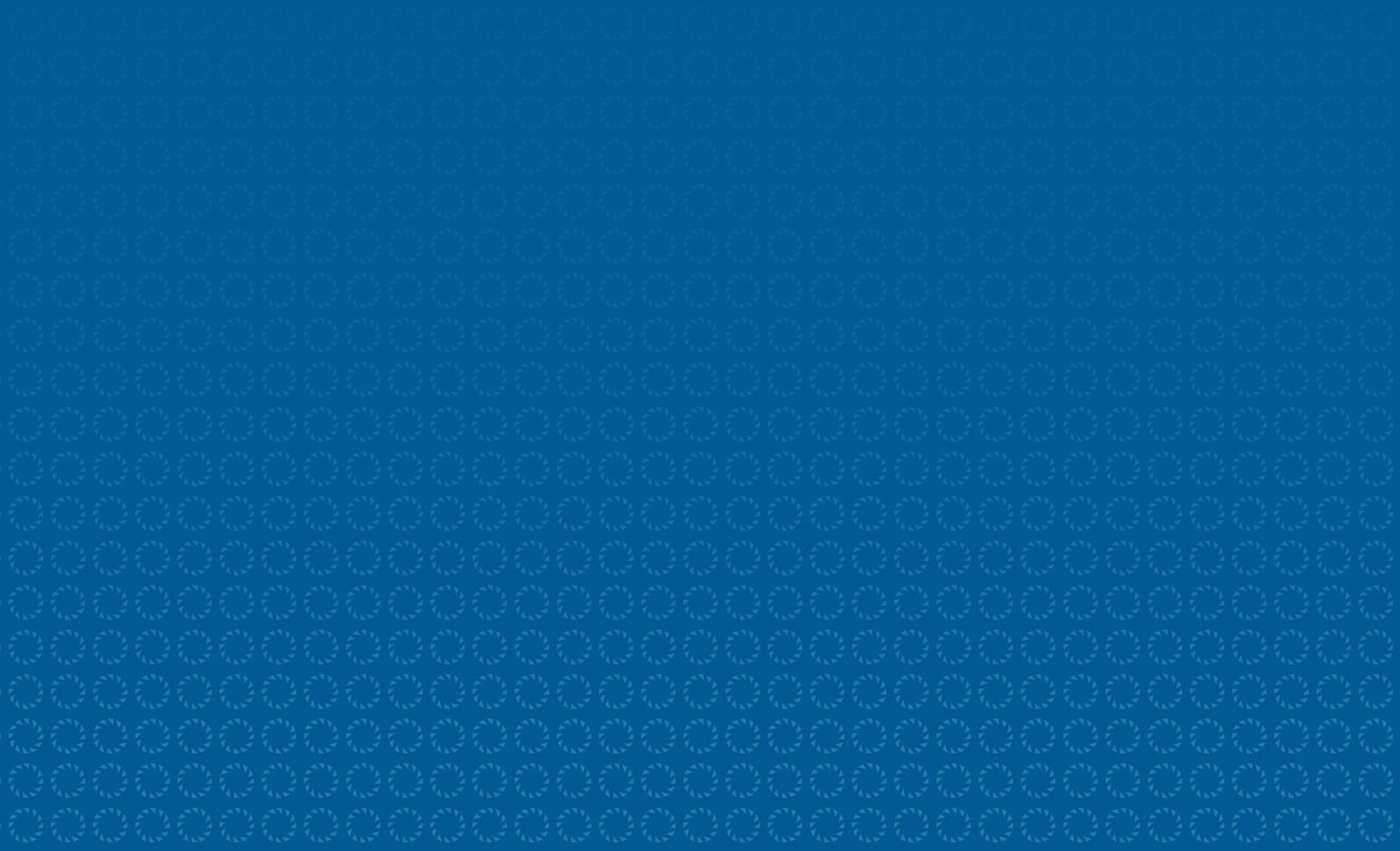




Condensed Consolidated Financial Statements

For the three and nine months ended September 30, 2018



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CONDENSED CONSOLIDATED INCOME STATEMENTS

(unaudited)

	Note	Three months ended September 30		Nine months ended September 30	
		2018	2017	2018	2017
<i>(in millions of U.S. dollars, except per share amounts)</i>					
Revenues		147.1	93.0	447.1	265.2
Operating expenses	3	82.6	41.4	249.5	122.2
Depreciation and depletion		57.4	37.0	179.2	108.6
Revenue less cost of goods sold		7.1	14.6	18.4	34.4
Corporate administration		4.7	5.4	15.6	18.8
Corporate restructuring ⁽¹⁾		-	-	2.3	-
Share-based payment expenses	12	(1.0)	3.1	0.5	6.9
Asset impairment	8	-	-	383.7	-
Exploration and business development		0.5	1.9	1.5	5.1
Earnings (loss) from operations		2.9	4.2	(385.2)	3.6
Finance income	3	0.3	0.3	1.0	0.9
Finance costs	3	(17.5)	2.0	(51.9)	(0.2)
Other gains	3	14.3	25.2	3.8	70.8
Earnings (loss) before taxes		-	31.7	(432.3)	75.1
Income tax (expense) recovery	14	(1.6)	(5.0)	89.2	(6.2)
(Loss) earnings from continuing operations⁽²⁾		(1.6)	26.7	(343.1)	68.9
(Loss) earnings from discontinued operations, net of tax⁽²⁾	13	(164.2)	0.3	(154.2)	18.7
Net (loss) earnings		(165.8)	27.0	(497.3)	87.6
(Loss) earnings from continuing operations per share					
Basic	12	(0.00)	0.05	(0.59)	0.12
Diluted	12	(0.00)	0.05	(0.59)	0.12
(Loss) earnings per share					
Basic	12	(0.29)	0.05	(0.86)	0.16
Diluted	12	(0.29)	0.05	(0.86)	0.16
<i>Weighted average number of shares outstanding (in millions)</i>					
Basic	12	578.7	576.2	578.7	560.2
Diluted	12	578.7	577.0	578.7	560.9

1. In the second quarter of 2018, the Company recognized a restructuring charge of approximately \$2.3 million related to severance and other termination benefits.

2. For the three and nine months ended September 30, 2018 and comparative periods, both Peak Mines and Mesquite have been classified as discontinued operations and accordingly earnings and cash flows from continuing operations are presented exclusive of Peak Mines and Mesquite. Peak Mines was sold in April 2018. Refer to Note 13 for further details.

See accompanying notes to the condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(unaudited)

<i>(in millions of U.S. dollars)</i>	Note	Three months ended September 30		Nine months ended September 30	
		2018	2017	2018	2017
Net (loss) earnings		(165.8)	27.0	(497.3)	87.6
<i>Other comprehensive income</i>					
Unrealized loss on mark-to-market of diesel swap contracts		-	-	-	(0.4)
Reclassification of realized loss on settlement of diesel swap contracts		-	-	-	0.3
Gain (loss) on revaluation of gold stream obligation	10	36.3	(11.4)	50.4	(5.9)
Deferred income tax related to derivative contracts and gold stream obligation	10	(11.8)	3.8	(16.4)	2.0
Total other comprehensive income (loss)		24.5	(7.6)	34.0	(4.0)
Total comprehensive (loss) income		(141.3)	19.4	(463.3)	83.6

See accompanying notes to the condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(unaudited)

<i>(in millions of U.S. dollars)</i>	Note	As at September 30 2018	As at December 31 2017
ASSETS			
<i>Current assets</i>			
Cash and cash equivalents		129.0	216.2
Trade and other receivables	4	33.4	27.1
Inventories	6	122.8	193.2
Current income tax receivable		4.3	12.9
Prepaid expenses and other		4.9	5.6
Total current assets		294.4	455.0
Non-current inventories	6	13.3	78.7
Mining interests	7	2,581.3	3,200.4
Deferred tax assets	14	113.0	171.6
Other		2.1	2.6
		3,004.1	3,908.3
Assets held for sale	13	206.2	109.0
Total assets		3,210.3	4,017.3
LIABILITIES AND EQUITY			
<i>Current liabilities</i>			
Trade and other payables	5	138.7	178.2
Deferred benefit – Peak sale prepayment	13	-	3.0
Total current liabilities		138.7	181.2
Reclamation and closure cost obligations	15	96.3	121.5
Gold stream obligation	10	181.3	249.0
Provisions		1.0	2.6
Long-term debt	9	939.8	1,007.7
Deferred tax liabilities	14	128.4	250.3
Other		10.5	2.7
		1,496.0	1,815.0
Liabilities held for sale	13	36.0	62.8
Total liabilities		1,532.0	1,877.8
<i>Equity</i>			
Common shares	12	3,036.8	3,036.5
Contributed surplus		105.0	103.2
Other reserves		(4.9)	(38.9)
Deficit		(1,458.6)	(961.3)
Total equity		1,678.3	2,139.5
Total liabilities and equity		3,210.3	4,017.3

See accompanying notes to the condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(unaudited)

Nine months ended September 30			
<i>(in millions of U.S. dollars)</i>	Note	2018	2017
COMMON SHARES			
<i>Balance, beginning of period</i>		3,036.5	2,859.0
Common share issuance	12	0.3	172.8
Shares issued for exercise of options and vested PSUs		-	0.8
<i>Balance, end of period</i>		3,036.8	3,032.6
CONTRIBUTED SURPLUS			
<i>Balance, beginning of period</i>		103.2	100.5
Exercise of options and vested PSUs	12	-	(0.1)
Equity settled share-based payments		1.8	3.2
<i>Balance, end of period</i>		105.0	103.6
OTHER RESERVES			
<i>Balance, beginning of period</i>		(38.9)	(33.0)
Change in fair value of hedging instruments (net of tax)		-	(0.1)
Gain on revaluation of gold stream obligation (net of tax)	10	34.0	(3.9)
<i>Balance, end of period</i>		(4.9)	(37.0)
DEFICIT			
<i>Balance, beginning of period</i>		(961.3)	(853.3)
Net (loss) earnings		(497.3)	87.6
<i>Balance, end of period</i>		(1,458.6)	(765.7)
Total equity		1,678.3	2,333.5

See accompanying notes to the condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

(unaudited)

(in millions of U.S. dollars)	Note	Three months ended September 30		Nine months ended September 30	
		2018	2017	2018	2017
OPERATING ACTIVITIES					
(Loss) earnings from continuing operations		(1.6)	26.7	(343.1)	68.9
<i>Adjustments for:</i>					
Foreign exchange (gains) loss	3	(10.7)	(30.6)	17.3	(52.6)
Asset impairment	8	-	-	383.7	-
Reclamation and closure costs paid	15	(0.4)	(0.3)	(0.6)	(0.8)
Gain on disposal of El Morro stream		-	-	-	(33.0)
Depreciation and depletion		57.7	37.3	180.1	108.8
Other non-cash adjustments	16	6.6	10.7	(6.4)	22.1
Income tax expense (recovery)	14	1.6	5.0	(89.2)	6.2
Finance income	3	(0.3)	(0.3)	(1.0)	(0.9)
Finance costs	3	17.5	(2.0)	51.9	0.2
		70.4	46.5	192.7	118.9
Change in non-cash operating working capital	16	(26.5)	9.2	(54.6)	24.5
Income taxes paid		(0.8)	(0.9)	(2.9)	(4.6)
Operating cash flows generated from continuing operations ⁽¹⁾		43.2	54.8	135.2	138.8
Operating cash flows generated from discontinued operations	13	7.9	11.2	46.9	84.6
Cash generated from operations		51.1	66.0	182.1	223.4
INVESTING ACTIVITIES					
Mining interests		(56.4)	(146.6)	(174.5)	(459.6)
Proceeds from the sale of Peak Mines, net of transaction costs	13	-	-	42.4	-
Proceeds from the sale of the El Morro stream and other assets		0.1	-	0.3	65.3
Interest received		0.2	0.3	0.8	0.7
Gold price option contract investment costs		-	-	-	(0.9)
Investing cash flows used by continuing operations ⁽¹⁾		(56.1)	(146.3)	(131.0)	(394.5)
Investing cash flows used by discontinued operations	13	(2.8)	(11.7)	(11.8)	(30.5)
Cash used by investing activities		(58.9)	(158.0)	(142.8)	(425.0)
FINANCING ACTIVITIES					
Proceeds received from exercise of options	12	-	-	-	0.6
Net proceeds received from issuance of common shares	12	-	-	-	164.7
(Repayment) drawdown of Credit Facility	9	(20.0)	100.0	(70.0)	100.0
Finance lease payments		(1.3)	-	(1.9)	-
Cash settlement of gold stream obligation	10	(4.2)	-	(10.8)	-
Issuance of senior unsecured notes, net of transaction costs	9	-	-	-	295.1
Repayment of senior unsecured notes	9	-	-	-	(305.3)
Interest paid		(3.4)	(2.5)	(35.7)	(35.3)
Cash (used by) generated by financing activities		(28.9)	97.5	(118.4)	219.8
Effect of exchange rate changes on cash and cash equivalents		0.6	2.8	(0.1)	3.0
Cash and cash equivalents classified as held for sale	13	(2.3)	-	(2.3)	-
Cash and cash equivalents sold	13	-	-	(5.7)	-
Change in cash and cash equivalents		(38.4)	8.3	(87.2)	21.2
Cash and cash equivalents, beginning of period		167.4	198.8	216.2	185.9
Cash and cash equivalents, end of period		129.0	207.1	129.0	207.1
<i>Cash and cash equivalents are comprised of:</i>					
Cash		117.0	134.2	117.0	134.2
Short-term money market instruments		12.0	72.9	12.0	72.9
		129.0	207.1	129.0	207.1

1. For the three and nine months ended September 30, 2018 and comparative periods, both Peak Mines and Mesquite have been classified as discontinued operations and accordingly earnings and cash flows from continuing operations are presented exclusive of Peak Mines and Mesquite. Peak Mines was sold in April 2018. Refer to Note 13 for further details.

See accompanying notes to the condensed consolidated financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended September 30, 2018 and 2017

(Amounts expressed in millions of U.S. dollars, except per share amounts and unless otherwise noted)

1. DESCRIPTION OF BUSINESS AND NATURE OF OPERATIONS

New Gold Inc. (“New Gold” or the “Company”) is an intermediate gold mining company engaged in the development and operation of mineral properties. The assets of the Company, directly or through its subsidiaries, are comprised of the Rainy River Mine in Canada (“Rainy River”), the New Afton Mine in Canada (“New Afton”), the Cerro San Pedro Mine in Mexico (“Cerro San Pedro”) and the Mesquite Mine in the United States (“Mesquite”) which has been classified as a discontinued operation in the third quarter of 2018. The Company also owns the Blackwater project in Canada (“Blackwater”). The Company completed the sale of the Peak Mines in Australia (“Peak Mines”) in early April 2018.

The Company is a corporation governed by the Business Corporations Act (British Columbia). The Company’s shares are listed on the Toronto Stock Exchange and the NYSE American under the symbol NGD.

The Company’s registered office is located at 1100 Melville Street, Suite 610, Vancouver, British Columbia, V6E 4A6, Canada.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34, *Interim Financial Reporting*, on a basis consistent with the accounting policies disclosed in the Company’s audited consolidated financial statements for the year ended December 31, 2017.

These unaudited interim financial statements should be read in conjunction with the Company’s audited consolidated financial statements for the year ended December 31, 2017, which includes information necessary or useful to understanding the Company’s business and financial statement presentation. In particular, the Company’s significant accounting policies are presented as Note 2 in the audited consolidated financial statements for the year ended December 31, 2017 and have been consistently applied in the preparation of these unaudited condensed consolidated interim financial statements, except as noted below in “Changes in accounting policies”.

These unaudited condensed consolidated interim financial statements were approved by the Board of Directors of the Company on October 24, 2018.

(b) Changes in accounting policies

Revenue

On May 28, 2014, the IASB issued IFRS 15, Revenue from Contracts with Customers (“IFRS 15”). This standard outlines a single comprehensive model with prescriptive guidance for entities to use in accounting for revenue arising from contracts with its customers. IFRS 15 uses a control-based approach to recognize revenue, which is a change from the risk and reward approach under the current standard. This standard replaces IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations. The Company has adopted IFRS 15 effective January 1, 2018 applying the retrospective method of transition.

The standard requires entities to apportion revenue earned from contracts to individual promises or performance obligations, on a relative standalone selling price basis. For the Company’s concentrate sales, the seller may contract for and pay the shipping and insurance costs necessary to bring the goods to the named destination. Therefore, where

material, a portion of the revenue earned under these contracts, representing the obligation to fulfill the shipping and insurance services, is deferred and recognized over time as the obligations are fulfilled, along with the associated costs. The impact of this change on the amount of revenue recognized in a year is not significant. As a result, there have been no changes in the amounts of the revenue recognized or a significant change in the timing of revenue recognition under the new standard.

(c) Future changes in accounting policies

Leases

On January 6, 2016, the IASB issued IFRS 16, Leases (“IFRS 16”). This standard specifies the methodology to recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. This standard replaces IAS 17 Leases. The effective date is for reporting periods beginning on or after January 1, 2019 with early adoption permitted. The Company has developed an implementation plan to determine the impact on the consolidated financial statements. The Company has compiled all of its existing operating lease contracts and service contracts and has identified which contracts would be within scope of IFRS 16. The Company is in the process of quantifying the accounting implications for all of its existing contracts within scope of IFRS 16. The Company expects an increase in depreciation and accretion expenses and an increase in cash flow from operating activities as any lease payments will be recorded as financing outflows in the statement of cash flows. The Company continues to assess the effect of adoption of IFRS 16 on its consolidated financial statements.

3. EXPENSES

(a) Operating expenses by nature

	Three months ended September 30		Nine months ended September 30	
<i>(in millions of U.S. dollars)</i>	2018	2017	2018	2017
OPERATING EXPENSES BY NATURE				
Raw materials and consumables	36.8	18.2	112.7	54.4
Salaries and employee benefits	24.6	12.7	78.9	38.7
Contractors	16.3	6.3	46.3	18.6
Repairs and maintenance	16.2	2.5	35.0	7.6
General and administrative	4.7	2.6	15.2	7.7
Operating leases	1.1	0.5	3.3	1.3
Royalties	0.7	0.6	2.7	2.0
Drilling and analytical	0.5	0.3	1.2	0.7
Other	0.5	0.4	2.7	1.2
Total production expenses	101.4	44.1	298.0	132.2
Less: Production expenses capitalized	(21.3)	(5.1)	(38.2)	(17.0)
Less: Change in inventories	2.5	2.4	(10.3)	7.0
Total operating expenses	82.6	41.4	249.5	122.2

(b) Finance costs and income

	Three months ended September 30		Nine months ended September 30	
<i>(in millions of U.S. dollars)</i>	2018	2017	2018	2017
FINANCE COSTS				
Interest on senior unsecured notes	13.4	13.3	39.7	41.0
Interest on Credit Facility	2.3	1.6	7.7	3.5
Accretion expense on decommissioning obligations (Note 15)	0.4	0.3	1.4	0.8
Gain on modification of long-term debt	-	(3.3)	-	(3.3)
Other finance costs	1.4	1.3	3.1	3.8
	17.5	13.2	51.9	45.8
Less: amounts included in cost of qualifying assets	-	(15.2)	-	(45.6)
Total finance costs	17.5	(2.0)	51.9	0.2
FINANCE INCOME				
Interest income	0.3	0.3	1.0	0.9

(c) Other gains

	Three months ended September 30		Nine months ended September 30	
<i>(in millions of U.S. dollars)</i>	2018	2017	2018	2017
OTHER GAINS				
Unrealized gain on share purchase warrants	-	-	-	1.2
Gain (loss) on foreign exchange	10.7	30.6	(17.3)	52.6
Gain on disposal of El Morro stream	-	-	-	33.0
Other (loss) gain on disposal of assets	(1.5)	-	(1.4)	0.1
Loss on revaluation of investments	(0.1)	-	(0.2)	(0.1)
Unrealized gain (loss) on revaluation of gold stream obligation (Note 10)	4.6	0.2	14.2	(4.8)
Settlement and loss on revaluation of gold price option contracts	-	0.1	-	(7.6)
Gain (loss) on revaluation of copper forward contracts and copper price option contracts	0.6	(5.9)	7.0	(4.7)
Other	-	0.2	1.5	1.1
Total other gains	14.3	25.2	3.8	70.8

4. TRADE AND OTHER RECEIVABLES

	As at September 30	As at December 31
<i>(in millions of U.S. dollars)</i>	2018	2017
TRADE AND OTHER RECEIVABLES		
Trade receivables	13.0	3.8
Sales tax receivable	18.4	22.7
Unsettled provisionally priced concentrate derivatives and swap contracts (Note 11)	1.1	(1.9)
Other	0.9	2.5
Total trade and other receivables	33.4	27.1

5. TRADE AND OTHER PAYABLES

	As at September 30	As at December 31
<i>(in millions of U.S. dollars)</i>	2018	2017
TRADE AND OTHER PAYABLES		
Trade payables	39.2	60.9
Interest payable	19.4	6.9
Accruals	60.6	79.2
Current portion of reclamation and closure cost obligations (Note 15)	2.3	2.6
Current portion of gold stream obligation (Note 10)	17.2	24.5
Derivative liabilities (Note 11)	-	4.1
Total trade and other payables	138.7	178.2

6. INVENTORIES

	As at September 30	As at December 31
<i>(in millions of U.S. dollars)</i>	2018	2017
INVENTORIES		
Heap leach ore ^{(2) (3)}	-	163.1
Stockpile ore	61.1	23.8
Work-in-process	9.2	18.5
Finished goods ⁽¹⁾	18.1	16.1
Supplies	47.7	50.4
	136.1	271.9
Less: non-current inventories ⁽²⁾	(13.3)	(78.7)
Total current inventories	122.8	193.2

1. The amount of inventories recognized in operating expenses for the three and nine months ended September 30, 2018 was \$79.9 million and \$239.6 million (2017 - \$38.2 million and \$113.0 million).
2. Non-current inventories consist of low-grade stockpiled inventories at Rainy River, of which \$13.3 million are expected to be recovered after one year. Current and non-current heap leach inventories at Mesquite are included in assets held for sale as at September 30, 2018. As at December 31, 2017, non-current inventories of \$78.7 million consisted of low-grade stockpiled inventories at Rainy River and non-current heap leach inventories at Mesquite and Cerro San Pedro.
3. For the nine months ended September 30, 2018, the Company wrote down \$13.1 million of heap leach inventory at Cerro San Pedro, of which \$12.0 million was included in operating expenses and \$1.1 million was included in depreciation and depletion as a result of a recoverability analysis performed as at September 30, 2018 as the Company has discontinued the addition of cyanide to the heap leach pad. As a result, the Company's estimates for recoverable gold and silver ounces on the pad at Cerro San Pedro were reduced by approximately 28,000 ounces and 78,000 ounces, respectively.

7. MINING INTERESTS

	Mining Properties					Total
	Depletable	Non-depletable	Plant & equipment	Construction in progress	Exploration & evaluation	
<i>(in millions of U.S. dollars)</i>						
COST						
<i>As at December 31, 2016</i>	1,540.2	1,117.1	959.1	741.4	1.1	4,358.9
Additions	88.8	65.8	44.5	529.7	-	728.8
Disposal of El Morro stream	-	(32.0)	-	-	-	(32.0)
Disposals	-	-	(17.0)	-	-	(17.0)
Impairment loss on assets held for sale ⁽¹⁾	(48.6)	-	-	-	-	(48.6)
Assets reclassified as held for sale ⁽¹⁾	(178.5)	(9.8)	(161.4)	(0.3)	-	(350.0)
Transfers ⁽²⁾	1,219.5	(580.2)	554.1	(1,213.8)	-	(20.4)
Asset impairment	(268.4)	-	-	-	-	(268.4)
<i>As at December 31, 2017</i>	2,353.0	560.9	1,379.3	57.0	1.1	4,351.3
Additions	64.7	20.5	42.7	78.1	-	206.0
Disposals	(0.4)	-	(1.8)	-	-	(2.2)
Impairment loss on assets held for sale ⁽¹⁾	(112.4)	-	(35.5)	(0.9)	-	(148.8)
Assets reclassified as held for sale ⁽¹⁾	(211.1)	-	(196.5)	(0.9)	-	(408.5)
Transfers	(0.4)	-	0.4	-	-	-
Asset Impairment ⁽³⁾	(383.7)	-	-	-	-	(383.7)
<i>As at September 30, 2018</i>	1,709.7	581.4	1,188.6	133.3	1.1	3,614.1
ACCUMULATED DEPRECIATION						
<i>As at December 31, 2016</i>	734.9	-	432.7	-	-	1,167.6
Depreciation for the year	161.7	-	102.5	-	-	264.2
Disposals	-	-	(16.2)	-	-	(16.2)
Reclassified as held for sale ⁽¹⁾	(159.3)	-	(105.4)	-	-	(264.7)
<i>As at December 31, 2017</i>	737.3	-	413.6	-	-	1,150.9
Depreciation for the period	131.1	-	103.0	-	-	234.1
Disposals	(0.1)	-	(0.6)	-	-	(0.7)
Assets reclassified as held for sale ⁽¹⁾	(189.3)	-	(162.2)	-	-	(351.5)
<i>As at September 30, 2018</i>	679.0	-	353.8	-	-	1,032.8
CARRYING AMOUNT						
<i>As at December 31, 2017</i>	1,615.7	560.9	965.7	57.0	1.1	3,200.4
<i>As at September 30, 2018</i>	1,030.7	581.4	834.8	133.3	1.1	2,581.3

1. Refer to Note 13 for further information on the assets held for sale.

2. Effective November 1, 2017, Rainy River achieved commercial production. As a result, the Company transferred amounts capitalized to construction in progress to depletable mining properties and plant & equipment and assets capitalized as non-depletable mining properties were transferred to depletable mining properties. Additionally, on November 1, 2017, the Company transferred \$20.4 million related to inventories from construction in progress to current assets.

3. Refer to note 8 for further information on impairment.

The Company capitalized interest of \$51.3 million for the year ended December 31, 2017 to qualifying development projects. No interest was capitalized to qualifying development projects for the three and nine months ended September 30, 2018.

Carrying amount by property as at September 30, 2018:

As at September 30, 2018

<i>(in millions of U.S. dollars)</i>	Depletable	Non-depletable	Plant & equipment	Construction in progress	Total
MINING INTEREST BY SITE					
New Afton	437.5	25.0	200.5	27.4	690.4
Cerro San Pedro	0.3	-	-	-	0.3
Rainy River	592.9	6.7	617.4	105.9	1,322.9
Blackwater	-	549.7	14.4	-	564.1
Other ⁽¹⁾	-	1.1	2.5	-	3.6
Carrying amount as at September 30, 2018	1,030.7	582.5	834.8	133.3	2,581.3

1. Other includes corporate balances and exploration properties.

Carrying amount by property as at December 31, 2017:

As at December 31, 2017

<i>(in millions of U.S. dollars)</i>	Depletable	Non-depletable	Plant & equipment	Construction in progress	Total
MINING INTEREST BY SITE					
New Afton	521.8	22.9	225.7	15.1	785.5
Mesquite	150.0	-	83.5	2.7	236.2
Cerro San Pedro	0.6	-	-	-	0.6
Rainy River	948.1	0.5	633.6	39.2	1,621.4
Blackwater	-	537.5	14.6	-	552.1
Other ⁽¹⁾	-	1.1	3.5	-	4.6
Carrying amount as at December 31, 2017	1,620.5	562.0	960.9	57.0	3,200.4

1. Other includes corporate balances and exploration properties.

8. IMPAIRMENT

In accordance with the Company’s accounting policies, the recoverable amount of an asset or cash-generating unit (“CGU”) is estimated when an indication of impairment exists.

The Company completed an updated Rainy River life-of-mine (“LOM”) plan in the second quarter of 2018 and released an updated NI 43-101 Technical Report for Rainy River in early August 2018. The updated LOM plan contains updated per unit costs, changes to the sequencing in gold production and a less than 3% reduction in gold production over the LOM. The updated LOM incorporates changes to open pit design and extraction sequencing, resulting in higher ore tonnes mined and processed at a lower average gold grade. The Company identified the changes to the mine plan and increased cost estimates at Rainy River as indicators of impairment as at June 30, 2018. As a result, for the nine months ended September 30, 2018, the Company recorded an after-tax impairment loss of \$282.1 million within net loss, as noted below:

Nine months ended September 30, 2018	
<i>(in millions of U.S. dollars)</i>	Rainy River
IMPAIRMENT CHARGE INCLUDED WITHIN NET LOSS	
Rainy River depletable mining properties	383.7
Tax recovery	(101.6)
Total impairment charge after tax	282.1

(i) Methodology and key assumptions

Impairment is recognized when the carrying amount of a CGU exceeds its recoverable amount. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Each operating mine and development project represents a separate CGU as each mine site or project has the ability to, or the potential to, generate cash inflows that are separately identifiable and independent of each other. The Company has the following CGUs: New Afton, Mesquite, Cerro San Pedro, Rainy River, and Blackwater. Other assets consist of corporate assets and exploration properties.

The Company uses fair value less cost of disposal to determine the recoverable amount of an asset as it believes that this will generally result in a value greater than or equal to the value in use. When there is no binding sales agreement, fair value less costs of disposal is estimated as the discounted future after-tax cash flows expected to be derived from a mine site, less an amount for costs to sell estimated based on similar past transactions. The inputs used in the fair value measurement constitute Level 3 inputs under the fair value hierarchy.

(a) Rainy River CGU:

Key estimates and judgments include production levels, operating costs and other capital expenditures reflected in the Company’s LOM plans, the value of in-situ ounces and land holdings, as well as economic factors beyond management’s control, such as gold and silver prices, discount rates and foreign exchange rates. The Company considers this approach to be consistent with the valuation approach taken by market participants.

Life-of-Mine plans

Estimated cash flows are based on LOM plans which estimate expected future production, commodity prices, foreign exchange assumptions, operating costs and capital costs. The current LOM plan is 14 years. LOM plans use proven and probable mineral reserves only and do not utilize mineral resource estimates for a CGU. When options exist for the future extraction and processing of these resources, an estimate of the value of the unmined mineral resources (also referred to as in-situ ounces) is included in the determination of fair value.

In-situ ounces

In-situ ounces are excluded from the LOM plans due to the need to continually reassess the economic returns on and timing of specific production options in the current economic environment. The value of in-situ ounces has been estimated based on an enterprise value per equivalent resource ounce, with the enterprise value based on the market capitalization of a subset of publicly traded companies.

Discount rates

When discounting estimated future cash flows, the Company uses a real after-tax discount rate that is designed to approximate what market participants would assign. This discount rate is calculated using the Capital Asset Pricing Model (“CAPM”). The CAPM includes market participants’ estimates for equity risk premium, cost of debt, target debt to equity, risk-free rates and inflation. For the June 30, 2018 impairment analysis, a real discount rate of 4.50% was used (2017 - real discount rate of 4.00%).

Commodity prices and exchange rates

Commodity prices and exchange rates are estimated with reference to external market forecasts. The rates applied have been estimated using consensus commodity prices and exchange rate forecasts. For impairment analysis, the following commodity prices and exchange rate assumptions were used:

<i>(in U.S. dollars, except where noted)</i>	As at June 30, 2018		As at December 31, 2017	
	2018 - 2023 Average	Long-term Average	2018 - 2022 Average	Long-term Average
COMMODITY PRICES				
Gold (\$/ounce)	1,311	1,300	1,300	1,300
Silver (\$/ounce)	18.00	18.17	19.16	19.25
EXCHANGE RATES				
CAD:USD	1.24	1.23	1.24	1.24

Significant judgments and assumptions are required in making estimates of fair value. It should be noted that CGU valuations are subject to variability in key assumptions including, but not limited to, long-term gold prices, currency exchange rates, discount rates, production, operating and capital costs. Any variation in one or more of the assumptions used to estimate fair value could result in a change in a CGU’s fair value.

(ii) Impact of impairment tests

The Company calculated the recoverable amount of the Rainy River CGU using the fair value less cost of disposal method as noted above. For the nine months ended September 30, 2018, the Company recorded pre-tax impairment losses of \$383.7 million, \$282.1 million net of tax, within net loss.

(iii) Sensitivity analysis

After effecting the impairment for the Rainy River CGU, the fair value of this CGU is assessed as being equal to its respective carrying amount as at June 30, 2018. Any variation in the key assumptions used to determine fair value would result in a change of the assessed fair value. It is estimated that changes in the key assumptions would have the following approximate impact on the fair value of the Rainy River CGU at June 30, 2018:

As at June 30, 2018

(in millions of U.S. dollars)

Rainy River

IMPACT OF CHANGES IN THE KEY ASSUMPTIONS USED TO DETERMINE FAIR VALUE

\$100 per ounce change in gold price	265.2
0.5% change in discount rate	21.5
5% change in foreign exchange rate	111.2
5% change in operating costs	104.9
5% change in in-situ ounces	19.3

9. LONG-TERM DEBT

Long-term debt consists of the following:

	As at September 30	As at December 31
(in millions of U.S. dollars)	2018	2017
LONG-TERM DEBT		
Senior unsecured notes - due November 15, 2022 (a)	495.1	494.3
Senior unsecured notes - due May 15, 2025 (b)	284.7	283.4
Credit Facility (c)	160.0	230.0
Total long-term debt	939.8	1,007.7

(a) Senior Unsecured Notes – due November 15, 2022

In 2012, the Company issued \$500.0 million of senior unsecured notes (“2022 Unsecured Notes”). As at September 30, 2018, the face value was \$500.0 million. The 2022 Unsecured Notes are denominated in U.S. dollars, mature and become due and payable on November 15, 2022, and bear interest at the rate of 6.25% per annum. Interest is payable in arrears in equal semi-annual instalments on May 15 and November 15 of each year.

The Company incurred transaction costs of \$9.9 million which have been offset against the carrying amount of the 2022 Unsecured Notes and are being amortized to net earnings using the effective interest method.

The 2022 Unsecured Notes are subject to a minimum interest coverage incurrence covenant of earnings before interest, taxes, depreciation, amortization, impairment, and other non-cash adjustments to interest of 2:1. The test is applied on a pro-forma basis prior to the Company incurring additional debt, entering into business combinations or acquiring significant assets, or certain other corporate actions. There are no maintenance covenants.

The 2022 Unsecured Notes are redeemable by the Company in whole or in part:

- During the 12-month period beginning on November 15 of the years indicated at the redemption prices below, expressed as a percentage of the principal amount of the 2022 Unsecured Notes to be redeemed, plus accrued and unpaid interest, if any, to the redemption date:

Date	Redemption prices (%)
2017	103.13%
2018	102.08%
2019	101.04%
2020 and thereafter	100.00%

(b) Senior Unsecured Notes – due May 15, 2025

In 2017, the Company issued \$300.0 million of senior unsecured notes (“2025 Unsecured Notes”). As at September 30, 2018, the face value was \$300.0 million. The 2025 Unsecured Notes are denominated in U.S. dollars, mature and become due and payable on May 15, 2025, and bear interest at the rate of 6.375% per annum. Interest is payable in arrears in equal semi-annual instalments on May 15 and November 15 of each year.

The Company incurred transaction costs of \$10.7 million which have been offset against the carrying amount of the 2025 Unsecured Notes and are being amortized to net earnings using the effective interest method.

The 2025 Unsecured Notes are subject to a minimum interest coverage incurrence covenant of earnings before interest, taxes, depreciation, amortization, impairment, and other non-cash adjustments to interest of 2:1. The test is applied on a pro-forma basis prior to the Company incurring additional debt, entering into business combinations or acquiring significant assets, or certain other corporate actions. There are no maintenance covenants.

The 2025 Unsecured Notes are redeemable by the Company in whole or in part:

- At any time prior to May 15, 2020 at a redemption price of 100% of the aggregate principal amount of the 2025 Unsecured Notes, plus a make-whole premium (consisting of future interest that would have been paid up to the first call date of May 15, 2020), plus accrued and unpaid interest, if any, to the redemption date.
- During the 12-month period beginning on May 15 of the years indicated at the redemption prices below, expressed as a percentage of the principal amount of the 2025 Unsecured Notes to be redeemed, plus accrued and unpaid interest, if any, to the redemption date:

Date	Redemption prices (%)
2020	104.78%
2021	103.19%
2022	101.59%
2023 and thereafter	100.00%

(c) Credit Facility

The Company holds a \$400.0 million revolving credit facility (the “Credit Facility”) with a maturity date of August 2020.

Net debt is used to calculate leverage for the purpose of covenant tests and pricing levels. The Credit Facility contains various covenants customary for a loan facility of this nature, including limits on indebtedness, asset sales and liens. The Credit Facility contains two covenant tests, the minimum interest coverage ratio, earnings before interest, taxes, depreciation, amortization, exploration, impairment, and other non-cash adjustments (“Adjusted EBITDA”) to interest and the maximum net debt to Adjusted EBITDA ratio (“Leverage Ratio”), both of which are measured on a rolling four-quarter basis at the end of every quarter.

Significant financial covenants are as follows:

		Twelve months ended September 30	Twelve months ended December 31
Financial Covenant		2018	2017
FINANCIAL COVENANTS			
Minimum interest coverage ratio (Adjusted EBITDA to interest)	>3.0 : 1	4.4 : 1	4.7 : 1
Maximum leverage ratio (net debt to Adjusted EBITDA)	<3.5 : 1	3.3 : 1	3.1 : 1

The interest margin on drawings under the Credit Facility ranges from 1.00% to 3.25% over LIBOR, the Prime Rate or the Base Rate, based on the Company's Leverage Ratio and the currency and type of credit selected by the Company. Based on the Company's Leverage Ratio, the rate is 3.25% over LIBOR as at September 30, 2018 (December 31, 2017 – 3.25%). The standby fees on undrawn amounts under the Credit Facility range from 0.45% to 0.73%, depending on the Company's Leverage Ratio. Based on the Company's Leverage Ratio, the rate is 0.73% as at September 30, 2018 (December 31, 2017 – 0.73%).

For the nine months ended September 30, 2018, the Company repaid \$70.0 million under the Credit Facility, reducing the outstanding amount to \$160.0 million as at September 30, 2018. As at September 30, 2018, letters of credit amounting to \$115.9 million have been issued through the Credit Facility (December 31, 2017 - \$138.8 million). Letters of credit relate to reclamation bonds, worker's compensation security and other financial assurances required with various government agencies.

10. GOLD STREAM OBLIGATION

In 2015, the Company entered into a \$175 million streaming transaction with RGLD Gold AG, a wholly owned subsidiary of Royal Gold Inc. (“Royal Gold”). Under the terms of the agreement, the Company will deliver to Royal Gold 6.5% of gold production from Rainy River up to a total of 230,000 ounces of gold and then 3.25% of the mine’s gold production thereafter. The Company will also deliver to Royal Gold 60% of the mine’s silver production to a maximum of 3.1 million ounces and then 30% of silver production thereafter. Royal Gold paid \$175.0 million in consideration of this transaction.

In addition to the upfront deposit, Royal Gold will pay 25% of the average spot gold or silver price at the time each ounce of gold or silver is delivered under the stream. The difference between the spot price of metal and the cash received from Royal Gold will reduce the \$175.0 million deposit over the life of the mine. Upon expiry of the 40-year term of the agreement (which may be extended in certain circumstances), any balance of the \$175.0 million upfront deposit remaining unpaid will be refunded to Royal Gold.

The Company has designated the gold stream obligation as a financial liability at fair value through profit or loss (“FVTPL”) under the scope of IFRS 9 (2013). Accordingly, the Company values the liability at the present value of its expected future cash flows at each reporting period with changes in fair value reflected in the consolidated income statements and consolidated statements of comprehensive income. The gold stream obligation contained a maximum leverage ratio covenant (net debt to Adjusted EBITDA) of 3.5 : 1.0 as at September 30, 2018.

The following is a summary of the changes in the Company’s gold stream obligation:

<i>(in millions of U.S. dollars)</i>	
CHANGE IN STREAM OBLIGATION	
Balance, December 31, 2016	246.5
Settlements during the period	(2.4)
Fair value adjustments related to changes in the Company’s own credit risk ⁽¹⁾	7.6
Other fair value adjustments ⁽²⁾	21.8
Balance, December 31, 2017	273.5
Less: current portion of gold stream obligation ⁽³⁾	(24.5)
Non-current portion of gold stream obligation	249.0
Balance, December 31, 2017	273.5
Settlements during the period	(10.4)
Fair value adjustments related to changes in the Company’s own credit risk ⁽¹⁾	(50.4)
Other fair value adjustments ⁽²⁾	(14.2)
Balance, September 30, 2018	198.5
Less: current portion of gold stream obligation ⁽³⁾	(17.2)
Non-current portion of gold stream obligation	181.3

1. Fair value adjustments related to changes in the Company’s own credit risk are included in other comprehensive income.

2. Other fair value adjustments are included in the condensed consolidated income statements.

3. The current portion of the gold stream obligation is included in trade and other payables on the statement of financial position.

Fair value adjustments represent the net effect on the gold stream obligation of changes in the variables included in the Company’s valuation model between the date of receipt of deposit and the reporting date. These variables include accretion, risk-free interest rate, future metal prices, Company-specific credit spread and expected gold and silver ounces to be delivered.

11. DERIVATIVE INSTRUMENTS

	As at September 30	As at December 31
<i>(in millions of U.S. dollars)</i>	2018	2017
DERIVATIVE ASSETS		
Copper price option contracts ⁽¹⁾	2.9	-
Unsettled provisionally priced concentrate derivatives, and swap contracts ⁽²⁾	1.1	-
Total derivative assets	4.0	-
DERIVATIVE LIABILITIES		
Unsettled provisionally priced concentrate derivatives, and swap contracts ⁽¹⁾	-	1.9
Copper price option contracts ⁽²⁾	-	4.1
Total derivative liabilities	-	6.0

1. As at September 30, 2018, copper price option contracts are included within prepaids and other in the statement of financial position. As at December 31, 2017, copper price option contracts are included within trade and other payables in the statement of financial position.
2. Unsettled provisionally priced concentrate derivatives are included within trade and other receivables in the statement of financial position.

(a) Provisionally priced contracts

The Company had provisionally priced sales for which price finalization is outstanding at September 30, 2018. Realized and unrealized non-hedged derivative gains (losses) on the provisional pricing of concentrate sales are classified as revenue, with the unsettled provisionally priced concentrate derivatives included in trade and other receivables. The Company enters into gold and copper swap contracts to reduce exposure to gold and copper prices. Realized and unrealized gains (losses) are recorded in revenue, with the unsettled gold and copper swaps included in trade and other receivables.

The following tables summarize the realized and unrealized gains (losses) on provisionally priced sales:

	Three months ended September 30, 2018			Nine months ended September 30, 2018		
<i>(in millions of U.S. dollars)</i>	Gold	Copper	Total	Gold	Copper	Total
(LOSS) GAIN ON THE PROVISIONAL PRICING OF CONCENTRATE SALES						
Realized	(0.8)	(5.0)	(5.8)	(1.1)	(9.0)	(10.1)
Unrealized	(0.8)	3.5	2.7	(0.8)	2.4	1.6
Total loss	(1.6)	(1.5)	(3.1)	(1.9)	(6.6)	(8.5)

	Three months ended September 30, 2017			Nine months ended September 30, 2017		
<i>(in millions of U.S. dollars)</i>	Gold	Copper	Total	Gold	Copper	Total
GAIN (LOSS) ON THE PROVISIONAL PRICING OF CONCENTRATE SALES						
Realized	0.4	(0.7)	(0.3)	2.9	5.2	8.1
Unrealized	(0.3)	(1.8)	(2.1)	(0.3)	(0.5)	(0.8)
Total gain (loss)	0.1	(2.5)	(2.4)	2.6	4.7	7.3

The following tables summarize the realized and unrealized gains (losses) on gold and copper swap contracts:

	Three months ended September 30, 2018			Nine months ended September 30, 2018		
<i>(in millions of U.S. dollars)</i>	Gold	Copper	Total	Gold	Copper	Total
GAIN (LOSS) ON SWAP CONTRACTS						
Realized	1.4	5.7	7.1	1.7	10.4	12.1
Unrealized	0.4	(1.9)	(1.5)	0.4	(0.9)	(0.5)
Total gain	1.8	3.8	5.6	2.1	9.5	11.6

	Three months ended September 30, 2017			Nine months ended September 30, 2017		
<i>(in millions of U.S. dollars)</i>	Gold	Copper	Total	Gold	Copper	Total
GAIN (LOSS) ON SWAP CONTRACTS						
Realized	-	7.3	7.3	(2.2)	(0.7)	(2.9)
Unrealized	0.1	(1.5)	(1.4)	0.1	(2.6)	(2.5)
Total gain (loss)	0.1	5.8	5.9	(2.1)	(3.3)	(5.4)

The following table summarizes the net exposure to the impact of movements in market commodity prices for provisionally priced sales:

	As at September 30	As at December 31
	2018	2017
VOLUMES SUBJECT TO FINAL PRICING NET OF OUTSTANDING SWAPS		
Gold ounces (000s)	2.2	2.0
Copper pounds (millions)	1.3	1.6

(b) Copper price option contracts

In October 2017, the Company entered into copper price option contracts by purchasing put options at a strike price of \$3.00 per pound and selling call options at a strike price of \$3.37 per pound for 27,600 tonnes (approximately 60 million pounds) of copper production during 2018 (“copper price option contracts”). The call options sold and put options purchased are treated as derivative financial instruments and marked-to-market at each reporting period on the consolidated statement of financial position with changes in fair value recognized in other gains and losses. Realized gains and losses as a result of the exercise of the Company’s call and put options up to an amount not exceeding the Company’s production of copper pounds for the reporting period are recorded as an adjustment to revenue. The exercise of options on copper pounds in excess of the Company’s copper production for the reporting period are recorded as other gains and losses. For the three and nine months ended September 30, 2018, the Company exercised put options for 6,900 tonnes and recognized \$3.5 million within revenue.

	Quantity outstanding	Remaining term	Exercise price (\$/lb)	Fair value - asset (liability) ⁽¹⁾
COPPER PRICE OPTION CONTRACTS OUTSTANDING				
Copper call contracts - sold	6,900 tonnes	October – December 2018	3.37	-
Copper put contracts - purchased	6,900 tonnes	October – December 2018	3.00	2.9

1. The Company presents the fair value of its put and call options on a net basis on the consolidated statements of financial position. The Company has a legally enforceable right to set off the amounts under its option contracts and intends to settle on a net basis.

12. SHARE CAPITAL

At September 30, 2018, the Company had unlimited authorized common shares and 578.7 million common shares outstanding.

(a) No par value common shares issued

	Number of shares	
<i>(in millions of U.S. dollars, except where noted)</i>	(000s)	\$
NO PAR VALUE COMMON SHARES ISSUED		
<i>Balance at December 31, 2016</i>	513,709	2,859.0
Issuance of common shares on equity offering ⁽¹⁾	61,740	166.6
Issuance of common shares under First Nations agreements	2,767	9.5
Exercise of options and vested performance share units (b)(i)	420	1.4
<i>Balance at December 31, 2017</i>	578,636	3,036.5
Issuance of common shares under First Nations agreements	113	0.3
<i>Balance at September 30, 2018</i>	578,749	3,036.8

1. On March 10, 2017, the Company closed a bought deal financing and related agreements and issued 61.7 million common shares at a price of \$2.80 per share. Proceeds of \$172.9 million are included within equity net of equity issuance costs of \$8.2 million and the associated deferred tax recovery of \$1.9 million.

(b) Share-based payment expenses

The following table summarizes share-based payment expenses:

	Three months ended September 30		Nine months ended September 30	
<i>(in millions of U.S. dollars)</i>	2018	2017	2018	2017
SHARE-BASED PAYMENT EXPENSES				
Stock option expense (i)	0.4	0.5	1.1	2.0
Performance share unit expense	(0.7)	1.8	0.1	3.1
Restricted share unit expense ⁽¹⁾	(0.6)	0.7	(0.3)	1.2
Deferred share unit expense	(0.8)	0.6	(0.8)	1.5
Shares issued under First Nations agreements ⁽¹⁾	-	-	0.3	-
Total share-based payment expenses	(1.7)	3.6	0.4	7.8

1. For the three and nine months ended September 30, 2018 \$(0.7) million and \$(0.1) million of share-based payment expenses were recognized in operating expenses (2017 - \$0.5 million and \$0.9 million).

(i) Stock options

The following table presents changes in the Company's stock option plan:

	Number of options (000s)	Weighted average exercise price C\$/share
CHANGES TO THE COMPANY'S STOCK OPTION PLAN		
<i>Balance at December 31, 2016</i>	14,855	5.84
Granted	1,957	3.88
Exercised	(235)	3.31
Forfeited	(985)	5.01
Expired	(2,505)	8.87
<i>Balance at December 31, 2017</i>	13,087	5.08
Forfeited	(1,328)	4.10
Expired	(1,921)	8.46
<i>Balance at September 30, 2018</i>	9,838	4.57

(c) (Loss) earnings per share

The following table sets out the calculation of diluted (loss) earnings per share:

	Three months ended September 30		Nine months ended September 30	
<i>(in millions of U.S. dollars, except where noted)</i>	2018	2017	2018	2017
CALCULATION OF DILUTED EARNINGS PER SHARE				
Earnings (loss) from continuing operations	(1.6)	26.7	(343.1)	68.9
Net (loss) earnings	(165.8)	27.0	(497.3)	87.6
Basic weighted average number of shares outstanding (in millions)	578.7	576.2	578.7	560.2
<i>Dilution of securities:</i>				
Stock options	-	0.8	-	0.7
Diluted weighted average number of shares outstanding (in millions)	578.7	577.0	578.7	560.9
<i>Earnings (loss) from continuing operations per share:</i>				
Basic	(0.00)	0.05	(0.59)	0.12
Diluted	(0.00)	0.05	(0.59)	0.12
<i>Net (loss) earnings per share:</i>				
Basic	(0.29)	0.05	(0.86)	0.16
Diluted	(0.29)	0.05	(0.86)	0.16

The following table lists the equity securities excluded from the calculation of diluted loss per share. Equity securities are excluded when their respective exercise prices exceeded the average market price of the Company's common shares of C\$1.69 and C\$2.74 for the three and nine months ended September 30, 2018 (2017 – C\$4.32 and C\$4.21). Additionally, all stock options are excluded from the calculation of diluted earnings per share when the Company is in a net loss position.

(in millions of units)	Three months ended September 30		Nine months ended September 30	
	2018	2017	2018	2017
EQUITY SECURITIES EXCLUDED FROM THE CALCULATION OF DILUTED EARNINGS PER SHARE				
Stock options	9.8	8.6	9.8	6.4

13. DISCONTINUED OPERATIONS

(a) Peak Mines

In the third quarter of 2017, Peak Mines met the criteria as a discontinued operation under IFRS 5. The Company completed the sale of Peak Mines in early April 2018.

Prior to the completion of the sale, the Company measured the asset group at the lower of carrying value and fair value less costs to sell ("FVLCS"). The net loss from discontinued operations of \$0.8 million for the nine months ended September 30, 2018 reflects the change in estimated FVLCS as at December 31, 2018 to the final purchase consideration received, less disposal costs incurred in the period. The loss from discontinued operations can be reconciled as follows:

(in millions of U.S. dollars)	
RECONCILIATION OF LOSS FROM DISCONTINUED OPERATIONS	
Carrying value of net assets held for sale as at December 31, 2017	46.2
Gross proceeds from sale of Peak Mines	58.3
Disposal costs incurred in the period	(2.6)
Other closure adjustments	(10.3)
Total FVLCS⁽¹⁾	45.4
Loss from discontinued operations, net of tax for the nine months ended September 30, 2018	(0.8)

1. In the fourth quarter of 2017, in conjunction with the sale agreement, the Company received a \$3.0 million prepayment from the buyer which was recorded as a deferred benefit on the statement of financial position. This deferred benefit was recognized into loss from discontinued operations upon completion of the sale.

(b) Mesquite

In September 2018, the Company announced that it has entered into an agreement to sell Mesquite and as a result Mesquite met the criteria as a discontinued operation under IFRS 5. The sale is expected to close in the fourth quarter of 2018.

For the three and nine months ended September 30, 2018 and prior-year comparative periods, the net earnings from Mesquite is reported as earnings from discontinued operations. Total assets and liabilities of Mesquite (excluding any assets and liabilities which do not form part of the net assets being sold) are reported as assets and liabilities held for sale, respectively, as at September 30, 2018 without restatement of the prior-year period comparative amounts.

As at September 30, 2018, the Company has measured the asset group at the lower of carrying value and FVLCS. The expected purchase consideration was used as the basis for determining the FVLCS.

The Company expects to receive \$158 million in cash before closing adjustments and disposal costs in the fourth quarter of 2018. In addition to the cash proceeds, the expected purchase consideration includes an estimate for a receivable from the purchaser related to income tax refunds that are currently recoverable by Mesquite. The estimated fair value of this receivable as at September 30, 2018 is \$8.6 million. Upon completion of the sale, the Company will recognize this receivable as a financial asset and subsequently remeasure this financial asset at fair value at each reporting period date, with changes in the fair value being presented in other gains and losses.

As at September 30, 2018, the Company concluded that the expected fair value less costs to sell of Mesquite was lower than the carrying value. As a result, the Company recognized a pre-tax impairment loss of \$230.2 million for the three and nine months ended September 30, 2018 (net of tax – \$161.9 million). This impairment loss was allocated between Mesquite’s mining interests and heap leach inventories on the basis of proportional carrying value.

The net earnings from Mesquite for the three and nine months ended September 30, 2018 and prior-year comparative periods are as follows:

	Three months ended September 30		Nine months ended September 30	
<i>(in millions of U.S. dollars, except per share amounts)</i>	2018	2017	2018	2017
Revenues	42.5	49.5	131.0	145.7
Operating expenses	29.3	28.9	85.6	81.8
Depreciation and depletion ⁽¹⁾	11.9	13.7	35.4	41.2
Revenue less cost of goods sold	1.3	6.9	10.0	22.7
Finance income	-	-	0.4	-
Finance costs	(0.1)	(0.1)	(0.4)	(0.3)
Other losses	-	(1.4)	-	(6.6)
Impairment loss on held-for-sale assets	(230.2)	-	(230.2)	-
(Loss) earnings before taxes	(229.0)	5.4	(220.2)	15.8
Income tax recovery (expense)	64.8	(2.9)	66.8	(6.8)
(Loss) earnings from discontinued operations	(164.2)	2.5	(153.4)	9.0

1. Depreciation and depletion relates to Mesquite prior to reclassification as a discontinued operation.

The major classes of assets and liabilities of Mesquite are as follows:

As at September 30	
<i>(in millions of U.S. dollars)</i>	2018
ASSETS	
Cash and cash equivalents	2.3
Trade and other receivables	0.1
Inventories	100.2
Current income tax receivable	8.6
Prepaid expenses and other	1.3
Mining interests	57.0
Deferred tax assets	36.7
Total assets held for sale	206.2
LIABILITIES	
Trade and other payables	11.0
Current income tax payable	4.4
Reclamation and closure cost obligations	19.7
Deferred tax liabilities	0.9
Total liabilities held for sale	36.0
Net assets held for sale	170.2

The following table provides details of the cash flow from operating, investing and financing activities of Mesquite for the three and nine months ended September 30, 2018 and prior-year comparative periods:

<i>(in millions of U.S. dollars)</i>	Three months ended September 30		Nine months ended September 30	
	2018	2017	2018	2017
OPERATING ACTIVITIES				
(Loss) earnings from discontinued operations	(164.2)	2.5	(153.4)	9.0
<i>Adjustments for:</i>				
Depreciation and depletion	11.9	13.7	35.4	41.2
Other non-cash adjustments	-	1.4	-	6.6
Income tax (recovery) expense	(64.8)	2.9	(66.8)	6.8
Finance income	-	-	(0.4)	-
Finance costs	0.1	0.1	0.4	0.3
Impairment loss on held-for-sale assets	230.2	-	230.2	-
	13.2	20.6	45.4	63.9
Change in non-cash operating working capital	(4.9)	(2.9)	(16.0)	(10.0)
Income taxes (paid) received	(0.4)	(7.0)	2.6	(8.8)
Cash generated from operations	7.9	10.7	32.0	45.1
INVESTING ACTIVITIES				
Mining interests	(2.8)	(4.0)	(3.5)	(8.9)
Interest received	-	-	0.4	-
Cash used by investing activities	(2.8)	(4.0)	(3.1)	(8.9)
Change in cash and cash equivalents	5.1	6.7	28.9	36.2

14. INCOME AND MINING TAXES

The following table outlines the composition of income tax expense between current tax and deferred tax:

<i>(in millions of U.S. dollars)</i>	Three months ended September 30		Nine months ended September 30	
	2018	2017	2018	2017
CURRENT INCOME AND MINING TAX EXPENSE				
Canada	1.1	0.9	3.2	2.4
Foreign	-	1.1	-	0.5
	1.1	2.0	3.2	2.9
DEFERRED INCOME AND MINING TAX (RECOVERY) EXPENSE				
Canada	1.4	2.4	(91.5)	2.0
Foreign	-	(0.5)	-	-
Adjustments in respect of prior year	(0.9)	1.1	(0.9)	1.3
	0.5	3.0	(92.4)	3.3
Total income tax (recovery) expense	1.6	5.0	(89.2)	6.2

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

<i>(in millions of U.S. dollars)</i>	Three months ended September 30		Nine months ended September 30	
	2018	2017	2018	2017
(Loss) earnings before taxes	-	31.7	(432.3)	75.1
Canadian federal and provincial income tax rates	26.3%	25.8%	26.3%	25.8%
Income tax (recovery) expense based on above rates	-	8.2	(113.7)	19.4
INCREASE (DECREASE) DUE TO				
Permanent differences	1.8	(3.4)	0.6	2.3
Different statutory tax rates on earnings of foreign subsidiaries	(1.1)	0.6	(2.1)	(1.3)
Foreign exchange on non-monetary assets and liabilities	(5.4)	(7.6)	4.6	(13.6)
Other foreign exchange differences	(0.5)	5.6	7.0	3.4
Prior years' adjustments relating to tax provision and tax returns	-	1.3	-	1.3
Canadian mining tax	4.2	1.3	(26.8)	2.1
Mexican special duty tax	-	0.3	-	-
Change in unrecognized deferred tax assets	4.5	(0.6)	42.1	1.1
Disposal of El Morro gold stream asset	-	-	-	(8.4)
Other	(1.0)	(0.7)	-	(0.1)
Income tax expense (recovery)	1.6	5.0	(89.2)	6.2

15. RECLAMATION AND CLOSURE COST OBLIGATIONS

Changes to the reclamation and closure cost obligations are as follows:

<i>(in millions of U.S. dollars)</i>	Rainy River	New Afton	Mesquite	Peak Mines	Cerro San Pedro	Blackwater	Total
CHANGES TO RECLAMATION AND CLOSURE COST OBLIGATIONS							
<i>Balance – December 31, 2016</i>	20.0	7.6	13.6	13.7	18.1	8.9	81.9
Reclamation expenditures	-	(0.2)	-	(0.1)	(1.0)	(0.1)	(1.4)
Unwinding of discount	0.4	0.2	0.3	0.4	0.2	0.2	1.7
Revisions to expected cash flows	41.4	3.2	6.6	3.1	1.2	(0.3)	55.2
Foreign exchange movement	1.6	0.8	-	1.1	0.7	0.7	4.9
Less: amounts reclassified as held for sale	-	-	-	(18.2)	-	-	(18.2)
<i>Balance – December 31, 2017</i>	63.4	11.6	20.5	-	19.2	9.4	124.1
Less: current portion of closure costs (Note 5)	-	-	(0.2)	-	(2.4)	-	(2.6)
Non-current portion of closure costs	63.4	11.6	20.3	-	16.8	9.4	121.5
<i>Balance – December 31, 2017</i>	63.4	11.6	20.5	-	19.2	9.4	124.1
Reclamation expenditures	(0.1)	-	-	-	(0.5)	-	(0.6)
Unwinding of discount	1.0	0.2	0.4	-	0.1	0.1	1.8
Revisions to expected cash flows	(3.2)	(0.4)	(0.9)	-	(0.1)	(0.4)	(5.0)
Foreign exchange movement	(1.8)	(0.4)	-	-	0.8	(0.3)	(1.7)
Less: amounts reclassified as held for sale	-	-	(20.0)	-	-	-	(20.0)
<i>Balance – September 30, 2018</i>	59.3	11.0	-	-	19.5	8.8	98.6
Less: current portion of closure costs (Note 5)	-	-	-	-	(2.3)	-	(2.3)
Non-current portion of closure costs	59.3	11.0	-	-	17.2	8.8	96.3

Each period the Company reviews cost estimates and other assumptions used in the valuation of the obligations at each of its mining properties and development properties to reflect events, changes in circumstances and new information available. Changes in these cost estimates and assumptions have a corresponding impact on the fair value of the obligation. The fair values of the obligations are measured by discounting the expected cash flows using a discount factor that reflects the risk-free rate of interest. The Company prepares estimates of the timing and amount of expected cash flows when an obligation is incurred. Expected cash flows are updated to reflect changes in facts and circumstances. The principal factors that can cause expected cash flows to change are: the construction of new processing facilities; obligations realized through additional ore bodies mined; changes in the quantities of material in reserves and a corresponding change in the LOM plan; changing ore characteristics that impact required environmental protection measures and related costs; changes in water quality that impact the extent of water treatment required; and changes in laws and regulations governing the protection of the environment. The fair value of an obligation is recorded when it is incurred.

16. SUPPLEMENTAL CASH FLOW INFORMATION

Supplemental cash flow information (included within operating activities) is as follows:

	Three months ended September 30		Nine months ended September 30	
<i>(in millions of U.S. dollars)</i>	2018	2017	2018	2017
CHANGE IN NON-CASH OPERATING WORKING CAPITAL				
Trade and other receivables	(4.5)	5.6	(8.6)	17.0
Inventories	(10.8)	2.0	(32.8)	6.3
Prepaid expenses and other	0.5	(1.1)	1.7	0.3
Trade and other payables	(11.7)	2.7	(14.9)	0.9
Total change in non-cash operating working capital	(26.5)	9.2	(54.6)	24.5

	Three months ended September 30		Nine months ended September 30	
<i>(in millions of U.S. dollars)</i>	2018	2017	2018	2017
OTHER NON-CASH ADJUSTMENTS				
Unrealized gain on share purchase warrants	-	-	-	(1.2)
Unrealized (gain) loss on concentrate contracts	(1.1)	4.4	(1.1)	3.3
Equity settled share-based payment expense	0.7	0.9	2.3	3.2
Loss (gain) on disposal of assets	1.5	-	1.4	(0.1)
Settlement and (gain) loss on revaluation of gold price option contracts	-	(0.1)	-	7.6
Unrealized (gain) loss on gold stream obligation	(4.6)	(0.2)	(14.2)	4.8
Unrealized (gain) loss on copper forward contracts and copper price option contracts	(0.6)	5.9	(7.0)	4.7
Inventory write-downs	10.6	-	12.0	-
Other non-cash adjustments	0.1	(0.2)	0.2	(0.2)
Total other non-cash adjustments	6.6	10.7	(6.4)	22.1

17. SEGMENTED INFORMATION

(a) Segment revenues and results

The Company manages its reportable operating segments by operating mines, development projects and exploration projects. The results from operations for these reportable operating segments are summarized in the following tables:

	Three months ended September 30, 2018						
<i>(in millions of U.S. dollars)</i>	Rainy River	New Afton	Cerro San Pedro	Corporate	Other ⁽¹⁾	Discontinued Operations ⁽³⁾	Total
OPERATING SEGMENT RESULTS							
Gold revenues	67.7	20.6	1.9	-	-	-	90.2
Copper revenues	-	54.7	-	-	-	-	54.7
Silver revenues	0.9	1.0	0.3	-	-	-	2.2
Total revenues ⁽²⁾	68.6	76.3	2.2	-	-	-	147.1
Operating expenses	43.1	23.9	15.6	-	-	-	82.6
Depreciation and depletion	16.7	39.2	1.5	-	-	-	57.4
Revenue less cost of goods sold	8.8	13.2	(14.9)	-	-	-	7.1
Corporate administration	-	-	-	4.7	-	-	4.7
Share-based payment expenses	-	-	-	(1.0)	-	-	(1.0)
Exploration and business development	-	0.2	-	0.3	-	-	0.5
(Loss) income from operations	8.8	13.0	(14.9)	(4.0)	-	-	2.9
Finance income	-	0.1	-	0.2	-	-	0.3
Finance costs	(1.0)	(0.2)	(0.1)	(16.1)	(0.1)	-	(17.5)
Other (losses) gains	(1.9)	4.5	(0.3)	12.4	(0.4)	-	14.3
(Loss) earnings before taxes	5.9	17.4	(15.3)	(7.5)	(0.5)	-	-
Income tax recovery (expense)	1.2	(6.9)	-	4.1	-	-	(1.6)
(Loss) earnings from continuing operations	7.1	10.5	(15.3)	(3.4)	(0.5)	-	(1.6)
Loss from discontinued operations, net of tax	-	-	-	-	-	(164.2)	(164.2)
Net (loss) earnings	7.1	10.5	(15.3)	(3.4)	(0.5)	(164.2)	(165.8)

1. Other includes balances relating to the development and exploration properties that have no revenues or operating costs.

2. Segmented revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the three months ended September 30, 2018.

3. Refer to Note 13 for further information on discontinued operations.

Nine months ended September 30, 2018

<i>(in millions of U.S. dollars)</i>	Rainy River	New Afton	Cerro San Pedro	Corporate	Other ⁽¹⁾	Discontinued Operations ⁽³⁾	Total
OPERATING SEGMENT RESULTS							
Gold revenues	189.4	64.5	12.4	-	-	-	266.3
Copper revenues	-	172.7	-	-	-	-	172.7
Silver revenues	2.8	3.2	2.1	-	-	-	8.1
Total revenues ⁽²⁾	192.2	240.4	14.5	-	-	-	447.1
Operating expenses	136.6	79.8	33.1	-	-	-	249.5
Depreciation and depletion	58.3	118.3	2.6	-	-	-	179.2
Revenue less cost of goods sold	(2.7)	42.3	(21.2)	-	-	-	18.4
Corporate administration	-	-	-	15.6	-	-	15.6
Corporate restructuring ⁽⁴⁾	-	-	-	2.3	-	-	2.3
Share-based payment expenses	-	-	-	0.5	-	-	0.5
Asset impairment	383.7	-	-	-	-	-	383.7
Exploration and business development	0.4	0.4	-	0.6	0.1	-	1.5
(Loss) income from operations	(386.8)	41.9	(21.2)	(19.0)	(0.1)	-	(385.2)
Finance income	0.1	0.2	-	0.7	-	-	1.0
Finance costs	(2.0)	(1.0)	(0.4)	(48.3)	(0.2)	-	(51.9)
Other (losses) gains	(11.9)	1.5	(0.6)	15.4	(0.6)	-	3.8
(Loss) earnings before taxes	(400.6)	42.6	(22.2)	(51.2)	(0.9)	-	(432.3)
Income tax recovery (expense)	96.8	(24.8)	-	15.3	1.9	-	89.2
(Loss) earnings from continuing operations	(303.8)	17.8	(22.2)	(35.9)	1.0	-	(343.1)
Loss from discontinued operations, net of tax	-	-	-	-	-	(154.2)	(154.2)
Net (loss) earnings	(303.8)	17.8	(22.2)	(35.9)	1.0	(154.2)	(497.3)

1. Other includes balances relating to the development and exploration properties that have no revenues or operating costs.
2. Segmented revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the nine months ended September 30, 2018.
3. Refer to Note 13 for further information on discontinued operations.
4. In the second quarter of 2018, the Company recognized a restructuring charge of approximately \$2.3 million related to severance and other termination benefits.

Three months ended September 30, 2017

<i>(in millions of U.S. dollars)</i>	New Afton	Cerro San Pedro	Corporate	Other⁽¹⁾	Discontinued Operations⁽³⁾	Total
OPERATING SEGMENT RESULTS						
Gold revenues	24.0	10.0	-	-	-	34.0
Copper revenues	55.4	-	-	-	-	55.4
Silver revenues	1.0	2.6	-	-	-	3.6
Total revenues ⁽²⁾	80.4	12.6	-	-	-	93.0
Operating expenses	28.0	13.4	-	-	-	41.4
Depreciation and depletion	35.1	1.9	-	-	-	37.0
Revenue less cost of goods sold	17.3	(2.7)	-	-	-	14.6
Corporate administration	-	-	5.4	-	-	5.4
Share-based payment expenses	-	-	3.1	-	-	3.1
Exploration and business development	0.7	-	0.2	1.0	-	1.9
Income (loss) from operations	16.6	(2.7)	(8.7)	(1.0)	-	4.2
Finance income	-	0.2	0.1	-	-	0.3
Finance costs	(0.3)	-	2.7	(0.4)	-	2.0
Other gains (losses)	2.6	(0.3)	7.3	15.6	-	25.2
Earnings (loss) before taxes	18.9	(2.8)	1.4	14.2	-	31.7
Income tax (expense) recovery	(15.2)	(0.4)	8.1	2.5	-	(5.0)
Earnings (loss) from continuing operations	3.7	(3.2)	9.5	16.7	-	26.7
Earnings from discontinued operations, net of tax	-	-	-	-	0.3	0.3
Net earnings (loss)	3.7	(3.2)	9.5	16.7	0.3	27.0

1. Other includes balances relating to the development and exploration properties that have no revenues or operating costs.

2. Segmented revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the three months ended September 30, 2017.

3. Refer to Note 13 for further information on discontinued operations

<i>(in millions of U.S. dollars)</i>	New Afton	Cerro San Pedro	Corporate	Other⁽¹⁾	Discontinued Operations⁽³⁾	Total
OPERATING SEGMENT RESULTS						
Gold revenues	71.2	32.6	-	-	-	103.8
Copper revenues	150.4	-	-	-	-	150.4
Silver revenues	3.1	7.9	-	-	-	11.0
Total revenues ⁽²⁾	224.7	40.5	-	-	-	265.2
Operating expenses	82.4	39.8	-	-	-	122.2
Depreciation and depletion	103.5	5.1	-	-	-	108.6
Revenue less cost of goods sold	38.8	(4.4)	-	-	-	34.4
Corporate administration	-	-	18.8	-	-	18.8
Share-based payment expenses	-	-	6.9	-	-	6.9
Exploration and business development	1.1	-	0.4	3.6	-	5.1
Income (loss) from operations	37.7	(4.4)	(26.1)	(3.6)	-	3.6
Finance income	-	0.2	0.7	-	-	0.9
Finance costs	(0.8)	(0.3)	1.5	(0.6)	-	(0.2)
Other gains (losses)	11.4	(2.0)	1.9	59.5	-	70.8
Earnings (loss) before taxes	48.3	(6.5)	(22.0)	55.3	-	75.1
Income tax (expense) recovery	(11.1)	-	3.4	1.5	-	(6.2)
Earnings (loss) from continuing operations	37.2	(6.5)	(18.6)	56.8	-	68.9
Earnings from discontinued operations, net of tax	-	-	-	-	18.7	18.7
Net earnings (loss)	37.2	(6.5)	(18.6)	56.8	18.7	87.6

1. Other includes balances relating to the development and exploration properties that have no revenues or operating costs.

2. Segmented revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the nine months ended September 30, 2017.

3. Refer to Note 13 for further information on discontinued operations

(b) Segmented assets and liabilities

The following table presents the segmented assets and liabilities:

	Total assets		Total liabilities		Capital expenditures ⁽¹⁾	
	As at September 30	As at December 31	As at September 30	As at December 31	Nine months ended September 30	
<i>(in millions of U.S. dollars)</i>	2018	2017	2018	2017	2018	2017
SEGMENTED ASSETS AND LIABILITIES						
Rainy River	1,481.1	1,774.2	282.3	454.4	138.9	416.0
New Afton	818.3	874.5	166.4	147.8	29.8	33.6
Mesquite	-	482.3	-	96.3	-	-
Cerro San Pedro	19.4	43.9	25.1	26.7	-	0.7
Blackwater	576.9	560.8	65.9	56.9	5.7	8.9
Other ⁽²⁾	108.4	172.6	956.3	1,032.9	0.1	0.4
	3,004.1	3,908.3	1,496.0	1,815.0	174.5	459.6
Assets and liabilities held for sale and capital expenditures from discontinued operations (Note 13)	206.2	109.0	36.0	62.8	12.2	30.5
Total assets, liabilities and capital expenditures	3,210.3	4,017.3	1,532.0	1,877.8	186.7	490.1

1. Capital expenditures per consolidated statement of cash flows.

2. Other includes corporate balance and exploration properties.

18. FAIR VALUE MEASUREMENT

Fair value is the price that would be received when selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In assessing the fair value of a particular contract, the market participant would consider the credit risk of the counterparty to the contract. Consequently, when it is appropriate to do so, the Company adjusts the valuation models to incorporate a measure of credit risk. Fair value represents management's estimates of the current market value at a given point in time.

The Company has certain financial assets and liabilities that are held at fair value. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability (for example, interest rate and yield curves observable at commonly quoted intervals, forward pricing curves used to value currency and commodity contracts), or inputs that are derived principally from or corroborated by observable market data or other means. Level 3 inputs are unobservable (supported by little or no market activity). The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

There were no transfers among Levels 1, 2 and 3 during the nine months ended September 30, 2018 or the nine months ended September 30, 2017. The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

Valuation methodologies for Level 2 and 3 financial assets and liabilities:

Provisionally priced contracts and gold and copper swap contracts

The fair value of the provisionally priced contracts and the gold and copper swap contracts is calculated using the mark-to-market forward prices of London Metals Exchange gold and copper based on the applicable settlement dates of the outstanding provisionally priced contracts and copper swap contracts.

Gold and copper price option contracts and copper forward contracts

The fair value of the gold and copper price option contracts and copper forward contracts are calculated using the mark-to-market method based on fair value prices obtained from the counterparties of the gold price option contracts, copper price option contracts and copper forward contracts.

Gold stream obligation

The fair value of the gold stream obligation is calculated using the risk-free interest rate derived from the fourteen-year U.S. Treasury rate, forward metal prices, company specific credit spread based on the yield on the Company's 2025 Senior Unsecured Notes, and expected gold and silver ounces to be delivered from Rainy River's life of mine model.

Performance share units (PSU)

The fair value of the PSU liability is calculated using the quantity of base options subject to cash settlement, the weighted-average three-year achieved performance ratio (calculated using the annualized return of the Company's share price compared to the annualized return of the S&P Global Gold Index) and the expected share price at the end of the vesting period.

The following table summarizes the Company's financial assets and liabilities by category and information about financial assets and liabilities measured at fair value on a recurring basis in the statement of financial position categorized by level of significance of the inputs used in making the measurements:

		As at September 30, 2018		As at December 31, 2017	
(in millions of U.S. dollars)	Category	Level		Level	
FINANCIAL ASSETS					
Cash and cash equivalents	Loans and receivables at amortized cost		129.0		216.2
Trade and other receivables	Loans and receivables at amortized cost		32.3		29.0
Provisionally priced contracts	Financial instruments at FVTPL	2	1.6	2	4.2
Gold and copper swap contracts	Financial instruments at FVTPL	2	(0.5)	2	(6.1)
Copper price option contracts	Financial Instruments at FVTPL	2	2.9	2	-
Investments	Financial instruments at FVTPL	1	0.9	1	1.0
FINANCIAL LIABILITIES					
Trade and other payables ⁽¹⁾	Financial liabilities at amortized cost		119.0		146.0
Long-term debt	Financial liabilities at amortized cost		939.8		1,007.7
Gold stream obligation	Financial instruments at FVTPL	3	198.5	3	273.5
Performance share units	Financial instruments at FVTPL	3	0.7	3	1.8
Restricted share units	Financial instruments at FVTPL	1	0.3	1	0.8
Copper price option contracts	Financial instruments at FVTPL	2	-	2	4.1

1. Trade and other payables exclude the short-term portion of reclamation and closure cost obligations and the short-term portion of the gold stream obligation.

The carrying values and fair values of the Company's financial instruments are as follows:

		As at September 30, 2018		As at December 31, 2017	
(in millions of U.S. dollars)		Carrying value	Fair value	Carrying value	Fair value
FINANCIAL ASSETS					
Cash and cash equivalents		129.0	129.0	216.2	216.2
Trade and other receivables		32.3	32.3	29.0	29.0
Provisionally priced contracts		1.6	1.6	4.2	4.2
Gold and copper swap contracts		(0.5)	(0.5)	(6.1)	(6.1)
Investments		0.9	0.9	1.0	1.0
Copper price option contracts		2.9	2.9	-	-
FINANCIAL LIABILITIES					
Trade and other payables ⁽¹⁾		119.0	119.0	146.0	146.0
Long-term debt		939.8	843.5	1,007.7	1,064.3
Gold stream obligation		198.5	198.5	273.5	273.5
Performance share units		0.7	0.7	1.8	1.8
Restricted share units		0.3	0.3	0.8	0.8
Copper price option contracts		-	-	4.1	4.1

1. Trade and other payables exclude the short-term portion of reclamation and closure cost obligation and the short-term portion of the gold stream obligation.

19. COMMITMENTS AND CONTINGENCIES

The Company has entered into a number of contractual commitments for capital items relating to operations and development. At September 30, 2018, these commitments totalled \$61.4 million, \$61.0 million of which is expected to fall due over the next 12 months. This compares to commitments of \$51.4 million as at December 31, 2017, \$48.5 million of which was expected to fall due over the upcoming year. Certain contractual commitments may contain cancellation clauses; however, the Company discloses its commitments based on management's intent to fulfill the contracts.