.6)
	\$ 9.9	\$ 11.7

The Corporation has a \$35 million first lien revolving collateralized line of credit secured by a significant amount of the Corporation's US-based assets. This credit facility, which has a final maturity date of October 26, 2011, bears interest at LIBOR plus 2.5% and includes both standard financial and non-financial covenants, including ratio tests for leverage, interest coverage and working capital. The Corporation was in compliance with the financial covenants as of September 30, 2009. As of September 30, 2009, drawings on this facility were \$nil (December 31, 2008 – \$nil).

As of September 30, 2009, the Corporation also held equipment loans with each loan secured by the underlying 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.

In January 2009, the Corporation purchased a property interest in Colorado (\$2.0 million), of which \$1.0 million was paid in cash, and the remaining \$1.0 million was paid with a promissory note. The promissory note bears interest at a fixed rate of 6%, and is due in equal payments over a five year period, with the first payment due in January 2010.

The following table summarizes activity related to interest and finance fees:

	Three months ended September 30		Nine months ended September 30	
	2009	2008	2009	2008
Interest expense	\$ 0.4	\$ 0.1	\$ 0.9	\$ 9.5
Finance fees	—	—	—	5.4
	\$ 0.4	\$ 0.1	\$ 0.9	\$ 14.9

THOMPSON CREEK METALS COMPANY INC.

Notes to the Consolidated Financial Statements

Three and Nine Months Ended September 30, 2009

(US dollars in millions unless indicated otherwise - Unaudited)

8. Derivative Financial Instruments

a) Forward Currency Contracts

The Corporation uses foreign currency forward contracts to fix the rate of exchange of US dollars for Canadian dollars (CAD) 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 September 30, 2009, the Corporation had open forward currency contracts with a total commitment to purchase CAD\$14.1 million at an average US dollar to Canadian dollar exchange rate of 1.12 (December 31, 2008 – CAD\$6.0 million at an average rate of 1.23).

The Corporation does not consider these contracts to be hedges for accounting purposes and has determined these contracts to be derivative instruments, the fair value of which was an asset of \$0.6 million at September 30, 2009 (December 31, 2008 – \$0.1 million). The asset has been included in prepaid expense and other current assets on the Corporation's consolidated balance sheets and loss (gain) on foreign exchange in the Corporation's consolidated statements of income.

b) Provisionally-priced contracts

The Corporation enters into agreements to sell and purchase molybdenum at prices to be determined in the future. The future pricing mechanism of these agreements constitutes an embedded derivative which must be 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. As of September 30, 2009, the fair value of these embedded derivatives was an asset of \$0.3 million (December 31, 2008 – asset of \$0.1 million) and has been included in accounts receivable on the Corporation's balance sheet. For the three and nine months ended September 30, 2009, the Corporation recorded an unrealized (loss)/gain on these embedded derivatives of \$(0.1) million and \$0.2 million, respectively, which has been included in molybdenum sales on the consolidated statements of income (three and nine months ended September 30, 2008 - \$3.1 million loss).

Changes to the fair value of embedded derivatives related to molybdenum purchases are included in operating expenses in the determination of net income. As of September 30, 2009, the fair value of these embedded derivatives was a liability of \$0.9 million (December 31, 2008 – asset of \$0.7 million). For the three and nine months ended September 30, 2009, an unrealized loss of \$0.3 million and \$1.6 million, respectively, has been included in operating expenses on the Corporation's consolidated statements of income (three and nine months ended September 30, 2008 - \$5.1 million and \$5.3 million gain, respectively).

c) Fixed Price Contracts

The Corporation has forward sales contracts with fixed-price agreements under which it is required to sell certain future molybdenum production at prices that may be different than the prevailing market price. Forward sales contracts in place at September 30, 2009 cover the period 2009 to 2011. As of September 30, 2009, the Corporation had committed to sell approximately 3.1 million pounds at an average market price of approximately \$14.73 per pound. At September 30, 2009, the estimated fair value of these contracts was an asset totaling \$3.5 million (as of December 31, 2008 - \$4.5 million). The current portion of \$1.6 million has been included in prepaid expense and other current assets on the Corporation's consolidated balance sheet (December 31, 2008 - \$1.5 million). An unrealized loss of \$0.1 million and \$1.0 million related to these fixed price contracts has been included in molybdenum sales on the Corporation's consolidated statements of income for the three and nine months ended September 30, 2009, respectively (three and nine months ended September 30, 2008 - \$2.1 million and \$3.4 million gain, respectively).

THOMPSON CREEK METALS COMPANY INC.**Notes to the Consolidated Financial Statements****Three and Nine Months Ended September 30, 2009**

(US dollars in millions unless indicated otherwise - Unaudited)

9. Other Liabilities

Other liabilities consist of:

	September 30,	December 31,
	2009	2008
Severance and retention liability	\$ 16.1	\$ 14.5
Contractual sales obligations	5.2	7.3
	\$ 21.3	\$ 21.8

The Corporation maintains an employee severance and retention program for certain individuals employed by Thompson Creek Metals Company USA. As of September 30, 2009, the Corporation had recorded a total liability related to the severance and retention program of \$16.1 million, of which \$nil was included in current liabilities (December 31, 2008 – \$14.5 million and \$nil classified in current liabilities). 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 totaled \$16.1 million at September 30, 2009 (December 31, 2008 – \$14.2 million) and have been presented as restricted cash, a long-term asset, on the Corporation's consolidated balance sheets. The Corporation recognized an expense of \$1.0 million and \$2.7 million for the three and nine months ended September 30, 2009, respectively (three and nine months ended September 30, 2008 - \$1.2 million and \$3.9 million, respectively) for the retention and severance program.

Upon acquisition of Thompson Creek USA, the Corporation acquired a contractual agreement to sell 10% of certain production at the Thompson Creek Mine at an amount that was less than the prevailing market price at the date of the acquisition. Deliveries under this contract commenced in 2007 and, based on the current mine plan, will continue through 2011. As of September 30, 2009, the Corporation has a liability of \$5.2 million related to future deliveries under this agreement (December 31, 2008 – \$7.3 million). As this contractual agreement is satisfied by delivery of product, the liability is being drawn down with a corresponding adjustment to molybdenum sales in the determination of net income. For the three and nine months ended September 30, 2009, \$0.7 million and \$2.1 million, respectively, related to this obligation has been realized and included in molybdenum sales (three and nine months ended September 30, 2008 – \$0.7 million and \$1.8 million, respectively).

THOMPSON CREEK METALS COMPANY INC.

Notes to the Consolidated Financial Statements

Three and Nine Months Ended September 30, 2009

(US dollars in millions unless indicated otherwise - Unaudited)

10. Asset Retirement Obligations

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

	Thompson	Endako	Davidson Project	Total
	Creek Mine	Mine		
As of December 31, 2008	\$ 18.7	\$ 4.4	\$ 0.2	\$ 23.3
Accretion	0.9	0.2	—	1.1
Foreign exchange	—	0.5	—	0.5
As of September 30, 2009	\$ 19.6	\$ 5.1	\$ 0.2	\$ 24.9

THOMPSON CREEK METALS COMPANY INC.

Notes to the Consolidated Financial Statements

Three and Nine Months Ended September 30, 2009

(US dollars in millions unless indicated otherwise - Unaudited)

11. Common Share Capital and Common Share Warrants

a) Common Shares

The following table summarizes common share transactions:

(US\$ in millions except share amounts)	Number of Shares (000's)	Amount
Balance, December 31, 2008	122,253	\$ 484.1
Options exercised	1,398	13.1
Warrants exercised	1	—
Equity issue, net	15,500	194.6
Balance, September 30, 2009	139,152	\$ 691.8

b) Common Share Warrants

The following table summarizes common share warrant transactions:

(US\$ in millions except share amounts)	Number of Shares (000's)	Amount
Balance, December 31, 2008	24,505	\$ 35.0
Warrants exercised	(1)	—
Balance, September 30, 2009	24,504	\$ 35.0

THOMPSON CREEK METALS COMPANY INC.**Notes to the Consolidated Financial Statements****Three and Nine Months Ended September 30, 2009**

(US dollars in millions unless indicated otherwise - Unaudited)

12. Stock-based Compensation

The Corporation uses the fair value method of accounting for stock-based compensation and recognized a stock-based compensation expense of \$0.9 million and \$6.3 million for the three and nine months ended September 30, 2009, respectively (three and nine months ended September 30, 2008 – \$4.8 million and \$13.0 million, respectively). The stock-based compensation expense recorded in each period includes costs related to option awards made during the period, as applicable, as well as the amortization of costs of prior period awards that did not vest at the grant date.

In June 2009, the Corporation completed a voluntary stock option surrender program offered to all holders of stock options with an exercise price of CAD\$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.

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

	Options Outstanding (000's)	Weighted-average Exercise Price per Option (CAD\$)
Balance, December 31, 2008	8,788	\$ 12.51
Options granted	200	15.45
Options exercised	(1,398)	7.15
Options expired	(54)	14.76
Options surrendered	(2,415)	20.72
Balance, September 30, 2009	5,121	\$ 10.13

THOMPSON CREEK METALS COMPANY INC.

Notes to the Consolidated Financial Statements

Three and Nine Months Ended September 30, 2009

(US dollars in millions unless indicated otherwise - Unaudited)

13. Commitments and Contingencies

The Corporation has entered into commitments to buy Canadian dollars at future dates at established exchange rates (see Note 8(a)).

The Corporation has committed to sell a certain amount of production at a defined price that may be greater or less than market (see Note 8(c) and Note 9).

In the normal course of operations, the Corporation enters into agreements for the purchase of molybdenum. As of September 30, 2009, the Corporation had commitments to purchase approximately 1.2 million pounds of molybdenum sulfide concentrates for the remainder of 2009, and 1.5 million pounds in 2010. These purchases will be priced at a discount to the market price for molybdenum oxide at the time of purchase.

As of September 30, 2009, the Corporation had commitments related to the purchase of major mill equipment for its share of the Endako mill expansion of approximately \$6.4 million in 2009 and approximately \$22.6 million in 2010.

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

14. Exploration and Development

	Three months ended September 30		Nine months ended September 30	
	2009	2008	2009	2008
Davidson Project	\$ 0.1	\$ 1.1	\$ 1.0	\$ 2.4
Mt. Emmons Project	1.1	0.1	3.9	0.1
	\$ 1.2	\$ 1.2	\$ 4.9	\$ 2.5

THOMPSON CREEK METALS COMPANY INC.**Notes to the Consolidated Financial Statements****Three and Nine Months Ended September 30, 2009**

(US dollars in millions unless indicated otherwise - Unaudited)

15. Income and Mining Taxes

	Three months ended September 30		Nine months ended September 30	
	2009	2008	2009	2008
Current income and mining taxes	\$ 9.2	\$ 39.5	\$ 16.1	\$ 90.5
Future income and mining taxes (recoverable)	2.0	10.0	(8.3)	5.5
	\$ 11.2	\$ 49.5	\$ 7.8	\$ 96.0

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:

	Three months ended September 30		Nine months ended September 30	
	2009	2008	2009	2008
Income before income and mining taxes	\$ 30.9	\$ 150.1	\$ 38.3	\$ 303.8
Combined Canadian federal and provincial income tax rates	30%	31%	30%	31%
Income taxes based on above rates	9.3	46.6	11.5	94.2
Increase (decrease) to income taxes due to:				
Difference in foreign statutory tax rates	3.1	8.0	4.6	14.1
Provincial and state mining taxes	0.1	5.7	0.1	13.5
Withholding taxes	0.3	0.5	0.8	0.8
Non-deductible expenses	4.2	3.6	6.2	7.0
Non-taxable income	(0.7)	(1.4)	(0.8)	(2.4)
Foreign tax differences	(2.8)	—		