Matador Resources Co
Form 4
March 11, 2014

FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL

OMB Number:	3235-0287
Expires:	January 31, 2005
Estimated average burden hours per response...	0.5

(Print or Type Responses)

1. Name and Address of Reporting Person *
Adams Craig N

(Last) (First) (Middle)

5400 LBJ FREEWAY, SUITE 1500

(Street)

DALLAS, TX 75240

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
Matador Resources Co [MTDR]

3. Date of Earliest Transaction (Month/Day/Year)
03/07/2014

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
EVP - Land & Legal

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	03/07/2014		A		4,300 (1)	A	$ 0	39,471 (2) (3) (4) (5)	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option	$ 23.4	03/07/2014		A		25,801		(6)	03/06/2019	Common Stock	25,801

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Adams Craig N 5400 LBJ FREEWAY SUITE 1500 DALLAS, TX 75240			EVP - Land & Legal	

Signatures

/s/ Craig N. Adams	03/11/2014
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Represents shares of restricted stock granted to the reporting person on March 7, 2014. Such shares of restricted stock will vest in two equal biennial installments beginning on the second anniversary of the date of grant, March 7, 2016.

(2) Includes 3,171 shares of restricted stock granted to the reporting person on February 11, 2014. Such shares of restricted stock will vest in two equal biennial installments beginning on the second anniversary of the date of grant, February 11, 2016.

(3) Includes 15,000 shares of restricted stock granted to the reporting person on March 8, 2013. Such shares of restricted stock will vest following the fourth anniversary of the date of grant, March 8, 2017.

(4) Includes 5,000 shares of restricted stock granted to the reporting person on November 8, 2012. Such shares of restricted stock have vested or will vest as follows: (i) one-sixth of the shares vested immediately; (ii) one-sixth of the shares vested on the first anniversary of the date of grant, November 8, 2013; (iii) one-third of the shares vest on the second anniversary of the date of grant, November 8, 2014; and (iv) one-third of the shares vest on the third anniversary of the date of grant, November 8, 2015.

(5) Includes 5,000 shares of restricted stock granted to the reporting person on September 28, 2012. Such shares of restricted stock will vest in two equal biennial installments beginning on the second anniversary of the date of grant, September 28, 2014.

(6) The employee stock options vest in two equal biennial installments beginning on the second anniversary of the date of grant, March 7, 2016.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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Accrued interest payable
5,064 4,474 4,766
Accrued salaries and wages
5,005 5,723 4,699
Current portion of remediation costs
1,365 1,209 909

Total Current Liabilities
21,173 25,278 24,218
Long-Term Liabilities:

6% convertible subordinated debentures due 2002
35,582 26,511 26,096
6 3/8% convertible subordinated debentures due 2004
93,372 92,860 92,860
7 1/4% convertible subordinated debentures due 2005
107,277 85,198 80,198
Other long-term liabilities
28,478 24,090 24,020

Total Long-Term Liabilities
264,709 228,659 223,174
Commitments and Contingencies:
(See Notes G,L,M and O)

Shareholders Equity:

Mandatory Adjustable Redeemable Convertible Securities (MARCS), par value $1.00 per share (a class of preferred stock) authorized: 7,500,000 shares; 7,077,833, 0 and 0 (unaudited) issued and outstanding at December 31, 1999 and 2000 and at March 31, 2001, respectively
7,078
Common Stock, par value $1.00 per share authorized: 125,000,000 shares, issued 30,240,428, 38,109,279 and 39,900,451 (unaudited) issued and outstanding shares at December 31, 1999 and 2000 and at March 31, 2001, respectively (including 1,059,211 shares held in treasury)
30,240 38,109 39,900
Additional paid-in capital
391,031 387,625 387,732
Accumulated deficit
(347,119) (394,932) (403,000)
Shares held in treasury
(13,190) (13,190) (13,190)
Accumulated other comprehensive income (loss)
125 (172) 243

68,165 17,440 11,685

Total Liabilities and Shareholders Equity	$354,047	$271,377	$259,077

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

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COEUR D ALENE MINES CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(In thousands, except share and per share amounts)

	Years Ended December 31,			Three Months Ended March 31,	
	1998	**1999**	**2000**	**2000**	**2001**
				(Unaudited)	
Revenues:					
Sales of metal	$102,505	$86,318	$93,174	$14,841	$18,006
Earnings (loss) from unconsolidated affiliate	(2,130)	(1,096)	1,103	(482)	
Interest and other	11,599	23,724	6,929	3,545	16

Total Revenues	111,974	108,946	101,206	17,904	18,022
Costs and Expenses:					
Production	70,163	66,896	86,661	13,467	18,257
Depreciation and depletion	28,555	19,620	20,785	4,907	2,817
Administrative and general	12,249	9,281	9,714	3,121	2,277
Exploration	9,241	8,518	9,412	2,140	1,958
Interest	13,662	16,408	16,999	3,956	3,744
Writedown of mining properties and other	223,597	20,204	21,236	135	217
Total Costs and Expenses	357,467	140,927	164,807	27,726	29,270
Net Loss from Continuing Operations Before Taxes and Extraordinary Item	(245,493)	(31,981)	(63,601)	(9,822)	(11,248)
Income tax provision	(919)	(332)	(348)	(100)	(1)
Net Loss Before Extraordinary Item	(246,412)	(32,313)	(63,949)	(9,922)	(11,249)
Extraordinary item gain on early retirement of debt (net of taxes)	12,158	3,990	16,136	87	3,181

Net Loss	(234,254)	(28,323)	(47,813)	(9,835)	(8,068)
Unrealized holding gain (loss) on securities	(308)	288	(297)	(1,339)	415
Comprehensive Loss	$(234,562)	$(28,035)	$(48,110)	$(11,174)	$(7,653)
Net Loss	$(234,254)	$(28,323)	$(47,813)	$(9,835)	$(8,068)
Preferred stock dividends	(10,532)	(10,532)	(2,180)	(2,180)	
Net Loss Attributable to Common Shareholders	$(244,786)	$(38,855)	$(49,993)	$(12,015)	$(8,068)

Basic and Diluted Loss Per Share:

Weighted average number of shares of common stock	21,899	24,185	35,439	30,569	37,308
Loss before extraordinary item	$(11.73)	$(1.77)	$(1.87)	$(.39)	$(.31)
Extraordinary item gain on early retirement of debt (net of taxes)	.55	.16	.46	.00	.09
Net loss per common share	$(11.18)	$(1.61)	$(1.41)	$(.39)	$(.22)

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

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COEUR D ALENE MINES CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS EQUITY

For Years Ended December 31, 2000, 1999, and 1998 and for Three Months Ended March 31, 2001 (Unaudited) (In thousands)

	Preferred Stock (MARCS)	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Shares Held in Treasury	Accumulated Other Comprehensive Income (Loss)	Total
Balance at December 31, 1997	$7,078	$22,950	$389,648	$(84,542)	$(13,190)	$145	$322,089
Comprehensive Loss:							
Net Loss				(234,254)			(234,254)
Unrealized Loss on Marketable Securities						(308)	(308)
Cash Dividends			(10,532)				(10,532)
Other		8	64				72
Balance at December 31, 1998	7,078	22,958	379,180	(318,796)	(13,190)	(163)	77,067
Comprehensive Loss:							
Net Loss				(28,323)			(28,323)
Unrealized Gain on Marketable Securities						288	288
Cash Dividends			(10,532)				(10,532)
Stock Issued for Purchase of Asarco Assets		7,125	21,820				28,945

Stock Issued for Purchase of Nevada-Packard Property
155 515 670
Other
2 48 50

Balance at December 31, 1999
7,078 30,240 391,031 (347,119) (13,190) 125 68,165
Comprehensive Loss:

Net Loss
(47,813) (47,813)
Unrealized Loss on Marketable Securities
(297) (297)
Cash Dividends
(2,633) (2,633)
Stock Issued for MARCS Conversion
(7,078) 7,863 (785)
Other
6 12 18

Balance at December 31, 2000
38,109 387,625 (394,932) (13,190) (172) 17,440
Comprehensive Loss:

Net Loss(unaudited)
(8,068) (8,068)
Unrealized Gain on Marketable Securities (unaudited)
415 415
Stock Issued for Debt (unaudited)
1,791 107 1,898

Balance at March 31, 2001 (unaudited)	$	$39,900	$387,732	$(403,000)	$(13,190)	$243	$11,685

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

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COEUR D ALENE MINES CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

	Years Ended December 31,			Three Months Ended March 31,	
	1998	**1999**	**2000**	**2000**	**2001**
				(Unaudited)	
Cash flows from Operating Activities:					

Net loss
$(234,254) $(28,323) $(47,813) $(9,835) $(8,068)
Add (deduct) noncash items:

Depreciation and depletion
28,555 19,620 20,785 4,907 2,817
Amortization
2,456 2,388 5,897
Gain on early retirement of debt
(12,158) (3,990) (16,136) (87) (3,181)
Other charges
936 (309) 375 1,589 2,189
Write-down of mining properties
223,172 18,685 12,207
Undistributed (gain) loss on investment in Unconsolidated affiliate
2,130 1,096 (1,103) (482)
Unrealized (gain) loss on written call options
4,302 (4,069) (1,554) (379)
Loss on short-term investment
2,304
Changes in Operating Assets and Liabilities:

Receivables
(2,946) 225 5,666 7,271 818
Inventories
(10,176) (7,377) (1,210) (7,637) 1,041
Accounts payable and accrued liabilities
(11,408) (3,370) (709) (1,965) (1,208)

Net Cash (Used in) Provided by Operating Activities
(13,693) 2,947 (23,806) (7,793) (5,971)
Cash Flows from Investing Activities:

Purchases of short-term investments
(17,886) (22,507) (12,703) (4,276) (1,255)
Proceeds from sales of short-term investments
114,276 9,746 15,220 12,073 5,266
Investment in unconsolidated affiliate
(4,868) (396) 380
Purchases of property, plant and equipment
(3,209) (1,399) (2,242)
Proceeds from sale of assets
7,944 986 768 591 14,733
Expenditures on mining properties
(27,177) (13,536) (11,411) (3,947) (1,977)
Other
1,220 967 (38) 103 (259)

Net Cash (Used in) Provided by Investing Activities
70,300 (26,139) (10,026) 4,544 16,508
Cash Flows from Financing Activities:

Retirement of long-term debt
(28,477) (6,089) (14,869)
Payment of cash dividends
(10,532) (10,532) (2,633) (2,633)
Other
(4,467) (587) (374) (198) (296)

Net Cash Used in Financing Activities
(43,476) (17,208) (17,876) (2,831) (296)

(Decrease) Increase in Cash and Cash Equivalents:
$13,131 $(40,400) $(51,708) $(6,080) $10,241
Cash and cash equivalents at beginning of period
114,204 127,335 86,935 86,935 35,227

Cash and cash equivalents at end of period
$127,335 $86,935 $35,227 $80,855 $45,468

Supplemental Cash Flow Disclosure (unaudited):
During the 1st quarter of 2001 the Company repurchased $5.0 million principal amount of its outstanding 7 1/4% Convertible Subordinated Debentures in exchange for 1,787,500 shares of common stock.

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

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COEUR D ALENE MINES CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollar amounts in thousands, unless otherwise specified)

NOTE A Business of Coeur d Alene Mines Corporation

Coeur d Alene Mines Corporation and its subsidiaries (collectively, Coeur or the Company) is principally engaged in silver and gold mining and related activities including exploration, development, and mining at its properties located in the United States (Nevada, Idaho and Alaska) and South America (Bolivia and Chile).

NOTE B Summary of Significant Accounting Policies

Unaudited Financial Information: The financial statements as of March 31, 2001 and for the three months ended March 31, 2000 and 2001 are unaudited and have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, the unaudited interim financial statements reflect all adjustments, consisting solely of normal recurring adjustments necessary for a fair presentation of the unaudited interim financial statements on a basis consistent with the audited statements. These interim financial statements are not necessarily indicative of the results to be obtained for a full year.

Principles of Consolidation: The consolidated financial statements include the wholly-owned subsidiaries of the Company, the most significant of which are Coeur Rochester Inc., Coeur Silver Valley Inc., Coeur Alaska, Inc., CDE Fachinal Ltd., Compania Minera CDE Petorca, Coeur Australia (50% owner of Gasgoyne Gold Mines NL which was sold on February 7, 2001), and Empressa Minera Manquiri S.R.L. The consolidated financial statements also include all entities in which voting control of more than 50% is held by the Company. Intercompany balances and transactions have been eliminated in consolidation. Investments in joint ventures where the Company has ownership of 50% or less and funds its proportionate share of expenses are accounted for under the equity method.

Revenue Recognition: Revenue is recognized when title to silver and gold passes at the shipment or delivery point. The effects of forward sales contracts and purchased put contracts are reflected in revenue at the date the related precious metals are delivered or the contracts expire.

Cash and Cash Equivalents: Cash and cash equivalents include all highly-liquid investments with a maturity of three months or less at the date of purchase. The Company minimizes its credit risk by investing its cash and equivalents with major international banks and financial institutions located principally in the United States, Canada and Australia with a minimum credit rating of A1 as defined by Standard & Poor s. The Company s Management believes that no concentration of credit risk exists with respect to investment of its cash and equivalents.

Inventories: Inventories of ore on leach pads and in the milling process are valued based on actual costs incurred to place such ores into production, less costs allocated to minerals recovered through the leaching and milling processes. Inherent in this valuation is an estimate of the percentage of the minerals on leach pads and in process that will ultimately be recovered. Management evaluates this estimate on an ongoing basis. Adjustments to the recovery rate are accounted for prospectively. All other inventories are stated at the lower of cost or market, with cost being determined using the first-in, first-out and weighted average cost methods. Concentrate and dore inventory includes product at the mine site and product held by refineries, and are valued at lower of cost or market.

Property, Plant, and Equipment: Property, plant, and equipment are recorded at cost. Depreciation, using the straight-line method, is provided over the estimated useful lives of the assets, which are 7 to 31 years for buildings and improvements, 3 to 13 years for machinery and equipment and 3 to 7 years for furniture and fixtures. Certain mining equipment is depreciated using the units-of-production method based upon estimated total proven and probable reserves. Maintenance and repairs are expensed as incurred.

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COEUR D ALENE MINES CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE B Summary of Significant Accounting Policies (Continued)

Mining Properties: Values for mining properties represent acquisition costs and/or the fair value of consideration paid plus developmental costs. Cost depletion has been recorded based on the units-of-production method based on proven and probable reserves. Management evaluates the net carrying value of all operations, property by property, when events or conditions indicate that the potential for permanent impairment of value exists. The Company utilizes the methodology set forth in Statement of Financial Accounting Standard (SFAS) No. 121, Accounting for the Impairment of Long Lived Assets and Long Lived Assets to be Disposed Of (SFAS 121) to evaluate the recoverability of capitalized mineral property costs. Since SFAS 121 requires the use of forward-looking projections, the Company must use estimates to generate a life-of-mine undiscounted cash flow forecast. These estimates are based on projections made by the Company s engineers and geologists, projected operating and capital costs necessary to process the estimated product, each project s mine plan including the type, quantity and ore grade expected to be mined, estimated metallurgical recovery and other factors which may have an impact upon a project s future cash flow. In addition, the Company is required to estimate the selling price of metal produced.

Reclamation Costs: Post-closure reclamation and site restoration costs are estimated based on environmental regulatory requirements and are accrued ratably over the life of the mine using the units-of-production method. At

December 31, 1999 and 2000, the Company has recorded accrued reclamation costs of $17.3 million and $19.2 million, respectively, net of estimated equipment salvage values.

Exploration and Development: The value of exploration properties acquired is capitalized at the fair market value of the consideration paid. After it is determined that proven and probable reserves exist on a particular property, the property is classified as a developmental property and all costs related to the further development of the property are capitalized. Prior to the establishment of proven and probable reserves, all costs relative to exploration and evaluation of a property are expensed as incurred. In order to classify an identified mineral resource as proven and probable reserves, the Company must have completed a favorable feasibility study. Mine development costs incurred to access reserves on producing mines are also capitalized.

Short-term Investments: Short-term investments principally consist of highly-liquid United States and foreign government and corporate securities with original maturities in excess of three months. The Company classifies all short-term investments as available-for-sale securities. Unrealized gains and losses on these investments are recorded in accumulated other comprehensive loss as a separate component of shareholders equity. Any decline in market value judged to be other than temporary are recognized in determining net income. Realized gains and losses on these investments are included in determining net income.

Foreign Currency: Substantially all assets and liabilities of foreign subsidiaries are translated at exchange rates in effect at the end of each period. Revenues and expenses are translated at the average exchange rate for the period. Foreign currency transaction gains and losses are included in the determination of net income.

Derivative Financial Instruments: The Company uses derivative financial instruments as part of an overall risk-management strategy. These instruments are used as a means of hedging exposure to precious metals prices and foreign currency exchange rates. The Company does not hold or issue derivative financial instruments for trading purposes. Written options do not qualify for hedge accounting and are marked-to-market each reporting period with corresponding changes in fair value recorded to operations as Other Income.

The Company uses forward sales contracts and combinations of put and call options to hedge its exposure to precious metals prices. The underlying hedged production is designated at the inception of the hedge. Deferral accounting is applied only if the derivatives continue to reduce the price risk associated with the underlying hedged production. Contracted prices on forward sales contracts and options are recognized in

COEUR D ALENE MINES CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE B Summary of Significant Accounting Policies (Continued)

product sales as the designated production is delivered or sold. In the event of early settlement of hedge contracts, gains and losses are deferred and recognized in income at the originally designated delivery date.

The Company uses foreign currency contracts to hedge its exposure to movements in the foreign currency translation amounts for anticipated transactions. These contracts are marked-to-market to earnings each reporting period.

On January 1, 2000 the Company adopted SFAS No. 133, Accounting for Derivative Instruments and Hedging Activities (SFAS 133), which establishes accounting and reporting standards for derivative instruments and hedging activities. SFAS 133 requires the Company to recognize all derivative instruments as either assets or liabilities in the statement of financial position and measure those instruments at fair value on an on-going basis. The adoption of SFAS 133 has had no effect on the Company s financial statements.

Comprehensive Loss: In addition to net loss, comprehensive loss includes all changes in equity during a period, except those resulting from investments by and distributions to owners.

Loss Per Share: Loss per share is computed by dividing the net loss attributable to common stock by the weighted average number of common shares outstanding during each period. The effect of potentially dilutive stock options outstanding was antidilutive in 1998, 1999 and 2000 and for the three months ended March 31, 2000 and 2001.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires the Company s management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications: Certain reclassifications of prior period balances have been made to conform to the current period presentation.

NOTE C Sale of Shareholding in Gasgoyne Gold Mines NL

On February 7, 2001, the Company sold its 50% shareholding in Gasgoyne Gold Mines NL of Australia (Gasgoyne) for A$28.1 million (US $15.6 million) in cash. The purchaser was Sons of Gwalia Ltd., an Australian corporation headquartered in Perth, Western Australia, who owned the other 50% interest in Gasgoyne.

The principal assets of Gasgoyne were its 50% ownership of the Yilgarn Star mine and exploration tenements located in Western Australia. Also included in the sale was Coeur s share of Gasgoyne s gold hedge position of approximately 90,000 ounces.

As a result of the transaction, the Company recorded a write-down of $12.2 million in December 2000, reflecting the excess of the carrying value of the Company s Gasgoyne shares over the sale price.

NOTE D SFAS No. 121 Impairment Reviews

During the first quarter of 1998, the Petorca mine continued to operate at a loss in spite of on-going efforts to improve ore grades and reduce operating costs. An evaluation of operations was completed and as a result of this evaluation, the Company determined that a write-down was required to properly reflect the estimated realizable value of Petorca s mining properties and assets in accordance with the standards set forth in SFAS 121. Consequently, the Company recorded a non-cash write-down for impairment in the first quarter of 1998 of $54.5 million relating to its investment in the Petorca mine. The charge included approximately

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COEUR D ALENE MINES CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE D SFAS No. 121 Impairment Reviews (Continued)

$8.3 million to satisfy the estimated remediation and reclamation liabilities at Petorca and to provide for estimated termination costs.

During the fourth quarter of 1998, the Company evaluated the recoverability of investments in both the Fachinal Mine and Kensington property. Using a $350 per ounce gold price and based on estimated undiscounted future cash flows, the Company determined that its investments in property, plant and equipment at the Fachinal Mine in Southern Chile and at the Kensington property in Alaska were impaired. The total amount of the impairment based on discounted cash flows was $42.9 million and $121.5 million for the Fachinal Mine and Kensington property, respectively, at December 31, 1998, and was recorded in the fourth quarter.

During the fourth quarter of 1999, the Company recorded an impairment of its investment in the Yilgarn Star mine. Using a long-term gold price assumption of $325 per ounce and based on undiscounted future cash flows, the Company determined that its investment in the Yilgarn Star mine in Australia was impaired. The total amount of the impairment, based on discounted cash flows was $16.2 million at December 31, 1999, and was recorded in the fourth quarter.

During the fourth quarter of 2000, the Company performed impairment reviews on all it s operational and development properties in accordance with the standards set forth in SFAS 121, and based on undiscounted estimated future cash flows and/or fair market value assessments, using long-term price assumptions starting at $4.90 and increasing to $5.50 per ounce for silver and $275 and increasing to $300 per ounce for gold, the Company determined that its investments in property, plant and equipment for the operating and development properties were not impaired at December 31, 2000.

NOTE E Short-Term Investments and Marketable Securities

The amortized cost of available-for-sale securities is adjusted for premium and discount amortization. Such amortization is included in Other Income. The following is a summary of available-for-sale securities:

	Available-For-Sale Securities			
As of December 31, 1999	**Amortized Cost**	**Gross Unrealized Losses**	**Gross Unrealized Gains**	**Estimated Fair Value**
U.S. corporate debt securities	$16,709	$	$	$16,709
Equity securities	6,157	171	296	6,282
	$22,866	$171	$296	$22,991

As of December 31, 2000				
U.S. corporate debt securities	$ 15,529	$	$	$ 15,529
Equity securities	3,000	174	2	2,828
	$18,529	$174	$2	$18,357

The gross realized gains on sales of available-for-sale securities totaled $.6 million and $0 million during 1999 and 2000, respectively. The gross realized losses totaled $.2 million and $2.5 million, including $2.3 million of realized loss on other than temporary decline in market value of investments during 1999 and 2000, respectively. The gross realized gains and losses are based on a carrying value (cost net of discount or premium) of $9.4 million and $17.2 million of short-term investments sold or adjusted for other than temporary decline in market value during 1999 and 2000, respectively. Short-term investments mature at various dates through February 2001.

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COEUR D ALENE MINES CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE E Short-Term Investments and Marketable Securities (Continued)

The Company, under the terms of its lease, self insurance, and bonding agreements with certain banks, lending institutions and regulator agencies, is required to collateralize certain portions of the Company s obligations. The

Company has collaterized these obligations by assigning certificates of deposit that have maturity dates ranging from three months to a year, to the respective institution or agency. At December 31, 1999 and 2000, and March 31, 2001 the Company had certificates of deposit under these agreements of $5.8 million, $10.4 million and $11.1 million (unaudited), respectively, restricted for this purpose.

NOTE F Inventories

Inventories consist of the following:

	December 31, 1999	December 31, 2000	March 31, 2001 (Unaudited)
In-process and on leach pads	$43,494	$43,595	$43,230
Concentrate and doré inventory	5,594	6,258	5,454
Supplies	4,681	5,126	5,254
	$53,769	$54,979	$53,938

The Handy & Harman refinery, to which the Rochester Mine had historically sent approximately 50% of its dore , filed for Chapter 11 Bankruptcy during the first quarter of 2000. The Company had in inventory, at the refinery, approximately 67,000 ounces of silver and approximately 5,000 ounces of gold that has been delivered to certain creditors of Handy & Harman. On February 27, 2001, the Company commenced litigation to recover its dore , with a cost basis of $1.8 million, and believes it has a basis for full recovery. Accordingly, no impairment has been recorded for this asset. Although the Company believes it has a basis for full recovery, it is premature to predict the outcome of the lawsuit.

NOTE G Property, Plant, and Equipment

Property, plant, and equipment consists of the following:

	December 31, 1999	December 31, 2000	March 31, 2001 (Unaudited)
Land	$2,407	$2,040	$2,017

Buildings and improvements	41,508	41,240	41,262
Machinery and equipment	52,590	54,546	54,860
Capital leases of equipment		87	170
	96,592	97,996	98,139
Accumulated depreciation	(54,265)	(61,256)	(61,919)
	$42,327	$36,740	$36,220

The Company has entered into various operating lease agreements which expire over a period of five years. Total rent expense charged to operations under these agreements was $4.5 million, $4.0 million and $4.7 million for 1998, 1999 and 2000, respectively.

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COEUR D ALENE MINES CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE G Property, Plant, and Equipment (Continued)

Minimum lease payments under operating leases are as follows:

Year Ending December 31,	Operating
2001	$2,865
2002	2,419
2003	1,833

2004	1,236
2005	125
	$8,478

NOTE H Mining Properties

Capitalized costs for mining properties consists of the following

	December 31, 1999	December 31, 2000	March 31, 2001 (Unaudited)
Operational mining properties:			
Rochester Mine, less accumulated depletion of $51,290, $58,156 and $59,854 (unaudited)	$30,510	$22,575	$20,724
Coeur Silver Valley, less accumulated depletion of $10,811, $12,344 and $12,784 (unaudited)	12,169	16,021	16,315
Fachinal Mine, less accumulated depletion of $0, $195 and $0 (unaudited)	1,145	3,116	3,788
Petorca Mine, less accumulated depletion of $330, $530 and $648 (unaudited)	200	472	354
TOTAL OPERATIONAL MINING PROPERTIES	44,024	42,184	41,181
Developmental mining properties:			
Kensington	26,211	28,047	28,446
San Bartolomé	19,554	18,850	18,850
Other	5,016	4,903	4,926

TOTAL DEVELOPMENTAL MINING PROPERTIES	50,781	51,800	52,222
TOTAL MINING PROPERTIES	$94,805	$93,984	$93,403

Operational Mining Properties

The Rochester Mine: The Company owns and operates this silver and gold surface mine. The Company has conducted operations at the Rochester Mine since September 1986. The mine utilizes the heap-leaching process to extract both silver and gold from ore mined using open pit methods. Rochester is one of the largest primary silver mines in the United States and is a significant gold producer as well.

Galena Mine: Coeur Silver Valley owns and operates the Galena underground silver-copper mine, located near the city of Wallace, in Shoshone County, Northern Idaho. On September 9, 1999, the Company acquired the remaining 50% of Coeur Silver Valley resulting in 100% ownership for the Company. The mine utilizes the drift and fill mining method with sand backfill to extract ore from the high grade silver-copper vein deposits that constitute the majority of the ore reserves.

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COEUR D ALENE MINES CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE H Mining Properties (Continued)

During the first quarter of 2001, Coeur formally engaged Macquarie North America Limited to assist with the sale of the Company s gold mining and related assets in Chile. These assets consist of the Fachinal and Petorca mines, exploration properties and other financial assets with a carrying amount at March 31, 2001 of approximately a net

$21.4 million.

Fachinal Mine: The Fachinal Mine is a gold and silver open pit and underground mine located in southern Chile. Commercial production for financial reporting purposes commenced on January 1, 1997. The Company suspended operations in the fourth quarter 2000 to fully evaluate and develop a recently discovered zone of high-grade gold and silver mineralization.

Petorca Mine: The Company owns and operates the Petorca gold and silver underground mine located in central Chile approximately 90 miles north of Santiago.

Yilgarn Star Mine: The Company had a 25% indirect interest in the Yilgarn Star mine in Western Australia. The mine is a surface and underground gold mine operated by Sons of Gwalia. Coeur sold its interest in the Yilgarn Star mine in February 2001. (See Note C.)

Developmental Properties

San Bartolomé Project: On September 9, 1999, the Company acquired Empressa Minera Manquiri (Manquiri). Manquiri s principal asset is the San Bartolomé project, a silver exploration and development property located near the city of Potosi, Bolivia. The San Bartolomé project consists of silver-bearing gravel deposits which lend themselves to simple surface mining methods. The mineral rights for the San Bartolomé project are held through long-term joint venture/lease agreements with several local independent mining co-operatives and the Bolivian State owned mining company, COMIBOL. As consideration for these JV/ leases, production from San Bartolomé is subject to a royalty of 4% payable to the co-operatives and COMIBOL.

Kensington Project: Kensington is a gold property located near Juneau, Alaska, which has been permitted for development based on a feasibility study which was completed in early 1998. However, due to the currently depressed gold price, the Company has continued with engineering optimization efforts to reduce estimated capital costs and operating costs. The property is subject to a royalty which ranges from 1% at $400 gold prices to a maximum of 2 1/2% at gold prices above $475, with a royalty cap at 1 million ounces of production.

NOTE I Long-Term Debt

The $26.5 million principal amount of 6% Convertible Subordinated Debentures Due 2002 are convertible into shares of Coeur Common Stock at the option of the holder prior to maturity, unless previously redeemed, at a conversion rate of approximately 38 shares of Common Stock for each one thousand dollars of principal (equivalent to a conversion price of $25.57 per share of Common Stock). The Company is required to make annual interest payments. The debentures have no other funding requirements until maturity on June 10, 2002.

The $92.9 million principal amount of 6 3/8% Convertible Subordinated Debentures Due 2004 are convertible into shares of Common Stock at the option of the holder on or before January 31, 2004, unless previously redeemed, at a conversion price of $25.77 per share. The Company is required to make semi-annual interest payments. The debentures are redeemable at the option of the Company. The debentures have no other funding requirements until maturity on January 31, 2004.

The $85.2 million principal amount of 7 1/4% Convertible Subordinated Debentures Due 2005 are convertible into shares of Common Stock at the option of the holder on or before October 31, 2005, unless

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COEUR D ALENE MINES CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE I Long-Term Debt (Continued)

previously redeemed, at a conversion price of $17.45 per share, subject to adjustment in certain events. The Company is required to make semi-annual interest payments. The debentures are redeemable at the option of the Company on or after October 31, 2000, and have no other funding requirements until maturity on October 31, 2005.

Issuance of Common Stock in Exchange for 7 1/4% Convertible Subordinated Debentures

On March 19, 2001, the Company issued a total of 1,787,500 shares (unaudited) of its Common Stock to two holders of a total of $5 million (unaudited) principal amount of the Company s outstanding 7 1/4% Convertible Subordinated Debentures Due 2005 in exchange for such Debentures. The Company s financial statements for the quarter ending March 31, 2001 recorded an extraordinary gain of $3.2 million (unaudited) representing the excess of the extinguished principal amount of the Debenture liability over the value of the shares issued by the Company in exchange, net of offering costs and taxes.

In three additional privately negotiated transactions completed in April 2001, the Company repurchased, in aggregate, $11 million (unaudited) principal amount of its outstanding 7 1/4% Convertible Subordinated Debentures Due 2005 in exchange for 4,257,618 shares (unaudited) of common stock. As a result of the transactions completed in April, the Company expects to record an extraordinary gain of approximately $5.6 million (unaudited), net of offering costs and taxes in the quarter ending June 30, 2001.

The following table sets forth repurchases for each year:

	Carrying Amount	Repurchase Amount	Issuance Cost	Extraordinary Gain
1998:				
6% debentures	$4.0 million	$2.9 million	$52,320	$1.1 million
6 3/8% debentures	$1.6 million	$.9 million	$37,627	$.7 million
7 1/4% debentures	$36.5 million	$24.7 million	$1.4 million	$10.4 million
1999:				
6% debentures	$10.2 million	$6.2 million	$100,000	$4.0 million
2000:				
6% debentures	$9.1 million	$6.4 million	$60,000	$1.8 million
6 3/8% debentures				

$.6 million $.2 million $7,700 $.4 million
7 1/4% debentures
$22.0 million $7.5 million $600,000 $13.9 million

The carrying amounts and fair values of long-term borrowings, as of December 31, 1999 and 2000, consisted of the following. The fair value of the long-term borrowing is determined by market transactions on or near December 31, 1999 and 2000, respectively.

Convertible Subordinated Debenture	December 31, 1999		December 31, 2000		March 31, 2001	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
6% due 2002	$35,582	$22,684	$26,511	$16,238	$26,096	$14,353
6 3/8% due 2004	$93,372	$49,721	$92,860	$26,454	$92,860	$32,501
7 1/4% due 2005	$107,277	$59,807	$85,198	$24,549	$80,198	$28,069

Total interest accrued at December 31, 1998, 1999, 2000 and at March 31, 2001, was $20.4 million, $17.8 million, $17.0 million, and $3.7 million, respectively, of which $6.8 million, $1.4 million, $0 million, and $0 million (unaudited), respectively, was capitalized as a cost of certain properties under development.

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COEUR D ALENE MINES CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE I Long-Term Debt (Continued)

Interest paid was $20.3 million, $17.0 million, $16.5 million and $3.0 million (unaudited), at December 31, 1998, 1999, 2000, and March 31, 2001, respectively.

NOTE J Income Taxes

The components of the provision for income taxes in the consolidated statements of operations are as follows:

	Years Ended December 31,		
	1998	1999	2000
Current	$919	$332	$348
Deferred			

PROVISION FOR INCOME TAX	$919	$332	$348

As of December 31, 1999 and 2000 the significant components of the Company s net deferred tax liability were as follows:

	Years Ended December 31,	
	1999	**2000**
Deferred tax liabilities:		
PP&E, net	$9,051	$7,051
Total deferred tax liabilities	$9,051	$7,051
Deferred tax assets:		
Net operating loss carryforwards	$101,505	$106,836
AMT credit carryforwards	1,734	1,734
Business credit carryforwards	205	205
Total deferred tax assets	103,444	108,775
Mineral properties impairment	58,863	64,533
Unrealized hedging losses	1,626	1,730

Other	2,165	4,583
Valuation allowance for deferred tax assets	(157,047)	(172,570)
Net deferred tax assets	$9,051	$7,051
Net deferred tax liabilities	$	$

The valuation allowance represents the amount of deferred tax assets that more likely than not will not be realized in future years. Changes in the valuation allowance relate primarily to losses which are not currently recognized. The Company has reviewed its net deferred tax assets, together with net operating loss carryforwards, and has not recognized potential tax benefits arising therefrom because at this time management believes it is more likely than not that the benefits will not be realized in future years.

The Company intends to reinvest the unremitted earnings of its non-U.S. subsidiaries and postpone their remittance indefinitely. Accordingly, no provision for U.S. income taxes was required on such earnings during the three-year period ended December 31, 2000. It is not practicable to estimate the tax liabilities which would result upon such repatriation.

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COEUR D ALENE MINES CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE J Income Taxes (Continued)

A reconciliation of the Company s effective income tax rate with the federal statutory tax rate for the periods indicated is as follows:

	Years Ended December 31,		
	1998	1999	2000

Tax benefit on continuing operations computed at statutory rates	(35.0%)	(35.0%)	(35.0%)
Tax effect of foreign affiliates statutory rates	7.6%	11.6%	7.4%
Percentage depletion	(1.4%)	(21.2%)	(17.9%)
Interest on foreign subsidiary debt	1.7%	18.4%	11.5%
Change in valuation allowance	27.1%	25.7%	34.5%
Other (net)	%	1.6%	.5%
EFFECTIVE TAX RATE	%	1.1%	1.0%

For tax purposes, as of December 31, 2000, the Company has operating loss carryforwards as follows, which expire in 2007 through 2020 for U.S. carryforwards. New Zealand, Australian and Chilean laws provide for indefinite carryforwards of net operating losses. Utilization of U.S. net operating losses may be subject to limitations due to potential changes in ownership.

	U.S.	New Zealand	Australia	Chile	Total
Regular losses	$146,822	$91,371	$727	$160,351	$399,271
AMT credits	1,743				1,743
General business credits	205				205

The operating loss carryforwards by year of expiration are as follows:

Year of Expiration	Regular Tax
2007	$10,561
2008	10,417
2009	8,994
2010	72,146
2011	4,424
2019	36,372

2020	3,908
Total	$146,822

As of December 31, 2000, Callahan Mining Corporation, a subsidiary, has net operating loss carryforwards of approximately $17.4 million which expire through 2006. The utilization of Callahan Mining Corporation s net operating losses are subject to limitations.

NOTE K Shareholders Equity and Stock Plans

In 1996, the Company completed a public preferred stock offering of Mandatory Adjustable Redeemable Convertible Securities (MARCS). The Company issued 7,077,833 shares of MARCS which were offered at a public offering price of $21.25 per share. Net proceeds to the Company from the offering was $144.6 million. On March 15, 2000, Coeur made the final dividend payment of $2.6 million and the MARCS were mandatorily converted into common shares. Each outstanding MARCS was converted into 1.111 com-

COEUR D ALENE MINES CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE K Shareholders Equity and Stock Plans (Continued)

mon shares of the Company. As a result of the conversion, the Company issued approximately 7.9 million common shares.

On May 11, 1999, the Company s shareholders adopted a new shareholder rights plan. The plan entitles each holder of the Company s Common Stock to one right. Each right entitles the holder to purchase one one-hundredth of a share of newly authorized Series B Junior Preferred Stock. The exercise price is $100, making the price per full preferred share ten thousand dollars. The rights will not be distributed and become exercisable unless and until ten business days after a person acquires 20% of the outstanding common shares or commences an offer that would result in the ownership of 30% or more of the shares. Each right also carries the right to receive upon exercise that number of Coeur common shares which has a market value equal to two times the exercise price. Each preferred share issued is entitled to receive 100 times the dividend declared per share of Common Stock and 100 votes for each share of Common Stock and is entitled to 100 times the liquidation payment made per common share. The Board may elect to redeem the rights prior to their exercisability at a price of one cent ($.01) per right. The new rights will expire on May 24, 2009, unless earlier redeemed or exchanged by the Company. Any preferred shares issued are not redeemable. At December 31, 1999 and 2000 and March 31, 2001, there were a total of 29,181,217 and 37,050,068 and 38,841,240 (unaudited) outstanding rights, which was equal to the number of outstanding shares of common stock.

The Company has an Annual Incentive Plan (the Annual Plan), a Long-Term Incentive Plan (the Long-Term Plan) and a Directors Plan (the Directors Plan). Benefits were payable in cash under the Annual Plan in 1998, 1999 and 2000.

Under the Long-Term and Directors Plans, benefits consist of (i) non-qualified and incentive stock options that are exercisable at prices equal to the fair market value of the shares on the date of grant and vest cumulatively at an annual rate of 25% during the four-year period following the date of grant, and (ii) performance units comprised of Common Stock and cash, the value of which is determined four years after the award. The first award performance units were granted in 1994. During 2000, options for 233,294 shares were issued under these plans.

As of December 31, 1999, 2000 and March 31, 2001, nonqualified and incentive stock options to purchase 502,506 shares, 708,266 shares and 721,066 shares (unaudited), respectively, were outstanding under the Long-Term and Directors Plans. The options are exercisable at prices ranging from $2.63 to $27.00 per share. In December 2000, the Board of Directors passed a resolution to request shareholders to authorize an additional 1,000,000 shares for issuance under these plans.

The Company has a Non-Employee Directors Stock Option Plan under which 200,000 shares of Common Stock are authorized for issuance and which were approved by the shareholders in May 1995. In December 2000, the Board of Directors passed a resolution to put forward for shareholder approval the authorization of an additional 500,000 shares for issuance under the Plan. Under the Plan, options are granted only in lieu of an optionee s foregone annual directors fees. As of December 31, 1998, 1999, 2000 and March 31, 2001, a total of 21,005, 25,917, 46,691 and 134,612 (unaudited) options, respectively, had been granted in lieu of $.1 million, $.1 million, $.1 million and $0.1 million (unaudited), respectively, of foregone directors fees.

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COEUR D ALENE MINES CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE K Shareholders Equity and Stock Plans (Continued)

Total employee compensation expense charged to operations under these Plans were $1.4 million, $.8 million, and $1.8 million for 1998, 1999, and 2000, respectively. A summary of the Company s stock option activity and related information for the years ended December 31, 1998, 1999 and 2000 follows:

	Shares	Weighted Average Exercise Price	Weighted Average Value of Options
Stock options outstanding at January 1, 1998	612,447	$16.05	$2.61
Issued			
75,925 6.17			
Canceled/expired			
(246,530) 15.62			

Stock options outstanding at December 31, 1998	441,842	$14.59	$3.51
Issued	130,086	4.69	
Canceled/expired	(69,422)	12.60	
Stock options outstanding at December 31, 1999	502,506	$11.99	$2.56
Issued	233,294	3.52	
Canceled/expired	(27,534)	11.29	
Stock options outstanding at December 31, 2000	708,266	$9.47	

Stock options exercisable at December 31, 1998, 1999 and 2000 were 222,299, 283,987 and 366,602, respectively.

The following table summarizes information for options currently outstanding at December 31, 2000:

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	**Number Outstanding**	**Weighted Average Remaining Contractual Life (Yrs.)**	**Weighted Average Exercise Price**	**Number Exercisable**	**Weighted Average Exercise Price**
$2.630 to $8.938	390,264	9.45	$4.26	120,116	$4.69
$13.125 to $17.938	239,094	6.13	$14.68	167,578	$15.18
$18.000 to $27.000	78,908	5.12	$19.44	78,908	$19.44
	708,266	7.85	$9.47	366,602	$12.66

As of December 31, 2000 and March 31, 2001, 1,614,398 shares and 1,492,586 shares (unaudited) were available for future grants under these incentive Plans and 9,523,363 shares of Common Stock were reserved for potential conversion of Convertible Subordinated Debentures.

SFAS No. 123, Accounting for Stock-Based Compensation establishes accounting and reporting standards for stock-based employee compensation plans and defines a fair value based method of accounting for these equity instruments. The method measures compensation expense based on the estimated fair value of the award and recognizes that expense over the vesting period. The Company has adopted the disclosure-only provision of SFAS No. 123 and therefore continues to account for stock options in accordance with Accounting Principles Board Opinion No. 25, Accounting for Stock Issued to Employees. Accordingly, because options are granted at fair market value, no compensation expense has been recognized for options issued under the Company s stock option plans. Had compensation expense been recognized based on the fair

COEUR D ALENE MINES CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE K Shareholders Equity and Stock Plans (Continued)

value at the date of the grant for the options awarded under the plans, pro-forma amounts of the Company s net loss and net loss per share would have been as follows:

	Years Ended December 31,		
	1998	1999	2000
Net loss attributable to common shareholders	$(244,786)	$(38,855)	$(49,993)
Net loss pro forma	$(245,144)	$(39,065)	$(50,321)
Basic and diluted net loss per share as reported	$(11.18)	$(1.61)	$(1.41)
Basic and diluted net loss per share pro forma	$(11.20)	$(1.62)	$(1.42)

The fair value of each option grant was estimated using the Black Scholes option pricing model with the following weighted average assumptions: risk free interest rate of 6.2%, 6.2% and 6.0% for 1998, 1999 and 2000, respectively; expected option life of 4-10 years for officers and directors; expected volatility of 43%, 55% and 92% for 1998, 1999 and 2000, respectively, and no expected dividends. The effect of applying SFAS No. 123 for providing pro forma disclosures for fiscal years 1998, 1999 and 2000 is not likely to be representative of the effects in future years because options vest over a four-year period and additional awards generally are made each year.

NOTE L Employee Benefit Plans

Defined Benefit Plan

In connection with the acquisition of certain Asarco silver assets, acquired in 1999, the Company is required to maintain non-contributory defined benefit pension plans covering substantially all employees at Coeur Silver Valley. Benefits for salaried plans are based on salary and years of service. Hourly plans are based on negotiated benefits and years of service.

The Company s funding policy is to contribute amounts to the plans sufficient to meet the minimum funding requirements set forth in the Employee Retirement Income Security Act of 1974, plus such additional tax deductible amounts as may be advisable under the circumstances. Plan assets are invested principally in commingled stock funds, mutual funds and securities issued by the United States Government.

The components of net periodic benefit costs are as follows:

For the Year Ended December 31,	1999	2000
Service cost	$161	$152
Interest cost	70	107
Expected return on plan assets	(38)	(76)
Amortization of prior service cost		31
Amortization of transitional obligation		
Recognized actuarial loss		(14)
Net periodic benefit cost	$193	$200

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COEUR D ALENE MINES CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE L Employee Benefit Plans (Continued)

The change in benefit obligation and plan assets and a reconciliation of funded status are as follows:

At December 31,	1999	2000
Change in benefit obligation		
Projected benefit obligation at beginning of year	$1,040	$1,019
Service cost	161	152
Interest cost	70	107
Plan amendments		353
Benefits paid	(21)	(33)
Actuarial loss	(231)	(248)
Projected benefit obligation at end of year	$1,019	$1,350
Change in plan assets		
Fair value of plan assets at beginning of year	$454	$760
Actual return on plan assets	77	(5)
Plan amendment		
Employer contributions	250	493
Benefits paid	(21)	(33)
Administrative expenses		
Fair value of plan assets at end of year	$760	$1,215

Reconciliation of funded status

Funded status	$(259)	$(135)
Unrecognized actuarial gain		(422)
Unrecognized transition obligation		
Unrecognized prior service cost	(270)	321
Net amount of asset reflected in consolidated balance sheet	$(529)	$(236)

Weighted average assumptions

Discount rate	8.1%	8.0%
Expected long-term rate of return on plan assets	8.5%	8.5%
Rate of compensation increase	5.0%	3.0%

Defined Contribution Plan

The Company provides a non-contributory defined contribution retirement plan for all eligible U.S. employees. Total plan expenses charged to operations were $.8 million, $.9 million, and $.8 million for 1998, 1999, and 2000, respectively, which is based on a percentage of salary of qualified employees.

401(k) Plan

The Company maintains a savings plan (which qualifies under Section 401(k) of the U.S. Internal Revenue Code) covering all eligible U.S. employees. Under the plan, employees may elect to contribute up to 16% of their cash compensation, subject to ERISA limitations. The Company is required to make matching cash contributions equal to 50% of the employees contribution or up to 3% of the employees compensation. Employees have the option of investing in seven different types of investment funds. Total plan expenses charged to operations were $.5 million,

$.4 million and $.4 million in 1998, 1999, and 2000, respectively.

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COEUR D ALENE MINES CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE M Financial Instruments

Off-Balance Sheet Risks

The Company enters into forward foreign exchange contracts denominated in foreign currencies. The purpose of the Company s foreign exchange hedging program is to protect the Company from risk that the eventual dollar cash flows will be adversely affected by changes in exchange rates. At December 31, 1998, 1999, and 2000, the Company had forward foreign exchange contracts of $4.6 million, $3.6 million, and $8.1 million in USD, respectively.

The Company enters into forward metal sales contracts to manage a portion of its cash flows against fluctuating gold and silver prices. As of December 31, 2000, the Company had sold 24,000 ounces of gold for delivery on various dates through 2002 at an average price of $324.17. For metal delivery contracts, the realized price pursuant to the contract is recognized when physical gold or silver is delivered in satisfaction of the contract. For the years ended December 31, 1999 and 2000, Coeur recorded a non-cash charge of $4.3 million and non-cash earnings of $4.0 million to operations, respectively. At December 31, 2000, based on the spot gold price of $274.45 per ounce, the Company s complete hedging position was valued at $2.4 million, including the call options sold.

The Company realized cash gains of $4.0 million arising from the deliveries of gold into purchased put options and forward contracts during 2000.

Further discussions of other financial instruments held by the Company are included in Note E and Note I.

The following tables summarize the information at December 31, 2000 and March 31, 2001, associated with the Company s financial and derivative financial instruments:

December 31, 2000	2001	2002	2003	2004	Thereafter	Total	Fair Value 12/31/00

Liabilities

Long Term Debt Fixed Rate
$ $26,511 $ $92,820 $85,238 $204,569 $67,241
Average Interest Rate
6.691% 6.739% 6.794% 6.942% 7.250%
Derivative Financial Instruments

Gold Forward Sales USD

Ounces
12,000 12,000 24,000 $847
Price Per Ounce

$316.51 $331.84
Gold Put Options Purchased AUD[1]

Ounces
30,000 30,000 30,000 90,000 $2,424
Price Per Ounce
$597.00 $597.00 $597.00
Gold Call Options Sold USD[2]

Ounces
56,000 56,000 $(870)
Price Per Ounce
$ $ $ $ $345.00
Foreign Currency Contracts Chile Peso USD
$8,100 $ $ $ $ $8,100 $(125)
Exchange Rate (CLP to USD)
566.69

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(1) This derivative is held in Gasgoyne, which is an equity investment. Gasgoyne was sold by the Company in February 2001 and this contract was included as part of the sale. The put options purchased have a knock-out provision whereby the options will terminate if gold trades above AUD $541 (USD $300) per ounce prior to the exercise date.

(2) The call options sold have a knock-out provision whereby the calls will terminate if gold trades below $300 per ounce after December 27, 2002.

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COEUR D ALENE MINES CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE M Financial Instruments (Continued)

March 31, 2001 (unaudited)	2001	2002	2003	2004	Thereafter	Total	Fair Value 3/31/01

Liabilities

Long Term Debt Fixed Rate
$ $26,096 $ $92,860 $80,198 $199,154 $74,909
Average Interest Rate
6.717% 6.782% 6.843% 7.190% 7.250%
Derivative Financial Instruments

Gold Forward Sales USD

Ounces
9,000 12,000 21,000 $1,203
Price Per Ounce
$316.51 $318.28 $ $ $
Gold Call Options Sold USD

Ounces[1]
56,000 56,000 $(484)
Price Per Ounce
$ $ $ $345.00
Foreign Currency Contracts

Chilean Peso s
$5,400 $ $ $ $ $5,400 $(235)
Exchange Rate (Chilean Peso to USD)
$569.15 $ $ $ $

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(1) The call options sold have a knock-out provision whereby the calls for 56,000 ounces will terminate if gold trades below $300 per ounce after December 27, 2002.

The table below summarizes, by contract, the contractual amounts of the Company s forward exchange and forward metals contracts at December 31, 2000.

	December 31, 2000		**March 31, 2001 (unaudited)**	
	Forward Contracts	**Unrealized Gain (Loss)**	**Forward Contracts**	**Unrealized Gain (Loss)**
Currency:				
Chile	$8,100	$(125)	$5,400	$(235)
Forward Metal Sales[1]	$36,257	$4,970	$6,846	$1,203

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(1) Includes Gasgoyne forward contracts totaling $28,477 and unrealized gains of $3,776.

For the years ended December 31, 1998, 1999, and 2000, the Company realized a gain (loss) from its foreign exchange programs of $(.5) million, $.1 million and $(1.0) million, respectively.

The credit risk exposure related to all hedging activities is limited to the unrealized gains on outstanding contracts based on current market prices. To reduce counter-party credit exposure, the Company deals only with a group of large credit-worthy financial institutions, and limits credit exposure to each. In addition, to allow for situations where positions may need to be reversed, the Company deals only in markets that it considers highly liquid. The Company does not anticipate non-performance by any of these counter parties.

NOTE N Segment Information

Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker, or decision-making group, in deciding how to allocate resources and in assessing performance. The Company s chief operating decision-making group is comprised of the Chief Executive Officer, Chief Financial Officer and the Chief Operating Officer.

The operating segments are managed separately because each segment represents a distinct use of company resources and contribution to Company cash flows in its respective geographic area. The Company s reportable operating segments include the Rochester, Coeur Silver Valley, Fachinal, and Petorca mining properties, Coeur Australia (50% owner of Gasgoyne Gold Mines NL, which was sold on February 7, 2001), Table of Contents

COEUR D ALENE MINES CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE N Segment Information (Continued)

and exploration and development properties. All operating segments are engaged in the discovery and/ or mining of gold and silver and generate the majority of their revenues from the sale of these precious metals. Intersegment revenues consist of precious metals sales to the Company s metals marketing division and are transferred at the market value of the respective metal on the date of transfer. The other segment includes the corporate headquarters, elimination of intersegment transactions and other items necessary to reconcile to consolidated amounts. Revenues in the other segment include sales through a wholly owned commodity marketing subsidiary, and are generated principally from interest received from the Company s cash and investments that are not allocated to the operating segments. The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies above. The Company evaluates performance and allocates resources based on profit or loss before interest, income taxes, depreciation and amortization, unusual and infrequent items, and extraordinary items.

Revenues from gold sales were $55.7 million, $48.9 million, $43.5 million and $6.2 million in 1998, 1999, 2000 and for the period ended March 31, 2001(unaudited), respectively. Revenues from silver sales were $46.8 million, $43.7 million, $57.3 million and $12.9 million in 1998, 1999, 2000 and for the period ended March 31, 2001(unaudited), respectively.

Segment Reporting

	Rochester	Fachinal	Petorca	Coeur Australia	Exploration and Development	Other	Total
December 31, 1998							
Net sales and revenues to external customers	$(82)	$16,324	$9,436	$13,860	$(449)	$72,885	$111,974
Intersegment net sales and revenues	62,911			(62,911)			

Total net sales and revenues
$62,829 $16,324 $9,436 $13,860 $(449) $9,974 $111,974

Depreciation and amortization
$8,310 $12,028 $1,807 $7,060 $83 $1,723 $31,011
Interest income
17 91 31 54 43 9,263 9,499
Interest expense
65 218 13,379 13,662
Gain on forward sale contracts
1,167 1,167
Writedown of mine properties
(42,900) (53,904) (122,102) (4,266) (223,172)
Income tax (credit) expense
(53) 972 919
Losses from non-consolidated subsidiaries
(1,175) (955) (2,130)
Gain on early retirement of debt
12,158 12,158
Profit (loss)
33,080 (6,976) (2,158) 1,120 (4,938) 1,890 22,018
Investments in non-consolidated subsidiaries
50,627 16,287 66,914
Segment assets(A)
86,362 32,915 4,845 193 23,070 11,573 158,958
Expenditures for property
6,903 2,801 1,843 18,654 185 30,386

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COEUR D ALENE MINES CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE N Segment Information (Continued)

Rochester | Coeur Silver Valley | Fachinal | Petorca | Coeur Australia | Exploration and Development | Other | Total

December 31, 1999

Net sales and revenues to external customers
$(119) $4,960 $8,756 $9,086 $9,983 $(323) $76,603 $108,946

Intersegment net sales and revenues
51,312 (51,312)

Total net sales and revenues
$51,193 $4,960 $8,756 $9,086 $9,983 $(323) $25,291 $108,946

Depreciation and amortization
$9,539 $681 $5,025 $(1,020) $4,490 $364 $2,929 $22,008

Interest income
66 20 65 13 5,444 5,608

Interest expense
32 27 16,349 16,408

Gain on Cyprus Settlement
21,140 21,140

Loss on metal hedging
(4,302) (4,302)

Writedown of mine property
(16,193) (2,492) (18,685)

Income tax (credit) expense
(11) 23 320 332
Earnings (losses) from non- consolidated subsidiary
(1,180) 84 (1,096)
Gain on early retirement Of debt
3,990 3,990
Profit (loss)
18,993 (276) (3,023) (556) 203 (4,784) (2,529) 8,028
Investments in non-consolidated subsidiary
29,008 29,008
Segment assets[(A)]
89,110 24,438 29,386 3,374 1,818 49,880 8,271 206,277
Expenditures for property
3,815 947 1,355 300 7,958 560 14,935

Rochester	Coeur Silver Valley	Fachinal	Petorca	Coeur Australia	Exploration And Development	Other	Total

December 31, 2000
Net sales and revenues to external customers
$25 $17,202 $9,756 $6,566 $9,337 $58,320 $101,206
Intersegment net sales and revenues
51,938 (51,938)

Total net sales and revenues
$51,963 $17,202 $9,756 $6,566 $9,337 $6,382 $101,206

Depreciation and amortization
14,815 2,735 5,138 235 2,260 19 1,481 26,683
Interest income
22 6 172 4,207 4,407
Interest expense
14 (3) 16,988 16,999
Gain on metal hedging
3,970 3,970
Writedown of mine property
(411) (12,207) (2,372) (14,990)
Income tax expense
1 75 272 348
Earnings from non-consolidated Subsidiary
1,103 1,103
Gain on early retirement Of debt
16,136 16,136
Profit (loss)
13,506 615 (6,328) (1,837) 1,930 (1,282) (11,304) (4,700)
Investments in non-consolidated subsidiary
15,264 15,264
Segment assets[(A)]
81,130 28,282 24,882 2,769 429 57,921 195,413
Expenditures for property
2,169 6,363 2,636 662 1,823 13,653

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COEUR D ALENE MINES CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE N Segment Information (Continued)

	Rochester	Coeur Silver Valley	Fachinal	Petorca	Exploration and Development	Other	Total

March 31, 2000 (unaudited)
Total net sales and revenues
$12,036 $3,577 $188 $586 $73 $1,444 $17,904

Depreciation and amortization
3,507 572 1,256 53 21 899 6,308
Interest income
(5) (2) (8) (1,359) (1,374)
Interest expense
3,956 3,956
Income tax (credit) expense
1 99 100
Earnings (losses) from non-consolidated affiliates
482 482
Gain on early retirement of debt
87 87
Profit (loss)
3,167 (882) (242) (471) (1,551) 421 442
Investments in non-consolidated affiliates
28,892 28,892
Segment assets(A)
87,369 23,591 30,165 2,656 20,087 41,633 205,501
Capital expenditures for property
294 974 1,324 49 1,306 3,947

March 31, 2001 (unaudited)

Total net sales and revenues
$13,012 $4,456 $(54) $870 $ $(262) $18,022

Depreciation and amortization
2,675 703 133 5 331 3,847
Interest income
(1) (2) (529) (532)
Interest expense
575 3,169 3,744
Other Expense
131 69 17 217
Income tax (credit) expense
1 1
Gain on early retirement of debt
3,181 3,181
Profit (loss)
1,531 (5) (77) (490) (301) (4,478) (3,820)
Segment assets[(A)]
77,672 27,944 23,895 3,573 67 59,302 192,453
Capital expenditures for property
166 757 672 15 367 1,977

Note (A): Segment assets consist of receivables, prepaids, inventories, property, plant and equipment, and mining properties

Segment Reporting

	December 31,			March 31,	
	1998	1999	2000	2000	2001
				(unaudited)	

Profit(loss)

Total profit or loss for reportable segments
$22,018 $8,028 $(4,700) $442 $(3,820)
Gain (loss) on legal settlements
21,140 (4,200)
Gain (loss) on metal hedging
(4,303) 3,971
Depreciation and amortization
(30,677) (21,753) (26,683) (6,308) (3,847)
Interest expense
(13,662) (16,408) (16,999) (3,956) (3,744)
Writedown of mine property and other
(223,172) (18,685) (14,990) 163

Loss before income taxes
$(245,493) $(31,981) $(63,601) $(9,822) $(11,248)

Assets

Total assets for reportable segments	$158,958	$206,277	$195,413	$205,501	$192,453
Cash and cash equivalents	127,335	86,935	35,227	80,855	45,468
Short-term investments	1,753	22,978	18,344	13,652	14,375
Other assets	77,934	37,857	22,393	37,420	6,781
Total consolidated assets	$365,980	$354,047	$271,377	$337,428	$259,077

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COEUR D ALENE MINES CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE N Segment Information (Continued)

Segment Reporting Geographic Information	Revenues	Mining Properties
(In thousands)		
December 31, 1998:		
United States	$72,326	$73,153
Chile	25,802	25,291
Australia	13,860	
New Zealand		5,178
Other Foreign Countries	(14)	14
Total	$111,974	$103,636
December 31, 1999:		
United States	$60,297	$94,356
Chile	17,521	22,356
Australia	9,983	
New Zealand	21,146	855
Other Foreign Countries	(1)	19,565
Total	$108,946	$137,132
December 31, 2000:		
United States	$75,875	$90,384
Chile	15,989	20,890
Australia	9,337	

New Zealand	5	569
Bolivia		18,873
Other Foreign Countries		8
Total	$101,206	$130,724

	Revenues	Long-Lived Assets
March 31, 2000(unaudited):		
United States	$14,881	$93,165
Chile	845	22,570
Bolivia		19,564
Other Foreign Countries	2,178	691
Consolidated Total	$17,904	$135,990
March 31, 2001(unaudited):		
United States	$18,311	$88,795
Chile	35	21,417
Bolivia		18,881
Other Foreign Countries	(324)	530
Consolidated Total	$18,022	$129,623

Revenues are geographically separated based upon the country in which operations and the underlying assets generating those revenues reside.

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COEUR D ALENE MINES CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE O Litigation

Federal Natural Resources Action

On March 22, 1996, an action was filed in the United States District Court for the District of Idaho by the United States against various defendants, including the Company, asserting claims under CERCLA and the Clean Water Act for alleged damages to federal natural resources in the Coeur d Alene River Basin of Northern Idaho as a result of alleged releases of hazardous substances from mining activities conducted in the area since the late 1800s.

On March 16, 2001, the Company and representatives of the U.S. Government, including the Environmental Protection Agency, the Department of Interior and the Department of Agriculture, reached an agreement in principle to settle the lawsuit, which represents the only suit in which the Company has been named a party. Effectiveness of the settlement and related dismissal of the lawsuit against the Company is subject to final Justice Department and Court approval. Pursuant to the terms of the proposed settlement, the Company will pay the U.S. Government a total of approximately $3.9 million, of which $3.3 million will be paid within 15 days after effectiveness of the settlement and the remaining $.6 million will be paid within 45 days after effectiveness of the settlement. In addition, the Company will (i) pay the United States 50% of any future recoveries from insurance companies for claims for defense and indemnification coverage under general liability insurance policies in excess of $600,000, (ii) accomplish certain cleanup work on the Mineral Point property (i.e., the former Coeur Mine site) and Calladay property, and (iii) make available certain real property to be used as a waste repository. Finally, commencing five years after effectiveness of the settlement, the Company will be obligated to pay net smelter royalties on its operating properties, up to a maximum of $3 million, amounting to a 2% net smelter royalty on silver production if the price of silver exceeds $6.50 per ounce, and a $5.00 per ounce net smelter royalty on gold production if the price of gold exceeds $325 per ounce. The royalty would run for 15 years commencing five years after effectiveness of the settlement. When the settlement agreement becomes effective, the Court will issue a consent decree dismissing the action against the Company.

As a result of the settlement, the Company has recorded a charge to other expense of $4.2 million in the fourth quarter of 2000 which includes $3.9 million of settlement payments, the land transfer expenses and related legal fees.

Lawsuit to Recover Inventory

During the first quarter of 2000, Handy and Harmon Refining Group, Inc., to which the Rochester Mine had historically sent approximately 50% of its doré, filed for Chapter 11 bankruptcy. The Company had an inventory at the refinery of approximately 67,000 ounces of silver and 5,000 ounces of gold that has been delivered to certain creditors of Handy and Harmon. The doré inventory has a cost basis of $1.8 million. On February 27, 2001, the Company commenced a lawsuit against Handy and Harmon and certain others in the U.S. Bankruptcy Court for the District of Connecticut seeking recovery of the metals and/or damages. Although the Company believes it has a basis for full recovery, it is premature to predict the outcome of the lawsuit.

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COEUR D ALENE MINES CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE P Summary of Quarterly Financial Data (Unaudited)

The following table sets forth a summary of the quarterly results of operations for the years ended December 31, 1999 and 2000:

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter (b)(c)(d)(e)
	(In Thousands		Except Per Share Data)	
December 31, 1999				
Net revenues	$19,344	$21,675	$38,439(f)	$29,488
Net income (loss) before extraordinary gain	$(7,273)	$(6,979)	$7,020	$(25,081)(c)
Net income (loss)	$(7,273)	$(6,979)	$9,610 (g)	$(23,681)(c)(g)
Net income (loss) attributable to common shareholders	$(9,906)	$(9,612)	$6,977	$(26,314)(c)
Basic and diluted net income (loss) per share before extraordinary gain	$(.45)	$(.44)	$.18	$(.95)
Basic and diluted net income (loss) per share attributable to common shareholders	$(.45)	$(.44)	$.29	$(.90)
December 31, 2000				
Net revenues	$17,904	$29,488	$29,724	$24,090
Net loss before extraordinary gain	$(9,922)	$(11,573)	$(8,558)	$(33,896)(c)
Net loss(a)	$(9,835)	$(10,462)	$(8,456)	$(19,060)(c)
Net loss attributable to common shareholders(a)	$(12,015)	$(10,462)	$(8,456)	$(19,060)(c)
Basic and diluted net loss per share before extraordinary gain	$(.39)	$(.31)	$(.23)	$(.91)
Basic and diluted net loss per share attributable to common shareholders(a)	$(.39)	$(.28)	$(.23)	$(.51)

(a) Includes extraordinary gain on early retirement of debt of approximately $1.0 million in the first quarter 2000, approximately $1.1 million in the second quarter 2000, approximately $1.0 million in the third quarter 2000, and approximately $14.8 million in the fourth quarter 2000.

(b) Includes realized loss on other than temporary impairment of available for sale securities of $2.3 million in the fourth quarter 2000.

(c) Includes writedown of mining properties of approximately $16.2 million and $12.2 million in the fourth quarters of 1999 and 2000, respectively, and $4.2 million expense for settlement of a legal suit in the fourth quarter of 2000.

(d) Includes mark-to-market gain (loss) of $1.6 million in the first quarter of 2000, ($.5) million in the second quarter of 2000, $2.1 million in the third quarter of 2000, and $.9 million in the fourth quarter of 2000, on written call options.

(e) Included mark-to-market gain (loss) of ($5.8) and $1.5 million in the third and fourth quarter of 1999, respectively, on written call options.

(f) Includes the receipt of $21.1 million in settlement of the Cyprus litigation suit.

(g) Includes extraordinary gain on early retirement of debt of approximately $2.6 million in the third quarter 1999, and approximately $1.4 million in the fourth quarter 1999.

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The exchange agent:

For registered 6% debentures, 6 3/8% debentures and 7 1/4% debentures

By Hand or Overnight Courier:
The Bank of New York
101 Barclay Street
New York, New York 10286
Attention: Securities Processing Windows
Reorganizations, Floor 7-E

By Registered or Certified Mail:
The Bank of New York
101 Barclay Street
New York, New York 10286
Attention: Diane Amoroso
Reorganizations, Floor 7-E

By Facsimile Transmission:

(212) 815-6339

Confirm by Telephone:

(212) 815-3738

For bearer 6% debentures

By Mail, Overnight Delivery or Hand Delivery:

The Bank of New York
30 Cannon Street
London EC4M 6XH
England
Attention: Huriye Davey
Telephone 44-207-964-6582
Attention: Julie McCarthy
Telephone 44-207-964-6513
Fax 44-207-964-6369

The information agent for the exchange offer:

(for individuals and institutions)

United States	Europe
D.F. King & Co., Inc. 77 Water Street, 20th Floor New York, New York 10005 Banks and Brokers Call Collect: (212) 269-5550 All Others Call Toll Free: (800) 755-7250	D.F. King (Europe) Limited 2nd Floor, 2 London Wall Buildings London EC2M 5PP England Tel: 44-207-920-9700 (Collect)

Any questions or requests for assistance or additional copies of this prospectus and the letter of transmittal may be directed to the information agent at its telephone number and location set forth above. You may also contact your broker, dealer, commercial bank or trust company or other nominee for assistance concerning the exchange offer.

The dealer manager for the exchange offer:

(for institutions and broker-dealers only)

ROBERTSON STEPHENS

555 California Street, Suite 2600
San Francisco, CA 94104
(800) 234-2663
Attention: Convertible Securities Desk

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PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 20. Indemnification of Directors and Officers

Under Title 30, Section 30-1-5 of the Idaho Code and Article VI(b) of the Registrant s By-Laws, the Registrant s directors and officers may be indemnified against certain liabilities which they may incur in their capacities as such.

The material terms of the indemnification provisions are indemnification:

with respect to civil, criminal, administrative or investigative proceedings brought because the defendant is or was serving as an officer, director, employee or agent of the Company;

for judgments, fines and amounts paid in settlement reasonably incurred;

if the defendant acted in good faith and reasonably believed in the case of conduct in his official capacity that his conduct was in the best interests of the Company, and in all other cases that his conduct was at least not opposed to the best interests of the Company; and

if, with respect to a criminal proceeding, he had no reasonable cause to believe his conduct was unlawful.

Attorney s fees are included in such indemnification to the extent the indemnified party is successful on the merits in defense of the proceeding. If the foregoing criteria are met, indemnification also applies to a suit threatened or pending by the Company against the officer, director, employee or agent with respect to attorney s fees unless there is negligence on the part of the indemnified party. Indemnification is made only upon a determination by the Company that it is proper under the circumstances because the applicable standard is met. The determination shall be made by a majority vote of:

a quorum of the board of directors consisting of those persons who are not parties to the proceeding;

if such a quorum is not available, by independent legal counsel in writing; or

by the shareholders.

Generally, expenses for defense may be paid in advance of final disposition of the proceeding if the indemnified party provides a written affirmation of his good faith belief that he has met the relevant standard of conduct under the Idaho Code and further provides a written undertaking to repay such amounts if it is determined that the applicable standard has not been met. The Registrant also has an officers and directors liability insurance policy. This insurance policy contains a limit of liability of $10 million with a retention to the Company of $500,000, on a claims made basis. The policy covers claims against officers and directors for wrongful acts and also reimburses the Company to the extent the Company indemnifies officers and directors in accordance with applicable law and its by-laws.

Wrongful act is defined to mean any breach of duty, neglect, error, misstatement, misleading statement, omission or act by the directors or officers of the Company in their respective capacities as such, or any matter claimed against them solely by reason of their status as directors or officers of the Company. The policy contains numerous exclusions of liability which are exceptions to coverage.

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Item 21. Exhibits and Financial Statement Schedules

(a)	Exhibits
1(a)	Revised form of Dealer Manager Agreement.
1(b)	Revised form of Placement Agreement.
4(a)	Articles of Incorporation of the Registrant and amendments thereto. (Incorporated herein by reference to Exhibit 3(a) to the Registrant s Annual Report on Form 10-K for the year ended December 31, 1988.)
4(b)	Bylaws of the Registrant and amendments thereto. (Incorporated herein by reference to Exhibit 3(b) to the Registrant s Annual Report on Form 10-K for the year ended December 31, 1988.)
4(c)	Certificate of Designations, Powers and Preferences of the Series A Junior Preferred Stock of the Registrant, as filed with Idaho Secretary of State on May 25, 1989 (Incorporated by reference to Exhibit 4(a) to the Registrant s Quarterly Report

	on Form 10-Q for the quarter ended June 30, 1989.)
4(d)	Restated and Amended Articles of Incorporation of the Registrant as filed with the Secretary of State of the State of Idaho effective September 13, 1999. (Incorporated herein by reference to Exhibit 3 to the Company s Quarterly Report on Form 10-Q for the quarter ended September 30, 1999.)
4(e)	Revised form of Indenture between the Registrant and The Bank of New York, as Trustee, relating to the Registrant s 13 3/8% Convertible Senior Subordinated Outstanding Notes due 2003.
4(f)	Form of 13 3/8% Convertible Senior Subordinated Note due 2003. (Included in Exhibit 4(e).)
4(g)	Form of Registration Rights Agreement between the Registrant and Robertson Stephens Inc.
5	Legal opinion of Foley & Lardner regarding the legality of the securities being registered under this Registration Statement.
12	Statement regarding computation of ratio of earnings to fixed charges.
23(a)	Consent of Arthur Andersen LLP.
23(b)	Consent of Ernst & Young LLP.
23(c)	Consent of Foley & Lardner. (Contained in Exhibit 5.)
24	Powers of Attorney. (Included on Page II-4 as part of the signature pages hereto).
26	Statement of Eligibility of Trustee on Form T-1.
99(a)	Forms of Letter of Transmittal*
99(b)	Form of Notice of Guaranteed Delivery*
99(c)	Form of Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.*
99(d)	Form of Letter to Clients.*

* Filed herewith

Item 22. Undertakings

(a) The Company hereby undertakes to respond to requests for information that is incorporated by reference into the Prospectus pursuant to Item 4, 10(b), 11 or 13 of Form S-4, within one business day of receipt of such request, and to send the incorporated documents by first-class mail or equally prompt means. This includes information contained in documents filed subsequent to the effective date of the registration statement throughout the date responding to the request.

(b) The undersigned registrants each hereby undertake to supply by means of a post-effective amendment all information concerning a transaction, and the company being acquired involved therein, that was not the subject of and included in the registration statement when it became effective.

(c) The Company hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the Company s annual report pursuant to Section 13(a) or 15(d) of the Securities

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Exchange Act of 1934 (and, where applicable, each filing of any employee benefit plan s annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(d) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrants pursuant to the provisions described under Item 20 above, or otherwise, the registrants have each been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrants of expenses incurred or paid by a director, officer or controlling person of the registrants in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrants will, unless in the opinion of their counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by them is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

(e) The undersigned registrant hereby undertakes to file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20 percent change in the maximum aggregate price represent no more than a 20 percent change in the maximum aggregate offering price set forth in the Calculation of Registration Fee table in the effective registration statement.

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Registration Statement on Form S-4 or amendment thereto to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Coeur d Alene, state of Idaho, on July 2, 2001.

COEUR D ALENE MINES CORPORATION

By: /s/ DENNIS E. WHEELER

Dennis E. Wheeler
Chairman of the Board, President
and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-2 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Coeur d Alene, state of Idaho, on July 2, 2001.

COEUR D ALENE MINES CORPORATION

By: /s/ DENNIS E. WHEELER

Dennis E. Wheeler
Chairman of the Board, President
and Chief Executive Officer

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Pursuant to the requirements of the Securities Act of 1933, this Registration Statement or amendment thereto has been signed below by the following persons in the capacities and on the dates indicated:

Signature	Title	Date
/s/ DENNIS E. WHEELER Dennis E. Wheeler	Chairman of the Board of Directors, President, Chief Executive Officer and Director	July 2, 2001
* Geoffrey A. Burns	Senior Vice President and Chief Financial Officer	
* Wayne L. Vincent	Controller and Chief Accounting Officer	
* Cecil D. Andrus	Director	
* Joseph C. Bennett	Director	
James J. Curran	Director	
* James A. McClure	Director	
* Robert E. Mellor	Director	
* John H. Robinson	Director	
* Daniel Tellechea Salido	Director	
* Xavier Garcia de Quevedo Topete	Director	
* Timothy R. Winterer	Director	

*By:
/s/ DENNIS E. WHEELER

July 2, 2001

Dennis E. Wheeler
Attorney-in-fact

The power of attorney was included in the signature page (page II-4) contained in the Registration Statement as filed on June 20, 2001.

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