COEUR D ALENE MINES CORP
Form 10-K/A
August 19, 2002

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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 4 to

FORM 10-K

(Mark One)

[X] **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2001

OR

[ ] **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from to

Commission File Number 1-8641

COEUR D ALENE MINES CORPORATION

(Exact name of registrant as specified in its charter)

Idaho	82-0109423
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
505 Front Ave., P.O. Box I Coeur d Alene, Idaho	83816
(Address of principal Executive Offices)	(Zip Code)

Registrant s telephone number, including area code: (208) 667-3511

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

Common Stock, par value $1.00 per share
6 3/8% Convertible Subordinated Debentures due January 31, 2004
7 1/4% Convertible Subordinated Debentures due October 31, 2005
13 3/8% Convertible Senior Subordinated Notes due December 31, 2003

(Title of Class)

Securities registered pursuant to Section 12(g) of the Act: None

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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes [X] No [ ].

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ]

State the aggregate market value of the voting stock held by non-affiliates of the registrant. (The aggregate market value is computed by reference to the last sale price of such stock, as of March 22, 2002, which was $1.23 per share.)

$69,832,070

Indicate the number of shares outstanding of each of the registrant s classes of common stock, as of March 22, 2002.

56,774,041 shares of Common Stock, Par Value $1.00

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We filed our original Annual Report on Form 10-K for the year ended December 31, 2001 with the Securities and Exchange Commission (SEC) on March 29, 2002, filed our Amendment No. 1 to the Annual Report on Form 10-K/A containing Exhibit 23 with the SEC on April 1, 2002, filed our Amendment No. 2 to the Annual Report on Form 10-K/A containing the information required under Part III with the SEC on April 30, 2002 and filed our Amendment No. 3 to the Annual Report on Form 10-K/A on July 26, 2002 to amend and restate Items 1, 6, 7 and 7A in their entirety. We are filing this Amendment No. 4 to the Annual Report on Form 10-K/A to amend and restate Items 1, 7 and 7A in their entirety. For the purpose of this Amendment No. 4 to the Annual Report on Form 10-K/A, we have amended and restated in its entirety our original Annual Report on Form 10-K filed on March 29, 2002, as amended by Amendment No. 1 to the Annual Report on Form 10-K/A filed on April 1, 2002, Amendment No. 2 to the Annual Report on Form 10-K/A filed on April 30, 2002 and Amendment No. 3 to the Annual Report on Form 10-K/A filed on July 26, 2002. In order to preserve the nature and character of the disclosures as of March 29, 2002 and, with respect to Part III only, as of April 30, 2002, no attempt has been made in this Amendment No. 4 to the Annual Report on Form 10-K/A to modify or update such disclosures for events which occurred subsequent to the original filings on March 29, 2002 and April 30, 2002, respectively.

PART I

Item 1. Business

INTRODUCTION

Coeur d Alene Mines Corporation is the largest primary silver producer in North America 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) and South America (Bolivia and Chile). Coeur d Alene Mines Corporation and its subsidiaries are hereinafter referred to collectively as Coeur or the Company.

OVERVIEW OF MINING PROPERTIES AND INTERESTS

The Company s most significant mining properties and interests are:

The **Rochester Mine** is a silver and gold surface mining operation located in northwestern Nevada and is 100% owned and operated by Coeur. It is one of the largest and lowest cost of production primary silver mines in the United States. During 1999, the Company acquired the mineral rights to the **Nevada Packard** property which is located one and one-half miles south of the Rochester mine. The Company is in the process of permitting the Nevada Packard property and may commence mining there in the second half of 2002.

Coeur owns 100% of the capital stock of **Coeur Silver Valley (Silver Valley)**, which owns and operates the **Galena** underground silver mine that resumed production in May 1997 and owns the **Coeur** underground silver mine that discontinued operations on July 2, 1998. In addition, Silver Valley owns the **Caladay** property that adjoins the Galena Mine and has operating control of several contiguous exploration properties in the Coeur d Alene Silver Mining District of Idaho.

Coeur owns 100% of the **Cerro Bayo Mine** (formerly the Fachinal Mine) in southern Chile, which is a high grade gold and silver underground mine. The Cerro Bayo deposit was discovered during 2000 and exploration drilling continued thereafter. Initial ramp development commenced in late 2001 and ore processing is scheduled to start in May 2002. The Company previously suspended operations at the Fachinal Mine, adjacent to the Cerro Bayo deposit, in December of 2000 in order to develop the Cerro Bayo Mine and prepare it for production.

Coeur owns 100% of Empressa Minera Manquiri S.A. (Manquiri), a Bolivian company, that controls the mining rights for the **San Bartolomé** silver project, which is a silver property in Bolivia where a final feasibility study is scheduled for completion in 2002. Depending on the price of silver, construction and development of San Bartolomé could start in late 2002 with production commencing in 2004.

The Company owns 100% of the **Kensington Property**, located north of Juneau, Alaska and is evaluating it as an underground gold mine. Optimization studies completed in 1999 and 2000 estimated cash operating costs of $200 per ounce of gold and estimated capital costs to develop the mine of approximately $150 million. Coeur is currently in the process of seeking a joint venture partner for the Kensington Property.

Coeur also has interests in other properties which are the subject of silver or gold exploration activities at which no mineable ore reserves have yet been delineated.

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Exploratory Mining Properties

The Company either directly or through wholly-owned subsidiaries owns, leases and has interests in certain exploration-stage mining properties located in the United States and Chile. In keeping with its overall efforts to focus its resources, the Company conducted approximately 52% of its exploration activities during 2001 on or near existing properties where infrastructure and production facilities are already in place.

SIGNIFICANT DEVELOPMENTS IN 2001

On February 7, 2001, the Company sold (effective as of December 31, 2000) its 50% shareholding in Gasgoyne Gold Mines NL (Gasgoyne), which owns 50% of the Yilgarn Star Mine located in Western Australia and certain other exploration stage properties.

In connection with its ongoing debt restructuring programs, the Company reduced its convertible indebtedness by $59.1 million during 2001, enabling the Company to record an extraordinary gain of $48.2 and significantly reduce future interest payments.

The Company commenced the development of the 100%-owned Cerro Bayo high-grade gold and silver mine in Chile, where production is expected to begin in May 2002.

The Company commenced a final feasibility study at its 100%-owned San Bartolomé silver property in Bolivia with the assistance of a $760,000 grant from the U.S. Trade and Development Agency.

The Company introduced trackless mining in selected areas of the Galena Mine at Silver Valley that will improve workforce productivity by increasing the number of tons of ore that can be mined per manshift and therefore significantly reducing future cash mining costs per ton of ore extracted.

In March 2001, the Company entered into a final settlement agreement with the U.S. Government, which terminated the Company s involvement and obligations with respect to litigation for the cleanup of the Coeur d Alene Basin.

The Company was awarded the industry s top safety honor in 2001, the Sentinals of Safety Award for surface mining operations at the Company s Rochester mine near Lovelock, Nevada.

In January 2001, the Company announced that it received notice from the New York Stock Exchange that the Company had fallen below the continued listing requirement relating to its market capitalization and shareholders equity. During the year, the Company submitted and periodically updated a plan pursuant to which it expects to be in compliance with that listing requirement by May 27, 2002 (within 18 months of receipt of the Exchange s notice).

The Petorca Mine, an underground and surface gold and silver mine wholly-owned and operated by Coeur in central Chile, was closed by the Company in August 2001 due to high cash production costs and continued low gold prices.

SIGNIFICANT DEVELOPMENTS IN EARLY 2002

In connection with its ongoing debt restructuring programs, Coeur further reduced its convertible indebtedness by $9.1 million during the period January 1, 2002 to March 15, 2002. The Company has entered into agreements, which are expected to close before March 31, 2002 to exchange $3.4 million in face value of its 6% Convertible Subordinated Debentures due June 2002 for

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3.4 million shares of the Company s common stock. In addition, $5.7 million of the Company s 13 3/8% Convertible Senior Subordinated Notes due December 2003, were voluntarily converted into 4.7 million shares of the Company s common stock per the terms of the indenture.

The Company discovered additional high-grade gold and silver mineralization at the Cerro Bayo property in southern Chile in January and February 2002.

In February 2002, the Company entered into agreements in principle to acquire 100% of the Martha high-grade underground silver mine from Yamana Resources Inc. The Martha mine is located in Argentina approximately 270 miles east of the Cerro Bayo Mine. Ore produced from the Martha Mine will be transported to and processed at the Cerro Bayo Mine. In addition, the Company has agreed to purchase by way of a private placement 10.0 million shares (approximately 10%) of Yamana Resources, Inc. common stock.

BUSINESS STRATEGY

The Company s business strategy is to capitalize on the ore reserve/mineralized material bases located at its operating mines and the expertise of its management team to become the leading primary silver production company through long-term, cash flow generating growth. The principal elements of the Company s business strategy are as follows: (i) increase the Company s silver production and reserves in order to remain the nation s largest primary silver producer and one of the world s larger primary silver producers; (ii) decrease cash costs and increase production at the Company s existing silver mining operations; (iii) acquire operating mines, exploration and/or development properties with a view to reducing the Company s cash and total costs, provide short-term positive cash flow return and expand its silver production base and reserves; and (iv) continue to explore for new silver discoveries primarily near its existing mine sites.

SOURCES OF REVENUE

The Rochester Mine and Silver Valley s Galena Mine, each operated by the Company, constituted the Company s principal sources of mining revenues in 2001. The following table sets forth information regarding the percentage contribution to the Company s total revenues (i.e., revenues from the sale of concentrates and doré plus other income) by the sources of those revenues during the past five years:

Mine/Company	Coeur Percentage Ownership at December 31, 2001	Percentage of Total Revenues in Years Ended December 31,				
		1997	1998	1999	2000	2001
Rochester Mine	100%	40.5%	56.2%	49.2%	51.3%	68.2%
Petorca Mine(1)	100%	11.3	8.5	8.0	6.5	7.0
Fachinal Mine(2)	100	9.8	14.6	8.0	9.6	0.2
Silver Valley(3)	100	0.9	(0.9)	4.6	17.0	22.0
Gasgoyne(4)		5.2	12.1	9.2	9.2	(1.2)
Golden Cross Mine(5)	80	23.7	0.2	19.4		
Other		8.6	9.3	1.6	6.4	3.8
		100%	100%	100%	100%	100%

(1) The Petorca Mine was closed in August 2001.

(2) Operations at the Fachinal mine were suspended December 2000.

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(3) The Company increased its ownership interest in Silver Valley from 50% to 100%, and commenced accounting for Silver Valley on a fully consolidated basis on September 9, 1999.

(4) The reported percentages reflect the fact that Coeur s interest in Gasgoyne s revenue was 35% prior to February 1997, 36% from March 1997 to May 1997 and 50% after May 1997. The Company s interest in Gasgoyne was reported in accordance with the equity method. The Company s interest in Gasgoyne was sold on February 7, 2001.(5) The Company discontinued mining and milling operations at the Golden Cross Mine in New Zealand in April 1998. The revenue received in 1999 represents the net proceeds received from the settlement of the outstanding litigation with Cyprus relating to the Golden

Cross mine.

DEFINITIONS

The following sets forth definitions of certain important mining terms used in this report.

Cash Costs are costs directly related to the physical activities of producing silver and gold, and include mining, processing and other plant costs, third-party refining and smelting costs, marketing expense, on-site general and administrative costs, royalties, in-mine drilling expenditures that are related to production and other direct costs. In addition, cash costs include adjustments for deferred stripping costs or for the amortization of previously capitalized deferred stripping costs. Sales of by-product metals are deducted from the above in computing cash costs. Cash costs exclude depreciation, depletion and amortization, corporate general and administrative expense, exploration, interest, and pre-feasibility costs and accruals for mine reclamation. Cash costs are calculated and presented using the Gold Institute Production Cost Standard applied consistently for all periods presented.

Doré is bullion produced by smelting which contains gold, silver and minor amounts of impurities.

Gold is a metallic element with minimum fineness of 999 parts per 1000 parts pure gold.

Heap Leaching Process is a process of extracting gold and silver by placing broken ore on an impermeable pad and applying a diluted cyanide solution that dissolves a portion of the contained gold and silver, which are then recovered in metallurgical processes.

Mineralized Material is gold and silver bearing material that has been physically delineated by one or more of a number of methods including drilling, underground work, surface trenching and other types of sampling. This material has been found to contain a sufficient amount of mineralization of an average grade of metal or metals to have economic potential that warrants further exploration evaluation. While this material is not currently or may never be classified as reserves, it is reported as mineralized material only if the potential exists for reclassification into the reserves category. This material cannot be classified in the reserves category until final technical, economic and legal factors have been determined. Under United States Securities and Exchange Commissions standards, a mineral deposit does not qualify as a reserve unless the recoveries from the deposit are expected to be sufficient to recover total cash and non-cash costs for the mine and related facilities and make a profit.

Noncash costs are costs that are typically accounted for ratably over the life of an operation and include depreciation, depletion and amortization of capital assets, accruals for the costs of final reclamation and long-term monitoring and care that are usually incurred at the end of mine life, and the amortization of the economic cost of property acquisitions, but exclude amortization of deferred tax purchase adjustments relating to property acquisitions.

Ore Reserve is the part of a mineral deposit which can be economically and legally extracted or produced at the time of the reserve determination.

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Probable Reserve is a part of a mineralized deposit which can be extracted or produced economically and legally at the time of the reserve determination. The quantity and grade and/or quality of a probable reserve is computed from information similar to that used for a proven reserve, but the sites for inspection, sampling and measurement are farther apart or are otherwise less adequately spaced. The degree of assurance, although lower than that for proven reserves, is high enough to assume continuity between points of observation. Mining dilution has been factored into the estimation of probable reserves. The Company used a price estimate of $5.00 per ounce for silver, and $300 per ounce for gold in estimating probable reserves at December 31, 2001.

Proven Reserves are a portion of a mineral deposit which can be extracted or produced economically and legally at the time of the reserve determination. The quantity of a proven reserve is computed from dimensions revealed in outcrops, trenches, workings or drill holes; grade and/or quality are computed from the results of detailed sampling and the sites for inspections, sampling and measurement are spaced so closely and the geologic character is so well defined that size, shape, depth and mineral content of a proven reserve is well-established. Mining dilution has been factored into the estimation of proven reserves. The Company used a price estimate of $5.00 per ounce for silver and $300 per ounce for gold in estimating proven reserves at December 31, 2001.

Run-of-mine Ore is mined ore which has not been subjected to any pretreatment, such as washing, sorting or crushing prior to processing.

Silver is a metallic element with minimum fineness of 995 parts per 1000 parts pure silver.

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

Ton means a short ton which is equivalent to 2,000 pounds, unless otherwise specified.

Total Cash Costs per Ounce are calculated by dividing the cash costs computed for each of the Company s mining properties for a specified period by the amount of gold equivalent or silver equivalent produced by that property during that same period. Management uses cash costs per ounce produced as a key indicator of the profitability of each of its mining properties. Gold and silver are sold and priced in the world financial markets on a US dollar per ounce basis. By calculating the cash costs from each of the Company s mines on the same unit basis, management can easily determine the gross margin that each ounce of gold and silver produced is generating. While this represents a key indicator of the performance of the Company s mining properties you are cautioned not to place undue reliance on this single measurement. To fully evaluate a mine s performance, management also monitors US GAAP based profit/(loss), depreciation and amortization expense and capital expenditures for each mine as presented in Note Q Segment Information in the Notes to the Company s Consolidated Financial Statements.

Total production costs are the sum of cash costs and noncash costs.

Total cash costs per ounce is a non-GAAP measurement and investors are cautioned not to place undue reliance on it and are urged to read all GAAP accounting disclosures presented in the consolidated financial statements and accompanying footnotes.

IMPORTANT FACTORS RELATING TO FORWARD-LOOKING STATEMENTS

This report contains numerous forward-looking statements relating to the Company s gold and silver mining business, including estimated production data, expected operating schedules and other operating data and permit and other regulatory approvals. Such forward-looking statements are identified by the use of words such as believes, intends, expects, hopes, may, should, plan, projected, contemplates, anticipates or similar words. Actual production, operating schedules, results of operations, ore reserve and resource estimates and other projections and estimates could differ materially from those projected in the forward-looking statements. The factors that could cause actual results to differ materially from those projected in the forward-looking statements include (i) the risk factors set forth below under this Item 1, (ii) the risks and hazards inherent in the mining business (including environmental hazards, industrial accidents, weather or geologically related conditions),

(iii) changes in the market prices of gold and silver, (iv) the uncertainties inherent in the Company s production, exploratory and developmental activities, including risks relating to permitting and regulatory delays, (v) the uncertainties inherent in the estimation of gold and silver ore reserves, (vi) changes that could result from the Company s future acquisition of new mining properties or businesses, (vii) the effects of environmental and other governmental regulations, and (viii) the risks inherent in the ownership or operation of or investment in mining properties or businesses in foreign countries. Readers are cautioned not to put undue reliance on forward-looking statements. The Company disclaims any intent or obligation to update publicly these forward-looking statements, whether as a result of new information, future events or otherwise.

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SILVER AND GOLD MINING OPERATIONS

North America

Rochester Mine (World s 7th Largest Primary Silver Mine)

The Rochester Mine is a silver and gold surface mine located in Pershing County, Nevada, approximately 25 road miles northeast of Lovelock. The mine commenced operations in 1986. The Company owns 100% of the Rochester Mine by virtue of its 100% ownership of its subsidiary, Coeur Rochester, Inc. (Coeur Rochester). The property consists of 16 patented and 541 unpatented contiguous mining claims and 54 mill-site claims totaling approximately 11,000 acres.

Production at Rochester in 2001 was approximately 6.3 million ounces of silver and 78,201 ounces of gold, compared to 6.7 million ounces of silver and approximately 75,886 million ounces of gold in 2000. Mining operations for much of 2001 were confined to areas within and along the south and west boundaries of the Rochester pit. Cash costs per equivalent ounce of silver decreased by 6% to $3.65 per ounce in 2001, compared to $3.90 per ounce in 2000. Reduced cash costs were largely the result of ongoing optimization and cost cutting measures.

The mine utilizes the heap leaching process to extract both silver and gold from ore mined using conventional open pit methods. Approximately 40,560 tons of ore and waste per day were mined from the open pit in 2001 compared to 45,760 tons per day in 2000. The average strip ratio for the remaining life of the mine will vary based primarily on future gold and silver prices; however, it is anticipated to be less than 1:1.

Ore is crushed to approximately 3/8 inch and is then transported by conveyor and 85 and 150 ton trucks to leaching 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 85 ton haul trucks to leaching pads where solution is applied to dissolve the silver and gold contained in the ore. The solutions containing the dissolved silver and gold are collected in a processing plant where the zinc precipitation method is used to recover the silver and gold from solution.

Based upon actual operating experience and certain metallurgical testing, the Company estimates recovery rates of 59% for silver and 89% for gold. The leach cycle at the Rochester Mine requires approximately seven years from the point ore is placed on the leach pad until all recoverable metal is recovered. However, a significant proportion of metal recovery occurs in the early years.

A total of 152 reserve circulation and diamond drill holes were completed during 2001 comprising approximately 57,769 feet, including Nevada Packard drilling. Coeur has continued its program to reduce costs at Rochester as well as to replace reserves mined in 2001. A total of 37,000 feet in 88 reverse circulation holes were drilled at and near the Rochester pit in 2001 mainly to the south and west of the current pit boundary. As a result of the exploration efforts, Coeur added 9.4 million tons of proven and probable reserves containing 5.6 million ounces of silver, replacing 48% of the silver reserves mined during 2001, and containing 27,000 ounces of gold, replacing 30% of the gold reserves mined during 2001.

At the Nevada Packard satellite deposit, all work required for permitting the deposit for mining has been submitted to regulatory authorities in 2001. Mining at Nevada Packard is scheduled to commence in the second half of 2002.

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In October of 2001, Coeur s Rochester mine was presented with the Sentinals of Safety Award for metal and non-metal surface mining operations. This is a very prestigious achievement as it represents the industry s highest safety award and the dedication and commitment of Coeur s Rochester employees to mine safety. Rochester also received a Certificate of Honor from the Joseph H. Holmes Safety Association for completing over four million working hours without the incidence of a single fatality or permanently disabling injury.

The Company s capital expenditures at the Rochester Mine totaled approximately $0.8 million in 2001. The Company plans approximately $2.2 million of capital expenditures at the mine during 2002, most of which is for Nevada Packard development, and planned expansion of the Stage IV leach pad.

Asarco Incorporated (Asarco), the prior lessee, has a net smelter royalty interest which is payable only when the market price of silver equals or exceeds $17.57 per ounce up to maximum rate of 5%. No royalties were required to be paid by the Company during the three years ended December 31, 2001.

Year-end Proven and Probable Ore Reserves Rochester Mine
(includes Nevada Packard)

	1999	2000	2001
Tons (000 s)	48,272	53,844	50,257
Ounces of silver per ton	1.09	0.93	0.85
Contained ounces of silver (000 s)	52,508	49,966	42,512
Ounces of gold per ton	0.008	0.008	0.007
Contained ounces of gold	381,000	410,000	346,000

Year-end Mineralized Material

	1999	2000	2001
Tons (000 s)	46,393	65,897	62,958
Ounces of silver per ton	0.82	0.65	0.76
Ounces of gold per ton	0.01	0.005	0.005

Operating Data

	1999	2000	2001
Production			
Tons ore mined (000 s)	9,569	11,276	10,630
Tons crushed/leached (000 s)	9,537	10,996	11,884
Ore grade silver (oz./ton)	1.25	1.10	0.98
Ore grade gold (oz./ton)	0.009	0.009	0.008
Silver produced (oz.)	6,195,169	6,678,274	6,348,292
Gold produced (oz.)	70,396	75,886	78,200
Cost per Ounce of Silver Equivalent(1)			
Cash costs(2)	$ 3.97	$ 3.90	$ 3.65
Noncash costs	0.81	1.12	0.79
Total production costs	$ 4.78	$ 5.02	$ 4.44

(1) Silver equivalent gold production is calculated by multiplying actual gold ounces produced by the ratio of the yearly average gold price to silver price. This total is then added to actual silver production for the year to determine total silver equivalent production for purposes of calculating cash and noncash costs per ounce.

(2)

Total cash costs per ounce of silver or gold represent a non-U.S. GAAP measurement that management uses to monitor and evaluate the performance of its mining operations. See Item 7: Management s Discussion and Analysis of Financial Condition and Results of Operation Critical Accounting Policies and Estimates; Total Production and Reserves" for reconciliation of this non-GAAP measure to GAAP production costs.

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Coeur Silver Valley (World s 11th Largest Primary Silver Mine)

The Company acquired 50% of Silver Valley from Asarco on September 9, 1999, thereby increasing the Company s ownership interest to 100%. The benefits identified by Coeur when it consummated that acquisition included (i) an increase of 1.8 million ounces in the Company s estimated annual silver production, (ii) the addition of 16.2 million ounces of silver to its proven and probable reserves and significant mineralized material, (iii) the potential to further increase reserves and mineralized material through systematic exploration, (iv) the potential to increase production at the Galena Mine and reduce cash costs, and (v) the consolidation of the Company s ownership position and control of Idaho s Silver Valley.

Silver Valley owns the Coeur and Galena Mines and the Caladay property situated in the Coeur d Alene Mining District of Idaho. Silver Valley recommenced operations at the Coeur mine portion of its property in June 1996 and continued mining existing reserves there through July 2, 1998, when operations were terminated after known reserves at the Coeur mine were depleted. Silver Valley resumed production at the Galena Mine in May 1997 and operations continue.

Silver Valley plans to continue exploratory and developmental activities at the Coeur, Galena and Caladay Mines as well as at several contiguous properties in the Coeur d Alene Mining District with a view toward the development of new silver reserves.

Galena Mine

The Galena Mine property is 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 2001 was 4.5 million ounces of silver, an increase of 12% as compared to 4.0 million ounces in 2000. Accelerated underground development has provided much improved access to the higher-grade, most productive vein systems at depth such as the 117 and 72 veins.

Total cash costs for 2001 increased slightly to $4.62 per ounce compared to $4.59 per ounce in 2000. Cash costs would have been significantly lower than the previous year except for difficult ground conditions that temporarily restricted full access to some of the high-grade veins and set production back from areas designed for mechanized mining and bulk stopping. Measures have been taken to alleviate these problems and the mechanized mining initiative has resumed. The introduction of a new sand backfill system has also been instrumental in significant operating improvements experienced in January 2002 when cash costs declined to $4.05 per ounce of silver produced.

A comprehensive geological study of the immediate mine area has led to a much greater understanding of the various stratigraphic and structural ore controls at Coeur Silver Valley. As a direct consequence, Coeur has been able to discover new high-grade silver veins and to more efficiently extend many of the most prolific vein systems to depth and, in some instances, back towards the upper levels of the Galena Mine. Of particular importance is the very productive 117 vein that has already been traced back up to the 3,100 level. The 2001 exploration drilling program consisted of 129 diamond drill holes totaling 39,513 feet. The Company added 210,000 tons of proven and probable reserves containing 6.0 million ounces of silver during 2001, which more than replaced reserves mined during the year.

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The Galena Mine is an underground silver-copper mine and is served by two vertical shafts. The No. 3 shaft is the primary production shaft and is 5,800 feet deep. The Galena shaft primarily provides utility access for water, electrical power and sand backfill for underground operations.

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. Silver and copper are recovered by a flotation mill that produces a silver rich concentrate which is sold to third-party smelters in Canada. Silver recovery through the mill averaged 96% in 2001 and in 2000.

Waste material from the milling process is deposited in a tailings pond located approximately two miles from the minesite. The tailings containment pond has capacity for approximately nine additional years at current production rates.

Total capital expenditures by Silver Valley at the Galena Mine in 2001 were $3.2 million of which $2.2 million was for mine development. Coeur made this significant capital investment at the Galena Mine as part of a long-term strategy to increase annual production to five million ounces.

Silver Valley has planned for capital expenditures of approximately $2.1 million for the Galena Mine during 2002. Mine development will again account for the majority of this expenditure.

Year-end Proven and Probable Ore Reserves Galena Mine(1)

	1999	2000	2001
Tons (000 s)	1,858	1,621	1,471
Ounces of silver per ton	18.51	19.13	20.43
Contained ounces of silver (000 s)	34,386	31,015	30,042

Year-end Mineralized Material(2)

	1999	2000	2001
Tons (000 s)	1,200	1,731	1,897
Ounces of silver per ton	10.31	11.11	11.00

Operating Data (Coeur s interest)

	1999(3)	2000(3)	2001(3)
Production			
Tons ore mined	131,646	204,576	198,294
Ore grade silver (oz./ton)	17.61	20.43	23.66
Recovery (%)	97	96	96
Silver produced (oz.)	2,238,370	4,013,891	4,507,652
Cost per Ounce of Silver			
Cash costs(4)	$ 5.09	$ 4.59	$ 4.62
Noncash costs	0.93	0.68	0.76
Total production costs	$ 6.02	$ 5.27	$ 5.38

(1) The Galena Mine reserve estimate is based on a minimum mining width of 4 to 4.5 feet diluted to 5.0 feet minimum width for most silver-copper and silver-lead veins. Cutoff grade is based on the cost of breaking and producing ore from a stope, but does not include development costs and administrative overhead.

(2) Mineralized material

includes both the Galena and Coeur mines.(3) Operating data in 1999 reflects the Company s 50% interest in the Galena Mine from January 1 to August 31, 1999 and 100% interest from September 1 to December 31, 1999. Operating data in 2000 and 2001 reflects the Company s 100% interest. (4) Total cash costs per ounce of silver or gold represent a non-U.S. GAAP measurement that management uses to monitor and evaluate the performance of its mining operations. See Item 7: Management s Discussion and Analysis of Financial Condition and Results of Operation Critical Accounting Policies and Estimates; Total Production and Reserves" for reconciliation of this non-GAAP measure to GAAP production costs.

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Coeur Mine

The Coeur Mine is an underground silver mine located adjacent to the Galena Mine in the Coeur d Alene Mining District in Idaho, and consists of approximately 868 acres comprised of 38 patented mining claims and four unpatented mining claims.

Operations at the Coeur Mine were suspended on April 3, 1991 due to then prevailing silver prices and placed on a care and maintenance basis to conserve ore reserves. Silver Valley resumed production activities at the Coeur Mine in June 1996 and terminated operations there on July 2, 1998 after known reserves were depleted.

There was no mining activity at the Coeur Mine in 2002 and the property remained on care and maintenance. However, the Company believes that significant potential exists to discover additional high grade silver veins beneath the current limit of the underground workings.

Caladay Property

The Caladay property adjoins the Galena Mine. Prior to its acquisition by the Company in 1991, approximately $32.5 million was expended on the property to construct surface facilities, a 5,101 ft. deep shaft and associated underground workings to explore the property. Based on Silver Valley s analysis of existing Galena Mine underground workings and drilling results on the Galena Property, the Company believes that similar geologic conditions which exist at the Galena may extend into the Caladay property below the level of the current Caladay workings. In addition, the Caladay facilities are used to benefit the Galena Mine operations, by exhausting ventilation.

SILVER AND GOLD DEVELOPMENT PROPERTIES

In early 2001, the Company announced its intention to consider the sale of its Chilean properties, including the Fachinal and Petorca Mines. In early 2002, the Company announced that it would no longer consider offers to purchase the Fachinal Mine and that it would commence development of the Cerro Bayo property which is located nine miles east of the Fachinal Mine processing facilities. Mining operations at the Fachinal and Petorca Mines were discontinued in December 2000 and August 2001, respectively.

South America

Chile Cerro Bayo Mine (formerly the Fachinal Mine)

The Fachinal property covers about 90 square miles and is located south of Coihaique, the capital of Region XI in southern Chile, and approximately 10 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 Fachinal property is known to include multiple epithermal veins containing gold and silver. The Company has been granted exploitation concessions (the Chilean equivalent to an unpatented claim except that the owner does not have title to the surface which must be separately acquired from the surface owner) covering the mineralized areas of the Fachinal property as well as the necessary surface rights to permit mining.

Mining operations at the Fachinal Mine, which consisted of both surface and underground mining, were discontinued in December 2000 in order for the Company to focus on the development of the Cerro Bayo deposit. The Company changed the name of the Fachinal Mine to the Cerro Bayo Mine in late 2001.

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The ore processing mill at the Cerro Bayo Mine uses the standard flotation process to produce a high grade gold and silver concentrate. The concentrate previously processed at this mill was sold to third-party smelters, primarily in Japan. The mill has a design capacity of 1,650 tons per day. The Company estimates, based on operating experience, recovery rates of 90% for gold and 89% for silver. Electrical power is generated on-site by diesel generators and process water is obtained from a combination of the adjacent General Carrera Lake and from tailings re-circulation.

During 2001, the Company aggressively continued its exploration and development program at the Cerro Bayo deposit, which is located approximately nine miles east of the processing facilities. This zone includes a vein structure named Lucero that has a greater strike length, width and grade than anything previously encountered in the district. The Cerro Bayo deposit, which consists of multiple veins and veinlettes is characterized by a surface expression of at least 8,200 feet along strike and is up to 3,300 feet in width. The Lucero vein, which at the present time contains the majority of the reserves within this zone, has been traced for more than 2,600 feet along strike and to approximately 250 feet at depth. The Lucero vein is open in all directions and contains sections that are characterized by high-grade gold and silver mineralization.

Construction of two ramps to intersect the high-grade Lucero Vein in the Cerro Bayo deposit commenced in November 2001 and were completed in February 2002. During construction, three additional mineralized high-grade gold and silver vein systems were discovered, the Celia, Soledad East and Andrea, in addition to a mineralized loop of the main Lucero vein. Completion of the two access ramps provided new geological information as well as new discoveries. Sampling programs on both the Lucero and Luz Eliana veins also have encountered grades and thickness in excess of reserve model expectations. Development drifting is underway to the north and south of the upper and lower access ramp along the Lucero and Luz Eliana veins toward previously delineated high-grade ore zones. Both surface and underground diamond drill programs are also underway to test these vein structures for additional high-grade gold and silver mineralization.

Coeur previously had prepared a detailed three-year mine plan based solely on proven and probable reserves with initial production to begin in May 2002. In light of the recent discoveries, projected production in 2002 has been increased from approximately 60,000 gold equivalent ounces to 82,000 gold equivalent ounces. Total cash costs are estimated to be less than $150 per ounce in the initial year of mining operations.

The total capital investment to develop Cerro Bayo for production is estimated at approximately $5 million to $6 million, which includes a significant recoverable working capital component. Total capital expenditures at the Cerro Bayo property in 2001 were $2.3 million and the Company plans approximately $2.5 million of additional capital expenditures there in 2002. The Company has been in contact with several banks and lending institutions interested in providing short-term project financing to cover the needs for working capital and continued development.

During 1999, the Company exercised its option to purchase 100% of the Furioso property located approximately 50 miles southwest of the Cerro Bayo mine. The high-grade Furioso ores will be processed at the Cerro Bayo mill. During 2000, the Company completed its 11-mile portion of a new road to allow haulage of Furioso ore to Cerro Bayo at a cost of $1.8 million. The government has committed to, and is currently working to complete, the balance of the access road. Production from Furioso is expected to start in the third quarter of 2002 and will be in addition to ore mined from the Cerro Bayo deposit.

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Year-end Proven and Probable Ore Reserves (1) Cerro Bayo Mine

	1999	2000	2001
Tons (000 s)	510	787	855
Ounces of silver per ton	4.27	8.69	8.25
Contained ounces of silver (000 s)	2,181	6,838	7,047
Ounces of gold per ton	0.11	0.17	0.14
Contained ounces of gold	56,000	134,000	122,000

Year-end Mineralized Material(1)

	1999	2000	2001
Tons (000 s)	1,961	2,166	1,675
Ounces of silver per ton	5.18	4.80	7.10
Ounces of gold per ton	0.11	0.09	0.12

Operating Data(2)

	1999	2000	2001
Production			
Tons ore milled (000 s)	444,691	327,646	
Ore grade gold (oz./ton)	0.064	0.056	
Ore grade silver (oz./ton)	2.84	3.30	
Recovery gold (%)	87	88	
Recovery silver (%)	89	87	
Gold produced (oz.)	25,480	16,077	
Silver produced (oz.)	1,099,342	939,882	
Cost per Ounce of Gold Equivalent(3)			
Cash costs(4)	$ 304	$ 447	
Noncash costs	64	143	
Total production costs	$ 368	$ 590	

(1) Proven and probable ore reserves and mineralized material include the Furioso property.

(2) Operations at the Cerro Bayo Mine were discontinued in December 2000.(3) Gold equivalent gold production is calculated by dividing actual silver ounces produced by the ratio of the yearly average

silver price to gold price. This total is then added to actual gold production for the year to determine total gold equivalent production for purposes of calculating cash and noncash costs per ounce. (4) Total cash costs per ounce of silver or gold represent a non-U.S. GAAP measurement that management uses to monitor and evaluate the performance of its mining operations. See Item 7: Management s Discussion and Analysis of Financial Condition and Results of Operation Critical Accounting Policies and Estimates; Total Production and Reserves" for reconciliation of this non-GAAP measure to GAAP production costs.

Although the government and economy of Chile has been stable in recent years, the ownership of property in a foreign country is always subject to the risk of expropriation or nationalization with inadequate compensation. Any foreign operation or investment may also be adversely affected by exchange controls, currency fluctuations, taxation and laws or policies of particular countries as well as laws and policies of the United States affecting foreign trade, investment and taxation.

Chile Petorca Mine

Coeur owns 100% of the Petorca Mine located on approximately 34,000 acres in the western Andean foothills approximately 90 miles north of Santiago, Chile. In July 1994, the Company acquired an interest in Compania Minera CDE El Bronce, a Chilean corporation (CDE El Bronce) that owned the producing El Bronce Mine, now known as the Petorca Mine. In September 1996, the Company increased its ownership interest of CDE El Bronce to 100%.

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The property consists of 64 exploitation concessions and 10 exploration concessions. Surface rights to permit mining on the property have been granted by the private owners. Ore is produced from a complex system of precious metals bearing, epithermal, quartz-veins hosted in Cretaceous volcanic rocks.

Petorca is primarily an underground gold mine which is serviced by adits at different levels and underground ramps. The mine uses trackless cut and fill sublevel caving with uncemented backfill and shrinkage mining methods. Ore is hauled to the mill in 20-ton trucks. During 2000, the Company began developing by surface mining methods the satellite San Lorenzo deposit. San Lorenzo is primarily a copper deposit with lower grade gold. Ore from San Lorenzo is processed at the main Petorca milling facilities.

The processing plant has two grinding circuits with a total capacity of 900 tons per day but has been operating on a reduced schedule due to ore availability. Approximately 35% of the total gold produced is recovered by gravity methods to produce a gold doré. The remaining gold and silver are recovered by traditional flotation methods which produce a high-grade concentrate which is sold to third-party smelters, primarily in Japan. The Company estimates, based on operating experience, average recovery rates of 91% for gold and 84% for silver.

Electrical power is purchased from a local distributor that is connected to the main Chilean power grid. Process water is pumped from the Petorca river and in part recovered from a re-circulating system from the tailings impoundment area.

Gold production at Petorca in 2001 was 17,945 ounces of gold and 86,599 ounces of silver compared to 26,891 ounces of gold and 57,854 ounces of silver in 2000. Total cash costs per equivalent ounce of gold in 2001 were $346 per ounce compared to $345 per ounce in 2000. The decrease in production in 2001 was attributable to the Company s decision to suspend mining operations in the third quarter of 2001, due to continuing operating loses. The Petorca mine has been placed on care and maintenance pending a significant increase in the price of gold. The Company continues to evaluate opportunities to sell the property.

Capital expenditures at Petorca in 2001 were zero.

Coeur has an obligation to pay the prior owner of CDE El Bronce a 3% net smelter return royalty, payable quarterly, which commenced on January 1, 1997. From July 1998 to December 2000, the prior owner agreed to a 2.4% net smelter return royalty.

Year-end Proven and Probable Ore Reserves Petorca Mine

	1999	2000	2001(2)
Tons (000 s)	377	406	313
Ounces of silver per ton	0.59	0.65	0.61
Contained ounces of silver (000 s)	222	264	189
Ounces of gold per ton	0.23	0.18	0.19
Contained ounces of gold	85,000	73,000	61,000

Year-end Mineralized Material

	1999	2000	2001
Tons (000 s)	933	1,845	1,844
Ounces of silver per ton	0.55	0.55	0.55
Ounces of gold per ton	0.29	0.25	0.25

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Operating Data

	1999	2000	2001(1)
Production			
Tons ore milled (000 s)	191,929	235,665	146,160
Ore grade gold (oz./ton)	0.166	0.126	0.127
Ore grade silver (oz./ton)	0.39	0.34	0.75
Recovery gold (%)	92	91	97
Recovery silver (%)	85	72	79
Gold produced (oz.)	29,382	26,891	17,945
Silver produced (oz.)	69,952	57,854	86,599
Cost per Ounce of Gold Equivalent			
Cash costs(3)	$ 271	$ 345	$ 346
Noncash costs	14	9	20
Total production costs	$ 285	$ 354	$ 366

(1) The Company has closed the Petorca mine effective August 2001.

(2) Stated reserves are the remaining reserve of the January 1, 2001 reserve after subtracting undiluted production during 2001.

(3) Total cash costs per ounce of silver or gold represent a non-U.S. GAAP measurement that management uses to monitor and evaluate the performance of its mining operations. See Item 7: Management s Discussion and Analysis of Financial Condition and Results of Operation Critical Accounting Policies and Estimates;

Total Production and Reserves" for reconciliation of this non-GAAP measure to GAAP production costs.

Bolivia The San Bartolomé Project

Coeur acquired 100% of the equity in Empressa Miner Manquiri S.A. (Manquiri) from Asarco on September 9, 1999. Manquiri s principal asset is the mining rights in the San Bartolomé project, a silver development property located near the city of Potosí, Bolivia, on the flanks of the Cerro Rico mountain. The San Bartolomé project consists of six distinct silver-bearing gravel deposits, which are locally referred to as pallaco or sucu deposits. These deposits lend themselves to simple, free digging surface mining techniques and can be extracted without drilling and blasting. The deposits were formed as a result of erosion of the silicified silver-rich upper part of the Cerro Rico mountain.

The mineral rights for the San Bartolomé project are held through long-term lease agreements with several independent mining cooperatives and the Bolivian State Mining Company (COMIBOL). Manquiri controls 67 square kilometers of concessions (16,600 acres). The JV/lease agreements are subject to a 4% production royalty payable partially to the Cooperatives and COMIBOL. During the current exploration stage, the properties are subject to monthly payments totaling approximately US $25,500.

Of the six pallacos deposits which are controlled by Coeur and surround Cerro Rico, three are of primary importance and are known as Huachajchi, Diablo (consisting of Diablo Norte, Diablo Sur and Diablo Este) and Santa Rita. During 2000, the Company completed an intensive field program which culminated in the completion of a pre-feasibility study. The field program included detailed exploration, bulk sampling, definition drilling, metallurgical studies and environmental baseline data collection. Coeur retained a third party geological consulting firm to incorporate the new data from the field program in an updated estimate of mineralized material. As a result, mineralized material at San Bartolomé increased 15%, to 41.1 million tons with an average grade of 2.97 ounces of silver per ton.

To assist with the pre-feasibility study, which was completed during 2000, Coeur retained third party engineering and geological consulting firms to examine and verify all data used in the study, including the estimate of mineralized material, process flow sheet design, site plan layout and detailed estimates of all operating and capital costs. The study incorporated a cyanide milling flow sheet with a wet pre-concentration screen circuit. In addition, the study identified a number of optimization

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opportunities, that if successful, could significantly enhance the economic returns of the project. During 2001, Coeur aggressively pursued these optimization opportunities which included: securing additional mining rights, evaluating the recovery of tin as a byproduct, process flow sheet enhancement and securing favorable in-country tax treatment.

Prior to the project optimization work, the pre-feasibility study concluded that a 7,000 to 7,500 ton per day mining operation could be constructed at an estimated capital cost of $60 to $70 million (inclusive of working capital, owner s costs and taxes and duties). The operation would be capable of producing, on average, 5.5 to 6.0 million ounces of silver per year at an estimated cash cost of $3.50 per ounce over a projected mine life of eight to ten years.

In the last quarter of 2001, the Company was awarded a grant of $760,000 by the U.S. Trade and Development Agency to complete a final feasibility study which is currently in progress. Originally, Coeur had planned to complete the feasibility study by the end of the first quarter of 2002. However, the completion date for the feasibility study is likely to be extended as the Company continues to evaluate positive breakthroughs on the metallurgical front, specifically the potential economic recovery of tin as a by-product. This is in addition to a number of other project improvements already secured which include favorable tax treatment, the securing of electric power and water rights significantly below initial estimates, and securing from COMIBOL additional mining rights.

Based on the pre-feasibility study, subsequent geological work and including the pallaco extensions granted by COMIBOL, Coeur has increased its estimate of the mineralized material to 41.1 million tons at 2.97 ounces per ton silver at San Bartolomé. Once the final feasibility is completed, Coeur expects a large proportion of the mineralized material will be upgraded to proven and probable reserves.

Coeur expended approximately $3.7 million and $2.7 million on exploration at the San Bartolomé project in 2001 and 2000, respectively, and plans approximately $3.4 million for feasibility study, additional exploration and project development expenditures during 2002.

The San Bartolomé project involves risks that are inherent in any mining venture, as well as particular risks associated with the location of the project. The estimate of mineralized material indicated by the geologic studies performed to date are preliminary in nature and may differ materially after further metallurgical testing is completed. Also, managing mining projects in the altiplano area of Bolivia, where Cerro Rico is located, presents logistical challenges. The political and cultural differences of a foreign country may also present challenges.

Year-end Mineralized Material San Bartolomé Project

	2000	2001
Tons (000 s)	41,096	40,297
Ounces of silver per ton	2.97	3.14

Alaska Kensington Gold Project

On July 7, 1995, Coeur, through its wholly-owned subsidiary, Coeur Alaska, Inc. (Coeur Alaska), acquired the 50% ownership interest of Echo Bay Exploration Inc. (Echo Bay) in the Kensington property from Echo Bay and Echo Bay Alaska, Inc. (collectively the Sellers), giving Coeur 100% ownership of the Kensington property. The property is located on the east side of Lynn Canal between Juneau and Haines, Alaska. As a result of that transaction, Coeur assumed full ownership and operating control of the project. Pursuant to the Venture Termination and Asset Purchase Agreement among Coeur Alaska and the Sellers, dated as of June 30, 1995, Coeur Alaska paid to the Sellers a total of

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$32.5 million and, pursuant to the Royalty Deed set forth as an exhibit to the Venture Termination and Asset Purchase Agreement, Coeur Alaska agreed to pay Echo Bay a scaled net smelter return royalty on 1 million ounces of future gold production after Coeur Alaska recoups the $32.5 million purchase price and its construction and development expenditures incurred after July 7, 1995 in connection with placing the property into commercial production. The royalty ranges from 1% at $400 gold prices to a maximum of 2 1/2% at gold prices above $475, with the royalty to be capped at 1 million ounces of production. The Kensington project consists of approximately 6,000 acres, of which approximately 750 acres are patented claims.

The Kensington ore deposit consists of multiple, precious metals bearing, mesothermal, quartz, carbonate, pyrite vein swarms and discrete quartz-pyrite veins hosted in the Cretaceous age Jualin diorite. The gold-telluride-mineral calaverite is associated with the pyrite mineralization. The following proven and probable ore reserve table.

Year-end Proven and Probable Ore Reserves Kensington Property

	2000 and 2001
Tons (000 s)	10,946
Ounces of gold per ton	0.16
Contained ounces of gold	1,751,000

Year-end Mineralized Material

	2000
Tons (000 s)	12,014
Ounces of gold per ton	0.12

The proven and probable reserves estimate is derived from the original 1998 Bechtel feasibility study, adjusted for a revised mine plan and updated capital and operating cost estimates.

Not all Kensington ore zones have been fully delineated at depth and several peripheral zones and veins remain to be explored. The Company possesses the right to develop the Jualin property, an exploratory property located adjacent to the Kensington Property. The Jualin property consists of approximately 9,400 acres, of which approximately 345 acres are patented claims. The Company s rights to develop the Jualin property are subject to an agreement which must be renewed in May 2008.

During 2000 and 2001, the Company s efforts at Kensington continued to be directed toward the permitting process and further project optimization studies. In December 1998, the Company announced the completion of the independent optimization study which contained a new mine plan that requires limited permit modifications due to the changes to the planned method of tailings disposal. Based on the results of the optimization studies completed in 1999 and 2000 the Company estimated that the project s cash operating costs could be reduced to approximately $200 per ounce of gold and total capital costs to develop the mine should be reduced to approximately $150 million.

While not yet fully complete, continued project optimization during 2000 and 2001 has indicated that the capital cost to develop the property could be further reduced. Those optimization efforts included: 1) a proposed reduction in process throughput combined with a corresponding increase to the grade of ore to be mined, 2) a relocation of the plant site, 3) a change to the method and routing of personnel and supplies transportation, and 4) a possible alternative tailings management system. The Company will continue to examine these new alternatives given the potential capital cost savings.

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Total expenditures by the Company at the Kensington property were $1.3 million. Such expenditures were used to continue the permitting and optimization activities. The Company plans approximately $2.0 million in project expenditures during 2002, which are planned for technical support, engineering studies required to complete the modified permitting activities and site maintenance.

During the fourth quarter of 2001, the Company performed an impairment review on the Kensington property and determined that its carrying amount for the Kensington was impaired at December 31, 2001. As a result, the Company recorded an impairment loss of $6.1 million on the investment. During 1998 the Company completed an impairment review and recorded a $121.5 million write-down pursuant to SFAS 121.

Coeur continues to complete the permitting process. In addition, in 2002 Coeur has commenced the process of seeking a joint venture partner to assist with the development of the Kensington property. However, no assurance can be given as to whether or when the required regulatory approvals will be obtained or as to whether the Company will place the Kensington project into commercial production.

South America Argentina Martha Mine

In February 2002, the Company announced that it had entered into agreements in principle to acquire 138,000 acres of prospective ground including the Martha high-grade underground silver mine located in Argentina, approximately 270 miles southeast of the Cerro Bayo Mine, and to make a strategic investment in Yamana Resources Inc. (Yamana), a mining company with holdings in Argentina. Consummation of the transactions is subject to satisfactory completion of due diligence, regulatory approval and execution of definitive agreements. It is expected that Coeur will acquire 100% of the 138,000 acres including the Martha Mine for $2.5 million and will acquire approximately 10% of the outstanding common shares of Yamana for approximately $0.6 million. Upon consummation of the transactions, Coeur intends to commence shipment of Martha s stockpiled high-grade ore to the Cerro Bayo Mine for processing. On a gold equivalent basis, Coeur estimates that the acquisition would increase Cerro Bayo s projected 2002 production by 50%.

EXPLORATION ACTIVITY

Coeur, either directly or through its wholly-owned subsidiaries, owns, leases and has interests in certain exploration-stage mining properties located in the United States, Chile and Bolivia. Exploration and development expenses of approximately $6.4 million and $6.7 million were incurred by the Company in connection with exploration activities in 2001 and 2000, respectively.

In keeping with the Company s overall efforts to focus its resources, Coeur conducted more than 38% of the 2001 exploration program on or near existing properties where infrastructure and production facilities are already in place. The Company will continue this exploration focus in 2002.

Puchuldiza Gold Property

On November 28, 2001, the Company signed an exploration agreement with Barrick Gold Corporation relating to Coeur s Puchuldiza gold property located approximately 155 miles northeast of the port city of Inquique in northern Chile. Under the terms of the agreement, Barrick can earn a 75% interest in the property for exploration expenditures of $2.25 million over the next five years. For an additional $5.75 million in exploration spending, Barrick can increase its property interest to 85%. Coeur, however, can recover its full 25% interest by making a cash payment to Barrick equivalent to 25% of Barrick s additional expenditure of $5.75 million, plus a 50% penalty.

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Puchuldiza is considered to be geologically unique in Chile in that it appears to be a large epithermal hot spring deposit in a setting very similar to other high-grade gold deposits in the USA, New Zealand and Japan. Gold mineralization can be found throughout the property in systems of veins, veinlets and stockworks developed in explosion breccias and silicified zones. Coeur believes that there is considerable potential to expand the current near-surface resource. In addition, preliminary work has indicated that the possible existence of a large high-grade feeder system at depth underlying the near-surface mineralization.

Other Exploration Developments

Coeur s near mine exploration program in 2001 was devoted mainly to the discovery and development of new reserves and mineralized material at existing operations, particularly at Cerro Bayo, Rochester and Silver Valley.

Considerable progress was also made at Silver Valley, where the exploration significantly extended some of the most productive veins at depth and towards the upper levels of the mine. As a result of 2001 s exploration activity at Silver Valley, proven and probable reserves were added which more than replaced reserves mined during the year.

At Rochester, a major reverse circulation drilling program added new reserves and mineralized material effectively replacing approximately 50% of the ore processed in 2001.

Golden Cross Mine

On April 30, 1993 the Company acquired an 80% interest in the Golden Cross Mine at which mining activities were substantially discontinued in April 1998. The mine was a gold and silver surface and underground mining operation located near Waihi, New Zealand. The Company has been completing the required reclamation work necessary in order to close the mine property and exit the country.

During 2001 the Company incurred approximately $1.1 million in remedial and reclamation costs in an effort to complete this process. The Company is approximately 95% complete with this work and intends to file an exit strategy with the government of New Zealand in 2002.

SILVER AND GOLD PRICES

The Company s operating results are substantially dependent upon the world market prices of silver and gold. The Company has no control over silver and gold prices, which can fluctuate widely. The volatility of such prices is illustrated by the following table, which sets forth the high and low prices of silver (as reported by Handy and Harman) and gold (London Metal Exchange final quotation) per ounce during the periods indicated:

	Year Ended December 31,							
	1998		1999		2000		2001	
	High	Low	High	Low	High	Low	High	Low
Silver	$ 7.31	$ 4.72	$ 5.77	$ 4.91	$ 5.53	$ 4.60	$ 4.81	$ 4.06
Gold	$313.15	$273.40	$325.50	$252.80	$312.70	$263.80	$293.25	$255.55

MARKETING

Coeur has historically sold the gold and silver from its mines both pursuant to forward contracts and at spot prices prevailing at the time of sale. Entering into forward sale contracts is a strategy which can be used to enhance revenues and/or mitigate some of the risks associated with fluctuating precious metals prices. The Company continually evaluates the potential benefits of engaging in these strategies

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based on the then current market conditions. Coeur had no future silver production hedged at December 31, 2001. In order to ensure that planned revenues from the sale of gold are realized and to reduce the impact of any declines in gold prices, the Company has established the prices to be received in the future for a portion of its gold production by entering into a combination of forward sales agreements and put and call options. At December 31, 2001, approximately 8% of the Company s estimated annual production of gold over the next year was committed under the Company s gold hedging program. For further details of the Company s gold sales program please refer to Note O Financial Instruments of the Company s Consolidated Financial Statements and accompanying notes.

PROVISIONS OF THE TRANSACTION AGREEMENT AND SHAREHOLDER AGREEMENT WITH ASARCO

Coeur consummated an acquisition of certain silver assets and properties from Asarco on September 9, 1999 in exchange for 7.125 million shares of Coeur Common Stock. Pursuant to the Transaction Agreement between Coeur and Asarco, dated May 13, 1999 and amended and restated as of June 22, 1999, and which was approved by the Company s stockholders at the Annual Meeting on September 8, 1999, Asarco must, during the five years following the acquisition, obtain the consent of Coeur to any sale of such shares, and Asarco may not sell any of such shares to anyone other than an affiliate of Asarco or in a widely distributed public offering.

Pursuant to the Shareholder Agreement, dated as of September 9, 1999, between Coeur and Asarco (the Shareholder Agreement), Asarco has the right to nominate two directors for election to the Coeur Board of Directors. The two directors currently designated by Asarco to the Coeur Board of Directors are Xavier Garcia de Quevedo Topete and Daniel Tellechea Salido. If Asarco voluntarily sells or transfers its shares of Coeur Common Stock to any person other than an affiliate and, as a result, its ownership is reduced to less than 10% of Coeur s Outstanding Common Stock, Asarco will have the right to nominate only one director, which right will continue so long as Asarco owns at least 1% of Coeur s outstanding Common Stock. Under the Shareholder Agreement, Asarco further agreed that without the consent of Coeur s Board of Directors, Asarco will not acquire Common Stock or other voting securities of Coeur, or any rights or options to buy any of such securities, if after any such acquisition, Asarco would own more than 20% of the total voting power of all outstanding voting equities securities of Coeur. Asarco has certain rights to request Coeur to register Asarco s shares of Coeur Common Stock under the Securities Act of 1933.

The Shareholder Agreement further provides that until Asarco holds less than 10% of Coeur s outstanding Common Stock, the following actions by Coeur will require the prior written consent of Asarco: (i) approval of capital expenditure budgets and any single project requiring a capital expenditure in excess of $100 million; (ii) approval of any financial institution, terms and conditions and amounts with respect to any standard lines of credit or borrowings to be utilized or secured by Coeur exceeding $100 million; (iii) the creation of any lien in excess of $100 million on the assets of Coeur or any of its subsidiaries; (iv) the discharge of auditors when a material dispute exists in connection with the auditing of Coeur s books, records or financial statements; (v) the liquidation, dissolution or general winding-up of Coeur or any material subsidiary or the filing on behalf of Coeur or any material subsidiary of any voluntary petition seeking relief under the bankruptcy laws of the relevant jurisdiction; (vi) any material change in the nature of Coeur s business from its current business of precious metals mining and other businesses directly related thereto; (vii) the issuance by Coeur of any Common Stock or other class of its capital stock for consideration other than cash for a value in excess of $100 million; (viii) any material amendment of the By-Laws or Articles of Incorporation of Coeur which would conflict with, or in any way be inconsistent with, the terms of the Shareholder Agreement; and (ix) any increase in the number of directors of Coeur above eleven. Asarco will be deemed to have consented to any of the above actions if (i) the action shall have been included as a specific agenda item for a meeting of Coeur s Board of

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Directors, (ii) the written agenda together with all relevant information relating to the proposed action shall have been delivered to directors in advance of such meeting and (iii) at such meeting directors nominated by Asarco vote in favor of such action. Also, no consent of Asarco will be required for any Coeur debt restructuring, including any exchange, subject to certain conditions.

Asarco was acquired by Grupo Mexico S.A. on November 17, 1999, subsequent to Coeur s entering into the Shareholder Agreement. At the Company s Annual Meeting of Shareholders on May 9, 2000, two persons designated by Grupo Mexico S.A. de C.V. were elected to serve as members of the Company s Board of Directors.

GOVERNMENT REGULATION

General

During 2001 the Company was not cited for any violations of environmental or operating regulations and permits. The Company s commitment to environmental responsibility has been recognized in 19 awards received since 1987, which included the Dupont/Conoco Environmental Leadership Award, awarded to the Company on October 1, 1991 by a judging panel that included representatives from environmental organizations and the federal government and the Star award granted on June 23, 1993 by the National Environmental Development Association, and the Environmental Waikato Regional Council award for Golden Cross environmental initiative granted on May 15, 1995. In 1994, the Company s Chairman and Chief Executive Officer, and in 1997, the Company s Vice President of Environmental and Governmental Affairs, were awarded the American Institute of Mining, Metallurgical and Petroleum Engineers Environmental Conservation Distinguished Service Award.

The Company s activities are subject to extensive federal, state and local laws governing the protection of the environment, prospecting, development, production, taxes, labor standards, occupational health, mine safety, toxic substances and other matters. Although such regulations have never required the Company to close any mine and the Company is not presently subject to any material regulatory proceedings related to such matters, the costs associated with compliance with such regulatory requirements are substantial and possible future legislation and regulations could cause additional expense, capital expenditures, restrictions and delays in the development of the Company s properties, the extent of which cannot be predicted. In the context of environmental permitting, including the approval of reclamation plans, the Company must comply with known standards and regulations which may entail significant costs and delays. Although Coeur has been recognized for its commitment to environmental responsibility and believes it is in substantial compliance with applicable laws and regulations, amendments to current laws and regulations, the more stringent implementation thereof through judicial review or administrative action or the adoption of new laws could have a materially adverse effect upon the Company.

For the years ended December 31, 2001, 2000 and 1999, the Company expended $5.5 million, $7.0 million and $7.8 million, respectively, in connection with routine environmental compliance activities at its operating properties and expects to expend approximately $5.0 million for that purpose in 2002. Future environmental expenditures will be determined by governmental regulations and the overall scope of the Company s operating and development activities.

Federal Environmental Laws

Mining wastes are currently exempt to a limited extent from the extensive set of Environmental Protection Agency (EPA) regulations governing hazardous waste, although such wastes may be subject

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to regulation under state law as a solid or hazardous waste. The EPA plans to develop a program to regulate mining waste pursuant to its solid waste management authority under the Resource Conservation and Recovery Act (RCRA). Certain processing and other wastes are currently regulated as hazardous wastes by the EPA under RCRA. The EPA is studying how mine wastes from extraction and benefication should be managed and regulated. If the Company s mine wastes were treated as hazardous waste or such wastes resulted in operations being designated as a Superfund site under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA or Superfund) for cleanup, material expenditures would be required for the construction of additional waste disposal facilities or for other remediation expenditures. Under CERCLA, any present owner or operator of a Superfund site or an owner or operator at the time of its contamination generally may be held liable and may be forced to undertake remedial cleanup action or to pay for the government s cleanup efforts. Additional regulations or requirements may also be imposed upon the Company s tailings and waste disposal in Idaho and Alaska under the Federal Clean Water Act (CWA) and state law counterparts, and in Nevada under the Nevada Water Pollution Control Law which implements the CWA. Air emissions are subject to controls under Nevada s, Idaho s and Alaska s air pollution statutes implementing the Clean Air Act.

Natural Resources Laws

The Company is subject to federal and state laws designed to protect natural resources. In March 1996, the United States Government commenced a lawsuit against various defendants, including the Company, asserting claims under CERCLA and the CWA 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 advised the United States District Court for the District of Idaho that the parties settled the suit, as more fully discussed under Item 3 below.

Proposed Mining Legislation

Recent legislative developments may affect the cost of and ability of mining claimants to use the Mining Law of 1872, as amended, (the Mining Act) to acquire or use federal lands for mining operations. Since October 1994, a moratorium has been imposed on processing new patent applications for mining claims. Management believes that this moratorium will not affect the status of patent applications outstanding prior to the moratorium.

Legislation is presently being considered in the U.S. Congress to change the Mining Act under which the Company holds mining claims on public lands. It is possible that the Mining Act will be amended or be replaced by more onerous legislation in the future. The legislation under consideration, as well as regulations under development by the Bureau of Land Management, contain new environmental standards and conditions, additional reclamation requirements and extensive new procedural steps which would be likely to result in delays in permitting.

During the last several Congressional sessions, bills have been introduced which would supplant or materially alter the Mining Act. If enacted, such legislation may materially impair the ability of the Company to develop or continue operations which derive ore from federal lands. No such bills have been passed and the extent of the changes, if any, which may be enacted by Congress is not presently known. A significant portion of Coeur s U.S. mining properties are on public lands. Any reform of the Mining Act or regulations thereunder based on these initiatives could increase the costs of mining activities on unpatented mining claims, and as a result could have an adverse effect on the Company and its results of operations. Until such time, if any, as new reform legislation or regulations are enacted, the ultimate effects and costs of compliance on the Company cannot be estimated.

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Foreign Government Regulations

The mining properties of the Company that are located in Chile are subject to various government laws and regulations pertaining to the protection of the air, surface water, ground water and the environment in general, as well as the health of the work force, labor standards and the socioeconomic impacts of mining facilities upon the communities. The Company believes it is in substantial compliance with all applicable laws and regulations to which it is subject in Chile.

The Republic of Bolivia, where the San Bartolomé project is located, has adopted laws and guidelines for environmental permitting that are similar to those in effect in the United States and other South American countries. A recently established State Council for the Environment (CODEMA) has responsibility to define policy, approve plans and programs, control regulatory activities and enforce compliance. The permitting process requires a thorough study to determine the baseline condition of the mining site and surrounding area, an environmental impact analysis, and proposed mitigation measures to minimize and offset the environmental impact of mining operations.

Maintenance of Claims

At mining properties in the United States, including the Rochester, Kensington, Coeur, Galena and Caladay mines, operations are conducted in part upon unpatented mining claims, as well as patented mining claims. Pursuant to applicable federal law it is necessary, in order to maintain the unpatented claims, to pay to the Secretary of the Interior, on or before August 31 of each year, a claim maintenance fee of $100 per claim. This claim maintenance fee is in lieu of the assessment work requirement contained in the Mining Law of 1872. In addition, in Nevada, holders of unpatented mining claims are required to pay the county recorder of the county in which the claim is situated an annual fee of $3.50 per claim. No maintenance fees are payable for patented claims. Patented claims are similar to land held by an owner who is entitled to the entire interest in the property with unconditional power of disposition.

In Chile, operations are conducted upon mineral concessions granted by the national government. For exploitation concessions (somewhat similar to a U.S. patented claim), to maintain the concession, an annual tax is payable to the government before March 31 of each year in the approximate amount of $1.14 per hectare. For exploration concessions, to maintain the right, the annual tax is approximately $.30 per hectare. An exploration concession is valid for a three-year period. It may be renewed for new periods unless a third party claims the right to explore upon the property, in which event the exploration concession must be converted to an exploitation concession in order to maintain the rights to the concession.

EMPLOYEES

The number of full-time employees at December 31, 2001 of Coeur d Alene Mines Corporation and its subsidiaries was:

United States Corporate Staff & Office	26
Silver Valley Galena Mine(1)	223
Rochester Mine	225
Kensington Property	5
Chilean Corporate Staff & Office	7
Cerro Bayo Project/Fachinal Mine(1)	15
Other	5
Total	506

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(1) Operations where a portion of the employees are represented by a labor union.

The Company maintains a labor agreement at its Coeur Silver Valley mine. The agreement is effective from October 1, 1999 through December 13, 2002 and is with the United Steelworkers of America. Labor relations at all of the Company s mines are believed to be good.

RISK FACTORS

The following information sets forth information relating to important risks and uncertainties that could materially adversely affect the Company s business, financial condition or operating results. References to we, our and us in these risk factors refer to the Company. Additional risks and uncertainties that we do not presently know or that we currently deem immaterial may also impair our business operations.

If we are unable to pay our debts upon their maturity, it may be necessary for us to seek relief under Chapter 11 of the Bankruptcy Code.

Absent an increase in precious metals prices and/or an increase in our cash flow, our large amount of indebtedness, approximately $150.6 million at December 31, 2001, may require us to seek relief under Chapter 11 of the Bankruptcy Code. Chapter 11 permits a company to remain in control of its business, protected by a stay of all creditor action while the company seeks to negotiate and confirm a plan of reorganization with its creditors. We might not be successful in any attempt to confirm a plan of reorganization with our creditors. If we were to commence a Chapter 11 proceeding, we would expect our relationships with customers and our employee morale to be adversely affected. Many Chapter 11 cases are unsuccessful and virtually all involve substantial expense. When a company is unsuccessful in obtaining confirmation of a plan of reorganization, the assets of the company usually are liquidated. Furthermore, under a Shareholder Agreement dated as of May 13, 1999 between Coeur and Asarco Incorporated, for so long as Asarco or any of its affiliates holds at least 10% of our outstanding common stock, we would need Asarco s written consent to seek relief under Chapter 11. The need for us to obtain that consent could make our pursuit of Chapter 11 relief more difficult.

In a bankruptcy case, holders of our senior indebtedness, which amounted to approximately $1.3 million at December 31, 2001, would be entitled to receive full payment on their claims before the holders of our 13 3/8% convertible senior subordinated notes due 2003 ($35.7 million at March 15, 2002). Our 13 3/8% convertible senior subordinated notes would be senior to holders of our 6% convertible subordinated debentures due 2002, 6 3/8% convertible subordinated debentures due 2004 and 7 1/4% convertible subordinated debentures due 2005.

We do not presently have sufficient free cash to pay the principal amount of our outstanding 6% convertible subordinated debentures due 2002 when they mature on June 10, 2002.

As of March 22, 2002, we had outstanding $19.8 million of our 6% convertible subordinated debentures due 2002 that mature on June 10, 2002. Our cash, cash equivalents and short-term investments at December 31, 2001 totaled approximately $18.2 million. We plan to increase our liquidity to be able to fund the retirement of maturing 6% debentures by exchanging equity or debt securities for outstanding 6% debentures, arranging financing relating to the start-up of the Cerro Bayo Mine and/or the possible sale of other debt or equity securities or assets.

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Our common stock may be delisted by the New York Stock Exchange if we do not comply with its listing maintenance requirements.

Our common stock is listed on the NYSE. In November 2000, the NYSE advised us that we were not in compliance with the continued listing standard requiring a total market capitalization of publicly tradeable shares of not less than $50 million and shareholders equity of not less than $50 million. In January 2001, we submitted to the NYSE, and have periodically updated, a plan to achieve compliance with the listing standards by May 27, 2002 (i.e., within 18 months of our receipt of the NYSE s notice). The NYSE s rules provide that our shares of common stock could be delisted if, by May 27, 2002, we are unable to (i) have our market capitalization and shareholders equity each equal or exceed $50 million; or (ii) achieve average market capitalization over a consecutive 30 trading-day period of $60 million with either (a) shareholders equity of at least $40 million or (b) an increase in shareholders equity of at least $40 million since we were notified by the NYSE that we were below the continued listing standard. At December 31, 2001, our shareholders equity was approximately $26.8 million. At March 22, 2002, our market capitalization was approximately $70 million.

In December 2001, the NYSE notified us that because the market price of our common stock had been less than $1.00 per share for a period in excess of 30 consecutive trading days, the shares would be subject to possible delisting unless such share price deficiency is cured by the later of six months following our receipt of the Exchange s notice of the deficiency or promptly after our next annual meeting of shareholders if shareholder approval of an action relating to the deficiency is to be taken.

Delisting of our common stock could cause a reduction in the liquidity of an investment in our common stock, convertible notes and debentures. Delisting also could reduce the ability of holders of our common stock to purchase or sell shares as quickly and as inexpensively as they have done historically. This lack of liquidity also could make it more difficult for us to raise capital in the future.

We have incurred losses in the last five years and expect to continue to do so.

We have incurred net losses in the last five years, and have had losses from continuing operations in each of those periods. Significantly contributing to the losses were:

historically low gold market prices;

our deliberate pursuit of a growth policy calling for the acquisition of mining properties and companies and financing such growth principally by incurring convertible indebtedness; and

significant write-offs for impaired assets in 1998 ($223.6 million), 1999 ($20.2 million), 2000 ($21.2 million) and 2001 ($6.1 million).

Market prices for silver and gold are currently below our full production costs for these metals. If silver and gold prices remain depressed or decline further and we are unable to reduce our production costs below prevailing price levels, our losses will continue. Because low silver and gold prices may make mining at our properties uneconomical, if these prices remain depressed or decline further, we may be required to recognize additional impairment write-downs. This would increase our operating losses.

We have not had sufficient earnings to cover fixed charges in recent years and presently expect that situation to continue.

As a result of our net losses, our earnings have not been adequate to satisfy fixed charges (i.e., interest, preferred stock dividends and that portion of rent deemed representative of interest) in each of

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the last five years. The amounts by which earnings were inadequate to cover fixed charges were approximately 18.1 million in 1997, $239.1 million in 1998, $33.3 million in 1999, $63.6 million in 2000 and $51.3 million in 2001, respectively. As of December 31, 2001, we were required to make fixed payments on the following securities:

$23.2 million principal amount of our 6% convertible subordinated debentures due 2002, requiring annual interest payments of approximately $0.6 million until their maturity on June 10, 2002;

$41.4 million principal amount of our 13 3/8% convertible senior subordinated notes, requiring annual interest (in cash or common stock, at our option) of approximately $5.5 million until their maturity in December 31, 2003;

$66.3 principal amount of our 6 3/8% convertible subordinated debentures due 2004, requiring annual interest payments of approximately $4.2 million until their maturity on January 31, 2004; and

$14.7 million principal amount of our 7 1/4% convertible subordinated debentures due 2005, requiring annual interest payments of approximately $1.1 million until their maturity on October 31, 2005.

We do not expect that the 6%, 6-3/8% or 7-1/4% convertible subordinated debentures will be converted into common stock in the foreseeable future because the conversion price of each issue substantially exceeds the current market price of our common stock. For the period January 1, 2002 to March 15, 2002 a total of $5.7 million in principal of the 13-3/8% Notes had converted onto common stock reducing the amount outstanding to $35.7 million.

We expect to satisfy our fixed charges and other expense obligations in the future from cash flow from operations and, if cash flow from operations is insufficient, from working capital, which amounted to approximately $39.8 million at December 31, 2001, and, if necessary, the sale of assets or equity or debt securities. We have recently been experiencing negative cash flow from operating activities. The amount of net cash used in, as opposed to provided by, our operating activities amounted to approximately $29.9 million in 2001 and $23.8 million in 2000. The availability of future cash flow from operations or working capital to fund the payment of interest on our debentures and other fixed charges will be dependent upon numerous factors, including our results of operations, silver and gold prices, levels and costs of production at our mining properties, the amount of our capital expenditures and expenditures for acquisitions, developmental and exploratory activities, and the extent to which we are able to reduce the amount of our indebtedness through additional exchanges.

The market price of silver over which we have no control, is volatile and is at a historically low level that adversely affects us.

Because we derive greater than 60% of our revenues from sales of silver, our earnings are directly related to the price of this metal.

Silver prices fluctuate widely and are affected by many factors beyond our control, including interest rates, expectations regarding inflation, speculation, currency values, governmental decisions regarding the disposal of precious metals stockpiles, global and regional demand and production, political and economic conditions and other factors.

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Market prices for silver are at their lowest levels since 1995 and are currently below our full production costs. The market price of silver (as reported by Handy & Harman) on March 22, 2002 was $4.55 per ounce. The price of silver may remain depressed and may decline even further in the future. Factors that are generally understood to have contributed to the recent decline in the price of silver include sales by private and government holders, the emergence of China as a large net seller and a general global economic slowdown.

If the silver price remains at this level for a sustained period, our net losses will continue, we may suspend mining at one or more of our properties until the price increases, and we may be required to record additional asset impairment write-downs pursuant to SFAS 121 (as discussed below).

We have recorded significant write-downs of mining properties in recent years and may have to recognize additional write-downs in the future.

Statement of Financial Accounting Standards No. 121 (SFAS 121), Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of, established accounting standards for impairment of the value of long-lived assets such as mining properties. SFAS 121 requires a company to review the recoverability of its assets by estimating the future undiscounted cash flows expected to result from the use and eventual disposition of the asset. Impairment must be recognized when the carrying value of the asset exceeds these cash flows.

Recognizing impairment write-downs has hurt our results of operations in recent years. We have recorded significant write-downs of our mining properties, including write-downs effected pursuant to SFAS 121 in recent years, amounting to $218.9 million in 1998 and $16.2 million in 1999, $12.2 million in 2000 and $6.1 million in 2001. The 1998 write-downs included $54.5 million at the Petorca Mine in Chile, $42.9 million at the Fachinal Mine in Chile and $121.5 million at the Kensington property in Alaska. The Kensington property is not yet a producing property and may never become one. The 1999 write-downs consisted of $16.2 million at the Yilgarn Star Mine in Australia. The 2000 write-down included an impairment of $12.2 million for our investment in Gasgoyne Gold Mines NL. The 2001 write-down consisted of an additional impairment of $6.1 million at the Kensington property.

While we do not believe that any of our other properties presently requires a write-down pursuant to SFAS 121, if silver prices remain depressed for a sustained period of time and/or we fail to reduce production costs or expand mineable ore reserves at our mining properties, we may recognize further asset write-downs.

We also might have to record other types of additional mining property write-downs in the future to the extent a property is sold by us for a price less than the carrying value of the property or reserves have to be created in connection with the closure and reclamation of a property.

The estimation of ore reserves is imprecise and subjective, requiring the use of uncertain metals market prices and other assumptions. Estimated ore reserves may not be realized in future actual production and operating results.

The ore reserve figures presented in this report are estimates made by our technical personnel. Reserve estimates are a function of geological and engineering analysis and also require us to make assumptions about production costs and silver and gold market prices. Reserve estimation is necessarily an imprecise and subjective process and the accuracy of such estimates is a function of the quality of available data and of engineering and geological interpretation, judgment and experience. Assumptions about silver and gold market prices are subject to great uncertainty as those prices have fluctuated widely in the past. Declines in the market prices of silver or gold may render reserves containing relatively lower

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grades of ore uneconomic to exploit, and we may be required to further reduce reserve estimates, discontinue development or mining at one or more of our properties, or write down assets as impaired. Should we encounter mineralization or geologic formations at any of our mines or projects different from those predicted by drilling, sampling and similar examinations, then our reserve estimates may be adjusted and mining plans may be altered, which may adversely affect our actual production and operating results. Ore reserves at most of our mining properties operated by us are the subject of verification by independent consulting geologists or mining engineers. Ore reserves at mining properties in which we have an ownership interest but which are operated by other companies are prepared by such companies, reviewed by us and may not be subject to independent verification.

Silver and gold reserves at mining properties owned by us and in which we have an ownership interest were calculated at or about December 31, 2001. Our ore reserve determinations generally are based on a silver price of $5.00 per ounce and a gold price of $300 per ounce.

Significant risks and costs are associated with our exploration, development and mining activities.

Our ability to sustain or increase our present production levels depends in part on successful exploration and development of new ore bodies and/or expansion of existing mining operations. Mineral exploration, particularly for silver and gold, involves many risks and frequently is not productive. If and when mineralization is discovered, it may take a number of years until production is possible, during which time the economic viability of the project may change. Substantial expenditures are required to establish ore reserves, extract the metals from the ores and, in the case of new properties, to construct mining and processing facilities. The economic feasibility of any individual development project and all such projects collectively is based upon, among other things, estimates of the size and grade of ore reserves, proximity to infrastructures and other resources (such as water and power), metallurgical recoveries, production rates and capital and operating costs of such development projects, and future metals prices. Development projects are also subject to the completion of favorable feasibility studies, issuance of necessary permits and receipt of adequate financing.

Development projects may have no operating history upon which to base estimates of future operating costs and capital requirements. Particularly for development projects, estimates of reserves, metal recoveries and cash operating costs are to a large extent based upon the interpretation of geologic data obtained from a limited number of drill holes and other sampling techniques and feasibility studies. Estimates of cash operating costs are then derived based upon anticipated tonnage and grades of ore to be mined and processed, the configuration of the orebody, expected recovery rates of metals from the ore, comparable facility and equipment costs, anticipated climate conditions and other factors. As a result, actual cash operating costs and economic returns of any and all development projects may materially differ from the costs and returns estimated.

Our silver and gold production may decline in the future.

Our future silver and gold production may decline as a result of the exhaustion of reserves and possible closure of mines. It has been and will continue to be our business strategy to conduct silver and gold exploratory activities at our existing mining and exploratory properties as well as at new exploratory projects, and to acquire silver and gold mining properties and/or businesses that possess mineable ore reserves and are expected to become operational in the near future. Although that is our business strategy, we can provide no assurance that our silver and gold production in the future will not decline.

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There are significant risks associated with our mining activities, not all of which are fully covered by insurance.

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

We are subject to significant environmental and other governmental regulations that can require substantial expenses and capital expenditures.

Our mining activities are subject to extensive federal, state, local and foreign laws and regulations governing environmental protection, natural resources, prospecting, development, production, post-closure reclamation, taxes, labor standards, occupational health and safety including, mine safety, toxic substances and other matters. Although these laws and regulations have never required us to close any mine, the costs associated with compliance with such laws and regulations are substantial and possible future laws and regulations, or more stringent enforcement thereof by governmental authorities could cause additional expense, capital expenditures, restrictions on or suspensions of our operations and delays in the development of our properties. Moreover, these laws and regulations allow governmental authorities and private parties to bring lawsuits based upon damages to property and injury to persons resulting from the environmental, health and safety impacts of our past and current operations, and can lead to the imposition of substantial fines, penalties and other civil and criminal sanctions. Risks of substantial costs and liabilities, including for the restoration of the environment after the closure of our mines, are inherent in our operations. Although we believe we are in substantial compliance with applicable laws and regulations, we cannot assure you that any such law, regulation, enforcement or private claim will not have a material adverse effect on our business, financial condition or results of operations.

Certain of our mining wastes are currently exempt to a limited extent from the extensive set of federal Environmental Protection Agency (EPA) regulations governing hazardous waste under the Resource Conservation and Recovery Act (RCRA). If the EPA designates these wastes as hazardous under RCRA in the future, we would be required to expend additional amounts on the handling of such wastes and to make significant expenditures on the construction of hazardous waste disposal facilities. In addition, regardless of whether these wastes are designated as hazardous under RCRA, if they cause contamination in or damage to the environment at a mining facility, such facility may be designated as a Superfund site under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA). Under CERCLA, any owner or operator of a Superfund site since the time of its contamination may be held liable and may be forced to undertake extensive remedial cleanup action or to pay for the government s cleanup efforts. Additional regulations or requirements are also imposed upon our tailings and waste disposal areas in Idaho and Alaska under the federal Clean Water Act (CWA) and in Nevada under the Nevada Water Pollution Control Law which implements the CWA. Airborne emissions are subject to controls under the air pollution statutes implementing the Clean Air Act in Nevada, Idaho and Alaska. In the context of environmental permitting, including the approval of

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reclamation plans, we must comply with standards and regulations which entail significant costs and can entail significant delays.

Significant risks are associated with our foreign operations and activities.

Chile and Bolivia are the most significant foreign countries in which we directly or indirectly own or operate mining properties or developmental projects. We also conduct exploratory projects in Chile and Bolivia. Although the governments and economies of these countries have been relatively stable in recent years, property ownership in a foreign country generally is subject to the risk of expropriation or nationalization with inadequate compensation. Any foreign operations or investment may also be adversely affected by exchange controls, currency fluctuations, taxation and laws or policies of particular countries as well as laws and policies of the United States affecting foreign trade investment and taxation.

There are significant risks associated with any future acquisitions by us.

An important element of our business strategy has been the opportunistic acquisition of silver and gold mines, properties and businesses. While it is our practice to engage independent mining consultants to assist in evaluating and making acquisitions, mining properties acquired by us in the future might not be developed profitably or, if profitable when acquired, that profitability might not be sustained. In connection with any future acquisitions, we may incur indebtedness or issue equity securities, resulting in dilution of the percentage ownership of existing shareholders. We intend to seek shareholder approval for any such acquisitions only to the extent required by applicable law, regulations or stock exchange rules.

Finding and acquiring new mineral properties is very difficult and competitive.

Because mines have limited lives based on proven and probable ore reserves, we, like other mining companies are continually seeking to replace and expand our ore reserves. Identifying promising mining properties is difficult. Furthermore, we encounter strong competition from other mining companies in connection with the acquisition of properties producing or capable of producing silver and gold. Many of these companies have greater financial resources than we do. Consequently, we may be unable to replace and expand current ore reserves through the acquisition of new mining properties on terms we consider acceptable.

Significant risks are associated with our purchases of currencies of foreign countries in which we do business.

We may enter into agreements which require us to purchase currencies of foreign countries in which we do business in order to ensure fixed exchange rates. In the event that actual exchange rates vary from those set forth in the hedge contracts, we will experience U.S. dollar-denominated currency gains or losses.

We will have to use some of our cash to provide financial assurance relating to our Rochester Mine s future reclamation liability.

The insurance company that issued the surety bond required under Nevada law to cover our estimated $17.8 million of future mine closure reclamation costs relating to the Rochester Mine filed for liquidation in the first quarter of 2001. We have reached an agreement in principle with this insurance company and the State of Nevada regarding financial assurance for reclamation costs at the Rochester Mine. This settlement will require us to fund a reclamation escrow account in amounts calculated based on a formula which takes into account the amount of silver produced and sold at the Rochester Mine

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commencing January 1, 2002. Based on recent production and sales level, we estimate that the annual funding required by the settlement into this escrow account will be approximately $3.2 million.

Third parties may dispute our unpatented mining claims.

The validity of unpatented mining claims, which constitute a significant portion of our property holdings in the United States, is often uncertain and may be contested. Although we have attempted to acquire satisfactory title to undeveloped properties, we, in accordance with mining industry practice, do not generally obtain title opinions until a decision is made to develop a property, with the attendant risk that some titles, particularly titles to undeveloped properties, may be defective.

We are required to obtain government permits to expand operations or begin new operations, which is often a costly and time-consuming process.

Mining companies are required to seek governmental permits for expansion of existing operations or for the commencement of new operations. Obtaining the necessary governmental permits is a complex and time-consuming process involving numerous jurisdictions and often involving public hearings and costly undertakings on our part. The duration and success of permitting efforts are contingent on many factors that are out of our control. Government permitting may increase costs and cause delays depending on the nature of the activity to be permitted, and in an extreme case, could cause us to not proceed with the development of a mine.

Item 2. Properties.

Information regarding the Company s properties is set forth under Item 1 above.

Item 3. Legal Proceedings.

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 as a party. Pursuant to the terms of the Consent Decree, dated May 14, 2001, the Company has paid the U.S. Government a total of approximately $3.9 million, of which $3.3 million was paid in May 2001 and the remaining $0.6 million was paid in June 2001. 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 Caladay 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. The Company recorded

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$4.2 million of expenses, which included $3.9 million of settlement payments, in the fourth quarter of 2000 in connection with the settlement.

Lawsuit to Recover Inventory

During the first quarter of 2000, Handy & Harman Refining Group, Inc. (Handy & Harman), 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 & Harman. On February 27, 2001, the Company commenced a lawsuit against Handy & Harman and certain others in the U.S. Bankruptcy Court for the District of Connecticut seeking recovery of the metals and/or damages. Handy & Harman s Chapter 11 liquidation plan was confirmed by the Bankruptcy Court in August 2001 and on November 3, 2001, the Company received approximately $294,000 from Handy & Harman as a partial payment under the plan. The liquidating custodian of Handy & Harman under the liquidation plan recently advised the Company that Handy & Harman intends to file suit against the Company prior to March 28, 2002 for the value of 100,000 ounces of silver (i.e., approximately $500,000) as a preference based on the Company s draw-down of its account at Handy & Harman in mid-March 2000. As a result of this more recent legal action, the Company has made the determination that it is unlikely that we will receive any further distributions from the Bankruptcy Court, and has reduced the carrying amount for the inventory to zero and has recorded a loss of $1.4 million in 2001. Management of the Company and legal council believe that the threatened claims are without merit, and will vigorously defend any such suit.

Bunker Hill action

On January 7, 2002, a private class action suit, Baugh v. Asarco, et al., was filed in the Idaho District Court for the First District (Lawsuit No. 2002131) in Kootenai County, Idaho against the companies that have been defendants in the prior Bunker Hill and natural resources litigation in the Coeur d Alene Basin, including the Company, by eight northern Idaho residents seeking medical benefits and property compensation from the mining companies involved in the Bunker Hill Superfund site. At this early stage of the litigation, the Company cannot predict the outcome of this suit.

Item 4. Submission of Matters to a Vote of Security Holders.

Not applicable.

Item 4A. Executive Officers of the Registrant.

The following table sets forth certain information regarding the Company s current executive officers:

Name	Age	Office with the Company	Appointed to Office
Dennis E. Wheeler	59	Chairman of the Board	1992
		President	1980
		Chief Executive Officer	1986
Robert Martinez	55	Senior Vice President Chief Operating Officer	1998
Geoffrey A. Burns	42	Senior Vice President Chief Financial Officer	1999
Dieter A. Krewedl	58	Senior Vice President Exploration	1998
Gary W. Banbury	49	Vice President Administration and Human Resources	2001

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Name	Age	Office with the Company	Appointed to Office
James K. Duff	57	Vice President Business Development	1996
Troy J. Fierro	38	Vice President Mining Services	2001
Wayne L. Vincent	40	Controller	1998
		Chief Accounting Officer	1999
James N. Meek	50	Treasurer	1999

Messrs. Wheeler, Martinez, Duff, Banbury, Vincent and Meek have been principally employed by the Company for more than the past five years. Prior to his appointment as Senior Vice President and Chief Operating Officer on May 15, 1998, Mr. Martinez had served as Vice President Operations since April, 1997 and previously was Vice President Engineering, Operational Services and South American Operations of the Company. Prior to his appointment as Vice President and Chief Financial Officer in March 1999, Mr. Burns was Chief Financial Officer and Controller for Prime Resources Group, Inc. and Homestake Canada Inc., respectively, from June 1992. He became a Senior Vice President of the Company in June 2000. Prior to his appointment as Vice President Administration and Human Resources, Mr. Banbury held the position of Vice President Human Resources from 1998 to 2000, prior thereto as Manager of Human Resources with the Company. Prior to his appointment as Vice President - Business Development, Mr. Duff held the position of Director of New Business Development. Prior to his appointment as Vice President-Exploration on October 8, 1998, Mr. Krewedl was Vice President of Exploration for Echo Bay Mines, LTD. Prior to his appointment as Vice President Mining Services in May 2001, Mr. Fierro held the position of Vice President General Manager at the Company s Rochester Mine. Prior to his appointment as Controller and Chief Accounting Officer, Mr. Vincent held the position of Manager of Financial Accounting with the Company for the prior eight years. Prior to his appointment as Treasurer, Mr. Meek held the position of Assistant Treasurer and Manager of Budget and Forecasting.

Part II

Item 5. Market for Registrant s Common Stock and Related Security Holder Matters.

The Company s Common Stock is listed on the New York Stock Exchange (the NYSE) and the Pacific Coast Exchange. The following table sets forth, for the periods indicated, the high and low closing sales prices of the Common Stock as reported by the NYSE:

		High	Low
2000:	First Quarter	$4.1250	$2.8750
	Second Quarter	3.8750	2.3125
	Third Quarter	2.3750	1.3125
	Fourth Quarter	1.6875	0.8125
2001:	First Quarter	1.600	0.875
	Second Quarter	1.950	1.000
	Third Quarter	1.280	0.730
	Fourth Quarter	0.940	0.650

The Company has not paid per share cash distributions or dividends on its Common Stock since 1996. Future distributions or dividends on the Common Stock, if any, will be determined by the Company s Board of Directors and will depend upon the Company s results of operations, financial conditions, capital requirements and other factors.

At March 22, 2002, there were 5,773 record holders of the Company s outstanding Common Stock.

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Sales of Securities Without Registration Under the Securities Act of 1933.

During the year ended December 31, 2001, the Company issued a total of 6,045,118 shares of common stock in exchange for outstanding 7 1/4% Convertible Subordinated Debentures due 2005 (7 1/4% Debentures) without registration under the Securities Act of 1933. Of such exchanges, 1,787,500 shares were issued on March 19, 2001 in exchange for $5 million principal amount of 7 1/4% Debentures, and 4,257,618 shares were issued on April 30, 2001 in exchange for $11 million principal amount of 7 1/4% Debentures. No underwriters were used in connection with the above transactions. The sales of common stock were effected in reliance upon the exemption from registration provided by Section 3(a)(9) thereof, as they consisted solely of exchanges of securities with existing security holders exclusively where no commission or other remuneration was paid or given directly or indirectly for soliciting such exchanges.

PART II

Item 6. Selected Financial Data

The following table summarizes certain selected consolidated financial data with respect to the Company and its subsidiaries and should be read in conjunction with the Consolidated Financial Statements and Notes thereto appearing elsewhere in this report.

	2001	2000	1999	1998	1997
			(In thousands except per share data)		
Income Statement Data:					
Revenues:					
Sales of metal	$ 69,200	$ 93,174	$ 86,318	$ 102,505	$ 131,161
Other income(1)	2,712	8,032	22,628	9,469	20,739
Total revenues	71,912	101,206	108,946	111,974	151,900
Costs and expenses:					
Production costs	69,149	86,661	66,896	70,163	103,254
Depreciation and depletion	11,347	20,785	19,620	28,555	31,883
Administrative and general	8,714	9,714	9,281	12,249	12,910
Mining exploration	10,046	9,412	8,518	9,241	7,925
Interest expense	14,592	16,999	16,408	13,662	10,253
Write-down of mining properties and other(2)	9,354	21,236	20,204	223,597	
Total expenses	123,202	164,807	140,927	357,467	166,225
Net loss from operations before Income taxes	(51,290)	(63,601)	(31,981)	(245,493)	(14,325)
(Provision) benefit for income taxes	6	(348)	(332)	(919)	242
Loss before extraordinary item	(51,284)	(63,949)	(32,313)	(246,412)	(14,083)
Extraordinary item early Retirement of debt (net of Tax of zero)(3)	48,217	16,136	3,990	12,158	
Net loss	$ (3,067)	$ (47,813)	$ (28,323)	$ (234,254)	$ (14,083)
Net loss attributable To Common Shareholders	$ (3,067)	$ (49,993)	$ (38,855)	$ (244,786)	$ (24,615)
Basic and Diluted Earnings Per Share Data:					

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	2001	2000	1999	1998	1997
			(In thousands except per share data)		
Net loss before Extraordinary item	$ (1.22)	$ (1.87)	$ (1.77)	$ (11.73)	$ (1.12)
Extraordinary item early Retirement of debt (net of tax)	1.15	.46	.16	.55	
Net loss attributable To common shareholders	$ (0.07)	$ (1.41)	$ (1.61)	$ (11.18)	$ (1.12)
Cash dividends paid per Common share	$	$	$	$	$
Weighted average shares of Common stock	41,946	35,439	24,185	21,899	21,890

	December 31,				
Balance Sheet Data:	**2001**	**2000**	**1999**	**1998**	**1997**
			(In thousands)		
Total assets	$210,380	$271,377	$354,047	$365,980	$658,702
Working capital	$ 28,624	$ 82,553	$152,091	$153,837	$221,610
Long-term liabilities	$141,877	$228,659	$264,709	$258,340	$298,152
Shareholders equity	$ 26,788	$ 17,440	$ 68,165	$ 77,067	$322,089

(1) Included in other income for the year 2000 are: (i) a gain recorded on mark to market of the Company s gold call positions sold of $4.1 million, and (ii) loss on investment in Pan American Silver Corp. stock of 2.3 million.

Included in other income for 1999 are: (i) a gain of $21.1 million in settlement of a lawsuit, and (ii) a loss recorded on mark to market of the Company s gold call positions sold of $4.3 million.

Included in other income for 1997 are: (i) the receipt of $8.0 million of insurance proceeds for business interruption and property damage at the Golden Cross Mine, and (ii) a gain of $5.3 million arising from the sale of gold purchased in the open market which was delivered pursuant to fixed price forward contracts in the first quarter of 1997.

(2) During the fourth quarter of 2001, the Company evaluated the recoverability of its investment in Kensington development property and determined that its investment in the Kensington development property was impaired. The total amount of the impairment was $6.1 million, and was recorded in the fourth quarter of 2001.

As a consequence of the February 7, 2001 sale of the Company s shareholding in Gasgoyne Gold Mines NL, which had an effective date of December 31, 2000, the Company recorded a write-down of $12.2 million in 2000 to reflect the excess book value of its shareholding in Gasgoyne above the $15.6 million sales price.

On March 16, 2001, representatives of the United States and the Company reached an agreement in principle to settle the lawsuit filed by the Government in March 1996 in the U.S. District Court for the District of Idaho alleging response cost damages to federal natural resources in the Coeur d Alene River Basin as a result of alleged releases of hazardous substances from prior mining activities in the area. The terms of the proposed settlement, which are subject to final Justice Department and Court approval and are discussed above under Item 3 (Legal Proceedings), provide for payments by the Company to the Government of approximately $3.9 million plus a maximum of $3.0 million of future conditional net smelter royalty payments. As a result, during fiscal 2001, the Company recorded an expense of approximately $4.2 million for settlement of this lawsuit, including $3.9 million in payments and estimated legal fees and other costs.

During the fourth quarter of 1999, the Company evaluated the recoverability of its investment in Yilgarn Star Mine. Using a $325 per ounce gold price and based on undiscounted future cash flows, in accordance with the standards set fourth in SFAS 121, the Company determined that its investment in property, plant and

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equipment at the Yilgarn Star Mine in Australia was impaired. The total amount of the impairment, based on discounted cash flows was $16.2 million, and was recorded in the fourth quarter of 1999.

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 $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.

In December 1998, the Company performed an analysis of the closure accrual for the Golden Cross Mine. As a result, the Company determined that there was a shortfall in the closure accrual and recognized an additional expense of $4.3 million.

(3) During the first and second quarters of 2001, the Company issued 6,045,118 shares of common stock in exchange for approximately $16 million in principal amount of its 7-1/4% Convertible Subordinated Debentures due 2005, and recorded an extraordinary gain of approximately $8.9 million.

During the third quarter of 2001, the Company completed an exchange offer whereby existing convertible subordinated debenture holders could exchange their existing debt for the newly registered 13 3/8% Convertible Senior Subordinated Notes due 2003. As a result of the exchange offer, the Company recorded an extraordinary gain of $39.2 million, net of taxes and offering costs in the third quarter of 2001.

During the fourth quarter of 2000, the Company repurchased approximately $2.1 million principal amount of its 6% Convertible Subordinated Debentures and approximately $22.0 million principal amount of its outstanding 7 1/4% Convertible Subordinated Debentures due 2005. The price paid by the Company for those repurchased debentures was approximately $8.9 million. As a result of those additional repurchases, the Company recorded an extraordinary gain of approximately $15.0 million.

In June, 2000, the Company repurchased approximately $7.0 million principal amount of its 6% Convertible Subordinated Debentures due 2002 pursuant to a cash tender offer that commenced on May 9, 2000 and expired as scheduled on June 8, 2000. The price paid by the Company for the repurchased debentures was approximately $5.0 million plus accrued and unpaid interest of $3,500. During the quarter ended June 30, 2000, the Company recorded an extraordinary gain of approximately $1.1 million, net of tender offer expenses, as a result of the repurchase.

During July, September and December 1999, the Company repurchased approximately $10.2 million principal amount of its outstanding 6% Convertible Subordinated Debentures due 2002 for a total purchase price of approximately $6.2 million, excluding purchased interest of $.2 million. Associated with this transaction, the Company eliminated $.1 million of capitalized bond issuance cost. As a result, the Company has recorded an extraordinary gain of approximately $4 million, net of taxes of zero, during 1999 on the reduction of its indebtedness.

During July, August and December 1998, the Company repurchased approximately $4.0 million principal amount of its outstanding 6% Convertible Subordinated Debentures due 2002, approximately $36.5 million principal amount of its 7 1/4% Convertible Subordinated Debentures due 2005, and approximately $1.6 million principal amount of its 6.375% Convertible Subordinated Debentures due 2004 for a total purchase price of approximately $28.5 million, excluding purchased interest of approximately $616,000. Associated with this transaction, the Company eliminated $1.4 million of capitalized bond issuance costs. The Company anticipates that as a result of the cancellation of the repurchased debentures, annual interest

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paid by the Company will be reduced by approximately $3.0 million. As a result of the buyback of these debentures, the Company has recorded an extraordinary gain of approximately $12.2 million, net of taxes, during 1998 on the reduction of its indebtedness.

Item 7. Management s Discussion and Analysis of Financial Condition and Results of Operations

(Management s Discussion and Analysis includes references to total cash costs per ounce of gold and silver produced both on an individual mine basis and on a consolidated basis. Total cash costs per ounce represent a non-U.S. GAAP measurement that management uses to monitor and evaluate the performance of its mining operations. A reconciliation of total cash costs per ounce to U.S. GAAP Production Expenses is provided herein and should be referred to when reading the total cash cost per ounce measurement.)

General

The results of the Company s operations are significantly affected by the market prices of gold and silver which fluctuate widely and are affected by many factors beyond the Company s control, including interest rates, expectations regarding inflation, currency values, governmental decisions regarding the disposal of precious metals stockpiles, global and regional political and economic conditions, and other factors.

Critical Accounting Policies and Estimates

Our consolidated financial statements are impacted by the accounting policies used and the estimates and assumptions made by management during their preparation. We have identified the policies below as critical to our business operations and the understanding of our results of operations. The impact and any associated risks related to these policies on our business operations is discussed throughout Management s Discussion and Analysis of Financial Condition and Results of Operations where such policies affect our reported and expected financial results. For a detailed discussion on the application of these and other accounting policies, see Note B in the Notes to the Consolidated Financial Statements of this Annual Report on Form 10-K. Note that our preparation of this Annual Report on Form 10-K requires us to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of our financial statements, and the reported amounts of revenue and expenses during the reporting period. There can be no assurance that actual results will not differ from those estimates. The most critical accounting principles upon which the Company s financial status depends are those requiring estimates of recoverable ounces from proven and probable reserves and/or assumptions of future commodity prices. Such estimates and assumptions affect the value of inventories (which are stated at the lower of average cost or net realizable value) and the potential impairment of long-lived assets. These estimates and assumptions also affect the rate at which depreciation and amortization are charged to earnings.

Property, Plant, and Equipment balances are stated at cost, reduced by provisions to recognize economic impairment in value when management determines that such impairment has occurred. Mineral property, buildings and improvements, and machinery and equipment are depreciated using either the straight-line method or the units-of-production method over the estimated useful lives as of the in-service date or date of major improvements. We evaluate the realizability of our long-lived assets, property, plant and equipment, whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment loss exists when estimated undiscounted cash flows expected to result from the use of the asset and its eventual disposition are less than its carrying amount. Any impairment loss recognized represents the excess of the asset s carrying value as compared to its estimated fair value.

Reclamation and Remediation costs are based principally on legal and regulatory requirements. Management estimates costs associated with reclamation of mining properties as well as remediation cost for inactive properties. Such costs related to active mines are accrued and charged over the expected operating lives of the mines using the units-of-production method.

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The estimated undiscounted cash flows generated by our assets and the estimated liabilities for reclamation and remediation are determined using the Company s assumptions about future costs, mineral prices, mineral processing recovery rates, production levels and capital and reclamation costs. Such assumptions are based on the Company s current mining plan and the best available information for making such estimates. On an ongoing basis, management evaluates its estimates and assumptions; however, actual amount could differ from those based on such estimates and assumptions.

Significant Mining Properties

The Company s currently operating mines consist of the Rochester Mine, a heap leach silver and gold mine in northern Nevada of which the Company owns 100%, and the Galena Mine, an underground silver mine in Idaho that is 100% owned by Coeur s wholly-owned subsidiary, Coeur Silver Valley, Inc. The Company suspended operations at its wholly-owned Fachinal Mine in Chile in December 2000 in order to focus its efforts on the adjacent Cerro Bayo Project where Coeur plans to commence gold and silver production at an open pit and underground mine in May 2002. The Company also owns 100% of the San Bartolomé silver project in Bolivia where it is conducting final feasibility studies and expects to commence silver production in 2004, and the Kensington property in Alaska where Coeur is considering the possible development of an underground gold mine.

Risk Factors; Forward-Looking Statements

For information relating to important risks and uncertainties that could materially adversely affect the Company s business, financial condition or operating results, reference is made to the disclosure set forth under Item 1 above under the caption Risk Factors. In addition, because the following discussion includes numerous forward-looking statements relating to the Company, its results of operations and financial condition and business, reference is made to the information set forth above in Item 1 under the caption Important Factors Relating to Forward-Looking Statements.

Total Production and Reserves

The Company s total production in 2001 was 10.9 million ounces of silver and 96,000 ounces of gold, compared to 11.7 million ounces of silver and 145,000 ounces of gold in 2000. Coeur estimates that production in 2002 will be approximately 12.8 million ounces of silver and 93,000 ounces of gold. Total estimated proven and probable reserves at December 31, 2001 were approximately 83.4 million ounces of silver and 2.3 million ounces of gold, compared to silver and gold reserves at December 31, 2000 of approximately 88.1 million ounces and 2.4 million ounces, respectively.

The following tables present a reconciliation between Non-GAAP cash costs per ounce to GAAP production costs:

Year ended December 31, 2001

	Rochester	Galena	Petorca	Total
Production of Silver (ounces)	6,348,292	4,507,652	86,599	10,942,543
Production of Gold (ounces)	78,201		17,945	96,146
Equivalent units of production	11,175,640	4,507,652	19,348	
Cash Costs per ounce	$ 3.65	$ 4.62	$346.00	
Total Cash Costs	$ 40,791	$ 20,825	$ 6,694	$ 68,311
Add/Subtract:				
Third Party Smelting Costs	(892)	(5,970)	(2,101)	(8,963)
By-Product Credit		2,583		2,583
Accrued Reclamation Costs	1,309	652		1,961
Inventory Variations	6,440	(164)	(1,019)	5,257
Production Costs (GAAP)	47,648	17,926	3,574	$ 69,149

Year ended December 31, 2000

	Rochester	Galena	Fachinal	Petorca	Yilgarn Star	Total
Production of Silver (ounces)	6,678,274	4,013,891	939,882	57,854		11,689,901
Production of Gold (ounces)	75,886		16,077	26,891	26,046	144,900
Equivalent units of production	10,912,713	4,013,891	32,921	27,928	26,046	
Cash Costs per ounce	$ 3.90	$ 4.59	$ 447.00	$345.00	$227.00	
Total Cash Costs	$ 42,560	$ 18,424	$ 14,716	$ 9,635	$ 5,912	$ 91,246
Add/Subtract:						
Third Party Smelting Costs	(899)	(5,168)	(1,412)	(1,755)	(15)	(9,249)
By-Product Credit		2,248		903	8	3,159
Accrued Reclamation Costs	3,448	683	666			4,797
Inventory Variations	(6,245)	486	1,583	541	343	(3,292)
Production Costs (GAAP)	38,864	16,673	15,553	9,324	6,248	86,661

Year ended December 31,1999

	Rochester	Galena	Fachinal	Petorca	Yilgarn Star	Total
Production of Silver (ounces)	6,195,169	2,238,370	1,099,342	63,952		9,596,833
Production of Gold (ounces)	70,396		25,480	29,382	26,398	151,656
Equivalent units of production	9,933,130	2,238,370	46,184	30,586	26,398	
Cash Costs per ounce	$ 3.97	$ 5.09	$ 304.23	$271.28	$286.55	
Total Cash Costs	$ 39,435	$ 11,393	$ 14,050	$ 8,297	$ 7,564	$ 80,740
Add/Subtract:						
Third Party Smelting Costs	(795)	(3,402)	(1,851)	(1,963)	(11)	(8,022)
By-Product Credit		1,880		1,262	14	3,156
Accrued Reclamation Costs	667	166	913	(513)		1,233
Inventory Variations	(7,219)	(164)	(1,791)	(816)	(220)	(10,210)
Production Costs (GAAP)	32,088	9,873	11,321	6,267	7,347	66,896

Cash Costs per Ounce are calculated by dividing the cash costs computed for each of the Company s mining properties for a specified period by the amount of gold ounces or silver ounces produced by that property during that same period. Management uses cash costs per ounce as a key indicator of the profitability of each of its mining properties. Gold and silver are sold and priced in the world financial markets on a US dollar per ounce basis. By calculating the cash costs from each of the Company s mines on the same unit basis, management can easily determine the gross margin that each ounce of gold and silver produced is generating.

Cash Costs are costs directly related to the physical activities of producing silver and gold, and include mining, processing and other plant costs, deferred mining adjustments, third-party refining and smelting costs, marketing expense, on-site general and administrative costs, royalties, in-mine drilling expenditures that are related to production and other direct costs. Sales of by-product metals are deducted from the above in computing cash costs. Cash costs exclude depreciation, depletion and amortization, corporate general and administrative expense, exploration, interest, and pre-feasibility costs and accruals for mine reclamation. Cash costs calculated and presented using the Gold Institute Production Cost Standard applied consistently for all periods presented.

Total cash costs per ounce is a non-GAAP measurement and you are cautioned not to place undue reliance on it and are urged to read all GAAP accounting disclosures presented in the consolidated financial statements and accompanying footnotes. In addition, see the reconciliation of cash costs to production costs above.

SFAS 121 Impairment Reviews; Write-down of Mining Properties

In accordance with Statement of Financial Accounting Standards No. 121, Accounting for the Impairment of Long-Lived Assets and Long-Lived Assets to be Disposed Of (SFAS 121), the Company reviews the carrying value of its assets whenever events or changes in circumstances indicate that the carrying amount of its assets may not be fully recoverable. As of December 31, 2001, due to the continuing low prices of silver and gold, the Company reviewed the carrying value of all its properties based on an assumed long-term gold prices starting at $275 and increasing to $300 per ounce and silver prices starting at $4.50 and increasing to $5.50 per ounce. As a result of that review, the Company recorded a $6.1 million write-down in the carrying value of its Kensington property during the year ended December 31, 2001.

The following table summarizes write-downs and other:

	2001	2000	1999
Mineral property write-downs(1)	$6,087	$12,207	$16,193
Mine closure and holding costs(2)	1,453	3,825	4,011
Investment in new business venture(3)	460	1,004	
Basin litigation settlement(4)		4,200	
Loss on receivable from Handy & Harman(5)	1,354		
Write-down of mineral properties and other	$9,354	$21,236	$20,204

(1) 2001 Kensington mine; 2000 Gasgoyne mine; 1999 Yilgarn Star mine
(2) 2001 Petorca mine; 2000 Fachinal Mine; 1999 Golden Cross mine

(3) Mine depot costs

(4) Settlement with government re: Coeur d Alene Basin environmental issues

(5) Amount of ore carried at Handy & Harman during its bankruptcy

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Results of Operations

Year Ended December 31, 2001 Compared to Year Ended December 31, 2000

Revenues

Sales of concentrates and doré in the year ended December 31, 2001 decreased by $24.0 million, or 26%, from the year ended December 31, 2000 to $69.2 million. The decrease in sales was primarily attributable to lower realized gold and silver prices accounting for approximately $9.6 million of the decrease, and decreased production of silver from most of its mines, offset in part by increased gold production at the Rochester mine and increased silver production at the Galena mine compared to 2000, the net of which amounted to the remaining $14.4 million of the decrease. In the year ended December 31, 2001, the Company produced a total of 10.9 million ounces of silver and 96,000 ounces of gold compared to 11.7 million ounces of silver and 145,000 ounces of gold in 2000. In the year ended December 31, 2001, Company realized average silver and gold prices of $4.34 and $275, respectively, compared with realized average prices of $4.94 and $307, respectively, in the prior year. The decline in gold and silver production was primarily due to the sale of the Company s interest in Gasgoyne which caused a decline of approximately 26,000 gold ounces, as well as the suspension of production at Fachinal which amounted to 16,000 ounces less gold produced as well as a decline in silver ounces produced by approximately 940,000 ounces. This was partially offset by higher gold production at Rochester of 2,000 ounces of gold, and higher silver production at Galena of approximately 494,000 ounces of silver.

Interest and other income in the year ended December 31, 2001 decreased by $5.3 million compared with year ended December 31, 2000. The decrease is primarily due to less interest income received as a result of lower interest rates and lower cash balances and a $4.1 million gain recorded in 2000 on the mark to market adjustment of the call option portion of the Company s hedge program.

Costs, Expenses and Write-downs

The following table sets forth year 2001 versus year 2000 costs, expenses and write-downs:

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Production costs in the year ended December 31, 2001 decreased by $17.5 million, or 20%, from the year ended December 31, 2000 to $69.1 million. The decrease in production costs is primarily a result of decreased production at Fachinal in 2001, accounting for $15.3 million of the decrease, and the sale of the Yilgarn Star mine in the first quarter of 2001 which amounted to an additional $7.3 million decrease in production costs. These decreases were partially offset by increased production costs at the Rochester Mine of $3.0 million and increased production costs at the Galena mine of $0.9 million.

Depreciation and amortization decreased in the year ended December 31, 2001 by $9.4 million, or 45%, from the prior year, primarily due to there being no depletion or amortization taken at the Fachinal mine due to its temporary suspension of operations which resulted in $4.2 million of the decrease and no depletion associated with the Yilgarn Star mine due to sale of the Company s interest in early February 2001, amounting to $2.3 million of the decrease.

Administrative and general expenses decreased $1.0 million in the year ended December 31, 2001 compared to 2000, due to continuing efforts to conserve cash.

Exploration expenses decreased $0.3 million in the year ended December 31, 2001 compared to 2000, due to reduced spending.

Pre-feasibility expense recorded in the year ended 2001 increased $1.0 million compared to the same period of 2000 due to increased expenses at San Bartolomé.

Interest expenses decreased $2.4 million in the year ended December 31, 2001 compared to 2000, due to the Company s debt reduction program discussed below.

Write-downs of mining properties and other expenses amounted to $9.4 million in 2001, primarily as a result of (i) a write-down of $6.1 million in the carrying value of the Kensington property, (ii) the $1.4 million write-down of inventory resulting from the Handy & Harmon bankruptcy and (iii) $1.4 million of holding costs at Fachinal and Kensington. Write-downs of mining properties and other expenses in 2000 amounted to a total of $21.2 million, primarily as a result of (i) a write-down of $12.2 million reflecting the excess book value of the Company s shares in Gasgoyne above the $15.6 million price for which the Company sold such shares on February 7, 2001; and (ii) recognition of $4.2 million in connection with the settlement of the federal natural resources lawsuit, of which $3.9 million represented payments made by the Company to the U.S. Government and the balance consisted of estimated land transfer expenses and legal fees.

Income Taxes and Extraordinary Items

As a result of the above, the Company s net loss from continuing operations before taxes and extraordinary items amounted to approximately $51.3 million in 2001 compared to $63.6 million in 2000. An income tax benefit of $6,000 was recorded in 2001, compared to a provision for income taxes of approximately $348,000 in 2000. The Company s loss before extraordinary items therefore amounted to $51.3 million in 2001 compared to $63.9 million in 2000. As more fully discussed below under Debt Reduction Program, the Company recorded an extraordinary gain of approximately $48.2 million in 2001, compared to an extraordinary gain of $16.1 million in 2000, in connection with the Company s early retirement of debt.

Net Loss

As a result of the above, the Company s net loss amounted to approximately $3.1 million in the year ended December 31, 2001 compared to a net loss of $47.8 million in the year ended December 31,

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2000. The net loss attributable to common shareholders was $0.07 per share for the year ended December 31, 2001, compared to a net loss $1.41 per share for the year ended December 31, 2000. During 2000, the Company paid approximately $2.2 million of dividends to the holders of its outstanding MARCs, which were mandatorily converted into common stock on March 15, 2000.

Year Ended December 31, 2000 Compared to Year Ended December 31, 1999

Revenues

Sales of concentrates and doré increased by $6.9 million, or 7.9%, for the year ended December 31, 2000 as compared to the same period of 1999, primarily as a result of higher silver production levels at the Rochester and Silver Valley mines which accounts for $10.4 million of the increase, offset in part by decreases in the realized silver price amounting to a decrease of $5.1 million and the amount of gold produced amounting to a decrease of $2.1 million. During 2000, the Company produced a total of 11.7 million ounces of silver and 145,000 ounces of gold compared to 9.6 million ounces of silver and 152,000 ounces of gold in 1999.

Spot silver and gold prices averaged $5.00 and $279 per ounce, respectively, in 2000 compared to $5.25 and $279 per ounce, respectively, in 1999. During 2000, the Company realized average silver and gold prices of $4.94 and $307 per ounce, respectively, compared with realized prices of $5.23 and $319, respectively, in 1999.

Interest and other income decreased by $14.6 million, or 65%, in 2000 compared to 1999. The decrease was primarily due to a $21.1 million net gain from the favorable settlement in the third quarter of 1999 of a lawsuit with Cyprus Minerals Company relating to the Golden Cross mine, reduced by a loss of $4.3 million arising from the non-cash mark to market adjustment on gold call options sold by the Company.

Costs, Expenses and Write-downs

The following table sets forth year 2000 versus year 1999 costs, expenses and write downs:

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For the year ended December 31, 2000, total expenses increased by $23.9 million. The increase is primarily attributable to the increased production costs of $19.8 million as a result of the increase in ownership of the Galena mine and increased production costs at the Fachinal and Petorca mines discussed below.

Production costs increased by $19.8 million in 2000. The increase was primarily due to increased ownership of the Galena mine from 50% to 100% in September 1999 amounting to $11.0 million of the increase and increased cash costs per ounce at the Fachinal mine for an increase of $7.4 million and at the Petorca mine for an increase of $0.6 million. Depreciation and depletion expense increased $1.2 million in 2000 compared to 1999, primarily due to higher production at the Rochester and Galena mines. Administration and general expenses increased $0.4 million in 2000, 5% above 1999. Exploration expense for 2000 decreased by $0.4 million, or 10%, compared to 1999. Pre-feasibility expenditures increased due to increased level of expenditures at the San Bartolomé silver project in Bolivia.

Cash costs per ounce of silver equivalent at the Rochester mine decreased to $3.90 in 2000 compared to $3.97 per ounce in 1999. The decrease was due to operating improvements that included increasing the capacity of the conveyor system and the crushing circuit as well as increasing solution flow on the leach pad by approximately 15%. Cash costs at the Galena Mine were $4.59 per silver ounce in 2000 compared to $5.09 in 1999. The decrease was primarily a result of improved ore grades from more productive vein structures at depth and an increase in mill throughput. Cash costs at the Petorca mine in 2000 averaged $345 per ounce of gold versus $271 in 1999. The increase was the result of the mining of lower grade ore, partially offset by increases in tons mined and in mill throughput. Cash costs at Fachinal were $447 per ounce for the year ended December 31, 2000 compared to $304 per ounce in the previous year. The increase was primarily due to a shortfall in production partially due to lower ore grades and a reduction in tons milled, but mainly due to severe winter weather conditions that affected most of southern Chile. The cash costs at the Yilgarn Star mine for the year ended December 31, 2000 were $227 per gold ounce compared to $287 per gold ounce for 1999. The reduction in cash costs was achieved in spite of the scheduled mining of lower grade ore, by implementing operating improvements to the crushing circuit, and a weaker Australian dollar.

Write-downs of mining properties and other expenses amounted to $21.2 million in 2000, primarily as a result of:

a write-down of $12.2 million reflecting the excess book value of the Company s shares in Gasgoyne above the $15.6 million price for which the Company sold such shares on February 7, 2001, and

recognition of $4.2 million in connection with the settlement of the federal natural resources lawsuit, of which $3.9 million represented payments to be made by the Company to the U.S. Government and the balance consisted of estimated land transfer expenses, minor clean-up costs and legal fees. Write-downs of mining properties and other expenses in 1999 amounted to $20.2 million primarily as a result of the $16.2 million SFAS 121 impairment write-down of the Yilgarn Star mine.

Income Taxes and Extraordinary Items

As a result of the above, the Company s loss before income taxes and extraordinary items was $63.6 million in 2000 compared to a loss before income taxes and extraordinary items of $32.0 million in 1999. The Company reported an income tax provision of $300,000 for 2000 and 1999. In 2000, the Company recorded an extraordinary gain on the early retirement of debt (net of taxes) of $16.1 million and paid $2.2 million in preferred stock dividends.

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Net Loss

As a result of the above, the Company reported a net loss attributable to common shareholders of $50.0 million, or $1.41 per share in 2000, compared to $38.9 million, or $1.61 per share, in 1999. The reduced per share amount of the net loss attributable to common shareholders in 2000, notwithstanding the increased total dollar amount of such net loss, was due to the increase in the weighted average number of shares of common stock outstanding during 2000.

Liquidity and Capital Resources

Working Capital; Cash and Cash Equivalents

The Company s working capital at December 31, 2001 was approximately $39.8 million compared to $93.0 million at December 31, 2000. The ratio of current assets to current liabilities was two to one at December 31, 2001 compared to 4.7 to one at December 31, 2000. The reduction in working capital is primarily the result of the 6% Convertible Subordinated Debentures due 2002 being reclassified as a current liability and cash used in operations.

Net cash used in operating activities in 2001 was $29.9 million compared with $23.8 million used in operating activities in 2000. The most significant non-cash items included in the net loss in 2001 were (1) $48.2 million extraordinary gain on the early retirement of debt, (2) $6.1 million write-down on the carrying amount of Kensington development property, and (3) $2.9 million interest expenses on the 13-3/8% Convertible Senior Subordinated Notes due 2003 paid with common stock.

A total of $12.6 million was provided by investing activities in 2001 compared to $10.0 million used in 2000. The most significant investing activity in 2001 was the sale of the Company s interest in Gasgoyne for cash proceeds of approximately $14.9 million.

The Company s financing activities used $3.2 million during 2001 compared to $17.9 million used in 2000. The most significant financing activities in 2001 were $2.2 million cash costs on the exchange offer described later in MD&A and $0.7 million used to repurchase debentures. As a result, the Company s net cash decreased in 2001 by $20.5 million compared with a net cash decrease of $51.7 million in 2000.

At December 31, 2001, the Company had outstanding $23.2 million principal amount of its 6% Convertible Subordinated Debentures due 2002 (the 6% Debentures) which mature on June 10, 2002. The Company s cash and cash equivalents and short-term investments at December 31, 2001 totaled approximately $18.2 million. As a result of private exchange transactions completed between January 1, 2002 and March 22, 2002, the total amount of outstanding 6% Debentures had been reduced to $19.8 million.

The Company is endeavoring to increase its liquidity and/or further reduce the principal amount of its outstanding 6% Debentures in order to be able to fund the payment upon maturity of outstanding 6% Debentures on June 10, 2002 by:

Effecting additional private exchange transactions under which either common stock or 13-3/8% Convertible Senior Subordinated Notes due December 31, 2003 (the 13-3/8% Notes) will be exchanged for outstanding 6% Debentures;

The placement of bank debt to fund the start up of, or the sale of an equity interest in, the Company s Cerro Bayo Mine in southern Chile; and/or

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The private sale of other debt or equity securities.

The potential sale of certain assets of the Company.

The Company presently plans to complete one or more of the above transactions prior to June 10, 2002. The Company believes in that regard, cash flows from mining operations, the proceeds from financings and/or reduced indebtedness resulting from additional exchange transactions will enable the Company to fund the retirement of maturing 6% Debentures on June 10, 2002 and other anticipated capital expenditures during the balance of 2002. In that regard, the Company estimates that it will expend approximately $6.8 million of capital expenditures during 2002, which includes approximately $2.5 million for development at Cerro Bayo, and $2.2 million at Rochester Mine, including $1.0 million for pad expansion and $2.1 million at Galena mine for resource development

No assurance can be given that the Company will be able to increase its liquidity and/or further reduce the principal amount of its outstanding 6% Debentures. The Company s liquidity will be adversely affected if such transactions are not effected on satisfactory terms. If the Company fails to pay the principal amount of the 6% Debentures on their maturity when due, such failure will be deemed to be an event of default under the Indenture relating to the 6% Debentures and entitle the trustee to declare the 6% Debentures to be immediately due and payable. Furthermore, such a default also would constitute an event of default under the Indentures relating to the 13-3/8% Notes, 6-3/8% Debentures and 7-1/4% Debentures, which could cause these Notes or Debentures, the total outstanding principal amount of which amounted to $122.3 million at December 31, 2001, to be immediately due and payable. Such events could cause the Company to seek relief under the Chapter 11 of the Bankruptcy Code.

Debt Reduction Program

During the past four years, the Company has pursued a program of restructuring and reducing its outstanding indebtedness.

1998-2000 Repurchases

In 1998, the Company repurchased approximately $4.0 million principal amount of its outstanding 6% Debentures, approximately $36.5 million principal amount of its outstanding 7-1/4% Debentures and $1.6 million principal amount of its outstanding 6-3/8% Debentures for a total purchase price of approximately $28.5 million. During 1999, the Company repurchased approximately $10.2 million principal amount of its outstanding 6% Debentures for a total purchase price of approximately $6.2 million. During 2000, the Company repurchased approximately $9.1 million principal amount of its outstanding 6% Debentures and $22.0 million principal amount of its outstanding 7 1/4% Debentures for a total purchase price of approximately $13.9 million.

2001 Transactions

Public Exchange Offer

On June 29, 2001, the Company commenced an offer to exchange its new 13-3/8% Notes in exchange for its outstanding 6%, 6-3/8% and 7-1/4% Debentures. The Company offered $1,000 principal amount of 13-3/8% Notes for each $2,000 principal amount of 6-3/8% and 7-1/4% Debentures, and $1,000 principal amount of 13-3/8% Notes in exchange for each $1,000 principal amount of 6% Debentures. The exchange offer was completed on July 30, 2001 and on August 1, 2001, the Company issued a total of approximately $42.6 million principal amount of 13-3/8% Notes in exchange for the approximately $2.0 million principal amount of 6% Debentures, $26.6 million principal amount of 6-

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3/8% Debentures and $54.5 million principal amount of 7-1/4% Debentures that were tendered and accepted in the exchange offer. In addition, the Company sold $25,000 principal amount of 13-3/8% Notes for cash in connection with the offer. The exchange offer reduced the Company s outstanding long-term debt by approximately $39.9 million and increased shareholders equity by approximately $38.6 million. As a result of the exchange offer, the Company recorded an extraordinary gain of approximately $39.2 million, net of offer costs.

The 13-3/8% Notes are senior in right of payment to the 6%, 6-3/8% and 7-1/4% Debentures. The 13-3/8% Notes are convertible into Coeur common stock, at any time prior to maturity at a conversion price of $1.35 per share, subject to adjustment. Interest is payable semi-annually on June 30 and December 31 of each year. The Company is entitled to elect to pay interest in cash or stock, in its sole discretion. The Company elected to pay the $2.9 million of interest payable on December 31, 2001 in common stock, issuing a total of 3.4 million shares of common stock in payment thereof. At any time prior to December 31, 2003, the holders of 13-3/8% Notes may elect to convert their notes into common stock. The Company may elect to automatically convert the 13-3/8% Notes during the first two years after issuance if the closing price of the common stock exceeds 200% of the conversion price for at least 20 trading days during a 30-day trading period ending within five trading days prior to the notice of automatic conversion. If an automatic conversion occurs within the first two years after issuance, or if holders elect to convert their 13-3/8% Notes within the first two years after issuance and prior to notice of any automatic conversion, the Company will make a payment to holders in cash, or at the Company s option, in common stock, equal to two full years of interest, less interest actually paid. The 13-3/8% Notes are redeemable at the option of the Company two years after issuance, subject to certain conditions, and at the option of the holders in the event of a change in control.

By December 31, 2001, the holders of a total of approximately $1.8 million principal amount of 13-3/8% Notes had converted their notes into a total of 1.7 million shares of common stock. Subsequent to December 31, 2001 and prior to March 15, 2002, the holders of an additional $5.7 million principal amount of 13-3/8% Notes converted their notes into a total of 5.1 million shares of common stock.

Private Exchange Transactions

In the first quarter of 2001, the Company repurchased $5.0 million principal amount of outstanding 7-1/4% Debentures in exchange for 1,787,500 shares of common stock. As a result, the Company recorded an extraordinary gain of approximately $3.0 million, net of taxes of zero, in connection with the reduction of indebtedness. In the second quarter of 2001, the Company repurchased a total of $11.0 million principal amount of 7-1/4% Debentures in exchange for 4,257,618 shares of common stock. As a result, the Company recorded an extraordinary gain of approximately $5.8 million, net of deferred offering costs and taxes.

2002 Exchanges and Conversions

During the period from January 1, 2002 to March 22, 2002, the Company repurchased a total of $3.4 million principal amount of 6% Debentures in exchange for a total of 3.4 million shares of common stock. In addition, during this period, $5.7 million principal amount of the 13-3/8% Notes voluntarily converted to 5.1 million shares of common stock, including shares for interest in accordance with the make whole provision.

As stated above, the Company is endeavoring to effect additional repurchases of its outstanding 6% Debentures in privately negotiated exchange transactions prior to the maturity of the 6% Debentures on June 10, 2002.

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Building Loan

Under the terms of the Company s building loan agreement with Wells Fargo bank the company agreed to have the terms of the building loan reviewed after a five year interval ending on December 4, 2001, at which time the terms could be renegotiated. Wells Fargo has chosen at this time not to renegotiate the loan making the entire amount of $1.3 million due on December 4, 2001. The bank has extended the Company some time to seek alternative financing and the company is in the process of doing so. During this time the company has continued to make payments to the bank under the original terms of the agreement and will continue to do so until alternative financing can be attained. As a result, the amount of $1.3 million has been included in current liabilities at December 31, 2001. The Company intends to have alternative financing in place shortly after the end of the first quarter. If the company is unable to find alternative financing the remaining amount of the loan will be paid to the bank.

Agreement to Acquire the Martha Mine

In February 2002, the Company reached agreements in principle to fully acquire the Martha high-grade underground silver mine and other silver exploration properties located in Argentina, approximately 270 miles east of the Company s Cerro Bayo mine, and to make a strategic investment in Yamana Resources Inc. (Yamana), a mining company with holdings in Argentina.

Upon completion of final documentation, Coeur intends to immediately commence shipment of the Martha Mine s stockpiled high-grade ore to its 100 percent-owned Cerro Bayo Mine in Southern Chile for processing. Production at Cerro Bayo is scheduled to begin in May of this year and is expected to produce over 82,000 gold equivalent ounces in 2002 at a total cash cost of under $150 per ounce. On a gold equivalent basis, the acquisition of the Martha Mine is expected to increase Cerro Bayo s 2002 production 50 percent to 123,000 gold equivalent ounces and even further decrease cash operating costs.

Under the terms of the agreements, Coeur will acquire 100 percent of Yamana-owned Compania Minera Polimet S.A. (Polimet), an Argentinean corporation, which owns the Martha Mine and other silver exploration properties for total cash consideration of $2.5 million. The payment will be made to Northgate Exploration Ltd. (Northgate) in order to satisfy Yamana s total outstanding indebtedness to Northgate. Additionally, Coeur will acquire ten million common shares of Yamana, equivalent to approximately 10% of Yamana on a fully diluted basis, for $600,000.

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 as a party. Pursuant to the terms of the Consent Decree, dated May 14, 2001, the Company has paid the U.S. Government a total of approximately $3.9 million, of which $3.3 million was paid in May 2001 and the remaining $.6 million was paid in June 2001. 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 $0.6 million, (ii) accomplish certain cleanup work on the Mineral Point property (i.e., the former Coeur Mine site) and

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Caladay 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. The Company recorded $4.2 million of expenses, which included $3.9 million of settlement payments, in the fourth quarter of 2000 in connection with the settlement.

Lawsuit to Recover Inventory

During the first quarter of 2000, Handy & Harman Refining Group, Inc., (Handy & Harman) to which the Rochester Mine had historically sent approximately 50% of its doré, filed for Chapter 11 bankruptcy. The Company had 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 & Harman. The fair market value of the inventory has been estimated to be $1.2 million. On February 27, 2001, the Company commenced a lawsuit against Handy & Harman and certain others in the U.S. Bankruptcy Court for the District of Connecticut seeking recovery of the metals and/or damages. Handy & Harman s Chapter 11 liquidation plan was confirmed by the Bankruptcy Court in August 2001 and on November 3, 2001, the Company received approximately $294,000 from Handy & Harman as a partial payment under the plan. The liquidating custodian of Handy & Harman under the liquidation plan recently advised the Company that Handy & Harman intends to file suit against the Company prior to March 28, 2002 for the value of 100,000 ounces of silver (i.e., approximately $500,000) as a preference based on the Company s draw-down of its account at Handy & Harman in mid-March 2000. Based on this more recent legal action, the Company has determined that the recovery of any additional amounts would be remote. As a result, the Company has recorded a $1.4 million write-down of the carrying amount in the fourth quarter of 2001. Management of the Company and legal counsel believe that the threatened claims are without merit, and will vigorously any such suit.

Bunker Hill Action

On January 7, 2002, a private class action suit captioned Baugh v. Asarco, et al., was filed in the Idaho District Court for the First District (Lawsuit No. 2002131) in Kootenai County, Idaho against the companies that have been defendants in the prior Bunker Hill and natural resources litigation in the Coeur d Alene Basin, including the Company, by eight northern Idaho residents seeking medical benefits and property compensation from the mining companies involved in the Bunker Hill Superfund site. At this early stage of the litigation, the Company cannot predict the outcome of this suit.

Proposed Mining Legislation

Recent legislative developments may affect the cost of and ability of mining claimants to use the Mining Law of 1872, as amended, (the Mining Act) to acquire or use federal lands for mining operations. Since October 1994, a moratorium has been imposed on processing new patent applications for mining claims. Management believes that this moratorium will not affect the status of patent applications outstanding prior to the moratorium.

Legislation is presently being considered in the U.S. Congress to change the Mining Act under which the Company holds mining claims on public lands. It is possible that the Mining Act will be amended or be replaced by more onerous legislation in the future. The legislation under consideration, as well as regulations under development by the Bureau of Land Management, contain new environmental

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standards and conditions, additional reclamation requirements and extensive new procedural steps which would be likely to result in delays in permitting.

During the last several congressional sessions, bills have been introduced which would supplant or materially alter the Mining Act. If enacted, such legislation may materially impair the ability of the Company to develop or continue operations which derive ore from federal lands. No such bills have been passed and the extent of the changes, if any, which may be enacted by Congress is not presently known. A significant portion of Coeur s U.S. mining properties are on public lands. Any reform of the Mining Act or regulations thereunder based on these initiatives could increase the costs of mining activities on unpatented mining claims, and as a result could have an adverse effect on the Company and its results of operations. Until such time, if any, as new reform legislation or regulations are enacted, the ultimate effects and costs of compliance on the Company cannot be estimated.

Environmental Compliance Expenditures

For the years ended December 31, 1999, 2000 and 2001, the Company expended $7.0 million, $7.8 million and $5.5 million, respectively, in connection with routine environmental compliance activities at its operating properties. Such activities at the Rochester and Golden Cross mines include monitoring, bonding, earth moving, water treatment and revegetation activities.

The Company estimates that environmental compliance expenditures at its Kensington developmental property during 2002 will be approximately $600,000 to obtain permit modifications and other regulatory authorizations. Future environmental expenditures will be determined by governmental regulations and the overall scope of the Company s operating and development activities. The Company places a very high priority on its compliance with environmental regulations.

Development Expenditures

During 2001, the Company expended $0.6 million for engineering, optimization studies and permitting costs at the Kensington development property, $8 million at the Rochester mine, $2.3 million for continuing mine development at the Cerro Bayo property, $3.9 million at the Galena Mine. During 2002, the Company plans to expend $2.0 million at Kensington, $2.2 million for developmental activities at the Rochester mine, $2.0 million at the Galena mine and $2.5 million at Cerro Bayo.

Realization of Net Operating Loss Carryforwards

The Company has reviewed its net deferred tax asset, together with net operating loss carryforwards, and has not recognized potential tax benefits arising therefrom on the view that it is more likely than not that the deferred deductions and losses will not be realized in future years. In making this determination, the Company has considered the Company s history of tax losses incurred since 1989, current gold and silver prices and the ability of the Company to use accelerated depletion and amortization methods in the determination of taxable income.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

The Company is exposed to various market risks as a part of its operations. In an effort to mitigate losses associated with these risks, the Company may, at times, enter into derivative financial instruments. These may take the form of forward sales contracts, foreign currency exchange contracts and interest rate swaps. The Company does not actively engage in the practice of trading derivative securities for profit. This discussion of the Company s market risk assessments contains forward looking

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statements that contain risks and uncertainties. Actual results and actions could differ materially from those discussed below.

The Company s operating results are substantially dependent upon the world market prices of silver and gold. The Company has no control over silver and gold prices, which can fluctuate widely and are affected by numerous factors, such as supply and demand and investor sentiment. In order to mitigate some of the risk associated with these fluctuations, the Company will at times, enter into forward sale contracts. The Company continually evaluates the potential benefits of engaging in these strategies based on current market conditions. The Company may be exposed to nonperformance by counterparties as a result of its hedging activities. This exposure would be limited to the amount that the spot price of the metal falls short of the contract price. The Company has historically sold silver and gold produced by our mines pursuant to forward contracts and at spot prices prevailing at the time of sale. Since 1999, we have not engaged in any silver hedging activities.

The Company operates in several foreign countries, specifically Bolivia and Chile, which exposes it to risks associated with fluctuations in the exchange rates of the currencies involved. As part of its program to manage foreign currency risk, the Company will enter into foreign currency forward exchange contracts. These contracts enable the Company to purchase a fixed amount of foreign currencies. Gains and losses on foreign exchange contracts that are related to firm commitments are designated and effective as hedges and are deferred and recognized in the same period as the related transaction. All other contracts that do not qualify as hedges are marked to market and the resulting gains or losses are recorded in income. The Company continually evaluates the potential benefits of entering into these contracts to mitigate foreign currency risk and proceeds when it believes that the exchange rates are most beneficial.

All of the Company s long-term debt at December 31, 2001, is fixed-rate based. The Company s exposure to interest rate risk, therefore, is limited to the amount it could pay at current market rates. The Company currently does not have any derivative financial instruments to offset the fluctuations in the market interest rate. It may choose to use instruments, such as interest rate swaps, in the future to manage the risk associated with interest rate changes.

The following table summarizes the information at December 31, 2001 associated with the Company s financial liabilities and financial instruments:

	2002	2003	2004	2005	Total	Fair Value 12/31/01
Liabilities						
Short and Long Term Debt	$23,171	$41,399	$66,270	$14,650	$145,490	$71,643
Fixed Rate	8.629%	8.849%	7.007%	7.25%		
Average Interest Rate						
Derivative Financial Instruments						
Gold Forward Sales USD						
Ounces	7,500				7,500	$ 89
Price Per Ounce	$288.31					
Gold Call Options Sold USD(1)						
Ounces				24,640	24,640	$ (213)
Price Per Ounce	$	$	$	$346.46		

(1) 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.

Fair value is determined by trading information available on or near the balance sheet date for all the above securities. Long term debt represents the face amount of the outstanding debentures and is timed as they come due. The average interest rate in the table is calculated using the weighted average on the outstanding face amount of each debenture for the time period each debenture is outstanding. All long term debt is denominated in US dollars.

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Item 8. Financial Statements and Supplementary Data

The consolidated financial statements required hereunder and contained herein are listed under Item 14(a) below.

Item 9. Changes and Disagreements With Accountants on Accounting and Financial Disclosure

Not applicable

Part III

Item 10. Directors and Executive Officers of the Registrant

Directors of the Company	Age	Director Since
Dennis E. Wheeler	59	1978
Chairman of the Board of Coeur d Alene Mines Corporation since May 1992; President since December 1980; Chief Executive Officer since December 1986; Chief Administrative Officer from December 1980 to December 1986; Secretary from January 1980 to December 1980; Senior Vice President and General Counsel from 1978 to 1980. Member of the Board of Directors and Vice Chairman of the Audit Committee of Sierra Pacific Resources (a public utility holding company)		
Joseph C. Bennett	69	1981
Private investor and managing partner of family investment and mineral royalty partnership. Director of Equity Oil Company		
James J. Curran	62	1989
Chairman of the Board and Chief Executive Officer, First Interstate Bank, Northwest Region (Alaska, Idaho, Montana, Oregon and Washington) from October 1991 to April 30, 1996; Chairman of the Board and Chief Executive Officer, First Interstate Bank of Oregon, N.A. from February 1991 to October 1991; Chairman and Chief Executive Officer of First Interstate Bank of Denver, N.A., from March 1990 to January 1991; Chairman, President and Chief Executive Officer of First Interstate Bank of Idaho, N.A., from July 1984 to March 1990.		
James A. McClure	77	1991
Of Counsel, Givens & Pursley; Consultant to the Washington, D.C. consulting firm of McClure, Gerard & Neuenschwander, Inc.; United States Senator from Idaho from 1972 to 1990; former Chairman of the Senate Energy and Natural Resources Committee		

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Directors of the Company	Age	Director Since
Cecil D. Andrus	70	1995
Governor of Idaho (1971 1977 and 1987 1995); Secretary of the Department of the Interior (1977-1981). Director of Albertson s Inc. (a nation-wide grocery retail chain), Key Corp. (commercial banking) and RENTRAK (a video cassette leasing company). Chairman of the Andrus Center for Public Policy at Boise State University; Of Counsel member of the Gallatin Group (a policy consulting firm)		
John H. Robinson	51	1998
Executive Director of Amey PLC a (business support service) since April 1, 2000. Vice Chairman of Black & Veatch, an international engineering and construction firm, from January 1999 to March 2000; Chief Development Officer of that company from 1997 1998 and Managing Partner from 1996 1999; Chairman of Black and Veatch U.K., Ltd and President of Black & Veatch International from 1994 to March 2000. Member of the Board of Directors of Alliance Resource Partners LP (coal mining) and Protection One Inc. (security alarm monitoring services)		
Robert E. Mellor	58	1999
Chief Executive Officer and President of Building Materials Holding Corporation (distribution, manufacturing and sales of building materials and component products) since 1997, director since 1991; Of Counsel, Gibson, Dunn & Crutcher, LLP, 1991 1997. Member of the Board of Directors of The Ryland Group, Inc. (national residential home builder)		
Timothy R. Winterer	65	1998
President and Chief Operating Officer of Western Oil Sands since February 2000. President and Chief Executive Officer of BHP World Minerals Corporation (international resources company) from 1997 to 1998; Group General Manager and Executive Vice President, BHP World Minerals (1996 1997); Senior Vice President and Group General Manager, BHP World Minerals (1992 1996); Senior Vice President, Operations International Minerals, BHP Minerals (1985 1992); Executive Vice President, Utah Development Company (1981 1985)		

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Directors of the Company	Age	Director Since
Xavier Garcia de Quevedo Topete	55	1999
President and Chief Operating Officer of Asarco Incorporated since November 19, 1999. General Director of Grupo Ferroviario Mexicano, S.A. de C.V. and of Ferrocarril Mexicano, S.A. de C.V. from December 1997 to December 1999; General Director of Development and Projects of Grupo Mexico, S.A. de C.V. from 1994 to 1997 and Alternate Director of that company since 1998; director of Asarco Incorporated since 1999; and director of Southern Peru Copper Corporation since December 1999.		
Daniel Tellechea Salido	56	1999
Managing Director for Administration and Finance of Grupo Mexico S.A. DE C.V. since 1994; Alternate Director of Grupo Mexico since 1998; Managing Director of Mexicana De Cobre, S.A. DE C.V., 1986 1993; Director, Vice President and Chief Financial Officer of Asarco Incorporated since 1999; Director and Vice President of Finance of Southern Peru Copper Corporation since 1999.		

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires the Company s officers and directors, and persons who own more than 10% of a registered class of the Company s equity securities, to file reports of securities ownership and changes in such ownership with the Securities and Exchange Commission. Statements of Changes of Beneficial Ownership of Securities on Form 4 are required to be filed by the tenth day of the month following the month during which the change in beneficial ownership of securities ownership occurred. The Company believes that all reports of securities ownership and changes in such ownership required to be filed during 2001 were timely filed.

Executive Officers of the Company

Information regarding the Company s executive officers is set forth under Item 4A of this Form 10-K.

Item 11. Executive Compensation

The following Summary Compensation Table sets forth the annual salary, annual bonus (including cash and stock) and long-term compensation (including stock awards, options granted and long-term incentive cash payments) earned by our Chief Executive Officer and the other four highest paid executive officers employed at the end of the year for services rendered during each of the last three years.

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Summary Compensation Table

		Annual Compensation			Long-Term Compensation: Awards		Long-Term Compensation: Payouts	
Name and Principal Position	Year	Salary ($)	Bonus ($)(1)	Other Annual Compensation ($)(2)	LTPS Common Stock Award (#Sh)(3)	Shares Underlying Options (#Sh)(4)	LTPSP Payouts ($)(5)	All Other Compensation ($)(6)
Dennis E. Wheeler	2001	$485,658	$212,916			229,090		$35,668
Chairman, President Chief Executive Officer	2000	465,167	100,625		3,427		$2,143	59,551
	1999	426,399	394,281		4,438	75,364	9,615	43,585
Geoffrey A. Burns	2001	210,739	65,243					16,657
Senior Vice President Chief Financial Officer	2000	199,606	28,583					19,512
	1999	141,100	106,144					3,664
Robert Martinez(7)	2001	288,241	94,060			20,429		24,892
Senior Vice President Chief Operating Officer	2000	252,423	35,844		279		174	27,179
	1999	249,124	181,200		363	25,500	784	21,214
Dieter A. Krewedl	2001	193,318	46,612					15,674
Senior Vice President Exploration	2000	169,790	21,656					17,316
	1999	149,240	79,388					4,797
James K. Duff	2001	175,895	31,875			8,031		14,423
Vice President Business Development	2000	178,625	15,938		209		130	17,817
	1999	157,578	84,375			7,221		13,972

(1) Annual incentive payments under the AIP are paid in cash and based on target award levels established by the Compensation Committee at the beginning of each annual performance period and vary depending upon each participant s responsibilities and base salary. Awards under the AIP are paid after the annual performance period and vary from 0% to 200% of the targets based on actual performance. During 1999 and 2000, 75% of the award value was based on our company s overall financial performance and 25% was based on the participant s individual performance. During 2001, 50% of the award value was based on our Company s overall financial performance and 50% was based on the participant s individual performance. Financial objectives underlying the measurement of our company s performance include both total asset growth and cash flow return on total assets. The amounts reported above for 1999 and 2000 were paid in March 2000 and May 2001, respectively. The amounts reported above for 2001 were paid in March, 2002.

(2) Does not report perquisites amounting to less than the lesser of $50,000 or 10% of total salary and bonus.(3) Shares of common stock awarded under the LTPSP are

issued upon completion of a four-year performance period after the date of grant. Prior to 1993, the executive compensation program provided for annual awards of restricted stock that vested over a four-year period. Commencing in 1993, awards are paid in shares of common stock and cash in amounts that are not determinable until completion of a four-year award cycle. The aggregate number and market value (based on the $0.80 per share closing price of the shares on the New York Stock Exchange on December 31, 2001) of the restricted shares of common stock granted pursuant to the LTPSP prior to 1993 and held by the above executive officers at December 31, 2001 were as follows: Dennis E. Wheeler 27,774 shares ($22,291.20) and Robert Martinez 4,173 shares ($3,338.40).(4) Reports the number of shares underlying nonqualified options and incentive stock options granted under the LTIP with respect to each of the respective years. The options

granted with respect to 1999 performance were granted in March 2000, respectively. No options have been granted with respect to 2001 performance.(5) Reports cash payouts (not awards) under the LTPSP. Payments are made under the LTPSP after the end of the four-year performance period after award. The above reported payments relate to awards made in 1998 and are based on the performance period ending December 31, 2001. No long-term incentive plan awards have been made under the LTPSP with respect to services rendered in 2001.(6) Includes contributions to the Defined Contribution and 401(k) Retirement Plan (the Retirement Plan) and amounts credited to our Supplemental Retirement Plan. All full-time employees participate in the Retirement Plan. The amount of our annual contribution is determined annually by the Board of Directors and may not exceed 15% of the participants

aggregate compensation; however for the years 1999, 2000 and 2001, the contribution was 5%. In addition, the Retirement Plan provides for an Employee Savings Plan which allows each employee to contribute up to 16% of compensation, subject to a maximum contribution of $10,500. We contribute an amount equal to 50% of the first 6% of any such contributed amount. Accrued benefits under the Retirement Plan are fully vested after five years of employment. Retirement benefits under the Retirement Plan are based on a participant s investment fund account upon retirement, the participant s age and the form of benefit payment elected by the participant. We maintain the Supplemental Retirement Plan for our executive officers. Under the Supplemental Retirement Plan, an amount is accrued that equals the portion of the contribution to the Retirement Plan that is restricted due to restrictions under ERISA. In 2001, Messrs. Wheeler,

Martinez, Krewedl, Duff and Burns were credited with company contributions of $13,600, $13,600, $13,600 $13,600, and $13,600, respectively, under the Retirement Plan. In 2001, Messrs. Wheeler, Martinez, Krewedl, Duff and Burns credited with $20,805, $11,191, $1,964, $803, and $3,040, respectively, pursuant to the Supplemental Retirement Plan. The amounts of all other compensation reported in the above table

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also include above-market interest earnings on deferred compensation that is accrued under our Supplemental Retirement Plan. Above-market interest earnings on deferred compensation is the excess of such interest over 120% of the applicable federal long-term rate, with compounding, as prescribed under the Internal Revenue Code. In 2001, the amounts of above-market interest earnings accrued for the benefit of Messrs. Wheeler, Martinez, Krewedl, Duff and Burns, amounted to $1,262.41, $100.67, $10.03, 19.27 and $17.04, respectively.

(7) Prior to his appointment as Senior Vice President Chief Operating Officer on May 15, 1998, Mr. Martinez had served as Vice President Operations from April 1, 1997 to May 15, 1998.

The following Option Grants Table sets forth, for each of the named executive officers, information regarding individual grants of options granted under the LTIP in December 2001 and their potential realizable values. Information regarding individual option grants includes the number of options granted, the percentage of total grants to employees represented by each grant, the per-share exercise price and the expiration date. The potential realizable value of the options are based on assumed annual 0%, 5% and 10% rates of stock price appreciation over the term of the option. Also set forth is the amount of the increases in the value of all of the Company s outstanding shares of Common Stock that would be realized in the event of such annual rates of stock price appreciation. All of the reported grants were made in connection with an option exchange program which was approved by the Board of Directors and its Compensation Committee on May 8, 2001, and was extended to the four persons employed by the Company that held fully-vested options that had been granted to them between 1992 and 1997. The options entitled the holders to purchase an aggregate of 268,861 shares at exercise prices ranging from $13.125 to $20.875 per share during the ten-year period following grant. Pursuant to the option exchange program, on May 15, 2001, the four persons were extended the right prior to June 15, 2001 to tender and have cancelled their options granted between 1992 and 1997 and have a new option granted in exchange therefore on December 17, 2001 (which is six months and one day after June 15, 2001). Each of the four persons exercised their right and new, fully-vested options exercisable for a ten-year period were granted to them on December 17, 2001 at an exercise price equal to the market value of the common stock on that date.

Option Grants Table

	Individual Grants				Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation or Option Term(4)		
Name	Number of Shares Underlying Options Granted (#)(1)	% of Total Options Granted to Employees in Fiscal Year(2)	Exercise Price ($/SH)(3)	Expiration Date	0%($)	5%($)	10%($)
Dennis E. Wheeler	229,090	85.2	$0.74	12/17/11	$ 0	$107,672	$270,326
Robert Martinez(7)	20,429	7.6	0.74	12/17/11	0	9,602	24,106
James K. Duff	8,031	3.0	0.74	12/17/11	0	3,775	9,477
All Shareholders(5)					0	126,365	317,256

Named Executive Officers Gains as a % of All Shareholder Gains	0	.45%	.45%

(1) The options include nonqualified and incentive stock options that were fully-vested upon the date of grant.

(2) Based on options for a total of 268,861 shares granted to four persons.(3) The exercise price is equal to the closing sale price of the common stock reported on the New York Stock Exchange on the date of grant of the option.(4) The potential realizable values shown in the columns are net of the option exercise price. These amounts assume annual compounded rates of stock price appreciation of 0%, 5%, and 10% from the date of grant to the option expiration date, a term of ten years. These rates have been set by the U.S. Securities and Exchange Commission and are not intended to forecast future appreciation,

if any, of the Company s Common Stock. Actual gains, if any, on stock option exercises are dependent on several factors including the future

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performance of the Company s Common Stock, overall stock market conditions, and the optionee s continued employment through the vesting period. The amounts reflected in this table may not actually be realized.

(5) Total dollar gains based on assumed annual rates of appreciation shown and the 56,769,732 shares of Common Stock outstanding on March 29, 2002.

The following aggregate Option Exercises and Year-End Option Value Table sets forth, for each of the named executive officers, information regarding the number and value of unexercised options at December 31, 2001. No options were exercised during 2001 by such persons.

Aggregate Option Exercises and Fiscal Year-End Option Value Table

Name	Shares Acquired on Exercise (#)	Value Realized($)	Number of Shares Underlying Unexercised Options at FY-End (#)		Value of Unexercised IN-THE-MONEY Options at FY-End ($)(1)
			Exercisable	Unexercisable	Exercisable/ Unexercisable
Dennis E. Wheeler			286,205	84,802	$13,745
Robert Martinez			40,696	29,333	1,226
Geoffrey A. Burns			4,914	14,742	0
Dieter A. Krewedl			4,983	7,596	0
James K. Duff			12,507	7,394	482

(1) Market value of underlying securities at exercise or year-end, minus the exercise price.

No long-term incentive plan awards have been made for services rendered in 2001 under the LTPSP. Therefore, no Long-Term Incentive Plan Awards Table is set forth in this report.

Item 12. Security Ownership of Certain Beneficial Owners and Management

The following table sets forth information, as of March 29, 2002, concerning the beneficial ownership of our common stock by shareholders known by us to be the beneficial owner of more than 5% of our outstanding shares of common stock, by each of the nominees for election as directors, and by all of our directors/nominees and executive officers as a group:

	Shares Beneficially Owned	Percent of Outstanding
Asarco Incorporated(1)	7,175,000	12.55

Dennis E. Wheeler	479,438(2)(3)	.85
Joseph C. Bennett	20,792(2)(3)	*
James J. Curran	104,597(2)(3)	.18
James A. McClure	16,433(3)	*
Cecil D. Andrus	16,186(3)	*
John H. Robinson	14,281(3)	*
Robert E. Mellor	13,332(3)	*
Timothy R. Winterer	27,464(3)	*
Daniel Tellechea Salido	12,127(3)(4)	*
Xavier Garcia de Quevedo Topete	12,127(3)(4)	*
All executive officers and nominees for director as a group (18 persons)	939,212	1.65

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(*) Holding constitutes less than .10% of the outstanding shares.

(1) Asarco Incorporated is primarily engaged in the mining and production of copper and is a wholly-owned subsidiary of Grupo Mexico, S.A. de C.V., a copper and precious metals mining company headquartered in Mexico. The address of Asarco Incorporated is 1150 N. 17th Avenue, Tucson, AZ 85703-0747.(2) Individual shares investment and voting powers over certain of his shares with his wife. The other directors have sole investment and voting power over their shares.(3) Holding includes the following shares which may be acquired upon the exercise of exercisable options outstanding under our Long-Term Incentive Plan or Non-Employee Directors Stock Option Plan: Dennis E. Wheeler 422,700 shares; Joseph C. Bennett 17,792 shares; James J. Curran

104,497 shares; James A. McClure 16,083 shares; Cecil D. Andrus 16,086 shares; John H. Robinson 14,181 shares; Robert E. Mellor 13,232 shares; Timothy R. Winterer 26,464 shares; Daniel T. Salido 12,127 shares; Xavier G. de Q. Topete 12,127 shares; and all executive officers and directors as a group 872,230 shares.(4) Daniel T. Salido and Xavier G. de Q. Topete are designees of Grupo Mexico, S.A. de C.V., a Mexican copper mining company that is the parent of Asarco Incorporated.

Item 13. Certain Relationships and Related Transactions

Not applicable.

Part IV

Item 14. Exhibits, Financial Statement Schedules, and Reports on Form 8-K

(a) The following financial statements are filed herewith:

(1) The following consolidated financial statements of Coeur d Alene Mines Corporation and subsidiaries are included in Item 8:

Consolidated Balance Sheets December 31, 2000 and 2001.

Consolidated Statements of Operations Years Ended December 31, 1999, 2000 and 2001.

Consolidated Statements of Changes in Shareholders Equity for the Years Ended December 31, 1999, 2000 and 2001.

Consolidated Statements of Cash Flows for the Years Ended December 31, 1999, 2000 and 2001.

Notes to Consolidated Financial Statements.

(b) Reports on Form 8-K: No Current Reports on Form 8-K were filed by the Company during the fourth quarter of 2001.

(c) Exhibits: The following listed documents are filed as Exhibits to this report:

3(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.)

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3(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.)
3(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.)
3(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(a)	-	Specimen certificate of the Registrant s stock. (Incorporated herein by reference to Exhibit 4 to the Registrant s Registration Statement on Form S-2 (File No. 2-84174).)
4(b)	-	Indenture, dated as of June 10, 1987, between the Registrant and Citibank, N.A., as Trustee, relating to the Registrant s 6% Convertible Subordinated Debentures Due 2002. (Incorporated herein by reference to Exhibit 4 to the Registrant s Current Report on Form 8-K dated June 10, 1987.)
4(c)	-	Form of Indenture, dated as of October 15, 1997, between the Registrant and Bankers Trust Company, as Trustee, relating to the Registrant s 7 1/4% Convertible Subordinated Debentures due 2005. (Incorporated herein by reference to Exhibit No. 4 to the Registrant s Current Report on Form 8-K filed on October 16, 1997.)
4(d)	-	Indenture, dated as of January 26, 1994, between the Registrant and Bankers Trust Company relating to the Registrant s 6 3/8% Convertible Subordinated Debentures Due 2004. (Incorporated herein by reference to Exhibit 10(gg) to the Registrant s Annual Report on Form 10-K for the year ended December 31, 1993.)
4(e)	-	Form of Indenture, dated as of August 1, 2001, between the Registrant and The Bank of New York, as Trustee, relating to the Registrant s 13 3/8% Convertible Senior Subordinated Notes due December 31, 2003. (Incorporated by reference to Exhibit 4 to the Registrant s Quarterly Report on Form 10-Q for the quarter ended June 30, 2002.)
10(a)	-	Executive Compensation Program. (Incorporated herein by reference to Exhibit 10(e) to the Registrant s Annual Report on Form 10-K for the year ended December 31, 1989.)*

* Management contract or compensatory plan.

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10(b)	-	Lease agreement, dated as of October 10, 1986, between Manufacturers Hanover Commercial Corporation and Coeur-Rochester, Inc. (Incorporated herein by reference to Exhibit 10(a) to Registrant s Current Report on Form 8-K, dated October 10, 1986.)
10(c)	-	Agreement, dated January 1, 1994, between Coeur-Rochester, Inc. and Johnson Matthey Inc. (Incorporated herein by reference to Exhibit 10(m) of the Registrant s Annual Report on Form 10-K for the year ended December 31, 1993.)
10(d)	-	Refining Agreement dated January 24, 1994, between the Registrant and Handy & Harman. (Incorporated herein by reference to Exhibit 10(n) of the Registrant s Annual Report on Form 10-K for the year ended December 31, 1993.)
10(e)	-	Master Equipment Lease No. 099-03566-01, dated as of December 28, 1988, between Idaho First National Bank and the Registrant. (Incorporated herein by reference to Exhibit 10(w) of the Registrant s Annual Report on Form 10-K for the year ended December 31, 1988.)
10(f)	-	Master Equipment Lease No. 01893, dated as of December 28, 1988, between Cargill Leasing Corporation and the Registrant. (Incorporated herein by reference to Exhibit 10(x) of the Registrant s Annual Report on Form 10-K for the year ended December 31, 1988.)
10(g)	-	Rights Agreement, dated as of May 11, 1999, between the Registrant and ChaseMellon Shareholder Services, L.L.C., as Rights Agent. (Incorporated herein by reference to Exhibit 1 to the Registrant s Form 8-A relating to the registration of the Rights on the New York and Pacific Stock Exchanges.)
10(h)	-	Amended and Restated Profit Sharing Retirement Plan of the Registrant. (Incorporated herein by reference to Exhibit 10(ff) to the Registrant s Annual Report on Form 10-K for the year ended December 31, 1993.)*
10(i)	-	1993 Annual Incentive Plan and Long-Term Performance Share Plan of the Registrant. (Incorporated herein by reference to Exhibit 10(jj) to the Registrant s Annual Report on Form 10-K for the year ended December 31, 1993.)*
10(j)	-	Supplemental Retirement and Deferred Compensation Plan, dated January 1, 1993, of the Registrant. (Incorporated herein by reference to Exhibit 10(kk) to the Registrant s Annual Report on Form 10-K for the year ended December 31, 1993.)*

* Management contract or compensatory plan.

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10(k)	-	Lease Agreement, dated January 12, 1994, between First Security Bank of Idaho and Coeur Rochester, Inc. (Incorporated herein by reference to Exhibit 10(mm) to the Registrant s Annual Report on Form 10-K for the year ended December 31, 1993.)
10(l)	-	Non-employee Directors Retirement Plan effective as of March 19, 1993, of the Registrant. (Incorporated herein by reference to Exhibit 10(oo) to the Registrant s Annual Report on Form 10-K for the year ended December 31, 1993.)*
10(m)	-	Extension of Employment and Severance Agreement between the Registrant and Dennis E. Wheeler, dated June 28, 1994. (Incorporated by reference to Exhibit 10 (nn) to the Registrant s Annual Report on Form 10-K for the year ended December 31, 1994.)*
10(n)	-	401k Plan of the Registrant. (Incorporated by reference to Exhibit 10 (pp) to the Registrants Annual Report on Form 10-K for the year ended December 31, 1994.)*
10(o)	-	Option Agreement of October 24, 1994 between Compania Minera El Bronce and CDE Chilean Mining Corporation. (Incorporated by reference to Exhibit 10(qq) to the Registrant s Annual Report on Form 10-K for the year ended December 31, 1994.)
10(p)	-	Limited Recourse Project Financing Agreement, dated April 19, 1995, between the Registrant and N.M. Rothschild & Sons, Ltd. (Incorporated herein by reference to Exhibit 10(b) to the Registrant s Quarterly Report on Form 10-Q for the quarter ended June 30, 1995.)
10(q)	-	Venture Termination and Asset Purchase Agreement, dated as of June 30, 1995, among Coeur Alaska, Inc., Echo Bay Alaska, Inc. and Echo Bay Exploration, Inc. (Incorporated herein by reference to Exhibit 10 to the Company s Current Report on Form 8-K dated July 7, 1995.)
10(r)	-	Form of Offer, dated January 29, 1996, by the Registrant to acquire all the ordinary shares of Gasgoyne Gold Mines NL. (Incorporated herein by reference to Exhibit 10(a) to the Registrant s Current Report on Form 8-K filed January 31, 1996 (date of earliest event reported December 21, 1995).)
10(s)	-	Part A Statement of the Registrant relating to its offer to acquire all the ordinary shares of Gasgoyne Gold Mines NL. (Incorporated herein by reference to Exhibit 10(b) to the Registrant s Current Report on Form 8-K filed January 31, 1996 (date of earliest event reported December 21, 1995).)
10(t)	-	Call Option Agreement Over Shares, dated December 20, 1995, between the Registrant and Ioma Pty Ltd. (Incorporated herein by reference to Exhibit 10(c) to the Registrant s Current Report on Form 8-K filed January 31, 1996 (date of earliest event reported December 21, 1995).)

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10(u)	-	Agreement for the Purchase and Sale of Shares, dated August 30, 1996, by Compania Minera El Bronce to CDE Chilean Mining Corporation and Coeur d Alene Mines Corporation. (Incorporated herein by reference to Exhibit 10(a) of the Registrant s Current Report on Form 8-K filed November 5, 1996 (date of earliest event reported September 4, 1996).)
10(v)	-	Amendment, dated August 30, 1996, to Purchase and Sale, Cancellation and Receipt of Payment of Purchase Sale Installments and Release of Mortgage, Chattel Mortgages and Prohibitions between Compania Minera El Bronce and Compania Minera CDE El Bronce. (Incorporated herein by reference to Exhibit 10(b) of the Registrant s Current Report on Form 8-K filed November 5, 1996 (date of earliest event reported September 4, 1996).)
10(w)	-	Loan Agreement, dated as of December 23, 1996, among the Registrant (as the Borrower), NM Rothschild & Sons Limited and Bayerische Vereinsbank AG (as the Banks) and NM Rothschild & Sons Limited (as the Agent for the Banks). (Incorporated herein by reference to Exhibit 10(kk) of the Registrant s Annual Report on Form 10-K for the year ended December 31, 1996.)
10(x)	-	Mining Lease, effective as of June 1, 1997, between Silver Valley Resources and American Silver Mining Company. (Incorporated herein by reference to Exhibit 10(a) to the Registrant s Registration Statement on Form S-3 (File No. 333-40513).)
10(y)	-	Mining Lease, effective as of April 23, 1996, between Silver Valley Resources Corporation and Sterling Mining Company. (Incorporated herein by reference to Exhibit 10(b) to the Registrant s Registration Statement on Form S-3 (File No. 333-40513).)
10(z)	-	Mining Lease, effective as of March 21, 1997, between Silver Valley Resources Corporation and Silver Buckle Mines, Inc. (Incorporated herein by reference to Exhibit 10(c) to the Registrant s Registration Statement on Form S-3 (File No. 333-40513).)
10(aa)	-	Mining Lease, effective as of March 21, 1997, between Silver Valley Resources Corporation and Placer Creek Mining Company. (Incorporated herein by reference to Exhibit 10(d) to the Registrant s Registration Statement on Form S-3 (File No. 333-40513).)
10(bb)	-	Agreement for Sale and Issuance of Shares, dated May 7, 1997, among Sons of Gwalia Ltd, Burmine Investments Pty Limited, Orion Resources NL and Coeur Australia Pty Ltd. (Incorporated herein by reference to Exhibit 10(pp) to the Registrant s Annual Report on Form 10-K for the year ended December 31, 1997.)
10(cc)	-	Letter agreement, dated May 7, 1997, between the Registrant and Sons of Gwalia Ltd. (Incorporated herein by reference to Exhibit 10(qq) to the Registrant s Annual Report on Form 10-K for the year ended December 31, 1997.)

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10(dd)	-	Shareholders Agreement, dated May 7, 1997, among Sons of Gwalia Ltd., Burmine Investments Pty Ltd., Orion Resources NL, Coeur Australia Pty Ltd. and Gasgoyne Gold Mines NL. (Incorporated herein by reference to Exhibit 10(rr) to the Registrant s Annual Report on Form 10-K for the year ended December 31, 1997.)
10(ee)	-	Management Services Agreement, dated May 7, 1997, among Sons of Gwalia Ltd., Coeur Australia Pty Ltd. and Gasgoyne Gold Mines NL. (Incorporated herein by reference to Exhibit 10(ss) to the Registrant s Annual Report on Form 10-K for the year ended December 31, 1997.)
10(ff)	-	Amended and Restated Transaction Agreement by and between Asarco Incorporated and Coeur d Alene Mines Corporation, dated May 13, 1999 and amended and restated as of June 22, 1999. (Incorporated herein by reference to Exhibit A to the Registrant s Proxy Statement, dated July 28, 1999, used in connection with the Registrant s Annual Meeting of Shareholders held on September 8, 1999.)
10(gg)	-	Shareholder Agreement (dated as of September 9, 1999) by and between Asarco Incorporated and Coeur d Alene Mines Corporation. (Incorporated herein by reference to Exhibit B to the Registrant s Proxy Statement, dated July 28, 1999, used in connection with the Registrant s Annual Meeting of Shareholders held on September 8, 1999.)
10(hh)	-	Form of severance/change in control agreements entered into by the Registrant with each of its executive officers (Dennis E. Wheeler - March 30, 1989, Robert Martinez March 30, 1989, Geoffrey A. Burns - March 23, 1999, Gary W. Banbury March 19, 1998, James K. Duff March 17, 1997, Dieter A. Krewedl October 29, 1998, Troy Fierro November 11, 2001, Wayne L. Vincent October 29, 1998 and James N. Meek March 11, 1999). (Previously filed.)
10(ii)	-	Employment agreement, dated as of October 12, 2001, between the Registrant and Robert Martinez. (Previously filed.)
10(jj)	-	Employment agreement, dated as of October 12, 2001, between the Registrant and Dieter Krewedl. (Previously filed.)
10(kk)	-	Employment agreement, dated as of October 12, 2001, between the Registrant and Gary W. Banbury. (Previously filed.)
21	-	List of subsidiaries of the Registrant. (Previously filed.)
23	-	Consent of Arthur Andersen LLP. (Previously filed.)
99.1	-	Letter, dated March 28, 2002, from Registrant to SEC. (Previously filed.)

(d) Independent auditors reports are included herein as follows:
Coeur d Alene Mines Corporation

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Report of Arthur Andersen LLP at December 31, 2001 and for each of the three years in the period ended December 31, 2001.

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SIGNATURES

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

Coeur d Alene Mines Corporation
(Registrant)

Date: August 16, 2002

By /s/ DENNIS E. WHEELER

Dennis E. Wheeler
(President and Chief Executive Officer)

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ANNUAL REPORT ON FORM 10-K

Item 8, Item 14(a), and Item 14(d)

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2001

COEUR D ALENE MINES CORPORATION

COEUR D ALENE, IDAHO

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Shareholders and Board of Directors of Coeur d Alene Mines Corporation:

We have audited the accompanying consolidated balance sheets of Coeur d Alene Mines Corporation (an Idaho corporation) and subsidiaries as of December 31, 2001 and 2000, and the related consolidated statements of operations and comprehensive loss, changes in shareholders equity, and cash flows for each of the three years ended December 31, 2001. These financial statements are the responsibility of the Company s management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Coeur d Alene Mines Corporation and subsidiaries as of December 31, 2001 and 2000, and the consolidated results of their operations and their cash flows for each of the three years ended December 31, 2001, in conformity with accounting principles generally accepted in the United States.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note C to the consolidated financial statements, the Company has suffered recurring losses from operations, has a significant portion of its convertible debentures that need to be repaid or refinanced in June 2002 and declining amounts of cash and cash equivalents and unrestricted short-term investments, all of which raise substantial doubt about its ability to continue as a going concern. Management s plans to address these matters are also described in Note C.

/s/ Arthur Andersen LLP

Denver, Colorado,
February 15, 2002.

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CONSOLIDATED BALANCE SHEETS

COEUR D ALENE MINES CORPORATION AND SUBSIDIARIES

	December 31,	
	2001	2000
	(In Thousands)	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 14,714	$ 35,227
Short-term investments	3,437	7,915
Restricted short-term investments	11,219	10,429
Receivables, net	5,902	9,710
Inventories	46,286	54,979
	81,558	118,260
PROPERTY, PLANT AND EQUIPMENT		
Property, plant and equipment	99,096	97,996
Less accumulated depreciation	(63,017)	(61,256)
	36,079	36,740
MINING PROPERTIES		
Operational mining properties	116,852	113,409
Less accumulated depletion	(79,697)	(71,225)
	37,155	42,184
Developmental properties	46,685	51,800
	83,840	93,984
OTHER ASSETS		
Investment in unconsolidated affiliate		15,264
Debt issuance costs, net	3,262	3,621
Other	5,641	3,508
	8,903	22,393
TOTAL ASSETS	$210,380	$271,377

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

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CONSOLIDATED BALANCE SHEETS

COEUR D ALENE MINES CORPORATION AND SUBSIDIARIES

	December 31,	
	2001	2000
	(In Thousands)	
LIABILITIES AND SHAREHOLDERS EQUITY		
CURRENT LIABILITIES		
Accounts payable	$ 3,721	$ 4,073
Accrued liabilities	5,503	9,799
Accrued interest payable	2,720	4,474
Accrued salaries and wages	4,542	5,723
Current portion of remediation costs	2,058	1,209
6% Convertible Subordinated Debentures due June 2002	23,171	
	41,715	25,278
LONG-TERM LIABILITIES		
6% Convertible Subordinated Debentures due June 2002		26,511
13 3/8% Convertible Senior Subordinated Notes due December 2003	41,399	
6 3/8% Convertible Subordinated Debentures due January 2004	66,270	92,820
7 1/4% Convertible Subordinated Debentures due October 2005	14,650	85,238
Reclamation and mine closure	14,462	17,284
Other long-term liabilities	5,096	6,806
	141,877	228,659
COMMITMENTS AND CONTINGENCIES		
(See Notes K, L, M, N, O and R)		
SHAREHOLDERS EQUITY		
Common Stock, par value $1.00 per share authorized 125,000,000 shares, issued 49,278,232 and 38,109,279 in 2001 and 2000 (1,059,211 shares held in treasury)	49,278	38,109
Additional paid in capital	388,050	387,625
Accumulated deficit	(397,999)	(394,932)
Shares held in treasury	(13,190)	(13,190)
Accumulated other comprehensive income (loss)	649	(172)
	26,788	17,440
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	$ 210,380	$ 271,377

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

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CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

COEUR D ALENE MINES CORPORATION AND SUBSIDIARIES

	12 Months Ended December 31,		
	2001	2000	1999
	(In Thousands, except per share data)		
REVENUES			
Sales of metal	$ 69,200	$ 93,174	$ 86,318
Earnings (loss) from unconsolidated affiliate		1,103	(1,096)
Interest and other	2,712	6,929	23,724
Total revenues	71,912	101,206	108,946
COSTS AND EXPENSES			
Production	69,149	86,661	66,896
Depreciation and depletion	11,347	20,785	19,620
Administrative and general	8,714	9,714	9,281
Exploration	6,362	6,737	7,170
Pre-feasibility	3,684	2,675	1,348
Interest	14,592	16,999	16,408
Write-down of mining properties and other	9,354	21,236	20,204
Total cost and expenses	123,202	164,807	140,927
NET LOSS BEFORE TAXES AND EXTRAORDINARY ITEM	(51,290)	(63,601)	(31,981)
Income tax (provision) benefit	6	(348)	(332)
LOSS BEFORE EXTRAORDINARY ITEM	(51,284)	(63,949)	(32,313)
Extraordinary item gain on exchange and early retirement of debt	48,217	16,136	3,990
NET LOSS	(3,067)	(47,813)	(28,323)
Unrealized holding gain (loss) on securities	821	(297)	288
COMPREHENSIVE LOSS	$ (2,246)	$ (48,110)	$ (28,035)
NET LOSS	$ (3,067)	$ (47,813)	$ (28,323)
Preferred stock dividends		(2,180)	(10,532)
NET LOSS ATTRIBUTABLE TO COMMON SHAREHOLDERS	$ (3,067)	$ (49,993)	$ (38,855)
BASIC AND DILUTED LOSS PER SHARE:			
Weighted average number of shares of common stock	41,946	35,439	24,185
Loss before extraordinary item	$ (1.22)	$ (1.87)	$ (1.77)
Extraordinary item gain on exchange and early retirement of debt	1.15	.46	.16
Net loss per common share	$ (0.07)	$ (1.41)	$ (1.61)

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

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CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS EQUITY

COEUR D ALENE MINES CORPORATION AND SUBSIDIARIES

For Years Ended December 31, 2001, 2000 and 1999

	(In Thousands)						
	Preferred Stock (MARCS)	Common Stock	Additional Paid In Capital	Accumulated Deficit	Shares Held in Treasury	Accumulated Other Comprehensive Income (Loss)	Total
Balances at December 31, 1998	$ 7,078	$22,958	$379,180	$(318,796)	$(13,190)	$ (163)	$ 77,067
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
Balances at December 31, 1999	7,078	30,240	391,031	(347,119)	(13,190)	125	68,165
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
Net Loss				(3,067)			(3,067)
Unrealized Gain on Marketable Securities						821	821
Conversions of Convertible Subordinated Debentures to Common stock		1,697	468				2,165
Repurchases of Convertible Subordinated Debentures to Common stock		6,045	871				6,916
Interest on Convertible Senior Subordinated Notes paid in Common stock		3,422	(913)				2,509
Other		5	(1)				4
Balances at December 31, 2001	$	$49,278	$388,050	$(397,999)	$(13,190)	$ 649	$ 26,788

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

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CONSOLIDATED STATEMENTS OF CASH FLOWS

COEUR D ALENE MINES CORPORATION AND SUBSIDIARIES

	12 Months Ended December 31,		
	2001	2000	1999
		(In Thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	$ (3,067)	$(47,813)	$ (28,323)
Add (deduct) noncash items:			
Depreciation and depletion	11,347	20,785	19,620
Gain on early retirement of Convertible Subordinated Debentures	(48,217)	(16,136)	(3,990)
Interest expense on Convertible Senior Subordinated Notes paid in Common Stock	2,868		
Loss on write down of Handy & Harmon inventory	1,354		
Other charges	1,780	6,272	2,079
Write-down of mining properties	6,087	12,207	18,685
Undistributed (gain) loss on investment in unconsolidated affiliate		(1,103)	1,096
Unrealized (gain) loss on written call options	(526)	(4,069)	4,302
(Gain) loss on sale of short-term investment	(431)	2,304	
Changes in Operating Assets and Liabilities:			
Receivables	3,807	5,666	225
Inventories	4,616	(1,210)	(7,377)
Accounts payable and accrued liabilities	(9,514)	(709)	(3,370)
CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	(29,896)	(23,806)	2,947
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of short-term investments	(1,256)	(12,703)	(22,507)
Proceeds from sales of short-term investments	6,195	15,220	9,746
Investment in unconsolidated affiliate		380	(396)
Proceeds from sale of assets	14,857	768	986
Expenditures on mining assets	(6,956)	(13,653)	(14,935)
Other	(208)	(38)	967
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	12,632	(10,026)	(26,139)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Retirement of long-term debt	(743)	(14,869)	(6,089)
Payment of cash dividends on MARCS Preferred Stock		(2,633)	(10,532)
Debt issuance costs	(2,204)		
Other	(302)	(374)	(587)
CASH USED IN FINANCING ACTIVITIES:	(3,249)	(17,876)	(17,208)
DECREASE IN CASH AND CASH EQUIVALENTS	(20,513)	(51,708)	(40,400)
Cash and cash equivalents at beginning of period	35,227	86,935	127,335
Cash and cash equivalents at end of period	$ 14,714	$ 35,227	$ 86,935

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

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 Cerro Bayo Ltd., Compania Minera CDE Petorca, Coeur Australia 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 corporate 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 to the buyer. 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 cash 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 cash equivalents.

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 and less than one year. 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 income (loss) as a separate component of shareholders equity. Any decline in market value judged to be other than temporary is recognized in determining net income. Realized gains and losses from the sale of these investments are included in determining net income (loss).

Inventories: Inventories of ore on leach pads and in the milling process are

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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 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 doré inventory includes product at the mine site and product held by refineries and are also valued at lower of cost or market.

Property, Plant, and Equipment: Expenditures for new facilities or expenditures that extend the useful lives of existing facilities are capitalized and depreciated using straight-line method at rates sufficient to depreciate such costs over the estimated productive lives of such facilities. Productive lives range from 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.

Operational Mining Properties and Mine Development: Mineral exploration costs are expensed as incurred. When it has been determined that a mineral property can be economically developed as a result of establishing proven and probable reserves, the costs incurred to develop such property including costs to further delineate the ore body and remove over burden to initially expose the ore body, are capitalized. Such costs, are amortized using the unit-of-production method over the estimated life of the ore body based on proven and probable reserves. Significant payments related to the acquisition of the land and mineral rights are capitalized as incurred. If a mineable ore body is discovered such costs are amortized when production begins using the units-of-production method based on proven and probable reserves. If no minable ore body is discovered, such costs are expensed in the period in which it is determined the property has no future economic value. Interest expense allocable to the cost of developing mining properties and to construct new facilities is capitalized until assets are ready for their intended use. Gains or losses from sales or retirements of assets are included in other income or expense.

Asset Impairment: Management reviews and evaluates its long-lived assets for impairment when events or changes in circumstances indicate that the related carrying amounts may not be recoverable. 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 to evaluate the recoverability of capitalized mineral property costs. An impairment is considered to exist if total estimated future cash flows or probability-weighted cash flows on an undiscounted basis, is less than the carrying amount of the asset. An impairment loss is measured and recorded based on discounted estimated future cash flows or the application of an expected present value technique to estimate fair value in the absence of a market price. Future cash flows include estimates of proven and probable recoverable ounces, gold and silver prices (considering current and historical prices, price trends and related factors), production levels, capital and reclamation costs, all based on detailed engineering life-of-mine plans. In estimating future cash flows, assets are grouped at the lowest level for which there are identifiable cash flows that are largely independent of cash flows from other groups. Generally, all assets at a particular mine are used together to generate cash flow. Assumptions underlying future cash flow estimates are subject to risks and uncertainties. Any differences between significant

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assumptions and market conditions and/or the Company s performance could have material effect on the Company s financial position and results of operations (see note D).

In August 2001, the FASB issued SFAS No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets, that established a single accounting model, based on the framework of SFAS No. 121 (Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of), for long-lived assets to be disposed of by sale. The statement was adopted on January 1, 2002, and there was no impact upon adoption.

Reclamation and Remediation Costs: Estimated future costs are based principally on legal and regulatory requirements. Such costs related to active mines are accrued and charged over the expected operating lives of the mines using the unit-of-production method. Future remediation costs for inactive mines are accrued based on management s best estimate at the end of each period of the undiscounted costs expected to be incurred at the site. Such cost estimates include, where applicable, ongoing care and maintenance and monitoring costs. Changes in estimates are reflected in earnings in the period an estimate is revised.

In August 2001, the FASB issued SFAS No. 143, Accounting for Asset Retirement Obligations, which established a uniform methodology for accounting for estimated reclamation and abandonment costs. The statement will be adopted January 1, 2003, when the Company will record the estimated present value of reclamation liabilities and change the carrying amount of the related asset. Subsequently, the reclamation costs will be allocated to expense over the live of the related assets and will be adjusted for changes resulting from the passage of time and revisions to either the timing or amount of the original present value estimate. The Company is in the process of quantifying the effect of adoption.

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 fix a portion of its exposure to precious metals prices. The underlying production for forward sales contracts is designated for physical delivery at the inception of the derivative. If the Company enters into derivatives that qualify for hedge accounting, 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 are recognized in 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.

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In June 1998, the Financial Accounting Standards Board (FASB) issued SFAS No. 133, Accounting for Derivative Instruments and Hedging Activities. SFAS No. 133 requires that all derivatives be recognized as assets or liabilities and be measured at fair value. Gains or losses resulting from changes in the values of those derivatives will be accounted for depending on the use of the derivatives and whether they qualify for hedge accounting as either a fair value hedge or a cash flow hedge. The adoption of SFAS No. 133 by the Company on January 1, 2001 did not have a material affect to the consolidated financial statements of the Company.

Income Taxes: The Company accounts for income taxes using the liability method, recognizing certain temporary differences between the financial reporting basis of the Company s liabilities and assets and the related income tax basis for such liabilities and assets. This method generates a net deferred income tax liability or asset for the Company as of the end of the year, as measured by the statutory tax rates in effect as enacted. The Company derives its deferred income tax charge or benefit by recording the change in the net deferred income tax liability or asset balance for the year.

The Company s deferred income tax assets include certain future tax benefits. The Company records a valuation allowance against any portion of those deferred income tax assets that it believes will more likely than not fail to be realized.

Comprehensive Income (Loss): In addition to net loss, comprehensive income (loss) includes all changes in equity during a period, except those resulting from investments by and distributions to owners. Items of comprehensive income include foreign currency exchanges, the effective portions of hedges and unrealized gains and losses on investments classified as available for sale.

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. All stock options outstanding at each period end have been excluded from the weighted average share calculation. The effect of potentially dilutive stock options outstanding was antidilutive in 2001, 2000 and 1999.

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 year balances have been made to conform to current year presentation.

NOTE C LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2001, the Company had outstanding $23.2 million principal amount of its 6% Convertible Subordinated Debentures (the 6% Debentures) which mature on June 10, 2002. The Company s cash and cash equivalents and short-term investments at December 31, 2001 totaled approximately $18.2 million.

The Company is endeavoring to increase its liquidity and/or further reduce the principal amount of its outstanding 6% Debentures in order to be able to fund the payment due on June 10, 2002 by:

Effecting additional private exchange transactions under which either common stock or 13-3/8% Convertible Senior Subordinated Notes due December 31, 2003 (the 13-3/8% Notes) will be exchanged for outstanding 6% Debentures;

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The placement of bank debt to fund the start up of, or the sale of an equity interest in, the Company s Cerro Bayo Mine in southern Chile; and/or

The private sale of other debt or equity securities.

The potential sale of certain assets of the Company.

The Company presently plans to complete one or more of the above transactions prior to June 10, 2002. The Company believes that cash flows from mining operations plus completing one or more of the above mentioned transactions would enable the Company to fund the retirement of maturing 6% Debentures on June 10, 2002 and other anticipated capital expenditures required during the balance of 2002. However, no assurance can be given that the Company will be able to increase its liquidity and/or further reduce the principal amount of its outstanding 6% Debentures. The Company s liquidity will be adversely affected if such transactions are not effected on satisfactory terms. If the Company fails to pay the principal amount of the 6% Debentures on their maturity when due, such failure will be deemed to be an event of default under the Indenture relating to the 6% Debentures and entitle the trustee to declare the 6% Debentures to be immediately due and payable. Furthermore, such a default also would constitute an event of default under the Indentures relating to the 13-3/8% Notes, 6-3/8% Debentures and 7-1/4% Debentures, which could cause these Notes or Debentures to be immediately due and payable.

The Company has also suffered recurring losses and has seen its available cash balances decline as a result of cash used in operations. Management expects such losses to continue unless mineral prices increase. Cash costs of production were reduced at the Company s primary silver mines this year and management expects to continue to focus efforts on overall cost reduction at the mine sites and in corporate activities. The Company has also estimated that it expects to spend approximately $6.8 million on capital improvements during the next year, some of which is discretionary and could be reduced, if necessary. The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. The current situation raises substantial doubt about the Company s ability to continue as a going concern. The consolidated financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount and classification of liabilities that might result should the Company be unable to continue as a going concern. Failure to achieve the necessary debt exchanges, financing and/or cost reductions could cause the Company to seek relief under Chapter 11 of the Bankruptcy Code.

NOTE D-SUBSEQUENT EVENTS Unaudited

Agreement to acquire the Martha Mine

In February 2002, the Company reached agreements in principle to fully acquire the Martha high-grade underground silver mine and other silver exploration properties located in Argentina, approximately 270 miles east of the Company s Cerro Bayo mine, and to make a strategic investment in Yamana Resources Inc. (Yamana), a mining company with holdings in Argentina.

Exchanges and Conversions of Convertible Subordinated Debentures

During the period from January 1, 2002 through March 22, 2002, the Company has negotiated the exchange of $3.4 million principal amount of the 6% Convertible Subordinated Debentures due June 2002 for 3.4 million shares of the Company s common stock.

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In addition, during the period from January 1, 2002 through March 22, 2002, $5.7 million principal amount of the 13-3/8% Convertible Senior Subordinated Notes due 2003 were converted at the option of the holders into 5.1 million shares of common stock.

NOTE E SFAS NO. 121 IMPAIRMENT REVIEWS

During the fourth quarter of 2001, the Company performed impairment reviews on all its' operational and development properties in accordance with its policies. Undiscounted estimated future cash flows and/or fair market value assessments, using long-term price assumptions starting at $4.50 and increasing to $5.50 per ounce of silver and $275, increasing to $300 per ounce for gold. The Company determined that its carrying amount for Kensington development property was impaired at December 31, 2001. As a result, the Company recorded an impairment loss of $6.1 million reducing the carrying value of the Kensington development property. Impairments were not indicated at the Company s remaining investments in property, plant and equipment for all other operating and development properties as of December 31, 2001.

During the fourth quarter of 2000, the Company also performed impairment reviews on all its operational and development properties. Undiscounted estimated future cash flows and/or fair market value assessments were determined 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.

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.

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NOTE F 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			
	Amortized Cost	Gross Unrealized Losses	Gross Unrealized Gains	Estimated Fair Value
As of December 31, 2001				
U.S. Corporate debt securities	$12,319	$	$	$12,319
Equity Securities	1,699	173	822	2,348
	$14,018	$ 173	$ 822	$14,667
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 $0, $0 and $0.6 million during 2001, 2000 and 1999, respectively. The gross realized losses totaled $0.4 million, $2.5 million, and $0.2 million during 2001, 2000 and 1999 respectively. The gross realized gains and losses are based on a carrying value (cost net of discount or premium) of $4.8 million, $17.2 million and $9.4 million of short-term investments sold or adjusted for other than temporary decline in market value during 2001, 2000 and 1999, respectively. Short-term investments mature at various dates through August 2002.

NOTE G SHORT-TERM INVESTMENTS RESTRICTED

The Company, under the terms of its lease, self insurance, and bonding agreements with certain banks, lending institutions and regulatory agencies is required to collateralize certain portions of the Company s obligations. The Company has collateralized 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, 2001 and December 31, 2000, the Company had certificates of deposit under these agreements of $11.2 million and $10.4 million, respectively, restricted for this purpose.

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NOTE H INVENTORIES

Inventories consist of the following:

	December 31,	
	2000	2001
In-process and on leach pads	$39,794	$43,595
Concentrate and dore inventory	1,567	6,258
Supplies	4,925	5,126
	$46,286	$54,979
Long-term inventory in-process and on leach pads (included in other assets)	$ 2,725	$

NOTE I PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consists of the following:

	December 31,	
	2000	2001
Land	$ 1,977	$ 2,040
Buildings and improvements	41,582	41,240
Machinery and equipment	55,537	54,546
Capital leases of equipment		170
	99,096	97,996
Accumulated depreciation	(63,017)	(61,256)
	$ 36,079	$ 36,740

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 $3.2 million, $4.7 million and $4.0 million for 2001, 2000, 1999, respectively.

Minimum lease payments under operating leases in effect through 2005 are as follows:

Year Ending December 31,	
2002	2,419
2003	1,833
2004	1,236
2005	125
	$5,613

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NOTE J MINING PROPERTIES

	December 31,	
	2001	2000
Capitalized costs for mining properties December 31, consist of the following:		
Operational mining properties:		
Rochester Mine, less accumulated depletion of $64,261 and $58,156	$15,646	$22,575
Coeur Silver Valley, less accumulated depletion of $14,434 and $12,344	16,145	16,021
Cerro Bayo Mine, less accumulated depletion of $0 and $195(1)	5,364	3,116
Petorca Mine, less accumulated depletion of $1,002 and $530		472
TOTAL OPERATIONAL MINING PROPERTIES	37,155	42,184
Developmental mining properties:		
Kensington	24,983	28,047
San Bartolomé	18,825	18,850
Other	2,877	4,903
TOTAL DEVELOPMENTAL MINING PROPERTIES	46,685	51,800
TOTAL MINING PROPERTIES	$83,840	$93,984

(1) Certain assets and their associated accumulated depreciation were written off during 2001.

Operational Mining Properties

The Rochester Mine: The Company has conducted operations at the Rochester Mine, located in Western Nevada, since September 1986. The mine utilizes the heap-leaching process to extract both silver and gold from ore mined using open pit methods. Rochester s primary product is silver with gold produced as a by-product.

The insurance company that issued the surety bond required under Nevada law to cover our estimated $17.8 million of future mine closure reclamation costs relating to the Rochester Mine filed for liquidation in the first quarter of 2001. We are currently attempting to arrange for an alternative bonding arrangement with the State of Nevada as well as a replacement surety bond with another insurance company. If, however, we are unable to make alternative bonding arrangements or find a replacement insurer, we will be required to provide other adequate financial consideration to the State of Nevada to assure our continued compliance with our reclamation liability obligation.

Galena Mine: Coeur Silver Valley owns and operates the Galena underground silver-copper mine, located near the city of Wallace, in 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.

Developmental Properties

Cerro Bayo Mine: The Cerro Bayo Mine is a gold and silver open pit and underground mine located in southern Chile. Commercial production is expected to commence in May of 2002.

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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 to study ways to further reduce estimated capital costs and operating costs.

Former Operational Mines

Petorca Mine: The Company owns the Petorca gold and silver underground mine located in central Chile approximately 90 miles north of Santiago. The Company suspended operations at the mine site in the third quarter of 2001 and does not expect to re-open this mine in the foreseeable future.

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. Also included in the sale was Coeur s share of Gasgoyne s gold hedge position of approximately 90,000 ounces. The purchaser was Sons of Gwalia Ltd., an Australian corporation headquartered in Perth, Western Australia, who owned the other 50% interest in Gasgoyne.

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 K-LONG-TERM DEBT

Exchange Offer

On June 29, 2001, the Company commenced an offer to exchange newly issued 13-3/8% Convertible Senior Subordinated Notes due December 31, 2003 (13-3/8% Notes) for the Company s outstanding 7-1/4% Convertible Subordinated Debentures due October 31, 2005 (7-1/4% Debentures), 6-3/8% Convertible Subordinated Debentures due January 31, 2004 (6-3/8% Debentures) and 6% Convertible Subordinated Debentures due June 10, 2002 (6% Debentures) (the Exchange Offer).

The Company offered to issue up to a total of $71,340,000 principal amount of 13-3/8% Notes in exchange for up to 80% of its outstanding 7-1/4% and 6-3/8% Debentures and up to 25% of its outstanding 6% Debentures. The Company offered $1,000 principal amount of 13-3/8% Notes for each $2,000 principal amount of 7-1/4% or 6-3/8% Debentures, and $1,000 principal amount of 13-3/8% Notes for each $1,000 principal amount of 6% Debentures validly tendered and accepted in the exchange offer.

The 13-3/8% Notes are senior in right of payment to the outstanding 7-1/4%, 6-3/8% and 6% Debentures. In addition, the 13-3/8% Notes are convertible into Coeur common stock at any time following the date of issuance on August 1, 2001, and prior to maturity. The Company can elect to pay interest in cash or stock at its sole discretion. The conversion price is $1.35 per share, subject to adjustment. At any time prior to December 31, 2003, the holders of the 13-3/8% Notes may elect to

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convert their notes to equity. The Company may elect to automatically convert the 13-3/8% Notes during the first two years after issuance if the closing price of the common stock exceeds 200% of the conversion price for at least 20 trading days during a 30-day trading day period ending within five trading days prior to the notice of automatic conversion. If an automatic conversion occurs within the first two years after issuance, or if holders elect to convert their notes within the first two years after issuance and prior to notice of any automatic conversion, the Company will make a payment to holders in cash, or at the Company s option, in common stock, equal to two full years of interest, less interest actually paid. The 13-3/8% Notes are redeemable at the option of the Company two years after issuance, subject to certain conditions, and at the option of the holders in the event of a change in control.

On July 30, 2001, the Company completed the Exchange Offer. The principal amounts of Debentures validly tendered and accepted for exchange were as follows: $54,535,000 of the 7-1/4% Debentures, $26,595,000 of the 6-3/8% Debentures and $2,044,000 of the 6% Debentures.

As a result of the Exchange Offer, the Company issued on August 1, 2001, $42,629,000 principal amount of its 13-3/8% Notes in exchange for the outstanding 7-1/4% Debentures, 6-3/8% Debentures and 6% Debentures which were tendered and accepted in the Exchange Offer.

In addition, the Company also offered for sale to holders of Coeur s outstanding Debentures who participated in the Exchange Offer the right to purchase for cash additional 13-3/8% Notes (the Cash Offer). The Company sold $25,000 principal amount of 13-3/8% Notes in the Cash Offer.

Net of offering costs, the Exchange Offer has reduced Coeur s outstanding long-term debt by approximately $39.9 million and increased shareholders equity by approximately $38.6 million.

In 2001, as a result of the Exchange Offer the Company recorded $39.2 million in extraordinary gain, net of offering costs. Subsequent to the Exchange Offer, $1.8 million of the 13-3/8% Notes were converted into approximately 1.7 million shares of common stock.

Additional Exchanges

In three privately negotiated transactions completed in the second quarter of 2001, the Company repurchased, in aggregate, $11.0 million principal amount of its outstanding 7-1/4% Debentures due 2005 in exchange for 4,257,618 shares of the Company s common stock. As a result of the transactions completed, the Company recorded an extraordinary gain in the second quarter ending June 30, 2001 of approximately $5.8 million, net of taxes.

In the first quarter of 2001, the Company repurchased $5.0 million principal amount of its outstanding 7-1/4% Debentures due 2005 in exchange for 1,787,500 shares of the Company s common stock. As a result of the repurchase, the Company recorded an extraordinary gain of approximately $3.0 million, net of taxes of zero, during the first quarter of 2001 on the reduction of its indebtedness. Repurchases were also made in 2000 and 1999.

The share price used as consideration in all of these transactions was based upon market prices at the time of each respective transaction.

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The following table sets forth repurchases for each year in millions:

	Carrying Amount	Repurchase Amount	Issuance Cost	Extraordinary Gain
2001:				
7-1/4% Debentures	$16.0	$ 6.9	$.128	$ 9.0
2000:				
6% Debentures	$ 9.1	$ 6.4	$.060	$ 1.8
6-3/8% Debentures	$ .6	$ .2	$.008	$ .4
7-1/4% Debentures	$22.0	$ 7.5	$.600	$13.9
1999:				
6% debentures	$10.2	$ 6.2	$.100	$ 4.0

6% Debentures

The $23.2 million principal amount of 6% Debentures Due 2002 outstanding at December 31, 2001 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.

13-3/8% Debentures

The $41.4 million principal amount of 13-3/8% Notes Due 2003 outstanding at December 31, 2001 are convertible into shares of common stock at the option of the holder prior to maturity, unless previously redeemed, at a conversion price of $1.35 per share, subject to adjustment. The Company may elect to automatically convert the notes during the first two years after issuance if the closing price of the common stock exceeds 200% of the conversion price for at least 20 trading days during a 30-day trading day period ending with five trading days prior to the notice of automatic conversion.

6-3/8% Debentures

The $66.3 million principal amount of 6-3/8% Debentures Due 2004 outstanding at December 31, 2001 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.

7-1/4% Debentures

The $14.7 million principal amount of 7-1/4% Debentures due 2005 outstanding at December 31, 2001 are convertible into shares of Common Stock at the option of the holder on or before October 31, 2005, unless 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.

The carrying amounts and fair values of long-term borrowings, as of December 31, 2001 and 2000, consisted of the following. The fair value of the long-term borrowing is determined by market transactions on or near December 31, 2001 and 2000, respectively.

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Convertible Debentures	December 31, 2001 Carrying Value	December 31, 2001 Fair Value	December 31, 2000 Carrying Value	December 31, 2000 Fair Value
6% Debentures due 2002	$23,171	$14,366	$26,511	$16,238
13-3/8% Debentures due 2003	$41,399	$29,082	$	$
6-3/8% Debentures due 2004	$66,270	$23,360	$85,238	$24,549
7-1/4% Notes due 2005	$14,650	$ 4,835	$92,820	$26,454

Total interest expense on Notes for the year ended December 31, 2001, 2000, and 1999 was $15.6 million, $17.0 million, and $17.8 million, respectively, of which $0, $0, and $1.4 million, respectively, was capitalized as a cost of certain properties under development.

Interest paid was $16.2 million, of which $2.9 million was paid in stock, $16.5 million, and $17.0 million, in 2001, 2000, and 1999, respectively.

Building Loan

Under the terms of the Company s building loan agreement with Wells Fargo bank the company agreed to have the terms of the building loan reviewed after a five year interval ending on December 4, 2001, at which time the terms could be renegotiated. Wells Fargo has chosen at this time not to renegotiate the loan making the entire amount of $1.3 million due on December 4, 2001. The bank has extended the Company some time to seek alternative financing and the company is in the process of doing so. During this time the company has continued to make payments to the bank under the original terms of the agreement and will continue to do so until alternative financing can be attained. As a result, the amount of $1.3 million has been included in current liabilities at December 31, 2001. The Company intends to have alternative financing in place shortly after the end of the first quarter. If the company is unable to find alternative financing the remaining amount of the loan will be paid to the bank.

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NOTE L INCOME TAXES

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

	Years Ended December 31,		
	2001	2000	1999
Current	$6	$(348)	$(332)
Deferred			
	–		
Benefit (provision) for income tax	$6	$(348)	$(332)

As of December 31, 2001, 2000 and 1999 the significant components of the Company s net deferred tax liability were as follows:

	Years Ended December 31,		
	2001	2000	1999
Deferred tax liabilities:			
PP&E, net	$ 6,560	$ 7,051	$ 9,051
Total deferred tax liabilities	$ 6,560	$ 7,051	$ 9,051
Deferred tax assets:			
Net operating loss carryforwards	$ 109,526	106,836	$ 101,505
AMT credit carryforwards	1,459	1,734	1,734
Business credit carryforwards	205	205	205
Total deferred tax assets	111,190	108,775	103,444
Mineral properties impairment	66,663	64,533	58,863
Unrealized hedging losses	1,443	1,730	1,626
Other	3,101	4,583	2,165
Valuation allowance for deferred tax assets	(175,837)	(172,570)	(157,047)
Net deferred tax assets	$ 6,560	$ 7,051	$ 9,051
Net deferred tax liabilities	$	$	$

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, 2001. It is not practicable to estimate the tax liabilities which would result upon such repatriation.

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

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	Years Ended December 31,		
	2001	2000	1999
Tax benefit on continuing operations computed at statutory rates	35.0%	(35.0)%	(35.0)%
Tax effect of foreign affiliates statutory rates	59.1%	7.4%	11.6%
Percentage depletion	(238.5)%	(17.9)%	(21.2)%
Interest on foreign subsidiary debt	110.8%	11.5%	18.4%
Change in valuation allowance	16.5%	34.5%	25.7%
Non-deductible interest	81.8%		
Other (net)	5.3%	.5%	1.6%
Effective tax rate	0.0%	1.0%	1.1%

For tax purposes, as of December 31, 2001, 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	$153,600	$91,371	$2,494	$163,876	$411,341
AMT credits	1,459				1,459
General business credits	205				205

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

Year of Expiration	Regular Tax
2007	$ 9,730
2008	10,417
2009	8,994
2011	72,146
2012	4,424
2019	35,975
2020	11,914
Total	$153,600

As of December 31, 2001, Callahan Mining Corporation, a subsidiary, has net operating loss carryforwards of approximately $17.5 million which expire through 2006. The utilization of Callahan Mining Corporation s net operating losses are subject to limitations.

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

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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 ($0.01) 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, 2001 and 2000, there were a total of 48,219,021 and 37,050,068 outstanding rights which was equal to the net 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 2001, 2000 and 1999.

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 2001, options for 403,443 shares were issued under these plans. As of December 31, 2001 and 2000, nonqualified and incentive stock options to purchase 779,064 shares and 708,266 shares, respectively, were outstanding under the Long-Term Plan and the Directors Plans. The options are exercisable at prices ranging from $0.74 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 (the 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, 2001, 2000 and 1999, a total of 134,612, 46,691 and 25,917 options, respectively, had been granted in lieu of $0.1 million, $0.1 million and $0.1 million, respectively, of foregone directors fees.

Total employee compensation expense charged to operations under these Plans were $0.7 million, $1.8 million, and $0.8 million for 2001, 2000, and 1999, respectively. A summary of the Company s stock option activity and related information for the years ended December 31, 2001, 2000 and 1999 follows:

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	Shares	Weighted Average Exercise Price	Weighted Average Fair Value of Options Granted
Stock options outstanding at January 1, 1999	441,842	$14.59	
Issued	130,086	4.69	$ 3.51
Canceled/expired	(69,422)	12.60	
Stock options outstanding at December 31, 1999	502,506	$11.99	
Issued	233,294	3.52	$ 2.56
Canceled/expired	(27,534)	11.29	
Stock options outstanding at December 31, 2000	708,266	$ 9.47	
Issued	403,443	.81	$ 0.81
Canceled/expired	(332,645)	14.02	
Stock options outstanding at December 31, 2001	779,064	$ 2.81	

Stock options exercisable at December 31, 2001, 2000 and 1999 were, 609,089, 366,602 and 283,987, respectively.

The following table summarizes information for options currently outstanding at December 31, 2001:

	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
$0.740 to $1.000	403,443	9.67	$ 0.81	403,443	$ 0.81
$2.630 to $4.813	309,551	5.39	$ 3.96	148,651	$ 4.06
$6.110 to $27.000	66,070	5.88	$ 9.64	56,995	$10.21
	779,064	7.65	$ 2.81	609,089	$ 2.48

As of December 31, 2001, 1,654,498 shares were available for future grants under these incentive Plans and 35,360,279 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

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has been recognized for options issued under the Company s stock option plans. Had compensation expense been recognized based on the fair value at the date of the grant for the options awarded under the plans, unaudited pro forma amounts of the Company s net loss and net loss per share would have been as follows:

	Years Ended December 31,		
	2001	2000	1999
Net loss attributable to Common shareholders	$(3,067)	$(49,993)	$(38,855)
Unaudited net loss pro forma	$(3,350)	$(50,321)	$(39,065)
Basic and diluted net loss per share as reported	$ (0.07)	$ (1.41)	$ (1.61)
Unaudited basic and diluted net loss per share pro forma	$ (0.08)	$ (1.42)	$ (1.62)

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 1.25%, 6.0% and 6.2% for 2001, 2000 and 1999, respectively; expected option life of 4-10 years for officers and directors; expected volatility of 93%, 92% and 55% for 2001, 2000 and 1999, respectively, and no expected dividends. The effect of applying SFAS No. 123 for providing unaudited pro forma disclosures for fiscal years 2001, 2000 and 1999 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 N-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 fourth 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,		
	2001	2000	1999
Service cost	$ 179	$152	$161
Interest cost	138	107	70
Expected return on plan assets	(121)	(76)	(38)
Amortization of prior service cost	31	31	
Amortization of transitional obligation			
Recognized actuarial loss	35	(14)	
Net periodic benefit cost	$ 262	$200	$193

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

	At December 31,		
	2001	2000	1999
Change in benefit obligation			
Projected benefit obligation at Beginning of year	$ 1,350	$1,019	$1,040
Service cost	179	152	161
Interest cost	138	107	70
Plan amendments		353	
Benefits paid	(56)	(33)	(21)
Actuarial loss (gain)	1,092	(248)	(231)
Projected benefit obligation at end of year	$ 2,703	$1,350	$1,019
Change in plan assets			
Fair value of plan assets at Beginning of year	$ 1,215	$ 760	$ 454
Actual return on plan assets	(106)	(5)	77
Plan amendment			
Employer contributions	591	493	250
Benefits paid	(56)	(33)	(21)
Administrative expenses			
Fair value of plan assets at end of year	$ 1,644	$1,215	$ 760
Reconciliation of funded status			
Funded status	$(1,059)	$ (135)	$ (259)
Unrecognized actuarial gain	1,379	(422)	
Unrecognized transition obligation			
Unrecognized prior service cost	367	321)	(270)
Net amount of asset (liability) reflected in consolidated balance sheet	$ 687	$ (236)	$ (529)
Weighted average assumptions			
Discount rate	7.5%	8.0%	8.1%
Expected long-term rate of return on plan assets	8.5%	8.5%	8.5%
Rate of compensation increase	5.0%	3.0%	5.0%

Defined Contribution Plan

The Company provides a noncontributory defined contribution retirement plan for all eligible U.S. employees. Total plan expenses charged to operations were $0.7 million, $0.8 million, and $0.9 million for 2001, 2000, and 1999, respectively, which is based on a percentage of salary of qualified employees.

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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 $0.3 million, $0.4 million and $0.4 million in 2001, 2000, and 1999, respectively.

NOTE O-FINANCIAL INSTRUMENTS

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, 2001, 2000, and 1999, the Company had forward foreign exchange contracts of $0, $8.1 million, and $3.6 million in U.S. dollars, 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, 2001, the Company had sold 7,500 ounces of gold for physical delivery on various dates through 2002 at an average price of $288.31. 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, 2001, 2000 and 1999, Coeur recorded non-cash earnings of $0.4 million, $0.6 million and a non-cash charge of $4.3 million to operations, respectively.

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

The following table summarizes the information at December 31, 2001, associated with the Company s financial and derivative financial instruments:

	2002	2003	2004	2005	Total	Fair Value 12/31/01
Liabilities						
Short and Long Term Debt						
Fixed Rate	$23,171	$41,399	$66,270	$14,650	$145,490	$71,643
Average Interest Rate	8.629%	8.849%	7.007%	7.25%		
Derivative Financial Instruments						
Gold Forward Sales USD	7,500				7,500	$ 89
Ounces						
Price Per Ounce	$288.31					
Gold Call Options Sold USD(1)						
Ounces				24,640	24,640	$ (213)
Price Per Ounce	$	$		$346.46		

(1) 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.

For the years ended December 31, 2001, 2000, and 1999, the Company realized a gain (loss) from its foreign exchange programs of $0.4 million, $(1.0) million and $.1 million, respectively.

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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 P-Supplemental Cash Flow Information

During the 3rd quarter of 2001, the Company issued a total of $43.2 million principal amount of 13-3/8% Notes in connection with an exchange offer extended to the holders of outstanding convertible subordinated debentures, as more fully described in Note K.

During the 4th quarter the Company issued 3.4 million shares to the holders of the 13-3/8% Notes for the interest due on December 31, 2001 of $2.5 million, as more fully described in Note K.

During the 3rd and 4th quarters of 2001, $1.8 million of the newly issued 13 3/8% Notes were converted to approximately 1.7 million shares of common stock as more fully described in Note K.

During the 2nd quarter of 2001 the Company repurchased $11.0 million principal amount of its outstanding 7-1/4% Debentures in exchange for 4,257,618 shares of common stock, as more fully described in Note K.

During the 1st quarter of 2001, the Company repurchased $5.0 million principal amount of its outstanding 7-1/4% Debentures in exchange for 1,787,500 shares of common stock, as more fully described in Note K.

NOTE Q-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, Cerro Bayo, Petorca, Coeur Australia 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 includes 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

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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 $29.3 million, $43.5 million, and $48.9 million in 2001, 2000, and 1999, respectively. Revenues from silver sales were $49.0 million, $57.3 million, and $43.7 million in 2001, 2000, 1999, respectively.

December 31, 2001	Rochester	Coeur Silver Valley	Fachinal	Petorca	Exploration and Development	Other	Total
Total net sales and revenues	$48,786	$15,478	$ 149	$ 5,639		$ 1,860	$ 71,912
Depreciation and amortization	9,205	3,448	172	530	24	(2,032)	11,347
Interest income			2	3		1,681	1,687
Interest expense			2,330	(1)		12,263	14,592
Gain on metals derivatives						526	526
Writedown of mine property			(966)	1,585		(9,971)	(9,352)
Income tax benefit (provision)		1				(7)	(6)
Earnings from non-consolidated Subsidiary							
Gain on early retirement Of debt						48,217	48,217
Profit (loss)	5,191	(1,700)	(3,740)	(1,983)	(1,357)	(12,629)	(16,218)
Investments in non-consolidated subsidiary							
Segment assets(A)	68,298	28,998	24,244	717	48	52,527	174,832
Expenditures for property	790	3,193	2,317		30	626	6,956

December 31, 2000	Rochester	Coeur Silver Valley	Fachinal	Petorca	Coeur Australia	Exploration and Development	Other	Total
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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December 31, 1999	Rochester	Coeur Silver Valley	Fachinal	Petorca	Coeur Australia	Exploration and Development	Other	Total
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

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

Segment Reporting

	2001	2000	1999
Profit (loss)			
Total profit or loss for reportable segments	$ (16,218)	$ (4,700)	$ 8,028
Gain (loss) on legal settlements		(4,200)	21,140
Gain (loss) on metal hedging	526	3,971	(4,302)
Depreciation and amortization	(11,762)	(26,683)	(21,753)
Interest expense	(14,592)	(16,999)	(16,408)
Writedown of mine property and other	(9,244)	(14,990)	(18,685)
Loss before income taxes	$ (51,290)	$ (63,601)	$ (31,981)
Assets			
Total assets for reportable segments	$172,107	$195,413	$206,277
Cash and cash equivalents	14,714	35,227	86,935
Short-term investments	14,656	18,344	22,978
Other assets	8,903	22,393	37,857
Total consolidated assets	$210,380	$271,377	$354,047

Segment Reporting

Geographic Information

	Revenues	Mining Properties

2001:		
United States	$68,348	$ 78,142
Chile	5,190	22,477
Other Foreign Countries	(1,626)	19,300
Total	$71,912	$119,919

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	Revenues	Mining Properties
2000:		
United States	$ 75,875	$ 90,384
Chile	15,989	20,890
Australia		
New Zealand	5	569
Bolivia		18,873
Other Foreign Countries		8
Total	$101,206	$130,724

	Revenues	Mining Properties
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

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

NOTE R-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 as a party. Pursuant to the terms of the Consent Decree, dated May 14, 2001, the Company has paid the U.S. Government a total of approximately $3.9 million, of which $3.3 million was paid in May 2001 and the remaining $.6 million was paid in June 2001. 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 $0.6 million, (ii) accomplish certain cleanup work on the Mineral Point property (i.e., the former Coeur Mine site) and Caladay 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. The Company recorded

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$4.2 million of expenses, which included $3.9 million of settlement payments, in the fourth quarter of 2000 in connection with the settlement.

Lawsuit to Recover Inventory

During the first quarter of 2000, Handy & Harman Refining Group, Inc.(Handy & Harman), to which the Rochester Mine had historically sent approximately 50% of its doré, filed for Chapter 11 bankruptcy. The Company had 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 & Harman. On February 27, 2001 the Company commenced a lawsuit against Handy & Harman and certain others in the U.S. Bankruptcy Court for the District of Connecticut seeking recovery of the metals and/or damages. Handy & Harman s Chapter 11 liquidation plan was confirmed by the Bankruptcy Court in August 2001 and on November 3, 2001, the Company received approximately $294,000 from Handy & Harman as a partial payment under the plan. The liquidating custodian of Handy & Harman under the liquidation plan recently advised the Company that Handy & Harman intends to file suit against the Company prior to March 28, 2002 for the value of 100,000 ounces of silver (i.e., approximately $500,000) as a preference based on the Company s draw-down of its account at Handy & Harman in mid-March 2000. Based on this more recent legal action, the Company has determined that the recovery of any additional amounts would be remote. As a result the Company has recorded a $1.4 million write-down of the carrying amount in the fourth quarter of 2001. Management of the Company and legal counsel believe that the threatened claims are without merit, and will vigorously defend any such suit.

Bunker Hill Action

On January 7, 2002, a private class action suit captioned Baugh vs. Asarco, et al., was filed in the Idaho District Court for the First District (Lawsuit No. 2002131) in Kootenai County, Idaho against the companies that have been defendants in the prior Bunker Hill and natural resources litigation in the Coeur d Alene Basin, including the Company, by eight northern Idaho residents seeking medical benefits and property compensation from the mining companies involved in the Bunker Hill Superfund site. At this early stage of the litigation, the Company cannot predict the outcome of this suit.

Proposed Mining Legislation

Recent legislative developments may affect the cost of and ability of mining claimants to use the Mining Law of 1872, as amended, (the Mining Act) to acquire or use federal lands for mining operations. Since October 1994, a moratorium has been imposed on processing new patent applications for mining claims. Management believes that this moratorium will not affect the status of patent applications outstanding prior to the moratorium.

Legislation is presently being considered in the U.S. Congress to change the Mining Act under which the Company holds mining claims on public lands. It is possible that the Mining Act will be amended or be replaced by more onerous legislation in the future. The legislation under consideration, as well as regulations under development by the Bureau of Land Management, contain new environmental standards and conditions, additional reclamation requirements and extensive new procedural steps which would be likely to result in delays in permitting.

During the last several Congressional sessions, bills have been introduced which would supplant or materially alter the Mining Act. If enacted, such legislation may materially impair the ability of the Company to develop or continue operations which derive ore from federal lands. No such bills have been passed and the extent of the changes, if any, which may be enacted by Congress is not presently known. A significant portion of Coeur s U.S. mining properties are on public lands. Any reform of the Mining

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Act or regulations thereunder based on these initiatives could increase the costs of mining activities on unpatented mining claims, and as a result could have an adverse effect on the Company and its results of operations. Until such time, if any, as new reform legislation or regulations are enacted, the ultimate effects and costs of compliance on the Company cannot be estimated.

NOTE S-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, 2001 and 2000:

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter(f)
		(In Thousands Except Per Share Data)		
2001				
Net revenues(d)	$ 18,022	$ 20,051	$ 17,066	$ 16,773
Net loss before extraordinary gain	$(11,249)	$ (9,428)	$(12,311)	$(18,302)(c)
Net loss(a)(b)	$ (8,068)	$ (3,637)	$ 26,934	$(18,296)(c)
Net loss attributable to common shareholders(a)(b)	$ (8,068)	$ (3,637)	$ 26,934	$(18,296)(c)
Basic and diluted net loss per share before extraordinary gain	$ (0.31)	$ (0.21)	$ (0.28)	$ (0.41)(c)
Basic and diluted net loss per share attributable to common shareholders(a)(b)	$ (0.22)	$ (0.08)	$ (0.62)	$ (0.41)(c)
2000(g)				
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(e)	$ (9,835)	$(10,462)	$ (8,456)	$(19,060)(c)
Net loss attributable to common shareholders(e)	$(12,015)	$(10,462)	$ (8,456)	$(19,060)(c)
Basic and diluted net loss per share before extraordinary gain	$ (0.39)	$ (0.31)	$ (0.23)	$ (0.91)(c)
Basic and diluted net loss per share attributable to common shareholders(e)	$ (0.39)	$ (0.28)	$ (0.23)	$ (0.51)(c)

(a) Includes extraordinary gain on early retirement of debt of approximately $3.0 million in the first quarter of 2001 and $5.8 million in the second quarter of 2001.

(b) Includes extraordinary gain on the exchange offer of approximately $39.2 million in the third quarter of 2001.(c) Includes writedown of mining properties of approximately $6.1 million, $12.2 million and $16.2 million in the fourth

quarters of 2001, 2000 and 1999, respectively, and $4.2 million expense for settlement of a legal suit in the fourth quarter of 2000.(d) Included mark-to-market gain (loss) of($4.0) million in the first quarter of 2001, ($0.2) million in the second quarter of 2001, and $.1 million in the fourth quarter of 2001.(e) 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.(f) Includes realized loss on other than temporary impairment of available for sale securities of $2.3 million in the fourth quarter 2000.

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(g) 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.