

Thompson Creek Metals Co Inc.

Form 10-K

February 20, 2015

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ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

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

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

For the fiscal year ended December 31, 2014

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)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered:
Common Stock, no par value	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405) is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment of this Form 10-K.

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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 <input checked="" type="checkbox"/>	Accelerated filer <input type="checkbox"/>	Non-accelerated filer <input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company <input type="checkbox"/>
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Indicate by check mark whether the registrant is a shell company (as defined by Rule 12b-2 of the Act). Yes No
As of February 16, 2015, there were 214,343,626 shares of the registrant's common stock, no par value, outstanding. As of June 30, 2014, the last day of the registrant's most recently completed second fiscal quarter, the aggregate market value of the registrant's common equity held by non-affiliates was approximately \$633 million, based on the closing price of the registrant's common stock on such date as reported on the New York Stock Exchange. For purposes of this calculation, shares of common stock held by executive officers, directors and holders of greater than 10% of the registrant's outstanding common stock are assumed to be affiliates of the registrant. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

DOCUMENTS INCORPORATED BY REFERENCE

Part III incorporates certain information by reference from the registrant's definitive proxy statement for the 2015 annual meeting of stockholders to be filed no later than 120 days after the end of the registrant's fiscal year ended December 31, 2014.

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ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

Statement Regarding Forward-Looking Information

Certain statements in this report (including information incorporated by reference) are "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, and applicable Canadian securities legislation, and are intended to be covered by the safe harbors provided by these regulations. All statements other than statements of historical fact set forth or incorporated herein by reference are forward-looking statements. These forward-looking statements may, in some cases, be identified by the use of terms such as "believe," "project," "expect," "anticipate," "estimate," "intend," "strategy," "future," "opportunity," "plan," "may," "should," "will," "would," "will be," "will continue," "will likely result," and similar expressions. Our forward-looking statements may include, without limitation, statements with respect to:

- future financial or operating performance of the Company or its subsidiaries and its projects;
- the availability of, and terms and costs related to, future borrowing, debt repayment and financing;
- future inventory, production, sales, payments from customers, cash costs, capital expenditures and exploration expenditures;
- expected mining and concentrate grades and recoveries;
- estimates of mineral reserves and resources, including estimated mine life and annual production;
- projected timing to ramp-up to design capacity at Mount Milligan Mine;
- the projected development of our exploration properties and future exploration at our operations;
- future concentrate shipment dates and shipment sizes;
- future operating plans and goals, including whether any operations will continue at Endako Mine or TC Mine;
- expected costs, including any severance costs;
- personnel decisions, including reductions in work force; and
- future copper, gold, and molybdenum prices.

Forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties which may cause actual results to differ materially from the forward-looking statements. A detailed discussion of risks and uncertainties that could cause actual results and events to differ materially from such forward-looking statements is included in Item 1A, "Risk Factors" and elsewhere in this report. We undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events, or otherwise.

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PART I

In this report, references to “we,” “our” and “us” mean Thompson Creek Metals Company Inc. together with our subsidiaries, unless the context otherwise requires. All dollar amounts in this report are expressed in United States dollars (“\$”), unless otherwise indicated. Canadian currency is denoted as “C\$.” Financial information is presented in accordance with accounting principles generally accepted in the United States (“US GAAP”). References to “Notes” refer to the Notes to Consolidated Financial Statements included in Item 8 herein.

ITEMS 1. AND 2. BUSINESS AND PROPERTIES

OUR BUSINESS

VISION AND STRATEGY

We are a North American mining company engaged in the full mining cycle, which includes acquisition, exploration, development, and operation of mineral properties. In the past several years, we have evolved from being a major primary molybdenum producer to becoming a copper and gold mining company with the construction and development of our open-pit copper-gold mine and concentrator in British Columbia, Canada (“Mount Milligan Mine”). Mount Milligan Mine commenced operations in August 2013 and continues to ramp-up to design capacity. At December 31, 2014, the combined proven and probable estimated mineral reserves for Mount Milligan Mine totaled 2.4 billion pounds of contained copper and 6.2 million ounces of contained gold. We currently expect to increase our payable copper and gold production in 2015 as compared to 2014, and to complete our ramp-up of Mount Milligan Mine by year-end.

In addition to our gold and copper mining operation, we own and operate a metallurgical facility in Pennsylvania, USA (the “Langeloth Facility”), at which we roast molybdenum concentrate and other metals. We expect that the Langeloth Facility will operate at approximately 85% capacity in 2015 with the roasting of third-party material. We have shifted the core focus of our business to copper and gold while at the same time developing a strategy to achieve positive cash flow from our molybdenum business. This shift in core focus is primarily the result of recent and expected ongoing weakness in the molybdenum market due to additional supply of molybdenum from new copper producers that produce molybdenum as a by-product. In 2015, we expect to generate sufficient revenue from the Langeloth Facility, together with the sale of molybdenum inventory from TC Mine and Endako Mine (defined below), to cover care and maintenance costs and/or costs incurred during the temporary suspension of these mines. Please see “Molybdenum Mines” below.

Our current business strategy is to:

- achieve design recoveries and mill throughput at Mount Milligan Mine by the end of 2015 while containing costs;
- conduct our operations safely and in an environmentally responsible manner;
- transition Langeloth into one of the largest third party molybdenum conversion plants in the world, which is expected to contribute to positive cash flow from our molybdenum business in 2015;
- maintain the optionality of our molybdenum business; and
- improve our balance sheet and our competitive position in the industry.

In the medium term, we intend to seek opportunities to enhance our diverse production profile through accretive acquisitions and/or investments.

COPPER AND GOLD MINE

In August 2013, the phased start-up of operations began at the Mount Milligan Mine with the first feed to the concentrator, and in September 2013, the first copper-gold concentrate was produced. Mount Milligan Mine reached commercial production as of February 18, 2014, defined as operation of the mill at 60% design capacity mill throughput for 30 days, and has been cash flow positive since the second quarter of 2014. As previously disclosed, we have determined that additional crushing will be necessary to consistently achieve mill throughput of 60,000 tonnes per day (“tpd”), and we expect to construct a permanent secondary crushing circuit at Mount Milligan Mine when market conditions improve. In 2015, the detailed engineering phase is expected to be completed and commitments are expected to be made for the long lead items. The final capital cost estimate for the project will be determined once the detailed engineering is completed, and it is expected to be near the high end of the previously announced range of \$50

- \$75 million, inclusive of the approximately \$15 million in costs that we expect to incur in

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2015 for the engineering work and commitments for long lead items. Once construction commences, we estimate that it will take approximately 18 months to complete the permanent circuit. Temporary crushing will be utilized during 2015 and, as a result, we expect to reach approximately 60,000 tpd by year-end 2015.

MOLYBDENUM MINES

Until the Mount Milligan Mine became operational in the fall of 2013, our business was primarily focused on the extraction, processing, roasting, and sale of molybdenum. Through the end of 2014, we operated an open-pit molybdenum mine and concentrator in Idaho, USA (“TC Mine”), and an open-pit molybdenum mine, and concentrator in British Columbia, Canada, in which we own a 75% joint venture interest (“Endako Mine”). TC Mine was placed on care and maintenance in December 2014 after the mining and processing of ore from Phase 7 was completed. As previously disclosed, we are conducting limited stripping at the mine for the next phase of mining to maintain our options while we continue to evaluate alternatives for TC Mine. Effective December 31, 2014, operations at Endako Mine were temporarily suspended due to recent and expected ongoing weakness in the molybdenum price. We expect to re-evaluate the status of Endako Mine as market conditions warrant. For more information regarding severance and other costs relating to care and maintenance of TC Mine and the temporary suspension of Endako Mine, please see Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” of this Form 10-K. At December 31, 2014, the combined proven and probable estimated mineral reserves for TC Mine and Endako Mine totaled 141.4 million pounds of contained molybdenum, with 74.7% of these reserves from TC Mine and 25.3% from Endako Mine (stated on a 100% basis). For detailed information regarding our mines and their mineral reserves, please see the “Mines” and “Mineral Reserves” sections, below.

LANGELOTH FACILITY

Langeloth is one of the largest molybdenum conversion plants in the world. In addition to the 36 million pounds of annual roasting capacity, Langeloth also can produce 9.5 million pounds of ferromolybdenum (one of only two such plants in the United States or three in North America) as well as 3 million pounds of pure moly oxide and 6,000 pounds of rhenium. Langeloth’s quality is recognized throughout the world, most especially in the United States. We believe Langeloth is well positioned to offer customers a number of competitive advantages relative to other large conversion plants operating in South America.

GENERAL

We were organized in 2000 as a corporation under the laws of Ontario, Canada, and were continued as a corporation under the laws of British Columbia, Canada in 2008. We are a corporation governed by the Business Corporations Act (British Columbia). In October 2006, we acquired Thompson Creek Metals Company USA, then a privately-held company incorporated and headquartered in the United States, and in so doing acquired TC Mine, Endako Mine and the Langeloth Facility. In October 2010, we acquired Terrane Metals Corp. (“Terrane”) and in so doing acquired the Mount Milligan development project, which is now Mount Milligan Mine. Through the Terrane acquisition we also acquired a copper, molybdenum and silver exploration property located in British Columbia, Canada (the “Berg Property”), and a gold exploration property located in Nunavut, Canada (the “Maze Lake Property”). Our corporate headquarters are in Littleton, Colorado, USA.

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The following map sets forth the locations of our mines, metallurgical facility, exploration properties and corporate office:

See the Notes to the Consolidated Financial statements in Item 8 for financial information about our operating segments and by geographic area.

PRODUCTS

Our principal products in 2014 were copper, gold, and molybdenum. In 2014, we produced 68.0 million pounds of copper in concentrate, containing 64.6 million pounds of payable copper, and 184,027 ounces of gold in concentrate, containing 177,606 ounces of payable gold. In 2014 and 2013, approximately 22% and 2%, respectively, of our product sales were attributable to copper, and approximately 22% and 1%, respectively, of our product sales were attributable to gold. We did not produce any copper or gold in 2012, as operations at Mount Milligan Mine did not commence until the fall of 2013.

We produced 26.3 million pounds of molybdenum in 2014. In 2014, 2013, and 2012, approximately 56%, 97%, and 100% of our product sales were attributable to molybdenum.

The table below sets forth certain operating and production data for each of the periods indicated:

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	Years Ended December 31,				
	2014	2013	2012	2011	2010
Copper					
Payable production (000's lb)	64,569	10,362	—	—	—
Cash cost (\$/payable lb produced) - By-Product ⁽¹⁾	\$1.15	\$7.76	—	—	—
Cash cost (\$/payable lb produced) - Co-Product ⁽¹⁾	\$1.97	\$5.40	—	—	—
Gold					
Payable production (troy oz)	177,606	19,879	—	—	—
Cash cost (\$/payable troy oz produced) - Co-Product ⁽¹⁾	\$525	\$1,468	—	—	—
Molybdenum - Produced					
TC Mine					
Production (000's lb)	17,371	20,889	16,238	21,368	25,071
Cash cost (\$/lb produced)	\$4.44	\$4.57	\$8.06	\$6.66	\$5.20
Endako Mine (75%)					
Production (000's lb)	8,885	9,056	6,191	6,977	7,506
Cash cost (\$/lb produced)	\$				