

COEUR D ALENE MINES CORP

Form 424B5

March 14, 2006

Table of Contents**CALCULATION OF REGISTRATION FEE**

Title of Each Class of Securities	Proposed Maximum Amount to be	Proposed Maximum Aggregate Price Per	Proposed Maximum Aggregate Offering	Registration Fee (3)
to Be Registered	Registered	Unit(2)	Price(2)	
Common Stock(1)	25,300,000	\$5.40	\$136,620,000	\$14,618.34

- (1) Also includes associated preferred share rights to purchase shares of Coeur common stock, which preferred rights are not currently separable from the shares of common stock and are not currently exercisable.
- (2) Estimated solely for the purpose of calculating the registration fee.
- (3) Calculated pursuant to Rule 457(c) based on the average of the high and low prices of the Common Stock on the New York Stock Exchange on March 8, 2005, and in accordance with Rules 457(o) and 457(r). Pursuant to Rule 457(p), the Registrant is applying \$11,272.19 that has already been paid with respect to securities that were previously registered pursuant to Registration Statement No. 333-114671, and were not issued thereunder, to the filing fee payable hereunder. A net filing fee of \$3,346.15 has been transmitted to the SEC in connection with the securities offered by means of this prospectus supplement.
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The information in this preliminary prospectus supplement and accompanying prospectus is not complete and may be changed. An automatic shelf registration statement relating to these securities has been filed with the Securities and Exchange Commission. This prospectus supplement and the accompanying prospectus are not an offer to sell these securities and are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

This filing is made pursuant to Rule 424(b)(5) under the Securities Act of 1933 in connection with Registration No. 333-130711

Subject to completion, dated March 14, 2006

PROSPECTUS SUPPLEMENT

(to Prospectus Dated December 27, 2005)

**Coeur d Alene Mines Corporation
22,000,000 SHARES
COMMON STOCK**

This is a public offering of common stock of Coeur d Alene Mines Corporation. We are offering 22,000,000 shares of our common stock. Our common stock is listed on the New York Stock Exchange under the symbol CDE and on the Toronto Stock Exchange under the symbol CDM. On March 10, 2006, the last reported sale price of our common stock on the New York Stock Exchange was \$5.71 per share and the last reported sale price of our common stock on the Toronto Stock Exchange was Can\$6.56 per share.

Investing in our common stock involves risks. See Risk Factors beginning on page S-14 of this prospectus supplement and Risk Factors beginning on page 4 of the accompanying prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

	Per Share	Total
Public offering price	\$	\$
Underwriting discounts and commissions	\$	\$
Proceeds, before expenses, to Coeur d Alene Mines Corporation	\$	\$

We have granted an over-allotment option to the underwriters. Under this option, the underwriters may elect to purchase a maximum of 3,300,000 additional shares from us within 30 days following the date of this prospectus supplement to cover over-allotments.

Delivery of the shares of common stock will be made on or about March , 2006.

Joint Book-Running Managers

Deutsche Bank Securities

JPMorgan

Co-Managers

Bear, Stearns & Co. Inc.

RBC Capital Markets

The date of this prospectus supplement is March , 2006.

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ABOUT THIS PROSPECTUS SUPPLEMENT

We provide information to you about this offering of shares of our common stock in:

this prospectus supplement, which provides the specific details regarding this offering; and

the accompanying base prospectus, which provides general information.

Generally, when we refer to this prospectus, we are referring to both documents combined. Some of the information in the base prospectus may not apply to this offering. If information in this prospectus supplement is inconsistent with the accompanying base prospectus or the documents incorporated by reference herein, you should rely on this prospectus supplement. In particular, any information in this prospectus supplement related to our financial information for the quarter and nine months ended September 30, 2005 replaces corresponding information in the base prospectus related to such periods.

A NOTE ABOUT FORWARD-LOOKING STATEMENTS

This prospectus, including information incorporated into this document by reference, contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Statements that are not historical facts, including statements about our beliefs or expectations, are forward-looking statements, and are contained throughout this prospectus, including under the sections entitled

Coeur d Alene Mines Corporation and Risk Factors, and in the information incorporated into this prospectus by reference. These statements are based on our management's beliefs and assumptions and on information currently available to our management. Forward-looking statements include the information concerning our possible or assumed results of operations, business strategies, financing plans, competitive position and potential growth opportunities. Forward-looking statements include all statements that are not historical facts and can be identified by the use of forward-looking terminology such as the words believes, expects, anticipates, hopes, may, should, contemplates, intends, plans or estimates or similar expressions.

Forward-looking statements involve risks, uncertainties and assumptions. Actual results may differ materially from those expressed in these forward-looking statements. You should not put undue reliance on any forward-looking statements. All forward-looking statements contained in or incorporated by reference into this prospectus are qualified by these cautionary statements and are made only as of the date of this prospectus. We undertake no obligation, other than as required by law, to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

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PROSPECTUS SUPPLEMENT SUMMARY

This summary is not complete and may not contain all of the information that may be important to you. You should read the entire prospectus supplement and accompanying prospectus carefully, as well as the documents incorporated by reference, before making an investment decision. Unless otherwise indicated, the words we, our, us, Coeur and the Company refer to Coeur d Alene Mines Corporation.

Our business

Coeur d Alene Mines Corporation is the largest publicly traded primary silver producer in the world and is engaged, through its subsidiaries, in the operation and/or ownership, development and exploration of silver and gold mining properties and companies located primarily within the United States (Nevada, Idaho and Alaska), South America (Chile, Argentina and Bolivia), Australia (New South Wales) and Africa (Tanzania). In 2005, we produced approximately 13.7 million ounces of silver and 134,227 ounces of gold.

Our principal silver mines are located in southern Chile (the Cerro Bayo mine), in Argentina (the Martha mine), in Nevada (the Rochester mine), in Australia (the Endeavor mine and the Broken Hill mine) and in the Silver Valley region of northern Idaho (the Galena mine). In addition, we own or lease, either directly or through our subsidiaries, silver and gold development projects in Bolivia (the San Bartolomé silver project) and in Alaska (the Kensington gold property). We also control strategic properties with significant exploration potential close to our existing mining operations. Our customers are bullion trading banks that purchase silver and gold from us and then sell these metals to end users for use in industry applications such as electronic circuitry, in jewelry and silverware production and in the manufacture and development of photographic film. In addition, we sell high grade gold and silver concentrates to smelters in Japan, Canada, Mexico and Australia.

We were incorporated in Idaho in 1928. Our principal executive office is located at 505 Front Avenue, P.O. Box I, Coeur d Alene, Idaho 83814 and our telephone number is (208) 667-3511. Our website is www.coeur.com. Information contained in the web site is not incorporated by reference into this prospectus, and you should not consider information contained in the web site as part of this prospectus.

Our strategy

Our business strategy is to capitalize on the ore reserve/mineralized material bases located at our operating mines and the expertise of our management team to continue as one of the world's leading primary silver production companies through long-term, cash flow generating growth. The principal elements of our business strategy are to:

continue to increase our silver production and reserves;

decrease cash costs by focusing on increasing operating efficiencies at our existing operations and growing lower-cost production;

transform development-stage properties into producing mines;

acquire operating mines, mineral interests, exploration and/or development properties with a view to reducing our cash and total costs per ounce of silver produced, provide immediate positive cash flow return and expand our silver production base and reserves; and

continue to explore for new silver and gold discoveries primarily near our existing mine sites.

Table of Contents**Principal operating properties*****Cerro Bayo mine, Chile***

We believe the Cerro Bayo mine has been one of the lowest cost silver mines in the world. The Cerro Bayo District covers about 205 square miles and is located south of Coyhaique, the capital of Region XI in southern Chile, and approximately 17 miles west of the town of Chile Chico. The project lies on the east side of the Andes mountain range at an elevation ranging from 600 to 4,500 feet and is serviced by a gravel road from Chile Chico. The property contains multiple epithermal veins containing gold and silver.

Production at the Cerro Bayo mine in 2005 was approximately 2.9 million ounces of silver and 61,000 ounces of gold. Cash costs per ounce of silver produced were \$0.54 in 2005.

The ore processing mill for the Cerro Bayo mine uses a standard flotation process to produce a high grade gold and silver concentrate, with a design capacity of 1,650 tons per day. During 2005, we experienced recovery rates of approximately 92.8% for gold and 94.7% for silver.

Our recent exploration programs have produced positive results. During 2005, we continued our exploration and development program in the district with our efforts concentrated in the Cerro Bayo and Laguna Verde zones in the east and west sections of our land holdings. In 2005, we spent approximately \$4.8 million on exploration for new gold and silver mineralization and reserve definition and completed nearly 245,000 feet of core drilling. After giving effect to 2005 mine production, silver reserves at December 31, 2005 increased by 72% to 7.5 million ounces, and gold reserves increased by 71% to 0.13 million ounces from 2004.

Numerous epithermal veins located within the 205 square mile property package in the Cerro Bayo district offer exploration and development opportunities for us. To date, we have discovered over 100 veins, the majority of which are located within nine miles of our existing ore processing facilities. Of particular interest from 2005 exploration was the discovery of the Marcela Sur, Cascada and Gabriela veins. Marcela Sur, situated about 1,000 meters west of the current mining operations in main Cerro Bayo zone, was discovered beneath 50 to 70 meters of post-mineral sediment. Cascada lies south of the Cerro Bayo mining operations while Gabrielas occurs near the processing facility at Laguna Verde. In 2006, we expect to spend \$4.9 million for exploration to attempt to discover new silver and gold veins and define new reserves at Cerro Bayo.

Cerro Bayo mine Proven and probable ore reserves and Mineralized material at December 31, 2005

	Proven and Probable Ore Reserves	Mineralized Material
Tons (000 s)	935	4,113
Ounces of silver per ton	8.00	6.19
Contained ounces of silver (000 s)	7,476	
Ounces of gold per ton	0.14	0.10
Contained ounces of gold	131,600	

Martha mine, Argentina

We believe the Martha mine is one of the highest grade silver mines in the world. In April 2002, we acquired 145,000 acres of prospective ground including the Martha high-grade underground silver mine located in Argentina, approximately 270 miles southeast of the Cerro Bayo mine, for \$2.5 million. Like Cerro Bayo, silver and gold are hosted in multiple, epithermal veins at the Martha mine though Martha ore is of much higher silver grade than Cerro Bayo.

Production at the Martha mine in 2005 was approximately 2.1 million ounces of silver and 2,600 ounces of gold. Cash costs per ounce of silver produced were \$4.60 in 2005.

We transport ore mined at the Martha mine by truck for processing at the Cerro Bayo mill, which is located 270 miles northwest of the Martha mine. The transport costs to ship the ore to the Cerro Bayo mill from the Martha

mine have necessitated a focus on the highest grade portions of the veins discovered at the

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Martha mine; however, lower grade mineralized material exists, but is not included in reserves. During 2006, we plan to complete a feasibility study at the Martha mine which may allow the processing of the lower-grade material.

In June 2002, we commenced shipping of high-grade Martha mine ore to the Cerro Bayo mill. All of the production came from the Martha vein, which was one of six known veins on the Martha mine property prior to our acquisition of the property. Also in 2002, exploration discovered both extensions of the Martha mine vein and the R4 Zone within the vein, which is located 300 feet southwest of the main Martha mine mining areas. During 2005, we spent \$2.7 million on exploration at the Martha mine to attempt to discover new silver-and gold-bearing veins and define new reserves.

In 2004, similar to Cerro Bayo, we embarked on the first year of an exploration program to extend the mine life at the Martha mine to three years. During 2006, we expect to spend \$2.9 million on exploration for the discovery of new mineralization and reserve development, across our large land holdings in the province of Santa Cruz which totals over 620 square miles. In 2005, we announced discovery of the Betty West vein, approximately 0.6 miles north of the current Martha mine. In addition, exploration also defined extensions at depth and on strike of the Martha and R4 ore-bearing structures which was the main focus of the year's program. Work in the coming year will focus on expanding those discoveries and exploration for additional silver and gold mineralized veins and structures. Silver reserves at December 31, 2005, after giving effect to 2005 mine production increased by 59% to 4.1 million ounces from 2004. Based on reserves and mineralized material discovered to date, the mine life at the Martha mine has been extended to at least three and a half years.

The Martha mine property is large, covering 283 square miles of prospective geology for silver and gold mineralization. To date, we have focused our exploration on the immediate Martha mine area. In addition, we own about another 337 square miles of exploration stage properties in Santa Cruz, Argentina which we identified through our reconnaissance activities.

Martha mine Proven and probable ore reserves and Mineralized material at December 31, 2005

	Proven and Probable Ore Reserves	Mineralized Material
Tons (000 s)	67	134
Ounces of silver per ton	60.29	45.37
Contained ounces of silver (000 s)	4,054	
Ounces of gold per ton	0.08	0.05
Contained ounces of gold	5,400	

Rochester, Nevada

The Rochester mine is a silver and gold surface mine located in northwestern Nevada. We believe it is one of the largest primary silver mines in the United States. The mine commenced operations in 1986. The property consists of 22 patented and 589 unpatented contiguous mining claims, including 54 mill-site claims totaling approximately 11,000 acres.

Production at the Rochester mine in 2005 was approximately 5.7 million ounces of silver and 70,298 ounces of gold. Cash costs per ounce of silver were \$4.82 per ounce in 2005.

The mine utilizes the heap leaching process to extract both silver and gold from ore mined using conventional open pit methods. Ore is crushed and transported by conveyor to a loadout facility where it is transferred to 150 ton trucks which transport the crushed ore to leach pads where solution is applied via drip irrigation to dissolve the silver and gold contained in the ore. Certain low-grade ores are hauled directly, as run-of-mine, by 100 ton haul trucks to leach pads where solution is applied to dissolve the silver and gold contained in the ore. The solutions containing the dissolved silver and gold are pumped to a processing plant where zinc precipitation is used to recover the silver and gold from solution as doré. The doré is transported to

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a refinery for final processing after which the silver and gold is sold on established markets through third party broker dealers.

Based upon actual operating experience and certain metallurgical testing, we estimate ultimate recovery rates from the crushed ore of 61.5% for silver, depending on the ore being leached, and 93% for gold. The leach cycle at the Rochester mine requires leaching to approximately the year 2011 for all recoverable metal to be recovered. A significant proportion of metal recovery occurs after mining is completed.

At the Nevada Packard satellite deposit, located south of the Rochester deposit, we commenced mining of silver in the first quarter of 2003. Mining at Nevada Packard is expected to be completed in 2006.

Rochester mine Proven and probable ore reserves and Mineralized material at December 31, 2005 (includes Nevada Packard)

	Proven and Probable Ore Reserves	Mineralized Material
Tons (000 s)	10,168	15,646
Ounces of silver per ton	0.86	1.03
Contained ounces of silver (000 s)	8,765	
Ounces of gold per ton	0.011	0.010
Contained ounces of gold	112,650	

Endeavor mine, Australia

On May 23, 2005, we acquired all of the silver production and reserves, up to a maximum of 17.7 million payable ounces, contained at the Endeavor mine in Australia, which is owned and operated by Cobar Operations Pty. Limited (Cobar), a wholly-owned subsidiary of CBH Resources Ltd. (CBH) for \$38.4 million. The Endeavor mine is located 720 kilometers northwest of Sydney in New South Wales and has been in production since 1983. This acquisition provides us with a long-term production base with a predetermined formula for cash costs, thereby providing a higher degree of cost certainty than that available to the industry as a whole. Under the terms of the agreement, CDE Australia, our wholly-owned subsidiary, paid Cobar \$15.4 million of cash at the closing. In addition, CDE Australia will pay Cobar approximately \$23.0 million upon the receipt of a report confirming that the reserves at the Endeavor mine are equal to or greater than the reported ore reserves for 2004. Payment is expected to be made in 2006. In addition to these upfront payments, we pay Cobar an operating cost contribution of \$1.00 for each ounce of payable silver plus a further increment when the silver price exceeds \$5.23 per ounce. This further increment begins on the second anniversary 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 ounce is also payable by us in respect of new ounces of proven and probable silver reserves as they are discovered.

The Endeavor mine is an underground lead/zinc/silver mine. The mine employs bulk mining methods and utilizes a conventional flotation mill to produce a concentrate that is sold to a third party smelter. Silver recovery averaged approximately 45% from May 23, 2005 to December 31, 2005.

On October 24, 2005, CBH announced that mining operations at the Endeavor mine had been suspended below the No. Four haulage level following an uncontrolled fall of waste ground into the mine's 6Z2 crown pillar stope. Limiting production to above this level was done as a safety precaution due to the proximity of the 6Z2 crown pillar stope to the main haulage decline. In late November 2005, CBH announced that mine operations had recommenced below the No. Four haulage level, but at a reduced production rate. Based on the progress made to date in correcting issues related to the ground fall, we expect the mine to resume normal operations during mid-2006.

Our share of silver production in 2005 from the Endeavor mine from May 23, 2005 amounted to 316,169 ounces of silver. The cash cost per ounce of silver production was \$2.05.

We are not required to contribute to ongoing capital costs at the mine.

Table of Contents***Endeavor mine Proven and probable ore reserves and Mineralized material at December 31, 2005***

	Proven and Probable Ore Reserves	Mineralized Material
Tons (000 s)	12,125	8,488
Ounces of silver per ton	1.93	2.03
Contained ounces of silver (000 s)	23,341	

Broken Hill mine, Australia

On September 8, 2005, we acquired all of the silver production and reserves, up to 17.2 million payable ounces, contained at the Broken Hill mine in Australia, which is owned and operated by Perilya Broken Hill Ltd. (PBH) for \$36.0 million. The Broken Hill mine is located in New South Wales, Australia, and is a zinc/lead/silver ore body. Like the Endeavor acquisition, this transaction provides us a long-term source of silver production with a predetermined formula for cash costs. Pursuant to the agreement, the transaction includes up to a maximum of approximately 24.5 million contained ounces (or 17.2 million payable ounces) of silver to be mined by PBH at Broken Hill on our behalf. In addition to the initial acquisition payment, we will pay PBH an operating cost contribution of approximately \$2.00 for each ounce of payable silver produced under the terms of the agreement and PBH may earn up to \$6.0 million of additional consideration by meeting certain silver production thresholds over the next eight years.

The Broken Hill mine is an underground lead/zinc/silver mine. The mine uses bulk mining methods and utilizes a conventional flotation mill to produce a concentrate that is sold to third party smelters in Australia. Silver recovery averaged approximately 75.4% from September 8, 2005 to December 31, 2005.

Our share of silver production in 2005 from the Broken Hill mine from September 8, 2005 amounted to 657,093 ounces of silver. The cash cost per ounce of silver production was \$2.72.

We are not required to contribute to ongoing capital costs at the mine.

Broken Hill mine Proven and probable ore reserves and Mineralized material at December 31, 2005

	Proven and Probable Ore Reserves	Mineralized Material
Tons (000 s)	11,519	10,825
Ounces of silver per ton	1.30	1.93
Contained ounces of silver (000 s)	14,955	

Coeur Silver Valley, Idaho

We own and operate the Galena underground silver mine, an operating mine, and the Coeur and Caladay properties, that adjoin to the Galena mine, located in the heart of the Coeur d Alene Mining District. Our property consists of 6,131 acres of owned fee land, patented mining claims and unpatented claims in addition to 4,800 acres of leased claims.

The Galena mine is an underground silver-copper mine located immediately west of the City of Wallace in Shoshone County in northern Idaho. The property consists of 52 patented mining claims and 25 unpatented mining claims totaling approximately 1,100 acres.

Silver production at the Galena mine in 2005 was approximately 2.1 million ounces of silver at a cash cost of \$8.37 per ounce. The high level of 2005 cash costs was the result of lower-grade ore and the conversion to higher-cost mining methods needed to accommodate ground conditions in certain mining areas during 2005.

During the second half of 2003, we commenced a three-year plan designed to locate, develop and mine additional resources believed to exist on the property which, if successful, could result in an extended mine life. However, as a result of the mine's performance during 2005, we are currently evaluating the mine plan, including the current development and exploration plans, and strategic alternatives which could include a

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possible sale of our wholly-owned subsidiary which owns the mine. The outcome of this review is not known at this time but the extent of future mine operations could be impacted.

Galena mine Proven and probable ore reserves and Mineralized material at December 31, 2005

	Proven and Probable Ore Reserves	Mineralized Material(1)
Tons (000 s)	444	2,580
Ounces of silver per ton	24.50	11.74
Contained ounces of silver (000 s)	10,879	

(1) Includes both the Galena and Coeur mines.

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The following table summarizes operating mine production information by mine and consolidated production and sales information for the three years ended December 31, 2005, 2004 and 2003:

	2005	2004	2003
CERRO BAYO MINE			
Silver ozs	2,875,047	3,235,192	3,319,429
Gold ozs	61,058	57,558	65,370
Cash Costs per oz./silver	\$ 0.54	\$ 1.01	\$ (0.04)
Total Costs per oz./silver	\$ 2.30	\$ 2.43	\$ 2.39
MARTHA MINE			
Silver ozs	2,093,464	1,709,069	1,549,425
Gold ozs	2,589	2,318	1,785
Cash costs per oz./silver	\$ 4.60	\$ 4.08	\$ 1.96
Total costs per oz./silver	\$ 5.01	\$ 5.05	\$ 2.82
ENDEAVOR MINE(A)			
Silver ozs	316,169		
Cash Costs per oz./silver	\$ 2.05		
Total Costs per oz./silver	\$ 3.35		
BROKEN HILL MINE(A)			
Silver ozs	657,093		
Cash costs per oz./silver	\$ 2.72		
Total costs per oz./silver	\$ 5.47		
ROCHESTER MINE			
Silver ozs	5,720,489	5,669,074	5,585,385
Gold ozs	70,298	69,456	52,363
Cash Costs per oz./silver	\$ 4.82	\$ 3.93	\$ 4.67
Total Costs per oz./silver	\$ 6.66	\$ 5.66	\$ 5.58
GALENA MINE (COEUR SILVER VALLEY)			
Silver ozs	2,060,338	3,521,813	3,735,663
Gold ozs	282	354	843
Cash Costs per oz./silver	\$ 8.37	\$ 5.46	\$ 4.66
Total Costs per oz./silver	\$ 9.34	\$ 6.02	\$ 5.03
CONSOLIDATED PRODUCTION TOTALS			
Silver ozs	13,722,600	14,135,148	14,189,902
Gold ozs	134,227	129,686	120,361
Cash costs per oz./silver	\$ 4.26	\$ 3.66	\$ 3.27
Total costs per oz./silver	\$ 5.77	\$ 4.94	\$ 4.39
CONSOLIDATED SALES TOTAL			
Silver ozs. sold	14,707,933	13,354,961	15,032,114
Gold ozs. sold	146,749	117,257	128,899
Realized price per silver oz	\$ 7.44	\$ 6.82	\$ 4.89
Realized price per gold oz	\$ 452	\$ 409	\$ 345

(A) We acquired our interests in the Endeavor and Broken Hill mines in May 2005 and September 2005, respectively.

Table of Contents**Development projects*****San Bartolomé, Bolivia***

We control the mining rights for the San Bartolomé project, a silver property in Bolivia. Based upon the results of a feasibility study completed in 2004, we estimate the capital cost of the project to be approximately \$135 million. We obtained all operating permits in the second quarter of 2004. In the fourth quarter of 2004, we commenced construction activities at the project. An updated project review has confirmed the capital cost estimate for the project.

During the second quarter of 2005, the government of Bolivia experienced political unrest which resulted in the resignation of that country's President and the appointment of a temporary President. In December 2005, an election was held which resulted in a new president, without the necessity of a runoff election, as well as changes in numerous other levels of government. As a result, we are continuing the development of the project but have extended the construction period until it has been determined that the recent election has mitigated the political uncertainty. Additional construction work planned for the first half of 2006 includes the construction of access roads to and around the site, rough cut grading of the mill site, preparation of an ore stockpile area, movement of some ore to stockpile and the construction of a fence around the perimeter of the plant site area. As a result, the previously estimated construction period of 20 months and the original projected commencement of commercial production have been impacted. We are targeting July 1, 2006 for the resumption of full-scale construction activities at the site. We continue to monitor the events in Bolivia to determine when to commence full scale construction activities. We believe that commercial production could begin as early as 2007.

We expended approximately \$10.5 million in 2005 and plan to incur construction costs of approximately \$65.6 million in 2006, assuming a more aggressive construction schedule is implemented during the year.

The San Bartolome project involves risks that are inherent in any mining venture, as well as particular risks associated with the location of the project. We have obtained a political risk insurance policy from the Overseas Private Insurance Corporation (OPIC) and another private insurer. The policy is in the amount of \$155 million and covers 85% of any loss arising from expropriation, political violence or currency inconvertibility. The policy is expected to cost approximately \$3.4 million during the course of construction and \$0.21 per ounce of silver produced when the project commences commercial production.

San Bartolomé Proven and probable ore reserves and Mineralized material at December 31, 2005

	Proven and Probable Ore Reserves	Mineralized Material
Tons (000 s)	46,176	1,166
Ounces of silver per ton	3.29	3.44
Contained ounces of silver (000 s)	151,882	

Kensington Gold Project, Alaska

We own the Kensington property, located north of Juneau, Alaska. Construction commenced during the third quarter of 2005 and is expected to take approximately 18 months. We believe commercial production could commence as early as 2007, subject to successful resolution of the permitting and litigation issues described below.

In the second quarter of 2005, we received our final construction permits and updated the construction and operating cost estimates set forth in our feasibility study. Due to a general increase in commodity prices impacting the industry in general, we retained an independent engineering firm to review our capital cost estimate during the fourth quarter of 2005. As a result of increased earthwork requirements, increased storm water management programs, the costs associated with the challenges to the project's permits (discussed below) and the general increase in commodity prices, we currently estimate the total cost of construction to be approximately \$190 million.

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During the fourth quarter of 2004, the U.S. Forest Service issued its Record of Decision (ROD) for the Final Supplemental Environmental Impact Statement (FSEIS). An environmental group, Southeast Alaska Conservation Council (SEACC), and a group of other community and private environmental groups, appealed the issuance of the ROD. On March 23, 2005, the US Forest Service upheld the decision to approve the FSEIS. On June 28, 2005, we received the Environmental Protection Agency s (EPA) National Pollution Discharge Elimination System (NPDES) Permit. In addition, we received the U.S. Army Corps of Engineers (Corps of Engineers) 404 Wetlands Permit, which authorized the construction of a Lower Slate Lake tailings facility, millsite road improvements and a Slate Creek Cove dock facility. All permits were reviewed for consistency by both the Alaska Coastal Management and Department of Governmental Coordination, which issued its final ACMP permit certification. On June 6, 2005, two environmental groups, Lynn Canal Conservation Inc. and the Sierra Club, Alaska Chapter filed an appeal of the State of Alaska 401 certification of the Corps of Engineers approval of the project. Both we and the State of Alaska responded in opposition of the appeal to the Commissioner of the Department of Environmental Conservation. The Commissioner denied a hearing which concluded the administrative appeal process.

On September 12, 2005, SEACC, the Sierra Club and Lynn Canal Conservation filed a lawsuit in Federal District Court in Alaska challenging the permits issued by the Corps of Engineers and the US Forest Service and on November 8, 2005, the Corps of Engineers filed a Motion for Voluntary Remand with the court to review the permit issued to us under the Clean Water Act (CWA) Section 404 and requested that the court stay the legal proceeding filed by SEACC and the other environmental groups pending the outcome of review. On November 12, 2005, the Federal District Court in Alaska granted the remand of the permit to the Corps of Engineers for further review. On November 22, 2005, the Corps of Engineers advised us that it was suspending the Section 404 permit pursuant to the Court s remand to further review the permit. We have submitted a work plan which defines the activities at the project that are not impacted by the 404 permit or are allowable activities under the 404 permit that can continue during the suspension by the Corps of Engineers. We have been continuing our drilling and exploration activities and progressing construction pursuant to the work plan. We are unable to predict the impact of this suspension or litigation on the project at this time.

No assurance can be given as to whether or when regulatory permits and approvals granted to us may be challenged, appealed or contested by third parties or issuing agencies, or as to whether we will place the Kensington project into commercial production.

During 2005, we invested \$50.2 million in connection with the development of the mine, which \$44.2 million was capitalized. We plan to spend approximately \$76.7 million on the project during 2006.

We believe there is significant further exploration potential at Kensington. Not all Kensington ore zones have been fully delineated internally, or at depth or on strike and several peripheral zones and veins remain to be explored. In the third quarter of 2005 we commenced an exploration program designed to increase the size and geologic continuity of gold mineralization currently in our mineralized material inventory and ultimately result in an increase in proven and probable reserves. For the year, a total of \$2.2 million was spent on this exploration program which consisted of completion of approximately 34,000 feet of core drilling, sampling and assaying from underground platforms at Kensington. The program will be continued into 2006 and an updated model of reserves and additional mineralized material is expected to be completed in the third quarter of 2006. A total of 74 holes were drilled in 2005 of which 62, or 87%, encountered gold mineralization with assays greater than or equal to 0.120 troy ounces per short ton; the expected cut-off grade for the current mineralized material. Based on the drilling completed to date, we expect to convert a significant portion of the existing mineralized material into reserves and expect the total reserves and mineralized material to increase during 2006, although there can be no assurance we will be able to do so.

Table of Contents***Kensington Proven and probable ore reserves and Mineralized material at December 31, 2005***

	Proven and Probable Ore Reserves	Mineralized Material
Tons (000 s)	4,206	3,116
Ounces of gold per ton	0.25	0.27
Contained ounces of gold	1,050,000	

Silver and Gold Industry Fundamentals***Silver Industry Review***

Total fabrication demand for silver has historically exceeded mine production by a wide margin. According to GFMS, a global precious metals consultancy, estimated total silver fabrication demand in 2005 was approximately 241 million ounces greater than total silver mine production. Demand for silver is driven by three primary uses industrial, jewelry and silverware, and photographic fabrication, accounting for an estimated 44%, 32%, and 18% of total 2005 demand, respectively. Numerous new fabrication uses in the electronic, medical, and industrial segments are contributing strongly to growth. As demand has continued to outpace mine supply, world silver inventories have come under pressure to fulfill the deficit. Management believes this pressure has resulted in stronger silver prices. Silver prices (Handy & Harman) averaged \$7.34 per ounce in 2005. Silver prices for 2006 year-to-date through March 10, 2006 have averaged \$9.44 per ounce, reaching a high for 2006 of \$10.17 per ounce on March 6, 2006. On March 10, 2006, the market price of silver was \$9.85.

Gold Industry Review

Gold continues to be the only monetary asset without implicit issuer or counter-party risk or obligation, and represents a significant portion of the international reserve assets for most national central banks. The global market for gold is in a period of strength, driven in part by continued geopolitical uncertainty, low global interest rates and U.S. dollar weakness. Total demand in 2005 set a new record, which exceeded \$50 billion for the first time according to the World Gold Council, and set records for both jewelry and industrial demand. The United States current trade deficit and the impact of the Iraq war on an already elevated budget deficit continue to put pressure on the U.S. dollar and drive demand for gold as a currency hedge. Gold prices (London Final) averaged \$444 per ounce in 2005. Gold prices for 2006 year-to-date through March 10, 2006, have averaged \$553 per ounce, reaching a high for 2006 of \$572 per ounce on February 2, 2006. On March 10, 2006, the market price of gold was \$535 per ounce.

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Issuer	Coeur d Alene Mines Corporation
Common stock offered	22,000,000 shares
Common stock to be outstanding after the offering(1)	272,141,360 shares
Over-allotment option	3,300,000 shares
Use of proceeds	We estimate that the net proceeds from this offering, after payment of fees and expenses and assuming the underwriters' over-allotment option is not exercised, will be approximately \$ million. We intend to use the net proceeds of this offering for development and expansion activities at our existing properties, and for general corporate purposes, including the potential acquisition of additional precious metals properties, rights or businesses.
New York Stock Exchange symbol	CDE
Toronto Stock Exchange symbol	CDM

(1) As of March 10, 2006 and based on 250,298,171 shares outstanding (net of 1,059,211 shares held as treasury stock) and assuming that the underwriters' over-allotment option is not exercised. Common stock outstanding does not include any shares of common stock that may be issued after March 10, 2006 upon conversion of our 1¹/₄% Convertible Senior Notes due 2024.

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SUMMARY CONSOLIDATED FINANCIAL INFORMATION

The following table sets forth our summary consolidated financial information. We derived the income statement data for the years ended December 31, 2005, 2004 and 2003, and balance sheet data as of such dates from the audited financial statements incorporated by reference into this prospectus supplement. You should read carefully the financial statements incorporated by reference into this prospectus supplement, including the notes to the financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2005.

2005 2004 2003

(In thousands except per share data)

Income Statement Data: