

Thompson Creek Metals Co Inc.

Form 10-Q

August 06, 2015

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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 June 30, 2015

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)

26 West Dry Creek Circle, Suite 810, Littleton, CO

(Address of principal executive offices)

(303) 761-8801

(Registrant's telephone number, including area code)

98-0583591

(I.R.S. Employer

Identification No.)

80120

(Zip 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 August 4, 2015, there were 221,233,232 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>29</u>
<u>Item 3. Quantitative and Qualitative Disclosures about Market Risk</u>	<u>57</u>
<u>Item 4. Controls and Procedures</u>	<u>59</u>
<u>PART II. Other Information</u>	<u>60</u>
<u>Item 1. Legal Proceedings</u>	<u>60</u>
<u>Item 1A. Risk Factors</u>	<u>60</u>
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>60</u>
<u>Item 3. Defaults Upon Senior Securities</u>	<u>60</u>
<u>Item 4. Mine Safety Disclosures</u>	<u>60</u>
<u>Item 5. Other Information</u>	<u>60</u>
<u>Item 6. Exhibits</u>	<u>61</u>
<u>Signatures</u>	<u>62</u>

Table of Contents

PART I — FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

THOMPSON CREEK METALS COMPANY INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

(US dollars in millions, except share amounts)	June 30, 2015	December 31, 2014
ASSETS		
Current assets		
Cash and cash equivalents	\$211.1	\$265.6
Accounts receivable (Note 2)	31.4	42.0
Accounts receivable-related parties (Note 15)	0.2	4.1
Product inventory (Note 3)	76.8	96.6
Materials and supplies inventory	26.3	30.4
Prepaid expenses and other current assets	7.1	7.7
Income and mining taxes receivable	0.5	0.5
Restricted cash	—	1.6
Deferred income tax assets (Note 13)	0.2	0.1
	353.6	448.6
Property, plant, equipment and development, net (Note 4)	2,063.6	2,218.3
Restricted cash	—	5.7
Reclamation deposits	10.3	10.3
Other assets	40.5	35.4
Deferred income tax assets (Note 13)	133.3	128.0
	\$2,601.3	\$2,846.3
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	\$80.7	\$93.1
Income, mining and other taxes payable	1.5	1.8
Current portion of Gold Stream deferred revenue (Note 9)	40.3	40.4
Current portion of long-term debt (Notes 8 and 10)	1.4	3.9
Current portion of long-term lease obligations (Note 7)	24.9	22.8
Deferred income tax liabilities (Note 13)	13.5	14.1
Other current liabilities	0.3	0.3
	162.6	176.4
Gold Stream deferred revenue (Note 9)	705.3	721.1
Long-term debt (Notes 8 and 10)	831.3	872.3
Long-term lease obligations (Note 7)	40.0	45.7
Other liabilities	4.8	5.2
Asset retirement obligations	35.5	35.3
Deferred income tax liabilities (Note 13)	97.4	102.8
	1,876.9	1,958.8
Commitments and contingencies (Note 12)		
Shareholders' equity		
Common stock, no-par, 221,001,135 and 214,148,315 shares issued and outstanding as of June 30, 2015 and December 31, 2014, respectively	1,195.7	1,186.1
Additional paid-in capital	80.2	86.6
Accumulated deficit	(333.8) (246.9

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Accumulated other comprehensive income (loss)	(217.7) (138.3)
	724.4	887.5	
	\$2,601.3	\$2,846.3	

See accompanying notes to unaudited condensed consolidated financial statements.

3

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		Six Months Ended	
	Ended June 30, 2015	2014	2015	2014
REVENUES				
Copper sales	\$49.3	\$64.8	\$81.5	\$94.6
Gold sales	56.3	54.1	92.3	78.5
Molybdenum sales	20.9	126.3	63.7	229.2
Tolling, calcining and other	7.6	3.2	19.6	7.1
Total revenues	134.1	248.4	257.1	409.4
COSTS AND EXPENSES				
Cost of sales				
Operating expenses	75.3	148.2	158.3	261.8
Depreciation, depletion and amortization	26.8	33.0	46.8	55.6
Total cost of sales	102.1	181.2	205.1	317.4
Selling and marketing	2.2	3.6	5.2	7.7
Accretion expense	0.6	0.9	1.2	1.8
General and administrative	4.9	5.2	10.5	11.8
Exploration	0.1	0.2	0.1	0.3
Costs for idle mining operations	12.1	—	17.7	—
Total costs and expenses	122.0	191.1	239.8	339.0
OPERATING INCOME (LOSS)	12.1	57.3	17.3	70.4
OTHER (INCOME) EXPENSE				
(Gain) loss on foreign exchange	(16.9)	(42.3)	71.3	4.2
Interest and finance fees	22.3	23.3	44.9	46.9
Loss from debt extinguishment	3.1	0.5	2.8	0.5
Interest (income) expense	—	(0.1)	(0.1)	(0.2)
Other	(1.8)	(0.2)	(3.1)	(3.0)
Total other (income) expense	6.7	(18.8)	115.8	48.4
Income (loss) before income and mining taxes	5.4	76.1	(98.5)	22.0
Total income and mining tax expense (benefit)	5.1	14.5	(11.6)	(0.5)
NET INCOME (LOSS)	\$0.3	\$61.6	\$(86.9)	\$22.5
COMPREHENSIVE INCOME (LOSS)				
Foreign currency translation	17.1	42.0	(79.4)	(3.6)
Total other comprehensive income (loss)	17.1	42.0	(79.4)	(3.6)
Total comprehensive income (loss)	\$17.4	\$103.6	\$(166.3)	\$18.9
NET INCOME (LOSS) PER SHARE				
Basic	\$0.00	\$0.35	\$(0.40)	\$0.13
Diluted	\$0.00	\$0.28	\$(0.40)	\$0.10
Weighted-average number of common shares				
Basic	218.0	174.5	216.2	173.1
Diluted	218.1	220.3	216.2	217.3

See accompanying notes to unaudited condensed consolidated financial statements.

Table of Contents

THOMPSON CREEK METALS COMPANY INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

(US dollars in millions)	Three Months Ended		Six Months Ended	
	June 30, 2015	2014	June 30, 2015	2014
OPERATING ACTIVITIES				
Net income (loss)	\$0.3	\$61.6	\$(86.9)	) \$22.5
Items not affecting cash:				
Depreciation, depletion and amortization	26.8	33.0	46.8	55.6
Deferred revenue related to Gold Stream Arrangement	(10.0)	) (9.7)	) (16.4)	) (14.1)
Accretion expense	0.6	0.9	1.2	1.8
Amortization of finance fees	1.2	1.3	2.4	2.6
Stock-based compensation	1.8	1.5	3.1	2.6
Obsolete materials and supplies inventory write downs	—	0.1	—	0.2
Product inventory write downs	1.8	1.1	7.0	6.6
Deferred income tax benefit	5.0	7.8	(10.1)	) (9.3)
Unrealized gain on financial instruments and mark-to-market adjustments	(6.0)	) (2.8)	) —	) (3.2)
Unrealized foreign exchange (gain) loss	(16.0)	) (44.0)	) 70.6	3.6
Debt extinguishment	0.7	(0.1)	) 0.4	(0.1)
Change in current assets and liabilities (Note 16)	11.9	(4.1)	) 0.2	(12.8)
Gold Stream Arrangement net payable	5.8	4.1	0.3	10.9
Cash generated by (used in) operating activities	23.9	50.7	18.6	66.9
INVESTING ACTIVITIES				
Capital expenditures	(9.7)	) (26.7)	) (22.9)	) (48.5)
Capitalized interest payments	(0.3)	) (0.6)))