BIODELIVERY SCIENCES INTERNATIONAL INC
Form 10-Q
November 09, 2012
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2012

¨ **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 001-31361

BioDelivery Sciences International, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**35-2089858**
(State or other jurisdiction of	**(I.R.S. Employer**
incorporation or organization)	**Identification No.)**
801 Corporate Center Drive, Suite #210	
Raleigh, NC	**27607**
(Address of principal executive offices)	**(Zip Code)**

Registrant s telephone number (including area code): 919-582-9050

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 x 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 x No ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or 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. (Check one):

Large accelerated filer	¨	Accelerated filer	x
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 in Rule 12b-2 of the Exchange Act). Yes ¨ No x

As of November 6, 2012, there were 30,705,816 shares of company common stock issued and 30,690,325 shares of company common stock outstanding.

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BioDelivery Sciences International, Inc. and Subsidiaries

Quarterly Report on Form 10-Q

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BIODELIVERY SCIENCES INTERNATIONAL, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

AS OF SEPTEMBER 30, 2012 AND DECEMBER 31, 2011

	September 30, 2012 (Unaudited)	December 31, 2011
ASSETS		
Current assets:		
Cash and cash equivalents	$ 31,319,153	$ 10,750,205
Accounts receivable	24,303	101,132
Prepaid expenses and other current assets	227,488	229,886
Total current assets	31,570,944	11,081,223
Equipment, net	2,944,514	3,288,108
Goodwill	2,715,000	2,715,000
Other intangible assets:		
Licenses	1,900,000	1,900,000
Acquired product rights	9,050,000	8,000,000
Accumulated amortization	(4,515,296)	(3,749,637)
Total other intangible assets	6,434,704	6,150,363
Derivative asset, warrant (note 7)	187,600	388,540
Other assets	21,976	21,976
Total assets	$ 43,874,738	$ 23,645,210
LIABILITIES AND STOCKHOLDERS EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	$ 7,389,459	$ 5,090,795
Deferred revenue, current	15,149,561	12,507,471
Derivative liabilities (note 7)	8,949,412	279,302
Total current liabilities	31,488,432	17,877,568
Deferred revenue, long-term	1,356,359	1,647,249
Total liabilities	32,844,791	19,524,817
Commitments and contingencies (note 10)		
Stockholders equity:		
Preferred Stock, $.001 par value; 5,000,000 shares authorized in 2012 and 2011; 0 shares outstanding in 2012 and 2011		
Common Stock, $.001 par value; 75,000,000 shares authorized; 30,408,518 and 29,577,146 shares issued; 30,393,027 and 29,561,655 shares outstanding in 2012 and 2011, respectively	30,410	29,578
Additional paid-in capital	103,091,109	99,709,574
Treasury stock, at cost, 15,491 shares, 2012 and 2011	(47,183)	(47,183)
Accumulated deficit	(92,044,389)	(95,571,576)
Total stockholders equity	11,029,947	4,120,393
Total liabilities and stockholders equity	$ 43,874,738	$ 23,645,210

See notes to condensed consolidated financial statements

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BIODELIVERY SCIENCES INTERNATIONAL, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2012 AND 2011

(Unaudited)

	Three Months Ended September 30, 2012	Three Months Ended September 30, 2011	Nine Months Ended September 30, 2012	Nine Months Ended September 30, 2011
Revenues:				
Product royalties	$	$ 2,659,728	$	$ 2,693,954
Research revenues			13,375	226,843
Contract revenues	49,600	4,000	45,148,800	10,800
Total Revenues:	49,600	2,663,728	45,162,175	2,931,597
Cost of product royalties	375,000	1,507,125	1,125,000	1,378,615
Expenses:				
Research and development	12,546,912	6,215,106	23,804,276	17,625,989
General and administrative	2,992,354	2,593,913	8,042,433	6,289,277
Related party general and administrative, net	20,000	20,250	65,750	57,750
Total Expenses:	15,559,266	8,829,269	31,912,459	23,973,016
Loss (income) from operations	(15,884,666)	(7,672,666)	12,124,716	(22,420,034)
Interest income	90,167	61,409	210,284	147,604
Derivative (loss) gain	(3,525,011)	2,472,550	(8,871,050)	3,032,106
Other income (expense), net	16,377	15,156	63,237	(889)
Net (loss) income	(19,303,133)	(5,123,551)	3,527,187	(19,241,213)
Net (loss) income attributable to common stockholders	$ (19,303,133)	$ (5,123,551)	$ 3,527,187	$ (19,241,213)
Basic earnings per share:	$ (0.64)	$ (0.17)	$ 0.12	$ (0.69)
Diluted earnings per share:	$ (0.64)	$ (0.17)	$ 0.12	$ (0.69)

See notes to condensed consolidated financial statements

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BIODELIVERY SCIENCES INTERNATIONAL, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS EQUITY

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2012

(Unaudited)

	Common Stock		Additional			Total
	Shares	Amount	Paid-In Capital	Treasury Stock	Accumulated Deficit	Stockholders Equity
Balances, January 1, 2012	29,577,146	$ 29,578	$ 99,709,574	$ (47,183)	$ (95,571,576)	$ 4,120,393
Stock-based compensation			1,373,970			1,373,970
Exercise of stock options	728,872	729	1,872,668			1,873,397
Warrant exercises	45,000	45	134,955			135,000
Shares issued upon vesting of equity awards	57,500	58	(58)			
Net income					3,527,187	3,527,187
Balances, September 30, 2012	30,408,518	$ 30,410	$ 103,091,109	$ (47,183)	$ (92,044,389)	$ 11,029,947

See notes to condensed consolidated financial statements

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BIODELIVERY SCIENCES INTERNATIONAL, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2012 AND 2011

(Unaudited)

$

income (loss) to net cash flows from operating activities:

n

xpense

ies:

y containing metallic or non-metallic minerals, which can be mined and processed at a profit.

iently large amount of ore that can be mined economically.

art of a mineral deposit which could be economically and legally extracted or produced at the time of the reserve determination.

a part of a mineralized deposit which can be extracted or produced economically and legally at the time of the reserve determination. and/or quality of a probable reserve is computed from information similar to that used for a proven reserve, but the sites for d measurement are farther apart or are otherwise less adequately spaced. The degree of assurance, although lower than that for enough to assume continuity between points of observation. Mining dilution, where appropriate, has been factored into the reserves.

portion of a mineral deposit which can be extracted or produced economically and legally at the time of the reserve determination. The erve is computed from dimensions revealed in outcrops, trenches, workings or drill holes; grade and/or quality are computed from ampling and the sites for inspections, sampling and measurement are spaced so closely and the geologic character is so well defined nd mineral content of a proven reserve is well-established. Mining dilution, where appropriate, has been factored into the estimation

process by which lands disturbed as a result of mining activity are modified to support beneficial land use. Reclamation activity may buildings, equipment, machinery and other physical remnants of mining, closure of tailings, leach pads and other features, and d re-vegetation of waste rock and other disturbed areas.

term used in process metallurgy to indicate the proportion of valuable material physically recovered in the processing of ore. It is rcentage of material recovered compared to the material originally present.

stage of metal production in which impurities are removed from the molten metal.

mined ore which has not been subjected to any pretreatment, such as washing, sorting or crushing prior to processing.

lement with minimum fineness of 995 parts per 1000 parts pure silver.

he ratio of the number of tons of waste material to the number of tons of ore extracted at an open-pit mine.

ial that remains after all economically and technically recovered precious metals have been removed from the ore during processing.

on which is equivalent to 2,000 pounds, unless otherwise specified.

um of cash costs and non-cash costs.

ORS RELATING TO FORWARD-LOOKING STATEMENTS

merous forward-looking statements relating to the Company s gold and silver mining business, including estimated production data, edules, expected capital costs and other nit and other regulatory approvals. Such forward-looking statements are identified by the use of words such as believes, intends, may, should, plan, projected, contemplates, anticipates or similar words. Actual production, operating schedules, results ould differ materially from those projected in the forward-looking statements. The factors that could cause actual results to differ rojected in the forward-looking statements include (i) the risk factors set forth below under Item 1A, (ii) the risks and hazards business (including environmental hazards, industrial accidents, weather or geologically related conditions), (iii) changes in the nd silver, (iv) the uncertainties inherent in the Company s production, exploratory and developmental activities, including risks nd regulatory delays, (v) any future labor disputes or work stoppages, (vi) the uncertainties inherent in the estimation of gold and changes that could result from the Company s future acquisition of new mining properties or businesses, (viii) reliance on third n mines where the Company owns silver production and reserves, (ix) the loss of any third-party smelter to which the Company , (x) the effects of environmental and other governmental regulations, (xi) the risks inherent in the ownership or operation of or roperties or businesses in foreign countries, (xii) the worldwide economic downturn and difficult conditions in the global capital and) the Company s ability to raise additional financing necessary to conduct its business, make payments or refinance its debt. Readers undue reliance on forward-looking statements. The Company disclaims any intent or obligation to update publicly these ents, whether as a result of new information, future events or otherwise.

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s an internet website at http://www.coeur.com. Coeur makes available, free of charge, on or through its website, its Annual Reports y Reports on Form 10-Q, Current Reports on Form 8-K, Proxy Statements and Forms 4 and 5, as soon as reasonably practicable after h reports with the Securities and Exchange Commission. Copies of Coeur s Corporate Governance Guidelines, charters of the key rd of Directors (Audit, Compensation, Nominating and Corporate Governance) and its Code of Business Conduct and Ethics for Employees, applicable to the Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer, are available at our ur.com. Information contained on the Company s website is not a part of this report.

tors

n information relating to important risks and uncertainties that could materially adversely affect the Company s business, financial esults. References to we, our and us in these risk factors refer to the Company. Additional risks and uncertainties that we do no we currently deem immaterial may also impair our business operations.

lver and gold are volatile. Low silver and gold prices could result in decreased revenues, decreased net income or losses and nd may negatively affect our business.

modities. Their prices fluctuate, and are affected by many factors beyond our control, including interest rates, expectations regarding urrency values, governmental decisions regarding the disposal of precious metals stockpiles, global and regional demand and d economic conditions and other factors. Because we currently derive approximately 79% of our revenues from continuing operations 21% from gold, our earnings are primarily related to the price of these metals.

ver (Handy & Harman) and gold (London Final) on February 23, 2010 were $15.92 per ounce and $1,107 per ounce, respectively. gold may decline in the future. Factors that are generally understood to contribute to a decline in the price of silver include sales by holders, and a general global economic slowdown.

d gold are depressed for a sustained period and our net losses continue, we may be forced to suspend mining at one or more of our es increase, and to record additional asset impairment write-downs. Any lost revenues, continued or increased net losses or additional downs would adversely affect our financial condition and results of operations.

mands on our liquidity.

ficant capital expenditures in recent years to acquire and develop new mining properties. Our ability to complete the funding of these significant extent on both our operating performance, which in turn depends on our production of silver and gold and the price of as on our ability to raise funds through the sale of debt and equity securities. The current global financial crisis has increased our cost de our ability to raise any additional funds that could be required in the future. There can be no assurances that such funds will be ble terms, or at all, when or if needed.

write-downs of long-lived assets, which could negatively impact our results of operations.

standards for impairment of the value of long-lived assets such as mining properties requires a company to review the recoverability by estimating the future undiscounted cash flows expected to result from the use and eventual disposition of the asset. Impairment, an asset s carrying value to its fair value, must be recognized when the carrying value of the asset exceeds these cash flows, and write-downs could negatively impact our financial condition and results of operations.

decline or we fail to control production costs or realize the minable ore reserves at our mining properties, we may be required to owns. We also may record other types of additional mining property charges in the future to the extent a property is sold by us for a ing value of the property, or if reclamation liabilities have to be increased in connection with the closure and reclamation of a ite-downs of mining properties could negatively impact our financial condition and results of operations.

serve at the Martha mine, the Company expects operating activities to cease in late 2010 unless additional mineralization is ear. In addition, the Company has placed the Cerro Bayo mine under a care and maintenance plan, while undertaking efforts to ngs and develop a new mine plan and ore reserves in an effort to re-commence operations. The Company is also pursuing strategic ro Bayo and Martha mines which may result in the assets (asset groups) being sold or otherwise substantially disposed of before the estimated useful lives.

he Bolivian state-owned mining organization, COMIBOL, announced by resolution that it was temporarily suspending mining vation of 4,400 meters above sea level while stability studies of Cerro Rico mountain are undertaken. The Company holds rights to on under valid contracts backed by Supreme Decree with COMIBOL as well as contracts with local mining cooperatives who hold MIBOL. The Company temporarily adjusted its mine plan to confine its activities to ore deposits below 4,400 meters above sea level BOL that the restriction must be lifted timely. It is uncertain at this time how long the temporary suspension will remain in place.

ed that these factors were triggering events in accordance with Generally Accepted Accounting Principles in the United States, the Company to assess whether the long-lived assets at these mines were impaired. The impairment assessment compared the d prospective cash flows of each mine to the sum of the carrying values of the long-lived assets at San Bartolomé, Cerro Bayo and ember 31, 2009.

cash flows, the Company considered certain assumptions for silver and gold prices (including current and historical prices, analyst es, as well as the trailing three-year average silver and gold market prices) and production levels, expected and historical operating al vailable life of mine plans. Assumptions underlying future cash flows are subject to significant risk and uncertainty associated with n specific assumptions and market conditions, such as silver and gold prices, lower than expected recoverable ounces and/or the performance. Based on the Company s assessment, there were no required impairments at the San Bartolomé, Cerro Bayo and the ember 31, 2009. Should silver prices fall below consensus forward for historical prices, should cash costs per ounce exceed those ly achieved or should facts and circumstances regarding mining restrictions above the 4,400 level at the San Bartolomé mine ompany may need to record an impairment loss and that loss could have a material adverse affect on the Company s operations and

erformance may not generate cash flows sufficient to meet our debt payment obligations.

09, we had a total of approximately $363.6 million of outstanding indebtedness. Our ability to make scheduled debt payments on our ss will depend on our future operating performance and cash flow. Our operating performance and cash flow, in part, are subject to d our control, including the market prices of silver and gold. We may not be able to generate enough cash flow to meet our ments. If we cannot generate sufficient cash flow from operations to service our debt, we may need to further refinance our debt, e equity to obtain the necessary funds. We cannot predict whether we will be able to refinance our debt, issue equity or dispose of a timely basis or on satisfactory terms.

raise additional financing necessary to complete capital needs, conduct our business, make payments when due or refinance our

additional funds in order to meet capital needs, implement our business plan, refinance our debt or acquire complementary Any required additional financing might not be available on commercially reasonable terms, or at all. If we raise additional funds by , holders of our common stock could experience significant dilution of their ownership interest, and these securities could have rights olders of our common stock.

l company and are exposed to risks in the countries in which we have significant operations or interests. Foreign instability or rrencies may cause unforeseen losses, which may affect our business.

ent, production and closure activities outside of North America are potentially subject to heightened political and economic risks, n or re-negotiation of contracts; (ii) disadvantages of competing against companies from countries that are not subject to U.S. laws ng the Foreign Corrupt Practices Act; (iii) changes in foreign laws and regulations; (iv) royalty and tax increases or claims by r indigenous communities, including retroactive claims; (v) expropriation or nationalization of property; (vi) currency fluctuations; ing out of foreign sovereignty over areas in which our operations are conducted including risks inherent in contracts with ties.

oration, development and production activities outside of North America may be substantially affected by factors beyond our control, aterially adversely affect our financial position, results of operations and liquidity. Furthermore, if a dispute arises from such bject to the exclusive jurisdiction of courts outside North America, which could adversely affect the outcome of a dispute.

me (or loss) from our interest in the Endeavor mine are dependent in part upon the performance of the operators of the mine.

red silver production and reserves at the Endeavor mine in Australia. This mine is owned and operated by another mining company. es and income (or loss) from its interest in the silver production at this mine is dependent in part upon the performance of the s well as es that are sufficient to maintain sustainable operations. The decline in primary metal prices may result in cessation of mining and an impairment would likely occur.

eserves is imprecise and depends upon subjective factors. Estimated ore reserves may not be realized in actual production. Our e negatively affected by inaccurate estimates.

presented in our public filings are estimates made by our technical personnel. Reserve estimates are a function of geological and at require us to make assumptions about production costs and silver and gold market prices. Reserve estimation is an imprecise and accuracy of such estimates is a function of the quality of available data and of engineering and geological interpretation, judgment ptions about silver and gold market prices are subject to great uncertainty as those prices have fluctuated widely in the past. Declines silver or gold may render reserves containing relatively lower grades of ore uneconomic to exploit, and we may be required to reduce ntinue development or mining at one or more of our properties, or write down assets as impaired. Should we encounter gic formations at any of our mines or projects different from those we predicted, we may adjust our reserve estimates and alter our these alternatives may adversely affect our actual production and operating results.

ve determinations as of December 31, 2009 on a long-term silver price average of $14.50 per ounce, with the exceptions of San $13.25, Martha at $16.00 and the Endeavor mine at $12.00 per ounce of silver, and a long-term gold price average of $850 per ounce he exceptions of Kensington which uses $750, and the Martha Mine at $950. On February 23, 2010 silver and gold prices were 1,107 per ounce, respectively.

ltimate recovery of metals contained within the Rochester heap leach pad inventory is inherently inaccurate and subjective and mation techniques. Actual recoveries can be expected to vary from estimations.

lizes the heap leach process to extract silver and gold from ore. The heap leach process is a process of extracting silver and gold by meable pad and applying a diluted cyanide solution that dissolves a portion of the contained silver and gold, which are then cal processes.

ed steps in the process of extracting silver and gold to estimate the metal content of ore placed on the leach pads. Although we refine riate at each step in the process, the final amounts are not determined until a third-party smelter converts the doré and determines d gold available for sale. We then review this end result and reconcile it to the estimates we developed and used throughout the ed on this review, we adjust our estimation procedures when appropriate. As a result, actual recoveries can vary from estimates, and ion could be significant and could have a material adverse impact on our financial condition and results of operations.

nt and non-current inventories may not be realized in actual production and operating results, which may negatively affect our

d on prior production results and experiences, to determine whether heap leach inventories will be recovered more than one year in urrent inventory, or will be recovered within one year, and is current inventory. The estimates involve assumptions that may not with our actual production and operating results. We cannot determine the amount ultimately recoverable until leaching is completed. naccurate, our current and long-term operating results may be less than anticipated.

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significant production and operational risks. Coeur may suffer from the failure to efficiently operate its mining projects.

significant degrees of risk, including those related to mineral exploration success, unexpected geological or mining conditions, the posits, climatic conditions, equipment and/or service failures, compliance with current or new governmental requirements, current in installing and commissioning plant and equipment, import or customs delays and other general operating risks. Problems may ality or failure of locally obtained equipment or interruptions to services (such as power, water, fuel or transport or processing upport, which results in the failure to achieve expected target dates for exploration or production activities and/or result in a expenditure. The right to export silver and gold may depend on obtaining certain licenses and quotas, the granting of which may be elevant regulatory authorities. There may be delays in obtaining such licenses and quotas, leading to our results of operations being it is possible that from time to time export licenses may be refused. Many of these risks are outside of the ability of Coeur s and may result in a materially adverse effect on Coeur s operations, financial position and cash flows.

d development inherently involves significant and irreducible financial risks. Coeur may suffer from the failure to find and s.

development of mineral deposits involves significant financial risks, which even a combination of careful evaluation, experience and minate. Unprofitable efforts may result from the failure to discover mineral deposits. Even if mineral deposits are found, such cient in quantity and quality to return a profit from production, or it may take a number of years until production is possible, during c viability of the project may change. Few properties which are explored are ultimately developed into producing mines. Mining ultants and others for exploration, development, construction and operating expertise.

s are required to establish ore reserves, extract metals from ores and, in the case of new properties, to construct mining and e economic feasibility of any development project is based upon, among other things, estimates of the size and grade of ore reserves, ures and other resources (such as water and power), metallurgical recoveries, production rates and capital and operating costs of such nd metals prices. Development projects are also subject to the completion of favorable feasibility studies, issuance and maintenance d receipt of adequate financing.

is developed, whether it will be commercially viable depends on a number of factors, including: the particular attributes of the ade and proximity to infrastructure; government regulations including taxes, royalties and land tenure; land use, importing and nd environmental protection; and mineral prices. Factors that affect adequacy of infrastructure include: reliability of roads, bridges, r supply; unusual or infrequent weather phenomena; sabotage; and government or other interference in the maintenance or provision All of these factors are highly cyclical. The exact effect of these factors cannot be accurately predicted, but the combination may n adequate return on invested capital.

risks and operational costs are associated with our exploration, development and mining activities. These risks and costs may ic returns and may adversely affect our business.

increase our present production levels depends in part on successful exploration and development of new ore bodies and/or ining operations. Mineral exploration, particularly for silver and gold, involves many risks and is frequently unproductive. If ered, it may take a number of years until production is possible, during which time the economic viability of the project may change. s are required to establish ore reserves, extract metals from ores and, in the case of new properties, to construct mining and e economic feasibility of any development project is based upon, among other things, estimates of the size and grade of ore reserves, ures and other resources (such as water and power), metallurgical recoveries, production rates and capital and operating costs ojects, and metals prices. Development projects are also subject to the completion of favorable feasibility studies, issuance and ry permits and receipt of adequate financing.

nay have no operating history upon which to base estimates of future operating costs and capital requirements. Development project of reserves, metal recoveries and cash operating costs are to a large extent based upon the interpretation of geologic data, obtained of drill holes and other sampling techniques, and feasibility studies. Estimates of cash operating costs are then derived based upon grades of ore to be mined and processed, the configuration of the ore body, expected recovery rates of metals from the ore, equipment costs, anticipated climate conditions and other factors. As a result, actual cash operating costs and economic returns of t projects may materially differ from the costs and returns estimated, and accordingly, our financial condition and results of tively affected.

ting of metals and concentrates could be adversely affected if there were to be a significant delay or purchases by its third-party stomers. In particular, a significant delay or disruption in our sales of concentrates as a result of the unexpected discontinuation elter customers could have a material adverse effect on our operations.

markets and refines its silver and gold doré and concentrates to third-party smelters and refineries in Mexico, Switzerland, United e loss of any one smelter and/or refinery customer could have a material adverse effect on us in the event of the possible tive smelters and refineries. No assurance can be given that alternative smelters or refineries would be timely available if the need for hat delays or disruptions in sales could not be experienced that would result in a materially adverse effect on our operations and our

duction may decline, reducing our revenues and negatively impacting our business.

ld production may decline as a result of an exhaustion of reserves and possible closure of mines. It is our business strategy to exploratory activities at our existing mining and exploratory properties as well as at new exploratory projects, and to acquire silver ties and businesses or reserves that possess minable ore reserves and are expected to become operational in the near future. We can at our silver and gold production in the future will not decline. Accordingly, our revenues from the sale of silver and gold may cting our results of operations.

azards associated with our mining activities, some of which may not be fully covered by insurance. To the extent we must pay the ch risks, our business may be negatively affected.

subject to risks and hazards, including environmental hazards, industrial accidents, the encountering of unusual or unexpected cave-ins, flooding, earthquakes and periodic interruptions due to inclement or hazardous weather conditions. These occurrences could destruction of, mineral properties or production facilities, personal injury or death, environmental damage, reduced production and write-downs, monetary losses and possible legal liability. Insurance fully covering many environmental risks (including potential other hazards as a result of disposal of waste products occurring from exploration and production) is not generally available to us or he industry. Although we maintain insurance in an amount that we consider to be adequate, liabilities might exceed policy limits, in ncur significant costs that could adversely affect our financial condition, results of operation and liquidity.

ficant governmental regulations, and their related costs and delays may negatively affect our business.

es are subject to extensive federal, state, local and foreign laws and regulations governing environmental protection, natural resources, nt, production, post-closure r standards and occupational health and safety laws and regulations including mine safety, toxic substances and other matters related he costs associated with compliance with such laws and regulations are substantial. Possible future laws and regulations, or more ns of current laws and regulations by governmental authorities could cause additional expense, capital expenditures, restrictions on or operations and delays in the development of its properties. Moreover, future developments in U.S. federal laws and regulations are ficult to predict due to the new President and Congress in 2009. Changes in the federal government may increase the likelihood that rally will be subject to new laws, regulations and regulatory investigations.

t approvals, approval of aboriginal people and permits are currently and may in the future be required in connection with our lomé and Palmarejo. To the extent such approvals are required and not obtained, Coeur may be curtailed or prohibited from operating marejo.

applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by thorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation , or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for laws or regulations.

onmental regulations and litigation based on environmental regulations could require significant expenditures.

ons mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth ation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will s and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed ed degree of responsibility for companies and their officers, directors and employees.

ubject to environmental liabilities, the payment of such liabilities or the costs that it may incur to remedy environmental pollution erwise available to it and could have a material adverse effect on our financial condition and results of operations. If Coeur is unable ronmental problem, it might be required to suspend operations or enter into interim compliance measures pending completion of the nvironmental standards that may ultimately be imposed at a mine site impact the cost of remediation and may exceed the financial made for such remediation. The potential exposure may be significant and could have a material adverse effect on our financial operations.

al authorities and private parties may bring lawsuits based upon damage to property and injury to persons resulting from the nd safety impacts of Coeur s past and current operations, which could lead to the imposition of substantial fines, remediation costs, and criminal sanctions. Substantial costs and liabilities, including for restoring the environment after the closure of mines, are erations. Although Coeur believes that it is in substantial compliance with applicable laws and regulations, Coeur cannot assure you ation, enforcement or private claim will not have a negative effect on its business, financial condition or results of operations.

g wastes are currently exempt to a limited extent from the extensive set of federal Environmental Protection Agency (EPA) azardous waste under the Resource Conservation and Recovery Act (RCRA). If the EPA designates these wastes as hazardous under e required to expend additional amounts on the handling of such wastes and to make significant expenditures to construct hazardous . In addition, if any of these wastes causes contamination in or damage to the environment at a mining facility, such facility may be fund site under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA). Under CERCLA, any Superfund site since the time of its contamination may be held liable and may be forced to undertake extensive remedial cleanup government s cleanup efforts. Such owner or operator vernmental entities for the cost of damages to natural resources, which may be substantial. Additional regulations or requirements Coeur s tailings and waste disposal areas in Alaska under the federal Clean Water Act (CWA) and in Nevada under the Nevada Wat which implements the CWA. The Company considers the current proposed federal legislation relating to climate change and its y have future impacts to the Company s operations in the United States or abroad through international accords.

subject to controls under air pollution statutes implementing the Clean Air Act in Nevada and Alaska. In addition, there are d regulatory proposals related to climate change, including legislation pending in the U.S. Congress to require reductions in ns. The Company has reviewed and considered current federal legislation relating to climate change and does not believe it to have a erations, however, additional regulation or requirements under any of these laws and regulations could have a materially adverse ny and its results of operations.

CLA, the CWA and state environmental laws could entail significant costs, which could have a material adverse effect on Coeur s

nmental permits, including the approval of reclamation plans, Coeur must comply with standards and regulations which entail n entail significant delays. Such costs and delays could have a dramatic impact on Coeur s operations. There is no assurance that onmental regulation, if any, will not adversely affect Coeur s operations. Coeur intends to fully comply with all applicable ns.

in government permits to expand operations or begin new operations. The acquisition of such permits can be materially impacted seeking to prevent the issuance of such permits. The costs and delays associated with such approvals could affect our operations, nd negatively affect our business as a whole.

equired to seek governmental permits for expansion of existing operations or for the commencement of new operations. Obtaining ental permits is a complex and time-consuming process involving numerous jurisdictions and often involving public hearings and e duration and success of permitting efforts are contingent on many factors that are out of our control. The governmental approval osts and cause delays depending on the nature of the activity to be permitted, and could cause us to not proceed with the development this approval process could harm our results of operations.

via are subject to political risks.

nt adopted a new constitution in early 2009 that strengthened state control over key economic sectors such as mining. We cannot rations at the San Bartolomé mine in Bolivia will not be affected in the current political environment in Bolivia. On October 14, -owned mining organization, COMIBOL, announced by resolution that it was temporarily suspending mining activities above the rs above sea level while stability studies of Cerro Rico mountain are undertaken. The Company holds rights to mine above this ontracts backed by Supreme Decree with COMIBOL as well as contracts with local mining cooperatives who hold their rights e Company temporarily adjusted its mine plan to confine its activities to the ore deposits below 4,400 meters above sea level. The d COMIBOL of the need to lift the restriction. The mine plan adjustment may reduce the 2010 production by as much as 500,000 rter until the Company is able to resume mining above 4,400 meters. The Company is also reviewing its mine plan and may modify tions schedule to minimize any financial impact of this potential production shortfall. It is uncertain at this time how long the will remain in place. It is also unknown if any new mining or investment policies or shifts in political attitude may affect mining in

on good relations with our employees.

perience labor disputes, work stoppages or other disruptions in production that could adversely affect us. As of December 31, 2009, oximately 19% of our worldwide workforce. On that date, the Company had 7 employees at its Cerro Bayo mine and 57 employees were working under a collective bargaining agreement. The agreement covering the Cerro Bayo mine expires on December 21, 2010 ing agreement covering the Martha mine expires on June 1, 2010. Additionally, the Company had 176 employees at its rking under a labor agreement which became effective October 11, 2007, and does not have a fixed term.

ks with respect to the legal systems in the countries in which it has significant operations or interests and resolutions of any affect its business.

s in which Coeur currently and may in the future operate have less developed legal systems than would be found in more established ed States. This may result in risks such as potential difficulties in obtaining effective legal redress in the courts of such jurisdictions, breach of law or regulation, or in an ownership dispute; a higher degree of discretion on the part of governmental authorities; the lack ative guidance on interpreting applicable rules and regulations; inconsistencies or conflicts between and within various laws, ders and resolutions; or relative inexperience of the judiciary and courts in such matters.

he commitment of local business people, government officials and agencies and the judicial system to abide by legal requirements nts may be uncertain, creating particular concerns with respect to licenses and agreements for business. These may be susceptible to and legal redress may be uncertain or delayed. There can be no assurance that joint ventures, licenses, license applications or other not be adversely affected by the actions of government authorities or others, and the effectiveness of and enforcement of such urisdictions cannot be assured.

isitions may result in significant risks, which may adversely affect our business.

f our business strategy is the opportunistic acquisition of silver and gold mines, properties and businesses or interests therein. While ge independent mining consultants to assist in evaluating and making acquisitions, any mining properties or interests therein we may eloped profitably or, if profitable when acquired, that profitability might not be sustained. In connection with any future acquisitions, ness or issue equity securities, resulting in increased interest expense, or dilution of the percentage ownership of existing t predict the impact of future acquisitions on the price of our business or our common stock. Unprofitable acquisitions, or additional es of securities in connection with such acquisitions, may impact the price of our common stock and negatively affect our results of

considering possible acquisitions of additional mining properties or interests therein that are located in other countries, and could t risks associated with any such acquisitions.

f Coeur s business, Coeur is continuously considering the possible acquisition of additional significant mining properties or interests ted in countries other than those in which Coeur now has operations or interests. Consequently, in addition to the risks inherent in the n of such mining properties, as well as the subsequent development, operation or ownership thereof, Coeur could be subject to countries as a result of governmental policies, economic instability, currency value fluctuations and other risks associated with the or ownership of mining properties or interests therein. Such risks could adversely affect Coeur s results of operations.

acquire new mineral properties is uncertain. Accordingly, our prospects are uncertain for the future growth of our business.

nited lives based on proven and probable ore reserves, we are continually seeking to replace and expand our ore reserves. Identifying erties is difficult and speculative. Furthermore, we encounter strong competition from other mining companies in connection with the s producing or capable of producing silver and gold. Many of these companies have greater financial resources than we do. be unable to replace and expand current ore reserves through the acquisition of new mining properties or interests therein on terms As a result, our revenues from the sale of silver and gold may decline, resulting in lower income and reduced growth.

ute our unpatented mining claims, which could result in the discovery of defective titles and losses affecting our business.

ted mining claims, which constitute a significant portion of Coeur s property holdings in the United States, is often uncertain and may Coeur has attempted to acquire satisfactory title to undeveloped properties, Coeur, in accordance with mining industry practice, does e opinions until a decision is made to develop a property. As a result, some titles, particularly titles to undeveloped properties may be e to any of Coeur s mining claims could result in litigation, insurance claims, and potential losses affecting its business as a whole.

to concessions and similar property interests is a detailed and time consuming process. Title to, and the area of, concessions and ts may be disputed.

s to the title of any of the claims comprising Palmarejo that, if successful, could impair development and/or operations. A defect sing all or a portion of its right, title, estate and interest in and to the properties to which the title defect relates. Also, while Coeur ation defects relating to certain non-material properties as described herein will be remedied; there can be no assurance as to timing n.

r common stock has been volatile and may decline.

common stock has been volatile and may decline in the future. The market price of our common stock historically has fluctuated d by our operating results and by many factors beyond our control. These factors include: market prices of silver and gold; general ; interest rates; expectations regarding inflation; currency values; and global and regional political and economic conditions and

ssue additional equity securities, which would lead to dilution of our issued and outstanding common stock and may materially e price of our common stock.

nal equity securities or securities convertible into equity securities would result in dilution of existing shareholders equity interests in uthorized to issue, without shareholder approval, 10,000,000 shares of preferred stock in one or more series to establish the number in each series and to fix the designation, powers, preferences and relative participating, optional, conversion and other special rights ries as well as the qualification, limitations or restrictions on each series, including but not limited to the fixing or alteration of the d rate or rates, conversion rights, voting rights, rights and terms of redemption, the redemption price or prices and the liquidation ly unissued series of shares of preferred stock, or any or all of them. Any series of preferred stock could contain dividend rights, g rights, terms of redemption, redemption prices, liquidation preferences or other rights superior to the rights of holders of our ard of Directors has no present intention of issuing any preferred stock, but reserves the right to do so in the future and has reserved preferred stock in connection with our shareholder rights plan. If we issue additional equity securities, the price of our common stock dversely affected.

akeover provisions in our charter and in our bylaws that could delay or prevent an acquisition of Coeur even if such an eneficial to our shareholders.

ur articles of incorporation and our bylaws could provide the ability to delay or prevent a third party from acquiring us, even if doing o our shareholders. Some of these provisions: (i) authorize the issuance of preferred stock which can be created and issued by the out prior shareholder approval, commonly referred to as blank check preferred stock, with rights senior to those of common stock; of Directors to increase or decrease the size of the board without shareholder approval; (iii) authorize a majority of the directors then ancy on the Board of Directors; and (iv) require that a fair price be paid in some business transactions.

ed Staff Comments

MINING PROPERTIES

include Rochester (Nevada), Palmarejo (Mexico), San Bartolomé (Bolivia), Martha (Argentina), Endeavor (Australia) and Cerro 1A Risk Factors, related to Coeur s operations in Bolivia and Note T to the consolidated financial statements for information relating s and our domestic and export sales.

né Mine

n pit silver mine, operated by Empresa Minera Manquiri SA (Manquiri), a wholly-owned subsidiary of the Company, is located on Rico Mountain bordering the town of Potosí, Bolivia. Access to the property and the Company s processing facilities is by paved and s leading south-southwest from Potosí.

009 was 7.5 million ounces compared to 2.9 million ounces in 2008. Cash operating costs per ounce for 2009 were $7.80 per ounce ounce in 2008. Total cash costs per ounce (which includes production taxes and royalties) for 2009 were $10.48 per ounce compared 2008.

he San Bartolomé mine are held through joint venture and long-term lease agreements with several independent mining cooperatives Mining Company (COMIBOL). Manquiri controls 67 square kilometers under lease from COMIBOL and 16,600 acres under lease t San Bartolomé and approximately 17.8 square miles of concessions at the Khori Huasi property, a gold exploration target south of mé lease agreements, executed between 1996 and 2003 and with 25 year

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ject to a 4% production royalty payable partially to the cooperatives and partially to COMIBOL. During 2003, the Company ing rights known as the Plahipo project which include the mining rights to oxide dumps adjacent to the original property package. led in the Plahipo project are subject to a sliding scale royalty payable to COMIBOL that is a function of silver price. The Company nt obligations for these mining rights totaling $20.0 million and $6.6 million for the years ended 2009 and 2008, respectively.

he state-owned mining organization, COMIBOL, announced by resolution that it was temporarily suspending mining activities above neters above sea level while stability studies of Cerro Rico mountain are undertaken. The Company holds rights to mine above this ontracts backed by Supreme Decree with COMIBOL as well as contracts with local mining cooperatives who hold their rights e Company temporarily adjusted its mine plan to confine its activities to the ore deposits below 4,400 meters above sea level and the d COMIBOL of the need to lift the restriction. It is uncertain at this time how long the temporary suspension will remain in place.

f the equity in Manquiri from Asarco Incorporated (ASARCO) on September 9, 1999. Manquiri s principal asset is the mining right ine. Silver was first discovered in the area around 1545. Mining of silver and lesser amounts of tin and base metals has been uously since that time from multiple underground mines driven into Cerro Rico. The prior owner did not conduct any mining or e ores at San Bartolomé.

nary feasibility study in 2000, which concluded that an open pit mine was potentially capable of producing approximately six annually. In 2003, SRK, an independent consulting firm, was retained to review the reserve/resource estimate to include additional orate additional resources acquired with the Plahipo project at Cerro Rico. During 2003, we retained Fluor Daniel Wright to prepare udy which was completed at the end of the third quarter of 2004. The study provides for the use of a cyanide milling flow sheet with screen circuit which will result in the production of a doré that may be treated by a number of refiners under a tolling agreement rn of refined silver to the Company that is readily marketed by metal banks and brokers to the ultimate customer. During 2004, the perating permits and commercial construction activities commenced.

apital cost (excluding political risk insurance premiums and capitalized interest) to place the mine into production was $237.9 million. equipment were placed into service in June 2008 and are maintained in good working condition through a regular preventative vith periodic improvements as required. Power is supplied to the property by the local power utility. Water is supplied to the property e.

ivia s Congress approved a reform to the mining tax code. The Bolivia tax rate on most mining companies has increased from 25% to g companies similar to San Bartolomé that produce a doré product will receive a 5% credit based upon their specific operation. Thus, olomé will be 32.5%.

political risk insurance policies from the Overseas Private Insurance Corporation (OPIC) and another private insurer. The combined nt of $155 million and cover Coeur up to the lesser of $131 million or 85% of any loss arising from expropriation, political violence ility. The policy costs approximately $3.4 million per year, which was capitalized during the development and construction phases a cost of inventory produced (estimated at approximately $0.21 per ounce of silver produced) over the term of the policies which 4.

n at San Bartolomé is hosted in gravel (pallacos) and reworked gravel (sucu and troceras) deposits and oxide stockpiles and dumps ccurred on the flanks of Cerro Rico. Cerro Rico is a prominent mountain in the region that reaches an elevation of over 15,400 feet s composed of Tertiary-aged volcanic and intrusive rocks that were emplaced into and over older sedimentary, and volcanic, along with tin and base metals, is located in multiple veins and vein swarms that occur in a northeast trending belt which transects parts of the Cerro Rico mineralized system were subsequently eroded and re-deposited into the flanking gravel deposits. Silver is the ceras with the best grades segregated to the coarser-grained silicified fragments. These deposits lend themselves to simple, free techniques and can be extracted without drilling and blasting. Of the several pallaco deposits which are controlled by Coeur and ree are of primary importance and are known as Huacajchi, Diablo and Santa Rita.

San Bartolomé consisted of collecting additional data from new pits (pozos) to further define and/or expand the ore reserves.

Year-end Proven and Probable Ore Reserves San Bartolomé Mine

	2009 (1, 2, 3, 4, 5)	2008	2007
	131	160	
	3.29	6.35	
ver (000 s)	430	1,015	
	31,241	35,147	42,043
	3.83	3.81	3.64
ver (000 s)	119,603	134,015	153,003
	31,372	35,307	42,043
	3.83	3.82	3.64
ver (000 s)	120,033	135,030	153,003

Year-end Mineralized Material San Bartolomé Mine

	2009	2008	2007
	36,953	37,087	15,567
	1.75	1.75	2.22

Operating Data

	2009	2008	2007
	1,518,671	505,514	
n)	5.49	7.46	
	89.6	75.8	
	7,469,222	2,861,500	
er			
	$ 7.80	$ 8.22	$
	2.68	2.31	
	10.48	10.53	
	2.48	1.97	

$	12.96	$	12.50	$

es are effective as of December 31, 2009. The metal price used for current ore reserves was $13.25 per ounce of

pen pit-minable and include variable mining recovery factors from 96.1 to 100%

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veries are variable per ore type but average 62.2% based on operating experience to date for silver and should be contained silver ounces.

prepared by G. Blaylock (consultant Mining Engineer) and J. Sims (Geologist) of the Company s technical staff.

ble ore reserves are defined by surface drill holes and pits (pozos) with an average spacing of no more than 70 erves are those reserves in stockpile at the end of 2009. The grade of ore reserve block is determined by the grade of and/or pit composites and three-dimensional models of geologic controls. A minimum of 8 and maximum of 20 ed to classify proven and probable ore reserves and variable geostatistical estimation variances. Mineralized ly classified.

on taxes and royalties, if applicable.

f silver represent a non-U.S. GAAP measurement that management uses to monitor and evaluate the performance of ons. See Item 7. Management s Discussion and Analysis of Financial Condition and Results of Operations Non-GAAP Cash Costs to GAAP Production Costs.

Mine

underground silver and gold mine owned and operated by Coeur Argentina S.R.L., a wholly-owned subsidiary of the Company, Santa Cruz Province of southern Argentina. Access to the mine is provided by all-weather gravel roads 30 miles northeast of the town s.

a mine in 2009 was approximately 3.7 million ounces of silver and 4,709 ounces of gold compared to 2.7 million ounces of silver d in 2008. The 36.8% increase in silver production was primarily due to an 90.0% increase in tons milled as a result of increased pile in 2009. Cash operating costs per ounce for 2009 were $6.19 per ounce compared to $6.87 per ounce in 2008. Total cash costs ch includes production taxes and royalties) were $6.68 in 2009 compared to $7.57 in 2008. The decrease in total cash costs per ounce rease in silver production as compared to 2008 due to a significant increase in tons milled in 2009. The Company expects active cease in late 2010 unless additional mineralization is discovered during the year. In addition, the Company is pursuing strategic

he Martha property are fully-owned by Coeur Argentina S.R.L. totaling 195 square miles (50,623 hectares) of exploration 6.4 square miles (22,377 hectares) of discovery concessions, and 0.54 square miles (142 hectares) of exploitation concessions. he exploitation concessions, which fully cover the area of the mine infrastructure and the ore reserves reported herein. Concessions do late; subject only to required annual fees. Surface rights covering the Martha deposit are controlled by the 137.8 square mile 1º de Abril Estancia which is owned by Coeur Argentina S.R.L. Included on the estancia is a 60-person man camp, mine and assay lab.

the property in 2002 through the purchase of a subsidiary of Yamana Resources Inc. for $2.5 million. The prior owner conducted ing on the near-surface portion of the Martha vein from late 2000 to mid 2001. The Company is obligated to pay a 2% net smelter ld production to Royal Gold Corporation granted by Yamana Resources. In addition, the Company is subject to a 3.0% net proceeds rovince of Santa Cruz. The Company incurred royalty payments totaling $1.8 million, $1.9 million and $2.0 million for the years 007, respectively.

the Martha mine was trucked approximately 600 miles by road for processing at the Company s Cerro Bayo mill located s away. In 2007, the Company commenced the construction of a 240 ton per day flotation mill which was completed in December otation concentrate. During December 2007, the newly-constructed facility commenced operating. In 2008, concentrate began to be smelter located in Mexico. The property and equipment are maintained in good working condition through a regular preventive with periodic improvements as required. Power is provided by Company-owned diesel generators.

es at the Martha mine in 2009 were $1.6 million and the Company plans approximately $0.4 million of additional capital old mineralization is hosted in epithermal quartz veins and veinlets within generally sub-horizontal volcanic rocks of the Chon Aike nd veinlets occur as sub-parallel clusters largely trending west-northwest and dipping steeply to the southwest. The main ore minerals lver sulfosalt minerals, argentite, electrum (a naturally-occurring gold and silver alloy) and native silver.

$3.1 million on exploration near the Martha Mine in the Santa Cruz province and $0.8 million on reserve development at the Martha lver- and gold-bearing veins and define new reserves. In 2009, exploration tested extensions at depth and on strike on the Martha, Belen, Esperanza and Isabel and Betty ore-bearing structures. A total of 61,266 feet (18,764 meters) of drilling was completed in

Year-end Proven and Probable Ore Reserves Martha Mine

	2009 (1, 2, 3, 4, 5)	**2008**	**2007**
		18	55
.		55.86	52.95
ver (000 s)		992	2,924
		0.07	0.07
ld		1,000	4,100
	38	58	98
.	33.14	31.22	54.55
ver (000 s)	1,249	1,817	5,369
	0.04	0.04	0.07
ld	1,400	2,000	6,500
	38	76	154
.	33.14	36.99	53.97
ver (000 s)	1,249	2,809	8,293
	0.04	0.04	0.07
ld	1,400	3,000	10,600

Year-end Mineralized Material Martha Mine

	2009	**2008**	**2007**
	29	46	92
.	59.54	29.5	36.80
	0.05	0.02	0.05

Operating Data

	2009	2008	2007
	109,974	57,886	37,047
n)	36.03	49.98	78.10
)	0.049	0.065	0.120
	93.6	93.7	95.0
	87.6	88.3	92.7
	3,707,544	2,710,673	2,748,705
	4,709	3,313	4,127
	$ 6.19	$ 6.87	$ 5.54
	0.49	0.70	0.73
	6.68	7.57	6.27
	1.94	1.81	0.51
	$ 8.62	$ 9.38	$ 6.78

es are effective as of December 31, 2009. Metal prices used for current ore reserves were $16.00 per ounce of silver
e of gold

nderground minable and include a variable dilution, at zero grade, added to vein true widths. Mining recovery is
and on development ore.

very factors of 93% for silver and 90% for gold should be applied to the contained silver and gold ounces.

prepared by J. Sims (Geologist) and K. Flores (Mining Engineer) of the Company s technical staff.

efined with polygonal estimation using underground channels and drill hole samples. For probable reserves: An area
de continuity with channel sample or drill hole spacing less than 25 meters. Mineralized material is similarly

n taxes and royalties, if applicable.

nce of silver or gold represent a non-U.S. GAAP measurement that management uses to monitor and evaluate the
mining operations. See Item 7. Management s Discussion and Analysis of Financial Condition and Results of
onciliation of Non-GAAP Cash Costs to GAAP Production Costs.

ine

t is located south of Coyhaique, the capital of Region XI in southern Chile, and due west of the town of Chile Chico. The
gold mine and ore processing facilities lie on the east side of the Andes mountain range at an elevation ranging from 600 to
ced by an all-weather gravel road from Chile Chico.

n during 2009 because of the temporary suspension. Production at the Cerro Bayo mine in 2008 was approximately 1.2 million 761 ounces of gold. Cash costs per ounce of silver produced in 2008 were $8.56.

he Cerro Bayo property are fully-controlled by Compañia Minera Cerro Bayo Ltd. (CMCB), a wholly-owned subsidiary of the g an 89 square mile contiguous block (23,106 hectares) of exploitation concessions and 18.1 square miles (4,700 hectares) of . The Company also controls several other concessions southeast of the Cerro Bayo District. The Company s ore reserves

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e fully-contained within the exploitation concessions and separate surface use agreements from private surface land owners. s are maintained by annual payments (taxes).

the property in 1990 from Freeport Chilean Exploration Company. No mining or processing was conducted by the prior owner. essing commenced, by the Company in 1995, at the Laguna Verde area, in the western portion of the holdings. Mining and processing te 2000 then recommenced in 2002 at the Cerro Bayo area on the east. The entire holdings and infrastructure are now referred to as Construction of two ramps to intersect the high-grade Lucero Vein, in the Cerro Bayo zone on the east side of its holdings, er 2001. Additional mineralized high-grade gold and silver vein systems were discovered since then from surface and underground

for the Cerro Bayo Mine uses a standard flotation process to produce a high grade gold and silver concentrate. The mill has a design er day. On October 31, 2008, the Company announced a temporary suspension of operating activities at the Cerro Bayo mine due l prices and continuing higher operating costs. The Company has placed the Cerro Bayo mine under a care and maintenance plan, ts to further explore its holdings and develop a new mine plan and ore reserves in an effort to re-commence operations. The Company c alternatives for the Cerro Bayo mine. The property, plant and equipment are maintained in good working condition through a tenance program with periodic improvements as required. Power is supplied to the property by the local power utility as well as onducted utilizing underground methods. Total capital expenditures at the Cerro Bayo property in 2009 were $1.1 million. The to incur capital expenditures in 2010.

ization is hosted in epithermal quartz veins and veinlets and lesser amounts of stockworks and breccias within generally rocks of the Ibañez Formation. Veins and veinlets occur in sub-parallel clusters largely trending north-northwest and dipping steeply main ore minerals of silver and gold are silver sulfosalt minerals, argentite and electrum (a naturally-occurring gold and silver alloy). eins located within the Cerro Bayo district offer exploration and development opportunities for us. To date, we have discovered over

any continued its exploration and development program in the district with its efforts concentrated in the Cerro Bayo and Laguna and west sections of the Company s land holdings. In 2009, $2.7 million was spent on exploration in Chile and $1.0 million on Cerro Bayo with 108,700 feet (33,130 meters) of core drilling completed during the year. Most of this drilling was focused on on of the new Delia silver and gold-bearing vein discovered approximately one half mile south of the ore processing facilities at r targets at Cerro Bayo. Other targets drilled were Granja Temer, Polvorin, Cerro Coigues, Trinidad, Caiquenes, Juncos, Gaby and ore processing facilities. District reconnaissance identified new targets at Zona 2, Ema, Brillantes and Cerro Bayo Este for future plans to continue its exploration programs in the Chile and the Cerro Bayo district in 2010 with a budget of $0.9 million for this

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Year-end Proven and Probable Ore Reserves Cerro Bayo Mine

	2009 (1, 2, 3, 4,5)	2008	2007
	41		440
.	8.32		9.73
ver (000 s)	345		4,280
	0.05		0.15
ld	2,000		67,100
	734	547	342
.	9.86	10.18	8.64
ver (000 s)	7,242	5,564	2,954
	0.08	0.07	0.13
ld	55,000	38,000	44,500
	775	547	782
.	9.78	10.18	9.26
ver (000 s)	7,587	5,564	7,234
	0.07	0.07	0.14
ld	57,000	38,000	111,600

Year-end Mineralized Material Cerro Bayo Mine

	2009	2008	2007
	769	908	1,266
.	10.36	9.71	8.10
	0.15	0.14	0.14

Operating Data

	2009	2008	2007
		236,403	387,378
n)		5.54	4.68
)		0.102	0.105
		93.4	94.4
		90.2	92.2
		1,224,083	1,709,830
		21,761	37,479
	$	$ 8.56	$ 8.22

		8.56		8.22
		6.09		3.60
$	$	14.65	$	11.82

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es are effective as of December 31, 2009. Metal prices used to calculate proven and probable reserves were $14.50
r and $850 per ounce of gold.

inable reserves within underground mine designs and include factors for mining dilution and recovery. Veins are
um mining width of 2.4 meters at zero grade. Mining recovery is 90%.

veries of 93.4% and 90.5% should be applied to the contained silver and gold ounces, respectively.

ates were prepared by J. Sims (Geologist), and D. Duffy (Mining Engineer) of the Company s technical staff.

le reserves are defined by geostatistical methods within manual boundaries based on grade thickness contouring.
es: An area demonstrating grade continuity defined by two or more bounding horizontal levels of drill holes or
paced vertically no more than about 12.5 meters containing horizontally spaced samples less than 5 meters apart the
confirmation on two levels. For probable reserves: An area demonstrating grade continuity with channel sample or
less than about 35 meters. Mineralized material is similarly classified .

nce of silver or gold represent a non-U.S. GAAP measurement that management uses to monitor and evaluate the
mining operations. See Item 7. Management s Discussion and Analysis of Financial Condition and Results of
onciliation of Non-GAAP Cash Costs to GAAP Production Costs.

lver and Gold Mine

the Company acquired all of the outstanding stock of Bolnisi Gold NL (Bolnisi) and Palmarejo Silver and Gold Corporation
g in 100% ownership of the Palmarejo mine. The Palmarejo mine commenced commercial production on April 20, 2009. The Palmarejo
underground silver and gold mine and ore processing facility, located in the state of Chihuahua in northern Mexico. Access to the
y paved and all weather dirt roads southwest from the capital city of Chihuahua.

rations, production at the Palmarejo mine was 3.0 million ounces of silver and 54,740 ounces of gold. Cash operating costs per ounce
ounce of silver for 2009 were $9.80. Operational results continue to improve and the Company now expects production for 2010 to
illion ounces of silver and approximately 109,000 ounces of gold.

ty position at Palmarejo consists of 32 mining concessions totaling 46.9 square miles (12,141 hectares). Of the total concessions, 23
of 46.1 square miles (11,949 hectares) are owned 100% by Coeur Mexicana S.A. de C.V. (Coeur Mexicana), formerly Planet Gold
owned subsidiary of the Company), and the remaining nine concessions, representing 0.74 square miles (191.96 hectares) are held by
various agreements and leases. All of the company s reserves are located on concessions owned 100% by Coeur Mexicana. All
Coeur Mexicana are valid until at least 2029. In addition to Palmarejo, the Company also acquired the Yecora exploration-stage
ora, on the border with Chihuahua, and the El Realito and La Guitarra exploration-stage properties in Chihuahua.

09 were $162.8 million. The Company incurred $190.3 million of capital expenditures in 2008. All property and equipment are in
n with no major maintenance expected. Power is supplied to the property by the local power utility as well as by generators. Water is
by pipeline from the Chinipas River and also from recycled process water collected at site.

commenced in April 2009, and the commissioning of the plant continued during the second half of 2009. Recovery of gold has been
rgical testwork and feasibility study estimations, and averaged 88.2% during 2009. The recovery of silver has not achieved the
and averaged 66.3% during 2009. Consequently, during the fourth quarter, the Company conducted substantial

and third party reviews of the processing plant, which led to a number of improvements now being implemented and causing silver uring January and February.

arejo mine is characterized by steep-sided hills and V-shaped valleys, although sites for mining infrastructures such as a mill should roblem. Dumps and tailings will likely need to be placed within the upper reaches of drainage valleys, which would require the on dam(s).

ocated on the western flank of the Sierra Madre Occidental, a mountain range that comprises the central spine of northern Mexico. nding Sierra Madre Occidental is composed of a relatively flat-lying sequence of Tertiary volcanic rocks that forms a volcanic lateau is deeply incised in the Palmarejo mine area, locally forming steep-walled canyons. The Sierra Madre Occidental gives way to al terrain that represents the southward continuation of the Basin and Range Province of the western United States, and then to the Mexico.

osits at the Palmarejo mine, typical of many of the other silver and gold deposits in the Sierra Madre, are classified as epithermal in multiple veins, breccias and fractures. These geologic structures trend generally northwest to southeast and dip either southwest the structures ranges from about 45 degrees to 70 degrees. In the mineralized portions of the structures gold and silver are zoned higher silver values occurring in the upper parts of the deposit to a gold-rich basal portion, sometimes accompanied by base metal marejo property contains a number of mineralized zones or areas of interest. The most important of these to date is the Palmarejo the concessions which covers the old Palmarejo gold-silver mine based on the northwest-southeast trending La Prieta and La Blanca ctures. In addition to Palmarejo, mineralized vein and alteration systems in the Trogan license area have been identified on other rridors, roughly sub-parallel to the Palmarejo zone. The most significant of these additional targets are the Guadalupe (including vein systems in the southern part of the property and are currently under investigation by the Company s exploration teams.

6 million on exploration in Mexico of which $7.4 million was committed to the Palmarejo District in 2009, to discover new silver and define new ore reserves. This program consisted of drilling 136,024 feet (41,460 meters) of core drilling at Palmarejo and s) on other targets in Mexico. The exploration budget for Mexico for 2010 is $9.2 million of which $8.4 million is allocated to the

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Year-end Proven and Probable Ore Reserves Palmarejo Mine

	2009 (1, 2, 3, 4,5)	2008	2007
	7,277	6,840	
.	5.05	5.09	
ver (000 s)	37,121	34,844	
	0.06	0.06	
ld	442,000	406,000	
	10,623	5,355	
.	5.03	5.37	
ver (000 s)	53,400	28,732	
	0.06	0.07	
ld	660,000	350,000	
	17,900	12,195	
.	5.06	5.21	
ver (000 s)	90,521	63,576	
	0.06	0.06	
ld	1,102,000	756,000	

Year-end Mineralized Material Palmarejo Mine

	2009 (1, 2, 3, 4)	2008	2007
	4,493	15,373	16,105
.	3.48	3.47	5.51
	0.05	0.04	0.06

Operating Data

	2009	2008	2007
	1,065,508		
n)	4.31		
)	.058		
	66.3		
	88.2		
	3,047,843		
	54,740		

$	9.80	$		$	
	9.80				
	17.00				
$	26.80	$		$	

es are effective as of December 31, 2009. Metal prices used in calculating proven and probable reserves were $14.50 r and $850 per ounce of gold.

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re underground and open pit minable and include factors for mining dilution and recovery. For underground-minable itional tons at zero grade and 100% mining recovery was applied to the Palmarejo mine and 16% average additional and 58.3 g/t Ag as dilution for the Guadalupe deposit and 100% mining recovery. For open pit-minable reserves, ns at zero grade as mining dilution was added and a 95% mining recovery for the Palmarejo open pit. For Guadalupe variable dilution and 95% mining recovery was applied.

very factor of 90.8% and 93.8% should be applied to the contained silver and gold reserve ounces, respectively.

vere estimated by G. Blaylock (Mine Engineer consultant) and J. Sims (Geologist) of the Company s technical staff nt consulting firm of Mine Development Associates.

ble reserves are defined by exploration holes drilled from stations on a nominal grid spacing of 40 meters. Proven l demonstrating grade continuity that is less than or equal to 15 meters distance from the nearest hole, with a nples, no more than 2 of which originate from the same diamond drill hole. Sample spacing for probable reserves qual to approximately 40 meters.

nce of silver or gold represent a non-U.S. GAAP measurement that management uses to monitor and evaluate the mining operations. See Item 7. Management s Discussion and Analysis of Financial Condition and Results of onciliation of Non-GAAP Cash Costs to GAAP Production Costs.

an open pit silver and gold mine located in Pershing County, Nevada, which is located approximately 25 paved and all-weather east of the town of Lovelock. The Company owns 100% of the Rochester Mine by virtue of its 100% ownership of its subsidiary, Coeur Rochester). The mine consists of the main Rochester deposit and the adjacent Nevada Packard deposit, due south of Rochester

ester mine in 2009 was approximately 2.2 million ounces of silver and 12,663 ounces of gold, compared to approximately 3.0 million 041 ounces of gold in 2008. Production was lower due to decreased ounces recovered from the ore on leach pad. Cash operating r increased to $1.95 per ounce in 2009, compared to $(0.75) per ounce in 2008. Total cash costs per ounce of silver (which includes yalties) were $2.58 per ounce in 2009 compared to $(0.03) per ounce in 2008. This increase was primarily due to lower by-product n in 2009 compared to 2008.

ls 541 US Federal unpatented claims (including 54 mill sites), 23 patented claims, and leases an additional 53 unpatented claims, 7,200 acres. All of the Company s mineral resources and reserves are located within the claims. The unpatented claims and mill sites al fees to the U.S. Bureau of Land Management (BLM) and to Pershing County, which acts as administrator of the claims. Real ate of Nevada are paid yearly for the patented claims. Lease payments are paid annually; all leases are in good standing.

the Rochester property from ASARCO in 1983 and commenced mining in 1986. No mining or processing was conducted at owner. The Company acquired initial interest in the adjacent Nevada Packard property in 1996, completed the full purchase in 1999 in 2003. Very limited mining and processing was conducted at Nevada Packard by the prior owner. Collectively, the Rochester and ties comprise the Company s Rochester silver and gold mining and processing operation.

Company completed mining of the existing ore reserves. While mining operations were discontinued, it is expected that metal e as a result of residual leaching until approximately 2014.

fully supported with electricity, supplied by a local power company on their public grid, telephone and radio communications, and processing, maintenance, warehouse, and office facilities. All of these facilities are in good operating condition with no major The mine utilizes the heap leaching process to extract both silver and gold from ore mined using conventional open pit methods.

ating experience and certain metallurgical testing, the Company estimates ultimate recovery rates from the crushed ore of between lver, depending on the area being leached, and 93% for gold. See Note C Summary of Significant Accounting Policies of the ed financial statements for further discussion.

ed a technical and economic study in early 2010 demonstrating the viability of an expansion of mining and leaching operations at its 2017. The Company prepared an Amended Plan of Operations for resumption of mining within the existing and permitted Rochester an additional heap leach pad, all within the currently permitted mine boundary. The Bureau of Land Management (BLM) deemed this t 2009 under federal regulations and initiated the NEPA process. An Environmental Assessment is currently being prepared and d in late summer 2010. A modification to the Water Pollution Control Permit will also be required from the Nevada Department of on. Application is pending and approvals are expected in a similar time period.

expenditures at the Rochester Mine totaled approximately $0.3 million in 2009. The Company plans capital expenditures at the million in 2010. The Company is obligated to pay a net smelter royalty interest only when the market price of silver equals or ce up to a maximum rate of 5% to ASARCO, the prior owner. No royalties were required to be paid by the Company during the three 31, 2009.

l gold mineralization is hosted in folded and faulted volcanic rocks of the Rochester Formation and overlying Weaver Formation. ing of silver sulfosalt minerals, argentite, argentian tetrahedrite and minor native gold, are contained in zones of multiple quartz veins ein swarms and stockworks) with variable but lesser amounts of pyrite.

penditures consisted of evaluation of prior drilling results and target selection for 2010. The Company has plans to follow-up on and Nevada Packard area and has allocated $0.2 million for the first phase of drilling in 2010.

Year-end Proven and Probable Ore Reserves Rochester Mine

	2009 (1, 2, 3, 4, 5,6)	2008	2007
	31,821		
	0.58		
ver (000 s)	18,361		
	0.006		
ld	185,000		
	10,596		
	0.71		
ver (000 s)	7,523		
	0.005		
ld	48,000		
	42,417		
	0.61		
ver (000 s)	25,884		
	0.005		
ld	233,000		

Year-end Mineralized Material   Rochester Mine

	2009	2008	2007
	104,783	114,058	32,664
.	0.52	0.54	0.85
	0.004	0.005	0.006

Operating Data

	2009	2008	2007
)			2,962
000 s)			5,061
n)			0.65
)			0.006
			141.4%
			167.6%
	2,181,788	3,033,721	4,614,780
	12,663	21,041	50,408
	$ 1.95	$ (0.75)	$ 0.99
	.63	.72	.53
	2.58	(0.03)	1.52
	0.93	0.78	2.30
	$ 3.51	$ 0.75	$ 3.82

es are effective as of December 31, 2009. Metal prices used in calculating proven and probable reserves were $14.50 r and $850 per ounce of gold.

imated with a cutoff grade of 0.54 silver equivalent ounces per ton.

naterial was estimated with gold and silver prices of $1100 and $17.00 per ounce, respectively, historical veries for gold and silver, historical mine operating costs within a non-optimized Whittle® open pit model, and nal factors for mining dilution or recovery. The estimate of mineralized material and reserves was constrained to and gold mineralization beneath existing leaching operations.

imates the ultimate metallurgical recovery to be approximately 61% for silver and 92% for gold. However, ultimate t be known until leaching operations cease.. Current recovery may vary significantly from ultimate recovery, n the ounces recovered as a percent of the ounces placed on the pad. The ore reserves were estimated by J. Sims Kiel (Superintendent of Rochester Technical Services) of the Company s technical staff. The firm of Pincock, ndependent consulting group, was used to review engineering studies and the consulting firm of Reserva used to model results from drilling l.

efined by drilling on grid of 100 feet by 200 feet, or closer, and includes open pit mine production sampling to assist
n of gold and silver grades. The grade is defined by the number of proximal composites and three-dimensional
The number of drill samples used in estimation of grades must be at least 4 with a maximum search distance
ter and 120 feet at Nevada Packard.

ng operations terminated in August 2007 and are planned to resume in 2010. L leaching will continue until
ears following depletion of the ore reserves.

on taxes.

ce of silver or gold represent a non-U.S. GAAP measurement that management uses to monitor and evaluate the
mining operations. See Item 7. Management s Discussion and Analysis of Financial Condition and Results of
ciliation of Non-GAAP Cash Costs to GAAP Production Costs.

deavor Mine

an underground silver and base metal operation, located in north central New South Wales, Australia, about 447 miles (720
y. Access to the mine is by paved roads 30 miles (18 kilometers) to the northwest from the community of Cobar.

vor mine in 2009 was 461,800 ounces of silver compared to 824,093 ounces of silver in 2008. The decrease in silver production was
e in tons milled partially offset by a 18.4% increase in ore grades as compared to 2008. Cash operating costs and total cash costs per
d were $6.80 in 2009 compared to $2.55 in 2008. This increase was primarily due to the price participation component of the
not in effect until 2009.

eavor are covered by five consolidated mining leases issued by the state of New South Wales to Cobar Operations Pty. Limited
wned subsidiary of CBH Resources Ltd. (CBH). The leases form a contiguous block of 10,121 acres in size and expire between 2019

been in production since 1983. On September 12, 2003, CBH acquired the Elura mine and processing facilities from Pasminco and
e Endeavor Mine. On May 23, 2005, CDE Australia Pty. Ltd., a wholly-owned subsidiary of Coeur (CDE Australia), acquired all of
d reserves, up to a maximum 17.7 million payable ounces, contained at the Endeavor Mine, which is owned and operated by CBH,
ing transaction fees. Under the terms of the original agreement, CDE Australia paid Cobar $15.4 million of cash at the closing. In
a agreed to pay Cobar approximately $26.5 million upon the receipt of a report confirming that the reserves at the Endeavor mine are
the reported ore reserves for 2004. In addition, CDE Australia originally committed to pay Cobar an operating cost contribution of
payable silver plus a further increment when the silver price exceeds $5.23 per ounce. This further increment was to have begun on
of this agreement and is 50% of the amount by which the silver price exceeds $5.23 per ounce. A cost contribution of $0.25 per
y CDE Australia in respect of new ounces of proven and probable silver reserves as they are discovered. During the first quarter of
paid for additional ounces of proven and probable silver reserves under the terms of the contract. This amount was capitalized as a
ests acquired and is being amortized using the units of production method.

DE Australia reached an agreement with CBH to modify the terms of the original silver purchase agreement. Under the modified
wns all silver production and reserves up to a total of 20.0 million payable ounces, up from 17.7 million payable ounces in the
silver price-sharing provision is deferred until such time as CDE Australia has received approximately two million cumulative
e mine or June 2007, whichever is later. In addition, the silver price-sharing threshold increased to $7.00 per ounce, from the
per ounce. The conditions relating to the second payment were also modified and tied to certain paste fill plant performance criteria
s. In January 2008, the mine met the criteria for payment of the additional $26.2 million. This amount was paid on April 1, 2008,
the rate of 7.5% per annum from January 24, 2008. CDE Australia has received approximately 2.5 million payable ounces to-date,
rve contains approximately 9.8 million payable ounces based on current metallurgical recovery and current smelter contract terms.
serve will be required to achieve the maximum payable ounces of silver production as set forth in the modified contract. It is
pansion to the ore reserve will occur as a result of the conversion of portions of the property s existing inventory of mineralized
oration discoveries. CBH conducts regular exploration to discover new mineralization and to define reserves from surface and
atforms.

09, CDE Australia had recovered approximately 50% of the transaction consideration consisting of 2.5 million payable ounces, or maximum payable silver ounces to which CDE Australia is entitled under the terms of the silver sale and purchase agreement. No that the mine will achieve its 20 million payable silver ounce cap to which CDE Australia is entitled under the terms of the silver ment.

mining methods and utilizes a conventional flotation mill to produce a concentrate that is sold to a third-party smelter. Silver oximately 49.9% in 2009 and 56.5% in 2008. Power to the mine and processing facilities is provided by the grid servicing the local erty and equipment are maintained in good working condition, by CBH, through a regular preventive maintenance program with as required.

quired to contribute to ongoing capital costs at the mine.

d, zinc and lesser amounts of copper mineralization are contained within sulfide lenses hosted in fine-grained sedimentary rocks of phitheatre Group. Sulphide lenses are elliptically-shaped, steeply-dipping to the southwest and strike to the northwest. Principal ore halerite and chalcopyrite. Silver occurs with both lead and zinc rich sulphide zones.

exploration to define new reserves at the mine from both underground and surface core drilling platforms. For fiscal year ended the fiscal year used by the operator (CBH), the exploration expenditure at the mine was A$2.5 million (US$2.0 million).

Year-end Proven and Probable Ore Reserves Endeavor Mine

	2009 (1, 2, 3, 4)	2008	2007
	1,984	3,417	8,818
	1.93	1.47	1.52
ver (000 s)	3,820	5,019	13.375
	6,393	5,842	10,913
	3.15	3.55	1.52
ver (000 s)	20,139	20,753	16,551
	8,377	9,259	19,731
	2.86	2.78	1.52
ver (000 s)	23,959	25,772	29,926

Year-end Mineralized Material Endeavor Mine

	2009	2008	2007
	20,205	18,127	12,172
	1.77	0.96	2.44

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Operating Data (Coeur s Share)

	2009	2008	2007
	552,799	1,030,368	1,146,857
n)	1.67	1.41	1.40
	49.9	56.5	48.0
	461,800	824,093	772,609
er			
	$ 6.80	$ 2.55	$ 2.67
	6.80	2.55	2.67
	2.75	2.39	0.98
	$ 9.55	$ 4.94	$ 3.65

ffective as of June 30, 2009, which is the end of the most recent fiscal year of the operator, CBH Resources Ltd. t include additions or depletions through December 31, 2009. Metal prices used were $12.00 per ounce of silver.

re underground and open pit minable. Underground reserves include variable mining dilution (10% to 20% and mining recovery factor (50% -for pillars to 95%). For open pit reserves 10% additional tons at variable grades recovery was applied

very factor of 45% should be applied to the silver reserve ounces.

eserves is based on spacing from drill hole composites to reserve block centers. For proven reserves the maximum ers and for probable reserves it is 40 meters. A minimum of 15 drill holes samples are used in estimation of ore neralized material is similarly classified.

nce of silver represent a non U.S. GAAP measurement that management uses to monitor and evaluate the mining operations. See Item 7. Management s Discussion and Analysis of Financial Condition and Results of nciliation of Non-GAAP Cash Costs to GAAP Production Costs.

on

roken Hill Mine

the Company sold to Perilya Broken Hill Ltd. its 100% interest in silver contained at the Broken Hill mine for $55.0 million in cash. action, the Company realized a gain on the sale in the third quarter of 2009 of approximately $25.5 million, net of income taxes. ased this interest from Perilya Broken Hill Ltd. in September 2005 for $36.9 million. This transaction closed on July 30, 2009.

09 from the Broken Hill mine amounted to approximately 0.8 million ounces of silver compared to 1.4 million ounces of silver in ilver production was due to the sale of the company s interest in the silver production from the Broken Hill mineral interests on cost per ounce of silver production, which includes the operating cost contribution and smelting, refining and transportation costs,

pared to $3.41 in 2008.

Year-end Proven and Probable Ore Reserves Broken Hill Mine

	2008 (1, 2, 3, 4, 5)	2007
	6,431	8,021
.	1.58	1.59
ver (000 s)	10,185	12,727
	4,616	4,373
.	1.05	1.19
ver (000 s)	4,861	5,204
	11,047	12,394
.	1.36	1.45
ver (000 s)	15,046	17,931

Year-end Mineralized Material Broken Hill Mine

	2008	2007
	6,376	5,357
.	4.51	5.15

Operating Data (Coeur s share)

	2009(7)	2008	2007
	827,766	1,952,066	1,646,203
n)	1.44	0.97	1.19
	70.6	72.5	83.6
	842,751	1,369,009	1,642,205
er			
	$ 3.40	$ 3.41	$ 3.18
	3.40	3.41	3.18
	1.86	1.83	1.86
	$ 5.26	$ 5.24	$ 5.04

ffective as of June 30, 2008, which is the end of the most recent fiscal year of the operator (PBH). Metal prices used nce of silver.

re underground minable reserves and include factors for mining dilution and recovery. Dilution ranges from 0% to tonnage while recovery ranges from 80% to 100% of the diluted tonnage and averages 85%.

very factor of 72% should be applied to the silver reserve ounces.

vere estimated by the technical staff of CBH Resources, the mine operator, and reviewed by B. O Leary (Mine . Sims (Geologist) of the Company s technical staff.

obable reserves are a combination of zinc, lead and silver mineralization remnant from historic mining and new of the mine. Proven and probable reserves must be accessible as

specific conditions of the mine. Furthermore, reserves are defined by definition drilling on a grid of 40 meters
meters vertically and over 70% of the proven reserves are drilled on a 20 meter by 10 meter grid.

nce of silver represent a non-U.S. GAAP measurement that management uses to monitor and evaluate the
mining operations. See Item 7. Management s Discussion and Analysis of Financial Condition and Results of
nciliation of Non-GAAP Cash Costs to GAAP Production Costs.

old in July 2009, therefore, production totals represent a partial year.

DEVELOPMENT PROPERTIES

ngton Gold Project

round gold project, consisting of the Kensington and adjacent Jualin properties, is located on the east side of the Lynn Canal about
st of Juneau, Alaska. The mine will be accessed by a horizontal tunnel and utilize conventional and mechanized underground mining
e processed in a flotation mill that produces a concentrate which will be sold to third party smelters. Waste material will be deposited
lity on the property. Power is supplied to the site by on-site diesel generators. Access to the project is presently by helicopter, float
au.

s $81.7 million of remaining capital expenditures are required to complete construction and mine related activities at Kensington and
n during the third quarter of 2010. Production during the mine s initial partial year is expected to be approximately 40,000 ounces of
l 12.5 year mine life based solely on proven and probable mineral reserves, the Company expects gold production to average
ounces annually and total operating costs to average approximately $475 per ounce annually.

holly owned subsidiary of the Company (Coeur Alaska), controls two contiguous land groups: the Kensington and Jualin. The
nsists of 51 private patented lode and mill-site claims covering approximately 766 acres, 294 federal unpatented lode claims covering
res, and eight State of Alaska mining claims covering approximately 95 acres. The Company controls the Jualin Property, under a
yak Mining Company, through the cessation of mining, so long as the Company makes timely payments pursuant to the lease
Property consists of 23 patented lode and mill-site claims covering approximately 383.6 acres, 438 federal unpatented lode claims and
e claim covering approximately 7,911 acres, and 17 State of Alaska mining claims covering approximately 110 acres. The Federal
l as the private patented lode and mill-site claims, provide Coeur with the necessary rights to mine and process ore from Kensington.
ore reserves are located within the patented claims. The unpatented claims and mill site are maintained via annual filings and fees to
d Management (BLM), which acts as administrator of the claims. State claims are maintained via filings and fees to ADNR Juneau
l property taxes to the State of Alaska are paid yearly for the patented claims. Lease payments are paid annually and all leases are in

on the east side of Lynn Canal between Juneau and Haines, Alaska. Coeur Alaska is obligated to pay a scaled net smelter return
unces of future gold production after Coeur Alaska recoups the $32.5 million purchase price and its construction and development
fter July 7, 1995 in connection with placing the property into commercial production. The royalty ranges from 1% at $400 per ounce
um of 21/2% at gold prices above $475 per ounce, with the royalty to be capped at 1.0 million ounces of production.

U.S. Supreme Court reversed the Ninth Circuit Court of Appeals decision that invalidated the previously issued Section 404 Permit
for the Kensington gold mine. The Kensington property litigation, described in Note U of the Company s consolidated financial
ourt (Alaska) Kensington Project Permit Challenge , has contributed to an increase in capital costs.

reme Court decision, on August 14, 2009, the U.S. Army Corps of Engineers re-activated the Company s 404 permit, clearing the way
ailing facility to continue.

have recommenced at the Kensington mine and production is expected to begin in the second half of 2010.

ven as to whether or when regulatory permits and approvals granted to the Company may be further challenged, appealed or es or issuing agencies, or as to whether the Company will ultimately place the Kensington project into commercial production.

posit consists of multiple precious metals bearing mesothermal, quartz, carbonate, pyrite vein swarms and discrete quartz-pyrite veins s age Jualin diorite. The gold-telluride-mineral calaverite is associated with the pyrite mineralization.

continued the exploration program started in the third quarter of 2005 designed to increase the size and geologic continuity of gold neralized material inventory and ultimately result in an increase in ore reserves. In 2009, a total of $0.3 million was spent on this

Year-end Proven and Probable Ore Reserves Kensington Property

	2009	2008 (1, 2, 3, 4, 5, 6)	2007
	199	199	21
	0.38	0.38	0.23
ld (000 s)	76	76	5
	5,301	5,301	4,397
	0.26	0.26	0.31
ld (000 s)	1,402	1,402	1,347
	5,500	5,500	4,419
	0.27	0.27	0.31
ld (000 s)	1,478	1,478	1,352

Year-end Mineralized Material Kensington Property

	2009	2008	2007
	2,724	2,724	3,136
	0.18	0.18	0.20

es are effective as of December 31, 2009. Metal price used in calculating proven and probable reserves was $750 per

re underground minable and include factors for mining dilution and recovery. A factor of approximately 10% at 0.063 ounces per ton of dilution was included. An average 97% mining recovery was included.

very factor of 95.3% should be applied to the contained gold reserve ounces.

vere estimated by J. Barry (Mine Engineer) and J. Sims (Geologist) of the Company s technical staff. Snowden onsultants, an independent consultant group, performed an independent review of the Company s updated resource ed to prepare the ore reserve estimates and AMEC, an independent consultant group, were used to help prepare the plan and mining cost estimates.

ole reserves are defined underground drilling and underground workings. In practice, reserve blocks are defined by ximal composites and three-dimensional geologic controls. Proven ore

ockpiled ore. Ore reserve must be defined by at least 10 drill samples from at least 2 drill holes spaced not more
he block center. Mineralized material is similarly classified.

discussion Note U of the consolidated financial statements for further details under Federal Court of (Alaska)
t Permit Challenge and Part I, Item 1A. Risk Factors.

D DEVELOPMENT ACTIVITY

r through its wholly-owned subsidiaries, owns, leases and has interests in certain exploration-stage mining properties located in the
gentina, Tanzania, Bolivia, and Mexico. Exploration and reserve development expenditures of approximately $18.9 million,
million were incurred by the Company in 2009, 2008 and 2007 respectively.

program include:

ngineering studies on the Guadalupe structure at Palmarejo led to estimation of the first proven and probable ore reserve
at important gold and silver system in south east Palmarejo.

new high-grade mineralization at the La Negra zone at Joaquin in Argentina located northwest of the Company s Martha

new gold-bearing vein and vein system at Kensington called Kimberly. Fourteen core holes were completed on this
.

ling on the Delia vein at Cerro Bayo, discovered in late 2008, resulting in the first proven and probable ore reserve
at gold and silver-bearing vein.

7.9 million in exploration during 2010 with approximately 80% of the budget earmarked for expansion of mineral resources and
xisting operations at Palmarejo (Mexico), Kensington (Alaska), Rochester (Nevada), Martha (Argentina) and Cerro Bayo (Chile).

alin

aling 4,100 feet, were completed in 2009 at Kensington. This work targeted a new blind vein (not exposed on surface) called the
core holes intersected significant gold mineralization in Kensington-style veins. The Company plans for an additional drilling
mberly and other targets with a budget of $2.0 million. Approximately $0.3 million was spent in exploration in 2009 at Kensington;

xplore around the Rochester and Nevada Packard deposits in 2009 but used results from 2008 and prior years drilling to assess the
ng mining and leaching of new ore and in combination with existing leaching of prior-placed ore, extend the mine life and
Company has allocated $0.2 million for exploration.

ine

duct extensive exploration at its 100%-owned Cerro Bayo gold/silver mining operation in southern Chile. Approximately
n exploration for new silver and gold-bearing veins, and an additional $1.0 million was capitalized as reserve development during
t (31,700 meters) of core drilling was completed during the year to discover new mineralization and define new ore reserves. The
f this program was the expansion and definition of new ore reserves at the Delia vein discovered near the Laguna Verde ore
008. Silver and gold mineralization at Delia extends for over 1 kilometer on strike and over 100 meters vertically and forms a

eserves at Cerro Bayo. The Company believes that there is potential to discover additional high grade veins within the entire Cerro
009, new veins were discovered west of the mill facilities in a zone called Zona 2 and due east of the Cerro Bayo Dome in the eastern

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ies

ed a phase one drilling program on the Huantajaya silver property in northern Chile. During 2009, first phase of reverse circulation eet (1,458 meters) was completed at Huantajaya at a total cost of $0.6 million including supports costs in Santiago. This work was significant new mineralization. The 2010 exploration budget for Chile is expected to be $0.5 million.

Mine

s exploration efforts consisted of mapping, sampling and 61,266 feet (18,674 meters) of core drilling for a total expenditure of $0.8 million was capitalized as reserve development at Martha. At the Martha mine area, drilling amounted to over 35,400 feet otal for Argentina.

operties

inued exploration in other parts of the Santa Cruz Province near the Martha mine. Activities focused on the Nico, Satelite and ell as targets near to the Martha mine. A total of over 25,700 feet of drilling (7,039 meters) was completed on these areas. During d $3.3 million on exploration for the discovery of new mineralization and reserve development, across all our large land holdings in ruz.

e fourth quarter of 2009 returned encouraging results with of drilling on three targets; La Morena, La Negra and La Morocha. t 80 kilometers north of the Company s Martha mine, and the Company has an option to earn up to 71% managing interest in a joint wners Mirasol Resources Ltd. A fourth phase of drilling will begin early this year.

eted $3.3 million for 2010 in Argentina, Joaquin and reconnaissance exploration in the country.

of 2004, the Company acquired ten prospecting licenses for properties located in the Lake Victoria Gold Belt of Tanzania, Africa, 2007 added the Saragurwa, Bismark and Pangea properties, respectively. Based on results from its annual exploration programs, four essions were not renewed. Except for Saragurwa, Bismark and Pangea, all properties are held 100% by Tanzanian subsidiaries of the Bismark and Pangea were all returned to their respective owners. The Company changed its business plan in 2009 and actively sought yer for its interests and companies.

***eedings*.**

l proceedings, see Note U to the consolidated financial statements.

***n of Matters to a Vote of Security Holders*.**

***e Officers of the Registrant*.**

s forth certain information regarding the Company s current executive officers:

Age	Positions with Coeur	Since
67	Chairman of the Board	1992
	Chief Executive Officer and President	1986
		1980
38	Senior Vice President, Chief Financial Officer and Treasurer	2008
58	Senior Vice President, Operations	2007
56	Senior Vice President, Exploration	2004
43	Senior Vice President, General Counsel, Chief Administrative Officer and Corporate Secretary	2009
57	President, Coeur South America	2008
56	Senior Vice President, North American Operations	2008
54	Senior Vice President, Chief Accounting Officer	2008
54	Vice President, Environmental Services	2005
57	Vice President, Human Resources	2008
41	Controller	2008

been Chairman of the Board of the Company since May 1992, Chief Executive Officer since December 1986 and President since heeler was our Chief Administrative Officer from December 1980 to December 1986, Secretary from January 1980 to December resident and General Counsel from 1978 to 1980.

oined Coeur in 1995 after spending several years in the investment banking industry in New York. During his tenure with Coeur, ous positions in the corporate development department, including Senior Vice President of Corporate Development. Since March ld the position of Chief Financial Officer and was made Treasurer in July 2008. Mr. Krebs holds a BS in Economics from The University of Pennsylvania and an MBA from Harvard University.

appointed Senior Vice President Operations in May 2007. Prior to that, Mr. Weston served as Senior Vice President and Managing ralia and Vice President of the Company s South American Operations from December 2006 to May 2007. Prior thereto, he served as nd Managing Director of Coeur Australia from February 2006 to December 2006. Prior to that, Mr. Weston was employed with January 2003 to February 2006 as General Manager of Cowal Gold Project and Rio Tinto Australia from December 2000 to eral Manager of the ERA and Jabiluka mines.

pointed as Senior Vice President Exploration of Coeur in January 2004. Prior to that, Mr. Birak was employed with AngloGold m March 1999 to January 20, 2004, as Vice President Exploration and with Independence Mining Company Inc. as Vice President 95 to 1999.

nted Sr. Vice President, General Counsel, Chief Administrative Officer and Corporate Secretary in March 2009. Prior to that, e President, General Counsel and Corporate Secretary from May of 2005 to March of 2009. Ms. Kast was previously Corporate h. Inc. from April 2004 to April 2005. Prior thereto, she served as Assistant General Counsel and Corporate Secretary for Global . and Psychrometric Systems, Inc. from December 1997 through February 2003.

pointed President, Coeur South America in July 2008. Prior to that, Mr. Rada was employed from 1985 to 2008 by Newmont Mining subsidiary, Empresa Minera Inti Raymi S.A., most recently as General Manager. Prior to that Mr. Rada held various positions in with PricewaterhouseCoopers from 1978 to 1984.

ointed Senior Vice President North American Operations in July 2008. Prior to that, Mr. Hardy served as Vice President and General entina from May 2003 to July 2008. Prior to that Mr. Hardy was employed with Apex Silver Mines as Operations Manager at their Bolivia from 1999 to 2002. Prior to that Mr. Hardy was employed in Argentina with Minera Alumbrera Ltd from 1996 to 1998. was employed with Cyprus Amax Minerals from 1979 to 1996.

pointed Senior Vice President and Chief Accounting Officer in March 2008. Prior to this, Mr. Angelos was Vice President, Controller Officer of the Company from December 2006 to March 2008 and Controller and Chief Accounting Officer of the Company from elos was previously Controller of Stillwater Mining Company from 1998 to 2004, and from 1983 to 1998 was employed by Coeur in recently as Controller.

ppointed Vice President of Environmental Services at Coeur in 2005. Prior to that, Mr. Russell was Coeur d Alene Basin Project f Idaho s Department of Environmental Quality from 2001 to 2005. Before that, he held a series of increasingly responsible positions nvironmental affairs at major mining companies and was previously Director of Environmental and Government Affairs for Coeur

pointed Vice President Human Resources in January 2008. Prior to that, Mr. Nelson served as Director Human Resources from 2005 d the position of Human Resources Manager at Coeur Silver Valley from 1996 to 2005. Prior to that, he was employed in corporate e positions within the mining industry since 1977.

ppointed Controller of Coeur in March 2008. Prior to that, Mr. Koski served as Assistant Controller of Coeur from August 2002 to ary 2001 to August 2002 Mr. Koski was employed with Telect Inc. as a financial and cost analyst. Prior to this, Mr. Koski was m June 1990 to January 2001 in various capacities, most recently as Manager of Financial Accounting.

PART II

Registrant s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Equity Securities and Use of Proceeds

Total Number of Shares (or Units) Purchased(1)	Average Price Paid per Share (or Unit)	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares (or Units) That May Yet be Purchased Under the Plans or Programs
3,898	9.00		
1,231	7.70		
3,144	8.60		
937	11.00		
570	10.53		

9,780	8.99

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withheld from employees to pay taxes related to the vesting of restricted shares.

Total Number of Shares (or Units) Sold	Average Price Received per Share (or Unit)	Total Number of Shares (or Units) Sold as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares (or Units) That May Yet be Sold Under the Plans or Programs
1,988,057(1)	6.50		
1,074,773(2)	6.80		
127,320(4)	10.58		
3,556,561(3)	13.03		
3,215,467(4)	13.60		
784,466(5)	15.19		
1,951,700(5)	16.20		
2,074,305(6)	22.11		
93,848(7)	19.69		
14,866,497	13.68		

ely-negotiated agreements, the Company agreed to exchange $22.2 million aggregate principal amount of its
e Senior Notes due 2024.

ely-negotiated agreements, the Company agreed to exchange $16.6 million aggregate principal amount of its
e Senior Notes due 2028.

ely-negotiated agreements, the Company agreed to exchange $51.1 million aggregate principal amount of its
e Senior Notes due 2024.

ely-negotiated agreements, the Company agreed to exchange $63.0 million aggregate principal amount of its
e Senior Notes due 2028.

ely-negotiated agreements, the Company agreed to exchange $41.6 million aggregate principal amount of its
e Senior Notes due 2024.

ely-negotiated agreements, the Company agreed to exchange $43.0 million aggregate principal amount of its
e Senior Notes due 2024.

ely-negotiated agreements, the Company agreed to exchange $2.0 million aggregate principal amount of its
e Senior Notes due 2028.

non Stock is listed on the New York Stock Exchange (the NYSE), the Toronto Stock Exchange (TSX) and the Australian Stock
ne following table sets forth, for the periods indicated, the high and low closing sales prices of the Common Stock as reported by the

	2009		2008(1)	
	High	**Low**	**High**	**Low**
	$ 9.80	$ 5.80	$ 51.60	$ 38.80
	$ 16.70	$ 10.00	$ 39.40	$ 27.70
	$ 21.56	$ 10.51	$ 28.90	$ 14.40
	$ 24.29	$ 17.96	$ 14.80	$ 3.60
ebruary 23, 2010)	$ 14.70	$ 13.68		

ces in 2008 have been adjusted to reflect the 1-for-10 reverse stock split. See Note N of the Company s consolidated
ts for further discussion.

aid per share cash distributions or dividends on its Common Stock since 1996. Future distributions or dividends on the Common
termined by the Company s Board of Directors and will depend upon the Company s results of operations, financial conditions, capita
factors.

there were outstanding 81,431,083 shares of the Company s common stock which were held by approximately 3175 stockholders of

repurchases of its common stock during the year ended December 31, 2009.

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STOCK PERFORMANCE CHART

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN*
AMONG COEUR D ALENE MINES CORPORATION,
S&P 500 INDEX AND PEER GROUP INDEX

nce graph compares the performance of the Company s Common Stock during the period beginning December 31, 2004 and ending he S&P 500 and a Peer Group Index consisting of the following companies: Agnico Eagle Mines, Goldcorp, Hecla Mining Co., IAM rp., Northgate Minerals, Pan American Silver Corp. Centerra Gold, Inc, and Stillwater Mining Co. for the same period. The graph ment in the Company s Common Stock and in each of the indexes at the beginning of the period, and a reinvestment of dividends paid oughout the period.

	Dec. 2004	Dec. 2005	Dec. 2006	Dec. 2007	Dec. 2008	Dec. 2009
Corporation	100.00	101.9	125.96	125.70	22.39	45.96
	100.00	104.89	121.46	128.13	80.73	102.08
	100.0	131.53	160.00	191.59	157.47	202.45

information is furnished and shall not be deemed to be soliciting material or subject to Rule 14A, shall not be deemed filed for of the Exchange Act or otherwise subject to the liabilities of that section, and shall not be deemed incorporated by reference in any es Act of 1933, as amended, or the Exchange Act, whether made before or after the date of this report and irrespective of any general nce language in any such filing, except to the extent that we specifically incorporate the information by reference.

inancial Data

nmarizes certain selected consolidated financial data with respect to the Company and should be read in conjunction with the Statements and Notes thereto appearing elsewhere in this report.

a:	**2009**	**2008**	**2007**	**2006**	**2005**
		(In thousands, except per share data)			
	$ 300,618	$ 170,874	$ 194,717	$ 192,782	$ 152,014
able to sales	(191,105)	(106,582)	(113,733)	(88,014)	(87,415)
ion	(85,570)	(24,856)	(17,930)	(21,652)	(17,082)
	23,943	39,436	63,054	83,116	47,517
eral	22,097	25,846	23,875	19,369	20,624
	15,209	20,531	11,941	9,474	10,553
nd other	11,801	3,155			
	97	16,950			6,057
			507	2,365	1,600
s	49,204	66,482	36,323	31,208	38,834
)	(25,261)	(27,046)	26,731	51,908	8,683
)					
inguishments	31,988				
	(82,687)	1,756			
ne	3,248	2,557	18,195	18,654	8,385
capitalized interest	(18,102)	(4,726)	(365)	(1,224)	(2,485)
pense)	(65,553)	(413)	17,830	17,430	5,900
tinuing operations before income taxes	(90,814)	(27,459)	44,561	69,338	14,583
vision)	25,921	17,500	(10,650)	(3,934)	(989)
tinuing operations	(64,893)	(9,959)	33,911	65,404	13,594
ontinued operations	7,449	9,332	9,979	11,950	(3,043)
ts of discontinued operation	25,537			11,132	
	$ (31,907)	$ (627)	$ 43,890	$ 88,486	$ 10,551
come (loss)		(634)	86	2,391	447
(loss)	$ (31,907)	$ (1,261)	$ 43,976	$ 90,877	$ 10,998
ome (Loss) Per Share Data:					
r Share:					
tinuing operations	$ (0.91)	$ (0.18)	$ 1.19	$ 2.41	$ 0.56
ontinued operations	0.46	0.17	0.35	0.85	(0.12)

	$	(0.45)	$	0.01	$	1.54	$	3.26	$	0.44
Per Share:										
tinuing operations	$	(0.91)	$	(0.18)	$	1.10	$	2.21	$	0.56
ontinued operations		0.46		0.17		0.32		0.78		(0.13)
	$	(0.45)	$	0.01	$	1.42	$	2.99	$	0.43
per of shares of common stock(1)										
		71,565		55,073		28,597		27,136		24,291
		71,565		55,073		31,052		29,608		24,368

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)	2009	2008	2007	2006	2005
			(In thousands except per share data)		
	$ 3,054,035	$ 2,928,121	$ 2,651,694	$ 849,626	$ 594,816
	$ (2,572)	$ (8,533)	$ 152,390	$ 383,082	$ 281,977
	$ 872,222	$ 981,225	$ 812,650	$ 210,117	$ 206,921
	$ 1,993,205	$ 1,785,912	$ 1,727,367	$ 580,994	$ 341,553

company s Board of Directors authorized a 1-for-10 reverse stock split which became effective on May 26, 2009. viously reported amounts for weighted average number of shares of common stock have been adjusted to reflect the ock split.

2007, the Company completed its acquisition of all the shares of Bolnisi and Palmarejo in exchange for a total of 2 million shares of Coeur common stock and a total cash payment of approximately $1.1 million. The total amounted to $1.1 billion and the total liabilities assumed were $0.7 billion.

nt s Discussion and Analysis of Financial Condition and Results of Operations

on provides information that management believes is relevant to an assessment and understanding of the consolidated financial operations of Coeur d Alene Mines Corporation and its subsidiaries for the three years ended December 31, 2009. It consists of the

provides a brief summary of our financial position and the primary factors affecting those results.

ounting Policies which provides a discussion of the accounting policies we consider critical because of their effect on the nts of assets, liabilities, income and/or expenses in our consolidated financial statements and/or because they require ctives or complex judgments by management.

atistics and ore reserve estimates which provides a summary of the consolidated production results for the three years ber 31, 2009 and discussion of our reported ore reserves.

perations which sets forth an analysis of the operating results for the last three years.

d capital resources which contains a discussion of our cash flows and liquidity, investing activities and financing tractual obligations and environmental compliance expenditures.

ued accounting pronouncements which summarizes recently published authorative accounting guidance, how it might d how it might affect our future results.

ld s largest silver producers with growing gold production from assets in the United States, Mexico, Bolivia, Argentina, Chile and o mine, San Bartolomé mine, Rochester mine and Martha mine, each operated by the Company, and the Endeavor Mine which is stituted the Company s principal sources of mining revenues in 2009. The Company s management focuses on maximizing cash flow ons, the main factors of which are silver and gold prices, cash costs of production and capital expenditures. The Company also non-operating costs in order to maximize cash flow.

iated with our business. One of the most significant risks is fluctuation in prices of silver and gold, which are affected by numerous rol including interest rates, expectations regarding inflation, currency values, governmental decisions regarding the disposal of les, global and regional political and economic conditions, and other factors. In addition, we face challenges which include capital reases and social, political and environmental issues. Operating costs at our mines are subject to variation due to a number of factors odity prices, ore grades, metallurgy, revisions to mine plans, and changes in accounting principles. At foreign locations, operating d by currency fluctuations that may affect our U.S. dollar costs.

d prices averaged $14.65 per ounce and $972.35 per ounce in 2009, respectively. Silver hit a high of $19.275 per ounce 2, 2009 and a low of $10.45 per ounce on January 15, 2009. Gold hit a high of $1,212.50 per ounce on December 2, v of $810 per ounce on January 15, 2009;

produced a total of 17.7 million ounces of silver (includes 842,751 of silver production from Broken Hill) and 72,112 l during 2009, 47.3% and 56.4% increases over 2008, respectively;

ded by operating activities in 2009 was $64.5 million, compared to $(7.4) million in 2008;

009, the United States Supreme Court released its decision reversing the Ninth Circuit Court of Appeals decision that e previously issued Section 404 permit for the tailings facility for the Kensington gold mine near Juneau, Alaska clearing nal construction of the project. The Company estimates $81.7 million of remaining capital expenditures are required to truction and mine related activities at Kensington and to commence production during the second half of 2010;

completed construction and commenced production at its 100% owned Palmarejo mine in Mexico in April 2009;

s silver reserves increased by 16% over 2008 to over 269 million ounces, while gold reserves increased 26% to nces;

licies and Estimates

the following policies to be most critical in understanding the judgments that are involved in preparing the Company s consolidated l the uncertainties that could impact its results of operations, financial condition and cash flows. Our consolidated financial by the accounting policies used and the estimates and assumptions made by management during their preparation. We have identified itical to our business operations and the understanding of our results of operations. The information provided herein is based on our tatements, which have been prepared in accordance with U.S. GAAP. The preparation of these statements requires that we make ons that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of our financial orted amounts of revenue and expenses during the reporting period. We base these estimates on historical experience and on nsider reasonable under the circumstances; however, reported results could differ from those based on the current estimates under r conditions. The effects and associated risks of these policies on our business operations are discussed throughout this discussion and iring the use of management s estimates and assumptions relate to recoverable ounces from proven and probable reserves that are the v estimates and units-of-production depreciation and amortization calculations; useful lives utilized for depreciation, depletion, and ates of recoverable gold and silver ounces in ore on leach pad; reclamation and remediation costs; valuation allowance for deferred ployment and other employee benefit liabilities. For a detailed discussion on the application of these and other accounting policies, to the Consolidated Financial Statements of this Form 10-K.

Revenue includes sales value received for our principal product, silver, and associated by-product revenues from the sale of sting primarily of gold and copper. Revenue is recognized when title to silver and gold passes to the buyer and when collectability is e passes to the customer based on terms of the sales contract. Product pricing is determined at the point revenue is recognized by freely traded commodity markets, for example, the London Bullion Market for both gold and silver, in an identical form to the

ales contracts with third-party smelters, final gold and silver prices are set on a specified future quotational period, typically one to shipment date based on market metal prices. Revenues are recorded under these contracts at the time title passes to the buyer based on e expected settlement period. The contracts, in general, provide for provisional payment based upon provisional assays and quoted ement is based on the average applicable price for a

and generally occurs from three to six months after shipment. Final sales are settled using smelter weights, settlement assays (average d/or umpire assay results) and are priced as specified in the smelter contract. The Company s provisionally priced sales contain an at is required to be separated from the host contract for accounting purposes. The host contract is the receivable from the sale of ard price at the time of sale. The embedded derivative does not qualify for hedge accounting. The embedded derivative is recorded as paid expenses and other assets or as a derivative liability in accrued liabilities and other on the balance sheet and is adjusted to fair each period until the date of final gold and silver settlement. The form of the material being sold, after deduction for smelting and al form to that sold on the London Bullion Market. The form of the product is metal in flotation concentrate, which is the final ompany is responsible.

sales contracts are reflected in revenue at the date the related precious metals are delivered. Third-party smelting and refining costs ion of revenue.

the Company had outstanding provisionally priced sales of $19.1 million consisting of 1.0 million ounces of silver and 1,227 ounces r value of approximately $19.1 million including the embedded derivative. For each one cent per ounce change in realized silver ry (plus or minus) approximately $10,000 and for each one dollar per ounce change in realized gold price, revenue would vary (plus y $1,200. At December 31, 2008, the Company had outstanding provisionally priced sales of $33.2 million consisting of 2.2 million 88 ounces of gold, which had a fair value of approximately $32.1 million including the embedded derivative. For each one cent per d silver price, revenue would vary (plus or minus) approximately $22,000 and for each one dollar per ounce change in realized gold ry (plus or minus) approximately $8,000.

tion of the Company s consolidated financial statements in conformity with GAAP requires management to make estimates and the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of our financial statements, and f revenue and expenses during the reporting period. There can be no assurance that actual results will not differ from those estimates. nting principles upon which the Company s financial status depends are those requiring estimates of recoverable ounces from proven nd/or assumptions of future commodity prices. There are a number of uncertainties inherent in estimating quantities of reserves, beyond our control. Ore reserves estimates are based upon engineering evaluations of samplings of drill holes and other openings. e assumptions regarding future silver and gold prices, the geology of our mines, the mining methods we use and the related costs we ne our reserves. Changes in these assumptions could result in material adjustments to our reserve estimates. We use reserve estimates -of-production depreciation and amortization expense, as well as in evaluating mine asset impairments.

e our long-lived assets for impairment when events or changes in circumstances indicate that the related carrying amounts may not be ment is considered to exist if total estimated future cash flows or probability-weighted cash flows on an undiscounted basis are less nt of the assets, including property, plant and equipment, mineral property, development property, and any deferred costs. The lated to impairment are critical accounting estimates because the future cash flows used to determine whether an impairment exists is timates and other assumptions, including silver and gold prices, production levels, and capital and reclamation costs, all of which are eering life-of-mine plans.

erty, plant and equipment, mining properties and mine development using the units-of-production method over the estimated life of ur proven and probable recoverable reserves or on a straight-line basis over the useful life, whichever is shorter. The accounting reciation and amortization are critical accounting estimates because 1) the determination of reserves involves uncertainties with geology of our reserves and the assumptions used in determining the economic feasibility of mining those reserves and 2) changes in robable reserves and useful asset lives can have a material impact on net income.

heap leach process is a process of extracting silver and gold by placing ore on an impermeable pad and applying a diluted cyanide portion of the contained silver and gold, d in metallurgical processes. In August 2007, the Company terminated mining and crushing operations at the Rochester mine as ore ed. Residual heap leach activities are expected to continue through 2014.

eral integrated steps to scientifically measure the metal content of ore placed on the leach pads. As the ore body was drilled in ing process, samples were taken of the drill residue which is assayed to determine estimated quantities of contained metal. The quantity of ore by utilizing global positioning satellite survey techniques. The Company then processed the ore through crushing ut was again weighed and sampled for assaying. A metallurgical reconciliation with the data collected from the mining operation propriate adjustments made to previous estimates. The crushed ore was then transported to the leach pad for application of the e leach solution is collected from the leach pads, it is continuously sampled for assaying. The quantity of leach solution is measured out the leaching and precipitation process. After precipitation, the product is converted to dorè, which is the final product produced ory is stated at lower of cost or market, with cost being determined using a weighted average cost method.

ore on leach pad of $24.0 million as of December 31, 2009. Of this amount, $9.6 million is reported as a current asset and d as a non-current asset. The distinction between current and non-current is based upon the expected length of time necessary for the ove the metals from the broken ore. The historical cost of the metal that is expected to be extracted within twelve months is classified rical cost of metals contained within the broken ore that will be extracted beyond twelve months is classified as non-current. ach pad are valued based on actual production costs incurred to produce and place ore on the leach pad, adjusted for effects on costs of abnormal production levels, less costs allocated to minerals recovered through the leach process.

e ultimate recovery expected over time and the quantity of metal that may be extracted relative to the time the leach process occurs nates which are inherently inaccurate since they rely upon laboratory testwork. Testwork consists of 60 day leach columns from jects metal recoveries up to five years in the future. The quantities of metal contained in the ore are based upon actual weights and at which the leach process extracts gold and silver from the crushed ore is based upon laboratory column tests and actual experience an twenty years of leach pad operations at the Rochester Mine. The assumptions used by the Company to measure metal content inventory conversion process includes estimated recovery rates based on laboratory testing and assaying. The Company periodically mpared to actual experience and revises its estimates when appropriate. During the third quarter of 2008, the Company increased its contained in the heap inventory by 5.4 million ounces. The increase in estimated silver ounces contained in the heap inventory is due recoveries anticipated for the remainder of the residual leach phase. There were no changes in recoveries related to gold contained in the Company believes its current residual heap leach activities are expected to continue through 2014. The ultimate recovery will hing operations cease. If our estimate of ultimate recovery requires adjustment, the impact upon our valuation and upon our income ollows:

	Positive/Negative Change in Silver Recovery			**Positive/Negative Change in Gold Recovery**		
	1%	**2%**	**3%**	**1%**	**2%**	**3%**
ounces	1.7 million	3.5 million	5.2 million	13,240	26,480	39,720
re cost of production per silver creases in recovery rates	$ 3.52	$ 2.81	$ 2.33	$ 4.05	$ 3.54	$ 3.14
ure cost of production per silver creases in recovery rates	$ 7.17	$ 12.05	$ 12.05	$ 5.67	$ 7.10	$ 7.77

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ach pads are valued based upon actual production costs incurred to produce and place such ore on the leach pad during the current effects on monthly production of costs of abnormal production levels, less costs allocated to minerals recovered through the leach ist of those production activities occurring at the mine site and include the costs, including depreciation, associated with mining, on circuits. In addition, refining is provided by a third-party refiner to place the metal extracted from the leach pad in a saleable form. re considered in the valuation of inventory.

liation costs. The Company recognizes obligations associated with the retirement of tangible long-lived assets and the associated These legal obligations are associated with the retirement of long-lived assets that result from the acquisition, construction, l use of the asset. The fair value of a liability for an asset retirement obligation will be recognized in the period in which it is estimate of fair value can be made. The fair value of the liability is added to the carrying amount of the associated asset and this unt is depreciated over the life of the asset. An accretion cost, representing the increase over time in the present value of the liability, in depreciation, depletion and amortization expense. As reclamation work is performed or liabilities are otherwise settled, the liability is reduced.

s for inactive mines are accrued based on management s best estimate at the end of each period of the undiscounted costs expected to Such cost estimates include, where applicable, ongoing care and maintenance and monitoring costs. Changes in estimates are reflected d an estimate is revised.

npany computes income taxes using an asset and liability approach which results in the recognition of deferred tax liabilities and future tax consequences or benefits of temporary differences between the financial reporting bases and the tax bases of assets and erating loss and tax credit carryforwards, using enacted tax rates in effect in the years in which the differences are expected to

bility of deferred tax assets, management considers whether it is more likely than not that some portion or all of its deferred tax assets nagement considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in . A valuation allowance has been provided for the portion of the Company s net deferred tax assets for which it is more likely than not lized.

ubsidiaries are subject to U.S. federal income tax as well as income tax of multiple state and foreign jurisdictions. The Company has all U.S. federal income tax matters for years through 1999. Federal income tax returns for 2000 through 2008 are subject to pany s practice is to recognize interest and/or penalties related to income tax matters in income tax expense. There were no significant lties at December 31, 2009.

d Ore Reserve Estimates

roduction, including discontinued operations in 2009 was 17.7 million ounces of silver and 72,112 ounces of gold, compared to silver and 46,115 ounces of gold in 2008. Total estimated proven and probable reserves at December 31, 2009 were approximately silver and 2.9 million ounces of gold, compared to silver and gold ore reserves at December 31, 2008 of approximately d 2.3 million ounces, respectively.

ws the estimated amounts of proven and probable ore reserves and mineralized material at the following Company locations at

Proven and Probable Ore Reserves					Mineralized Material		
(000 s) Tons	Grade Ag oz/t	Grade Au oz/t	(000 s) Ounces Ag	(000 s) Ounces Au	(000 s) Tons	Grade Ag oz/t	Grade Au oz/t
42,417	0.61	0.005	25,884	233	104,783	0.52	0.004
775	9.78	0.07	7,587	57	769	10.36	0.15
38	33.14	0.04	1,249	1	29	59.54	0.05
31,372	3.83		120,033		36,953	1.75	
5,500		0.27		1,478	2,724		0.18
8,377	2.86		23,959		20,205	1.77	
17,900	5.03	0.06	90,521	1,102	4,493	3.48	0.05
106,379			269,233	2,871	169,956		

Total tons (000 s)	Ag oz/t (Wt. Avg.)	Au oz/t (Wt. Avg.)	Total tons (000 s)	Ag oz/t (Wt. Avg.)	Au oz/t (Wt. Avg.)
101,006	2.67		167,275	1.08	
66,757		0.04	112,841		0.01

ember 31, 2009 may change with fluctuations in the price of gold and silver. The following table shows the estimated changes to ore ted by the Company at different pricing ranges:

Proven and Probable Ore Reserve Sensitivity to				
Per ounce Silver Price	Per ounce Gold Price	(000 s) Tons	(000 s) Ounces Ag	(000 s) Ounces Au
$ 12.50	$ 750	730	7,374	56
$ 13.50	$ 800	758	7,516	57
$ 14.50	$ 850	776	7,587	57
$ 15.50	$ 900	802	7,688	58
$ 16.50	$ 950	822	7,752	59
$ 12.50	$ 750	31	1,112	1.2
$ 13.50	$ 800	34	1,191	1.3
$ 14.50	$ 850	34	1,191	1.3
$ 15.50	$ 900	34	1,191	1.3
$ 16.50	$ 950	38	1,249	1.4

$	12.50			25,724	107,646	
$	13.50			31,372	120,033	
$	14.50			34,196	126,227	
$	15.50			36,732	132,114	
$	16.50			39,267	138,001	
		$	750	5,500		1,478
		$	800	6,364		1,622
		$	850	7,247		1,738
		$	900	7,926		1,814
		$	950	8,550		1,883

		Proven and Probable Ore Reserve Sensitivity to			
	Per ounce Silver Price	Per ounce Gold Price	(000 s) Tons	(000 s) Ounces Ag	(000 s) Ounces Au
	$ 12.50	$ 750	17,286	89,443	1,090
	$ 13.50	$ 800	17,744	90,372	1,101
	$ 14.50	$ 850	17,900	90,521	1,102
	$ 15.50	$ 900	18,205	91,052	1,107
	$ 16.50	$ 950	18,392	91,293	1,110
	$ 13.50	$ 800	42,417	25,884	232
	$ 14.50	$ 850	42,417	25,884	232
	$ 15.50	$ 900	42,417	25,884	232
	$ 16.50	$ 950	42,417	25,884	232

s include the Palmarejo and Guadalupe deposits.

s do not change at metal price ranges specified due to heap leach pad limitations; the reserve is reported at cut-off
ed above the economic breakeven to accommodate this limitation.

sents production information by mine and consolidated sales information for the years ended December 31:

	2009	2008	2007
	1,065,508		
	4.31		
	0.06		
	66.3%		
	88.2%		
es	3,047,843		
.	54,740		
	$ 9.80		
	$ 9.80		
z	$ 26.80		
	1,518,671	505,514	
	5.49	7.46	
	89.6%	75.8%	
es	7,469,222	2,861,500	
	$ 7.80	$ 8.22	
	$ 10.48	$ 10.53	
z	$ 12.96	$ 12.50	

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	2009	2008	2007
	109,974	57,886	37,047
	36.03	49.98	78.10
	0.05	0.07	0.12
	93.6%	93.7%	95.0%
	87.6%	88.3%	92.7%
es	3,707,544	2,710,673	2,748,705
.	4,709	3,313	4,127
	$ 6.19	$ 6.87	$ 5.54
	$ 6.68	$ 7.57	$ 6.27
z	$ 8.62	$ 9.38	$ 6.78
			5,060,678
			0.65
			0.01
			141.4%
			167.6%
es	2,181,788	3,033,720	4,614,780
.	12,663	21,041	50,408
	$ 1.95	$ (0.75)	$ 0.99
	$ 2.58	$ (0.03)	$ 1.52
z	$ 3.51	$ 0.75	$ 3.82
	552,799	1,030,368	1,146,857
	1.67	1.41	1.40
	49.9%	56.5%	48.0%
es	461,800	824,093	772,609
	$ 6.80	$ 2.55	$ 2.67
	$ 6.80	$ 2.55	$ 2.67
z	$ 9.55	$ 4.94	$ 3.65
		236,403	387,378
		5.54	4.68
		0.10	0.11
		93.4%	94.4%
		90.2%	92.2%
es		1,224,084	1,709,830
.		21,761	37,479
		$ 8.56	$ 8.22
		$ 8.56	$ 8.22
z		$ 14.65	$ 11.82

	2009	2008	2007
RODUCTION TOTALS			
	16,868,197	10,654,070	9,845,924
	72,112	46,115	92,014
	$ 7.03	$ 4.92	$ 3.64
	$ 8.40	$ 5.92	$ 4.10
z	$ 13.19	$ 8.02	$ 6.02
LES TOTALS(C)			
	16,310,225	9,637,242	9,846,982
	65,607	49,130	94,284
r ounce	$ 14.83	$ 14.22	$ 13.53
ounce	$ 1,003	$ 915	$ 700

ed commercial production on April 20, 2009. Mine statistics do not represent normal operating results.

t Rochester requires 5 to 10 years to recover gold and silver contained in the ore. The Company estimates the to be approximately 61.5% for silver and 93% for gold. However, ultimate recoveries will not be known until ns cease, which is currently estimated for 2014. Current recovery may vary significantly from ultimate recovery. See ng Policies and Estimates Ore on Leach Pad.

on ounces and recoveries reflect final metal settlements of previously reported production ounces.

rom Discontinued Operations

sents information for Broken Hill which was sold on July 30, 2009, effective as of July 1, 2009:

	2009	2008	2007
	827,766	1,952,066	1,646,203
	1.44	0.97	1.19
	70.6%	72.5%	83.6%
s	842,751	1,369,009	1,642,205
	$ 3.40	$ 3.41	$ 3.18
	$ 3.40	$ 3.41	$ 3.18
	$ 5.26	$ 5.24	$ 5.04

GAAP Cash Costs to GAAP Production Costs

sents a reconciliation between non-GAAP cash operating costs per ounce and cash costs per ounce to production costs applicable to tion, depletion and amortization, calculated in accordance with U.S. GAAP.

all direct and indirect operating cash costs related directly to the physical activities of producing metals, including mining, ant costs, third-party refining and marketing expense, on-site general and administrative costs, royalties and mining production taxes, ues earned from all metals other than the primary metal produced at each unit. Cash operating costs include all cash costs except yalties if applicable. Total cash costs and cash operating costs are performance measures which we believe provide management and tion of net cash flow, after consideration of the realized price received for production sold. Management also uses these

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ring of performance of our mining operations period-to-period from a cash flow perspective. Cash operating costs per ounce and unce are measures developed by precious metals companies in an effort to provide a comparable standard, however, there can be no rting of these non-GAAP measures are similar to that reported by other mining companies. Cash operating costs and total cash costs, have the limitation of excluding potentially large amounts related to inventory adjustments, non-cash charges and byproduct credits. tes for this limitation by using both the GAAP production costs and the non-GAAP cash costs metrics in its planning.

able to sales including depreciation, depletion and amortization, is the most comparable financial measure calculated in accordance n costs. The sum of the production costs applicable to sales and depreciation, depletion and amortization for our mines as set forth in uded in our Consolidated Statements of Operations and Comprehensive Income.

r 31, 2009

unces and	**San Bartolomé**	**Martha**	**Palmarejo**	**Cerro Bayo**	**Rochester**	**Endeavor**	**Total**
nces)	7,469,222	3,707,544	3,047,843		2,181,788	461,800	16,868,197
ounce	$ 7.80	$ 6.19	$ 9.80	$	$ 1.95	$ 6.80	$ 7.03
	$ 10.48	$ 6.68	$ 9.80	$	$ 2.58	$ 6.80	$ 8.40
Non-GAAP)	$ 58,293	$ 22,963	$ 29,883	$	$ 4,236	$ 3,142	$ 118,517
	19,988	1,815					21,803
					1,401		1,401
GAAP)	78,281	24,778	29,883		5,637	3,142	141,721
sts		(7,118)	(1,416)			(1,035)	(9,569)
		4,615	55,386		12,335		72,336
	8	669	20		171		868
	2,590	(5,048)	(19,028)	1,211	6,063	(38)	(14,250)
and amortization	18,509	6,511	51,801		1,852	1,269	79,942
able to sales, including and amortization (GAAP)	99,388	24,407	116,646	1,211	26,058	3,338	271,048

r 31, 2008

unces and per ounce costs)	**San Bartolomé**	**Martha**	**Cerro Bayo**	**Rochester**	**Endeavor**	**Total**
nces)	2,861,500	2,710,673	1,224,084	3,033,720	824,093	10,654,070
ounce	$ 8.22	$ 6.87	$ 8.56	$ (0.75)	$ 2.55	$ 4.92
	$ 10.53	$ 7.57	$ 8.56	$ (0.03)	$ 2.55	$ 5.92
Non-GAAP)	$ 23,535	$ 18,619	$ 10,478	$ (2,290)	$ 2,101	$ 52,443
	6,605	1,889				8,494
				2,188		2,188

GAAP)	30,140	20,508	10,478	(102)	2,101	63,125
sts		(3,019)	(3,818)		(1,212)	(8,049)
		2,880	19,595	18,499		40,974
		470	(425)	12		57
	(12,393)	(3,240)	2,099	23,837	171	10,474
and amortization	5,638	4,431	7,881	2,353	1,971	22,274
able to sales, including depreciation, ion (GAAP)	$ 23,385	$ 22,030	$ 35,810	$ 44,599	$ 3,031	$ 128,855

r 31, 2007

unces and per ounce costs)	**Martha**	**Cerro Bayo**	**Rochester**	**Endeavor**	**Total**
nces)	2,748,705	1,709,830	4,614,780	772,609	9,845,924
ounce	$ 5.53	$ 8.22	$ 0.99	$ 2.67	$ 3.64
	$ 6.27	$ 8.22	$ 1.52	$ 2.67	$ 4.10
Non-GAAP)	$ 15,217	$ 14,055	$ 4,559	$ 2,064	$ 35,895
	2,028				2,028
			2,476		2,476
GAAP)	17,245	14,055	7,035	2,064	40,399
sts	(2,112)	(3,603)		(1,347)	(7,062)
	2,889	26,199	34,664		63,752
			1,926		1,926
	(146)	(1,701)	16,738	(172)	14,719
and amortization	1,383	6,155	8,697	755	16,990
able to sales, including depreciation, depletion and	$ 19,259	$ 41,105	$ 69,060	$ 1,300	$ 130,724

d production royalty is currently reflected as a minimum royalty obligation which commenced on July 1, 2009 and nts have been made on a total of 400,000 ounces of gold, at which time a royalty expense will be recorded.

nal metal settlement adjustments.

esent a reconciliation between non-GAAP cash costs per ounce to GAAP production costs applicable to sales reported in s for the years ended (see Note F Discontinued Operations):

	2009(2)	**2008**	**2007**
unces)	842,751	1,369,009	1,642,205
r ounce	$ 3.40	$ 3.41	$ 3.18
	$ 3.40	$ 3.41	$ 3.18
GAAP)	2,862	4,670	5,228
sts	(1,164)	(1,938)	(2,006)
	39	22	69

and amortization		1,570		2,507		3,055
able to sales, including depreciation, depletion and amortization (GAAP)	$	3,307	$	5,261	$	6,346

unce and Cash Costs per Ounce are calculated by dividing the operating cash costs and cash costs computed for each of the Compa specified period by the amount of gold ounces or silver ounces produced by that property during that same period. Management uses d cash costs per ounce as key indicators of the profitability of each of its mining properties. Gold and silver are sold and priced in the on a U.S. dollar per ounce basis.

and Cash Costs are costs directly related to the physical activities of producing silver and gold, and include mining, processing and party refining and smelting costs, marketing expense, on-site general and administrative costs, royalties, in-mine drilling expenditures ction and other direct costs. Sales of by-product metals are deducted from the above in computing cash le depreciation, depletion and amortization, accretion, corporate general and administrative expense, exploration, interest, and sh operating costs include all cash costs except production taxes and royalties, if applicable. Cash costs are calculated and presented e Production Cost Standard applied consistently for all periods presented.

d cash costs per ounce are non-GAAP measures and investors are cautioned not to place undue reliance on them and are urged to ng disclosures presented in the consolidated financial statements and accompanying footnotes. In addition, see the reconciliation of costs under Reconciliation of Non-GAAP Cash Costs to GAAP Production Costs set forth above.

r 31, 2009 Compared to Year Ended December 31, 2008

tinuing operations in the year ended December 31, 2009 increased by $129.7 million, or 75.9%, from the year ended December 31, The increase was primarily due to an increase in the quantity of silver ounces sold due to contributions from the Company s two new lomé mine which operated at full capacity during the year ended December 31, 2009 and commenced operations in June 2008; and r and gold mine which began commercial operations on April 20, 2009. In 2009, the Company sold 16.3 million ounces of silver and compared to sales of 9.6 million ounces of silver and 49,130 ounces of gold in 2008 from continuing operations. In the year ended Company realized average silver and gold prices of $14.83 per ounce and $1,003 per ounce, respectively, compared with realized 2 per ounce and $915 per ounce, respectively, in the prior year.

by-product metal sales derived from the sale of gold. In 2009, by-product revenues totaled $62.3 million compared to $41.0 million a result of the Company s Palmarejo mine being in operation since April 20, 2009, offset by the decrease from the Cerro Bayo mine ion during 2009. The Company believes that presentation of these revenue streams as by-products from its current operations will ate in the future.

mber 31, 2009, the Company s continuing operations produced a total of 16.9 million ounces of silver (excludes 842,751 ounces of Broken Hill) and 72,112 ounces of gold compared to 10.7 million ounces of silver and 46,115 ounces of gold in 2008. The increase in 9, as compared to 2008, was primarily due to the increase of 4.6 million ounces from the San Bartolomé mine, which operated at full r ended 2009 and commenced operations in June 2008, and an increase of 3.0 million ounces at the Palmarejo silver and gold mine, on April 20, 2009 and an increase of 1.0 million ounces at the Martha mine. The increase in gold production is due to an increase of lmarejo mine partially offset by a decrease of 21,761 ounces of gold at the Cerro Bayo mine which was not in operation during 2009.

able to sales from continuing operations for the year ended 2009 increased by $84.5 million, or 79.3%, from the same period of 2008 ncrease in production costs applicable to sales for the year is primarily due to increased production costs at the Palmarejo and elated to the commencement of operations at Palmarejo and inclusion of operating costs for San Bartolomé for the entire year ended

ion increased in the year ended December 31, 2009 by $60.7 million, or 244.3%, over the prior year, primarily due to increased on expense from the Palmarejo mine and a full year at the San Bartolomé mine.

eral expenses decreased $3.7 million or 14.5% in 2009 compared to 2008 due primarily to realization of cost reduction initiatives.

ecreased by $5.3 million or 25.9% in 2009 compared to 2008 as a result of decreased exploration activity.

nd other expenses increased by $8.6 million compared to 2008. The increase was due to a full year of care and maintenance costs yo Mine due to the temporary suspension of operating activities which occurred in October 2008. In addition, the Company accrued ion expense of $5.0 million for its Furioso property located at the Cerro Bayo Mine, during the fourth quarter of 2009.

were $0.1 million in 2009. Pre-development expenses of $17.0 million were recorded as a result of pre-development activities at the g 2008. The Company completed its final feasibility study in the second quarter of 2008 and commenced capitalizing its mine es for the remainder of 2008 and the year ended 2009.

enses

ed $32.0 million of gains from debt extinguishments during 2009 from the exchange of a portion of the 31/4% convertible senior nvertible senior notes for shares of common stock. There were no gains from debt extinguishments recorded during the year ended

struments during 2009 were $82.7 million. The increase was due to mark-to-market adjustments driven by higher gold and silver nco-Nevada royalty obligation and warrant, the gold lease facility, warrants to acquire the senior secured floating rate convertible ns and forward foreign exchange contracts. See Note Q of the Company s consolidated financial statements, Derivative Financial lue of Financial Instruments and Fair Value of Financial Instruments for further discussion.

e in 2009 increased by $0.7 million compared with the same period in 2008. The increase was primarily due to gains on foreign

capitalized interest was $18.1 million in 2009 compared to $4.7 million in 2008. The increase in interest expense is related to he Franco Nevada obligation, the 31/4% convertible debentures, and interest expense for the gold lease facility and other short term lease obligations. See Note K of the Company s consolidated financial statements, Long-Term Debt, for further discussion. In project was placed into service on April 20, 2009, thereby, decreasing capitalized interest in 2009. Capitalized interest was ompared to $12.2 million in 2008.

ember 31, 2009, the Company reported an income tax benefit of approximately $25.9 million compared to an income tax benefit of The following table summarizes the components of the Company s income tax benefit for the years ended 2009 and 2008.

	Years Ended December 31	
	2009	**2008**
tive minimum tax	$ (2,249)	$ (644)
withholding tax	(1,509)	(1,498)
	(6,284)	(2,047)
	592	(1,085)
	(124)	(623)
	(2,673)	
	(53)	(34)
		(1,410)
	200	1,115

	(6,221)	(2,480)
	(2,308)	113
	40,346	(27,753)
	6,204	53,846
vision)	$ 25,921	$ 17,500

ecognized a current provision in the U.S. and certain foreign jurisdictions primarily related to higher metals prices, inflationary netary assets and unrealized foreign exchange gains on U.S. dollar denominated liabilities in Bolivia. Further, the Company accrued es of approximately $1.5 million on inter-company transactions from the U.S. parent to the Argentina, Mexico and Australia e Company recognized a $46.6 million deferred tax benefit for the recognition of deferred taxes on deductible temporary differences arryforwards in various jurisdictions (principally Mexico). The Company recognized a deferred tax provision of $8.5 million Chile) for inflation adjustments on non-monetary assets in Bolivia and established a valuation allowance in Chile as the Company nore likely than not that certain deferred tax assets would not be realized.

netals prices, the Company recognized a current provision in the U.S. and certain foreign operating jurisdictions. Further, the gn withholding taxes of approximately $1.5 million on inter-company transactions from the U.S. parent to the Mexico, Argentina and The Company recognized a $31.6 million deferred tax provision primarily in Bolivia and Mexico related to higher metal prices and s on non-monetary assets and unrealized foreign exchange gains on U.S. dollar denominated liabilities in Bolivia. Finally, the deferred tax benefit of $55.1 million related to the recognition of deferred taxes and deductible temporary differences in net operating arious jurisdictions, principally in the U.S.

d Operations

the Company completed the sale of its mineral interest in the Broken Hill mine to Perilya Broken Hill Ltd. for $55.0 million in cash. Broken Hill segment has been reported in discontinued operations for the three years ended December 31, 2009. Income from , net of taxes, was $7.4 million during 2009 compared to $9.3 million during 2008. The Company recognized a gain, net of taxes, of e in 2009.

mary of the Company s discontinued operations included in the consolidated statements of operations for the years ended 2008 (in thousands):

	2009	2008
	$ 10,435	$ 18,591
able to sales	(1,652)	(2,754)
ion	(1,570)	(2,506)
ense)	236	(3,999)
ed operations	7,449	9,332
ts of discontinued operations	25,537	
nued operations	$ 32,986	$ 9,332

r 31, 2008 Compared to Year Ended December 31, 2007

tinuing operations in the year ended December 31, 2008 decreased by $23.8 million, or 12.2%, from the year ended December 31, The decrease in sales of metal was primarily due to a decrease in the quantity of gold ounces sold during 2008, partially offset by ealized in 2008 compared to 2007. In 2008, the Company sold 9.6 million ounces of silver and 49,130 ounces of gold from compared to sales of 9.8 million ounces of silver and 94,284 ounces of gold in 2007. In the year ended December 31, 2008, the

age silver and gold prices of $14.22 per ounce and $915 per ounce, respectively, compared with realized average prices of $13.53 per
ce, respectively, in the prior year.

by-product metal sales consisting of gold. In 2008, by-product revenues totaled $41.0 million compared to $64.4 million in 2007. duct revenues is due to a decrease in the quantity of gold sold in 2008 partially offset by an increase in the realized prices of gold. The presentation of these revenue streams as by-products from its current operations will continue to be appropriate in the future.

mber 31, 2008, the Company produced a total of 10.7 million ounces of silver and 46,115 ounces of gold compared to 9.8 million 014 ounces of gold in 2007. The increase in silver production in 2008, as compared to 2007, was primarily due to the uction activities at the San Bartolomé mine, offset by lower silver production from the Rochester, Cerro Bayo and Broken Hill

able to sales from continuing operations for the year ended 2008 decreased by $7.2 million, or 6.3%, from the same period of 2007 to rease in production costs applicable to sales for the year is primarily the result of $18.1 million lower production costs at the ly due to the increase in estimated recoverable silver ounces contained in the heap inventory at the Rochester mine. Production costs illion primarily due to the temporary suspension of activities at Cerro Bayo due to uneconomical total production costs and a sting reserves and focus on exploration and development of new discoveries. These decreases were partially offset by a n operating costs due to commencement of operations at the San Bartolomé mine.

ization increased in the year ended December 31, 2008 by $6.9 million, or 38.6%, over the prior year, primarily due to increased on expense from the San Bartolomé mine which began operations at the end of June 2008.

eral expenses increased $2.0 million in 2008 compared to 2007 due primarily to increased costs associated with the Company s audit er corporate expenses.

creased by $8.6 million or 71.9% in 2008 compared to 2007 as a result of increased exploration activities primarily due to the jo project.

development costs at the Palmarejo project were recorded as expenses during 2008. The Company completed its final feasibility project on June 10, 2008 and commenced capitalizing its mine development expenses for the remainder of 2008. No ses were recorded during the year ended 2007.

of care and maintenance expenses were incurred at the Cerro Bayo Mine due to the temporary suspension of operating activities. No ere recorded during the year-ended 2007.

penses decreased by $0.5 million in 2008. During the first quarter of 2007, the Company accrued the remaining $0.5 million royalty called for under the May, 2001 settlement agreement relating to the Federal National Resource action commenced against the 6. The final payment was made early in the second quarter of 2007. No litigation settlement expenses were recorded during 2008.

enses

ne in the year ended December 31, 2008 decreased by $15.6 million, or 85.9% compared with the year ended December 31, 2007. arily due to lower levels of invested cash and short-term investments as a result of construction activities at the Palmarejo, sington projects and lower interest rates earned on the Company s cash, cash equivalents and short-term investments.

ve instruments in the year ended December 31, 2008 increased by $1.8 million, compared with the year ended December 31, 2007. mark to market adjustments related to the gold lease facility, conversion option and warrant of the Senior Secured Floating re were no gains (loss) on derivative instruments recorded during 2007.

capitalized interest was $4.7 million in 2008 compared to $0.4 million in 2007. The increase in interest expense is related to the ecured Floating Rate Convertible Notes, 31/4% Convertible Senior Notes, Gold Lease Facility and other short term borrowing and . Capitalized interest was $12.2 million in 2008 compared to $2.3 million in 2007.

ember 31, 2008, the Company reported an income tax benefit of approximately $17.5 million compared to an income tax provision of The following table summarizes the components of the Company s income tax provision for the years ended 2008 and 2007.

	Years Ended December 31 2008	2007
tive minimum tax	$ (644)	$ (381)
withholding tax	(1,498)	(904)
	(2,047)	(6,590)
	(1,085)	(621)
	(623)	
	(34)	
	(1,410)	172
	1,115	(664)
	(2,480)	
	113	(1,662)
	(27,753)	
	53,846	
vision)	$ 17,500	$ (10,650)

ecognized a current provision in certain foreign jurisdictions. The Company accrued foreign withholding taxes of approximately mpany transactions between the U.S. parent and subsidiaries operating in Mexico, Argentina and Australia. The Company ion net deferred tax benefit for the recognition of deferred taxes on deductible temporary differences and net operating loss s jurisdictions (principally Mexico). The Company recognized a $2.5 million deferred tax provision in Bolivia for inflationary netary assets and unrealized foreign exchange gains on U.S. dollar denominated liabilities in Bolivia.

netal prices, the Company recognized a current provision in the U.S. and all foreign operating jurisdictions. The Company accrued es of approximately $0.9 million on interest payable on inter-company loans from the U.S. parent to the Argentina and Australia any recognized a $2.2 million deferred tax provision in foreign jurisdictions for the recognition of the benefit of tax loss net of the recognition of deferred taxes on taxable temporary differences in Argentina and Australia. During 2007, the Company income tax provisions resulting from its assessment of prior period tax contingencies across its various tax jurisdictions in .

d Operations

the Company completed the sale of its mineral interest in the Broken Hill mine to Perilya Broken Hill Ltd. for $55.0 million in cash. ken Hill has been reported in discontinued operations for the three years ended December 31, 2009. Income from discontinued was $9.3 million during 2008 compared to $10.0 million during 2007.

mary of the Company s discontinued operations included in the consolidated statements of operations for the years ended
2007 (in thousands):

	2008	2007
	$ 18,591	$ 20,602
able to sales	(2,754)	(3,292)
ion	(2,506)	(3,054)
	(3,999)	(4,277)
ed operations	9,332	9,979
ts of discontinued operations		
nued operations	9,332	9,979

Resources

and Cash Equivalents

ng capital at December 31, 2009 improved by $5.9 million to a deficit of approximately $2.6 million compared to a deficit working
$8.5 million at December 31, 2008. The ratio of current assets to current liabilities was .99 to 1 at December 31, 2009 compared to
, 2008. Giving effect to the recent sale of the unsecured notes on February 5, 2010, the Company estimates its working capital to be
llion and its current ratio to be 1.52 to 1. See Note W Subsequent Events for further discussion

perating activities in 2009 was $64.5 million compared with net cash used by operating activities of $7.4 million in 2008 and net cash
ctivities of $40.1 million in 2007. Cash provided by operating activities consist of the following:

	Years Ended December 31, 2009	2008	2007
stomers	$ 311,085	$ 203,219	$ 220,055
employees, etc.	(246,484)	(214,433)	(195,377)
	1,141	4,592	15,589
ons	(1,254)	(745)	(210)
sed in) operating activities	$ 64,488	$ (7,367)	$ 40,057

n was used in investing activities in 2009 compared to $326.2 million used in 2008. The decrease of $177.6 million is primarily due
ent activity at Kensington and San Bartolomé and the proceeds from the sale of our interest in the Broken Hill mine of $55 million,
ent activity at Palmarejo.

ing activities provided $86.2 million of cash during 2009 compared to net cash provided by financing activities of $255.7 million in
et cash provided by financing activities was primarily due to the issuance of the Company s 31/4% Convertible Senior Notes in the

ount of $230 million which occurred on March 18, 2008, offset by the cash proceeds received in the first quarter of 2009, from the to purchase the Senior Secured Floating Rate Convertible Notes due 2012, and proceeds from the gold production royalty. Cash and sed slightly in 2009 compared to a decrease of $77.9 million in 2008.

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09, the Company s cash, equivalents and short-term investments totaled $22.8 million. As of the date of this Form 10-K, the Company valents and short-term investments to be $118.4 million (See Note W Subsequent Events). During 2009, the Company received million of cash proceeds consisting of $20.4 million from the exercise of a warrant relating to the Senior Secured Floating Rate 2012, $75 million from the gold royalty stream transaction with Franco-Nevada Corporation and $55.0 million related to the sale of 9. (See Note F to the consolidated financial statements, Discontinued Operations and Assets and Liabilities Held for Sale).

that its liquidity and projected operating cashflows will be adequate to meet its obligations for at least the next twelve months. The st approximately $150 million in capital activities in 2010 to complete the construction of the Palmarejo and Kensington sustaining capital investments at its existing operations.

t to defer some capital investment activities or to secure additional capital to ensure it maintains sufficient liquidity. In addition, if the rsue the acquisition of additional mineral interests, new capital projects, or acquisitions of new properties, mines or companies, ivities may be necessary. There can be no assurances that such financing will be available when or if needed upon acceptable terms, ded.

and Palmarejo

the Company completed its acquisition of all of the shares of Bolnisi Gold NL and Palmarejo Gold and Silver Corporation in approximately 27.2 million shares of Coeur common stock, a total cash payment of approximately $1.1 million and the assumption of n. Coeur issued 0.0682 shares of Coeur common stock (or, at the election of the Bolnisi shareholder, CHESS Depositary Interests es) and A$0.004 in cash (or approximately US$1.0 million in the aggregate) for each Bolnisi ordinary share, and 0.2715 shares of nd C$0.004 in cash (or approximately US $0.1 million in the aggregate) for each Palmarejo common share.

es

penditures totaled $219.1 million. The Company expended $162.8 million at the Palmarejo project, $42.1 million for construction ties at the Kensington project, $11.1 million for the development of the San Bartolomé project, $1.6 million at the Martha mine, o Bayo Mine and $0.3 million at the Rochester Mine.

the Company entered into a gold lease facility with Mitsubishi International Corporation (MIC). Under the facility, the Company 0 million for the sale of 23,529 ounces of gold leased from MIC to the Company. During 2009, the Company repaid 2,000 ounces of tional 5,000 ounces of gold. As of December 31, 2009, the Company had 26,529 ounces of gold leased from MIC. The Company has is number of ounces of gold to MIC over the next seven months on scheduled delivery dates. As of December 31, 2009 the Company rtain collateral, including standby letters of credit of $2.3 million and $11.3 million of metal inventory held at its refiners. The the gold lease facility as a derivative instrument, and it is recorded in accrued liabilities and other in the balance sheet.

ources

g Rate Convertible Notes

09 and the date of this Form 10-K, there were no outstanding Senior Secured Floating Rate Convertible Notes.

67

e Company completed an offering of $50 million in aggregate principal amount of Senior Secured Floating Rate Convertible Notes. to the purchaser a warrant to purchase up to an additional $25 million aggregate principal amount of convertible notes. The notes hares of the Company s common stock at the option of the holder at any time prior to the close of business on the business day the maturity date. The initial conversion price was $11.50 per share. The net proceeds to the Company were $40.2 million after of issuance costs. The purchaser also received warrants to purchase up to an additional $25 million aggregate principal amount of 0.4 million.

at LIBOR plus 7.50% per year, provided that in no event would the annual rate be less than 9% or more than 12%. As of interest rate was 12%. Interest was payable, at the Company s option, in cash, common stock or a combination of cash and common he Company s senior secured obligations, ranking equally with all existing and future senior obligations and ranking senior to all ordinated indebtedness, and were secured by certain assets of the Company s Coeur Rochester, Inc. subsidiary.

e Company amended its agreement with the holders of the Senior Secured Floating Rate Convertible Notes to modify the exercise to exercise the warrant early and fix the interest rate at 12% through July 15, 2009.

e Company received proceeds of $20.4 million from the exercise of the warrant to purchase an additional $25 million aggregate Senior Secured Floating Rate Convertible Notes with terms similar to the notes it issued in October of 2008.

09, all of the $50 million Senior Secured Floating Rate Convertible Notes due 2012 had been fully converted into 6.4 million shares mon stock and all $25 million of the notes issued in January upon exercise of the warrant had been converted into 3.7 million shares of on stock. Upon exercising the conversion option, the holder received 86.95652 shares of the Company s common stock per $1,000 es, plus an additional payment in common stock and cash representing the value of the interest that would be earned on the notes versary of the conversion date.

n the notes, prior to their conversion in March 2009, was $0.9 million and $1.5 million, respectively.

ior Notes

09, the outstanding balance of the 31/4% Convertible Senior Notes was $148.4 million or $125.3 million net of debt discount.

Company completed an offering of $230 million in aggregate principal amount of Convertible Senior Notes due 2028. The notes are rest at a rate of 31/4% per year, payable on March 15 and September 15 of each year, beginning on September 15, 2008. The notes 028, unless earlier converted, redeemed or repurchased by the Company.

s may require that the Company repurchase some or all of the holder s notes on March 15, 2013, March 15, 2015, March 15, 2018 and urchase price equal to 100% of the principal amount of the notes to be repurchased, plus accrued and unpaid interest, in cash, shares ombination of cash and shares of common stock, at the Company s election. Holders will also have the right, following certain nsactions, to require the Company to repurchase all or any part of their notes for cash at a repurchase price equal to 100% of the notes to be repurchased plus accrued and unpaid interest. The Company may redeem the notes for cash in whole or in part at any 22, 2015 at 100% of the principal amount of the notes to be redeemed plus accrued and unpaid interest.

net share settlement of any conversions. Pursuant to this feature, upon conversion of the notes, the Company (1) will pay the note h equal to the lesser of the conversion obligation or the principal amount of the notes and (2) will settle any excess of the conversion tes principal amount in the Company s common stock, cash or a combination thereof, at the Company s election.

le under certain circumstances, as defined in the indenture agreement, at the holder s option, at an initial conversion rate of Company s common stock per $1,000 principal amount of notes, which is equivalent to an initial conversion price of approximately ct to adjustment in certain circumstances.

09, $81.6 million of the 31/4% Convertible Senior Notes due 2028 were repurchased in exchange for 4.5 million shares of the ock which reduced the principal amount of the notes outstanding to $148.4 million ($125.3 million net of debt discount).

tes outstanding, as determined by market transactions at December 31, 2009 and December 31, 2008, was $131.3 million and ely.

the Company recorded $45.0 million of debt discount and the effective interest rate on the notes increased to 8.9%, including the count as described in Note D Recently Adopted Accounting Standards.

and 2008 interest was $5.9 million and $5.9 million, respectively, and accretion of the debt discount was $7.1 million and ly.

ior Notes

09 the balance of the 11/4% Convertible Senior Notes was $22.2 million. As of the date of this Form 10-K, it was $2.5 million.

lion principal amount of 11/4% Convertible Notes due 2024 outstanding at February 25, 2009 are convertible into shares of common e holder on January 15, 2011, 2014, and 2019, unless previously redeemed, at a conversion price of $76.00 per share, subject to rcumstances.

ed to make semi-annual interest payments. The notes are redeemable at the option of the Company before January 18, 2011, if the mpany s common stock over a specified number of trading days has exceeded 150% of the conversion price, and anytime thereafter. 1, the redemption price is equal to 100% of the principal amount of the notes, plus an amount equal to 8.75% of the principal amount ount of any interest actually paid on the notes on or prior to the redemption date. The notes are due on January 15, 2024.

s may require that the Company repurchase some or all of the holder s notes on January 15, 2011, January 15, 2014 and January 15, ce equal to 100% of the principal amount of the notes to be repurchased, plus accrued and unpaid interest, in cash, shares of common of cash and shares of common stock, at the Company s election. Holders will also have the right, following certain fundamental require the Company to repurchase all or any part of their notes for cash at a repurchase price equal to 100% of the principal amount chased plus accrued and unpaid interest.

09, $157.8 million of the 11/4% Convertible Senior Notes due 2024 were repurchased in exchange for 10.4 million shares of the ock. Since the year end, $19.7 million were repurchased in exchange for 1.1 million shares of common stock.

tes outstanding, as determined by market transactions on December 31, 2009 and December 31, 2008, was $22.8 million and ely.

the year ended December 31, 2009 was $1.5 million. Interest on the notes for the year ended December 31, 2008 was $2.3 million.

y Obligation

e Company entered into a gold production royalty transaction with Franco-Nevada Corporation under which Franco-Nevada ering 50% of the life of mine gold to be produced by Coeur from its Palmarejo silver and gold mine in Mexico. Coeur received total million

ion in cash, plus a warrant to acquire Franco-Nevada Common Shares (the Franco-Nevada warrant), which was valued at of the Franco-Nevada transaction. The royalty obligation is payable in an amount equal to the greater of the minimum of 4,167 of actual gold production per month multiplied by the market price of gold in excess of $400 (increasing by 1% per annum beginning y of the transaction). The minimum royalty obligation commenced on July 1, 2009 and ends when payments have been made on a of gold.

lity

e Company entered into a term facility with Credit Suisse Zurich of Switzerland whereby Credit Suisse will provide Coeur Alaska, bsidiary of Coeur, a $45 million, five-year term facility to fund the remaining construction at the Company s Kensington Gold Mine y began drawing down the facility during the fourth quarter. After a twelve month grace period, Coeur Alaska will repay the loan in ts with interest based on a margin over the three-month LIBOR rate. The facility will be secured by the mineral rights and gton as well as a pledge of the shares of Coeur Alaska owned by Coeur.

09, the company has $15.5 million outstanding bearing interest at 5.2% (three month Libor rate plus 5% margin). The Company is covenants including (i) guarantor tangible net worth; (ii) borrower tangible net worth; (iii) debt to equity ratio (iv) debt service maximum production cost. Events of default in the Kensington term facility include (i) a cross-default of other indebtedness; (ii) a (iii) loss of or failure to obtain applicable permits; or (iv) failure to achieve final completion date.

ensington term facility with Credit Suisse Zurich noted above, the Company agreed to enter into a gold hedging program which 125,000 ounces of gold production over the life of the facility against the risk associated with fluctuations in the market price of gold. orm of a series of zero cost collars which consist of a floor price and a ceiling price of gold. The required collars of 125,000 ounces o in November and December 2009. The collars mature quarterly beginning September 2010 and conclude in December 2014. The eature of each collar is $862.50 per ounce and the weighted average call feature of each collar is $1,688.50 per ounce.

s

e Company completed the sale of $100 million of Senior Unsecured Notes. In conjunction with the sale of the Notes, the Company ommon stock valued at $3.75 million. The principal of the notes is payable in twelve equal quarterly installments, with the first such ch 31, 2010. The Company has the option of paying amounts due on the notes in cash, shares of common stock or a combination of mon stock. The stated interest rate on the notes is 6.50%, but the payments for principal and interest due on any payment date will be to recent share prices, valuing the shares of common stock at 90% of a weighted average share price over a pricing period ending ent date.

, the Company s wholly owned Bolivia subsidiary, Empressa Minera Manquiri, received proceeds from short-term borrowings from nt of $5.0 million bearing interest at approximately 6.5% to fund working capital requirements. The short-term bank loan matures on uring 2008, Empressa Minera Manquiri, received proceeds from short-term borrowings from Banco Bisa and Banco de Credito de f $3.0 million to fund working capital requirements. The short-term bank loans matured and were repaid in April 2009.

er of 2008, the Company s wholly-owned Argentinean subsidiary entered into several temporary credit lines in the amount of andard Bank of Argentina secured by a standby letter of credit by Cerro Bayo, (a wholly owned subsidiary of the Company), to fund ments. The credit lines matured and were repaid on April 13, 2009, June 30, 2009 and July 24, 2009.

es interest incurred on its various debt instruments as a cost of properties under development. For the twelve months ended
08 and 2007, the Company capitalized interest of $22.8 million, $12.2 million and $2.3 million, respectively.

implemented a cost reduction plan designed to reduce non-operating costs by $10 million annually. The results of these efforts were
ny s 2009 results with non-operating costs of $9.1 million or 19.5% lower in 2009 than in 2008. The Company continues to identify
s to reduce non operating costs.

s

nmarizes our contractual obligations at December 31, 2009 and the effect such obligations are expected to have on our liquidity and
ods.

		Payments Due by Period			
ns	**Total**	**Less Than 1 Year**	**1- 3 Years**	**3-5 Years**	**More Than 5 Years**
on:					
	$ 170,636	$	$	$	$ 170,636
debt	91,511	5,101	10,202	10,202	66,006
ty(2)	15,464		7,410	7,732	322
	277,611	5,101	17,612	17,934	236,964
s(3)	35,688	14,316	12,768	8,551	53
ons:					
	8,201	1,854	508	508	5,331
	1,722	689	689	344	
	9,923	2,543	1,197	852	5,331
ions:					
closure(4)	89,499	4,670	7,030	13,445	64,354
	5,609	3,123	2,486		
	4,930		463		4,467
	28,506	28,506			
gation(7)	293,009	38,033	73,064	80,749	101,164
	421,553	74,332	83,043	94,199	169,985
	$ 744,775	$ 96,292	$ 114,620	$ 121,530	$ 412,333

8, the Company completed an offering of $230 million in aggregate principal amount of Convertible Senior Notes
es are unsecured and bear interest at a rate of 31/4% per year, payable on March 15 and September 15 of each year,

ember 15, 2008. The notes mature on March 15, 2028, unless earlier converted, redeemed or repurchased by the
older of the notes may require that the Company repurchase some or all of the holder s notes on March 15, 2013,
March 15, 2018 and March 15, 2023 at a repurchase price equal to 100% of the principal amount of the notes to be
accrued and unpaid interest, in cash, shares of common stock or a combination of cash and shares of common stock,
election. Holders will also have the right, following certain fundamental change transactions, to require the Company
r any part of their notes for cash at a repurchase price equal to 100% of the principal amount of the notes to be
ccrued and unpaid interest. The Company may redeem the notes for cash in whole or in part at any time on or after

ncipal amount of the notes to be redeemed plus accrued and unpaid interest. The notes provide for net share
conversions. Pursuant to this feature, upon conversion of the notes, the Company (1) will pay the note holder an
ual to the lesser of the conversion obligation or the principal amount of the notes, and (2) will settle any excess of
igation above the notes principal amount in the Company s common stock, cash or a combination thereof, at the
on. The notes will be convertible under certain circumstances, at the holder s option, at an initial conversion rate of
f the Company s common stock per $1,000 principal amount of notes, which is equivalent to an initial conversion
ately $56.81 per share of common stock, subject to adjustment in certain circumstances.

n principal amount of 11/4% Convertible Senior Notes due 2024 outstanding at December 31, 2009 are convertible
mon stock at the option of the holder on January 15, 2011, 2014 and 2019 unless previously redeemed at a
approximately 131.5789 shares of Coeur common stock per $1,000 principal amount of Notes, representing a
f $7.60 per share, subject to adjustment in certain events.

equired to make semi-annual interest payments. The Debentures are redeemable at the option of the Company before
if the closing price of the Company s common stock over a specified number of trading days has exceeded 150% of
ce, and anytime thereafter. The Debentures have no other funding requirements until maturity on January 15, 2024.

09 the Company entered into a term facility with Credit Suisse Zurich of Switzerland whereby Credit Suisse will
ska, Inc., a wholly-owned subsidiary of Coeur, a $45 million, five-year term facility to fund the remaining
Company s Kensington Gold Mine in Alaska. The Company expects to begin drawing down the facility during the
er a twelve month grace period, Coeur Alaska will repay the loan in equal quarterly payments with interest based on
three-month LIBOR rate. The facility will be secured by the mineral rights and infrastructure at Kensington as well
shares of Coeur Alaska owned by Coeur.

entered into various capital lease agreements for commitments principally over the next year.

mine closure amounts represent the Company s estimate of the cash flows associated with its legal obligation to
iate mining properties. This amount will decrease as reclamation and remediation work is completed. Amounts
undiscounted.

s represent a termination benefit program at the Rochester mine as the mine approaches the end of mine life and
or government mandated severance at the Cerro Bayo mine, Martha mine and San Bartolomé mine.

2008, the Company entered into a gold lease facility with Mitsubishi International Corporation (MIC). Under the
any received proceeds of $20 million for the sale of 23,529 ounces of gold leased from MIC to the Company.

09, the Company entered into a gold production royalty transaction with Franco-Nevada Corporation under which
rchased a royalty covering 50% of the life of mine gold to be produced by Coeur from its Palmarejo silver and gold
Coeur received total consideration of $78.0 million consisting of $75.0 million in cash, plus a warrant to acquire
ommon Shares (the Franco-Nevada warrant), which was valued at $3.0 million at closing of the Franco-Nevada
oyalty obligation is payable in an amount equal to the greater of the minimum of 4,167 ounces of gold or 50% of
tion per month multiplied by the market price of gold in excess of $400 (increasing by 1% per annum beginning on
sary of the transaction). The minimum royalty obligation commenced on July 1, 2009 and ends when payments have
tal of 400,000 ounces of gold. Amounts shown in table are undiscounted.

iance Expenditures

cember 31, 2009, 2008, and 2007, the Company expended $5.8 million, $8.1 million and $4.5 million, respectively, in connection ntal compliance activities at its operating properties. Such activities include monitoring, earth moving, water treatment and In addition, the Company has incurred reclamation activities of $1.5 million, $3.3 million and $1.9 million for the years ended 08 and 2007. Such activities include monitoring, earth moving water treatment and re-vegetation activities.

s that environmental compliance expenditures during 2010 will be approximately $7.3 million to obtain permit modifications and zations. Future environmental expenditures will be determined by governmental regulations and the overall scope of the Company s nent activities. The Company places a very high priority on its compliance with environmental regulations.

rangements

ff-balance sheet arrangements.

unting Standards

adopted new accounting standards related to convertible debt instruments that, by their stated terms, may be settled in cash (or other , including partial cash settlement, unless the embedded conversion option is required to be separately accounted for as a derivative. hat the liability and equity components of convertible debt instruments be separately accounted for in a manner that reflects the . This requires an allocation of the convertible debt proceeds between the liability component and the embedded conversion option ent). The difference between the principal amount of the debt and the amount of the proceeds allocated to the liability component is unt and subsequently accreted as additional interest over the instrument s expected life using the effective interest method. The new ere adopted effective January 1, 2009 and have been applied retrospectively to all periods presented. The Company determined that w accounting standard were applicable to the 31/4% Convertible Senior Notes. The expected life for purposes of the allocation was which coincides with the initial put option date of March 15, 2013. If exercised, the Company is required to repurchase some or all cash and/or shares at a repurchase price equal to 100% of the principal amount. See Note D Recently Adopted Accounting Standards ncial statements for further details.

rd Codification

issued new accounting standards related to its accounting standards codification of the hierarchy of generally accepted accounting ndard is the source of authoritative U.S. GAAP to be applied by nongovernmental entities. Rules and interpretive releases of the e Commission (SEC) under authority of federal securities laws are also sources of authoritative GAAP for SEC registrants. The l non-SEC accounting and reporting standards. All accounting literature that is not in the Codification, not issued by the SEC and not l is nonauthoritative. The new standard is effective for the Company s interim quarterly period beginning July 1, 2009. The adoption ompany s consolidated financial position, results of operations or cash flows.

issued new accounting standards that established accounting and reporting standards for events that occur after the balance sheet l statements are issued or are available to be issued. The new standard sets forth (i) a period after the balance sheet date during which nagement should evaluate events or transactions for possible recognition or disclosure in financial statements, (ii) the circumstances hould recognize events or transactions occurring after the balance sheet in its financial statements, and (iii) the disclosures that an ut events or transactions occurring after the balance sheet date in its financial statements. The Company adopted the provisions of the

r the interim period ended June 30, 2009. The adoption had no impact on the Company s consolidated financial position results of s.

SB issued new accounting standards related to enhanced disclosures about how and why an entity uses derivative instruments, how nd related hedged items are accounted for and how derivative instruments and related hedged items affect an entity s financial rmance and cash flows. The new accounting standards were adopted effective January 1, 2009 and were effective for the Company s anuary 1, 2009. See Note D Recently Adopted Accounting Standards for the Company s required disclosures.

al Instruments

ging Issues Task Force, or EITF, reached a consensus which clarifies the accounting treatment of an instrument (or an embedded to an entity s own stock, which would qualify as a scope exception under U.S. GAAP. The adoption of the consensus reached by the he Company s fiscal year beginning January 1, 2009. Upon adoption, the Company determined that the bifurcated embedded Senior Secured Floating Rate Convertible Notes was no longer a derivative that is required to be adjusted to fair value at the end of ng amount of the liability of $21.6 million for the conversion option was reclassified to shareholders equity upon adoption.

Company adopted new accounting standards related to fair value measurements of financial assets and financial liabilities. The new ue as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market urement date. The Company already recorded marketable securities and derivative instruments at fair value. The adoption of the new on the financial statements as management did not elect the fair value option for any other financial instruments or other assets and

d-Looking Statements

to important risks and uncertainties that could materially adversely affect the Company s business, securities, financial condition or nce is made to the disclosure set forth under Item 1A. Risk Factors above. In addition, because the preceding discussion includes ing statements relating to the Company, its results of operations and financial condition and business, reference is made to the ove in Item 1. Business under the caption Important Factors Relating to Forward-Looking Statements.

ive and Qualitative Disclosures About Market Risk

ed to various market risks as a part of its operations. In an effort to mitigate losses associated with these risks, the Company may, at ive financial instruments. These may take the form of forward sales contracts, foreign currency exchange contracts and interest rate oes not actively engage in the practice of trading derivative instruments for profit. This discussion of the Company s market risk forward looking statements that contain risks and uncertainties. Actual results and actions could differ materially from those discussed

ing results are substantially dependent upon the world market prices of silver and gold. The Company has no control over silver and fluctuate widely and are affected by numerous factors, such as supply and demand and investor sentiment. In order to mitigate some ith these fluctuations, the Company will at times enter into forward sale contracts. The Company continually evaluates the potential these strategies based on current market conditions. The Company may be exposed to nonperformance risk by counterparties as a ivities. This exposure would be limited to the amount that the spot price of the metal falls short of the contract price. The Company

ngements from time to time in an effort to reduce the negative effect of price changes on its cashflows. These arrangements typically exposure to foreign currency exchange rates and market prices associated with changes in gold and silver commodity prices. The nage price risk through the purchase of put options.

to concentrate sales contracts with third-party smelters. The contracts, in general, provide for a provisional payment based upon quoted metal prices. The provisionally priced sales contracts contain an embedded derivative that is required to be separated from the nting purposes. The host contract is the receivable from the sale of concentrates at the forward price at the time of sale. The embedded final settlement price based on a future price, does not qualify for hedge accounting. These embedded derivatives are recorded as paid expenses and other or as derivative liabilities in accrued liabilities and other on the balance sheet and are adjusted to fair value period until the date of final settlement.

the Company had outstanding provisionally priced sales of $19.1 million consisting of 1.0 million ounces of silver and 1,227 ounces r value of approximately $19.1 million including the embedded derivative. For each one cent per ounce change in realized silver ry (plus or minus) approximately $10,000 and for each one dollar per ounce change in realized gold price, revenue would vary (plus y $1,200. At December 31, 2008, the Company had outstanding provisionally priced sales of $33.2 million, consisting of 2.2 million 88 ounces of gold, which had a fair value of $32.1 million, including the embedded derivative. For each one cent per ounce change revenue would vary (plus or minus) approximately $22,000; and for each one dollar per ounce change in realized gold price, revenue nus) approximately $8,000.

or has mining interests, in several foreign countries, specifically Australia, Bolivia, Chile, Mexico and Argentina, which exposes it fluctuations in the exchange rates of the currencies involved. As part of its program to manage foreign currency risk, the Company o time, foreign currency forward exchange contracts. These contracts enable the Company to purchase a fixed amount of foreign osses on foreign exchange contracts that are related to firm commitments are designated and effective as hedges and are deferred and period as the related transaction. All other contracts that do not qualify as hedges are marked to market and the resulting gains or ncome. The Company continually evaluates the potential benefits of entering into these contracts to mitigate foreign currency risk and es that the exchange rates are most beneficial.

urth quarter of 2008, the Company entered into forward foreign currency exchange contracts to reduce the foreign exchange risk ed Mexican peso (MXP) and Argentine peso (ARS) operating costs at its Palmarejo mine and Martha mine, respectively.

the Company had MXP foreign exchange contracts of $27.9 million in U.S. dollars. These contracts require the Company to or MXP at a weighted average exchange rate of 13.45 MXP to each U.S. dollar and had a fair value of $1.3 million at December 31, corded unrealized gains of $1.3 million, $3.5 million and $0.1 million for the years ended December 31, 2009, 2008 and 2007, eflected in the gain (loss) on derivatives. The Company recorded realized gains (losses) of $1.5 million, $(0.6) million and on costs applicable to sales during the years ended December 31, 2009, 2008 and 2007, respectively. There were no ARS peso acts outstanding as of December 31, 2009.

the Company entered into a gold lease facility with Mitsubishi International Corporation (MIC). Under the facility, the Company 0 million for the sale of 23,529 ounces of gold leased from MIC to the Company. During 2009, the Company repaid 2,000 ounces of tional 5,000 ounces of gold. As of December 31, 2009, the Company had 26,529 ounces of gold leased from MIC. The Company has s number of ounces of gold to MIC over the next seven months on scheduled delivery dates. As of December 31, 2009 the Company rtain collateral, including standby letters of credit of $2.3 million and $11.3 million of metal inventory held at its refiners. The he gold lease facility as a derivative instrument, and it is recorded in accrued liabilities and other in the balance sheet.

09 and December 31, 2008, based on the current futures metals prices for each of the delivery dates and using a 5.7% and 15.0% ely, the fair value of the instrument was a liability of $28.5 million and $18.8 million, respectively. The pre-credit risk adjusted fair ve liability as of December 31, 2009 was $29.1 million. A credit risk adjustment of $0.6 million to the fair value of the derivative nount of the net derivative liability on the Company s consolidated balance sheet to $28.5 million. During the years ended 2008, mark-to market adjustments for the gold lease facility amounted to a loss of a $6.3 million and a gain of $1.2 million,

hs ended, December 31, 2009, the Company purchased silver put options to reduce the risk associated with potential decreases in the The cost of these put options was largely offset by proceeds received from the sale of gold call options. At December 31, 2009, the ons allowing it to deliver 5.4 million ounces of silver at a weighted average strike price of $9.21 per ounce. The contracts will expire hs.

the Company also had written outstanding call options requiring it to deliver 125,000 ounces of gold at a weighted average strike ounce if the market price of gold exceeds the weighted average strike price. In addition, the Company had purchased outstanding put ell 125,000 ounces of gold at a weighted average strike price of $862.50 per ounce if the market price of gold were to fall below the cts will expire over the next five years. As of December 31, 2009 the fair market value of these contracts was a net liability of

e Company entered into a gold production royalty transaction with Franco-Nevada Corporation under which Franco-Nevada ering 50% of the life of mine gold to be produced by Coeur from its Palmarejo silver and gold mine in Mexico. Coeur received total million consisting of $75.0 million in cash, plus a warrant to acquire Franco-Nevada Common Shares (the Franco-Nevada warrant), .0 million at closing of the Franco-Nevada transaction. The royalty obligation is payable in an amount equal to the greater of the ces of gold or 50% of actual gold production per month multiplied by the market price of gold in excess of $400 (increasing by 1% n the fourth anniversary of the transaction). The minimum royalty obligation commenced on July 1, 2009 and ends when payments tal of 400,000 ounces of gold. The 400,000 ounces of gold minimum is considered an embedded derivative financial instrument royalty obligation is accreted to its expected value over the expected minimum payment period based on the implicit interest rate. nbedded derivative at December 31, 2009 was a liability of $78.0 million. The Franco-Nevada warrant is a contingent option to on shares of Franco-Nevada for no additional consideration, once the mine satisfies certain completion tests stipulated in the Nevada warrant is considered a derivative instrument. The fair value of the warrant was $6.3 million at December 31, 2009. These re recorded in prepaid expenses and other or accrued liabilities and other on the balance sheet and adjusted to fair value through g the twelve months ended December 31, 2009, mark to market adjustments for the embedded derivative and warrant amounted to a d a gain of $3.3 million, respectively. During 2009, realized losses on settlement of the liabilities were $3.5 million. At December 31, a minimum quantity of 369,387 ounces of gold outstanding, which had a fair value of $162.8 million. For each one dollar change in nted derivative would vary (plus or minus) by approximately $0.4 million.

Statements and Supplementary Data

s required hereunder and contained herein are listed under Item 15. Exhibits, Financial Statement Schedules below.

n and Disagreements with Accountants on Accounting and Financial Disclosure

and Procedures

ols and Procedures

sure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by it in its periodic curities and Exchange Commission is recorded, processed, summarized and reported, within the time periods specified in the d forms, and to ensure that such information is accumulated and communicated to our management, including our Chief Executive cial Officer, as appropriate to allow timely decisions regarding required disclosure. Based on an evaluation of the Company s procedures conducted by the Company s Chief Executive Officer and Chief Financial Officer, such officers concluded that the controls and procedures were effective and operating at a reasonable assurance level as of December 31, 2009.

Report on Internal Control Over Financial Reporting

Company is responsible for establishing and maintaining adequate internal control over financial reporting. The Securities and defines internal control over financial reporting in Rule 13a-15(f) and 15d-15(f) as a process designed by, or under the supervision of, l executive and principal financial officers and effected by the company s board of directors, management and other personnel, to rance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance accounting principles and includes those policies and procedures that:

maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the ompany;

nable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance tions of management and directors of the company; and

nable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company s ld have a material effect on the consolidated financial statements.

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

gement assessed the effectiveness of the Company s internal control over financial reporting as of December 31, 2009. In making this ny s management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *rated Framework*. Based upon its assessment, management concluded that, as of December 31, 2009, the Company s internal control is effective based upon those criteria.

endent registered public accounting firm, KPMG LLP, have audited in accordance with the standards of the Public Company Board (United States), the Company s internal control over financial reporting as of December 31, 2009, based on criteria established *tegrated Framework* issued by COSO, and its report dated February 25, 2010, which is included in this Form 10-K immediately s audited financial statements, expressed an unqualified opinion on the effectiveness of the Company s internal control over financial er 31, 2009.

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nal Control Over Financial Reporting

nges in our internal control over financial reporting during the most recently completed fiscal quarter that have materially affected, or materially affect, our internal control over financial reporting.

formation

PART III

, Executive Officers and Corporate Governance

truction G (3) of Form 10-K, the information called for by this item regarding directors is hereby incorporated by reference from our ent for the 2010 Annual Meeting of Shareholders, or amendment hereto to be filed pursuant to Regulation 14A not later than f the fiscal year covered by this report under the captions Proposal No. 1 Election of Directors, Section 16(a) Beneficial Ownership and Audit Committee Report . Information regarding our executive officers is set forth under Item 4A. Executive Officers of the

e Compensation

truction G(3) of Form 10-K, the information called for by this item is hereby incorporated by reference from our definitive proxy Annual Meeting of Shareholders, or amendment hereto to be filed pursuant to Regulation 14A not later than 120 days after the end of by this report under the captions Compensation Discussion and Analysis, 2009 Summary Compensation Table, 2009 Grants of Outstanding Equity Awards at 2009 Fiscal Year End, 2009 Option Exercises and Stock Vested, Pension Benefits and Non-Qualif , Director Compensation and Compensation Committee Report.

Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

truction G(3) of Form 10-K, certain information called for by this item is hereby incorporated by reference from our definitive proxy Annual Meeting of Shareholders or amendment hereto to be filed pursuant to Regulation 14A not later than 120 days after the end of by this report under the caption Share Ownership.

Plan Information

s forth information as of December 31, 2009 regarding the Company s equity compensation plans.

	Number of shares to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of shares remaining available for future issuance under equity compensation plans (excluding securities reflected in column(a) (c)
ans approved by security	392,678	23.48(1)	175,785
ans not approved by			

392,678	23.48	175,785

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136,398 performance shares which are issued at the end of the three year service period if certain market conditions
cipient remains and employee of the Company.

Relationships and Related Transactions, and Director Independence

truction G(3) of Form 10-K, the information called for by this item is hereby incorporated by reference from our definitive proxy
Annual Meeting of Shareholders, or amendment hereto to be filed pursuant to Regulation 14A not later than 120 days after the end of
by this report under the captions Certain Related Person Transactions and Committees of the Board of Directors.

Accounting Fees and Services

truction G(3) of Form 10-K, the information called for by this item is hereby incorporated by reference from our definitive proxy
Annual Meeting of Shareholders, or amendment hereto to be filed pursuant to Regulation 14A not later than 120 days after the end of
by this report under the captions Audit and Non-Audit Fees and Audit Committee Policies and Procedures for Pre-Approval of
rvices.

PART IV

Financial Statement Schedules

cial statements are filed herewith:

solidated financial statements of Coeur d Alene Mines Corporation and subsidiaries are included in Item 8. Financial
pplementary Data .

heets December 31, 2009 and 2008.

s of Operations and Comprehensive Income (Loss) for the Years Ended December 31, 2009, 2008 and 2007.

s of Changes in Shareholders Equity for the Years Ended December 31, 2009, 2008 and 2007.

s of Cash Flows for the Years Ended December 31, 2009, 2008 and 2007.

Financial Statements.

ving listed documents are filed as Exhibits to this report:

ate of Designation, Preferences and Rights of the Series B Junior Preferred Stock of the Registrant, as filed with Idaho
y of State on May 13, 1999 (Incorporated herein by reference to Exhibit 3.C of the Registrant s Annual Report on Form 10-K
e number 001-08641) for the year ended December 31, 2002).
ate of Amendment to the Certificate of Designation, Preferences and Rights of Series B Junior Preferred Stock of the
nt, dated December 7, 2007 (Incorporated herein by reference to Exhibit 3(G) of the Registrant s Annual Report on Form 10-K
year ended December 31, 2007).
d and Amended Articles of Incorporation of the Registrant, dated May 26, 2009.
of the Registrant, as amended effective July 16, 2007 (Incorporated herein by reference to Exhibit 3 to the Registrant s
y Report on Form 10-Q for the quarter ended September 30, 2007).

en certificate of the Registrant s stock. (Incorporated herein by reference to Exhibit 4.1 of the Registrant s Current Report on K filed on May 27, 2009).

re dated as of January 13, 2004, by and between the Registrant and the Bank of New York relating to the Registrant s Convertible Senior Notes due 2024 (Incorporated herein by reference to Exhibit 4.1 to the Registrant s Current Report on K (SEC file number 001-08641) dated January 15, 2004).
re dated as of March 18, 2008, by and between the Registrant and the Bank of New York relating to the Registrant s Convertible Senior Notes due 2028 (Incorporated herein by reference to Exhibit 4.1 to the Registrant s Current Report on K dated March 20, 2008).
pplemental Indenture dated as of March 18, 2008 to Indenture dated as of March 18, 2008, by and between the Registrant and k of New York relating to the Registrant s 31/4% Convertible Senior Notes due 2028 (Incorporated herein by reference to 4.2 to the Registrant s Current Report on Form 8-K dated March 20, 2008).
re dated as of October 20, 2008, by and between the Registrant and the Bank of New York Mellon (Incorporated herein by e to Exhibit 4.1 to the Registrant s Current Report on Form 8-K dated October 22, 2008).
pplemental Indenture and Security Agreement dated as of October 20, 2008, among the Registrant, Coeur Rochester, Inc. and k of New York Mellon (Incorporated herein by reference to Exhibit 4.2 to the Registrant s Current Report on Form 8-K dated 22, 2008).
Secured Floating Rate Convertible Note due 2012, dated October 20, 2008 (Incorporated herein by reference to Exhibit 4.3 to istrant s Current Report on Form 8-K dated October 22, 2008).
t to Purchase Senior Secured Floating Rate Convertible Notes due 2012 of Coeur d Alene Mines Corporation, dated October 20, ncorporated herein by reference to Exhibit 4.4 to the Registrant s Current Report on Form 8-K dated October 22, 2008).
ent and Consent, dated as of January 12, 2009, by and among the Registrant, JMB Capital Partners Master Fund, L.P. and r Partners LP (Incorporated herein by reference to Exhibit 4.1 to the Registrant s Current Report on Form 8-K dated 12, 2009).
ment No. 2, dated as of January 12, 2009, between the Registrant and The Bank of New York Mellon to the First Supplemental re and Security Agreement, dated as of October 20, 2008, among the Registrant, Coeur Rochester, Inc., and The Bank of New ellon (Incorporated herein by reference to Exhibit 4.2 to the Registrant s Current Report on Form 8-K dated January 12, 2009).
re between the Company and The Bank of New York Mellon, as trustee, dated as of February 5, 2010 (Incorporated by e to Exhibit 4.1 to the Registrant s Current Report on Form 8-K dated February 8, 2010).
pplemental Indenture between the Company and The Bank of New York Mellon, as trustee, dated as of February 5, 2010 orated by reference to Exhibit 4.2 to the Registrant s Current Report on Form 8-K dated February 8, 2010).
f Senior Term Note due December 31, 2012, dated February 5, 2010 (Incorporated by reference to Exhibit 4.3 to the ant s Current Report on Form 8-K dated February 8, 2010).
an of the Registrant. (Incorporated by reference to Exhibit 10(pp) to the Registrant s Annual Report on Form 10-K (SEC file 001-08641) for the year ended December 31, 1994).*
ong-Term Incentive Plan of the Registrant. As amended for the Registrant s reverse stock split as of May 26, 2009.*
ed and Restated 2005 Non-Employee Directors Equity Incentive Plan, as amended for the Registrant s reverse stock split.*
ed Mining Lease, effective as of August 5, 2005, between Hyak Mining Company, Inc. and Coeur Alaska, Inc. (Incorporated y reference to Exhibit 10.5 to the Registrant s Quarterly Report on Form 10-Q for the quarter ended June 30, 2005).
ale Agreement, dated September 8, 2005, between the Registrant, Perilya Broken Hill Ltd. and CDE Australia Pty. Ltd. s of this exhibit have been omitted pursuant to a request for confidential treatment.) (Incorporated herein by reference to 10.1 to the Registrant s Quarterly Report on Form 10-Q for the quarter ended September 30, 2005).
f Restricted Stock Award Agreement (Incorporated herein by reference to Exhibit 10.1 to the Registrant s Current Report on K filed February 18, 2005).*

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f Incentive Stock Option Award Agreement (Incorporated herein by reference to Exhibit 10.2 to the Registrant s Current Report n 8-K filed February 18, 2005).*

f Non-Qualified Stock Option Award Agreement (Incorporated herein by reference to Exhibit 10.3 to the Registrant s Current on Form 8-K filed February 18, 2005).*

f Performance Share Award Agreement,.*

f Performance Unit Award Agreement.*

f Cash Settled restricted Stock Unit Award Agreement,*

f Cash-Settled Stock Appreciation Rights Award Agreement,*

ed and Restated Silver Sale and Purchase Agreement, dated March 28, 2006, between CDE Australia Pty Limited and Cobar ons Pty Limited (Portions of this exhibit have been omitted pursuant to a request for confidential treatment.) (Incorporated y reference to Exhibit 10(b) to the Registrant s Quarterly Report on Form 10-Q for the quarter ended March 31, 2006).

nental Agreement in respect of the Amended and Restated Silver Sale and Purchase Agreement, dated January 29, 2008, n CDE Australia Pty Limited and Cobar Operations Pty Limited (Incorporated herein by reference to Exhibit 10(cc) of the ant s Annual Report on Form 10-K for the year ended December 31, 2007).

yalty stream agreement, dated as of January 21, 2009, by and between the Registrant and Franco-Nevada (Incorporated herein ence to Exhibit 10.5 of the Registrant s Quarterly Report on Form 10-Q filed May 11, 2009).*

Termination, dated July 15, 2009, of the Silver Sale Agreement, dated September 8, 2005, between the Registrant, Perilya Hill Ltd. and CDE Australia Pty. Ltd. (Incorporated herein by reference to Exhibit 10.1 of the Registrant s Quarterly Report on)-Q for the quarter ended June 30, 2009.)

acility Agreement dated October 27, 2009 by and among Coeur Alaska Inc. and the financial institutions listed in schedule I (Incorporated herein by reference to Exhibit 10.1 of the Registrant s Current Report on Form 8-K filed November 2, 2009).

ee and Indemnity Agreement dated October 27, 2009 between the Registrant and Credit Suisse, as Security Agent orated herein by reference to Exhibit 10.2 of the Registrant s Current Report on Form 8-K filed November 2, 2009).

Expenditure and Cost Overrun Guarantee and Indemnity Agreement dated October 27, 2009 among the Registrant, Coeur Inc. as Borrower and Credit Suisse, as Security Agent (Incorporated herein by reference to Exhibit 10.3 of the Registrant s Report on Form 8-K filed November 2, 2009).

es Purchase Agreement among the Company, Sonoma Capital Offshore, Ltd., Sonoma Capital, L.P., Manchester Securities GB Capital L.P., JGB Capital Offshore Ltd. and SAMC LLC, dated as of February 5, 2010 (Incorporated by reference to 10.1 to the Registrant s Current Report on Form 8-K dated February 8, 2010).

ment Agreement and Change in Control Agreement, effective October 15, 2005, between the Registrant and James K. Duff. orated herein by reference to Exhibit 10.2 to the Registrant s Quarterly Report on Form 10-Q for the quarter ended ber 30, 2005).*

nendment to Employment Agreement, dated July 31, 2006, between the Registrant and James K. Duff. (Incorporated herein by e to Exhibit 10(z) to the Registrant s Annual Report on Form 10-K for the year ended December 31, 2006).*

Amended and Restated Employment Agreement, effective December 31, 2008, between the Registrant and Dennis E. r. (Incorporated herein by reference to Exhibit 10.1 of the Registrant s Current Report on Form 8-K filed January 7, 2009).*

ed and Restated Employment Agreement, effective December 31, 2008, between the Registrant and Mitchell J. Krebs. orated herein by reference to Exhibit 10.2 of the Registrant s Current Report on Form 8-K filed January 7, 2009).*

ed and Restated Employment Agreement, effective December 31, 2008, between the Registrant and Donald J. Birak. orated herein by reference to Exhibit 10.3 of the Registrant s Current Report on Form 8-K filed January 7, 2009).*

ed and Restated Employment Agreement, effective December 31, 2008, between the Registrant and Alan L. Wilder.
orated herein by reference to Exhibit 10.4 of the Registrant s Current Report on Form 8-K filed January 7, 2009).*
ed and Restated Employment Agreement, effective December 31, 2008, between the Registrant and Richard Weston.*
ation of Ratio of Earnings to Fixed Charges (Filed herewith).
ubsidiaries of the Registrant (Filed herewith).
t of KPMG LLP (Filed herewith).
ation of the CEO (Filed herewith).
ation of the CFO (Filed herewith).
ction 1350 Certification (Filed herewith).
ction 1350 Certification (Filed herewith).

ct or compensatory plan.

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SIGNATURES

nents of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its
ed, thereunto duly authorized.

Corporation

) By: /s/ Dennis E. Wheeler
Dennis E. Wheeler(Chairman, President and Chief Executive Officer)

nents of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant
d on the dates indicated.

	Chairman, President, Chief Executive Officer and Director	February 25, 2010
	Senior Vice President and Chief Financial Officer	February 25, 2010
	Senior Vice President and Chief Accounting Officer	February 25, 2010
	Director	February 25, 2010
	Director	February 25, 2010
st	Director	February 25, 2010
	Director	February 25, 2010

	Director	February 25, 2010
on	Director	February 25, 2010
	Director	February 25, 2010
r	Director	February 25, 2010

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ANNUAL REPORT ON FORM 10-K

CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
COEUR D ALENE MINES CORPORATION
COEUR D ALENE, IDAHO

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Report of Independent Registered Public Accounting Firm

and Shareholders
Corporation:

companying consolidated balance sheets of Coeur d Alene Mines Corporation and subsidiaries as of December 31, 2009 and 2008, ated statements of operations and comprehensive income (loss), changes in shareholders equity, and cash flows for each of the years ended December 31, 2009. These consolidated financial statements are the responsibility of the Company s management. Our ess an opinion on these consolidated financial statements based on our audits.

s in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that e audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes sis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting nificant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits sis for our opinion.

olidated financial statements referred to above present fairly, in all material respects, the financial position of Coeur d Alene Mines aries as of December 31, 2009 and 2008, and the results of their operations and their cash flows for each of the years in the December 31, 2009, in conformity with U.S. generally accepted accounting principles.

to the consolidated financial statements, the Company changed its method of accounting for embedded conversion options settleable rtible debt instruments, and its method of accounting for embedded conversion options indexed to the Company s own stock related to ments, due to adoption of new accounting requirements issued by the Financial Accounting Standards Board, as of January 1, 2009.

n accordance with the standards of the Public Company Accounting Oversight Board (United States), Coeur d Alene Mines control over financial reporting as of December 31, 2009, based on criteria established in *Internal Control Integrated Framework* e of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated February 25, 2010 expressed an the effectiveness of the Company s internal control over financial reporting.

Report of Independent Registered Public Accounting Firm

and Shareholders
Corporation:

d Alene Mines Corporation s internal control over financial reporting as of December 31, 2009, based on criteria established in *grated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Coeur d Alene anagement is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness financial reporting, included in the accompanying Management s Report on Internal Control Over Financial Reporting. Our ess an opinion on the Company s internal control over financial reporting based on our audit.

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

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

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

Alene Mines Corporation maintained, in all material respects, effective internal control over financial reporting as of December 31, established in *Internal Control Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway

n accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets es Corporation and subsidiaries as of December 31, 2009 and 2008, and the related consolidated statements of operations and (loss), shareholders equity, and cash flows for each of the years in the three-year period ended December 31, 2009, and our report) expressed an unqualified opinion on those consolidated financial statements.

COEUR D ALENE MINES CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

	December 31, 2009 (In thousands)	December 31, 2008
ASSETS		
nts	$ 22,782	$ 20,760
(Note H)		7,881
	58,981	53,187
C)	9,641	9,193
ry (Note H)	67,712	34,846
te M)		240
her	26,920	26,344
	186,036	152,451
ETS		
pment (Note I)	539,037	486,130
e J)	2,240,056	2,191,922
urrent portion (Note C)	14,391	20,998
	26,546	23,110
t	37,534	34,139
	3,544	10,253
te M)	2,355	4,666
	4,536	4,452
	$ 3,054,035	$ 2,928,121
LIABILITIES AND SHAREHOLDERS EQUITY		
ES		
	$ 77,003	$ 66,300
other	33,517	64,673
	11,783	927
ated benefits	9,815	8,106
e	1,744	4,446
al leases and other short-term obligations	15,403	14,608
ty obligation (Note K and Q)	34,672	
mation and mine closure (Note L)	4,671	1,924
	188,608	160,984
BILITIES		
)	185,397	383,668
royalty obligation (Note K and Q)	128,107	

closure (Note L)		35,241		34,093
(Note M)		516,678		557,449
es		6,799		6,015
		872,222		981,225
D CONTINGENCIES				
R, S, and U)				
QUITY				
ue $0.01 per share; authorized 150,000,000 shares, 80,310,347 issued at December 31, 2009				
ssued at December 31, 2008		803		568
al		2,444,262		2,218,487
		(451,865)		(419,958)
at cost (none at December 31, 2009 and 105,921 at December 31, 2008)				(13,190)
prehensive income (loss)		5		5
		1,993,205		1,785,912
AND SHAREHOLDERS EQUITY	$	3,054,035	$	2,928,121

See accompanying notes to consolidated financial statements.

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COEUR D ALENE MINES CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)

	Years Ended December 31,		
	2009	**2008**	**2007**
	(In thousands, except per share data)		
	$ 300,618	$ 170,874	$ 194,717
able to sales	(191,105)	(106,582)	(113,733)
ion	(85,570)	(24,856)	(17,930)
	23,943	39,436	63,054
ES			
eral	22,097	25,846	23,875
	15,209	20,531	11,941
nd other	11,801	3,155	
	97	16,950	
			507
	49,204	66,482	36,323
E (LOSS)	(25,261)	(27,046)	26,731
D EXPENSE			
ments	31,988		
es, net	(82,687)	1,756	
ne	3,248	2,557	18,195
capitalized interest	(18,102)	(4,726)	(365)
expense	(65,553)	(413)	17,830
tinuing operations before income taxes	(90,814)	(27,459)	44,561
vision)	25,921	17,500	(10,650)
tinuing operations	(64,893)	(9,959)	33,911
ed operations, net of income taxes	7,449	9,332	9,979
ts of discontinued operations, net of income taxes	25,537		
	(31,907)	(627)	43,890
come (loss)		(634)	86
COME (LOSS)	$ (31,907)	$ (1,261)	$ 43,976
D INCOME (LOSS) PER SHARE			
tinuing operations	$ (0.91)	$ (0.18)	$ 1.19
ed operations	0.46	0.17	0.35

	$	(0.45)	$	(0.01)	$	1.54
re:						
tinuing operations	$	(0.91)	$	(0.18)	$	1.10
ed operations		0.46		0.17		0.32
	$	(0.45)	$	(0.01)	$	1.42
ber of shares of common stock						
		71,565		55,073		28,597
		71,565		55,073		31,052

See accompanying notes to consolidated financial statements.

COEUR D ALENE MINES CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS EQUITY
Years Ended December 31, 2009, 2008 and 2007
(In thousands, except share data)

	Common Stock Shares	Common Stock	Additional Paid-In Capital	Accumulated Deficit	Shares Held in Treasury	Accumulated Other Comprehensive Income (Loss)	Total
, 2007 as	27,905	$ 279	$ 1,056,573	$ (463,221)	$ (13,190)	$ 553	$ 580,994
				43,890			43,890
rt-term able securities						103	103
ock in er	27,197	272	1,097,758				1,098,030
nder ns, net	49	1	4,366				4,367
						(17)	(17)
31, 2007	55,151	$ 552	$ 2,158,697	$ (419,331)	$ (13,190)	$ 639	$ 1,727,367
				(627)			(627)
ounting for nent			49,841				49,841
Secured ble Notes to	1,591	16	7,115				7,131
rt-term able						(716)	(716)
nder ns, net	38		2,834				2,834
						82	82
31, 2008	56,780	$ 568	$ 2,218,487	$ (419,958)	$ (13,190)	$ 5	$ 1,785,912
				(31,907)			(31,907)
lity for ption upon ting standard			21,566				21,566
ased related to	(1)		(36)				(36)
ecured ble Notes to	8,666	87	27,670				27,757

o extinguish							
	14,866	148	187,597				187,745
hares	(106)	(1)	(13,189)		13,190		
ing							
nder							
ns, net	105	1	2,167				2,168
31, 2009	80,310	$ 803	$ 2,444,262	$ (451,865)	$	$ 5	$ 1,993,205

See accompanying notes to consolidated financial statements.

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COEUR D ALENE MINES CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31, 2009	2008 (In thousands)	2007
OPERATING ACTIVITIES:			
	$ (31,907)	$ (627)	$ 43,890
items:			
ion	87,140	27,362	20,984
scount and debt issuance costs	15,573	2,064	303
	(38,220)	(23,165)	2,154
ment	(31,988)		
es, net	81,339	1,888	(1,462)
urrency transactions	546	2,216	(433)
ion	4,876	2,692	3,448
cked securities	600	2,600	
rement obligation	1,181	(3,169)	(871)
	(31,988)	(632)	(1,947)
tion	5,040		
		413	610
sets and liabilities:			
urrent assets	(10,592)	(19,414)	(24,021)
her	(3,728)	476	(4,065)
	(26,804)	4,799	13,172
ccrued liabilities	43,420	(4,870)	(11,705)
SED) BY OPERATING ACTIVITIES	64,488	(7,367)	40,057
INVESTING ACTIVITIES:			
ts	(18,564)	(336,350)	(167,346)
nvestments	33,083	375,047	183,121
	(219,095)	(365,019)	(216,978)
			(13,727)
assets	57,364	133	3,270
	(1,460)	(47)	187
STING ACTIVITIES	(148,672)	(326,236)	(211,473)
FINANCING ACTIVITIES			
old production royalty	75,000		
uction royalty	(15,762)		
of convertible notes	20,368	270,737	
rowings	20,436	26,658	1,698
cility, long-term debt and capital leases	(26,187)	(32,262)	(1,360)
eback transactions	12,511		

tock and debt issuance costs		(9,105)	(726)
	(160)	(336)	(197)
SED) BY FINANCING ACTIVITIES	86,206	255,692	(585)
SE) IN CASH AND CASH EQUIVALENTS	2,022	(77,911)	(172,001)
nts at beginning of year	20,760	98,671	270,672
nts at end of year	$ 22,782	$ 20,760	$ 98,671

See accompanying notes to consolidated financial statements.

COEUR D ALENE MINES CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollar amounts in thousands, unless otherwise specified)

RE OF OPERATIONS

primary silver producer with significant gold assets located in North America and is engaged, through its subsidiaries, in the p, development and exploration of silver and gold mining properties and companies located primarily within South America (Chile, Mexico (Chihuahua), the United States (Nevada and Alaska) and Australia (New South Wales). Coeur is an Idaho corporation

OF PRESENTATION

ncial statements have been prepared under United States Generally Accepted Accounting Principles (U.S. GAAP). In 2009, we al statements to reflect the retrospective adoption of Convertible Debt Instruments That May Be Settled in Cash upon Conversion , ation of convertible debt proceeds between the liability component and the equity component (See Note D).

the Company sold to Perilya Broken Hill Ltd. its 100% interest in silver contained at the Broken Hill mine for $55.0 million in cash. the periods presented, income from Broken Hill has been presented within discontinued operations in the consolidated statements of

any s Board of Directors authorized the Company to proceed with a 1-for-10 reverse stock split as described in Note N. To ensure ial information, all common stock information (including information related to options to purchase shares, restricted stock, restricted es and performance units under the Company s share-based compensation plans as described in Note O) and all per share informatio k in the consolidated financial statements have been restated to reflect the 1-for-10 reverse stock split. In addition, in May 2009 the rs approved a change in the par value from $1.00 per share to $0.01 per share. As a result, for all periods presented, the carrying value as reduced and a corresponding adjustment was recorded within additional paid-in capital.

ARY OF SIGNIFICANT ACCOUNTING POLICIES

tion: The consolidated financial statements include the wholly-owned subsidiaries of the Company, the most significant of which are uiri S.A., Coeur Mexicana S.A. de C.V. (formerly Planet Gold S.A. de C.V.), Coeur Rochester, Inc., Coeur Alaska, Inc., CDE Cerro tina S.R.L. and CDE Australia Pty. Ltd. The consolidated financial statements also include all entities in which voting control of by the Company. The Company has no investments in entities in which it has greater than 50% ownership interest accounted for l. Intercompany balances and transactions have been eliminated in consolidation. Investments in corporate joint ventures where the p of 50% or less and funds its proportionate share of expenses are accounted for under the equity method. The Company has no n which it has a greater than 20% ownership interest accounted for using the cost method.

Revenue is recognized when persuasive evidence of an arrangement exists, delivery has occurred, the price is fixed or determinable, nd collection is probable. The passing of title to the customer is based on the terms of the sales contract. Product pricing is revenue is recognized by reference to active and freely traded commodity markets, for example the London Bullion Market for both entical form to the product sold.

ales contracts with third-party smelters, final gold and silver prices are set on a specified future quotational period, typically one to hipment date based on market metal prices. Revenues and production costs applicable to sales are recorded on a gross basis under me title passes to the buyer based on the forward price for the expected settlement period. The contracts, in general, provide for sed upon provisional assays and quoted metal prices. Final settlement is

COEUR D ALENE MINES CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollar amounts in thousands, unless otherwise specified)

plicable price for a specified future period and generally occurs from three to six months after shipment. Final sales are settled using nent assays (average of assays exchanged and/or umpire assay results) and are priced as specified in the smelter contract. The ly priced sales contain an embedded derivative that is required to be separated from the host contract for accounting purposes. The ivable from the sale of concentrates measured at the forward price at the time of sale. The embedded derivative does not qualify for embedded derivative is recorded as a derivative asset in prepaid expenses and other assets or as a derivative liability in accrued he consolidated balance sheet and is adjusted to fair value through revenue each period until the date of final gold and silver the material being sold, after deduction for smelting and refining, is in an identical form to that sold on the London Bullion Market. is metal in flotation concentrate, which is the final process for which the Company is responsible.

ales contracts are reflected in revenue at the date the related precious metals are delivered or the contracts expire. Third-party osts of $8.3 million, $7.5 million and $6.4 million in 2009, 2008 and 2007, respectively, are recorded as a reduction of revenue.

the Company had outstanding provisionally priced sales of $19.1 million consisting of 1.0 million ounces of silver and 1,227 ounces r value of approximately $19.1 million including the embedded derivative. For each one cent per ounce change in realized silver ry (plus or minus) approximately $10,000 and for each one dollar per ounce change in realized gold price, revenue would vary (plus y $1,200. At December 31, 2008, the Company had outstanding provisionally priced sales of $33.2 million consisting of 2.2 million 88 ounces of gold, which had a fair value of approximately $32.1 million, including the embedded derivative. For each one cent per d silver price, revenue would vary (plus or minus) approximately $22,000 and for each one dollar per ounce change in realized gold ry (plus or minus) approximately $8,000.

ents: Cash and cash equivalents include all highly-liquid investments with a maturity of three months or less at the date of purchase. es its credit risk by investing its cash and cash equivalents with major international banks and financial institutions located principally Argentina with a minimum credit rating of A1 as defined by Standard & Poor s. The Company s management believes that no risk exists with respect to the investment of its cash and cash equivalents.

: Short-term investments principally consist of highly-liquid United States, foreign government and corporate securities all classified d reported at fair value with maturities that range from three months to one year. Unrealized gains and losses on these investments are d other comprehensive income (loss) as a separate component of shareholders equity. Any decline in market value considered to be recognized in determining net income (loss). Realized gains and losses from the sale of these investments are included in (loss).

heap leach process is a process of extracting silver and gold by placing ore on an impermeable pad and applying a diluted cyanide portion of the contained silver and gold, which are then recovered in metallurgical processes. In August 2007, the Company crushing operations at the Rochester mine as ore reserves were fully mined. Residual heap leach activities are expected to continue

eral integrated steps to scientifically measure the metal content of ore placed on the leach pads. As the ore body was drilled in ing process, samples were taken of the drill residue which is assayed to determine estimated quantities of contained metal. The quantity of ore by utilizing global positioning satellite survey techniques. The Company then processed the ore through crushing out was again weighed and sampled for assaying. A metallurgical reconciliation with the data collected from the mining operation propriate adjustments made to previous

COEUR D ALENE MINES CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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ore was then transported to the leach pad for application of the leaching solution. As the leach solution is collected from the leach sampled for assaying. The quantity of leach solution is measured by flow meters throughout the leaching and precipitation process. product is converted to dorè, which is the final product produced by the mine. The inventory is stated at lower of cost or market, with sing a weighted average cost method.

ore on the leach pads of $24.0 million as of December 31, 2009. Of this amount, $9.6 million is reported as a current asset and d as a non-current asset. The distinction between current and non-current is based upon the expected length of time necessary for the ove the metals from the broken ore. The historical cost of the metal that is expected to be extracted within twelve months is classified rical cost of metals contained within the broken ore that will be extracted beyond twelve months is classified as non-current. ach pad are valued based on actual production costs incurred to produce and place ore on the leach pad, adjusted for effects on costs of abnormal production levels, less costs allocated to minerals recovered through the leach process.

e ultimate recovery expected over time and the quantity of metal that may be extracted relative to the time the leach process occurs mates which are inherently inaccurate since they rely upon laboratory testwork. Testwork consists of 60 day leach columns from jects metal recoveries up to five years in the future. The quantities of metal contained in the ore are based upon actual weights and at which the leach process extracts gold and silver from the crushed ore is based upon laboratory column tests and actual experience an twenty years of leach pad operations at the Rochester Mine. The assumptions used by the Company to measure metal content inventory conversion process includes estimated recovery rates based on laboratory testing and assaying. The Company periodically mpared to actual experience and revises its estimates when appropriate. During the third quarter of 2008, the Company increased its contained in the heap inventory by approximately 5.4 million ounces. The increase in estimated silver ounces contained in the heap ges in estimated silver recoveries anticipated over the remainder of the residual leaching phase. In the year ended December 31, nges in estimated recoveries related to gold contained in the heap. The Company believes its current residual heap leach activities are rough 2014. The ultimate recovery will not be known until leaching operations cease.

ory: Inventories include concentrate ore, dorè, ore in stockpiles and operating materials and supplies. The classification of inventory ge at which the ore is in the production process. To the extent there is work in process inventories at the Endeavor mine, such nventories. Inventories of ore in stock piles are sampled for gold and silver content and are valued based on the lower of actual costs et realizable value based upon the period ending prices of gold and silver. Material that does not contain a minimum quantity of gold nated processing expense to recover the contained gold and silver is not classified as inventory and is assigned no value. All the lower of cost or market, with cost being determined using a weighted average cost method. Concentrate and dorè inventory mine site and product held by refineries and are also valued at lower of cost or market value. Concentrate inventories associated with held by third parties. Metal inventory costs include direct labor, materials, depreciation, depletion and amortization as well as l costs relating to mining activities.

uipment: Expenditures for new facilities, assets acquired pursuant to capital leases, new assets or expenditures that extend the useful es are capitalized and depreciated using the straight-line method at rates sufficient to depreciate such costs over the shorter of ves of such facilities or the useful life of the individual assets. Productive lives range from 7 to 31 years for buildings and years for machinery and equipment and 3 to 7 years for furniture and fixtures. Certain mining

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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d using the units-of-production method based upon estimated total proven and probable reserves. Maintenance and repairs are

perties and Mine Development: Capitalization of mine development costs that meet the definition of an asset begins once all been secured, mineralization is classified as proven and probable reserves and a final feasibility study has been completed. Mine ude engineering and metallurgical studies, drilling and other related costs to delineate an ore body, the removal of overburden to body at open pit surface mines and the building of access ways, shafts, lateral access, drifts, ramps and other infrastructure at sts incurred during the start-up phase of a mine are expensed as incurred. Costs incurred before mineralization is classified as proven re expensed and classified as Exploration or Pre-development expense. All capitalized costs are amortized using the units of r the estimated life of the ore body based on recoverable ounces to be mined from proven and probable reserves. Interest expense developing mining properties and to construct new facilities is capitalized until assets are ready for their intended use. Gains or losses s of assets are included in other income or expense.

ts incurred at our operating mines are expensed as incurred as exploration expense, unless we can conclude with a high degree of commencement of a drilling program, that the drilling costs will result in the conversion of a mineral resource into proven and assessment is based on the following factors: results from previous drill programs; results from geological models; results from a firming economic viability of the resource; and preliminary estimates of mine inventory, ore grade, cash flow and mine life. In must have all permitting and/or contractual requirements necessary to have the right to and/or control of the future benefit from the costs of a drilling program that meet these criteria are capitalized as mine development costs. All other drilling and related costs, the boundaries of the development and production stage properties, are expensed as incurred.

ts of approximately $3.7 million and $3.1 million, respectively, at December 31, 2009 and December 31, 2008, met the criteria for ve at our properties that are in the development and production stages.

verburden and waste materials to access the ore body at an open pit mine prior to the production phase are referred to as pre-stripping sts are capitalized during the development of an open pit mine. Stripping costs incurred during the production phase of a mine are ts that are included as a component of inventory to be recognized in production costs applicable to sales in the same period as the f inventory.

ficant payments related to the acquisition of land and mineral rights are capitalized as incurred. Prior to acquiring such land or pany generally makes a preliminary evaluation to determine that the property has significant potential to develop an economic ore initial acquisition and full evaluation of a property s potential is variable and is determined by many factors including: location structure, the property s stage of development, geological controls and metal prices. If a mineable ore body is discovered, such costs duction begins using the units-of-production method based on recoverable ounces to be mined from proven and probable reserves. If discovered, such costs are expensed in the period in which it is determined the property has no future economic value. The mineral interests in the Endeavor mine using the units of production method.

agement reviews and tests its long-lived assets for impairment when events and changes in circumstances indicate that the related assets may not be recoverable. Impairment is considered to exist if total estimated future cash flows or probability-weighted cash

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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ess than the carrying amount of the assets, including property plant and equipment, mineral property, development property, and any irment loss is measured and recorded based on the difference between book value and discounted estimated future cash flows or the ed present value technique to estimate fair value in the absence of a market price. Future cash flows include estimates of recoverable prices (considering current and historical prices, price trends and related factors), production levels and required capital investment, e plans and projections. Assumptions underlying future cash flow estimates are subject to risks and uncertainties. If the discounted cess of the carrying value of the asset, a calculation of fair value is performed and if the fair value is lower than the carrying value of reduced to their fair market value. Any differences between these assumptions and actual market conditions or the Company s actual could have a material effect on the Company s determination of ore reserves or its ability to recover the carrying amounts of its ng in impairment charges. In estimating future cash flows, assets are grouped at the lowest level for which there are identifiable cash dependent of cash flows from other asset groups. Generally, in estimating future cash flows, all assets are grouped at a particular identifiable cash flow.

09, suspension of mining operations above the 4,400 meter level at the San Bartolomé mine, declining ore reserves at the Martha e and maintenance at the Cerro Bayo mine prompted an impairment review of the carrying value of these mines. The review ere no impairments for the San Bartolome, Cerro Bayo, and Martha mines. At the San Bartolome mine, the Company utilized a scounted cash flow analysis which evaluated the Company continuing to mine above the 4,400 meter level or is being restricted from meter level. At the Cerro Bayo and Martha mines, the Company used a probability weighted analysis of various cash flow scenarios Company either continues ownership of or sells the asset group. The estimates of future cash costs of production and capital on the life of mine plans for each reporting unit. The Company used estimated average silver and gold prices of $16.16 and $1,028 which is based on the year-end spot prices, trailing twelve quarter average and long-term silver and gold price forecasts prepared by

sh Equivalents: The Company, under the terms of its lease, self insurance, and bonding agreements with certain banks, lending ory agencies, is required to collateralize certain portions of the Company s obligations. The Company has collateralized these g certificates of deposit that have maturity dates ranging from three months to a year, to the respective institution or agency. At December 31, 2008, the Company held certificates of deposit and cash under these agreements of $26.5 million and $23.1 million, for this purpose. The ultimate timing for the release of the collateralized amounts is primarily dependent on the timing and closure of elease the collateral, the Company must seek approval from certain government agencies responsible for monitoring the mine closure also be released to the extent the Company was able to secure alternative financial assurance satisfactory to the regulatory agencies. there is a reasonable probability that the collateral will remain in place beyond a twelve-month period and has therefore classified ng-term. In addition, as of December 31, 2009 and December 31, 2008, the Company held certificates of deposit totaling $2.3 and ly, that were pledged to support letters of credit to Mitsubishi International. This amount is included in prepaids and other.

diation Costs: The Company recognizes obligations for the retirement of tangible long-lived assets and other associated asset legal obligations are associated with the retirement of long-lived assets that result from the acquisition, construction, development sset. The fair value of a liability for an asset retirement obligation will be recognized in the period in which it is incurred if a fair value can be made. The fair value of the liability is added to the carrying amount of the associated asset and this additional eciated over the life of the asset. An accretion cost, representing the increase over time in the present value of the liability, is depreciation,

COEUR D ALENE MINES CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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ion expense. As reclamation work is performed or liabilities are otherwise settled, the recorded amount of the liability is reduced.

s for inactive mines are accrued based on management s best estimate at the end of each period of the undiscounted costs expected to Such cost estimates include, where applicable, ongoing care and maintenance and monitoring costs. Changes in estimates are reflected d an estimate is revised.

assets and liabilities of the Company s foreign subsidiaries are measured using U.S. dollars as their functional currency. Revenues and at the average exchange rate for the period. Foreign currency transaction gains and losses are included in the determination of net

struments: The Company recognizes all derivatives as either assets or liabilities on the balance sheet and measures those instruments te accounting recognition for changes in the fair value of derivatives held is dependent on whether the derivative instrument is s as an accounting hedge and on the classification of the hedge transaction.

nuary 1, 2008, the Company adopted new accounting standards related to Fair Value Measurements with respect to its financial y. The new standard defines fair value, establishes a framework for measuring fair value and enhances disclosures about fair value Note E for further details regarding the Company s assets and liabilities measured at fair value.

tion Plans: The Company estimates the fair value of each stock option award using the Black-Scholes option valuation model. The fair value of performance share grants using a Monte Carlo simulation valuation model. The Company estimates forfeitures of stock orical data and periodically adjusts the forfeiture rate. The adjustment of the forfeiture rate is recorded as a cumulative adjustment in estimate is changed. The compensation costs are included in administrative and general expenses, production costs applicable to f-constructed property, plant and equipment as deemed appropriate.

mpany uses an asset and liability approach which results in the recognition of deferred tax liabilities and assets for the expected future nefits of temporary differences between the financial reporting basis and the tax basis of assets and liabilities, as well as operating forwards, using enacted tax rates in effect in the years in which the differences are expected to reverse.

bility of deferred tax assets, management considers whether it is more likely than not that some portion or all of its deferred tax assets nagement considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in A valuation allowance has been provided for the portion of the Company s net deferred tax assets for which it is more likely than not lized.

ubsidiaries are subject to U.S. federal income tax as well as income tax of multiple state and foreign jurisdictions. The Company has all U.S. federal income tax matters for years through 1999. Federal income tax returns for 2000 through 2008 are subject to pany s practice is to recognize interest and/or penalties related to income tax matters in income tax expense. There were no significant lties at December 31, 2009.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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(Loss): Comprehensive income (loss) includes net income (loss) as well as changes in stockholders equity that result from other than those with stockholders. Items of comprehensive income (loss) include the following:

	2009	2008	2007
	$ (31,907)	$ (627)	$ 43,890
s) on marketable securities		(716)	103
cash flow hedges, net of settlements		82	(17)
(loss)	$ (31,907)	$ (1,261)	$ 43,976

Basic earnings per share is computed by dividing net income (loss) available to common shareholders by the weighted average res outstanding during each period. Diluted earnings per share reflect the potential dilution that could occur if securities or other non stock were exercised or converted into common stock. The effect of potentially dilutive stock options and Convertible Senior December 31, 2009, 2008 and 2007 are as follows:

	Year Ended December 31, 2009			Year Ended December 31, 2008			Year Ended December 31, 2007		
	Income (Numerator)	Shares (Denominator)	Per-Share Amount	Income (Numerator)	Shares (Denominator)	Per-Share Amount	Income (Numerator)	Shares (Denominator)	Per-Share Amount
				(In thousands except for EPS)					
nuing	$ (64,893)	71,565	$ (0.91)	$ (9,959)	55,073	$ (0.18)	$ 33,911	28,597	$ 1.18
ed	32,986	71,565	0.46	9,332	55,073	0.17	9,979	28,597	.35
	$ (31,907)	71,565	$ (0.45)	$ (627)	55,073	$ (0.01)	$ 43,890	28,597	$ 1.53
rities									
								87	
							297	2,368	
g	$ (64,893)	71,565	(0.91)	$ (9,959)	55,073	(0.18)	$ 34,208	31,052	1.10
ntinued	32,986	71,565	0.46	9,332	55,073	0.17	9,979	31,052	.32

$	(31,907)	71,565	$	(0.45)	$	(627)	55,073	$	(0.01)	$ 44,187	31,052	$ 1.42

9, 2008 and 2007, common shares attributed to outstanding options, performance shares and non-vested shares of 666,568, 144,037 , at prices between $7.40 to $70.90, $32.40 to $70.90 and $48.10 to $89.40, respectively, were not included in the computation of ir effect was anti-dilutive. The options, which expire between 2010 to 2019, are outstanding at December 31, 2009. Potentially ,460 and 2,368,421 attributed to the 11/4% Convertible Senior Notes have been excluded from the earnings per share calculation for er 31, 2009 and 2008 as their effect was anti-dilutive. The 31/4% Convertible Senior Notes were not included in the computation of d 2008 because there is no excess value upon conversion over the principal amount of the Notes.

COEUR D ALENE MINES CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollar amounts in thousands, unless otherwise specified)

w Information: The following table sets forth non-cash financing and investing activities and other cash flow information for the
ds):

investing activities:	2009	2008	2007
	$ (22,501)	$ 15,287	$ 9,216
s	20,421	(938)	1,477
terest	6,765	6,477	
with stock	2,177		
ation:			
	12,809	9,361	2,283
	22,839	12,247	2,250
	8,963	13,071	11,994

penditures are recognized in the consolidated statements of cash flows in the period in which they are paid.

osts associated with the issuance of debt are included in other noncurrent assets and are amortized over the term of the related debt
est method.

preparation of the Company s consolidated financial statements in conformity with GAAP requires management to make estimates and
the amounts reported in their consolidated financial statements and accompanying notes. The areas requiring the use of management s
ons relate to recoverable ounces from proven and probable reserves that are the basis of future cash flow estimates and
reciation and amortization calculations; useful lives utilized for depreciation, depletion and amortization; estimates of future cash
ets; estimates of recoverable gold and silver ounces in ore on leach pad; the amount and timing of reclamation and remediation costs;
deferred tax assets; and other employee benefit liabilities.

in reclassifications of prior year balances have been made to conform to the current year presentation. These reclassifications had no
Company s consolidated financial position, results of operations or cash flows for the periods presented. The most significant
reclassify $75.0 million from operational mining properties to property, plant and equipment including accumulated depreciation
cility at the San Bartolomé mine and to reclassify $52.1 million from non-producing development properties to operational properties
ement of commercial production at the Palmarejo mine.

NTLY ADOPTED ACCOUNTING STANDARDS

adopted new accounting standards related to convertible debt instruments that, by their stated terms, may be settled in cash (or other
, including partial cash settlement, unless the embedded conversion option is required to be separately accounted for as a derivative.
hat the liability and equity components of convertible debt instruments be separately accounted for in a manner that reflects the
. This requires an allocation of the convertible debt proceeds between the liability component and the embedded conversion option
ent). The difference between the principal amount of the debt and the amount of the proceeds allocated to the liability component is

unt and subsequently accreted as additional interest over the instrument s expected life using the effective interest method. The new ere adopted effective January 1, 2009 and have been applied retrospectively to all periods presented. The Company determined that w accounting standard were applicable to the 31/4% Convertible Senior Notes. The expected life for purposes of the allocation was , which coincides with the initial put option date of March 15, 2013. If exercised, the Company is required

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COEUR D ALENE MINES CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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ll of the holder s notes in cash and/or shares at a repurchase price equal to 100% of the principal amount.

rded the following balances in the consolidated balance sheet related to the 31/4% Convertible Senior Notes reflecting the recently ndard:

	As of December 31, 2009	2008
notes	$ 148,404	$ 230,000
unt	(23,081)	(44,999)
	$ 125,323	$ 185,001

ects the impact of adopting the new accounting standard in the consolidated balance sheet and footnote disclosures as of

	As Previously Reported December 31, 2008	Effect of Adopting New Accounting Standard	As Revised December 31, 2008
perties	$ 269,155	$ 1,551	$ 270,706
	(131,524)	(32)	(131,556)
ment properties	299,846	4,927	304,773
	12,476	(2,223)	10,253
or Notes due 2028	230,000	(44,999)	185,001
al	2,168,646	49,841	2,218,487
	(419,339)	(619)	(419,958)

ndard required retrospective application to all periods presented. As a result of adopting the new accounting standard, the effective n the Notes increased by approximately 5.7% to 8.9% because of non-cash amortization of debt discount over the expected life of the re decreased by $0.01 for the twelve months ended December 31, 2008. Cash flows from operations were not affected by the ounting standards.

the Company will amortize $51.7 million of debt discount over the remaining period ending on the initial put option date of December 31, 2009 the outstanding debt discount amounted to $23.1 million. For the twelve months ended December 31, 2009, the) million in interest expense for the contractual interest rate and accretion of $7.1 million of the debt discount.

ial Instruments

ging Issues Task Force, or EITF, reached a consensus which clarifies the accounting treatment of an instrument (or an embedded to an entity s own stock, which would qualify as a scope exception under U.S. GAAP. The adoption of the consensus reached by the he Company s fiscal year beginning January 1, 2009. Upon adoption, the Company determined that the bifurcated embedded Senior Secured Floating Rate Convertible Notes was no longer a derivative that is required to be adjusted to fair value at the end of ng amount of the liability of $21.6 million for the conversion option was reclassified to shareholders equity upon adoption.

COEUR D ALENE MINES CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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s

SB issued new accounting standards related to enhanced disclosures about how and why an entity uses derivative instruments, how nd related hedged items are accounted for and how derivative instruments and related hedged items affect an entity s financial rmance and cash flows. The new accounting standards were adopted effective January 1, 2009 and were effective for the Company s anuary 1, 2009. The adoption had no impact on the Company s consolidated financial position, result of operations or cash flows.

issued new accounting standards that established accounting and reporting standards for events that occur after the balance sheet l statements are issued or are available to be issued. The new standard sets forth (i) a period after the balance sheet date during which nagement should evaluate events or transactions for possible recognition or disclosure in financial statements, (ii) the circumstances hould recognize events or transactions occurring after the balance sheet date in its financial statements, and (iii) the disclosures that bout events or transactions occurring after the balance sheet date in its financial statements. The Company adopted the provisions of dards for the interim period ended June 30, 2009. The adoption had no impact on the Company s consolidated financial position, cash flows.

ards Codification

issued its accounting standards codification. The codification is the source of authoritative U.S. GAAP to be applied by es. Rules and interpretive releases of the Securities and Exchange Commission (SEC) under authority of federal securities laws are ative GAAP for SEC registrants. The Codification superseded non-SEC accounting and reporting standards. All accounting literature cation, not issued by the SEC and not otherwise grandfathered is non-authoritative. The new standard was effective for the Company s beginning July 1, 2009. The adoption had no impact on the Company s consolidated financial position, results of operations or cash

VALUE MEASUREMENTS

Company adopted a new accounting standard related to fair value measurements of financial assets and financial liabilities. The new ue as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market urement date. The new standard established a fair value hierarchy that distinguishes between (1) market participant assumptions ket data obtained from independent sources (observable inputs) and (2) an entity s own assumptions about market participant based on the best information available in the circumstances (unobservable inputs). The fair value hierarchy consists of three broad highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to evel 3). The three levels of the fair value hierarchy are described below:

Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Quoted prices in markets that are not active or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollar amounts in thousands, unless otherwise specified)

s forth the Company s financial assets and liabilities measured at fair value by level within the fair value hierarchy. As required, assets fied in their entirety based on the lowest level of input that is significant to the fair value measurement (in thousands):

	Fair Value at December 31, 2009			
	Total	Level 1	Level 2	Level 3
	$ 5,440	$	$ 5,440	$
nents, net	1,379		1,379	
	6,339		6,339	
	121		121	
	$ 13,279	$	$ 13,279	$
	$ 28,506	$	$ 28,506	$
edded derivative	78,013		78,013	
	964		964	
	$ 107,483	$	$ 107,483	$

	Fair Value at December 31, 2008			
	Total	Level 1	Level 2	Level 3
rities	$ 8	$ 8	$	$
ies	7,882		7,882	
of deposit	8,525		8,525	
	2,031		2,031	
al paper	1,772			1,772
nents, net	2,359		2,359	
	$ 22,577	$ 8	$ 20,797	$ 1,772
	$ 18,806	$	$ 18,806	$
e convertible notes	15,277			15,277
rate note conversion option	21,566			21,566

	$ 55,649	$	$ 18,806	$ 36,843

table equity securities are classified within Level 1 of the fair value hierarchy because they are valued using quoted market prices. The able equity securities is calculated as the quoted market price of the marketable equity security multiplied by the quantity of shares

erm certificates of deposit, restricted investments, marketable debt securities, Franco-Nevada warrant and other derivative instruments, cing models which require inputs that are derived from observable market data and as such are classified within Level 2 of the fair

tive instruments related to the concentrate sales contracts, foreign exchange contracts, royalty obligation embedded derivative, put and ase facility are valued using quoted market

COEUR D ALENE MINES CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollar amounts in thousands, unless otherwise specified)

cant observable inputs, including fair value modeling techniques. Such instruments are classified within Level 2 of the fair value

sion option on the floating rate convertible notes and asset-backed commercial paper fall within Level 3 of the fair value hierarchy servable market quotes. For these instruments, management uses significant other observable inputs adjusted for various factors s which require a variety of inputs, including contractual terms, market prices, yield curves, credit spreads, measures of volatility and ts. The Company estimated the fair value of the warrant on the floating rate convertible notes using a Monte Carlo simulation model ns, LIBOR volatilities and correlation of such inputs.

rth a summary in fair value of the Company s Level 3 financial assets and liabilities for the twelve months ended December 31, 2009

	Warrant and Conversion Option to Purchase Floating rate Convertible Notes	Asset Backed Commercial Paper	Total
period	$ 36,843	$ 1,772	$ 38,615
	(30,286)	(1,395)	(38,238)
	(6,857)	223	223
		(600)	(600)
d	$	$	$

NTINUED OPERATIONS AND ASSETS AND LIABILITIES HELD FOR SALE

the Company sold to Perilya Broken Hill Ltd. its 100% interest in the silver contained at the Broken Hill mine for $55.0 million in transaction, the Company realized an after tax gain on the sale of approximately $25.5 million, net of income taxes. Coeur originally from Perilya Broken Hill, Ltd. in September 2005 for $36.9 million. This transaction closed on July 30, 2009.

ails selected financial information included in the income from discontinued operations for the years ended December 31, 2009, 2008 :

	Year Ended December 31, 2009	2008	2007
	$ 10,435	$ 18,591	$ 20,602
able to sales	(1,652)	(2,754)	(3,292)
ion	(1,570)	(2,506)	(3,054)

ense)	236	(3,999)	(4,277)
ed operations	7,449	9,332	9,979
ts of discontinued operations, net of tax of $6.5 million	25,537		
tinued operations	$ 32,986	$ 9,332	$ 9,979

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COEUR D ALENE MINES CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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STMENTS AND OTHER MARKETABLE SECURITIES

09, there were no short-term investments on hand. As of December 31, 2008, the Company classified its investment securities as ties. These securities are measured at fair market value in the financial statements with unrealized gains or losses recorded in other At the time securities are sold or otherwise disposed of, gains or losses are included in net income. The following is a summary of ties as of December 31, 2008, (in thousands):

	Available-For-Sale Securities			
	Cost	Gross Unrealized Losses	Gross Unrealized Gains	Estimated Fair Value
	$ 7,881	$	$	$ 7,881
for sale securities	7,881			7,881
cial Paper	1,772			1,772
	9	(1)		8
	$ 9,662	$ (1)	$	$ 9,661

zed gains and losses were based on a carrying value (cost, net of discount or premium) of short-term investments sold or adjusted for cline in market value. Short-term investments mature at various dates. There were $0.6 million of realized gains and $2.6 million of

certain asset-backed securities in connection with the Bolnisi and Palmarejo acquisition. Palmarejo had investments in non-bank hich $6.3 million was invested in Apsley Trust Class A and $0.5 million in Aurora Trust Class E. Based on the Company s assessment nvestments in ABCP as of December 31, 2008, the Company recorded an additional adjustment of $2.6 million to reduce the carrying during the year ended December 31, 2008. The total fair value of the ABCP investments was estimated to be $1.8 million at ring 2009, the Company sold the remaining balance of the ABCP securities and recorded a realized loss of $0.6 million.

AL AND OTHER INVENTORY

e following (in thousands):

	December 31, 2009	December 31, 2008
ventory	$ 39,487	$ 19,826

	28,225	15,020
ry	$ 67,712	$ 34,846

COEUR D ALENE MINES CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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ERTY, PLANT AND EQUIPMENT

pment consist of the following (in thousands):

	Years Ended December 31, 2009	2008
	$ 1,133	$ 1,133
	384,107	384,663
ent	227,524	151,658
achinery and equipment and buildings	55,652	37,566
	668,416	575,020
on	(129,379)	(88,890)
	$ 539,037	$ 486,130

expenditures, excluding the acquisitions of Bolnisi and Palmarejo, were as follows (in thousands):

	Years Ended December 31, 2009	2008	2007
	$ 310	$ 635	$ 1,647
	1,077	8,233	11,330
	1,575	4,503	16,444
	4,805	108,723	100,169
	48,029	40,858	92,337
	140,601	190,344	
		26,513	2,112
	196	497	1,942
	$ 196,593	$ 380,306	$ 225,981
s Broken Hill			213

2008 and 2007, approximately $13.9 million, $37.3 million and $22.1 million, respectively, of invoices for capital expenditures ayable and for purposes of the consolidated cash flows were treated as non-cash transactions.

COEUR D ALENE MINES CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollar amounts in thousands, unless otherwise specified)

ayments under capital and operating leases at December 31, 2009 are as follows (in thousands):

r 31,	Capital Leases	Operating Leases
	$ 14,316	$ 689
	12,768	689
	8,551	344
	53	
ts due	35,688	$ 1,722
ing interest	3,516	
nimum lease payments	32,172	
s	12,281	
	$ 19,891	

ed into various operating lease agreements which expire over the next year. Total rent expense charged to net income under these illion, $2.5 million and $1.7 million for 2009, 2008, 2007, respectively.

G PROPERTIES

	San Bartolomé	Martha	Cerro Bayo	Palmarejo[A]	Rochester	Endeavor	Kensington	Other	Total
perties:	$ 67,327	$ 10,000	$ 43,554	$ 113,167	$ 97,435	$	$	$	$ 331,483
	(5,793)	(8,968)	(25,679)	(7,232)	(97,435)				(145,107)
	61,534	1,032	17,875	105,935					186,376
	26,642			1,657,188		44,033			1,727,863
	(2,284)			(24,171)		(4,897)			(31,352)
	24,358			1,633,017		39,136			1,696,511
							357,027	142	357,169

$ 85,892	$ 1,032	$ 17,875	$ 1,738,952	$	$ 39,136	$ 357,027	$ 142	$ 2,240,056

COEUR D ALENE MINES CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollar amounts in thousands, unless otherwise specified)

San[(C)] Bartolomé	Martha	Cerro Bayo	Palmarejo[(E)]	Rochester	Endeavor	Kensington	Other	Broken Hill[(D)]	Total
$ 68,823	$ 8,755	$ 43,555	$ 52,138	$ 97,435	$	$	$	$	$ 270,706
(1,771)	(6,671)	(25,679)		(97,435)					(131,556)
67,052	2,084	17,876	52,138						139,150
26,642			1,657,188		44,033		50	36,879	1,764,792
(679)					(3,627)			(12,488)	(16,794)
25,963			1,657,188		40,406		50	24,391	1,747,998
						304,632	142		304,774
$ 93,015	$ 2,084	$ 17,876	$ 1,709,326	$	$ 40,406	$ 304,632	$ 192	$ 24,391	$ 2,191,922

2007, the Company completed its acquisition of all of the shares of Bolnisi and Palmarejo in exchange for a total of .2 million shares of Coeur common stock and a total cash payment of approximately $1.1 million. The total d was $1.1 billion and assumed liabilities were $0.7 billion.

ts acquisition cost of mineral interest

nded December 31, 2008, the Company reclassified $68.0 million from non-producing and development properties to g properties related to the commencement of operations at the San Bartolomé mine.

2009, the Company sold to Perilya Broken Hill Ltd. its 100% interest in silver contained at the Broken Hill mine for cash.

ification of prior year balances to conform to current year presentation. The reclassification was to reclassify non-producing development properties to operational properties related to the commencement of operations at the

roperties

s located in the State of Chihuahua in northern Mexico, and its principal silver and gold properties are collectively referred to as the Palmarejo mine commenced production in April 2009.

he San Bartolomé Mine is a silver mine located near the city of Potosi, Bolivia. The mineral rights for the San Bartolomé project are
joint venture/lease agreements with several local independent mining co-operatives and the Bolivian State owned mining company,
ompany commenced commercial production in June 2008.

ompany has conducted operations at the Rochester Mine, located in Western Nevada, since September 1986. The mine utilizes the
o extract both silver and gold from ore mined using open pit methods. Rochester s primary product is silver with gold produced as a

tha Mine is an underground silver mine located in Argentina, approximately 270 miles southeast of Coeur s Cerro Bayo mine. Coeur
t in the Martha mine in April 2002. In July 2002, Coeur commenced shipment of ore from the Martha Mine to the Cerro Bayo
n December 2007, the Company completed a 240 tonne per day flotation mill, which produces a flotation concentrate.

COEUR D ALENE MINES CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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es that operating activities will cease in late 2010 unless additional mineralization is discovered during the year.

Cerro Bayo Mine is a gold and silver underground mine located in southern Chile. Commercial production commenced on April 18, suspended in October 2008 in order to allow the Company to develop additional reserves and a new mine plan.

ay 23, 2005, the CDE Australia Pty. Ltd., a wholly-owned subsidiary of Coeur (CDE Australia) acquired all of the silver production aximum 17.7 million payable ounces, contained at the Endeavor Mine in Australia, which is owned and operated by Cobar l (Cobar), a wholly-owned subsidiary of CBH Resources Ltd. (CBH), for $44.0 million, including transaction fees. Under the term nt, CDE Australia paid Cobar $15.4 million of cash at the closing. In addition, CDE Australia agreed to pay Cobar approximately receipt of a report confirming that the reserves at the Endeavor mine are equal to or greater than the reported ore reserves for 2004. In t payments, CDE Australia originally committed to pay Cobar an operating cost contribution of $1.00 for each ounce of payable rement when the silver price exceeds $5.23 per ounce. This further increment was to have begun on the second anniversary of this f the amount by which the silver price exceeds $5.23 per ounce. A cost contribution of $0.25 per ounce is also payable by CDE ew ounces of proven and probable silver reserves as they are developed. During the first quarter of 2007, $2.1 million was paid for oven and probable silver reserves under the terms of the contract. This amount was capitalized as a cost of the mineral interest mortized using the units of production method.

DE Australia reached an agreement with CBH to modify the terms of the original silver purchase agreement. Under the modified wns all silver production and reserves up to a total of 20.0 million payable ounces, up from 17.7 million payable ounces in the silver price-sharing provision was deferred until such time as CDE Australia has received approximately 2 million cumulative e mine or June 2007, whichever is later. In addition, the silver price-sharing threshold increased to $7.00 per ounce, from the per ounce. The conditions relating to the second payment were also modified and tied to certain paste fill plant performance criteria s. In January 2008, the mine met the criteria for payment of the additional $26.2 million. This amount was paid on April 1, 2008, the rate of 7.5% per annum from January 24, 2008. During late November 2008, the mine exceeded the 2.0 million cumulative ounce e, CDE Australia realized a reduction in revenues in the fourth quarter of 2008 of approximately $73,000 as a result of the silver price Australia has received approximately 2.5 million payable ounces to-date and the current ore reserve contains approximately ces based on current metallurgical recovery and current smelter contract terms. Expansion of the ore reserve will be required to ayable ounces of silver production as set forth in the modified contract. It is expected that future expansion to the ore reserve will conversion of portions of the property s existing inventory of mineralized material and future exploration discoveries. CBH conducts iscover new mineralization and to define reserves from surface and underground drilling platforms.

evelopment Properties

n is a gold property located near Juneau, Alaska. The mine has been constructed as an underground gold mine accessed by a ill utilize conventional and mechanized underground mining methods. The ore will be processed in a flotation mill that produces a be sold to third-party smelters.

COEUR D ALENE MINES CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollar amounts in thousands, unless otherwise specified)

G-TERM DEBT

	December 31, 2009	December 31, 2008
	(In thousands)	
or Notes due March 2028	$ 125,323	$ 185,001
or Notes due January 2024	22,232	180,000
g Rate Convertible Notes due 2012		1,830
	32,172	23,788
y	15,464	
	5,609	7,657
	200,800	398,276
on	(15,403)	(14,608)
	$ 185,397	$ 383,668

ng Rate Convertible Notes

e Company completed an offering of $50 million in aggregate principal amount of Senior Secured Floating Rate Convertible Notes. to the purchaser a warrant to purchase up to an additional $25 million aggregate principal amount of convertible notes. The notes hares of the Company s common stock at the option of the holder at any time prior to the close of business on the business day the maturity date. The initial conversion price was $11.50 per share. The net proceeds to the Company were $40.2 million after of issuance costs. The purchaser also received warrants to purchase up to an additional $25 million aggregate principal amount of 0.4 million.

at LIBOR plus 7.50% per year, provided that in no event would the annual rate be less than 9% or more than 12%. As of interest rate was 12%. Interest was payable, at the Company s option, in cash, common stock or a combination of cash and common he Company s senior secured obligations, ranking equally with all existing and future senior obligations and ranking senior to all ordinated indebtedness, and were secured by certain assets of the Company s Coeur Rochester, Inc. subsidiary.

e Company amended its agreement with the holders of the Senior Secured Floating Rate Convertible Notes to modify the exercise to exercise the warrant early and fix the interest rate at 12% through July 15, 2009.

e Company received proceeds of $20.4 million from the exercise of the warrant to purchase an additional $25 million aggregate Senior Secured Floating Rate Convertible Notes with terms similar to the notes it issued in October of 2008.

09, all of the $50 million Senior Secured Floating Rate Convertible Notes due 2012 had been fully converted into 6.4 million shares mon stock and all $25 million of the notes issued in January upon exercise of the warrant had been converted into 3.7 million shares of on stock. Upon exercising the conversion option, the holder received 86.95652 shares of the Company s common stock per $1,000 es, plus an additional payment in common stock and cash representing the value of the interest that would be earned on the notes versary of the conversion date.

n the notes, prior to their conversion in March 2009, was $0.9 million and $1.5 million, respectively.

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COEUR D ALENE MINES CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollar amounts in thousands, unless otherwise specified)

nior Notes

09, the outstanding balance of the 31/4% Convertible Senior Notes was $148.4 million, or $125.3 million net of debt discount.

Company completed an offering of $230 million in aggregate principal amount of Convertible Senior Notes due 2028. The notes are rest at a rate of 31/4% per year, payable on March 15 and September 15 of each year, beginning on September 15, 2008. The notes 028, unless earlier converted, redeemed or repurchased by the Company.

s may require that the Company repurchase some or all of the holder s notes on March 15, 2013, March 15, 2015, March 15, 2018 and urchase price equal to 100% of the principal amount of the notes to be repurchased, plus accrued and unpaid interest, in cash, shares ombination of cash and shares of common stock, at the Company s election. Holders will also have the right, following certain nsactions, to require the Company to repurchase all or any part of their notes for cash at a repurchase price equal to 100% of the notes to be repurchased plus accrued and unpaid interest. The Company may redeem the notes for cash in whole or in part at any 22, 2015 at 100% of the principal amount of the notes to be redeemed plus accrued and unpaid interest.

net share settlement of any conversions. Pursuant to this feature, upon conversion of the notes, the Company (1) will pay the note h equal to the lesser of the conversion obligation or the principal amount of the notes and (2) will settle any excess of the conversion tes principal amount in the Company s common stock, cash or a combination thereof, at the Company s election.

le under certain circumstances, as defined in the indenture agreement, at the holder s option, at an initial conversion rate of Company s common stock per $1,000 principal amount of notes, which is equivalent to an initial conversion price of approximately t to adjustment in certain circumstances.

09, $81.6 million of the 31/4% Convertible Senior Notes due 2028 were repurchased in exchange for 4.5 million shares of the ock which reduced the principal amount of the notes outstanding to $148.4 million ($125.3 million net of debt discount).

tes outstanding, as determined by market transactions at December 31, 2009 and December 31, 2008, was $131.3 million and ely.

the Company recorded $45.0 million of debt discount and the effective interest rate on the notes increased to 8.9%, including the count as described in Note D Recently Adopted Accounting Standards.

and 2008 interest was $5.9 million and $5.9 million, respectively, and accretion of the debt discount was $7.1 million and ly.

nior Notes

09 the balance of the 11/4% Convertible Senior Notes was $22.2 million.

illion principal amount of 11/4% Convertible Notes due 2024 outstanding at December 31, 2009 are convertible into shares of tion of the holder on January 15, 2011, 2014, and 2019, unless previously redeemed, at a conversion price of $76.00 per share, certain circumstances.

ed to make semi-annual interest payments. The notes are redeemable at the option of the Company before January 18, 2011, if the
npany s common stock over a specified number of

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COEUR D ALENE MINES CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollar amounts in thousands, unless otherwise specified)

ed 150% of the conversion price, and anytime thereafter. Before January 18, 2011, the redemption price is equal to 100% of the notes, plus an amount equal to 8.75% of the principal amount of the notes, less the amount of any interest actually paid on the notes ption date. The notes are due on January 15, 2024.

s may require that the Company repurchase some or all of the holder s notes on January 15, 2011, January 15, 2014 and January 15, ce equal to 100% of the principal amount of the notes to be repurchased, plus accrued and unpaid interest, in cash, shares of common of cash and shares of common stock, at the Company s election. Holders will also have the right, following certain fundamental require the Company to repurchase all or any part of their notes for cash at a repurchase price equal to 100% of the principal amount chased plus accrued and unpaid interest.

09, $157.8 million of the 11/4% Convertible Senior Notes due 2024 were repurchased in exchange for 10.4 million shares of the ock.

tes outstanding, as determined by market transactions on December 31, 2009 and December 31, 2008, was $22.8 million and ely.

the year ended December 31, 2009 was $1.5 million. Interest on the notes for the year ended December 31, 2008 was $2.3 million.

y Obligation

e Company entered into a gold production royalty transaction with Franco-Nevada Corporation under which Franco-Nevada ering 50% of the life of mine gold to be produced by Coeur from its Palmarejo silver and gold mine in Mexico. Coeur received total million consisting of $75.0 million in cash, plus a warrant to acquire Franco-Nevada Common Shares (the Franco-Nevada warrant), .0 million at closing of the Franco-Nevada transaction. The royalty obligation is payable in an amount equal to the greater of the ces of gold or 50% of actual gold production per month multiplied by the market price of gold in excess of $400 (increasing by 1% the fourth anniversary of the transaction). The minimum royalty obligation commenced on July 1, 2009 and ends when payments tal of 400,000 ounces of gold.

lity

e Company entered into a term facility with Credit Suisse Zurich of Switzerland whereby Credit Suisse will provide Coeur Alaska, bsidiary of Coeur, a $45 million, five-year term facility to fund the remaining construction at the Company s Kensington Gold Mine y began drawing down the facility during the fourth quarter. After a twelve month grace period, Coeur Alaska will repay the loan in ts with interest based on a margin over the three-month LIBOR rate. The facility will be secured by the mineral rights and gton as well as a pledge of the shares of Coeur Alaska owned by Coeur.

09, the company has $15.5 million outstanding; bearing interest at 5.2% (three month Libor rate plus 5% margin). The Company is covenants including (i) guarantor tangible net worth; (ii) borrower tangible net worth; (iii) debt to equity ratio; (iv) debt service aximum production cost. Events of default in the Kensington term facility include (i) a cross-default of other indebtedness; (ii) a (iii) loss of or failure to obtain applicable permits; or (iv) failure to achieve final completion date.

COEUR D ALENE MINES CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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ensington term facility with Credit Suisse Zurich noted above, the Company agreed to enter into a gold hedging program which 125,000 ounces of gold production over the life of the facility against the risk associated with fluctuations in the market price of gold. orm of a series of zero cost collars which consist of a floor price and a ceiling price of gold. The required collars of 125,000 ounces o in November and December 2009. The collars mature quarterly beginning September 2010 and conclude in December 2014. The eature of each collar is $862.50 per ounce and the weighted average call feature of each collar is $1,688.50 per ounce.

, the Company s wholly owned Bolivia subsidiary, Empressa Minera Manquiri, received proceeds from short-term borrowings from nt of $5.0 million bearing interest at approximately 6.5% to fund working capital requirements. The short-term bank loan matures on uring 2008, Empressa Minera Manquiri, received proceeds from short-term borrowings from Banco Bisa and Banco de Credito de f $3.0 million to fund working capital requirements. The short-term bank loans matured and were repaid in April 2009.

er of 2008, the Company s wholly-owned Argentinean subsidiary entered into several temporary credit lines in the amount of andard Bank of Argentina secured by a standby letter of credit by Cerro Bayo, (a wholly owned subsidiary of the Company), to fund ments. The credit lines matured and were repaid on April 13, 2009, June 30, 2009 and July 24, 2009.

ded temporary credit facility of $2.0 million secured by the Company s investments in asset backed commercial paper, to fund ments. On June 3, 2008, the Company paid off the outstanding balance on the credit facility.

es interest incurred on its various debt instruments as a cost of properties under development. For the twelve months ended 08 and 2007, the Company capitalized interest of $22.8 million, $12.2 million and $2.3 million, respectively.

mpany s scheduled minimum debt repayments at December 31, 2009:

	Minimum Debt Repayments (In thousands)
	$ 41,155
	41,792
	41,168
	43,083
	45,397
	272,122
	484,417
	(153,310)
eduled lease payments (See Note I)	32,172

	$	363,579

COEUR D ALENE MINES CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollar amounts in thousands, unless otherwise specified)

AMATION AND REMEDIATION COSTS

iation costs are based principally on legal and regulatory requirements. Management estimates costs associated with reclamation of ll as remediation cost for inactive properties. The Company uses assumptions about future costs, mineral prices, mineral processing on levels and capital and reclamation costs. Such assumptions are based on the Company s current mining plan and the best available such estimates. On an ongoing basis, management evaluates its estimates and assumptions; however, actual amounts could differ ch estimates and assumptions.

igation is measured using the following factors: 1) Expected labor costs, 2) Allocated overhead and equipment charges,) Inflation adjustment, and 5) Market risk premium. The sum of the expected costs by year is discounted, using the Company s credit st rate from the time it expects to pay the retirement obligation to the time it incurs the obligation. The measurement objective is to third party would demand to assume the asset retirement obligation.

of a liability for an asset retirement obligation, the Company capitalizes the asset retirement cost as an increase in the carrying ng-lived asset. The Company depletes this amount using the units-of-production method. The Company is not required to re-measure ue each period, but the Company is required to evaluate the cash flow estimates at the end of each reporting period to determine ontinue to be appropriate. Upward revisions in the amount of undiscounted cash flows are discounted using a current credit-adjusted d revisions are discounted using the credit-adjusted risk-free rate that existed when the original liability was recorded, or, if not the weighted average discount rate used to record the liability.

and 2008, $38.2 million and $34.7 million, respectively, was accrued for reclamation obligations related to currently producing and properties. In addition, the Company has accrued $0.4 million and $1.3 million for reclamation obligations associated with former Ropes Gold mine and Golden Cross mine, respectively. These amounts are also included in reclamation and mine closure liabilities.

ription of the changes to the Company s asset retirement obligations for the years ended December 31, 2009 and 2008 (in thousands):

	Years Ended December 31, 2009	2008
tion January 1	$ 34,662	$ 33,135
	3,018	2,565
n estimates	1,490	1,759
	(977)	(2,797)
tion December 31	$ 38,193	$ 34,662

y has accrued $1.7 million and $1.4 million as of December 31, 2009 and 2008, respectively, for environmental remediation ner mining operations. These amounts are also included in reclamation and mine closure liabilities.

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COEUR D ALENE MINES CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollar amounts in thousands, unless otherwise specified)

ME TAXES

ome from continuing operations before income taxes were as follows (in thousands):

	Years Ended December 31, 2009	2008	2007
	$ 25,279	$ (125)	$ 21,909
	(116,093)	(27,334)	22,652
	$ (90,814)	$ (27,459)	$ 44,561

consolidated income tax benefit (provision) from continuing operations were as follows (in thousands):

	Years Ended December 31, 2009	2008	2007
tive minimum tax	$ (2,249)	$ (644)	$ (381)
withholding tax	(1,509)	(1,498)	(904)
	(6,284)	(2,047)	(6,590)
	592	(1,085)	(621)
	(124)	(623)	
	(2,673)		
	(53)	(34)	
		(1,410)	172
	200	1,115	(664)
	(6,221)	(2,480)	
	(2,308)	113	(1,662)
	40,346	(27,753)	
	6,204	53,846	
vision)	$ 25,921	$ 17,500	$ (10,650)

COEUR D ALENE MINES CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollar amounts in thousands, unless otherwise specified)

Company s effective tax rate with the federal statutory tax rate for the periods indicated is as follows (in thousands):

	Years Ended December 31		
	2009	2008	2007
from continuing operations	$ 31,785	$ 8,727	$ (16,323)
n continuing operations	2,724	405	(1,766)
d related deductions	2,726	3,890	4,860
owance	10,759	6,652	3,896
d interest	(1,986)	(2,168)	
	898	(2,665)	
eductible expenses	(3,619)	(2,767)	(663)
		19,886	
	2,340	(6,663)	
dexing	(2,635)	1,425	
nces	(15,011)	(6,019)	2,309
xes	(1,509)	(1,604)	(904)
	(551)	(1,599)	(2,059)
	$ 25,921	$ 17,500	$ (10,650)

09 and 2008, the significant components of the Company s deferred tax assets and liabilities were as follows (in thousands):

	Years Ended December 31	
	2009	2008
	$ 458,204	$ 332,399
ubsidiaries	141,624	275,127
pment, net	41,237	30,149
	641,065	637,675
forwards	166,234	175,678
ubsidiaries	18,115	24,753
term debt	23,335	
rds	8,558	9,547
tion	9,327	8,314
ency loss and other	5,550	6,381

	8,561	5,168
s	9,518	2,691
	593	1,036
	249,791	233,568
	(123,049)	(148,435)
	126,742	85,133
(liabilities)	$ (514,323)	$ (552,542)

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COEUR D ALENE MINES CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollar amounts in thousands, unless otherwise specified)

uated the amount of taxable income and periods over which it must be earned to allow for realization of the deferred tax assets. Based Company has recorded valuation allowances as follows (in thousands):

	Years Ended December 31 2009	2008
	$ 76,904	$ 106,239
	4,760	3,376
		2,679
	6,727	6,732
	28,516	28,125
	4,702	1,284
	1,440	
	$ 123,049	$ 148,435

s to monitor the valuation allowance quarterly, and will make the appropriate adjustments as necessary.

the provisions under U.S. GAAP, Accounting for Uncertainty in Income Taxes, on January 1, 2007. U.S. GAAP clarifies the criteria osition must satisfy for some or all of the benefits of that position to be recognized in a Company s financial statements. U.S. GAAP threshold of more likely than not, and a measurement attribute for all tax positions taken or expected to be taken on a return. The hat it had no impact on the financial statements, and as a result, did not record any cumulative effect adjustment related to adoption of

beginning and ending amount related to unrecognized tax benefits is as follows (in thousands):

fits at January 1, 2009	$ 2,732
nt period tax positions	166
period tax positions	(2,150)
fits at December 31, 2009	$ 748

led to classify interest and penalties associated with these uncertain tax positions as a component of income tax expense and has $0.03 million during 2009.

ome tax returns in various U.S. federal and state jurisdictions, in all identified foreign jurisdictions and various others. To the extent s in any such jurisdictions, the statute of limitations generally remains open.

ously determined the earnings from certain foreign jurisdictions were not indefinitely reinvested. Accordingly, the Company has es and withholding taxes related to those jurisdictions. In 2009, the company retained its position established in 2008 when it was easonable, appropriate and prudent that a portion of the anticipated future cash flows from Mexico would be indefinitely reinvested improvements and additional exploration activities within and around the Palmarejo operating site.

o indefinitely reinvest earnings from its Palmarejo operations in Mexico. Accordingly, U.S. and non-U.S. income and withholding d taxes might otherwise be required, have not been provided on a cumulative amount of temporary differences (including, for this

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COEUR D ALENE MINES CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollar amounts in thousands, unless otherwise specified)

the stock of a consolidated subsidiary and the amount of the subsidiary s net equity determined for financial reporting purposes) n foreign subsidiaries of approximately $170 million and $170 million for the years ended December 31, 2009 and 2008. The -U.S. income and withholding tax that would arise on the reversal of the temporary differences could be offset in part, by tax credits. ion of the amount of available tax credits and the limitations imposed on the annual utilization of such credits are subject to a highly lations and expense allocations, it is impractical to estimate the amount of net income and withholding tax that might be payable if a fferences occurred.

any incurred an ownership change which generally limits the availability of existing tax attributes, including net operating loss future taxable income. The Company has the following tax attribute carryforwards as of December 31, 2009, by jurisdiction (in

	U.S.	Australia	Bolivia	Canada	Chile	Mexico	New Zealand	Other	Total
osses	$ 78,826			$ 2,427	$ 27,370	$ 360,078	$ 95,054	$ 4,798	$ 568,553
x net									
	528								528
	18,939			3,891					22,830
	4,909								4,909
	4,608								4,608

osses expire from 2017 through 2028 and the Canada net operating losses expire from 2028 through 2029. The Mexico net operating d 2019, while the remaining net operating losses from the foreign jurisdictions have an indefinite carryforward period. The re in 2012 while the Canada capital losses generally have an indefinite carryforward period. Alternative minimum tax credits do not redits expire if unused by 2019.

10 REVERSE STOCK SPLIT

pany s Board of Directors authorized the Company to proceed with a 1-for-10 reverse stock split, which became effective at 6:01 p.m., 26, 2009, and which had been approved by the Company s shareholders at the Annual Meeting of Shareholders on May 12, 2009. The ock began trading at the split-adjusted basis on May 27, 2009.

it proportionally reduced the authorized, issued and outstanding shares of common stock of the Company, without any change to the n stock balance on the consolidated balance sheets as of December 31, 2008 and all per share amounts contained in this Annual Report therwise indicated, have been adjusted to reflect the 1-for-10 reverse stock split assuming the reverse stock split occurred January 1,

CK-BASED COMPENSATION PLANS

nnual Incentive Plan, a Long-Term Incentive Plan (the 2003 Long-Term Incentive Plan) and the 2005 Non-Employee Directors 2005 Non-Employee Directors Plan). Total employee compensation charged to operations and capital projects under these Plans wa illion and $6.3 million for the years ended December 31, 2009, 2008 and 2007, respectively.

k Appreciation Rights (SARs) granted under the Company s incentive plans vest over three years and are exercisable over a period not n the grant date. The exercise price of the stock options and SARs is equal to the greater of the par value of the shares or the fair res on

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COEUR D ALENE MINES CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Dollar amounts in thousands, unless otherwise specified)

e value of each stock option award and SAR is estimated on the date of grant using the Black-Scholes option pricing model. Stock
ounted for as equity based awards and SARs are accounted for as liability based awards. The value of the SARs are remeasured at
Rs, when vested, provide the participant the right to receive cash equal to the excess of the market price of the shares over the
rcised.

tricted stock units granted under the Company s incentive plans are accounted for based on the market value of the underlying shares
vest in equal installments annually over three years. Restricted stock awards are accounted for as equity-based awards and restricted
ccounted for as liability-based awards. Restricted stock units are remeasured at each reporting date. Holders of the restricted stock are
es and to receive any dividends declared on the shares. Restricted stock units are settled in cash based on the number of vested
ultiplied by the current market price of the common shares when vested.

performance units granted under the Company s incentive plans are accounted for at fair value. Performance share awards are
-based awards and performance units are accounted for as liability based awards. Performance shares and performance units are
arlo simulation valuation model on the date of grant. The value of the performance units is remeasured each reporting date. Vesting
g certain market conditions based on relative total shareholder return. The performance shares and units vest at the end of the
d if the market conditions are met and the employee remains an employee of the Company. The existence of a market condition
compensation cost for the performance share awards over the requisite period regardless of whether the market condition is ever
units are cash-based awards and are settled in cash based on the current market price of the common shares when vested.

nse recognized in the Company s consolidated financial statements for the year ended December 31, 2009, 2008 and 2007 for stock
ards was $4.9 million, $2.9 million and $3.7 million, respectively. The SAR s, restricted stock units and performance units are
nd are required to be remeasured at the end of each reporting period with corresponding adjustments to previously recognized and
pensation expense. As of December 31, 2009, there was $2.5 million of total unrecognized compensation cost (net of estimated
nvested stock options, SARs, restricted stock, restricted stock units, performance shares and performance units which is expected to
eighted-average remaining vesting period of 1.7 years.

s forth the weighted average fair value of stock options on the date of grant and the weighted average fair value of the SARs at
e assumptions used to estimate the fair value of the stock options and SARs using the Black-Scholes option valuation model are as

	Date of Grant			As of December 31,
	Stock Options		SARs	SARs
	2009	2008	2009	2009
value of stock options granted and SAR s				
	$3.90	$2.26	$3.90	$13.35
	70.8%	56.0-56.2%	70.8%	75.9%
	6.0 years	6.0 years	6.0 years	5.1 years
	2.08%	3.0-3.35%	2.08%	2.7%
d				

is determined using historical volatilities based on historical stock prices. The Company estimated the expected life of the options g the midpoint between the vesting

COEUR D ALENE MINES CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollar amounts in thousands, unless otherwise specified)

ntractual term. The risk free rate was determined using the yield available on U.S. Treasury zero-coupon issues with a remaining term fe of the option or SAR. The Company has not paid dividends on its common stock since 1996.

nmarizes stock option and SARs activity for the years ended December 31, 2007, 2008 and 2009, adjusted for the 1 for 10 reverse

	Stock Options		SARs	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
ng at December 31, 2006	208,965	$ 35.60		$
	46,215	39.90		
	(5,617)	32.90		
	(21,365)	59.90		
ng at December 31, 2007	228,198	34.20		
	55,021	42.70		
	(905)	39.20		
	(38,944)	48.80		
ng at December 31, 2008	243,370	33.80		
	163,720	10.00	112,471	10.00
	(14,412)	44.36		
er 31, 2009	392,678	$ 23.48	112,471	$ 10.00

2,990 shares were exercisable at December 31, 2009 at a weighted average exercise price of $31.63.

Options Outstanding			Options Exercisable		
Number Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Number Exercisable	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)
207,988	$ 9.57	7.5	44,268	$ 8.00	1.8
32,044	$ 17.53	2.7	32,044	$ 17.53	2.7

22,981	$	22.67	5.8	15,098	$ 21.87	4.4
63,256	$	38.94	5.4	54,781	$ 38.79	5.2
29,426	$	48.50	8.0	9,816	$ 48.50	8.0
18,023	$	51.40	6.1	18,023	$ 51.40	6.1
3,219	$	66.60	4.0	3,219	$ 66.60	4.0
15,741	$	70.90	4.1	15,741	$ 70.90	4.1

09, there was $0.6 million of unrecognized compensation cost related to non-vested stock options and SARs to be recognized over a d of 1.4 years.

COEUR D ALENE MINES CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollar amounts in thousands, unless otherwise specified)

nmarizes restricted stock and restricted stock units activity for the years ended December 31, 1007, 2008 and 2009, adjusted for the plit:

	Restricted Stock		Restricted Stock Units	
	Number of Shares	Weighted Average Grant Date Fair Value	Number of Units	Weighted Average Fair Value as of December 31, 2009
er 31, 2006	41,303	$ 48.30		$
	49,809	39.90		
	(24,178)	48.20		
	(6,597)	43.00		
er 31, 2007	60,337	42.00		
	56,095	41.60		
	(26,571)	42.20		
	(16,774)	42.30		
er 31, 2008	73,087	41.50		
	98,983	6.90	67,485	18.06
	(32,084)	41.65		
	(5,597)	42.32		
er 31, 2009	134,389	$ 15.95	67,485	$ 18.06

09, there was $0.6 million of total unrecognized compensation cost related to restricted stock and restricted stock unit awards to be nted-average period of 1.4 years.

nmarizes performance shares and performance units activity for the years-ended December 31, 2007, 2008 and 2009, adjusted for the plit:

	Performance Shares		Performance Units	
	Number of Shares	Weighted Average Grant Date Fair Value	Number of Units	Weighted Average Fair Value as of December 31, 2009

er 31, 2006	21,045	$ 51.40		$
	30,688	39.90		
	(3,030)	44.80		
	(6,643)	44.70		
er 31, 2007	42,060	44.50		
	28,241	52.50		
	(15,534)	48.80		
er 31, 2008	54,767	47.40		
	98,233	8.60	67,485	27.53
	(16,702)	46.70		
er 31, 2009	136,298	$ 16.59	67,485	$ 27.53

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COEUR D ALENE MINES CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollar amounts in thousands, unless otherwise specified)

09, there was $1.2 million of total unrecognized compensation cost related to performance shares and performance units to be nted average period of 1.9 years.

ED CONTRIBUTION AND 401(k) PLANS

Plan

a noncontributory defined contribution retirement plan for all eligible U.S. employees. Total contributions charged to expense were on and $0.8 million for 2009, 2008 and 2007, respectively, which is based on a percentage of the salary of eligible employees.

s a retirement savings plan (which qualifies under Section 401(k) of the U.S. Internal Revenue code) covering all eligible the plan, employees may elect to contribute up to 100% of their cash compensation, subject to ERISA limitations. The Company Tiered Match and is required to make matching contributions equal to 100% of the employee s contribution up to 3% of the ion plus matching contributions equal to 50% of the employee s contribution up to an additional 2% of the employee s compensation. ion of investing in twelve different types of investment funds. Total plan expenses recognized in the Company s consolidated re $0.5 million, $0.6 million and $0.6 million in 2009, 2008 and 2007, respectively and plan expenses charged to operations were on and $0.4 million, respectively.

IVE FINANCIAL INSTRUMENTS AND FAIR VALUE OF FINANCIAL INSTRUMENTS

ction Royalty

e Company entered into a gold production royalty transaction with Franco-Nevada Corporation under which Franco-Nevada ering 50% of the life of mine gold to be produced by Coeur from its Palmarejo silver and gold mine in Mexico. Coeur received total million consisting of $75.0 million in cash, plus a warrant to acquire Franco-Nevada Common Shares (the Franco-Nevada warrant), .0 million at closing of the Franco-Nevada transaction. The royalty obligation is payable in an amount equal to the greater of the ces of gold or 50% of actual gold production per month multiplied by the market price of gold in excess of $400 (increasing by 1% n the fourth anniversary of the transaction). The minimum royalty obligation commenced on July 1, 2009 and ends when payments tal of 400,000 ounces of gold. The 400,000 ounces of gold minimum is considered an embedded derivative financial instrument royalty obligation is accreted to its expected value over the expected minimum payment period based on the implicit interest rate. bedded derivative at December 31, 2009 was a liability of $78.0 million. The Franco-Nevada warrant is a contingent option to on shares of Franco-Nevada for no additional consideration, once the mine satisfies certain completion tests stipulated in the Nevada warrant is considered a derivative instrument. The fair value of the warrant was $6.3 million at December 31, 2009. These re recorded in prepaid expenses and other or accrued liabilities and other on the balance sheet and adjusted to fair value through g the twelve months ended December 31, 2009, mark to market adjustments for the embedded derivative and warrant amounted to a d a gain of $3.3 million, respectively. During 2009, realized losses on settlement of the liabilities were $3.5 million.

COEUR D ALENE MINES CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollar amounts in thousands, unless otherwise specified)

ange Contracts

urth quarter of 2008, the Company entered into forward foreign currency exchange contracts to reduce the foreign exchange risk ed Mexican peso (MXP) and Argentine peso (ARS) operating costs at its Palmarejo project and Martha mine, respectively.

the Company had MXP foreign exchange contracts of $27.9 million in U.S. dollars. These contracts require the Company to or MXP at a weighted average exchange rate of 13.45 MXP to each U.S. dollar and had a fair value of $1.3 million at December 31, corded unrealized gains of $1.3 million, $3.5 million and $0.1 million for the years ended December 31, 2009, 2008 and 2007, eflected in the gain (loss) on derivatives. The Company recorded realized gains (losses) of $1.5 million, $(0.6) million and on costs applicable to sales during the years ended December 31, 2009, 2008 and 2007, respectively. There were no ARS peso acts outstanding as of December 31, 2009.

09 and December 31, 2008, based on the current futures metals prices for each of the delivery dates and using a 5.7% and 15.0% ely, the fair value of the instrument was a liability of $28.5 million and $18.8 million, respectively. The pre-credit risk adjusted fair ve liability as of December 31, 2009 was $29.1 million. A credit risk adjustment of $0.6 million to the fair value of the derivative nount of the net derivative liability on the Company s consolidated balance sheet to $28.5 million. During the years ended 2008, mark-to market adjustments for the gold lease facility amounted to a loss of a $6.3 million and a gain of $1.2 million,

the Company entered into a gold lease facility with Mitsubishi International Corporation (MIC). Under the facility, the Company 0 million for the sale of 23,529 ounces of gold leased from MIC to the Company. During 2009, the Company repaid 2,000 ounces of tional 5,000 ounces of gold. As of December 31, 2009, the Company had 26,529 ounces of gold leased from MIC. The Company has s number of ounces of gold to MIC over the next seven months on scheduled delivery dates. As of December 31, 2009 the Company rtain collateral, including standby letters of credit of $2.3 million and $11.3 million of metal inventory held at its refiners. The he gold lease facility as a derivative instrument, which is recorded in accrued liabilities and other in the balance sheet.

09 and December 31, 2008, based on the current futures metals prices for each of the delivery dates and using a 5.7% and 15.0% ely, the fair value of the instrument was a liability of $28.5 million and $18.8 million, respectively. The pre-credit risk adjusted fair ve liability as of December 31, 2009 was $29.1 million. A credit risk adjustment of $0.6 million to the fair value of the derivative nount of the net derivative liability on the Company s consolidated balance sheet to $28.5 million. During the years ended 2008, mark-to market adjustments for the gold lease facility amounted to a loss of a $6.3 million and a gain of $1.2 million,

tracts

to concentrate sales contracts with third-party smelters. The contracts, in general, provide for a provisional payment based upon quoted metal prices and the provisionally priced sales contain an embedded derivative that is required to be separated from the host purposes. The host contract is the receivable from the sale of concentrates at the forward price at the time of sale. The embedded final settlement price based on a future price, does not qualify for hedge accounting. These embedded derivatives are recorded as paid expenses and other), or

COEUR D ALENE MINES CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollar amounts in thousands, unless otherwise specified)

Accrued liabilities and other), on the balance sheet and are adjusted to fair value through earnings each period until the date of final er 31, 2009, the Company had outstanding provisionally priced sales of $19.1 million consisting of 1.0 million ounces of silver and hich had a fair value of approximately $19.1 million including the embedded derivative. At December 31, 2008, the Company had ly priced sales of $33.2 million consisting of 2.2 million ounces of silver and 8,388 ounces of gold, which had a fair value of llion including the embedded derivative.

hs ended, December 31, 2009, the Company purchased silver put options to reduce the risk associated with potential decreases in the The cost of these put options was largely offset by proceeds received from the sale of gold call options. At December 31, 2009, the ons allowing it to deliver 5.4 million ounces of silver at a weighted average strike price of $9.21 per ounce. The contracts will expire hs.

the Company also had written outstanding call options requiring it to deliver 125,000 ounces of gold at a weighted average strike unce if the market price of gold exceeds the weighted average strike price. In addition, the Company had purchased outstanding put ll 125,000 ounces of gold at a weighted average strike price of $862.50 per ounce if the market price of gold were to fall below the cts will expire over the next five years. As of December 31, 2009 the fair market value of these contracts was a net liability of

er of 2009, the Company closed outstanding call options requiring it to deliver 35,240 ounces of gold at an average strike price of market price of gold exceeds the average strike price.

COEUR D ALENE MINES CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollar amounts in thousands, unless otherwise specified)

09, the Company had the following derivative instruments that settle in each of the years indicated in the table (in thousands except nd per share data):

	2010	2011	2012	Thereafter
ion royalty	23,390	24,027	24,865	108,567
xcess of minimum contractual deduction	$ 467.77	$ 480.51	$ 497.27	$ 494.89
	50,004	50,004	50,004	219,375
t	5,000			
	$ 15.80			
	316,455			
purchase contracts	27,900			
	$ 13.45			
amount	375,141			
chase contracts	23,408			
rice	$ 882.34			
	26,529			
agreements	17,758			
	$ 17.10			
	1,038,405			
agreements	1,333			
	$ 1,086.49			
	1,227			
ased	360	3,240	2,880	2,520
ce	$ 862.50	$ 862.50	$ 862.50	$ 862.50
	5,000	45,000	40,000	35,000
	360	3,240	2,880	2,520
ce	$ 1,688.50	$ 1,688.50	$ 1,688.50	$ 1,688.50
	5,000	45,000	40,000	35,000
	2,109			
ice	$ 9.21			
	5,400,000			

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COEUR D ALENE MINES CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollar amounts in thousands, unless otherwise specified)

zes classification of the fair value of the derivative instruments as of December 31, 2009 and 2008 :

	As of December 31, 2009			
	Prepaid Expenses and Other	Accrued Liabilities and Other	Current Portion of Royalty Obligation	Non-Current Portion of Royalty Obligation
	$	$ 28,506	$	$
ge contracts	1,490	155		
ion royalty			12,174	65,839
	6,339			
	121	964		
acts	624	580		
	$ 8,574	$ 30,205	$ 12,174	$ 65,839

	As of December 31, 2008		
	Prepaid Expenses and Other	Accrued Liabilities and Other	Non-Current Portion of Royalty Obligation
	$ 1,194	$ 20,000	$
ge contracts	3,467		
note warrant		15,277	
note conversion option		21,566	
acts	1,476	2,590	
	$ 6,137	$ 59,433	$

t unrealized mark-to-market gains (losses) on derivative instruments as of December 31, 2009 and 2008 :

	Twelve Months Ended December 31, 2009	Twelve Months Ended December 31, 2008
	$ (6,292)	$ 1,194

ge contracts	1,335	3,467
	(78,014)	
	3,340	
	(2,953)	
note warrant		(402)
note conversion option		(2,503)
	$ (82,584)	$ 1,756

ember 31, 2009 and 2008, the company recorded realized losses of $0.1 million and $0.1 million in gain (loss) on derivatives, net and lion and $(0.6) million recorded in production costs applicable to sales related to forward foreign exchange contracts.

COEUR D ALENE MINES CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollar amounts in thousands, unless otherwise specified)

Senior Secured Floating Rate Convertible Notes

he Company completed an offering of $50 million in aggregate principal amount of Senior Secured Floating Rate Convertible Notes, f $40.2 million after deducting $0.5 million of issuance costs. The purchaser also received warrants to purchase up to an additional rincipal amount of convertible notes for $20.4 million. Upon exercising the conversion option, the holder receives common stock of al conversion rate of 86.95652, plus an additional payment in common stock or cash, at the election of the Company, representing the t would be earned on the notes through the earlier of the fourth anniversary of the conversion date or October 15, 2013, at the interest onversion date. The conversion option is considered an embedded derivative that is required to be separated from the host debt purposes. The warrants are also considered derivative instruments. These derivatives are recorded in accrued liabilities and other on e adjusted to fair value through earnings. At the issuance date, because the combined fair value of the conversion option and the net proceeds, the notes were recorded with a full original issue discount. The amount by which the fair value of the conversion option the proceeds received, or $10.0 million, was recorded as a loss upon issuance and is included in unrealized gains (loss) on derivatives dated statements of operations. The fair values of the conversion option and warrants were $32.2 million and $18.5 million, ance date. As of December 31, 2009, all of the $50 million Senior Secured Floating Rate Convertible Notes due 2012 have been fully

e related to any potential derivative instruments is limited to the unrealized gains, if any, on outstanding contracts based on current e counter-party credit exposure, the Company deals only with a group of large credit-worthy financial institutions and limits credit Company does not anticipate non-performance by any of its counterparties. In addition, to allow for situations where positions may Company deals only in markets that it considers highly liquid.

ITMENTS AND CONTINGENCIES

t

s three labor agreements in South America, consisting of a labor agreement with Syndicato de Trabajadores de Compañía Minera erro Bayo mine in Chile and with Associacion Obrera Minera Argentina at its Martha mine in Argentina and Sindicato de la iri at its San Bartolomé mine in Bolivia. The agreement at Cerro Bayo is effective from December 24, 2007 to December 21, 2010 ina Martha is effective from June 12, 2006 to June 1, 2010. The Bolivian labor agreement, which became effective October 11, 2007, rm. As of December 31, 2009, approximately 19% of the Company s worldwide labor force was covered by collective bargaining

Company established a one-time termination benefit program at the Rochester mine as the mine approaches the end of its mine life. required to render service until they are terminated in order to be eligible for benefits. Approximately 85% of the workforce was 008, while the remaining employees are expected to stay on for residual leaching and reclamation activities. As of December 31, xpected to be incurred under this plan is approximately $5.0 million. The

COEUR D ALENE MINES CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollar amounts in thousands, unless otherwise specified)

atably over the minimum future service period. The amount accrued as of December 31, 2009, 2008 and 2007 is as follows (in

	Year Ended December 31,		
	2009	**2008**	**2007**
	$ 445	$ 820	$ 1,959
	144	12	1,917
		(387)	(3,056)
	$ 589	$ 445	$ 820

have a written severance plan for any of its foreign operations including Chile, Argentina, Bolivia and Mexico. However, laws in ns require payment of certain minimum statutory termination benefits. Accordingly, in situations where minimum statutory st be paid to the affected employees, the company records employee severance costs in accordance with U.S. GAAP. The Company for postemployment benefits in these locations of approximately $3.9 million as of December 31, 2009.

Royalty

through its wholly-owned subsidiary, Coeur Alaska, Inc. (Coeur Alaska), acquired the 50% ownership interest of Echo Bay Bay) in the Kensington property from Echo Bay and Echo Bay Alaska, Inc., giving Coeur 100% ownership of the Kensington s located on the east side of Lynn Canal between Juneau and Haines, Alaska. Coeur Alaska is obligated to pay Echo Bay a scaled net n 1.0 million ounces of future gold production after Coeur Alaska recoups the $32.5 million purchase price and its construction and res incurred after July 7, 1995 in connection with placing the property into commercial production. The royalty ranges from 1% at aximum of 21/2% at gold prices above $475, with the royalty to be capped at 1.0 million ounces of production.

FICANT CUSTOMERS

ts refined metal and doré to credit worthy bullion trading houses, market makers and members of the London Bullion Market companies and sound financial institutions. The refined metals are sold to end users for use in electronic circuitry, jewelry, rmaceutical and technology industries. The Company has five trading counterparties (Mitsui, Mitsubishi, Standard Bank, Valcambi ales of metals to these companies amounted to approximately 83%, 50% and 52% of total metal sales in 2009, 2008 and 2007, the loss of a single bullion trading counterparty would not adversely affect the Company due to the liquidity of the markets and the e trading counterparties.

nd markets its precious metals doré concentrates using a geographically diverse group of third party smelters and refiners, including o, Switzerland, Australia and the United States (Penoles, Valcambi, Nyrstar, Johnson Matthey). Sales of silver concentrates to ounted to approximately 17%, 50% and 48% of total metal sales for the years ended December 31, 2009, 2008 and 2007, f any one smelting and refining client may have a material adverse effect if alternative smelters and refineries are not available. The e is sufficient global capacity available to address the loss of any smelter.

COEUR D ALENE MINES CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollar amounts in thousands, unless otherwise specified)

ENT REPORTING

defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the maker, or decision-making group, in deciding how to allocate resources and in assessing performance. The Company s chief ing group is comprised of the Chief Executive Officer, Chief Financial Officer, the Senior Vice President of Operations and the rican Operations.

are managed separately because each segment represents a distinct use of company resources and a separate contribution to the The Company s reportable operating segments include the Palmarejo, San Bartolomé, Mina Martha, Rochester, Endeavor and Cerro As of July 30, 2009, the Company completed the sale of its interest in the Broken Hill mine (See Note F). All operating segments overy and/or mining of gold and silver and generate the majority of their revenues from the sale of these precious metal concentrates metals. The Martha mine sells precious metal concentrates, typically under long-term contracts, to smelters located in Mexico. produced by the Rochester, Palmarejo and San Bartolomé mines are principally sold on a spot basis to precious metals trading banks, Mitsubishi, Auramet and Mitsui. Concentrates produced at the Endeavor mine are sold to Nyrstar (formerly Zinifex), an Australia s exploration programs are reported in its other segment. The other segment also includes the corporate headquarters, elimination of ns and other items necessary to reconcile to consolidated amounts. The accounting policies of the operating segments are the same as ummary of significant accounting policies above. The Company evaluates performance and allocates resources based on profit or loss taxes, depreciation and amortization, unusual and infrequent items, and extraordinary items.

ales were $238.4 million, $129.9 million and $130.4 million in 2009, 2008, and 2007, respectively. Revenues from gold sales were llion and $64.4 million in 2009, 2008, and 2007, respectively.

elating to the Company s segments is as follows (In thousands):

	Rochester Mine	Cerro Bayo Mine	Martha Mine	Endeavor Mine	San Bartolomé Mine	Kensington Project	Palmarejo Mine	Other(C)	Total
r 31,									
	$ 45,473	$ 1,673	$ 44,820	$ 5,808	$ 113,701	$	$ 89,143	$	$ 300,618
cable									
	24,206	1,211	17,896	2,069	80,878		64,845		191,105
ion	1,852	4,195	7,410	1,269	18,510		52,042	292	85,570
		2,153	3,119		34	297	5,615	3,991	15,209
es	913	10,456				39	968	21,619	33,995
ne	(168)	1,600	(1,953)		1,075	3	1,075	1,616	3,248
			(401)		(125)	(16)	(14,213)	(3,347)	(18,102)
ment								31,988	31,988
						(965)	(78,148)	(3,574)	(82,687)

ense)		(2,309)	(6,284)		(8,894)	5	40,222	3,181	25,921
	18,334	(17,051)	7,757	2,470	6,335	(1,309)	(85,391)	3,962	(64,893)
								32,986	32,986
	$ 18,334	$ (17,051)	$ 7,757	$ 2,470	$ 6,335	$ (1,309)	$ (85,391)	$ 36,948	$ (31,907)
	$ 31,232	$ 38,047	$ 33,024	$ 39,852	$ 276,926	$ 397,457	$ 2,129,024	$ 8,901	$ 2,954,463
	$ 310	$ 1,077	$ 1,575	$	$ 11,091	$ 42,092	$ 162,754	$ 196	$ 219,095

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COEUR D ALENE MINES CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollar amounts in thousands, unless otherwise specified)

	Rochester Mine	Cerro Bayo Mine	Martha Mine	Endeavor Mine	San Bartolomé Mine	Kensington Project	Palmarejo Project	Other[(C)]	Total
r 31,									
	$ 67,831	$ 41,589	$ 31,445	$ 12,434	$ 17,575	$	$	$	$ 170,874
cable									
	42,246	27,930	17,599	1,060	17,747				106,582
ion	2,353	8,357	4,853	1,971	5,835		930	557	24,856
	599	2,693	5,426		66	166	7,686	3,895	20,531
es	149	3,053	17		27	1,796	15,759	25,150	45,951
ne	3,176	(1,377)	(977)		2,541	54	(44)	(816)	2,557
s) on									
								1,756	1,756
			(57)		(43)	(10)	298	(4,914)	(4,726)
		113	(3,625)		(2,479)		23,844	(353)	17,500
								(33,929)	(9,959)
								9,332	9,332
	$ 25,660	$ (1,708)	$ (1,109)	$ 9,403	$ (6,081)	$ (1,918)	$ (277)	$ (24,597)	$ (627)
	$ 39,049	$ 46,701	$ 36,089	$ 41,003	$ 293,216	$ 344,919	$ 2,005,595	$ 7,493	$ 2,814,065
	$ 635	$ 8,233	$ 4,503	$ 26,513	$ 120,872	$ 41,614	$ 162,202	$ 447	$ 365,019

	Rochester Mine	Cerro Bayo Mine	Martha Mine	Endeavor Mine	San Bartolomé Mine	Kensington Project	Palmarejo Project	Other	Total
r 31,									
	$ 100,903	$ 47,794	$ 38,077	$ 7,943	$	$	$	$	$ 194,717
cable									
	60,364	35,594	17,231	545		(1)			113,733
ion	8,697	6,260	1,731	755				487	17,930
	361	2,908	4,418			619		3,635	11,941

es	62	113	38			38		24,131	24,382
ne	2,948	1,590	(303)			85		13,875	18,195
		(23)						(342)	(365)
		(1,662)	(6,418)			(20)		(2,550)	(10,650)
								(17,270)	33,911
								9,979	9,979
	$ 34,367	$ 2,824	$ 7,938	$ 6,643	$	$ (591)	$	$ (7,291)	$ 43,890
	$ 62,848	$ 63,570	$ 25,799	$ 17,885	$ 169,196	$ 301,730	$ 1,759,153	$ 36,861	$ 2,437,042
	$ 1,647	$ 11,330	$ 16,444	$ 2,112	$ 84,332	$ 98,958	$	$ 2,155	$ 216,978

onsist of receivables, prepaids, inventories, property, plant and equipment, and mining properties

nt cash flow amounts.

nued operations.

COEUR D ALENE MINES CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollar amounts in thousands, unless otherwise specified)

	2009	2008	2007
ble segments	$ 2,954,463	$ 2,814,065	$ 2,437,042
nts	22,782	20,760	98,671
		7,881	53,039
	76,790	85,415	62,942
ts	$ 3,054,035	$ 2,928,121	$ 2,651,694

on

	As of December 31, 2009	2008	2007
	$ 401,177	$ 349,423	$ 305,876
	39,136	64,802	42,772
	25,628	29,083	28,028
	12,392	18,587	18,640
	248,667	263,491	151,716
	2,051,950	1,952,509	1,756,042
	143	157	190
	$ 2,779,093	$ 2,678,052	$ 2,303,264

on

	Twelve Months Ended December 31, 2009	2008	2007
	$ 45,473	$ 67,831	$ 100,903
	5,808	12,434	7,943
	1,673	41,589	47,794
	44,820	31,445	38,077
	113,701	17,575	
	89,143		

	$ 300,618	$ 170,874	$ 194,717

ATION AND OTHER EVENTS

and Colorado Superfund Sites Related to Callahan Mining Corporation

any acquired all of the outstanding common stock of Callahan Mining Corporation.

Service made a formal request for information regarding the Deadwood Mine Site located in central Idaho. Callahan Mining ed at this site during the 1940s. The Forest Service believes that some cleanup action is required at the location. However, the re Callahan until

COEUR D ALENE MINES CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollar amounts in thousands, unless otherwise specified)

rs after Callahan disposed of its interest in the Deadwood property. The Company did not make any decisions with respect to disposal of hazardous waste at the site. Therefore, the Company believes that it is not liable for any cleanup, and if Callahan might tantial assets with which to satisfy any such liability. To date, no claim has been made by the United States for any cleanup costs any or Callahan.

Environmental Protection Agency, or EPA, made a formal request for information regarding a Callahan mine site in the State of ed there in the late 1960s, shut the operations down in the early 1970s and disposed of the property. The EPA contends that some nted at the site, and listed it on the National Priorities List in late 2002. In 2009, the EPA and the State of Maine made additional rmation relating to the Maine Callahan mine site. The Company believes that because it made no decisions with respect to disposal of hazardous waste at this location, it is not liable for any cleanup costs. If Callahan might have liability, it has no which to satisfy such liability. To date, no claim has been made for any cleanup costs against either the Company or Callahan.

rest Service made a formal request for information regarding a Callahan mine site in the State of Colorado known as the Akron Mine there in approximately the late 1930s through the 1940s, and, to the Company s knowledge, disposed of the property. The Company any, cleanup action the Forest Service is contemplating. However, the Company did not make decisions with respect to generation, hazardous waste at this location, and therefore believes it is not liable for any cleanup costs. If Callahan might have liability, it has no which to satisfy such liability. To date, no claim has been made for any cleanup costs against either the Company or Callahan.

Kensington Project Permit Challenge

United States Supreme Court released its decision reversing the Ninth Circuit Court of Appeals that invalidated the previously issued he tailings facility for the Kensington gold mine near Juneau, Alaska.

ision was the result of the filing of a lawsuit by three environmental groups, Southeast Alaska Conversation Council, Sierra Club and on, on September 12, 2005 in Federal District Court in Alaska against the U.S. Army Corps of Engineers (Corps of Engineers) and (USFS) seeking to invalidate a permit issued to Coeur Alaska, Inc. for the Company s Kensington mine. The plaintiffs claimed the A) Section 404 permit issued by the Corps of Engineers authorizing the deposition of mine tailings into Lower Slate Lake conflicted ditionally claim the Forest Service s approval of the Amended Plan of Operations was arbitrary and capricious because it relies on the e Corps of Engineers. Following the District Court s remand of the Section 404 permit to the Corps of Engineers for further review, Company s permit on March 29, 2006. The lawsuit challenging the permit was re-opened on April 6, 2006; Coeur Alaska filed its Complaint; and Coeur Alaska, the State of Alaska, and Goldbelt, Inc., a local native corporation, were granted Defendant-Intervenor es in their defense of the permit.

Federal District Court in Alaska dismissed the plaintiffs challenge and upheld the Section 404 permit. On August 7, 2006, the of Appeal of the decision to the Ninth Circuit Court of Appeals and on August 9, 2006 the plaintiffs additionally filed a Motion for peal with the Ninth Circuit Court. The Ninth Circuit Court granted a temporary injunction pending appeal on August 24, 2006, ies relating to the lake tailings facility.

Ninth Circuit Court reversed the District Court s August 4, 2006 decision which had upheld the Company s 404 permit, and issued its he case to the District Court with instructions to vacate the Company s 404 permit as well as the USFS s Record of Decision

COEUR D ALENE MINES CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollar amounts in thousands, unless otherwise specified)

d the Goldbelt 404 permit to construct the Cascade Point Marine Facility. On August 20, 2007, Coeur Alaska filed a Petition for n the Ninth Circuit Court, as did the State of Alaska and Goldbelt, Inc. The U.S. Department of Justice, on behalf of the Corps of S additionally filed a limited Petition for Rehearing with the Ninth Circuit Court panel seeking reconsideration of the mandate of the cision. On October 29, 2007, the Ninth Circuit Court denied the Petitions for Rehearing En Banc. On November 14, 2007, the Ninth stay of the mandate pending further appeal to the Supreme Court, subject to the development of a reclamation plan for the lake area. State of Alaska filed Petitions for Certiorari to the Supreme Court of the United States on January 28, 2008.

upreme Court of the United States granted the State of Alaska and Coeur Alaska s Petitions for a writ of certiorari to review the rcuit Court. Arguments were made before the Supreme Court by both parties on January 12, 2009. On May 4, 2009 the Supreme ental briefing by the parties, to be completed by May 22, 2009. On June 22, 2009, the U.S. Supreme Court issued its decision which uit Court of Appeals that invalided the Company s 404 permit. On July 8, 2009, upon unopposed motion, the Ninth Circuit dissolved ued on August 24, 2006 and on August 14, 2009 the Corps of Engineers reinstated the Company s 404 permit.

ARY OF QUARTERLY FINANCIAL DATA (UNAUDITED)

s forth a summary of the quarterly results of operations for the years ended December 31, 2009 and 2008 (In thousands, except per

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
	$ 45,084	$ 67,560	$ 89,793	$ 98,181
tinuing operations	$ 3,835	$ 8,901	$ (39,808)	$ (37,821)
ed operations	2,223	2,708	22,525	5,530
	$ 6,058	$ 11,609	$ (17,283)	$ (32,291)
per share				
tinuing operations	$ 0.06	$ 0.13	$ (0.52)	$ (0.48)
ed operations	0.04	0.04	0.29	0.07
	$ 0.10	$ 0.17	$ (0.23)	$ (0.41)
s) per share				
tinuing operations	$ 0.06	$ 0.13	$ (0.52)	$ (0.48)
ed operations	0.04	0.04	0.29	0.07
	$ 0.10	$ 0.17	$ (0.23)	$ (0.41)

COEUR D ALENE MINES CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Dollar amounts in thousands, unless otherwise specified)

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
	$ 50,880	$ 43,727	$ 36,538	$ 39,729
tinuing operations	1,195	(8,774)	(5,462)	3,082
ed operations(2)	3,526	3,356	1,419	1,031
	$ 4,721	$ (5,418)	$ (4,043)	$ 4,113
are(1)				
tinuing operations	$ 0.02	$ (0.16)	$ (0.10)	$ 0.05
ed operations(2)	0.07	0.06	0.03	0.02
	$ 0.09	$ (0.10)	$ (0.07)	$ 0.07
s) per share(1)				
tinuing operations	$ 0.02	$ (0.16)	$ (0.10)	$ 0.05
ed operations(2)	0.06	0.06	0.03	0.02
	$ 0.08	$ (0.10)	$ (0.07)	$ 0.07

company s Board of Directors authorized a 1-for-10 reverse stock split which became effective on May 26, 2009. eviously reported amounts for weighted average number of shares of common stock have been adjusted to reflect the stock split.

2009, the Company sold to Perilya Broken Hill Ltd. its 100% interest in silver contained at the Broken Hill mine for cash.

EQUENT EVENT

e Company completed the sale of $100 million in senior unsecured notes to private investors. The notes are unsecured, have a three coupon rate of 6.5%. The Company will repay the loan in twelve equal quarterly installments comprised of a combination of cash h cash comprising up to a maximum 50% of each quarterly payment. The share component of each quarterly payment will be 0% discount to a four day volume weighted average price (VWAP). On February 25, 2010, the Company sold 297,455 shares valued ment of financing fees.

10 and February 3, 2010, $19.7 million of the 11/4% Convertible Notes were repurchased in exchange for 1.1 million shares of the ock which reduced the principle amount of the notes outstanding for $2.5 million.

the Company paid 6,500 ounces of gold valued at $7.2 million under the Gold Lease.

Credit Suisse amended the Kensington Term Facility to change the definition of the maximum production cost covenant, to exclude osts from this measurement for the period starting October 1, 2010 until December 31, 2010.

uated subsequent events occurring through February 25, 2010.

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