

Edgar Filing: Coeur Mining, Inc. - Form 10-K/A

Coeur Mining, Inc.

Form 10-K/A

February 10, 2017

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-K/A

(Amendment No. 1)

(Mark

One)

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

For the fiscal year ended December 31, 2016

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 1-8641

COEUR MINING, INC.

(Exact name of registrant as specified in its charter)

Delaware 82-0109423

(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

104 S. Michigan Ave. Suite 900 60603

Chicago, IL (Zip Code)

(Address of principal executive offices)

Registrant's telephone number, including area code: (312) 489-5800

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

Title of each class Name of each exchange on which registered

Common Stock, par value \$0.01 per share 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 registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to 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 the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Non-accelerated filer
Accelerated filer (Do not check if a smaller reporting company)
Smaller reporting company

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

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter.

\$1,707,877,264

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

As of February 6, 2017, 181,055,852 shares of Common Stock, par value \$0.01 per share

Explanatory Note

This Amendment No. 1 on Form 10-K/A (the “Amendment”) amends Coeur Mining, Inc.’s Annual Report on Form 10-K for the fiscal year ended December 31, 2016 (the “Form 10-K”), as filed with the Securities and Exchange Commission on February 9, 2017, and is being filed solely to amend the report prepared by KPMG LLP contained in Item 8 of the Form 10-K (the “Audit Report”) to correct a typographical error in the date of the Audit Report from February 8, 2017 to February 10, 2016. Pursuant to Rule 12b-15 promulgated under the Securities Exchange Act of 1934, as amended, we have repeated the entire text of Item 8 of the Form 10-K in this Amendment. However, there have been no changes to the text of such item other than the change stated in the immediately preceding sentence. This Amendment includes a new consent of KPMG LLP as Exhibit 23.2 hereto and new certifications by our Principal Executive Officer and Principal Financial Officer pursuant to Sections 302 and 906 of the Sarbanes-Oxley Act of 2002 as Exhibits 31.1, 31.2, 32.1 and 32.2 hereto.

Except as expressly set forth above, this Amendment does not, and does not purport to, amend, update or restate the information in any other item of the Form 10-K or reflect any events that have occurred after the filing of the original Form 10-K.

COEUR MINING, INC.

FORM 10-K/A

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PART II

Item 8. Financial Statements and Supplementary Data

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
Coeur Mining, Inc.

We have audited the accompanying consolidated balance sheet of Coeur Mining, Inc. (a Delaware corporation) and subsidiaries (the “Company”) as of December 31, 2016, and the related consolidated statements of comprehensive income (loss), changes in stockholders’ equity, and cash flows for the year ended December 31, 2016. These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Coeur Mining, Inc. and subsidiaries as of December 31, 2016, and the results of their operations and their cash flows for the year ended December 31, 2016 in conformity with accounting principles generally accepted in the United States of America.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company’s internal control over financial reporting as of December 31, 2016, based on criteria established in the 2013 Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated February 10, 2017 expressed an unqualified opinion.

/s/ GRANT THORNTON LLP
Chicago, Illinois
February 8, 2017

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
Coeur Mining, Inc.

We have audited the internal control over financial reporting of Coeur Mining, Inc. (a Delaware corporation) and subsidiaries (the "Company") as of December 31, 2016, based on criteria established in the 2013 Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2016, based on criteria established in the 2013 Internal Control-Integrated Framework issued by COSO.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements of the Company as of and for the year ended December 31, 2016, and our report dated February 8, 2017 expressed an unqualified opinion on those consolidated financial statements.

/s/ GRANT THORNTON LLP
Chicago, Illinois
February 8, 2017

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
Coeur Mining, Inc.:

We have audited the accompanying consolidated balance sheet of Coeur Mining, Inc. and subsidiaries (the Company) as of December 31, 2015, and the related consolidated statements of comprehensive income (loss), changes in stockholders' equity, and cash flows for each of the years in the two year period ended December 31, 2015. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Coeur Mining, Inc. and subsidiaries as of December 31, 2015, and the results of their operations and their cash flows for each of the years in the two year period ended December 31, 2015, in conformity with U.S. generally accepted accounting principles.

/s/ KPMG LLP
Chicago, Illinois
February 10, 2016

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

	Year ended December 31,			
	2016	2015	2014	
	Notes In thousands, except share data			
Revenue	3	\$665,777	\$646,086	\$635,742
COSTS AND EXPENSES				
Costs applicable to sales ⁽¹⁾	3	409,541	479,654	477,945
Amortization		123,161	143,751	162,436
General and administrative		29,376	32,834	40,845
Exploration		12,930	11,647	21,740
Write-downs		4,446	313,337	1,472,721
Pre-development, reclamation, and other		17,219	17,793	26,037
Total costs and expenses		596,673	999,016	2,201,724
OTHER INCOME (EXPENSE), NET				
Gain (loss) on debt extinguishment		(21,365)	15,916	—
Fair value adjustments, net	11	(11,581)	5,202	3,618
Interest expense, net of capitalized interest	19	(36,920)	(45,703)	(47,546)
Other, net	8	1,875	(15,931)	(5,218)
Total other income (expense), net		(67,991)	(40,516)	(49,146)
Income (loss) before income and mining taxes		1,113	(393,446)	(1,615,128)
Income and mining tax (expense) benefit	9	54,239	26,263	428,254
NET INCOME (LOSS)		\$55,352	\$(367,183)	\$(1,186,874)
OTHER COMPREHENSIVE INCOME (LOSS), net of tax:				
Unrealized gain (loss) on equity securities, net of tax of \$(767) and \$1,446 for the years ended December 31, 2016, and 2014, respectively		3,222	(4,154)	(2,290)
Reclassification adjustments for impairment of equity securities, net of tax of \$(2,552) for the year ended December 31, 2014		703	2,346	4,042
Reclassification adjustments for realized (gain) loss on sale of equity securities, net of tax of \$(219) for the year ended December 31, 2014		(2,691)	894	346
Other comprehensive income (loss)		1,234	(914)	2,098
COMPREHENSIVE INCOME (LOSS)		\$56,586	\$(368,097)	\$(1,184,776)
NET INCOME (LOSS) PER SHARE	10			
Basic		\$0.35	\$(2.83)	\$(11.59)
Diluted		\$0.34	\$(2.83)	\$(11.59)

(1) Excludes amortization.

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

COEUR MINING, INC. AND SUBSIDIARIES
 CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31,		
	2016	2015	2014
	Notes In thousands		
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income (loss)	\$55,352	Ø367,183	Ø1,186,874
Adjustments:			
Amortization	123,161	143,751	162,436
Accretion			