

COEUR D'ALENE MINES MAR QTR 09: TRANSITION FROM DEVELOPMENT TO PRODUCTION NEARS COMPLETION

	Mar Qtr	Dec Qtr	Change
Production (000' oz Ag)	3,923	4,000	-2%
Head Grade (g/t) *	116	105	11%
Average Silver Price (US\$/oz)	12.48	8.84	41%
Cash Operating Cost (US\$/oz)	6.61	6.91	-4%
Development Cost (US\$/oz)	1.64	0.98	67%
Total Cash Cost (US\$/oz)	8.25	7.89	5%
Gross Margin (US\$/oz)	4.23	0.95	345%
Other Investment Activities			
Capital Expenditure (US\$/oz) ^	18.32	24.13	
Exploration/Evaluation (US\$/oz)	0.98	1.55	
Total Other Investment (US\$/oz)	19.29	25.68	
Corporate Expenditure			
Net Finance Cost (Revenue) (US\$/oz) ^	- 0.03	- 0.40	
General Administration (US\$/oz)	1.49	1.45	
Total Corporate Costs (US\$/oz)	1.46	1.05	39%
Cash Surplus (Deficit) (US\$/oz)	- 16.52	- 25.78	36%
Balance Sheet Performance			
Cash Balance (US\$m)	38.1	20.8	84%
Marketable Investments (US\$m)	-	7.9	
Interest Bearing Loans (US\$m)	358.9	396.5	-9%
Hedging Liability (US\$m)	-	-	
Share Capital			
Shares Outstanding (m)	685.1	567.8	21%
\$US Share Price (End of Qtr)	0.92	0.88	5%

* Excludes Rochester related ounces which are extracted using heap leach.

^ Capital Expenditure includes capitalized interest. Net finance revenue excludes capitalized interest.

Coeur D'Alene (NYSE:CDE; TSX: CDM; ASX: CXC) has delivered a steady operating quarter, despite production declining marginally to 3.9 Moz of silver. Total cash costs fell 11% to US\$6.61/oz on the back of a 28% production increase at the high grade Martha deposit in Argentina. Cash costs at Martha consequently fell 18% from US\$7.54/oz to US\$6.21/oz. Cash costs at San Bartolome in Bolivia also improved 10% as the operation continues to consolidate after recently achieving design capacity. The key statistic, as in the previous quarter, was the average silver price received. After falling 39% to just US\$8.84/oz in the December 08 quarter, it rebounded nicely to US\$12.48/oz. This largely drove a 344% improvement in gross margins

despite an increase in sustaining capital expenditure largely associated with San Bartolome (US\$5.6m for the quarter).

Investment activity for the quarter can be mostly attributed to the near completion of Palmarejo (US\$65m). The remaining costs were largely associated with Kensington (US\$6.3m). Palmarejo is expected to reach commercial production levels by July 09. After corporate related expenditure, the net deficit was US\$16.52/oz. This represents a 36% improvement over the previous quarter reflecting a reduction in investment activity and higher gross margins. Once Palmarejo has been completed, Coeur D'Alene should swing back into a positive cash flow position. The company has forecast operating cash flow of US\$100m for the 2009 year, assuming stable metal prices.

The cash balance at the end of the quarter increased to US\$38.1m and total interest bearing liabilities fell by a net US\$40m. During the quarter a further US\$25m was issued in convertible notes followed by the conversion of US\$75m worth into shares. A look at the share capital sees a 20% increase in the number of outstanding shares which reflects this conversion. The company appears satisfied that their existing cash position and operating cash flow will be sufficient to fund their activities for the remainder of the year. The market seems to have acknowledged Coeur D'Alene's successful transition to date. As I type this, the share price is US\$15.19 or the equivalent of US\$1.52 prior to the recent 10:1 reverse stock split. From the December 08 close of US\$0.88, this represents a 73% increase.

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