COEUR D ALENE MINES CORP
Form DEF 14A
April 01, 2009

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

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934

Filed by the Registrant x

Filed by a Party other than the Registrant o

Check the appropriate box:

o Preliminary Proxy Statement
o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
x Definitive Proxy Statement
o Definitive Additional Materials
o Soliciting Material Pursuant to §240.14a-12

Coeur d Alene Mines Corporation

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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COEUR D ALENE MINES CORPORATION
505 Front Avenue
Post Office Box I
Coeur d Alene Idaho 83816

Dear Shareholder:

In 2008, your Company took a number of steps to deliver robust production growth and substantial, sustainable cash flows from two new silver mines that rank among the world s largest.

At this year s Annual Meeting of Shareholders, the Board of Directors recommends you vote YES on the following proposals that will continue positioning your Company for the future:

Elect our Board of Directors;

Authorize an amendment to our Articles of Incorporation to reduce the par value of our common stock from $1.00 per share to $0.01 per share;

Authorize the Board of Directors to effect a reverse stock split of our common stock at a stock split ratio of 1-for-10;

Subject to the approval of the proposed 1-for-10 reverse stock split, authorize an amendment to our Articles of Incorporation to change the number of authorized common shares from 750,000,000 shares to 150,000,000 shares; and

Ratify the appointment of KPMG as our independent accountants and auditors.

These proposals have been **unanimously** recommended by your Board of Directors who believe they will:

Enable us to attract a wider shareholder base;

Bring us into compliance with minimum share price listing standards of the New York Stock Exchange (NYSE) and significantly reduce our NYSE listing fees; and

Provide flexibility, through our authorized but un-issued common shares, for us to pursue accretive growth opportunities which may become available in the currently unpredictable economic times and financial markets.

We hope you will attend this year s Annual Meeting of Shareholders, to be held at The Coeur d Alene Resort and Conference Center, Second Avenue and Front Avenue, Coeur d Alene, Idaho at 9:30 a.m., local time, on May 12, 2009.

Only shareholders of record at the close of business on March 19, 2009 are entitled to notice of, and to vote at, the Annual Meeting.

Respectfully,

DENNIS E. WHEELER,

Chairman of the Board, President
and Chief Executive Officer

Coeur d Alene, Idaho
April 1, 2009

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COEUR D ALENE MINES CORPORATION
505 Front Avenue
Post Office Box I
Coeur d Alene Idaho 83816

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

Dear Shareholder:

Notice is hereby given that our Annual Meeting of Shareholders will be held at The Coeur d Alene Resort and Conference Center, Second Street and Front Avenue, Coeur d Alene, Idaho, on Tuesday, May 12, 2009, at 9:30 A.M., local time, for the following purposes:

1. Elect a Board of Directors consisting of nine persons to serve for the ensuing year or until their respective successors are duly elected and qualified;

2. Authorize an amendment to our Articles of Incorporation to reduce the par value of our common stock from $1.00 per share to $0.01 per share;

3. Authorize the Board of Directors to effect a reverse stock split of our common stock at a stock split ratio of 1-for-10;

4. Subject to the approval of Proposal No. 3, authorize an amendment to our Articles of Incorporation to change the number of authorized common shares from 750,000,000 shares to 150,000,000 shares;

5. Ratify the appointment of KPMG as our independent accountants; and

6. Transact such other business as properly may come before the meeting.

Nominees for directors to be elected at the Annual Meeting are set forth in the enclosed Proxy Statement.

Only shareholders of record at the close of business on March 19, 2009, the record date fixed by the Board of Directors, are entitled to notice of, and to vote at, the Annual Meeting.

YOUR VOTE IS IMPORTANT

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON MAY 12, 2009. OUR PROXY STATEMENT IS ATTACHED. FINANCIAL AND OTHER INFORMATION CONCERNING COEUR IS CONTAINED IN OUR 2008 ANNUAL REPORT TO SHAREHOLDERS. YOU MAY ACCESS THIS PROXY STATEMENT AND OUR 2008 ANNUAL REPORT TO SHAREHOLDERS AT HTTP://BNYMELLON.MOBULAR.NET/BNYMELLON/CDE.

Whether or not you plan to attend the Annual Meeting of Shareholders, we urge you to vote and submit your proxy in order to ensure the presence of a quorum.

Registered holders may vote:

1. By Internet: go to http://www.proxyvoting.com/cde;

2. By toll-free telephone: call 1-866-540-5760; or

3. By mail (if you received a paper copy of the proxy materials by mail): mark, sign, date and promptly mail the enclosed proxy card in the postage-paid envelope.

Beneficial Shareholders. If your shares are held in the name of a broker, bank or other holder of record, follow the voting instructions you receive from the holder of record to vote your shares.

By order of the Board of Directors,

DENNIS E. WHEELER
Chairman of the Board, President and
Chief Executive Officer

Coeur d Alene, Idaho
April 1, 2009

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PROXY STATEMENT

General

This proxy statement is furnished in connection with the solicitation by our Board of Directors of proxies of shareholders for shares to be voted at the Annual Meeting of Shareholders to be held on Tuesday, May 12, 2009, and any and all adjournments or postponements thereof.

Any shareholder executing a proxy has the right to revoke it at any time prior to its exercise by giving notice to our Secretary.

This proxy statement and the accompanying proxy are first being made available to our shareholders on or about April 1, 2009.

If the reverse stock split discussed in detail herein is approved by our stockholders, we will exchange one new share for ten outstanding shares. We will not issue any fractional shares. Stockholders who otherwise would hold fractional shares as a result of the reverse stock split will be entitled to receive cash (without interest or deduction) in lieu of such fractional shares upon following the procedures of our transfer agent described below under Proposal No. 3 under the heading Fractional Shares.

If you hold nine or fewer shares, you will cease to be a stockholder when the reverse stock split becomes effective. Pursuant to applicable Idaho law, there are no dissenters or appraisal rights relating to the matters to be acted upon at the Annual Meeting.

Important Notice Regarding the Availability of Proxy Materials for Annual Meeting of Shareholders to be Held on May 12, 2009: The Company s Proxy Statement and Annual Report to Shareholders are available at http://bnymellon.mobular.net/bnymellon/cde.

VOTING SECURITIES

All shareholders of record as of the close of business on March 19, 2009 are entitled to vote at the Annual Meeting or any adjournment or postponement thereof upon the matters listed in the Notice of Annual Meeting. Each shareholder is entitled to one vote for each share held of record on that date. As of the close of business on March 19, 2009, a total of 673,905,440 shares of our common stock were outstanding.

Shares represented by a proxy will be voted according to the instructions, if any, given in the proxy. Unless otherwise instructed, the person or persons named in the proxy will vote:

FOR the election of the nine nominees for directors listed herein (or their substitutes in the event any of the nominees is unavailable for election);

FOR the authorization an amendment to our Articles of Incorporation to reduce the par value of our common stock from $1.00 per share to $0.01 per share;

FOR the authorization of the Board of Directors to effect a reverse stock split of our common stock at a stock split ratio of 1-for-10;

FOR the authorization of an amendment to our Articles of Incorporation to change our total number of authorized common shares from 750,000,000 shares to 150,000,000 shares, subject to the approval of the reverse stock split;

FOR the ratification of KPMG as our independent accountants; and

in their discretion with respect to such other business as properly may come before the Annual Meeting.

If you received a paper copy of the proxy materials by mail and wish to vote your proxy by mail, mark your vote on the enclosed proxy card; then follow the directions on the card. To vote your proxy using the Internet or by telephone, see the instructions set forth on the Notice of Annual Meeting of Shareholders included with this proxy statement or the Notice of Internet Availability of Proxy Materials mailed to our shareholders on or about April 1,

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2009. Your shares will be voted according to your directions. If you do not mark any selections on your proxy card, your shares will be voted as recommended by the Board of Directors.

Votes cast by proxy or in person at the Annual Meeting will be tabulated by the inspectors of election appointed by us for the meeting. The number of shares represented at the meeting in person or by proxy will determine whether or not a quorum is present. The inspectors of election will treat abstentions as shares that are present and entitled to vote for purposes of determining the presence of a quorum but as unvoted for purposes of determining the approval of any matter submitted to the shareholders for a vote. If a broker indicates on the proxy that it does not have discretionary authority as to certain shares to vote on a particular matter, those shares will not be considered as present and entitled to vote by the inspectors of election with respect to that matter.

We will bear the cost of soliciting proxies. Proxies may be solicited by directors, officers or regular employees in person or by telephone or telegram. We have retained Morrow & Company, Inc., New York, New York, to assist in the solicitation of proxies. Morrow & Company s charge will be $7,500 plus out-of-pocket expenses.

PROPOSAL NO. 1

ELECTION OF DIRECTORS

Nine directors are to be elected at the Annual Meeting, each to serve for one year or until his successor is elected and qualified. Proxies will be voted at the Annual Meeting, unless authority is withheld, FOR the election of the nine persons named below. Mr. Alex Vitale, a valued member of our Board since 2005, resigned from the Board on March 17, 2009. We thank Mr. Vitale for his service on the Board. Mr. L. Michael Bogert was appointed to the Board on March 17, 2009 to fill the vacancy created by Mr. Vitale s resignation. We are pleased to nominate Mr. Bogert to continue to serve on the Board. We do not contemplate that any of the persons named below will be unable, or will decline, to serve; however, if any such nominee is unable or declines to serve, the persons named in the accompanying proxy may vote for a substitute, or substitutes, in their discretion.

Nominee	Age	Director Since
Dennis E. Wheeler Currently, Chairman of the Board, President and Chief Executive Officer of Coeur d Alene Mines Corporation. Chairman of the Board and President from May 1992 to September 2002; President from December 1980 to September 2002 and January 2005 to present; Chief Executive Officer since December 1986.	66	1978
James J. Curran Chairman of the Board and Chief Executive Officer of First Interstate Bank, Northwest Region (Alaska, Idaho, Montana, Oregon and Washington) from October 1991 to April 1996; Chairman of the Board and Chief Executive Officer of 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.	69	1989
John H. Robinson Chairman of Hamilton Ventures LLC (consulting and investment) since founding the firm in 2006; Vice Chairman of Olsson Associates (engineering consultants) from 2004 to 2005; Chairman of EPCglobal Ltd. (professional engineering staffing) and Executive Director of MetiLinx Ltd. (software) from 2003 to 2004; Executive Director of Amey plc (business process	58	1998

outsourcing and construction) from 2000 to 2002; Vice Chairman and Managing Partner of Black & Veatch Inc. (engineering and construction) from 1989 to 2000; Member of the Board of Directors of Alliance Resource Management GP, LLC (coal mining); Olsson Associates; Federal Home Loan Bank of Des Moines; and COMARK Building Systems Inc (modular building systems).

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Nominee	Age	Director Since
Robert E. Mellor Chairman, 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; Member of the Board of Directors of The Ryland Group (national residential home builder).	65	1998
Timothy R. Winterer President, Chief Operating Officer and Director of Western Oil Sands from January 2000 to December 2001; President and Chief Executive Officer of BHP World Minerals Corporation (international resources company) from 1997 to 1998; 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).	72	1998
J. Kenneth Thompson President and CEO of Pacific Star Energy LLC (private energy investment firm in Alaska) from September 2000 to present; Managing Director of Alaska Venture Capital Group LLC (private oil and gas exploration company) from December 2004 to present; Executive Vice President of ARCO s Asia Pacific oil and gas operating companies in Alaska, California, Indonesia, China and Singapore from 1998 to 2000; President and CEO of ARCO Alaska, Inc., the parent company s oil and gas producing division based in Anchorage from June 1994 to January 1998; Member of the Board of Directors of Horizon Air and Alaska Air Group, Inc., the parent corporation of Alaska Airlines and Horizon Air and is also a member of the Board of Directors of Tetra Tech, Inc. (engineering consulting firm).	57	2002
Andrew Lundquist Managing Partner of BlueWater Strategies LLC (business and government relations consulting and project management firm) since he founded the firm in 2002; Director of Pioneer Natural Resources Company (oil and gas company); previously served as a Director of Evergreen Resources (natural gas exploration and production company) (2002-2004); Director of the National Energy Policy Development Group and senior energy advisor to the President and Vice-President (2001-2002); Majority Staff Director of the Senate Committee on Energy and Natural Resources (1998-2001); Chief of Staff for Senator Frank Murkowski (1996-1998); and counsel for the Senate Energy Committee (1995-1996).	48	2005
Sebastian Edwards Henry Ford II Professor of International Business Economics at the Anderson Graduate School of Management at the University of California, Los Angeles (UCLA) from 1996 to present; Chairman of the Inter American Seminar on Economics from 1987 to present; member of the Scientific Advisory Council of the Kiel Institute of World Economics in Germany from 2002 to present; research associate at the National Bureau of Economic Research from 1981 to present; previously served as President of the Latin American and Caribbean Economic Association (2001-2003) and as Chief Economist for the World Bank Group for the Latin America and Caribbean Region (1993-1996); taught at IAE Universidad Austral in Argentina and at the Kiel Institute (2000-2004).	55	2007
L. Michael Bogert Counselor to the Secretary, United States Department of the Interior, from July 2006 to January 2009; Regional Administrator, United States Environmental Protection Agency, Region X, from August 2005 to June 2006; Of Counsel Perkins Coie, LLP, Boise, Idaho from September	51	2009

2004 to July 2005; Counsel to Idaho Governor Dirk Kempthorne, from January 1999 to August 2004; Counsel to the Office of California Governor-Elect Arnold Schwarzenegger, 2003.

THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR THE ELECTION OF THE ABOVE NOMINEES AS DIRECTORS.

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Committees of the Board of Directors

Our Board of Directors met nine times during 2008. Our Board has an Audit Committee comprised solely of outside directors and presently consisting of Messrs. Curran (Chairman), Robinson, Thompson and Winterer. The Audit Committee is responsible for reviewing and reporting to the Board of Directors with respect to various auditing and accounting matters, including the selection of our independent public accountants, the scope of the audit procedures, the nature of all audit and non-audit services to be performed, the performance of our independent accountants and our accounting practices and policies. The Audit Committee met six times during 2008.

Our Board has a Compensation Committee, comprised solely of outside directors and presently consisting of Messrs. Thompson (Chairman), Mellor, Robinson and Edwards. The Compensation Committee is responsible for determining and approving, together with the other independent members of the Board, the annual compensation of the Company s Chief Executive Officer, for determining the annual compensation of the non-CEO executive officers and the directors, overseeing the Company s stock incentive plans and other executive benefit plans and providing guidance in the area of certain employee benefits. The Compensation Committee met four times during 2008.

Our Board has a Nominating and Corporate Governance Committee consisting of Messrs. Mellor (Chairman), Thompson, Winterer and Edwards. The Nominating and Corporate Governance Committee is responsible for proposing nominees for the Board of Directors, the establishment of corporate governance guidelines and related corporate governance matters. The Nominating Committee met two times during 2008.

Our Board also has an Executive Committee on which Messrs. Wheeler (Chairman), Curran, Mellor, Robinson, Winterer and Lundquist currently serve. The Executive Committee is authorized to act in the place of the Board of Directors on limited matters that require action between Board meetings. The Executive Committee did not meet during 2008.

Our Board has determined that, except for Dennis E. Wheeler and Andrew Lundquist, each director and each of the nominees for director, including each of the members of the Audit Committee, Compensation Committee, and Nominating and Corporate Governance Committee, are independent within the meaning of applicable New York Stock Exchange listing standards and rules. In its evaluation of the directors independence, the Board considered the related person transactions with respect to Mr. Lundquist discussed below under Certain Related Person Transactions.

Copies of the charters of the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee are available at our website www.coeur.com and to any shareholder who requests them. Each incumbent director attended at least 75% of the meetings of the Board of Directors and committees on which he served during 2008.

Policy Regarding Director Nominating Process

The Nominating and Corporate Governance Committee has adopted a policy pursuant to which a shareholder who has owned at least 1% of our outstanding shares of common stock for at least two years may recommend a director candidate that the Committee will consider when there is a vacancy on the board either as a result of a director resignation or an increase in the size of the Board. Such recommendation must be in writing addressed to the Chairman of the Nominating and Corporate Governance Committee at our principal executive offices and must be received by the Chairman at least 120 days prior to the anniversary date of the release of the prior year s proxy statement. Although the Committee has not formulated any specific minimum qualifications that the Committee believes must be met by a nominee that the Committee recommends to the board, the factors it will take into account will include strength of character, mature judgment, career specialization, relevant technical skills or financial acumen, diversity of viewpoint and industry knowledge, as set forth in the Committee s charter. The Committee does not believe that there will be any differences between the manner in which the Committee evaluates a nominee recommended by a shareholder and the manner in which the Committee evaluates nominees recommended by other persons.

Policy Regarding Shareholder Communications with Directors

Shareholders and other interested persons desiring to communicate with a director, the non-management directors as a group or the full board may address such communication to the attention of Kelli Kast, Esq., General

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Counsel of the Company, 505 Front Avenue, P.O. Box I, Coeur d Alene, Idaho 83814, and such communication will be forwarded to the intended recipient or recipients.

Policy Regarding Director Attendance at Annual Meetings

The Company has a policy that encourages directors to attend each annual meeting of shareholders, absent extraordinary circumstances. Each of the nine members of the Board attended the annual meeting on May 13, 2008.

Meetings of Non-Management Directors

Non-management members of the Board of Directors conduct at least two regularly-scheduled meetings per year without members of management being present. Robert E. Mellor presides over each meeting of non-management directors.

Corporate Governance Guidelines and Code of Business Conduct and Ethics for Directors and Employees

In February 2004, the Board of Directors adopted Corporate Governance Guidelines and a Code of Business Conduct and Ethics for Directors, Officers and Employees in accordance with New York Stock Exchange corporate governance listing standards. Copies of these documents are available at our website, www.coeur.com, and to any shareholder who requests them.

SHARE OWNERSHIP

The following table sets forth information, as of March 19, 2009, concerning the beneficial ownership of our common stock by each beneficial holder of more than 5% of our outstanding shares of common stock, each of the nominees for election as directors, each of the executive officers listed in the Summary Compensation Table set forth below, and by all of our directors and executive officers as a group.

	Shares Beneficially Owned	Percent of Outstanding
L. Michael Bogert	0(2)	*
James J. Curran	191,659(1)(2)	*
Sebastian Edwards	35,998(2)	*
Andrew Lundquist	53,033(2)	*
Robert E. Mellor	65,784(2)	*
John H. Robinson	92,756(2)	*
J. Kenneth Thompson	136,023(1)(2)	*
Dennis E. Wheeler	2,124,724(1)(2)	0.31
Timothy R. Winterer	121,270(2)	*
Donald J. Birak	268,420(2)	*
Mitchell Krebs	249,315(2)	*
Richard Weston	284,806(2)	*
Alan L. Wilder	116,085(2)(3)	*
James A. Sabala	0(3)	
All executive officers and nominees for director as a group (21 persons)	4,439,272(2)	0.66

(*) Holding constitutes less than 0.10% of the outstanding shares.

(1) 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.

(2) Holding includes the following shares which may be acquired upon the exercise of exercisable options outstanding under the 1989/2003 Long-Term Incentive Plans and the Non-Employee Directors Stock Option Plan: L. Michael Bogert 0 shares; James J. Curran 157,996 shares; Sebastian Edwards 0 shares;

Andrew Lundquist 0 shares; Robert E. Mellor 32,121 shares; John H. Robinson 47,002 shares; J. Kenneth Thompson 66,349 shares; Dennis E. Wheeler 1,094,502 shares; Timothy R. Winterer 66,120 shares; Donald J. Birak 110,424 shares; Mitchell Krebs 80,561 shares; Richard Weston 34,692 shares; Alan Wilder 75,999 shares; and all directors and executive officers as a group 1,872,310 shares.

(3) Mr. Sabala resigned as our Executive Vice President and Chief Financial Officer effective March 21, 2008. Mr. Wilder retired from Coeur on January 15, 2009.

COMPENSATION DISCUSSION AND ANALYSIS

Overview

Coeur is one of the world s largest publicly-traded primary producers of silver, and has a significant presence in gold. Coeur is engaged in the development, exploration and operation of silver and gold mining properties and companies, with operations in seven countries. In 2008, Coeur had sales of $189.5 million, with approximately 70% of revenues from sales of silver. Coeur s primary business objectives are to increase production levels and reserves, decrease cash-production costs, and increase cash flows and earnings. Coeur aims to meet these objectives through cost-competitive operations, internal development projects, exploration and acquisitions. Additional information about Coeur is available at our website www.coeur.com.

The following is a discussion of Coeur s executive compensation program and compensation decisions made with respect to the Company s named executive officers (NEOs) listed in the 2008 Summary Compensation Table on page 26. Effective March 21, 2008, Mitchell J. Krebs was appointed Senior Vice President Chief Financial Officer upon the resignation of James A. Sabala. In addition, Alan L. Wilder, Senior Vice President, Project Development, retired from Coeur effective January 15, 2009; therefore, in 2008 we had six NEOs.

In light of the current global economic downturn and the potential implications for the Company s business strategies, the Company has implemented a freeze of base salary levels for its executive officers in their current positions during 2009.

Role of the Compensation Committee and its Consultant

The Compensation Committee of the Board of Directors (the Committee) acts on behalf of the Board to establish and oversee the Company s executive compensation program in a manner that supports the Company s business strategy. The Committee formulates an annual calendar for its activity that is designed to cover necessary regular approvals as well as special topics. The Committee meets at least two times annually, or more frequently as circumstances dictate, in order to set executive compensation for the year, review recommendations of its outside consultant, and recommend compensation changes to the Board of Directors.

The Committee has retained Mercer (US) Inc. (Mercer) to provide information, analyses, and advice regarding executive and director compensation, as described below. Mercer reports directly to the Committee chair.

The Committee has established procedures that it considers adequate to ensure that Mercer s advice to the Committee remains objective and is not influenced by the Company s management. These procedures include: a direct reporting relationship of the Mercer consultant to the Committee; a provision in the Committee s engagement letter with Mercer specifying the information, data, and recommendations that can and cannot be shared with management; an annual update to the Committee on Mercer s financial relationship with the Company, including a summary of the work performed for the Company during the preceding 12 months; and written assurances from Mercer that, within the Mercer organization, the Mercer consultant who performs services for the Committee has a reporting relationship and compensation determined separately from Mercer s other lines of business and from its other work for the Company. Mercer has provided the Committee with written assurance that these procedures continue to be in place and were followed during the last completed fiscal year.

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At the Committee s direction, Mercer provided the following services for the Committee during fiscal year 2008:

Evaluated the Company s executive officers base salary, annual incentive and long-term incentive compensation relative to the competitive market;

Advised the Committee on executive officer target award levels within the annual and long-term incentive program and, as needed, on actual compensation actions;

Assessed the alignment of Company compensation levels relative to the Company s compensation philosophy;

Provided ongoing advice as needed on the design of the Company s annual and long-term incentive plans;

Briefed the Committee on executive compensation trends among the Company s peers and broader industry;

Evaluated the Company s Board of Director compensation relative to the competitive market; and

Assisted with the preparation of the Compensation Discussion and Analysis for this proxy statement.

In the course of conducting its activities during fiscal year 2008, Mercer attended two meetings of the Compensation Committee and presented its findings and recommendations for discussion. In performing its duties under the engagement with the Committee during the last completed fiscal year, Mercer was subject to the following instructions: Mercer may not share data and recommendations regarding the CEO s compensation (including equity awards) with any member of management, without the Committee chair s prior approval; and Mercer may contact the Company s executive officers for information necessary to fulfill its assignment.

The decisions made by the Committee are the responsibility of the Committee and may reflect factors and considerations other than the information and recommendations provided by Mercer. Further, the compensation and benefit amounts presented in the Company s Annual Report on Form 10-K and proxy statement reflect the decisions of the Committee taking into account many factors and considerations and may or may not be consistent with recommendations made by Mercer, management, or any other advisor to the Committee.

Compensation Objectives and Principles

Motivating the Company s executives to achieve goals that are consistent with the Company s business strategies and that create shareholder value is the primary objective of the Company s executive compensation program. Consequently, a majority of Coeur s executives compensation opportunities are in the form of at-risk incentives that require performance against measurable objectives or an increase in long-term shareholder value to result in payouts.

The second fundamental objective of the Company s executive compensation program is to attract and retain highly-skilled executives. Increased mining activity world-wide in recent years has resulted in a significant increase in demand for executive and professional talent with technical skills and industry experience. In addition, over the past decade fewer people have entered the mining industry and several mining schools have closed, resulting in a shortage of industry talent. As a result of these talent market pressures, Coeur s executives and professionals are routinely pursued by competitors, and some of the Company s valued talent has left the company for other opportunities. The objective of attraction and retention is thus a significant factor in many of the compensation decisions discussed below.

In order to meet these compensation objectives in the design and governance of compensation programs for the Company s executive officers, including the NEOs, the Committee is guided by the following principles that express the Committee s view that compensation at Coeur should be:

Performance-based

Reward for Company-wide results in addition to recognizing individual performance, focusing on objectives that are directly under the control of executives.

Market-competitive

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Compared to mining industry peers, target total compensation at the market 75th percentile level in order to attract, motivate and retain high caliber talent.

Aligned with shareholders

Provide a significant portion of incentive compensation to executives in the form of equity-based awards. Award values fluctuate based on share value thus aligning officer and shareholder interests.

Transparent

Clearly communicate both the desired results and the incentive pay programs used to reward the achievement of these results.

In 2008, our executive officer compensation program used the components identified in the following table:

Compensation Component	Objective	Key Features
Base salary	Provide a fixed level of cash compensation for performance of day-to-day responsibilities	Annual adjustments are based on an individual s current and expected future contribution and actual pay positioning relative to the market
Annual incentives	Reward executives for the achievement of annual Company financial and operational goals and for the achievement of individual executive goals	Cash payments based on Company and individual performance, each weighted 50% Company performance measures are silver and gold production, cash operating costs, operating net income and cash flow return on investment
Long-term incentives	Align executives interests with those of shareholders and attract and retain highly-skilled executives	Equity grants consisting of an equal value of stock options, restricted stock and performance shares. Options and restricted stock vest ratably over three years, and performance shares vest based on total shareholder return over a three-year period relative to a peer group
Benefits and perquisites	Attract and retain highly-skilled executives	Participation in medical and retirement plans on same terms as all employees Limited perquisites

Determining Executive Compensation

Coeur s compensation objectives and principles are supported in the compensation-setting process through a number of policies and processes.

Total Compensation: In determining the mix of compensation components and the value of each component for each of the Company s executive officers, including its NEOs, the Committee takes into account the executive s role, the competitive market, individual and Company performance, and internal equity. The Committee does not make use of tally sheets. Amounts realized or realizable from prior compensation awards are not considered in setting other elements of compensation. Details of the various programs and how they support the overall business strategy are outlined below in Compensation Components.

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Variable Pay at Risk: Consistent with a performance-based philosophy, Coeur s compensation program emphasizes pay at risk. The percentage of an executive s compensation opportunity that is at risk or variable instead of fixed is based primarily on the executive s role in the Company. Executives who are in a greater position to directly influence our overall performance have a larger portion of their pay at risk through short and long-term incentive programs compared to other executives. Typically, at least 40% of the target total compensation opportunity for our executives is in the form of variable compensation. The CEO has more pay at risk than the other NEOs, consistent with the competitive market. The mix of compensation elements for our NEOs in 2008, as a percentage of total compensation, is set forth in the table below:

	Fixed Compensation (% of Total Compensation)	Variable Compensation (% of Total Compensation)	
Named Executive Officer	**Base Salary**	**Target Annual Incentives**	**Target Long-Term Incentives**
CEO	30%	20%	50%
Other NEOs (average)	43%	20%	37%

Market Positioning: The Committee s policy is to target the components of compensation relative to the competitive market (as defined below under Competitive Market Assessments) as follows:

Compensation Component	Target Market Positioning
Base Salary	Between market median and 75th percentile
Annual Incentives	Between market median and 75th percentile
Long-Term Incentives	Market 75th percentile
Benefits and Perquisites	Market median

The total compensation opportunity is targeted at the market 75th percentile. The Committee has established this positioning approach based on both industry experience and the continued expectation that above-market positioning is necessary in order to attract and retain experienced and high caliber executive talent in the highly competitive mining talent market. In any given year, an individual executive s compensation may be set above or below the target market positioning, depending on the individual executive s experience, recent performance and expected future contribution, retention concerns, and internal equity among the executives. Details regarding actual compensation in 2008 and a comparison to targets are outlined below in Compensation Components.

Competitive Market Assessments: The Committee annually reviews the compensation of the executives relative to the competitive market, based on an assessment prepared by Mercer. This review typically takes place at the Committee s regular first quarter meeting (historically January to mid-March). Mercer s assessment is typically prepared in the fourth quarter of the prior year, and includes an evaluation of base salary and annual and long-term incentive opportunities. In preparing this assessment, Mercer uses publicly-disclosed data from a peer group of metal and mineral mining companies (see discussion below) and survey data from a broader set of mining and general industry companies. For market assessments reviewed by the Committee in 2008, mining industry data was collected from surveys published by The Hay Group and PricewaterhouseCoopers, and general industry data was collected from surveys published by Mercer and Watson Wyatt. The Committee weighs the peer group and survey data equally in developing a market composite for each executive position.

Peer Group: As a member of the precious metals mining industry, Coeur competes for executive talent with other precious metals mining companies, as well as with base metal and mineral mining companies. As such, the Committee uses a peer group comprised primarily of companies in the precious metals mining industry of comparable size, level of complexity and scope of operations to Coeur. In addition, the Committee considers companies that are based in either the United States or Canada as part of the Company s executive talent market. The peer group is used in the market comparison for NEO pay levels (as described above). The Committee reviews the peer group each year in consultation with Mercer to determine its continued validity as a source of competitive compensation data, and adds or removes companies as appropriate. For the 2008 competitive market assessment, the Committee removed Bema Gold, Cambior and Glamis Gold from the peer group due to their acquisition, and added IAMGOLD and Yamana Gold to the peer group. For the 2009 competitive market assessment, the Committee will remove Meridian Gold due to its acquisition.

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The peer group used for the 2008 competitive market assessment consisted of the following companies:

Company	Annual Revenue(1) ($)	Market Cap(1) ($)	Corporate Location
Goldcorp Inc.	2,207	24,008	Canada
Kinross Gold Corporation	1,093	11,101	Canada
Yamana Gold, Inc.	747	8,013	Canada
IAMGOLD Corporation	678	2,379	Canada
Stillwater Mining Company	619	891	United States
Agnico-Eagle Mines Limited	432	8,079	Canada
Centerra Gold Inc.	369	2,719	Canada
Northgate Minerals Corporation	338	771	Canada
Pan American Silver Corporation	301	2,676	Canada
Meridian Gold, Inc.(2)	293	3,615	United States
Hecla Mining Company	223	1,128	United States
Median	**432**	**2,719**	
Coeur d Alene Mines Corporation	**215**	**1,377**	United States

(1) In $US millions (except for Centerra, which is in $CDN millions) as of year-end fiscal 2007.

(2) Meridian Gold Inc. was acquired by Yamana Gold Inc. in late 2007 and will not be included in future peer groups. Annual revenue above reflects Meridian Gold s trailing four quarter revenue at the time of acquisition.

Even though Coeur s 2007 revenue was below that of the peer companies, the Committee determined that these companies form a suitable peer group, based on the following considerations: the Company s key labor market for executive talent consists primarily of these named companies; the Company s level of complexity and scope of operations is similar to these companies (i.e., exploration and development of silver and gold mines, with operations in several foreign countries); and the Company s level of complexity and scope of operations is generally not similar to other companies in the industry with lower revenue.

Compensation Components

The specific rationale, design, determination of amounts and related information regarding each of the components of Coeur s executive officer compensation program are outlined below.

Base Salary

The annual base compensation for our executives is structured to ensure that we are able to attract and retain high caliber executives capable of achieving our strategic and business objectives. As described above in Determining Executive Compensation , we target base salaries between the 50th and 75th percentile levels of the competitive market. The Committee reviews executive salaries annually as part of its competitive market assessment and makes adjustments based on the actual positioning relative to market compared to the desired positioning, the individual executive s position, organization level, scope of responsibility, tenure and experience, education and expected future contribution. The independent members of the Board of Directors and the Committee, respectively, approved the following increases to base salaries for the CEO and the other NEOs in February 2008:

Named Executive Officer	2007 Base Salary	2008 Base Salary	Percentage Increase
Dennis E. Wheeler, Chairman, President & CEO	$ 559,650	$ 587,633	5.0%
Mitchell J. Krebs, Sr. VP & CFO	$ 232,875	$ 262,449	12.7%
Richard M. Weston, Sr. VP Operations	$ 258,000	$ 289,820	12.3%
Donald J. Birak, Sr. VP Exploration	$ 242,000	$ 262,449	8.5%
Alan L. Wilder, Sr. VP Project Development	$ 248,000	$ 255,440	3.0%
James A. Sabala, Former Exec. VP & CFO	$ 279,450	$ 279,450	0.0%

Mr. Wheeler s base salary is higher than that of the other NEOs due to the fact that he is the top executive in the Company and has been a substantial contributor to its performance for over 30 years. Mr. Wheeler has held several executive-level positions during his tenure at Coeur, including the positions of General Counsel, President, Chief Executive Officer and Chairman of the Board of Directors, often holding more than one top position at the same time, as is currently the situation. Mr. Wheeler has a broad and deep knowledge of the mining industry, the investment community that focuses on this industry, the major industry influences (including peer companies, individuals, educational institutions and industry-focused organizations), government elements (both political and bureaucratic) and interested non-governmental organizations. This breadth of industry and executive knowledge and leadership ability places his value well above others within the organization. By comparison to the market competitive target, the Company believes he is properly compensated. This same process of recognizing an individual s skills, abilities, talent, contribution and tenure, in light of market competiveness, is used in determining the base salaries of each NEO.

A general increase of 3.5% was budgeted and approved for 2008 for the Company s employees, including the NEOs. An additional 2.0% was budgeted and approved for strategic adjustments in individual compensation based upon market competitiveness, individual merit, job performance and other factors. The additional 2.0% strategic compensation budget is a funded pool that included all salary-rated employees within the U.S.-paid employee group. The increase that an individual could be awarded was not limited simply by summing the 3.5% general increase and 2.0% strategic budget to arrive at a 5.5% maximum increase. NEOs who performed well received the general increase in base salary, and NEOs whose skills, abilities and positions were in significant demand were eligible for an additional increase from the strategic pool. Messrs. Wheeler, Krebs, Weston and Birak were provided with an additional increase from the strategic pool due to the increased importance of their positions, both within the Company and, more importantly, within the mining industry. The strategic importance of Mr. Wheeler s position was discussed in the previous paragraph. Mr. Krebs leads the Company s financial, accounting, business development and commercial activities, as well as oversees investor relations and supports internal auditing efforts. Mr. Krebs brings extensive experience and education to this position. Mr. Weston has overall responsibility for operational success of our international, global operations and projects. He has thirty years of in-depth operational experience with international mining companies and operations. Mr. Birak is in charge of identification of the Company s future mine and/or ore reserves. He has thirty years of exploration experience and has held similar positions with other mining companies. Mr. Birak additionally is our qualified person for purposes of mineral material reporting set forth in our various stock exchange filings. In today s mining labor market, this quantifiable talent commands high salaries. The Company considered it necessary and prudent to provide a larger than 3.5% increase to these NEOs in order to help ensure their retention, while maintaining the Company s policy of targeting base salaries between the 50th and 75th percentile range of the competitive market.

The initial base salary of each NEO as set forth in his employment agreement was established according to the Company s compensation policy of targeting the 50th to 75th percentile range of the competitive market (as described above in Determining Executive Compensation) prevailing at the time the agreement was entered into. The other factors listed above relating to determining base salaries also influence the decision in establishing an NEO s initial base salary, as well as any subsequent adjustments. Below is a chart showing the 2008 base salary for each NEO compared to the competitive market range as determined by Mercer for the first quarter 2008 Committee meeting:

		Market Range		**% Deviation From**	
Named Executive Officer	**2008 Base Salary**	**50th Percentile**	**75th Percentile**	**50th Percentile**	**75th Percentile**
Dennis E. Wheeler	$587,633	492,000	649,000	20%	–9%
Mitchell J. Krebs	$262,449	219,000	262,000	20%	0%

Richard M. Weston	$289,820	261,000	312,000	11%	−7%
Donald J. Birak	$262,449	229,000	274,000	15%	−4%
Alan L. Wilder	$255,440	214,000	259,000	19%	−1%
James A. Sabala	$279,450	263,000	321,000	6%	−13%

Effective March 21, 2008, Mr. Krebs was promoted to Senior Vice President Chief Financial Officer upon the resignation of Mr. Sabala. Mr. Krebs did not receive an increase in base salary as a result of this promotion, because his 2008 base salary was already at the 50th percentile of the market range established for the CFO position (i.e., the market range shown above for Mr. Sabala) and the Committee viewed this market positioning as appropriate due to Mr. Krebs being new in the position.

In light of the current global economic downtown and the potential implications for the Company s business strategies, the Company implemented a freeze of base salary levels for its executive officers in their current positions during 2009.

Annual Incentive Plan (AIP)

The AIP is an annual cash incentive plan that rewards executives for the achievement of annual Company financial and operational goals and for the achievement of individual executive goals.

AIP Target Opportunities: Under the AIP, each executive has a target award opportunity expressed as a percentage of base salary established at the beginning of each year. The target award opportunities are determined based on the competitive market and the desired market positioning, the individual executive s position, organization level, scope of responsibility and ability to impact our performance, and internal equity among the executives. Based on these criteria, the target AIP award opportunities in 2008 were increased from 2007 levels for most of the NEOs, as follows:

Named Executive Officer	2007 Target AIP Opportunity (% of Salary)	2008 Target AIP Opportunity (% of Salary)
Dennis E. Wheeler, Chairman, President & CEO	65%	70%
Mitchell J. Krebs, Sr. VP & CFO	40%	45%
Richard M. Weston, Sr. VP Operations	40%	45%
Donald J. Birak, Sr. VP Exploration	40%	45%
Alan L. Wilder, Sr. VP Project Development	40%	45%
James A. Sabala, Former Exec. VP & CFO	45%	45%

Target AIP award opportunities for 2009 will remain the same as in 2008.

Actual awards are paid after the end of each year and can range from 0% to 200% of the target awards, based on the actual performance of the Company and the individual executives versus goals.

AIP Performance Measures and Weights: For 2008, Company performance was measured against predetermined annual goals established by the Committee for the following four measures (which were unchanged from 2007):

Silver and gold production, measured in silver-equivalent ounces;

Cash operating cost per ounce of silver produced, prior to adjustment for by-product credits;

Operating net income before extraordinary charges and adjusted for actual metal price variation from budgeted prices; and

Cash flow return on investment (CFROI), including a component for growth in gross investment (GGI). CFROI is the Company s Total Cash Flow divided by Gross Investment. Total Cash Flow is the pre-tax net income less depreciation, depletion, amortization and interest expense, adjusted for actual metal price variation from budgeted prices. Gross Investment is total assets net of depreciation, depletion and amortization, less non-debt liabilities. Growth in Gross Investment (GGI) is the percentage gain/loss between the Gross Investment figure in the current year and the prior year figure.

The four measures are weighted equally (i.e., 25% each) in determining overall Company performance. The Committee selected these metrics and weights based on the following considerations and objectives:

Provide alignment with the Company s business objectives and strategic priorities;

Provide transparency to investors and executives;

Balance growth and profitability; and

Balance financial and operational performance.

For 2009, the Committee has approved the replacement of the operating net income measure with operating cash flow. Operating cash flow excludes the effects of non-cash accounting adjustments that are included in operating net income, resulting in a more pure dollar figure for measuring the Company s actual financial performance. As a result, Company executives have more operational control and influence over this measure than net income.

In addition to Company measures, specific individual objectives are developed for each executive at the beginning of the year. These objectives are typically operational or strategic in nature and are intended to support the Company objectives. Objectives for executives other than the CEO are established by the CEO and reviewed by the Committee. Objectives for the CEO are established by the Committee and reviewed with the other independent members of the Board. The specific objectives for each executive are chosen to reflect each executive s individual responsibilities, and can be grouped into the following broad categories:

Major project execution;

Department goals;

Safety and environmental compliance; and

Personal development.

To promote collaboration among Coeur s senior leadership as well as personal accountability, 50% of each executive s AIP award is based on Company performance and 50% is based on each executive s individual performance. The Committee evaluates the AIP performance measures and weights each year to ensure that they reflect the objectives of the plan and are consistent with the Committee s stated compensation principles. These weights were not changed from 2007 and will remain the same for 2009.

AIP Performance Goal Setting and Payout Leverage: Management develops threshold, target and maximum performance goals for each Company AIP measure based on a variety of factors, including historical Company performance, internal budgets and forecasts, peer performance, and industry and market expectations. The Committee reviews the goals and adjusts them, as it deems appropriate, prior to granting its approval. Once the performance goals are set, they are not subject to change for that plan year without the specific approval of the Board. No adjustments were made to the 2008 goals.

For 2008, the Company AIP goals were set as follows, based upon budgeted metals prices of $15.00 per ounce of silver and $825.00 per ounce of gold (subject to adjustment for actual prices, as described below):

Measure	Weight	Threshold	Target	Maximum
Production (silver-equivalent ounces)	25%	18,109,733 ozs	20,121,925 ozs	22,134,118 ozs
Silver Cash Costs	25%	$8.80/oz	$8.00/oz	$7.20/oz
Operating Net Income	25%	$64,393,200	$71,548,000	$78,702,800
CFROI		12.16%	15.20%	18.24%
GGI	25%	3.73%	4.66%	5.59%

The threshold and maximum goals for production, cost and operating net income goals represent a +/- 10% variance around target, while the CFROI and GGI goals represent a +/- 20% variance around target. Production, cost and operating net income measures pay out at 50% of target for threshold performance and at 0% of target if threshold performance is not achieved. CFROI and GGI pay out at 0% of target for threshold performance. All measures pay out

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at 100% of target for target performance, and at 200% of target for performance that meets or exceeds the maximum. Payouts are interpolated for performance between threshold and target and between target and maximum.

Many of the individual objectives established for the executives are objective and quantifiable, which helps ensure accountability for results. Others, however, are subjective by nature, which requires the exercise of discretion and judgment to assess performance attainment. AIP payouts for individual performance range from 0% to 200% of target, as follows:

Performance Standard	Payout (% of Target)
Well Above Expected	200%
Above Expected	150%
Meets Expected	100%
Below Expected	50%
Well Below Expected	0%

AIP Earned Awards: Following the end of the year, the Committee reviews the Company s actual performance and determines the extent of goal achievement. The Committee adjusts the actual operating net income and CFROI for actual realized metal prices during the year that differed from the assumptions that went into setting the goals. This is done in order to make the goals neutral to fluctuations in the market prices of silver and gold, which are beyond the control of the Company and its executives. The Committee makes this adjustment in the interest of fairness to both the executives and shareholders.

In addition, following the end of the year, the CEO reviews the performance of the other executives on their individual objectives and determines the level of achievement compared to target for each executive. The Committee, together with the other independent members of the Board, reviews the performance of the CEO on his individual objectives and determines the level of achievement compared to target. Determining the overall level of achievement for each executive on his or her individual objectives includes a significant discretionary assessment. AIP awards are normally paid in cash no later than March 15 following the end of the AIP plan year, subject to withholding of applicable taxes.

2008 AIP Calculation and Payments: For 2008, the payout percentage for Company performance was 25% of target, calculated as follows:

Measure	2008 Performance	Payout (% of target)	Weight	Weighted Payout (% of Target)
Production (silver-equivalent ounces)	14,559,401 ozs	0%	25%	0%
Silver Cash Costs	$9.06/oz	0%	25%	0%
Operating Net Income	$6,607,000	0%	25%	0%

CFROI	10.73%	100%	25%	25%
GGI	12.13%			
Total				**25%**

The level of individual performance achievement for our NEOs in 2008 was assessed as follows:

Named Executive Officer	**Individual Performance Achievement (% of Target)**
Dennis E. Wheeler	126%
Mitchell J. Krebs	116%
Richard M. Weston	100%
Donald J. Birak	108%
Alan L. Wilder	116%

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Mr. Sabala resigned from the Company during 2008 and therefore his individual performance for 2008 was not assessed and he did not receive an annual incentive payment in 2008.

In determining the CEO s individual performance achievement, the Committee, together with the other independent members of the Board, considered their evaluation of Mr. Wheeler s performance against his financial, operational and strategic goals for 2008. The Committee determined that the CEO s individual performance achievement was 126% of target, noting that under his leadership, the Company entered into one of its most important periods in history with three large, major operating projects on its slate: San Bartolomé Mine start up, commissioning & operating (Bolivia); Palmarejo Mine project construction and pre-operational feasibility planning (Mexico); and Kensington Mine completion, tailings facility discussions and litigation activity leading to a Supreme Court review (Alaska).

Mr. Wheeler s individual performance goals in 2008 consisted of milestones that were directly related to the three projects mentioned above, in addition to holding executive officers accountable for their performance, specifically in areas of safety, environmental compliance, production, operating and overhead cash costs, capital expenditures and exploration reserve additions. Mr. Wheeler steered a steady course for the Company through 2008. Under his leadership, the Company was able to obtain $355 million of external capital to fund its aggressive growth strategy, which in 2008 focused on the construction of both the San Bartolomé and Palmarejo mines. San Bartolomé began operations, and by year-end was reaching planned operational budget numbers. The construction and costs for the Palmarejo Mine were kept on track and on budget throughout the year, while maintaining a planned start up in the first quarter of 2009. The Company was recognized by the International Society of Mine Safety Professionals at its 2008 annual conference held in May, 2008 and was presented with five safety awards. The Company operated without lost time accidents at: the San Bartolomé Project in Bolivia; Coeur South American Exploration group; and the Kensington Mine. The Company s global operations received recognition for working over 2 million man-hours with no lost-time and no reportable incidents. The Kensington Mine tailings legal case was appealed and heard before the US Supreme Court, and the Company is poised to act swiftly once the Court s decision is made. While operations costs were higher than budgeted, a focused cost containment effort was undertaken in October 2008 to reduce company spending that made both positive and immediate impacts on operating cash flow.

Set forth below is a description of the individual objectives established for each NEO for 2008 and a discussion as to whether such objectives were achieved.

Dennis E. Wheeler

Implement a project schedule that positions the Company for start-up of Palmarejo (Mexico) production in the first quarter of 2009 at or below budgeted costs Mr. Wheeler met this objective by implementing a schedule that positioned the Company for start-up in the first quarter of 2009 at budgeted costs.

Ensure project milestones and budgeted costs are achieved at Kensington (Alaska) The Kensington project achieved significant milestones (including mine development activities) and cut monthly project costs during 2008, despite the on-going legal issues involving the tailings permit. Thus, Mr. Wheeler met his objectives with respect to the Kensington mine.

Ensure project milestones and budgeted costs are achieved at San Bartolomé (Bolivia) Mr. Wheeler did not meet this objective as project completion and commissioning to operating capacity at the San Bartolomé mine exceeded budgeted time schedule and costs.

Meet or exceed cash flow and net income budgets at budgeted metals prices This objective was not met as cash flow and net income figures during the year did not meet planned budget.

Ensure operational excellence at current operating properties, holding officers accountable for safety, environmental compliance, production, operating and overhead cash costs, capital expenditures, and reserve and mineralized material additions Mr. Wheeler met this objective as the Company had an exceptional year in safety and environmental compliance and achieved a reduction in overhead cash costs as well as increases in reserves and other key parameters. In addition, site managers and officers were held accountable for measurable parameters under their control.

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Effectively communicate with the Board, shareholders and analysts and maintain beneficial relationships with major customers, bankers, government officials and key communities This objective was met.

Follow through with key executive development plans of training and coaching of officers and key managers Mr. Wheeler achieved this objective by meeting with key staff regularly throughout the year on an individual basis. Many such individual meetings included mentoring and a number of key staff personnel attended outside formal training as well.

Mitchell J. Krebs

Complete expanded Investor Relations Department and 2008 Investor Relations Plan This objective was met as the Investor Relations department was restructured during 2008 with a newly-hired director in the lead role and a talented consultant was hired as an employee. In addition, the Company formulated an investor relations plan for 2008.

Successful transition to new role as Chief Financial Officer Mr. Krebs successfully transitioned to his new role as Chief Financial Officer, skillfully handling the new responsibilities associated with his new position.

Formulate new business development opportunity strategy, with implementation in fourth quarter of 2008 This objective was not met as such activity was halted during 2008 due to economic conditions.

Assist exploration group in the pursuit of external joint venture or exploration opportunity in Mexico Mr. Krebs achieved this objective by working closely with our exploration department in identifying possible joint venture and exploration opportunities in Mexico and assisted where needed.

Improve communications and collaboration between our finance/accounting and operations departments Mr. Krebs achieved this objective as communications greatly improved between the finance/accounting department and our operations personnel. Communications improved by holding multiple scheduled weekly conference calls with active participation and a controllers summit during the year. Mr. Krebs also attended and presented at the Company s operations workshop for managers.

Richard M. Weston

Develop a world class operational management team that provides for consistent and reliable operational and cost performance on both developing projects and operating mines Mr. Weston furthered this objective during 2008 through improvements in the operational management team throughout the Company.

Ensure the timely operational commencement and ongoing operations of our San Bartolomé Mine (Bolivia) This objective was not achieved as the schedule for commencement of operations at the San Bartolomé Mine was not met on the target date.

Provide project oversight and control to ensure the completion of the Palmarejo Project (Mexico) in first quarter of 2009 This objective was met as the start schedule for the Palmarejo project is scheduled for the first quarter of 2009.

Provide direction and support to the Kensington Project (Alaska) to commence operations when permitting allows Commencement of operations is not yet determinable due to on-going legal issues regarding tailings disposal with respect to the Kensington mine.

Continue to make improvements on the reliability of performance and profitability of the Cerro Bayo mine (Chile) This objective was not met because the Cerro Bayo mine was placed into operational suspension during 2008.

Involve Mina Martha (Argentina) in productivity and cost containment program during 2008 to improve currently good metrics from the mine Mr. Weston did not meet this objective because productivity and cost improvement efforts undertaken at Mina Martha were not reflected in the mine s 2008 performance.

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Proactively manage all sites to ensure they meet or exceed the environmental and safety metrics as provided in the Company s annual environmental, health and safety report This objective was met as safety and health goals were met or exceeded at all operations.

Ensure that the Australian operations are well managed and supported both technically and administratively This objective was met through the positioning of a key staff person at the general manager level to manage the company s interests in Australia and maintain positive relationships with its partners there.

Donald J. Birak

Palmarejo (Mexico) Focus exploration on definition and expansion of mineralized material at Palmarejo to higher confidence; provide new mineralization models to operations for updating reserves and budget; establish greenfields presence in Mexico Our exploration department worked to provide better definition and expansion of mineralized material resulting in a feasibility study. In addition, greenfields outside of the Palmarejo general geographic area were further investigated. As such, Mr. Birak achieved this objective.

Cerro Bayo (Chile) and Martha (Argentina) mines Focus exploration to add ounces to each property s inventories and improve the new mine plans This goal was mostly met as our exploration department conducted extensive exploration and reserve development at Cerro Bayo during the year, resulting in the expansion and definition of new ore and the discovery of the Delia vein. In addition, at Martha exploration efforts focused on mapping, sampling and core drilling to support the mine plan.

Rochester (Nevada) Complete evaluation and compilation of exploration work in support of business alternatives and timetables being considered with respect to our Rochester mine This objective was met as planned exploration at Rochester was completed during the year.

San Bartolomé (Bolivia) Examine new silver opportunities synergistic with the mill. Exploration department to prepare an updated geological model and assist with evaluating challenges This objective was mostly met as new silver opportunities were identified and investigated surrounding San Bartolomé, however re-modeling was not completed.

Add at least one new greenfields property to our portfolio and aggressively test all our current properties This objective was met in that the Company completed an agreement for an option to purchase 100% of the Huantajaya silver property in Northern Chile in 2008.

Meet or exceed the environmental and safety metrics as provided in the Company s annual environmental, health and safety performance metric This objective was met as each exploration site achieved or exceeded its safety and health goals.

Alan L. Wilder

Complete the Palmarejo project (Mexico) development on budget and on schedule (as modified by any national and local government and community restraints) This objective was met as the Palmarejo Project continued to be on budget and on schedule.

Complete the San Bartolomé project (Bolivia) development and the commissioning of the processing plant and facilities on budget and on schedule The completion and commissioning of the San Bartolomé project was not on schedule or on budget. Thus, this objective was not met.

Complete commissioning of the milling circuit project at Mina Martha (Argentina) This objective was achieved through the completion and finalization of the Mina Martha mill project in early 2008.

Provide technical support to business development activities resulting in acquisition of additional production to Coeur production profile Mr. Wilder met this objective by working closely with our Business Development department on new opportunities.

Meet or exceed the environmental and safety metrics as provided in the Company s annual environmental, health and safety performance metric This objective was met as each project site met or exceeded its safety and health goals.

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For 2008, based on the Company and individual NEO performance achievement as a percentage of target and the performance weights described above, the Committee approved annual incentive payments to the NEOs (together with the other independent members of the Board for the CEO) as follows:

	Actual 2008 AIP Payment		
Named Executive Officer	$ Amount	% of Salary	% of Target
Dennis E. Wheeler, Chairman, President & CEO	$ 310,564	53%	75.5%
Mitchell J. Krebs, Sr. VP & CFO	$ 82,480	32%	70.5%
Richard M. Weston, Sr. VP Operations	$ 81,512	28%	62.5%
Donald J. Birak, Sr. VP Exploration	$ 78,028	30%	66.5%
Alan L. Wilder, Sr. VP Project Development	$ 80,842	32%	70.5%

Mr. Sabala resigned from the Company during 2008 and therefore he did not receive an annual incentive payment for 2008.

Discretionary Bonus Payments

The Committee has the discretion to award cash or equity bonuses outside of the parameters of the AIP formula. However, such discretionary bonuses are infrequently awarded. Factors that the Committee may consider in deciding whether to award such bonuses include extraordinary personal or Company achievement or results due to the individual s leadership, direction or effort, either within or outside of the specific objectives established under the AIP. Prior to granting the special achievement and major transaction bonuses noted in our 2008 Proxy Statement, the Committee had not previously exercised its discretionary ability to direct such bonus payments. The Committee may also limit AIP awards when performance criteria are satisfied. However, the Committee has never used its discretionary power to limit AIP awards.

In 2008, the Committee awarded discretionary bonuses as follows:

Promotion Bonus: Effective March 21, 2008, Mitchell J. Krebs was promoted to Senior Vice President Chief Financial Officer upon the resignation of James A. Sabala. The Committee awarded Mr. Krebs a special one-time discretionary cash bonus of $25,000 upon his promotion, in recognition of his contributions to the Company and to acknowledge his taking on a more significant leadership role in the Company.

Major Transaction Bonus: In December 2007, the Company completed the acquisition of Palmarejo Silver and Gold Corporation and Bolnisi Gold. The primary benefits and ramifications of this major transaction are as follows:

Adds one of the largest and highest quality silver & gold projects being built in the world today to the Company s pipeline of projects to help ensure a solid future;

When it begins production in 2009, Palmarejo will nearly double the Company s current production profile;

Based on an initial eleven year mine plan, Palmarejo has the capacity to produce an average of 9 million ounces of silver and 120,000 ounces of gold annually; and

With the addition of Palmarejo, company-wide cash costs per silver ounce are projected to approach industry-low figures.

In recognition of the successful close of the transaction, which required a level of effort during 2007 that was significantly over and above the ongoing responsibilities of the key employees responsible for the transaction, the Committee, together with the other independent members of the Board, determined in January 2008 that it was

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appropriate to award a special one-time Major Transaction Bonus to these employees. These employees included our NEOs. The NEOs who were awarded a Major Transaction Bonus and the bonus amounts are as follows:

	Major Transaction Bonus	
Named Executive Officer	**Amount**	**% of 2007 Salary**
Dennis E. Wheeler, Chairman, President & CEO	$ 559,650	100%
Mitchell J. Krebs, Sr. VP & CFO	$ 325,000	140%
Richard M. Weston, Sr. VP Operations	$ 258,000	100%
Donald J. Birak, Sr. VP Exploration	$ 242,000	100%
Alan L. Wilder, Sr. VP Project Development	$ 248,000	100%
James A. Sabala, Former Exec. VP & CFO	$ 279,450	100%

Mr. Krebs was awarded a larger bonus as a percentage of salary than the other NEOs, based on the Committee s assessment that his contribution to the transaction exceeded that of the other NEOs. One-half of the bonus was paid to these employees in cash in January 2008. The other half will be paid in cash after the Company books silver sales from Palmarejo (expected in the first half of 2009), provided that the employee is a full-time employee of the Company in good standing at that time. Mr. Sabala forfeited the second half of his bonus when he resigned from the Company in March 2008. The Committee believes that this payout arrangement balances the interests of both the recipients and shareholders, in that it recognizes the successful close of the transaction and also ensures that there is alignment between the bonus and the expected benefits of acquisition. The Board reserves the right to pay or not to pay a major transaction bonus for any future transactions, as it deems appropriate.

Long-Term Incentive Plan (LTIP)

The primary purpose of our long-term incentive plan is to align the interests of our executives with those of the shareholders by rewarding the executives for creating shareholder value over the long-term. The LTIP is also an attractive vehicle for attracting and retaining executive talent in the highly competitive mining market.

Forms and Mix of Long-Term Incentive Compensation: The Company s 2003 Long-Term Incentive Plan provides for the award of stock options, stock appreciation rights, restricted stock and restricted stock units, performance shares and performance units, and cash-based awards. Since 2006, the Committee has used stock options, restricted stock, and performance shares in its LTIP grants to executives. In 2008, as in 2007 and 2006, Coeur s executives were granted one-third of their long-term incentive value in each of these three forms of equity. This mix provides a strong emphasis on alignment with shareholder interests, balances incentive and retention needs, and minimizes share dilution. Stock options provide alignment with shareholders by focusing the executives on creating shareholder value over the long-term via share price appreciation. Restricted stock is granted with a three-year service vesting requirement for retention purposes, while also providing alignment with shareholders via actual share ownership. Performance shares are earned based on total shareholder return performance relative to the companies in our peer group.

For LTIP grants made in early 2009, the Committee granted stock appreciation rights, restricted stock units and performance units, in addition to stock options, restricted stock, and performance shares. The purpose of granting these non-equity awards was to minimize the level of shareholder dilution resulting from the 2009 LTIP grants, reflecting the impact of the significant drop in the Company s share price over the past year on the number of shares needed for equity grants. The Committee also granted long-term incentives valued below the target levels for 2009 discussed below in LTIP Target Opportunities.

LTIP grants are made on an annual basis. This enables the Committee to adjust the levels, forms, and mix of long-term incentive awards, as appropriate, to respond to changes in the metal mining industry and the broader market, as well as to respond to Company-specific changes and issues. The Committee does not take into account prior equity awards when making annual equity awards to executives. The specific terms of the long-term incentives granted to our NEOs in 2008 are disclosed in the 2008 Grants of Plan-Based Awards table included in this proxy statement.

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Timing of Long-Term Incentive Awards: The Committee makes annual long-term incentive grants to the Company s executives at its regular first quarter meeting. In 2008, the grants were approved at the January Committee meeting. Grants to the CEO are approved by the independent members of the Board, including the members of the Committee. Grants to the non-CEO executive officers are approved by the Committee, based on the recommendations of the CEO. The Committee meeting date is the effective grant date for equity grants, unless Board approval is required. The exercise price for stock options and the grant price for restricted stock and performance shares is the higher of the closing price of the stock on the day of grant (or the day after the grant day if the grant day falls on a weekend or non-market day) or the par value per share. For executives who are hired during the year, the Committee recommends compensation levels in connection with the Board s appointment of the executive and may approve equity grants for the executive. The Committee does not coordinate the timing of equity awards with the release of material, non-public information.

LTIP Target Opportunities: The Committee has established target levels of long-term incentive awards for each executive expressed as a percentage of base salary. The levels are determined based on the competitive market and the desired market positioning, the individual executive s position, organization level, scope of responsibility, ability to impact our performance, and internal equity among the executives. For 2008, the target long-term incentive values as a percentage of base salary for our NEOs were as follows (unchanged from 2007):

Named Executive Officer	**2008 Target LTIP Opportunity (% of Salary)**
Dennis E. Wheeler, Chairman, President & CEO	175%
Mitchell J. Krebs, Sr. VP & CFO	70%
Richard M. Weston, Sr. VP Operations	90%
Donald J. Birak, Sr. VP Exploration	90%
Alan L. Wilder, Sr. VP Project Development	90%
James A. Sabala, Former Exec. VP & CFO	120%

Based on the Committee s 2007 competitive market assessment, the Committee determined that, for most of its executives, there was a shortfall in the total compensation opportunity of greater than 10% compared to the intended market 75th percentile positioning. The shortfall was due to a significant gap in the target LTIP opportunities provided to the Company s executives, also compared to the intended market 75th percentile positioning. The Committee believed that this shortfall placed the Company at a significant disadvantage in retaining our executives. The Committee also determined that increasing the annual target LTIP opportunities would leave the Company exposed to a potential downturn in the competitive market, given the large increases already observed in the market since the prior year. Therefore, the Committee considered and approved a special Market Adjustment LTIP grant of restricted stock, to be provided only to those executives who were below market. The Committee also decided that, to further protect the Company, the grants would be made in two installments, with one-half of the shares provided at the time of the regular LTIP grants in 2007 and one-half in 2008. The second half of the Market Adjustment LTIP grant would remain subject to the Committee s approval and the executive s full-time employment with the Company in good standing at that time.

Based on the Committee s 2008 competitive market assessment, the Committee determined that, for most of its executives, there continued to be a shortfall in the total compensation opportunity of greater than 10% compared to the intended market 75th percentile positioning. The shortfall continued to be due to a significant gap in the target LTIP opportunities provided to the Company s executives, also compared to the intended market 75th percentile positioning. The Committee also determined that the gap in the target LTIP opportunities compared to market had in fact increased from the prior year, due to an increase in the market target LTIP opportunities since the prior year. The Committee believed that this shortfall continued to place the Company at a significant disadvantage in retaining our executives. The Committee therefore considered and approved the second half of the Market Adjustment LTIP grant in early 2008. The specific terms of the restricted stock granted to the NEOs in 2008 in connection with the Market Adjustment LTIP grant are disclosed in the 2008 Grants of Plan-Based Awards table included in this proxy statement.

The Committee also considered and decided in 2008 that rather than continue the strategy of making up the gap to market by providing discretionary long-term incentive grants, it would increase the annual target LTIP opportunities, beginning with the 2009 LTIP grants. Therefore, as set forth in the following table, the Committee considered and approved an increase in target long-term incentive values as a percentage of base salary for our NEOs. Mr. Sabala is not included in the table because he did not receive a LTIP grant in 2009, due to his resignation in 2008. Mr. Wilder is not included in the table because he also did not receive a LTIP grant in 2009, due to his retirement effective January 15, 2009. As discussed earlier, in 2009 the Committee granted long-term incentives valued below these target levels.

Named Executive Officer	2009 Target LTIP Opportunity (% of Salary)
Dennis E. Wheeler, Chairman, President & CEO	280%
Mitchell J. Krebs, Sr. VP & CFO	140%
Richard M. Weston, Sr. VP Operations	140%
Donald J. Birak, Sr. VP Exploration	140%

Stock Options: Stock options represent one-third of the target LTIP value granted to Coeur s executives (including our NEOs) in 2008. The number of options granted is determined by dividing the total option grant value by the Black-Scholes value of a single option. The Committee believes that options provide an incentive for executives to drive long-term share price appreciation through the development and execution of effective long-term business strategies. Stock options are issued at the higher of the par value per share or 100% of the fair market value to assure that executives will receive a benefit only when the stock price increases. Stock options are therefore aligned with shareholder interests. Stock options generally have value for the executive only if the executive remains employed for the period required for the options to vest. Stock options therefore provide retention value. Stock options granted in 2008 vest at a rate of 331/3% per year and expire at the end of ten years (or earlier in the case of termination of employment).

Restricted Stock: Restricted stock represents one-third of the target LTIP value granted to Coeur s executives (including our NEOs) in 2008. The number of restricted shares granted is determined by dividing the total restricted stock grant value by the higher of the par value per share or the fair market value, as defined above. The Committee believes that restricted stock provides alignment with shareholders via actual share ownership while also providing retention value and therefore also continuity in the Company s senior leadership team. Restricted stock also balances the more volatile rewards associated with stock options by providing value to the executives even with a declining share price, which may occur due to general market or industry-specific forces that are beyond the control of the executives (for example, a drop in the market prices of silver and gold). Restricted stock granted in 2008 vests at a rate of 331/3% per year based on continued employment with the Company. Holders of restricted stock may, if the Committee so determines, receive dividends, if any, and exercise voting rights on their restricted stock during the period of restriction. There are no performance restrictions associated with the grants of restricted stock. The Committee may grant restricted stock with alternative vesting schedules or with performance restrictions as deemed necessary to achieve the desired business goals.

Performance Shares: Performance shares represent one-third of the target LTIP value granted to Coeur s executives (including our NEOs) in 2008. The target number of performance shares granted is determined by dividing the target performance share grant value by the higher of the par value per share or the fair market value, as defined above. Performance is measured over a three-year period in comparison to the peer group described above. Performance shares are earned based on our total shareholder return (TSR) performance over a three-year period relative to our peer group. TSR is defined as stock price appreciation plus dividends and any cash-equivalent distributions. TSR is calculated using the three-month average share price at the beginning and end of the period (i.e., three-month averages ending December 31, 2007 and December 31, 2010 for the 2008-2010 grant). This measure is intended to focus the Company s executives on creating shareholder value, while providing further alignment with shareholders via the use of shares. Performance is measured relative to peers in order to mitigate the impact of metal prices on the ultimate award value, as the share prices of our peers are similarly influenced by realized metal prices. Measuring TSR relative to peers also provides alignment with shareholders by rewarding for

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the creation of shareholder value in excess of what our shareholders could realize by investing in other companies in our industry. For the 2008-2010 performance period, the relative TSR performance scale and the corresponding number of shares earned as a percentage of target were set by the Committee as follows (unchanged from prior performance periods):

Performance Level	TSR Percentile Rank (vs. Peer Group)	Number of Shares Earned (% of Target)
Maximum	75th percentile	200% of target
Target	50th percentile	100% of target
Threshold	25th percentile	25% of target

No performance shares are earned if the Company s performance is below threshold. The number of performance shares earned is interpolated for relative TSR performance between threshold and target levels and for performance between target and maximum levels. As performance shares are earned, shares of Coeur common stock are issued to the participant.

For the 2006-2008 performance period, the Company performed below the 25th percentile of the peer group and therefore no performance shares were earned. The table below sets forth the threshold, target and maximum TSR performance levels for the 2006-2008 performance period, corresponding respectively to the 25th, 50th and 75th percentile TSR performance of the peer group, and the Company s TSR performance.

Performance Level	2006-2008 TSR (Annualized)	Number of Shares Earned (% of Target)
Maximum	6.68%	200% of target
Target	−11.02%	100% of target
Threshold	−18.72%	25% of target
Coeur	−42.53%	0% of target

Benefits and Perquisites

The primary purpose of providing benefits and limited perquisites to Coeur s executives is to attract and retain the talent to manage the company. The Committee intends the type and value of benefits and perquisites offered to be competitive with overall market practices. Details of the benefits and perquisites provided to our NEOs are disclosed in the *All Other Compensation* column of the 2008 Summary Compensation Table set forth in this proxy statement.

The primary benefits for the Company s executives include participation in the Company s broad-based plans: the 401(k) and defined contribution retirement plan (which includes matching Company contributions), health and dental coverage, various company-paid insurance plans, including disability and life insurance, paid time off and paid holidays. The Company also provides certain expatriate benefits and supplementary allowances to its expatriate employees, as the Company deems appropriate and consistent with typical market practices.

With respect to perquisites, Coeur prefers to take a minimalist approach. In general, Coeur will provide a specific perquisite only when the perquisite provides competitive value and promotes retention of executives, or when the perquisite provides shareholder value, such as ensuring the health of the executives. In addition, perquisites that promote efficient performance of the Company s executives are also considered. The limited perquisites Coeur provides its executives may include an automobile allowance or company vehicle and fuel allowance, physical exam, and home office expense.

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Employment Agreements

The Company has employment agreements with each of its Named Executive Officers. The agreements specify the terms and conditions of employment, the duties and responsibilities of the executive during this term, the compensation and benefits to be provided by the Company in exchange for the executive s services, the compensation and benefits to be provided by the Company in the event of a qualifying termination of employment not preceded by a change-in-control of the Company, and the compensation and benefits to be provided by the Company in the event of a qualifying termination of employment that is preceded by a change-in-control of the Company. The Committee believes that such agreements benefit the Company by clarifying the terms of employment and ensuring the Company is protected by noncompete and nondisclosure provisions.

Coeur has an employment agreement with Dennis E. Wheeler, Chairman of the Board, President and Chief Executive Officer, which provides for a term of employment through December 31, 2010 unless terminated or modified by the Company by written notice, subject to the terms and conditions of the agreement. Effective December 31, 2008, Mr. Wheeler s employment agreement was amended to comply with Section 409A of the Internal Revenue Code. Mr. Wheeler s employment agreement, which calls for a base salary of $587,633 plus annual incentive compensation, includes similar change-in-control provisions as those included in the executive change-in-control agreements described below, and in the event of his death, his employment agreement provides for the lump sum payment to his estate of an amount equal to his annual base salary and eligible annual incentive plan payment at the time of his death.

Effective March 7, 2008, Coeur entered into an amendment to our employment agreement with Mitchell J. Krebs in connection with his appointment to the position of Senior Vice President Chief Financial Officer. The term of the agreement expires July 31, 2009. Effective December 31, 2008, Mr. Krebs employment agreement was amended to comply with Section 409A of the Internal Revenue Code. His agreement calls for a base salary of $262,449 plus annual incentive compensation. Mr. Krebs s employment agreement includes the same change-in-control provisions as those included in the executive change-in-control agreements described below.

Effective July 31, 2008, Coeur entered into an amendment to our employment agreement with Richard M. Weston, pursuant to which he was employed as Senior Vice President, Operations, to extend his term through July 31, 2010. Effective December 31, 2008, Mr. Weston s employment agreement was amended to comply with Section 409A of the Internal Revenue Code. His agreement calls for a base salary of $289,820 plus annual incentive compensation and certain expatriate benefits. Mr. Weston s employment agreement includes the same change-in-control provisions as those included in the executive change-in-control agreements described below.

Effective July 31, 2008, the Company entered into an amendment to our employment agreement with Donald J. Birak, pursuant to which he was employed as Senior Vice President, Exploration, to extend the term through July 31, 2010. Effective December 31, 2008, Mr. Birak s employment agreement was amended to comply with Section 409A of the Internal Revenue Code. His agreement calls for a base salary of $262,449 plus annual incentive compensation. Mr. Birak s employment agreement includes the same change-in-control provisions as those included in the executive change-in-control agreements described below.

Coeur had an employment agreement with Alan L. Wilder, pursuant to which he was employed as Senior Vice President, Project Development, until January 15, 2009. Effective December 31, 2008, Mr. Wilder s employment agreement was amended to comply with Section 409A of the Internal Revenue Code. His agreement called for a base salary of $255,440 plus annual incentive compensation. Mr. Wilder s employment agreement included the same change-in-control provisions as those included in the executive change-in-control agreements described below. Mr. Wilder s employment with Coeur ended January 15, 2009. Mr. Wilder continues to provide his services to the Company in a limited consulting capacity.

In addition to the above described employment agreements, the Company has change-in-control agreements with a total of seven executive officers that provide for certain benefits that will be payable to the executives in the event of a change-in-control and the termination of the executive s employment within two years after such change-in-control for any reason other than for cause, disability, death, normal retirement or early retirement. These agreements continue from year-to-year unless terminated by the Company by written notice. The term

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change-in-control for purposes of the executive change-in-control agreements has the same meaning as that discussed below under Change-in-Control Agreements.

Termination of Employment/Severance and Change-in-Control (CIC) Arrangements

The Committee believes severance arrangements are an essential component of the executive compensation program and are necessary to attract and retain senior talent in a highly competitive market. The benefits payable to an executive in the event of a qualifying termination of employment include payments for the remaining duration of the agreement at the following levels:

- Payment of the executive s full base salary for the term;
- Short-term and long-term bonuses at 100% of the target levels under the AIP and LTIP provided at the time of the termination; and
- The continued participation in the Company s welfare benefits plans to include health, dental, disability, and life insurance for the term.

Regarding the CIC provisions, the Committee believes that these agreements are important to provide reasonable compensation opportunities in the unique circumstances of a CIC that are not provided by the Company s other compensation programs. The Committee believes that CIC benefits, if structured appropriately, serve to minimize the distraction caused by a potential transaction and reduce the risk that key talent would leave the Company before a transaction closes. The Committee also believes that these provisions motivate the executives to make decisions that are in the best interests of the shareholders should a transaction take place. They do this by providing executives with the necessary job stability and financial security during a CIC transaction (and the subsequent period of uncertainty) to help them stay focused on managing the Company rather than on their own personal employment situation. The Committee believes that all of these objectives serve the shareholders interests. The Committee also believes that CIC agreements are an essential component of the executive compensation program and are necessary to attract and retain senior talent in a highly competitive market.

The following benefits are payable to an executive in the event of a CIC and a subsequent qualifying termination of employment within two years following the change-in-control and include lump sum payments consisting of the following:

- Payment of the executive s full base salary;
- Short-term and long-term bonuses at 100% of the target levels provided at the time of the termination under the AIP and LTIP;
- The continued payment of all medical, dental and long-term disability benefits or costs of benefits;
- Acceleration of the exercise date and vesting of all outstanding stock options, stock appreciation rights, restricted stock, restricted stock units, performance plan awards and performance shares granted by Coeur under the executive compensation programs described above; and
- The granting to the executive of continued vesting credit for purposes of determining the executive s retirement benefits under the Company s Defined Contribution and 401(k) Retirement Plan.

For all of the NEOs except the CEO, the agreements provide for special circumstances in the event the payment provided would constitute parachute payments under Section 280G of the Internal Revenue Code. In this case, the payment will be reduced to the amount that will result in no portion being subject to the excise tax. This clause limits the exposure of the Company and of the executives to the parachute payment rules. Because of the critical nature of his position, the CIC agreement for the CEO provides that for any payment that qualifies as an excess parachute payment, the Company will pay an additional amount in cash so that the net amount retained by him after the deduction of all applicable taxes will be equal to the initial CIC payment.

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The employment agreements and severance and CIC provisions were developed by the Company and the Committee based on market and industry competitive practice. The Company periodically reviews, along with the Committee, the benefits provided under the agreements to ensure that they continue to serve Coeur s interests in retaining these key executives, are consistent with market and industry practice, and are reasonable.

Supplementary Compensation Policies

The Committee has established additional policies to ensure that the overall compensation structure is responsive to shareholder interests and competitive with the market. These specific policies are outlined below. The Committee has not established a clawback policy to recoup incentive awards that were earned based on performance that was later restated or adjusted, so that the awards would not have been earned. The Committee has also not established a stock ownership policy or holding period requirements for company stock earned from LTIP grants.

Limitations on Deductibility of Compensation

Section 162(m) of the Internal Revenue Code generally limits the deductibility of compensation paid by a public company to certain of its most highly compensated executives to $1 million, per executive, per year. However, there are exceptions for payments made by a public company due to death, disability, a change-in-control or for those payments that are performance based. In February of 2008, the Internal Revenue Service issued various rulings that concluded payments made pursuant to employment contracts, irrespective of performance, based upon voluntary retirement, resignation or termination without cause will prevent such compensation from meeting the performance-based exception, even in years the performance goals were attained. These rulings are prospective and will not apply to compensation paid with respect to performance periods which commence on or before January 1, 2009, and payments pursuant to employment contracts that were in effect on February 21, 2008, without consideration for extensions, renewals and evergreen provisions.

The Committee believes that the stock options and performance shares granted to the Company s NEOs under the 2003 Long-Term Incentive Plan generally qualify under Section 162(m) as performance-based compensation. The Committee also believes that the portion of the Annual Incentive Plan that pays out based on the achievement of corporate goals qualifies under Section 162(m). Grants of service-vesting restricted stock are not performance-based, and therefore are potentially not deductible. However, deductibility is not the sole factor used by the Committee in ascertaining appropriate levels or manner of compensation. The Committee believes that it is important to preserve flexibility in administering compensation programs in a manner designed to attract, retain and reward high-performing executives, and to promote business objectives that may not necessarily align with the requirements for full deductibility under Section 162(m). Consequently, the Committee has not adopted a policy that all compensation must qualify as deductible under Section 162(m), and the Company may enter into compensation arrangements under which payments are not deductible under Section 162(m).

Individual Tax Treatment

For individual tax purposes, the Company typically withholds common shares to cover income taxes resulting from the vesting of restricted stock, or payment of common stock earned upon satisfaction of performance share targets.

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2008 SUMMARY COMPENSATION TABLE

Set forth below is information regarding compensation earned by or paid or awarded to the following executive officers of the Company during the years ended December 31, 2006, 2007 and 2008: (i) Dennis E. Wheeler, Chairman of the Board, President, and Chief Executive Officer; (ii) Mitchell J. Krebs, Senior Vice President and Chief Financial Officer; (iii) Richard M. Weston, Senior Vice President, Operations, Donald J. Birak, Senior Vice President, Exploration, and Alan L. Wilder, Senior Vice President, Project Development, which persons were the three most highly compensated executive officers whose total compensation exceeded $100,000 during 2008; and (iv) James A. Sabala, Coeur s former Executive Vice President and Chief Financial Officer who resigned effective March 21, 2008. The identification of such Named Executive Officers is determined based on the individual s total compensation for the years ended December 31, 2006, 2007 and 2008, as reported below.

me and Principal sition	Year	Salary ($)	Bonus ($)(a)	Stock Awards ($)(b)	Option Awards ($)(c)	Non-Equity Incentive Plan Compensation Earnings ($)(d)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)(e)	All Other Compensation ($)(f)	Total ($)
nnis E. Wheeler	2008	$ 587,633	$ 0	$ 930,489	$ 334,328	$ 310,564	0	$ 82,143	$ 2,245,15
airman, President &	2007	$ 560,234	$ 379,825	$ 1,230,852	$ 491,343	$ 391,055	0	$ 80,018	$ 3,133,32
ief Executive Officer	2006	$ 539,438	$ 0	$ 518,943	$ 426,619	$ 335,790	0	$ 77,156	$ 1,897,94
tchell Krebs(g)	2008	$ 262,558	$ 25,000	$ 139,154	$ 52,969	$ 82,480	0	$ 84,474	$ 646,63
nior Vice President	2007	$ 232,947	$ 187,500	$ 122,022	$ 50,406	$ 109,143	0	$ 34,924	$ 736,94
ief Financial Officer	2006	$ 223,500	$ 0	$ 70,106	$ 60,340	$ 85,377	0	$ 32,505	$ 471,82
chard Weston	2008	$ 295,586	$ 0	$ 214,938	$ 60,983	$ 81,512	0	$ 93,557	$ 746,57
nior Vice President	2007	$ 247,270	$ 129,000	$ 12,896	$ 33,282	$ 109,076	0	$ 36,500	$ 521,84
erations	2006	$ 205,226	$ 15,000	$ 34,488	$ 22,668	$ 70,499	0	$ 25,071	$ 372,95
nald J. Birak	2008	$ 262,758	$ 0	$ 171,930	$ 70,386	$ 78,028	0	$ 36,985	$ 620,08
nior Vice President	2007	$ 241,014	$ 146,000	$ 153,356	$ 67,105	$ 110,042	0	$ 36,138	$ 753,65
ploration	2006	$ 220,912	$ 0	$ 89,997	$ 81,624	$ 86,387	0	$ 32,361	$ 511,28
an L. Wilder(h)	2008	$ 255,786	$ 0	$ 181,616	$ 72,189	$ 80,842	0	$ 38,671	$ 629,10
nior Vice President	2007	$ 246,971	$ 149,000	$ 158,931	$ 67,695	$ 110,292	0	$ 36,070	$ 768,95
oject Development	2006	$ 226,050	$ 50,000	$ 82,017	$ 70,251	$ 79,150	0	$ 31,451	$ 538,91
mes A. Sabala(g)	2008	$ 91,718	$ 0	*	*	$ 0	0	$ 11,877	$ 103,59
rmer Executive Vice	2007	$ 279,525	$ 159,725	$ 198,925	$ 103,974	$ 134,803	0	$ 39,271	$ 916,22
esident &Chief	2006	$ 268,333	0	$ 146,559	$ 125,003	$ 114,600	0	$ 36,539	$ 691,03
ancial Officer									

Explanatory Notes:

(a) The dollar value of bonus earned during the fiscal year. A one-time discretionary major transaction bonus was awarded to key executives for the consummation of the merger with Bolnisi Gold and Palmarejo Silver & Gold in December 2007. One-half of this major transaction bonus was paid in January 2008 and was included in the 2007 charted amounts above; the balance of this major transaction bonus will be paid upon booked silver sales from Palmarejo (expected in the first half of 2009). Additionally, Mr. Krebs received a promotional bonus in March 2008 of $25,000.

(b) The portion of the fair value of stock awards, as calculated in accordance with FAS 123R, that represent earned compensation cost recognized for the year as reflected in the Company s financial statements included in its Annual Report on Form 10-K for the year ended December 31, 2008, including both amounts recorded as compensation expense in the income statement and amounts earned during the period that are capitalized on the balance sheet. For Mr. Sabala, accumulated expense on non-vested awards that is recorded as compensation expense in prior years is reversed in the period of termination, resulting in a reduction in current period compensation expense of $101,104. For additional information see Note M to such financial statements.

(c) The portion of the fair value of option awards, as calculated in accordance with FAS 123R, that represent earned compensation cost recognized for the year as reflected in the Company s financial statements included in its Annual Report on Form 10-K for the year ended December 31, 2008, including both amounts recorded as compensation expense in the income statement and amounts earned during the period that are capitalized on the balance sheet. For Mr. Sabala, accumulated expense on non-vested awards that is recorded as compensation expense in prior years is reversed in the period of termination, resulting in a reduction in current period compensation expense of $31,575. For additional information see Note M to such financial statements.

(d) The dollar value of all earnings for services performed during the fiscal year pursuant to awards under non-equity incentive plans (i.e., amounts earned, not paid out) and all earnings on any outstanding awards. For 2008, the values are Annual Incentive Plan awards made on February 9, 2009 for performance during 2008. The criteria for such awards is described in detail in the Compensation Discussion and Analysis.

(e) The Company does not maintain a Defined Benefit Pension Plan or a Non Qualified Deferred Compensation Plan.

(f) All other compensation, including perquisites, gross-ups, and amounts paid or accrued under termination or change-in-control arrangements. Mr. Wheeler s total includes $21,750 per year in executive physicals for himself and his spouse and $1,500 representing the personal portion of the use of a company provided automobile. Mr. Krebs received $11,919 and Messrs. Wilder and Birak each received $11,986 and Mr. Sabala received $2,677 as a personal vehicle allowance for company use. Mr. Krebs received relocation benefits in the amount of $53,455 during the year and Mr. Weston received $21,350 in company-paid housing and $14,441 under the company s tax equalization plan for expatriate employees. Also includes contributions to the Defined Contribution and 401(k) Retirement Plan (the Retirement Plan) and amounts credited to our Non-Qualified Supplemental Retirement Plan (the Supplemental Plan) prior to its termination and for cash payments in lieu of contributions to the Supplemental Plan thereafter. All U.S. employees are eligible to 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. For the year 2008, the contribution was 4%. In addition, the Retirement Plan provides for an Employee Savings Plan which allows each employee to contribute up to 100% compensation, subject to a maximum contribution of $15,500 and an additional $5,000 catch-up if age 50 or over. The Company contributes an amount equal to 100% of the first 3% of an employee s contribution and 50% of the next 2% of an employee s contribution. Defined contributions under the Retirement Plan are fully vested after six years of employment and the Company s match contribution vests immediately. Retirement benefits under the Retirement Plan are based on a participant s investment fund account upon retirement. For 2008, each of Messrs. Wheeler, Krebs, Birak and Wilder were credited with an additional contribution based on 5% of their income in excess of the above-referenced Retirement Plan limit of $51,956, $16,331, $13,089, and $12,956 respectively. Mr. Weston, who does not participate in the Company s Defined Contribution and 401(k) Plan, received additional compensation of $26,000 (USD) as company-paid contribution to the Australian Superannuation Fund.

(g) Effective March 21, 2008, Mr. Sabala resigned as Executive Vice President Chief Financial Officer and Mr. Krebs was appointed Senior Vice President Chief Financial Officer.

(h) Effective January 15, 2009, Mr. Wilder retired from Coeur.

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2008 GRANTS OF PLAN-BASED AWARDS

The following table sets forth information regarding all incentive plan awards that were made to the named executive officers during 2008, including incentive plan awards (equity-based and non-equity based) and other plan-based awards. Disclosure on a separate line item is provided for each grant of an award made to a named executive officer during the year. The information supplements the dollar value disclosure of stock, option and non-stock awards in the Summary Compensation Table by providing additional details about such awards. Equity incentive-based awards are subject to a performance condition or a market condition as those terms are defined by FAS 123(R). Non-equity incentive plan awards are awards that are not subject to FAS 123(R) and are intended to serve as an incentive for performance to occur over a specified period.

		Estimated Possible Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units	All Other Option Awards: Number of Securities Underlying Options	Exercis or Base Price o Option Award
ncipal	Grant Date (a)	Threshold ($)(b)	Target ($)(b)	Maximum ($)(b)	Threshold (#)(c)	Target (#)(c)	Maximum (#)(c)	(#)(d)	(#)(e)	($/Sh)(f
eler		205,672	411,343	822,686						
	1/10/2008				16,828	67,311	134,622			
	1/10/2008							67,311		
	1/10/2008							42,743		
	1/10/2008								131,109	$ 4.85
(h)		59,051	118,102	236,204						
	1/10/2008				2,801	11,203	22,406			
	1/10/2008							11,203		
	1/10/2008							10,974		
	1/10/2008								21,822	$ 4.85
n		65,210	130,419	260,838						
	1/10/2008				3,990	15,958	31,916			
	1/10/2008							15,958		
	1/10/2008							23,474		
	1/10/2008								31,084	$ 4.85
k		59,051	118,102	236,204						
	1/10/2008				3,742	14,969	29,938			
	1/10/2008							14,969		
	1/10/2008							11,257		
	1/10/2008								29,156	$ 4.85
(i)		57,474	114,948	229,896						
	1/10/2008				3,835	15,340	30,680			
	1/10/2008							15,340		
	1/10/2008							12,659		
	1/10/2008								29,879	$ 4.85

a (h)		N/A	N/A	N/A						
ve										
	1/10/2008				5,762	23,047	46,094			
ief	1/10/2008							23,047		
er	1/10/2008								44,891	$ 3.99

Explanatory Notes:

(a) Date of Grants for 2008 under the Annual Incentive Plan and Long Term Incentive Plan.

(b) The dollar value of the estimated future payout upon satisfaction of the conditions in question under non-equity incentive plan awards granted in the fiscal year, or the applicable range of estimated payouts denominated in dollars (threshold, target, and maximum amount).

(c) The number of performance shares of stock, to be paid out or vested upon satisfaction of the conditions in question, or the applicable range of estimated payouts denominated in the number of shares of stock, or the number of shares of underlying options under the award (threshold at 25%, target at 100%, and maximum amount at 200%). Determined by comparison of the Company s total shareholder returns to its peers. In addition, refer to the discussion in the LTIP Section of the CD & A.

(d) The number of shares of stock (e.g. restricted stock) granted in the fiscal year that are not required to be disclosed in the table under Estimated Future Payouts Under Equity Incentive Plan Awards . The second figure, where applicable, is the number of shares of stock granted as part of the special Market Adjustment grant as explained in the LTIP Section of the CD & A. These shares vest equally over a two year period.

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(e) The number of shares underlying options granted in the fiscal year that are not required to be disclosed in the table under Estimated Future Payouts Under Equity Incentive Plan Awards.

(f) The per-share exercise or base price of the options granted in the fiscal year.

(g) Fair Market Value of stocks and options granted on the award date.

(h) Effective March 21, 2008, Mr. Sabala resigned as Executive Vice President Chief Financial Officer and Mr. Krebs was appointed Senior Vice President Chief Financial Officer.

(i) Effective January 15, 2009, Mr. Wilder retired from Coeur.

OUTSTANDING EQUITY AWARDS AT 2008 FISCAL YEAR-END

The following table sets forth information on outstanding option and stock awards held by the Named Executive Officers at December 31, 2008, including the number of shares underlying both exercisable and unexercisable portions of each stock option as well as the exercise price and expiration date of each outstanding option.

	Option Awards					Stock Awards			
ame and Principal osition	**Number of Securities Underlying Unexercised Options(#) Exercisable**	**Number of Securities Underlying Unexercised Options(#) Unexercisable (a)**	**Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)**	**Option Exercise Price ($)**	**Option Expiration Date**	**Number of Shares or Units of Stock That Have Not Vested (#)(b)**	**Market Value of Shares or Units of Stock That Have Not Vested ($)**	**Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)(c)**	**Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)(d)**
ennis E. Wheeler	26,820			$ 3.56	3/21/2010	219,693	$ 193,330	210,500	$ 185,240
hairman,	218,586			$ 0.74	12/17/2011				
resident & Chief	27,712			$ 1.23	3/19/2012				
xecutive Officer	223,506			$ 1.85	9/17/2012				
	62,553			$ 1.63	10/2/2012				
	109,971			$ 7.09	2/19/2014				
	207,237			$ 3.92	2/16/2015				
	61,523	30,761		$ 5.14	2/20/2016				
	41,065	82,128		$ 3.99	3/20/2017				
		131,109		$ 4.85	1/10/2018				

Mitchell Krebs(e)	15,836		$ 7.09	2/19/2014	43,552	$ 38,326	35,035	$ 30,831
Senior Vice	28,421		$ 3.92	2/16/2015				
President & Chief	10,240	5,119	$ 5.14	2/20/2016				
Financial Officer	6,835	13,670	$ 3.99	3/20/2017				
		21,822	$ 4.85	1/10/2018				
Richard Weston	8,582	4,282	$ 5.14	2/20/2016	68,916	$ 60,646	11,414	$ 0
Senior Vice President	5,729	11,456	$ 3.99	3/20/2017			24,518	$ 21,576
Operations		31,084	$ 4.85	1/10/2018				
Donald J. Birak	22,544		$ 7.09	2/19/2014	51,786	$ 45,572	46,089	$ 40,558
Senior Vice President	40,461		$ 3.92	2/16/2015				
Exploration	12,958	6,478	$ 5.14	2/20/2016				
	9,132	18,264	$ 3.99	3/20/2017				
		29,156	$ 4.85	1/10/2018				

	Option Awards					Stock Awards			
Name and Principal Position	**Number of Securities Underlying Unexercised Options(#) Exercisable**	**Number of Securities Underlying Unexercised Options(#) Unexercisable (a)**	**Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)**	**Option Exercise Price ($)**	**Option Expiration Date**	**Number of Shares or Units of Stock That Have Not Vested (#)(b)**	**Market Value of Shares or Units of Stock That Have Not Vested ($)**	**Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)(c)**	**Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)(d)**
Alan L. Wilder(f)	43,421			$ 3.92	2/16/2015	55,096	$ 48,484	45,213	$ 39,787
Senior Vice President	13,259	6,629		$ 5.14	2/20/2016				
Project Development	9,359	18,716		$ 3.99	3/20/2017				
		29,879		$ 4.85	1/10/2018				
James A. Sabala(e) Former Executive Vice President & Chief Financial Officer	0	0		n/a	n/a	0	$ 0	0	$ 0

Explanatory Notes:

(a) The total number of stock options unvested. For Mr. Wheeler 43,704 vested 1/10/09; 30,761 vested 02/20/09; 41,064 vests 03/20/09; 43,703 vests 1/10/10; 41,064 vests 03/20/10 and 43,702 vests 1/10/11. For Mr. Krebs 7,275 vested 1/10/09; 5,119 vested 2/20/09; 6,835 vests 3/20/09; 7,274 vests 1/10/10; 6,835 vests 03/20/10 and 7,273 vests 1/10/11. For Mr. Weston 10,362 vested 1/10/09; 4,291 vested 2/20/09; 5,728 vests 3/20/09; 10,362 vests 1/10/10; 5,728 vests 3/20/10 and 10,360 vests 1/10/11. For Mr. Birak 9,719 vested 1/10/09; 6,478 vested 02/20/09; 9,132 vests 03/20/09; 9,719 vests 1/10/10; 9,132 vests 3/20/2010 and 9,718 vests 1/10/11. For Mr. Wilder 9,960 vested 1/10/09; the remaining unexercisable options were forfeited with the end of his employment on 1/15/09.

(b) The total number of shares of stock granted and unvested. For Mr. Wheeler 43,809 vested 1/10/09; 20,456 vested 02/20/09; 44,592 vests 03/20/09; 43,808 vests 1/10/10; 44,591 vests 03/20/10 and 22,437 vests 1/10/11 For Mr. Krebs 9,222 vested 1/10/09; 3,404 vested 02/20/09; 8,986 vests 03/20/09; 9,221 vests 1/10/10; 8,985 vests 03/20/10 and 3,734 vests 1/10/11. For Mr. Weston 17,057 vested 1/10/09; 2,853 vested 2/20/09; 13,316 vests

3/20/09; 17,056 vests 1/10/10; 13,315 vests 3/20/10 and 5,319 vests 1/10/11. For Mr. Birak 10,619 vested 1/10/09; 4,308 vested 02/20/09; 10,626 vests 03/20/09; 10,618 vests 1/10/10; 10,626 vests 03/20/10 and 4,989 vests 1/10/11. For Mr. Wilder 11,444 vested 1/10/09; the remaining shares yet to vest were forfeited with the end of his employment on 1/5/09.

(c) The total number of performance shares which do not vest until 3 years from date of grant.

(d) The total value having fair market value at close of business at end of the fiscal year (12/31/08).

(e) Effective March 21, 2008, Mr. Sabala resigned as Executive Vice President Chief Financial Officer and Mr. Krebs was appointed Senior Vice President Chief Financial Officer.

(f) Effective January 15, 2009, Mr. Wilder retired from Coeur.

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2008 OPTION EXERCISES AND STOCK VESTED

The following table sets forth information regarding each exercise of stock options and vesting of restricted stock during 2008 for each of the named executive officers on an aggregated basis:

	Option Awards		Stock Awards	
Name	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($)(a)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting ($)(b)
Dennis E. Wheeler, Chairman, President & Chief Executive Officer			101,406	$ 453,464
Mitchell Krebs, Senior Vice President Chief Financial Officer(c)			17,378	$ 76,786
Richard Weston, Senior Vice President Operations			16,170	$ 68,056
Donald J. Birak, Senior Vice President Exploration			22,033	$ 97,867
Alan L. Wilder, Senior Vice President Project Development(d)			23,372	$ 103,728
James A. Sabala, Former Executive Vice President & Chief Financial Officer(c)			26,730	$ 121,519

Explanatory Notes:

(a) The aggregate dollar value realized upon exercise of options (i.e., the difference between the market price of the underlying shares at exercise and the exercise price), or upon the transfer of an award for value.

(b) The aggregate dollar value realized upon vesting of stock (i.e., the number of shares times the market price of the underlying shares on the vesting date), or upon the transfer of an award for value.

(c) Effective March 21, 2008, Mr. Sabala resigned as Executive Vice President Chief Financial Officer and Mr. Krebs was appointed Senior Vice President Chief Financial Officer.

(d) Effective January 15, 2009, Mr. Wilder retired from Coeur.

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PENSION BENEFITS AND NON-QUALIFIED DEFERRED COMPENSATION

The Company does not maintain a Defined Benefit Pension Program nor does it provide a Non-Qualified Deferred Compensation Program.

Potential Payments Upon Termination or Change-in-Control

The following table describes the potential payments and benefits under the Company s compensation and benefit plans and arrangements to which the Named Executive Officers would be entitled upon termination of employment or change-in-control assuming the triggering event took place on December 31, 2008 (i.e., the last business day of 2008) and the price per share of the Company s shares is the closing market price as of that date.

Name and Principal Position	Cash Severance Payments (a)	Incremental Pension Benefit (Present Value)	Continuation of Medical/ Welfare Benefits (Present Value) (b)	Acceleration and Continuation of Equity Awards (Unamortized Expenses as of 12/31/08) (c)	Excise Tax Gross-up (d)	Total Termination Benefits
Dennis E. Wheeler, Chairman, President & Chief Executive Officer						
Not for cause-involuntary	6,082,002	0	33,589	0	0	6,115,591
Death & Disability	998,976	0	0	0	0	998,976
Not for cause-voluntary under age 65	0	0	0	0	0	0
Termination subsequent to a Change-in-Control	6,082,002	0	33,589	0	2,505,681	8,621,272
Mitchell Krebs, Senior Vice President Corporate Development(e)(f)						
Not for cause-involuntary	846,398	0	14,545	115,986	0	976,929
Death & Disability	0	0	0	0	0	0
Not for cause-voluntary under age 65	0	0	0	0	0	0
Termination subsequent to a Change-in-Control	1,128,531	0	16,655 22,820	115,986	0	1,261,172
Richard Weston, Senior Vice President Operations(e)						
Not for cause-involuntary	1,021,616	0	28,392	168,292	0	1,218,300
Death & Disability	0	0	0	0	0	0
	0	0	0	0	0	0

Not for cause-voluntary under age 65						
Termination subsequent to a Change-in-Control	1,362,154	0	32,510	168,292	0	1,562,956
Donald J. Birak, Senior Vice President Exploration(e)						
Not for cause-involuntary	925,133	0	30,468	148,365	0	1,103,966
Death & Disability	0	0	0	0	0	0
Not for cause-voluntary under age 65	0	0	0	0	0	0
Termination subsequent to a Change-in-Control	1,233,510	0	34,887	148,365	0	1,416,762
Alan L. Wilder, Senior Vice President Project Development(e)(g)						
Not for cause-involuntary	25,012	0	1,211	154,122	0	180,345
Death & Disability	0	0	0	0	0	0
Not for cause-voluntary under age 65	0	0	0	0	0	0
Termination subsequent to a Change-in-Control	1,200,568	0	29,468	154,122	0	1,384,158

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Name and Principal Position	Cash Severance Payments (a)	Incremental Pension Benefit (Present Value)	Continuation of Medical/ Welfare Benefits (Present Value) (b)	Acceleration and Continuation of Equity Awards (Unamortized Expenses as of 12/31/08) (c)	Excise Tax Gross-up (d)	Total Termination Benefits
James A. Sabala, Former Executive Vice President & Chief Financial Officer(f)						
Not for cause-involuntary	0	0	0	0	0	0
Death & Disability	0	0	0	0	0	0
Not for cause-voluntary under age 65	0	0	0	0	0	0
Termination subsequent to a Change-in-Control	0	0	0	0	0	0

Explanatory Notes:

(a) Cash severance payments consist of base salary, annual incentive plan at target, and cash value of long-term incentive plan at target, multiplied by the contract life. In the case of Mr. Wheeler, contract term for change-in-control and employment agreement is three years; for the other Named Executive Officers, contract term is two years for change-in-control and 18 months for employment agreements, except for Mr. Wilder whose employment agreement expired January 15, 2009. For all Named Executive Officers, the cash is paid in a lump sum.

(b) Represents the net present value of medical and disability for the term of the contract.

(c) Represents the value of unvested restricted stock and the spread on unvested in-the-money options that would be accelerated on a change in control, pursuant to the 2003 Long-Term Incentive Plan. Options that are not exercised or cashed out on a change in control would have an extended exercise period of 12 months after the termination of a Named Executive Officer s employment. Under FAS 123R and provisions of the long-term incentive plan, equity awards are expensed upon the participant reaching retirement age as defined under the plan. Mr. Wheeler reached the retirement age during 2007; therefore there are no unamortized expenses relative to his equity awards.

(d) Upon a change in control, Mr. Wheeler is entitled to an additional payment that would enable him to pay any excise taxes arising from the receipt of excess parachute payments arising from the change in control. This gross up payment is designed to provide Mr. Wheeler with a reimbursement, after paying all regular income, employment and additional excise taxes on the gross up payment, sufficient to pay all of the excise tax arising from the operation of the Golden Parachute rules.

(e)

Under provisions in the employment contracts of all of the Named Executive Officers except Mr. Wheeler, the severance payments may be reduced to keep the total payments from exceeding the cap imposed by the Golden Parachute rules. (The reductions for Messrs. Weston, Birak and Wilder would be $531,357, $258,660 and $301,875, respectively.)

(f) Effective March 21, 2008, Mr. Sabala resigned as Executive Vice President Chief Financial Officer and Mr. Krebs was appointed Senior Vice President Chief Financial Officer.

(g) Effective January 15, 2009, Mr. Wilder retired from Coeur.

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DIRECTOR COMPENSATION

Pursuant to our 2005 Non-Employee Directors Equity Incentive Plan, outside directors receive an annual retainer of $70,000, of which they must take a minimum of $20,000 in the form of common stock. Each director may elect to receive common stock in lieu of cash for up to the entire $70,000 retainer. The directors of the Company are encouraged to hold common stock in the Company, thereby aligning their interests with those of the shareholders. The chairman fee for the Audit Committee is $10,000 per year and the chairmen fees for the Compensation Committee and the Nominating and Corporate Governance Committee are $7,500. Committee members and chairmen receive $1,500 for each Committee meeting attended.

The following table sets forth information regarding the compensation received by each of the Company s directors during the year ended December 31, 2008:

Name	Fees Earned or Paid in Cash ($)(a)	Stock Awards ($)(b)	Option Awards ($)(c)	Non-Equity Incentive Plan Compensation ($)(d)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)(e)	All Other Compensation ($)(f)	Total ($)
James J. Curran	$ 69,001	$ 19,999	0	0			