

Coeur Mining, Inc.
Form 10-Q
May 07, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 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 March 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 001-08641

COEUR MINING, INC.
(Exact name of registrant as specified in its charter)

| | |
|---|---|
| Delaware (State or other jurisdiction of incorporation or organization) | 82-0109423 (I.R.S. Employer Identification No.) |
|---|---|

| | |
|---|---------------------|
| 104 S. Michigan Ave., Suite 900 Chicago, Illinois (Address of principal executive offices) (312) 489-5800 (Registrant's telephone number, including area code) | 60603 (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 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"/> | Smaller reporting company | <input type="checkbox"/> |

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The Company has 150,000,000 shares of common stock, par value of \$0.01, authorized of which 103,524,301 shares were issued and outstanding as of May 6, 2014.

COEUR MINING, INC.
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COEUR MINING, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)

| | Three months ended March 31, | | |
|---|---|-------------------|--------------------|
| | 2014 | 2013 | |
| | Notes (In thousands, except share data) | | |
| Revenue | 3 | \$ 159,633 | \$ 171,797 |
| COSTS AND EXPENSES | | | |
| Costs applicable to sales ⁽¹⁾ | 3 | 106,896 | 88,059 |
| Amortization | | 40,459 | 49,724 |
| General and administrative | | 13,896 | 10,227 |
| Exploration | | 4,217 | 6,841 |
| Write-downs | | — | 119 |
| Pre-development, reclamation, and other | | 6,984 | 5,197 |
| Total costs and expenses | | 172,452 | 160,167 |
| OTHER INCOME (EXPENSE), NET | | | |
| Fair value adjustments, net | 9 | (11,436 |) 17,796 |
| Impairment of marketable securities | 11 | (2,588 |) (35 |
| Interest income and other, net | | (1,983 |) 3,856 |
| Interest expense, net of capitalized interest | 16 | (13,054 |) (9,732 |
| Total other income (expense), net | | (29,061 |) 11,885 |
| Income (loss) before income and mining taxes | | (41,880 |) 23,515 |
| Income and mining tax (expense) benefit | 7 | 4,689 | (11,245 |
| NET INCOME (LOSS) | | \$ (37,191 |) \$ 12,270 |
| OTHER COMPREHENSIVE INCOME (LOSS), net of tax: | | | |
| Unrealized gain (loss) on marketable securities, net of tax of \$(234) in 2014 | | 371 | (3,566 |
| Reclassification adjustments for impairment of marketable securities, net of tax of \$(1,001) in 2014 | | 1,587 | 35 |
| Other comprehensive income (loss) | | 1,958 | (3,531 |
| COMPREHENSIVE INCOME (LOSS) | | \$ (35,233 |) \$ 8,739 |
| NET INCOME (LOSS) PER SHARE | 8 | | |
| Basic | | \$ (0.36 |) \$ 0.14 |
| Diluted | | \$ (0.36 |) \$ 0.14 |

(1) Excludes amortization.

The accompanying notes are an integral part of these condensed consolidated financial statements.

COEUR MINING, INC. AND SUBSIDIARIES
 CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

| | Three months ended March 31, | |
|--|------------------------------|-----------------|
| | 2014 | 2013 |
| | Notes (In thousands) | |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Net income (loss) | \$(37,191 |) \$12,270 |
| Adjustments: | | |
| Amortization | 40,459 | 49,724 |
| Accretion | 4,560 | 4,904 |
| Deferred income taxes | (11,781 |) 7,425 |
| Loss on termination of revolving credit facility | 3,035 | — |
| Fair value adjustments, net | 10,557 | (16,042 |
| Gain on foreign currency transactions | (209 |) (465 |
| Stock-based compensation | 5 2,565 | 1,096 |
| (Gain) loss on sale of assets | 271 | (868 |
| Impairment of marketable securities | 11 2,588 | 35 |
| Write-downs | — | 119 |
| Other | — | 526 |
| Changes in operating assets and liabilities: | | |
| Receivables | 5,622 | 3,968 |
| Prepaid expenses and other current assets | (8,109 |) (2,240 |
| Inventory and ore on leach pads | 13 (13,912 |) (20,493 |
| Accounts payable and accrued liabilities | (8,082 |) (27,025 |
| CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES | (9,627 |) 12,934 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Capital expenditures | (11,936 | |