

Thompson Creek Metals CO Inc.  
Form 10-K/A  
March 01, 2010

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-K/A  
(Amendment No. 1)**

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

**For the fiscal year ended: December 31, 2009**

or

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

**For the transition period from            to  
Commission File Number: 001-33783**

**THOMPSON CREEK METALS COMPANY INC.**

(Exact name of registrant as specified in its charter)

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

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

**26 West Dry Creek Circle, Suite 810, Littleton, CO**  
(Address of principal executive offices)

**80120**  
(Zip code)

**(303) 761-8801**  
(Registrant's telephone number, including area code)

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

**Title of each class**  
Common Stock

**Name of each exchange on which registered:**  
New York Stock Exchange  
Toronto Stock Exchange

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

**None**

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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 15d 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 Website, 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 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.

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 definition 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

Smaller reporting company

(Do not check if a 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 February 23, 2010, there were of record 139,566,091 shares of Common Stock, no par value, outstanding.

The aggregate market value of the shares of Common Stock (based upon the closing price on such date as reported on the New York Stock Exchange Composite Transactions) of the registrant held by non affiliates was approximately \$1,860.8 million.

### *PORTIONS OF THE FOLLOWING DOCUMENTS ARE INCORPORATED BY REFERENCE:*

Part III: Proxy statement for 2010 Annual and Special Meeting of Stockholders

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**EXPLANATORY NOTE**

This Amendment No. 1 amends Thompson Creek Metals Company Inc.'s (the "Corporation") Annual Report on Form 10-K for the year ended December 31, 2009, which was filed with the Securities and Exchange Commission on February 25, 2010 (the "Original Filing"). The Corporation is filing this Amendment No. 1 to (i) amend Item 6. Selected Financial Data to correct the label "Income from mining and processing" to read "Revenue less cost of sales" included in the table "Statement of Operations Data", (ii) amend Item 7. and 7A., Management's Discussion and Analysis of Financial Condition and Results of Operations and Quantitative and Qualitative Disclosure About Market Risk, of Part II to correct (a) the amount of cash generated by operating activities and to correct the label "Income from mining and processing" to read "Revenue less cost of sales", both of which are included in the "Selected Consolidated Financial and Operational Information" and "Summary of Quarterly Results" tables and the section entitled "Financial Review Three Months Ended December 31, 2009 (unaudited) Cash Flows," and (b) the amount of selling and marketing, and accretion included in the table in the section entitled "Operations Review Thompson Creek Mine" for the three months and year ended December 31, 2009, as well as the narrative explanation of variances for selling and marketing for the 2009 periods in such section under the subheading "Cost of sales," (iii) amend Item 9A., Controls and Procedures, of Part II to include additional information regarding the Corporation's disclosure controls and procedures for fiscal year 2008, (iv) amend Item 15., Exhibits, Financial Statement Schedules, of Part IV to make certain revisions to the exhibit index and file with this Amendment No. 1 Exhibit 3.1 and refile with this Amendment No. 1 a corrected Exhibit 10.3 and 24.1, and (v) include the conformed signature of the Corporation's Chairman and Chief Executive Officer, Kevin Loughrey, and the Corporation's Chief Financial Officer and Vice President, Finance, Pamela L. Saxton. Both Mr. Loughrey and Ms. Saxton manually signed the original copy of the report, but their signatures were inadvertently omitted from the signature page of the Original Filing.

In accordance with Rule 12b-15 under the Securities Exchange Act of 1934, as amended, new certifications by the Company's Chief Executive Officer and Chief Financial Officer are filed as exhibits to this Amendment No. 1. Except as described above, all other information included in the Original Filing remains unchanged. Accordingly, this Amendment No. 1 should be read in conjunction with the Original Filing.

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**PART II**

**Item 6. SELECTED FINANCIAL DATA**

The following selected consolidated financial data is derived from the Corporation's audited consolidated financial statements. The consolidated financial statements presented herein have been prepared in accordance with accounting principles generally accepted in the United States ("US GAAP"). The consolidated financial statements for fiscal years ended December 31, 2008, 2007 and 2006 presented herein were recast from generally accepted accounting principles in Canada ("Canadian GAAP") to US GAAP. These historical results are not necessarily indicative of results for any future period. The following table includes the adjusted non-GAAP financial measures "adjusted net income", "adjusted net income per share basic", and "adjusted net income per share diluted". For a definition of these adjusted non-GAAP measures and reconciliation to the most directly comparable financial measure calculated and presented in accordance with GAAP, please read "Non-GAAP Financial Measures" in Item 7 of this Annual Report on Form 10-K.

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	Years Ended December 31,			
	2009	2008	2007	2006(a)
	(US dollars in millions, except per share amounts)			
<b>Statement of Operations Data:</b>				
Revenue				
Molybdenum sales	\$ 361.9	\$ 992.2	\$ 891.1	\$ 147.7
Tolling, calcining and other	11.5	19.2	23.3	3.1
	373.4	1,011.4	914.4	150.8
Cost of sales				
Operating expenses	241.3	557.4	588.8	147.3
Selling and marketing	6.2	10.1	9.0	1.2
Depreciation, depletion and amortization	43.4	40.0	48.2	4.7
Accretion expense	1.4	1.7	1.7	0.1
	292.3	609.2	647.7	153.3
Revenue less cost of sales	81.1	402.2	266.7	(2.5)
Other (income) expenses	135.1(b)	104.8	65.4	26.2
Income and mining taxes (benefit)	2.0	124.3	61.7	(7.6)
Net (loss) income	\$ (56.0)(b)	\$ 173.1	\$ 139.6	\$ (21.1)
Net (loss) income per share				
basic	\$ (0.44)(b)	\$ 1.45	\$ 1.27	\$ (0.37)
diluted	\$ (0.44)(b)	\$ 1.31	\$ 1.10	\$ (0.37)
Basic weighted-average shares outstanding	127.5	119.5	110.2	57.7
Diluted weighted-average shares outstanding	127.5	131.7	126.6	57.7
<b>Adjusted non-GAAP Measures:(c)</b>				
Adjusted net income(c)	\$ 37.4(c)	\$ 241.3	\$ n/a	\$ n/a
Adjusted net income per share basic(c)	\$ 0.29(c)	\$ 2.02	\$ n/a	\$ n/a
Adjusted net income per share diluted(c)	\$ 0.29(c)	\$ 1.83	\$ n/a	\$ n/a
<b>Other Financial Data:</b>				
Cash generated by operating activities	\$ 105.9	\$ 389.0	\$ 148.4	\$ 75.4
Capital expenditures	\$ 66.1	\$ 101.3	\$ 14.7	\$ 4.5
<b>Balance Sheet Data as of December 31:</b>				
Cash and cash equivalents	\$ 158.5	\$ 258.0	\$ 113.7	\$ 98.1
Short-term investments	\$ 353.0	\$	\$	\$
Total assets	\$ 1,344.6	\$ 1,046.4	\$ 1,083.0	\$ 899.9
Total debt	\$ 12.9	\$ 17.3	\$ 237.4	\$ 397.8
Total liabilities	\$ 359.2(b)	\$ 255.8	\$ 612.0	\$ 675.7
Shareholders' equity	\$ 985.4(b)	\$ 790.6	\$ 471.0	\$ 224.2

(a) The 2006 period is from inception (October 26, 2006) through December 31, 2006.

(b) On January 1, 2009 the Corporation adopted the guidance issued by the Emerging Issues Task Force ("EITF"), which requires our outstanding common stock purchase warrants to be accounted for as a derivative with changes in the fair market value recorded in net income (loss). Net loss for 2009 includes a non-cash unrealized loss of \$93.4 million, or \$(0.73) per basic and diluted share.

(c) See "Non-GAAP Financial Measures" in Item 7 of this Annual Report on Form 10-K for the definition and calculation of these non-GAAP measures.



**ITEM 7. and 7A. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS AND QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK**

This Management's Discussion and Analysis ("MD&A") of consolidated financial condition and results of operations of Thompson Creek was prepared as of February 25, 2010, and should be read in conjunction with the Consolidated Financial Statements in Item 8 and Risk Factors in Item 1A of this Annual Report on Form 10-K.

The Corporation determined that as of June 30, 2009 more than 50% of its outstanding shares were held by US residents. Therefore, as of January 1, 2010, the Corporation is a domestic registrant and is required to comply with US Securities and Exchange Commission public reporting filing requirements. As a result, the consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the US ("US GAAP"). Prior to becoming a domestic registrant in the US, the Corporation prepared its consolidated financial statements in accordance with generally accepted accounting principles in Canada ("Canadian GAAP"). The consolidated financial statements for prior periods presented herein were recast from Canadian GAAP to US GAAP. Material measurement differences between US GAAP and Canadian GAAP are described in Note 22 to the Consolidated Financial Statements in Item 8 of this Annual Report on Form 10-K.

All dollar amounts are expressed in US dollars unless otherwise indicated. Additional information on the Corporation is available on EDGAR at [www.sec.gov](http://www.sec.gov), or on SEDAR at [www.sedar.com](http://www.sedar.com)

**Business Overview**

Thompson Creek is a North American molybdenum mining company, governed by the laws of British Columbia, with vertically integrated mining, milling, processing and marketing operations in Canada and the US. The Corporation's operations include the Thompson Creek Mine (mine and mill) in Idaho, the Langeloth Facility in Pennsylvania and a 75% joint venture interest in the Endako Mine (mine, mill and roaster) in British Columbia. In addition, the Corporation has two underground molybdenum development projects comprised of the Davidson Project, located in British Columbia, and an option to acquire up to 75% of the Mount Emmons Project, located in Colorado.

**Highlights 2009**

**Net loss** for 2009 was \$56.0 million, or \$0.44 per basic and diluted common share, which included a non-cash unrealized loss on common share purchase warrants of \$93.4 million, or \$0.73 per basic and diluted common share. Non-GAAP adjusted net income for the year (excluding the non-cash unrealized loss on the warrants) was \$37.4 million, or \$0.29 per basic and diluted common share. See "Non-GAAP Financial Measures" below for the definition and calculation of adjusted net income.

**Non-cash unrealized loss on common stock purchase warrants** of \$93.4 million for 2009 was the result of a requirement under US GAAP to account for the Corporation's outstanding common stock purchase warrants as a derivative, with changes in the fair market value recorded in net income (loss).

**Consolidated revenues** for 2009 were \$373.4 million, down approximately 63% from 2008 as a result of significantly lower molybdenum sales prices. The average realized sales price for molybdenum for the year was \$11.28 per pound, down 62% from \$30.04 per pound for 2008.

**Mined molybdenum production** in 2009 was 25.3 million pounds, down 3% from 26.0 million pounds in 2008.

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**Average cash cost per pound produced** for 2009 was \$5.84 per pound, compared to \$7.54 per pound in 2008. See "Non-GAAP Financial Measures" below for the calculation of cash cost per pound.

**Operating cash flows** were \$105.9 million for 2009, compared to \$389.0 million in 2008.

**Capital expenditures** incurred for 2009 were \$60.2 million, comprised of \$39.7 million of capital expenditures for the mines and Langeloth Facility together with \$20.5 million of capital costs for the mill expansion project at the Endako Mine (75% share).

**Total cash, cash equivalents and short-term investments** at December 31, 2009 were \$511.5 million, compared to \$258.0 million as of December 31, 2008. On September 16, 2009, the Corporation completed an equity issuance of 15.5 million shares and received \$194.6 million in net proceeds. Total debt as of December 31, 2009 was \$12.9 million compared to \$17.3 million as of December 31, 2008.

### Outlook

#### *Molybdenum Market*

In September 2008, the price for molybdenum oxide was over \$30 per pound. The price declined dramatically during the fourth quarter of 2008 and the first four months of 2009, reaching a low of \$7.70 per pound in April 2009. This decline was primarily due to the collapse in demand from the steel industry for molybdenum bearing grades of steel. During June through August of 2009, the price of molybdenum rose sharply, reaching a year-to-date high of \$18.30 per pound in August 2009. The price of molybdenum was volatile during the remainder of 2009, with the average *Platts Metals Week* published price for molybdenum oxide of \$11.53 per pound for the fourth quarter of 2009 (with a weekly low of \$10.60 per pound in November 2009) and \$11.29 per pound for the month of December 2009.

At the start of 2010, the molybdenum price began to increase. By January 18, the average *Platts Metals Week* published price for molybdenum oxide for the week had increased to \$15.00 per pound, and for the week of February 22, 2010, the average *Platts Metals Week* published price for molybdenum oxide was \$16.75 per pound.

The Corporation expects that demand from Western and Japanese steel mills will continue to improve and imports of molybdenum into China will diminish. However, the Corporation believes that the price of molybdenum will depend on the pace of re-supply from Chinese mines in addition to the pace of improving demand from Western and Japanese steel mills. Nonetheless, the Corporation expects that the demand and sales price for molybdenum will increase within the next 18 months and, for this reason among others, the Corporation's Board of Directors approved the resumption of the mill expansion at its 75%-owned Endako Mine (subject to the joint venture partner approval) during the third quarter of 2009.

There can be no assurance, however, that molybdenum demand will strengthen or that molybdenum prices will further improve. Any significant weakness in demand or reduction in molybdenum prices may have a material adverse effect on the Corporation's operating results and financial condition.

#### *Operations*

For 2010, the Corporation expects molybdenum production volumes to be 29 to 32 million pounds, with the Thompson Creek Mine at approximately 22 to 24 million pounds and the 75% share of the Endako Mine at 7 to 8 million pounds (unchanged from previous guidance). For 2010, anticipated average cash costs per pound produced are estimated at \$6 to \$7 per pound, with \$5.50 to \$6.50 per



pound at the Thompson Creek Mine and \$7 to \$8 per pound at the Endako Mine (assuming a US\$1=C\$1.05), which is unchanged from previous guidance. For the Endako Mine, a \$0.01 change in the Canadian foreign exchange rate would result in a \$0.10 change in the cash cost per pound produced.

The Corporation expects to sell 27 to 30 million pounds of its mined production (unchanged from previous guidance). The Corporation has some flexibility in building or depleting inventory levels depending upon the economic conditions and the related demand and sales price for molybdenum. The Langeloth Facility is planning a five-week shut-down in late April 2010 for maintenance and repairs. The Corporation expects to build inventory through the first four months of 2010 in anticipation of this shut-down. For 2010, the Corporation currently has forward sales contracts for approximately 1.5 million pounds at an average fixed-price of \$14.54 per pound for molybdenum oxide.

Capital expenditures for 2010 are expected to be \$298 million, comprised of \$89 million in capital expenditures for the mines and Langeloth Facility and \$209 million for its 75% share of capital expenditures required for the mill expansion project at the Endako Mine (unchanged from previous guidance). The mill expansion project at the Endako Mine includes the construction of a new, modern Endako mill, which will replace the existing 45-year-old mill and raise ore-processing capacity from the existing 31,000 tons per day to 55,000 tons per day. Operating permits required by the mill expansion are proceeding, including the development of a closure plan for expanded waste dumps and tailing facilities and minor amendments to the Mining Act permit. Consultations with First Nations (local Aboriginal peoples) by the Corporation and the government of British Columbia ("BC Government") pertaining to these permits are proceeding.

In 2010, the Corporation expects to conduct exploration drilling at both of its operating mines totaling \$2 to \$4 million (unchanged from previous guidance). For 2010, the Corporation expects to spend approximately \$7 to \$9 million under the option agreement with U.S. Energy Corporation on the Mount Emmons Project for an ongoing pre-feasibility study, further engineering evaluations, and ongoing project maintenance (unchanged from previous guidance). The Corporation is conducting an internal re-evaluation of the Davidson Project regarding various operating alternatives and related economic analysis. As a result, the Corporation expects to have minimal expenditures on the Davidson Project in 2010 (unchanged from previous guidance).

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**Selected Consolidated Financial and Operational Information**

(US\$ in millions except per share and per pound amounts)	Three months ended		Years ended December 31,		
	2009	2008(1)	2009	2008(1)	2007(1)
<b>(unaudited)</b>					
<b>Financial</b>					
Revenue					
Molybdenum sales	\$ 103.3	\$ 176.5	\$ 361.9	\$ 992.2	\$ 891.1
Tolling, calcining and other	2.9	5.1	11.5	19.2	23.3
	106.2	181.6	373.4	1,011.4	914.4
Cost of sales					
Operating expenses	68.1	86.8	241.3	557.4	588.8
Selling and marketing	1.6	2.0	6.2	10.1	9.0
Depreciation, depletion and amortization	11.4	12.1	43.4	40.0	48.2
Accretion expense	0.4	0.3	1.4	1.7	1.7
	81.5	101.2	292.3	609.2	647.7
Revenue less cost of sales	24.7	80.4	81.1	402.2	266.7
Other (income) expenses	4.1	68.7	135.1	104.8	65.4
Income and mining taxes (benefit)	(5.4)	35.5	2.0	124.3	61.7
Net income (loss)	\$ 26.0	\$ (23.8)	\$ (56.0)	\$ 173.1	\$ 139.6
Net income (loss) per share:					
Basic	\$ 0.19	\$ (0.19)	\$ (0.44)	\$ 1.45	\$ 1.27
Diluted	\$ 0.18	\$ (0.19)	\$ (0.44)	\$ 1.31	\$ 1.10
Cash generated by operating activities	\$ 38.2	\$ 173.1	\$ 105.9	\$ 389.0	\$ 148.4
<b>Adjusted non-GAAP Measures:(2)</b>					
Adjusted net income(2)	\$ 20.4	\$ 44.4	\$ 37.4	\$ 241.3	\$ n/a
Adjusted net income per share basic(2)	\$ 0.15	\$ 0.36	\$ 0.29	\$ 2.02	\$ n/a
Adjusted net income per share diluted(2)	\$ 0.14	\$ 0.36	\$ 0.29	\$ 1.83	\$ n/a
<b>Operational Statistics (unaudited)</b>					
Mined molybdenum production (000's lb)(3)	6,268	7,773	25,260	26,045	16,366
Cash cost (\$/lb produced)(4)	\$ 6.61	\$ 6.01	\$ 5.84	\$ 7.54	\$ 10.03
Molybdenum sold (000's lb):					
Thompson Creek and Endako Mine product	6,889	6,558	27,389	22,349	19,477
Purchased and processed product	1,464	1,565	4,683	10,681	11,492
	8,353	8,123	32,072	33,030	30,969
Average realized price (\$/lb)(2)	\$ 12.37	\$ 21.72	\$ 11.28	\$ 30.04	\$ 28.77

(1) Recast in US GAAP.

(2) See "Non-GAAP Financial Measures" for the definition and calculation of these non-GAAP measures.

(3) Mined production pounds reflected are molybdenum oxide and high performance molybdenum disulfide ("HPM") from the Corporation's share of production from the mines; excludes molybdenum processed from purchased product.

(4)

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Weighted-average of Thompson Creek Mine and Endako Mine cash costs (mining, milling, roasting and packaging) for molybdenum oxide and HPM produced in the period, including all stripping costs. Cash cost excludes: the effect of purchase price adjustments, the effects of changes in inventory, stock-based compensation, other non-cash employee benefits and depreciation, depletion, amortization and accretion. The cash cost for the Thompson Creek Mine, which only produces molybdenum sulfide on site, includes an estimated molybdenum loss, an allocation of roasting and packaging costs from the Langeloth Facility, and transportation costs. See "Non-GAAP Financial Measures" for additional information.

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	December 31, 2009	December 31, 2008(1)
Cash and cash equivalents	\$ 158.5	\$ 258.0
Short-term investments	\$ 353.0	\$
Total assets	\$ 1,344.6	\$ 1,046.4
Total debt	\$ 12.9	\$ 17.3
Total liabilities	\$ 359.2	\$ 255.8
Shareholders' equity	\$ 985.4	\$ 790.6
Shares outstanding (000's)	139,511	122,253

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(1) Recast in US GAAP.

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### Summary of Quarterly Results

(US\$ in millions except per share and per pound amounts unaudited and recast in US GAAP)

	Dec 31 2009	Sep 30 2009	Jun 30 2009	Mar 31 2009	Dec 31 2008	Sep 30 2008	Jun 30 2008	Mar 31 2008
<b>Financial</b>								
Revenue	\$ 106.2	\$ 114.4	\$ 74.0	\$ 78.8	\$ 181.6	\$ 331.1	\$ 243.9	\$ 254.8
Revenue less cost of sales	\$ 24.7	\$ 38.1	\$ 9.8	\$ 8.5	\$ 80.4	\$ 148.3	\$ 103.3	\$ 70.2
Net income (loss)	\$ 26.0	\$ (1.4)	\$ (89.3)	\$ 8.7	\$ (23.8)	\$ 94.8	\$ 59.5	\$ 42.6
Income (loss) per share:								
basic	\$ 0.19	\$ (0.01)	\$ (0.73)	\$ 0.07	\$ (0.19)	\$ 0.76	\$ 0.51	\$ 0.38
diluted	\$ 0.18	\$ (0.01)	\$ (0.73)	\$ 0.07	\$ (0.19)	\$ 0.69	\$ 0.44	\$ 0.33
<b>Adjusted non-GAAP Measures:(1)</b>								
Adjusted net income (loss)(1)	\$ 20.4	\$ 14.3	\$ (6.3)	\$ 9.0	\$ 44.4	\$ n/a	\$ n/a	\$ n/a
Adjusted net income (loss) per share:(1)								
basic(1)	\$ 0.15	\$ 0.11	\$ (0.05)	\$ 0.07	\$ 0.36	\$ n/a	\$ n/a	\$ n/a
diluted(1)	\$ 0.14	\$ 0.11	\$ (0.05)	\$ 0.07	\$ 0.36	\$ n/a	\$ n/a	\$ n/a
Cash generated by operating activities	\$ 38.2	\$ 24.2	\$ 6.1	\$ 37.4	\$ 173.1	\$ 102.5	\$ 52.8	\$ 60.6
<b>Operational Statistics</b>								
Mined molybdenum production (000's lb)	6,268	6,221	6,714	6,057	7,773	6,499	6,184	5,589
Cash cost (\$/lb produced)(1)	\$ 6.61	\$ 5.67	\$ 5.21	\$ 5.93	\$ 6.01	\$ 7.33	\$ 8.85	\$ 8.29
Molybdenum sold (000's lb):								
Thompson Creek and Endako Mine	6,889	7,445	6,505	6,549	6,558	6,879	4,830	4,082
Purchased and processed product	1,464	1,324	997	898	1,565	3,044	2,500	3,572
	8,353	8,769	7,502	7,447	8,123	9,923	7,330	7,654
Average realized price (\$/lb)(1)								
	\$ 12.37	\$ 12.75	\$ 9.41	\$ 10.14	\$ 21.72	\$ 32.85	\$ 32.68	\$ 32.69

(1) See "Non-GAAP Financial Measures" for the definition and calculation of these non-GAAP measures.

### Financial Review

#### Three Months Ended December 31, 2009 (Unaudited)

##### Net Income

Net income for the three months ended December 31, 2009 was \$26.0 million or \$0.19 per basic share and \$0.18 per diluted share, compared to net loss of \$(23.8) million, or \$(0.19) per basic share and diluted share, for the same period in 2008. Net income for the fourth quarter of 2009 includes a non-cash unrealized gain on common share purchase warrants of \$5.6 million, or \$0.04 per basic share and diluted share. This non-cash unrealized gain on common stock purchase warrants of \$5.6 million for the fourth quarter of 2009 is the result of a requirement under US GAAP to account for the Corporation's outstanding common stock purchase warrants as a derivative, with changes in the fair market value recorded in net income (loss). The 2008 fourth quarter included a non-cash write-down of goodwill of \$68.2 million. Non-GAAP adjusted net income for the 2009 quarter (excluding the non-cash unrealized gain on the warrants) was \$20.4 million (\$0.15 per basic share and \$0.14 per diluted share). Non-GAAP adjusted net income for 2008 (excluding the non-cash goodwill impairment) was \$44.4 million (\$0.36 per basic share and diluted share). See "Non-GAAP Financial Measures" below for the definition and calculation of adjusted net income.

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During the 2009 fourth quarter the Corporation granted stock options and, as a result, the 2009 fourth quarter also included total stock-based compensation expense (after-tax) of \$2.9 million. There

was no comparable stock option grant in the 2008 quarter. The 2008 fourth quarter also included an after-tax valuation allowance against the carrying value of finished goods inventories of \$2.9 million.

Revenues for the three months ended December 31, 2009 were \$106.2 million, down \$75.4 million or 42% from \$181.6 million for the same period in 2008. The average realized sales price for molybdenum for the fourth quarter of 2009 was \$12.37 per pound, down 43% from \$21.72 per pound for the fourth quarter of 2008. Molybdenum sold from the Corporation's mines in the fourth quarter of 2009 was 6.9 million pounds, up 5% from 6.6 million pounds sold in the same period in 2008. Sales volumes from third party product purchased, processed and resold were 1.5 million pounds for the fourth quarter of 2009 compared to 1.6 million pounds for the same period in 2008. Revenues from toll roasted material for third parties were down 43% in the fourth quarter of 2009 relative to the same period in 2008 due to lower demand for these services in 2009 compared to 2008.

Operating expenses for the three months ended December 31, 2009 were \$68.1 million, down \$18.7 million or 22% from \$86.8 million for the same period in 2008. Prices for third party molybdenum purchases (that were purchased, processed and resold) were down significantly during the fourth quarter of 2009 from the same quarter of 2008 which was the primary reason for the decline in operating expenses in the 2009 quarter.

The non-GAAP financial measure of cash cost per pound produced from the Corporation's mines increased in the fourth quarter of 2009 to \$6.61 per pound produced from \$6.01 per pound produced for the comparable quarter in 2008. The increase in the cash cost per pound produced was primarily due to decreased production as a result of lower tons milled from the Thompson Creek Mine in the fourth quarter of 2009 compared to the fourth quarter of 2008 and higher repairs and maintenance costs at the Thompson Creek Mine in the fourth quarter of 2009. See "Non-GAAP Financial Measures" below for the calculation of cash cost per pound produced.

Depreciation, depletion and amortization expense for the fourth quarter of 2009 was \$11.4 million compared to \$12.1 million for the fourth quarter of 2008. This decrease was primarily due to the effects of increased mineral reserve estimates established at the Thompson Creek Mine late in the third quarter of 2009, which was partially offset by the higher volume of molybdenum sold in the fourth quarter of 2009 compared to the fourth quarter of 2008. Product inventory costs include depreciation, depletion and amortization.

Total other (income) expense for the fourth quarter of 2009 was \$4.1 million compared to \$68.7 million for the fourth quarter of 2008. The fourth quarter of 2009 included an unrealized gain on common stock warrants of \$5.6 million. The fourth quarter of 2008 included a write-down of goodwill of \$68.2 million and a foreign exchange gain of \$16 million. Additionally, during the fourth quarter of 2008, the US dollar ("US\$") strengthened against the Canadian dollar ("C\$"), which resulted in a foreign exchange gain on US\$ cash balances that have the C\$ as their measurement currency.

The Corporation had a net tax benefit for the fourth quarter of 2009 of \$5.4 million compared to net tax expense of \$35.5 million for the fourth quarter of 2008. The fourth quarter of 2009 was impacted by a re-evaluation of US state income taxes, which resulted in a net tax benefit for the quarter. Additionally, the non-cash unrealized gain on common stock purchase warrants during the fourth quarter of 2009 did not generate any income tax expense. For the fourth quarter of 2008, the non-cash goodwill impairment did not generate any tax benefit. Income and mining taxes for the fourth quarter of 2009 also benefitted by proportionately higher percentage depletion deduction and foreign tax differences compared to the fourth quarter of 2008 primarily due to lower average realized molybdenum prices which reduced taxable income.

### *Cash Flows*

Cash generated by operating activities for the three months ended December 31, 2009 was \$38.2 million compared to \$173.1 million for the same period in 2008. This decline in cash flow from operations was primarily a result of lower average realized sales prices on molybdenum sales in the 2009 fourth quarter compared to the 2008 fourth quarter.

### **Three Years Ended December 31, 2009**

#### *Net Income (Loss)*

Net loss for the year ended December 31, 2009 was \$56.0 million (or \$0.44 per basic share and diluted share), compared to net income of \$173.1 million in 2008 (or \$1.45 per basic share and \$1.31 per diluted share). Net loss for 2009 includes a non-cash unrealized loss on common share purchase warrants of \$93.4 million, or \$0.73 per basic share and diluted share. This non-cash unrealized loss on common stock purchase warrants of \$93.4 million for 2009 is the result of a requirement under US GAAP to account for the Corporation's outstanding common stock purchase warrants as a derivative, with changes in the fair market value recorded in net income (loss) in each reporting period beginning January 1, 2009. Non-GAAP adjusted net income for 2009 (excluding the non-cash unrealized loss on the warrants) was \$37.4 million (\$0.29 per basic share and diluted share). Non-GAAP adjusted net income for 2008 (excluding the non-cash goodwill impairment) was \$241.3 million (\$2.02 per basic share and \$1.83 per diluted share). See "Non-GAAP Financial Measures" below for the definition and calculation of adjusted net income. Net loss for 2009 also included an after-tax compensation charge of \$2.8 million (or \$0.02 per basic share and diluted share) related to a voluntary stock option surrender program completed in June 2009, and an after-tax foreign exchange loss of \$10.7 million (or \$0.08 per basic share and diluted share).

Net income for 2008 was \$173.1 million (or \$1.45 per basic share and \$1.31 per diluted share) compared to \$139.6 million for the year ended December 31, 2007 (or \$1.27 per basic share and \$1.10 per diluted share). During 2008, the Corporation recorded a charge of \$68.2 million related to the write-down of goodwill, and an after-tax impairment of \$3.0 million on finished goods inventories.

#### *Revenues*

Revenues for 2009 were \$373.4 million, down \$638 million or 63% from \$1,011.4 million for 2008. The average realized sales price for molybdenum for 2009 was \$11.28 per pound, down 62% from \$30.04 per pound for 2008. Molybdenum sold from the Corporation's mines during 2009 was 27.4 million pounds, up 5.1 million pounds from 22.3 million pounds sold in the prior year. Sales volumes in 2008 were impacted by less product being available for sale during 2008 due to lower production at the Corporation's mines during the fourth quarter of 2007. Sales volume from third party product purchased, processed and resold was 4.7 million pounds for 2009 compared to 10.7 million pounds for 2008. This volume variance was primarily due to increased purchases during the fourth quarter of 2007 and the first quarter of 2008 in order to meet 2008 sales demand. Revenues from toll roasted material for third parties were down approximately 40% in 2009 compared to 2008 due to lower demand for these services in the current year.

Revenues for 2008 were up \$97.0 million or 11% from \$914.4 million for 2007. This increase reflected higher molybdenum sales volume and higher average realized sales prices in 2008. Molybdenum sold from the Corporation's mines in 2008 was up 15% from 19.5 million pounds sold in 2007. Sales volumes in 2008 were higher than 2007 primarily due to increased production levels. The average realized sales price for molybdenum sales in 2008 was \$30.04 per pound compared to \$28.77 per pound in 2007. The volume of material toll roasted and processed for third parties was down 7% in 2008 relative to 2007 due to lower demand for these services in 2008.



***Operating expenses***

Operating expenses for 2009 were \$241.3 million, down \$316.1 million or 57% from \$557.4 million for 2008. Sales volumes and related costs for the third party material that was purchased, processed and resold were down significantly during 2009 compared to 2008 which was the primary reason for the significant decline in operating expenses in 2009. Additionally, operating expenses declined due to a lower cash cost per pound produced from the Corporation's mines in 2009 compared to 2008.

The non-GAAP financial measure of cash cost per pound produced from the Corporation's mines declined in 2009 to \$5.84 per pound produced from \$7.54 per pound produced for 2008. See "Non-GAAP Financial Measures" below for the definition and calculation of cash cost per pound produced. The decline in the cash cost per pound produced was primarily due to a higher ore grade at the Thompson Creek Mine together with lower mining and milling costs from both of the Corporation's mines as a result of planned cost reduction measures in 2009. In addition, the 2009 cash cost per pound produced reflected lower costs for grinding media and consumables compared to 2008 combined with favorable foreign exchange rates (converting C\$ costs to US\$ costs). Offsetting the above, the 2009 cash costs were impacted by a two-week planned shutdown at both mines in the third quarter of 2009, which reduced production in the third quarter of 2009.

Operating expenses for 2008 were \$557.4 million, down \$31.4 million or 5% from \$588.8 million in 2007. The comparative operating expense amount for 2007 included \$29.6 million in non-cash costs related to fair value adjustments arising from the purchase price allocated to inventory on hand at the acquisition of Thompson Creek USA which were sold in the 2007 period, with no comparable item in the 2008 period. For 2008, operating expenses included a finished goods inventory write-down of \$4.9 million (\$2.9 million after-tax) as a result of the sharp decline in molybdenum prices during the fourth quarter of 2008. After adjusting for the various inventory variances for 2007 and 2008, the remaining decrease was due to a lower volume and related cost of third party molybdenum product purchased, processed and resold in 2008 compared to 2007.

The non-GAAP financial measure of cash cost per pound produced in 2008 decreased to \$7.54 per pound produced from \$10.03 per pound produced in 2007. See "Non-GAAP Financial Measures" below for the calculation of cash cost per pound produced. The decline in cash cost per pound produced was primarily due to increased production in 2008 as a result of higher ore grades, recoveries and throughput at the Corporation's mines, which were partially offset by higher labor costs, higher milling costs (due primarily to higher grinding ball costs and freight costs) and higher mining costs (primarily due to increased fuel and consumption costs).

***Depreciation, depletion and amortization expense***

Depreciation, depletion and amortization expense for 2009 was \$43.4 million or 9% more than \$40.0 million for 2008. This increase was primarily due to a draw-down of product inventory from the Corporation's mines during 2009 and a build-up of product inventory from the Corporation's mines during 2008, which resulted in higher depreciation and depletion costs in 2009 compared to 2008. Product inventory costs include depreciation, depletion and amortization. The 2009 increase was partially offset by the effects of increased mineral reserve estimates established at the Thompson Creek Mine late in the third quarter of 2009.

Depreciation, depletion and amortization expense for the year ended December 31, 2008 was \$40.0 million or 17% less than \$48.2 million for the year ended December 31, 2007. This decrease was primarily due to the effects of increased mineral reserve estimates established at both of the Corporation's mines in late 2007, which was partially offset by the higher volume of molybdenum sold in 2008 compared to 2007.

***Goodwill impairment***

In 2009, the Corporation changed its impairment testing measurement date to the first of October to more closely align the impairment testing date with the Corporation's long-range planning and forecasting process. The Corporation believes that the resulting change will not delay, accelerate or avoid an impairment charge. The Corporation believes this change is preferable as this date provides additional time prior to year end to complete the impairment testing and report the results of those tests as part of the annual financial reporting to shareholders and other investors.

The Corporation completed its annual impairment test of goodwill as of October 1, 2009. The goodwill assessment utilized the fair-value approach. The results of this impairment test did not result in an impairment charge for 2009. In 2008, the annual impairment test of goodwill resulted in a goodwill impairment charge of \$68.2 million given the sharp decline in molybdenum prices at the end of 2008. The 2008 goodwill impairment charge did not have any impact on the Corporation's operating cash flows for that year. There was no goodwill impairment charge in 2007.

***General and administrative expense***

General and administrative expense for 2009 was \$25.1 million, which was \$12.8 million lower than the 2008 expense of \$37.9 million. General and administrative expense for 2009, 2008 and 2007 included \$8.7 million, \$13.5 million and \$9.2 million, respectively, of stock-based compensation expense as required under US GAAP. Under US GAAP, stock-based compensation is included in the specific operating statement categories that include the compensation costs of the employees, officers and directors for which the stock option grant applies. The stock-based compensation for 2009 was lower than 2008 and 2007 due to a lower amount of stock options granted together with a lower Black-Scholes valuation resulting primarily from a significantly lower stock price. The 2009 stock-based compensation also included a non-cash compensation charge of \$2.8 million related to a voluntary stock option surrender program, completed in June 2009, that was offered to all holders of stock options with an exercise price of C\$16.19 per share and above. Under the terms of the program, options to acquire an aggregate of approximately 2.4 million common shares were voluntarily surrendered for cancellation by 55 holders, effective June 22, 2009. The non-cash compensation charge represented the remaining unamortized stock-based compensation cost for the cancelled options.

Excluding the stock-based compensation, general and administrative expense was \$16.4 million for 2009, \$24.4 million for 2008 and \$15.9 million for 2007. The 2009 and 2007 fiscal years were lower than 2008 primarily as a result of lower bonus accruals in 2009 and 2007 compared to 2008, costs incurred in 2008 for the transition of the corporate finance function from Vancouver to Denver, increased public company costs in 2008 related to the first year of Sarbanes-Oxley Act compliance and higher 2008 legal and consulting costs.

***Exploration expense***

Exploration expense for 2009 was \$6.3 million compared to \$8.0 million for 2008. These expenses vary from period to period according to the type of activity being undertaken. The 2009 expenses primarily related to expenditures on the Mount Emmons Project. The 2008 exploration expenditures primarily related to the Mount Emmons Project and feasibility study and permitting work on the Davidson Project.

Exploration expense for 2008 was \$8.0 million compared to \$4.6 million for 2007. This increase was primarily the result of the 2008 expenditures on the Mount Emmons Project. The 2008 and 2007 exploration expenses also included the Corporation's share of drilling activities at the Endako Mine as well as Davidson Project permitting costs.

***Interest expense***

Interest and finance fees of \$1.2 million for 2009 primarily represented interest expense on equipment loans, together with finance fees on an unused \$35 million revolving credit facility. Effective February 2, 2010, the Corporation terminated its \$35 million revolving credit facility.

In 2008, interest and finance fees of \$15.1 million primarily represented interest and finance fees on the first lien loan, together with interest expense on equipment loans. The first lien loan was fully repaid in the second quarter of 2008, which resulted in the elimination of the interest expense on this loan in the second half of 2008. The 2008 expense also included \$4.4 million for finance fees related to the early repayment of the first lien loan.

In 2007, interest and finance fees of \$42.1 million represented interest and finance fees on the first lien loan and second lien credit facility. The 2007 expense also includes a one-time prepayment premium of \$2.5 million and a \$3.5 million expense for finance fees related to the early repayment of the second lien credit facility.

***Interest income***

Interest income for 2009 was \$1.5 million, down from \$2.4 million for 2008. This was primarily the result of significantly lower average interest rates in 2009, which was partially offset by higher average outstanding cash balances in 2009.

Interest income for 2008 was \$2.4 million, down from \$7.8 million for 2007. This decrease was due to significantly lower interest rates during 2008 together with lower average outstanding cash balances during 2008.

***Foreign exchange gains and losses***

Foreign exchange loss for 2009 was \$10.9 million compared to a gain of \$21.5 million for 2008 and a loss of \$2.1 million in 2007. The US\$ weakened against the C\$ during 2009 and 2007, which resulted in foreign exchange losses. Conversely, during 2008 the US\$ strengthened against the C\$, which resulted in foreign exchange gains. The exchange rates as of December 31, 2009 was US\$1=C\$1.05, compared to US\$1=C\$1.22 as of December 31, 2008 and US\$1=C\$0.99 as of December 31, 2007. In addition, \$1.9 million, \$3.2 million and \$2.6 million of gains on foreign exchange derivative instruments and cash conversions from US\$ to C\$ were recognized in 2009, 2008 and 2007, respectively.

Given the Corporation's offsetting US\$ denominated cash positions in entities with a C\$ functional currency, and C\$ denominated cash positions in entities with a US\$ functional currency, with other variables unchanged, each \$0.10 strengthening (weakening) of the US\$ against the C\$ results in an insignificant impact to net income (loss).

***Income and mining taxes***

Net income and mining taxes for 2009 were lower than 2008 primarily due to the significantly reduced level of taxable income as a result of significantly lower average realized molybdenum prices. Net income and mining taxes for 2009 totaled \$2.0 million compared to \$124.3 million for 2008. A non-cash unrealized loss on the common stock purchase warrants in 2009 and the goodwill impairment in 2008 did not generate any income tax benefit in either year. Additionally, net income and mining taxes for 2009 benefitted from a re-evaluation of US state income taxes, declining Canadian provincial income tax rates and proportionately higher percentage depletion deduction and foreign tax differences primarily due to lower average realized molybdenum prices.

Net income and mining taxes for 2007 totaled \$61.7 million, or \$62.6 million lower than 2008 primarily due to a significantly lower level of taxable income.

## Cash Flows

### *Operating activities*

Cash generated by operating activities for 2009 was \$105.9 million compared to \$389.0 million for 2008. This decline in cash flow from operations was primarily the result of lower average realized sales prices on molybdenum sales in 2009 compared to 2008, together with working capital changes related to accounts receivable and inventory.

Cash generated by operating activities for 2008 was \$389.0 million, compared to \$148.4 million for 2007. This increase in cash flow from operations was mainly due to higher revenues, higher operating income and related net income for 2008, after adjusting for various non-cash special items discussed previously, together with working capital changes related to accounts receivable and inventory.

### *Investing activities*

Cash used in investing activities for 2009 was \$412.6 million compared to \$206.5 million for 2008. During 2009, the Corporation made short-term investments of \$341.3 million that consisted of US and Canadian government-backed securities with maturities of greater than 90 days but less than 180 days. During 2008, there were no comparable short-term investments. Additionally, in January 2008, a \$100.0 million payment was made to the former shareholder of Thompson Creek USA. This payment was in settlement of an acquisition price adjustment, which became payable based on the average market price of molybdenum in 2007.

Cash used in investing activities for 2008 was \$206.5 million compared to \$19.1 million for 2007. This increase is due to the \$100.0 million payment made to the former shareholder of Thompson Creek USA. Additionally, property, plant and equipment expenditures for 2008 increased by \$86.6 million to \$101.3 million due largely to the Corporation's share of mill expansion project costs at the Endako Mine.

### *Financing activities*

Cash generated by financing activities in 2009 was \$200.7 million compared to cash used by financing activities of \$20.9 million in 2008 and \$117.4 million in 2007. During 2009, the Corporation received net proceeds of \$194.6 million related to the Corporation's issuance of 15.5 million common shares and proceeds of \$11.4 million related to stock option exercises. In addition, the Corporation made scheduled principal payments of \$5.3 million on equipment loans.

During 2008, the Corporation completed an equity financing for net proceeds of \$218.1 million on the issuance of 10.9 million common shares and \$5.8 million of proceeds were received related to stock option exercises. In 2008, the Corporation received proceeds under its credit facility of \$36.5 million, which was more than offset by \$262.1 million in principal payments on its long-term debt obligations, including \$236.2 million to fully retire borrowings on the first lien facility, \$22.5 million to retire amounts outstanding on its credit facility and \$3.4 million in principal payments on equipment loans. In 2008, the Corporation also repurchased 2.8 million common shares for cancellation under a normal course issuer bid at an average price of C\$7.41 per share, for a total of \$19.2 million.

Cash used by financing activities for 2007 was \$117.4 million. During 2007, \$50.8 million was raised through the issuance of common shares, including \$31.9 million from the private placement of 3.0 million common shares and \$18.9 million from the exercise of stock options and common share purchase warrants. In 2007, the Corporation also made debt repayments of \$168.2 million, including \$16.8 million of principal under its first lien loan, \$61.9 million to prepay the second lien credit facility, \$87.2 million in principal payments on the credit facility and \$2.3 million in principal payments on equipment loans.

**Operations Review**

***Thompson Creek Mine***

The Corporation's Thompson Creek Mine and mill are located near Challis, in central Idaho. Mining is conducted by conventional open pit methods utilizing electric-powered shovels and 200-ton haul trucks. The Thompson Creek Mine currently controls a block of contiguous mineral claims that includes patented and unpatented mineral claims and mill site claims. The current 2009 mill capacity is approximately 28,000 tons per day and operates with a crusher, SAG mill, ball mill and flotation circuit.

The table that follows presents a summary of the Thompson Creek Mine's operating and financial results for the three months ended December 31, 2009 and 2008, and years ended December 31, 2009, 2008, and 2007:

(US\$ in millions except per pound amounts Unaudited)	Three months ended		Years ended December 31,		
	December 31, 2009	2008(1)	2009	2008(1)	2007(1)
<b>Financial(2)</b>					
Molybdenum sales	\$ 57.8	\$ 96.9	\$ 217.3	\$ 414.0	\$ 334.0
Cost of sales					
Operating expenses	29.3	33.8	118.3	135.6	127.5
Selling and marketing	0.9	1.2	3.7	5.1	