

Thompson Creek Metals Co Inc.
Form 10-Q
May 04, 2016

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[Table of Contents](#)

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934

For the quarterly period ended March 31, 2016

Or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934

For the transition period from _____ to _____

Commission File Number: 001-33783

THOMPSON CREEK METALS COMPANY INC.

(Exact name of registrant as specified in its charter)

British Columbia, Canada
(State or other jurisdiction of
incorporation or organization)

98-0583591
(I.R.S.
Employer
Identification
No.)

26 West Dry Creek Circle, Suite 810, Littleton, CO
(Address of principal executive offices)
(303) 761-8801

80120
(Zip code)

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer
(Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined by Rule 12b-2 of the Act). Yes No
As of May 2, 2016, there were 222,475,350 shares of the registrant's common stock, no par value, outstanding.

Table of Contents

Thompson Creek Metals Company Inc.
INDEX TO FORM 10-Q

	Page
<u>PART I. Financial Information</u>	<u>3</u>
<u>Item 1. Financial Statements (unaudited)</u>	<u>3</u>
<u>Condensed Consolidated Balance Sheets</u>	<u>3</u>
<u>Condensed Consolidated Statements of Operations and Comprehensive Income (Loss)</u>	<u>4</u>
<u>Condensed Consolidated Statements of Cash Flows</u>	<u>5</u>
<u>Condensed Consolidated Statements of Shareholders' Equity</u>	<u>6</u>
<u>Notes to the Condensed Consolidated Financial Statements</u>	<u>7</u>
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>28</u>
<u>Item 3. Quantitative and Qualitative Disclosures about Market Risk</u>	<u>51</u>
<u>Item 4. Controls and Procedures</u>	<u>54</u>
<u>PART II. Other Information</u>	<u>55</u>
<u>Item 1. Legal Proceedings</u>	<u>55</u>
<u>Item 1A. Risk Factors</u>	<u>55</u>
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>55</u>
<u>Item 3. Defaults Upon Senior Securities</u>	<u>55</u>
<u>Item 4. Mine Safety Disclosures</u>	<u>55</u>
<u>Item 5. Other Information</u>	<u>55</u>
<u>Item 6. Exhibits</u>	<u>56</u>
<u>Signatures</u>	<u>57</u>

Table of Contents

PART I — FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

THOMPSON CREEK METALS COMPANY INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(UNAUDITED)

	March 31, 2016	December 31, 2015
(US dollars in millions, except share amounts)		
ASSETS		
Current assets		
Cash and cash equivalents	\$139.1	\$176.8
Accounts receivable (Note 2)	60.3	52.7
Product inventory (Note 3)	74.6	55.8
Materials and supplies inventory	31.7	28.3
Prepaid expenses and other current assets	9.7	4.2
Income and mining taxes receivable	6.2	6.1
	321.6	323.9
Property, plant, equipment and development, net (Note 4)	1,962.9	1,856.2
Reclamation deposits	10.1	10.1
Other assets	22.4	21.0
Deferred income tax assets (Note 14)	156.3	155.4
	\$2,473.3	\$2,366.6
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	\$76.7	\$72.0
Income, mining and other taxes payable	1.3	1.1
Current portion of Gold Stream deferred revenue (Note 9)	46.4	47.0
Current portion of long-term lease obligations (Note 7)	25.3	25.6
Other current liabilities	3.2	3.5
	152.9	149.2
Gold Stream deferred revenue (Note 9)	672.4	677.8
Long-term debt, net of unamortized debt issuance costs and discounts (Note 8)	823.0	821.8
Long-term lease obligations (Note 7)	21.4	27.4
Other liabilities (Note 10)	14.2	13.6
Asset retirement obligations	35.7	33.8
Deferred income tax liabilities (Note 14)	72.3	67.7
	1,791.9	1,791.3
Commitments and contingencies (Note 13)		
Shareholders' equity		
Common stock, no-par, 222,475,350 and 221,622,186 shares issued and outstanding as of March 31, 2016 and December 31, 2015, respectively	1,197.7	1,196.4
Additional paid-in capital	82.7	82.5
Accumulated deficit	(346.7)	(381.8)
Accumulated other comprehensive loss	(252.3)	(321.8)
	681.4	575.3
	\$2,473.3	\$2,366.6

See accompanying notes to unaudited condensed consolidated financial statements.

Table of Contents

THOMPSON CREEK METALS COMPANY INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS and COMPREHENSIVE INCOME (LOSS)
(UNAUDITED)

(US dollars in millions, except per share amounts)	Three Months	
	Ended March 31,	
	2016	2015
REVENUES		
Copper sales	\$28.1	\$32.2
Gold sales	45.3	36.0
Molybdenum sales	19.6	42.8
Tolling, calcining and other	4.4	12.0
Total revenues	97.4	123.0
COSTS AND EXPENSES		
Cost of sales		
Operating expenses	57.5	83.0
Depreciation, depletion and amortization	19.8	20.0
Total cost of sales	77.3	103.0
Selling and marketing	2.2	3.0
Strategic initiative related costs	3.4	—
Accretion expense	0.6	0.6
General and administrative	4.1	5.6
Costs for idle mining operations	2.4	5.6
Total costs and expenses	90.0	117.8
OPERATING INCOME	7.4	5.2
OTHER (INCOME) EXPENSE		
(Gain) loss on foreign exchange	(59.4)	88.2
Interest and finance fees	21.1	22.6
Gain from debt extinguishment	—	(0.3)
Interest income	(0.1)	(0.1)
Other	3.2	(1.3)
Total other (income) expense	(35.2)	109.1
Income (loss) before income and mining taxes	42.6	(103.9)
Total income and mining tax expense (benefit)	7.5	(16.7)
NET INCOME (LOSS)	\$35.1	\$(87.2)
COMPREHENSIVE INCOME (LOSS)		
Foreign currency translation	69.5	(96.5)
Total other comprehensive (income) loss	69.5	(96.5)
Total comprehensive income (loss)	\$104.6	\$(183.7)
NET INCOME (LOSS) PER SHARE		
Basic	\$0.16	\$(0.41)
Diluted	\$0.16	\$(0.41)
Weighted-average number of common shares		
Basic	222.2	214.4
Diluted	222.2	214.4

See accompanying notes to unaudited condensed consolidated financial statements.

Table of Contents

THOMPSON CREEK METALS COMPANY INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	Three Months	
	Ended March 31,	
(US dollars in millions)	2016	2015
OPERATING ACTIVITIES		
Net income (loss)	\$35.1	\$(87.2)
Adjustments to reconcile net income (loss)		
Depreciation, depletion and amortization	19.8	20.0
Deferred revenue related to Gold Stream Arrangement	(6.6)	(6.4)
Accretion expense	0.6	0.6
Amortization of finance fees	1.2	1.2
Stock-based compensation	1.3	1.3
Product inventory write downs	0.7	5.2
Deferred income tax expense (benefit)	8.0	(15.1)
Unrealized (gain) loss on financial instruments and mark-to-market adjustments	(10.7)	6.0
Unrealized foreign exchange (gain) loss	(59.8)	86.6
Debt extinguishment gain	—	(0.3)
Changes in other long term liabilities	0.6	—
Gold Stream Arrangement net payable	10.1	(5.5)
Change in current assets and liabilities (Note 17)	(16.0)	(11.7)
Cash used in operating activities	(15.7)	(5.3)
INVESTING ACTIVITIES		
Capital expenditures	(15.6)	(13.2)
Capitalized interest payments	(0.4)	(0.7)
Restricted cash	—	7.1
Proceeds from sale of assets	0.1	—
Cash used in investing activities	(15.9)	(6.8)
FINANCING ACTIVITIES		
Equipment financings and repayments	(6.3)	(6.5)
Repayment of long-term debt	—	(1.3)
Senior note repurchases	—	(6.8)
Proceeds from issuance of common shares, net	0.1	0.3
Cash used in financing activities	(6.2)	(14.3)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	0.1	(1.0)
DECREASE IN CASH AND CASH EQUIVALENTS	(37.7)	(27.4)
Cash and cash equivalents, beginning of period	176.8	265.6
Cash and cash equivalents, end of period	\$139.1	\$238.2

Supplementary cash flow information (Note 17)

See accompanying notes to unaudited condensed consolidated financial statements.

Table of Contents

THOMPSON CREEK METALS COMPANY INC.
 CONDENSED CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY
 (UNAUDITED)

(US dollars in millions, share data in thousands)	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total
	Shares	Amount				
Balances at December 31, 2015	221,622	\$ 1,196.4	\$ 82.5	\$ (381.8)	\$ (321.8)	\$ 575.3
Amortization of stock-based compensation	—	—	1.3	—	—	1.3
Shares issued under stock-based compensation	853	1.3	(1.1)	—	—	0.2
Comprehensive income:						
Net income	—	—	—	35.1	—	35.1
Foreign currency translation	—	—	—	—	69.5	69.5
Total comprehensive income						\$ 104.6
Balances at March 31, 2016	222,475	\$ 1,197.7	\$ 82.7	\$ (346.7)	\$ (252.3)	\$ 681.4

See accompanying notes to unaudited condensed consolidated financial statements.

Table of Contents

THOMPSON CREEK METALS COMPANY INC.

Notes to the Condensed Consolidated Financial Statements - Unaudited
(US dollars in millions, except per share amounts)

1. Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q. In compliance with those instructions, certain information and footnote disclosures normally included in consolidated financial statements prepared in accordance with generally accepted accounting principles in the United States ("US GAAP") have been condensed or omitted. This report should be read in conjunction with the Thompson Creek Metals Company Inc. ("TCM," "Company," "we," "us" or "our") consolidated financial statements and notes contained in its Annual Report on Form 10-K for the year ended December 31, 2015 (the "2015 Form 10-K") filed with the Securities and Exchange Commission ("SEC"). The information reflects all adjustments which are, in the opinion of management, necessary for a fair statement of the results for the interim periods reported. Operating results for the three months ended March 31, 2016 are not necessarily indicative of the results that may be expected for any other quarter or for the year ending December 31, 2016.

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. TCM bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. Accordingly, actual results may differ significantly from these estimates under different assumptions or conditions.

The condensed consolidated financial statements include the accounts of TCM and its subsidiaries. Intercompany accounts and transactions have been eliminated in consolidation. Financial amounts are presented in United States ("US") dollars unless otherwise stated. References to C\$ are Canadian dollars.

The Copper-Gold operations consist of Mount Milligan Mine, a conventional truck-shovel open-pit copper and gold mine and concentrator in British Columbia. The US operations for molybdenum include the Thompson Creek Mine ("TC Mine") (mine and mill) in Idaho and the Langeloth Metallurgical Roasting Facility (the "Langeloth Facility") in Pennsylvania. The Canadian operations for molybdenum consist of a 75% joint venture interest in the Endako Molybdenum Mine Joint Venture ("Endako Mine") (mine, mill and roaster) in British Columbia. As previously disclosed in TCM's 2015 Form 10-K, due to continued weakness in the molybdenum market Endako Mine was placed on temporary suspension effective December 31, 2014 and subsequently placed on care and maintenance effective July 1, 2015. TC Mine was placed on care and maintenance in December 2014 after the processing of stockpiled ore from Phase 7 was completed. During the first seven months of 2015, TC Mine conducted limited stripping for the next phase of mining ("Phase 8"). As part of TCM's cost reduction measures, further stripping at TC Mine ceased effective August 6, 2015. As of January 2016, TCM is operating a commercial molybdenum beneficiation circuit at TC Mine to treat molybdenum concentrates to supplement the concentrate feed TCM sources directly for the Langeloth facility.

The costs related to the Endako Mine temporary suspension and care and maintenance and TC Mine care and maintenance are reflected in costs for idle mining operations in the Condensed Consolidated Statements of Operations and Comprehensive (Income) Loss. The costs related to the molybdenum beneficiation circuit are reflected in operating expenses in the Condensed Consolidated Statements of Operations and Comprehensive (Income) Loss.

TCM also has a 100% interest in a copper and molybdenum exploration property located in British Columbia (the "Berg property") and a 0.51% net smelter return royalty and a 10.2% net profits interest in a zinc and lead exploration project located in Canada (the "Howards Pass property").

New Accounting Standards

In April and August 2015, the FASB issued Accounting Standard Updates ("ASUs") to simplify the presentation of debt issuance costs. These ASUs require that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. For public entities, these ASUs are effective for annual periods beginning after December 15, 2015, and interim periods within those fiscal years. TCM adopted this ASU effective January 1, 2016. Upon adoption, TCM retrospectively adjusted its December 31, 2015 balance sheet by decreasing its other assets by \$9.8 million and decreasing its long-term debt by \$9.8 million.

THOMPSON CREEK METALS COMPANY INC.

Notes to the Condensed Consolidated Financial Statements (Continued) - Unaudited

(US dollars in millions, except per share amounts)

1. Basis of Presentation (Continued)

In June 2014, the FASB issued an ASU to provide clarity on how to account for certain share-based payment awards where the terms of an award may provide that the performance target could be achieved regardless of whether the employee is rendering service on the date the performance target is achieved. The amendments require that a performance target that affects vesting and that could be achieved after the requisite service period be treated as a performance condition and should not be reflected in estimating the grant-date fair value of the award. The total amount of compensation cost recognized during and after the requisite service period should reflect the number of awards that are expected to vest and should be adjusted to reflect those awards that ultimately vest. The ASU is effective for fiscal years beginning after December 15, 2015. TCM adopted this ASU effective January 1, 2016, and it had no impact on its results of operations.

In January 2016, the FASB issued an ASU to amend certain aspects of recognition, measurement, presentation, and disclosure of financial instruments. This ASU eliminates the requirement to disclose the method(s) and significant assumptions used to estimate the fair value that is required to be disclosed for financial instruments measured at amortized cost on the balance sheet, requires the use of an exit price notion when measuring the fair value of financial instruments for disclosure purposes and requires a separate presentation in other comprehensive income for the portion of the total change in the fair value of a liability resulting from a change in the instrument-specific credit risk. The ASU is effective for fiscal years beginning after December 15, 2017. We are evaluating the impact of this ASU on our financial statements.

In March 2016, the FASB issued an ASU to simplify accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. The ASU is effective for fiscal years beginning after December 15, 2016. We are evaluating the impact of this ASU on our financial statements.

Table of Contents

THOMPSON CREEK METALS COMPANY INC.

Notes to the Condensed Consolidated Financial Statements (Continued) - Unaudited

(US dollars in millions, except per share amounts)

2. Accounts Receivable

Accounts receivable are carried at their estimated collectible amounts and were comprised of the following:

	March 31, December 31,	
	2016	2015
Receivables		
Trade receivables	\$ 54.9	\$ 52.8
Mark-to-market adjustments on trade receivables relating to provisional invoices for Mount Milligan Mine copper and gold concentrate sales	3.0	(1.9)
Goods and services sales tax refunds	2.2	1.4
Settlement receivables on hedges and other miscellaneous receivables	0.2	0.4
	\$ 60.3	\$ 52.7

3. Product Inventory

The carrying value of product inventory was as follows:

	March 31, December 31,	
	2016	2015
Copper and Gold Inventory		
Concentrate	\$ 40.5	\$ 19.4
Stockpiled ore	14.5	15.6
	\$ 55.0	\$ 35.0
Molybdenum Inventory		
Finished product	\$ 11.2	\$ 12.3
Work-in-process	8.4	8.5
	\$ 19.6	\$ 20.8
	\$ 74.6	\$ 55.8

During the three months ended March 31, 2016 and 2015, the carrying value of TCM's molybdenum inventory exceeded its market value, resulting in inventory write downs of \$0.7 million and \$5.6 million, respectively.

The following table sets forth the write downs of TCM's molybdenum inventory in the accompanying Condensed Consolidated Statements of Operations and Comprehensive Income (Loss) for the three months ended March 31, 2016 and 2015:

	Three Months Ended	
	March 31, 2016	March 31, 2015
US Molybdenum		
Operating expense	\$0.7	\$ 3.8
Depreciation, depletion and amortization	—	0.3
Canadian Molybdenum		
Operating expense	—	1.4
Depreciation, depletion and amortization	—	0.1
	\$0.7	\$ 5.6

Table of Contents

THOMPSON CREEK METALS COMPANY INC.

Notes to the Condensed Consolidated Financial Statements - Unaudited

(US dollars in millions, except per share amounts)

4. Property, Plant, Equipment and Development, Net

Property, plant, equipment and development, net, was composed of the following:

	March 31, 2016	December 31, 2015
Mining properties and mineral reserves	\$671.8	\$630.4
Mining and milling equipment and facilities	1,392.2	1,305.4
Processing facilities	177.4	176.7
Construction-in-progress ⁽¹⁾	30.9	16.4
Other	9.5	9.5
	2,281.8	2,138.4
Less: Accumulated depreciation, depletion and amortization	(318.9)	(282.2)
	\$1,962.9	\$1,856.2

⁽¹⁾ The construction-in-progress balances primarily related to the permanent secondary crusher project at Mount Milligan Mine.

5. Financial Instruments

TCM enters into various derivative financial instruments in the normal course of operations to manage exposure to the market prices of copper and gold and foreign exchange risk with respect to its Canadian operations. TCM does not apply hedge accounting to its derivative instruments. Accordingly, changes in fair value of derivative instruments are recorded in the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss), except those contracts for which TCM has elected to apply the normal purchases and normal sales scope exception.

The following table sets forth the fair values of TCM's derivative assets and liabilities:

	Fair value as of	
	March 31, 2016	December 31, 2015
Assets ⁽¹⁾		
Provisionally-priced sales	\$3.0	\$ —
Forward currency contracts	3.4	—
Total	\$6.4	\$ —
Liabilities ⁽¹⁾		
Commodity contracts	\$1.0	\$ 1.5
Provisionally-priced sales	—	1.9
Forward currency contracts	—	2.0
Total	\$1.0	\$ 5.4

⁽¹⁾ TCM's derivative assets are included in prepaid expenses and other current assets and accounts receivable, and derivative liabilities are included in other current liabilities on its condensed consolidated balance sheets. TCM is exposed to credit risk when counterparties with whom it has entered into derivative transactions are unable to satisfy their obligations. To reduce counterparty credit exposure, TCM deals primarily with large, credit-worthy financial institutions and companies. TCM believes the counterparties to the contracts to be credit-worthy entities and, therefore, TCM believes credit risk of counterparty non-performance is relatively low, and, as such, the fair value of the derivatives has not been adjusted.

Table of Contents

THOMPSON CREEK METALS COMPANY INC.

Notes to the Condensed Consolidated Financial Statements (Continued) - Unaudited

(US dollars in millions, except per share amounts)

5. Financial Instruments (Continued)

The following table sets forth the gains (losses) on derivative instruments for the periods presented:

Derivative Type and Activity	Statement of Operations Classification	Three Months Ended March 31,	
		2016	2015
Gold hedges related to Gold Stream Arrangement	Gold sales	\$ 3.9	\$ 0.7
Provisional priced MTM gold sales	Gold sales	\$ 2.0	\$ (1.2)
Provisional priced MTM copper sales	Copper sales	\$ 2.8	\$ 5.1
Copper and Gold hedges; other commodity contracts	Other	\$ (2.8)	\$ 1.3
Forward currency contracts	Gain (loss) on foreign exchange, net	\$ 4.8	\$ (1.6)

Gold Hedges Related to Gold Stream Arrangement and Other Commodity Contracts

TCM must satisfy its obligation under the Gold Stream Arrangement (discussed in Note 9) by delivering gold to Royal Gold after TCM receives cash payment from third-party purchasers, including offtakers and traders, that purchase concentrate from Mount Milligan Mine ("MTM Customers").

In order to hedge its gold price risk that arises when physical purchase and concentrate sales pricing periods do not match, hereafter referred to as the Gold Stream Risk, TCM has entered into certain forward gold purchase and sales contracts pursuant to which it purchases gold at an average price during a quotational period and sells gold at a spot price. TCM records its forward commodity contracts at fair value using a market approach based on observable quoted market prices and contracted prices.

In addition to the Gold Stream Risk and in connection with the sale of concentrate from Mount Milligan Mine, TCM is exposed to copper and gold price fluctuations between the dates of concentrate shipment, provisional payment and final payment. In order to hedge the price risk for the metals contained in concentrate, TCM has entered into certain forward copper and gold purchase and sale contracts pursuant to which it purchases copper or gold at an average price during a quotational period and sells copper or gold at a spot price. Additionally, TCM has entered into put/call collars pursuant to which it agrees with a counterparty to a floor and ceiling relative to future prices of gold and copper. If the gold or copper price is below the floor, the counterparty pays TCM the difference between the price and the floor. If the gold or copper price is above the ceiling, TCM pays the counterparty the difference between the ceiling and the price. TCM records its copper and gold commodity contracts at fair value using a market approach based on observable quoted market prices and contracted prices. These activities are intended to protect against the price risk related to the MTM Customer purchase contracts. Additionally, TCM also enters into fuel hedges to manage its exposure to price fluctuations in the cost of diesel purchased for use in operations.

The following table provides details of TCM's commodity contracts as of March 31, 2016:

	Quantity	Sell Price	Buy Price	Maturities Through
Gold Hedge Purchases related to Gold Stream Arrangement (oz)	39,360	TBD	\$1,072 - \$1,248 / TBD	April 2016 - August 2016
Forward Gold Sales (oz)	4,500	\$1,130	N/A	April 2016 - June 2016
Fuel Hedges (gallons)	1,170,000	N/A	\$2.00	April 2016 - December 2016
	Quantity	Put/Sell Price	Call/Buy Price	Maturities Through
Gold Collars (oz) Provisionally-Priced Contracts	46,100	\$1,050 - \$1,200	\$1,164 - \$1,350	April 2016 - December 2016

TCM's copper and gold sales contracts provide for provisional pricing. These sales contain an embedded derivative related to the provisional-pricing mechanism, which is bifurcated and accounted for as a derivative. TCM also enters into provisionally-priced molybdenum purchase contracts that also contain an embedded derivative, which is bifurcated and accounted for as a derivative.

Table of Contents

THOMPSON CREEK METALS COMPANY INC.

Notes to the Condensed Consolidated Financial Statements (Continued) - Unaudited

(US dollars in millions, except per share amounts)

5. Financial Instruments (Continued)

TCM determines the fair value of its provisionally-priced contracts using a market approach based upon observable inputs from published market prices and contract terms. Changes to the fair values of the embedded derivatives related to provisionally-priced molybdenum purchases are included in operating expenses in the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss) as the product is sold.

The following table sets forth TCM's outstanding provisionally-priced contracts as of March 31, 2016:

	Open Positions	Average Price Per Unit Market Price	Contract	Maturities Through
Embedded derivatives in provisional sales contracts				
Copper (millions of pounds)	15.1	TBD	TBD	August 2016
Gold (ounces)	45,766	TBD	TBD	May 2016
Embedded derivatives in provisional purchase contracts				
Molybdenum (millions of pounds)	0.8	N/A	TBD	May 2016

Forward Currency Contracts

TCM transacts business in various currencies in the normal course of its operations and for capital expenditures. In addition, although TCM's revenues are denominated in US dollars, TCM has ongoing foreign exchange risk with respect to its Canadian operations. To help mitigate this risk, TCM has entered into foreign currency forward contracts pursuant to which it has agreed to buy Canadian dollars at an agreed-upon rate. TCM records its currency contracts at fair value using a market approach based on observable quoted exchange rates and contracted notional amounts. As of March 31, 2016, TCM had 29 open foreign currency option contracts.

The following table provides details of TCM's forward currency contracts as of March 31, 2016:

	Notional Amount	Buy Price	Maturities Through
Forward currency contracts	C\$71,000,000	\$1USD/C\$1.38	April 2016 - August 2016

Fixed-Priced Contracts

TCM enters into certain sales contracts pursuant to which it sells molybdenum products at certain times in the future at fixed prices. These fixed prices may be different than the quoted market prices at the date of sale. TCM has elected to treat these contracts as normal sale contracts.

The Gold Stream Arrangement contains an agreement to sell gold at a fixed price, but it does not meet the definition of a derivative instrument. See discussion of the Gold Stream Arrangement in Note 9.