26. Accounting for Financial Instruments (continued)

The fair value of our fixed commodity forward sale and purchase contracts is calculated using a discounted cash flow method based on forward metal prices. A summary of our free-standing derivative contracts and related fair values as at December 31, 2012 is as follows:

	Quantity	Average Price	Fair Value Asset (Liability) (Cdn$ in millions)
Derivatives not designated as hedging instruments			
Forward sales contracts			
Zinc	12.5 million lbs	US$0.91/lb	$ (1)
Lead	27.4 million lbs	US$1.01/lb	(2)
U.S. dollar	US$257 million	Cdn$/US$0.99	(1)
U.S. dollar	US$2.3 million	CLP/US$644	1
Forward purchase contracts			
Zinc	14.2 million lbs	US$0.91/lb	1
Lead	9.3 million lbs	US$1.00/lb	1
			$ (1)
Derivatives designated as cash flow hedges			
U.S. dollar forward sales contracts	US$295 million	Cdn$/US$0.99	$ –

All free-standing derivative contracts mature in 2013.

Derivatives not designated as hedging instruments are recorded in trade accounts receivable of $3 million and trade accounts payable and accrued liabilities of $4 million on the consolidated balance sheet.

In addition to the above, one of our road and port contracts contains a contingent zinc escalation payment that is considered to be an embedded derivative. The fair value of this embedded derivative was $7 million at December 31, 2012 (2011 - $3 million), and is included in other liabilities and provisions on the consolidated balance sheet.

Prepayment Rights on Notes Due 2016 and 2019

Our 2016 and 2019 notes (Note 17(a)) included prepayment rights that were considered to be embedded derivatives. These notes were redeemed in 2012 so there is no value for the embedded derivatives at December 31, 2012. At December 31, 2011, these prepayment rights were recorded as other assets (Note 12) on the balance sheet at a fair value of $313 million based on then-current market interest rates for similar instruments and our credit spread.