TECHNICAL REPORT FOR THE PALMAREJO COMPLEX

SW CHIHUAHUA STATE, MEXICO

NI 43-101 TECHNICAL REPORT

Effective Date: August 31, 2015
Report Date: November 2, 2015

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CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION

This technical report contains forward-looking statements within the meaning of United States and Canadian securities laws. Such forward-looking statements include, without limitation, statements regarding Coeur Mining, Inc.'s (Coeur) expectations for the Palmarejo Complex, including estimated capital requirements, expected production, economic analyses, cash costs and rates of return; mineral reserve and resource estimates; estimates of silver and gold grades; and other statements that are not historical facts. These statements may be identified by words such as "may," "might", "will," "expect," "anticipate," "believe," "could," "intend," "plan," "estimate" and similar expressions. Forward-looking statements address activities, events or developments that Coeur expects or anticipates will or may occur in the future, and are based on information currently available. Although management believes that its expectations are based on reasonable assumptions, it can give no assurance that these expectations will prove correct. Important factors that could cause actual results to differ materially from those in the forward-looking statements include, among others, risks that Coeur's exploration and property advancement efforts will not be successful; risks relating to fluctuations in the price of silver and gold; the inherently hazardous nature of mining-related activities; uncertainties concerning reserve and resource estimates; uncertainties relating to obtaining approvals and permits from governmental regulatory authorities; and availability and timing of capital for financing exploration and development activities, including uncertainty of being able to raise capital on favorable terms or at all; as well as those factors discussed in Coeur's filings with the U.S. Securities and Exchange Commission (the "SEC), including Coeur's latest Annual Report on Form 10-K and its other SEC filings (and Canadian filings on SEDAR at www.sedar.com). Coeur does not intend to publicly update any forward-looking statements, whether as a result of new information, future events, or otherwise, except as may be required under applicable securities laws.

CAUTIONARY NOTE TO U.S. READERS CONCERNING ESTIMATES OF MEASURED, INDICATED AND INFERRED MINERAL RESOURCES

Information concerning the properties and operations of Coeur has been prepared in accordance with Canadian standards under applicable Canadian securities laws, and may not be comparable to similar information for United States companies. The terms "Mineral Resource", "Measured Mineral Resource", "Indicated Mineral Resource" and "Inferred Mineral Resource" used in this Report are Canadian mining terms as defined in accordance with National Instrument 43-101 (NI 43-101) under definitions set out in the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Standards on Mineral Resources and Mineral Reserves adopted by the CIM Council on May 24, 2014 While the terms "Mineral Resource", "Measured Mineral Resource", "Indicated Mineral Resource" and "Inferred Mineral Resource" are recognized and required by Canadian securities regulations, they are not defined terms under standards of the SEC. Under United States standards, mineralization may not be classified as a "Reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the Reserve calculation is made. As such, certain information contained in this Report concerning descriptions of mineralization and resources under Canadian standards is not comparable to similar information made public by United States companies subject to the reporting and disclosure requirements of the United States Securities and Exchange Commission. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration. Under Canadian rules, estimates of Inferred Mineral Resources may not form the basis of feasibility or pre-feasibility studies. Readers are cautioned not to assume that all or any part of Measured or Indicated Resources will ever be converted into Mineral Reserves. Readers are also cautioned not to assume that all or any part of an "Inferred Mineral Resource" exists, or is economically or legally mineable. In addition, the definitions of "Proven Mineral Reserves" and "Probable Mineral Reserves" under CIM standards differ in certain respects from the standards of the SEC.

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1. SUMMARY

Coeur Mining, Inc. (Coeur) has prepared this technical report (the Report) on the Palmarejo Complex (as defined below) located in the Sierra Madre Occidental (SMO) mountain range in the western portion of the state of Chihuahua, Mexico. The data presented in this Report are related to the Palmarejo, Guadalupe, and Independencia deposits and their Mineral Resource and Mineral Reserve estimates. The purpose of this Report is to:

- Disclose Mineral Reserves for the Independencia deposit resulting from the acquisition of the San Miguel Project from Paramount Gold and Silver Corp (Paramount) on April 17, 2015;
- Update the Mineral Resources and Mineral Reserves for the Guadalupe deposit;
- Update the Mineral Reserves for the Palmarejo deposit;
- Update the capital and operating cost estimates for the Palmarejo Complex; and
- Update the financial estimate for the Palmarejo Complex.

The information in this Report is effective as of August 31, 2015. All currency is expressed in U.S. dollars, unless otherwise noted.

1.1 Property Description and Location

The Palmarejo Complex is located approximately 420 kilometers (km) by road southwest of the city of Chihuahua, in the state of Chihuahua in northern Mexico, on the western edge of the SMO in the Temoris and Guazapares mining district (Figure 1.1). For purposes of this Report, the Palmarejo Complex consists of: (1) the Palmarejo open pit and underground mine and mill complex; (2) the Guadalupe deposit, located about 8km southeast of the Palmarejo mine (Guadalupe mine); (3) the Independencia deposit, located northeast of the Guadalupe deposit (Independencia mine) (Figure 1.2), and other deposits and exploration targets, and consists of 54,685.4 hectares (ha) covered by Mining Concessions (see Section 4).

On April 17, 2015, Coeur completed its acquisition of Paramount. The Don Ese deposit, on the former Paramount-owned property (Paramount Property), is a continuation of the Independencia deposit, located on the historical Coeur property (Coeur Property). The Don Ese deposit has been renamed “Independencia Este”, while the historic Independencia deposit owned by Coeur prior to the Paramount acquisition, is now referred to as the “Independencia Oeste” deposit. The entire deposit is referred to as the Independencia deposit in this Report.

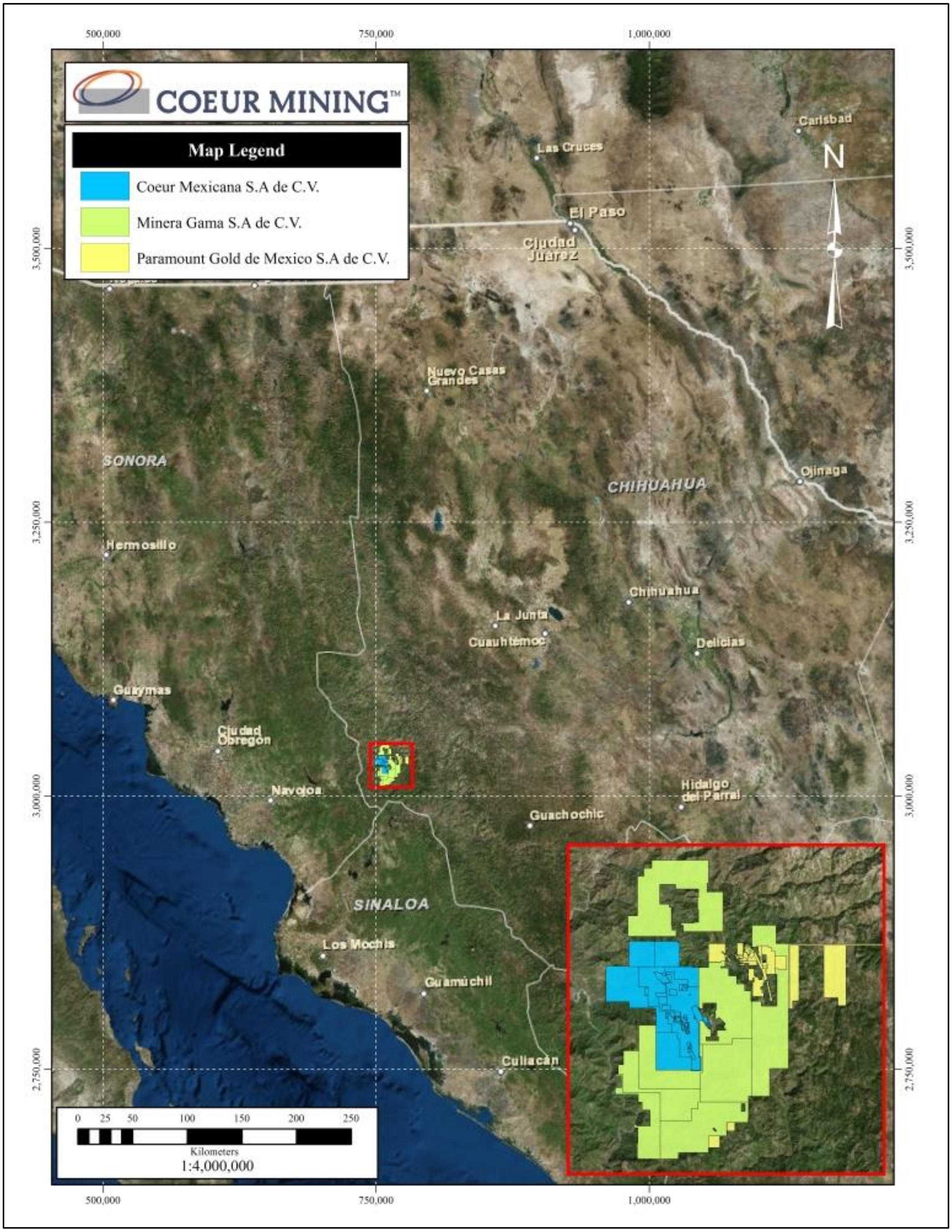


Figure 1.1. Regional Map showing Location of the Palmarejo Complex (Coeur, 2015)

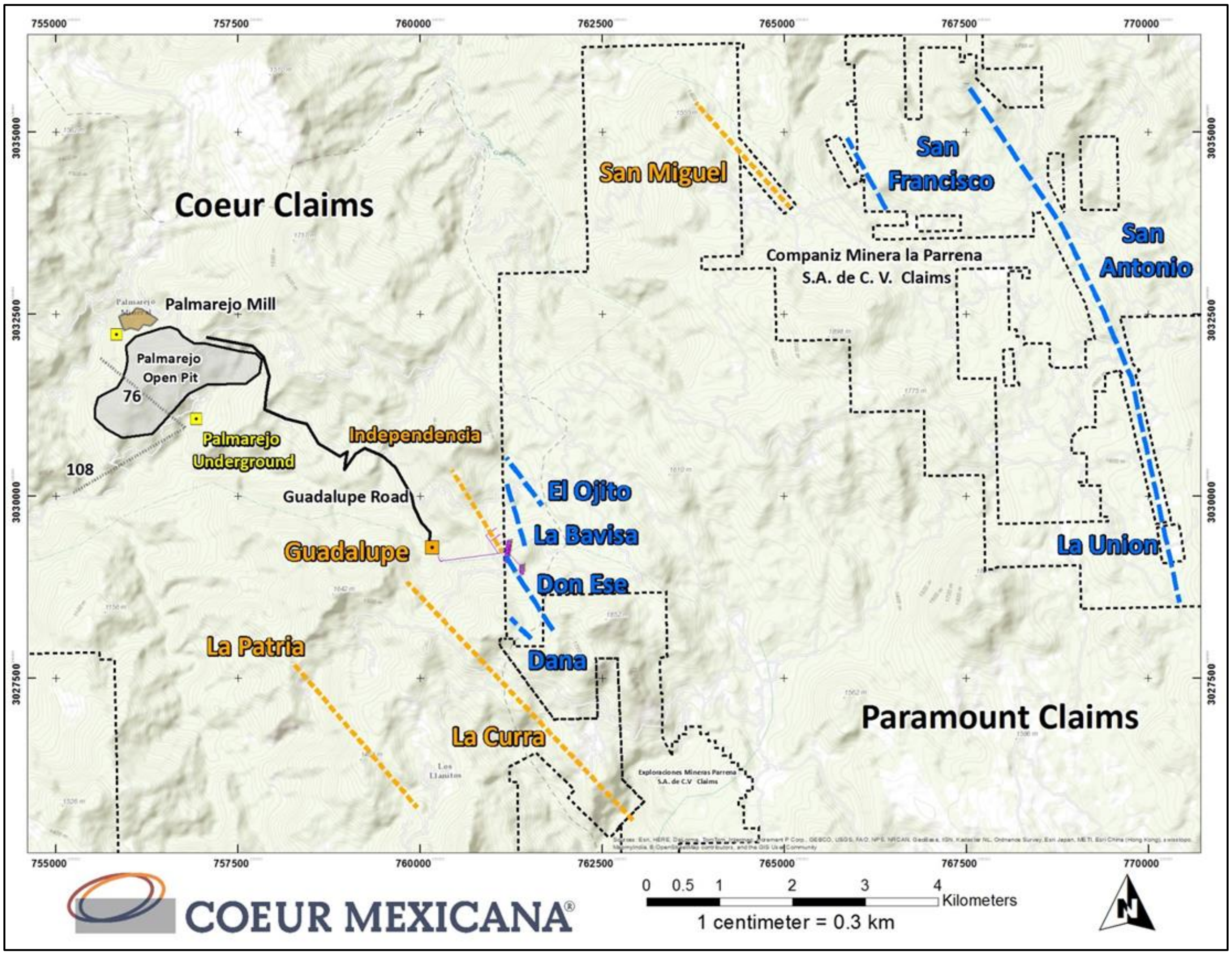


Figure 1.2. Localized Map of the Palmarejo Complex (Coeur, 2015)

1.2 Exploration

During the 2015 exploration program (up to the effective date of this Report), Coeur drilled 31,804m of surface and underground core in 122 drill holes, primarily at the Guadalupe and Independencia deposits.

In addition to infill exploration drilling (Category 3), near-mine exploration drilling (Category 2) has been taking place at the Palmarejo Complex to provide exploration of new targets since the deposit was discovered. The exploration drill history is shown in Table 1.1.

Table 1.1. Exploration Drill History at the Palmarejo Complex (Coeur, 2015)

Year	Coeur Cat 1 & 2 (m)	Paramount Cat 1 & 2 (m)	Coeur Cat 3 (m)	Total (m)
2003	2,937			2,937
2004	32,069			32,069
2005	65,719			65,719
2006	76,406	7,554		83,959
2007	62,125	23,992		86,117
2008	19,872	21,972	5,401	47,245
2009	25,515	8,505	22,870	56,890
2010	24,840	29,374	56,703	110,917
2011	37,327	27,897	43,305	108,529
2012	58,624	32,389	57,681	148,694
2013	35,741	9,739	46,135	91,615
2014	24,229	20,282	31,189	75,700
2015	14,489	0	17,315	31,804
Total	479,892	181,703	280,600	942,194

1.3 Sample Preparation, Security, and Analyses

During the 2015 drilling and sample collection campaigns (through the effective date of this Report), Coeur contracted Forage G4 Drilling to collect diamond drill core samples. Internal security measures were in place for the transport of drill core from the field to the respective companies' preparation facility, where geologic logging and sampling was conducted. Transport of split and whole core to the commercial analytical facility was conducted with industry-acceptable security measures.

In 2015 (through the effective date of this Report), all sample preparation for analytical analyses was conducted at the ALS Minerals facility in Chihuahua, Chihuahua, Mexico. The prepared sample pulps were shipped from the Chihuahua facility to the ALS Minerals facility in Vancouver, B.C., Canada, where analytical tests for silver, gold, and other metals were performed. The ALS Minerals facilities are accredited laboratories through the Standards Council of Canada for ISO/IEC 17025:2005.

1.4 Data Verification

In 2014 and 2015 (through the effective date of this Report), QA/QC procedures were in place and practiced at all of the projects. Certified standards and blanks, and variably staged duplicates were utilized across the projects and inserted into the primary sample stream to assess the commercial laboratory's accuracy and precision regarding sample preparation and analytical test procedures. Overall, silver control samples performed very well, with low failure rates and no indication of bias. In 2014, gold control samples showed significant failure rates and, in some standards, high bias compared to the certified value of the sample. Data management concerns regarding the gold results have been identified and documented, and in some cases, corrective action has been completed. The recommendations of the QP will highlight these corrective actions (see Section 12). In 2015, gold control samples performed well with acceptable failure rates.

Umpire check analyses were also completed at third party commercial laboratories for both the Independencia Oeste and Independencia Este deposits. These results indicated very good correlation between the ALS Minerals results and the umpire lab for both gold and silver analyses. Umpire check analyses are in progress for 2014 and 2015 samples from Guadalupe.

It is the opinion of the QP that the analytical results from the 2014 and 2015 drilling and sampling programs (through the effective date of this Report) are of sufficient quality for use in resource evaluation, and meet the requirements for NI 43-101 compliance.

1.5 Status of Development and Mine Operations

The Palmarejo open pit and underground mine completed its first full year of commercial operation in 2010. In 2014, 6.6 million ounces of silver and 87,000 ounces of gold were recovered in doré. The tailings dam continues to be constructed in stages to an ultimate design crest elevation of 825m above sea level.

Ore at the Palmarejo deposit is mined by both conventional open pit techniques and by underground longhole stoping methods. Mining is planned to continue until the Palmarejo open pit and underground Mineral Reserves are fully depleted, which is expected in late 2016.

Underground development of the Guadalupe mine began in April 2012, with ore production commencing in late 2014. The Palmarejo Complex infrastructure provides processing, tailings and administrative support for the Guadalupe mine. Ore is mined by way of underground longhole techniques and hauled to Palmarejo for processing at the existing Palmarejo mill. The ore at Guadalupe has similar metallurgical characteristics as the ore at the Palmarejo deposit.

Coeur recently completed a pre-feasibility study for the Independencia deposit. The Independencia mine is currently under construction. Underground access development commenced in March 2015, with two parallel declines advancing towards the deposit from portal locations near the entrance to the Guadalupe mine.

1.6 Mineral Resource and Mineral Reserve Estimates

The silver and gold mineral deposits in the Palmarejo Complex are zoned epithermal occurrences hosted in quartz veins and quartz-rich breccias within a package of volcanic and volcano-sedimentary rocks known to host similar occurrences in the SMO of northern Mexico. The style of mineralization is typical of other epithermal precious metal deposits in the range as well as other parts of the world. Three deposits host the Mineral Resources and Mineral Reserves cited in this Report: Palmarejo, Guadalupe, and Independencia. The locations of mineralized structures are shown in blue in Figure 1.3. In addition, there are other mineralized targets within the Palmarejo Complex. The Palmarejo deposit includes a series of vein splays and parallel vein structures to the northwest. The Guadalupe and Independencia structures are shown to the southeast of the Palmarejo deposit.

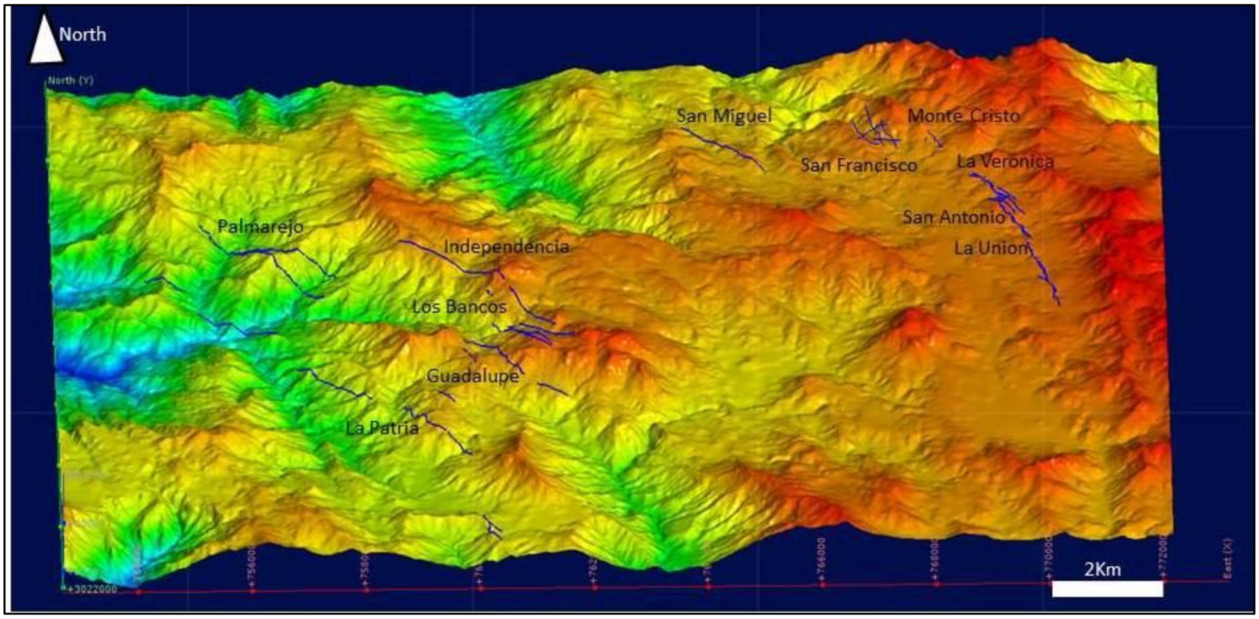


Figure 1.3. Mineral Deposit Locations – Palmarejo Complex (Coeur, 2015)

Current Mineral Reserves at the Palmarejo Complex include open pit and underground deposits centered around clavos. “Clavo” is the local term for an ore-shoot typically formed at the intersection of a vein with another structure.

Mineral Reserve Estimates for the Palmarejo Complex are provided in Table 1.2 and Mineral Resource Estimates are provided in Table 1.3. Please refer to Section 14.2 for the key paramaters and assumptions used for the estimation of Mineral Resources, and Section 15.1 for the key paramaters and assumptions used for the estimation of Mineral Reserves.

For the Guadalupe and Independencia deposits, the mine plan was evaluated using two sets of prices:

- Short-term prices for 2015 to 2017 of $15.50/oz Ag and $1,150/oz Au; and
- Long-term prices for 2018 and beyond of $17.50/oz Ag and $1,250/oz Au.

The Palmarejo open pit and Palmarejo underground Mineral Reserves were estimated using only short-term prices, since these deposits are expected to be mined out by the end of 2016.

The Guadalupe and Independencia Mineral Reserves were estimated using the long-term prices. However, both the Guadalupe and Independencia Mineral Reserves are insensitive to the short-term prices.

The economic analysis summarized in Section 1.7 used both the long-term and short-term prices.

The estimation of Mineral Reserves is detailed in Section 15. Each orebody has been evaluated using the most appropriate mining method, with cut-off grades derived from the input data provided in Table 15.1. All modifying factors (including ore dilution and ore recovery) have been considered. Following the mine design process, a life of mine schedule was developed and input into the economic analysis.

Table 1.2. Mineral Reserves – Palmarejo Complex (Coeur, 2015)

Category	Tonnes	Average Grade (g/t)		Contained Oz	
		Ag	Au	Ag	Au
Proven	728,000	216	2.65	5,048,000	62,100
Probable	7,839,000	164	2.56	41,214,000	645,100
Proven + Probable	**8,567,000**	**168**	**2.57**	**46,262,000**	**707,200**

Notes:
1. Mineral Reserves estimated by Paul Kerr, P.Eng. as of August 31, 2015.
2. Metal prices used were $1,250/oz Au and $17.50/oz Ag for Guadalupe and Independencia, and $1,150/oz Au and $15.50/oz Ag for the Palmarejo open pit and underground mines.
3. Rounding of tonnes, average grades, and contained ounces may result in apparent discrepancies with total rounded tonnes, average grades, and total contained ounces

Table 1.3. Mineral Resources – Palmarejo Complex (Exclusive of Mineral Reserves) (Coeur, 2015)

Category	Tonnes	Average Grade (g/t)		Contained Oz	
		Ag	Au	Ag	Au
Measured	122,000	166	1.75	651,000	6,900
Indicated	5,590,000	153	2.19	27,418,000	393,000
Measured + Indicated	**5,712,000**	**153**	**2.18**	**28,069,000**	**400,000**
Inferred	1,505,000	165	2.97	7,998,000	143,500

Notes:

1. Mineral Resources as of August 31, 2015. Independencia Mineral Resources estimated by Micheal Gustin, CPG. Guadalupe Mineral Resources estimated by David Hlorgbe, RM, SME.
2. There are no Mineral Resources exclusive of Mineral Reserves for the Palmarejo open pit and underground mines.
3. Metal prices used were $1,275/oz Au and $19.00/oz Ag.
4. Mineral Resources are reported exclusive of Mineral Reserves.
5. Mineral Resources have not demonstrated economic viability.
6. Inferred Mineral Resources have a lower level of confidence than Indicated Mineral Resources. It is expected that some of the Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.
7. Rounding of tonnes, average grades, and contained ounces may result in apparent discrepancies with total rounded tonnes, average grades, and total contained ounces.

1.7 Economic Analysis

The economic analysis for the Palmarejo Complex is based on a cash flow model that includes the following inputs:

- Mineral Reserves as of August 31, 2015;
- Silver and gold prices of:
  - September 2015 to 2017: $15.50/oz Ag and $1,150/oz Au; and
  - 2018 to 2022: $17.50/oz Ag and $1,250/oz Au.
- Metallurgical recovery for silver and gold, which are based on actual process plant results obtained to date, metallurgical test work, and reasonable assumptions for continuous process improvement over time;
- Smelting and refining costs based on recent actual data;
- Underground and open-pit mine production plans and schedules for Palmarejo, Guadalupe, and Independencia;
- Operating costs for mining, ore processing, general and administration, and refining estimated from previous actuals and life of mine (LOM) budgeted costs for Palmarejo, Guadalupe, and Independencia;

- Capital cost estimates for the remaining construction, sustaining and underground development for Palmarejo, Guadalupe, and Independencia; and
- Gold deliveries to Franco-Nevada Corporation affiliates pursuant to the gold stream agreement expected to commence in 2016.

A summary of the economic analysis is shown in Table 1.4. Sections 21 and 22 of the Report describe the cost estimate and economic analysis in more detail.

Table 1.4. Life of Mine Economic Analysis (Coeur, 2015)

	Unit	Palmarejo	Guadalupe	Indep. Oeste	Indep. Este
Mine Production					
Open Pit Tonnes	k-tonnes	154			
Ore Au Grade	g/t Au	0.97			
Ore Ag Grade	g/t Ag	123			
Underground Tonnes	k-tonnes	58	4,540	858	2,956
Ore Au Grade	g/t Au	2.39	2.42	3.29	2.68
Ore Ag Grade	g/t Ag	155	154	177	190
Mill Throughput					
Total Ore Processed	k-tonnes	8,567			
Ore Grade Au	g/t Au	2.57			
Ore Grade Ag	g/t Ag	168			
Metallurgical Recovery Au	%	87.0 (2015-2016) & 90.0 (2017-2022)			
Metallurgical Recovery Ag	%	85.0 (2015-2016) & 87.0 (2017-2022)			
Revenue					
Gold Price	$/oz	$1,150 (2015-2017) & $1,250 (2018-2022)			
Silver Price	$/oz	$15.5 (2015-2017) & $17.5 (2018-2022)			
Gross Revenue	$M	1,454			
Operating Costs					
Open Pit Mining/Auxiliary Equipment	$M	20			
Underground Mining	$M	399			
Milling/Processing	$M	250			
Smelting and Refining	$M	20			
G&A	$M	127			
Corporate Management Fee	$M	27			
Franco-Nevada Gold Stream	$M	75			
Total Operating Cost	$M	917			
Cash Flow					
Operating Cash Flow	$M		537		
0.5% Extraordinary Mining Duty	$M		8		
Capital Expenditures, Incl. Financing	$M		198		
Franco-Nevada Advance Royalty	$M		34		
Franco-Nevada Advanced Deposit	$M		8		
Total Pre-Tax Cash Flow (Net Cash Flow)	$M		**305**		
Project Pre-Tax NPV (10% Discount Rate)	$M		**191**		
30% Corporate Income Tax	$M		72		
7.5% Special Mining Duty	$M		38		
Tot. After-Tax Cash Flow (Net Cash Flow)	$M		**195**		
Project After-Tax NPV(10% Discount Rate)	$M		**125**		

As of August 31, 2015, the Palmarejo Complex is estimated to return an after-tax NPV of $125,000,000 at a 10% discount rate over a mine life of approximately eight years (Table 1.5).

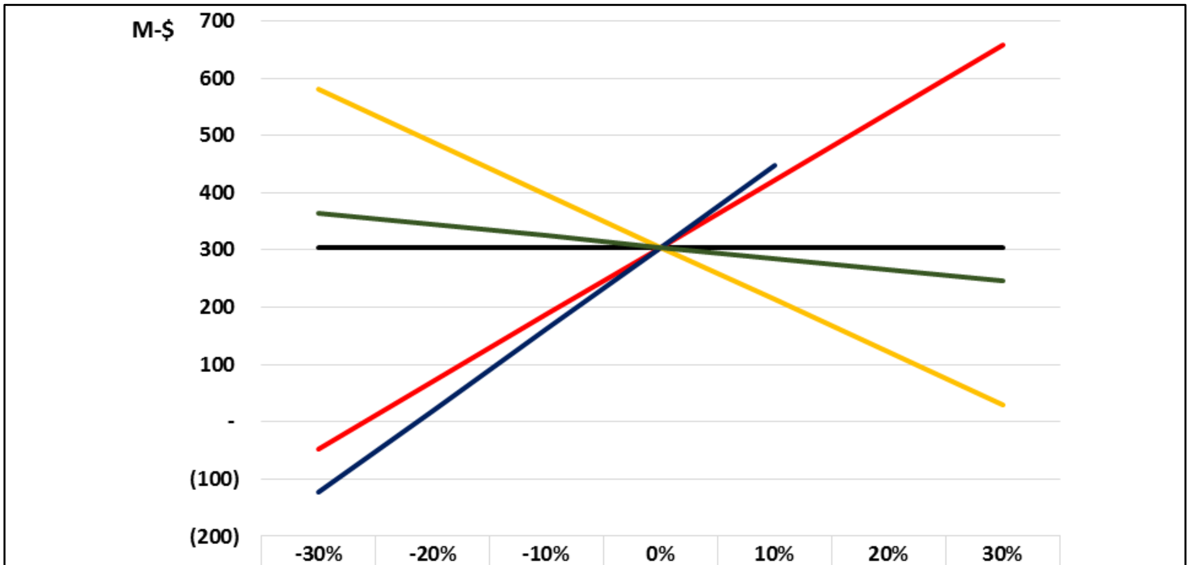
Table 1.5. Life of Mine Production and Open Pit Waste Summary – Palmarejo Complex (Coeur, 2015)

	Sep-Dec 2015	2016	2017	2018	2019	2020	2021	2022	Total
Palmarejo Open Pit									
Tonnes Ore (x1000)	154								154
Ag Grade (g/t)	123								123
Au Grade (g/t)	0.97								0.97
Tonnes Waste (tx1000)	1,231								1,231
Palmarejo Underground									
Tonnes Ore (x1000)	10	48							58
Ag Grade (g/t)	92	168							155
Au Grade (g/t)	2.77	2.31							2.39
Guadalupe Underground									
Tonnes Ore (x1000)	178	732	809	662	812	815	531		4,540
Ag Grade (g/t)	142	144	131	145	166	172	170		154
Au Grade (g/t)	2.20	2.74	2.32	2.54	2.96	2.02	1.80		2.42
Independencia Oeste									
Tonnes Ore (x1000)		44	112	146	141	160	79	176	858
Ag Grade (g/t)		200	196	208	194	166	152	140	177
Au Grade (g/t)		3.40	3.59	4.25	4.01	3.56	2.14	1.95	3.29
Independencia Este									
Tonnes Ore (x1000)		122	423	541	544	513	576	239	2,956
Ag Grade (g/t)		180	177	184	229	200	187	124	190
Au Grade (g/t)		2.59	2.75	2.67	3.25	2.38	2.77	1.70	2.68

Table 1.6. Yearly Production and Cash Flows (Coeur, 2015)

	Sep-Dec 2015	2016	2017	2018	2019	2020	2021	2022	Total
Ore Tonnes Milled (x1000)	343	947	1,344	1,349	1,498	1,488	1,185	414	**8,567**
Recovered Oz Ag (x1000)	1,234	3,957	5,680	6,327	8,016	7,546	5,861	1,517	**40,137**
Recovered Oz Au (x1000)	16.0	72.6	99.6	108.6	137.0	99.5	78.7	21.7	**633.7**
Oper. Cash Flow ($M)	6	41	60	99	145	96	78	11	**537**
Pre-Tax Net Cash Flow ($M)	(14)	(20)	15	51	123	68	72	10	**305**
After-Tax Net Cash Flow ($M)	(14)	(20)	14	47	112	24	44	(11)	**195**

Sensitivity analyses for the base case pre-tax net cash flow are shown in Figure 1.4 Sensitivity analyses of the Mineral Reserves are discussed in Section 15.



	-30%	-20%	-10%	0%	10%	20%	30%
Base	305	305	305	305	305	305	305
Metal Prices	(48)	70	187	305	423	540	658
Grade/Recovery	(123)	20	162	305	448		
Opex	580	488	397	305	213	122	30
Capex	364	344	325	305	285	266	246

Figure 1.4. Sensitivity of Pre-tax Cash Flow (Coeur, 2015)

1.8 Conclusions and Recommendations

The Palmarejo Complex is an operating mining venture that has demonstrated positive cash flow. The financial analysis and associated assumptions conducted for this Report support the conclusion that the Palmarejo Complex will continue to be profitable and generate acceptable returns over the life of the mine.

It is recommended to further advance development and production at the Palmarejo, Guadalupe, and Independencia mines by continuing to drill the resource in areas with limited drilling; revise the resource models, as required; and, optimize the mine plans with additional mine engineering work.

The Qualified Persons (QPs) have visited the project sites and have reviewed all data pertinant to the information stated in this Report, and they believe that the data disclosed is a complete, accurate and reasonable representation of the Palmarejo Complex.

In the opinion of the QPs, the Mineral Resource and Mineral Reserve estimates are based on valid data and are reasonably estimated using standard geological and engineering practices. There are no known environmental, permitting, legal, title, socio-economic, marketing, or political issues not discussed in this Report that could materially affect the Palmarejo, Guadalupe, or Independencia Mineral Reserve or Mineral Resource estimates.

The QPs recommend the following work programs be undertaken at the Palmarejo Complex:

Geology

- For definition purposes, it is recommended that the exploration program be continued at the Guadalupe and Independencia deposits. Cost estimate: $4,000,000 per year for the next five years, subject to change as a result of new discoveries or changes in the mine plan;
- For resource discovery to replace inferred resources, it is recommended that the exploration progam at the Palmarejo Complex be continued. Cost estimate: $5,000,000 per year for the next five years, subject to change as a result of new discoveries or changes in the mine plan;
- To address reliable density associations with lithology and mineral-type units, it is recommended to review the existing density determinations in the exploration drill holes and perform additional measurements, where required. Since this is an operating mine, these measurements can be obtained in the core shed by weighing rock dry and submersed in water, and need not be performed in outside laboratories. Each lithology and mineral type should be measured in each drill hole. The projected large population of these measurements would allow adequate differentiation of densities for individual lithology units and make resource modeling more reliable. This work can be completed by Coeur personnel at no additional cost; and
- Based on results of internal QC programs, with regard to the analysis of duplicate sampling results, it is recommended that sampling and sample preparation procedures be reviewed with regards to sample size, sample length, mineral distribution, and grain size to evaluate sources of variance and how to best minimize inconsistencies in the results. Cost estimate: $20,000.

Data Validation

- Review all check sample programs for appropriateness of analytical methods compared and samples submitted for analysis. Cost estimate: $10,000;
- Complete and document the re-assay of failed sample batches per Coeur Mining's QA/QC policies and procedures (no additional costs are associated with this work); and

- Complete third party umpire assays annually and check all labs per Coeur Mining's QA/QC policies and procedures. Cost estimate for the QA/QC reviews and assaying: $100,000 per year.

Resource Modeling

- Update lithology models on an ongoing basis, when new drill holes are added to the database. If derived from cross-sectional polygons, the lithology wireframes should be reinterpreted in plan view to warrant a smooth and non-edgy continuation of the veins. This work can be completed by Coeur personnel at no additional cost;
- Continue to review reconciliation data to ensure the resource model is adaquately predicting tonnage and metal grades. This work can be completed by Coeur personnel at no additional cost; and
- Continue annual updates to geology models and resource models as new data becomes available. This work can be completed by Coeur personnel at no additional cost.

Processing

- Continue efforts towards improving metal accounting by evaluating sample collection, handling, and preparation procedures. Cost estimate: $10,000; and
- Perform metallurgical test work for the Independencia mineral deposit, including:
    - Phase 1 – Testing for communition and mineralogical examination of materials. Cost estimate: $65,000;
    - Phase 2 – Agitated cyanidation testing. Cost estimate: $65,000; and
    - Phase 3 – Floation and flotation products leaching. Cost estimate: $110,000.

Mining

- Carry out geotechnical site visits and mine design reviews. Cost estimate: $35,000 per year;
- Update Mineral Reserve estimates following updates to Mineral Resource estimates and/or material changes to cost and financial inputs. This work can be completed by Coeur personnel at no additional cost; and
- Optimize mine designs and plans to maximize economic benefits. This work can be completed by Coeur personnel at no additional cost.

2. INTRODUCTION

2.1 Terms of Reference

This Report on the Palmarejo Complex was prepared by, or under the supervision of, the QPs for Coeur. The purpose of this Report is to:

- Disclose Mineral Reserves for the Independencia deposit resulting from the acquisition of the San Miguel Project from Paramount Gold and Silver Corp (Paramount) on April 17, 2015;
- Update the Mineral Resources and Mineral Reserves for the Guadalupe mine;
- Update the Mineral Reserves for the Palmarejo mine;
- Update the capital and operating cost estimates for the Palmarejo Complex; and
- Update the financial estimate for the Palmarejo Complex.

This Report was prepared in compliance with NI 43-101 Standards of Disclosure for Mineral Projects (NI 43-101) and Form NI 43-101F1. Coeur holds 100% of the Palmarejo Complex through its wholly-owned subsidiaries, Coeur Mexicana, S.A. de C.V. (Coeur Mexicana), Paramount Gold de Mexico S.A. de C.V. (Paramount Mexico) and Minera Gama S.A. de C.V. (Minera Gama).

2.2 Qualified Persons

This Report has been prepared by a team of Coeur employees and consultants. The following individuals, by virtue of their education, experience, and professional association, serve as the QPs for this Report, as defined in NI 43-101. Table 2.1 lists the QPs and the sections each individual is responsible for in this Report.

Table 2.1. Qualified Person Responsibilities- Palmarejo Complex (Coeur, 2015)

Qualified Person	Registration	Title/Company	Sections of Responsibility
Paul Kerr	P.Eng.	Manager, Mine Engineering Coeur Mining, Inc.	Sections 1, 2, 3, 4, 5, 6, 14.1, 14.2,15, 16, 18, 19, 20, 21, 22, 23, 24, 25, 26.5, 27, 28 and 29.
Michael Gustin	CPG	Mine Development Associates	Section 14.5 and 7.2.3.
David Hlorgbe	RM SME	Senior Resource Geologist Coeur Mining, Inc.	Section 14.4, and 26.3.
Justin Glanvill	PrSciNat	AMC Consultants (UK) Ltd.	Section 14.3.
Raul Mondragon	RM SME	Director, Metallurgy Coeur Mining, Inc.	Sections 13, 17, and 26.4.
Matthew Hoffer	RM SME	Manager, Geology Coeur Mining, Inc.	Sections 11, 12, and 26.2.
Miller O'Prey	EurGeol, P. Geo.	Director, Exploration Coeur Mining, Inc.	Sections 7, 8, 9, 10, and 26.1.

2.3 Site Visits and Scope of Personal Inspection

The QPs and contributors to this Report are either senior members of Coeur's corporate and technical staff or consultants retained to assist in preparing certain portions of the Report.

- Paul Kerr has worked for Coeur Mining, Inc. since September 2013 in the position of Manager, Mine Engineering. Mr. Kerr's most recent site visit was September 28 to October 2, 2015, where he inspected the underground and open pit operations, and reviewed the current mine and development plans.
- Michael Gustin is a Senior Geologist at Mine Development Associates, a consulting firm for the mining industry. His most recent site visit was from August 18 to August 21, 2011, where he reviewed the geology, mineralizing controls, deposit geometry, drilling and logging, and inspected exploration drilling and sampling procedures implemented at the project site.
- David Hlorgbe has worked for Coeur Mining, Inc. for the last 2.5 years in the position of Senior Resource Geologist. Mr. Hlorgbe's most recent site visit was August 1 to August 7, 2015, where he reviewed the geology, mineralizing controls, reconciliation data, and drilling programs.

- Justin Glanvill is Principal Geologist at AMC Consultants (UK), an international consulting firm for the mining industry. Justin has been a practicing geologist for 17 years. His most recent site visit was in August 2014, where he reviewed the geological modelling processes with the site geology team.
- Raul Mondragon has worked for Coeur Mining, Inc. for the last three years in the position of Director of Metallurgy. Mr. Mondragon has worked on a temporary basis at the site during 2014 and 2015, and is familiar with key ore processing parameters and metallurgical test work programs. His most recent site visit was in October 2015.
- Matthew Hoffer has worked for Coeur Mining, Inc. for the last two years, where he is employed as Manager, Geology. Mr. Hoffer last visited the Palmarejo site from January 1 to January 9, 2015, where he reviewed and provided recommendations in support of the development and best practices associated with Palmarejo's QA/QC procedures and acQuire® database.
- Miller O'Prey has worked for Coeur Mining, Inc. for the last year in the position of Director Exploration, Mexico. Mr. O'Prey's most recent site visit was from October 7 to October 9, 2015, where he reviewed the ongoing exploration drilling program and core logging/sampling procedures.

2.4 Effective Dates

The information in this Report is effective as of August 31, 2015.

2.5 Previous Technical Reports

Previous technical reports filed for the Palmarejo Complex include the following:

- Gustin, Michael M., "Technical Report, Palmarejo – Trogan Project, Chihuahua, Mexico, 43-101 Technical Report", prepared for Bonita Capital Corporation December 10, 2004 by Mine Development Associates, 2004.
- Gustin, Michael M., "Updated Technical Report, Palmarejo – Trogan Project, Chihuahua, Mexico, 43-101 Technical Report", prepared for Palmarejo Gold Corporation, October 20, 2005 by Mine Development Associates, 2005.
- Gustin, Michael M., "Updated Technical Report, Palmarejo – Trogan Project, Chihuahua, Mexico, 43-101 Technical Report", prepared for Palmarejo Silver and Gold Corporation May 1, 2006 by Mine Development Associates, 2006.
- Gustin, Michael M., and Neil B. Prenn. "Updated Technical Report Palmarejo-Trogan Project, Chihuahua, Mexico", prepared for Palmarejo Silver and Gold Corporation and Coeur d' Alene Mines Corporation September 17, 2007 by Mine Development Associates, 2007.

- Blaylock, Gregory, and John L. Sims. "Palmarejo Project SW Chihuahua State, Mexico Technical Report", June 21, 2008 prepared for Coeur d'Alene Mines, internal report, 2008.
- Sims, John L., and Gregory Blaylock. "Palmarejo Project SW Chihuahua State, Mexico Technical Report", January 1, 2010 prepared for Coeur d'Alene Mines, internal report, 2010.
- Thompson, Daniel, Michael Maslowski and Keith Blair. "Palmarejo Project SW Chihuahua State, Mexico Technical Report", January 1, 2011 prepared for Coeur d'Alene Mines, internal report, 2011.
- Birak, Donald J., and Keith Blair. "Palmarejo Project SW Chihuahua State, Mexico Technical Report", January 1, 2012 prepared for Coeur d'Alene Mines, internal report, 2012.
- Birak, Donald J., Keith Blair and Klaus Triebel. "Palmarejo Project SW Chihuahua State, Mexico YE 2012 Technical Report", January 1, 2013 prepared for Coeur d'Alene Mines, internal report, 2013.
- Wilson, Scott E., Michael M. Gustin and William J. Pennstrom. "Technical Report & Preliminary Economic Assessment For The San Miguel Project Guazapares Mining District Chihuahua, Mexico", prepared for Paramount Gold And Silver Corporation August 22, 2014 by Metal Mining Consultants Inc, 2014.
- Hlorgbe, David, Michael Gustin, Justin Glanvill, Paul Kerr, Raul Mondragron and W. David Tyler. "Technical Report for the Palmarejo Project SW Chihuahua State, Mexico NI43-101 Technical Report", February 18, 2015 prepared for Coeur Mining, Inc., internal report, 2015.

3. RELIANCE ON OTHER EXPERTS

The QPs have not independently reviewed some of the data pertaining to the Palmarejo Complex, and have relied on senior Coeur staff to provide information and guidance on the following items:

- Applicable taxes, royalties, and other government levies or interests applicable to revenue or income;
- Ownership of mining concessions, surface rights, and property agreements;
- Environmental, permitting, and social aspects; and
- Contracts currently in place.

4. PROPERTY DESCRIPTION AND LOCATION

4.1 Project Description and Location

The Palmarejo Complex is located within the state of Chihuahua, approximately 420km by road southwest of the city of Chihuahua, the state capital. The Palmarejo Complex lies within the Temoris and Guazapares mining districts, which are part of the gold-silver belt of the SMO. The Palmarejo open pit, underground mine, and processing facilities are located 18km northwest of the town of Temoris.

The Palmarejo Complex can be found on the Instituto de Nacional de Estadística, Geografía y Informática (INEGI) Ciudad Obregón geological sheet (G12-3) and the INEGI Guadalupe Victoria (G12B28), Chinipas de Almada (G12B38), Temoris (G12B39), Milpillas (G12B48), and the Cieneguita Lluvia de Oro topographic maps and is centered on coordinates 108˚19'40.30W Longitude and 27˚18'2.34N Latitude (734463.9194 mE, 3022565.7127 mN) in the Universal Transverse Mercator (WGS 84), Zone 12R (Northern Hemisphere).

The Dirección General de Regulación Minera (DGRM) administers Mining Concessions in Mexico. A legal survey (Trabajos Periciales) of each Mining Concession was completed as part of the process of obtaining such Concessions. Figure 4.1 shows the general project location.

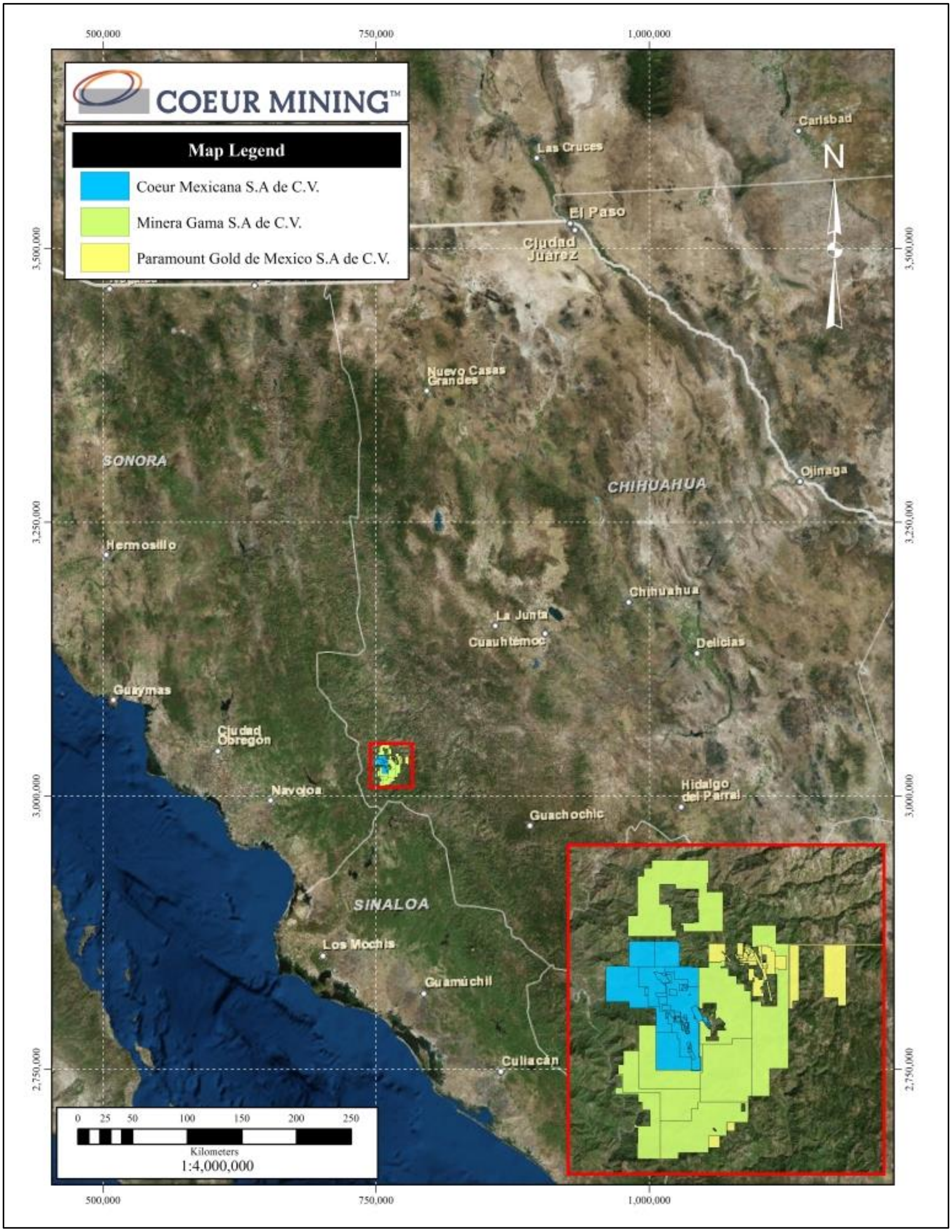


Figure 4.1. Regional Map showing Location of the Palmarejo Complex (Coeur, 2015)

4.2 Coeur's Interest

The Coeur Property, was originally owned by Bolnisi Gold NL (BSG) and Palmarejo Silver and Gold Co. (PJO, formerly Palmarejo Gold Corp). On December 21, 2007, Coeur acquired all of the outstanding stock of BSG, an Australian company listed on the Australian Stock Exchange, and PJO, a Canadian company listed on the TSX Venture Exchange. The principal asset of BSG was its ownership of 72.8% of the outstanding common shares of PJO. PJO, through its operating company Planet Gold S.A.de C.V. (Planet Gold), was engaged in exploring and developing silver and gold properties in Mexico, including the Palmarejo mine and surrounding mineral concessions. Following the acquisition, Planet Gold was renamed Coeur Mexicana S.A. de C.V. (Coeur Mexicana). Coeur Mexicana has held the Mining Concessions for the Coeur Property, which includes the Palmarejo, Guadalupe, and Independencia Oeste deposits since that time.

On April 17, 2015, Coeur completed its acquisition of Paramount in an all-stock transaction valued at $146,000,000. Upon completion of the transaction, Paramount, together with its wholly owned subsidiaries, Paramount México and Minera Gama, which are holders of the Paramount Property, is now wholly-owned by Coeur. Together, the Coeur Property and the Paramount Property constitute the Palmarejo Complex.

4.3 Mineral Tenure

The Palmarejo Complex comprises 81 wholly owned Mining Concessions, appropriating 54,685.4 ha of land, held by and apportioned as follows:

- Coeur Mexicana: 36 Mining Concessions, appropriating 12,282.2 ha;
- Paramount Mexico: 35 Mining Concessions, appropriating 5,917.3 ha; and
- Minera Gama: 10 Mining Concessions, appropriating 36,485.9 ha.

Appendix 29.1 contains detailed Mining Concession information.

A number of deposits have been discovered on the Mining Concessions, including: Palmarejo, Guadalupe, Independencia, Los Bancos, La Patria, La Unión, La Veronica, Montecristo, San Antonio, San Francisco, and San Miguel. These deposits are located within the Palmarejo Complex. Figure 4.2 shows the Mining Concession locations. The colors denote the owning entity.

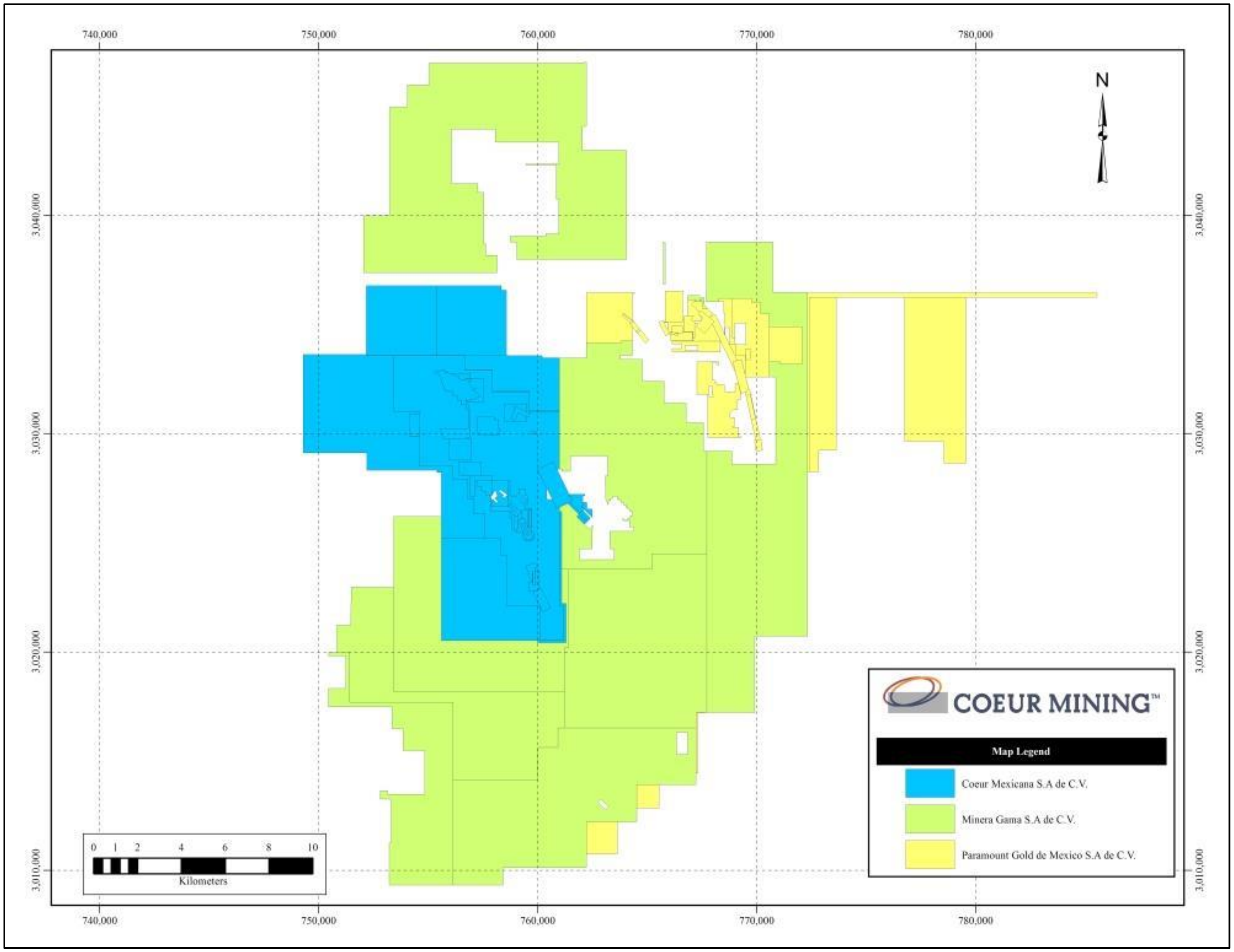


Figure 4.2. Mineral Tenure Map of the Palmarejo Complex (Coeur, 2015)

4.3.1 Mining Concession Obligations

The Mexican Mining Law was amended in 2005, so there is no longer any distinction between an Exploration Concession and an Exploitation Concession. Consequently, all formerly designated Exploration and Exploitation Concessions have been converted into Mining Concessions, which expire 50 years from the date they were originally granted.

Mining duties, assessed against each Mining Concession, are calculated by multiplying the correct variable rate set by the government, based on the age of the respective Mining Concession, by the number of hectares the respective Mining Concession comprises. Mining Duties are payable semiannually, in January and July, to the Secretariat of Economy (Secretaría de Economía). A copy of the receipts of payment must be filed with the DGRM, semiannually, each February, and August. The variable rates are updated annually in accordance with the changes to the Mexican Consumer Price Index (CPI).

Annually, in May, owners of Mining Concessions must file Work Assessment Reports (Informes Para Comprobar La Ejecución de Las Obras y Trabajos) with the Dirección de Revisión de Obligaciones, a sub-directorate of the DGRM. These Work Assessment Reports disclose the investments made in, and works made to, each Mining Concession or sanctioned Groups (Agrupamientos) of Mining Concessions, in the immediately preceding calendar year. The Regulations of the Mining Law establish tables containing variable rates, which are necessary to calculate the required minimum investment amounts for each Mining Concession or Groups of Mining Concessions. These variable rates are also updated annually in accordance with the changes to the Mexican CPI.

Production Reports (Informes Estadístico Sobre La Producción, Beneficio y Destino de Minerales o Sustancias Concesibles), detailing the production, processing, and destination of concessionable minerals, must be submitted annually during the first thirty (30) business days of the corresponding year. These Production Reports must be submitted for each Mining Concession or Group, which bear production and all Mining Concessions or Groups, over six years of age, whether in production or not.

4.4 Surface Rights

Coeur controls certain rights in and to the surface estate of 9,676.3 ha by way of occupancy agreements made with the ejidos that control the surface estates to allow access and permitted activities. These ejidos include: Agua Salada, Chinipas, Guazapares, and Palmarejo. The agreements are through three entities that Coeur controls in the Palmarejo Complex: Coeur Mexicana, Paramount Mexico, and Minera Gama.

An ejido is an area of communal land used for agriculture, on which community members individually possess and farm a specific parcel. Ejidos are registered with Mexico's National Agrarian Registry (Registro Agrario Nacional).

The agreements include an annual rent component, a scholarship component, and in some cases, a payment to a senior meal program or a fee paid per drill hole or trench. These agreements are short-term, lasting between eight to 25 years. The agreements and their specific obligations are summarized below and displayed in Figure 4.3. The areas are color coded by owning entity.

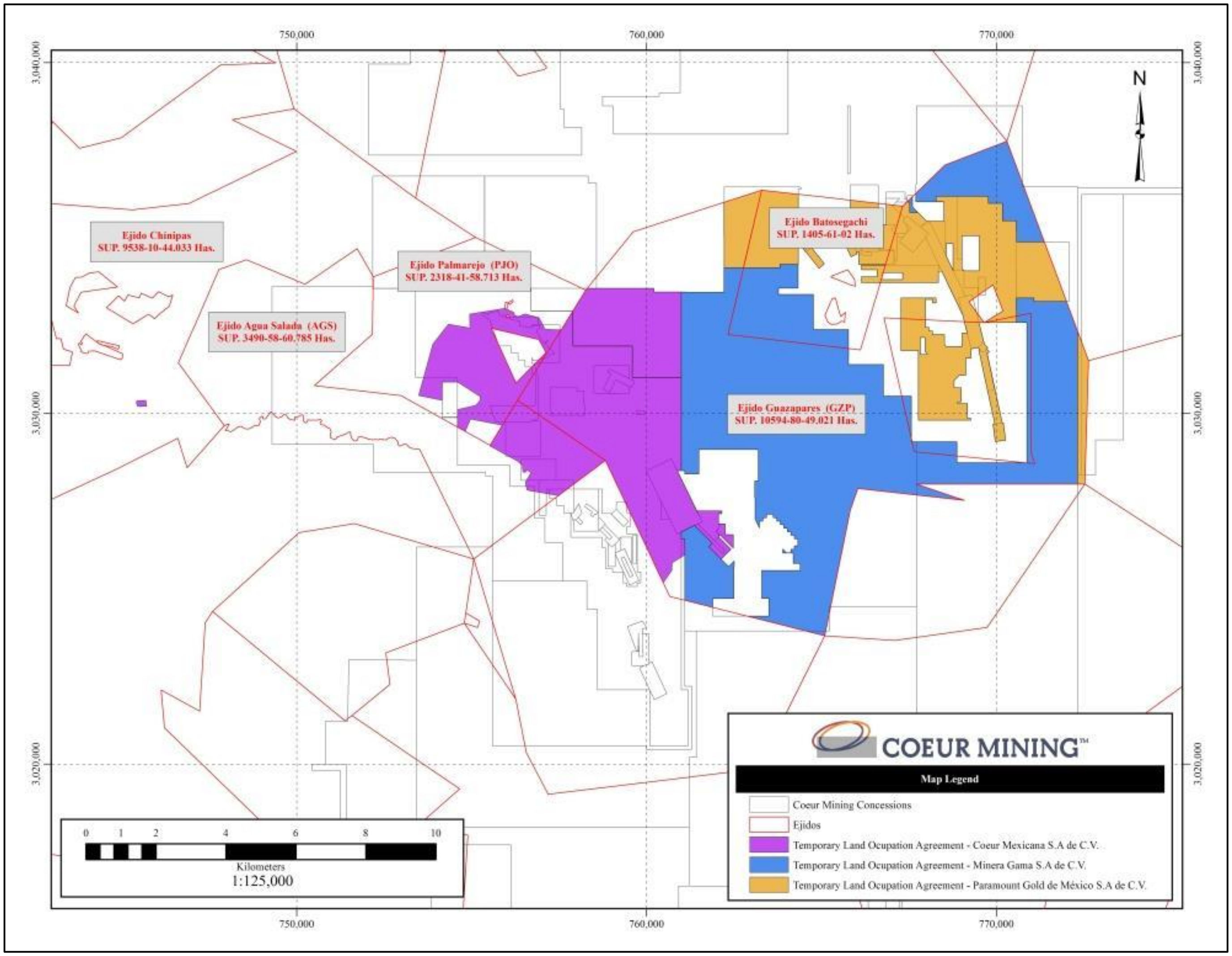


Figure 4.3. Surface Rights – Palmarejo Complex (Coeur, 2015)

4.4.1 Coeur Mexicana

Coeur Mexicana controls certain rights in and to the surface estate of 2,695.4 ha through and by the following instruments:

4.4.1.1 Ejido Agua Salada

- Allows for exploration, exploitation and beneficiation of concessionable minerals.
- Leased land is 443.4 ha, with an annual rent payable to the ejido of MXN$765,000;
- Term of the agreement is 25 years, from November 20, 2013, with an option to extend for an additional five years; and
- Additional consideration for the lease includes five scholarships to a maximum of MXN$50,000 to children of members of the ejido.

4.4.1.2 Ejido Chínipas

- Allows for a water pumping station and associated infrastructure;
- Leased land is 7.8 ha, with an annual rent payable to the ejido of $24,000;
- Term of the agreement is 11 years, from October 15, 2012, and with an option to extend for an additional 11 years; and
- Additional consideration for the lease includes five higher-education scholarships to a maximum of MXN$50,000 to children of members of the ejido. It also provides for a contribution of MXN$120,000 annually towards meal programs for senior citizens of the ejido.

4.4.1.3 Ejido Guazapares

- Allows for exploration, exploitation and beneficiation of concessionable minerals;
- Leased land is 1,830.6 ha, with an annual rent payable to the ejido of MXN$14,280,000;
- Term of the agreement is 25 years, from October 20, 2013, with an option to extend for an additional five years; and
- Additional consideration for the lease includes five higher-education scholarships to a maximum of MXN$50,000 to children of members of the ejido. It also provides for a contribution of MXN$120,000 annually towards meal programs for senior citizens of the ejido and an additional MXN$120,000 annually towards school infrastructure.

4.4.1.4 Ejido Palmarejo

- Allows for exploration, exploitation and beneficiation of concessionable minerals;
- Leased land is 657.5 ha, with an annual rent payable to the ejido of MXN$7,200,000, and provides that subsequent rent payments be adjusted according to changes in the Mexican CPI;
- Term of the agreement is 17 years, from October 16, 2013, and with an option to extend for an additional five years; and
- Additional consideration for the lease includes five higher-education scholarships to a maximum of MXN$50,000 to children of members of the ejido.

4.4.2 Paramount Mexico

Paramount Mexico controls certain rights in and to the surface estate of 1,778.9 ha through the following agreements.

4.4.2.1 Ejido Guazapares

- Allows for exploration and the installation of ventilation infrastructure;
- Leased land is 1,778.9 ha, with a one-time rent payable to the ejido of MXN$595,000. Nominal payments are also made for any surface disturbance to the ejido and any affected ejiditario on a unit cost basis per drill pad, trench and meter of road construction. The agreement provides that those unit cost payments be adjusted annually according to changes in the Mexican CPI; and
- Term of the agreement is 10 years, from March 29, 2015.

4.4.2.2 Ejido Batosegachi

- Allows for Exploration Works;
- Leased land is 517.9 ha, with a one-time rent payable to the ejido of MXN$240,000.00. Nominal payments are also made for any surface disturbance to the ejido and any affected ejiditario on a unit cost basis per drill pad, trench and meter of road construction. The agreement provides that those unit cost payments be adjusted annually according to changes in the Mexican CPI; and
- Term of the agreement is five years, from July 13, 2011.

4.4.3 Minera Gama

Minera Gama controls certain rights in and to the surface estate of 5,203.0 ha through the following agreement.

4.4.3.1 Ejido Guazapares

- Allows for exploration, and the installation of ventilation infrastructure;
- Leased land is 5,203.0 ha, with a one-time rent payable to the ejido of MXN$595,000. Nominal payments are also made for any surface disturbance to the ejido and any affected ejiditario on a unit cost basis per drill pad, trench and meter of road construction. The agreement provides that those unit costs payments be adjusted annually according to changes in the Mexican CPI; and
- Term of the agreement is 10 years, from March 29, 2015.

4.5 Encumbrances, Liens and Royalties

4.5.1 Coeur Mexicana

The following instruments encumber Mining Concessions owned or controlled by Coeur Mexicana.

4.5.1.1 Franco-Nevada

On October 2, 2014, a Gold Purchase and Sale Agreement (the Agreement) was entered into by and amongst Coeur Mexicana, Franco-Nevada (Barbados) Corporation (Franco- Nevada), Ocampo Resources Inc., and Ocampo Services Inc., whereby Coeur Mexicana agreed to sell to Franco-Nevada 50% of the refined gold produced and sold from a portion of the Palmarejo Complex (described below), after the minimum obligation under the current Royalty Stream Agreement with Franco-Nevada Corporation has been satisfied (as described below). Under the Agreement, Coeur Mexicana received a $22,000,000 deposit in 2015 for development of the Guadalupe mine, pursuant to the following disbursement schedule:

- $5,000,000 on January 15, 2015;
- $5,000,000 on April 15, 2015;
- $4,000,000 on July 15, 2015; and
- $8,000,000 on October 15, 2015.

The initial term of the Agreement is 40 years and thereafter shall be automatically be extended for successive 10 year periods (each an “Additional Term” and, together with the Initial Term, the “Term), unless there has been no active mining operations or any exploration or development activities in relation to minerals (excluding artisanal mining activities conducted by persons other than Coeur Mexicana or its affiliates) on the subject lands during the last 20 years of the Initial Term or throughout such Additional Terms, as applicable, in which case the Agreement shall terminate at the end of the

Initial Term or such Additional Term, as applicable. The Agreement may also be terminated earlier pursuant to certain provisions. This Agreement encumbers all Mining Concessions owned or controlled by Coeur Mexicana except for: El Rosario (T-185236), La Curra (T-222319), La Currita (T-223292) and Sulema No. 2 (T-191332). There is also, pursuant to the terms of the Agreement, an Area of Interest (AOI), whereby any Mining Concessions acquired within the exterior boundaries of the AOI shall, by operation of the Agreement, be encumbered thereby. The AOI boundary generally follows the exterior boundary of Agrupamiento Unificación Huruapa.

In conjunction with the Agreement, a Termination Agreement was executed with Franco-Nevada Corporation, Coeur, Coeur Mexicana, Ocampo Resources, Inc., and Ocampo Services Inc. This Termination Agreement sets forth the conditions by which the January 20, 2009 Purchase Agreement and corresponding Royalty Stream Agreement (collectively, the Royalty Agreements) shall terminate.

In consideration of Franco-Nevada agreeing to terminate the Royalty Agreements, Coeur Mexicana paid Franco-Nevada $2,000,000.

The Royalty Agreements will terminate effective as of the close of business on the date on which Franco-Nevada shall have received under the Royalty Stream Agreement, in aggregate, since January 20, 2009, 400,000 ounces of gold (as finally determined and in accordance with the terms and conditions of the Royalty Stream Agreement).

4.5.1.2 Minera Azteca

On October 10, 2011, Coeur Mexicana purchased three concessions: (Unificación Guerra al Tirano (T-170588), Reyna de Oro (T-198543), and Tres de Mayo (T-187906) from Minera Azteca de Oro y Plata S.A. de C.V. (Minera Azteca). Minera Azteca reserved a 2% net smelter returns royalty (NSR) on production, as defined in the agreement, of all gold and silver mined and produced from these three Mining Concessions. Coeur Mexicana may re-acquire, at any time, up to 75% of the NSR (i.e., 1.5%), at a fixed price of $50,000 per one-tenth of every 1%. Therefore, the maximum re-purchase price of this NSR is $750,000.

4.5.2 Paramount Mexico

The following instruments encumber Mining Concessions owned or controlled by Paramount Mexico.

4.5.2.1 Hernández

Pursuant to a Convenio (Paramount Royalty Agreement) by and among Isidro Hernández Pompa and wife, Victor Manuel Gomez Fregoso (the Royalty Holders), and

Paramount Mexico, dated December 8, 2009, a 1% NSR was granted unto Messrs. Hernández and Gomez, encumbering the following Mining Concessions: Constituyentes 1917 (T-199402), Montecristo (T-213579), Montecristo Fraccion (T-213580), and Montecristo II (T-226590). Paramount may purchase this NSR from the Royalty Holders at any time, for $450,000 plus value-added tax (IVA). Pursuant to the terms of the Paramount Royalty Agreement, Paramount Mexico has a $190,000 credit against future NSR payments, if any, which may be realized by it withholding 50% of the quarterly NSR payments the Royalty Holders would have otherwise received. Alternatively, Paramount Mexico may apply the $190,000 credit to the $450,000 NSR royalty purchase price.

4.5.2.2 Rascón

Pursuant to a Contrato de Cesión de Derechos Mineros (Contract 1), by and between Luis Alberto Rascón Herrera, et ux. (Rascón) and Corporación Amermin, S.A. de C.V., dated November 27, 2008, Rascón reserved a 3% NSR royalty, encumbering Mining Concession Santa Cruz (T-186960). Pursuant to the terms of Contract 1, Paramount Mexico, as successor in interest to Corporación Amermin, may purchase the NSR royalty from Rascón at any time, upon the payment of $200,000 plus IVA.

4.5.2.3 Sunburst

Pursuant to a Contrato de Cesión de Contrato, as amended, by and among Minera Río Tinto, S.A. de C.V. (MRT), Rafael Fernando Astorga Hernández (Astorga), and Sunburst Mining de Mexico, S.A. de C.V. (Sunburst), dated August 18, 2005, MRT reserved a 0.5% NSR and Astorga reserved a 1.5% NSR, encumbering the following Mining Concessions: San Antonio (T-222869), San Antonio (T-204385), Ampl. San Antonio (T-196127). Paramount Mexico is the successor in interest to Sunburst.

4.5.2.4 Ayub

Pursuant to a Convenio de Cesión de Titularidad de Concesiones Mineras by and among MRT, Mario Humberto Ayub Touché (Ayub), and Paramount, dated July 10, 2012, MRT and Ayub reserved unto themselves a 2% NSR, encumbering the following Mining Concessions: Guazapares (T-209497), Guazapares 1 (T-212890), Guazapares 2 (T-226217), Guazapares 3 (T-211040), Guazapares 4 (T-223664), Guazapares 5 (T-213572), Cantilito (T-220788), and Vinorama (T-226884).

4.5.2.5 Rachasa

Pursuant to a Convenio Minero by and among MRT, Minera Rachasa, S.A. de C.V. (Rachasa), Sunburst Mining de México, S.A. de C.V., and Paramount, dated June 28, 2009, Rachasa reserved a 1.5% and MRT reserved a 0.5% NSR encumbering the Mining Concession San Francisco (T-191486).

4.6 Environmental Liabilities and Permits

Please refer to Section 20 for a discussion of environmental and permitting factors related to the Palmarejo Complex.

4.7 Significant Factors and Risks

The Palmarejo Complex is subject to certain risks, including delays in acquiring, or the inability to acquire, necessary rights in surface and mineral estates, and requirement to acquire additional land due to changes in the projects' mine plans that are typical of other mining projects in Mexico.

There are no known issues with mineral or land tenure that that may affect access, title, or the right or ability to perform work on the Palmarejo Complex. Surface rights controlled by Coeur Mexicana, Paramount Mexico, and Minera Gama are sufficient to support current and anticipated mining, ore processing and exploration activities in the Palmarejo Complex.

5. ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

5.1 Accessibility

Access to the Palmarejo Complex from the city of Chihuahua, in the state of Chihuahua, Mexico, is via paved Highways 16 and 127 to the town of San Rafael. From San Rafael, travel is by gravel road to Temoris, and then to the Palmarejo Complex. Access from Temoris to the Palmarejo Complex is along 35km of company-maintained gravel road, an extension of Highway 127 that continues on through to Chinipas. Total driving time from Chihuahua is approximately seven hours.

The Chihuahua-Pacifico rail service operates between Chihuahua and Los Mochis (Topolobampo seaport) on the northwest coast of Mexico. Two passenger trains and one freight train operate daily between these cities. Estación Temoris rail station is located 10km south of Temoris.

5.2 Climate

The climate is moderate, with average maximum and minimum temperatures at 34° C and 5° C, respectively. Rainfall occurs mainly in the summer months (August through to the end of October), with average annual precipitation of 620mm (McCullagh and Hall, 2014). The climate poses no significant impediments to current work in the area and all anticipated exploration and operations activities can be conducted year round.

5.3 Local Resources and Infrastructure

The area around the Palmarejo Complex has moderately well-developed infrastructure and a local workforce familiar with mining operations. Four to five thousand inhabitants reside within a one-hour drive, on all-weather compacted dirt roads (Skeet, 2004). Chinipas and Temoris are the two nearest towns, with a combined population of approximately 4,000 inhabitants (2010 Census data). The small village of Palmarejo lies immediately northwest of the Palmarejo mine and has a population of 430 (2010 Census data). Many of the employees live in these three communities.

Light aircraft airstrips are located within the Palmarejo Complex and in nearby Temoris and Chinipas. Detailed information on the project infrastructure is included in Section 18.

5.4 Physiography and Vegetation

The Palmarejo Complex is located on the western flank of the SMO, a mountain range that comprises the central spine of northern Mexico.

The surface elevation above the Palmarejo deposit is about 1,150m above sea level, and the area is hilly to mountainous (Figure 5.1), with densely vegetated, steep-sided slopes with local stands of cacti. Conifers occur at high elevations, while oak trees, cacti, and thorny shrubs dominate the vegetation at low levels. Local ranchers and farmers graze cattle and grow corn and other vegetables on small-scale plots.

Figure 5.1. Overview of the Palmarejo Area (Looking N-NW) (Coeur, 2010)

The surface elevation of the Guadalupe and Independencia deposits is about 1,300m above sea level. The area is hilly to mountainous (Figure 5.2), with densely vegetated, steep-sided slopes with local stands of cacti. Conifers occur at high elevations, while oak trees, cacti, and thorny shrubs dominate the vegetation at low levels. Local ranchers and farmers graze cattle and grow corn and other vegetables on small-scale plots.

Figure 5.2. Overview of the Guadalupe Area (Looking North – Field of View Approximately 4km) (Coeur, 2014)*

* Note that Independencia is just beyond the ridge in this photo.

5.5 Conclusions

Adequate power, water and personnel of appropriate skill levels exist for all current and planned activities. The Palmarejo Complex has sufficient access via rail and road to allow the transport of materials and personnel.

6. HISTORY

6.1 Pre-2003

The Palmarejo Complex is located in the Temoris and Guazapares mining districts. The Temoris district covers the western portion of the Palmarejo Complex on which the Palmarejo, Guadalupe and Independencia Oeste deposits are situated. The Guazapares district covers the eastern half on which the former Paramount-owned San Miguel Project is located, including Independencia Este (formerly Don Ese).

Silver and gold production from these districts, though poorly documented, has a long, intermittent history dating from at least Spanish colonial exploitation beginning in the 1620s. Although local miners claim that some mines have been worked for over 100 years, there are no known detailed records of their past production, and all are now abandoned, with the exception of those currently being operated by Coeur. Many small adits and superficial workings along the main mineralized structural trends attest to past mining activity within these historic districts.

6.1.1 Palmarejo Area

Spaniards may have mined high-grade, near-surface ores at the Palmarejo deposit from the 1620s, although written reports state that the deposit was discovered in 1818. Small-scale production is reported intermittently through 1881, when a stamp mill was constructed at the mine site. The mine was purchased by the British company Palmarejo Mining Co. in 1886; the company was later renamed Palmarejo and Mexican GoldFields, Ltd. (PMG). From 1890 to 1892, PMG constructed a mill located two miles east of Chinipas, an aqueduct for power, and a railroad from the mine site to the mill. PMG operated the Palmarejo mine until the Mexican Revolution brought a halt to activities in 1910, although there are no production records for this early period of mining.

Production at Palmarejo was resumed by Minas Huruapa, S.A. de C.V. (Huruapa) during the period from 1979 to 1992. Huruapa mined ore previously developed by PMG. Records provided by Jorge Cordoba, General Director of Operations for Huruapa at Palmarejo, indicate that Huruapa mined 168,352 tonnes of ore grading 297 g/t Ag and 1.37 g/t Au.

6.1.2 Guadalupe Area

Historic reports of mining at Guadalupe suggest that approximately 3,700 tonnes of material grading 458 g/t Ag were mined from that vein.

The La Currita Mine, located along the southeast extension of the Guadalupe area, produced at a rate of about 100 tons per day from 1985 to 1998. The silver-gold ore from the mine was processed at a 150-tons-per-day flotation mill that also received ore from other mines in the area (Laurent, 2004); production ceased at La Currita due to low metals prices. According to Laurent (2004), Kalahari Resources undertook exploration drilling at La Currita in 1991, while Silver Standard Resources Inc. completed additional drilling in 1998.

6.1.3 Guazapares District

The Guazapares district is located to the northeast of the Temoris district, the majority of which is covered by Mining Concessions purchased from Paramount. The first recorded mining activity in the Guazapares district was in 1677. It was not until 1958 that formal mining commenced, when the Alaska-Juneau Mining Company (Alaska-Juneau), evaluated the San Luis Mine (now part of the La Union deposit). This led to its acquisition by Alaska-Juneau, and resultant operation from 1958 to 1968 via a 270 m inclined shaft, with the gold-silver ore processed in a 150 tons-per-day flotation mill. Alaska-Juneau also processed dumps from 1880s-era workings. No production records have been located; however, Wood and Durgin (2009) reviewed a longitudinal section of the principal San Luis vein, drawn by Alaska-Juneau, showing 71 face samples in several stopes. They reported that the weighted average of these samples was 155.6 g/t Ag and 144 g/t Au.

American Smelter and Refining Company (ASARCO) is reported to have drilled 15 core holes in the 1950s at the San Luis and San Jose Mine areas, but data are fragmentary and hole locations are uncertain.

Earth Resources Company (Earth Resources) and Industrias Peñoles (Peñoles) investigated parts of the Paramount Property through a joint venture in 1975 to 1976. They sampled most accessible workings, conducted grid-based geochemical sampling, and drilled 944 m in 39 short air-track holes with poor sample recovery. Hazen Research Inc. (Hazen) conducted preliminary metallurgical testing on a single sample, which indicated that the mineralization was fairly amenable to recovery by cyanide leaching and froth flotation (Litz, 1975). Simons Associates Inc. (Simons) did much of the fieldwork for the joint venture and later continued to control the property, with activity reported by them through 1978, although it is not known when they dropped the property.

The Consejo de Recursos Minerales sampled parts of underground workings in the district between 1985 and 1988, the vestiges of which are still visible in the workings. Noranda Exploration Inc. briefly optioned concessions in the area in the early 1990s. Kennecott Utah Copper Corp. (Kennecott) acquired the Sangre de Cristo property in July 1994, and conducted surface and underground sampling, drilled 12 reverse circulation (RC) holes (2,268 m), and dropped the property in July 2000. Geology and assays for four of these drill holes are available, but little other data from this work is known to exist. War Eagle Mining Company Inc. drilled 50 holes within the Guazapares 4 concession (Agrupamiento San Francisco) and on ground adjacent to it between November 1991 and August 2002; these results are not available.

6.1.4 Other Prospects

High-grade gold-silver ore-shoots at other prospects were mined intermittently by local miners until quite recently. These small underground mines did not use modern mining practices, with little grade control or constant production rates (Laurent, 2004). Ore was typically trucked to a mill near the town of Los Llanos for flotation, with the concentrate sent for refining in Torreon, Coahuila.

6.2 2003-2007 Bolnisi Gold NL

In early 2003, Bolnisi conducted a reconnaissance study in the Palmarejo-Guadalupe area, which led to the submission of the Trogan application (now concession) by its wholly owned Mexican subsidiary, Planet Gold, and the initiation of negotiations on internal claims. Detailed field investigations began immediately following the acquisition of claims in the Palmarejo area in June 2003.

Reconnaissance surface mapping, trenching, and underground sampling and mapping on known prospects within the project area led to the identification of significant precious metal anomalies in the Palmarejo area (Beckton, 2004). A more focused trenching and underground sampling effort was then undertaken at Palmarejo, and drill testing commenced in November 2003 with a single reverse-circulation rig.

A total of 286 underground channel samples from the 6, 7, and 8 levels of the La Prieta (Palmarejo) workings were collected through September 2004. Mapping of the stratigraphy, structure, and alteration in these levels was also completed. Surveying of the Palmarejo underground workings commenced in October 2004. Planet Gold collected an additional 79 channel samples from underground workings in nine prospect areas in other portions of its concessions through September 2004 (Laurent, 2004).

One hundred and eleven surface trenches, for a total of about 2,400m were excavated and sampled across the Palmarejo Complex. These trenches varied in length from 1 to 116m. The trenches were completed with picks and shovels to a depth of up to 1m, with samples typically chipped over 3m intervals. The trenches were mapped for lithology, alteration, structural controls of mineralization, oxidation, and stratigraphy. Additional rock chip, mine dump, and select geochemical samples from various parts of the project area were also collected and assayed (Laurent, 2004).

Drilling by Planet Gold first tested the La Prieta vein, as the most extensive historic mining was related to this structure. Drilling then progressed to test the La Blanca structure, followed by focused drilling in the areas of the Rosario, Tucson, Chapotillo, 76 and 108 mineralized ore-shoots. Additional details of the Palmarejo drilling programs completed by Planet Gold are discussed in Section 10.

Planet Gold collected almost 2,200 shortwave infrared (SWIR) spectral measurements from drill samples from holes on a series of sections across the La Blanca and La Prieta structures using an ASD Terraspec instrument. An additional 500 SWIR spectra were measured as part of a regional alteration-mapping program. An exploration model using structural and stratigraphic targets, high-level clay mineralogy, and silver-gold and pathfinder-element geochemistry was developed from these data and was applied throughout the following exploration programs.

One hundred and eighty-six Palmarejo drill samples and 282 trench-sample pulps were analyzed for a 50-element suite by combination inductively-coupled plasma-mass spectrometry (ICP-MS) and inductively-coupled plasma-atomic emission spectrometry (ICP-AES). An additional 440 drill samples from Guadalupe were similarly analyzed. The goal of these geochemical analyses was to evaluate vertical and lateral zoning of major and trace elements in the mineralized shoots at Palmarejo and Guadalupe.

In addition to the drilling completed at Palmarejo and Guadalupe, Planet Gold also conducted drill programs at other targets within its concessions. By the time of its acquisition by Coeur in December 2007, Planet Gold had completed 180 trenches (total of 3,960m), and 1,135 drill holes (total of 246,830.9m), including 27 geotechnical holes (494m) at Palmarejo. A total of 1,429 samples were collected from trenches, and 800 m of underground channel sampling was also completed (365 samples).

6.3 2005-2015 Paramount

Following its first acquisition of concessions within the Guazapares mining district in 2005, Paramount began compiling historic data and initiated reconnaissance-level inspection of the many mineralized areas within its land package. Exploration in and around the Guazapares structure began in April 2006 with an integrated program of surface geologic mapping and sampling, mapping and sampling of accessible underground workings, and trenching. The results of this work were followed up by diamond drilling that began in the same year and continued until 2012. Exploration of the Batosegachi structural zone in the San Miguel area was initiated in 2007. In 2013 and 2014, Paramount conducted mapping at Independencia Este, La Union Sur, San Miguel, and San Francisco, as well as drilling at Independencia Este and other targets.

Where excavated, trenches were dug as deep as the bedrock hardness would allow, generally to a depth of 1.5 to 2.5m, rarely to 3.5m. The endpoints and inflection points of all trenches were surveyed. All trenches were mapped for lithology, alteration, structural controls of mineralization, and oxidation, and sampled in detail. Geologists usually mapped the north wall as a standard procedure in order to optimize light conditions. In rock that did not appear mineralized, the sample length was 2m. In mineralized rock, the maximum sample length was 1m. Shorter sample lengths were often sampled in areas with prominent veining, old workings, or structural zones. Areas to be sampled were marked by the geologist before being cut with a pick as a continuous chip sample near the base of the trench wall. For safety reasons, trenches were backfilled shortly after mapping and sampling were completed.

Paramount completed 92 trenches for a total of 4,851m. Of these, 74 were excavated along the Guazapares fault, with an additional 18 at other exploration targets.

Ground magnetic and induced polarization (IP) geophysical surveys were conducted by Quantec Geoscience U.S.A. Inc. (Quantec) over portions of the Palmarejo Complex from September 2007 to March 2008. The primary purpose of the IP survey was to map chargeability and conductor signatures to depths of 150m or more with sufficient resolution to assist in the definition of drill targets (Sharpe, 2008). Lines were approximately east-west, with a line separation of 100 to 200m and station intervals of 50m. A total of 93.65 line-km of pole-dipole IP were surveyed on 69 lines using 50m dipoles; 5.25 line-km of pole-dipole IP were surveyed on 10 lines using 25m dipoles; and 2.6 line-km of pole-dipole IP were surveyed on two lines using 100 m dipoles. Pole-dipole data were collected using n = 1 through 10 for the 25m and 50m 'a' spacing (dipole spacing) and n = 1 through 8 for the 100m 'a' spacing. The IP data were presented as Geosoft™ formatted pseudo-section plots, plan plots, and as databases. Ground magnetic data were collected on 72 lines using a 12.5m station separation. Total coverage was approximately 255.5 line-km.

6.4 Previous Mineral Resource Estimates

For Mineral Resource estimates reported by BSG (as Palmarejo Silver and Gold) or Coeur in previous NI 43-101 technical reports, refer to reports by MDA (Gustin, 2004), (Gustin, 2005), (Gustin and Prenn, 2007), and Coeur (2009, 2010, 2011, 2012, 2014 and 2015).

For Mineral Resource estimates reported by Paramount in previous NI 43-101 technical reports, refer to reports by MMC (Wilson et al., 2013, 2014), MDA (Gustin, 2011, 2012), Durgin (2007a, 2007b), A.C.A. Howe (Roy et al., 2008), and Wood and Durgin (2008 and 2009).

All reports are available on the SEDAR website under the respective corporate name.

6.5 Coeur Mexicana Production

Mining at the Palmarejo open pit mine began in 2008 and milling operations and metal recovery commenced in 2009, ramping up to full capacity in 2010. In late 2014, production commenced from the Guadalupe underground mine. Historical production from open pit and underground sources is summarized in Table 6.1.

Table 6.1. Coeur Palmarejo Complex Historical Ore Production (Coeur, 2015)

Production	Jan-Aug 2015	2014	2013	2012	2011	2010	2009
Ore Tonnes Milled	1,072,988	1,936,939	2,107,103	1,962,958	1,563,156	1,665,082	966,629
Ore grade Ag (g/t)	127.7	135.9	144.4	157.3	235.5	157.6	147.9
Ore grade Au (g/t)	1.90	1.73	2.04	1.78	2.70	2.10	2.00
Recovery Ag (%)	81.5	77.5	77,7	83.0	76.4	69.8	66.3
Recovery Au (%)	78.8	80.5	84.2	94.4	92.2	91.1	88.2
Silver produced (oz.)	3,585,976	6,558,091	7,603,144	8,236,013	9,041,488	5,887,576	3,047,843
Gold produced (oz.)	51,479	86,673	116,536	106,038	125,071	102,440	54,740

7. GEOLOGICAL SETTING AND MINERALIZATION

7.1 Regional Geology and Mineralization

The Palmarejo Complex covers most of the Temoris and Guazapares mining districts, which are located in the western part of the SMO, a northwest-trending volcanic plateau with an average elevation exceeding 2,000m that hosts gold-silver districts along its entire length. The SMO covers an area about 1,200km long, extending from the U.S. border at Arizona and New Mexico, south to central Mexico, and is 200 to 400km wide.

The SMO is characterized by large volumes of silicic ignimbrites that extend beyond the limits of the plateau to cover the Mesa Central and part of eastern Chihuahua. These ignimbrites are part of a larger sequence of volcanic and plutonic rocks that is believed to reflect calc-alkaline, subduction-related, continental arc magmatism active from the Late Cretaceous-early Tertiary to the end of the Oligocene. These igneous rocks cover a heterogeneous basement of Precambrian, Paleozoic, and Mesozoic rocks locally exposed in deeply incised canyons of the SMO (Ferrari et al., 2007). The Late Cretaceous to Quaternary plutonic and volcanic rocks of northwestern Mexico include (Ferrari et al., 2007):

1) Plutonic and andesitic volcanic rocks of Late Cretaceous-Paleocene age;
2) Eocene andesitic and lesser dacitic to rhyolitic volcanic rocks;
3) Silicic ignimbrites emplaced as a result of two main pulses of caldera eruptions in the Early Oligocene and Early Miocene;
4) Basaltic lavas erupted during the later stages of, and after, each ignimbritic pulse; and
5) Repeated episodes of alkaline basaltic lavas and ignimbrites generally emplaced along the periphery of the SMO in the Late Miocene, Pliocene, and Quaternary.

Numbers 1) and 2) constitute the Lower Volcanic Complex (LVC), which consists of over 2,000m of predominantly andesitic volcanic rocks with a few interlayered ash flows and related hypabyssal intrusions. Number 3) comprises the Upper Volcanic Supergroup (UVS), with over 1,000m of rhyolitic ignimbrites and flows and subordinate andesite, dacite, and basalt that unconformably overlie the LVC and were formed by a series of caldera eruptions. Some altered acidic intrusive bodies, often associated with mineralization, may be related to early phases of this upper sequence.

The LVC was affected by moderate compressional deformation during the Late Cretaceous-Early Tertiary Laramide orogeny. During Paleocene and Early Eocene time, east- to east—northeast-trending extensional structures formed within the LVC of the western SMO. In contrast, the UVS is relatively flat-lying to gently east-dipping.

Since the Laramide orogeny, the SMO has been variably affected by different episodes of dominantly extensional deformation. Extensional tectonics began as early as the Oligocene along the entire eastern half of the SMO, forming grabens bounded by high-angle normal faults. In the Early to Middle Miocene, extension migrated westward, and by the Late Miocene, extension became focused in the westernmost part of the SMO, adjacent to the Gulf of California. Extensional deformation has not affected the core of the SMO, which lies between what has been defined as the "Mexican Basin and Range" to the east and the "Gulf Extensional Province" to the west (Henry and Aranda Gomez, 2000). These two provinces merge at the northern and southern ends of the SMO, and extension has affected the entire width of the SMO in those areas.

A gold-silver metallogenic province that hosts low-sulfidation, epithermal, polymetallic gold-silver deposits lies along the western margin of the SMO. This province appears to exhibit a regional zonation of silver-rich deposits (Au:Ag ratios of 1:150) to the west and gold-rich deposits (Au:Ag of 1:40) to the east (Laurent, 2004). The Temoris and Guazapares mining districts host typically silver-rich deposits and are located along the western margin of this province (see Figure 7.1).

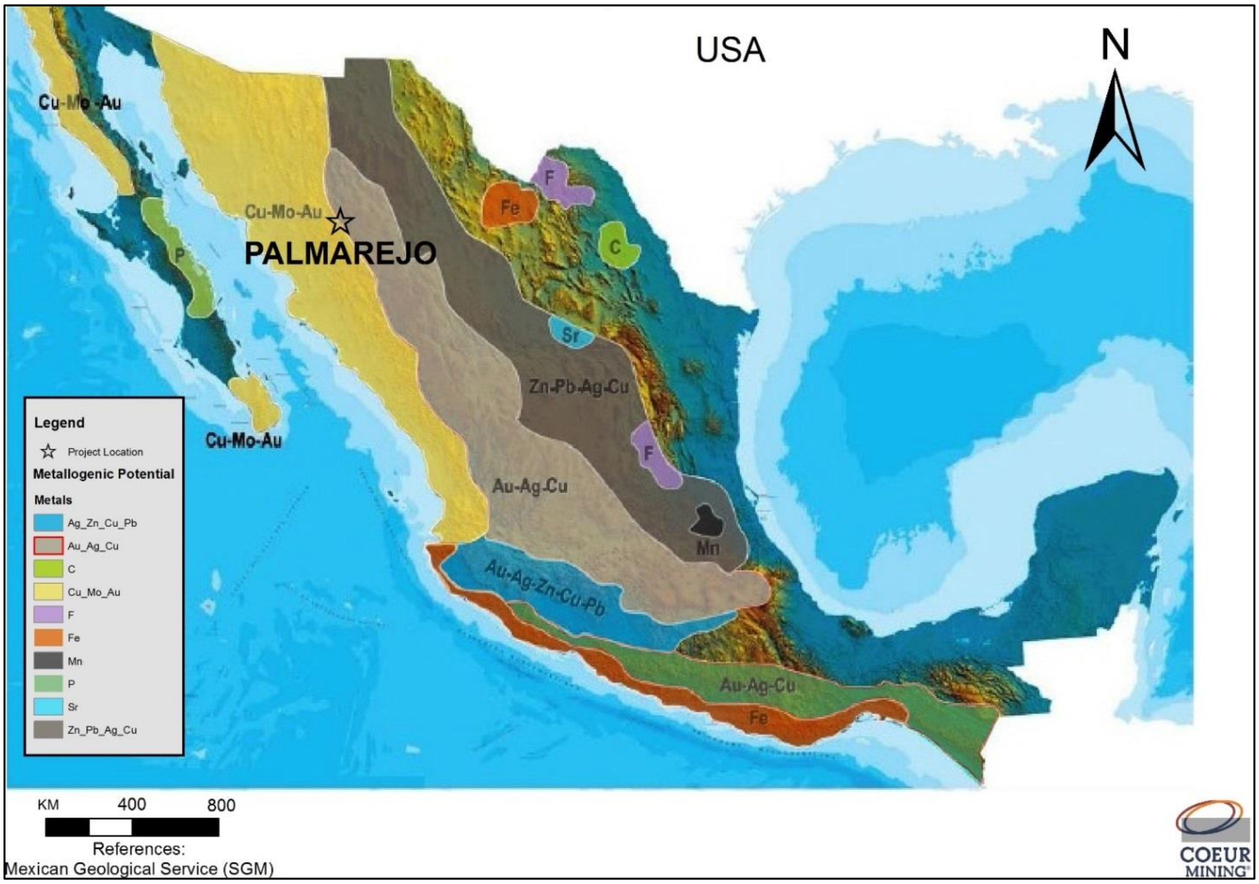


Figure 7.1. Mexican Metallogenic Provinces Highlighting the Location of the Palmarejo Complex - Mexícan Geological Service (SGM, 2015)

Within the western part of the SMO, a 300km-long north-northwest-trending belt of typically low- to intermediate- sulfidation, epithermal, polymetallic silver and gold mineralization extends from the Moris deposit to Guadalupe y Calvo along the southwest border of Chihuahua. This trend of mineral occurrences appears to be localized by a series of north-northwest-oriented regional extensional structures (see Figure 7.2).

Figure 7.2. Geology of Chihuahua State showing the Location of the Principal Precious Metals Mines in the SMO (SGM & Coeur, 2015)

7.2 Property Geology and Mineralization

The Mineral Resources and Mineral Reserves that are the focus of this Report are located at the Palmarejo, Guadalupe, and Independencia deposits. The mineralization found in these areas is described first, followed by brief descriptions of mineralization located elsewhere on the Palmarejo Complex.

Figure 7.3 shows the regional geology across the Palmarejo Complex, as mapped by the Mexican Geological Survey (SGM). Weakly propylitically altered andesitic rocks with lesser amounts of rhyodacitic volcanic tuffs and related hypabyssal intrusions of the LVC cover the lower elevations of the Palmarejo Complex. In the Temoris mining district, the lowest exposed unit of the LVC consists of rhyolitic flows, volcaniclastic units, including siltstones and fine-grained sandstones, and related shallow intrusions. These are overlain by andesitic flows and epiclastic rocks with related andesitic porphyry intrusions.

A stratigraphic column for the Palmarejo Complex is shown in Figure 7.4 and is based on 1:1,000 field mapping conducted by Coeur and its predecessors. Local pillow lavas and limestone within the andesitic sequence attest to their deposition in a subaqueous environment (Corbett, 2004). Dacitic and rhyolitic intrusions, which in some areas are altered and appear to be closely associated with mineralization, are interpreted to be contemporaneous with the LVC. Cliff-forming rhyolitic ignimbrites of the UVS are well exposed in the eastern and southern parts of the project area, and are found on the higher ridge tops and are generally unmineralized. Miocene basaltic andesites and basalts locally overlie the UVS immediately west of the formerly named San Miguel Project. Nearly all of the known mineralization identified to date on the Palmarejo Complex is developed in rocks that are believed to be part of the LVC.

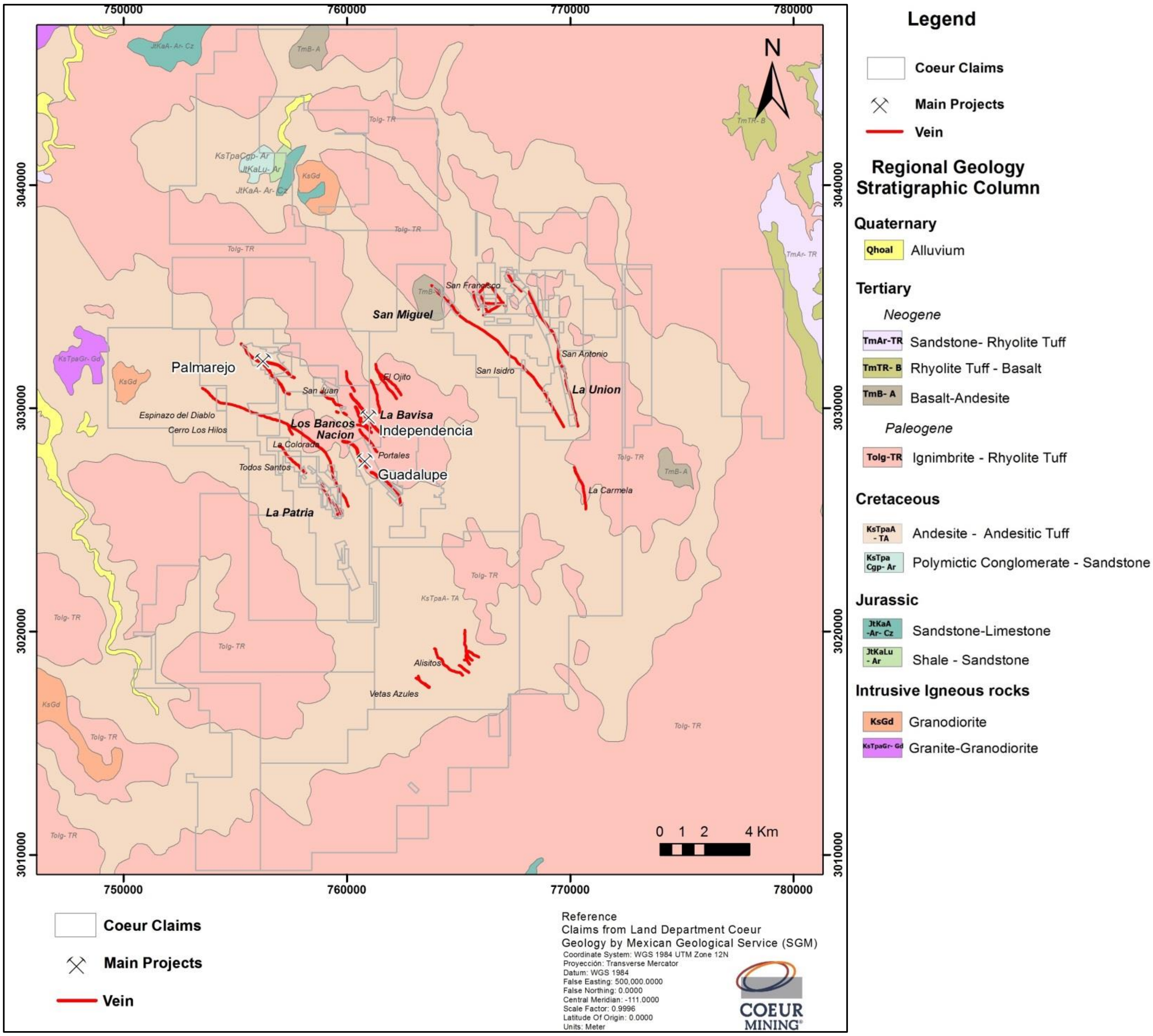


Figure 7.3. Regional Geology of the Palmarejo Complex showing location of the Deposits (Coeur, 2015)

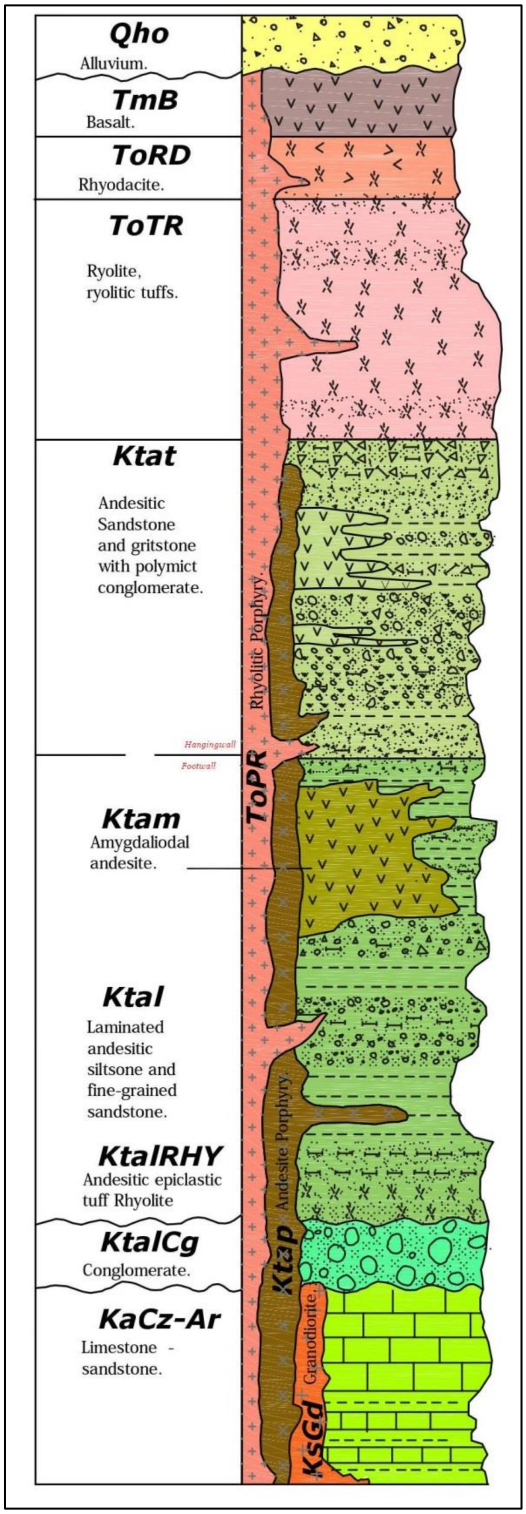


Figure 7.4. Palmarejo Complex Stratigraphic Column (Coeur, 2015)

Structural extension across the Palmarejo Complex area takes the form of what are interpreted to be listric normal faults, typically parallel to the regional trend of the SMO, striking north-south to north-northwest, with west-northwest-trending flexures, as well as dilation of west-northwest-trending fractures, caused by strike-slip faulting (Corbett, 2004). Mineralization in the Palmarejo Complex is spatially associated with these faults, as well as with structural offshoots. Although referred to as faults and often mapped as single lines, these structures are actually a series of sub-parallel curved faults in zones up to 300m wide. Several rhyodacitic dikes follow these fault zones and appear to be associated with mineralization (Durgin, 2006, 2007a, 2007b).

Dilatational portions of fault zones, such as flexures, link veins in fault jogs, or stockwork tension veins favor development of mineralized shoots. Throughout the Palmarejo Complex, left-stepping (west-northwest) bends in the generally northwest-trending structures are particularly favorable sites for mineral shoot development. Increased normal fault displacement also appears to be important, and structures that have little normal fault displacement tend not to be well mineralized (Corbett, 2007).

Host rocks also have an important influence on vein formation, especially competent brittle rocks that allowed development of through-going fractures. Silicified laminated sandstones are particularly favorable hosts. Examples at the Palmarejo Complex include the 76, 108, Chapotillo, and parts of the Rosario mineralized shoots (Figure 7.5).

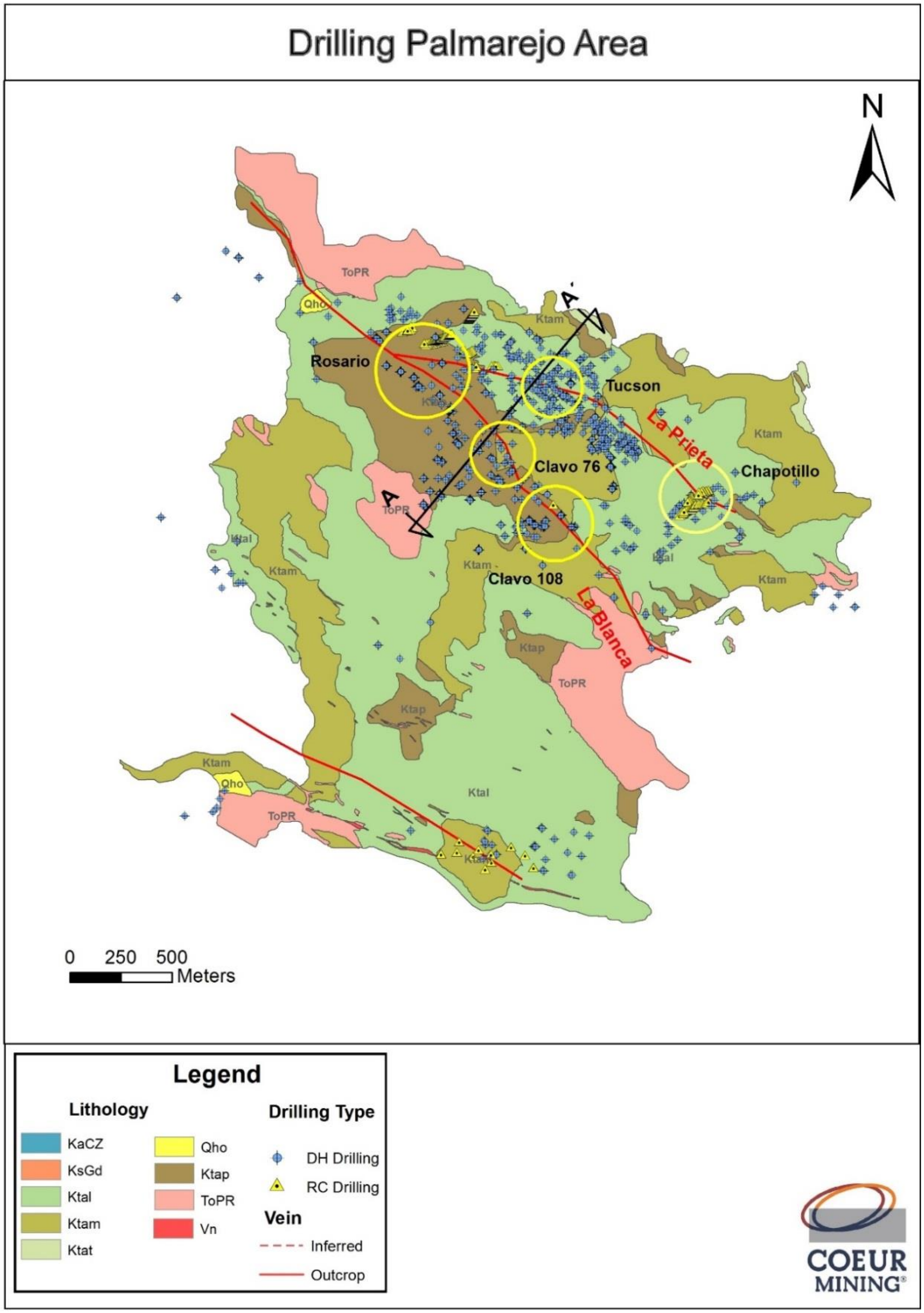


Figure 7.5. Geologic Map of the Palmarejo Complex showing Drilling Completed to Date (Coeur, 2015)

7.2.1 Palmarejo Deposit

Mineralization at Palmarejo is hosted in northwest-striking and west-dipping structures that cut through a volcano-sedimentary sequence of reworked volcaniclastic, massive and pyroclastic deposits. The volcaniclastic rocks include ash-rich mudstones and sandstones. The massive rocks include microcrystalline massive basalt, fine grained massive andesite and plagioclase crystal-rich massive andesite. The pyroclastic unit includes tuffaceous sandstone, lapillistone tuff and breccias (Galvan, 2007).

Palmarejo mineralization can be divided into three domains: the La Prieta and La Blanca vein domains, and the footwall and hangingwall stockwork domain developed along each of the two vein domains. The La Prieta vein domain consists of the La Prieta vein/breccia that dominated historic production from the area. The La Prieta footwall domain encompasses quartz stockwork mineralization and silicification within epiclastic rocks and andesitic tuffs. The La Prieta hangingwall domain consists of extensive sheeted-quartz-stockwork mineralization that is well exposed in the underground workings. The predominant geologic unit within this domain is an amygdaloidal andesite that lies between the La Prieta and La Blanca vein domains. The La Blanca vein domain consists of the La Blanca vein/breccia, which lies between porphyritic andesite on the hangingwall and amygdaloidal andesite and andesitic tuffs on the footwall. The La Blanca hangingwall domain includes quartz-stockwork mineralization within the porphyritic andesite.

The La Prieta structure extends for at least 3.5km, has a variable strike that averages about 115°, and dips to the southwest at 35° to 85°. The La Blanca structure strikes about 160°, has an average dip of about 50° to the southwest, and is thought to be a listric normal fault (Corbett, 2004) that parallels the trend of the regional faults in the SMO. Masterman et al. (2005) estimated up to 300m of throw on the La Blanca fault (see Figure 7.5 and Figure 7.6). Faults with similar orientations are the most commonly mineralized structures in the district.

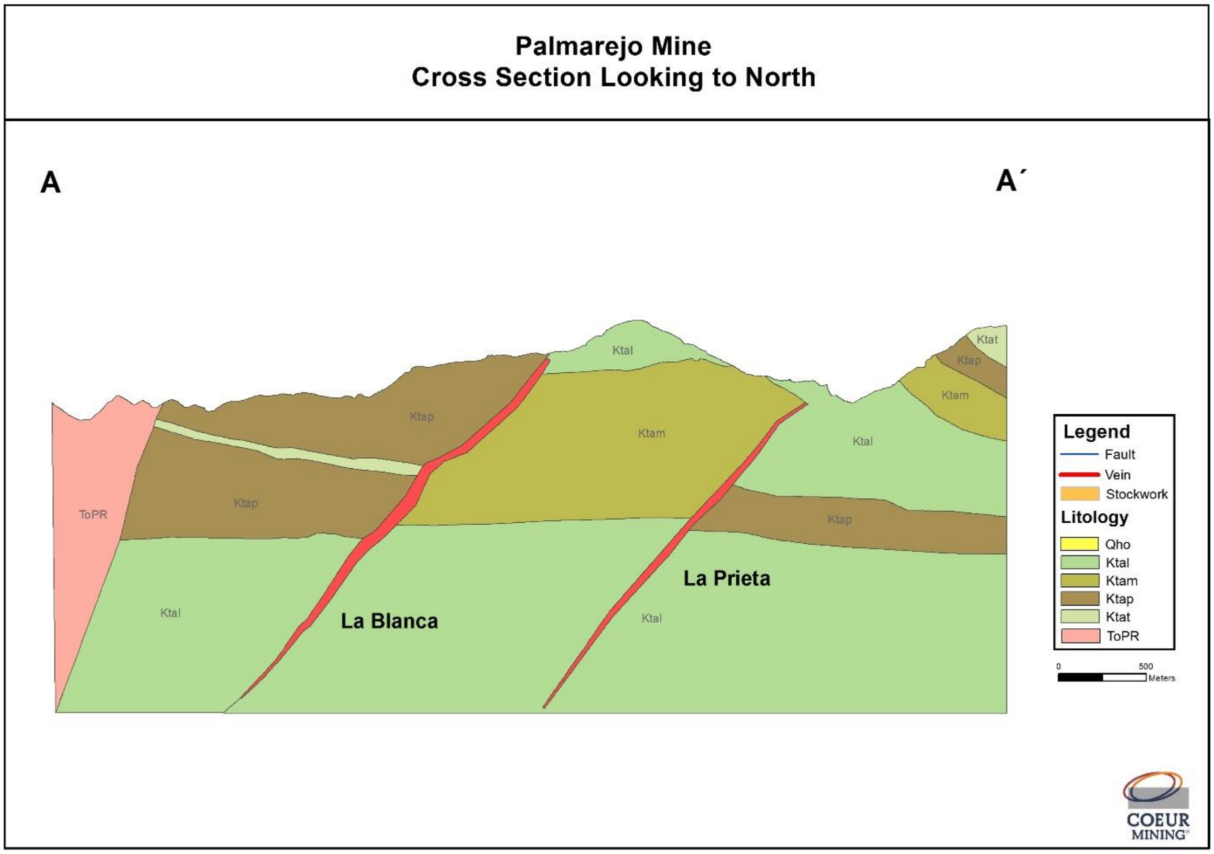


Figure 7.6. Cross-Section through the Palmarejo Deposit (Coeur, 2015)

A broad zone of mineralized quartz stockwork formed at the intersection of the La Blanca and La Prieta structures. North-trending splays from other north-northwest-striking structures at Palmarejo may offset both the La Blanca and La Prieta faults (Beckton, 2004).

Gold-silver veins and vein/breccias occur within, and at the intersection of, the west-northwest-striking La Prieta structure and the north-northwest-striking La Blanca structure. Multiple stages of hydrothermal activity and mineralization filled these structures with quartz veins and formed quartz stockwork mineralization within the wedge of rock formed by the intersection of the structures. Both the La Prieta and La Blanca veins have polymetallic silver-gold vein/breccias with an epithermal silver-gold overprint that forms high-grade shoots in the steeper-dipping portions of the listric normal faults (Corbett, 2004). Early mining focused on the La Prieta vein, where high-grade silver mineralization was present as bands of fine grained acanthite and galena within the vein.

Steeply plunging, high-grade ore-shoots, or clavos, have been identified in each of the vein structures. The Rosario and 76 Clavo contain the bulk of the mineralization at Palmarejo. The Rosario Clavo lies at the intersection of the La Blanca and La Prieta veins and is up to 30m wide. The 76 Clavo is a subvertically plunging shoot located at an inflection in the strike of the La Blanca structure. Clavo 76 terminates at depth as the structure flattens. 108 Clavo, also located on the La Blanca structure at its contact with silicified sandstone, is a gold-rich clavo. The Tucson and Chapotillo Clavos lie within the La Prieta structure.

At Palmarejo, four tectonic-hydrothermal breccia types have been identified that make up the main mineralized veins. The breccias include a jigsaw-fit monolithic breccia, a massive cement-supported polylithic breccia, a massive cemented and rotated lithic and vein fragment breccia and, and a matrix-supported chaotic polylithic breccia (Galvan, 2007).

7.2.2 Guadalupe Deposit

The Guadalupe deposit is approximately 7km southeast of Palmarejo and consists of two principal mineralized structures known as Guadalupe North and Guadalupe (Figure 7.7 and Figure 7.8). The mineralized structures are located along a major northwest-trending (330°) structure that can be traced for approximately 3km along strike and has an average dip of approximately -55° to the northeast. Mapping by Stewart (2005) indicates both normal and strike-slip offset across the fault, with vertical displacement estimated to be at least a few hundred meters (Davies, 2007). Secondary west-northwest- and north-northeast-trending structures have been identified by surface mapping in the Guadalupe area (Laurent, 2004; Davies, 2007). Outcrop expressions of the structure are dominantly characterized by essentially barren, moderately to pervasively clay-altered wall rocks and laterally discontinuous quartz veins, with thicknesses ranging from millimeters to a few meters. Beneath the clay-rich upper zone, the breccia veins are spatially associated with quartz-carbonate-pyrite-sericite-clay-epidote-chlorite alteration in the wall rock.

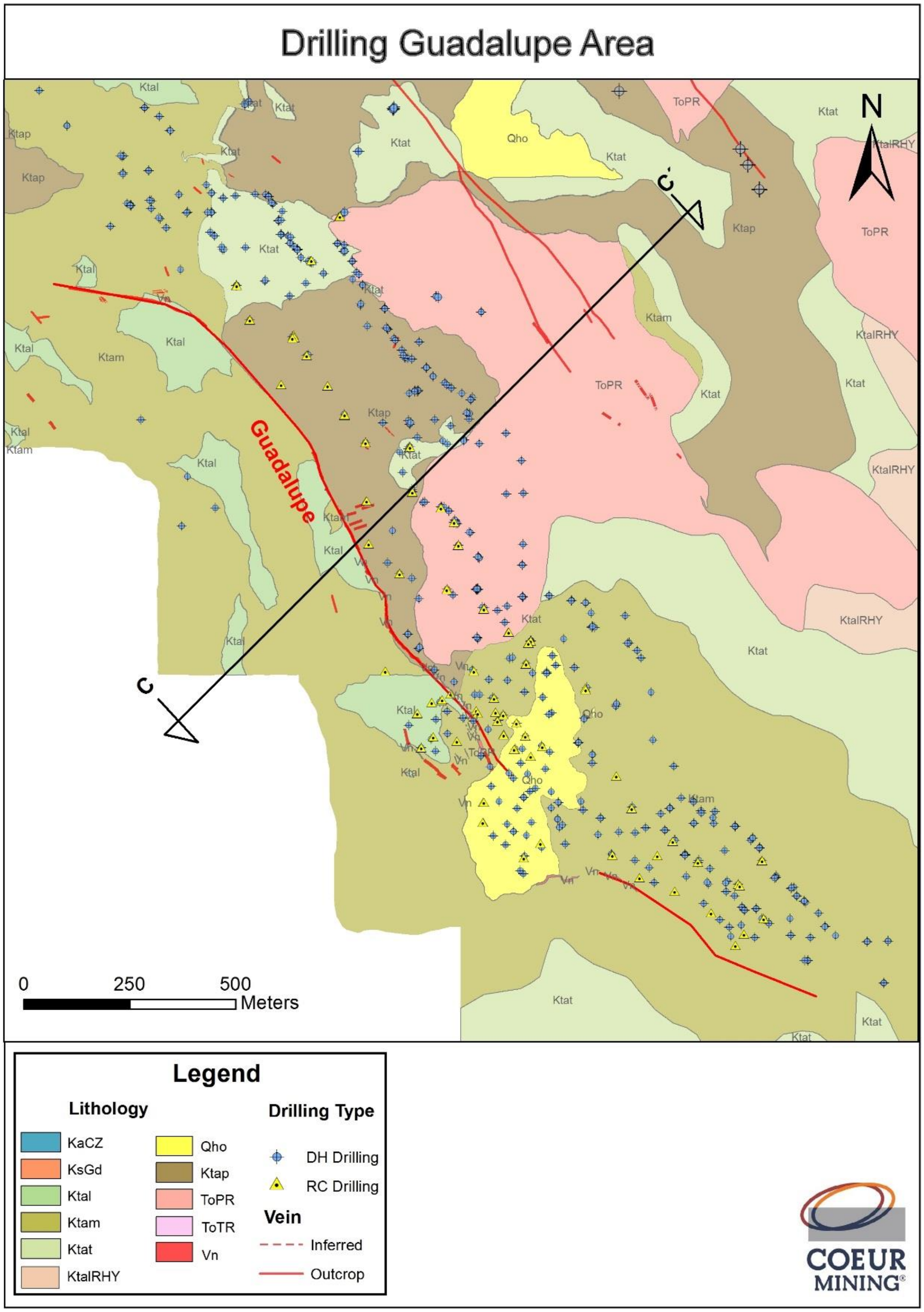


Figure 7.7. Geology of the Guadalupe Deposit showing Surface Vein Traces and Drilling Completed to Date (Coeur, 2015)

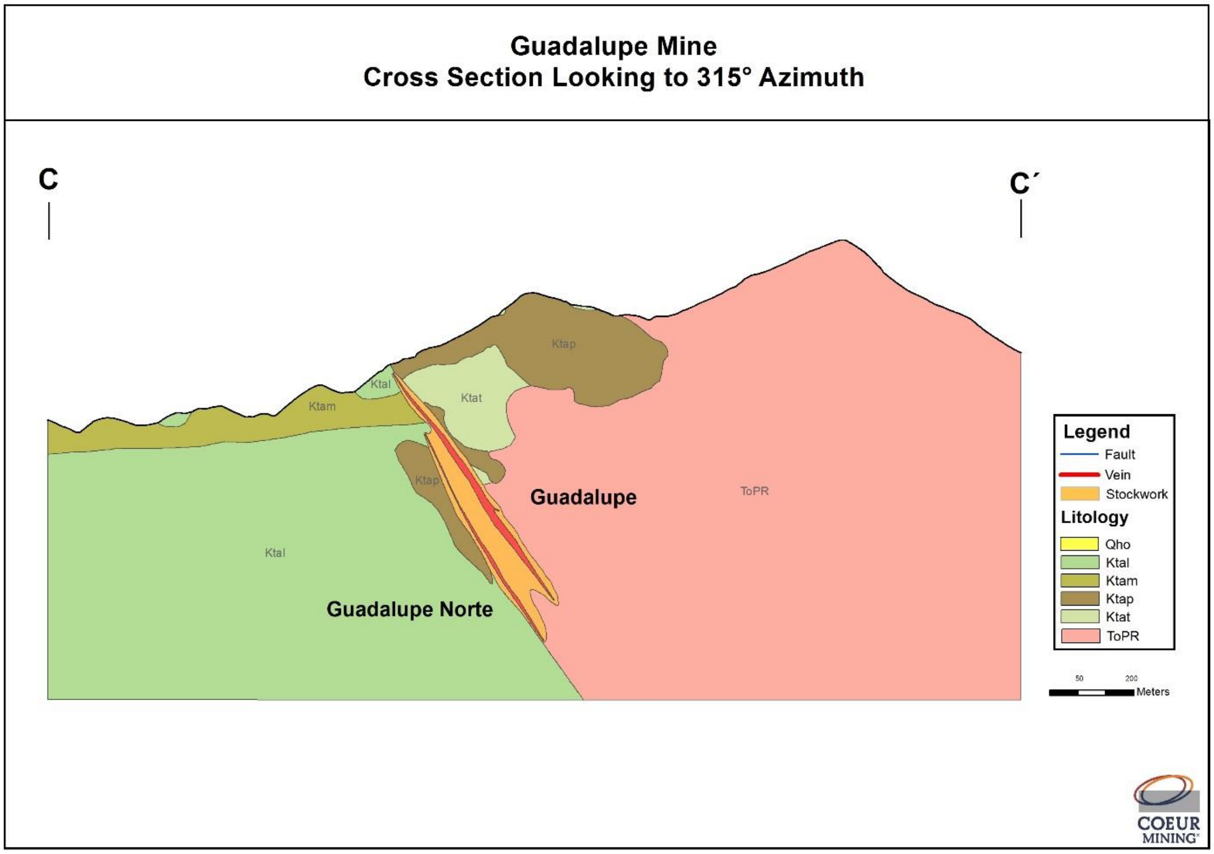


Figure 7.8. Cross-Section through the Guadalupe Deposit (Section Line C-C' in Figure 7.7 shows the Location) (Coeur, 2015)

Figure 7.9. Poorly Mineralized Structure at Surface and Clay Alteration at Guadalupe North (Note Hammer for Scale) (Coeur, 2014)

The Guadalupe mineralized structures are hosted in a volcanic-sedimentary package that is intruded by shallow andesitic porphyries and a felsic dome complex (Figure 7.7). The stratigraphic sequence of the volcanic-sedimentary package at Guadalupe is similar to that at Palmarejo, with the exception of more abundant rhyolitic dikes, sills and domes. The Guadalupe hangingwall block consists of predominantly flat-lying volcaniclastic sandstones and conglomerates, as well as andesite tuff that is locally underlain by amygdaloidal basaltic andesite. The footwall block comprises the lower, thin-layered and fine grained volcaniclastic units and basaltic-andesitic lavas. The felsic-dome complex intrudes both volcaniclastic blocks and the andesite porphyries and is characterized by flow-banded and porphyritic rhyolite dikes and domes. Contact breccias are locally developed along the margins of the dome. Talus deposits containing fragments of flow-banded and porphyritic rhyolite partially overlies the structure in the south-central portion of the deposit.

The silver-gold (± base metals) mineralization at Guadalupe occurs predominantly within northwest-trending, quartz-carbonate, breccia veins enveloped by variably developed quartz hydrothermal breccias and quartz-stockwork zones. These multiphase breccia veins range in thickness from less than a meter to greater than 20m. Subparallel veins, vein splays, and sigmodial loops of varying thicknesses are hosted in both the hangingwall and footwall blocks. Quartz stockwork zones are typically developed in the hangingwall blocks or between closely spaced subparallel quartz-carbonate-bearing structures.

Precious and base-metal mineral assemblages are dominated by fine grained pyrite, argentite (acanthite), sphalerite, galena, and electrum. Free gold was found in some specimens that contain narrow semi-massive sulfide mineralization, hypogene hematite-siderite, or have been altered by supergene processes (Corbett, 2007).

Hypogene mineralization typically occurs as bands and disseminations in veins and, to a lesser extent, as 2 to 4cm wide semi-massive sulfide vein infill (Corbett, 2007). Results from drilling indicate that shallower levels of the structure are characterized by silver mineralization, while significant gold values are encountered at depths of about 200m vertical or greater (generally below 1,300m elevation).

Corbett (2007) suggests multiphase silver-gold (± base metal) mineralization at Guadalupe comprises three main temporal and spatial styles, including: early gold-rich quartz-sulfide style mineralization typically developed at deeper levels; polymetallic silver-rich mineralization at intermediate levels characterized by pyrite-argentite (acanthite)-sphalerite-galena and minor chalcopyrite in the presence of several carbonate species and hypogene hematite; and, polymetallic silver-rich mineralization at shallow levels in the presence of abundant argentite (acanthite), and local electrum and free gold in association with white sphalerite and pyrite. As such, the Guadalupe deposit is considered to represent a fully preserved epithermal system.

7.2.3 Independencia Deposit

Silver and gold mineralization at Independencia is primarily controlled by a well-developed, northwest-striking structural zone that generally dips -60° to -70° to the northeast and straddles the concession boundary between Independencia Este (previously Paramount's Don Ese Project) and Independencia Oeste.

The Mineral Resources for the deposit have been modeled over a strike length of approximately 1.3km with widths of up to 22m (average 6m) and a vertical extent of approximately 570m.

The Independencia deposit is not exposed at the surface, but was initially located by fractured rocks along the surface fault trace, anomalous silver and gold geochemistry, and distinctive clay mineralogy, which is similar to that noted previously with respect to the Guadalupe deposit. Surface mapping identified felsic volcanic units overlying andesitic volcanic rocks in the area, with rhyolitic intrusions controlled by north- and northwest-trending faults (see Figure 7.10 and Figure 7.11).

Higher-grade mineralization occurs within quartz + carbonate veins, quartz-vein breccias, and breccias of mixed hydrothermal and tectonic origins, while lower-grades occur within stockwork-style quartz + carbonate veinlets that envelope the higher-grade zones and often define the limits of the mineralized structural zone. Tectonic breccias are common and are both pre- and post-mineral. Natural voids have been intersected in holes drilled within the structural zones.

Quartz pseudomorphs of calcite occur within the vein zone, and iron and manganese oxy-hydroxides are locally abundant. The dominant sulfide minerals in unoxidized portions of the vein include silver sulfosalts, pyrite, sphalerite, and galena. Gangue mineralogy includes quartz and various carbonate minerals containing calcium, manganese, iron, and magnesium. The controlling structure is close to, and may be genetically related to, a rhyodacite dome.

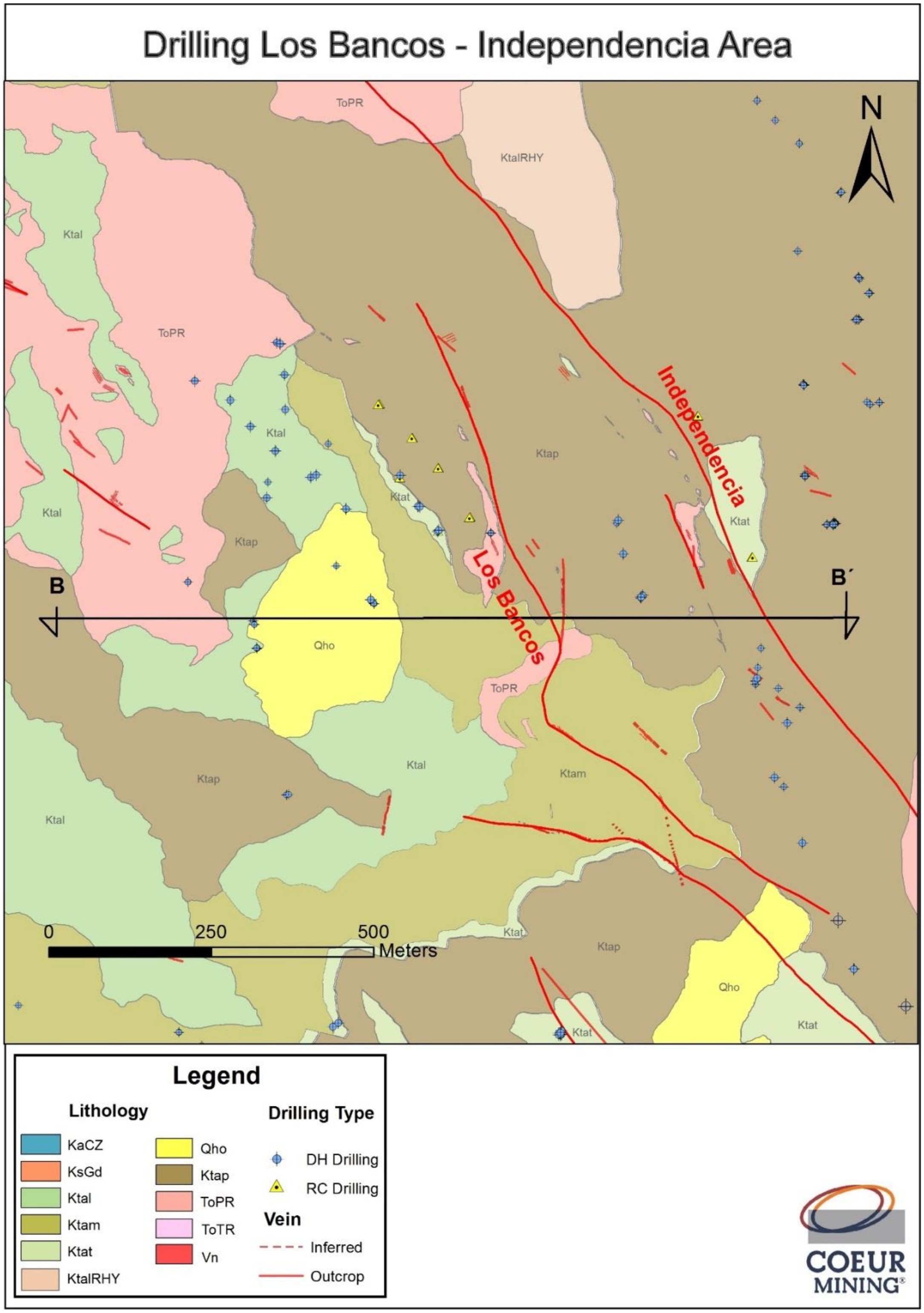


Figure 7.10. Geology of the Independencia Deposit, showing Surface Vein Traces and Drilling Completed to Date (Coeur, 2015)

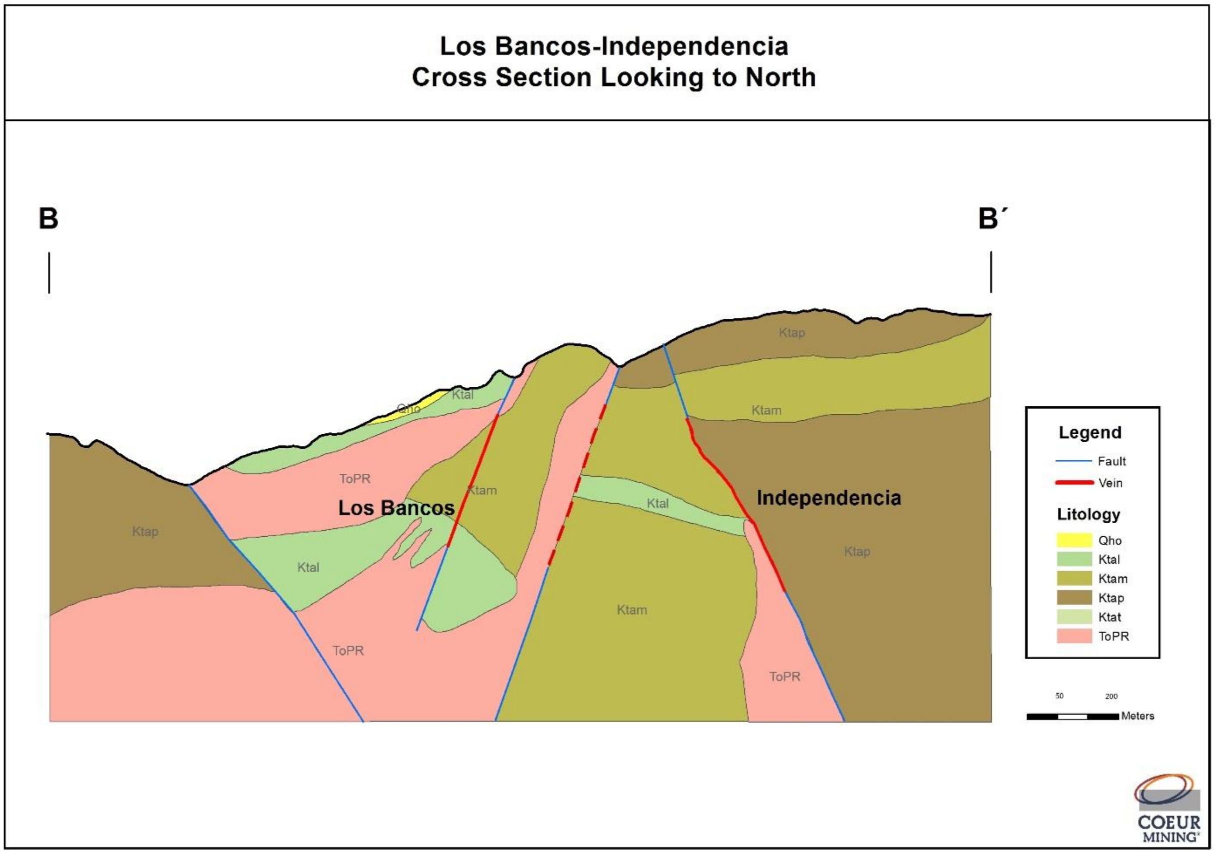


Figure 7.11. Cross-Section through the Independencia Deposit and nearby Los Bancos Prospect (Section Line B-B' in Figure 7.10 shows the Location) (Coeur, 2015)

7.3 Guazapares Area Deposits

Prior to its acquisition by Coeur, Paramount identified and outlined a number of deposits within the Guazapares mining district. This district is defined by two principal north-northwest-trending, district-scale fault zones, along and between which resources have been historically estimated for six separate deposits.

Generally, the stratigraphy of the Guazapares district is similar to the stratigraphy in the rest of the Palmarejo Complex and consists of the following units, from youngest to oldest:

1) Upper felsic volcanic rocks and dacitic to rhyolitic intrusions, including domes that are roughly synchronous with mineralization.
2) Porphyritic plagioclase andesite, which fractures well and serves as a host to veins.

3) Amygdaloidal andesite, with silica and/or calcite filled amygdules. This andesite also fractures well and serves as a host to veins.
4) Laminated volcaniclastic sandstone with subsidiary, thinly bedded shale.
5) Welded ignimbrite, which forms the lowermost unit but has no recognized base. It hosts mineralization within fine fractures, as opposed to fissure veins.

The northwesterly striking and moderately to steeply northeast-dipping Guazapares fault exerts a fundamental control on the mineralization within the district. This structure hosts, from north to south, the Monte Cristo, La Veronica, San Antonio, and La Union deposits (Figure 7.12). The Guazapares structure has a strike length of approximately 8km and is broken into segments by small- displacement, northeast-trending faults. A subparallel structure, the Batosegachi fault, lies about 3km to the west of the Guazapares structure and hosts the San Miguel deposit (Figure 7.12). The San Francisco deposit lies between these two structures, with mineralization and possibly intrusive activity being controlled by intersections of northwest- and east-northeast-trending faults.

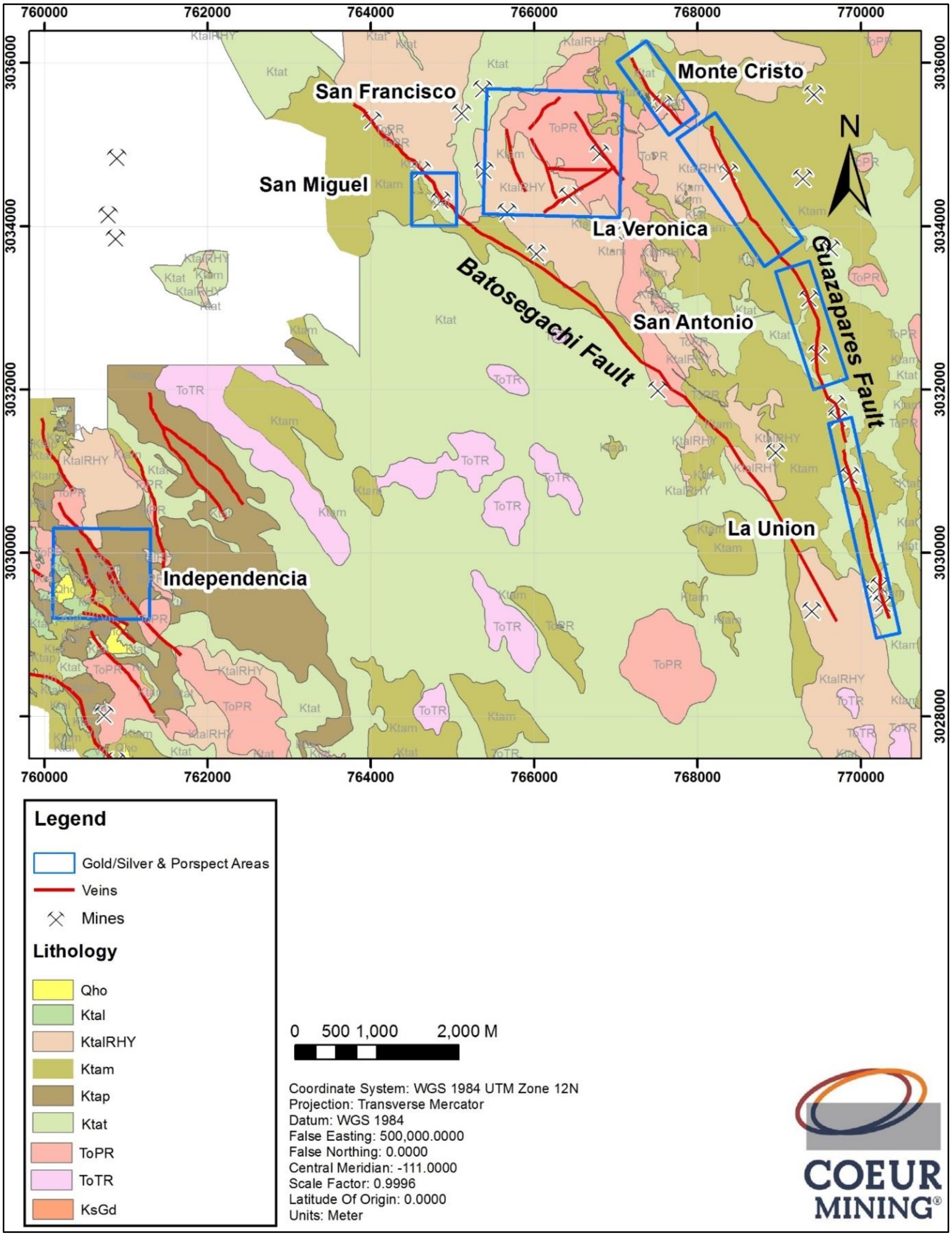


Figure 7.12. Geology of the Guazapares District (showing Associated Deposits) (Coeur, 2015)

A rhyolitic to rhyodacitic flow-dome complex occurs within the San Francisco deposit, and the Monte Cristo deposit lies at the eastern edge of this complex. The mineralization in this structurally complex area occurs in a series of east-northeast, northwest, and northeast-trending structures near the margins of the domes. A strong northeast structural fabric may represent a deep-seated structure controlling the localization of the dome complex as a whole.

Major structures that host mineralized veins, stockworks, and breccias generally occur in propylitically altered andesites and in lesser amounts of rhyodacitic volcanic tuffs and related hypabyssal intrusions of the LVC, at or near the contact between andesitic and felsic sequences, or within the more competent and brittle felsic sequences that allowed for development of through-going fractures. Interpreted dilational portions of the fault zones, such as flexures, link veins in fault jogs, and stockwork tension veins, appear at least locally to preferentially accommodate the development of higher-grade mineralized ore-shoots.

Silver and gold mineralization, with variable but typically low amounts of lead and zinc, occurs within structural zones that may be oriented en-echelon and are characterized by multi-phase quartz veining, quartz + carbonate + pyrite veinlet stockworks, silicified hydrothermal breccias, and quartz-filled expansion breccias. The amount of combined lead and zinc that accompanies the gold and silver mineralization has been estimated to be less than 0.4% (Roy et al., 2008). Small amounts of amethystine quartz are common.

Three distinct styles of mineralization have been identified within the Guazapares district: high-grade vein systems, sheeted vein/stockwork/fracture complexes, and volcanic dome complexes. Most of the historic mining in the district came from high-grade quartz + carbonate vein systems that trend north-northwest to northwest. These vein systems are typically silver-rich, with a Ag:Au ratio of 100:1. Principal sulfide minerals within the veins include sphalerite and argentite, with pyrite being less abundant. As noted at Guadalpe and Independencia, mineralization in the Guazapares district also tends to change from more silver-rich at shallower levels to more gold-rich at depth, associated with an increase in pyrite and chalcopyrite as the principal sulfide minerals. Examples of high-grade vein systems include the San Miguel deposit and the historical San Luis mine (La Union deposit).

Sheeted vein/stockwork/fracture complexes occur as wide zones that may have the potential for bulk mining. These broad zones encompass series of thin quartz veins, quartz-veinlet stockworks, gouge/fault breccias, and fractures that trend northwesterly. Silver and associated low-levels of base metals tend to occur in the quartz veins at shallow depths, with potential for higher-grade gold mineralization at depth. The historical San Antonio deposit is a silver-rich example of this type of mineralization, while gold-rich mineralization occurs at San Francisco.

Volcanic dome complexes appear to be controlled by the intersection of north-northwest- and east- northeast trending structures. Intrusive dacitic to andesitic bodies are common and may be related to the volcanic dome complexes. Mineralization occurs in broad zones along the margin of the domes, typically as disseminated, low-grade (~1 g/t) gold, with alteration, zoning, and mineralization suggestive of a separate and later mineralizing event. These volcanic dome-related zones appear to be genetically distinct from the low-sulfidation, high-grade vein systems that were historically exploited in the district. Hypogene hematite alteration is present. The mineralization is characterized by Ag:Au ratios of about 20:1. The Monte Cristo deposit and portions of the San Francisco deposit are considered to be examples of volcanic dome complexes.

A geochemical study by McCandless (2009) revealed significant variations in average elemental distributions along the strike of the Guazapares fault, as well as in the area between this fault and the Batosegachi structure. The data suggest that the Batosegachi fault system may have experienced a different magmatic alteration and/or mineralization history than the Guazapares fault system. Downhole variations in gold and silver at San Miguel and La Union suggest that Ag:Au ratios may decrease with depth on the scale of individual drill holes. Cadmium, and to a lesser degree zinc, appear to correlate with, and be in proximity to, gold mineralization at La Union, San Luis, and La Veronica. However, at Monte Cristo and San Miguel, arsenic correlates with gold rather than cadmium.

Segura (2008) indicated that most observable gold is very fine grained, ranging in size from 0.01mm to 0.04mm, with only rare coarse grains of electrum.

Alteration associated with mineralization ranges from regional propylitization to argillic alteration to proximal silicification, often with adularia development, particularly along north-northwest trending structures.

Paramount published Mineral Resources estimations for many of these deposits; however, Coeur is not treating those estimates as current. Coeur intends to review and update the geologic and resource models.

7.4 Other Areas of Mineralization

Coeur continues to explore the Palmarejo Complex in search of new deposits. Two advanced targets are discussed below. The Los Bancos structure, in particular, will be the focus of future exploration (drilling) efforts.

7.4.1 La Patria

La Patria is located approximately 7km south-southeast of Palmarejo and includes the La Patria, La Virginia, and Maclovia prospects. It is located within the northwest-trending La Patria-Todos Santos structure that can be traced for over 4km along strike. The average width of the quartz vein breccia is 4m.

Prospects at La Patria have a combined strike length of 1.8km and are spatially associated with sub-parallel faults that strike predominantly northwest (335°) and dip approximately 45° to the northeast. Mapping suggests dominant displacement along the structure includes both normal and strike-slip movement (Davies, 2006).

Mineralization at La Patria comprises gold- and silver-bearing quartz-carbonate veins hosted in a volcanic-sedimentary package that is intruded by felsic dikes. The hangingwall block consists of interlayered flat-lying amygdaloidal basalt, andesite porphyry, sandstones, mudstones, and conglomerates. The footwall block comprises porphyritic granodiorite, welded rhyolite ignimbrite, conglomerates, and an interlayered volcanic-sedimentary package. Felsic dikes, with flow-banded and porphyritic textures, intrude both the footwall and hangingwall blocks.

The mineralization is hosted in a quartz-vein breccia unit with an enriched proximal dense stockwork. Well-formed pyrite, chalcopyrite, galena and sphalerite is found within the darker grey (high temperature) quartz veining. Visible gold has been observed as native gold and electrum. Oxidation is prevalent with goethite/limonite developed in pyrite pseudomorphs.

7.4.2 Los Bancos

Although not associated with significant historic workings, the Los Bancos prospect was first identified due to the presence of a surficial argillic alteration or “clay bloom” similar to that found above Guadalupe North and the 76 Clavo in Palmarejo. It is located 1km north of Guadalupe North, and more importantly, 500 m west of Independencia, and is intersected by the underground access to Independencia. The prospect was first drilled in 2009, and drilling is currently ongoing, although no resource has been estimated to date. Field evidence suggests the structure is continuous to the south of the Independencia development and that the Dana structure, drilled in 2014 by Paramount, may be the southern extension of Los Bancos. While following the regional north-northwest strike direction, Los Bancos dips steeply to the west.

8. DEPOSIT TYPES

Mineralization on the Palmarejo Complex consists of epithermal, low- to intermediate sulfidation, silver-gold vein and vein-breccia deposits that exhibit vertical and lateral zoning. The deposits occur within north-northwest-striking and west-northwest-striking structures (Sillitoe, 2010).

Early epithermal quartz-carbonate veins are locally overprinted by high-level, high-grade, silver-gold quartz veins. This deposit type is common within the gold-silver metallogenic province of the SMO and accounts for much of the historical silver and gold production from the province.

Silver and gold deposits in the Palmarejo Complex are characterized by pervasive silicification, quartz-fill expansion breccias, and sheeted veins. Multiple stages of mineralization produced several phases of silica, ranging from chalcedony to comb quartz, and two periods of silver-gold mineralization (Corbett, 2007). This strongly-zoned mineralization is characterized by pyrite, sphalerite, galena, and argentite (acanthite) deposited within the quartz vein/breccias at lower elevations and higher-grade precious-metals mineralization with fine grained, black, silver-rich sulfide bands or breccia-infill in the upper portions of the structures. There is a general sense across the Palmarejo Complex that higher gold values occur deeper in the original mineral system, while richer silver values were deposited in the upper levels of these systems.

Much of the silver and gold mineralization is succeeded by the bulk of the quartz-vein material, which is weakly mineralized and tends to lie in the interior portion of the veins in the ore-shoots. Silicic, argillic, chloritic, and hematitic alteration were noted during underground and surface mapping throughout the Palmarejo Complex (Laurent, 2004). Propylitic alteration is commonly present as wide haloes around faults and veins. Gold is present as native gold and electrum, while silver occurs as acanthite, electrum/argentian gold, and native silver (Skeet, 2004; Townend and Associates, 2004). Additional petrographic work by Panterra Geoservices Inc. in 2009 identified abundant copper-silver sulfides such as mckinstryite, jalpaite, stromeyerite, and pearcite (Ross, 2009).

The concept of an epithermal origin for the silver and gold mineralization identified to date on the Palmarejo Complex, the associated zonation of metals and trace elements and related hydrothermal alteration effects, as well as the structural geology controls evident in surface and mine exposures, has helped to frame past exploration programs. Coeur continues to refine this model, with the aim of supporting additional Mineral Resource estimates and/or making new discoveries.

While there are many similarities between the deposits of the Temoris and Guazapares mining districts, the latter also exhibits features that are unique, such as the bulk-tonnage-style, generally gold-poor, silver mineralization at San Antonio, possible similar style but gold-rich mineralization at San Francisco, and the high-level mineralization present at Monte Cristo-Sangre de Cristo.

The only mineralization identified, to date, as not being of low- to intermediate-sulfidation origin, is the Espinazo del Diablo sector, immediately west of the Palmarejo deposit. It is defined as a series of high-sulfidation, advanced argillic ledges, constituting a lithocap and an important intrusive occurrence on the Palmarejo Complex (Sillitoe, 2010).

9. EXPLORATION

Additional information on historical exploration programs is provided in Section 6.

Since January 2008, Coeur Mexicana has continued to conduct exploration across the concessions under its control. Exploration has included geological mapping and sampling of known surface fault and vein occurrences, prospecting for new fault and vein occurrences, as well as zones of visible argillic alteration or "clay-blooms", due to their importance, as discussed previously. These features can be subtle in appearance but are more readily evident in road-cut exposures (refer to Figure 7.9) and spatially related to silver and gold mineralization. Surface exploration work precedes drilling, which has formed the largest component of Coeur's annual exploration budget in the district since its December 2007 acquisition of BSG (see Section 10).

The acquisition of Paramount is now complete, and Coeur commenced exploration on the Paramount Property in 2015 with the aim of advancing known deposits and looking for new deposits on the larger property area.

9.1 Geophysical Surveys

In 2012, Coeur completed a helicopter-borne magnetic survey over the Coeur Property. The survey was flown by MPX Geophysics Ltd. Lines were flown east-west at 75m spacing, with tie lines every 750m. A total of 2,571.5 line-km were flown. In 2014, SRK reviewed the data collected (SRK, 2014), as part as a larger study, and concluded that the survey identified the location and along-strike continuity of faults. As known fault intersections in favorable stratigraphic position are key controls of mineralization, the knowledge of fault positions provides an excellent exploration tool for the next stages of the regional exploration targeting.

Four distinct fault sets were identified based on orientation and crosscutting relationships. These fault sets are comparable to those identified during field mapping. From oldest to youngest these fault generations are: northwest-trending, northeast-trending, west-northwest-trending and north-northwest-trending. The latter two mutually crosscut each other, and thus, appear contemporaneous.

The interpreted lithology distribution was also completed based on the best available data sets, including observations during mapping, magnetic intensity, and satellite imagery.

The Palmarejo Complex is dominated by sequences of massive volcanic and both primary and secondary volcaniclastic rocks. Areas of high magnetic intensities are coincident with mapped andesitic to basaltic volcanic rocks and are interlayered with lower magnetic intensity volcaniclastic sedimentary rocks of the underlying Ktal and the overlying pyroclastic rocks of the Ktat unit. Higher proportion of these volcaniclastic units are interpreted to be coincident with broader lower magnetic intensity areas in the northwest and northeast corners of the Palmarejo Complex.

The stronger magnetic intensity in much of the western part of the Palmarejo Complex suggests it is composed mainly of Ktap and some Ktam units, with Ktal occurrences in topographic low-lying areas.

The central part of the Palmarejo Complex is dominated by an even magnetic low, which is interpreted as an older Cretaceous limestone unit extrapolated from regional mapping by the SGM (2004). Cretaceous granodiorites occur as approximately circular intrusions within these sedimentary rocks.

North of the Palmarejo open pit mine and camp, the high elevations coincide with the stratigraphically higher units of Ktat and UVS. These units are also interpreted to be exposed northeast of the Palmarejo open pit mine. These generally have low magnetic intensities, but where relatively thin units of these rocks overlie units of Ktam and Ktap rocks, a higher magnetic intensity is evident.

Rhyolite (Topr) intrusions occur throughout the Palmarejo Complex, and have a moderate to low magnetic character. These intrusions often do not show a strong magnetic contrast with surrounding units but are very distinctive on the satellite imagery. They generally are round to slightly elongate in plan view but are more elongate along a northwest trend in the south part of the area.

In 2015, MPX completed a similar survey over the ground acquired from Paramount. A total of 6,823.5 line-km were flown with lines flown east-west at 200m spacing, with tie-lines every 2km. The results were integrated with the data collected from the previous survey to produce a single coverage for the entire Palmarejo Complex. This survey highlighted the continuation of northwest trending structures across much of the ground acquired by Paramount, as well as the importance of long-lived northeast structures. These structures appear to act both as a focus for mineralization, when they intersect northwest structures, but also appear to offset mineralization.

In 2014, Coeur also completed a helicopter-borne Z-axis Tipper electromagnetic (ZTEM) and magnetic survey over the Coeur Property. The survey was flown by Geotech Ltd. Lines were flown east-west at 200m spacing with tie lines every 2km. A total of 1,130 line-km were flown. The ZTEM data provides useful information on geology using resistivity contrasts, while magnetometer data provides additional information on geology and structure using magnetic susceptibility contrasts.

The raw data were provided to Condor Consulting for further processing and interpretation. They concluded that the geophysical surveys have been able to map the main structural trends and general geological units throughout the Coeur Property. The EM data also helps provide an overall structural setting and shows the mineralized zones along the margin of a resistive corridor. These zones are situated in areas with low analytic signals and low magnetic intensities, or domains interpreted as LVC. Both EM and magnetic interpretations show the dominant structural trend as NW-SE, with a second trend that cross-cuts in a normal direction. Some N-S structural lineaments are also observed in both geophysical datasets. A total of six target zones have been delineated based on these geophysical characteristics and comparisons to known mineralization, located across the Coeur Property from the southwest of the Palmarejo deposit to the west of Independencia to the south of Guadalupe.

Drilling is likely the most definitive approach to exploring this area. A ground IP/resistivity survey over areas with higher magnetic susceptibilities along the margins of the resistive corridor may provide added detail such as determining areas of stockwork mineralization and alteration. A Controlled Source Audio-MagnetoTelluric (CSAMT) may be helpful for determining locations of faults and structures at depth and vein structures.

9.2 Field Mapping

In 2014, Coeur commenced a detailed 1:1,000 scale field mapping campaign focused on the areas around the Independencia and Guadalupe deposits, with the aim of better understanding the geological environment and also identifying new structures to drill test at depth. Given that the surface elevations throughout much of this area are significantly above the typical mineralized horizon in this part of the Palmarejo Complex, structures that show little surface indication of mineralization are considered drill targets if they are associated with a significant fault system and alteration at surface. The presence of rhyolite dikes also appears to be important. The mapping program is ongoing and will continue through the remainder of 2015, into 2016 and beyond, as field mapping extends into new areas to look for and define new drill targets.

Given the lack of obvious superficial geochemical response to what are economically important mineral deposits at depth, a combination of airborne geophysics and hyperspectral studies to define target areas, followed by detailed field geological mapping, is considered to be the best exploration approach to defining new mineralization in the district.

10. DRILLING

Drilling by Coeur, or its predecessors, commenced on the Palmarejo Complex in late 2003, initially by Planet Gold at the Palmarejo deposit. The Guadalupe deposit was first drilled in 2005, by the same company. The Independencia Este deposit was first drilled by Paramount in 2010; Independencia Oeste was initially drilled by Coeur in 2011.

Minimal drilling was completed on the Paramount Property prior to this time and has been summarized in Wilson et al., 2014.

The table below summarizes the drilling completed as of August 31, 2015 on the Palmarejo Complex by Coeur, Paramount, and their predecessors. Figure 7.5, Figure 7.7, and Figure 7.10 in Section 7 show the drill hole locations at the three principal deposits. Examples of drill cross-sections have also been included in Section 7.

Table 10.1. Exploration Drilling Completed in the Palmarejo Complex since 2003 (Coeur, 2015)

YEAR	RC (m)	DDH (m)	RC-DDH (m)
2003	2,936.7	0	
2004	21,389.4	3,005.1	7,674.1
2005	33,929.6	15,345.0	16,444.4
2006	43,899.8	37,766.4	2,293.1
2007	27,218.3	58,898.6	
2008	742.2	46,502.4	
2009	0	56,890.0	
2010	15,063.9	95,853.0	
2011	0	108,529.2	
2012	0	148,694.3	
2013	0	91,614.9	
2014	0	75,699.7	
2015	0	31,804	
TOTAL	**145,179.9**	**770,602.9**	**26,411.6**

10.1 Core Drilling and Logging

Drill holes are designed to intersect the mineralization as perpendicular as possible; reported mineralized intercepts are typically longer than the true thickness of the mineralization.

Diamond core drilling on the Palmarejo Complex has been conducted by a number of different contract drilling companies since 2004.

Since 2011, G4 Forage Drilling, headquartered in Val-d'Or, Quebec, Canada, has been the sole drill contractor for Coeur at its Palmarejo Complex and exploration properties. Coeur reviews its drilling requirements and awards contracts annually for its exploration and resource definition drilling. All drilling completed on the concessions previously owned by Paramount has been conducted by Layne de Mexico S.A. de C.V.

Core holes that were collared at the surface recovered HQ or PQ core, unless the intersection of voids or downhole drilling problems were encountered, in which case the drillers reduced to NQ or HQ, respectively. Core tails, which were drilled when RC holes were terminated prematurely due to encountering groundwater and/or downhole problems, recovered NQ or HQ core (Gustin and Prenn, 2007).

At the core shed, an open-air covered facility, the core is laid on wooden tables and first pieced together by a geologist or technician, with the orientation mark facing up, if applicable.

Diamond-core holes are then logged for geotechnical data and geology, including rock type, alteration, mineralization assemblages, vein-quartz percentage, and oxidation. Graphic logs are also created for stratigraphy, vein orientation, and visual identification of mineralized zones. Cut lines are traced along the core axis of the core and at sample intervals. Digital photographs of wetted core are taken and archived before the core is cut and the samples taken.

A descriptive system of logging volcanic lithologies and breccia textures and mineralization from CODES (Centre of Excellence in Ore Deposits, Tasmania) and MDRU (Mineral Deposit Research Unit, British Columbia) has been adopted to allow for more consistent logging of geology and is entered into an acQuire® database for documentation. The data are also exported into three-dimensional modeling software for further understanding of the geology and mineral controls.

During 2008, all core from Guadalupe, Independencia Oeste, and other exploration targets was moved to the new Guadalupe exploration facility located to the east of Guadalupe near Las Animas. This facility currently houses exploration samples related to the resource delineation (or Category 2) program.

A separate core logging and geologic office facility was built near the Palmarejo process plant to house the resource upgrade (or Category 3) program. This facility consists of fully enclosed logging, cutting and sampling areas, and geologic offices.

Following the acquisition of Paramount, all information associated with the previous drilling campaigns is in the process of being reviewed, with adaptations made to the geology to be consistent with Coeur methodology before being uploaded to the same acQuire® database as currently maintained by Coeur. The transition is expected to be completed on a deposit-by-deposit priority basis by the end of 2015. Drill core from programs completed by Paramount is currently stored in five secure facilities within the Palmarejo Complex area. Coeur plans to centralize all drill core at a new facility in the near future.

10.2 Reverse Circulation Drilling and Logging

Reverse circulation (RC) drilling was a major part of the initial drilling campaigns by Planet Gold at the Coeur Property; however, since 2008, no RC drilling has been completed by Coeur for exploration purposes. A limited amount of RC drilling was also completed by Paramount, most notably at the La Veronica and San Francisco deposits in 2010.

RC drilling is conducted as part of the open pit ore control program and condemnation drilling.

10.3 Downhole Surveying

Drill holes are surveyed with either a Reflex non-magnetic one-shot system or similar system. A shot is taken at 21m and then approximately every 50m to the bottom of the hole. Results from the downhole surveying show a minor increase in the hole dip due to the droop from the weight of the rods, especially in holes drilled to depths of 200m or greater. Historically, the greatest change in dip and bearing has been found in holes that have drilled through workings, which often re-enter the footwall at a greater dip and slight change of bearing in a counter-clockwise direction.

10.4 Drill Hole Collar Locations

Collar surveys are taken by a Total Station GPS. Collars are usually not preserved because monuments are not built and the marks are typically washed away by rain or covered when building access roads.

10.4.1 Collar Coordinate Verification

Collar elevations for the Guadalupe and Independencia Oeste deposits were checked against the topographic surface and a significant number of collars were found to be outside of reasonable ranges (i.e., sticking out of the topo surface for more than 15m or laying considerably below it).

Coeur used a more detailed topographic map and most of the holes compared better to that topography. Slight adjustments were made to those surface locations that needed additional modifications before it was used for resource estimation.

At Independencia, audits conducted by external, certified topographers have not found any errors in the collar coordiantes detected by Coeur's internal topographer.

11. SAMPLE PREPARATION, SECURITY, AND ANALYSES

11.1 Sample Preparation

11.1.1 Diamond Drill

Sampling in the Palmarejo Complex has been conducted almost entirely by diamond core drilling by various companies under contract to BSG, PJO; and since 2008, Coeur Mexicana, and then by Paramount (beginning in 2010). Table 11.1 lists historical drilling metadata related to the Guadalupe and Independencia deposits.

Table 11.1. Sampling Metadata from the Guadalupe and Independencia Deposits (Coeur, 2015)

Year	Company	Project	Drilling Company	Drill Type	Drill Size	Meters
2005	PJO	TG	Dateline Drilling	RC	5"	1,560.3
2005	PJO	TG	Jorder Lyons	DDH	HW	11.3
2005	PJO	TG	Jorder Lyons	DDH	HQ	126.5
2005	PJO	TG	Major Drilling	RC	5 1/4"	770.9
2005	PJO	TG	Major Drilling	DDH	NQ	976.8
2005	PJO	TG	Major Drilling	DDH	HQ	4,367.5
2005	PJO	TG	Major Drilling	DDH	HW	413.1
2005	PJO	TG	Unknown	DDH	HQ	191.7
2006	PJO	TG	Dateline Drilling	RC	5"	1,941.6
2006	PJO	TG	Major Drilling	RC	5"	1,697.9
2006	PJO	TG	Major Drilling	RC	5 1/8"	2,782.9
2006	PJO	TG	Major Drilling	RC	5 1/4"	2,331.9
2006	PJO	TG	Major Drilling	RC	5 3.8"	675.1
2006	PJO	TG	Major Drilling	DDH	NQ	1,368.9
2006	PJO	TG	Major Drilling	DDH	HQ	6,163.4
2006	PJO	TG	Major Drilling	DDH	PQ	1,840.7
2006	PJO	TG	Major Drilling	DDH	HW	30.2
2007	PJO	TG	Layne de Mexico	RC	5 1/2"	198.1
2007	PJO	TG	Major Drilling	RC	5"	83.8
2007	PJO	TG	Major Drilling	RC	5 1/8"	1,304.6
2007	PJO	TG	Major Drilling	RC	5 1/4"	201.2
2007	PJO	TG	Major Drilling	RC	5 1/2"	9,471.6
2007	PJO	TG	Major Drilling	RC	5 3/8"	519.7
2007	PJO	TG	Major Drilling	DDH	NQ	344.9
2007	PJO	TG	Major Drilling	DDH	HQ	17,487.5
2007	PJO	TG	Major Drilling	DDH	PQ	10,406.7
2007	PJO	TG	Major Drilling	DDH	Unknown	180.5
2008	PJO	TG	Marjor Drilling	DDH	HQ	1,658.9
2008	COEUR	TG	Forage G4 Drilling	DDH	HQ	10,665.2
2008	COEUR	TG	Landdrill	DDH	HQ	3,892.6
2009	COEUR	TG	Landdrill	DDH	HQ	314
2009	COEUR	TG	Forage G4 Drilling	DDH	HQ	16,363.3
2010	COEUR	TG	Forage G4 Drilling	DDH	HQ	20,094.8
2010	Paramount	TG	Layne	DDH	HQ	3,677.05
2011	COEUR	TG	Forage G4 Drilling	DDH	HQ	20,874.4
2011	Paramount	TG	Layne	DDH	HQ	5,930.0

Year	Company	Project	Drilling Company	Drill Type	Drill Size	Meters
2012	COEUR	TG	Forage G4 Drilling	DDH	HQ	31,088.0
2012	Paramount	TG	Layne	DDH	HQ	2,610.0
2013	COEUR	TG	Forage G4 Drilling	DDH	HQ	21,054.0
2013	Paramount	TG	Layne	DDH	HQ	7,048.3
2014	COEUR	TG	Forage G4 Drilling	DDH	HQ	18,173.6
2014	Paramount	TG	Layne	DDH	HQ	5,534.9
2015	COEUR	TG	Forage G4 Drilling	DDH	HQ	21,722.4

Water for the Guadalupe and Independencia drilling is supplied by water truck from the retired mill at Arroyo Blanco, and from a creek at Los Llanos.

Surface diamond core holes recovered PQ or HQ core samples. Sample runs are a maximum of 3m in length and are occasionally 1.5m in length to ensure minimum deviation of the hole. Underground diamond core holes recovered NQ core.

Core is removed from the core barrel and placed into boxes for PQ, HQ or NQ core. All artificial breaks of the core are marked by the driller. On selected core holes, the driller marked an orientation at the top of the core run prior to retrieving the core barrel with a spear-system driven by wireline.

11.1.2 Diamond Core Sampling

Core from the Palmarejo Complex is sampled only on intervals suspected to contain precious metal mineralization. Sample intervals are marked on the core and the intervals are assigned sample numbers. The sample lengths for wall rock averaged 1.5m. Suspected mineralized zones were sampled at intervals averaging 0.5m, prior to the acquisition of BSG, and 0.4m to 1.5m following the acquisition. Sample length is variably adjusted to avoid sampling across geologic contacts and structures.

Digital photographs of wetted core are taken and the core was then sawn into halves along the cut lines. The half of the core to the right of the orientation line is selected for assaying and placed in a numbered bag along with a sample tag. A duplicate tag is kept in a sample tag book and archived at the field office. The left side of the core is retained in core boxes on site. All remaining core is organized in metallic racks inside a covered warehouse. In 2014 and 2015 (through the effective date of this Report), core drilled for Guadalupe infill definition drilling program (Category 3) was sampled as whole core, while core for Independencia Oeste and Este resource definition program (Category 2) was split.

11.1.3 Reverse Circulation (RC)

11.1.3.1 Reverse Circulation Sampling

RC drilling was a major part of the intial drilling campaigns on the Coeur Property prior to the acquisition of Bolnisi. Since 2008, a limited amount of RC drilling has been done for exploration purposes. RC holes provided for use in the Palmarejo Mineral Resource models were sampled every 1.52m (5ft.) down the hole. Holes drilled in greenfields areas were sampled along the entire length of the hole, while infill or closed spaced drilling was sampled every 5ft., through zones of suspected mineralization. Standard procedure was to only sample during dry drilling. Once water was encountered, the RC hole was terminated and continued with a core tail. Depth to groundwater was recorded by the supervising geologist.

RC chips were recovered through the center of the double-wall pipe and the sample was discharged at the surface. The entire sample was collected into a cyclone and then released into a hopper and then into a Gilson, riffle-type splitter. The sample was initially split so that half of the material was discarded. The remaining half was split in half again, and each of these quarter splits were poured directly from the splitter pans into buckets lined with sample bags. The sample numbers were recorded as the drilling progressed by a geologist that supervised the drill rig. One of the one quarter splits was used as the sample for assaying and the other one quarter split was stored as an archive duplicate. Once bagged, the samples were placed in consecutive order on the ground near the drill. All samples to be submitted for analyses were placed at a collection point on the drill pad for weekly pickup by a sample truck sent by the assay laboratory.

11.2 Sample Storage and Security

Coeur technicians transport core from the drill rigs on a daily basis to the core logging facility. All historical core at Palmarejo was moved to the Guadalupe facility in 2008. All sawn core is organized in metallic racks inside the covered storage.

Sawn exploration samples are transported to the ALS Minerals sample preparation facility in Chihuahua, either by an independent locally-based transport company, or by Coeur personnel. Samples pulps are then shipped by ALS Minerals to their laboratory in Vancouver, B.C., for analysis.

Sawn ore-control core for the Guadalupe drilling is transported to the Palmarejo mine laboratory for analysis.

ALS stores pulps and course rejects for up to ninety days before returning them to Coeur’s warehouse facility in Chihuahua. All samples that returned greater than detection limit gold or silver values are stored in this facility, with the exception of samples from the Palmarejo deposit, due to cessation of mining operations in 2016. The Palmarejo coarse rejects have been disposed of and the remaining pulps will be used in the preparation of internal standards.

All drill core from mineralized intervals from all deposits, with the exception of Palmarejo, are stored in secure warehouses at the Palmarejo Complex.

11.3 Analyses

11.3.1 Laboratory Sample Preparation

Recent and current exploration sample preparation is completed by ALS Minerals at ALS Chihuahua. Figure 11.1 is a flowchart of the ALS sample preparation procedure, code PREP31, which includes the stages of drying, crushing, splitting, and pulverizing. ALS Minerals Chihuahua is an accredited laboratory through the Standards Council of Canada for ISO/IEC 17025:2005.

Sample preparation of core for ore control purposes at Guadalupe was completed at the Palmarejo mine laboratory in 2014 and 2015. The Palmarejo mine laboratory crushes and sieves to the same specifications as ALS Minerals Chihuahua. The mine laboratory also produces an equivalent 250g pulp. While not accredited, the mine laboratory follows QA/QC processes and procedures to confirm the quality of the sample preparation.

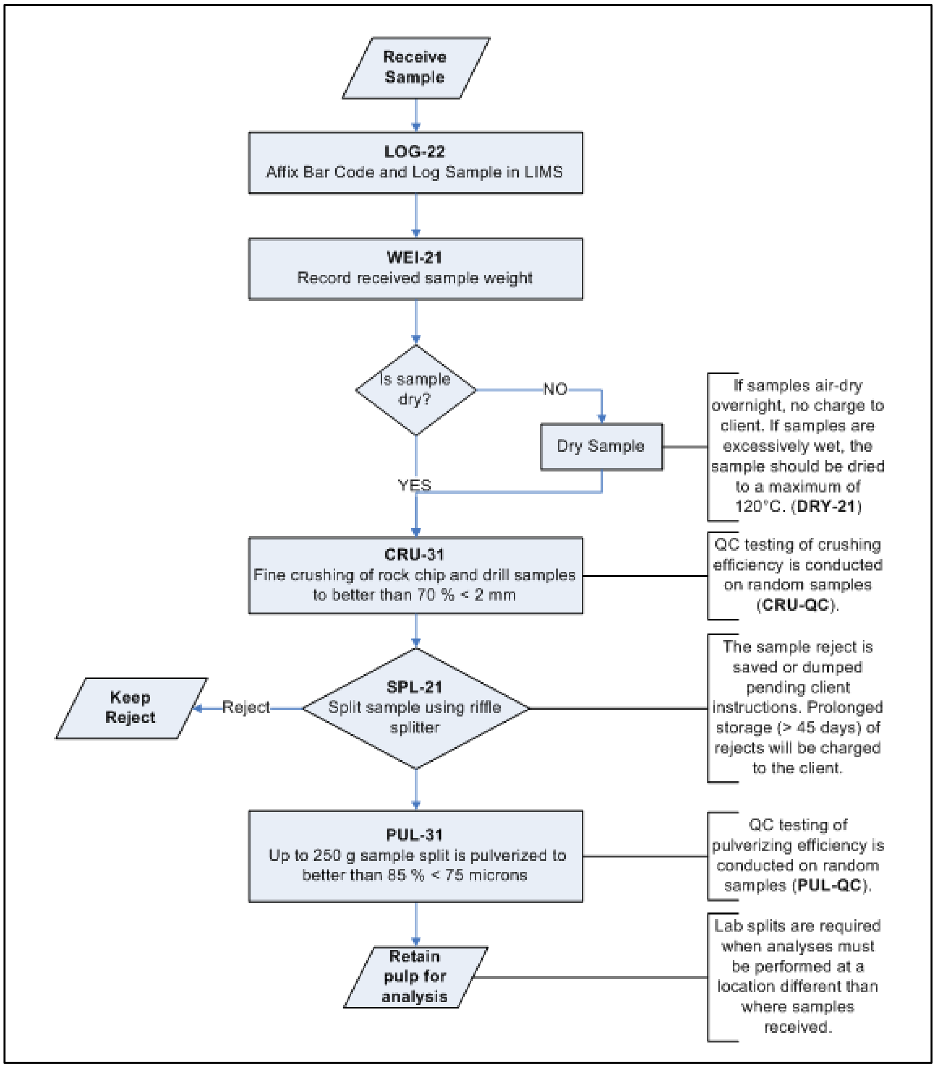


Figure 11.1. Palmarejo Complex Sample Preparation Flowchart from ALS Minerals PREP31 Methodology (ALS Minerals, 2015)

11.3.2 Laboratory Analytical Methods

Recent and current primary exploration analytical analyses for both Coeur and Paramount were completed by ALS Minerals in Vancouver, B.C. Table 11.2 includes the metadata for the analytical methods used. Gold analyses were completed with a fire assay fusion with an ICP-AES finish. Overlimits (samples with initial assay values greater than a predetermined grade) were completed using a fire fusion with a gravimetric finish. Silver analyses were completed by acid digestion with an ICP-AES finision. Overlimits (samples with initial assay values greater than a predetermined grade) were completed using a fire assay fusion with a gravimetric finish. Overlimit triggers for gravimetric analyses and multi-element ICP digestion degrees vary by drill campaign.

The current commercial analytical laboratory for the Guadalupe and Independencia exploration sampling is also ALS Minerals, with sample preparation in Chihuahua. A split of the prepared pulp is sent to Vancouver, B.C., for fire assay for both gold and silver. Gold is initially analyzed with an ICP finish with a trigger for a gravimetric finish. Silver is analyzed with a gravimetric finish. ALS Minerals complies with the international standards ISO 9001:2000 and ISO 17025:2005.

Recent core drilling assaying in support of underground ore control was done at the Palmarejo mine laboratory. Samples were analyzed using a fire assay with atomic absorption finish for gold and a 2-acid digestion with an atomic absorption finish for silver. Table 11.3 includes metadata for the analytical methods used.

Recent and current umpire analyses for the Independecia Oeste deposit were completed by Acme Labs in Vancouver, B.C.

Error! Reference source not found. Table 11.4 includes the metadata for the analytical methods used. Gold analyses were completed by fire assay fusion with ICP-AES finish. Overlimits were completed by fire assay fusion with a gravimetric finish. Silver analyses were completed by a fire assay fusion with a gravimetric finish. Acme Labs is an accredited laboratory through the Standards Council of Canada for ISO/IEC 17025:2005.

Recent umpire analyses for the Independencia Este deposit were completed by SGS de Mexico, S.A. DE C.V. Durango, Mexico. SGS is an accredited laboratory through the Standards Council of Canada for ISO/IEC 17025:2005.

Table 11.2. Palmarejo Primary Assay Analytical Methods (Coeur, 2015)

Year	Project	Method Code	Element	Units	Digestion	Finish	Sample Weight (g)	Lower Limit (ppm)	Upper Limit (ppm)	Overlimit Method	Overlimit Trigger (ppm)
2014	TG	Au-ICP21	Au	ppm	Fire Assay	ICP-AES	30	0.001	10	Au-GRA21	2
2014	TG	ME-ICP41	Ag	ppm	2-Acid	ICP-AES	0.50	0.2	100	Ag-GRA21	100
2015	TG	Au-ICP21	Au	ppm	Fire Assay	ICP-AES	30	0.001	10	Au-GRA21	8
2015	TG	ME-ICP61	Ag	ppm	4-Acid	ICP-AES	0.25	0.5	100	Ag-GRA21	80

Table 11.3. Palmarejo Mine Laboratory Primary Assay Analytical Methods (Coeur, 2015)

Year	Project	Method Code	Element	Units	Digestion	Finish	Sample Weight (g)	Lower Limit (ppm)	Upper Limit (ppm)	Overlimit Method	Overlimit Trigger (ppm)
2014	TG	Au_AUFAA_gt	Au	ppm	Fire Assay	Atomic absorption	30	0.01	10	AUAGGV	1
2014	TG	Ag_AA2AC_gt	Ag	ppm	2-Acid	Atomic absorption	2	0.3	300	AUAGGV	10
2015	TG	Au_AUFAA_gt	Au	ppm	Fire Assay	Atomic absorption	30	0.01	10	AUAGGV	1
2015	TG	Ag_AA2AC_gt	Ag	ppm	2-Acid	Atomic absorption	2	0.3	300	AUAGGV	10

Table 11.4. Acme Check Assay Analytical Methods (Coeur, 2015)

Year	Project	Method Code	Element	Units	Digestion	Finish	Sample Weight (g)	Lower Limit (ppm)	Upper Limit (ppm)	Overlimit Method	Overlimit Trigger (ppm)
2014	TG	FA-330-Au	Au	ppm	Fire Assay	ICP-AES	30	0.002	10	FA530	2
2014	TG	FA-530-Ag	Ag	ppm	Fire Assay	Gravimetric	30	5	100		
2015	TG	FA-330-Au	Au	ppm	Fire Assay	ICP-AES	30	0.002	10	FA530	8
2015	TG	FA-530-Ag	Ag	ppm	Fire Assay	Gravimetric	30	5	100		

11.3.3 Control Samples

Information on historic QA/QC programs is included in Section 12.

11.3.3.1 Standards and Blanks

Ten standards and four blanks were used in 2014. The blank used in Independencia Este drilling was unmineralized rhyolitic tuff from the local area. A percentage of the material collected was sent to ALS to verify its below detection limit levels of both gold and silver before the material was used as a blank. Seven standards and three blanks were used in 2015 (through the effective date of this Report). A discussion of the performance of these control samples is included in Section 12.

11.3.4 Bulk Density Analyses

The method used for obtaining density values for the Palmarejo Complex is the standard wax immersion method for determining the bulk density of fractured materials. This method was selected due to the porous and absorbent nature of some of the Palmarejo Complex rocks and mineralized breccias. The method used is ASTM C914-09, published by the American Society for Testing and Materials and obtained under license by Coeur.

Bulk density data have been collected by Coeur personnel over several years of exploration activity in the Palmarejo Complex. Samples of all mineralized zones, structures, and lithologies are tested. The ASTM C914-09 test method covers the basic procedure for determining the bulk density and volume of fractured material. This test is applicable to all rock types, independent of the composition or method of formation. It is particularly suitable to determine the apparent density and volume of irregular shapes. A summary of bulk density analyses and their adequacy is provided in Section 14.

12. DATA VERIFICATION

12.1 Historic QA/QC and Third Party Reviews

Results from all pre-Coeur Mexicana QA/QC programs on drilling conducted by BSG and PJO have been reviewed by independent third parties.

Applied Geoscience LLC, studied the results of the QA/QC program implemented by Planet Gold for the Palmarejo, Guadalupe, and La Patria drilling (Blair, 2005; Blair, 2006; Blair, 2008), and the QA/QC program for the Guadalupe drilling for data collected from July 2005 to March 2008. Data reviewed by Applied Geoscience LLC includes reference sample results, duplicate sample, duplicate assay results, and second-laboratory check assays. The main goal of the study was to assess and comment on the quality of the assay data.

AMEC Mining and Metals also conducted a review of the drill data during 2008.

Results from the 2005 review by Blair concluded that:

- No significant problems or biases were present in the 2005 drill hole assay database, with the caveat that the assays could be understated;
- The frequency of reference-sample insertion and third-party check assaying should be increased; and
- Further third-party check assaying of the existing database is warranted.

Results from the 2006 review by Blair concluded that:

- Reference sample statistics and control charts show acceptable results for the gold fire assays;
- Silver assays for the standards show scatter outside the tolerance limits for those standards with expected values of less than approximately 30 g/t Ag;
- Duplicate-sample analyses show acceptable reproducibility for both metals; and
- The assay database is of acceptable quality for resource modeling.

The variance in the silver results was likely due to analytical method variance and lower resolution at the low-grade levels.

In 2008, the review by Blair and AMEC concluded that:

- Gold check assays agreed well with the original assay results and show slightly higher grades;
- The silver check assays were systematically higher than the original by 5% to 10% between 50 g/t Au and 1500 g/t Au, below 50 g/t Ag there was more scatter, and above 1500 g/t Ag, the assays agreed well;
- Duplicate analysis showed the sampling and analytical precisions are acceptable;
- Collar elevations were checked against elevations and XY;
- The accuracy of the certified reference material was acceptable for both Ag and Au, but the results showed a large number of outlier values; and
- Overall, Ag and Au assay data are sufficiently accurate for resource estimation and classification purposes.

More detailed data on the aforementioned third party party reviews can be found in Gustin, 2005; Gustin, 2006; Blaylock, 2008; and, Sims, 2010.

12.2 Coeur QA/QC Programs

The Palmarejo Complex QA/QC program for gold and silver assays has changed since Coeur implemented the program in 2003. Initially, the reference samples were inserted into the sample stream at a 1:200 ratio, whereby one reference sample was inserted for every 200 drill samples. Starting mid-2005, the proportion was increased to approximately 1:25, to ensure that every fire-assay furnace lot contained reference samples. In late 2007, the following protocols were implemented for exploration and development drilling: one reference standard is inserted for every 20 field samples; one blank sample is inserted for every 20 field samples; and, one field duplicate is collected for every 20 field samples. Additionally, 5% of the sample pulps are sent to a different laboratory for check analysis. In 2012, a new protocol for exploration and development was initiated: one standard and one blank for every 20 field samples, but one duplicate is collected for every 40 field samples.

Coeur utilizes the acQuire® data management system to store and analyze QA/QC results as they are made available. Results are not released until QC has been completed on each assay certificate.

QA/QC results are examined for each batch of assays received from the laboratory. Failures are defined for standards by the certified values provided by the certifying laboratory. A standard fails when the value exceeds or falls short of ± three standard deviations of the certified value. A blank fails when the value exceeds five times the lower detection limit of the assay method. Failure of standard or blank samples requires re-submitting all of the pulps on either side of the failure, back to or up to the next passing standard or blank. The original results associated with the failure are entered into the acQuire® database as rejected results. If the results from the re-analysis pass QA/QC, they are entered in the acQuire® database as approved. All sample re-runs are given precedence over the original results when used in resource estimation; unless repeated analyses of the batch results in failures of the same magnitude. At this point, the geologist may choose to accept the original results. Results are also reviewed quarterly and elements of the QC program are adjusted as necessary.

12.3 2014 and 2015 QA/QC Summary

12.3.1 QA/QC Summary Table

QA/QC measures were completed at the Guadalupe and Independencia deposits. The 2014 programs combined for a total of 116 drill holes for 32,678.7 m. The QC program included 963 total samples, representing a 14.7% check rate. Check rates vary by check sample type, and across the projects. The apparent low check rate for the Guadalupe deposit is due to ore control related drilling in Guadalupe North. A total of 48 drill holes in this area were prepped and analyzed at the Palmarejo site laboratory and only include blank controls and no standards or duplicates. Information from these drill holes is used in the geologic model interpretation. The 2015 program (through the effective date of this Report) contains 25 drill holes for 11,657.3m that is included in the Guadalupe resource. The QC program included 253 samples, representing a 13.4% check rate. Additional items related to insertion rates are addressed in Section 12.

In general, the failure rates for gold standards and blanks were high, as shown in Table 12.1. Refer to Section 12.3.1.2 for a discussion and recommendations regarding these results.

Table 12.1. 2014 Palmarejo Complex and Overall Totals for Standard and Blank Failure Rates (Coeur, 2015)

		Au	Ag
Guadalupe (2014)	Standard	8%	3.7%
	Blank	5.4%	3.4%
Guadalupe (2015)	Standard	5.0%	4.0%
	Blank	3.8%	2.2%
Independencia Oeste (2014)	Standard	1.5%	1.5%
	Blank	44%	0%
Independencia Este (2014)	Standard	22%	5%
	Blank	4.2%	0%
Palmarejo Complex Total (2014)	Standard	8.5%	2.4%
	Blank	24%	1.6%
Palmarejo Complex Total (August 2015, Guadalupe only)	Standard	5.0%	4.0%
	Blank	3.8%	2.2%

12.3.1.1 Guadalupe QA/QC Results and Discussion (2014 and 2015)

In 2014, a total of 2,870 primary samples were analyzed at two laboratories for gold and silver using multiple methods. Overall, the insertion rate for control samples was low for standards and sufficient for both blanks and duplicates. Low standard insertion rates are attributed to the 52% of samples analyzed at the Palmarejo mine laboratory. These samples were drilled for ore control purposes and only included blank control samples. The standard insertion rate for samples analyzed at ALS is sufficient and acceptable.

The performance of standards and blanks, when analyzed for gold, illustrates questionably high failure rates and indicates a high bias for gold for both standards and both analytical methods. Currently, all control samples are validated using limits defined by the certifying laboratory.

Failure rates for standards analyzed for silver are low and do not indicate any significant bias.

QA/QC results from drilling completed in 2014 identified four failed standards and four failed blanks. These eight control samples and a selection of primary samples prior to, and after them, in the sample stream were re-assayed at ALS Chemex in Vancouver, BC, per Coeur QA/QC policies and procedures. All eight control samples passed QA/QC following the re-assay. The corrected assay data will be stored in the acQuire® database as approved results, and will take precedence over the original data for use in resource calculations.

To date, no umpire analyses have been completed on the 2014 Guadalupe samples.

In 2015 (through the effective date of this Report), a total of 1,885 primary samples were analyzed at ALS Laboratory for gold and silver using multiple methods. Overall, the insertion rate for control samples was sufficient for standards, blanks and duplicates.

The performance of standards and blanks indicates acceptable failure rates for both gold and silver.

QA/QC results from drilling completed in 2015 (through the effective date of this Report) identified seven failed standards and six failed blanks. Technical oversight resulted in the values of the primary samples associated with these failed standards and blanks to be included within the resource model dataset. Re-assay of the standards and blanks and a selection of primary samples prior to, and after them, is currently in progress at the time of this publication.

To date, no umpire analyses have been completed on the 2015 Guadalupe samples.

12.3.1.2 Independencia Oeste QA/QC Results and Discussion

In 2014, a total of 2,764 primary samples were analyzed at ALS Minerals for gold and silver by multiple methods. The insertion rate for control samples exceeded Coeur's company requirements and was sufficient for standards, blanks, and duplicates.

The performance of standards is acceptable and indicates low failure rates and no bias in either laboratory procedures or the certified material.

The performance of gold blanks is poor. The majority of the failed blanks were inserted into the sample stream immediately following the high grade standard SQ70. The laboratory was notified of the contamination and ALS Minerals provided documentation explaining the nature of the contamination, which was related to rinsing of the ICP instrument with compressed air between samples. The laboratory determined that additional rinse time on the instrument would not reduce the contamination carryover in this scenario. The failed blanks were analyzed again and passed QA/QC checks. This situation has been documented by Coeur and the use of standard SQ70 has been discontinued. The QP recommends that more regular checks of control sample results be conducted to more effectively identify these scenarios. The QP is aware of carryover issues resulting from this procedure, and is confident that it is does not have a significant impact on the quality of the QA/QC results.

Re-analysis of failed control samples and the associated primary samples has been completed, as per Coeur policy. In 2014, four sample batches were re-assayed due to standard failure, and 33 batches due to blanks failure.

Pulp duplicates analyzed for gold and silver at ALS Minerals show a 34% and 20% failure rate, respectively, at a 15% differential limit for error between samples. The duplicates that fail do not exhibit any extreme outliers and duplicate sample correlation coefficients greater than 95% were obtained.

Umpire check analyses were completed at Acme Labs. The results indicate a very good correlation for gold and silver, respectively, between ALS Minerals and Acme Labs.

12.3.1.3 Independencia Este Discussion

In 2014, a total of 938 primary samples were collected and analyzed at ALS Minerals for gold and silver by multiple methods. The insertion rate for control samples met or exceeded Coeur's requirements for gold.

The overall performance of standards and blanks is acceptable. Most control samples display low to zero failure rates. Standard OxC102 shows an 82% failure rate; however, when the data are plotted, an apparent low bias from the laboratory is detected. This low bias is reproduced consistently across the dataset.

Pulp duplicates analyzed for gold and silver at ALS Minerals show a 20% and 34% failure rate, respectively, at a 20% differential limit for error between samples. The duplicates that fail do not exhibit any extreme outliers and correlation greater than 94% was obtained. The plots contain a combination of both ¼ core duplicates and analytical pulp duplicates. The 20% failure threshold was used due to the inherent geological variability that is associated with ¼ core sample duplicates.

Umpire check analyses were completed at SGS de Mexico for the 2014 drill campaign. The results indicate a very good correlation for gold and silver, respectively, between SGS de Mexico and ALS Minerals.

In 2015, a comprehensive review of all Independencia Oeste QA/QC data was completed. The insertion rate for control samples met Coeur's requirement for blanks, standards, and duplicates. Blanks performed very well, with a 2.8% failure rate. Standards performed poorly and exhibit a 34% failure rate for gold. All failed control samples and the associated primary samples are considered rejected in the acQuire® database, and are not included within the resource evaluation. Sample batches of economic interest have been submitted for re-analysis per Coeur Mining QA/QC policies and procedures. Results of the re-analysis are pending at the time of publication of this Report.

12.3.2 Conclusions

It is the opinion of the QP that the analytical results from the 2014/2015 (through the effective date of this Report) drilling and prior sampling programs, are of sufficient quality for use in resource evaluation, and meet the requirements for NI 43-101. Recommendations for data management and data verification are included in Section 26.

13. MINERAL PROCESSING AND METALLURGICAL TESTING

Three ore sources comprise the majority of the material to be processed through the Palmarejo plant. One of the current sources, the Palmarejo deposit, will be depleted in 2016. The future ore will come from the Guadalupe and the Independencia deposits. There have been several metallurgical test programs conducted on the three deposits, the latest of which tested material from Independencia in 2014.

Independencia Este (formerly Don Ese) is an extension of Independencia and is targeted to become Palmarejo feedstock to the processing facilities. Paramount provided representative samples to Coeur, and the 2014 metallurgical test work conducted on Independencia Este has been incorporated into this section.

13.1 Palmarejo Historic Metallurgical Test Summary

Beginning in 2003 and continuing through 2009, numerous metallurgical tests were conducted on the Palmarejo deposit. The focus of the historical test work was to obtain representative metallurgical samples, conduct mineralogy examinations, determine the most favorable processing routes, collect sufficient design information to select equipment that fit the preferred processing flow sheet, and provide guidance for operating performance. To that end, several test programs were set up and conducted to define the comminution characteristics of potential mill feed, determine the flotation response of gold and silver, quantify the cyanidation performance, collect design information for a proposed Merrill-Crowe circuit, confirm the selection of a novel electrowinning method, investigate slurry rheology, measure settling and filtration characteristics, determine oxygen uptake, characterize tailings, and ensure the reliability of cyanide destruction. As part of the work, metallurgical response and operating parameters were established, including metal recoveries, reagent consumptions, power requirements, and associated operating parameters.

A total of 13 drill holes were selected and tested along with three bulk samples. The drill hole samples consisted of seven RC drill holes and six diamond drill holes. The bulk samples consisted of two underground samples taken from the existing workings from the 'La Prieta' structure and one surface outcrop sample from the Chapotillo Clavo. In total, almost 2.5 tonnes of samples were tested to allow the design of the plant to proceed.

A detailed comminution test work program was carried out. Comminution testing included BWi (Bond work index) test work, Unconfined Compressive Strength (UCS) testing, Advanced Media Compentency (AMC) testing, JK Drop weight (DWi) and Steve Morrell Pty Ltd (SMC) testing used for modeling. These tests indicated that some of the rock types (e.g., amygdaloidal andesite) were hard and competent, while other rock types were less hard and competent (e.g., the quartz vein breccia and footwall sediments). Evaluation of the comminution data indicated the ore was amenable to crushing through jaw crushers and grinding using semi-autogenous grind (SAG) milling followed by ball milling.

Flotation test work was carried out at batch scale on Palmarejo ores, followed by locked cycle testing, and finally, pilot plant scale tests to produce intermediate products for cyanidation of flotation concentrates and solutions for Merrill-Crow and electrowinning. All of the flotation data demonstrated the ore was amenable to rougher flotation. The tests indicated approximately 80% of the silver and gold could be collected into a concentrate mass of approximately 5% of the feed tonnage. This low mass pull allowed high cyanide concentration leaching of the flotation concentrate to produce a high tenor solution for precious metal recovery.

Leaching test work was carried out to optimize reagent additions and define the plant extractions. Overall, cyanidation reagent consumptions were moderate, averaging 1.3kg NaCN/t, and lime usage was low, averaging 1.2kg lime/t as CaO.

13.2 Guadalupe Metallurgical Test Summary 2007 - 2010

Between 2007 and 2010, three metallurgical test programs were undertaken by SGS Laboratories, Durango, Mexico, to confirm the Palmarejo plant could accept Guadalupe ore and gauge the metallurgical performance, using the plant operating conditions.

13.2.1 Sample Selection

Representative samples of the predominate mineralization types were selected from different areas. Two drill holes, TGDH-129 and TGDH 184, were used for metallurgical testing in 2007. Four more samples: TGDH-054, TGDH-214, TGDH-225, and TGDH-238, were tested in 2008. Additional metallurgical samples, TGDH-341 and TGDH- 355, were tested in 2010.

Table 13.1 summarizes the main lithology and alteration characteristics of the metallurgical samples.

Table 13.1. Guadalupe Metallurgical Sample Characteristics (Coeur, 2015)

Sample	Sample Type	Ore Type	Composition
TGDH-129	Core	Sulfides	Quartz Cemented Breccia
TGDH-184	RC	Oxides	Quartz Cemented Breccia
TGDH-054	Core	Sulfides	Quartz Vein Cemented Breccia
TDGH-214	Core	Sulfides	Carbonate Cemented Breccia

Sample	Sample Type	Ore Type	Composition
TGDH-225	Core	Sulfides	Quartz Carbonate Cemented Breccia
TGDH-238	Core	Mixed Sulf/Oxide	Quartz Carbonate Cemented Breccia and Stockwork
TDGH-341	Core	Mixed Sulf/Oxide	Quartz Vein Cemented Breccia
TGDH-355	Core	Oxides	Quartz Carbonate Cemented Breccia

Figure 13.1 shows the location of the drill holes within the Guadalupe deposit.

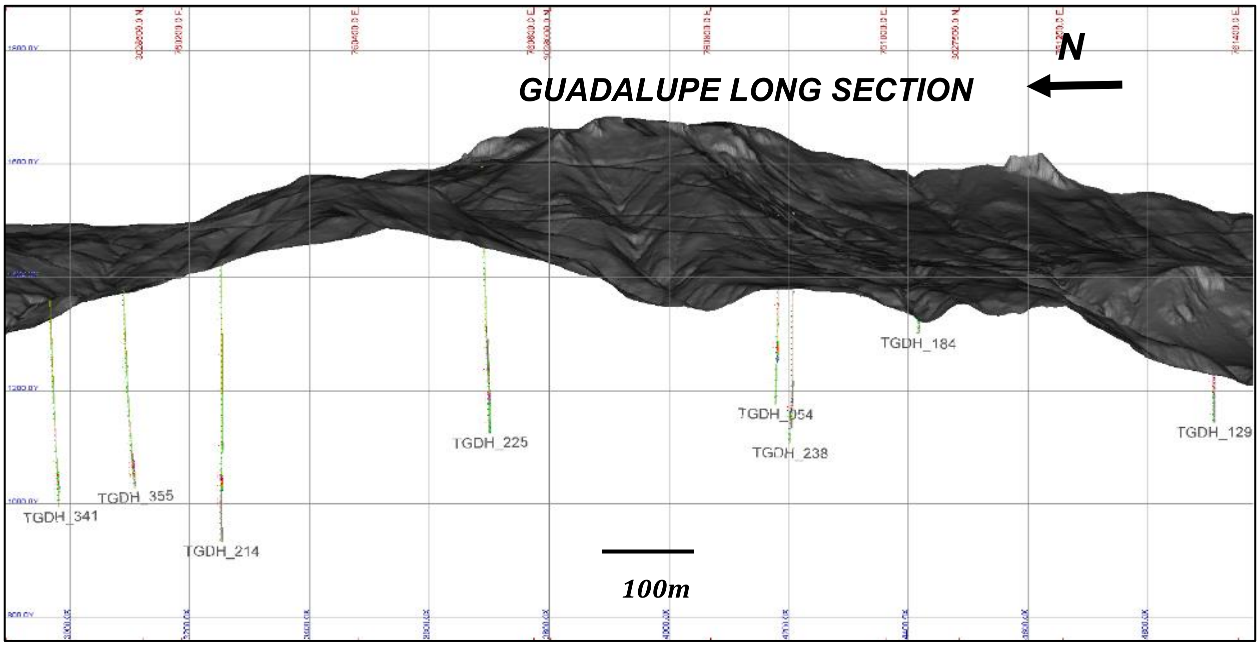


Figure 13.1. Location of Metallurgical Drill Holes for Testing (Coeur, 2014)

13.2.2 Sample Mineralogy

In addition to the eight metallurgical samples, 18 samples from different parts of the Guadalupe deposit were submitted to Petrolabs for mineralogical studies. Mineralogy was conducted on samples from drill holes shown in Figure 13.1.

The mineralogical work shows that the mineralogy of the Palmarejo deposit and the Guadalupe deposit are similar (Table 13.2).

Table 13.2. Mineral Species at Guadalupe and Palmarejo (Coeur, 2015)

Guadalupe Mineral Species Petro Lab, 2010	Palmarejo Mineral Species Ross, 2009; Reyes, 2009a & b; Petro Lab, 2006
Electrum	Electrum
Native Gold	Native Gold
Acanthite-argentite	Acanthite
Native silver	Native silver
Jalpaite	Jalpaite
Aguilarite	Aguilarite
Pyrite	Pyrite
Sphalerite	Sphalerite
Galena	Galena
Chalcopyrite	Chalcopyrite
Chalcosite	Altaite
Enargite	Billingsleyite
Bornite	Cervellite
Tennantite-tetrahedrite	Tennantite-tetrahedrite
Freibergite	Proustite
Pearceite-polybasite	Pearceite-polybasite
Covellite-digenite	Covellite-digenite
Unspecified Iron Oxides	Mckinstrite
Unspecified Manganese Oxides	Stromeyerite

Note: Mineral species were identified by optical microscopy and scanning electron microprobe work EDAX technique

13.2.3 Metallurgical Testing

The SGS programs tested whole ore bottle roll cyanidation, rougher flotation followed by tailing cyanidation, and gravity separation.

The bottle roll leach tests followed industry standard test procedures of 96 hour leach, pH between 10.5 to 11, three grind sizes of P_{80} 106 µm, 75 µm, and 53 µm and four cyanide concentrations of 500 mg NaCN/l, 1000 mg/l, 2000 mg/l, and 3000 mg NaCN/l.

The flotation tests were standard flotation tests conducted at two grind sizes of P_{80} 106 µm and 75 µm. The flotation concentrate was then assayed for metal content. The flotation tails were cyanide-leached.

The gravity tests were conducted on coarser grinding sizes of P_{80} 212 µm and 150 µm. The samples were gravity concentrated using a Knelson concentrator. The gravity concentrates were then submitted to cyanide leaching.

13.2.4 Metallurgical Results

The best Guadalupe metallurgical results were achieved by flotation followed by tailing leaching. The table below summarizes the results of these tests. Whole ore cyanidation was less suitable. The poorest overall recovery was found with the gravity concentrate method.

Table 13.3. Guadalupe Metallurgical Test Results (Coeur, 2015)

Composite Drill Hole	Head Grade		RECOVERIES[+]									
			Cyanide Bottle Roll Test		Bulk Flotation		Cyanide Leach of Flotation Tails*		Gravity Concentration		Cyanide Leach of Gravity Concentrate	
	Au g/t	Ag g/t	Au %	Ag %	Au %	Ag %	Au %	Ag %	Au %	Ag %	Au %	Ag %
TGDH-129	2.68	270	93	84.0	86.3	85.6	96.6	96.6	46.3	33.6	85.3	84.5
TGDH-184	0.40	631	80	92.0	76.3	94.0	96.4	99.0	23.2	36.9	76.8	90.7
TGDH-054	1.19	159	91	89.3	80.6	81.4	96.6	94.3	33.4	32.2	86.5	87.5
TGDH-214	5.43	209	95.4	89.8	89.8	93.5	98.7	98.3	58.1	45.9	84.8	67.9
TGDH-225	1.71	196	89.2	86.3	84.1	84.9	95.8	94.1	35	31.8	84	85.2
TGDH-238	1.90	119	95.6	66.2	80.0	63.5	96.9	75.4	42.1	25.1	84.8	83.0
TGDH-341	1.84	135	N/A	N/A	70.4	81.2	97.2	97.9	N/A	N/A	69.7	80.4
TGDH-355	3.94	211	N/A	N/A	71.5	86.0	96.8	97.9	N/A	N/A	70.8	85.1

[+] Bottle Roll Values are laboratory extraction values and require adjustment to reflect plant solution losses.
* Listed recovery of "Cyanide Leach of Floatation Tails" is the final total recovery from both bulk flotation and leaching of tails.

13.3 Guadalupe Metallurgical Tests 2013

In 2013, additional test work was carried out on a single Guadalupe sample of ore proposed to be mined by underground mining techniques.

13.3.1 Sample Selection

During Guadalupe underground development work, Coeur geology staff collected a single ore sample from the working areas, mostly representing exposed vein mineralization, with the main objective of running metallurgical test work.

The single Guadalupe sample was collected from small trenches across the vein material; the obtained cuttings were small rocks ranging from one-half to 2 inches in size, with an approximate weight of 25kg.

13.3.2 Metallurgical Tests

The on-site Palmarejo metallurgical laboratory conducted flotation test work, followed by leaching on the single Guadalupe sample. Two 1kg flotation tests were conducted following Palmarejo's flotation test protocol.

Each 1kg split was ground at 60% solids to approximately P80 = 75µm (-200 mesh) in a bench scale ball mill, Cytec Aero 412 promoter (AERO), and PAX were added during grinding. Rougher flotation tests were conducted, using an Essa flotation machine in a 2.6 L. flotation cell. Each test consisted of an initial two-minutes of conditioning time at 400 rpm; MIBC was added during conditioning, test percent solids were targeted at 30%, then a period of seven minutes was allowed to obtain a rougher concentrate at 1000 rpm, using sufficient aspirated air to form a constant froth bed; then the rougher concentrate was placed in a 1.3 L. flotation cell for three minutes of froth removal at 1000 rpm, with a second PAX and MIBC addition to obtain a cleaner concentrate. Dosages of reagents were about 30 g/t Aero 412, 50 g/t PAX, and 25 g/t MIBC.

Cleaner concentrate and middlings were collected separately, then dried, weighed, and assayed for gold and silver. Rougher flotation tail was also collected separately, then dried, weighed, and sampled for assay. Flotation tail was assayed for gold and silver.

The flotation tailings from the second flotation test were re-combined with water to achieve 40 wt% solids to conduct a standard agitated cyanidation test. Lime was added to adjust the pH of the pulp to 11.0 prior to adding the cyanide. Sodium cyanide, equivalent to 1.0 g/L, was added to the alkaline pulp.

Leaching was then conducted by rolling the pulp in a bottle on the laboratory rolls for 24 hours. After 24 hours, the pulp was filtered; pregnant solution sample was taken for gold and silver analysis by atomic absorption (AA) methods. The leached residue was washed, dried, weighed, and fire assayed to determine residual gold and silver content.

13.3.3 Metallurgical Results

Table 13.4 and Table 13.5 summarize the additional Guadalupe metallurgical results from the two flotation tests. Table 13.6 summarizes the metallurgical results from the cyanide leaching test carried out on flotation tails. Table 13.7 summarizes overall metal recovery from flotation test with tails leaching.

Table 13.4. Metallurgical Results Summary, Flotation Test No. 1 Guadalupe Underground Ore Sample (Coeur, 2015)

Overall Flotation								
			Grade		Contents		Recovery	
Product	Weight		Au	Ag	Au	Ag	Au	Ag
	grams	%	g/t	g/t	mg	mg	%	%
Final Conc.	26.2	2.58	95.3	4326.0	2.454	111.4	81.4	78.7
Middlings	107.9	10.61	2.1	121.0	0.222	12.8	7.4	9.1
Final Tail	883.3	86.82	0.39	20.0	0.337	17.4	11.2	12.3
Calc'd Head	1017.4	100.00	2.96	139.2	3.013	141.6	100.0	100.0
Assayed Head			2.71	126.0				

Table 13.5. Metallurgical Results Summary, Flotation Test No. 2 Guadalupe Underground Ore Sample (Coeur, 2015)

Overall Flotation								
			Grade		Contents		Recovery	
Product	Weight		Au	Ag	Au	Ag	Au	Ag
	grams	%	g/t	g/t	mg	mg	%	%
Final Conc.	26.6	2.66	92.98	4350.0	2.473	115.7	79.3	77.9
Middlings	178.6	17.86	1.31	77.0	0.234	13.8	7.5	9.3
Final Tail	794.8	79.48	0.52	24.0	0.412	19.1	13.2	12.8
Calc'd Head	1000.0	100.00	3.12	148.5	3.119	148.5	100.0	100.0
Assayed Head			2.71	126.0				

Table 13.6. Metallurgical Results Summary, Agitated Leaching Test Guadalupe Underground Ore Sample, Flotation Test No. 2 with Tailings Cyanidation (Coeur, 2015)

Leaching Results									
			Grade		Contents		Recovery		
Product	Weight		Au	Ag	Au	Ag	Au	Ag	
	grams	lt	g/t	g/t	mg	mg	%	%	
Preg Solution - 24 Hrs		1.09	0.20	11.7	0.218	12.8	57.8	65.9	
Final Tail	794.8		0.20	8.3	0.159	6.6	42.2	34.1	
Calc'd Head	794.8	1.09	0.47	24.3	0.377	19.3	100.0	100.0	
Assayed Head			0.52	24.0					

Table 13.7. Metallurgical Results Summary, Overall Recovery Guadalupe Underground Ore Samples, Flotation Test No. 2+ Tails Leaching (Coeur, 2015)

Overall Recovery										
			Grade		Contents		Recovery		Cumm Recovery	
	Weight		Au	Ag	Au	Ag	Au	Ag	Au	Ag
Product	grams	lt	g/t	g/t	mg	mg	%	%	%	%
Final Conc.	26.6		92.98	4350.0	2.473	115.710	80.2	77.8	80.2	77.8
Middlings	178.6		1.31	77.0	0.234	13.752	7.6	9.2	87.8	87.0
Preg Solution - 24 H.		1.09	0.20	11.7	0.218	12.753	7.1	8.6	94.8	95.6
Final Tail	794.8		0.20	8.3	0.159	6.597	5.2	4.4	100.0	100.0
Calc'd Head	1000.0	1.09	3.08	148.8	3.084	148.812	100.0	100.0		
Assayed Head			2.71	126.0						

13.3.4 Metallurgical Results

The 2013 flotation test results indicate that the Guadalupe ore sample achieved an average gold and silver recovery of 80.4% and 78.3%. Flotation, followed by flotation tails leaching results, indicates that gold and silver recoveries could be improved. The achieved overall recoveries were 94.8% and 95.6%, respectively. These metallurgical results agree reasonably well with the previous metallurgical test work conducted on Guadalupe drill core samples.

13.4 Guadalupe North Metallurgical Tests 2014

In 2014, additional metallurgical test work was carried out on drill core composites representing Guadalupe North geological domain (North Structure – Vein), as part of ongoing metallurgical testing program. Three initial composites were conformed to carry out whole cyanidation and rougher-cleaner flotation followed by whole cyanidation of the flotation tailings.

13.4.1 Sample Selection

The geological database was consulted to select samples based on geological domain, lithology, and silver grade. The final set of selected samples represented vein material and was categorized by silver grade. The samples were then organized and grouped to represent three different silver grade ranges. The silver grades were identified as a Low Grade (< 75 g/t), Medium Grade (76 – 150 g/t), and High Grade (> 250 g/t). A total of 85 samples were selected and used to make up the three composites.

13.4.2 Metallurgical Tests

Both whole ore cyanidation bottle roll tests and flotation tests were conducted at the onsite Palmarejo metallurgical laboratory on the three Guadalupe North Zone master composites.

Whole ore cyanidation tests were run at a single feed size of P_{80} 75 µm. Leaching was conducted in bottles for 72 hours, using cyanide concentrations of 1,000, 2,000, and 3,000 mg NaCN/L. Rolling was suspended briefly after 4, 8, 24, and 48 hours to allow the pulps to settle, so samples of pregnant solution could be taken for gold and silver analyses by A.A. methods. After 72 hours, final leached residues were washed, dried, weighed, and fire assayed in triplicate to determine residual precious metal content. Metallurgical results from the agitated leach tests on the Guadalupe North Vein Composites are provided in Table 13.8 through Table 13.12.

Flotation tests, followed by tailings whole cyanidation tests, were conducted on each of the Guadalupe North master composites. The flotation tests were conducted following Palmarejo's flotation test protocol, as described above.

13.4.3 Metallurgical Results

Table 13.8 through Table 13.10 record the test results for the Guadalupe North vein results at high, medium, and low grade composites.

Table 13.8. Metallurgical Test Results Summary – Agitated Leaching Test, Guadalupe North Vein – High Grade Composite (Coeur, 2015)

	Cyanide in Solution (ppm)					
Metallurgical Results	**1000**		**2000**		**3000**	
Extraction: pct. of total	**Au**	**Ag**	**Au**	**Ag**	**Au**	**Ag**
in 4 hours	62.4	14.5	68.0	23.7	75.1	30.2
in 8 hours	80.0	24.0	86.8	36.7	88.5	47.6
in 24 hours	82.1	38.8	88.9	51.7	90.7	64.0
in 48 hours	84.3	57.9	93.0	63.6	92.9	88.7
in 72 hours	86.4	68.0	97.0	77.2	97.2	88.7
Tail Assay, g/t	0.8	120.0	0.2	93.7	0.2	46.1
Calc'd. Head, g/t ore	6.2	374.5	6.5	411.1	6.1	407.0
Assayed Head, g/t ore	6.1	428.0	6.1	428.0	6.1	428.0
Cyanide Consumed (kg/t)	0.73		3.91		2.57	

Table 13.9. Metallurgical Test Results Summary – Agitated Leaching Test, Guadalupe North Vein – Medium Grade Composite (Coeur, 2015)

	Cyanide in Solution (ppm)					
Metallurgical Results	**1000**		**2000**		**3000**	
Extraction: pct of total	**Au**	**Ag**	**Au**	**Ag**	**Au**	**Ag**
in 4 hours	81.1	27.9	88.9	41.3	88.9	50.6
in 8 hours	87.7	31.4	88.9	49.4	95.7	57.5
in 24 hours	94.3	42.1	88.9	61.6	95.7	71.8
in 48 hours	94.3	67.3	88.9	88.0	95.7	94.8
in 72 hours	94.3	72.3	95.4	88.0	95.7	94.8
Tail Assay, g/t	0.1	46.2	0.1	19.7	0.1	9.3
Calc'd. Head, g/t ore	2.0	166.5	2.0	164.6	2.0	165.4
Assayed Head, g/t ore	1.8	157.0	1.8	157.0	1.8	157.0
Cyanide Consumed (kg/mt)	1.47		3.02		1.82	

Table 13.10. Metallurgical Test Results Summary – Agitated Leaching Test, Guadalupe North Vein – Low Grade Composite (Coeur, 2015)

	Cyanide in Solution (ppm)					
Metallurgical Results	**1000**		**2000**		**3000**	
Extraction: pct. of total	**Au**	**Ag**	**Au**	**Ag**	**Au**	**Ag**
in 4 hours	73.9	35.3	77.4	47.8	81.7	56.8
in 8 hours	92.1	40.3	77.4	54.4	97.8	63.3
in 24 hours	92.1	54.4	77.4	64.0	97.8	66.7
in 48 hours	92.1	69.4	92.2	87.5	97.8	92.3
in 72 hours	92.1	86.2	92.2	92.3	97.8	94.0
Tail Assay, g/t	0.1	10.4	0.1	5.8	0.0	4.6
Calc'd. Head, g/t ore	0.7	75.1	0.9	75.3	0.8	76.3
Assayed Head, g/t ore	0.6	68.0	0.6	68.0	0.6	68.0
Cyanide Consumed (kg/t)	1.04		2.24		2.87	

Overall metallurgical results from the rougher - cleaner flotation, followed by tails leaching testing on the Guadalupe North Vein Composites are provided in Table 13.11 and Table 13.12.

Table 13.11. Metallurgical Test Results Summary Guadalupe North Vein Composites, Rougher Flotation +Agitated Leaching (Gold) (Coeur, 2015)

					gAu/mt ore					
	Au Recovery, % of total				Extracted			Leached	Head Grade	
Composite	Flot. Ro. Conc.	CN	**Combined**	Leached Tail	Flot. Ro. Conc.	CN Leach	Combined	Tail	Calculated	Assayed
(High Grade) Composite (Initial)	81.8	15.7	**97.5**	2.5	4.16	0.80	4.96	0.12	5.09	6.13
(High Grade) Composite (Duplicate)	87.0	11.1	**98.1**	1.9	5.49	0.70	6.19	0.12	6.31	6.13
Medium Grade) Composite (Initial)	77.6	16.6	**94.2**	5.8	1.40	0.30	1.70	0.11	1.81	1.80
(Medium Grade) Composite (Duplicate)	76.9	17.6	**94.5**	5.5	1.31	0.30	1.61	0.09	1.71	1.80
(Low Grade) Composite	69.8	24.5	**94.3**	5.7	0.57	0.20	0.77	0.05	0.82	0.60

Table 13.12. Metallurgical Test Results Summary Guadalupe North Vein Composites, Rougher Flotation +Agitated Leaching (Silver) (Coeur, 2015)

					gAg/mt ore					
	Ag Recovery, % of total				Extracted			Leached	Head Grade	
Composite	Flot. Ro. Conc.	CN	**Combined**	Leached Tail	Flot. Ro. Conc.	CN Leach	Combined	Tail	Calculated	Assayed
(High Grade) Composite (Initial)	87.1	9.6	**96.8**	3.2	303.3	33.5	336.8	11.3	348.0	428.0
(High Grade) Composite (Duplicate)	88.5	8.7	**97.2**	2.8	378.0	37.2	415.2	11.8	427.0	428.0
Medium Grade) Composite (Initial)	83.1	12.1	**95.2**	4.8	125.9	18.3	144.2	7.3	151.5	157.0
(Medium Grade) Composite (Duplicate)	79.5	14.7	**94.2**	5.8	108.3	20.0	128.3	7.9	136.2	157.0
(Low Grade) Composite	76.0	17.5	**93.6**	6.4	48.1	11.1	59.2	4.1	63.3	68.0

13.4.4 Whole Ore Cyanidation Metallurgical Results Highlights

Metallurgical results show that Guadalupe North Composites were amenable to direct agitated cyanidation treatment at P_{80} =75 µm feed size. Gold recovery rates were fairly rapid and substantially complete within the first 8 hours of leaching. Gold recoveries ranged from 86.4% to 97.8%. The average for all tests was 94.2%.

Silver leach rates were typical for silver-bearing ore and were not substantially complete at 48 hours unless the cyanide concentration in solution was 3000 mg/L. Silver recoveries ranged from 68.0% to 94.8%. The average for all tests was 84.6%.

The composites were sensitive to solution cyanide concentration with respect to silver recovery. Increasing cyanide concentration from 1,000 to 3,000 ppm increased silver average recovery by 17.0%. Cyanide consumption was moderate to high, ranged from 0.73 to 3.91kg/t of ore. The average for all tests was 2.18kg/t of ore. Lime consumption was low, ranging from 0.9 to 1.0kg/t of ore

13.4.5 Rougher – Cleaner Flotation + Tailings Whole Cyanidation Test Results Highlights

The Guadalupe North composites responded well to rougher-cleaner flotation treatment for recovery of gold and silver. Flotation gold and silver recoveries for the the P80 75 µm. feeds averaged 78.6% and 82.8% respectively. Both gold and silver recoveries tended to increase with increasing grade.

Gold and silver recoveries were improved significantly after flotation tailings were subjected to whole cyanidation. Gold combined laboratory recoveries for flotation/tailings cyanidation unadjusted for plant solution losses ranged from 94.2% to 98.1% and averaged 95.7%

Silver combined laboratory recoveries for flotation/tailings cyanidation unadjusted for plant solution losses ranged from 93.6% to 97.2% and averaged 97.2%.

Flotation/tailings cyanidation was demonstrated to be effective as processing options for Guadalupe North Composites.

Flotation followed by tailing cyanidation showed a significant decrease in cyanide consumption when compared to whole ore cyanidation. Cyanide consumption for the flotation tailings leaching was low to moderate and averaged 0.83kg/t of ore.

13.5 Independencia Oeste 2014

In mid-2014, a drilling campaign was executed at Independencia Oeste.

13.5.1 Sample Selection

Fourteen drill holes from an ongoing drill program were made available for testing at ALS, Kamloops, British Columbia, Canada. The external program was managed by Golden Metallurgical Group, Denver, Colorado.

Coarse assay rejects from ½-NQ core were available for metallurgical tests. The mineralization was anticipated to be mined using underground techniques; thus, GMG reviewed the drill data file searching for continuous intervals approximately 4m or more in length, with weighted geologic silver plus gold assays above 90g AgEq//t, (gold content converted to silver equivalent using gold/silver price ratio of 60:1), which was the Coeur-specified width and cut-off grade for an underground mining scenario. From there, 16 intervals from nine drill holes were selected from the available suite of 14 drill holes.

The total coarse reject weight from the nominated intervals was 258kg, and these intervals were shipped to ALS. ALS was instructed to composite the intervals into a 60 kg master composite to be used for the investigation. Remnants of each sample interval were retained separately so further variability test work could be conducted at a later date on each interval. Samples were selected to span the grade range from very high grade (VHG), high grade (HG), average grade (AVG), and low-grade cut-off (LG CU).

Table 13.13. Independencia Oeste Master Composite Intervals (Coeur, 2015)

Grade Bin	Drill Hole	From (m)	To (m)	Length (m)	Ag (g/t)	Au g/t	Ag eq (g/t)
HG	VIDH_001	380	384.4	4.40	277.4	4.071	542.0
LG	VIDH_001	390	394.5	4.50	63.0	0.686	107.6
HG	VIDH_001	491.5	497.5	6.04	166.3	2.602	335.4
LG CU	VIDH_005	247.3	251.4	4.15	74.0	0.158	84.2
HG	VIDH_006	440.1	447.4	7.27	329.6	3.345	547.0
AVG	VIDH_008	340	350.6	10.60	109.9	2.358	263.1
LG	VIDH_019	397.4	401.8	4.40	110.8	0.733	158.5
LG CU	VIDH_019	405.8	410	5.20	78.0	0.343	100.2
LG	VIDH_019	354	364.5	10.50	145.0	0.294	164.1
LG CU	VIDH_020	454.5	459	4.50	59.5	0.706	105.4
LG	VIDH_020	404	409	5.00	95.9	0.741	144.0
VHG	VIDH_020	413.5	418	4.50	664.5	7.866	1175.7
LG	VIDH_021	453	458.4	5.37	96.4	1.012	162.1
LG	VIDH_022	428.6	432.9	4.30	97.1	0.847	152.2
LG CU	VIDH_022	445.7	449.9	4.16	57.2	0.440	85.8
HG	VIDH_024	478.6	483.8	5.3	188.7	2.407	345.1
				Length (m)	Ag (g/t)	Au g/t	Ag eq (g/t)
			Ave all samples	90.1	163.0	1.782	278.8
			Ave all less 1175.7 g/t	84.1	139.1	1.489	235.9

13.5.2 Independencia Oeste Mineralogy

A portion of the master composite was split out and submitted for mineralogy. A QEMSCAN Trace Mineral Search (TMS) was conducted and located 232 particles containing silver-bearing minerals from a search population of 4.22 x 106 particles scanned from two pucks. From a total of 232 silver-bearing particles, the first 50 were arbitrarily selected and subjected to further study. The mean silver-bearing particle size was 6.1 µm, using a backscattered electron beam with a 2 µm resolution lower limit. The split measured a silver assay of 189g Ag/t, which compared favorably with the expected 175g Ag/t head assay computed from weigh-averaging the individual interval assays used to make up the master composite. The measured master composite silver head assay averaging 180g Ag/t for triplicate assays.

The entire population indicated complex silver sulfide mineralization. Of the 50 particles studied, one particle of native silver with silver-copper-sulfide contributed 41% of the silver-bearing mineralization due to its coarse size; 18 particles of silver-copper sulfide added 32% of the silver-bearing mineralization; 20 particles of acanthite/argentite made up 10% of the silver-bearing mineralization; and, the remaining 11 particles of various silver associations contributed the remaining 17% of silver-bearing mineralization. The relative proportions of identified mineral associations are highly influenced by the single native silver-silver copper sulfide particle.

The reported distribution of silver-bearing mineralization was: 68% silver-copper sulfide, 19% acanthite/argentite, 6% native silver/electrum, 5% silver-copper-arsenic sulfide, and the remaining 2% comprised various sulfides/other. The laboratory noted the acanthite/argentite labeled portion was outside the defined chemical ranges associated with the elemental mole compositions.

13.5.3 Metallurgical Test Work

13.5.3.1 Head Assays

ALS determined the characteristics of interest for the master composite. Silver assayed 189 g/t, gold assayed 2.09 g/t, sulfur assayed 0.495%, and Total Organic Carbon (TOC) assayed 0.03%. The silver and gold assays were averages of triplicate assays. A portion of the head sample was split and sent to ALS Vancouver for confirmatory preg-robbing tests using spiked samples.

13.5.3.2 Bond Ball Mill Work Index

One Bond Ball Mill work index test was conducted on the master composite with a feed F_{80} 2032 µm and the P_{80} 78 µm on a 150 µm (100 mesh) closing screen.

13.5.3.3 Bulk Rougher Flotation

The bulk rougher flotation protocol used was the Palmarejo flotation protocol. Two kilograms of the master composite was ground to approximately P_{80} 75 µm in a mild steel rod mill using mild steel rods and Kamloops potable water. Flotation tests by various laboratory technicians were conducted in a Denver D2A lab flotation machine at 1100 rpm, using sufficient aspirated air to form a froth column. The test percent solids target was set at 35%, although this varied slightly to ensure the froth column height in each test was adequate for froth removal. Cytec Aero 404 promoter, PAX, and MIBC were used for the tests. Dosages of reagents were about 18-20 g/t Aero 404, 50 g/t PAX, and 15 g/t MIBC. The test consisted of a series of four periods, each period consisting of one-minute conditioning time followed by two minutes of flotation froth removal. Each concentrate product was collected separately and assayed for silver, gold, and sulfur. The final tail was also assayed.

13.5.3.4 Whole-Ore Cyanidation

Duplicate bottle roll tests were conducted using 96 hour duration, 2000 mg/L NaCN strength, pH 11, 40% solids, 300 g/t $Pb(NO_3)_2$, and sparged oxygen.

13.5.4 Metallurgical Results

The low TOC contained in the head samples suggested preg-robbing potential was low. These results were confirmed by a spiked-sample preg-robbing test that also indicated low to no preg-robbing potential. The absence of preg-robbing permitted direct bottle roll cyanidation without the use of carbon in the tests.

The Bond ball mill work index (BWi) was measured to be 16.4 kWh/t. This value is considered to be moderately hard for ball milling and within the operating capabilities of the Palmarejo comminution circuit.

The master composite flotation test recovered 90% of the silver and 89% of the gold into a bulk concentrate that pulled 21% of the initial mass. The mass pull was higher than Palmarejo practice, which will require some adaptation of current plant operating conditions to improve gangue rejection in the rougher flotation circuit.

The duplicate bottle roll cyanidation leach tests averaged 81% silver extraction and 86% gold extraction. ALS noted a small variance between the two calculated heads for the two tests, but without further work, no cause could be established.

The master composite was remarkable in the form of mineralization. The main minerals were silver-copper sulfides; however, this conclusion is biased by a single particle that accounted for 41% of the total silver. Acanthite was the second most abundant mineral, which is more typical of the local mineralogy.

Silver and gold extractions for whole-ore cyanidation at the targeted P_{80} 75µm showed silver extraction was 81% and gold extraction was 86%. As is common for cyanidation, silver leached slower than gold.

Bulk rougher flotation results were acceptable with silver recovery to the bulk rougher concentrate at 90% and gold recovery 89% on the 0.49% sulfur master composite. The mass pull was high at 21%, which would lead to investigation of cleaning stages.

13.6 Independencia Este Metallurgy

In late 2014, Coeur initiated a confirmation metallurgical test work program on Paramount drill hole samples based on Coeur-identified geological domains, which would provide better data interpretation and would associate each domain's metallurgical response to future resources definition and quantities.

13.6.1 Geometallurgical Domains

Coeur's geology staff reviewed drill logs and deposit information and proposed six potential geometallurgical domains. Core photos of the mineralized intervals were obtained and reviewed, and several of the initially proposed interval selections were modified to ensure each interval contained only a single domain. Domain descriptions are provided in Table 13.14.

Table 13.14. Independencia Este Geometallurgical Domains (Coeur, 2015)

Domain	Brief Description
Domain 1	Hematitic Andesite and Quartz Breccia in red clay
Domain 2	Densely silicified, weakly oxidized, re-healed Quartz Breccia and Quartz Vein
Domain 3	Brown, weak to moderate oxidation, moderately quartz-veined Andesite
Domain 4	Weak to moderately silicified/oxidized, variable quartz-veined Volcanoclastic Sediments
Domain 5	Grey, fractured, weakly oxidized quartz-veined Andesite
Domain 6	Red/white, moderately oxidized, re-healed Quartz Breccia

13.6.2 Sample Selection

A total of 194 intervals from 11 drill holes piercing the deep portion of the deposit were selected to conduct confirmatory flotation and cyanidation tests. Geology personnel located and delivered 184 of the 194 intervals, all from the geographically northwestern and middle portions of the deposit. The samples originated from archived assay rejects from prior coring drilling programs.

The coarse assay rejects were previously crushed to approximately -3.35mm and individually bagged. All the information regarding each drill hole, including hole number, assay information, assay certificate number, requested intervals from each hole, resultant weighted average grade for each drill hole domain interval composite calculated based on weight, and weight/length values to determine if core losses were apparent, was included in a Excel spreadsheet for further composite preparation.

13.6.3 Metallurgical Test Work

ALS Minerals (ALS), Kamloops, British Columbia, Canada, conducted flotation and cyanidation tests on the geological domain composites.

13.6.3.1 Sample Compositing

Thirteen wooden crates weighing 590kg total were shipped to ALS Metallurgy. ALS received the crates, inventoried the contents, and compiled thirty-one interval composites. For each of the six domains, individual one-meter intervals were collected into interval composites. These interval composites were then composited into a domain master composite for each domain.

All domain interval composites and domain master composites were built based on weights of interval samples rather than on lengths. After mixing and splitting out the required weight of material from each bag, the excess material was returned to the original bag and properly storage.

13.6.3.2 Domain D1 – D6 Master Composite Head Assays

Each as-received domain master composite was divided using a rotary splitter, and head assay samples were withdrawn and sent in for silver, gold, sulfur, and organic carbon assays. Splits were also taken from each of the composites and sent to ALS Minerals, Vancouver, for ICP analysis. Based on ALS initial reported head assays of silver, gold, and sulfur for each domain master composite, two additional composites were requested to separate a high silver/high gold interval and a high sulfide sulfur interval from Domain D2. Table 13.15 summarizes the ALS head assays for the eight composites.

Table 13.15. Don Ese, Domains D1 – D6 Composite Head Assay (Coeur, 2015)

Domain	Holes	Intervals	Ag (g/t)	Au (g/t)	$S_{(T)}$	$S_{(S)}$	TOC	Preg Robbing
D1	7	53	218.0	3.18	0.04	0.03	0.03	Nil
D2-1	7	55	349.5	3.59	0.12	0.10	0.03	Nil
D2-2	2	11	249.0	2.09	0.13	0.11	0.03	Nil
D2 High Ag/Au	2	10	1639.8	13.45	0.70	0.64	0.03	Nil
D3	5	17	193.0	2.23	0.02	0.02	0.07	Nil
D4	1	5	75.0	0.97	0.24	0.21	0.02	Nil
D5	4	18	132.0	1.66	0.86	0.80	0.02	Nil
D6	3	15	285.5	4.00	0.17	0.14	0.02	Nil

13.6.3.3 Flotation Tests

Processing conditions for the Palmarejo plant flotation circuit were modified to bench-scale conditions. Once each domain master composite was made and assayed, the first tests conducted were bench flotation tests on the three predominant domains D1, D2, and D3.

Two kilograms of each of the three tested domains were ground to approximately P_{80} 75μm in a mild-steel rod mill, using mild-steel rods and Kamloops potable water. Flotation tests were conducted in a Denver D2A lab flotation machine at 1100 rpm, using sufficient aspirated air to form a froth column. The test percent solids target was set at 35%; Cytec Aero 404 (promoter), PAX (collector), and MIBC (frother) were used for the tests. Dosages of reagents were about 18-20 g/t Aero 404, 50 g/t PAX, and 15 g/t MIBC. Each test consisted of a series of four periods, each period consisting of one-minute conditioning time, followed by two minutes of flotation froth removal. Each concentrate product was collected separately and assayed for silver, gold, and sulfur. The final tail was assayed as well. Table 13.16 summarizes the flotation performance for each domain.

Table 13.16. Independencia Este, Domains D1 – D6, ALS Flotation Test Results (Coeur, 2015)

Domain	Grind Size (P80 µm)	Grind Time (min)	Head Ag (g/t)	Head Au (g/t)	Head $S_{(T)}$* %	Mass Pull (%)	Ag Rec (%)	Au Rec (%)	S Rec (%)
D1	81	17	218	3.04	0.03	18.4	71.5	82.8	66.7
D2-1	80	26	334	3.63	0.12	23.1	80.7	88.8	90.6
D2-2	70	28	243	2.36	0.13	15.4	76.0	67.7	81.9
D2 High Ag/Au	70	28	1714	16.8	0.73	16.7	94.7	93.2	93.5
D3	72	23	190	2.00	0.02	23.2	42.9	72.5	66.1

*Total sulfur is sulfide sulfur with trace amounts of sulfate sulfur

Flotation test results showed the mass pulls were generally 15% to 23%; silver recoveries, determined by combining the four period concentrates into a single rougher concentrate, were variable by domain with Domain D1 and D2 recoveries between 71% and 81%, Domain D3 recovery the poorest at 43%, and the high grade Domain D2 recovery being nearly 95%. Gold response ranged between 68% and 89% for Domain D1, D2, and D3; while the high grade Domain D2 recovery was 93%. As would be expected for ore with acanthite (Ag2S) and other forms of silver sulfides, domains with low sulfur head grades showed lower sulfur recovery into concentrates. Only D2 showed silver upgrading with respect to sulfur.

13.6.3.4 Cyanidation Tests

ALS conducted 96-hour duration bottle roll tests using 2000 mg NaCN/l strength, pH 11, 40% w/w solids, 300 g/t $Pb(NO_3)_2$, and sparged oxygen. The test results are provided in Table 13.17.

Table 13.17. Independencia Este, Domains D1 – D6, ALS Bottle Roll Cyanidation Test Results (Coeur, 2015)

ALS Domain[1]	Head $S_{(T)}$ (%)	Calc Head Ag (g/t)	Tail Ag (g/t)	Ag Ext (%)	Calc Head Au (g/t)	Tail Au (g/t)	Au Ext (%)
D1	0.04	218	48	78.3	3.04	0.07	97.8
D2-1	0.12	350	46	86.7	3.59	0.12	96.9
D2 High Ag/Au	0.70	1706	52	96.8	13.5	0.41	97.3
D3	0.02	193	103	46.2	2.23	0.06	97.6
D3 (Repeat)	0.02	181	100	44.8	2.19	0.05	97.7
D4	0.24	75	4	95.1	1.03	0.06	94.5
D5	0.80	136	5	95.6	1.67	0.10	94.1
D6	0.16	288	11	96.0	4.00	0.16	95.9

[1] ALS Test Conditions: 96 h, 2 kg/t NaCN, pH 10.5+, oxygen sparge, 300 g/t $Pb(NO_3)_2$

Cyanidation test results showed the first D3 test only attained 46% silver extraction. A second test on Domain 3 master composite achieved slightly lower extraction than the first D3 test. The cyanide consumption and lime usage were 1kg NaCN/t and 1.7kg lime as CaO/t, respectively.

The kinetic extraction curves demonstrated typical rapid gold extraction and slower silver extraction. The silver extraction curves flattened before the 96-hour testing period was completed, which suggested 72-hours or less could be an economic extraction design parameter.

Domain composite cyanidation test results suggested silver extraction is independent of silver head grade across all six domains, and gold extraction was uniformly high, which might indicate that gold is not included. Silver extraction may have some correlation to sulfur content in the head regardless of the domain, because lower sulfur head appears to relate to lower silver extraction and as sulfur head assay increases, silver extraction appears to increase. Gold and silver deportment appear to be independent of one another.

13.6.4 Independencia Este Metallurgical Results

Flotation response for the three tested Independencia Domains D1, D2, and D3 demonstrated that flotation could separate silver and gold into a rougher concentrate with low concentration ratios. Mass pulls were high and losses to rough tails were higher than desired. The mechanism to achieve higher metals removal would entail possible rougher tails regrind followed by leaching the rougher tails. Rougher concentrate would potentially benefit from a regrind step before cleaner flotation to upgrade the final concentrate. Improved recoveries would be unlikely due to inefficiencies of each flotation step.

Compared to the bottle roll cyanidation tests, silver rougher flotation recoveries were universally lower by 2% to 7% than silver cyanidation extractions for the same domain samples. Gold flotation recoveries were significantly worse than gold cyanidation extraction by 4% to 25%.

Cyanidation extraction values appeared to be better than the flotation results. This observation is in agreement with similar test results using both flotation and cyanidation for Independencia master composite. This is unlikely to be anything more than indicative at this juncture that both Independencia Oeste and Este had a similar metallurgical response.

13.7 Recovery Estimates

The processing facility has been in operation since 2009. The flowsheet is complex, consisting of a standard comminution - grinding circuit (Jaw crusher - SAG mill – ball mill) followed by rougher – cleaner flotation, flotation concentrate intensive cyanidation leach, flotation tailings agitated cyanidation and Merrill Crowe for gold and silver recovery.

In 2014 and 2015 (through the effective date of this Report), the processing facility ran in a stable operating condition; the operation parameters were optimized to maintain an increased designed throughput, along with some significant processing modifications to maintain gold and silver recoveries within expectation, even for lower feed grade ore types. To date, gold and silver recoveries are reasonably close to those predicted in the bench-scale metallurgical studies.

13.8 Metallurgical Variability

The anticipated gold and silver recoveries could be affected mostly due to ore types, in some cases, related to highly oxidized material, which is not responsive to rougher – cleaner flotation process, and also to ores containing clays; these types of minerals increase slurry viscosity, with detrimental effects on precious metals recovery.

In 2016, underground ore will become the only source of mill feed, and is expected to contain cyanide-soluble copper associated with the silver mineralization. The presence of cyanide-soluble copper could reduce gold and silver extractions during the cyanidation process, also increasing cyanide consumptions and requiring more attention during cyanide destruction, although Guadalupe mineralization appears to be more suitable for the rougher – cleaner flotation process, which represents a positive impact for the future gold and silver recoveries.

An additional positive impact on gold and silver recoveries is also expected after a series of process upgrades are completed. These upgrades include additional capacity for the Merrill Crowe circuit, which is expected to result in a considerable reduction of soluble losses. The upgrades are expected to be completed by the fourth quarter of 2016.

14. MINERAL RESOURCE ESTIMATES

This section describes the Mineral Resource estimation methods and results for the Palmarejo, Guadalupe, and Independencia deposits.

The Palmarejo open pit and underground Mineral Resources were estimated on December 31, 2014, and previously reported in the Technical Report dated February 18, 2015. There are no Mineral Resources at the Palmarejo open pit and underground mines, exclusive of Mineral Reserves, as of August 31, 2015, as all economic Mineral Resources have been converted to Proven and Probable Mineral Reserves.

The Guadalupe Mineral Resource estimate is an update incorporating additional drilling, as well as a revised geological interpretation. Mineral Resources at Guadalupe, exclusive of Mineral Reserves, are reported as of August 31, 2015.

The Independencia Mineral Resource was estimated on April 23, 2014. Mineral Resources at Independencia, exclusive of Mineral Reserves, are reported as of August 31, 2015.

14.1 Mineral Resource Reconciliation

The Mineral Resource models of December 31, 2014 were compared against mill production for the time period between December 31, 2014 and August 31, 2015. The purpose of the comparison was to determine the variances between the resource model tonnage and grade estimates and the actual reported mill production, and to reduce and address the variances. The results of the analysis are shown in Table 14.1.

Given the short life remaining of the Palmerejo open pit and underground mines, no changes have been made to the Mineral Resource models for these deposits.

After considering the reconciliation variance, Coeur has refined the Mineral Resource model, which has resulted in lower estimated Mineral Reserve grades for the Guadalupe mine.

For the Guadalupe 2015 Mineral Resource model, the following changes have been made:

- Grade capping of selected drill composites was done to reduce the effect of outlying high-grade composites that were overestimating grades in the resource model;

- Variography used in the grade estimates was reviewed and revised, using new drill hole data obtained since the December 31, 2014 Mineral Resource estimate; and
- The geological interpretations for the deposit were reviewed and revised, based on additional data (drill data, and underground geology mapping).

The changes to the Guadalupe Mineral Resource model are described in more detail in Section 14.4. The QP believes the above changes will result in a more accurate estimate of the Guadalupe Mineral Resource.

Resource Model reconciliations against actual production will continue for deposits at the Palmarejo Complex, as this is an important tool to inform the resource geologists and mine engineers if changes are required to the Mineral Resource models and Mineral Reserves.

Table 14.1. Mineral Resource Reconciliation versus Mill Production (Coeur, 2015)

Dec 31, 2014 to Aug 31, 2015	Ore Source	Tonnes (1000's)	Ag (Koz)	Au (Koz)
Mill Reconciled Production	Guadalupe Underground	220	923	17.0
2014 Resource Model Estimation	Guadalupe Underground	240	1,101	21.7
Variance	Guadalupe Underground	-21	-177	-4.7
Percent Variance	Guadalupe Underground	-10%	-19%	-28%
Mill Reconciled	Palmarejo Open Pit	630	2,496	23.7
2014 Resource Model	Palmarejo Open Pit	626	1,699	15.0
Variance	Palmarejo Open Pit	4	797	8.8
Percent Variance	Palmarejo Open Pit	1%	32%	37%
Mill Reconciled Production	Palmarejo Underground	180	903	23.8
2014 Resource Model Estimation	Palmarejo Underground	172	872	16.1
Variance	Palmarejo Underground	8	31	7.7
Percent Variance	Palmarejo Underground	5%	3%	32%
Mill Reconciled Production	**Palmarejo Complex (Total)**	**1,030**	**4,323**	**64.6**
2014 Resource Model Estimation	**Palmarejo Complex (Total)**	**1,039**	**3,672**	**52.7**
Variance	**Palmarejo Complex (Total)**	**-9**	**651**	**11.8**
Percent Variance	**Palmarejo Complex (Total)**	**-1%**	**15%**	**18%**

14.2 Key Parameters Used for Resource Estimation

14.2.1 Mineral Resource Cut-off Estimation

Gold equivanent (AuEq) cut-off grades were calculated for the deposits and Mineral Resources reported above this cut-off. The AuEq cut-off was calculated as follows:

$$\text{AuEq Cut-off} = \frac{\text{(Mining + Processing + G\&A \$/tonne)}}{\text{(Gold Price-Refining Cost-Royalties \$/gm) x \% Recovery x \% Payable)}}$$

The payability refers to the amount of metal deemed payable by the metal refiners. The gold to silver exchange ratio is used to convert silver grades to gold equivalent grades and is calculated by the following formula:

$$\text{AuEq Ratio} = \frac{\text{(Au Price \$/gm – Refining Cost \$/gm)}}{\text{(Ag Price \$/gm – Refining Cost \$/gm)}} \times \frac{\text{Au \%Recovery}}{\text{Ag \%Recovery}} \times \frac{\text{Au \%Payable}}{\text{Ag \%Payable}}$$

Table 14.2 shows the input parameters used in the cut-off grade calculations for the Mineral Resource estimates.

Table 14.2. Mineral Resource Key Parameters and Assumptions (Coeur, 2015)

Parameter	Unit	Guadalupe Open Pit	Guadalupe Underground	Independencia Oeste Underground	Independencia Este Underground
Gold Price	$/oz	1,275	1,275	1,275	1,275
Silver Price	$/oz	19.00	19.00	19.00	19.00
Mining Duty-Au (0.5%)	$/oz Au	6.38	6.38	6.38	6.38
Mining Duty-Ag (0.5%)	$/oz Ag	0.10	0.10	0.10	0.10
Gold Stream Royalty	$/oz Au	238	238	238	-
Gold Recovery	%	87.0%	87.0%	87.0%	87.0%
Silver Recovery	%	85.0%	85.0%	85.0%	85.0%
Gold Payable	%	99.9%	99.9%	99.9%	99.9%
Silver Payable	%	99.9%	99.9%	99.9%	99.9%
Au:Ag Value Ratio	Au:Ag	57.38	57.37	57.37	70.50
Gold Refining	$/oz	0.488	0.488	0.488	0.488
Silver Refining	$/oz	0.488	0.488	0.488	0.488
Mine Cost	$/t	2.50	43.00	43.00	43.00
Haulage to ROM	$/t	5.00	3.70	3.70	3.70
Process	$/t	29.12	29.12	29.12	29.12
G&A	$/t	14.83	14.83	14.83	14.83
Incremental Tailings	$/t	1.50	1.50	1.50	1.50
Reclamation	$/t	0.20	-	-	-
AuEq Cut-Off Grade	gpt	1.75	3.18	3.18	2.59

14.3 Mineral Resource Estimation Methodology - Palmarejo Deposit

14.3.1 Introduction

The Mineral Resource estimation for the Palmarejo deposit was completed by Justin Glanvill, PrSciNat, Principal Geologist with AMC Consultants (UK) Limited, on December 31, 2014.

The Palmarejo Mineral Resource estimate incorporated additional drilling as well as a revised geological interpretation, which resulted in a significant reduction in the total in situ modeled volume.

The Palmarejo geology department provided three snapshot exports of the geological (including grade control) drilling and channel sampling data. The data sources and cut-off dates are tabulated below.

Justin Glanvill has not verified the QA/QC of the drill hole, sample and survey data used as the basis of this Mineral Resource estimate. Matthew Hoffer, QP and Manager, Geology at Coeur Mining, Inc., has verified the QA/QC for the data set.

Table 14.3. Drilling and Sampling Databases used in the Resource Modeling (Coeur, 2014)

Database	Date	Comments
Historical	August 9, 2013	Drilling completed prior to Coeur acquiring the Palmarejo Complex in 2007. Includes RC and diamond drilling.
acQuire®	July 21, 2014	All Coeur drilling, including underground channel samples, open pit RC grade control, infill and underground diamond drilling.
Density	October 14, 2014	1377 density samples gathered by Coeur since 2010.

For the purposes of this resource estimation, all diamond drilling was combined and treated as a single data source, while the RC and underground channel samples were kept as separate data sets. Underground channel samples were only used to inform the estimation volume.

The data were imported into Datamine® Studio V3.22.84, and desurveyed to produce the 3D drill and channel sample traces to be used for the resource estimation process. Basic validation was carried out during the import and desurvey of the data to check for overlaps, duplicates, and obvious errors in the collar and downhole surveys. Any errors were referred back to the site geologists and the data excluded from the modeling process. Table 14.4 lists the various data sources and the total length and number of holes per data type that were imported into Datamine®. Differences are due to exclusions of erroneous holes and partial logging or sampling of various holes.

Table 14.4. Tabulation of the Number of Drill Holes and Total Lengths per Data Source Imported into Datamine® from the Various Data Exports (Coeur, 2014)

SOURCE	Collars		Geology Data		Assays		Description
	No. of Holes	Total Length (m)	No. of Holes	Total Length (m)	No. of Holes	Total Length (m)	
CHAN	1,467	15,767	1,478	15,778	1,480	15,835	UG grade control channel samples
DDH0	676	48,075	672	47,377	663	31,823	UG grade control diamond drilling
DDH3	899	197,081	894	195,643	851	63,084	Infill diamond drilling
HIST	915	139,432	748	135,720	851	104,423	Historical data (mixed)
RC	9,668	193,602	8,115	173,059	9,698	193,180	Open pit RC grade control drilling

The data were consolidated into four main types, as indicated in Table 14.5. Trench samples were excluded from further work due to the limited data set and incompatibility with the other data sets.

Table 14.5. Data Types, Number of Holes per Data Type, and Total Length for each Type (Coeur, 2014)

	Desurveyed Data	
KEY	Number of Holes	Total Length (m)
CHAN	1,558	16,465
DDH	2,304	380,587
RC	9,666	193,492
TRENCH	92	2,449

Figure 14.1 shows an oblique view of the diamond drilling colored on the data source. The drilling is extended over the entire modeled area of the Palmarejo deposit, with data clusters around the two main clavos (Clavo 76 and 108).

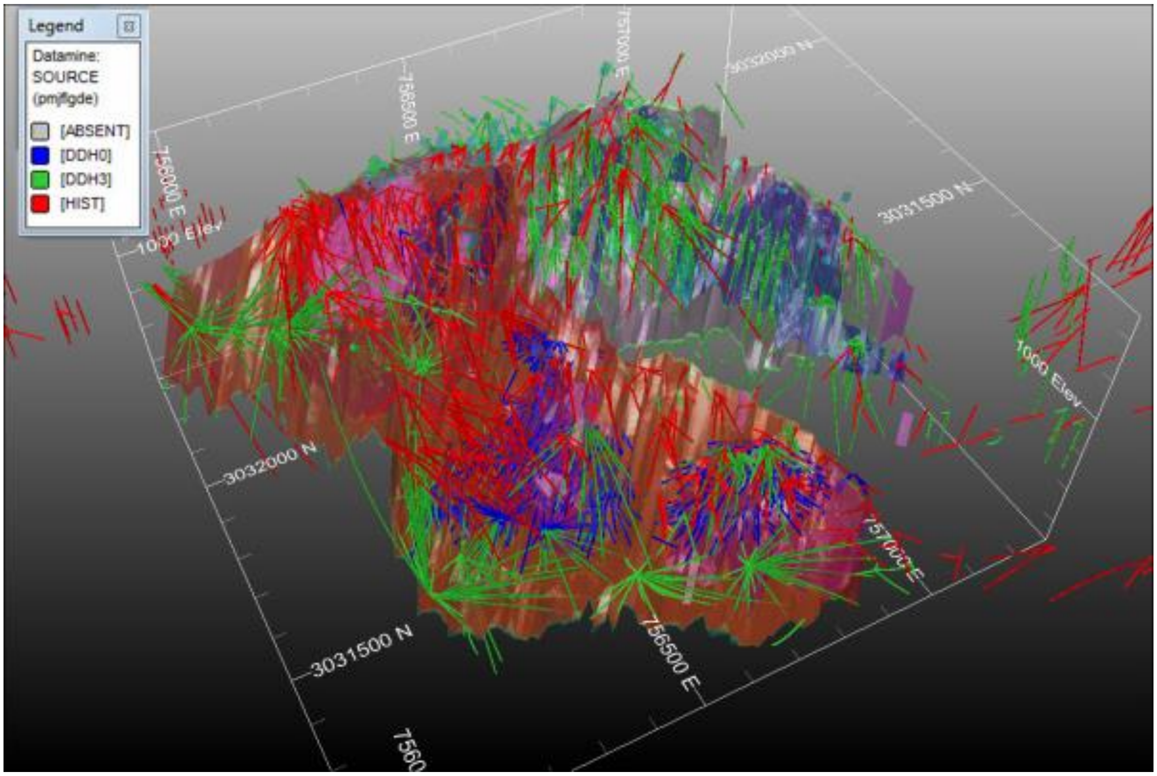


Figure 14.1. Oblique View of the Diamond Drilling Colored on Data Source (Coeur, 2014)

Density data was provided in an Excel sheet in a raw form – there had been no validation or cleaning of the data done prior to being made available for modeling purposes. Typically, density measurements are made on site by coating the samples in wax and weighing them in air and in water and calculating the density values from the results.

Review of the data resulted in 1,293 values being selected out of a possible total of 1,376 values (Table 14.6). The 83 errors were the result of density values outside of a relatively arbitrary set of minimum and maximum limits (>0.999 and < 3.999 t/m^3) and samples with reported lengths <5cm and >1m long.

Table 14.6. Tabulation of the Density Values showing the Basic Statistics of the Input Data, Final (Fixed) Data and Errors (Coeur, 2014)

Density	Raw	Fixed	Errors	
Count	1376	1293	83	6%
Minimum	-214.87	1.11	-214.87	
Maximum	31.96	3.95	31.96	
Average	**2.34**	**2.58**	**-1.38**	
Mode	2.54	2.54	2.5	
P50	2.59	2.58	4.29	

14.3.2 Geological Models

The geological interpretation files were provided as is by the Palmarejo Geology department. Geological solids were exported from GEMS as DXF format triangulation files and then imported into Datamine® Studio. The wireframes were accepted as is, and the only changes were to rationalize embedded data and file names to match with work flows and previous resource estimates.

Due to changes in the manner in which the geological solids were interpreted, there was a 76% reduction in the total modeled volume from the 2013 to 2014 interpretation.

The dominant changes are within the low grade as well as a significant reduction in the total volume of the main La Blanca QVBX unit.

The decrease in the modeled volumes in 2014 is due to the reduction in perceived down-dip continuity and thickness of the main mineralized domains within Clavo 76 and Clavo 108. The previous 2013 models, based on available information and understanding of the orebody prior to 2014, had extrapolated relatively wide veins down-dip and between data intersections.

A review of the geological modeling process and the inclusion of new underground data to the modeling process has shown the QVBX zones pinching out and thinning at depth as well as resulting in a narrowing of the stockwork zones.

Decreasing the volume of the resource domains results in a decrease in the down-dip resource based on this new data.

The silver and gold mineralization at Palmarejo is hosted in two main northwest-southwest trending structures that steeply dip variably to the south (Figure 14.2). The main mineralization is hosted within quartz vein and breccias and is surrounded by lower grade stockwork mineralization.

The La Blanca structure hosts the Clavo 76 and Clavo 108 underground mining areas while the northern portion of La Blanca and the La Prieta structure are mined from surface.

There are a number of modeled splays and secondary structures that have been included in the geological model.

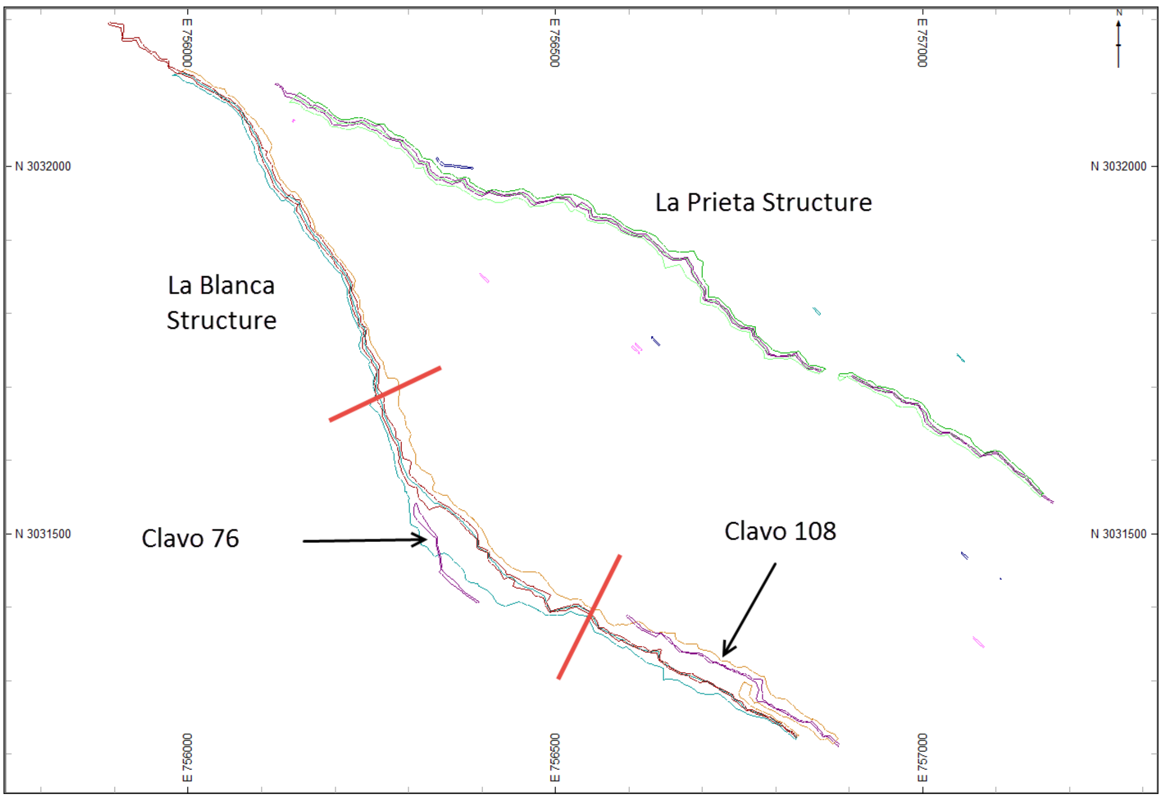


Figure 14.2. Plan View on 865 Above Mean Sea Level (AMSL) showing the General Shape of the Palmarejo Geological Model (Coeur, 2014)

14.3.3 Exploratory Data Analysis

14.3.3.1 Data Domain

As with the 2013 resource, the Palmarejo orebody was split into northern and southern domains based on dominant geologic orientation (Figure 14.3). Each geological unit within these domains was assigned a unique numerical code. This code was applied to the drilling data in the following section and used to control the data during statistics, variography and estimation. The domains, tabulated in Table 14.7, were used for variography and estimation.

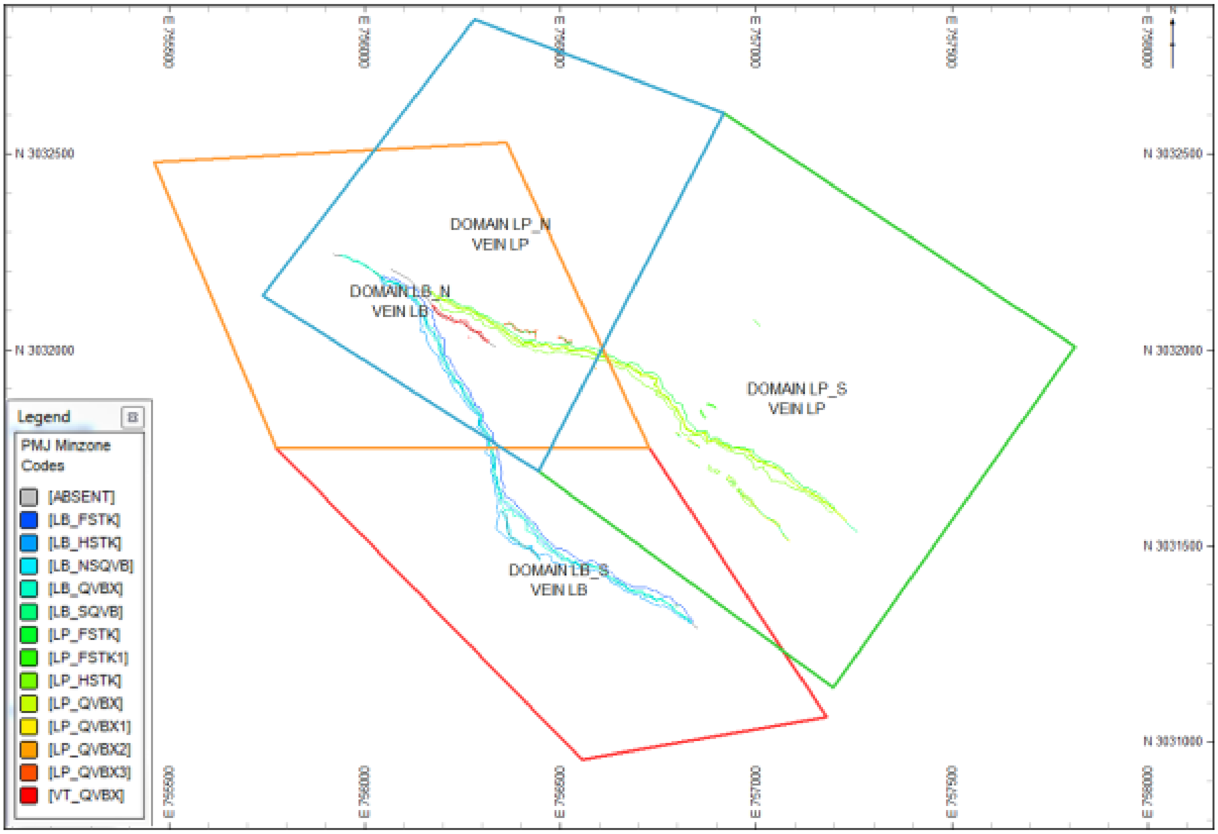


Figure 14.3. Domain Polygons used to Split the La Blanca and La Prieta Veins into North and South Domains, 950 AMSL (Coeur, 2014)

Table 14.7. Estimation/Statistical Domains (Coeur, 2014)

DOMAIN	MINZONE	ESTDOM
LB_N	LB_FSTK	100
	LB_HSTK	101
	LB_QVBX	102
LB_S	LB_FSTK	110
	LB_HSTK	111
	LB_QVBX	112
LP_N	LP_FSTK	200
	LP_HSTK	201
	LP_QVBX	202
LP_S	LP_FSTK	210
	LP_HSTK	211
	LP_QVBX	212

DOMAIN	MINZONE	ESTDOM
LB	LB_NSQVB	300
	LB_SQVB	400
LP	LP_FSTK1	500
	LP_QVBX1	600
	LP_QVBX2	700
	LP_QVBX3	800
VT	VT_QVBX	900
HOST	HOST	999

14.3.3.2 Compositing and Sample Coding

The diamond drilling samples were coded with the appropriate geological unit (Table 14.8). The samples were composited at 3m intervals, using the median sample length of 1.5m as a basis for the compositing. Compositing was within the geological codes to prevent smearing grade between the geological units.

The compositing was not strict and allowed the composite length to be adjusted by between 1.5m and 4.5m to ensure that the entire sample length was included in the composites.

The Order code controls the flagging and modeling order.

Table 14.8. Mineralization Domains in Increasing Order of Importance (Coeur, 2014)

Order	MINZONE	Structure	Unit
13	LB_FSTK	La Blanca (LB)	Footwall Stockwork
12	LB_HSTK		Hangingwall Stockwork
11	LP_FSTK	La Prieta (LP)	Footwall Stockwork
10	LP_HSTK		Hangingwall Stockwork
9	LB_NSQVB	La Blanca (LB)	Northern Splay Qtz Vein Breccia
8	LB_SQVB		Southern Splay Qtz Vein Breccia
7	LP_FSTK1	La Prieta (LP)	Fw stockwork occurrences
6	LP_QVBX1		Splay 1 – Qtz Vein Breccia
5	LP_QVBX2		Splay 2 – Qtz Vein Breccia
4	LP_QVBX3		Splay 3 – Qtz Vein Breccia
3	VT_QVBX	La Victoria (VT)	La Victoria – Qtz Vein Breccia
2	LP_QVBX	La Prieta (LP)	Main Vein – Qtz Vein Breccia
1	LB_QVBX	La Blanca (LB)	Main Vein – Qtz Vein Breccia

Some of the sample intervals with no assays, and several of the holes with errors that could not be resolved, were excluded during the compositing process.

Table 14.9 and Table 14.10 show the statistics of the raw (uncomposited but desurveyed) and the composited samples per geological unit. As expected, the stockworks show markedly lower grades when compared to the main LB_QVBX and LP_QVBX units, while the splays show even higher values for silver. Gold values are only elevated in the La Blanca (LB) splays. A review of the grade control data versus the resource data found that the resource drilling tended to understate the high grade locally. As a result, no capping was employed.

The Coefficent of Variation (CV) is significantly reduced by composting the drilling data, especially in the high grade units.

Table 14.9. Statistics of the Length Weighted Raw Samples and the 3m Composite Data - Silver (Coeur, 2014)

Source		Raw Samples						3m Composites					
Minzone	Variable	Num	Min	Max	Mean	Std Dev.	CV	Num	Min	Max	Mean	Std Dev.	CV
LB_FSTK	Silver (g/t)	16926	0.015	18661.00	42.76	260.14	6.08	7899	0.015	8322.28	34.07	160.08	4.70
LB_HSTK		12872	0.015	36892.00	91.27	504.14	5.52	5508	0.015	9016.89	74.68	285.07	3.82
LB_QVBX		8903	0.015	27302.00	180.27	665.01	3.69	3272	0.015	7236.62	162.79	447.64	2.75
LB_NSQVB		687	0.015	8686.00	207.40	679.36	3.28	313	0.015	5506.27	136.39	402.22	2.95
LB_SQVB		814	0.5	17951.00	116.67	670.38	5.75	355	0.015	6273.21	111.36	439.75	3.95
LP_FSTK		3789	0.001	11883.00	21.77	164.43	7.55	1687	0.015	2126.25	17.72	76.63	4.32
LP_HSTK		7104	0.001	6840.00	39.85	212.35	5.33	3195	0.015	5256.86	31.42	149.51	4.76
LP_QVBX		2713	0.015	8480.00	97.39	259.67	2.67	1094	0.015	2947.82	84.44	168.90	2.00
LP_QVBX1		551	0.5	8280.00	72.27	291.67	4.04	214	0.015	1633.19	65.23	143.53	2.20
LP_QVBX2		39	2.5	14133.00	478.19	2096.40	4.38	28	0.015	3000.37	262.92	700.62	2.66
LP_QVBX3		115	1	689.00	31.87	102.42	3.21	59	0.015	662.72	26.25	91.66	3.49
LP_FSTK1		218	1.5	2396.00	113.87	243.00	2.13	87	0.015	830.00	103.35	171.26	1.66
VT_QVBX		473	2.5	3114.00	86.56	253.88	2.93	230	0.015	1074.93	67.36	158.64	2.36

Table 14.10. Statistics of the Length Weighted Raw Samples and the 3m Composite Data – Gold (Coeur, 2014)

Source		Raw Samples						3m Composites					
Minzone	Variable	Num	Min	Max	Mean	Std Dev	CV	Num	Min	Max	Mean	Std Dev	CV
LB_FSTK	Gold (g/t)	16926	0.0005	811.59	1.08	9.22	8.57	7899	0.0005	365.59	0.86	5.52	6.44
LB_HSTK		12872	0.0005	291.95	1.10	6.27	5.73	5508	0.0005	77.10	0.90	3.69	4.11
LB_QVBX		8903	0.0005	491.00	2.68	13.44	5.01	3272	0.001	146.11	2.42	8.23	3.39
LB_NSQVB		687	0.01	443.85	3.09	22.33	7.23	313	0.001	280.51	2.03	14.03	6.91
LB_SQVB		814	0.002	352.99	3.19	14.50	4.55	355	0.001	123.36	3.02	9.70	3.21
LP_FSTK		3789	0.005	219.00	0.08	5.29	63.12	1687	0.001	38.71	0.23	1.18	5.08
LP_HSTK		7104	0.005	123.00	0.12	6.13	49.38	3195	0.0005	72.56	0.34	1.81	5.34
LP_QVBX		2713	0.0005	564.00	0.94	6.98	7.40	1094	0.001	110.64	0.82	3.71	4.53
LP_QVBX1		551	0.0025	48.80	0.56	2.05	3.67	214	0.001	9.85	0.51	1.10	2.17
LP_QVBX2		39	0.002	30.10	1.47	4.24	2.88	28	0.001	6.71	0.81	1.82	2.24
LP_QVBX3		115	0.003	12.30	0.31	1.39	4.52	59	0.001	11.16	0.25	1.25	4.93
LP_FSTK1		218	0.001	146.50	1.97	11.63	5.91	87	0.001	146.50	1.85	11.59	6.27
VT_QVBX		473	0.005	24.40	0.85	2.54	3.00	230	0.001	14.65	0.65	1.69	2.59

14.3.4 Variography

ISATIS® geostatistical software was used to calculate and fit the variograms for gold and silver values in each of the domains.

Variogram searches were orientated into the dominant plane of the domain, with the primary axis down dip, the secondary on strike, and the minor axis across the width of the domain. Of the 36 variograms, 10 were directional, and the rest were omnidirectional variograms. This is due to the inherently low continuity of the mineralization as well as the irregularity of the geological solid modeling, which limits continuity, and therefore, the ability to calculate or fit usable variograms.

Two and three structure pairwise relative variogram models were fitted to the experimental variograms. An example is shown in Figure 14.4. In many cases, there was a degree of zonal anisotropy, which was modeled by extending the 3rd structure range out to flatten the structure to fit. All variograms were fitted to a local sill and normalized to a sill of 1, prior to use in modeling.

A full listing of the variogram models is provided in Table 14.11.

It was not possible to calculate or fit workable variograms (omnidirectional or otherwise) to some of the La Prieta splays (ESTDOMS 500, 700 and 800). These domains were estimated using variograms with a nugget of 1 (100% Variance).

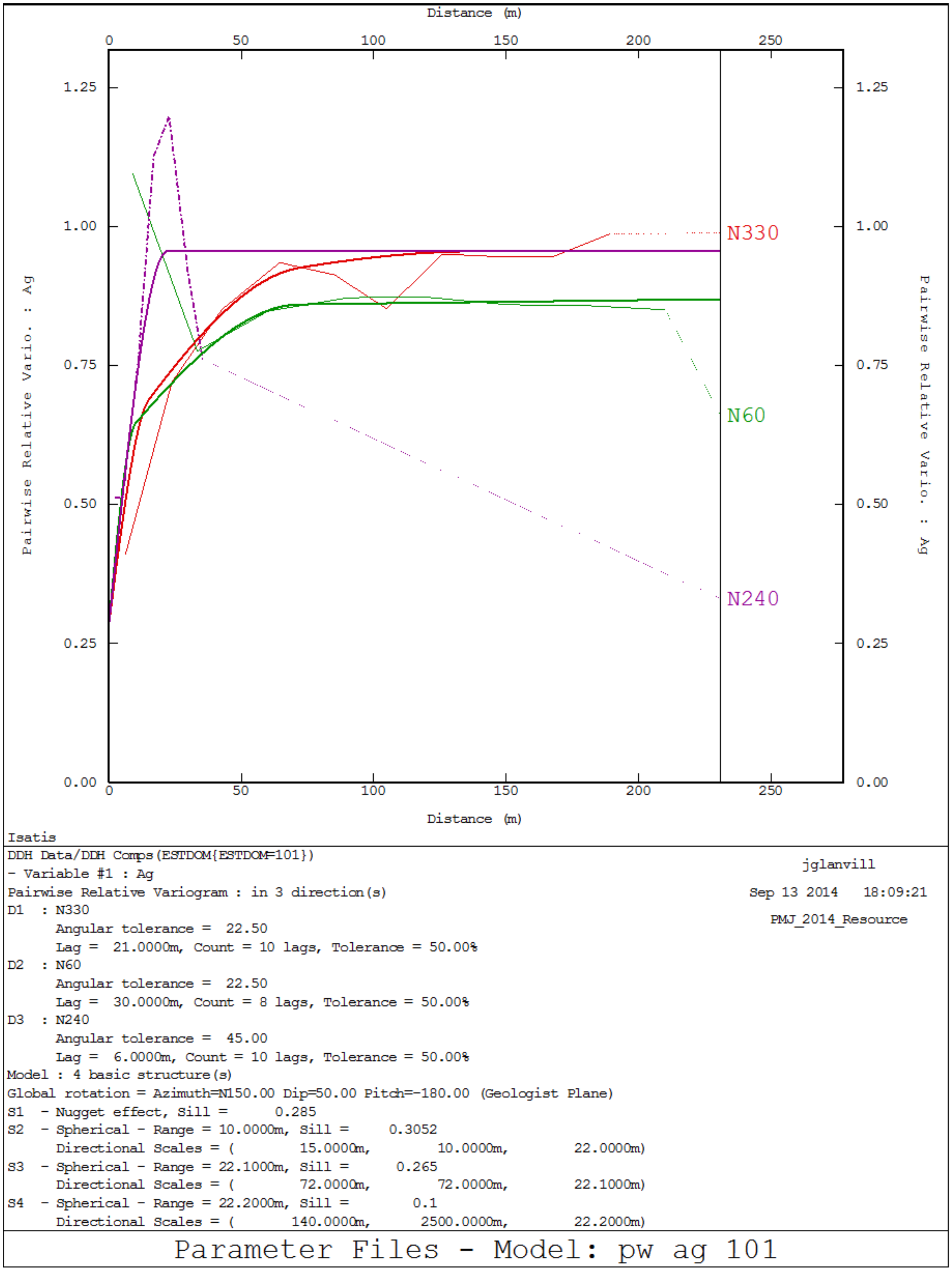


Figure 14.4. Example Silver Pairwise Experimental Variogram and Fitted Model for Estimation Domain 101 - Minzone LB_HWSTK, North Domain (Coeur, 2014)

Table 14.11. Tabulated Normalized Variogram Models (Note the C0=0.999 Place Holders for Inverse Dist. to the Power of Two Est.) (Coeur, 2014)

MODNUM	ESTDOM	Domains		FIELD	Rotation		NUGGET	1st Structure				2nd Structure				3rd Structure				SILL
					Z - Axis	X - Axis	C0	X	Y	Z	C1	X	Y	Z	C2	X	Y	Z	C3	
1	100	FSTK	LB_N	Ag			0.342	18	18	18	0.492	72	72	72	0.166					1
2	101	HSTK		Ag	240	50	0.298	15	10	22	0.320	72	72	22.1	0.277	140	2500	22.2	0.105	1
3	102	QVBX		Ag	240	50	0.649	25	25	12.5	0.101	50	115	15	0.038	100	220	20	0.212	1
4	100	FSTK		Au			0.157	19	19	19	0.639	70	70	70	0.204					1
5	101	HSTK		Au	240	50	0.264	25	25	20	0.388	100	102	20	0.241	300	1200	20	0.107	1
6	102	QVBX		Au	240	50	0.499	25	35	7	0.257	110	225	20	0.245					1
7	110	FSTK	LB_S	Ag	220	50	0.097	7.5	7.5	20	0.444	200	50	20	0.241	2255	280	20	0.218	1
8	111	HSTK		Ag	220	50	0.201	8	8	30	0.264	60	30	30	0.280	350	160	30	0.255	1
9	112	QVBX		Ag	220	50	0.369	20	10	45	0.218	45	35	46	0.175	500	230	47	0.238	1
10	110	FSTK		Au	220	50	0.207	15	15	15	0.456	168	75	17	0.079	420	250	27	0.257	1
11	111	HSTK		Au	220	50	0.228	8	25	20	0.448	160	90	27	0.143	500	300	40	0.181	1
12	112	QVBX		Au	220	50	0.444	27	20	25	0.188	35	30	35	0.120	325	200	35	0.248	1
13	200	FSTK	LP_N	Ag			0.369	19	19	19	0.315	60	60	60	0.141	500	500	500	0.175	1
14	201	HSTK		Ag			0.185	19	19	19	0.631	65	65	65	0.087	500	500	500	0.096	1
15	202	QVBX		Ag			0.327	25	25	25	0.575	350	350	350	0.097					1
16	200	FSTK		Au			0.405	27	27	27	0.225	75	75	75	0.121	500	500	500	0.248	1
17	201	HSTK		Au			0.188	19	19	19	0.625	75	75	75	0.083	300	300	300	0.103	1
18	202	QVBX		Au			0.255	20	20	20	0.500	350	350	350	0.245					1
19	210	FSTK	LP_S	Ag			0.357	9.6	9.6	9.6	0.270	25	25	25	0.266	350	350	350	0.106	1
20	211	HSTK		Ag			0.481	25	25	25	0.418	120	120	120	0.100					1
21	212	QVBX		Ag			0.467	17	17	17	0.242	265	265	265	0.291					1
22	210	FSTK		Au			0.336	9	9	9	0.254	20	20	20	0.250	200	200	200	0.160	1
23	211	HSTK		Au			0.533	28	28	28	0.338	125	125	125	0.129					1
24	212	QVBX		Au			0.525	10	10	10	0.219	228	228	228	0.256					1
25	300	LB_NSQVB		Ag			0.514	20	20	20	0.161	130	130	130	0.325					1
26	300			Au			0.478	21	21	21	0.146	121	121	121	0.376					1
27	400	LB_SQVB		Ag			0.474	14	14	14	0.230	278	278	278	0.295					1
28	400			Au			0.419	11	11	11	0.265	240	240	240	0.316					1
29	500	LP_FSTK1		Ag			0.999	500	500	500	0.001									1
30	500			Au			0.999	500	500	500	0.001									1
31	600	LP_QVBX1		Ag			0.333	61	61	61	0.667									1
32	600			Au			0.486	52	52	52	0.514									1
33	700	LP_QVBX2		Ag			0.999	500	500	500	0.001									1
34	700			Au			0.999	500	500	500	0.001									1
35	800	LP_QVBX3		Ag			0.999	500	500	500	0.001									1
36	800			Au			0.999	500	500	500	0.001									1
37	900	VT_QVBX		Ag			0.516	50	50	50	0.172	160	160	160	0.311					1
38	900			Au			0.498	40	40	40	0.141	200	200	200	0.361					1

14.3.5 Density

There is a total of 1,293 density samples (1,309 after desurveying – some samples are split at assay or survey interval boundaries). When domained out using the geological solids, there are reduced populations in the high grade domains.

The mean density is around 2.56 for the total data set, with the various domains varying between 2.49 and 2.71 t/m^3. There is no clear explanation for the extreme values (Table 14.12 and Figure 14.5).

Table 14.12. Tabulation of the Density Value – Basic Statistics by Minzone (Coeur, 2014)

MINZONE	Num	Minimum (t/m^3)	Maximum (t/m^3)	Range (t/m^3)	Average (t/m^3)	Std. Dev	CoV
Unknown	56	1.11	3.88	2.77	2.54	0.302	0.119
HOST	280	1.2	3.86	2.66	2.49	0.387	0.155
LB_FSTK	286	1.16	3.8	2.64	2.59	0.388	0.150
LB_HSTK	81	1.78	3.29	1.51	2.55	0.233	0.091
LB_NSQVB	8	2.52	2.69	0.17	2.59	0.049	0.019
LB_QVBX	265	1.11	3.88	2.77	2.58	0.300	0.116
LB_SQVB	72	1.47	3.38	1.91	2.59	0.277	0.107
LP_FSTK	28	1.31	3.65	2.34	2.58	0.330	0.128
LP_FSTK1	23	1.5	2.78	1.28	2.55	0.238	0.093
LP_HSTK	45	2.1	3.36	1.26	2.58	0.209	0.081
LP_QVBX	133	1.25	3.95	2.7	2.56	0.257	0.100
LP_QVBX1	22	2.33	2.95	0.62	2.56	0.132	0.051
LP_QVBX2	1	2.69	2.69		2.69		
LP_QVBX3	3	2.51	2.61	0.1	2.57	0.045	0.017
VT_QVBX	6	2.48	2.85	0.37	2.71	0.142	0.052

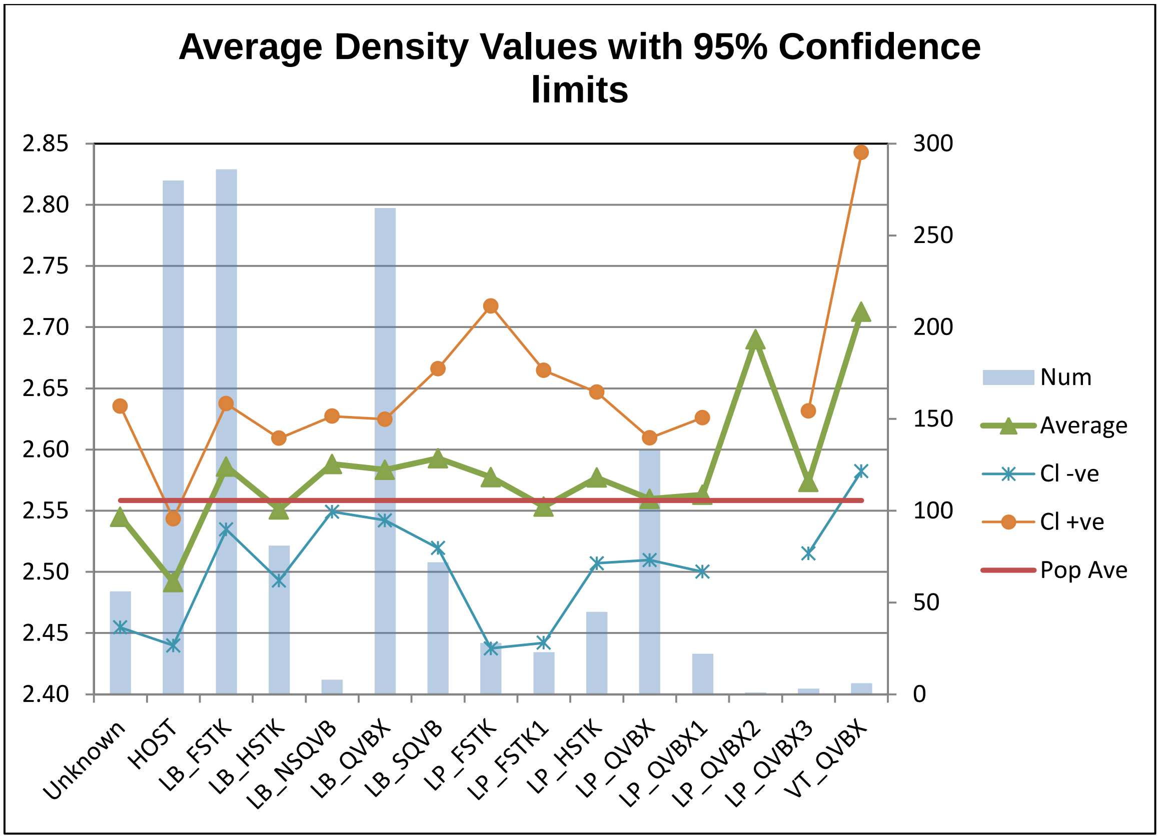


Figure 14.5. Graph with Mean Values and 95% Confidence Limits for the Density Values per Minzonev (Coeur, 2014)

14.3.6 Estimation

The Palmarejo orebody was estimated using Ordinary Kriging (OK), with hard boundaries between geological units and soft boundaries between the north and south domains. In three of the splays (Estdoms 500, 700 and 800), a psedo variogram with a nugget of one was used to estimate the domains. This results in a locally varying mean value being estimated into the domains.

The search orientations were adjusted locally using dynamic anisotropy, which allows for the estimation of a local dip and strike derived from a 3D dip and strike model. This local dip and strike is used to adjust the search on a block-by-block basis, allowing the search to pick-up samples with the local plane of the orebody. This improves the quality of the estimate by, among other effects, reducing the bridging of unrelated samples across boundaries due to strike or dip changes (Figure 14.6).

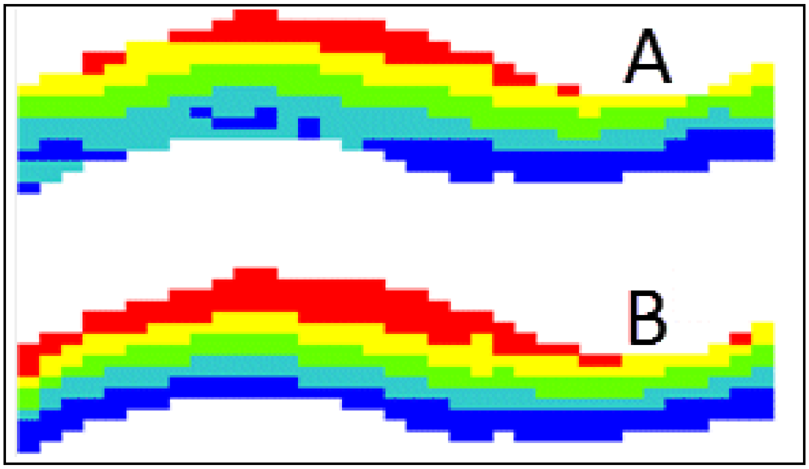


Figure 14.6. Simple Illustration showing the Simple Estimation (A) versus the Improvement in a Dynamic Estimation (B) (Datamine® Studio Help Documentation, 2014)

The geological wireframes were filled using a rotated model (315°/135° strike orientation) with a parent block size of 2.5m x 20m x 2m (X, Y, Z). The parent block size was based on half the planned drill spacing of 40m between infill holes. To provide a good volumetric fit when filling the wireframes, the block model was sub-celled to a minimum of 2.5m x 2.5m X 2.5m.

The model origin and cell sizes were also selected to allow for backwards compatibility with previous block models. Table 14.13 summarizes the model prototype parameters.

Table 14.13. Block Model Parameters (Coeur, 2014)

	X	Y	Z
Rotation (degrees)	0	0	-45
Origin (m)	756,659	3,030,830	552
Parent Cell Dimensions (m)	2.5	20	20
Number of Cells	508	80	40
Extents (m)	1270	1600	800
Minimum Subcell (m)	2.5	2.5	2.5
Number of Cells	508	640	320

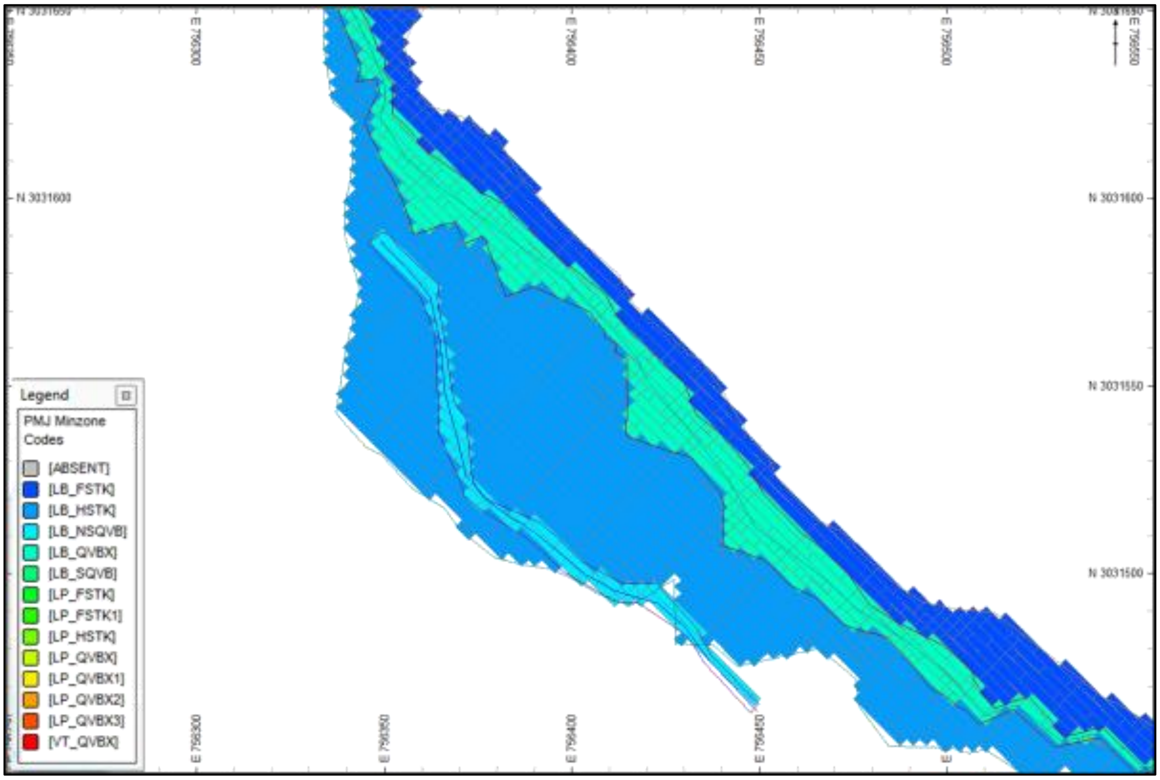


Figure 14.7. Plan View at 950 AMSL with Subcelled Model within the Geological Wireframes (Coeur, 2014)

Within the Clavo 76 and 108 mining areas, the data density is higher (approximately 20m). In these physically defined re-blocking domains areas, the model cells were re-blocked to parent cells of 2.5m x 5m x 5m for estimation (Figure 14.8). This allowed for a degree of conditional bias to occur in order to minimize the historical under-reporting of grade by previous models which also employed OK of the diamond drilling. The impact of this conditional bias will be limited on the final reserve estimate, as these areas are largely depleted, and what remains cannot be mined.

Estimation took place into the parent cells (including the re-blocked cells); therefore, sub-cells with the same parent cell have the same grade. The estimation used a discretization grid of 1m x 5m x 5m, which is based on the sample dimensions in the X direction (~3m) and the rule of thumb that a discretization of greater than five was programmatically inefficient and did not improve the estimate of the within-block variance.

The search parameters used for the estimation are summarized in Table 14.14 and were arrived at by iteratively adjusting basic rules-of-thumb for search ranges, minimum and maximum numbers of samples and discretization grid sizes to achieve reasonable estimates. Octants were used to minimize the number of negative kriging weights. Constant search volumes and numbers of samples were used for each domain. Figure 14.9 and Figure 14.10 illustrate a plan and section of the silver estimate within the main portion of Clavo 76 (950 above mean sea level [AMSL]). Note the high grades and the degree of depletion indicated by the underground voids. Voids are indicated by the black outlines.

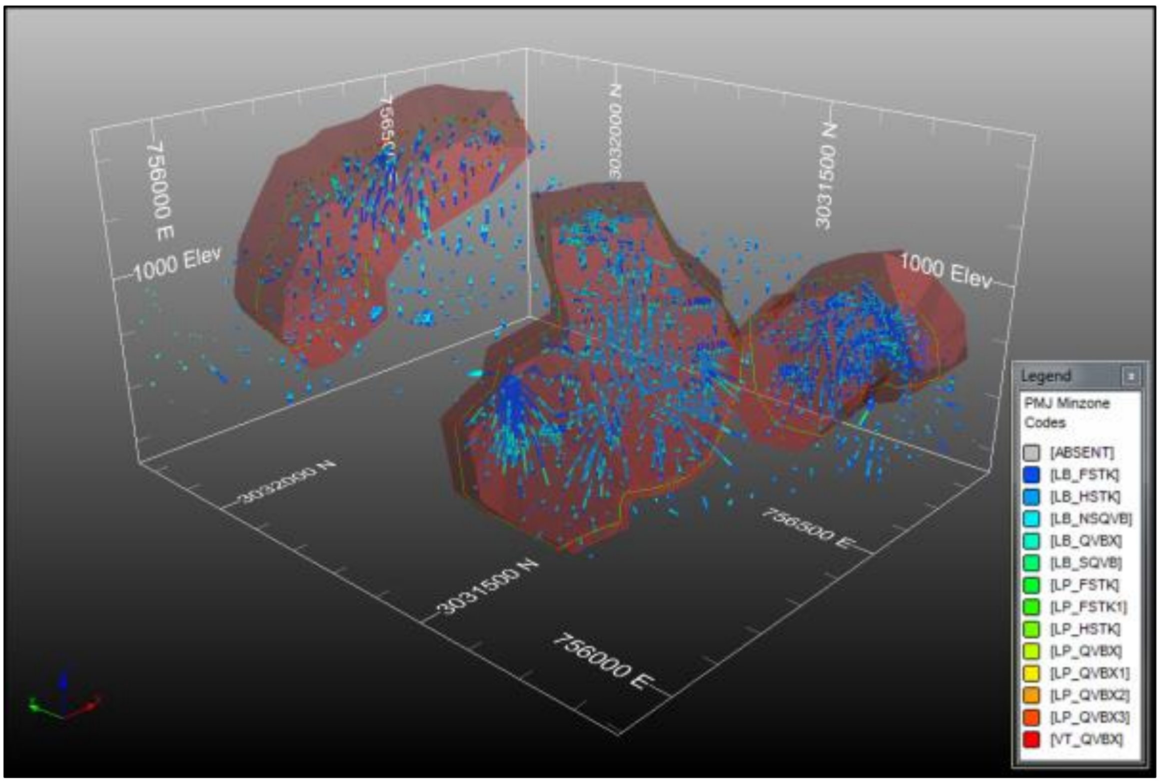


Figure 14.8. Oblique View of the La Blanca Reblocking Solids around the Higher Density Drilling within the LB_QVBX Minzone (Coeur, 2014)

In the Palmarejo deposit, OK of Au and Ag was done using composites from development core hole drilling (step out and infill) and RC grade control drilling. Dynamic compositing was conducted using a maximum of 3m composite lengths inside domains with a minimum allowable composite length of 1.5m. Hard boundaries were applied to all domains, restricting the influence of composites to only those estimated blocks within a domain. Search ellipse orientation was controlled by dynamic anisotrophy instead of fixed anistrophy. In areas of good data density (those areas with an average composite spacing of 20m), grades were estimated into 2.5m x 5m x 5m blocks. Areas with widely spaced composites were estimated into 2.5m x 20m x 20m blocks.

Table 14.14. Tabulated Search Parameters per Estimation Domain and Metal (Coeur, 2014)

ESTDOM	FIELD	Ranges			Rotation			Minimum	Min Samples	Max Samps	1st Search		2nd Search Volume			3rd Search Volume		
		X	Y	Z	Z	X	Y	No. Octants	Per Oct	Per Octant	Min Num.	Max Num.	Multiple	Min Num.	Max Num.	Multiple	Min Num.	Max Num.
100	Ag	50	50	10	240	50	0	3	1	6	6	12	2	6	12	10	6	12
101	Ag	50	50	10	240	50	0	3	1	6	6	12	2	6	12	10	6	12
102	Ag	50	50	10	240	50	0	3	1	6	6	12	2	6	12	10	6	12
100	Au	50	50	10	240	50	0	3	1	6	6	12	2	6	12	10	6	12
101	Au	50	50	10	240	50	0	3	1	6	6	12	2	6	12	10	6	12
102	Au	50	50	10	240	50	0	3	1	6	6	12	2	6	12	10	6	12
110	Ag	50	50	10	240	50	0	3	1	6	6	12	2	6	12	10	6	12
111	Ag	50	50	10	240	50	0	3	1	6	6	12	2	6	12	10	6	12
112	Ag	50	50	10	240	50	0	3	1	6	6	12	2	6	12	10	6	12
110	Au	50	50	10	240	50	0	3	1	6	6	12	2	6	12	10	6	12
111	Au	50	50	10	240	50	0	3	1	6	6	12	2	6	12	10	6	12
112	Au	50	50	10	240	50	0	3	1	6	6	12	2	6	12	10	6	12
200	Ag	50	50	10	240	50	0	3	1	6	6	12	2	6	12	10	6	12
201	Ag	50	50	10	240	50	0	3	1	6	6	12	2	6	12	10	6	12
202	Ag	50	50	10	240	50	0	3	1	6	6	12	2	6	12	10	6	12
200	Au	50	50	10	240	50	0	3	1	6	6	12	2	6	12	10	6	12
201	Au	50	50	10	240	50	0	3	1	6	6	12	2	6	12	10	6	12
202	Au	50	50	10	240	50	0	3	1	6	6	12	2	6	12	10	6	12
210	Ag	50	50	10	240	50	0	3	1	6	6	12	2	6	12	10	6	12
211	Ag	50	50	10	240	50	0	3	1	6	6	12	2	6	12	10	6	12
212	Ag	50	50	10	240	50	0	3	1	6	6	12	2	6	12	10	6	12
210	Au	50	50	10	240	50	0	3	1	6	6	12	2	6	12	10	6	12
211	Au	50	50	10	240	50	0	3	1	6	6	12	2	6	12	10	6	12
212	Au	50	50	10	240	50	0	3	1	6	6	12	2	6	12	10	6	12
300	Ag	50	50	10	240	50	0	3	1	6	6	12	2	6	12	10	6	12
300	Au	50	50	10	240	50	0	3	1	6	6	12	2	6	12	10	6	12
400	Ag	50	50	10	240	50	0	3	1	6	6	12	2	6	12	10	6	12
400	Au	50	50	10	240	50	0	3	1	6	6	12	2	6	12	10	6	12
500	Ag	50	50	10	240	50	0	3	1	6	6	12	2	3	12	10	3	12
500	Au	50	50	10	240	50	0	3	1	6	6	12	2	3	12	10	3	12
600	Ag	50	50	10	240	50	0	3	1	6	6	12	2	3	12	10	3	12
600	Au	50	50	10	240	50	0	3	1	6	6	12	2	3	12	10	3	12
700	Ag	50	50	10	240	50	0	3	1	6	6	12	2	3	12	10	3	12
700	Au	50	50	10	240	50	0	3	1	6	6	12	2	3	12	10	3	12
800	Ag	50	50	10	240	50	0	3	1	6	6	12	2	3	12	10	3	12
800	Au	50	50	10	240	50	0	3	1	6	6	12	2	3	12	10	3	12
900	Ag	50	50	10	240	50	0	3	1	6	6	12	2	3	12	10	3	12

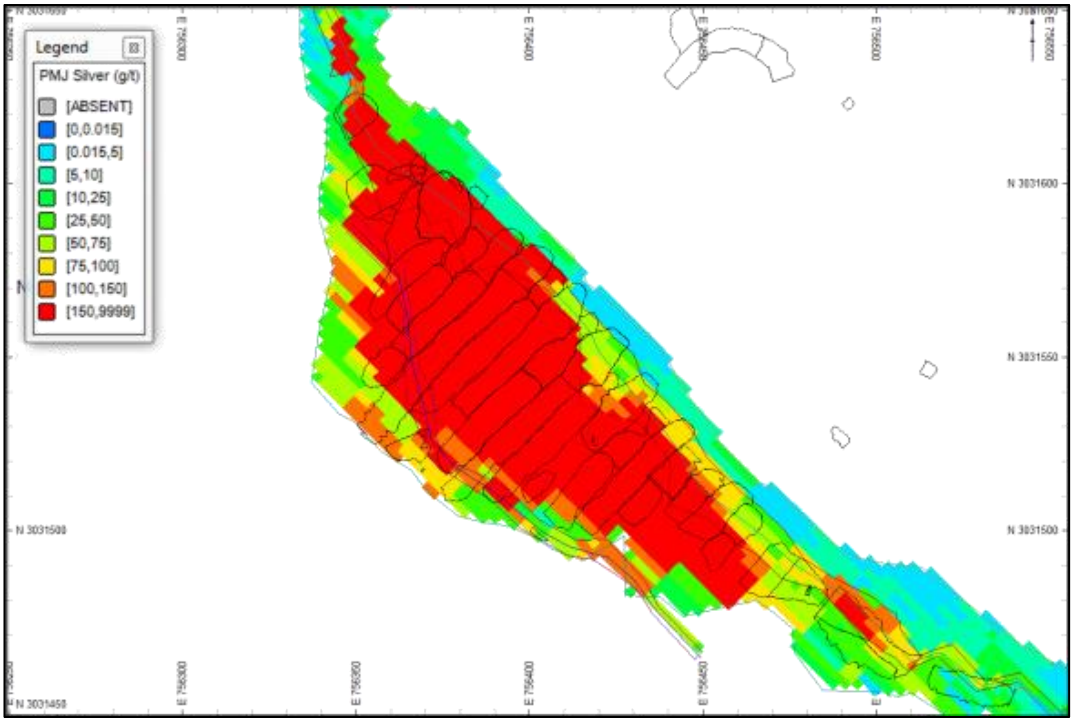


Figure 14.9. Plan View at 950 AMSL showing the Silver Estimate and Outlines of the Mining Voids (Coeur, 2014)

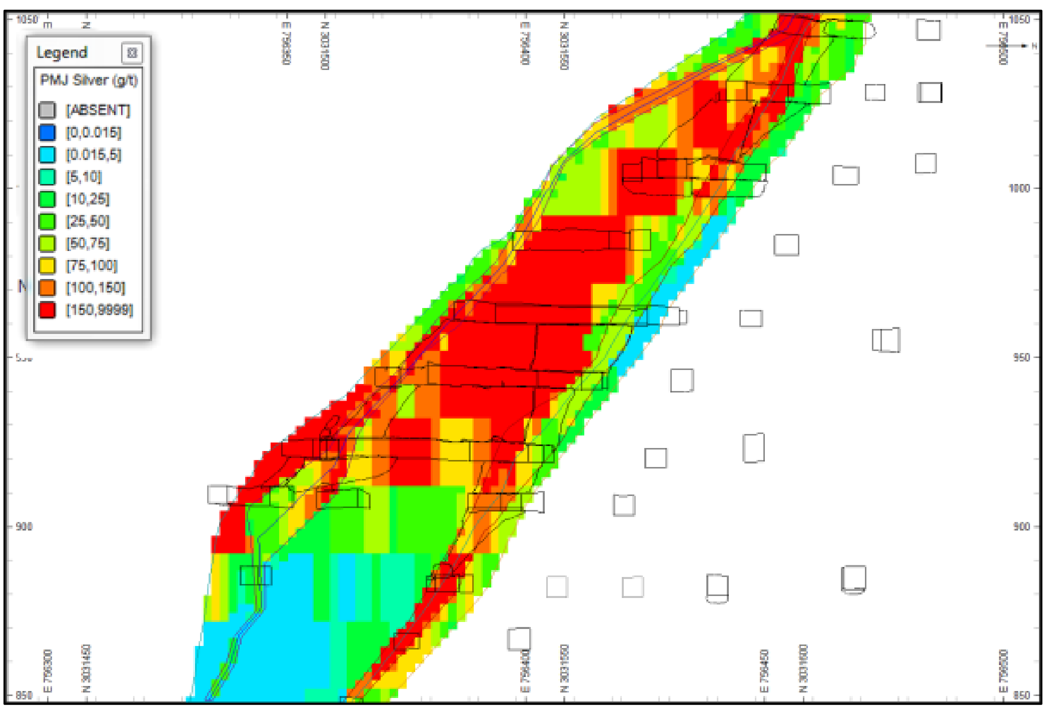


Figure 14.10. Section through the Center of the above Plan View looking NNW at 315° showing the Silver Estimate and Underground Void Outlines (Coeur, 2014)

14.3.7 Estimation Validation

The grade estimates were validated visually by stepping through plans and sections and comparing the drilling data with the local estimates (Figure 14.11).

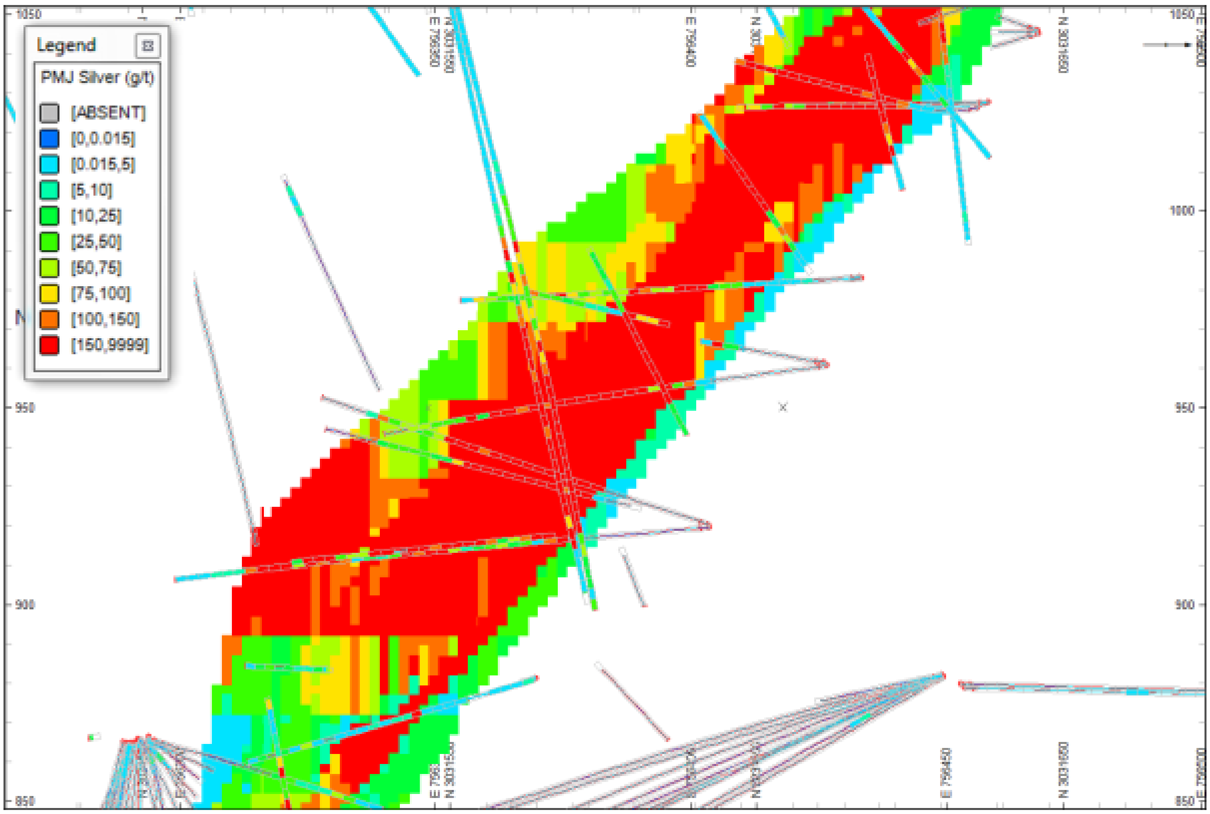


Figure 14.11. An Example Section showing the Comparison between the Model and the Drilling Data (Coeur, 2014)

Additional validation was through the use of a fixed window average calculation, analogous to a swath plot. The process calculates the average grade of the model and the drilling data within a regularly sized grid (or window) over the extents of the model. These averages for the model and the drilling data are then plotted against each other to provide a measure of the correlation between the two. Figure 14.12 is such a plot for the silver grades within the LB_QVBX Minzone or geological domain.

As expected, the model is smoother than the drilling data, and other than a weak regression effect on the low grade samples (low grades are slightly over estimated), there are no biases or grade dislocations within the silver or gold estimates in any of the modeled geological domains.

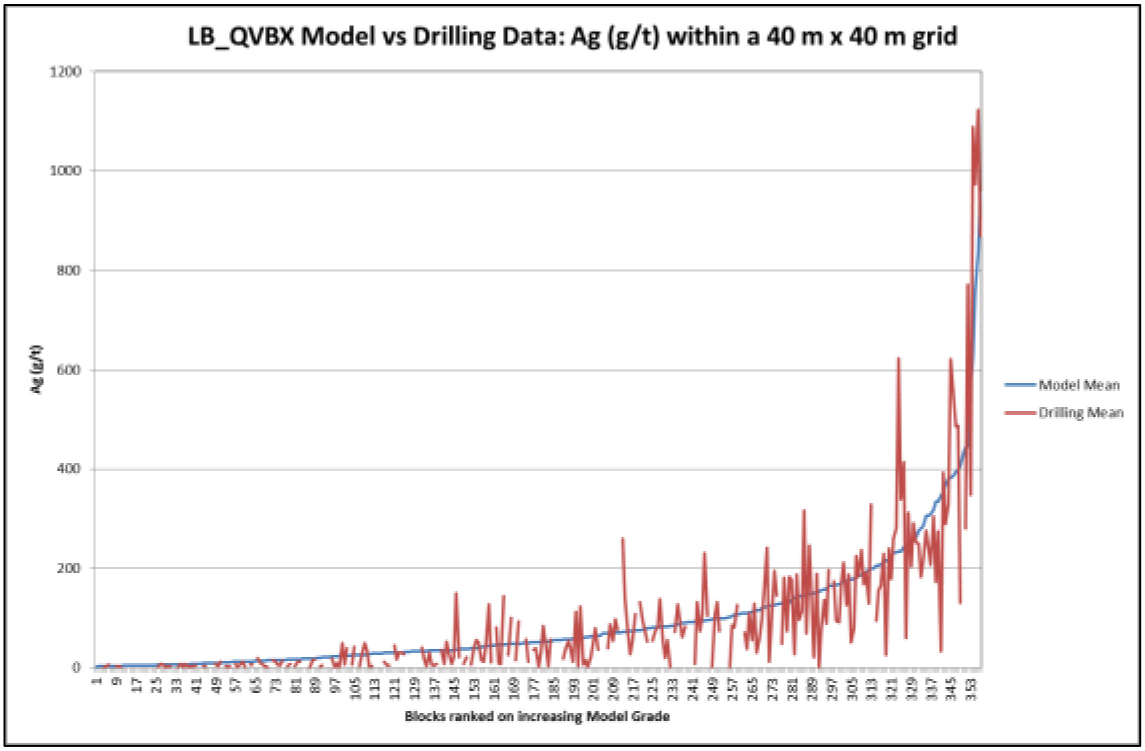


Figure 14.12. Example Plot of the Gridded Window Mean Value Model vs. Drilling Data Validation: Silver (g/t) within Minzone LB_QVBX (Coeur, 2014)

14.3.8 Depletion

The estimated model was depleted by flagged cells as mined or unmined, using the latest open pit survey (dated June 30, 2014), as well as all of the historical underground mining to present (2008 through June 30, 2014). The solids used are shown in Figure 14.13 and Figure 14.14.

The underground depletion is not ideal, as it is not able to account for variations or offsets between the mined solids and the geological model that arise from errors in the survey (geology or mining) or changes in the interpretation. Care needs to be taken when planning to mine areas immediately adjacent to depleted areas, as these remnant areas may not exist.

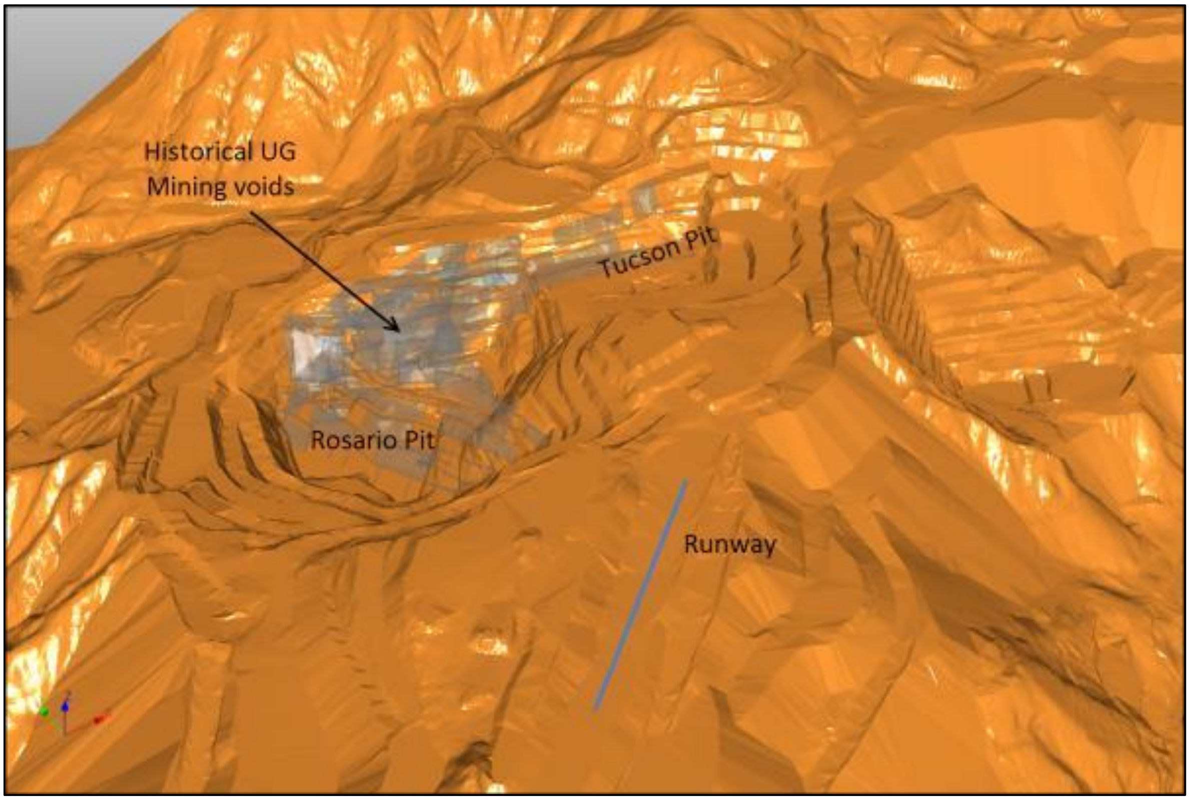


Figure 14.13. Oblique View of the Topography Based on the Pit Survey used to Deplete the Resource Estimate (Coeur, 2014)

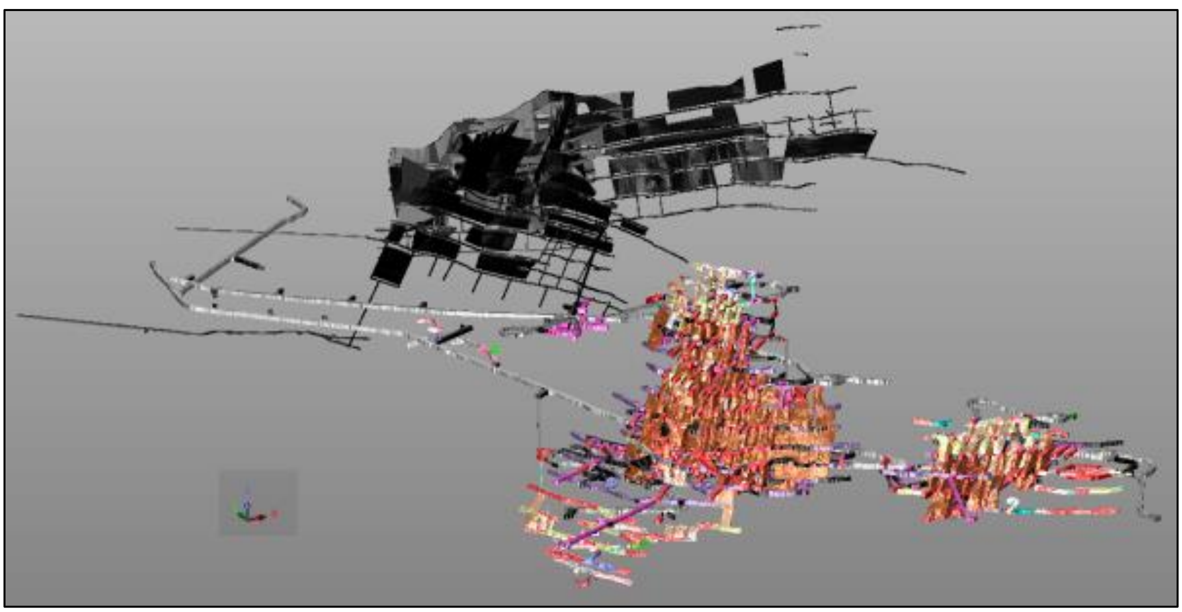


Figure 14.14. Oblique View of the Combined Set of Underground Mining Voids as of June 30, 2014 (Coeur, 2014)

14.3.9 Classification

The classification is based primarily on the data spacing and is in line with the historical methods, but is a slight deviation from the 2013 classification methodology, which produced a slightly 'spotted dog' classification (dislocated blocks). In summary:

- Class 1 (Measured):
  - Minimum distance <=15 m
  - If (Class=2 and Minimum distance<35)
- Class 2 (Indicated):
  - Minimum Distance >15 m and
  - Minimum Distance <=50 m
- Class 3 (Inferred):
  - Remaining estimated material. Please note that estimation is otherwise limited to the volumetric domains.

There was a manual refinement of various splays and geological units to take lack of volumetric control and estimation methodology and data density into account. These splays are summarized as follows:

- Domains downgraded if classification algorithm classed it as Class 1. This was accomplished by digitizing shells around the areas of low confidence and adjusting the cells within these volumes.
  - VT_QVBX = Class 2
  - LP_QVBX1 = Class 2
  - LP_QVBX2 = Class 2
  - LP_QVBX2 = Class 2
- Complete downgrade due to very poor level of modeled continuity and lack of control on the volumetrics of the geological unit.
  - LP_FWSTK1 = Class 3

14.3.10 Mineral Resources – Palmarejo

Most of the Measured and Indicated Mineral Resources have been converted into Mineral Reserves, and are planned to be mined during 2016. The remaining Mineral Resources are not expected to be mined, and have not been reported.

14.4 Mineral Resource Estimates – Guadalupe Deposit

14.4.1 Introduction

The Mineral Resource estimate for the Guadalupe deposit was completed by David Hlorgbe, RM SME, of Coeur Mining, Inc.

The Guadalupe Mineral Resource estimate is an update of the December 31, 2014 resource model. It incorporates additional drilling and a revised geological interpretation. Guadalupe has a minor addition in the total in situ modeled volume due to additional drilling. Mineral Resources at Guadalupe are reported as of August 31, 2015.

The Guadalupe model uses a mine grid coordinate system, with all units in metric. Both previous and current resource estimates used OK interpolation. The update made to the current resource estimate employed capping due to review from reconciliation.

Table 14.15 summarizes the Guadalupe drill hole database used for the 2015 resource modeling and estimation. Following Coeur's QA/QC protocols, the database was thoroughly validated and all potential problems were resolved prior to the final model being estimated (see Section 12).

Table 14.15. Drilling and Sampling Databases used for the Resource Modeling (Coeur, 2015)

Database	Date	Comments
Historical	August 9, 2013	Drilling completed prior to Coeur acquiring the Palmarejo Complex in 2007.
acQuire®	June 21, 2015	Infill and underground diamond drilling.
Density	June 27, 2015	1,605 density samples gathered by Coeur since 2011.

For the purposes of this resource estimation, all diamond drilling was combined and treated as a single data source. This included collar, downhole azimuth, dip, length of each drill hole, lithology codes of logged intervals, and assay data analyzed for fire assay for both Au and Ag. Au is initially analyzed with an ICP finish with a trigger for a gravimetric finish, and Ag is analyzed with a gravimetric finish. Drill spacing is generally 30m along strike, 15m perpendicular to the general strike of the mineralization.

Data were imported into GEOVIA GEMS™ and desurveyed to produce a 3D drill and for use in resource estimation. Basic data validation was done during import and desurvey of the data to check for overlaps, duplicates and obvious errors in collar and downhole surveys. Table 14.16 lists the various data sources and the total length and number of holes per data type. An oblique view of the diamond drilling is illustrated in Figure 14.15.

Table 14.16. Number of Drill Holes and Total Lengths per Data Source (Coeur, 2015)

Source	Collars		Geology Data		Assays		Description
	No. of Holes	Total Length (m)	No. of Holes	Total Length (m)	No. of Holes	Total Length (m)	
CUDH	17	5,250	17	5,250	17	1,825	Exploration Diamond Drilling
TGDH	621	192,966	618	192,309	618	51,197	Exploration Diamond Drilling
DC3	61	24,672	61	24,663	57	6,824	Infill Diamond Drilling

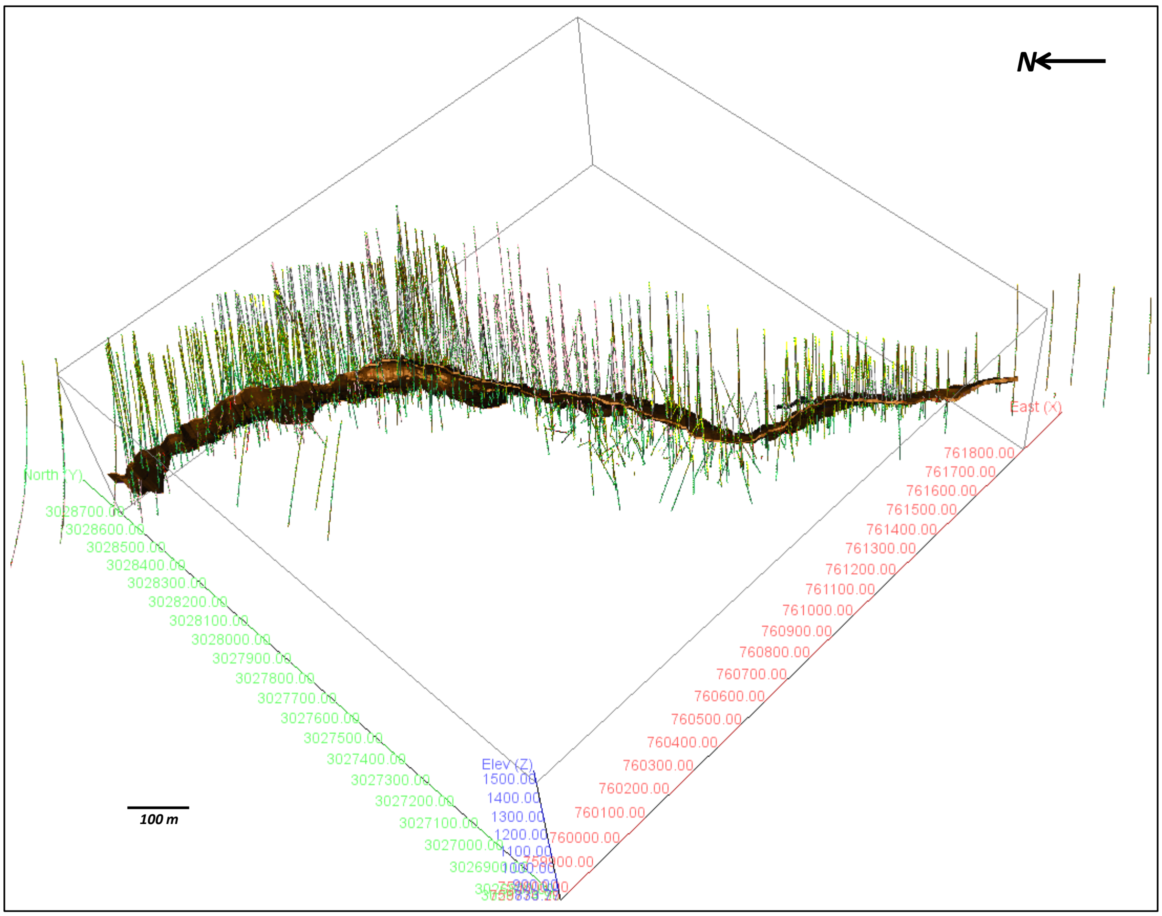


Figure 14.15. Oblique View of the Diamond Drilling Colored on Data Source (Coeur, 2015)

14.4.2 Geological Models

14.4.2.1 Domaining

The geological interpretation provided by the Palmarejo geology department was imported into GEOVIA GEMS™ as 3D wireframes. The wireframes were reviewed and feedback referred back to the site. The wireframes were reviewed and accepted as is; the only change included rationalizing embedded data and file names to match with work flows and previous resource estimates.

Modeling of mineralized domains includes the subdivision of the mineralization by vein breccias (QVBX) and surrounding stockwork (STKWK). Parallel veins and stockwork are denoted by prefixes. Table 14.17 explains the prefixes and zone codes for the geologic domains, as well as the order of priority. The priority code controls the flagging and modeling order. The criteria used in determining the order of priority are based on logged geology (vein or quartz vein breccia with consistent geologic continuity), and poorly mineralized zones (stockwork and veinlet) with less continuity of mineralization.

Table 14.17. Mineralized Domains in Increasing Order of Importance (Coeur, 2015)

Domain	Order	Code	Definition
M1QVBX	1	100	Main vein in Structural South, Central, and North Central Domains
M2QVBX	2	101	Secondary Vein in Structural Central, North Central, and North Domains
MHQVBX	3	102	Hangingwall Vein in Structural North Central Domain
LAQVBX	4	103	Las Animas Vein in Structural South Domain
LASTKWK	5	201	Las Animas Stockwork in Structural South Domain
MSTKWK	6	200	Main Stockwork

The mineralized domain model was further divided into four structural domains based on the orientation, along strike, of the main Guadalupe structure. In the geology modeling process three structural domains were identified. The Guadalupe primary veins and stockwork are shown subdivided into structural domains in Figure 14.16.

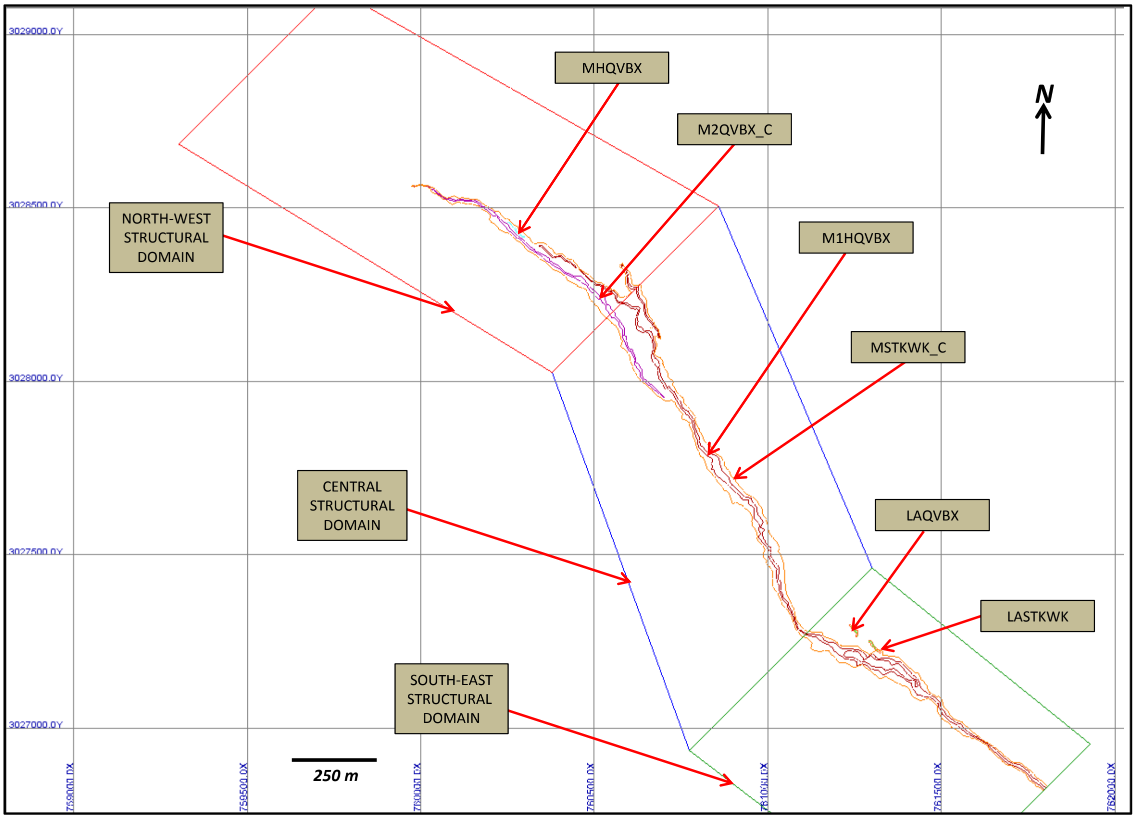


Figure 14.16. Guadalupe 2015 Primary Veins, Stockworks and Structural Domains (Coeur, 2015)

Table 14.18 shows the volume comparison between 2014 and 2015 interpreted geologic solids. There is a 1% increase in the total modeled volume from the 2014 to 2015 interpretation. The changes were primarily a result of the 40 drill holes added to the existing Guadalupe database. The main vein (M2QVBX) domain, which is currently being mined, decreased in volume by 6%, but there was a 57% increase in volume of the narrow hangingwall vein (MHQVBX) domain as a result of geologic continuity from the additional drilling.

Table 14.18. Volume Comparison of 2014 and 2015 Geologic Solids (Coeur, 2015)

2014		2015		Volume Difference	% Difference
Domain	Volume (m^3)	Domain	Volume (m^3)	2015-2014 (m^3)	([2014-2015/2014]*-1)
M1QVBX_C	5,089,303	M1QVBX	5,099,978	10,675	0%
M2QVBX	1,528,899	M2QVBX	1,435,195	-93,704	-6%
MHQVBX	39,011	MHQVBX	61,439	22,428	57%
LAQVBX	61,254	LAQVBX	61,254	0	0%
LASTKWK	121,720	LASTKWK	121,719	-1	0%
MSTKWK_C	27,335,604	MSTKWK	27,731,396	395,792	1%
Total	34,175,790	Total	34,510,981	335,191	1%

14.4.3 Exploratory Data Analysis (EDA)

14.4.3.1 Drill Hole Sample Length and Composite Length

Core sampling was done at irregular lengths to reflect geology, with average sampled length of 1.14m, as shown in Figure 14.17. Assays below detection limit were set to one-half of the detection limit and the resulting database was used for the resource estimation.

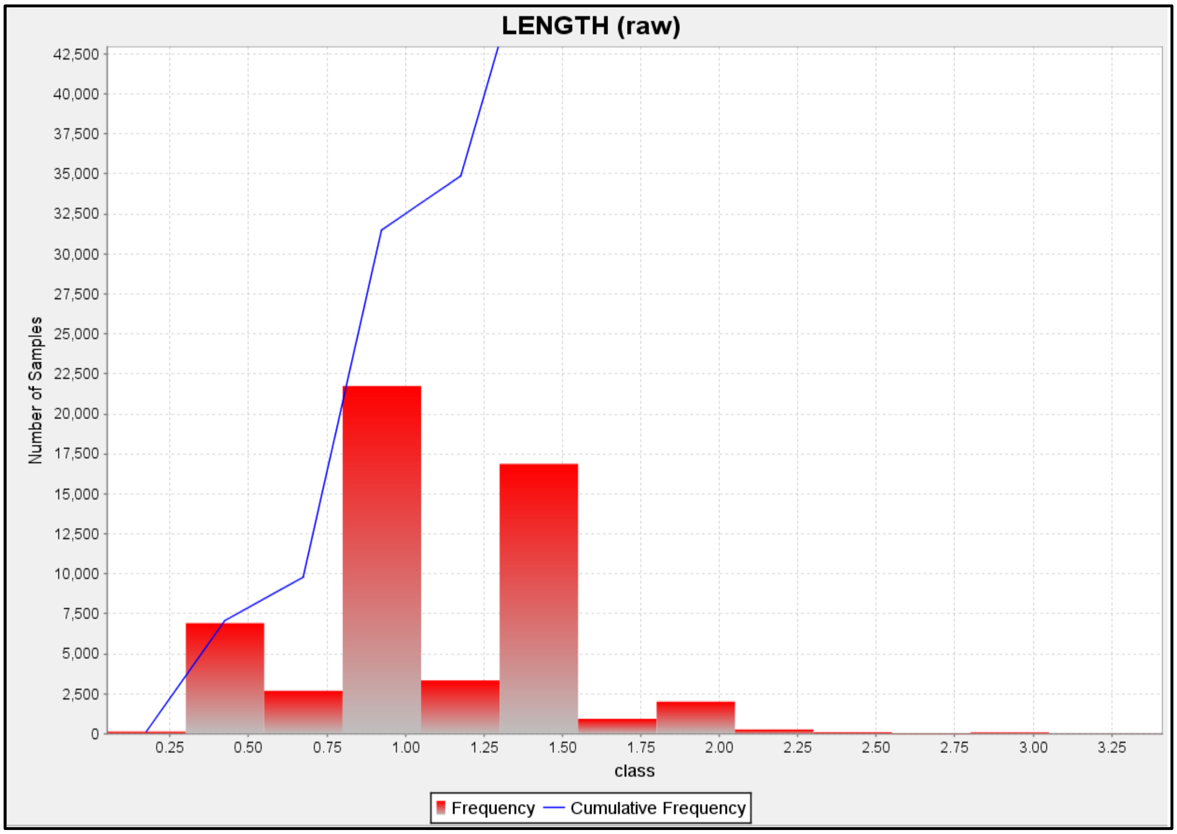


Figure 14.17. Guadalupe Sample Length Frequency (Coeur, 2015)

Compositing was conducted to determine composite length where outliers will not bias other samples, thereby resulting in overestimating grade into the final model. Varying composite length was compared with respective tail samples to obtain a representative distribution and minimize grade smearing. An analysis of sample lengths, coupled with visual examination of narrow vein intercepts on cross-sections, resulted in selecting a 2m composite length for resource estimation.

A review of grade control data versus resource estimates found that the resource drilling tends to locally overestimate high-grade. To address overestimation of high-grade samples, grade capping was employed on composites.

Table 14.19 and Table 14.20 show statistics for the raw (uncomposited but desurveyed) and composited capped samples by geological unit. The CV is significantly reduced by composting and capping the raw assay data, especially in the high-grade units.

Table 14.19. Statistics of the Length Weighted Raw Samples and the 2m Composite Capped Data - Silver (Coeur, 2015)

Source		Raw Samples						2m Composites Capped					
Domain	Variable	Num	Min	Max	Mean	Std Dev.	CV	Num	Min	Max	Mean	Std Dev.	CV
M1QVBX	Silver (g/t)	5,263	0.00	5050	121.76	241.95	1.99	2,397	0.00	1,200	115.87	163.97	1.42
M2QVBX		1,615	2.50	7270	159.18	357.54	2.25	859	2.50	1,000	139.97	168.48	1.20
MHQVBX		106	1.40	958	192.20	234.65	1.22	68	2.50	928	178.17	208.19	1.17
LAQVBX		100	2.50	747	108.53	157.59	1.45	45	2.50	554	94.67	122.77	1.30
MSTKWK		16,744	0.00	3,800	34.77	104.18	3.00	9,543	0.00	800	30.42	64.94	2.13
LASTKWK		96	2.50	171	16.71	31.28	1.87	62	2.50	114	14.93	24.85	1.66

Table 14.20. Statistics of the Length Weighted Raw Samples and the 2m Composite Capped Data - Gold (Coeur, 2015)

Source		Raw Samples						2m Composites Capped					
Domain	Variable	Num	Min	Max	Mean	Std Dev.	CV	Num	Min	Max	Mean	Std Dev.	CV
M1QVBX	Gold (g/t)	5,263	0.00	315	1.66	8.90	5.36	2,397	0.00	35.0	1.33	2.99	2.24
M2QVBX		1,615	0.01	118	3.05	7.31	2.40	859	0.02	25.0	2.69	3.77	1.40
MHQVBX		106	0.00	315	2.72	3.96	1.46	68	0.03	14.4	2.55	3.48	1.36
LAQVBX		100	0.03	32.4	1.62	4.10	2.53	45	0.03	11.7	1.18	2.32	1.96
MSTKWK		16,744	0.00	168	0.45	2.11	4.64	9,543	0.00	12.0	0.39	0.94	2.38
LASTKWK		96	0.01	7.70	0.24	0.88	3.71	62	0.02	3.12	0.21	0.55	2.70

14.4.4 Capping

Log-probability plots of Au and Ag assay composites were constructed for each domain. Figure 14.18 is an example of log-probability plot of Ag. From the plots, the curves in each estimation domain display deviations from a straight-line fit, which imply multiple grade populations. These plots helped to address the impact of high-grade outliers and where to cap. Table 14.21 and Table 14.22 show uncapped and capped silver and gold high-grade outliers. They were statistically examined and their impacts during grade estimation were considered.

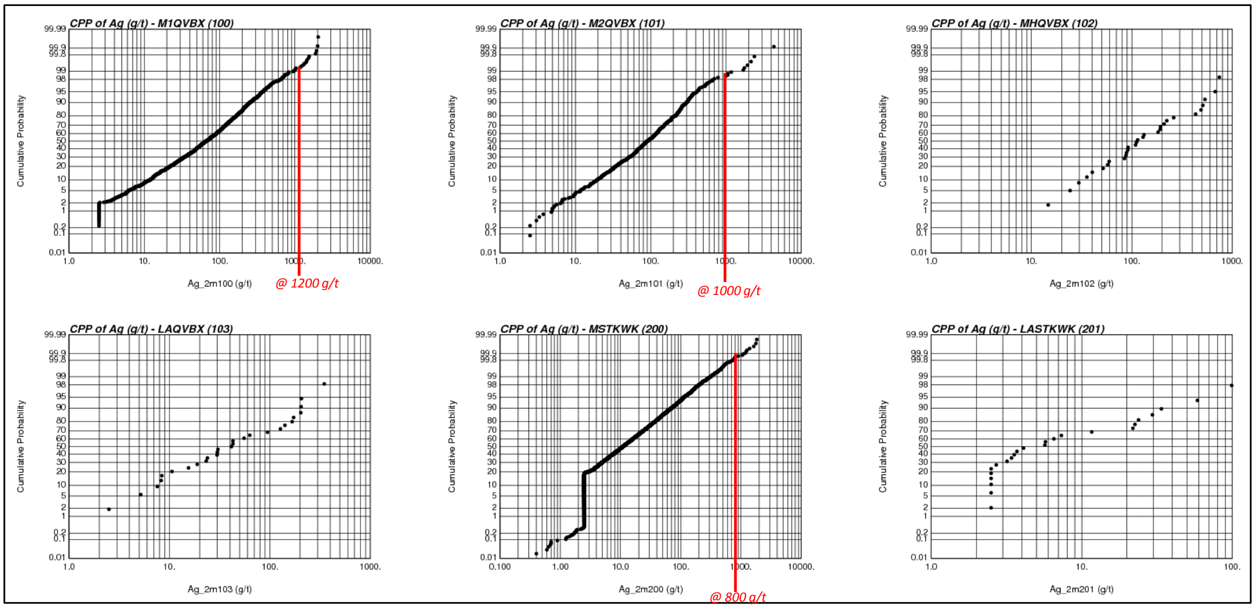


Figure 14.18. Example of Log-Probability Plot of Ag Assay Composites in each Domain (Coeur, 2015)

Table 14.21. Uncapped and Capped High-grade Outliers by Domain - Silver (Coeur, 2015)

Source		uncapped				capped / trimmed				Total no. of Samples	Capped grade (g/t)	Percentage of Samples Capped
Domain	Variable	No. of Samples	Min (g/t)	Max (g/t)	Mean (g/t)	No. of Samples	Min (g/t)	Max (g/t)	Mean (g/t)			
M1QVBX	Silver (g/t)	17	1209	3550	1806.94	17	1200	1200	1200	2412	1200	0.7%
M2QVBX		12	1003	4346	1992.54	12	1000	1000	1000	860	1000	1.4%
MHQVBX		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
LAQVBX		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
MSTKWK		14	823	2,184	1319.53	14	800	800	800	10117	800	0.1%
LASTKWK		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

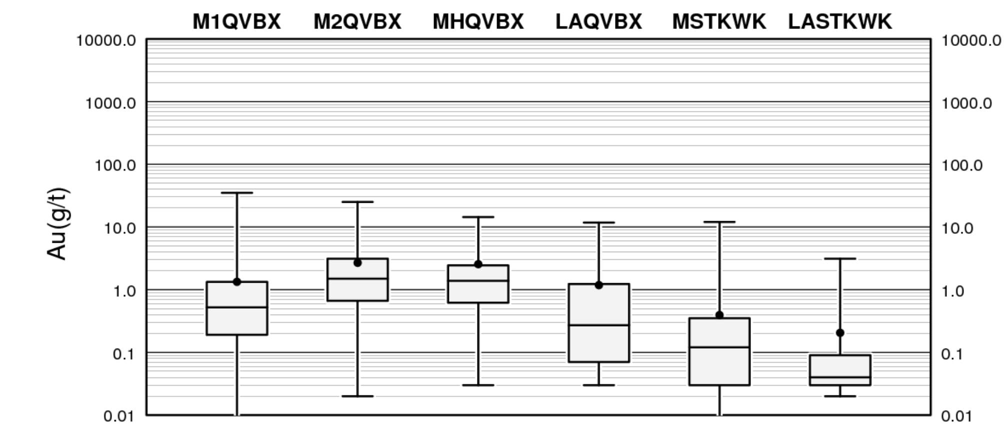
Table 14.22. Uncapped and Capped High-grade Outliers by Domain - Gold (Coeur, 2015)

Source		uncapped				capped / trimmed				Total no. of Samples	Capped grade (g/t)	Percentage of Samples Capped
Domain	Variable	No. of Samples	Min (g/t)	Max (g/t)	Mean (g/t)	No. of Samples	Min (g/t)	Max (g/t)	Mean (g/t)			
M1QVBX	Gold (g/t)	7	39	283	114.24	7	35	35	35	2412	35	0.3%
M2QVBX		11	28	70	47.18	11	25	25	25	860	25	1.3%
MHQVBX		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
LAQVBX		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
MSTKWK		18	12	109	25.25	18	12	12	12	10117	12	0.2%
LASTKWK		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

14.4.5 Contact Plots

Box plots were used to evaluate characteristics of mineralized domains and helped to identify grouping of domains. There were no groupings that needed to be refined, as demonstrated in Figure 14.19.

Contact plots across domain boundaries were constructed to determine if domain contacts are hard, or if grades on either side of the contact are different, soft, or smooth where the grade transitions from one domain to the next. Figure 14.20 is a hard plot of Ag grade profiles across boundaries between estimation domains. All mineralized domains are considered hard boundaries for estimation purposes to prevent high-grade from the vein crossing the contact into low-grade and vice versa.



Number of data	2397	859	68	45	9543	62	Number of data
Mean	1.3343	2.687	2.5518	1.1838	0.3939	0.2052	Mean
Maximum	35.0	25.0	14.35	11.71	12.0	3.12	Maximum
Upper quartile	1.33	3.1175	2.44	1.235	0.35	0.09	Upper quartile
Median	0.52	1.5	1.39	0.27	0.12	0.04	Median
Lower quartile	0.19	0.6625	0.62	0.07	0.03	0.03	Lower quartile
Minimum	0.0	0.02	0.03	0.03	0.0	0.02	Minimum
Variance	8.9567	14.165	11.9246	5.2623	0.8823	0.3013	Variance
CV	2.2429	1.4007	1.3533	1.9378	2.3848	2.6753	CV
Skewness	7.1413	3.6694	2.206	3.0663	6.8546	4.2039	Skewness

Figure 14.19. Example of Box Plot of Au Assay Composites in each Domain (Coeur, 2015)

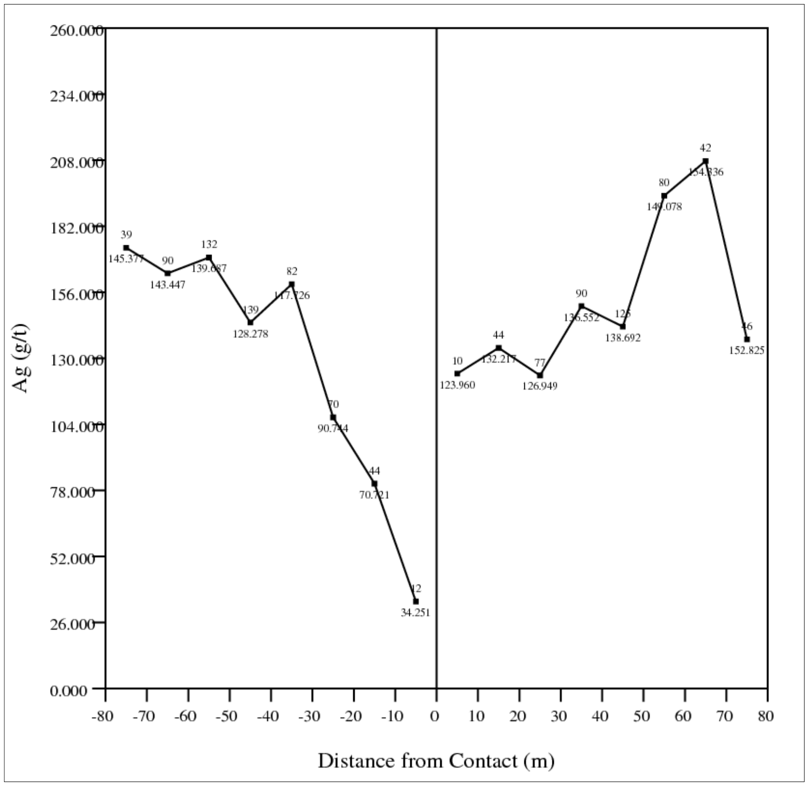


Figure 14.20. Example of Hard Contact Plot of M1QVBX and M2QVBX Domains (Coeur, 2015)

14.4.6 Variography

GSLIB© software was used to generate variogram maps using composite data to visually determine the directions of maximum anisotropy of mineralization. The direction of higher continuity is in the northwest-southeast direction.

GEMS™ software was used to calculate and fit pairwise relative variograms for Au and Ag values in each domain. Figure 14.21 and Figure 14.22 are examples of variograms for M1QVBX and M2QVBX domains for Au and Ag in the South-East and North-West structural domains. Results of the variogram models are shown in Table 14.23.

A downhole variogram was used to define the nugget effect and short scale continuity of the pairwise relative models.

Three rotation angles were used to define directions of anisotropy. The angle of tolerance was chosen to allow adequate samples falling outside the specified angles to be captured during variogram calculations. This was done to get the optimal value, since sampling was not done on regular grid.

Lag spacing was selected by considering the sample spacing and lag tolerance to capture more samples as a result of preferential sampling and irregular sampling grid. Search dimensions and directions were based on variogram models for each domain. Search parameters used for the estimation are provided in Table 14.24.

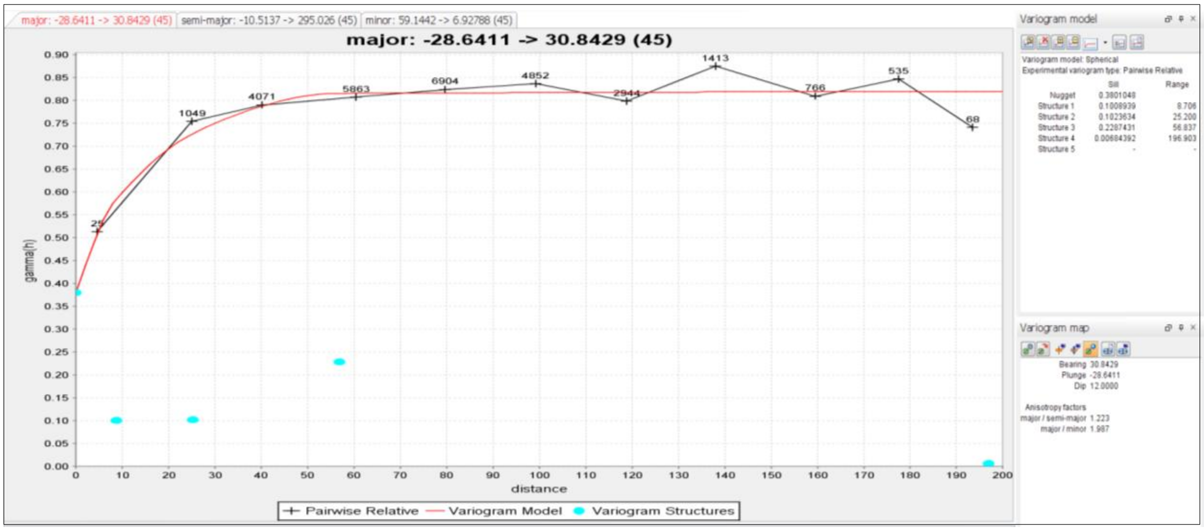


Figure 14.21. Example of Pairwise Relative Variogram of Au M1QVBX Domain (Coeur, 2015)

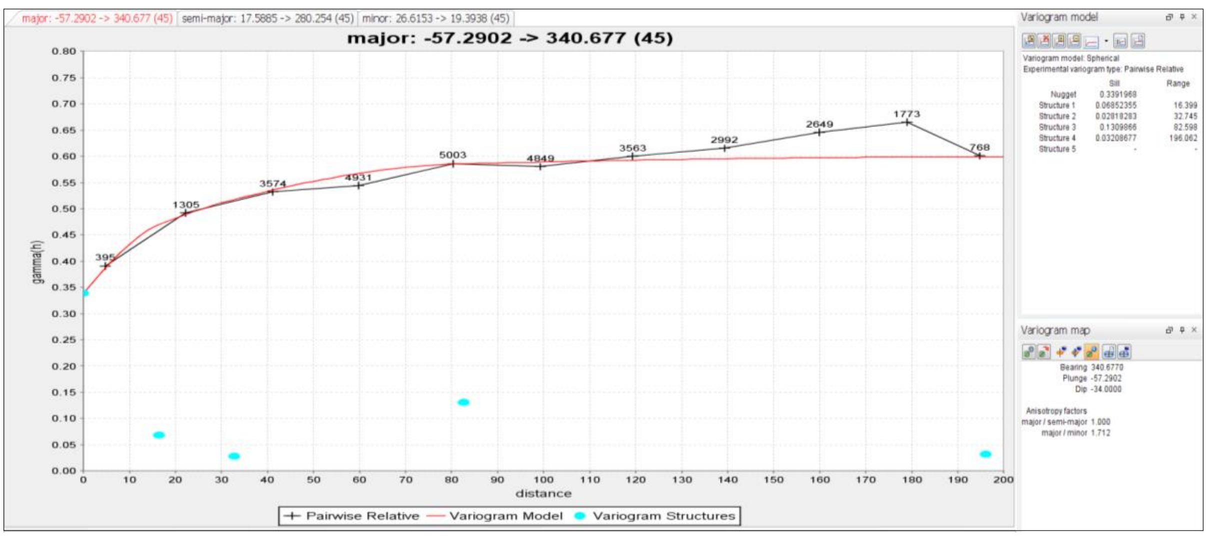


Figure 14.22. Example of Pairwise Relative Variogram of Ag M1QVBX Domain (Coeur, 2015)

Table 14.23. Normalized Variogram Model Parameters for each Domain (Coeur, 2015)

Domains	Code	FIELD	Dip Direction	Dip	Spread Angle	Spread Limit	NUGGET	1st Structure		2nd Structure		3rd Structure		4th Structure	
							C0	Range	C1	Range	C2	Range	C2	Range	C2
M1QVBXNW	110	Ag	320	-59	45	60	0.242	16.0	0.254	28.3	0.323	193.7	0.014		
	110	Au	320	-59	45	60	0.389	12.2	0.319	26.9	0.237	196.9	0.007		
M1QVBXCE	120	Ag	310	-58	45	60	0.284	5.19	0.181	27.6	0.127	81.3	0.0009	200	0.054
	120	Au	310	-58	45	60	0.303	5.19	0.168	21.4	0.181	85.4	0	192.8	0.053
M1QVBXSE	130	Ag	320	-59	45	60	0.350	17.35	0.092	30.5	0.082	102.2	0.17	194.4	0.008
	130	Au	320	-59	45	60	0.380	8.70	0.100	25.2	0.102	56.8	0.228	196.9	0.006
M2QVBXNW	111	Ag	310	-58	45	60	0.339	16.39	0.068	32.7	0.028	82.5	0.130	196.06	0.032
	111	Au	310	-58	45	60	0.347	16.68	0.065	48.9	0.041	103.3	0.104	194.3	0.034
M2QVBXCE	121	Ag	330	-58	45	60	0.325	28.17	0.140	65.8	0.234	194.8	0.000		
	121	Au	330	-60	45	60	0.369	19.38	0.078	30.3	0.090	69.2	0.094	197.0	0.009
MHQVBX	102	Ag	320	-59	45	60	0.382	13.30	0.128	43.7	0.254	194.7	0.023		
	102	Au	320	-59	45	60	0.368	7.21	0.068	38.7	0.172	62.5	0.127	193.9	0.012
LAQVBX	103	Ag	320	-60	45	60	0.343	42.86	0.290	82.8	0.153	197.0	0.025		
	103	Au	320	-60	45	60	0.373	10.92	0.275	31.4	0.337	59.2	0.083	187.8	0.000
MSTKWKNW	210	Ag	310	-58	45	60	0.331	7.89	0.174	23.5	0.233	66.8	0.081	191.4	0.028
	210	Au	310	-58	45	60	0.381	10.05	0.132	28.1	0.227	62.3	0.098	198.5	0.024
MSTKWKCE	220	Ag	320	-59	45	60	0.380	9.38	0.241	23.0	0.241	105.1	0.066	198.5	0.012
	220	Au	320	-59	45	60	0.383	6.13	0.195	21.9	0.158	82.3	0.114	199.4	0.015
MSTKWKSE	230	Ag	310	-64	45	60	0.379	11.81	0.118	35.7	0.206	69.9	0.116	194.6	0.075
	230	Au	310	-64	45	60	0.389	5.86	0.243	24.9	0.163	56.8	0.141	197.1	0.014
LASTKWK	201	Ag	310	-60	45	60	0.321	7.76	0.260	23.5	0.249	193.3	0.026		
	201	Au	310	-60	45	60	0.419	9.78	0.272	31.1	0.204	199.0	0.004		

Table 14.24 Search Parameters for each Domain (Coeur, 2015)

Domains	Code	FIELD	Min Samps	Max Samps	Principal Azimuth	Principal Dip	Intermediate Azimuth	Anisotropy X	Anisotropy Y	Anisotropy Z
			Per ellipse	Per ellipse						
M1QVBXNW	110	Ag	6	18	358	-53	305	120	80	40
	110	Au	6	18	358	-52	305	120	80	40
M1QVBXCE	120	Ag	6	18	358	-52	309	120	80	40
	120	Au	6	18	349	-55	312	120	80	40
M1QVBXSE	130	Ag	6	18	359	-52	301	120	80	40
	130	Au	6	18	330	-57	308	120	80	40
M2QVBXNW	111	Ag	6	18	341	-57	302	120	80	40
	111	Au	6	18	340	-57	305	120	80	40
M2QVBXCE	121	Ag	6	18	339	-55	307	120	80	40
	121	Au	6	18	352	-52	316	120	80	40
MHQVBX	102	Ag	6	18	341	-57	304	120	80	40
	102	Au	6	18	340	-57	303	120	80	40
LAQVBX	103	Ag	6	18	358	-52	297	120	80	40
	103	Au	6	18	340	-57	299	120	80	40
MSTKWKNW	210	Ag	6	18	359	-55	320	320	160	30
	210	Au	6	18	348	-52	296	240	140	80
MSTKWKCE	220	Ag	6	18	358	-52	310	320	160	30
	220	Au	6	18	358	-52	305	240	140	80
MSTKWKSE	230	Ag	6	18	348	-52	299	300	160	30
	230	Au	6	18	348	-52	299	240	140	80
LASTKWK	201	Ag	6	18	348	-52	298	120	80	40
	201	Au	6	18	348	-52	295	120	80	40

14.4.7 Density

Density values for the Guadalupe deposit were obtained by both Planet Gold and Coeur from November 2011 to June 2015, using a water-immersion method on dried and waxed whole-core samples of mineralized and unmineralized lithologies.

Figure 14.23 shows average density values by domains sampled and the corresponding measurements. Even though different domains are listed for the main mineralized vein/breccia zones, which host the gold and silver mineralization, not enough data have been collected for some domains to allow assigning different densities to respective domains.

To date, density information shows the stockwork zone to be similar to the vein/breccia zones. These zones are modeled separately but have the same density. The density assigned to the year-end 2015 Guadalupe model was 2.54 g/cm^3.

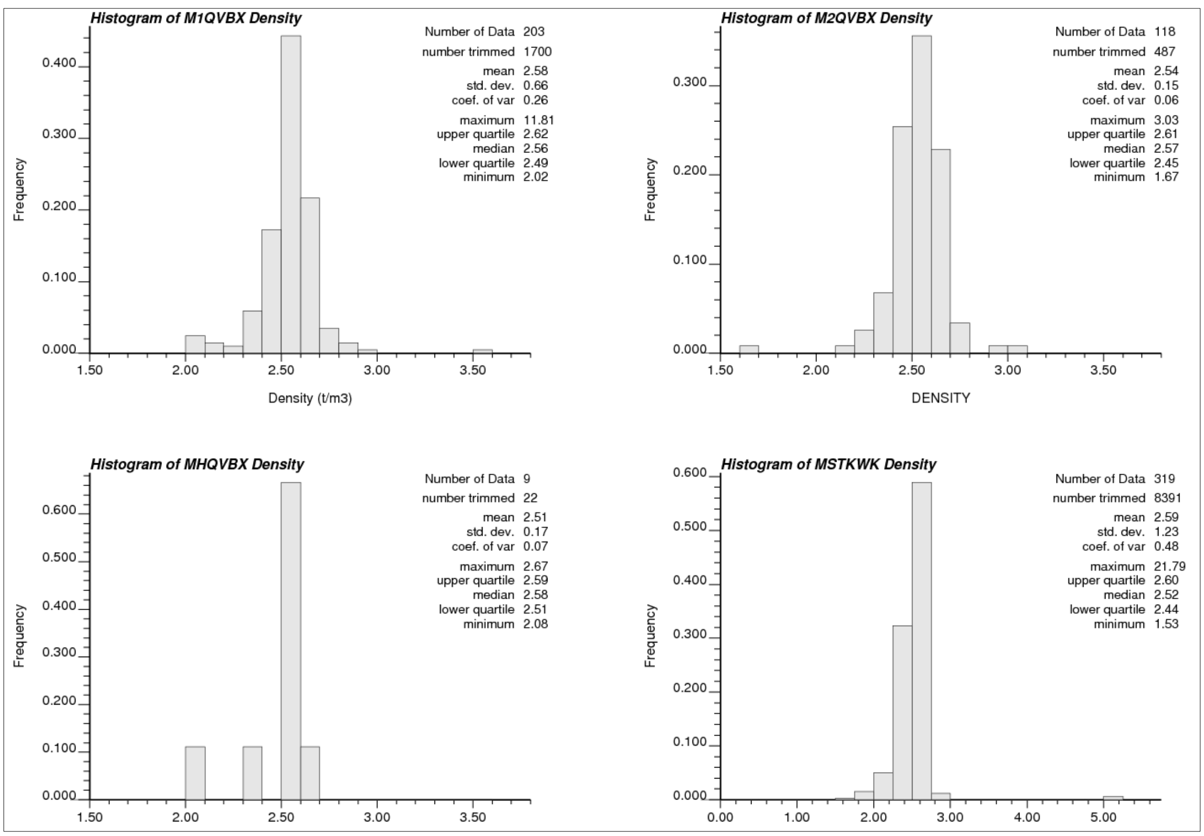


Figure 14.23. Guadalupe Specific - Gravity Statistics by Domians Sampled (Coeur, 2015)

Density data in the Guadalupe database was reviewed and 939 values were selected out of a possible total of 1,177 values. The 238 errors were the result of density values that lay outside the range of minimum and maximum limits (>0.999 and <3.999 g/cm^3), and samples with lengths <5cm or more than 1m long (Table 14.25).

Table 14.25. Basic Statistics of Sample Density Data (Coeur, 2015)

Specific Gravity (SG)	Density Data	Density Data Validated
Count (# of Samples)	1,177	939
Average (g/cm^3)	2.50	2.51
Mode (g/cm^3)	2.6	2.6
P50 (g/cm^3)	2.52	2.54

14.4.8 Estimation

14.4.8.1 Block Discretization

Block discretization was done to determine the appropriate discretization grid to use for the deposit. Table 14.26 and Figure 14.24 demonstrate that it is ideal to use a discretization cell size of 2m x 5m x 5m to approximate the block dispersion variance (as highlighted in the table and figure), since that is where discretization is stable for numerical integration.

Table 14.26. Guadalupe Point Variance with Varying Discretization (Coeur, 2015)

Point Variance		
Point Size (m)	Discretization (m)	Average Variogram
2 x 10 x 10	1 x 2 x 2	0.2159
2 x 10 x 10	2 x 3 x 3	0.2186
2 x 10 x 10	2 x 4 x 4	0.2192
2 x 10 x 10	**2 x 5 x 5**	**0.2195**
2 x 10 x 10	2 x 6 x 6	0.2196
2 x 10 x 10	2 x 7 x 7	0.2197

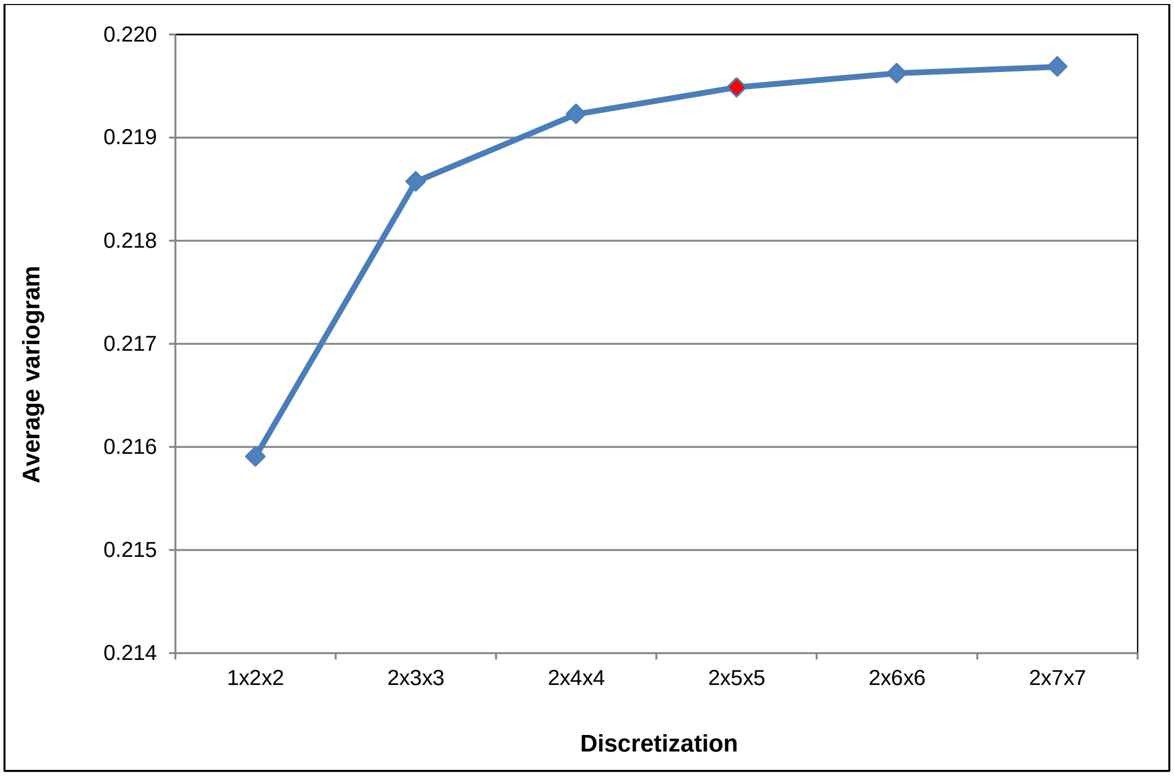


Figure 14.24. Guadalupe Average Variogram and Discretization (Coeur, 2015)

14.4.8.2 Block Model Geometry

A block model framework was created to cover the modeled area and encapsulate all geologic domains used in the year-end 2015 interpolation. Like the composite coding process, blocks were coded by the domain solids on a percent basis and consolidated, using priority code and modeling order. The block model was rotated 45º counter-clockwise to orient the blocks relative to the strike of the domains. Figure 14.25 shows the rotated block model geometry and parameters. Based upon change of support or volume variance correction, which is useful in predicting recoverable resource and assessing internal dilution, two block sizes were used: 2m x 10m x 10m for open-pit and 2m x 2m x 2m for underground.

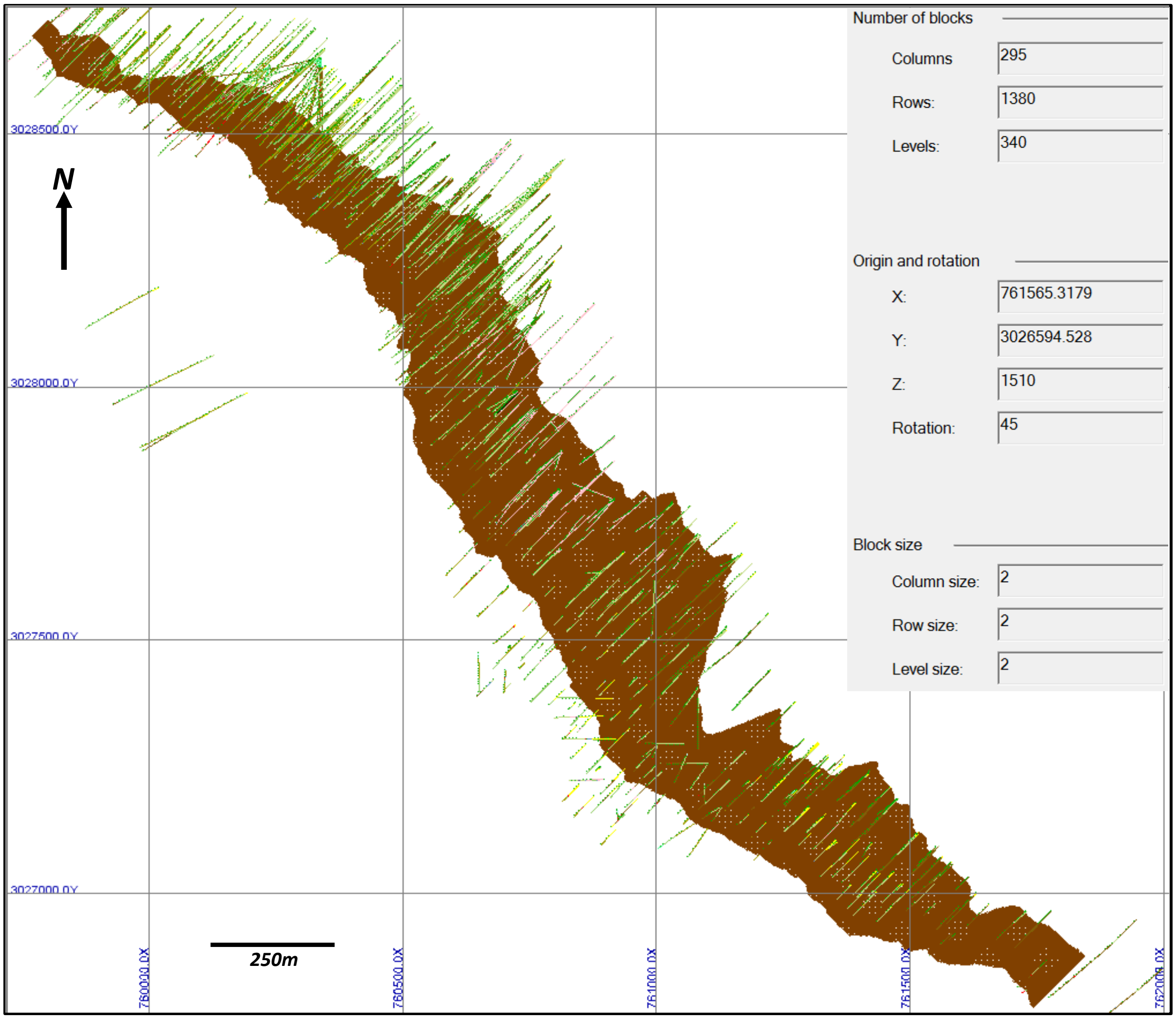


Figure 14.25. Guadalupe Block Model Geometry (Coeur, 2015)

14.4.8.3 Block Model Grade Estimation

Gold and silver metal grades were interpolated into the block model using Ordinary Kriging (OK) estimation technique. OK was selected to be the ideal estimated block model for the Guadalupe deposit because the grade and tonnage curve mimics that of theoretical Discrete Guassian (DG), which is more robust in volume variance correction. The estimates were completed for each metal independently within each domain. A minimum of six and maximum of 18 composites were used for an estimate with not more than three composites from any one drill hole.

14.4.8.4 Block Model Validation

Grade estimates were visually validated by reviewing the block model in plan view and cross-section to determine how well blocks match drill hole composites, as shown in Figure 14.26.

Additional validation checks were conducted on the block model by using fixed window average grade calculation, which is similar to a swath plot. This validation method calculates the average grade of the model and the drill hole composites on a regularized grid or window. Figure 14.27 is an example plot of the average block model gold grade versus drill hole composites within the M1QVBX domain. All domains were subjected to this validation method. From the validation checks, there was no omission of blocks in each domain. Estimated grade in the block model matches the surrounding composites.

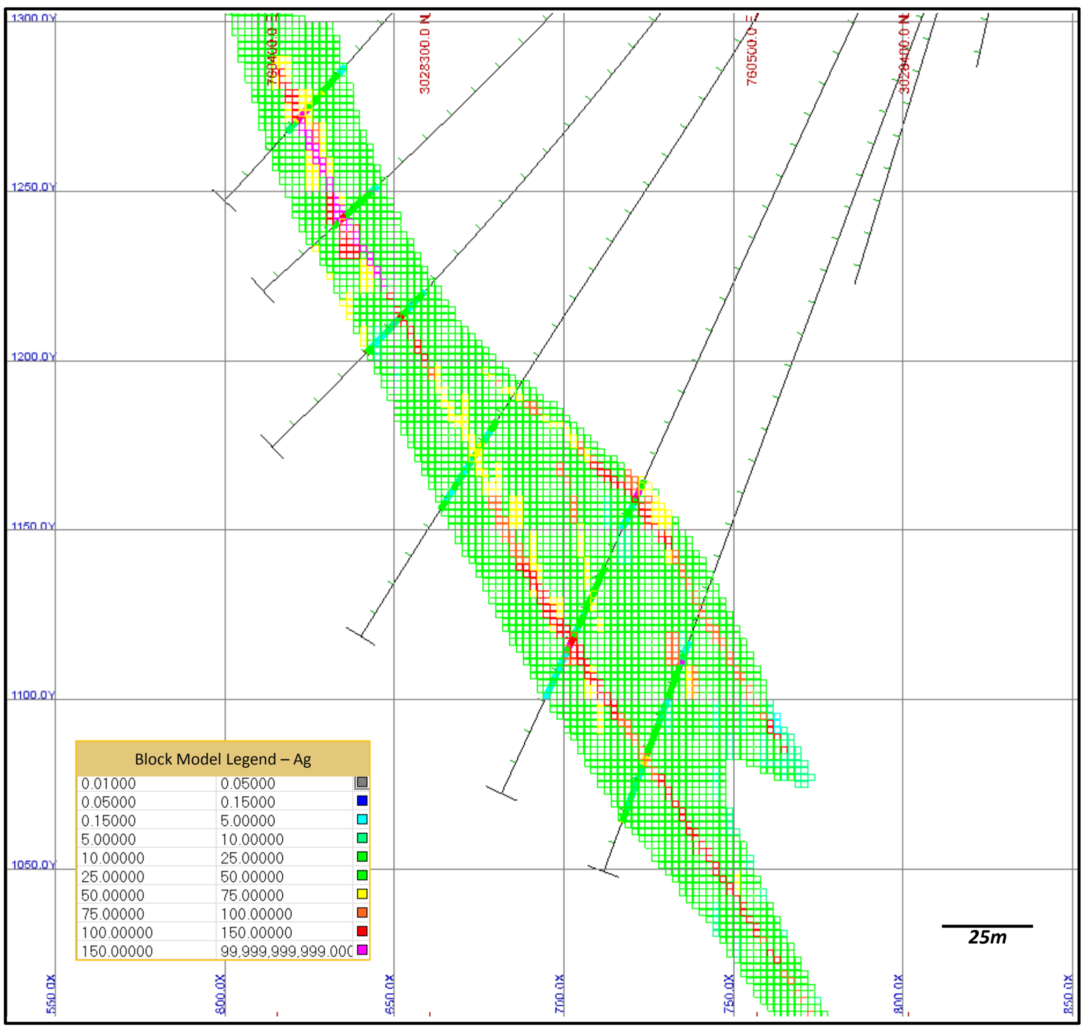


Figure 14.26. Comparison of Ag Block Model and Ag Drill Hole Composites in g/t (Coeur, 2015)

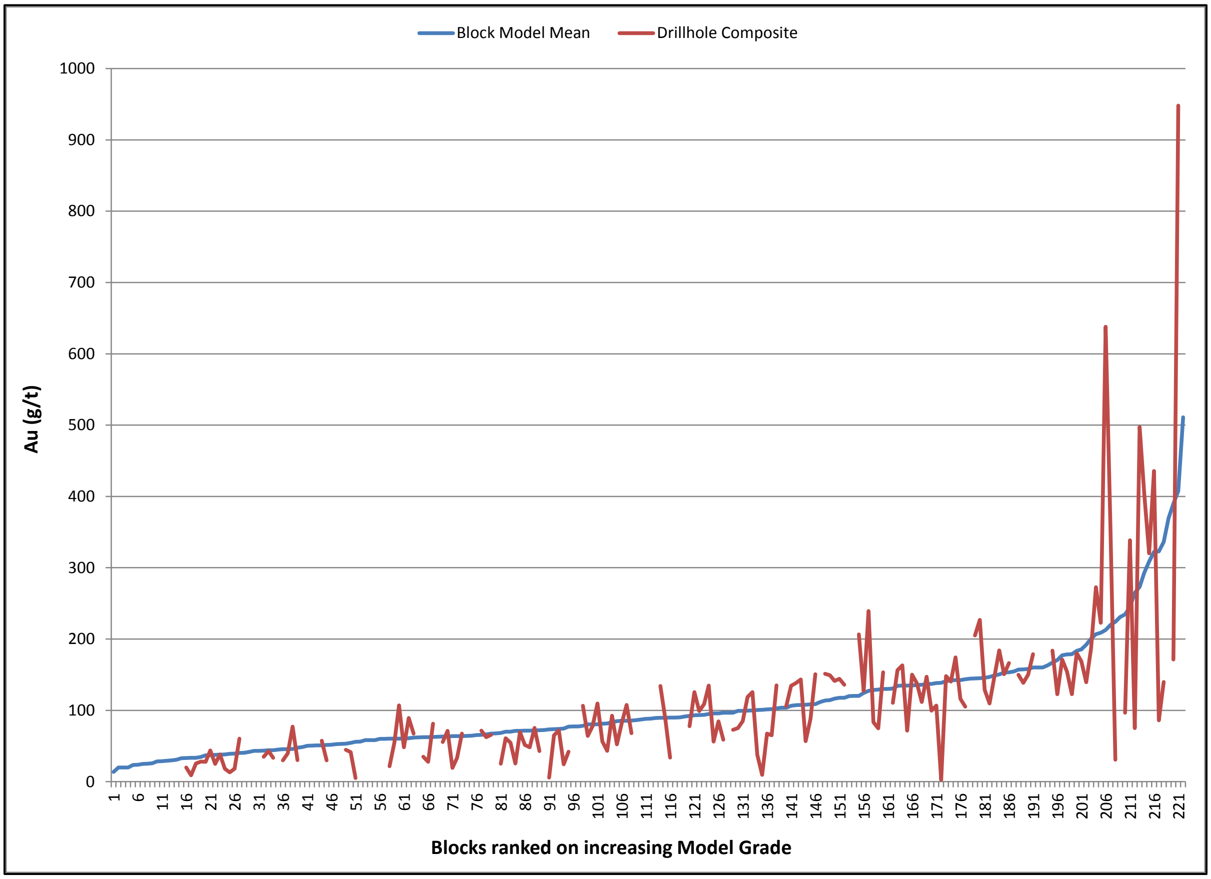


Figure 14.27. Example Plot of Au Block Model Grade and Au Drill Hole Composites in g/t (Coeur, 2015)

14.4.9 Depletion

An analysis of a 3D model of historic mine workings at the Guadalupe deposit, based on historic plan maps, was evaluated to determine if the amount of material that was previously mined would have a significant impact by reducing the resource estimate. Historic reports suggest that approximately 3,700 tonnes of material grading 458 g/t Ag were mined at the Guadalupe deposit. This analysis shows that the amount of material removed by historical mining, when compared to the entire resource, is insignificant (less than 0.5% tonnes). For current mining operations, underground mined solids (valid at the end of August 2015) were used to account for depletion. The mined solids used for depletion are shown in Figure 14.28.

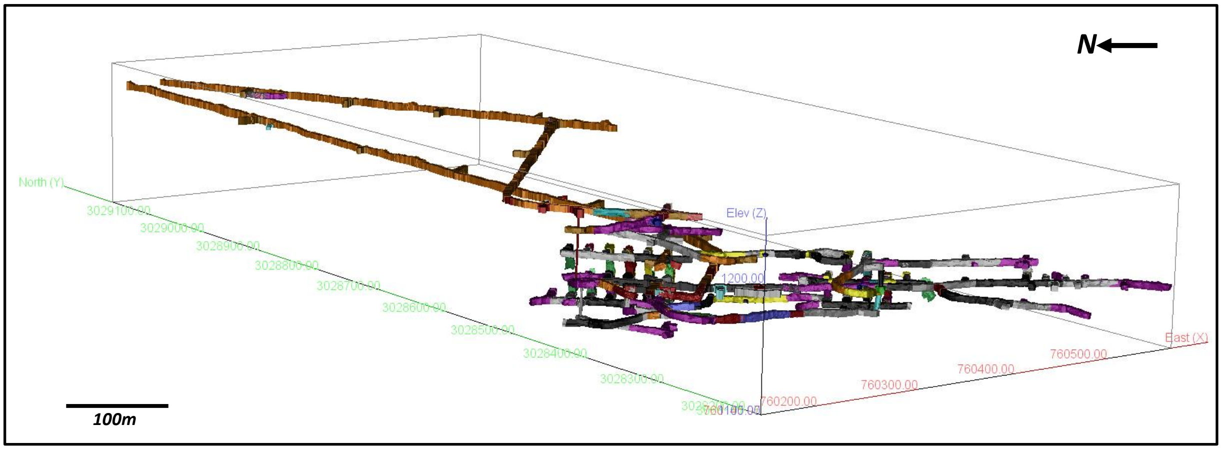


Figure 14.28. Oblique View of as-mined Material as of August 31, 2015 (Coeur, 2015)

14.4.10 Resource Classification

Resource classification is based on the number of composites used to interpolate the block grade, number of drill holes, distance to the closest composite, and the average distance of all composites (Table 14.27). To minimize isolated blocks and smooth out the resource classification, polygons were generated based on the resource classification scheme, and blocks within the polygons were coded with the dominant resource classification.

Table 14.27. Resource Classification Criteria (Coeur, 2015)

	Minimum No. of Drill holes	Minimum No. of Composites	Maximum Distance of Closest Composite (m)	Maximum Average Distance of Composites (m)
Measured	9	25	35	30
Indicated	7	20	35	60
Inferred	Remaining estimated blocks			

14.4.11 Mineral Resources- Guadalupe Deposit

Open pit resources are based on mineralized material outside of the Mineral Reserve, inside an optimized pit shell, and above the open pit resource cut-off grade of 1.75 g/t AuEq. The parameters used to generate the optimized pit shell and cut-off grade are listed in Table 14.2.

Underground resources are based on mineralized material outside of the Mineral Reserve, and above the underground resource cut-off grade of 3.18 g/t AuEq. The key parameters used to calculate this cut-off grade are shown in Table 14.2.

Table 14.28 presents the Mineral Resource estimate for Guadalupe, exclusive of Mineral Reserves. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

Table 14.28. Mineral Resources – Guadalupe Deposit (Exclusive of Mineral Reserves) (Coeur, 2015)

Remaining Resource	Category	Tonnes	Average Grade (g/t)		Contained Oz	
			Ag	Au	Ag	Au
Open Pit	Measured	-	-	-	-	-
	Indicated	250,000	143	0.51	1,148,000	4,100
	Measured & Indicated	**250,000**	**143**	**0.51**	**1,148,000**	**4,100**
	Inferred	29,000	127	0.73	119,000	700
Underground	Measured	-	-	-	-	-
	Indicated	4,823,000	154	2.30	23,804,000	356,200
	Measured & Indicated	**4,823,000**	**154**	**2.30**	**23,804,000**	**356,200**
	Inferred	406,000	174	3.75	2,262,000	48,900
Guadalupe Total	Measured	-	-	-	-	-
	Indicated	5,073,000	153	2.21	24,952,000	360,300
	Measured & Indicated	**5,073,000**	**153**	**2.21**	**24,952,000**	**360,300**
	Inferred	435,000	170	3.54	2,381,000	49,500

Notes:

1. Mineral Resources were estimated by David Hlorgbe, RM, SME as of August 31, 2015.
2. Mineral Resources are reported exclusive of Mineral Reserves.
3. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that some of the Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.
4. Metal prices used were $1,275/oz Au and $19.00/oz Ag.
5. Cut-off grade for open pit resource: 1.75 g/t AuEq.
6. Cut-off grade for underground resource: 3.18 g/t AuEq.
7. Rounding of tonnes, average grades, and contained ounces may result in apparent discrepancies with total rounded tonnes, average grades, and total contained ounces.

14.5 Mineral Resource Estimate Methodology - Independencia Deposit

14.5.1 Data

The Independencia Mineral Resource model and Mineral Resource estimate was completed on April 23, 2014 and previously reported in the Technical Report dated February 18, 2015.

The Mineral Resource model remains unchanged. The Independencia Mineral Resources in this Report are reported as of August 31, 2015 based on updated cut-off grade calculations.

The Mineral Resource estimate for the Independencia deposit, described in this section, was completed by Michael Gustin, CPG of Mine Development Associates.

A model was created for estimating the Independencia Mineral Resources using drill data generated by Coeur through mid-November 2014, as well as Paramount data derived from the drilling programs completed at Don Ese through mid-November 2014.

Independencia Oeste and Independencia Este are portions of the same mineralized structural zone and are referred to, jointly, as Independencia. A single digital database was created from the two datasets. The database is in UTM Zone 12 coordinates using the WGS84 datum, in meters. All modeling of the Independencia resources described herein was performed using GEOVIA Surpac™ mining software.

14.5.2 Oxidation Modeling

Supergene oxidation within the structural zone that hosts the deposit can extend to the deepest levels of mineralization, although the degree of oxidation at any particular area is characteristically highly variable. Zones of complete or partial oxidation can be complexly intermixed with unoxidized rocks within the mineralized structural zones. Oxidation has not been modeled to-date due to this complexity.

14.5.3 Density

Coeur completed dry bulk specific-gravity (SG) determinations on 149 half-core samples. Descriptive statistics of the specific-gravity data by modeled mineral domain and surrounding host rocks are shown in Table 14.29.

Table 14.29. Independencia Bulk Specific Gravity Data (Coeur, 2014)

Deposit	Type	Mean	Median	Count	Model SG
Independencia	Modeled mineralized	2.48	2.49	199	2.45
	Unmineralized	2.46	2.50	687	2.45

The mineralization is hosted within a brittle structural zone, and the lithologic units that host the structural zone are characterized by brittle fracturing. In situ open spaces within these fractures lead to some overstatement in the specific-gravity determinations, as these fractures cannot be representatively captured in the core samples tested, and therefore, are not reflected in the bulk specific-gravity measurements. The bulk specific-gravity values assigned to the block models (Model SG in Table 14.29) have been slightly lowered in recognition of these overstatements in the measurements.

14.5.4 Silver and Gold Modeling

The silver and gold mineral resources at Independencia were modeled and estimated by:

- Evaluating the drill data statistically;
- Interpreting silver and gold mineral domains[1] independently on cross-sections spaced at 50m intervals, with these mineral domains used to code the drill hole assays;
- Rectifying the cross-sectional mineral-domain interpretations on level plans spaced at 5m intervals, with the level-plan mineral domains used to code the block model;
- Analyzing the modeled mineralization geostatistically to aid in the establishment of estimation and classification parameters; and
- Interpolating silver and gold grades into a three-dimensional digital block model, using the coded mineral domains to control the estimations.

MDA modeled the Independencia silver and gold mineralization by interpreting mineral-domain polygons on a set of vertical, northwest-looking (Az. 320°) cross-sections that span the extent of the deposit. In order to define the mineral domains, the natural silver and gold populations were first identified on population-distribution graphs that plot all of the drill hole silver and gold assays. This analysis led to the identification of low-, mid-, and high-grade populations for silver and low- and higher-grade populations for gold. Ideally, each of these populations can be correlated with specific geologic characteristics that are captured in the project data, which then can be used in conjunction with the

[1] Mineral Domains - A mineral domain encompasses a volume of ground that ideally is characterized by a single, natural, grade population of a metal that occurs within a specific geologic environment.

grade populations to interpret the bounds of each of the silver and gold mineral domains. After considering both the grade-distribution plots and the geologic and grade characteristics of the project mineralization, approximated grade ranges of the low- (domain 100), medium- (domain 200), and high- (domain 300) grade domains for both gold and silver were selected (Table 14.30).

Table 14.30. Approximate Grade Ranges of Silver and Gold Domains (MDA, 2014)

Domain	Silver (g/t Ag)	Gold (g/t Au)
100	~10 to ~35	~0.14 to ~2
200	~35 to ~150	>~2
300	> ~150	n/a

The silver and gold mineral domains were modeled on 22 vertical northwest-looking cross-sections spaced at 50m intervals. The drill hole traces and topographic profile were plotted on the sections, with silver and gold assays (colored by the grade-domain population ranges defined above) and pertinent geologic codes plotted along the drill hole traces. These data, in addition to the extensive use of core photographs, formed the base for MDA's mineral-domain interpretations. The mineral-domain polygons were interpreted on the sections to define continuous volumes of rock that are characterized by assays, more-or-less corresponding to each of the defined grade populations and the associated unique geologic characteristics associated with the respective domains. See Section 7.2.3 for a description of the Independencia geology.

Representative cross-sections showing silver and gold mineral-domain interpretations are shown in Figure 14.29 and Figure 14.30, respectively.

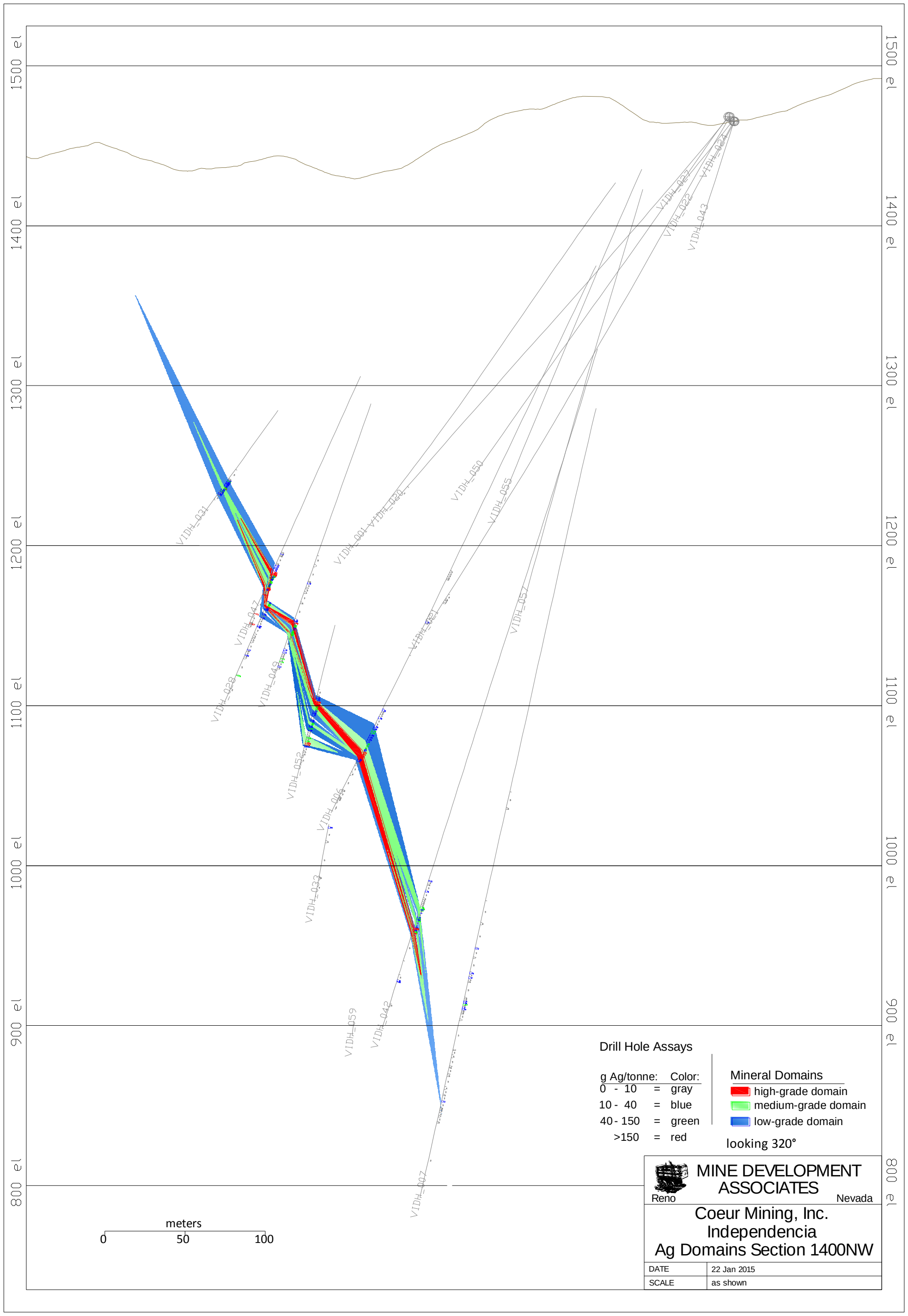


Figure 14.29. Independencia Cross-Section 1400NW showing Silver Mineral Domains (MDA, 2014)
Note: Apparent deflections in dip of mineralized zones are primarily due to projection

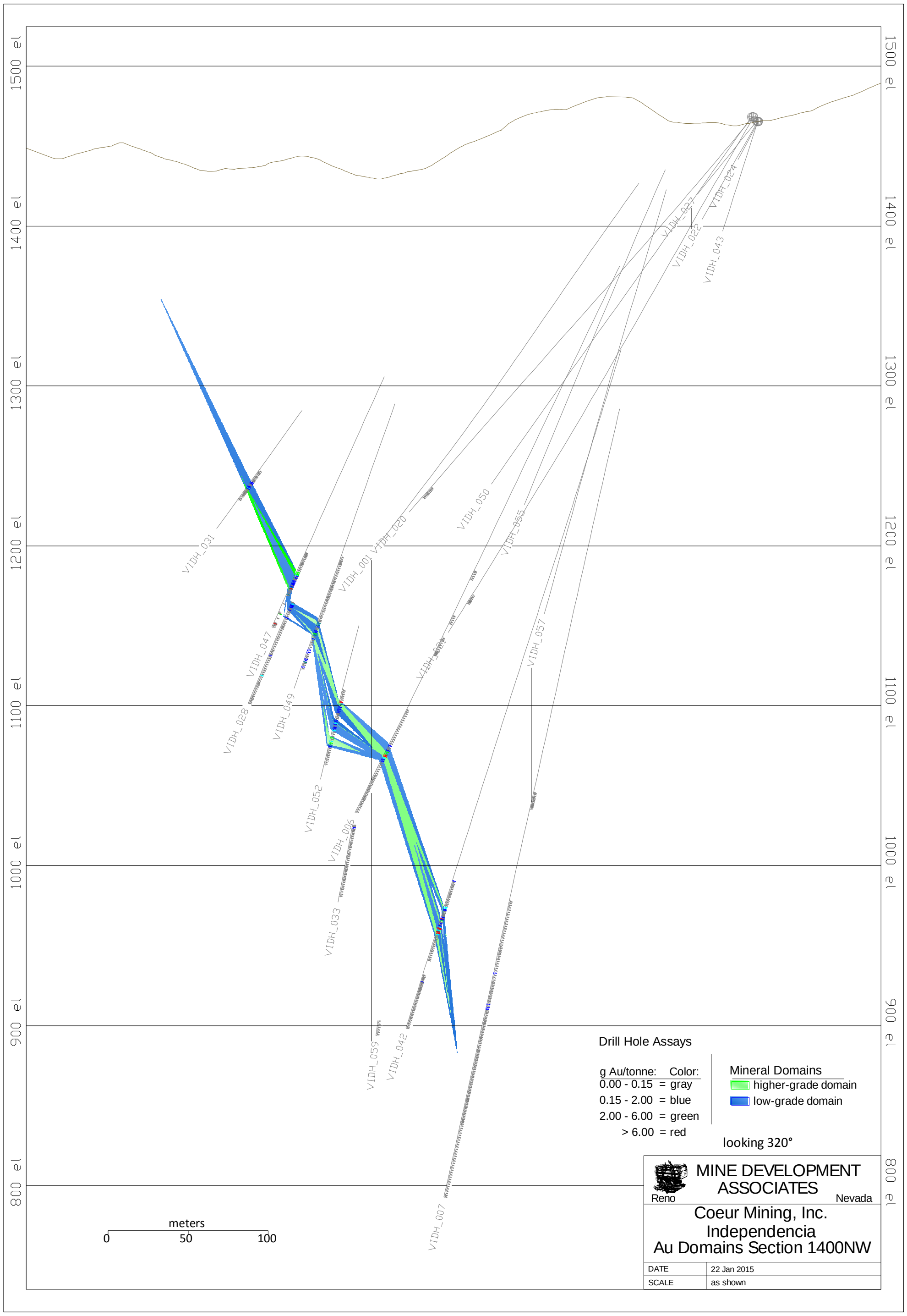


Figure 14.30. Independencia Cross-Section 1400NW showing Gold Mineral Domains (MDA, 2014)
Note: Apparent deflections in dip of mineralized zones are primarily due to projection

In addition to the mineral domains, mineralized-structure 'horizons' were modeled on the cross-sections as polylines. These lines were used to define the higher-grade zones that often lie near the top and bottom of the vein zones, as well as several minor mineralized structures that splay off of, or lie parallel to, the principal mineralized zone.

The final cross-sectional mineral-domain envelopes were digitized, pressed 3-dimensionally to reflect drill hole projections off of the section centers, and then sliced horizontally at 5m intervals at each mid-bench elevation in the model. These slices, along with slices of 3D triangulated surfaces created from the mineralized-structure polylines discussed above, were used to guide the definition of final silver and gold mineral-domain polygons modeled on the mid-bench level plans.

14.5.5 Assay Coding, Capping, and Compositing

Drill hole silver and gold assays were coded to the mineral domains using the cross-sectional envelopes. Descriptive statistics of the coded silver and gold assays are provided in Table 14.31.

Table 14.31. Descriptive Statistics for Independencia Coded Silver and Gold Assays (MDA, 2014)

Domain	Assays	Count	Mean (g/t)	Median (g/t)	Std. Dev.	CV	Min. (g/t)	Max. (g/t)
100	Ag	1018	21.9	18.0	25.2	1.15	1.1	972.0
	Ag Cap	1018	21.2	18.0	15.2	0.71	1.1	100.0
200	Ag	438	76.2	64.0	52.4	0.69	5.0	522.0
	Ag Cap	438	74.8	64.0	45.5	0.61	5.0	250.0
300	Ag	352	413.3	259.0	520.5	1.26	7.9	5270.0
	Ag Cap	352	402.1	259.0	438.1	1.09	7.9	2800.0
All	*Ag*	*1808*	*107.2*	*30.5*	*269.4*	*2.51*	*1.1*	*5270.0*
	Ag Cap	*1808*	*104.4*	*30.5*	*237.7*	*2.28*	*1.1*	*2800.0*
100	Au	889	0.439	0.304	0.505	1.150	0.005	9.200
	Au Cap	889	0.427	0.304	0.398	0.930	0.005	2.000
200	Au	401	5.026	2.997	7.076	1.410	0.033	59.700
	Au Cap	401	4.818	2.997	5.826	1.210	0.033	35.000
All	*Au*	*1290*	*1.821*	*0.498*	*4.437*	*2.440*	*0.005*	*59.700*
	Au Cap	*1290*	*1.750*	*0.498*	*3.794*	*2.170*	*0.005*	*35.000*

The coded assay data were examined statistically on a domain-by-domain basis to identify potential high-grade outliers, some or all of which were capped after evaluating their spatial relationships with surrounding drill samples and their potential impacts during grade estimation (Table 14.32).

Table 14.32. Independencia Silver and Gold Assay Caps (MDA, 2014)

Domain	Cap (g/t Ag)	Number Capped (% of samples)	Cap (g/t Au)	Number Capped (% of samples)
100	100	12 (<1%)	2	9 (<1%)
200	250	7 (2%)	35	7 (2%)
300	2800	2 (<1%)	N/A	N/A

The capped assays were composited downhole by domain at 2m intervals. Descriptive statistics for the silver and gold composites are shown in Table 14.33.

Table 14.33. Descriptive Statistics for Independencia Silver and Gold Composites (MDA, 2014)

Domain	Assays	Count	Mean (g/t)	Median (g/t)	Std. Dev.	CV	Min. (g/t)	Max. (g/t)
100	Ag	681	21.2	18.6	11.5	0.54	1.5	100.0
200	Ag	309	74.8	66.3	36.6	0.49	10.4	247.0
300	Ag	229	402.1	272.0	369.3	0.92	71.2	2666.6
All	*Ag*	*1219*	*104.4*	*31.4*	*214.5*	*2.05*	*1.5*	*2666.6*
100	Au	596	0.427	0.332	0.325	0.760	0.031	2.000
200	Au	266	4.818	3.206	4.450	0.920	0.403	35.000
All	*Au*	*862*	*1.750*	*0.524*	*3.178*	*1.820*	*0.031*	*35.000*

In addition to the assay caps, restrictions on the search distances of higher-grade portions of some of the domains were applied during grade interpolations (discussed further below).

14.5.6 Block Model Coding

A model comprised of 2.5m (width) x 2.5m (length) x 5m (height) blocks was created, rotated to a bearing of 320°, so as to be consistent with the northwest-looking cross-sections. The elevations of the block centroids are identical to the 5m-spaced level-plan elevations. The level-plan polygons were used to code the model to the mineral domains, with the percentage volume of each mineral domain within each block stored (the partial percentages). The model is coded to specific gravity using the values listed in

Table 14.29, and the percentage of each block that lies below the topographic surface, is also stored.

14.5.7 Grade Interpolation

A variographic study was undertaken using the silver and gold composites from each mineral domain, collectively and separately, at various azimuths, dips, and lags. Reasonable structures were modeled using all composites of silver and all of gold, while attempts at modeling using only composites from single domains from either metal, were less successful. Variogram ranges of up to 170m were obtained using all gold composites, with ranges of up to 90m indicated for gold composites from the domain 200. Maximum ranges were obtained in the dip direction in both cases, with strike ranges essentially equal to the dip range using all gold composites and 60% of the range using the domain 200 composites only. A maximum range of about 80m results from using all silver composites, again in the dip direction, with a range of 25m modeled along strike.

Results from variographic studies were used in combination with the drill hole spacing and known geologic controls to determine the first-pass search distance, as well as to aid in the establishment of resource classification criteria. The second pass was designed to estimate grade into all blocks coded to the mineral domains that were not estimated in the first pass.

The estimation passes were performed independently for each metal and for each mineral domain (Table 14.34). For example, only composites coded to a particular silver domain were used to estimate grade into blocks coded to that domain. The estimated grades were coupled with the partial percentages of the mineral domains to enable the calculation of weight-averaged gold and silver grades for each block. The portions of each block that lie outside of the gold and silver domains were assigned a grade of 0 in the weight-average calculations of the block-diluted gold and silver grades, respectively. The tonnes of each block were calculated using the specific-gravity values presented in Table 14.29.

Statistical analyses of coded assays and composites, including coefficients of variation and population-distribution plots, indicate that multiple populations were captured in the high-grade silver (domain 300) and gold (domain 200) domains. The presence of multiple populations, in addition to the results of initial grade-estimation runs, led to the incorporation of search restrictions into the estimation parameters applied to these high-grade domains (Table 14.35). These restrictions place limits on the maximum distances allowed for including a composite in grade interpolation from the highest-grade populations of the domains. The final search-restriction parameters were derived from the results of multiple interpolation iterations.

The presence of multiple mineralized orientations necessitated the use of multiple search ellipses for the purposes of silver and gold grade interpolation. Five estimation areas, each consisting of a unique strike and dip orientation, were coded into the block model and used to define five search ellipses used in grade interpolation.

Grades were estimated into the model blocks using inverse-distance weighting and OK methods (Table 14.36). The mineral resources reported herein were estimated by inverse-distance interpolation, as these results were judged to be more appropriate than those obtained by OK. Nearest-neighbor interpolations were also completed as checks on the inverse-distance results.

The mid- and high-grade silver and gold domains were interpolated using inverse distance to the third power. Fourth-power inverse-distance methods were used to interpolate the low-grade domains for each metal, in order to help restrict the influence of higher-grade outlier composites that occur sporadically throughout the stockwork mineralization characteristic of these domains. The maximum number of samples allowed to interpolate grades into the lower-grade domains was lowered for the same reason. All estimations were completed using length-weighted composites.

The estimation parameters used in the silver and gold grade interpolations are summarized in Table 14.34 through Table 14.37. All modeling of the Independencia resources was performed using GEOVIA Surpac™ mining software.

Table 14.34. Estimation Criteria (MDA, 2014)

Estimation Pass	Domains	Search Ranges (m)			Composite Constraints		
		Major	S-Major	Minor	Min.	Max.	Max/hole
1	Ag-Au 200,300 Ag-Au 100	100	100	25	2 2	8 6	3 3
2	Ag-Au 200,300 Ag-Au 100	250	250	250	1 1	8 6	3 3

Table 14.35. Search Restrictions (MDA, 2014)

Domain	Grade Threshold	Search Restriction	Estimation Pass
Ag 300	>400 g/t	50m	1 & 2
Au 200	>4 g/t	70m	1 & 2

Table 14.36. Ordinary Krige Parameters* (MDA, 2014)

Model	Nugget	First Structure				Second Structure			
	C0	C1	Ranges (m)			C2	Ranges (m)		
SPH-Normal	0.2190	0.2390	20	20	7	0.1838	55	55	25

* Krige interpolation used as a check against the reported inverse-distance interpolation

Table 14.37. Summary of Independencia Estimation Parameters (MDA, 2014)

Search Ellipse Orientations			
Estimation Domain	**Major Bearing**	**Plunge**	**Tilt**
Primary Orientation	325°	0°	-65°
Dip change from Primary Orientation	325°	0°	-70°
Strike change from Primary Orientation	330°	0°	-65°
Strike change from Primary Orientation	345°	0°	-65°
Strike and dip change from Primary Orientation	295°	0°	-70°

Figure 14.31 and Figure 14.32 show cross-sections of the block model that correspond to the mineral-domain cross-sections presented above for silver and gold, respectively.

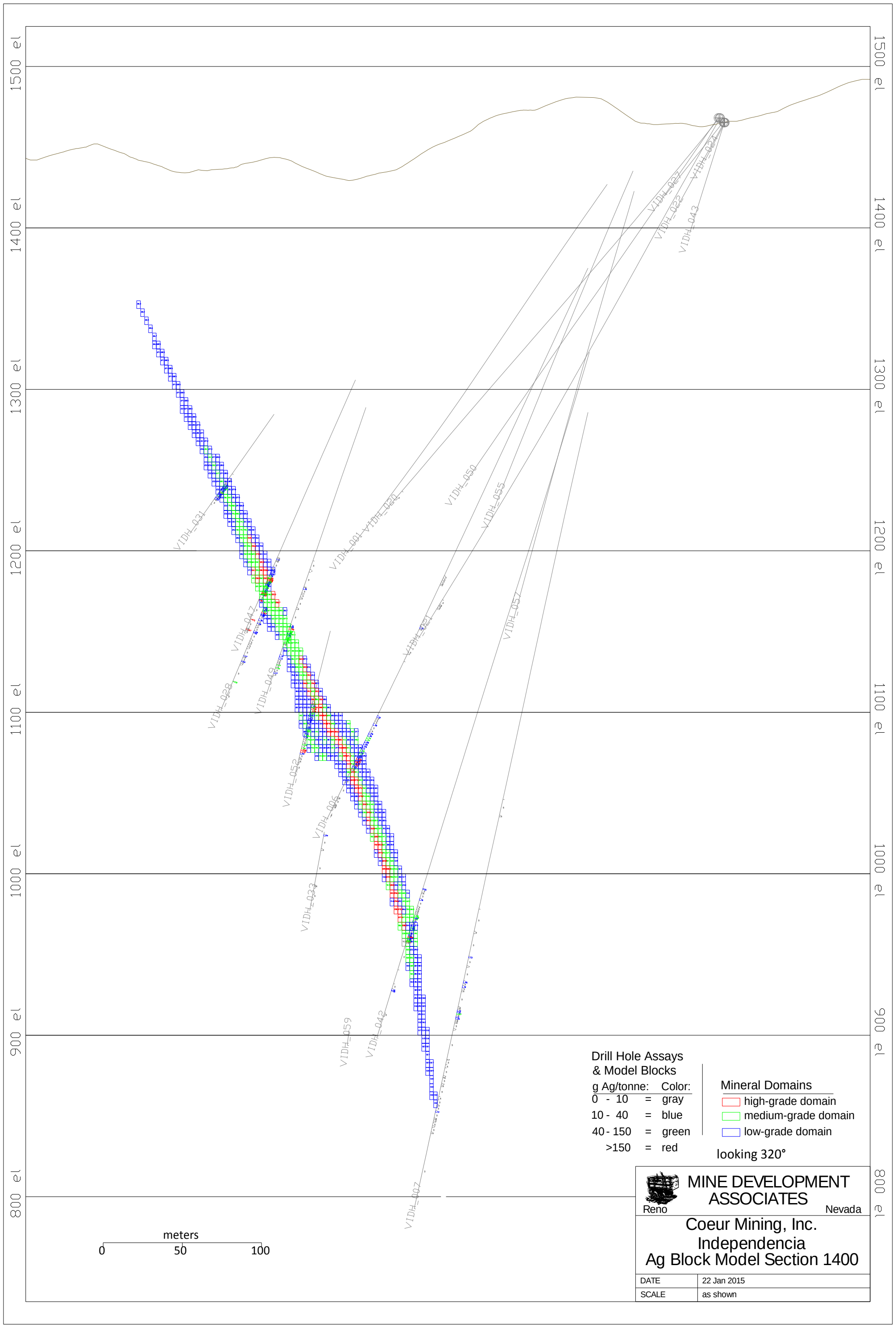


Figure 14.31. Independencia Cross-Section 1400NW showing Block Model Silver Grades (MDA, 2014)

Note: Apparent deflections in dip of mineralized zones are primarily due to projection

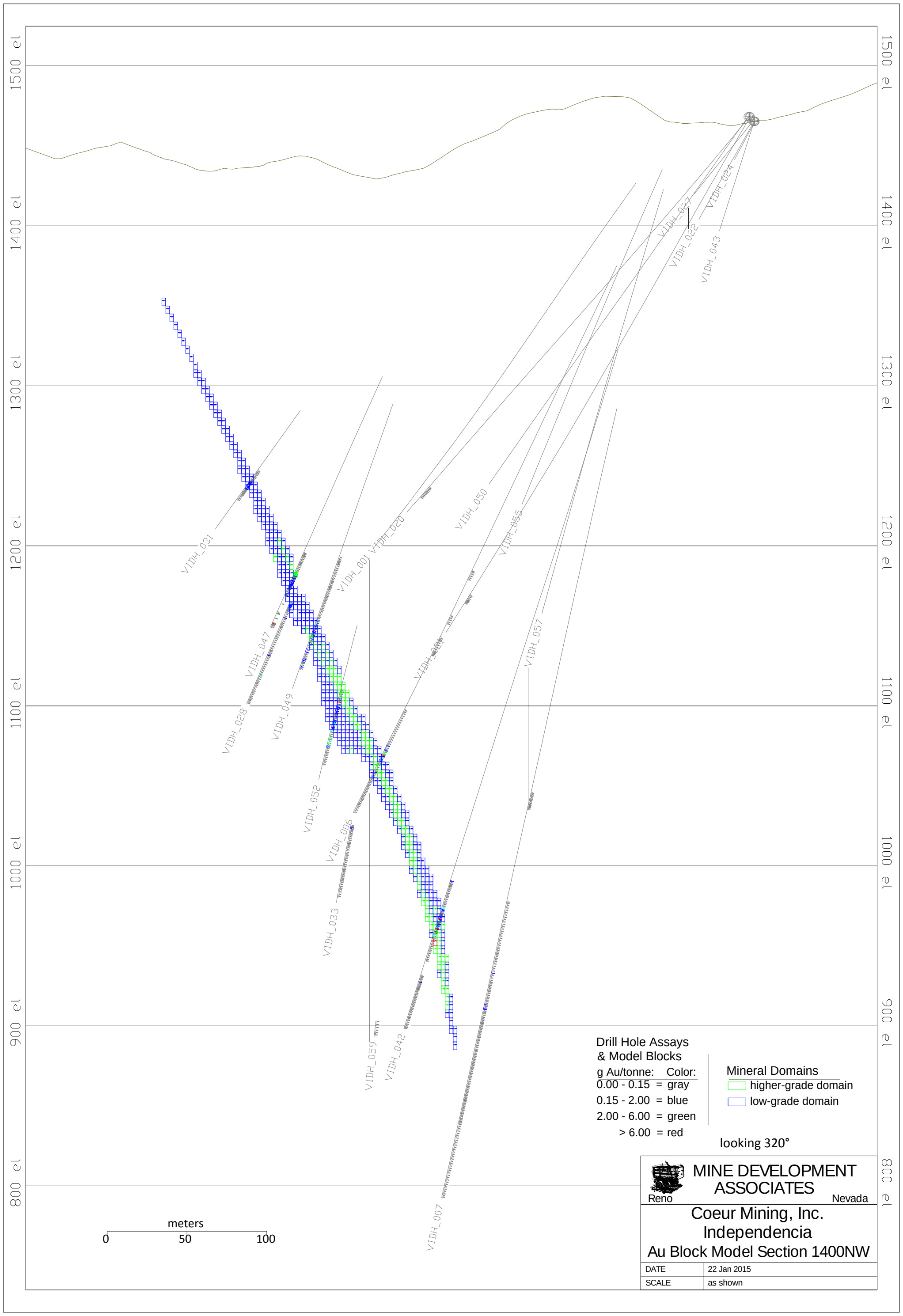


Figure 14.32. Independencia Cross-Section 1400NW showing Block Model Gold Grades (MDA, 2014)

Note: Apparent deflections in dip of mineralized zones are primarily due to projection

14.5.8 Classification

The Independencia resources are classified on the basis of the number and distance of composites used in the interpolation of a block, as well as the number of drill holes that contributed composites (Table 14.38).

Table 14.38. Independencia Classification Parameters (MDA, 2014)

Class	Minimum No. of Composites	Additional Constraints
Measured	3	Minimum of two holes that lie within an average distance of 25m or less from the block.
Indicated	3	Minimum of two holes that lie within an average distance of 50m or less from the block.
Inferred	1	All estimated blocks not classified as Measured or Indicated.

14.5.9 Mineral Resources – Independencia Deposit

Independencia is suitable for underground mining methods only. Underground Mineral Resources are based on mineralized material exclusive of the Mineral Reserve, and above the underground resource cut-off grade of 3.18 g/t AuEq and 2.59 g/t AuEq for Independencia Oeste and Este, respectively. The key parameters used to calculate the cut-off grades are shown in Table 14.2.

Table 14.39 presents the Mineral Resource estimate for Independencia, exclusive of Mineral Reserves. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

Table 14.39. Mineral Resources – Independencia Deposit (Exclusive of Mineral Reserves) (MDA, 2014)

Location	Classification	Tonnes	Ag (g/t)	Au (g/t)	Ag (oz)	Au (oz)
Independencia Este	Measured	50,000	183	1.55	294,000	2,500
	Indicated	332,000	162	1.87	1,732,000	20,000
	Measured + Indicated	**382,000**	**165**	**1.83**	**2,025,000**	**22,500**
	Inferred	917,000	169	2.79	4,993,000	82,200
Independencia Oeste	Measured	72,000	154	1.89	357,000	4,400
	Indicated	185,000	123	2.16	734,000	12,900
	Measured + Indicated	**257,000**	**132**	**2.09**	**1,092,000**	**17,300**
	Inferred	153,000	127	2.39	624,000	11,700
Independencia Total	Measured	122,000	166	1.75	651,000	6,900
	Indicated	518,000	148	1.97	2,466,000	32,800
	Measured + Indicated	**640,000**	**152**	**1.93**	**3,117,000**	**39,700**
	Inferred	1,070,000	163	2.73	5,617,000	93,900

Notes:
1. Mineral Resources estimated by Michael Gustin, AIPG (CPG) of Mine Development Associates as of August 31, 2015.
2. Mineral Resources are reported exclusive of Mineral Reserves.
3. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
4. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to a Mineral Reserve.
5. It is reasonably expected that some Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.
6. Metals prices used were $1,275/oz Au and $19.00/oz Ag.
7. Cut-off grade for underground resource: 3.18 g/t AuEq (Independencia Oeste) and 2.59 g/t AuEq (Independencia Este).
8. Rounding of tonnes, average grades, and contained ounces may result in apparent discrepancies with total rounded tonnes, average grades, and total contained ounces.

14.5.10 Comments on the Resource Modeling

The degree of oxidation of the resources is variable within the deposit, and relationships between completely oxidized, partially oxidized, and unoxidized materials are complex. A single cut-off is used to define the resources, under the assumption that metallurgical responses are similar, irrespective of the oxidation state.

No historic underground workings are known to exist at Independencia, although voids were intersected in five drill holes. These voids are thought to be natural, as opposed to mining voids, based on evidence in the drill core (no wood or definitive mining gob recovered; the voids are bordered by strong evidence of brittle structures), as well as the lack of evidence of significant mining in the deposit area.

14.6 Factors that may affect the Mineral Resource Estimates

Factors that may affect the Mineral Resource estimates are listed below and refer to all of Section 14.

1) Metals price assumptions.
2) Changes to design parameter assumptions that pertain to stope and open pit designs.
3) Changes to geotechnical, mining, and metallurgical recovery assumptions.
4) Changes to the assumptions used to generate the resource cut-off.
5) Changes in interpretations of mineralization geometry and continuity of mineralization zones.
6) Conversion of resources to reserves is dependent on the success of additional infill and stepout drilling to confirm the continuity of geology and mineralization.
7) Changes to the assumptions related to mineral tenure rights, royalty assumptions, and taxation.

14.7 Mineral Resource Estimates – Summary of Palmarejo Complex

A summary of the Mineral Resource estimates for the Palmarejo Complex are provided in Table 14.40. Please refer to Section 14.2 for the key paramaters and assumptions used for the estimation of Mineral Resources.

Table 14.40. Mineral Resource Summary – Palmarejo Complex (Exclusive of Mineral Reserves) (Coeur, 2015)

Category	Tonnes	Average Grade (g/t)		Contained Oz	
		Ag	Au	Ag	Au
Measured	122,000	166	1.75	651,000	6,900
Indicated	5,590,000	153	2.19	27,418,000	393,000
Measured + Indicated	**5,712,000**	**153**	**2.18**	**28,069,000**	**400,000**
Inferred	1,505,000	165	2.97	7,998,000	143,500

Notes:

1. Mineral Resources as of August 31, 2015. Independencia Mineral Resources estimated by Micheal Gustin, CPG. Guadalupe Mineral Resources estimated by David Hlorgbe, RM, SME.
2. There are no Mineral Resources exclusive of Mineral Reserves for the Palmarejo open pit and underground mines.
3. Metal prices used were $1,275/oz Au and $19.00/oz Ag.
4. Mineral Resources are reported exclusive of Mineral Reserves.
5. Mineral Resources have not demonstrated economic viability.
6. Inferred Mineral Resources have a lower level of confidence than Indicated Mineral Resources. It is expected that some of the Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.
7. Rounding of tonnes, average grades, and contained ounces may result in apparent discrepancies with total rounded tonnes, average grades, and total contained ounces.

15. MINERAL RESERVE ESTIMATES

Mineral Reserves for the Palmarejo Complex include the Palmarejo, Guadalupe, and Independencia deposits. The Mineral Reserves were estimated as of August 31, 2015 by Paul Kerr, P.Eng., an employee of Coeur Mining, Inc.

Mining, geotechnical, and hydrological factors have been considered in the estimation of the Mineral Reserves, including the application of dilution and ore recovery factors, where appropriate. The QP notes that other modifying factors (such as metallurgical, environmental, social, political, legal, marketing, and economic factors) have also been considered to the required standard, and that they each demonstrate the viability of Mineral Reserves in their own regard.

15.1 Mineral Reserve Cut-off Grade Estimation

Gold equivalent (AuEq) cut-off grades were calculated for the deposits, with Mineral Reserves estimated and reported above this cut-off. The AuEq cut-off was calculated as follows:

$$\text{AuEq Cut-off g/t} = \frac{\text{(Mining + Processing + G\&A \$/tonne)}}{\text{(Gold Price - Refining Cost - Royalties \$/gm)} \times \text{\% Recovery} \times \text{\% Payable)}}$$

The payability refers to the amount of metal deemed payable by the metal refiners.

The Gold:Silver Value Ratio is used to convert silver grades to gold equivalent grades and is calculated using the following formula:

$$\text{Au:Ag Value Ratio} = \frac{\text{(Au Price \$/gm – Refining Cost \$/gm)}}{\text{(Ag Price \$/gm – Refining Cost \$/gm)}} \times \frac{\text{Au \%Recovery}}{\text{Ag \%Recovery}} \times \frac{\text{Au \%Payable}}{\text{Ag \%Payable}}$$

Gold equivalent grades are calculated using the following formula:

AuEq = Au + Ag / Au:Ag Ratio, where AuEq, Au and Ag are the gold equivalent grade, gold grade and silver grade respectively, in g/t.

Table 15.1 shows the input parameters used in the cut-off grade calculations for the Mineral Reserve estimates.

Table 15.1. Mineral Reserve Key Parameters and Assumptions (Coeur, 2015)

Parameter		Palmarejo Open Pit	Palmarejo Rosario UG	Palmarejo Lower 76 Underground	Guadalupe UG	Independencia Oeste UG	Independencia Este UG
Gold Price	$/oz	1,150	1,150	1,150	1,250	1,250	1,250
Silver Price	$/oz	15.50	15.50	15.50	17.50	17.50	17.50
Mining Duty-Au (0.5%)	$/oz Au	5.75	5.75	5.75	6.25	6.25	6.25
Mining Duty- Ag (0.5%)	$/oz Ag	0.08	0.08	0.08	0.09	0.09	0.09
Gold Stream Royalty	$/oz Au	-	-	-	225	225	-
Gold Recovery	%	87.0%	87.0%	87.0%	87.0%	87.0%	87.0%
Silver Recovery	%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%
Gold Payable	%	99.9%	99.9%	99.9%	99.9%	99.9%	99.9%
Silver Payable	%	99.9%	99.9%	99.9%	99.9%	99.9%	99.9%
Au:Ag Value Ratio	Au:Ag	78.42	78.42	78.42	61.67	61.67	75.21
Gold Refining	$/oz	0.488	0.488	0.488	0.488	0.488	0.488
Silver Refining	$/oz	0.488	0.488	0.488	0.488	0.488	0.488
Mine Cost	$/t	5.25	62.10	69.90	43.00	43.00	43.00
Surface Ore Haulage	$/t	-	-	-	3.70	3.70	3.70
Processing	$/t	27.00	27.00	27.00	29.12	29.12	29.12
G&A	$/t	14.83	-	-	14.83	14.83	14.83
Other	$/t	-	-	-	1.50	1.50	1.50
AuEq Cut-Off	g/t	1.30	2.77	3.02	3.22	3.22	2.64
Marginal AuEq Cut-Off Grade	g/t	-	1.74	2.21	1.72	1.72	1.41

15.2 Mineral Reserve Estimate - Palmarejo Open Pit

15.2.1 Mineral Reserve Estimate Methodology

Open pit Mineral Reserves are contained within the current pit design. Ore and waste was determined by the application of the cut-off grade.

The open pit design is shown in Figure 15.1. The open pit has an estimated mine life of approximately four months, and is planned to be mined out by the end of 2015.

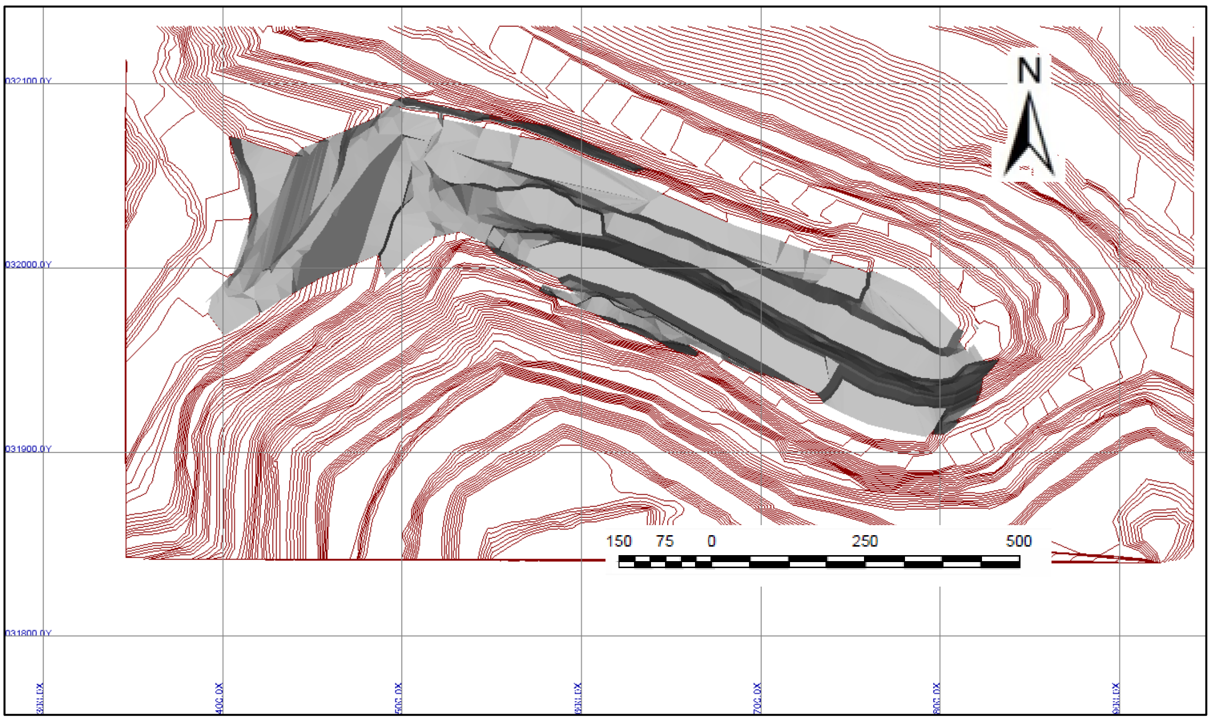


Figure 15.1. Palmarejo Open Pit Design in Plan View (Coeur, 2015)

15.2.2 Resource Block Model and SMU Sizing

The Palmarejo Mineral Resource block model was used for the open pit design. The model was re-blocked to 5m x 5m x 7.5m. Ore control practices at Palmarejo allow for reasonable selectivity with respect to this SMU.

15.2.3 Geotechnical Considerations

Geotechnical studies were completed by Golder Associates, with a follow up study completed by geotechnical consultant Cristian Caceres in 2012. Final pit designs use a slope angle of 49º.

15.2.4 Hydrogeological Considerations

No hydrogeological studies have been conducted in the open pit areas. No adverse conditions have been encountered in the Palmarejo pit.

15.2.5 Dilution and Mining Loss

The Mineral Resource block model was re-blocked to a SMU of 5m x 5m x 7.5m. This process results in dilution along the edges of the mineralized structures. Ore control practices at Palmarejo allow for reasonable selectivity in relation to the block size. The dilution created by re-blocking the block model is appropriate for the estimation of Mineral Reserves without the application of additional dilution factors.

15.2.6 Mineral Reserve Cut-off Grade Analysis – Palmarejo Open Pit

Operating costs and metal prices have been estimated based on mining the open pit Mineral Reserve in 2015.

Cost and financial inputs were estimated to calculate a cut-off grade to determine ore and waste. Table 15.1 lists the input parameters and calculation of the cut-off grade for the Mineral Reserve determination. The calculation takes into account all relevant financial parameters and operating costs; however, it excludes the gold production royalty payable to Franco-Nevada Corporation. This was done as payments under the gold stream are treated for accounting purposes as a financing arrangement, due to minimum obligations for gold delivery set out in the agreement. Given the short term nature of the open pit project, this approach will maximize the net revenue of the overall Palmarejo Complex.

15.2.7 Ore/Waste Determinations

For Measured and Indicated Resources contained within the open pit design, ore is defined as material above a cut-off grade of 1.30 AuEq g/t. Material at or above this cut-off will generate a positive cash flow, since revenue from sales is greater than total operating costs at the pit rim.

Material below this cut-off is waste, and will be disposed of in surface waste dumps. Approximately 1.23Mt of waste will be mined in the open pit. The stripping ratio is 8:1 (waste to ore).

15.2.8 Mine Engineering Design

Access roads, open pit, and waste dump designs were completed in 2014.

15.2.9 Mineral Reserve Estimate - Palmarejo Open Pit Mine

The Mineral Reserve estimate for the Palmarejo open pit mine is shown in Table 15.2. These Mineral Reserves are contained within the Measured and Indicated Mineral Resources estimated for the project.

Mining, geotechnical, and hydrological factors have been considered in the estimation of the Mineral Reserves, including the application of dilution factors. The QP notes that other modifying factors (such as metallurgical, environmental, social, political, legal, marketing, and economic factors) have also been considered to the required standard, and that they each demonstrate the viability of the Mineral Reserves in their own regard.

Table 15.2. Mineral Reserve – Palmarejo Open Pit Mine (Coeur, 2015)

Category	Tonnes	Average Grade (g/t)		Contained Oz	
		Ag	Au	Ag	Au
Proven					
Probable	154,000	123	0.98	609,000	4,800
Proven + Probable	**154,000**	**123**	**0.98**	**609,000**	**4,800**

Notes:
1. Estimated by Paul Kerr, P.Eng. as of August 31, 2015.
2. Metal prices used in the estimate: $1,150/oz Au and $15.50/oz Ag.
3. Cut-off grade for Mineral Reserve: 1.30 g/t AuEq.
4. Rounding of tonnes, average grades, and contained ounces may result in apparent discrepancies with total rounded tonnes, average grades, and total contained ounces.

15.2.10 Mineral Reserve Sensitivity

Mineral Reserve sensitivity to metal prices has not been completed for the Palmarejo open pit due to the short term nature of the open pit project.

15.3 Mineral Reserve Estimate - Palmarejo Underground Mine

15.3.1 Mineral Reserve Estimate Methodology

The estimation of the Mineral Reserve is based on the following inputs and considerations:

- Mineral Resource block model estimating tonnage, gold and silver grades;
- Cut-off grade calculations;
- Stope and development designs;
- Geotechnical conditions and established geotechnical mine design;
- Estimates for mining recovery and dilution;

- Depletion from previous mining; and
- Consideration of other modifying factors.

The Mineral Reserve estimate used the Vulcan mine planning software for the mine design and 3D modeling. Grade and volume estimates for the 3D model were estimated using GEOVIA™ software.

15.3.2 Mineral Resource Block Model

The Mineral Reserves for the Palmarejo underground mine are based on the Mineral Resource block model for Palmarejo created in 2014.

The assessment of Mineral Reserves considered only portions of the Indicated and Measured Mineral Resources; no Inferred Mineral Resources or unclassified blocks were considered.

Block grades within the model were estimated based on diamond drill hole assay composites and the location of the block relative to the mineralized vein and/or mineralized stockwork interpretations. Blocks outside of the vein or stockwork were assigned a grade of zero.

The Mineral Reserve focuses on significant high grade veins with reasonable geological and grade continuity. A limited amount of Mineral Resources exist outside the Mineral Reserve, which have potential for extraction by underground methods. Further assessments of these areas are planned as additional grade control drilling is carried out from underground access levels.

15.3.3 Mineral Reserve Cut-off Grade Determination – Palmarejo Underground

The underground mine has a mine life of approximately 12 months. Operating costs and metal prices have been estimated based on mining within this time period.

Cut-off grades were calculated to define economic volumes of the orebody for mining. Mining excavations (stopes and ore development) were designed to include mineralized material above the cut-off grades. Different cut-off grades apply to the Rosario and Lower 76 mining areas, since mining costs vary between these two zones. G&A costs have not been used to estimate the total operating cost; these costs are considered incremental for the Palmarejo underground mine.

Table 15.1 lists the input parameters and calculation of the cut-off grade for the underground Mineral Reserve determination. The calculation takes into account all relevant financial parameters and operating costs; however, it excludes the gold production royalty payable to Franco-Nevada Corporation. This was done as payments under the gold stream are treated for accounting purposes as a financing arrangement, due to the minimum obligations for gold delivery set out in the agreement. Given the short term nature of the underground project, this approach will maximize the net revenue of the overall Palmarejo Complex.

No capital or sustaining capital costs have been included in the cut-off grade calculation. A financial evaluation was carried out to ensure the project was financially viable, which included capital costs.

In addition to the mining cut-off grades, incremental cut-off grades (excluding the mining cost) were calculated to classify mineralized material mined as a result of essential development to access higher grade mining areas. Mineralized material above these cut-off grades will add value, and is therefore included as process plant feed. Mineralized material below the incremental cut-off values will be disposed of on surface in waste dumps, or will be used underground as backfill.

15.3.4 Stope Design

Development and stope designs were generated for the planned mining methods using the cut-off grade to target material for inclusion. Practical stope and ore development shapes were digitized as polygons on 8m cross-sections around the Measured and Indicated portions of the Mineral Resource block model. These polygons were used to create a 3D wireframe model of the planned mining inventory.

In some cases, Mineral Resources with grades below cut-off were included in the design as “planned dilution” to facilitate mining the higher portions of the orebody. Any Inferred or Unclassified Mineral Resources were assigned gold and silver grades of zero.

15.3.5 Ore Dilution

Unplanned ore dilution occurs during mining when adjacent rock or backfill outside of the designed stope boundaries enters the stope and mixes with the broken ore. It was assumed that it will not be practical to separate waste rock dilution from the ore material, and that the diluted ore will be processed in the processing plant. For Palmarejo, the following sources of dilution have been identified:

- Overbreak into the hangingwall or footwall rocks following drilling and blasting operations;
- Rock failures (slough) from rock walls adjacent to the stope boundaries as a result of weak rock mass characteristics; and

- Unconsolidated rockfill (backfill) from overmucking into the stope floor (applicable to secondary stopes being mined on top of unconsolidated rockfill).

Operational experience at the Palmarejo underground mine suggests that dilution from the CRF backfill material will be negligible, and this has not been considered as a dilution source.

Ore dilution was estimated as a percentage of the stope volume, and depends on the location of the mining block within the mine. The Lower 76 Clavo mine area consists of narrow longitudinal stopes, and has been assigned a higher dilution than the wider Rosario mine area. Dilution has been assigned a grade of zero. The dilution factors are summarized in Table 15.3.

Table 15.3. Ore Dilution Factors – Palmarejo Underground Mine (Coeur, 2015)

Stope Type	External Ore Dilution Factors		
	Dilution %	Au Grade (g/t)	Ag Grade (g/t)
Primary	4%	0.23	57.5
Secondary	11%	0.16	34.4
Longitudinal	14%	0.68	63.0

The dilution factors in Table 15.3 were applied to the designed stope excavations in Excel, following interrogation of the design solids against the Measured and Indicated portions of the Mineral Resource block model, to determine volume, tonnage, and grade information.

15.3.6 Ore Loss

The Palmarejo mine uses cemented rockfill (CRF) and unconsolidated rockfill (RF) to backfill mined out stopes in order to enhance ore recovery, provide mine stability, and eliminate the need for permanent ore pillars to be left. However, ore losses can occur during mining due to the following situations:

- Stope under-break and unrecoverable bridging;
- Unrecovered ore stocks due to flat dipping footwalls and stope draw point geometry;
- Misclassification of material resulting in ore hauled inadvertently to waste dumps; and
- Abandoned ore stocks due to excessive dilution from stope wall failures of backfill or waste.

To account for ore losses, a 1% ore loss factor was applied to the diluted mining inventory.

15.3.7 Open Pit/Underground Interface

Planned open pit mining has been taken into account for the underground Mineral Reserve estimate. An open pit/underground crown pillar exists in the Rosario Zone, which is planned to be extracted via underground methods. The crown pillar is approximately 32m in height.

15.3.8 Reserve Economics

All designed excavations in the Mineral Reserve meet or exceed the cut-off grade. However it is recognized that other costs not included in the cut-off grade calculation, will be incurred, such as capital costs and sustaining capital costs. These costs have been included in the financial model to test the economic viability of the Mineral Reserve.

15.3.9 Mineral Reserve Estimate - Palmarejo Underground Mine

The Mineral Reserve estimate for the Palmarejo underground mine is shown in Table 15.4. These Mineral Reserves are contained within the Measured Mineral Resources estimated for the project.

Table 15.4. Mineral Reserve – Palmarejo Underground Mine (Coeur, 2015)

Category	Tonnes	Average Grade (g/t)		Contained Oz	
		Ag	Au	Ag	Au
Proven					
Probable	58,000	155	2.39	289,000	4,500
Proven + Probable	**58,000**	**155**	**2.39**	**289,000**	**4,500**

Notes:

1. Estimated by Paul Kerr, P.Eng as of August 31, 2015.
2. Metal prices used in the estimate: $1,150/oz Au and $15.50/oz Ag.
3. Cut-off grade for Mineral Reserve: 2.77 g/t AuEq for Rosario, and 3.02 g/t AuEq for Lower Clavo 76.
4. Rounding of tonnes, average grades, and contained ounces may result in apparent discrepancies with total rounded tonnes, average grades, and total contained ounces.

15.3.10 Mineral Reserve Sensitivity

Mineral Reserve sensitivity to metal prices has not been completed for the Palmarejo underground due to the short term nature of the project.

15.4 Mineral Reserve Estimate - Guadalupe Underground Mine

15.4.1 Mineral Reserve Estimate Methodology

The estimation of the Mineral Reserve for the Guadalupe underground mine is based on the following inputs and considerations:

- Mineral Resource block model estimating tonnage, gold and silver grades;
- Cut-off grade calculations;
- Stope and development designs;
- Geotechnical and hydrogeological information;
- Estimates for mining recovery and dilution;
- Depletion from previous mining; and
- Consideration of other modifying factors.

The Mineral Reserve estimate used the Deswik® mine planning software for the mine design, 3D modeling and interrogation of the 3D mining model against the block model.

15.4.2 Mineral Resource Block Model

The Mineral Reserves for the Guadalupe underground are based on the updated 2015 Guadalupe Mineral Resource block model.

No Measured Mineral Resources exist in the block model. The assessment of Mineral Reserve considered only portions of the Indicated Mineral Resources; no Inferred Mineral Resources or unclassified blocks were considered.

Block grades within the model were estimated based on diamond drill hole assay composites and the location of the block relative to the mineralized vein and/or mineralized stockwork interpretations. Blocks outside of the vein or stockwork were assigned a grade of zero. No significant abnormalities in the block grade estimates were noted while working with the block model during the development of the Mineral Reserve.

The Mineral Reserve focuses on significant high-grade veins with reasonable geological and grade continuity. However, it should be noted that Mineral Resources exist outside the Mineral Reserve, which have potential for extraction by underground methods. Future assessments of these areas are planned as additional surface drilling data and/or underground access becomes available.

15.4.3 Mineral Reserve Cut-off Grade Determination - Guadalupe

A cut-off grade was calculated to define economic volumes of the orebody for mining. Mining excavations (stopes and ore development) were designed to include mineralized material above the cut-off grade. These excavations were then assessed for economic viability. Table 15.1 lists the input parameters and calculation of the cut-off grade for the underground Mineral Reserve determination. The calculation takes into account all relevant financial parameters and operating costs. No capital/sustaining capital costs have been included in the calculation.

In addition to the mining cut-off grade, an incremental cut-off grade (excluding the mining cost) was calculated to classify mineralized material mined as a result of essential development to access higher grade mining areas. Mineralized material above this cut-off grade will add value and is therefore included as process plant feed. Mineralized material below the incremental cut-off will be disposed of on surface in waste dumps, or will be used underground as backfill.

15.4.4 Stope and Ore Development Design

Stope designs were generated for the planned mining methods (see Section 16) using the cut-off grade to target material for inclusion. Stope designs were competed using the Deswik® Stope Optimizer software. Center lines representing ore development drives were digitized to represent ore development, and were used to create a 3D solid model. The stope solids were cut using the ore development solids using Boolian routines in the planning software. The resulting 3D model formed the basis of the Mineral Reserve estimate.

A typical cross-section showing the stope and development design is shown in Figure 15.2. The 3D model of the planned mining excavations is shown in Figure 15.3.

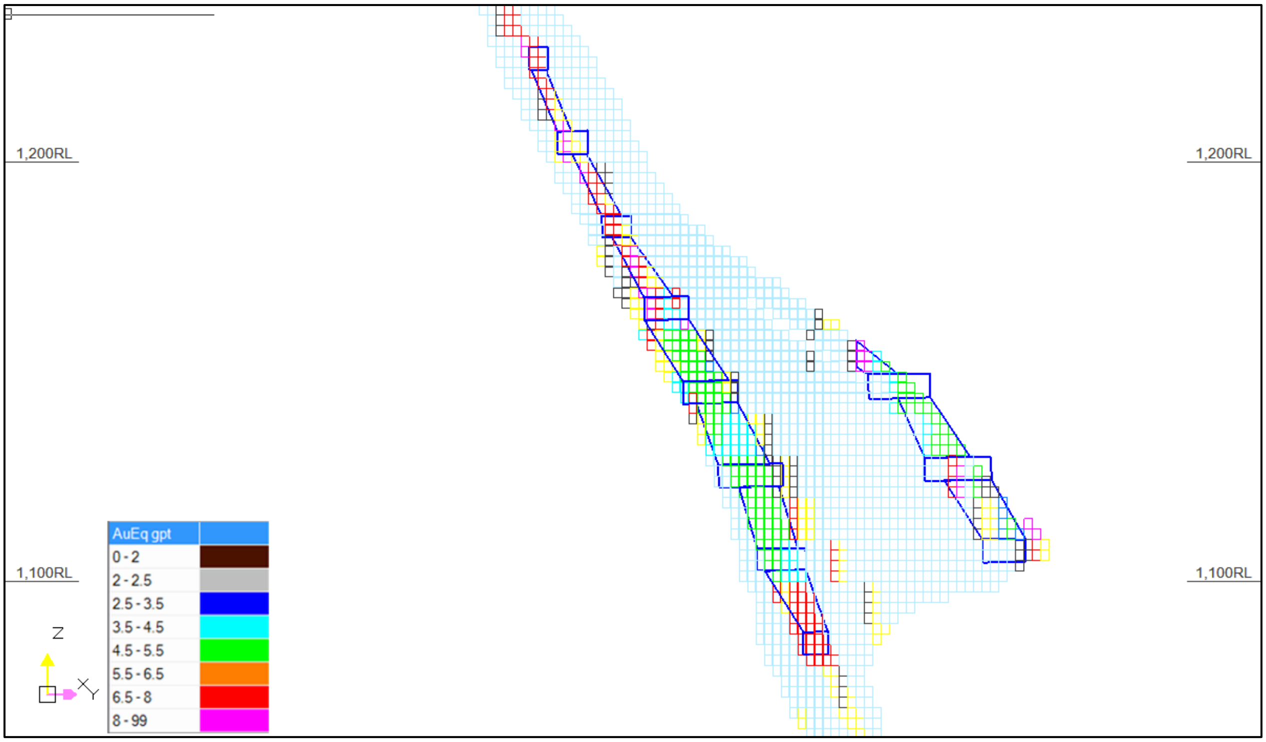


Figure 15.2. Cross-Section Illustrating Stope and Ore Development Designs (Coeur, 2015)

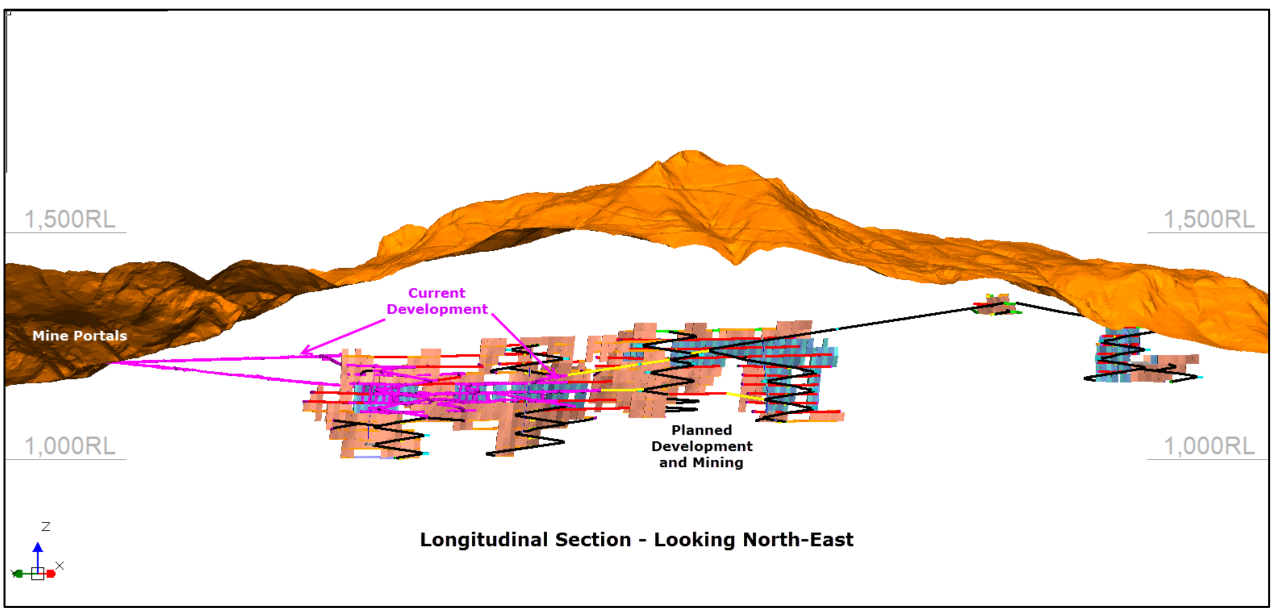


Figure 15.3. 3D Model of Planned Stope and Development Excavations (Coeur, 2015)

15.4.5 Ore Dilution

Unplanned ore dilution occurs during mining when adjacent rock or backfill outside of the designed stope boundaries enters the stope and mixes with the broken ore. It has been assumed that it will not be practical to separate waste rock dilution from the ore material, and that the diluted ore will be processed in the processing plant. For Guadalupe, the following sources of dilution have been identified:

- Overbreak into the hangingwall or footwall rocks following drilling and blasting operations;
- Rock failures (slough) from rock walls adjacent to the stope boundaries as a result of weak rock mass characteristics; and
- Unconsolidated rockfill (backfill) from overmucking into the stope floor (applicable to secondary and longitudinal stopes being mined on top of unconsolidated rockfill).

Operational experience at the Palmarejo underground mine suggests that dilution from the CRF material will be negligible, and this has not been considered as a dilution source.

Ore dilution factors to account for overbreak and wall slough (waste rock dilution) have been estimated and applied based on stope mining width, and are summarized in Table 15.5. The dilution is assumed to contain zero gold and silver grades. This approach is considered to be conservative, since dilution from the HW and FW typically occurs in the lower-grade stockwork mineralization, which contains gold and silver.

A dilution allowance of 1.6% was applied to secondary and longitudinal stopes to account for potential backfill dilution. No gold or silver grades were assigned to the rockfill dilution.

Table 15.5. Guadalupe Stope and Development Dilution Assumptions (Coeur, 2015)

Excavation Type	Percent Dilution	Dilution Material
Stope <= 3.5m width	15%	Wall overbreak, wall slough
Stope > 3.5m width	10%	Wall overbreak, wall slough
Secondary and Longitudinal Stopes	1.6%	Rock fill
Ore Develpment	0%	None

15.4.6 Ore Loss

The Guadalupe mine will use CRF and rockfill to backfill mined-out stopes in order to enhance ore recovery, provide mine stability and eliminate the need for permanent ore pillars to be left. However, ore losses can occur during mining as a result of the following situations:

- Stope under-break and unrecoverable bridging;
- Unrecovered ore stocks due to flat dipping footwalls and stope draw point geometry;
- Misclassification of material resulting in ore hauled inadvertently to waste dumps; and
- Abandoned ore stocks due to excessive dilution from stope wall failures of backfill or waste.

Based on experience at the Palmarejo underground mine, primary stopes and development tend to have higher ore recovery compared with secondary and longitudinal stopes. To account for ore losses, the factors in Table 15.6 were applied.

Table 15.6. Ore Loss Factors – Guadalupe Mine (Coeur, 2015)

Excavation Type	Weight % of Diluted tonnage in Excavation
Primary Stope	2%
Secondary Stope	5%
Longitudinal Stope	5%
Development	0%

15.4.7 Depletion

The surveyed “as-built” mining excavations were depleted from the designed solids.

15.4.8 Reserve Economics

All designed excavations in the Mineral Reserve meet or exceed the cut-off grade. However other costs, not included in the cut-off grade calculation, will be incurred; for example, costs related to capital development, underground infrastructure installations and sustaining capital.

The resulting design was further analyzed in a financial model as described in Section 22 and ensure overall economic viability.

15.4.9 Mineral Reserve Estimate – Guadalupe Underground Mine

The Mineral Reserve estimate for the Guadalupe underground mine is shown in Table 15.7. These Mineral Reserves are contained within the Indicated Mineral Resources estimated for the deposit.

Table 15.7. Mineral Reserve – Guadalupe Underground Mine (Coeur, 2015)

Category	Tonnes	Average Grade (g/t)		Contained Oz	
		Ag	Au	Ag	Au
Proven					
Probable	4,540,000	154	2.42	22,456,000	352,700
Proven + Probable	**4,540,000**	**154**	**2.42**	**22,456,000**	**352,700**

Notes:
1. Estimated by Paul Kerr, P.Eng. as of August 31, 2015.
2. Metal prices used in the estimate: $1,250/oz Au and $17.50/oz Ag.
3. Cut-off grade for Mineral Reserve: 3.22 g/t AuEq.
4. Rounding of tonnes, average grades, and contained ounces may result in apparent discrepancies with total rounded tonnes, average grades, and total contained ounces.

15.5 Mineral Reserve Estimate – Independencia Underground Mine

15.5.1 Mineral Reserve Estimate Methodology

The Mineral Reserve estimated for the Independencia underground mine is based on the following inputs and considerations:

- Mineral Resource block model estimating tonnage, gold and silver grades;
- Cut-off grade calculations;
- Stope and development designs;
- Geotechnical and hydrogeological information;
- Estimates for mining recovery and dilution; and
- Consideration of other modifying factors.

The Mineral Reserve estimate used the Deswik® mine planning software and the Deswik® Stope Optimizer for the mine design, 3D modeling and interrogation of the 3D mining model against the block model.

15.5.2 Mineral Resource Block Model

The Mineral Reserves for the Independencia underground mine are based on the Mineral Resource block model created in 2014.

The assessment of Mineral Reserve took into account portions of the Measured and Indicated Mineral Resources; no Inferred Mineral Resources or unclassified blocks were considered.

Block grades within the model were estimated based on diamond drill hole assay composites and the location of the block relative to the grade shells created for the grade estimate. Blocks outside of the grade shells were assigned a grade of zero. No significant abnormalities in the block grade estimates were noted while working with the block model during the development of the Mineral Reserve.

The Mineral Reserve focuses on significant high-grade areas with reasonable geological and grade continuity. However, it should be noted that Mineral Resources exist outside the Mineral Reserve, which have potential for extraction by underground methods. Future assessments of these areas are planned as additional surface drilling data and/or underground access becomes available.

15.5.3 Mineral Reserve Cut-off Grade Determination - Independencia

Cut-off grades were calculated to define economic volumes of the orebody for mining. Mining excavations (stopes and ore development) were designed to include mineralized material above the cut-off grade. These excavations were then assessed for economic viability.

Table 15.1 lists the input parameters and calculation of the cut-off grade for the Mineral Reserve determination. The calculation takes into account all relevant financial parameters and operating costs; however, no capital or sustaining capital costs were included in the calculation.

Part of the deposit (Independencia Este) is not subject to the gold production royalty payable to Franco-Nevada Corporation or the gold stream payable commencing 2016. As a result, the cut-off grade is lower for this portion of the deposit.

15.5.4 Stope Design

Development and stope designs were generated for the planned mining methods using the cut-off grades to target material for inclusion. The Deswik® Stope Optimizer was used to generate the mining stopes.

The completed 3D model of the planned mining excavations is shown in Figure 15.4.

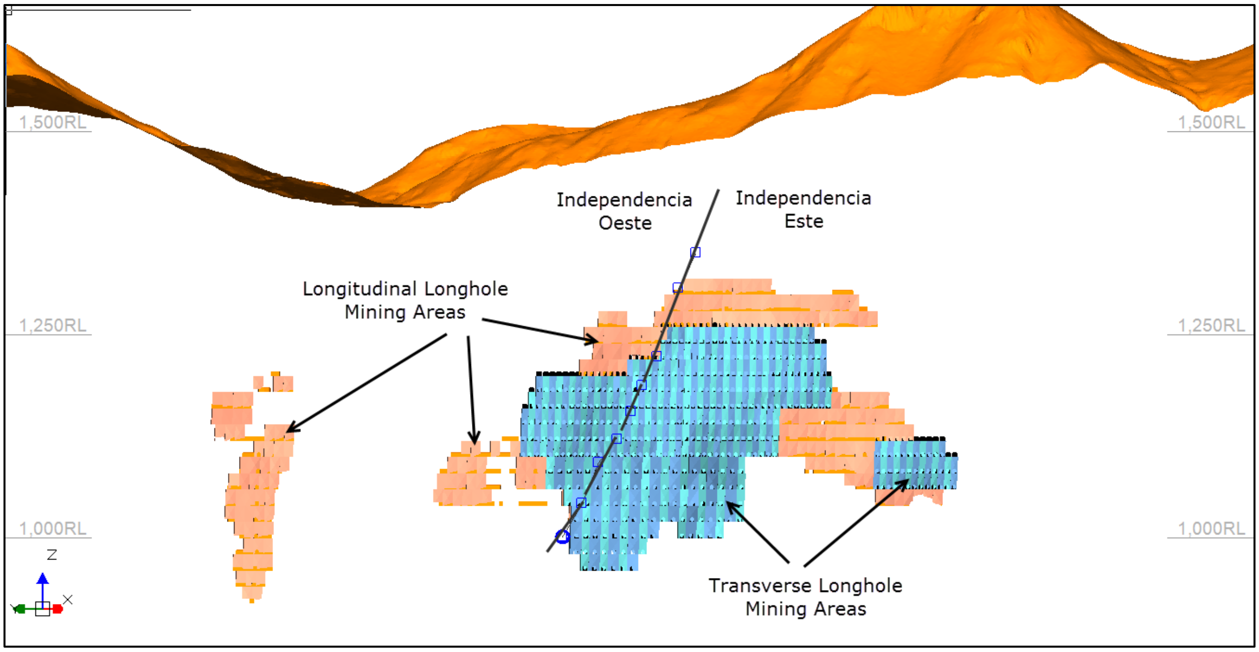


Figure 15.4. 3D Model of Planned Stope Excavations (Coeur, 2015)

15.5.5 Ore Dilution

Unplanned ore dilution occurs during mining when adjacent rock or backfill outside of the designed stope boundaries enters the stope and mixes with the broken ore. It has been assumed that it will not be practical to separate waste rock dilution from the ore material, and that the diluted ore will be processed in the processing plant. For Independencia, the following sources of dilution have been identified:

- Overbreak into the hangingwall or footwall rocks following drilling and blasting operations;
- Rock failures (slough) from rock walls adjacent to the stope boundaries as a result of weak rock mass characteristics; and
- Unconsolidated rockfill (backfill) from overmucking into the stope floor (applicable to secondary and longitudinal stopes being mined on top of unconsolidated rockfill).

Operational experience at Palmarejo suggests that dilution from the CRF material will be negligible, and this has not been considered as a dilution source.

Ore dilution factors to account for overbreak and wall slough (waste rock dilution) have been estimated based on identified geotechnical domains within the deposit. The dilution is assumed to contain zero gold and silver grades. This approach is considered to be conservative, since dilution from the HW and FW typically occurs in the lower-grade stockwork mineralization which contains gold and silver.

A dilution allowance of 1.6% was applied to secondary and longitudinal stopes to account for potential backfill dilution. No gold or silver grades were assigned to the rockfill dilution.

Estimated dilution factors are shown in Table 15.8. These factors were applied to the tonnage and grades obtained by the interrogation of the designed stope and development solids aginst the Indicated portion of the resource model.

Table 15.8. Independencia Stope and Development Dilution Assumptions (Coeur, 2015)

Excavation Type	Percent Dilution	Dilution Material
Stopes (1100m Level and above)	15%	Wall overbreak, wall slough
Stopes (below 1100m Level)	10%	Wall overbreak, wall slough
Secondary and Longitudinal Stopes	1.6%	Rock fill
Ore Develpment	0%	None

Note: Dilution tonnes = excavation design tonnes x % Dilution.

15.5.6 Ore Loss

The Independencia mine will use CRF and RF to backfill mined-out stopes in order to enhance ore recovery, provide mine stability and eliminate the need for permanent ore pillars to be left. However, ore losses can occur during mining as a result of the following situations:

- Stope under-break and unrecoverable bridging;
- Unrecovered ore stocks due to flat dipping footwalls and stope draw point geometry;
- Misclassification of material resulting in ore hauled inadvertently to waste dumps; and
- Abandoned ore stocks due to excessive dilution from stope wall failures of backfill or waste.

Based on experience at the Palmarejo underground mine, primary stopes and development tend to have higher ore recovery compared with secondary and longitudinal stopes. To account for ore losses, the factors in Table 15.9 were applied.

Table 15.9. Ore Loss Factors – Independencia Mine (Coeur, 2015)

Area	Weight % of Diluted tonnage in Excavation
Primary Stope	2%
Secondary Stope	5%
Longitudinal Stope	5%
Development	0%

15.5.7 Depletion

No known mining has been carried out at the Independencia deposit.

15.5.8 Reserve Economics

All designed excavations in the Mineral Reserve meet or exceed the cut-off grade. However, other costs not included in the cut-off grade calculation, will be incurred; for example, costs related to capital development, underground infrastructure installations, and sustaining capital.

The resulting design was further analyzed in a financial model, as described in Section 22 and ensure overall economic viability.

15.5.9 Mineral Reserve Estimate - Independencia Underground Mine

The Mineral Reserve estimate for the Independencia underground mine is shown in Table 15.10. These Mineral Reserves are contained within the Measured and Indicated Mineral Resources estimated for the Independencia deposit.

Table 15.10. Mineral Reserve Estimate – Independencia Deposit (Coeur, 2015)

Mine Area	Category	Tonnes	Average Grade (g/t)		Contained Oz	
			Ag	Au	Ag	Au
Independencia Este	Proven	558,000	218	2.54	3,922,000	45,600
	Probable	2,398,000	183	2.71	14,104,000	208,800
	Proven + Probable	**2,956,000**	**190**	**2.68**	**18,026,000**	**254,400**
Independencia Oeste	Proven	170,000	207	3.03	1,126,000	16,500
	Probable	689,000	170	3.35	3,756,000	74,200
	Proven + Probable	**858,000**	**177**	**3.29**	**4,882,000**	**90,800**
Independencia Total	Proven	728,000	216	2.65	5,048,000	62,100
	Probable	3,087,000	180	2.85	17,860,000	283,000
	Proven + Probable	**3,815,000**	**187**	**2.81**	**22,909,000**	**345,100**

Notes:
1. Mineral Reserve estimated by Paul Kerr, P.Eng. as of August 31, 2015.
2. Metal prices used in the estimate were $1,250/oz Au and $17.50/oz Ag.
3. Cut-off grades for Mineral Reserves: 3.18 g/t AuEq (Oeste) and 2.64 g/t AuEq (Este)
4. Rounding of tonnes, average grades, and contained ounces may result in apparent discrepancies with total rounded tonnes, average grades, and total contained ounces.

15.6 Summary of Mineral Reserves Estimate – Palmarejo Complex

The Mineral Reserves for the Palmarejo Complex are listed in Table 15.11 and include estimates for the Palmarejo, Guadalupe, and Independencia deposits. The Mineral Reserves were estimated as of August 31, 2015 by Paul Kerr, P.Eng., an employee of Coeur Mining, Inc.

Mining, geotechnical and hydrological factors have been considered in the estimation of the Mineral Reserves, including the application of ore dilution and ore recovery factors. Other modifying factors (such as metallurgical, environmental, social, political, legal, marketing, and economic factors) have also been considered to the required standard, and they each demonstrate the viability of the Mineral Reserves in their own regard.

For the Guadalupe and Independencia deposits, the mine plan was evaluated using two sets of prices:

- Short-term prices for 2015 to 2017 of $15.50/oz Ag and $1,150/oz Au; and
- Long-term prices for 2018 and beyond of $17.50/oz Ag and $1,250/oz Au.

The Palmarejo open pit and Palmarejo underground Mineral Reserves were estimated using only short-term prices, since these deposits are expected to be mined out by the end of 2016.

The Guadalupe and Independencia Mineral Reserves were estimated using the long-term prices. However, both the Guadalupe and Independencia Mineral Reserves are insensitive to the short term prices.

The economic analysis described in Section 22 uses both short-term and long-term prices.

Table 15.11. Mineral Reserve Summary – Palmarejo Complex (Coeur, 2015)

Category	Tonnes	Average Grade (g/t)		Contained Oz	
		Ag	Au	Ag	Au
Proven	728,000	216	2.65	5,048,000	62,100
Probable	7,839,000	164	2.56	41,214,000	645,100
Proven + Probable	**8,567,000**	**168**	**2.57**	**46,262,000**	**707,200**

Notes:
1. Mineral Reserves estimated by Paul Kerr, P.Eng. as of August 31, 2015.
2. Metal prices used were $1,250/oz Au and $17.50/oz Ag for Guadalupe and Independencia, and $1,150/oz Au and $15.50/oz Ag for the Palmarejo open pit and underground mines.
3. Rounding of tonnes, average grades, and contained ounces may result in apparent discrepancies with total rounded tonnes, average grades, and total contained ounces.

15.7 Mineral Reserve Sensitivity

15.7.1 Sensitivity of Mineral Reserve to the Mineral Resource Estimates

A key input for the sensitivity of the Mineral Reserve estimates are the Mineral Resource estimates, since the Mineral Reserve is contained within the Mineral Resources estimated for the Palmarejo Complex.

The Mineral Resource estimates are updated annually for key deposits based on additional data obtained throughout the year, such as mining information and additional drilling information. This data is used to revise the geological interpretation of the deposit, revise the grade estimation methodology used in the Mineral Resource estimate, and in some cases, revise the resource classification in some areas of the orebody. New data could result in either positive or negative changes to the Mineral Reserves. The magnitude of these potential changes is difficult to quantify until this data is collected and analyzed.

In general, the current level of data and knowledge is higher for the Guadalupe and Palmarejo deposits due to active mining in these deposits and data obtained from numerous drill holes. By comparison, less data and knowledge exists in the Independencia deposit since the data currently consists only of diamond drill core.

15.7.2 Sensitivity to Cut-off Grade Inputs

One of the key variables in the cut-off grade estimate used for the Mineral Reserve is metal prices. A sensitivity analysis to metal prices was completed for the Palmarejo Complex. Table 15.12 shows the estimated sensitivity of the Mineral Reserve to +/- 10% variances in metal prices.

Of all the cut-off grade inputs, the QP considers the Mineral Reserve to be most sensitive to metal prices. The company's current strategy is to sell most of the metal production at spot prices, and is exposed to both positive and negative changes in the market, which are outside of the company's control.

Long term changes in metallurgical recovery could also have an impact on the Mineral Reserve. For example, a 10% change in metallurgical recovery has approximately the same impact as a 10% change in metal prices. However, the metallurgy is well understood, and as a result, the Mineral Reserve is considered to be less sensitive to long term factors affecting metallurgical recovery, compared to the sensitivity to metal prices, which tend to have greater variances.

The impact of higher or lower operating costs could also affect the Mineral Reserve. While the trend over 2014 and 2015 has shown operating cost reductions at the Palmarejo Complex, this trend could reverse and costs could increase over the life of the project, due to factors outside of the company's control. However, of the factors discussed in this section, the QP considers the Mineral Reserve to be least sensitive to changes in operating costs.

Table 15.12. Mineral Reserve Sensitivity to Metal Prices (Coeur, 2015)

Ag$/oz	Au$/oz	Reserve Class	Kt	Ag (g/t)	Au (g/t)	Ag (Koz)	Au (Koz)
15.75	1,125	Proven	902	200	2.41	5,790	70
		Probable	7,386	166	2.64	39,485	627
Estimated Sensitivity		Proven + Probable	8,288	170	2.62	45,274	697
17.50	**1,250**	**Proven**	**728**	**216**	**2.65**	**5,048**	**62**
Palmarejo Complex		**Probable**	**7,839**	**164**	**2.56**	**41,214**	**645**
Mineral Reserve		**Proven + Probable**	**8,567**	**168**	**2.57**	**46,262**	**707**
19.25	1,375	Proven	976	194	2.32	6,085	73
		Probable	7,954	162	2.55	41,533	651
Estimated Sensitivity		Proven + Probable	8,930	166	2.52	47,614	724

Notes:

1. Rounding of tonnes, average grades, and contained ounces may result in apparent discrepancies with total rounded tonnes, average grades, and total contained ounces.

15.7.3 Sensitivity to Dilution

Additional dilution has the effect of increasing the overall volume of material mined, hauled and processed; however, metal content will slightly increase as dilution material from the stope walls generally occurs in the stockwork material hosting the vein, and contains some (albeit low) silver and gold values. Dilution will have an impact on operating costs, and could result in Mineral Reserve losses in extreme cases where broken stocks are diluted to the point where it is uneconomic to muck, haul and process the material, and the broken stocks are abandoned.

The Palmarejo Complex has developed a number of methods to control dilution, including the installation of stope support, a flexible mine plan with the ability to limit stope wall spans, and good development practices that avoid undercutting the stope hangingwall. To assist in these efforts, site geotechnical reviews are carried out regularly, and a geotechnical engineer was hired in 2015.

In the opinion of the QP, the risk of material changes to the Mineral Reserve from dilution above the amounts used in the Mineral Reserve estimate is low, relative to the other factors discussed in Sections 15.7.1 and 15.7.2.

16. MINING METHODS

16.1 Palmarejo Open Pit

16.1.1 Introduction

The Palmarejo open pit is a mature operation, with an expected remaining mine life planned to the end of 2015.

16.1.2 Mining Method and Equipment

Open pit mining will be carried out using conventional hard rock open pit mining methods. Equipment consists of:

- Cat 992G and 988H loaders;
- Cat 777F and 740B haul trucks;
- Atlas Copco DML/HP rotary drills;
- Cat D9T and D10T bull dozers; and
- Cat motor graders and ancillary equipment.

No additional equipment purchases are planned for Palmarejo.

16.1.3 Pit Design

Design criteria for the open pit are listed in Table 16.1.

Table 16.1. Palmarejo Open Pit Design and Operational Parameters (Coeur, 2015)

Item	Unit
Pit Design	
Bench Height	7.5m
Footwall Pit Slopes	43.8 º
Footwall Bench Face Angle	60 º
Footwall Catch Bench	7m
Hangingwall Pit Slopes	51.3º
Hangingwall Bench Face Angle	75º
Hangingwall Catch Bench	8m
Minimum Mining Width	30m
Haul Road Design Width	23m
Haul Road Gradient	10%
Ore Production Rate	3400 tonnes/day
Working Time	
Shift Schedule	1x-12 hour shift/day, 7 days/wk.
Operating standby time	1.75 hours/shift
Available Production Equipment	
CAT 992G Front-End Loader	2
CAT 988H Front-End Loader	2
CAT 777G Haul Trucks	11
CAT 740B Haul Trucks	4
Blasthole Drills	5

16.1.4 Mining Schedule

The mining schedule for the open pit is provided in Table 16.2.

Table 16.2. 2015 Palmarejo Open Pit Mining Schedule (Coeur, 2015)

Palmarejo Open Pit	2015
Tonnes Ore	154,200
Au Grade (g/t)	0.98
Ag Grade (g/t)	122.8
Tonnes Waste	1,231,000

16.2 Palmarejo Underground Mine

16.2.1 Introduction

The Palmarejo underground mine is a mature operation with a remaining mine life of approximately one year.

Access to the mine is via the Portal Norte and Portal ROM, which are 250m apart and adjacent to Palmarejo process plant. The main orebody (Clavo 76) is approximately 860m from surface via the decline.

16.2.2 History

Coeur commenced underground development at Palmarejo in March 2008. Ore production began in January 2009. During peak production, the mine produced ore at a rate of approximately 2500 tpd.

The deposit consists of three main mining areas, designated as clavos (Spanish for “nail”), which are areas along the vein structures containing significant mineralization: Clavo 76, Clavo 108, and Rosario.

A longitudinal section of the Palmarejo mine is shown in Figure 16.1. Remaining Mineral Reserves exist in the lower portion of Clavo 76 and Rosario.

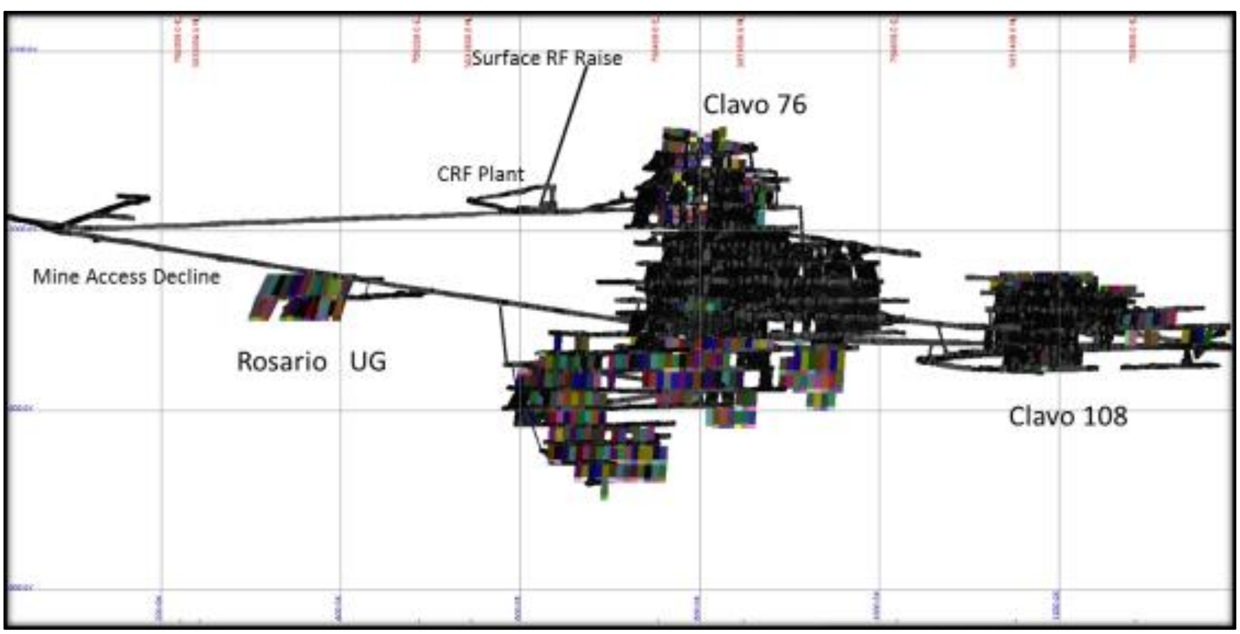


Figure 16.1. Longitudinal Section of the Palmarejo Mine (Coeur, 2014)

16.2.3 Geotechnical Conditions and Ground Support

Rock units at Palmarejo consist of:

- Ore and ore stockwork - quartz-carbonate breccia veins; and
- Host rocks (HW and FW) - igneous (porphyritic or andesitic) units (lithography codes KTat, KTapp and KTam) and sedimentary (conglomerate, sandstone or shale) units (lithography code KTal).

The rockmass quality at Palmarejo is highly variable. Most areas of the mine have been developed in a "Good" to "Fair" rockmass quality (RMR_{76} values in the range of 40 to > 60); however, in some areas, very weak HW conditions have been encountered (RMR_{76} 15-25). The sedimentary shale KTal rock unit is typically of poor quality, and while usually encountered in the HW, the rock unit is present in the footwall in some limited areas.

The remaining Mineral Reserves are hosted in relatively competent ground.

Ground support is expected to consist of rock bolts and mesh, using the same ground support standards as those described for the Guadalupe mine in Section 16.3.

16.2.4 Hydrogeological Conditions

Palmarejo is a relatively dry mine, with little water inflow. A number of small sumps located throughout the mine are used for dewatering.

16.2.5 Underground Design Philosophy

The remaining Mineral Reserves at Palmarejo were planned for extraction using the following key principles:

- Attention to high quality ground support installations;
- Executing the planned stope mining sequence; and
- Maintaining and utilizing the existing equipment and mine infrastructure.

Table 16.3 summarizes the key mine design parameters for the Palmarejo underground mine.

Table 16.3. Key Mine Design Parameters (Coeur, 2015)

Item	Unit
Longitudinal Longhole Stope Mining	
Max – Min Vein Width	2.5 – 10m
Vertical Distance between Levels	20m
Stope Length	10m
Minimum Hangingwall Dip	45^0
Minimum Footwall Dip	50^0
Transverse Longhole Stope Mining	
Vein Width	> 10m
Vertical Distance between Levels	20m
Primary and Secondary Stope Width	8m
Minimum Hangingwall Dip	45^0
Minimum Footwall Dip	50^0
Maximum Stope Length	40m
Mine Development	
Drift Dimensions (width x height)	5.0m x 5.5m
Maximum Gradient	+/- 15%

16.2.6 Mining Methods

Palmarejo is mined using longhole stoping methods with backfill. Stoping is carried out using transverse and longitudinal methods.

Longitudinal bench mining is the method used for the remaining Mineral Reserves in the lower Clavo 76 mining block. All development has been completed in this area. The remaining stopes are shown in Figure 16.2.

Transverse longhole mining is planned for the remaining Mineral Reserves in the Rosario Clavo. This area will be mining from underground, and will break through into the mined out open pit. Backfill (rockfill) will be placed into the mined void from the open pit. Approximately 280m of lateral development is required to mine this area. The Rosario Clavo is shown in Figure 16.3.

16.2.7 Development and Production Mining Operations

Mining operations at Palmarejo are similar to those used at Guadalupe, and use the same equipment and personnel. Refer to Section 16.3 for a description of these activities.

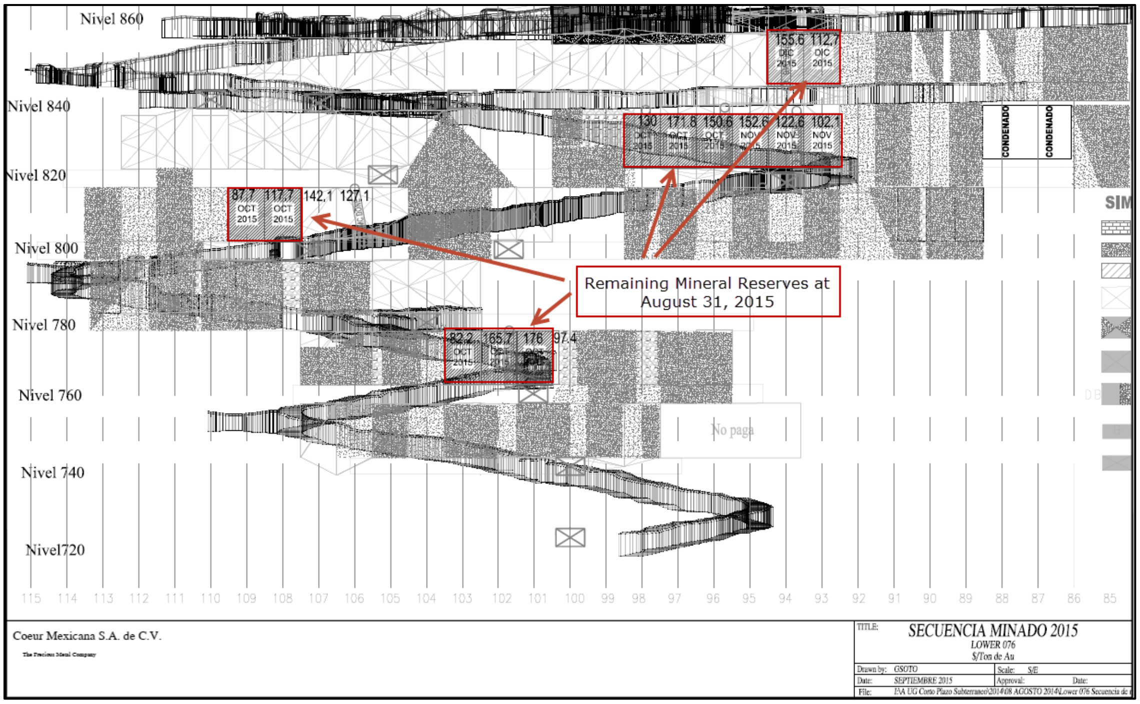


Figure 16.2. Longitudinal Section of Lower Clavo 76 (Coeur, 2015)

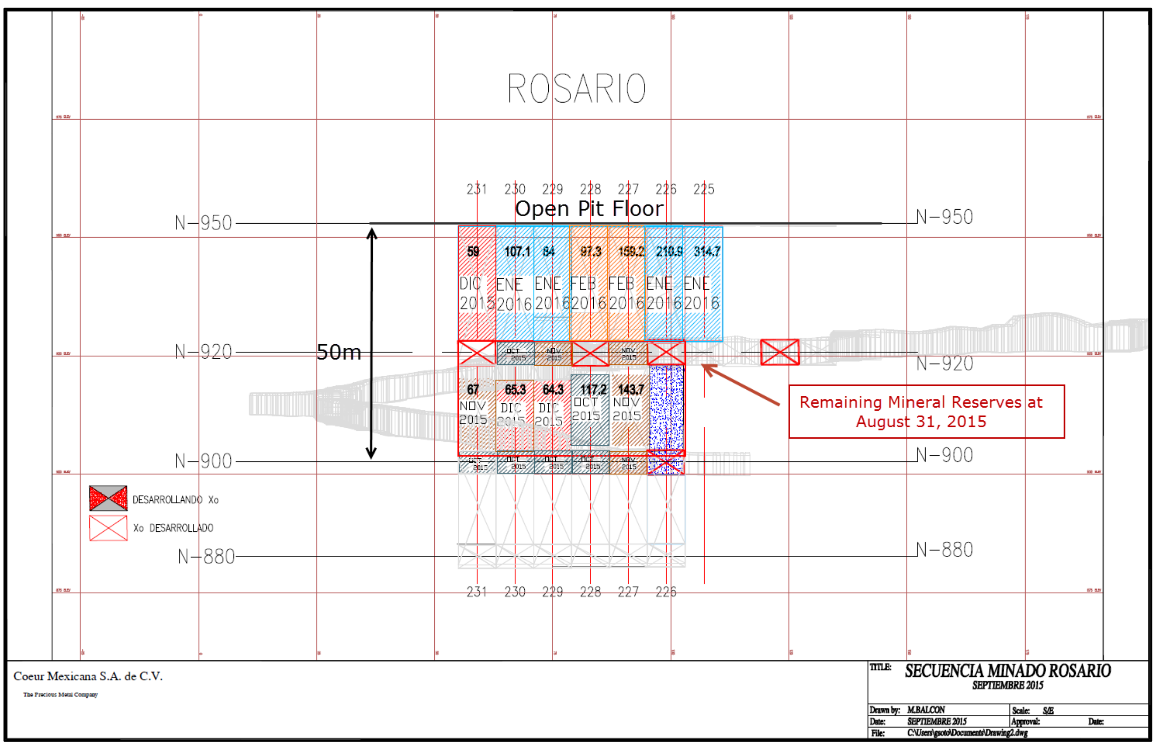


Figure 16.3. Longitudinal Section of Rosario Clavo (Coeur, 2015)

16.2.8 Backfill

All stopes and ore development are backfilled.

Most of the longitudinal stopes are filled with CRF. The CRF is manufactured in an underground mixing plant at the location shown in Figure 16.4. Portland cement is used at a 4.5% (by weight) ratio to produce the CRF. If mining is planned underneath backfilled stopes, or if development is planned in the future though the backfill, a 10% cement mixture is used.

The CRF is loaded onto trucks at the CRF plant and dumped into the stope using trucks fitted with telescopic ejector dump systems.

16.2.9 Development and Production Rates

Most of the development at Palmarejo has been completed. A small amount of capital and operating development is required in the Rosario Clavo.

The development and production schedule for the Palmarejo underground mine is shown in Table 16.4.

Table 16.4. Palmarejo Underground Mining Schedule (Coeur, 2015)

	2015	2016	Total
Tonnes Ore	20,000	38,000	58,000
Au Grade (g/t)	2.39	2.39	2.39
Ag Grade (g/t)	155	155	155
Lateral Development (m)	140	140	280

16.3 Guadalupe Underground Mine

16.3.1 Introduction

The Guadalupe mine is located south of the Palmarejo processing facilities via an 8km gravel road.

Access to the Guadalupe mine is from surface via two ramps: the Poniente Decline and Oriente Incline, located 700m north of the deposit in the hangingwall. The decline serves as the primary access and exhaust airway, while the incline provides access for secondary egress, fresh air, and mine services. Both mine access drifts have been advanced through the ore structure and into the footwall. A ramp system has been developed in the footwall connecting the two primary access tunnels.

The Guadalupe portals and portal pad area are illustrated in Figure 16.4.

Figure 16.4. Guadalupe Mine Surface Portal Pad (Coeur, 2015)

16.3.2 History

The underground development of Guadalupe commenced in April 2012. By August 31, 2015, approximately 9,420m of lateral development had been completed, and an estimated 251,700 tonnes of ore had been mined and processed, at grades of 2.27 g/t Au and 132 g/t Ag.

The completed development and stope mining as of August 31, 2015, is shown in Figure 16.5.

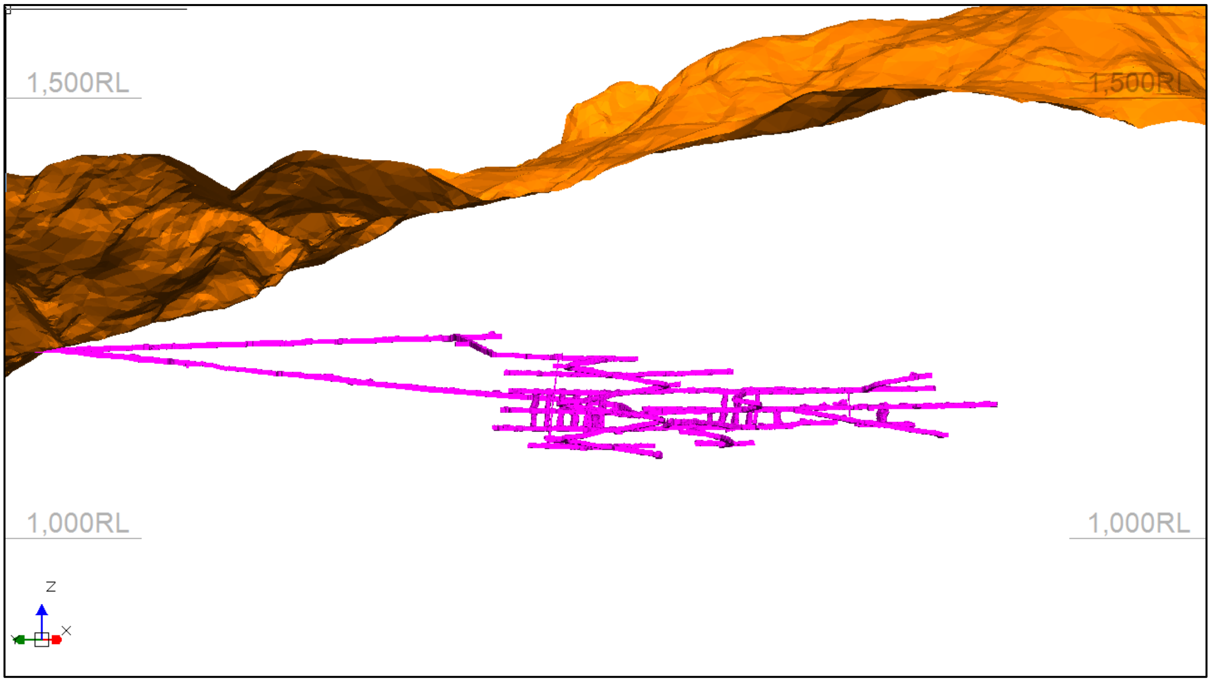


Figure 16.5. Guadalupe Mine as of August 31, 2015 (Coeur, 2015)

16.3.3 Geotechnical Assessment

16.3.3.1 Rock Mass Classification and Geotechnical Mine Design

The ore and ore stockwork consists of quartz-carbonate breccia veins with healed facture planes and localized areas with small scale vugs. The deposit is hosted in igneous (porphyritic or andesitic) units (lithography codes KTat, KTapp and KTam) and sedimentary (conglomerate, sandstone or shale) units (lithography code KTal). Development in the sedimentary shale rock unit (KTal) requires additional support (usually in the form of shotcrete).

In August 2011, Golder Associates completed a geotechnical review of Guadalupe, based on core logging information from the exploration database. Golder used the following data to calculate rock mass rating (RMR_{76}) values:

- Rock strength;
- Rock Quality Designation (RQD);
- Discontinuity spacing;
- Discontinuity condition; and
- Groundwater.

Most of the rock types show similar RMR_{76} values (with the bulk of the values in the range of 40-60, or a “Fair” rock quality).

Golder noted that overall, the Guadalupe rockmass appears to be of better quality than the Palmarejo rockmass, and that the poor quality shale KTal unit has similar RQD values. These conclusions have been validated by observations in the field.

In March 2015, Coeur commissioned geotechnical consultant Ingeroc of Santiago, Chile, to carry out additional geotechnical characterizations of the Guadalupe rockmass, including underground geotechnical mapping, measurements of structural geology features, and a review of the drill core photographs. Ingeroc updated the rockmass classification for the active areas in the mine, which are shown in Table 16.5, where:

- GSI is the Geological Strength Index;
- RMR(B) is the Rock Mass Rating that uses the Bieniawski (1989) classification system;
- Q is the Rock Mass Rating that uses the Barton (2000) classification system; and
- RMR(L) is the Rock Mass Rating that uses the Laubscher (1990) classification system.

Table 16.5. Guadalupe Rock Mass Ratings (Ingeroc, 2015)

UG	GSI	RMR(B)	Q	RMR(L)
KTAM	68	72	23.17	58
KTAP	56	64	8.73	47
STOCKWORK	51	56	3.82	40
VETA	53	58	4.95	43
KTAL	75	74	31.18	59
KTAL (techo)	57	62	7.19	46

As with the Golder review, the rock mass ratings estimated by Ingeroc suggest little variability between the lithological units is encountered in the mine.

In April 2015, Coeur commissioned Pakalnis & Associates (Pakalnis) from Vancouver, Canada, to visit the site, review the ground control management plans, assess the data compiled by Ingeroc, and review mining method alternatives.

Following the site visit and data review, Pakalnis noted the following:

- No major concerns were observed during the mine visit. The mine personnel were operating at an international standard;
- Ongoing training should continue, with data measurement and field observations applied to optimize future designs for a safe and cost effective operation;
- Areas visited showed RMR values of >50% in the ore, which indicates an ore development span of up to 10m with cable bolts and split sets would be stable;
- With a hangingwall RMR in excess of 35%, primary stopes with a 10m HW span and secondary stopes with a 14m HW span is a workable option. For areas with RMR values below 35%, cable bolts should be installed in the HW for this span;
- The Avoca bench mining method is a viable option, with the stability of the exposed HW a function of the RMR; and
- The RMR and structural geology of all areas should be assessed in terms of HW, ore and FW, with support systems designed for the conditons encountered.

In mid 2015, Coeur hired a full time geotechnical engineer to assist with the mine design processes.

16.3.3.2 Ground Support

Standard ground support consists of pattern rock bolting using 2.4m and 1.8m length 39mm diameter split set friction bolts, which are also used to pin 4 x 4 inch welded wire mesh to the back and ribs. The mesh is installed within 1.7m of the drift floor. A 1.4m x 1.4m bolting pattern is used, which is modified to a tighter pattern when poor ground conditions are encountered.

The Poniente Decline and most of the footwall development completed to date has been supported using this system.

In very poor ground, shotcrete is applied over the mesh prior to advancing the development, or the heading is shotcreted immediately after scaling, with rockbolts installed through the shotcrete. Shotcrete thickness is typically 4 inches, although 2 or up to 6 inch thicknesses are used in some cases.

In poor ground or at intersections, 6m length cable bolts or 2.4m resin grouted rebar are typically installed.

When required, the stope hangingwall and ore development drifts are supported with 6m length fully grouted cable bolts with metal plates installed against the back.

16.3.4 Hydrogeological Conditions and Dewatering

In the past, both access ramps encountered significant water inflows from structural features encountered during development. Over time, these inflows have diminished as the rockmass has drained, but have been replaced by new inflows as mining has progressed along strike.

To manage these inflows and water generated by dust contol, a settling sump and pumping station was developed and installed on the 1,140m Level. The dewatering rate handled by the pumping system is currently estimated at 16 L/s.

16.3.5 Underground Design Philosophy

The Guadalupe underground mine was designed on the basis of the following key principles:

- Mechanized trackless operation with decline access;
- A material handling system using truck haulage of ore and waste to the surface portal pad;
- Underground development and operation concurrent with the Palmarejo open pit and underground mines, and the Independencia mine development and production; and
- Early access to and production of higher grade mill feed.

Table 16.6 summarizes the key mine design parameters for the Guadalupe mine.

Table 16.6. Key Mine Design Parameters (Coeur, 2015)

Item	Unit
Longitudinal Longhole Stope Mining	
Max – Min Vein Width	2.5 – 10m
Vertical Distance between Levels	20m
Stope Length along Strike	15 – 20m
Minimum Hangingwall Dip	45^0
Minimum Footwall Dip	50^0
Transverse Longhole Stope Mining	
Vein Width	> 10m
Vertical Distance between Levels	20m
Primary Stope Width	10m
Secondary Stope Width	14m
Minimum Hangingwall Dip	45^0
Minimum Footwall Dip	50^0
Maximum Stope Length	40m
Lateral Development	
Drift Dimensions (width x height)	5.0m x 5.5m
Maximum Gradient	+/- 15%

16.3.6 Mining Methods

Guadalupe will continue to be mined using longhole stoping methods with backfill. The continuous nature of the orebodies, significant orebody thicknesses, favorable deposit geometry and generally good rockmass conditions have resulted in productive longhole stoping at reasonable mining costs.

Underground mining will employ two general categories of open stoping methods: transverse and longitudinal. In most cases, thinner areas of the orebody (less than 10 meters from hangingwall to footwall) are mined using the longitudinal retreat method, while thicker areas are mined using the transverse method with a primary/secondary stoping sequence.

16.3.6.1 Transverse Stoping

Access for transverse stoping areas is via footwall sublevels spaced 20m apart (floor to floor), which are developed parallel to the orebody strike, approximately 17m from the footwall contact. Drawpoints are developed perpendicular to the footwall sublevels to access the stopes.

A Primary/Secondary stope sequence is used. Primary stope dimensions are 10m wide (along strike) and are the width of the orebody (in length) from footwall to hangingwall – typically 12m to 20m. Secondary stopes are 14m along strike.

Primaries are mined first in the sequence, using the following the stope cycle:

- Waste level access development is completed on the top and bottom levels;
- The top and bottom level waste drawpoints and ore sills through the stope are developed with the jumbo drill from the footwall to the hangingwall;
- Cable bolt and/or shotcrete support is installed in the stope hangingwall, if required;
- A slot raise is drilled with the longhole drill and blasted to create a sub-vertical excavation through the stope;
- Downholes are drilled through the stope from the top ore sill to break through into the bottom ore sill. These holes are loaded with explosives and blasted into the slot;
- The broken ore is removed from the bottom drawpoint with conventional and remote mucking using a load-haul-dump (LHD)-style front-end loader and loaded into a truck for haulage out of the mine; and
- CRF is placed into the mined out stope using a truck, which dumps the backfill into the stope from the top drawpoint.

Subsequent primary stopes in the sequence are mined in a similar manner, in a bottom up direction, with the upper stopes in the sequence using the backfill as a working floor for the LHD to remove the broken ore.

Once the primary stope sequence is established over several levels, the secondary stope sequence can commence. Secondary stopes are mined using the same cycle as described above, however the stopes are filled with unconsolidated rock fill. In some cases, shotcrete support is used against exposed CRF faces, and on stope back.

16.3.6.2 Longitudinal Avoca Stoping

In thinner areas of the orebody, longitudinal stoping will be carried out using the Avoca mining method. This method reduces the requirements for waste development and cemented backfill, which reduces overall mining costs. Stopes are sequenced in a retreat manner, from the end of the mining block towards the level access, in a bottom up mining direction. Accesses are required on both ends of the stoping block to allow backfill (rockfill) to be placed as the ore is mined. The method is illustrated in Figure 16.6.

Longitudinal stope dimensions are 20m in vertical height, approximately 20m along strike (depending on ground conditions) and are mined over the width of the ore (from footwall to hangingwall). In some cases, the stope hangingwall will be supported with cable bolts. Stope widths vary between 2.5m and 10m from hangingwall to footwall.

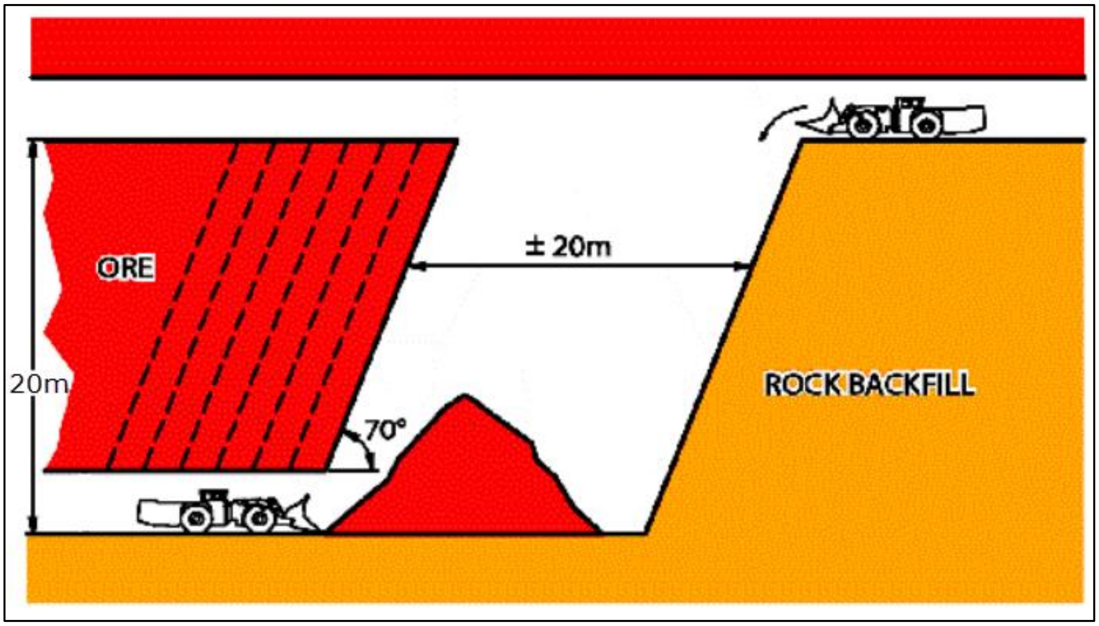


Figure 16.6. Longitudinal Avoca Mining Method (after Wardrop, 2009)

16.3.7 Development

Lateral development is completed using conventional mechanized drilling and blasting methods. Drift rounds 3.5m in length are drilled using twin boom, electric/hydraulic drill jumbos. The holes are loaded with AN/FO explosives and primed with non-electric detonators. Following blasting, the round is mucked out with an LHD and loaded onto trucks for haulage to surface. Ground support is installed using a mechanical bolting machine and (when required) shotcrete is applied with a shotcrete machine. Mine services (air, water, compressed air, electrical and communication cables) are installed on the drift back from a scissor lift truck.

In poor ground conditions, additional holes are added on the perimeter for better wall and back control. These holes are left unloaded.

16.3.7.1 Capital Development

The mine design includes capital development for stope access, ventilation, secondary egress and haulage. Also included, is development for underground infrastructure required for dewatering and electrical installations. The development design is illustrated in Figure 16.7.

Development profiles for lateral development are 5m wide x 5.5m high. Ventilation raises developed by longhole drill and blast methods are 2.5m x 3m. Bored raises for secondary egress manways and ventilation are 1.8m to 2.1m in diameter. Larger bored raises for ventilation are 3.0m to 3.5m in diameter.

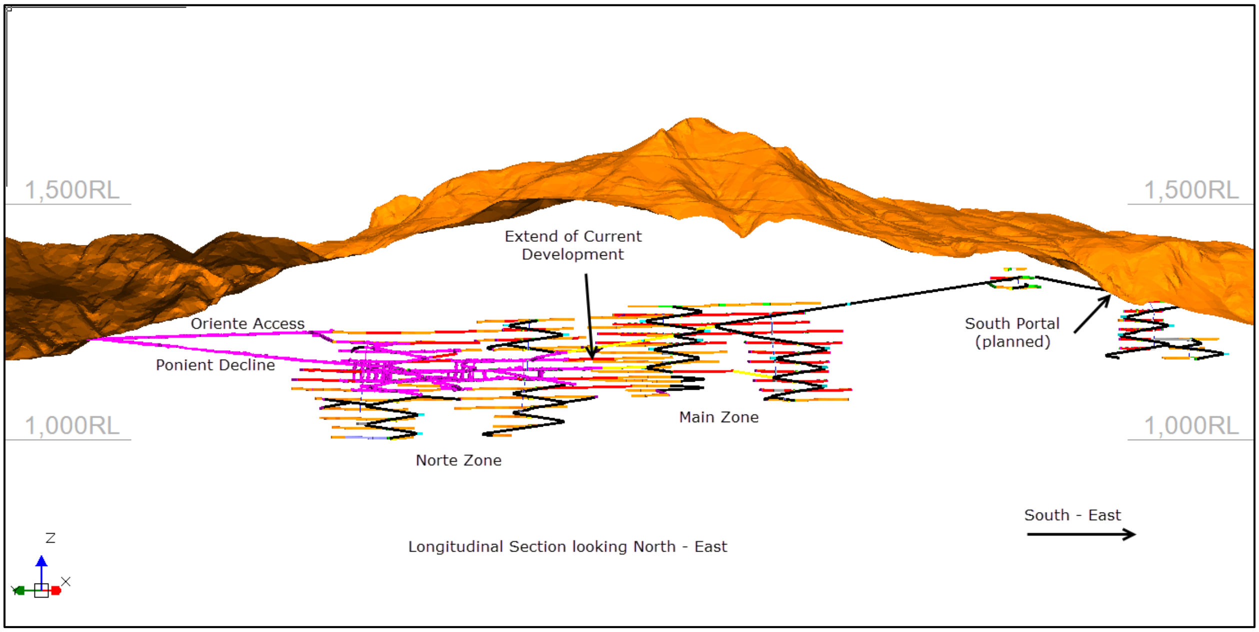


Figure 16.7. Development Design (Coeur, 2014)

16.3.7.2 Expensed Development

Expensed (or "operating) development is defined as drifts required specifically for stope mining and include waste drawpoints and lateral ore development excavated at a profile size of 5m x 5.5m. Vertical development (slot raises) are also included as expensed development, and are developed to a 2m x 2m profile.

16.3.8 Production Drilling and Blasting

Longhole drilling for slot raises and stope production holes is completed using electric/hydraulic drill rigs. Production drilling is mainly done as parallel holes, in a downhole configuration, with the holes drilled at the same angle as the dip of the orebody. Hole diameter is 76 to 89mm, and a typical design is drilled on a 2.3m x 1.5m pattern.

Holes are loaded with AN/FO, or where water is present, with emulsion explosives. The holes are primed with nonel detonators, and initiated via a central blasting system at the end of the shift.

16.3.9 Mucking and Haulage

Broken ore and development waste is mucked using a LHD loader. Some of the LHD units are fitted with remote controls, which are used for stope mucking where the machine and operator are exposed to unsupported ground.

The LHD loads trucks with ore or waste from either a muckbay stockpile, or directly from the stope or development face. The trucks have a rated capacity of 45-tonnes and some of the units are fitted with telescopic dump systems.

The trucks haul waste to surface, where it is disposed of outside of the portal in a waste dump or stockpiled for use as backfill. The ore material is dumped on the portal pad in a designated area, and then loaded onto surface trucks where it is hauled to the crusher ROM pad at the process plant area.

16.3.10 Backfill

All stopes and ore development are backfilled.

Primary stopes are filled with CRF. The CRF is manufactured on surface in a plant adjacent to the Guadalupe portal. The modular plant was purchased from Team Mixing Technologies Inc. It has a production capacity of 550 tph, and uses -2.5” crushed waste rock, cement and water to produce the backfill mixture.

Portland cement is used at a 4.5% (by weight) ratio to produce the CRF. If mining is planned underneath backfilled stopes, or if development is planned in the future though the backfill, a 10% cement mixture is used.

The CRF is loaded onto trucks at the plant and hauled underground to the stope requiring the fill. The trucks back up to a muck berm build on the edge of the stope, and dump the backfill into the stope using a telescopic ejector dump system.

Secondary and longitudinal Avoca stopes are filled with unconsolidated rockfill (RF). In most cases, the RF is loaded onto the trucks with LHDs from a waste stockpile located on the portal pad and hauled underground to the stope requiring the fill. However, if development waste is available within the mine, the waste is hauled with a truck or LHD from the development face or waste stockpile and dumped into the stope.

16.3.11 Development and Production Scheduling

16.3.11.1 Development

Development at Guadalupe is currently underway on multiple levels at a rate of approximately 650m per month. This rate will continue to increase to a peak development rate of 900m per month in 2016 and 2017, and gradually reduce later in the mine life.

16.3.11.2 Production

Ore is currently being produced at approximately 1450 tpd. As additional mining areas are developed, production is expected to continue to increase to an average sustained rate of approximately 2,000 tpd in 2016. As production blocks become mined out, the production rate decreases late in the mine life. The mining schedule for Guadalupe from 2015 to 2021 is provided in Table 16.7.

Table 16.7. Guadalupe Mining Schedule (Coeur, 2015)

	2015	2016	2017	2018	2019	2020	2021	Total
Tonnes Ore (1000's)	178	732	809	662	812	815	531	**4,540**
Ag Grade (g/t)	142	144	131	145	166	173	170	**154**
Au Grade (g/t)	2.20	2.74	2.32	2.54	2.96	2.02	1.80	**2.42**
Lateral Development (m)	2,942	10,539	10,888	5,227	1,066	693	58	**31,414**
Vertical Development (m)	30	318	137	354	258	-	-	**1,098**

16.4 Independencia Underground Mine

16.4.1 Introduction

The Independencia deposit is located approximately 1,400m NE of the Guadalupe deposit. The entrance to the mine is via two portals located approximately 270m north of the Guadalupe mine portals.

In 2015, Coeur completed a pre-feasibility study, followed by a more detailed mine plan for the Independencia deposit. Based on the results of these studies, a decision was made to proceed with the project. The Independencia mine is currently under construction, with two access declines (collared on surface) advancing towards the deposit.

The two declines will provide access to the deposit and primary ventilation for the mine. The access ramps are designed at 5.5m high by 5.0m wide and are being driven at a negative gradient of -15%. Company personnel and equipment are being used for this project.

Figure 16.8 shows a plan view of the Independencia mine design, and illustrates the development advance and the layout of the twin decline access.

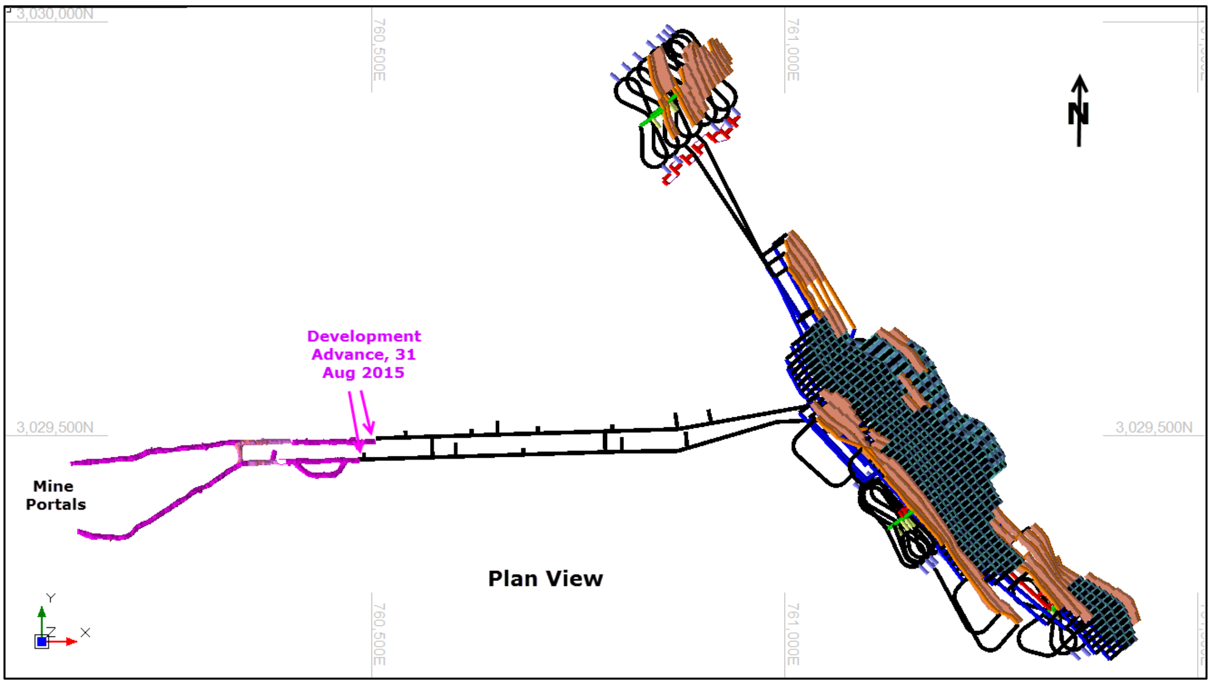


Figure 16.8. Independencia Mine, Plan View (Coeur, 2015)

The Independencia deposit will be mined with similar equipment, personnel and mining methods as the adjacent Guadalupe mine. The two operations will also share some of the surface infrastructure, which has been constructed (or is planned) for the operations.

The Independencia mine design is shown in Figure 16.9.

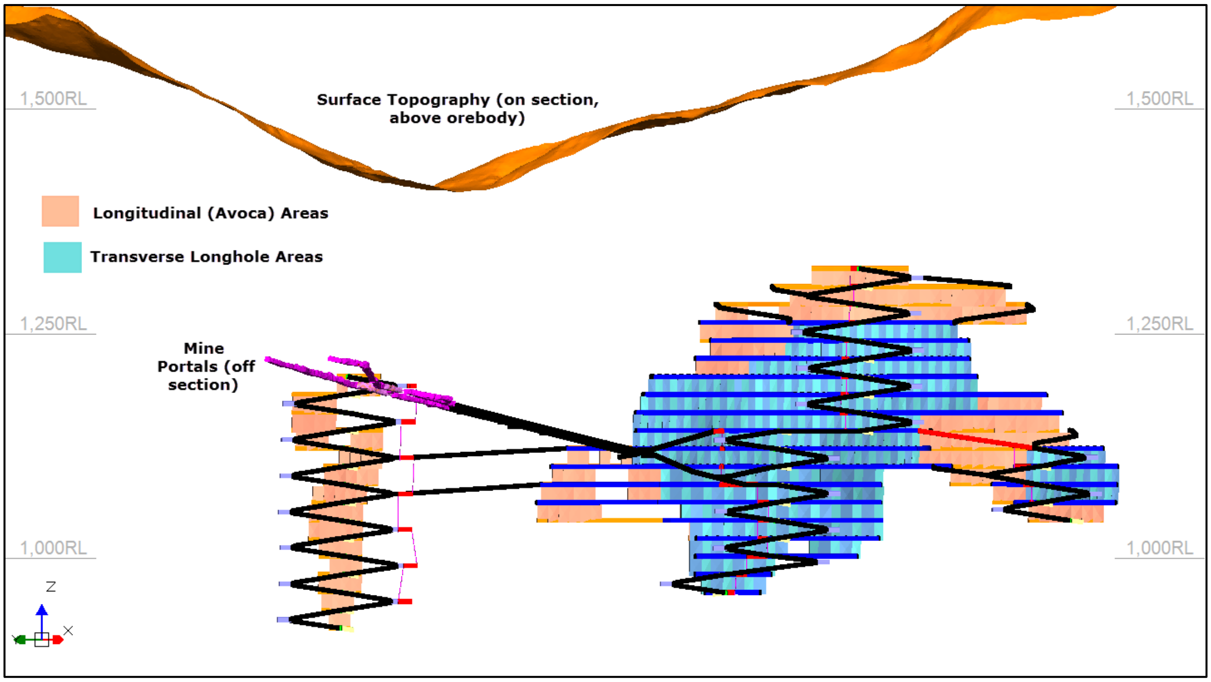


Figure 16.9. Mine Design – Longitudinal Section (Looking NE) (Coeur, 2015)

16.4.2 Geotechnical Assessment

16.4.2.1 Rock Mass Classification and Geotechnical Mine Design

The ore and ore stockwork consist of quartz-carbonate breccia veins with healed facture planes and localized areas with small scale vugs. The deposit is hosted in igneous (porphyritic or andesitic) rocks (lithography codes KTat, KTapp and KTam) and sedimentary (conglomerate, sandstone or shale) units (lithography code KTal).

In November 2014, Coeur commissioned Pakalnis to provide a geotechnical assessment of the Independencia deposit. Pakalnis reviewed drill core data and assessed the geometry of the orebody. These inputs were used to construct a preliminary geotechnical model of the FW, ore and HW of the deposit. The model was then used to determine mining methods, preliminary stope designs, support requirements and areas of concern.

Pakalnis provided preliminary geotechnical mine design guidelines and made comparisons with the Palmarejo underground mine (based on previous site visits to Palmarejo). Pakalnis noted the following:

- RMR values are similar to those observed at Palmarejo; however, the Independencia orebody has a steeper dip to the East, where Palmarejo is dipping more shallowly to the West;
- The depth at Independencia is approximately 670m below surface, compared with the Palmarejo deposit, which is approximately 400m from surface;
- In most cases, stope stability will be a function of the HW span. For RMR >60%, the HW should be limited to 15m along strike. For RMR of 30%, the HW should be limited to 10m along strike (assuming a 20m sublevel spacing);
- Areas in the mine at approximately 1,100m RL and below have better rockmass characteristics (typically RMR >60%), while some areas above 1,100m RL have RMR values between 20% and 40%; and
- An ore splay between northern and southern parts of the orebody is associated with weaker rockmass conditons; this need to be better defined and will require attention to mining practices, support and stope spans in these areas.

A longitudinal view of the Independencia stope designs showing the domains in the geotechnical model is illustrated in Figure 16.10.

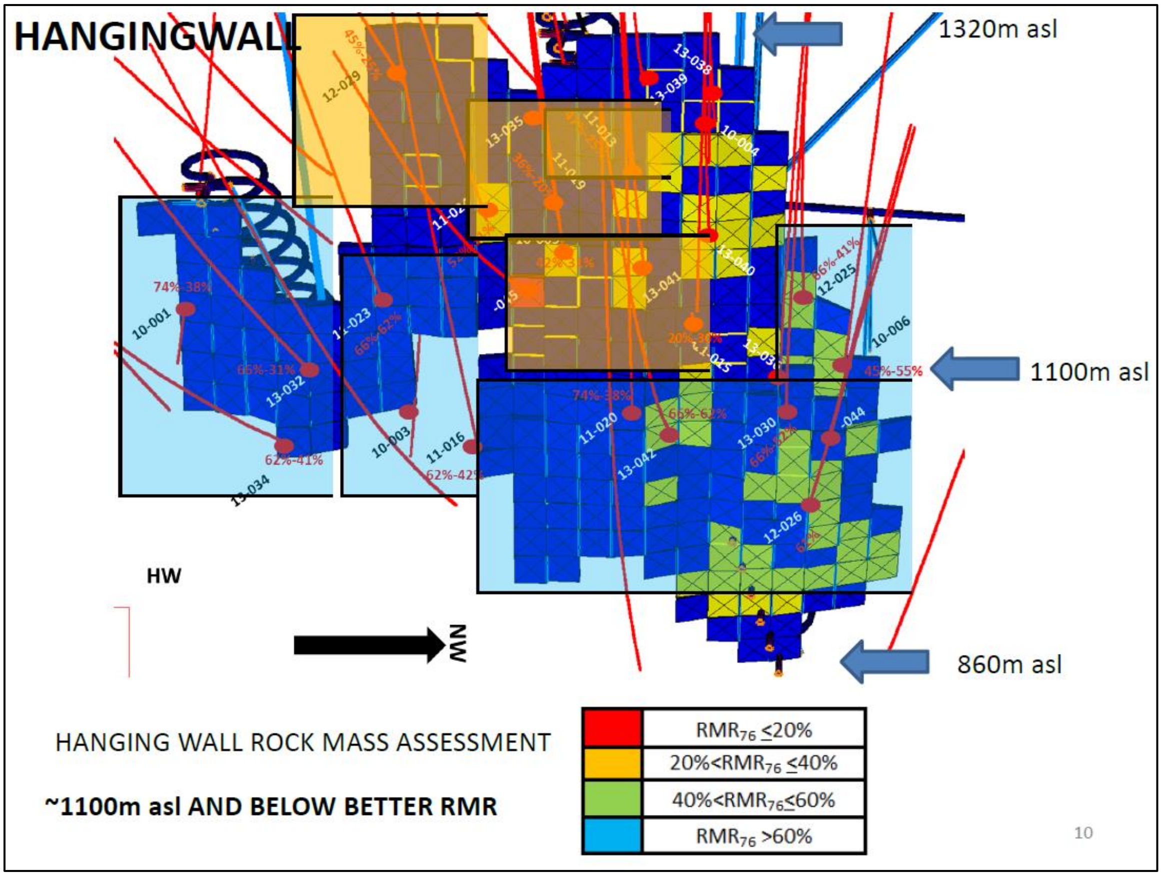


Figure 16.10. Geotechnical Model, Independencia Mine (Coeur, 2015)

In April 2015, Coeur commissioned a followup review by Pakalnis to conduct a site visit and complete a geotechnical review for Guadalupe and Independencia. At this time, the Independencia portals had been established, and decline development was underway.

For Independencia, the scope of work included reviews and assessments of:

- North and South portal conditions and support;
- Geotechncial core along planned decline routes;
- Decline development support;
- Core logging procedures; and
- Confirmation of previous geotechnical assessement via visual observations and re-logging of some of the drill core.

The preliminary geotechnical model created in 2014 remains valid, as do the recommendation and observations made at that time. Mining methods and geotechnical mine design guidelines used at the Palmarejo and Guadalupe mines are applicable for use at Independencia.

16.4.2.2 Ground Support

Similar support methods to those used at the Guadalupe mine are planned at Independencia. These methods are described in 16.3.3.2.

16.4.3 Hydrogeological Conditions and Dewatering

No hydrogeological studies have been carried out for Independencia.

Conditions in the the current decline development is dry. Small sumps with submersible pumps are used to dewater the mine.

Water inflows are expected when the development intercepts structural geological features, such as faults and shear zones. These geological features are expected to be encountered near the orebody. To manage these inflows and water generated by dust contol, settling sump and a pumping station is planned to be developed and installed on the 1,080m Level.

16.4.4 Underground Design Philosophy

The design philosophy and key mine design parameters for the Independencia mine is similar to that described for the Guadalupe mine. Refer to Section 16.3.5 for the description and design inputs.

16.4.5 Mining Methods

Independencia will use the same mining methods as those described for the Guadalupe mine. Refer to 16.3.6 for a description of the mining methods.

Based on the geotechnical model developed for Independencia, transverse stoping areas above 1,100m RL have been designed using 8m primary and 8m secondary stope widths (along strike). On and below 1,100m RL (where rockmass conditions are more favorable) 10m primary stopes and 14m secondary stope widths have been designed. As with all underground mines at the Palmarejo Complex, a sublevel spacing of 20m (drift floor to drift floor) was used.

16.4.6 Development

Development is carried out in the same manner as that described for Guadalupe in Section 16.3.7. The development design for Independencia is illustrated in Figure 16.11.

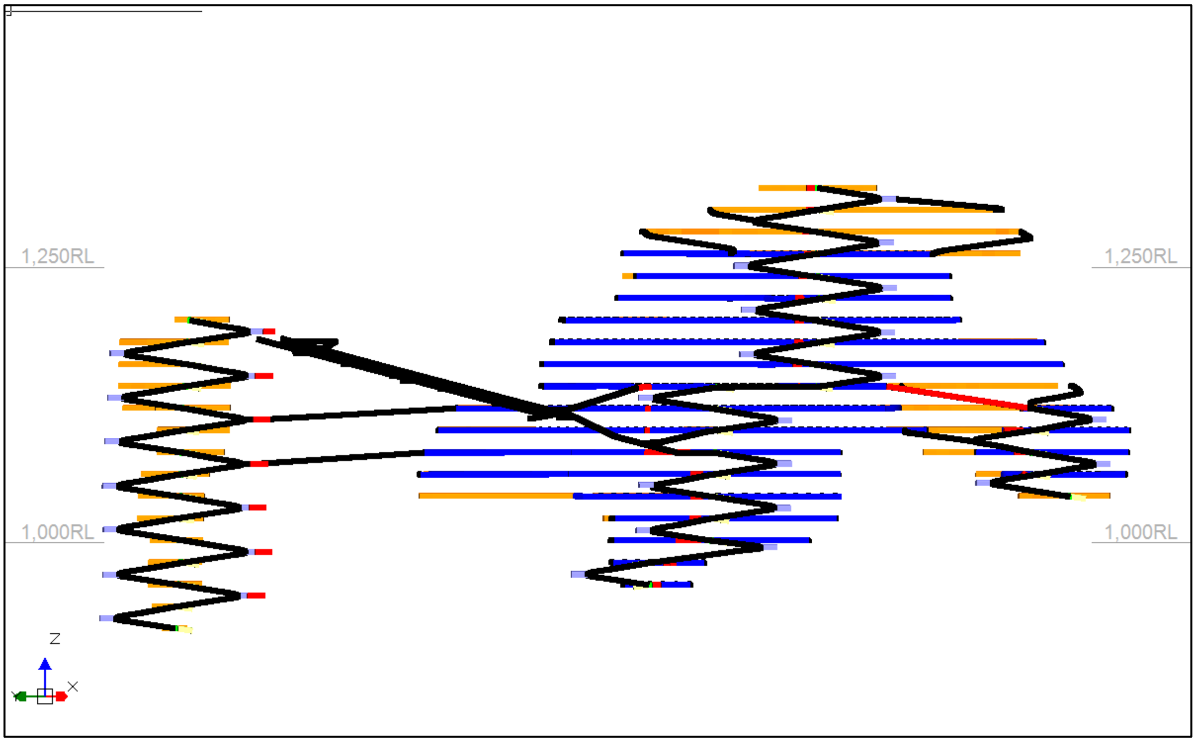


Figure 16.11. Independencia Development Design (Coeur, 2015)

16.4.7 Production Drilling and Blasting

Longhole drilling, blasting and slot raise operations will be carried out in a similar manner as the Guadalupe mine. Refer to Section 16.3.8 for a description of these activities.

16.4.8 Mucking and Haulage

Materials handling operations are planned to be carried out in a similar manner as the Guadalupe mine. Refer to Section 16.3.9 for a description of these activities.

16.4.9 Backfill

All stopes and ore development will be backfilled. Backfill operations will be carried out in a similar manner as the Guadalupe mine. Section 16.3.10 contains a description of these activities.

16.4.10 Development and Production Scheduling

16.4.10.1 Development

Development at Independencia is currently underway, with two drifts advancing toward the orebody at a rate of approximately 350m per month. This rate will continue to increase to an average development rate of 630m per month by late 2016 through to early 2020, and gradually reduce later in the mine life.

16.4.10.2 Production

Ore production is expected to commence in early 2016, and gradually build up to a sustained production rate of approximately 2000 tpd in 2017. The mining schedule for Independencia is provided in Table 16.8.

Table 16.8. Independencia Mining Schedule (Coeur, 2015)

	2015	2016	2017	2018	2019	2020	2021	2021	Total
Tonnes Ore (1000's)		166	535	687	685	672	654	414	**3,815**
Ag Grade (g/t)		185.5	181.1	189.4	221.5	192.0	182.6	130.8	**186.8**
Au Grade (g/t)		2.81	2.93	3.01	3.41	2.66	2.69	1.81	**2.81**
Lateral Development (m)	1,718	5,446	7,306	7,307	7,271	5,778	3,044	129	**38,000**
Vertical Development (m)		61	117	97	117	217	40		**647**

16.5 Mining Equipment

16.5.1 Open Pit

The major units of the open pit mining fleet are shown in Table 16.9. When mining from the Palmarejo open pit mine is completed in 2015, some of this equipment will be decommissioned and removed from site. However, some of the loading and haulage fleet will be re-assigned to haul ore (on surface) from the Guadalupe and Independencia mines to the Palmarejo process plant, and for tailings dam construction.

Table 16.9. Open Pit and Surface Mobile Equipment (Coeur, 2015)

Item	Manufacturer	Model	Number
Shovel	Terex	RH 120	2
Excavator	Caterpillar	315D	1
Excavator	Caterpillar	330D	1
Excavator	Caterpillar	365C	1
Loader	Caterpillar	992G	2
Loader	Caterpillar	988H	2
Haulage Trucks	Caterpillar	777F	11
Water Truck	Caterpillar	770F	1
Haulage Trucks	Caterpillar	740B	4
Dozer	Caterpillar	D10T/N	2
Dozer	Caterpillar	D9T	6
Dozer	Caterpillar	D4G	1
Wheel Dozer	Caterpillar	824H	1
Drill	Atlas Copco	CM780	1
Drill	Atlas Copco	DML 45	1
Drill	Atlas Copco	DML / HP	2
Drill	Atlas Copco	ROC L8	1
Grader	Caterpillar	140H	1
Grader	Caterpillar	14H	1
Grader	Caterpillar	14H	1
Lube Truck	Caterpillar	725E	1
Telehandler	Caterpillar	1255	3

16.5.2 Underground

The underground mining equipment fleet at the Palmarejo Complex is shown in Table 16.10. The equipment fleet is shared between the Palmarejo, Guadalupe and Independencia underground mines.

An equipment replacement schedule has been included, with sustaining capital allocated for this replacement in the financial model.

Table 16.10. Palmarejo Underground Mining Equipment (Coeur, 2015)

Item	Manufacturer	Model	Number
LHD	Caterpillar	R1700G	6
LHD	Caterpillar	R1600G	2
LHD	Caterpillar	R1300G	1
LHD	Sanvik	Toro 1400	2
LHD	Atlas Copco	ST 1030	2
Truck	Caterpillar	AD45B	7
Truck	Caterpillar	AD30	5
Jumbo	Atlas Copco	Boomer J282	4
Jumbo	Atlas Copco	Boomer S1D	1
Jumbo	Atlas Copco	Boomer C281	1
Production Drill	Atlas Copco	Simba H1254	1
Production Drill	Atlas Copco	Simba M4CITH	3
Production Drill	Boart	Stope Mate	1
Diamond Drill	Ingetrol	Explorer 60E	1
Diamond Drill	Coeurproducts	P32 Termite	1
Rock Bolter	Atlas Copco	Boltec 235	6
Rock Bolter	RDH	Boltmaster 200EH	1
Cable Bolter	Atlas Copco	Cabletec LC	2
Scissor Lift	Marcotte	M40	5
Shotcrete Mixer	RDH	Cretemaster 600R	4
Shotcrete Sprayer	Kubota	4700H	2
Shotcrete Sprayer	Kubota	4800	1
Concrete Mixer	Jarvis Clark	EJC 415	2
Explosive Truck	RDH	Anfomaster 150	2
Explosive Truck	Getman	A64 Anfo Loader	1
Grader	Caterpillar	120K	1
Utility Vehicle	RDH	Servicemaster 600R	1

17. RECOVERY METHODS

17.1 Introduction

The processing plant is located immediately south and overlooking the village of Palmarejo at an elevation of approximately 880m. The plant is designed to operate 365 days per year at 91.3% availability. The plant design mill throughput is 6,000 tonnes per day of combined underground and open pit ore.

Palmarejo's processing flowsheet consists of a standard crushing and grinding circuit (Jaw crusher - SAG mill – ball mill), followed by flotation, where the flotation concentrate is subjected to an intensive cyanide leach and flotation tailing is treated in agitated cyanidation. Finally, a Merrill Crowe circuit is used to recover gold and silver from the leachates.

The plant is designed to achieve an overall recovery of approximately 94.0% of the gold and 91.0% of the silver as a doré.

17.2 Crushing

Ore is delivered from the underground and open pit mining activities either to a Run of Mine (ROM) stockpile located adjacent to the primary crusher area or directly to the primary crusher dump hopper. The dump hopper has a fixed grizzly on top with an approximate opening of 20 inches and an apron feeder at the discharge. The ROM is fed with a front end loader and oversize is broken with a backhoe fitted with a hammer. The installed jaw crusher is a Nordberg C-140 with an opening of approximately 1.1m by 1.4m capable of handling 350 tonne/hr at a 5" CSS (Close Side Setting).

Crushed ore is discharged from the jaw crusher onto a conveyor and delivered to a 1,250 tonnes capacity stockpile. Two variable vibrating feeders reclaim the crushed ore onto a belt conveyor to delivery to the Semi-Autogenous Grind (SAG) mill for further comminution.

17.3 Grinding

Crushed ore is directly fed to the grinding circuit from the crushed ore stockpile. The grinding circuit consists of a SAG mill and a Ball mill operating in a closed circuit with a battery of cyclones for classification. The cyclone battery consists of nine 80-inch Krebs cyclones with an apex opening of 4.25 inches and vortex opening of 6 inches. Cyclone operational pressure is maintained in a range from 14 to 16 psi. The cyclone battery underflow reports to the ball mill to maintain a recirculating load to have a better control on the flotation feed size, while the cyclone overflow reports to flotation.

Both mills are 6.7m in diameter and 7.5m. long. Grinding circuit feed and product is 80% passing sizes of 120,000 µm and 75 µm, respectively.

17.4 Flotation

The ball mill cyclone overflows at a nominal 80% minus 75 µm in size with a pulp density of 30% solids flows by gravity to the rougher conditioner tank, where the slurry is conditioned with Aero 404 and potassium amyl xanthate (PAX). The conditioner tank overflows to feed a bank of six $100m^3$ capacity tank cells. Rougher flotation occurs at the first bank of two tank cells, and scavenger flotation occurs sequentially down the bank. Frother and PAX are added to rougher feed and during the scavenging flotation.

In 2012, the flotation circuit was slightly modified to add flexibility and improve performance. Now the rougher flotation concentrate reports either to the cleaner concentrate tank, where it is combined with the cleaner concentrate, or to the scavenger concentrate tank, where it is combined with the scavenger concentrate. Scavenger concentrate reports to a bank of two $17m^3$ capacity cells where the first cleaner stage is provided. Then the first cleaner concentrate reports to a conditioning tank for additional reagents adjustment, and then flows to a bank of three $17m^3$ capacity cells, where the final cleaner flotation is obtained. The final cleaner concentrate is pumped to the concentrate thickener for dewatering. The concentrate thickener overflow reports to the grinding circuit as recycled water. Thickener underflow, at approximately 65% solids, is pumped to the concentrate leach circuit for intense cyanide leaching to dissolve the contained gold and silver. The cleaner concentrate weight recovery is designed at nominal 5%.

Cleaner flotation tailings are recycled to the rougher flotation conditioner tank or alternatively to the 3^{rd} or 5^{th} rougher cell for additional treatment.

Flotation tailings are transferred to the tailings thickener for dewatering, and tailings thickener overflow reports to the grinding circuit as recycled water. Thickener underflow, at approximately 60% solids, is transferred to the Float Tails agitated leach circuit for cyanide leaching and dissolution of residual gold and silver values. Figure 17.1 shows a simplified flotation circuit flow sheet.

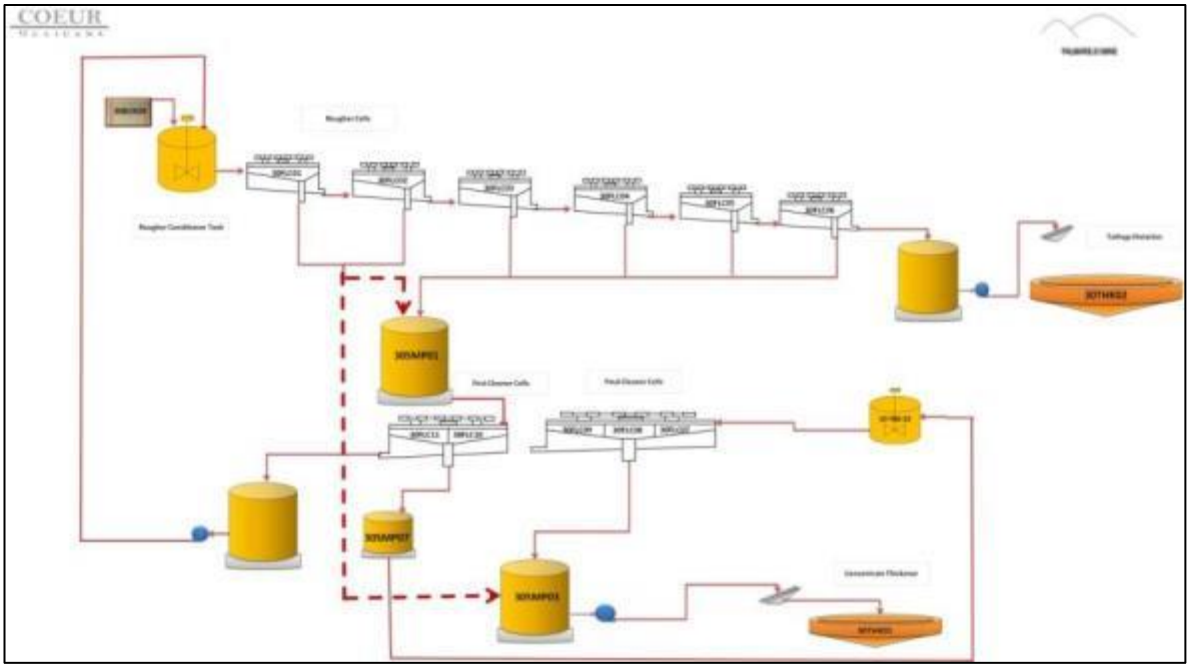


Figure 17.1. Palmarejo Flotation Circuit Flow (Coeur, 2012)

17.5 Flotation Concentrate Leaching

The concentrate leaching circuit is located in the Leaching/Recovery Area of the mill facilities and is comprised of four agitated leach tanks, each with a nominal capacity of $200m^3$, providing a total leaching time of 48 hours.

Thickened flotation concentrate is pumped to the concentrate leach circuit. The slurry is then diluted to approximately 50% solids, and sodium cyanide solution is added to maintain a concentration of 10 g/L NaCN. Oxygen is injected to the concentrate leach tanks to enhance the silver dissolution process, and also enables cyanide solution strength reduction from 50 g/L to 10 g/L NaCN, resulting in a substantial reduction of cyanide consumption.

Leached slurry from the concentrate leach circuit is then pumped to a triple stage countercurrent decantation (CCD) circuit to recover the dissolved gold and silver values. Each stage consists of a high rate, 9.0m diameter thickener and an inter-stage mixing tank to enhance washing efficiency. Pregnant solution containing metal bearing overflows from the first CCD thickener is pumped to the pregnant solution tank for subsequent delivery to the Merrill Crowe circuit, located at the refinery building for further treatment. Thickened underflow from the final CCD thickener is pumped to an agitated leach circuit for additional leaching and potential recovery of residual metal values.

17.6 Flotation Tailings Leaching

The flotation tailings leaching circuit is also located in the Leaching/Recovery Area of the mill facilities.

In the second quarter of 2014, a modification of the originally designed Carbon in Leach (CIL) circuit was initiated, following positive bench-scale test work results, which demonstrate that Palmarejo's mineralization does not present preg-robbing characteristics. Test work data provided justification to stop using CIL.

Carbon withdrawal from the CIL tanks was carried out from May to August, followed by some required repairs and upgrades on each of the leach tanks. The leach tanks upgrade will continue during 2015.

The modified leach circuit comprises a total of eight leach tanks; each tank has different capacity ranging from 2,000m^3 to 1,162m^3 for tanks No. 1 and No. 8, respectively, providing an overall retention time of 24 hours.

Thickened flotation tails are pumped to the tailings leach circuit. The slurry is combined with the concentrate leached residue, the slurry is diluted to approximately 42% solids, and sodium cyanide solution and lime slurry are added along injected oxygen through the agitator shafts in Tank No. 1 and compressed air for tanks No. 2, No. 3, No. 4, No. 5 and No. 7. The leaching circuit tailings slurry is transferred to the cyanide detoxification circuit.

17.7 Carbon Desorption

In the second quarter of 2014, this circuit was discontinued once all carbon was withdrawn from the CIL tanks.

17.8 Carbon Regeneration

In the second quarter of 2014, this operation was discontinued once all carbon was withdrawn from the CIL tanks.

17.9 Merrill Crowe and Smelting

Pregnant solution from the flotation concentrate leach CCD first thickener overflow is pumped to one of three batch solution tanks, and then pumped to a Merrill Crowe system, at a flow rate ranging from 55 to 60m^3/hr.

In the second quarter of 2014, a secondary Merrill Crowe unit was commissioned to handle low grade pregnant solution. Final Tailings Thickener overflow is the source of this low grade pregnant solution, which is pumped throughout the secondary Merrill Crowe at a flow rate ranging from 130–135m^3/hr. The secondary Merrill Crowe system was also designed to handle higher grade pregnant solution from the flotation concentrate leach CCD circuit. Figure 17.2 shows an expanded Merrill Crowe process flow sheet.

In the Merrill Crowe process, total suspended solids (TSS) are first removed from the pregnant solution using a series of clarification filters.

The clarified pregnant solution is routed to a deaeration tower to impact a bed of high-surface area plastic tower packing. As the solution travels down the packing, dissolved oxygen (DO) is removed from the solution and routed through the vacuum system piping to the vacuum pump, and then to the atmosphere. The DO is removed to a concentration less than approximately 1 ppm, and preferably less than 0.7 ppm. Once the pregnant solution has been clarified and deaerated, it is ready for precious metal precipitation by zinc cementation. The precipitated gold and silver resulting from the zinc cementation reactions are routed to the precipitate filters. The spent solution is pumped back to different points of the flotation tailings leaching circuit and/or the concentrate leach circuit for slurry washing and dilution.

The precipitate produced by Merrill Crowe is dried in two electrical dryer ovens before being smelted in a 600kg/hr capacity electric induction furnace and poured into 30kg dore ingots.

Dore ingots are shipped by armored truck to a refinery.

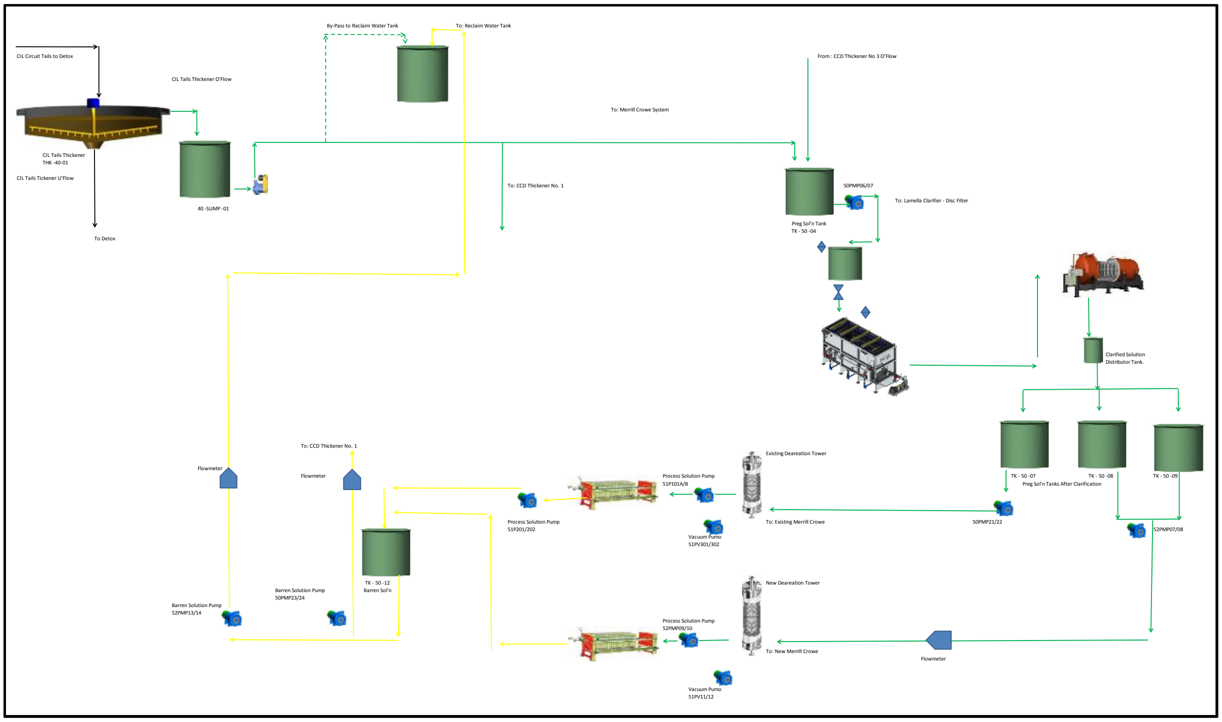


Figure 17.2. Expanded Merrill Crowe Process Flow Sheet (Coeur, 2014)

17.10 Cyanide Detoxification

Flotation tailings leaching slurry at approximately 48% solids is transferred to a tailings thickener for water and cyanide recovery purposes, prior to delivery to the Cyanide Detoxification circuit. Thickener overflow is pumped to the secondary Merrill Crowe circuit or recycled back to the leaching circuit, while the thickened underflow is pumped to two 534m^3 capacity agitated tanks in series.

The final tailings detoxification circuit is based on the use of SO_2 /Air for the destruction of cyanide. SO_2 is supplied by the addition of sodium metabisulphite ($Na_2S_2O_5$). In July 2012, a new source of SO_2 was used to replace sodium metabisulfite. This new reagent, known commercially as “Neutralite”, provides similar cyanide destruction capabilities as the sodium metabisulfite. It achieves an average of 96.8% total CN^- destruction.

Blower air is injected into the agitated tanks along with the tailings slurry, dilution process water, neutralite and copper sulphate, if required to destroy the cyanide in the tailings prior to discharge to the final tailings impoundment.

The current (2014) process flow sheet for Palmarejo is shown in Figure 17.3.

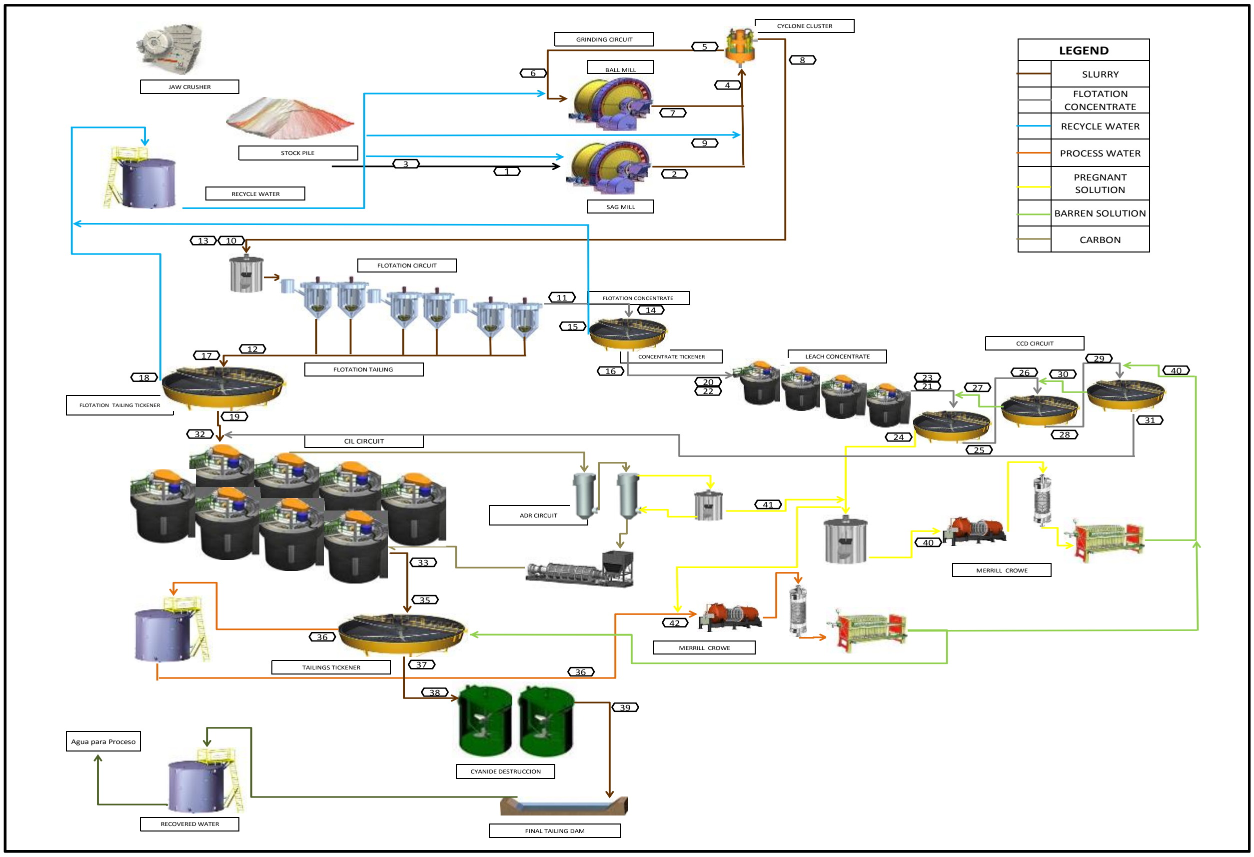


Figure 17.3. Palmarejo Process Flow Sheet (Coeur, 2015)

18. PROJECT INFRASTRUCTURE

The area surrounding the Palmarejo Complex has a moderately well developed infrastructure and a local workforce familiar with mining operations.

The main substation for the Palmarejo Complex has a transformer sized at 115 kV/13.8 kV, with capacity of 20/25 MVA. The system includes a 66km overhead 115 kV distribution line ceded to the CFE (government power company) that was built in 2009. The Palmarejo open pit and underground mines, process plant, and all other electrical loads are connected to this grid.

In 2015, Coeur Mexicana completed the construction of a 5.9km power line from the main substation to the Guadalupe and Independencia mines, with capacity for 115 kV, although it is currently operating on 13.8 kV. This infrastructure will allow for possible capacity expansion in the future. A substation has been constructed at the Guadalupe mine, and a new substation is currently under construction to serve the Independencia mine power requirements. The estimated capacity for Guadalupe and Independencia (at full production) is approximately 4.0 to 5.0 MW.

The generator emergency power house located near the process plant has 12 diesel generators. The generator models are Caterpillar 3516B that operate at 13.8 kV. The total capacity, for emergency purposes, is 21.9 MW.

Currently, Coeur Mexicana has a contracted demand of 18,000 kW, with supporting the installed load 21,666 kW. Coeur Mexicana also has permission to self-supply electricity.

The state road between San Rafael and Palmarejo was upgraded in late 2007 for the mobilization of equipment and construction materials. This is an on-going activity and Coeur has permanent maintenance crews working on the road.

Road construction to improve the haul road between the Guadalupe portal and the Palmarejo process plant was completed in 2015. This road is now used for ore haulage, using CAT 777F haul trucks.

Water for the Palmarejo, Guadalupe, and Independencia mines is obtained from a variety of sources. Since 2010, tailings from the plant have been deposited in the final tailing dam (FTD). Residual water from the wet tailing is recycled back to the plant from the FTD. Underflow from the FTD is also recycled as make-up water back to the plant. When needed, additional make-up water can be pumped from the Chinipas River infiltration gallery that is piped to a booster pump station located at the NW corner of the FTD via a 17km pipeline. Domestic use water is purchased from local municipalities or is trucked to site from various stations that hold water sent to site from the Chinipas River pipeline.

Groundwater from the Guadalupe and Independencía mines is collected in sumps constructed in the underground mines, and clarified in a surface sump for recycling in the underground system.

The latest phase of the FTD was completed in April, 2015 to 818m elevation (see photos below). The crest of the final phase of the FTD construction is scheduled to be completed in 2018. This will bring the dam to the final elevation of 825m and complete the final phase of all dam construction at Palmarejo. At this time, it is not anticipated that any of the dams will be expanded beyond the currently permitted sizes and elevations.

The mine camp facilities and kitchen support the requirements of the workforce. Contractors and employees live at the camp while working on site.

Maintenance facilities consist of a large covered Truck Shop near the Palmarejo process plant, which repairs both open pit and underground equipment. A smaller maintenance facility has been constructed at the Guadalupe mine, but for major repairs, the equipment is transported to the Truck Shop using a truck fitted with a trailer.

The infrastructure for the Palmarejo Complex is complete and the mine is operating and processing ore 24 hours per day, seven days per week. The Guadalupe and Independencia mines will utilize much of the existing infrastructure at the Palmarejo Complex, including ore processing at existing milling facilities. Major elements of the infrastructure are shown in Figure 18.1.

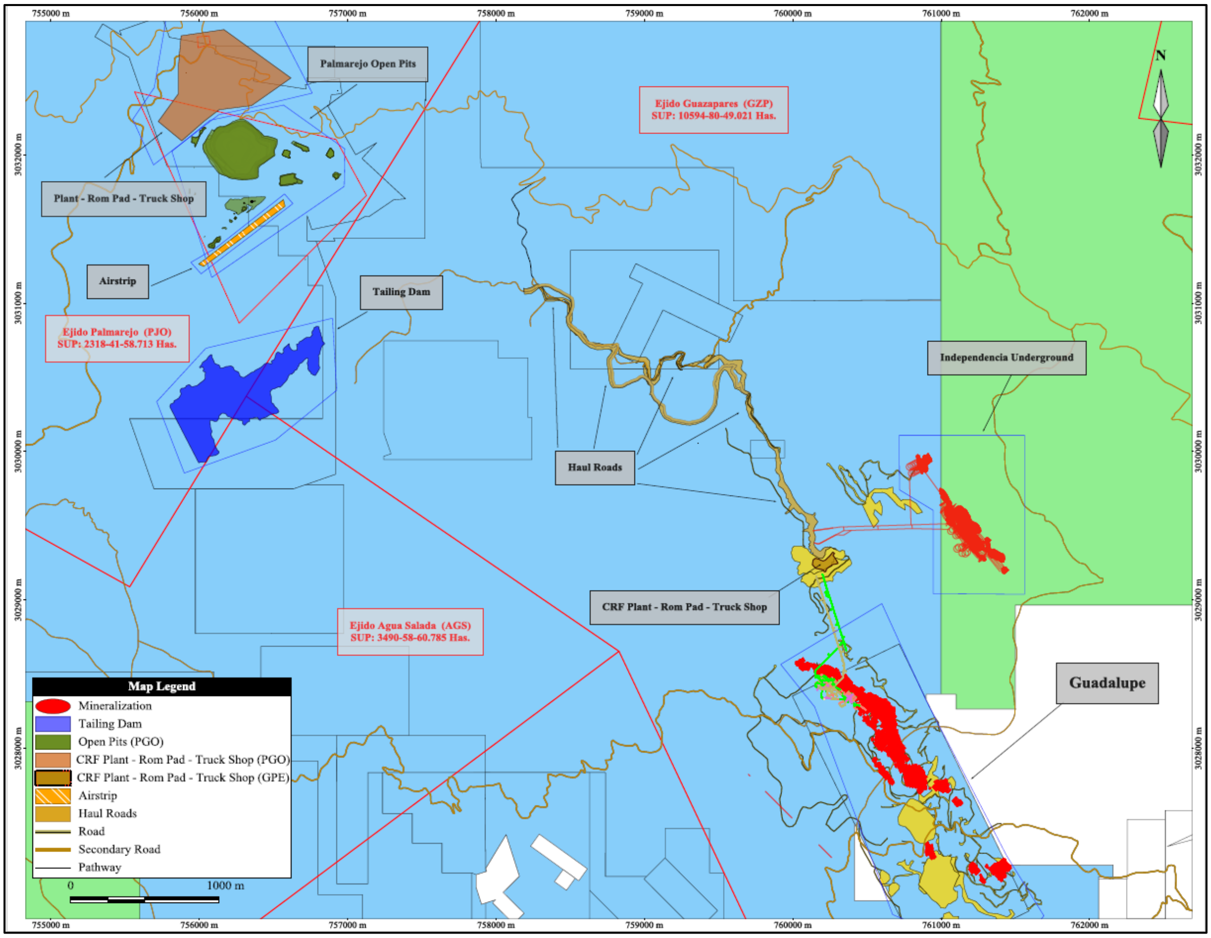


Figure 18.1. Palmarejo Major Infrastructure (Coeur, 2015)

18.1 Palmarejo Underground Mine Infrastructure

The following lists the main infrastructure in the Palmarejo underground mine:

- Primary ventilation fans;
- Ventilation bulkheads, airlock doors and booster fans;
- CRF backfill plant;
- Settling sumps and pump stations;
- Explosives and detonator magazines;
- Electrical substations and switch gear;
- High voltage and low voltage electrical cabling;

- Mine communications system (leaky feeder);
- Central blasting system;
- Lunchrooms and portable refuge stations;
- Secondary egress raises with ladders; and
- Mine services (piping for dewatering, process water and compressed air).

When mining ceases at the Palmarejo underground mine, some of this infrastructure will be used at the Guadalupe and Independencia mines.

18.2 Palmarejo Open Pit and Underground Personnel

Currently, personnel are being trained and transferred to the Guadalupe and Independencia mine crews as the Palmarejo deposits are mined out. The process will continue for the remainder of 2015 and 2016.

18.3 Guadalupe Underground Infrastructure

Much of the required infrastructure for the Guadalupe mine is in place. Some changes required for the future are described below.

18.3.1 Ventilation System

The planned ventilation system has been designed using simulation modeling carried out to develop a life of mine ventilation plan.

The primary ventilation fans consist of two 300 hp fresh air fans installed in a parallel configuration in a ventilation bypass drift developed parallel to the Oriente Access. Additional booster fans have been installed underground to direct the air to the active mining blocks.

Additional ventilation and access development is planned from the south – east extent of the deposit. This will involve establishing a mine portal and decline access, which will connect with the development and mine expansion advancing from the north. When this connection is made in the Main Zone, the system will be reconfigured such that both Oriente and Poniente will serve as fresh air intakes, while the southern ramp and a planned exhaust borehole in the Main Zone will be used for return air.

18.3.2 Other Underground Infrastructure

The following lists the main infrastructure (existing and planned) in the Guadalupe mine:

- Primary ventilation fans (Oriente incline and Southern ramp);

- Ventilation bulkheads, airlock doors and booster fans;
- Settling sump and pump station (1,140m Level);
- Explosives and detonator magazines (1,140m Level);
- Electrical substations and switch gear;
- High voltage and low voltage electrical cabling;
- Mine communications system (leaky feeder);
- Cabling for central blasting system;
- Lunchrooms and portable refuge stations;
- Secondary egress raises with ladders; and
- Mine services (piping for dewatering, process water and compressed air).

18.4 Surface Infrastructure

The following surface infrastructure projects have been completed at the Guadalupe portal pad area, and are illustrated in Figure 16.4.

- CRF backfill plant;
- Shotcrete mixing plant;
- ROM pads for low grade and high grade ore;
- Waste dumps;
- Lunchrooms and offices;
- Maintenance facilities;
- Materials storage areas and laydown facilities;
- An overhead high voltage power line from the main substation near the Palmarejo process plant to the Guadalupe substation;
- An electrical substation and switch gear;
- A storm water drainage culvert system under the waste dump;
- Raw water storage tanks;
- Fuel storage tanks;
- Settling sumps; and
- An upgraded access road between the Palmarejo process plant and Guadalupe.

18.5 Independencia Infrastructure

Mine services and support infrastructure planned for the Independencia mine includes mine ventilation, fixed facilities, a compressed air system, and a dewatering system.

18.5.1 Mine Ventilation System

An airflow of 190m^3/s (400,000 cfm) will be required to ventilate the mine at full production. The mine will be ventilated by means of two decline connections to surface, with one decline supplying fresh air to the mine, which the other decline will provide an exhaust exit from the mine. No other ventilation connections to the surface are envisioned. Drop raises between levels will be used for distribution of the air in the system. An isometric view of the ventilation system is shown in Figure 18.2.

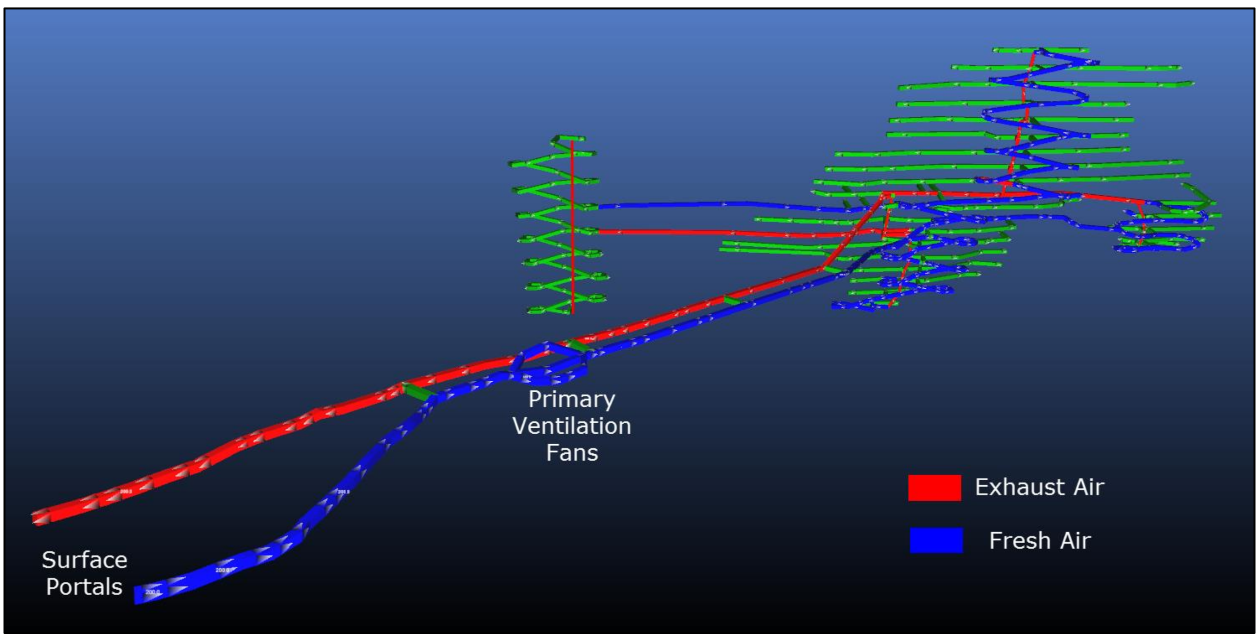


Figure 18.2. Ventilation Arrangement (Looking NE) (Coeur, 2015)

18.5.2 Surface Infrastructure

Some of the fixed facilities that have been constructed at the Guadalupe mine will be used to support operations at the Independencia mine. These facilities include:

- The surface mobile equipment maintenance shop;
- CRF backfill plant;
- Waste rock stockpile;

- Ore ROM pads;
- Offices and lunch rooms;
- Service water supply; and
- Mine water settling sump.

18.5.3 Compressed Air System

The mine compressed air plant is planned to be located on surface with compressed air distribution down the main decline to support development and production operations. The two compressors specified for Independencia are both 1,800 cfm at 125 psig, and are powered by 390 hp motors.

18.5.4 Underground Dewatering Systems

The mine dewatering system will collect the water throughout the active and inactive underground mine workings, settle out the sediments, and discharge the water out of the mine to the surface settling sump for water clarification. The system has been designed to process a groundwater inflow of 50 L/s (800 gpm).

Currently, a temporary system using submersible pumps is used to dewater the mine for for the decline development. No significant inflows of groundwater are currently entering the decline drifts.

At this time, the permanent system design consists of a sump reservoir, where the water will be retained to allow any suspended solids to settle, and a main underground water sump equipped with two vertical turbine pumps capable of managing the 800 gpm potential inflows with a peak capacity of 1,600 gpm. Each vertical turbine is equipped with a 3,500 hp pump, and a secondary sump, which will be used when the main sump is in maintenance, or in case of an excess water event. The secondary sump will be cleaned by a mud pump.

18.6 Conclusions

The majority of the infrastructure for the Palmarejo Complex is complete and mining and ore processing is currently carried out 24 hours per day, seven days per week. The existing infrastructure at the Palmarejo Complex can support the current mining activities at Guadalupe and Independencia. Additional infrastructure has, and will be, constructed at Guadalupe and Independencia, as production from these mines increases.

Figure 18.3. Images of Final Tailings Dam Construction (Coeur, 2015)

19. MARKET STUDIES AND CONTRACTS

19.1 Market Studies

A market study was not undertaken for this Report.

Gold and silver are the principal commodities produced at the Palmarejo Complex. These commodities are freely traded, at prices that are widely known, and the prospects for the sale of any production are virtually assured. Prices for these commodities are usually quoted in U.S. dollars per troy ounce.

19.2 Commodity Price Projections

The prices for the commodities were set based a review of historical metal prices and industry and analyst price consensus (Table 19.1). The prices selected reflect Coeur's view of prices, and the QP considers these to be reasonable projections.

Table 19.1. Commodity Price Projections (Coeur, 2015)

Purpose	Commodity	Price $/oz
Mineral Reserve Estimate *	Silver	17.50
Mineral Reserve Estimate *	Gold	1250
Mineral Resource Estimate	Silver	19.00
Mineral Resource Estimate	Gold	1275
Financial Model 2015-2017	Silver	15.50
Financial Model 2015-2017	Gold	1150
Financial Model 2018-2022	Silver	17.50
Financial Model 2018-2022	Gold	1250

* Except for Palmarejo open pit and underground Mineral Reserves, which used a silver price of $15.50/oz and a gold price of $1,150/oz due to the short term life of these mines.

19.3 Contracts

The Palmarejo Complex produces silver and gold doré, which is transported from the mine site to the refinery by a secure transportation provider. The transportation cost, which consists of a fixed charge plus a liability charge based on the declared value of the shipment, equates to approximately $0.065/oz of material shipped.

Coeur Mexicana has contracts with two U.S. based refiners who refine the Palmarejo mine's doré bars into silver and gold bullion that meet certain benchmark standards set by the London Bullion Market Association, which regulates the acceptable requirements for bullion traded in the London precious metals markets. The terms of these contracts include: (i) a treatment charge based on the weight of the doré bars received at the refinery; (ii) a metal return percentage applied to recoverable gold; (iii) a metal return percentage applied to recoverable silver; and, (iv) penalties charged for deleterious elements contained in the doré bars. The total of these charges can range from $0.30 to $0.40/oz of doré bar based on the silver and gold grades of the doré bars as well as the contained amount of deleterious elements.

In addition to the contracted terms detailed above, there are other uncontracted losses experienced through the refinement of Palmarejo's doré bars, namely the loss of precious metal during the doré melting process as well as differences in assays between Coeur Mexicana and the refiner. For our analysis, we have assumed that uncontracted losses average 1.5%.

Coeur sells its payable silver and gold production on behalf of its subsidiaries on a spot or forward basis, primarily to multi-national banks and bullion trading houses. The markets for both silver and gold bullion are highly liquid, and the loss of a single trading counterparty would not impact Coeur's ability to sell its bullion. Coeur's strategy on hedging silver and gold is focused on providing downside protection. To accomplish that, we may enter into derivative contracts to protect the selling price for a certain portion of our production if terms are attractive.

There are numerous contracts in place at the project to support mine development or processing that augment Coeur's efforts. Currently, there are contracts in place at the Palmarejo Complex to provide supply for all major commodities used in mining and processing, such as equipment vendors, power, explosives, cyanide, tire suppliers, raise boring, ground support suppliers and drilling contractors.

The terms and rates for these contracts are within industry norms. These contracts are periodically put up for bid or negotiated to ensure the rates remain favorable to Coeur.

20. ENVIRONMENTAL STUDIES, PERMITTING, AND SOCIAL OR COMMUNITY IMPACT

The environmental permitting process in Mexico requires the presentation of at least two different documents at the Federal level: the Environmental Impact Statement and the Soil Use Change. Both documents are authorized by Mexico's environmental ministry, the Secretaría del Medio Ambiente y Recursos Naturales, or SEMARNAT (Secretariat of Environment and Natural Resources). Authorizations from the Comisión Nacional del Agua or CONAGUA (National Water Commission) are also needed for water use, effluent discharge, and to construct facilities in watersheds.

The first critical step in the environmental permitting process is completing and presenting the Environmental Impact Statement or Manifestación de Impacto Ambiental (MIA) to SEMARNAT. Since 2006, Coeur Mexicana has submitted several MIAs for different proposed actions, including one for the Palmarejo mine (668.34 ha), the Guadalupe mine (43.93 ha), the hauling road between Palmarejo and Guadalupe (4.38 ha), and for the power line and electric substation for Guadalupe (6.47 ha). Following the acceptance of the different MIAs, the next step is to obtain a specific permit for forestry vegetation disturbance or change in soil use (Cambio de Uso de Suelo en Terrenos Forestales, or CUSTF). The original CUSTF was approved in 2006 for a period of 10 years, and expires in 2016. The Palmarejo MIA has a term of 13 years, and will expire in 2019, with a possible extension of 6.5 years. To date, the project has CUSTF approval for mining activities for a total of 723 ha, including 43 ha for Guadalupe, 668 ha for Palmarejo, and 12 ha for other related facilities. Additionally, it has CUSTF approval for 3.8 ha for exploration activities at La Patria.

Coeur Mexicana received an initial environmental authorization for Palmarejo from SEMARNAT in 2006 for a period of 13 years, including 11 years of operation and two for closure and reclamation. This authorization covers the denominated Palmarejo Phase 1 project that includes all production facilities (process plant, tailings area, most waste deposits, pits and underground facilities), for a total of 378 ha. Under the current permit, Coeur is authorized to operate Palmarejo's facilities until May 2017, followed by two years of reclamation activities until May 2019. Palmarejo Phase 1 has a CUSTF approved for 327.3 ha for land disturbance. Subsequent to the Phase I permitting processes, Coeur Mexicana filed for, and received, approval of a new environmental authorization (Phase II) for an additional 290.34 ha, which was issued in 2010 for 10 years, ending in 2020. Concurrently, a CUSTF approval for 290.34 ha was granted for the same period.

Both mining authorizations can be extended by SEMARNAT through a relatively simple notification procedure for additional time equivalent to one half of the initial authorized period. In the case of Palmarejo Phase 1, this represents 6.5 years of additional environmental authorization. If additional land disturbance for mining activities is required within the two phases, it can be added through a new CUSTF request. Payment to the Forestry Fund, in accordance with the additional disturbance, would be required.

Coeur Mexicana has been granted full authorization for open pit and underground gold and silver mining within the area depicted in the MIA, as amended. This includes permits for exploration, construction, and operations of the open pit and underground gold and silver mines. It also includes the cyanide leaching process, refining and cyanide detoxification of the tailings prior to discharge into the tailings impoundment (INCO detoxification process). In 2012, the SEMARNAT clarified a specific limit for cyanide concentrations in the tailing disposed in the FTD; this limit is consistent with other Coeur facility operations at 50 ppm weakly acid dissociable (WAD) cyanide. Coeur continues efforts in the management of the tailing facility to meet standards recommended in the international cyanide management code. Currently, the mine has conducted a GAP analysis in observance of the code.

The Guadalupe area is permitted for land disturbance related to an underground and open pit mine and related facilities (small waste deposits, access roads and electrical line distribution). This project received its environmental authorization in 2010, and its initial authorization for change of land use in November of 2010. The mine is currently producing and development of the underground structures continues. Ore mined at Guadalupe is being processed at the Palmarejo mill and plant facility via a fully-approved roadway. In addition, an MIA and CUSTF were provided to SEMARNAT on September 9 and 10, 2015, for the southern Guadalupe extension, including a new hauling road and the access to the Las Animas Pit. These permits are expected to be granted on or about December 10, 2015.

On February 27, 2011, a right-of-way agreement for the construction of the Guadalupe-Palmarejo haul corridor was signed with the Guazapares ejido. Environmental and change of land use authorizations for the construction of a haul road were awarded by SEMARNAT on May 30, 2011 and July 11, 2011, respectively. The permitted haul road design was revised and upgraded to allow larger hauling trucks from the Guadalupe mine. The new design increased construction's cut and fill over diverse topography. This new construction required an MIA modification and a CUSTF for 4.69 additional hectares, submitted in August of 2013 to SEMARNAT. The MIA and CUSTF requests were granted on September 10, 2013 and on May 8, 2014, respectively. A renewed land agreement with the ejido of Guazaparez was signed on October 20, 2013 and is in effect for 25 years.

Critical to the appropriate management of the Palmarejo Complex is the evaluation of the acid rock drainage (ARD) potential for waste rock and tailing in the extraction process. The initial ARD testing by the Australian consulting firm Environmental Geochemistry International Pty Ltd. (2005), indicate that the majority of the rock mined through 2014 will not generate acidity from the waste rock or at the tailing facility. This study included a statistically valid set of samples analyzed for the acid generating potential. The acid base accounting results indicate that disposal of the waste rock and tailing will not become acid-forming. However, further testing is required as the mine progresses and as Coeur mines ores from Guadalupe and Independencia, so that the company can fully develop the database for assessment of the potential for acid rock generation as mining proceeds into less oxidized zones. The focus of future testing will provide information on the classification of individual rock types and specific acid base accounting tests to ultimately construct waste rock dumps that provide a physically and chemically stable land form.

In 2012, a long term humidity cell test was conducted on composite tailings samples to assess the potential for the generation of acid. Results from testing conclusively indicate that pre-2012 tailings deposited in the FTD will not present problems with acid generation. Additional tests will be conducted in 2015 and each subsequent year to determine leaching potential and the potential for acid generation. While the initial data indicate that the potential for acid generation of the tailings in the FTD is low, the tailings are essentially anoxic and incapable of oxidizing while inundated with water.

Expansion of the FTD has been planned throughout the build-out of the mine. The initial stage created a crest elevation of 790 m in 2009; Stage 2 was completed in 2011 to an elevation of 800m; construction of Stage 3 was completed in 2012 to an elevation of 810m; and, construction of Stage 4 was conducted in 2015 to an elevation of 818m. The design includes a final crest elevation of 825m. Construction plans for this stage are underway and construction is anticipated for 2019.

In September 2013, Coeur Mexicana obtained the prestigious Industria Limpia Certificate. This certificate, valid for two years, is awarded by PROFEPA (Procuraduria Federal de Proteccion Ambiental), the federal environmental protection enforcement branch of SEMARNAT, and recognizes companies that have gone above and beyond the environmental requirements. Some of the benefits of this certificate include helping to minimize potential inspections resulting from community environmental complaints, expediting the environmental permitting process and providing positive recognition to the companies that receive it. On September 9, 2015, Coeur Mexicana obtained a second certification that is valid until September 2017.

For the seventh consecutive year, on May 7th 2015, Coeur Mexicana received the distinctive Social Responsibility Award from the Mexican Center of Philanthropy-CEMEFI. This award is given to companies that have demonstrated a commitment to promoting social responsibility within the company as well as in the communities where they operate.

The SEMARNAT Environmental and Forestry Authorizations for the project and NOM-141-SEMARNAT-2003 requires a restoration program for mining areas that will recover the soil for landscape restitution and restore ecosystem conditions that provide for previous land use objectives. Coeur conducts an annual review of its potential reclamation responsibilities company-wide. The year end 2015 closure assessment for the LOM disturbance for final reclamation at the Palmarejo mine is estimated to be $21,200,000, which includes Guadalupe.

Coeur is very active in engaging with the local community with a series of cultural social and economic programs divided into three main categories:

- Cooperative programs, which provide sustainable employment for the local ejido members as subcontractors in programs such as providing tortillas, chickens, eggs, and water for the mine;
- Education scholarship programs to support higher education of the local community youth; and
- Training programs to the community on issues of disease prevention and environmental protection.

Coeur Mexicana has three effluent discharge permits granted by CONAGUA at the initial stages of the operation. Coeur has authorization to discharge water from the Environmental Control Dam (ECD) and from the two operating domestic waste water treatment plants. On May 27 and 28, 2015, CONAGUA officials conducted a field audit of the three discharge permits. The results of the investigation have not yet been finalized, however, any violations found as part of the investigation may result in a fine payable by Coeur Mexicana.

There are no known environmental issues that could materially impact Coeur’s ability to extract the mineral resources or mineral reserves. The community is generally supportive of the Palmarejo Complex and the employment and benefits that it brings.

21. CAPITAL AND OPERATING COSTS

21.1 Capital Cost Estimates

The capital cost estimate for the Palmarejo, Guadalupe, and Independencia mines are based on combined open pit and underground mine operations with supporting plant and infrastructure that maximizes extraction of the ore resource. Capital expenditures for the LOM for Palmarejo, Guadalupe, and Independencia are estimated at an additional $195,400,000 from August 31, 2015 through the end of the mine life. Table 21.1 shows a summary of the expected capital expenditure.

Table 21.1. Palmarejo, Guadalupe and Independencia Capital Costs (Coeur, 2015)

	Sep-Dec'15 ($M)	2016 ($M)	2017 ($M)	2018 ($M)	2019 ($M)	2020 ($M)	2021 ($M)	Total ($M)
Guadalupe								
Mine Development	3.7	14.5	14.8	10.1	1.0			**44.1**
South Portal			4.0					**4.0**
Initial Infrastructure	0.1	2.2						**2.2**
Mine Equipment	0.5	9.6	2.0	2.0	2.0	1.0		**17.1**
Sustaining Capital			1.0	2.0	2.0	2.0	1.0	**8.0**
Total Guadalupe	**4.3**	**26.3**	**21.8**	**14.1**	**5.0**	**3.0**	**1.0**	**75.5**
Independencia								
Mine Development	3.4	7.0	8.0	7.7	8.7	8.6	1.4	**44.7**
Infrastructure		3.6	2.0	2.0	2.0	2.0	1.0	**12.6**
Mine/Fixed Equipment	5.1	9.6	2.0	2.0	2.0	2.0	1.0	**23.7**
Total Independencia	**8.5**	**20.2**	**12.0**	**11.7**	**12.7**	**12.6**	**3.4**	**81,0**
Other	1.1	2.9						**4.0**
Process	1.4	3.1	0.9	1,5	1.0	1.0	1.0	**10.0**
Tailing Dam Expansion			2.0	13.0		10.0		**25.0**
Total Capital	**15.2**	**52.6**	**36.7**	**40.2**	**18.7**	**26.6**	**5.4**	**195.4**

21.2 Unit Operating Cost Estimate – Palmarejo

Unit operating costs are summarized in Table 21.2. These operating costs are based on recent actuals, as well as budgeted costs. Open pit mining costs are shown for waste and ore mining. Underground mining costs are shown for sustaining development and ore mining. The G&A category includes all other costs incurred to sustain the operation.

Salvage value, escalation and capital spent through August 31, 2015 were not considered for this economic analysis; it is expected that the salvage value will cover the reclamation cost.

Table 21.2. Palmarejo Unit Operating Costs (Coeur, 2015)

Item	Unit	Value
Open Pit Mining	$/tonne mined	4.0
Underground Mining	$/tonne mined	66.0
Ore Processing	$/tonne ore	29.1
G&A - Open Pit and Underground	$/tonne ore	14.8
Smelting and Refining	$/ounce metal	0.49
Corporate Management Fee	% Mine & Proc. Cost	4.0

21.3 Unit Operating Cost Estimate – Guadalupe and Independencia

Unit operating costs are summarized in Table 21.3. Underground mining cost includes sustaining development and ore mining costs. The G&A category includes all other costs incurred to sustain the operation. All cost estimates are based on Palmarejo current budgeted and expected LOM costs. Those costs were also used in the calculation of the cut-off grade estimations.

Table 21.3. Guadalupe and Independencia Unit Operating Costs (Coeur, 2015)

Item	Unit	Value
Underground Mining	$/tonne mined	43.0
Ore Processing	$/tonne ore	29.1
Ore Transport – Guadalupe to Independencia	$/tonne ore	3.7
G&A	$/tonne ore	14.8
Smelting and Refining	$/ounce metal	0.49
Corporate Management Fee	% Mine & Proc. Cost	4.0

21.4 Operating Cost Summary

The estimated operating costs over the life of the Palmarejo Complex are shown in Table 21.4.

Table 21.4. Operating Cost Summary (Coeur, 2015)

Operating Cost Type	Sep-Dec'15 $M	2016 $M	2017 $M	2018 $M	2019 $M	2020 $M	2021 $M	2022 $M	Total $M
Palmarejo Underground	0.7	3,2							**3.8**
Palmarejo Open Pit	5.5	2.5	2.5	2.5	2.5	2.5	1.2	1.0	**20.0**
Guadalupe Underground	8.8	34.2	37.8	30.9	37.9	38.1	24.8		**212.5**
Independencia Underground		12.2	25.0	32.1	32.0	31.4	30.6	19.4	**182.6**
Subtotal Mining	15.0	52.1	65.2	65.5	72.4	71.9	56.6	20.4	**419.0**
Milling/Processing	10.0	27.6	39.1	39.3	43.6	43.3	34.5	12.1	**249.5**
G&A	5.1	14.0	19.9	20.0	22.2	22.1	17.6	6.1	**127.0**
Smelting and Refining	0.6	2.0	2.8	3.1	4.0	3.7	2.9	0.8	**19.9**
Corp. Management Fee	1.0	3.2	4.2	4.2	4.6	4.6	3.6	1.3	**26.7**
Franco-Nevada Gold Stream		5.2	11.5	15.0	19.3	14.5	7.3	2.2	**75.1**
Total Operating Costs	**31.7**	**104.0**	**142.8**	**147.1**	**166.1**	**160.1**	**122.5**	**42.9**	**917.3**

22. ECONOMIC ANALYSIS

22.1 Palmarejo Complex Economic Analysis

Table 21.1 demonstrates that the business plan developed for the Palmarejo Complex is economically viable based on Coeur's financial model, which was updated with LOM reserve production schedules, metal recoveries, costs, and capital expenditures.

As of August 31, 2015, the Palmarejo Complex is estimated to generate an after-tax NPV of $125,000,000 at a 10% discount rate over a mine life of approximately eight years (Table 22.1).

Table 22.2 and Table 22.3 depict the annual ore production schedule and projected cash flows based on stated Mineral Reserves. Mineral Resources do not have economic viability until they are converted to Mineral Reserves.

Table 22.1. Life of Mine Economic Analysis (Coeur, 2015)

	Unit	Palmarejo	Guadalupe	Indep. Oeste	Indep. Este
Mine Production					
Open Pit Tonnes	k-tonnes	154			
Ore Au Grade	g/t Au	0.97			
Ore Ag Grade	g/t Ag	123			
Underground Tonnes	k-tonnes	58	4,540	858	2,956
Ore Au Grade	g/t Au	2.39	2.42	3.29	2.68
Ore Ag Grade	g/t Ag	155	154	177	190
Mill Throughput					
Total Ore Processed	k-tonnes	8,567			
Ore Grade Au	g/t Au	2.57			
Ore Grade Ag	g/t Ag	168			
Metallurgical Recovery Au	%	87.0 (2015-2016) & 90.0 (2017-2022)			
Metallurgical Recovery Ag	%	85.0 (2015-2016) & 87.0 (2017-2022)			
Revenue					
Gold Price	$/oz	$1,150 (2015-2017) & $1,250 (2018-2022)			
Silver Price	$/oz	$15.5 (2015-2017) & $17.5 (2018-2022)			
Gross Revenue	$M	1,454			
Operating Costs					
Open Pit Mining/Auxiliary Equipment	$M	20			
Underground Mining	$M	399			
Milling/Processing	$M	250			
Smelting and Refining	$M	20			
G&A	$M	127			
Corporate Management Fee	$M	27			
Franco-Nevada Gold Stream	$M	75			
Total Operating Cost	$M	917			
Cash Flow					
Operating Cash Flow	$M		537		
0.5% Extraordinary Mining Duty	$M		8		
Capital Expenditures, Incl. Financing	$M		198		
Franco-Nevada Advance Royalty	$M		34		
Franco-Nevada Advanced Deposit	$M		8		
Total Pre-Tax Cash Flow (Net Cash Flow)	$M		**305**		
Project Pre-Tax NPV (10% Discount Rate)	$M		**191**		
30% Corporate Income Tax	$M		72		
7.5% Special Mining Duty	$M		38		
Tot. After-Tax Cash Flow (Net Cash Flow)	$M		**195**		
Project After-Tax NPV(10% Discount Rate)	$M		**125**		

The financial model considers higher metallurgical recoveries than those used for the cut-off grade calculations incorporated into the Mineral Reserve estimates in this Report. This was due to planned process improvements that were recently incorporated into the financial model for the Palmarejo Complex. These improvements are expected to be completed by the end of 2016.

Table 22.2. Life of Mine Production and Open Pit Waste Summary – Palmarejo Complex (Coeur, 2015)

	Sep-Dec 2015	2016	2017	2018	2019	2020	2021	2022	Total
Palmarejo Open Pit									
Tonnes Ore (x1000)	154								154
Ag Grade (g/t)	123								123
Au Grade (g/t)	0.97								0.97
Tonnes Waste (tx1000)	1,231								1,231
Palmarejo Underground									
Tonnes Ore (x1000)	10	48							58
Ag Grade (g/t)	92	168							155
Au Grade (g/t)	2.77	2.31							2.39
Guadalupe Underground									
Tonnes Ore (x1000)	178	732	809	662	812	815	531		4,540
Ag Grade (g/t)	142	144	131	145	166	172	170		154
Au Grade (g/t)	2.20	2.74	2.32	2.54	2.96	2.02	1.80		2.42
Independencia Oeste									
Tonnes Ore (x1000)		44	112	146	141	160	79	176	858
Ag Grade (g/t)		200	196	208	194	166	152	140	177
Au Grade (g/t)		3.40	3.59	4.25	4.01	3.56	2.14	1.95	3.29
Independencia Este									
Tonnes Ore (x1000)		122	423	541	544	513	576	239	2,956
Ag Grade (g/t)		180	177	184	229	200	187	124	190
Au Grade (g/t)		2.59	2.75	2.67	3.25	2.38	2.77	1.70	2.68

Table 22.3. Yearly Production and Cash Flows (Coeur, 2015)

	Sep-Dec 2015	2016	2017	2018	2019	2020	2021	2022	Total
Ore Tonnes Milled (x1000)	343	947	1,344	1,349	1,498	1,488	1,185	414	**8,567**
Recovered Oz Ag (x1000)	1,234	3,957	5,680	6,327	8,016	7,546	5,861	1,517	**40,137**
Recovered Oz Au (x1000)	16.0	72.6	99.6	108.6	137.0	99.5	78.7	21.7	**633.7**
Oper. Cash Flow ($M)	6	41	60	99	145	96	78	11	**537**
Pre-Tax Net Cash Flow ($M)	(14)	(20)	15	51	123	68	72	10	**305**
After-Tax Net Cash Flow ($M)	(14)	(20)	14	47	112	24	44	(11)	**195**

Figure 22.1 illustrates the financial sensitivity of the project to standalone changes in metal prices and a number of operating parameters. The base case used to estimate mineral reserves for this Report is shown as the heavy black line on the chart. The net pre-tax cash flow is most sensitive to metal prices and grade/recovery.

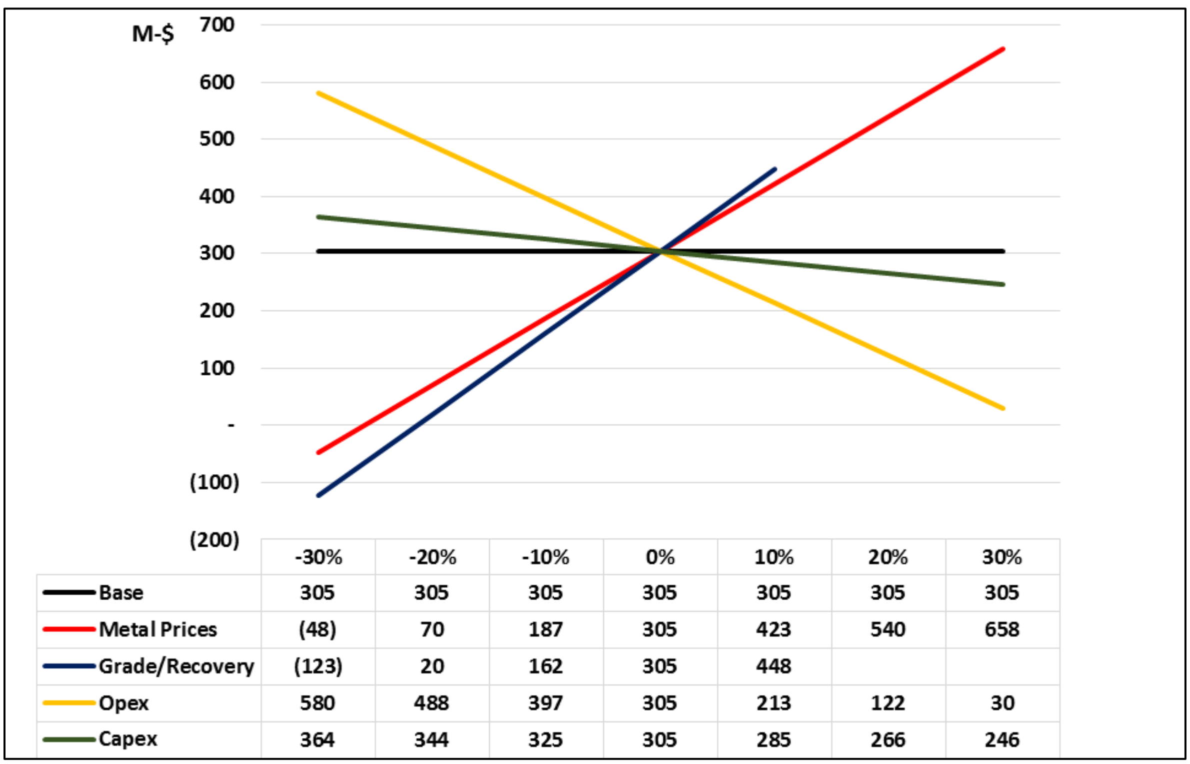


Figure 22.1. Sensitivity of Pre-tax Cash Flow (Coeur, 2015)

22.2 Taxes

The authority to tax in Mexico rests primarily with the federal government. The Constitution grants exclusive rights to the Congress to levy taxes on domestic and foreign trade; as well as all commercial and industrial activities. The states also have taxing powers; however, they are prohibited by the Constitution from levying taxes in areas exclusively reserved for the federal government. Generally, the states have the right to tax real property, and in most states impose local taxes on salaries.

Companies doing business in Mexico are primarily subject to corporate income tax, tax on real property, value added tax, customs/excise duties, and employer social security contributions. Companies are also subject to various withholding tax requirements on payments to non-residents.

The corporate income tax rate of 30%, in effect in Mexico for 2015, was included in the economic model.

22.3 Royalties

On January 21, 2009, Coeur Mexicana, entered into a gold production royalty transaction with Franco-Nevada under which Franco-Nevada purchased a royalty covering 50% of the life of mine gold to be produced from a portion of the Palmarejo Complex. Coeur Mexicana received total consideration of $78,000,000, consisting of $75,000,000 in cash, plus a warrant to acquire Franco-Nevada Common Shares (the “Franco-Nevada warrant”), which was valued at $3,000,000 at closing of the Franco-Nevada transaction. On September 19, 2010, the warrant was exercised and the related shares were sold for $10,000,000.

The royalty agreement provides for a minimum obligation to be paid in monthly payments on a total of 400,000 ounces of gold, or 4,167 ounces per month over an initial eight year period. Each monthly payment is an amount equal to the greater of the minimum of 4,167 ounces of gold or 50% of actual gold production per month multiplied by the excess of the monthly average market price of gold above $400 per ounce ($400 floor is subject to a 1% annual inflation compounding adjustment beginning on January 21, 2013).

A total of 45,996 ounces of gold remain outstanding as of August 31, 2015 under the minimum royalty obligation. In October 2014, Coeur terminated the gold production royalty effective upon completion of the minimum ounce delivery requirement, and subsequently entered into a gold stream agreement with a subsidiary of Franco-Nevada Corporation, whereby Coeur Mexicana will sell 50% of a portion of Palmarejo Complex gold production upon completion of the gold production royalty minimum ounce delivery requirement to Franco-Nevada for the lesser of $800, or spot price per ounce.

22.4 Mexican Mining Duties

Mexican mining duties include the following:

1) Special Mining Duty of 7.5% (Derecho Especial Sobre Mineria) applied to income from mining activities. The tax is calculated on a basis of earnings before interest, income taxes, depreciation, and amortization (i.e., EBITDA).
2) Extraordinary Mining Duty of 0.5% (Derecho Extraordinario Sobre Mineria) applied to all revenue from the gold and silver produced.

Both of these duties are assumed to be deductible against income before the calculation of corporate income tax.

23. ADJACENT PROPERTIES

There are no adjacent properties that are relevant to this Report.

24. OTHER RELEVANT DATA AND INFORMATION

All relevant data and information has been covered in other sections of this Report.

25. INTERPRETATION AND CONCLUSIONS

Palmarejo is an operating mining venture that has demonstrated positive cash flow. The financial analysis and associated assumptions conducted for this Report support the conclusion that the Palmarejo Complex will continue to be profitable and generate acceptable returns over the life of the mine. It is generally assumed, however, that the economic viability of any mining venture, including Palmarejo, is subject to many risks and is not guaranteed.

The Palmarejo open pit and underground mines will be mined out in late 2015 and 2016, respectively. These ore sources will be replaced by production from the Guadalupe and Independencia underground mines. The Mineral Reserve estimates and subsequent economic analysis completed for the Palmarejo Complex demonstrate that it is profitable to continue to advance production at these mines.

Further work on both Guadalupe and Independencia will focus on optimization of mine designs and production rates to maximize the economics of the Palmarejo Complex. Additonal exploration is planned for other targets adjacent to the structures hosting the Guadalupe and Independencia deposits.

The QPs have visited the project sites and have reviewed all data pertinant to the information stated in this Report, and they believe that the data disclosed is a complete, accurate and reasonable representation of the Palmarejo Complex.

In the opinion of the QPs, the Mineral Resource and Reserve estimates are based on valid data and are reasonably estimated using standard geological and engineering practices. There are no known environmental, permitting, legal, title, socio-economic, marketing, or political issues that could materially affect the Palmarejo, Guadalupe, or Independencia Mineral Reserve or Resource estimates.

26. RECOMMENDATIONS

26.1 Geology

For definition purposes, it is recommended that the exploration program be continued at the Guadalupe and Independencia deposits. This is expected to cost $4,000,000 per year for the next five years, subject to change as a result of new discoveries or changes in the mine plan.

For resource discovery to replace inferred resources, it is recommended that the exploration progam at the Palmarejo Complex be continued. The cost estimate for this work is $5,000,000 per year for the next five years, subject to change as a result of new discoveries or changes in the mine plan.

To address reliable density associations with lithology and mineral-type units, it is recommended to review the existing density determinations in the exploration drill holes and perform additional measurements where required. Since this is an operating mine, these measurements can be obtained in the core shed by weighing rock dry and submersed in water and need not be performed in outside laboratories. Each lithology and mineral type should be measured in each drill hole. The projected large population of these measurements would allow adequate differentiation of densities for individual lithology units and make resource modeling more reliable. This work can be completed by Coeur personnel at no additional cost.

Based on results of internal QC programs with regard to the analysis of duplicate sampling results, it is recommended that sampling and sample preparation procedures be reviewed with regards to sample size, sample length, mineral distribution and grain size to evaluate sources of variance and how to best minimize inconsistencies in the results. The cost estimate for this work is estimated at $20,000.

26.2 Data Validation

Check sample programs for all properties should be reviewed for appropriateness of analytical methods compared and samples submitted for analysis. The majority of samples reviewed are in the lower grade ranges. Alternatively, the appropriateness of the standards should be reviewed in light of the grades expected in the deposit and if necessary, more appropriate standards chosen. The cost estimate of this work is estimated to be $10,000.

It is recommended that failed duplicate analyses undergo a re-assay of the parent and duplicate samples on a quarterly basis, at minimum.

It is recommended that all projects adhere to Coeur QA/QC policy and submit 5% of samples for umpire analysis at a third party laboratory.

This can be completed on an annual basis but must be completed prior to the re-issue of an additional technical report. The cost estimate for the QA/QC reviews and assaying is estimated at $100,000 per year.

26.3 Resource Modeling

It is recommended that the lithology models be updated on an ongoing basis when new drill holes are added to the database. If derived from cross-sectional polygons, the lithology wireframes should be reinterpreted in plan view to warrant a smooth and non-edgy continuation of the veins. This work can be completed by Coeur personnel at no additional cost.

Reconciliation data should be reviewed as additional data is available, to ensure the resource model is adaquately predicting tonnage and metal grades. This work can be completed by Coeur personnel at no additional cost.

Geology models and resource models should be updated anually, as new data becomes available. This work can be completed by Coeur personnel at no additional cost.

26.4 Processing

Continuing efforts towards improving metal accounting are recommended. This involves evaluating current sampling points and the possibility of the addition additional ones. Sample collection, handling and preparation procedures should be evaluated to establish an optimization program that will allow to obtain more reliable data and to improve metal accounting and process control. Cost estimate: $10,000.

Metallurgical test work is recommended to be continued for Independencia mineral deposit. A series of representative composites should be created using remaining drill core samples corresponding to different lithology and geological domains then be evaluated by rougher–cleaner flotation techniques followed by flotation product leaching to emulate Palmarejo's current flowsheet. The recommended test work for Independencia will include a series of agitated cyanidation tests. These tests include two different feed sizes and cyanide solution strengths to define the ore amenability to be treated by agitated leaching conditions, which will also include rougher kinetic and rougher-cleaner followed by leaching test series.

Costs for the suggested ore testing are estimated as follows:

- Perform metallurgical test work for the Independencia mineral deposit, including:
  - Phase 1 – Testing for communition and mineralogical examination of materials. Cost estimate: $65,000;
  - Phase 2 – Agitated cyanidation testing. Cost estimate: $65,000; and
  - Phase 3 – Floation and flotation products leaching. Cost estimate: $110,000.

26.5 Mining

For the Guadalupe and Independencia deposits, a geotechnical review should be completed annually to confirm the mine design parameters, and to audit the installation of ground support in the active working areas of the mines. This work would be conducted by a geotechnical consultant at an estimated cost of $35,000 per year.

Mineral Reserve re-estimation is recommended following updates to Mineral Resource estimates and/or material changes to cost and financial inputs. This work would be completed by Coeur personnel at no additional cost.

For the Guadalupe and Independencia deposits, production rates should be reviewed and additional life of mine schedule optimization be carried out. This work would be completed by Coeur personnel at no additional cost.

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28. EFFECTIVE DATE AND SIGNATURE PAGE

This Report titled "Technical Report for the Palmarejo Complex, SW Chihuahua State, Mexico: NI 43-101 Technical Report", prepared by Coeur Mining, Inc., with an effective date of August 31, 2015, and a filing date of November 2, 2015, was prepared and signed by the following authors:

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Mr. Miller O'Prey, EURGeol, P.Geo
Director Exploration- Mexico
Coeur Mining, Inc.

29. APPENDICES

29.1 Land and Mineral Tenure- Mining Concessions

Coeur Mexicana S.A. de C.V.						
Nº	**Concession Name**	**Title Nº**	**Record Nº**	**Valid Through**	**Area (hectares)**	**Concessionaire**
1	AMPL. TROGAN OESTE	225223	016/33206	2055-08-04	1,700.0	Coeur Mexicana
2	AMPLIACIÓN TROGAN	224118	016/32644	2055-04-07	703.2	Coeur Mexicana
3	CABALLERO AZTECA	209975	1/1.3/935	2049-08-30	5.1	Coeur Mexicana
4	CARMELITA	209976	1/1.3/934	2049-08-30	5.3	Coeur Mexicana
5	EL RISCO	210163	099/00836	2049-09-09	24.0	Coeur Mexicana
6	LA AURELIA	209541	1/1.3/835	2049-08-02	10.0	Coeur Mexicana
7	LA BUENA FE	188820	321.1/1-364	2040-11-28	60.0	Coeur Mexicana
8	LA BUENA FE NORTE	226201	016/32865	2055-11-28	98.1	Coeur Mexicana
9	LA ESTRELLA	189692	321.1/1-411	2040-12-04	59.6	Coeur Mexicana
10	LA MEXICANA	212281	1/1.3/00713	2050-09-28	142.1	Coeur Mexicana
11	LA MODERNA	225574	1/1/01439	2055-09-22	75.9	Coeur Mexicana
12	LEZCURA	210479	1/1.3/933	2049-10-07	14.5	Coeur Mexicana
13	LOS TAJOS	186009	321.1/1-301	2039-12-13	2.7	Coeur Mexicana
14	MACLOVIA	167282	099/00082	2030-10-29	6.0	Coeur Mexicana
15	NUEVA PATRIA	167281	099/00099	2030-10-29	11.0	Coeur Mexicana
16	PALMAREJO	164465	099/00139	2029-05-08	52.1	Coeur Mexicana
17	PATRIA VIEJA	167323	099/00209	2030-11-02	4.0	Coeur Mexicana
18	REYNA DE ORO	198543	321.1/1-141	2043-11-29	27.2	Coeur Mexicana
19	SAN CARLOS	188817	321.1/9-286	2040-11-28	160.0	Coeur Mexicana
20	SAN JUAN DE DIOS	167322	099/00436	2030-11-02	23.0	Coeur Mexicana
21	SANTO DOMINGO	194678	1/1.3/478	2042-05-06	15.4	Coeur Mexicana
22	TRES DE MAYO	187906	321.1/1-12	2040-11-21	39.9	Coeur Mexicana
23	TROGAN	221490	016/32026	2054-02-18	3,844.5	Coeur Mexicana

Coeur Mexicana S.A. de C.V.						
Nº	Concession Name	Title Nº	Record Nº	Valid Through	Area (hectares)	Concessionaire
24	TROGAN FRACCIÓN	221491	016/32026	2054-02-18	8.0	Coeur Mexicana
25	TROGAN NORTE 1	225278	082/29276	2055-08-11	1,024.0	Coeur Mexicana
26	TROGAN NORTE 2	225279	082/29278	2055-08-11	1,019.2	Coeur Mexicana
27	TROGAN OESTE	225308	016/32663	2055-08-15	2,699.1	Coeur Mexicana
28	UNIFICACIÓN GUERRA AL TIRANO	170588	321.42/792	2032-06-01	27.4	Coeur Mexicana
29	UNIFICACIÓN HURUAPA	195487	1/1.121/513	2039-09-13	213.8	Coeur Mexicana
30	VICTORIA	210320	099/00922	2049-09-23	76.1	Coeur Mexicana
31	VIRGINIA	214101	016/29659	2051-08-09	12.1	Coeur Mexicana
32	AMPLIACIÓN LA BUENA FE	209648	099/02534	2049-08-02	40.9	Coeur Mexicana
33	EL ROSARIO	185236	321.1/1-198	2039-12-13	11.0	Coeur Mexicana
34	LA CURRA	222319	1/1.3/00711	2054-06-24	37.7	Coeur Mexicana
35	LA CURRITA	223292	1/1/01411	2054-11-24	13.7	Coeur Mexicana
36	SULEMA NO. 2	191332	321.1/1-263	2041-12-18	15.8	Coeur Mexicana

Paramount Gold de México, S.A. de C.V.						
Nº	Concession Name	Title Nº	Record Nº	Valid Through	Area (hectares)	Concessionaire
37	EL CARMEN	166426	099/01073	2030-06-03	59.1	Paramount Gold
38	EL ROSARIO	166430	099/01432	2030-06-03	14.0	Paramount Gold
39	EMPALME	166423	2/322.2/168	2030-06-03	6.0	Paramount Gold
40	LAS TRES B.B.B.	166427	099/01079	2030-06-03	23.0	Paramount Gold
41	LAS TRES S.S.S.	166429	099/01121	2030-06-03	19.2	Paramount Gold
42	SAN JUAN	166402	2/322.2/169	2030-06-03	3.0	Paramount Gold
43	SAN LUIS	166422	2/322.2/165	2030-06-03	4.0	Paramount Gold

Paramount Gold de México, S.A. de C.V.						
Nº	**Concession Name**	**Title Nº**	**Record Nº**	**Valid Through**	**Area (hectares)**	**Concessionaire**
44	SAN MIGUEL	166401	2/322.2/170	2030-06-03	12.9	Paramount Gold
45	SANGRE DE CRISTO	166424	099/01127	2030-06-03	41.0	Paramount Gold
46	SANTA CLARA	166425	099/01072	2030-06-03	15.0	Paramount Gold
47	SWANWICK	166428	099/01130	2030-06-03	70.1	Paramount Gold
48	CONSTITUYENTES 1917	199402	099/02162	2044-04-18	66.2	Paramount Gold
49	MONTECRISTO	213579	016/28795	2051-05-17	38.1	Paramount Gold
50	MONTECRISTO FRACCION	213580	016/28795	2051-05-17	0. 3	Paramount Gold
51	MONTECRISTO II	226590	016/32936	2056-02-01	27.1	Paramount Gold
52	SANTA CRUZ	186960	321.1/1-307	2040-05-16	10.0	Paramount Gold
53	ELYCA	179842	321.1/1-109	2036-12-16	10.1	Paramount Gold
54	ANDREA FRACC.1	243967	1/2/00154	2058-01-15	1,948.0	Paramount Gold
55	GISSEL	228244	016/34660	2056-10-16	880.0	Paramount Gold
56	ISABEL	228724	016/34731	2057-01-16	348.3	Paramount Gold
57	MARIA ISABEL FRACCION 2	236293	016/38769	2060-06-10	24.7	Paramount Gold
58	MARIA ISABEL FRACCION 3	236294	016/38769	2060-06-10	108.8	Paramount Gold
59	MARIA ISABEL FRACCION 4	236295	016/38769	2060-06-10	208. 3	Paramount Gold
60	AMPL. SAN ANTONIO	196127	099/2177	2042-09-22	20.9	Paramount Gold
61	CANTILITO	220788	1/1.3/01204	2053-10-06	37.0	Paramount Gold
62	GUAZAPARES	209497	099/02597	2049-08-02	30.9	Paramount Gold
63	GUAZAPARES 1	212890	099/02552	2051-02-12	452.0	Paramount Gold
64	GUAZAPARES 2	226217	1/1/01399	2055-12-01	404.0	Paramount Gold
65	GUAZAPARES 3	211040	099/02554	2050-03-23	250.0	Paramount Gold

Paramount Gold de México, S.A. de C.V.						
Nº	**Concession Name**	**Title Nº**	**Record Nº**	**Valid Through**	**Area (hectares)**	**Concessionaire**
66	GUAZAPARES 4	223664	1/1/1395	2055-02-01	64.0	Paramount Gold
67	GUAZAPARES 5	213572	016/26835	2051-05-17	88.9	Paramount Gold
68	SAN ANTONIO	204385	1/2.4/557	2047-02-12	14.9	Paramount Gold
69	SAN ANTONIO	222869	1/1.3/01062	2054-09-13	105.1	Paramount Gold
70	SAN FRANCISCO	191486	321.1/1-306	2041-12-18	38.2	Paramount Gold
71	VINORAMA	226884	082/29275	2056-03-16	474.2	Paramount Gold

Minera Gama, S.A. de C.V.						
Nº	**Concession Name**	**Title Nº**	**Record Nº**	**Valid Through**	**Area (hectares)**	**Concessionaire**
72	GUAZAPARES	232082	1/3/00050	2057-05-17	6,265.2	Minera Gama
73	TEMORIS CENTRO FRACC. 1	243762	1/003-00153	2057-05-17	4,940.2	Minera Gama
74	TEMORIS CENTRO FRACC. 2	243763	1/003-00153	2057-05-17	4,797.1	Minera Gama
75	TEMORIS CENTRO FRACC. 3	243764	1/003-00153	2057-05-17	4,701.9	Minera Gama
76	TEMORIS CENTRO FRACC. 4	243765	1/003-00153	2057-05-17	3,114.5	Minera Gama
77	TEMORIS CENTRO FRACC. 5	243766	1/003-00153	2057-05-17	2,191.7	Minera Gama
78	TEMORIS CENTRO FRACC. 6	243767	1/003-00153	2057-05-17	3,114.5	Minera Gama
79	TEMORIS FRACCION 2	229551	016/33239	2057-05-17	7,328.1	Minera Gama
80	TEMORIS FRACCION 3	229552	016/33239	2057-05-17	14.0	Minera Gama
81	TEMORIS FRACCION 4	229553	016/33239	2057-05-17	18.7	Minera Gama
			Grand Total:		**54,685.4**	