Coeur Mining, Inc.
Form 10-K/A
February 10, 2017
UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form 10-K/A
(Amendment No. 1)
(Mark One)

x	ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
	For the fiscal year ended December 31, 2016
OR	
o	TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
	For the transition period from to

Commission File Number 1-8641
COEUR MINING, INC.
(Exact name of registrant as specified in its charter)

Delaware	82-0109423
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
104 S. Michigan Ave. Suite 900 Chicago, IL	60603
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (312) 489-5800
Securities Registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, par value $0.01 per share	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None
Indicate by check mark if the registrant is a well-known seasoned issuer as defined in Rule 405 of the Securities Act. Yes x No ¨
Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ¨ No x
Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No ¨
Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No ¨
Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. x
Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer x	Accelerated filer o	Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ¨ No x

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter.
$1,707,877,264

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.
As of February 6, 2017, 181,055,852 shares of Common Stock, par value $0.01 per share

Explanatory Note

This Amendment No. 1 on Form 10-K/A (the “Amendment”) amends Coeur Mining, Inc.’s Annual Report on Form 10-K for the fiscal year ended December 31, 2016 (the “Form 10-K”), as filed with the Securities and Exchange Commission on February 9, 2017, and is being filed solely to amend the report prepared by KPMG LLP contained in Item 8 of the Form 10-K (the “Audit Report”) to correct a typographical error in the date of the Audit Report from February 8, 2017 to February 10, 2016. Pursuant to Rule 12b-15 promulgated under the Securities Exchange Act of 1934, as amended, we have repeated the entire text of Item 8 of the Form 10-K in this Amendment. However, there have been no changes to the text of such item other than the change stated in the immediately preceding sentence. This Amendment includes a new consent of KPMG LLP as Exhibit 23.2 hereto and new certifications by our Principal Executive Officer and Principal Financial Officer pursuant to Sections 302 and 906 of the Sarbanes-Oxley Act of 2002 as Exhibits 31.1, 31.2, 32.1 and 32.2 hereto.

Except as expressly set forth above, this Amendment does not, and does not purport to, amend, update or restate the information in any other item of the Form 10-K or reflect any events that have occurred after the filing of the original Form 10-K.

COEUR MINING, INC.

FORM 10-K/A
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PART II

Item 8. Financial Statements and Supplementary Data

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
Coeur Mining, Inc.

We have audited the accompanying consolidated balance sheet of Coeur Mining, Inc. (a Delaware corporation) and subsidiaries (the “Company”) as of December 31, 2016, and the related consolidated statements of comprehensive income (loss), changes in stockholders’ equity, and cash flows for the year ended December 31, 2016. These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Coeur Mining, Inc. and subsidiaries as of December 31, 2016, and the results of their operations and their cash flows for the year ended December 31, 2016 in conformity with accounting principles generally accepted in the United States of America.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company’s internal control over financial reporting as of December 31, 2016, based on criteria established in the 2013 Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated February 10, 2017 expressed an unqualified opinion.

/s/ GRANT THORNTON LLP
Chicago, Illinois
February 8, 2017

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
Coeur Mining, Inc.
We have audited the internal control over financial reporting of Coeur Mining, Inc. (a Delaware corporation) and subsidiaries (the "Company") as of December 31, 2016, based on criteria established in the 2013 Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2016, based on criteria established in the 2013 Internal Control-Integrated Framework issued by COSO.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements of the Company as of and for the year ended December 31, 2016, and our report dated February 8, 2017 expressed an unqualified opinion on those consolidated financial statements.

/s/ GRANT THORNTON LLP
Chicago, Illinois
February 8, 2017

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
Coeur Mining, Inc.:

We have audited the accompanying consolidated balance sheet of Coeur Mining, Inc. and subsidiaries (the Company) as of December 31, 2015, and the related consolidated statements of comprehensive income (loss), changes in stockholders' equity, and cash flows for each of the years in the two year period ended December 31, 2015. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Coeur Mining, Inc. and subsidiaries as of December 31, 2015, and the results of their operations and their cash flows for each of the years in the two year period ended December 31, 2015, in conformity with U.S. generally accepted accounting principles.

/s/ KPMG LLP
Chicago, Illinois
February 10, 2016

COEUR MINING, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

		Year ended December 31,		
		2016	2015	2014
	Notes	In thousands, except share data		
Revenue	3	$665,777	$646,086	$635,742
COSTS AND EXPENSES				
Costs applicable to sales[(1)]	3	409,541	479,654	477,945
Amortization		123,161	143,751	162,436
General and administrative		29,376	32,834	40,845
Exploration		12,930	11,647	21,740
Write-downs		4,446	313,337	1,472,721
Pre-development, reclamation, and other		17,219	17,793	26,037
Total costs and expenses		596,673	999,016	2,201,724
OTHER INCOME (EXPENSE), NET				
Gain (loss) on debt extinguishment		(21,365)	15,916	—
Fair value adjustments, net	11	(11,581)	5,202	3,618
Interest expense, net of capitalized interest	19	(36,920)	(45,703)	(47,546)
Other, net	8	1,875	(15,931)	(5,218)
Total other income (expense), net		(67,991)	(40,516)	(49,146)
Income (loss) before income and mining taxes		1,113	(393,446)	(1,615,128)
Income and mining tax (expense) benefit	9	54,239	26,263	428,254
NET INCOME (LOSS)		$55,352	$(367,183)	$(1,186,874)
OTHER COMPREHENSIVE INCOME (LOSS), net of tax:				
Unrealized gain (loss) on equity securities, net of tax of $(767) and $1,446 for the years ended December 31, 2016, and 2014, respectively		3,222	(4,154)	(2,290)
Reclassification adjustments for impairment of equity securities, net of tax of $(2,552) for the year ended December 31, 2014		703	2,346	4,042
Reclassification adjustments for realized (gain) loss on sale of equity securities, net of tax of $(219) for the year ended December 31, 2014		(2,691)	894	346
Other comprehensive income (loss)		1,234	(914)	2,098
COMPREHENSIVE INCOME (LOSS)		$56,586	$(368,097)	$(1,184,776)
NET INCOME (LOSS) PER SHARE	10			
Basic		$0.35	$(2.83)	$(11.59)
Diluted		$0.34	$(2.83)	$(11.59)

(1) Excludes amortization.

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

COEUR MINING, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

		Year ended December 31,		
		2016	2015	2014
	Notes	In thousands		
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net income (loss)		$55,352	(367,183)	(1,186,874)
Adjustments:				
Amortization		123,161	143,751	162,436
Accretion		10,248	14,149	16,246
Deferred income taxes		(71,350)	(40,838)	(448,905)
Loss on termination of revolving credit facility		—	—	3,035
(Gain) Loss on extinguishment of debt		21,365	(15,916)	—
Fair value adjustments, net	11	11,581	(5,202)	(3,618)
Stock-based compensation	6	9,715	9,272	9,288
Impairment of equity securities	14	703	2,346	6,593
Write-downs	4	4,446	313,337	1,472,721
Other		(1,067)	16,303	124
Changes in operating assets and liabilities:				
Receivables		9,011	17,560	(11,611)
Prepaid expenses and other current assets		(826)	(3,063)	5,635
Inventory and ore on leach pads		(35,591)	19,573	12,971
Accounts payable and accrued liabilities		(10,931)	9,453	15,507
CASH PROVIDED BY OPERATING ACTIVITIES		125,817	113,542	53,548
CASH FLOWS FROM INVESTING ACTIVITIES:				
Capital expenditures		(101,013)	(95,193)	(64,244)
Acquisitions, net	13	(1,417)	(110,846)	(21,329)
Proceeds from the sale of assets		16,296	607	329
Purchase of investments		(178)	(1,880)	(50,513)
Sales and maturities of investments		7,077	605	54,344
Other		(4,208)	(4,586)	(321)
CASH USED IN INVESTING ACTIVITIES		(83,443)	(211,293)	(81,734)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Issuance of common stock		269,556	—	—
Issuance of notes and bank borrowings	19	—	153,500	167,784
Payments on debt, capital leases, and associated costs		(322,801)	(84,715)	(25,902)
Gold production royalty payments		(27,155)	(39,235)	(48,395)
Other		172	(542)	(509)
CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES		(80,228)	29,008	92,978
Effect of exchange rate changes on cash and cash equivalents		(678)	(1,404)	(621)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(38,532)	(70,147)	64,171
Cash and cash equivalents at beginning of period		200,714	270,861	206,690
Cash and cash equivalents at end of period		$162,182	$200,714	$270,861

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

COEUR MINING, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	Notes	December 31, 2016	December 31, 2015
		In thousands, except share data	
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		$ 162,182	$ 200,714
Receivables	15	60,431	85,992
Inventory	16	106,026	81,711
Ore on leach pads	16	64,167	67,329
Prepaid expenses and other		17,981	10,942
		410,787	446,688
NON-CURRENT ASSETS			
Property, plant and equipment, net	17	216,796	195,999
Mining properties, net	18	558,455	589,219
Ore on leach pads	16	67,231	44,582
Restricted assets		17,597	11,633
Equity securities	14	4,488	2,766
Receivables	15	30,951	24,768
Deferred tax assets		191	1,942
Other		12,413	14,892
TOTAL ASSETS		$ 1,318,909	$ 1,332,489
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES			
Accounts payable		$ 53,335	$ 52,153
Accrued liabilities and other		42,743	50,532
Debt	19	12,039	10,431
Royalty obligations	11	4,995	24,893
Reclamation	5	3,522	2,071
		116,634	140,080
NON-CURRENT LIABILITIES			
Debt	19	198,857	479,979
Royalty obligations	11	4,292	4,864
Reclamation	5	95,804	83,197
Deferred tax liabilities		74,798	147,132
Other long-term liabilities		60,037	55,761
		433,788	770,933
STOCKHOLDERS' EQUITY			
Common stock, par value $0.01 per share; authorized 300,000,000 shares, issued and outstanding 180,933,287 at December 31, 2016 and 151,339,136 at December 31, 2015		1,809	1,513
Additional paid-in capital		3,314,590	3,024,461
Accumulated other comprehensive income (loss)		(2,488)	(3,722)
Accumulated deficit		(2,545,424)	(2,600,776)
		768,487	421,476
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		$ 1,318,909	$ 1,332,489

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

COEUR MINING, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

In thousands	Common Stock Shares	Common Stock Par Value	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total
Balances at December 31, 2013	102,843	$ 1,028	$2,781,164	$(1,046,719)	$ (4,906)	$1,730,567
Net income (loss)	—	—	—	(1,186,874)	—	(1,186,874)
Other comprehensive income	—	—	—	—	2,098	2,098
Common stock issued under long-term incentive plans, net	541	6	8,531	—	—	8,537
Balances at December 31, 2014	103,384	$ 1,034	$2,789,695	$(2,233,593)	$ (2,808)	$554,328
Net income (loss)	—	—	—	(367,183)	—	(367,183)
Other comprehensive income (loss)	—	—	—	—	(914)	(914)
Common stock issued for the acquisition of Paramount Gold and Silver Corp.	32,667	327	188,490	—	—	188,817
Common stock issued for the extinguishment of Senior Notes	14,365	144	38,379	—	—	38,523
Common stock issued under stock-based compensation plans, net	923	8	7,897	—	—	7,905
Balances at December 31, 2015	151,339	$ 1,513	$3,024,461	$(2,600,776)	$ (3,722)	$421,476
Net income (loss)	—	—	—	55,352	—	55,352
Other comprehensive income (loss)	—	—	—	—	1,234	1,234
Common stock issued for the extinguishment of Senior Notes	739	7	11,806	—	—	11,813
Issuance of common stock	26,944	270	269,286	—	—	269,556
Common stock issued under stock-based compensation plans, net	1,911	19	9,037	—	—	9,056
Balances at December 31, 2016	180,933	$ 1,809	$3,314,590	$(2,545,424)	$ (2,488)	$768,487

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

Coeur Mining, Inc. and Subsidiaries
Notes to Consolidated Financial Statements

NOTE 1 - THE COMPANY

Coeur Mining, Inc. (“Coeur” or “the Company”) is a gold and silver producer with mines located in the United States, Mexico, and Bolivia and exploration projects in Mexico and Argentina. The Company operates the Palmarejo complex, Kensington, Rochester, Wharf, and San Bartolomé mines, and owns Coeur Capital, which is primarily comprised of the Endeavor silver stream. The cash flow and profitability of the Company's operations are significantly impacted by the market price of gold and silver. The prices of gold and silver are affected by numerous factors beyond the Company's control.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The Company's Consolidated Financial Statements have been prepared in accordance with United States Generally Accepted Accounting Principles. The preparation of the Company's Consolidated Financial Statements requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and the related disclosure of contingent assets and liabilities at the date of the Consolidated Financial Statements and reported amounts of revenues and expenses during the reporting period. The more significant areas requiring the use of management estimates and assumptions relate to metal prices and mineral reserves that are the basis for future cash flow estimates utilized in impairment calculations and units-of production amortization calculations, environmental, reclamation and closure obligations, estimates of recoverable silver and gold in leach pad inventories, estimates of fair value for certain reporting units and asset impairments, valuation allowances for deferred tax assets, and the fair value and accounting treatment of financial instruments, equity securities, and derivative instruments. The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. Accordingly, actual results will differ from the amounts estimated in these financial statements.

Principles of Consolidation

The Consolidated Financial Statements include the wholly-owned subsidiaries of the Company, the most significant of which are Coeur Mexicana S.A. de C.V., Coeur Rochester, Inc., Coeur Alaska, Inc., Wharf Resources (U.S.A.), Empresa Minera Manquiri S.A., and Coeur Capital, Inc. All intercompany balances and transactions have been eliminated. The Company's investments in entities in which it has less than 20% ownership interest are accounted for using the cost method.

Cash and Cash Equivalents

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

Receivables

Trade receivables and other receivable balances are reported at outstanding principal amounts, net of an allowance for doubtful accounts, if deemed necessary. Management evaluates the collectability of receivable account balances to determine the allowance, if any. Management considers the other party's credit risk and financial condition, as well as current and projected economic and market conditions, in determining the amount of the allowance. Receivable balances are written off when management determines that the balance is uncollectible.

Ore on Leach Pads

The heap leach process extracts silver and gold by placing ore on an impermeable pad and applying a diluted cyanide solution that dissolves a portion of the contained silver and gold, which are then recovered in metallurgical processes. The Company uses several integrated steps to scientifically measure the metal content of ore placed on the leach pads. As the ore body is drilled in preparation for the blasting process, samples are taken of the drill residue which are assayed to determine estimated quantities of contained metal. The Company estimates the quantity of ore by utilizing global positioning satellite survey techniques. The Company then processes the ore through crushing facilities where the output is again weighed and sampled for assaying. A metallurgical reconciliation with the data collected from the mining operation is completed with appropriate adjustments made to previous estimates. The crushed ore is then transported to the leach pad for application of the leaching solution. As the leach solution is collected from the leach pads, it is continuously sampled for assaying. The quantity of leach solution is measured by flow meters throughout the leaching and precipitation process. After precipitation, the product is converted to doré at the Rochester mine and a form of gold concentrate at the Wharf mine, representing the final product produced by each mine. The inventory is stated at lower of cost or market, with cost being determined using a weighted average cost method.

Coeur Mining, Inc. and Subsidiaries
Notes to Consolidated Financial Statements

The historical cost of metal expected to be extracted within twelve months is classified as current and the historical cost of metals contained within the broken ore expected to be extracted beyond twelve months is classified as non-current. Ore on leach pads is valued based on actual production costs incurred to produce and place ore on the leach pad, less costs allocated to minerals recovered through the leach process.

The estimate of both the ultimate recovery expected over time and the quantity of metal that may be extracted relative to the time the leach process occurs requires the use of estimates, which are inherently inaccurate due to the nature of the leaching process. The quantities of metal contained in the ore are based upon actual weights and assay analysis. The rate at which the leach process extracts gold and silver from the crushed ore is based upon laboratory testing and actual experience of more than twenty years of leach pad operations at the Rochester mine and thirty years of leach pad operations at the Wharf mine. The assumptions used by the Company to measure metal content during each stage of the inventory conversion process includes estimated recovery rates based on laboratory testing and assaying. The Company periodically reviews its estimates compared to actual experience and revises its estimates when appropriate. Variations between actual and estimated quantities resulting from changes in assumptions and estimates that do not result in write-downs to net realizable value are accounted for on a prospective basis.

Metal and Other Inventory

Inventories include concentrate, doré, and operating materials and supplies. The classification of inventory is determined by the stage at which the ore is in the production process. All inventories are stated at the lower of cost or market, with cost being determined using a weighted average cost method. Concentrate and doré inventory includes product at the mine site and product held by refineries. Metal inventory costs include direct labor, materials, depreciation, depletion and amortization as well as overhead costs relating to mining activities.

Property, Plant, and Equipment

Expenditures for new facilities, assets acquired pursuant to capital leases, new assets or expenditures that extend the useful lives of existing facilities are capitalized and depreciated using the straight-line method at rates sufficient to depreciate such costs over the shorter of estimated productive lives of such facilities, lease term, or the useful life of the individual assets. Productive lives range from 7 to 30 years for buildings and improvements and 3 to 10 years for machinery and equipment. Certain mining equipment is depreciated using the units-of-production method based upon estimated total proven and probable reserves.

Mining Properties and Mine Development

Capitalization of mine development costs begins once all operating permits have been secured, mineralization is classified as proven and probable reserves and a final feasibility study has been completed. Mine development costs include engineering and metallurgical studies, drilling and other related costs to delineate an ore body, the removal of overburden to initially expose an ore body at open pit surface mines and the building of access ways, shafts, lateral access, drifts, ramps and other infrastructure at underground mines. Costs incurred before mineralization are classified as proven and probable reserves are expensed and classified as exploration or pre-development expense. Mine development costs are amortized using the units of production method over the estimated life of the ore body based on recoverable ounces to be mined from proven and probable reserves. Interest expense allocable to the cost of developing mining properties and to construct new facilities is capitalized until assets are ready for their intended use.

Drilling and related costs incurred at the Company’s operating mines are expensed as incurred in Exploration, unless the Company can conclude with a high degree of confidence, prior to the commencement of a drilling program, that the drilling costs will result in the conversion of a mineral resource into proven and probable reserves. The Company’s assessment is based on the following factors: results from previous drill programs; results from geological models; results from a mine scoping study confirming economic viability of the resource; and preliminary estimates of mine inventory, ore grade, cash flow and mine life.

In addition, the Company must have all permitting and/or contractual requirements necessary to have the right to and/or control
of the future benefit from the targeted ore body. The costs of a drilling program that meet these criteria are capitalized as mine

development costs. Drilling and related costs of approximately $12.9 million and $6.0 million at December 31, 2016 and 2015, respectively, were capitalized.
The cost of removing overburden and waste materials to access the ore body at an open pit mine prior to the production phase are referred to as “pre-stripping costs.” Pre-stripping costs are capitalized during the development of an open pit mine. Stripping costs incurred during the production phase of a mine are variable production costs that are included as a component of inventory to be recognized in Costs applicable to sales in the same period as the revenue from the sale of inventory.
Mineral Interests
Significant payments related to the acquisition of land and mineral rights are capitalized. Prior to acquiring such land or mineral rights, the Company generally makes a preliminary evaluation to determine that the property has significant potential to develop an economic ore body. The time between initial acquisition and full evaluation of a property’s potential is variable and is determined by many factors including: location relative to existing infrastructure, the property’s stage of development, geological

controls and metal prices. If a mineable ore body is discovered, such costs are amortized when production begins using the units of- production method based on recoverable ounces to be mined from proven and probable reserves. If no mineable ore body is discovered, such costs are expensed in the period in which it is determined the property has no future economic value.

Write-downs

We review and evaluate our long-lived assets for impairment whenever events or changes in circumstances indicate that the related carrying amounts may not be recoverable. Asset impairment is considered to exist if the total estimated undiscounted pretax future cash flows are less than the carrying amount of the asset. In estimating future cash flows, assets are grouped at the lowest level for which there is identifiable cash flows that are largely independent of future cash flows from other asset groups. An impairment loss is measured by discounted estimated future cash flows, and recorded by reducing the asset's carrying amount to fair value. Future cash flows are estimated based on estimated quantities of recoverable minerals, expected silver and gold prices (considering current and historical prices, trends and related factors), production levels, operating costs, capital requirements and reclamation costs, all based on life-of-mine plans. During 2016, 2015, and 2014, we recorded impairments of $4.4 million, $313.3 million, and $1,472.7 million, respectively, to reduce the carrying value of mining properties and property, plant and equipment as part of Write-downs.

Existing proven and probable reserves and value beyond proven and probable reserves, including mineralization other than proven and probable reserves are included when determining the fair value of mine site asset groups at acquisition and, subsequently, in determining whether the assets are impaired. The term “recoverable minerals” refers to the estimated amount of silver and gold that will be obtained after taking into account losses during ore processing and treatment. Estimates of recoverable minerals from exploration stage mineral interests are risk adjusted based on management’s relative confidence in such materials. The ability to achieve the estimated quantities of recoverable minerals from exploration stage mineral interests involves further risks in addition to those risk factors applicable to mineral interests where proven and probable reserves have been identified, due to the lower level of confidence that the identified mineralized material could ultimately be mined economically. Assets classified as exploration potential have the highest level of risk that the carrying value of the asset can be ultimately realized, due to the still lower level of geological confidence and economic modeling.

Silver and gold prices are volatile and affected by many factors beyond the Company’s control, including prevailing interest rates and returns on other asset classes, expectations regarding inflation, speculation, currency values, governmental decisions regarding precious metals stockpiles, global and regional demand and production, political and economic conditions and other factors may affect the key assumptions used in the Company’s impairment testing. Various factors could impact our ability to achieve forecasted production levels from proven and probable reserves. Additionally, production, capital and reclamation costs could differ from the assumptions used in the cash flow models used to assess impairment. Actual results may vary from the Company’s estimates and result in additional Write-downs.

Restricted Assets

The Company, under the terms of its self-insurance and bonding agreements with certain banks, lending institutions and regulatory agencies, is required to collateralize certain portions of its obligations. The Company has collateralized these obligations by assigning certificates of deposit that have maturity dates ranging from three months to a year, to the respective institutions or agencies. At December 31, 2016 and 2015, the Company held certificates of deposit and cash under these agreements of $17.6 million and $11.6 million, respectively. The ultimate timing of the release of the collateralized amounts is dependent on the timing and closure of each mine and repayment of the facility. In order to release the collateral, the Company must seek approval from certain government agencies responsible for monitoring the mine closure status. Collateral could also be released to the extent the Company is able to secure alternative financial assurance satisfactory to the regulatory agencies. The Company believes there is a reasonable probability that the collateral will remain in place beyond a twelve-month period and has therefore classified these investments as long-term.

Reclamation

The Company recognizes obligations for the expected future retirement of tangible long-lived assets and other associated asset retirement costs. The fair value of a liability for an asset retirement obligation will be recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. The fair value of the liability is added to the carrying amount of the associated asset and this additional carrying amount is depreciated over the life of the asset. An accretion cost, representing the increase over time in the present value of the liability, is recorded each period in Pre-development, reclamation, and other. As reclamation work is performed or liabilities are otherwise settled, the recorded amount of the liability is reduced. Future remediation costs for inactive mines are accrued based on management’s best estimate at the end of each period of the discounted costs expected to be incurred at the site. Such cost estimates include, where applicable, ongoing care and maintenance and monitoring costs. Changes in estimates are reflected prospectively in the period an estimate is revised.

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Revenue Recognition
Revenue is recognized, net of treatment and refining charges, when persuasive evidence of an arrangement exists, delivery
has occurred, the price is fixed or determinable, no obligations remain, and collection is probable.
Under the Company’s concentrate sales contracts with third-party smelters, gold and silver prices are set on a specified future quotational period, typically one to three months, after the shipment date based on market prices. Revenue and Costs Applicable to Sales are recorded on a gross basis under these contracts at the time title passes to the buyer based on the forward price for the expected settlement period. The contracts, in general, provide for provisional payment based upon provisional assays and forward metal prices. Final settlement is based on the average applicable price for the specified future quotational period and generally occurs from three to six months after shipment. The Company’s provisionally priced sales contain an embedded derivative that is required to be separated from the host contract for accounting purposes. The host contract is the receivable from the sale of concentrates measured at the forward price at the time of sale. The embedded derivative does not qualify for hedge accounting and is adjusted to fair value through revenue each period until the date of final gold and silver settlement.
Foreign Currency
The assets and liabilities of the Company’s foreign subsidiaries are measured using U.S. dollars as their functional currency. Revenues and expenses are translated at the average exchange rate for the period. Foreign currency gains and losses are included in the determination of net income or loss.
Derivative Financial Instruments
Company recognizes all derivatives as either assets or liabilities on the balance sheet and measures those instruments at fair value. Changes in the value of derivative instruments are recorded each period in the Consolidated Statement of Comprehensive Income (Loss) in Fair value adjustments, net. Management applies judgment in estimating the fair value of instruments that are highly sensitive to assumptions regarding commodity prices, market volatilities, and foreign currency exchange rates.
Stock-based Compensation
The Company estimates the fair value of stock options using the Black-Scholes option pricing model and stock appreciation rights (“SARs”) awards using market comparison. Stock options granted are accounted for as equity-based awards and SARs are accounted for as liability-based awards. The value of the SARs is remeasured at each reporting date. The Company estimates forfeitures of stock-based awards based on historical data and periodically adjusts the forfeiture rate. The adjustment of the forfeiture rate is recorded as a cumulative adjustment in the period the forfeiture estimate is changed. Compensation costs related to stock based compensation are included in General and administrative expenses, Costs applicable to sales, and Property, plant, and equipment, net as deemed appropriate.
The fair value of restricted stock based on the Company's stock price on the date of grant. The fair value of performance leverage stock units (“PSUs”) with market conditions is determined using a Monte Carlo simulation model. Stock based compensation expense related to awards with a market or performance condition is generally recognized over the vesting period of the award utilizing the graded vesting method, while all other awards are recognized on a straight-line basis. The Company's estimates may be impacted by certain variables including, but not limited to, stock price volatility, employee stock option exercise behaviors, additional stock option grants, estimates of forfeitures, the Company's performance, and related tax impacts.
Income and Mining Taxes
The Company uses an asset and liability approach which results in the recognition of deferred tax liabilities and assets for the expected future tax consequences or benefits of temporary differences between the financial reporting basis and the tax basis of assets and liabilities, as well as operating loss and tax credit carryforwards, using enacted tax rates in effect in the years in which the differences are expected to reverse.
In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of its deferred tax assets will not be realized. Management considers the scheduled reversal of deferred tax liabilities,

projected future taxable income and tax planning strategies in making this assessment. A valuation allowance has been provided
for the portion of the Company’s net deferred tax assets for which it is more likely than not that they will not be realized.

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Recent Accounting Standards

In November 2016, the FASB issued ASU 2016-18, “Statement of Cash Flows (Topic 230) - Restricted Cash,” which will require entities to show the changes in the total of cash, cash equivalents, restricted cash and restricted cash equivalents in the statement of cash flows. These changes become effective for the Company's fiscal year beginning January 1, 2018. The Company is currently evaluating the potential impact of implementing these changes on the Company's consolidated financial position, results of operations, and cash flows.

In August 2016, the FASB issued ASU 2016-15, “Statement of Cash Flows (Topic 230) - Classification of Certain Cash Receipts and Cash Payments,” which provides guidance on presentation and classification of certain cash receipts and payments in the statement of cash flows. These changes become effective for the Company's fiscal year beginning January 1, 2018. The Company is currently evaluating this standard and does not expect this ASU to materially impact the Company's consolidated net income, financial position or cash flows.

In March 2016, the FASB issued ASU 2016-09, “Improvements to Employee Share-Based Payment Accounting,” which amends several aspects of the accounting for share-based payment transaction, including income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. These changes become effective for the Company's fiscal year beginning January 1, 2017. The Company is currently evaluating this standard and does not expect this ASU to impact the Company's consolidated net income, financial position or cash flows.

In February 2016, the FASB issued ASU 2016-02, “Leases,” which will require lessees to recognize assets and liabilities for the rights and obligations created by most leases on the balance sheet. These changes become effective for the Company's fiscal year beginning January 1, 2019. Modified retrospective adoption for all leases existing at, or entered into after, the date of initial application, is required with an option to use certain transition relief. The Company is currently evaluating the potential impact of implementing these changes on the Company's consolidated financial position, results of operations, and cash flows.

In November 2015, the FASB issued ASU 2015-17, “Balance Sheet Classification of Deferred Taxes,” which requires entities with a classified balance sheet to present all deferred tax assets and liabilities as non-current. The updated guidance became effective upon early adoption January 1, 2015, and resulted in a reclassification of amounts from Current deferred tax assets to Non-current deferred tax assets and Current deferred tax liabilities to Non-current deferred tax liabilities in the current and prior periods.

In September 2015, the FASB issued ASU 2015-16, “Simplifying the Accounting for Measurement-Period Adjustments,” which eliminates the requirement for an acquirer to retrospectively adjust the financial statements for measurement-period adjustments that occur in periods after a business combination is consummated. These changes were effective January 1, 2016. The Company's adoption had no impact on the Company's consolidated financial position, results of operations, and cash flows.

In May 2014, the FASB issued ASU 2014-09, “Revenue from Contracts with Customers”, which has subsequently been amended several times. The new standard provides a five-step approach to be applied to all contracts with customers and also requires expanded disclosures about revenue recognition. These changes become effective for the Company's fiscal year beginning January 1, 2018. The Company has substantially completed its analysis of the new standard and reviewed potential impacts from timing of when control is transferred to customers, variable consideration on concentrate sales and classification of refining fees. The Company does not expect this ASU to materially impact the Company's consolidated net income, financial position or cash flows.

In July 2015, the FASB issued ASU 2015-11, “Simplifying the Measurement of Inventory,” which provides a revised, simpler measurement for inventory to be measured at the lower of cost and net realizable value. These changes become effective for the Company's fiscal year beginning January 1, 2018. The Company is currently evaluating the potential impact of implementing these changes on the Company's consolidated financial position, results of operations, and cash flows.

In February 2015, the FASB issued ASU 2015-02, “Amendments to the Consolidation Analysis,” which amends the consolidation requirements in ASC 810. These changes were effective January 1, 2016. The Company's adoption had no impact on the Company's consolidated financial position, results of operations, and cash flows.

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NOTE 3 – SEGMENT REPORTING

The Company’s operating segments include Palmarejo, Rochester, Kensington, Wharf, San Bartolomé mines, and Coeur Capital. All operating segments are engaged in the discovery and mining of gold and silver and generate the majority of their revenues from the sale of these precious metals with the exception of Coeur Capital, which primarily holds the Endeavor silver stream. Other includes the La Preciosa project, Joaquin project, corporate office, elimination of intersegment transactions, and other items necessary to reconcile to consolidated amounts.

Financial information relating to the Company’s segments is as follows (in thousands):

Year ended December 31, 2016	Palmarejo	Rochester	Kensington	Wharf	San Bartolomé	Coeur Capital	Other	Total
Revenue								
Metal sales	$141,273	$139,945	$146,593	$136,678	$93,880	$4,128	$—	$662,497
Royalties	—	—	—	—	—	3,280	—	3,280
	141,273	139,945	146,593	136,678	93,880	7,408	—	665,777
Costs and Expenses								
Costs applicable to sales(1)	80,820	89,726	96,731	66,379	74,166	1,719	—	409,541
Amortization	36,599	21,838	34,787	20,621	6,633	1,117	1,566	123,161
Exploration	5,063	841	3,487	2	—	1,797	1,740	12,930
Write-downs	—	—	—	—	—	4,446	—	4,446
Other operating expenses	1,213	2,801	1,038	2,238	2,909	226	36,170	46,595
Other income (expense)								
Gain (Loss) on debt extinguishments	—	—	—	—	—	—	(21,365)	(21,365)
Fair value adjustments, net	(5,814)	(4,133)	—	—	—	—	(1,634)	(11,581)
Interest expense, net	(1,187)	(664)	(128)	(69)	(24)	(34)	(34,814)	(36,920)
Other, net	(12,125)	(3,859)	(25)	17	1,590	6,014	10,263	1,875
Income and mining tax (expense) benefit	45,085	(2,785)	—	(4,293)	6,252	(2,504)	12,484	54,239
Net income (loss)	$43,537	$13,298	$10,397	$43,093	$17,990	$1,579	$(74,542)	$55,352
Segment assets(2)	$436,642	$219,009	$199,232	$105,901	$76,317	$9,285	$75,652	$1,122,038
Capital expenditures	$35,810	$16,446	$36,826	$4,812	$6,631	$—	$488	$101,013

(1) Excludes amortization

(2) Segment assets include receivables, prepaids, inventories, property, plant and equipment, and mineral interest

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Year ended December 31, 2015	Palmarejo	Rochester	Kensington	Wharf	San Bartolomé	Coeur Capital	Other	Total
Revenue								
Metal sales	$169,133	$143,930	$148,710	$84,052	$84,679	$8,732	$—	$639,236
Royalties	—	—	—	—	—	6,850	—	6,850
	169,133	143,930	148,710	84,052	84,679	15,582	—	646,086
Costs and Expenses								
Costs applicable to sales(1)	138,476	103,994	105,640	52,197	75,827	3,520	—	479,654
Amortization	32,423	23,906	42,240	16,378	17,798	9,010	1,996	143,751
Exploration	4,533	1,324	2,596	134	126	(124)	3,058	11,647
Write-downs	224,507	—	—	—	66,712	22,118	—	313,337
Other operating expenses	1,293	2,948	1,301	1,717	1,787	33	41,548	50,627
Other income (expense)								
Gain (Loss) on debt extinguishments	—	—	—	—	—	—	15,916	15,916
Fair value adjustments, net	3,160	818	—	—	—	—	1,224	5,202
Interest expense, net	(4,269)	(748)	(218)	—	(725)	—	(39,743)	(45,703)
Other, net	(10,968)	(13)	7	143	1,557	(3,182)	(3,475)	(15,931)
Income and mining tax (expense) benefit	37,597	(1,497)	—	(857)	(5,154)	5,542	(9,368)	26,263
Net income (loss)	$(206,579)	$10,318	$(3,278)	$12,912	$(81,893)	$(16,615)	$(82,048)	$(367,183)
Segment assets(2)	$406,648	$190,714	$197,873	$113,305	$91,141	$27,892	$75,737	$1,103,310
Capital expenditures	$35,991	$25,330	$23,834	$3,211	$6,220	$—	$607	$95,193

(1) Excludes amortization
(2) Segment assets include receivables, prepaids, inventories, property, plant and equipment, and mineral interests

Year ended December 31, 2014	Palmarejo	Rochester	Kensington	San Bartolomé	Coeur Capital	Other	Total
Revenue							
Metal sales	$244,003	$123,768	$136,960	$117,749	$10,046	$—	$632,526
Royalties	—	—	—	—	3,216	—	3,216
	244,003	123,768	136,960	117,749	13,262	—	635,742
Costs and Expenses							
Costs applicable to sales(1)	187,276	91,462	105,342	89,659	4,206	—	477,945
Amortization	69,431	20,790	43,619	19,423	7,015	2,158	162,436
Exploration	6,671	2,636	8,005	120	515	3,793	21,740
Write-downs	784,038	—	107,832	118,754	6,202	455,895	1,472,721
Other operating expenses	620	2,813	796	(251)	938	61,966	66,882
Other income (expense)							
Fair value adjustments, net	(1,847)	3,653	—	—	—	1,812	3,618
Interest expense, net	(9,320)	(679)	(214)	(52)	(1)	(37,280)	(47,546)
Other, net	131	105	(22)	2,461	(7,141)	(752)	(5,218)
Income and mining tax (expense) benefit	251,840	(2,224)	—	18,114	2,067	158,457	428,254

Net income (loss)	$(563,229)	$6,922	$(128,870)	$(89,433)	$(10,689)	$(401,575)	$(1,186,874)
Segment assets(2)	$332,369	$196,765	$215,973	$188,616	$59,848	$81,688	$1,075,259
Capital expenditures	$26,084	$11,898	$16,220	$7,937	$—	$2,105	$64,244

(1) Excludes amortization

(2) Segment assets include receivables, prepaids, inventories, property, plant and equipment, and mineral interests

Assets	December 31, 2016	December 31, 2015
Total assets for reportable segments	$ 1,122,038	$ 1,103,310
Cash and cash equivalents	162,182	200,714
Other assets	34,689	28,465
Total consolidated assets	$ 1,318,909	$ 1,332,489

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Geographic Information

Long-Lived Assets	December 31, 2016	December 31, 2015
Mexico	$ 397,697	$390,694
United States	338,897	336,210
Bolivia	31,539	35,201
Australia	2,983	5,952
Argentina	10,228	10,871
Other	5,564	9,058
Total	$ 786,908	$787,986

Revenue	Year ended December 31,		
	2016	2015	2014
United States	$423,216	$376,692	$260,728
Mexico	142,198	171,911	245,493
Bolivia	93,880	84,679	117,749
Australia	4,128	8,732	10,046
Other	2,355	4,072	1,726
Total	$665,777	$646,086	$635,742

The Company's doré, as well as the concentrate produced by the Wharf mine, is refined into gold and silver bullion according to benchmark standards set by the LBMA, which regulates the acceptable requirements for bullion traded in the London precious metals markets. The Company sells its silver and gold bullion to multi-national banks, bullion trading houses, and refiners across the globe. The Company has eleven trading counterparties at December 31, 2016. The Company's sales of doré and concentrate product produced by the Wharf mine amounted to approximately 77%, 74%, and 63% of total metal sales for the years ended December 31, 2016, 2015, and 2014, respectively. Generally, the loss of a single bullion trading counterparty would not adversely affect the Company due to the liquidity of the markets and availability of alternative trading counterparties.

The Company's concentrate produced by the Kensington mine is sold to smelters under purchase and sale agreements, and the smelters pay the Company for the gold and silver recovered from the concentrates. The concentrate was sold to two smelters at December 31, 2016. The Company's sales of concentrate produced by the Kensington mine amounted to approximately 23%, 26%, and 37% of total metal sales for the years ended December 31, 2016, 2015, and 2014, respectively. While the loss of a smelter may have a material adverse effect if alternate smelters are not available or if the failure to engage a new smelter results in a delay in the sale or purchase of Kensington concentrate, the Company believes that there is sufficient global capacity available to address the loss of a smelter.

The following table indicates customers that represent 10% or more of total sales of metal for at least one of the years December 31, 2016, 2015, and 2014 (in millions):

	Year ended December 31,			
Customer	2016	2015	2014	Segments reporting revenue
China National Gold	$126.6	$126.2	$86.8	Kensington
Ohio Precious Metals	98.4	37.3	8.3	Palmarejo, San Bartolomé,
Republic Metal Corporation	93.3	47.7	4.0	Palmarejo, San Bartolomé, Wharf
INTL Commodities	76.7	33.1	22.4	Palmarejo, San Bartolomé, Rochester, Wharf
Asahi (formerly Johnson Matthey)	62.6	84.2	71.8	Wharf, Rochester, San Bartolomé
Standard Bank	29.0	34.7	87.5	Palmarejo, Rochester
TD Securities	15.5	81.3	106.7	Palmarejo, Rochester
Mitsui & Co.	—	137.7	133.8	Palmarejo, Rochester

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NOTE 4 – WRITE-DOWNS

	Year ended December 31,		
	2016	2015	2014
Mining properties			
Palmarejo	$—	$205,803	$668,803
San Bartolomé	—	16,690	32,328
Kensington	—	—	67,671
La Preciosa	—	—	371,411
Joaquin	—	—	83,429
Coeur Capital	4,446	22,118	6,202
	4,446	244,611	1,229,844
Property, plant, and equipment			
Palmarejo	$—	$18,704	$115,235
San Bartolomé	—	50,022	86,426
Kensington	—	—	40,161
La Preciosa	—	—	1,055
	—	68,726	242,877
Total	$4,446	$313,337	$1,472,721

The 2016 write-down of $4.4 million ($3.9 million net of tax) was due to the impairment of Coeur Capital assets. The operator of the Endeavor mine in Australia, on which the Company holds a 100% silver stream, announced in early 2016 a significant curtailment of production due to low lead and zinc prices. As a result, Coeur recorded a $2.5 million write-down of the mineral interest associated with the Endeavor silver stream at March 31, 2016. In April 2016, Coeur sold its tiered NSR royalty on the El Gallo mine to the operator, a subsidiary of McEwen Mining Inc., for total consideration of approximately $6.3 million, including $1 million in contingent consideration. In anticipation of this sale, the Company recorded a $1.9 million write-down of the mineral interest at March 31, 2016.

The 2015 write-down of $313.3 million ($276.5 million net of tax) was due to a $224.5 million impairment of the Palmarejo complex ($193.5 million net of tax), a $66.7 million impairment of the San Bartolomé mine, and a $22.1 million impairment ($16.3 million net of tax) of certain Coeur Capital assets, including the Endeavor silver stream and other royalties. The non-cash impairment charges were largely driven by significant decreases in long-term metal price assumptions and revised mine plans in the fourth quarter. For purposes of this evaluation, estimates of future cash flows of the individual reporting units were used to determine fair value. The estimated cash flows were derived from life-of-mine plans, developed using long-term pricing reflective of the current price environment and management’s projections for operating costs.

The 2014 write-down of $1,472.7 million ($1,021.8 million net of tax) was primarily due to a $784.0 million impairment of the Palmarejo complex ($504.5 million net of tax) and a $372.5 million impairment of the La Preciosa project ($244.9 million net of tax) due to a decrease in the Company's long-term silver and gold price assumptions reflective of the current silver and gold price environment and revised mine plans.

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NOTE 5 – RECLAMATION

Reclamation and mine closure costs are based principally on legal and regulatory requirements. Management estimates costs associated with reclamation of mining properties. On an ongoing basis, management evaluates its estimates and assumptions, and future expenditures could differ from current estimates.

Changes to the Company's asset retirement obligations for operating sites are as follows:

	Year ended December 31,	
In thousands	2016	2015
Asset retirement obligation - Beginning	$82,072	$67,214
Accretion	8,136	7,738
Additions and changes in estimates	8,688	11,939
Settlements	(1,516)	(4,819)
Asset retirement obligation - Ending	$97,380	$82,072

The Company has accrued $1.9 million and $3.2 million at December 31, 2016 and December 31, 2015, respectively, for reclamation liabilities related to former mining activities, which are included in Reclamation.

NOTE 6 – STOCK-BASED COMPENSATION

The Company has stock incentive plans for executives and eligible employees. Stock awards include stock options, restricted stock, and performance shares. Stock-based compensation expense for the years ended December 31, 2016, 2015, and 2014 was $9.7 million, $9.3 million and $9.3 million, respectively. At December 31, 2016, there was $6.3 million of unrecognized stock-based compensation cost which is expected to be recognized over a weighted-average remaining vesting period of 1.4 years.

Stock Options and Stock Appreciation Rights

Stock options and stock appreciation rights (SARs) granted under the Company's incentive plans vest over three years and are exercisable over a period not to exceed ten years from the grant date. The exercise price of stock options is equal to the fair market value of the shares on the date of the grant. The value of each stock option award is estimated using the Black-Scholes option pricing model. Stock options are accounted for as equity awards and SARs are accounted for as liability awards and remeasured at each reporting date. SARs, when vested, provide the participant the right to receive cash equal to the excess of the market price of the shares over the exercise price when exercised.

The following table sets forth the weighted average fair value of stock options and the assumptions used to estimate the fair value of the stock options using the Black-Scholes option valuation model:

	2016	2015	2014
Weighted average fair value of stock options granted	$1.06	$2.65	$3.79
Volatility	61.75 %	55.71 %	50.93 %
Expected life in years	3.99	4.75	3.92
Risk-free interest rate	1.50 %	1.51 %	1.25 %
Dividend yield	—	—	—

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The following table summarizes stock option and SAR activity for the years ended December 31, 2016, 2015, and 2014:

	Stock Options		SARs	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding at December 31, 2013	415,570	$ 27.36	50,209	$ 14.15
Granted	415,172	9.45	—	—
Canceled/forfeited	(232,396)	23.94	(3,637)	15.40
Outstanding at December 31, 2014	598,346	16.26	46,572	14.06
Granted	310,028	5.57	—	—
Canceled/forfeited	(238,365)	12.69	—	—
Outstanding at December 31, 2015	670,009	12.58	46,572	14.06
Granted	183,251	2.19	—	—
Exercised	(170,897)	7.81	—	—
Canceled/forfeited	(25,752)	16.76	(4,420)	13.31
Outstanding at December 31, 2016	656,611	$ 10.76	42,152	$ 14.14

The following table summarizes outstanding stock options as of December 31, 2016.

Range of Exercise Price	Number Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value (in thousands)
$ 0.00-$10.00	455,578	$ 5.32	8.19	
$10.00-$20.00	52,616	13.33	6.64	
$20.00-$30.00	141,947	25.73	5.26	
$30.00-$40.00	3,134	39.90	0.22	
$40.00-$50.00	3,336	48.50	1.03	
Outstanding	656,611	$ 10.76	7.36	$ 1,753
Vested and expected to vest	618,870	$ 11.20	7.27	$ 1,555
Exercisable	292,524	$ 18.31	5.97	$ 118

At December 31, 2016, there was $0.2 million of unrecognized compensation cost related to non-vested stock options to be recognized over a weighted average period of 1.1 years.

The total intrinsic value of options exercised for the year ended December 31, 2016 was $1.1 million. Cash received from options exercised for the year ended December 31, 2016 was $1.3 million for which there was no related tax benefit.The grant date fair value for stock options vested during the years ended December 31, 2016, 2015 and 2014 was $1.0 million, $1.4 million and $1.3 million, respectively.

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Restricted Stock

Restricted stock granted under the Company's incentive plans are accounted for based on the market value of the underlying shares on the date of grant and vest in equal installments annually over three years. Restricted stock awards are accounted for as equity awards. Holders of restricted stock are entitled to vote the shares and to receive any dividends declared on the shares.

The following table summarizes restricted stock activity for the years ended December 31, 2016, 2015, and 2014:

	Restricted Stock	
	Number of Shares	Weighted Average Grant Date Fair Value
Outstanding at December 31, 2013	613,086	$ 16.68
Granted	695,897	9.83
Vested	(234,103)	17.16
Cancelled/Forfeited	(172,881)	11.87
Outstanding at December 31, 2014	901,999	12.19
Granted	1,180,384	5.49
Vested	(317,122)	13.38
Cancelled/Forfeited	(257,849)	7.59
Outstanding at December 31, 2015	1,507,412	7.49
Granted	1,768,746	3.72
Vested	(681,829)	8.51
Cancelled/Forfeited	(160,414)	7.16
Outstanding at December 31, 2016	2,433,915	$ 4.48

At December 31, 2016, there was $3.4 million of unrecognized compensation cost related to restricted stock awards to be recognized over a weighted-average period of 1.4 years.

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Performance Shares

Performance shares granted under the Company's incentive plans are accounted for at fair value using a Monte Carlo simulation valuation model on the date of grant. Performance share awards are accounted for as equity awards. The performance shares vest at the end of a three-year service period if relative stockholder return and internal performance metrics are met. The existence of a market condition requires recognition of compensation cost for the performance share awards over the requisite period regardless of whether the relative stockholder return metric is met. The following table summarizes performance shares activity for the years ended December 31, 2016, 2015, and 2014:

	Performance Shares	
	Number of Shares	Weighted Average Grant Date Fair Value
Outstanding at December 31, 2013	210,395	$ 28.04
Granted	358,398	12.21
Vested	(34,611)	27.18
Cancelled/Forfeited	(17,352)	27.15
Outstanding at December 31, 2014	516,830	17.61
Granted	809,293	6.97
Cancelled/Forfeited	(190,988)	15.62
Outstanding at December 31, 2015	1,135,135	10.35
Granted	1,437,077	1.79
Cancelled/Forfeited	(199,580)	17.98
Outstanding at December 31, 2016	2,372,632	$ 4.53

At December 31, 2016, there was $2.8 million of unrecognized compensation cost related to performance shares to be recognized over a weighted average period of 1.5 years.

Supplemental Incentive Plan

In 2014, the Company adopted a supplemental incentive plan under which benefits were payable upon achievement of certain performance and market conditions. The maximum potential incentive payout under the plan was $3.8 million, of which $3.0 million was settled in cash in 2016. No additional amounts are payable under the plan.

NOTE 7 – RETIREMENT SAVINGS PLAN

The Company has a 401(k) retirement savings plan that covers all eligible U.S. employees. Eligible employees may elect to contribute up to 75% of base salary, subject to ERISA limitations. In addition, the Company has a deferred compensation plan for employees whose benefits under the 401(k) plan are limited by federal regulations. The Company generally makes matching contributions equal to 100% of the employee's contribution up to 4% of the employee's salary. The Company may also provide an additional contribution based on an eligible employee's salary. Total plan expenses recognized for the years ended December 31, 2016, 2015, and 2014 were $5.4 million, $2.9 million, and $2.6 million, respectively.

NOTE 8 - OTHER, NET

Other, net consists of the following:

	Year ended December 31,		
In thousands	2016	2015	2014
Foreign exchange gain (loss)	$(10,720)	$(15,769)	$470
Gain on sale of assets and investments	11,334	(352)	(530)
Impairment of equity securities	(703)	(2,346)	(6,593)

Other	1,964	2,536	1,435
Other, net	$1,875	$(15,931)	$(5,218)

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NOTE 9 – INCOME AND MINING TAXES

The components of Income (loss) before income taxes are below:

	Year ended December 31,		
In thousands	2016	2015	2014
United States	$(13,112)	$(43,924)	$(213,883)
Foreign	14,225	(349,522)	(1,401,245)
Total	$1,113	$(393,446)	$(1,615,128)

The components of the consolidated Income and mining tax (expense) benefit from continuing operations are below:

	Year ended December 31,		
In thousands	2016	2015	2014
Current:			
United States	$—	$49	$904
United States — State mining taxes	(7,826)	(4,305)	(879)
United States — Foreign withholding tax	(4,263)	—	(6,250)
Argentina	10	715	(71)
Australia	14	130	—
Bolivia	6,252	(5,154)	(4,008)
Canada	(1,841)	(516)	(145)
Mexico	(9,581)	(476)	(10,122)
Deferred:			
United States	15,556	1,778	5,743
United States — State mining taxes	748	1,952	—
Argentina	115	(1,197)	24,478
Australia	(1,638)	3,223	(401)
Bolivia	—	—	22,122
Canada	1,338	2,875	2,662
Mexico	55,383	27,189	394,221
New Zealand	(28)	—	—
Income tax (expense) benefit	$54,239	$26,263	$428,254

The Company’s effective tax rate is impacted by recurring items, such as foreign exchange rates on deferred tax balances, uncertain tax positions, and the full valuation allowance on the deferred tax assets relating to losses in the United States and certain foreign jurisdictions. During the year ended December 31, 2016, the Company completed a legal entity reorganization to integrate recent acquisitions resulting in a valuation allowance release of $40.8 million and recorded a $15.0 million deferred tax benefit related to unremitted earnings. In addition, the Company's consolidated effective income and mining tax rate is a function of the combined effective tax rates and foreign exchange rates in the jurisdictions in which it operates. Variations in the jurisdictional mix of income and loss and foreign exchange rates result in significant fluctuations in our consolidated effective tax rate.

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A reconciliation of the Company's effective tax rate with the federal statutory tax rate for the periods indicated is below:

	Year ended December 31,		
In thousands	2016	2015	2014
Income and mining tax (expense) benefit at statutory rate	$(390)	$137,706	$565,295
State tax provision from continuing operations	336	(2,075)	20,253
Change in valuation allowance	61,146	(101,027)	(151,191)
Percentage depletion	983	—	—
Uncertain tax positions	(4,619)	(1,947)	(4,425)
U.S. and foreign non-deductible expenses	(5,764)	1,365	(4,892)
Mineral interest related	—	(19,310)	—
Foreign exchange rates	19,701	22,350	23,672
Foreign inflation and indexing	2,794	1,117	3,765
Foreign tax rate differences	413	(15,980)	(63,930)
Foreign withholding and other taxes	(13,478)	8,140	82,884
Foreign tax credits and other, net	102	(4,076)	(43,177)
Legal entity reorganization	(6,985)	—	—
Income and mining tax (expense) benefit	$54,239	$26,263	$428,254

At December 31, 2016 and 2015, the significant components of the Company's deferred tax assets and liabilities are below:

	Year ended December 31,	
In thousands	2016	2015
Deferred tax liabilities:		
Mexican mining tax	$—	$15,451
Mineral properties	69,799	—
Foreign subsidiaries — unremitted earnings	1,302	12,999
Inventory	4,426	2,353
Royalty and other long-term debt	8,685	1,648
	$84,212	$32,451
Deferred tax assets:		
Net operating loss carryforwards	202,756	203,958
Mineral properties	—	34,966
Property, plant, and equipment	87,978	6,980
Mexico Mining Tax	6,359	—
Capital loss carryforwards	6,770	3,938
Asset retirement obligation	25,255	21,480
Unrealized foreign currency loss and other	7,413	8,424
Accrued expenses	17,713	17,905
Tax credit carryforwards	31,272	26,439
	385,516	324,090
Valuation allowance	(375,911)	(436,829)
	9,605	(112,739)
Net deferred tax liabilities	$74,607	$145,190

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A valuation allowance is provided for deferred tax assets for which it is more likely than not that the related tax benefits will not be realized. The Company analyzes its deferred tax assets and, if it is determined that the Company will not realize all or a portion of its deferred tax assets, it will record or increase a valuation allowance. Conversely, if it is determined that the Company will ultimately be more likely than not able to realize all or a portion of the related benefits for which a valuation allowance has been provided, all or a portion of the related valuation allowance will be reduced. There are a number of factors that impact the Company's ability to realize its deferred tax assets. For additional information, please see the section titled "Risk Factors" included in Item 1A. Based upon this analysis, the Company has recorded valuation allowances as follows:

	Year ended December 31,	
In thousands	2016	2015
U.S.	$292,446	$292,677
Argentina	6,197	8,376
Canada	1,296	1,718
Bolivia	37,372	45,177
Mexico	13,033	63,373
New Zealand	23,717	25,508
Other	1,850	—
	$375,911	$436,829

The Company has the following tax attribute carryforwards at December 31, 2016, by jurisdiction:

In thousands	U.S.	Argentina	Bolivia	Canada	Mexico	New Zealand	Other	Total
Regular net operating losses	$330,469	$ 11,621	$63,005	$2,301	$91,383	$85,258	$ 63	$584,100
Alternative minimum tax net operating losses	184,386	—	—	—	—	—	—	184,386
Capital losses	19,315	—	—	79	—	—	—	19,394
Alternative minimum tax credits	3,173	—	—	—	—	—	—	3,173
Foreign tax credits	24,161	—	—	—	—	—	—	24,161

The U.S. net operating losses expire from 2019 through 2036; the Argentina net operating losses will expire from 2017 to 2021; the Bolivia net operating losses will expire from 2018 to 2020; the Canada net operating losses will expire from 2029 through 2036; and the Mexico net operating losses expire from 2017 to 2026. The remaining net operating losses from the foreign jurisdictions have an indefinite carryforward period. The majority of the U.S. capital losses will expire from 2020 and 2021. Alternative minimum tax credits do not expire and foreign tax credits expire if unused beginning in 2019.

The Company intends to indefinitely reinvest earnings from Mexican operations. For the years 2016 and 2015, the Company had no unremitted earnings from this jurisdiction.

A reconciliation of the beginning and ending amount related to unrecognized tax benefits is below (in thousands):

Unrecognized tax benefits at January 1, 2014	$16,084
Gross increase to current period tax positions	1,030
Gross increase to prior period tax positions	810
Reductions in unrecognized tax benefits resulting from a lapse of the applicable statute of limitations	—
Unrecognized tax benefits at December 31, 2015	$17,924
Gross increase to current period tax positions	1,336
Gross increase to prior period tax positions	4,854
Reductions in unrecognized tax benefits resulting from a lapse of the applicable statute of limitations	(704)
Unrecognized tax benefits at December 31, 2016	$23,410

At December 31, 2016, 2015, and 2014, $19.6 million, $17.9 million, and $16.1 million, respectively, of these gross unrecognized benefits would, if recognized, decrease the Company's effective tax rate.

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The Company operates in numerous countries around the world and is subject to, and pays annual income taxes under, the various income tax regimes in the countries in which it operates. The Company has historically filed, and continues to file, all required income tax returns and paid the taxes reasonably determined to be due. The tax rules and regulations in many countries are highly complex and subject to interpretation. From time to time, the Company is subject to a review of its historic income tax filings and, in connection with such reviews, disputes can arise with the taxing authorities over the interpretation or application of certain rules to the Company's business conducted within the country involved.

The Company files income tax returns in various U.S. federal and state jurisdictions, in all identified foreign jurisdictions, and various others. The statute of limitations remains open from 2012 for the US federal jurisdiction and from 2008 for certain other foreign jurisdictions. During 2014, the U.S. Internal Revenue Service concluded its examination of the Company's 2009, 2010, and 2011 tax years. As a result of statutes of limitations that will begin to expire within the next 12 months in various jurisdictions and possible settlement of audit-related issues with taxing authorities in various jurisdictions with respect to which none of these issues are individually significant, the Company believes that it is reasonably possible that the total amount of its unrecognized income tax liability will decrease between $1.5 million and $2.5 million in the next 12 months.

The Company classifies interest and penalties associated with uncertain tax positions as a component of income tax expense and recognized interest and penalties of $8.7 million, $9.2 million, and $6.9 million at December 31, 2016, 2015, and 2014, respectively.

NOTE 10 – NET INCOME (LOSS) PER SHARE

Basic net income (loss) per share is computed by dividing net income (loss) available to common stockholders by the weighted average number of common shares outstanding during the period. Diluted net income (loss) per share reflects the potential dilution that would occur if securities or other contracts to issue common stock were exercised or converted into common stock.

For the years ended December 31, 2016, 2015, and 2014, 386,771, 3,239,425, and 1,871,681, respectively, of common stock equivalents related to equity-based awards were not included in the diluted per share calculation as the shares would be antidilutive.

The 3.25% Convertible Senior Notes ("Convertible Notes") were not included in the computation of diluted net income (loss) per share for the years ended December 31, 2015, and 2014 because there is no excess value upon conversion over the principal amount of the Convertible Notes. The outstanding Convertible Notes were redeemed in the third quarter of 2016.

	Year ended December 31,		
In thousands except per share amounts	2016	2015	2014
Net income (loss) available to common stockholders	$55,352	$(367,183)	$(1,186,874)
Weighted average shares:			
Basic	159,853	129,639	102,441
Effect of stock-based compensation plans	3,606	—	—
Diluted	163,459	129,639	102,441
Income (loss) per share:			
Basic	$0.35	$(2.83)	$(11.59)
Diluted	$0.34	$(2.83)	$(11.59)

During the second quarter 2016, the Company completed a $75.0 million "at the market" common stock offering (the "$75.0 million offering"). In connection with the $75.0 million offering, the Company sold 9,253,016 shares of its common stock. During the third and fourth quarter 2016, the Company completed a $200.0 million "at the market" common stock offering (the "$200.0 million offering"). In connection with the $200.0 million offering, the Company sold 17,691,094 shares of its common stock.

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NOTE 11 – FAIR VALUE MEASUREMENTS

	Year ended December 31,		
In thousands	2016	2015	2014
Palmarejo royalty obligation embedded derivative	$(5,866)	$3,101	$(2,001)
Rochester net smelter returns ("NSR") royalty obligation	(4,133)	818	3,653
Silver and gold options	(1,582)	1,283	1,058
Foreign exchange contracts	—	—	908
Fair value adjustments, net	$(11,581)	$5,202	$3,618

Accounting standards establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1), secondary priority to quoted prices in inactive markets or observable inputs (Level 2), and the lowest priority to unobservable inputs (Level 3).

The following table presents the Company's financial assets and liabilities measured at fair value on a recurring basis (at least annually) by level within the fair value hierarchy. Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement:

	Fair Value at December 31, 2016			
In thousands	Total	Level 1	Level 2	Level 3
Assets:				
Equity securities	$4,488	$4,209	$—	$ 279
Liabilities:				
Rochester NSR royalty obligation	9,287	—	—	9,287
Other derivative instruments, net	762	—	762	—
	$10,049	$—	$762	$ 9,287

	Fair Value at December 31, 2015			
In thousands	Total	Level 1	Level 2	Level 3
Assets:				
Equity securities	$2,766	$2,756	$—	$10
Liabilities:				
Palmarejo royalty obligation embedded derivative	$4,957	$—	$—	$4,957
Rochester NSR royalty obligation	9,593	—	—	9,593
Other derivative instruments, net	508	—	508	—
	$15,058	$—	$508	$14,550

The Company's investments in equity securities are recorded at fair market value in the financial statements based primarily on quoted market prices. Such instruments are classified within Level 1 of the fair value hierarchy. Quoted market prices are not available for certain equity securities; these securities are valued using pricing models, which require the use of observable and unobservable inputs, and are classified within Level 3 of the fair value hierarchy.

The Company's silver and gold options and other derivative instruments, net, which relate to concentrate and certain doré sales contracts and foreign exchange contracts, are valued using pricing models, which require inputs that are derived from observable market data, including contractual terms, forward market prices, yield curves, credit spreads, and other unobservable inputs. The model inputs can generally be verified and do not involve significant management judgment. Such instruments are classified within Level 2 of the fair value hierarchy.

The fair value of the Palmarejo royalty obligation embedded derivative and Rochester NSR royalty obligation were estimated based on observable market data including contractual terms, forward silver and gold prices, yield curves, and credit spreads, as well as the Company's current mine plan which is considered a significant unobservable input. Therefore, the Company has classified these obligations as Level 3 financial liabilities. Based on current mine plans, 1.7 years was used to estimate the fair value of the Rochester NSR royalty obligation at December 31, 2016. At December 31, 2016, there was no Palmarejo royalty obligation or related embedded derivative as a result of the satisfaction of the minimum ounce obligation in the third quarter of 2016.

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No assets or liabilities were transferred between fair value levels in the year ended December 31, 2016.
The following tables present the changes in the fair value of the Company's Level 3 financial assets and liabilities for the years ended December 31, 2016, and 2015:

	Year ended December 31, 2016			
In thousands	Balance at the beginning of the period	Revaluation	Settlements	Balance at the end of the period
Assets:				
Equity securities	$10	$ 272	$ (3)	$ 279
Liabilities:				
Palmarejo royalty obligation embedded derivative	$4,957	$ 5,866	$ (10,823)	$ —
Rochester NSR royalty obligation	$9,593	$ 4,133	$ (4,439)	$ 9,287

	Year ended December 31, 2015			
In thousands	Balance at the beginning of the period	Revaluation	Settlements	Balance at the end of the period
Assets:				
Equity securities	$1,379	$ (983)	$ (386)	$ 10
Liabilities:				
Palmarejo royalty obligation embedded derivative	$21,912	$ (3,101)	$ (13,854)	$ 4,957
Rochester NSR royalty obligation	$15,370	$ (818)	$ (4,959)	$ 9,593

During 2016, Coeur recorded write-downs related to Mining properties totaling $4.4 million ($3.9 million net of tax). The operator of the Endeavor mine in Australia, on which the Company has a 100% silver stream, announced in early 2016 a significant curtailment of production due to low lead and zinc prices. As a result, Coeur recorded a $2.5 million write-down of the mineral interest associated with the Endeavor silver stream within the Coeur Capital segment at March 31, 2016. In April 2016, Coeur sold its tiered NSR royalty on the El Gallo mine to the operator, a subsidiary of McEwen Mining Inc., for total consideration of approximately $6.3 million, including $1 million in contingent consideration. In anticipation of this sale, the Company recorded a $1.9 million write-down of the mineral interest within the Coeur Capital segment at March 31, 2016.
During 2015, Coeur recorded write-downs related to Property, plant, and equipment and Mining properties totaling $313.3 million ($276.5 million net of tax). The fair values of Property, plant, and equipment and Mining properties were estimated using a discounted cash flow approach. The discounted cash flow model used significant unobservable inputs and is therefore classified within Level 3 for the fair value hierarchy. The following table sets forth the quantitative and qualitative information related to the unobservable inputs used in the calculation of the Company's non-recurring Level 3 fair value measurements:

Description	Valuation technique	Unobservable input	Range / Weighted Average
Property, plant, and equipment and Mining properties	Discounted cash flow	Discount rate	7.50% - 11.00%
		Long-term silver price	$17.50
		Long-term gold price	$1,200

During 2014, Coeur recorded write-downs related to Property, plant, and equipment and Mining properties totaling $1,472.7 million ($1,021.8 million net of tax). The fair values of Property, plant, and equipment and Mining properties were estimated using a discounted cash flow approach. The discounted cash flow model used significant unobservable inputs and is therefore classified within Level 3 for the fair value hierarchy. The following table sets forth the quantitative and qualitative information related to the unobservable inputs used in the calculation of the Company's non-recurring Level 3 fair value measurements:

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Description	Valuation technique	Unobservable input	Range / Weighted Average
Property, plant, and equipment and Mining properties	Discounted cash flow	Discount rate	8.00% - 10.75%
		Long-term silver price	$19.00
		Long-term gold price	$1,275

The fair value of financial assets and liabilities carried at book value in the financial statements at December 31, 2016 and December 31, 2015 is presented in the following table:

	December 31, 2016				
In thousands	Book Value	Fair Value	Level 1	Level 2	Level 3
Liabilities:					
7.875% Senior Notes due 2021(1)	$175,991	$184,373	$ —	$184,373	$ —

(1) Net of unamortized debt issuance costs and premium received of $2.0 million.

The fair values of 7.875% Senior Notes due 2021 (the "Senior Notes") outstanding were estimated using quoted market prices.

	December 31, 2015				
In thousands	Book Value	Fair Value	Level 1	Level 2	Level 3
Liabilities:					
3.25% Convertible Senior Notes due 2028	$712	$ 693	$ —	$ 693	$ —
Senior Notes(1)	373,432	227,487	—	227,487	—
Term Loan due 2020(2)	94,489	99,500	—	99,500	—
San Bartolomé Lines of Credit	4,571	4,571	—	4,571	—
Palmarejo gold production royalty obligation	15,207	15,580	—	—	15,580

(1) Net of unamortized debt issuance costs and premium received of $5.3 million.
(2) Net of unamortized debt issuance costs of $5.0 million.

The fair values of the Senior Notes outstanding were estimated using quoted market prices. The fair value of the Term Loan due 2020 (the "Term Loan") approximates book value (excluding unamortized debt issuance costs) as the liability is secured, has a variable interest rate, and lacks significant credit concerns. The fair value of the San Bartolomé line of credit approximates book value due to the short-term nature of the liability and absence of significant interest rate or credit concerns. The fair value of the Palmarejo gold production royalty obligation is estimated based on observable market data including contractual terms, forward silver and gold prices, yield curves, and credit spreads, as well as the Company's current mine plan which is considered a significant unobservable input.

NOTE 12 – DERIVATIVE FINANCIAL INSTRUMENTS

Palmarejo Gold Production Royalty

In January 2009, the Company's subsidiary, Coeur Mexicana, S.A. de C.V. ("Coeur Mexicana"), entered into a gold production royalty agreement with a subsidiary of Franco-Nevada Corporation. The royalty covered 50% of the life of mine production from the Palmarejo mine and legacy adjacent properties, excluding production from the properties acquired in the 2015 Paramount Gold and Silver Corp. ("Paramount") acquisition. The royalty transaction included a minimum obligation of 4,167 gold ounces per month and terminated effective as of the date payments on 400,000 gold ounces were made, which occurred in July 2016.

The price volatility associated with the minimum royalty obligation was considered an embedded derivative. The Company was required to recognize the change in fair value of the remaining minimum obligation due to changing gold prices. Unrealized gains were recognized in periods when the gold price decreased from the previous period and unrealized losses were recognized in periods when the gold price increases. The fair value of the embedded derivative

was reflected net of the Company's current credit adjusted risk free rate, which was 19.9% at December 31, 2015. The fair value of the embedded derivative at December 31, 2015 was a liability of $5.0 million. For the years ended December 31, 2016, 2015, and 2014, the mark-to-market adjustments were losses of $5.9 million and gains of $17.0 million, and $18.4 million, respectively.
Payments on the royalty obligation decreased the carrying amount of the minimum obligation and the derivative liability. Each monthly payment was an amount equal to the greater of the minimum of 4,167 ounces of gold or 50% of actual gold production

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multiplied by the excess of the monthly average market price of gold above $416 per ounce, subject to a 1% annual inflation adjustment. For the years ended December 31, 2016, 2015, and 2014 realized losses on settlement of the liabilities were $10.8 million, $13.9 million, and $20.4 million , respectively. The mark-to-market adjustments and realized losses are included in Fair value adjustments, net.

Provisional Silver and Gold Sales

The Company enters into sales contracts with third-party smelters and refiners which, in some cases, provide for a provisional payment based upon preliminary assays and quoted metal prices. The provisionally priced sales contracts contain an embedded derivative that is required to be separated from the host contract for accounting purposes. The host contract is the receivable recorded at the forward price at the time of sale. The embedded derivatives do not qualify for hedge accounting and are marked to market through earnings each period until final settlement. Changes in silver and gold prices resulted in provisional pricing mark-to-market losses of $0.3 million, gains of $0.3 million, and losses of $0.1 million in the years ended December 31, 2016, 2015, and 2014, respectively. At December 31, 2016, the Company had outstanding provisionally priced sales of 0.4 million ounces of silver and 25,505 ounces of gold at prices of $16.35 and $1,208, respectively.

At December 31, 2016, the Company had the following derivative instruments that settle as follows:

In thousands except average prices and notional ounces	2017	Thereafter
Provisional silver sales	$5,801	$ —
Average silver price	$16.35	$ —
Notional ounces	354,771	—
Provisional gold sales	$30,810	$ —
Average gold price	$1,208	$ —
Notional ounces	25,505	—

Silver and Gold Options

During the years ended December 31, 2016, 2015, and 2014 the Company had realized losses of $1.6 million, realized gains of $1.3 million, and realized losses of $0.6 million, respectively, from settled contracts. During the year ended December 31, 2014, the Company recorded unrealized gains of $1.5 million. During the years ended December 31, 2016, and 2015, the Company had no unrealized gains or losses related to outstanding options which were included in Fair value adjustments, net. At December 31, 2016, the Company had no outstanding gold and silver options contracts.

The following summarizes the classification of the fair value of the derivative instruments:

	December 31, 2016			
In thousands	Prepaid expenses and other	Accrued liabilities and other	Current portion of royalty obligation	Non-current portion of royalty obligation
Provisional silver and gold sales contracts	$ —	$ 762	$ —	$ —

	December 31, 2015			
In thousands	Prepaid expenses and other	Accrued liabilities and other	Current portion of royalty obligation	Non-current portion of royalty obligation
Palmarejo gold production royalty	$ —	$ —	$ 4,957	$ —
Provisional silver and gold sales contracts	28	536	—	—
	$ 28	$ 536	$ 4,957	$ —

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The following represent mark-to-market gains (losses) on derivative instruments for the years ended December 31, 2016, 2015, and 2014 and 2015 (in thousands):

		Year ended December 31,		
Financial statement line	Derivative	2016	2015	2014
Revenue	Provisional silver and gold sales contracts	$(254)	$296	(123)
Costs applicable to sales	Foreign exchange contracts	—	—	924
Fair value adjustments, net	Foreign exchange contracts	—	—	(16)
Fair value adjustments, net	Palmarejo gold royalty	(5,866)	3,101	(2,001)
Fair value adjustments, net	Silver and gold options	(1,582)	1,283	1,058
		$(7,702)	$4,680	$(158)

Credit Risk

The credit risk exposure related to any derivative instrument is limited to the unrealized gains, if any, on outstanding contracts based on current market prices. To reduce counter-party credit exposure, the Company enters into contracts with institutions management deems credit worthy and limits credit exposure to each institution. The Company does not anticipate non-performance by any of its counterparties.

NOTE 13 – ACQUISITIONS

In April 2015, the Company completed the acquisition of Paramount, which held mineral claims adjacent to the Company's Palmarejo mine, including a continuation of the Independencia deposit. Upon closing, Paramount became a wholly-owned subsidiary of the Company, and each issued and outstanding share of Paramount common stock was converted into 0.2016 shares of Coeur common stock, with cash paid in lieu of fractional shares. Immediately prior to completion of the acquisition, Paramount spun off to its existing stockholders a separate, publicly-traded company, Paramount Gold Nevada Corp. ("SpinCo"), which owns the Sleeper Gold Project and other assets in Nevada. SpinCo was capitalized with $8.5 million in cash contributed by Coeur, which amount has been included in the total consideration paid for the acquisition of Paramount. The Company also paid $1.5 million to acquire 4.9% of the newly issued and outstanding shares of SpinCo.

The transaction was accounted for as an asset acquisition, as Paramount is an exploration stage project, which requires that the total purchase price be allocated to the assets acquired and liabilities assumed based on their relative fair values. The purchase price and acquired assets and liabilities were as follows (in thousands except share data):

Common shares issued (32,667,327 at $5.78)	$188,817
Cash	8,530
Transaction advisory fees and other acquisition costs	4,020
Total purchase price	201,367
Total assets acquired	307,193
Total liabilities assumed	105,826
Net assets acquired	$201,367

The assets acquired and liabilities assumed have been assigned to the Palmarejo reportable operating segment.

In February 2015, the Company completed its acquisition of the Wharf gold mine located near Lead, South Dakota, from a subsidiary of Goldcorp in exchange for $99.4 million in cash. The transaction was accounted for as a business combination which requires that assets acquired and liabilities assumed be recognized at their respective fair values at the acquisition date. The Company incurred $2.1 million of acquisition costs, which are included in Pre-development, reclamation, and other on the Consolidated Statements of Comprehensive Income (Loss).

Coeur Mining, Inc. and Subsidiaries
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The purchase price allocation was based on the fair value of acquired assets and liabilities as follows (in thousands):

Total assets acquired	133,269
Total liabilities assumed	33,873
Net assets acquired	$99,396

The following table presents the unaudited pro forma summary of the Company's Consolidated Statements of Comprehensive Income (Loss) for the years ended December 31, 2016, 2015, and 2014 as if the acquisition had occurred on January 1, 2014. The following unaudited pro forma financial information is presented for informational purposes only and is not necessarily indicative of the results of operations as they would have been had the transaction occurred on the assumed date, nor is it necessarily an indication of trends in future results for a number of reasons, including, but not limited to, differences between the assumptions used to prepare the pro forma information, potential synergies, and cost savings from operating efficiencies.

In thousands	2016	2015 (Pro Forma)	2014 (Pro Forma)
Revenue	$665,777	$664,086	$729,742
Income (loss) before income and mining taxes	1,113	(393,498)	(1,587,128)
Net income (loss)	55,352	(367,235)	(1,158,874)

NOTE 14 – INVESTMENTS

Equity Securities

The Company makes strategic investments in equity securities of silver and gold exploration and development companies. These investments are classified as available-for-sale and are measured at fair value in the financial statements with unrealized gains and losses recorded in Other comprehensive income (loss).

	At December 31, 2016			
In thousands	Cost	Gross Unrealized Losses	Gross Unrealized Gains	Estimated Fair Value
Kootenay Silver, Inc.	$2,645	$ —	$ —	$ 2,645
Silver Bull Resources, Inc.	233	—	783	1,016
Other	229	—	598	827
Equity securities	$3,107	$ —	$ 1,381	$ 4,488

	At December 31, 2015			
In thousands	Cost	Gross Unrealized Losses	Gross Unrealized Gains	Estimated Fair Value
Paramount Gold Nevada Corp.	$1,470	$ (1,036)	$ —	$ 434
Northair Silver Corp.	725	—	9	734
Agnico-Eagle Mines Ltd.	420	—	518	938
Silver Bull Resources, Inc.	305	—	—	305
Other	466	(143)	32	355
Equity securities	$3,386	$ (1,179)	$ 559	$ 2,766

The Company performs a quarterly assessment on each of its equity securities with unrealized losses to determine if the security is other than temporarily impaired. The Company recorded pre-tax other-than-temporary impairment losses of $0.7 million, $2.3 million, and $6.6 million in the years ended December 31, 2016, 2015, and 2014, respectively, in Other, net.

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NOTE 15 – RECEIVABLES

Receivables consist of the following:

In thousands	December 31, 2016	December 31, 2015
Current receivables:		
Trade receivables	$ 10,669	$ 17,878
Income tax receivable	1,038	13,678
Value added tax receivable	46,083	50,669
Other	2,641	3,767
	$ 60,431	$ 85,992
Non-current receivables:		
Value added tax receivable	$ 19,293	$ 24,768
Income tax receivable	11,658	—
	30,951	24,768
Total receivables	$ 91,382	$ 110,760

NOTE 16 – INVENTORY AND ORE ON LEACH PADS

Inventory consists of the following:

In thousands	December 31, 2016	December 31, 2015
Inventory:		
Concentrate	$ 17,994	$ 16,165
Precious metals	47,228	21,908
Supplies	40,804	43,638
	$ 106,026	$ 81,711
Ore on leach pads:		
Current	$ 64,167	$ 67,329
Non-current	67,231	44,582
	$ 131,398	$ 111,911
Total inventory and ore on leach pads	$ 237,424	$ 193,622

NOTE 17 – PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following:

In thousands	December 31, 2016	December 31, 2015
Land	$ 7,878	$ 8,287
Facilities and equipment	650,480	654,585
Assets under capital leases	54,968	30,648
	713,326	693,520
Accumulated amortization	(524,806)	(514,509)
	188,520	179,011
Construction in progress	28,276	16,988
Property, plant and equipment, net	$ 216,796	$ 195,999

Rent expense for operating lease agreements was $16.8 million, $14.3 million, and $11.2 million for the years ended December 31, 2016, 2015, and 2014, respectively.

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NOTE 18 – MINING PROPERTIES
Mining properties consist of the following (in thousands):

December 31, 2016	Palmarejo	Rochester	Kensington	Wharf	San Bartolomé	La Preciosa	Joaquin	Coeur Capital	Total
Mine development	$174,890	$165,230	$271,175	$37,485	$39,184	$—	$—	$—	$687,964
Accumulated amortization	(134,995)	(138,244)	(154,744)	(11,699)	(32,192)	—	—	—	(471,874)
	39,895	26,986	116,431	25,786	6,992	—	—	—	216,090
Mineral interests	629,303	—	—	45,837	12,868	49,085	10,000	37,272	784,365
Accumulated amortization	(381,686)	—	—	(19,249)	(11,695)	—	—	(29,370)	(442,000)
	247,617	—	—	26,588	1,173	49,085	10,000	7,902	342,365
Mining properties, net	$287,512	$26,986	$116,431	$52,374	$8,165	$49,085	$10,000	$7,902	$558,455

December 31, 2015	Palmarejo	Rochester	Kensington	Wharf	San Bartolomé	La Preciosa	Joaquin	Coeur Capital	Total
Mine development	$151,828	$149,756	$238,786	$32,318	$39,474	$—	$—	$—	$612,162
Accumulated amortization	(131,055)	(126,242)	(131,236)	(5,784)	(30,325)	—	—	—	(424,642)
	20,773	23,514	107,550	26,534	9,149	—	—	—	187,520
Mineral interests	629,303	—	—	45,837	12,868	49,085	10,000	59,343	806,436
Accumulated amortization	(348,268)	—	—	(10,551)	(11,400)	—	—	(34,518)	(404,737)
	281,035	—	—	35,286	1,468	49,085	10,000	24,825	401,699
Mining properties, net	$301,808	$23,514	$107,550	$61,820	$10,617	$49,085	$10,000	$24,825	$589,219

Palmarejo is located in the State of Chihuahua in northern Mexico and consists of the Palmarejo mine and mill, the Guadalupe underground mine, the Independencia underground mine, and other deposits and exploration targets. Palmarejo commenced production in April 2009.
The Rochester silver and gold mine, located in northwestern Nevada has been operated by the Company since September 1986. The mine utilizes heap-leaching to extract both silver and gold from ore mined using open pit methods.
The Kensington mine is an underground gold mine and consists of the Kensington and adjacent Jualin properties located north-northwest of Juneau, Alaska. The Company commenced commercial production in July 2010.
The Wharf gold mine is an open pit gold mine located near the city of Lead, South Dakota. The Company acquired Wharf in February 2015.
The San Bartolomé mine is a silver mine located near the city of Potosi, Bolivia. The Company commenced commercial production at San Bartolomé in June 2008.
The La Preciosa silver-gold project is located in the State of Durango in northern Mexico. The Company completed a feasibility study in 2014 and has deferred construction activities until expected returns improve.
The Joaquin silver-gold project is located in the Santa Cruz province of southern Argentina. The Company commenced exploration of the property in November 2007. In January 2017, the Company entered into an agreement to sell the Joaquin silver-gold exploration project for total consideration of $25.0 million. The Company will also retain a 2.0% NSR royalty on the Joaquin project. The transaction is expected to close in the first quarter of 2017, subject to customary closing conditions.
The Company's mineral interests held by Coeur Capital primarily consist of the Endeavor silver stream, acquired by the Company in May 2005, under which the Company owns all silver production and reserves up to 20.0 million ounces at the Endeavor mine in Australia, owned and operated by Cobar Operations Pty. Limited. The Company has

received 6.0 million ounces to-date and the current ore reserve contains 1.4 million ounces. The operator of the Endeavor mine announced in early 2016 a significant curtailment of production due to low lead and zinc prices. As a result, Coeur recorded a $2.5 million write-down of the mineral interest associated with the Endeavor silver stream within the Coeur Capital segment at March 31, 2016.

Non-core Asset Sales

In March 2016, Coeur sold its 2.0% NSR royalty on the Cerro Bayo mine to the operator, a subsidiary of Mandalay Resources Corporation (“Mandalay”), for total consideration of approximately $5.7 million, consisting of $4.0 million in cash and 2.5 million Mandalay shares. The Company recognized a $1.9 million pre-tax gain on this sale. The mineral interest associated with the Cerro Bayo mine was included in the Coeur Capital segment.

In April 2016, Coeur sold its tiered NSR royalty on the El Gallo mine to the operator, a subsidiary of McEwen Mining Inc., for total consideration of approximately $6.3 million, including $1 million in contingent consideration. In anticipation of this sale, the Company recorded a $1.9 million write-down of the mineral interest within the Coeur Capital segment at March 31, 2016.

In April 2016, Coeur sold its 2.5% NSR royalty on the La Cigarra project to Kootenay Silver Inc. for total consideration of approximately $3.6 million, consisting of $0.5 million in cash and 9.6 million Kootenay shares. The Company recognized a $1.2 pre-tax gain on this sale. The mineral interest associated with La Cigarra was included in the Coeur Capital segment.

In May 2016, Coeur sold its Martha assets and related liabilities in Argentina to Hunt Mining Corp. for total cash consideration of $3.0 million, including $1.5 million received at closing and $1.5 million receivable on the one-year anniversary of the closing. The Company recognized a $5.3 million pre-tax gain on this sale.

In July 2016, the Company sold its NSR royalty on the Correnso mine in New Zealand to the operator, a subsidiary of Oceana Gold Corporation, for total consideration of $5.4 million, including $0.7 million in contingent consideration. The Company recognized a $4.7 million pre-tax gain on this sale.

Coeur Mining, Inc. and Subsidiaries
Notes to Consolidated Financial Statements

NOTE 19 – DEBT

	December 31, 2016		December 31, 2015	
In thousands	Current	Non-Current	Current	Non-Current
Senior Notes, net[1]	$—	$ 175,991	$—	$ 373,433
3.25% Convertible Senior Notes due 2028	—	—	—	712
Term Loan due 2020, net[2]	—	—	1,000	93,489
San Bartolomé Lines of Credit	—	—	—	4,571
Capital lease obligations	12,039	22,866	9,431	7,774
	$12,039	$ 198,857	$10,431	$ 479,979

(1) Net of unamortized debt issuance costs and premium received of $2.0 million and $5.3 million at December 31, 2016 and December 31, 2015, respectively.
(2) Net of unamortized debt issuance costs of $5.0 million at December 31, 2015.

7.875% Senior Notes due 2021
In December 2016, the Company redeemed $190.0 million aggregate principal amount of its Senior Notes. The “make-whole premium” redemption price payment of $9.0 million was calculated in accordance with the terms and conditions of the Notes. The redemption of the Senior Notes resulted in a loss of $11.3 million.
In August 2016, the Company entered into two privately-negotiated agreements to exchange $10.8 million in aggregate principal amount of its Senior Notes for 0.7 million shares of common stock. Based on the closing price of the Company's common stock on the date of the exchange, the exchange resulted in a loss of $1.2 million.
In November 2015, the Company entered into a privately-negotiated agreement to exchange $54.2 million in aggregate principal amount of its Senior Notes for 14.4 million shares of common stock. Based on the closing price of the Company's common stock on the date of the exchange, the exchange resulted in a gain of $15.9 million. During 2015 and 2014, the Company repurchased $71.3 million in aggregate principal amount of the Senior Notes.
On or after February 1, 2017, the Company may redeem some or all of the Senior Notes at the applicable redemption prices set forth in the Indenture for the Senior Notes, together with accrued and unpaid interest.
In March 2014, the Company completed a follow-on offering of $150 million in aggregate principal amount of the Senior Notes (the “Additional Notes”) in a private placement conducted pursuant to Rule 144A and Regulation S under the Securities Act of 1933, as amended (the “Securities Act”). The Additional Notes constitute a further issuance of the Original Notes (as defined below) and form a single series of debt securities with the Original Notes. Upon completion of Coeur’s offering of the Additional Notes, the aggregate principal amount of the outstanding Senior Notes was $450.0 million. The Company commenced an exchange offer for the Additional Notes on April 10, 2014 to exchange the Additional Notes for freely transferable notes containing substantially similar terms, in accordance with the registration rights granted to the holders of the Additional Notes when they were issued. The exchange offer was consummated on May 9, 2014.
3.25% Convertible Senior Notes due 2028
In July 2016, all outstanding Convertible Notes were redeemed for $0.7 million.
Term Loan due 2020
In July 2016, the Company voluntarily terminated and repaid the Term Loan for $103.4 million including the $99.0 million remaining principal balance and a $4.4 million prepayment premium. The termination of the Term Loan resulted in a loss of $8.8 million.
In July 2015, the Company and certain of its subsidiaries entered into a credit agreement for the Term Loan with Barclays Bank PLC, as administrative agent (the “Term Loan Credit Agreement”). The Term Loan Credit Agreement provided for a five year $100.0 million term loan to the Company, of which a portion of the proceeds were used to repay the Short-term Loan, and the remaining proceeds were used for general corporate purposes. The obligations under the Term Loan were secured by substantially all of the assets of the Company and its domestic subsidiaries, including the land, mineral rights and infrastructure at the Kensington, Rochester and Wharf mines, as well as a pledge of the shares of certain of the Company's subsidiaries.

Lines of Credit

At December 31, 2016, San Bartolomé had an available line of credit for $12.0 million that matures in June 30, 2018, bearing interest at 6.0% per annum, which is secured with machinery and equipment. There was no outstanding balance at December 31, 2016.

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At December 31, 2015, San Bartolomé had two outstanding lines of credit. The first line of credit was for $12.0 million bearing interest at 6.0% per annum, maturing June 30, 2018. The second line of credit was for $15.0 million bearing interest at 6.0% per annum that matured on December 29, 2016. Both lines of credit were secured with machinery and equipment. There was an outstanding balance of $4.6 million on the second line of credit at December 31, 2015.

Short-term Loan

In March 2015, the Company entered into a credit agreement (the “Short-term Credit Agreement”) with The Bank of Nova Scotia. The Short-term Credit Agreement provided for a $50.0 million loan (the “Short-term Loan”) to the Company. On June 25, 2015, the Short-term Loan was repaid in full, the security for the Short-term Loan was released, and the Short-term Credit Agreement was terminated.

Capital Lease Obligations

From time to time, the Company acquires mining equipment under capital lease agreements. In 2016, the Company entered into new lease financing arrangements primarily for a larger haul truck fleet at its Rochester mine and mining equipment to support the continued underground mine expansion at the Palmarejo complex. All capital lease obligations are recorded, upon lease inception, at the present value of future minimum lease payments.

Minimum future lease payments under capital and operating leases with terms longer than one year are as follows:

At December 31, (In thousands)

	Operating leases	Capital leases
2017	$ 13,709	$ 13,292
2018	5,514	10,968
2019	5,304	6,481
2020	3,891	3,675
2021	3,095	2,886
Thereafter	8,716	44
Total	$ 40,229	$ 37,346
Less: imputed interest	—	(2,441)
Net lease obligation	$ 40,229	$ 34,905

Interest Expense

	Year ended December 31,		
In thousands	2016	2015	2014
7.875% Senior Notes due 2021	$ 28,871	$ 33,437	$ 32,741
3.25% Convertible Senior Notes due 2028	13	54	173
Term Loan due 2020	4,939	4,719	—
Short-term Loan	—	326	—
San Bartolomé Lines of Credit	15	795	—
Revolving Credit Facility	—	—	179
Loss on Revolving Credit Facility	—	—	3,035
Capital lease obligations	1,437	1,035	972
Accretion of Palmarejo gold production royalty obligation	1,211	6,567	10,773
Amortization of debt issuance costs	1,933	2,257	1,740
Accretion of debt premium	(345)	(409)	(357)
Other debt obligations	72	20	—
Capitalized interest	(1,226)	(3,098)	(1,710)
Total interest expense, net of capitalized interest	$ 36,920	$ 45,703	$ 47,546

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Notes to Consolidated Financial Statements

NOTE 20 - SUPPLEMENTAL GUARANTOR INFORMATION
The following Consolidating Financial Statements are presented to satisfy disclosure requirements of Rule 3-10 of Regulation S-X resulting from the guarantees by Coeur Alaska, Inc., Coeur Explorations, Inc., Coeur Rochester, Inc., Coeur South America Corp., Wharf Resources (U.S.A.), Inc. and its subsidiaries, and Coeur Capital, Inc. (collectively, the “Subsidiary Guarantors”) of the Senior Notes. The following schedules present Consolidating Financial Statements of (a) Coeur, the parent company; (b) the Subsidiary Guarantors; and (c) certain wholly-owned domestic and foreign subsidiaries of the Company (collectively, the “Non-Guarantor Subsidiaries”). Each of the Subsidiary Guarantors is 100% owned by Coeur and the guarantees are full and unconditional and joint and several obligations. There are no restrictions on the ability of Coeur to obtain funds from the Subsidiary Guarantors by dividend or loan.

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CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE INCOME (LOSS)
YEAR ENDED DECEMBER 31, 2016

In thousands	Coeur Mining, Inc.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Revenue	$—	$ 423,488	$ 242,289	$—	$ 665,777
COSTS AND EXPENSES					
Costs applicable to sales(1)	—	252,836	156,705	—	409,541
Amortization	1,558	77,392	44,211	—	123,161
COSTS AND EXPENSES					
General and administrative	28,704	250	422	—	29,376
Exploration	1,596	6,127	5,207	—	12,930
Write-downs	—	—	4,446	—	4,446
Pre-development, reclamation, and other	2,044	5,839	9,336	—	17,219
Total costs and expenses	33,902	342,444	220,327	—	596,673
OTHER INCOME (EXPENSE), NET					
Loss on debt extinguishments	(21,365)	—	—	—	(21,365)
Fair value adjustments, net	(1,635)	(4,133)	(5,813)	—	(11,581)
Other, net	4,357	2,139	463	(5,084)	1,875
Interest expense, net of capitalized interest	(35,158)	(861)	(5,985)	5,084	(36,920)
Total other income (expense), net	(53,801)	(2,855)	(11,335)	—	(67,991)
Loss before income and mining taxes	(87,703)	78,189	10,627	—	1,113
Income and mining tax (expense) benefit	11,733	(7,517)	50,023	—	54,239
Total loss after income and mining taxes	(75,970)	70,672	60,650	—	55,352
Equity income (loss) in consolidated subsidiaries	131,322	(4,353)	—	(126,969)	—
NET INCOME (LOSS)	$ 55,352	$ 66,319	$ 60,650	$ (126,969)	$ 55,352
OTHER COMPREHENSIVE INCOME (LOSS), net of tax:					
Unrealized gain (loss) on marketable securities, net of tax	3,222	3,156	—	(3,156)	3,222
Reclassification adjustments for impairment of equity securities, net of tax	703	703	—	(703)	703
Reclassification adjustments for realized loss on sale of equity securities, net of tax	(2,691)	(3,181)	—	3,181	(2,691)
Other comprehensive income (loss)	1,234	678	—	(678)	1,234
COMPREHENSIVE INCOME (LOSS)	$ 56,586	$ 66,997	$ 60,650	$ (127,647)	$ 56,586

(1) Excludes amortization.

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CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE INCOME (LOSS)
YEAR ENDED DECEMBER 31, 2015

In thousands	Coeur Mining, Inc.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Revenue	$—	$ 378,278	$ 267,808	$ —	$ 646,086
COSTS AND EXPENSES					
Costs applicable to sales[(1)]	—	261,830	217,824	—	479,654
Amortization	1,991	83,325	58,435	—	143,751
COSTS AND EXPENSES					
General and administrative	32,405	35	394	—	32,834
Exploration	2,265	3,931	5,451	—	11,647
Write-downs	—	1,630	311,707	—	313,337
Pre-development, reclamation, and other	4,083	5,920	7,790	—	17,793
Total costs and expenses	40,744	356,671	601,601	—	999,016
OTHER INCOME (EXPENSE), NET					
Gain on debt extinguishments	15,916	—	—	—	15,916
Fair value adjustments, net	1,224	818	3,160	—	5,202
Other, net	4,336	(3,106)	(13,385)	(3,776)	(15,931)
Interest expense, net of capitalized interest	(39,867)	(966)	(8,646)	3,776	(45,703)
Total other income (expense), net	(18,391)	(3,254)	(18,871)	—	(40,516)
Income (Loss) before income and mining taxes	(59,135)	18,353	(352,664)	—	(393,446)
Income and mining tax (expense) benefit	1,827	(2,354)	26,790	—	26,263
Income (Loss) after income and mining taxes	(57,308)	15,999	(325,874)	—	(367,183)
Equity income (loss) in consolidated subsidiaries	(309,875)	(14,814)	—	324,689	—
NET INCOME (LOSS)	$(367,183)	$ 1,185	$ (325,874)	$ 324,689	$ (367,183)
OTHER COMPREHENSIVE INCOME (LOSS), net of tax:					
Unrealized gain (loss) on equity securities, net of tax	(4,154)	(3,118)	—	3,118	(4,154)
Reclassification adjustments for impairment of equity securities, net of tax	2,346	2,346	—	(2,346)	2,346
Reclassification adjustments for realized loss on sale of equity securities, net of tax	894	894	—	(894)	894
Other comprehensive income (loss)	(914)	122	—	(122)	(914)
COMPREHENSIVE INCOME (LOSS)	$(368,097)	$ 1,307	$ (325,874)	$ 324,567	$ (368,097)

(1) Excludes amortization.

CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE INCOME (LOSS)
YEAR ENDED DECEMBER 31, 2014

In thousands	Coeur Mining, Inc.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Revenue	$—	$ 261,963	$ 373,779	$—	$635,742
COSTS AND EXPENSES					
Costs applicable to sales[(1)]	—	196,805	281,140	—	477,945
Amortization	1,805	65,100	95,531	—	162,436
COSTS AND EXPENSES					
General and administrative	39,976	6	863	—	40,845
Exploration	3,560	11,157	7,023	—	21,740

Write-downs	—	107,832	1,364,889	—	1,472,721
Pre-development, reclamation, and other	8,813	3,889	13,335	—	26,037
Total costs and expenses	54,154	384,789	1,762,781	—	2,201,724
OTHER INCOME (EXPENSE), NET					
Fair value adjustments, net	1,812	3,653	(1,847)	—	3,618
Other, net	4,406	(7,023)	227	(2,828)	(5,218)
Interest expense, net of capitalized interest	(38,389)	(891)	(11,094)	2,828	(47,546)
Total other income (expense), net	(32,171)	(4,261)	(12,714)	—	(49,146)
Income (Loss) before income and mining taxes	(86,325)	(127,087)	(1,401,716)	—	(1,615,128)
Income and mining tax (expense) benefit	1,742	(2,224)	428,736	—	428,254
Income (Loss) after income and mining taxes	(84,583)	(129,311)	(972,980)	—	(1,186,874)
Equity income (loss) in consolidated subsidiaries	(1,102,291)	(4,181)	—	1,106,472	—
NET INCOME (LOSS)	$(1,186,874)	$(133,492)	$(972,980)	$1,106,472	$(1,186,874)
OTHER COMPREHENSIVE INCOME (LOSS), net of tax:					
Unrealized gain (loss) on equity securities, net of tax	(2,290)	(2,272)	—	2,272	(2,290)
Reclassification adjustments for impairment of equity securities, net of tax	4,042	4,042	—	(4,042)	4,042
Reclassification adjustments for realized loss on sale of equity securities, net of tax	346	328	—	(328)	346
Other comprehensive income (loss)	2,098	2,098	—	(2,098)	2,098
COMPREHENSIVE INCOME (LOSS)	$(1,184,776)	$(131,394)	$(972,980)	$1,104,374	$(1,184,776)

(1) Excludes amortization.

Coeur Mining, Inc. and Subsidiaries
Notes to Consolidated Financial Statements

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2016

In thousands	Coeur Mining, Inc.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash provided by (used in) operating activities	$62,207	$ 134,892	$ 55,687	$ (126,969)	125,817
CASH FLOWS FROM INVESTING ACTIVITIES					
Capital expenditures	(246)	(58,084)	(42,683)	—	(101,013)
Proceeds from the sale of long-lived assets	—	4,800	11,496	—	16,296
Purchase of investments	(178)	—	—	—	(178)
Sales and maturities of investments	501	6,576	—	—	7,077
Acquisitions, net of cash acquired	—	—	(1,417)	—	(1,417)
Other	(4,396)	368	(180)	—	(4,208)
Investments in consolidated subsidiaries	(107,855)	25,047	—	82,808	—
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(112,174)	(21,293)	(32,784)	82,808	(83,443)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Payments on debt, capital leases, and associated costs	(303,686)	(10,894)	(8,221)	—	(322,801)
Gold production royalty payments	—	—	(27,155)	—	(27,155)
Net intercompany financing activity	45,850	(86,914)	(3,097)	44,161	—
Issuance of common stock	269,556	—	—	—	269,556
Other	172	—	—	—	172
CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	11,892	(97,808)	(38,473)	44,161	(80,228)
Effect of exchange rate changes on cash and cash equivalents	—	4	(682)	—	(678)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(38,075)	15,795	(16,252)	—	(38,532)
Cash and cash equivalents at beginning of period	96,123	34,228	70,363	—	200,714
Cash and cash equivalents at end of period	$58,048	$ 50,023	$ 54,111	$—	$ 162,182

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2015

In thousands	Coeur Mining, Inc.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash provided by (used in) operating activities	$ (377,091)	$ 86,486	$ 79,458	$ 324,689	113,542
CASH FLOWS FROM INVESTING ACTIVITIES					
Capital expenditures	(514)	(52,376)	(42,303)	—	(95,193)

Proceeds from the sale of long-lived assets	—	289	318	—	607
Purchase of investments	(1,880)	—	—	—	(1,880)
Sales and maturities of investments	2	532	71	—	605
Acquisitions, net of cash acquired	(110,846)	—	—	—	(110,846)
Other	(4,710)	234	(110)	—	(4,586)
Investments in consolidated subsidiaries	282,041	20,239	120	(302,400)	—
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	164,093	(31,082)	(41,904)	(302,400)	(211,293)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Issuance of notes and bank borrowings	150,000	—	3,500	—	153,500
Payments on debt, capital leases, and associated costs	(62,930)	(7,428)	(14,357)	—	(84,715)
Gold production royalty payments	—	—	(39,235)	—	(39,235)
Net intercompany financing activity	12,232	(19,518)	29,575	(22,289)	—
Other	(542)	—	—	—	(542)
CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	98,760	(26,946)	(20,517)	(22,289)	29,008
Effect of exchange rate changes on cash and cash equivalents	—	(11)	(1,393)	—	(1,404)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(114,238)	28,447	15,644	—	(70,147)
Cash and cash equivalents at beginning of period	210,361	5,781	54,719	—	270,861
Cash and cash equivalents at end of period	$96,123	$ 34,228	$ 70,363	$—	$ 200,714

Coeur Mining, Inc. and Subsidiaries
Notes to Consolidated Financial Statements

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2014

In thousands	Coeur Mining, Inc.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash provided by (used in) operating activities	$(1,175,464)	$ 41,292	$ 81,248	$1,106,472	53,548
CASH FLOWS FROM INVESTING ACTIVITIES					
Capital expenditures	(1,849)	(28,118)	(34,277)	—	(64,244)
Proceeds from the sale of long-lived assets	—	48	281	—	329
Purchase of investments	(50,013)	(429)	(71)	—	(50,513)
Sales and maturities of investments	49,069	5,261	14	—	54,344
Acquisitions, net of cash acquired	(12,079)	(4,000)	(5,250)	—	(21,329)
Other	—	—	(321)	—	(321)
Investments in consolidated subsidiaries	1,151,372	4,106	—	(1,155,478)	—
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	1,136,500	(23,132)	(39,624)	(1,155,478)	(81,734)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Issuance of notes and bank borrowings	153,000	—	14,784	—	167,784
Payments on debt, capital leases, and associated costs	(18,545)	(6,114)	(1,243)	—	(25,902)
Gold production royalty payments	—	—	(48,395)	—	(48,395)
Net intercompany financing activity	(21,697)	(7,256)	(20,053)	49,006	—
Other	(509)	—	—	—	(509)
CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	112,249	(13,370)	(54,907)	49,006	92,978
Effect of exchange rate changes on cash and cash equivalents	—	—	(621)	—	(621)
NET CHANGE IN CASH AND CASH EQUIVALENTS	73,285	4,790	(13,904)	—	64,171
Cash and cash equivalents at beginning of period	137,076	991	68,623	—	206,690
Cash and cash equivalents at end of period	$210,361	$ 5,781	$ 54,719	$—	$ 270,861

Coeur Mining, Inc. and Subsidiaries
Notes to Consolidated Financial Statements

CONDENSED CONSOLIDATING BALANCE SHEET
DECEMBER 31, 2016

In thousands	Coeur Mining, Inc.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	$58,048	$ 50,023	$ 54,111	$—	$162,182
Receivables	12	6,865	53,554	—	60,431
Ore on leach pads	—	64,167	—	—	64,167
Inventory	—	49,393	56,633	—	106,026
Prepaid expenses and other	3,803	1,459	12,719	—	17,981
	61,863	171,907	177,017	—	410,787
NON-CURRENT ASSETS					
Property, plant and equipment, net	3,222	139,885	73,689	—	216,796
Mining properties, net	—	195,791	362,664	—	558,455
Ore on leach pads	—	67,231	—	—	67,231
Restricted assets	10,170	226	7,201	—	17,597
Equity securities	—	4,488	—	—	4,488
Receivables	—	—	30,951	—	30,951
Deferred tax assets	—	—	191	—	191
Net investment in subsidiaries	273,056	11,650	—	(284,706)	—
Other	221,381	9,263	3,153	(221,384)	12,413
TOTAL ASSETS	$569,692	$ 600,441	$ 654,866	$(506,090)	$1,318,909
LIABILITIES AND STOCKHOLDERS' EQUITY					
CURRENT LIABILITIES					
Accounts payable	$2,153	$ 24,921	$ 26,261	$—	$53,335
Other accrued liabilities	12,881	13,664	16,198	—	42,743
Debt	—	6,516	5,523	—	12,039
Royalty obligations	—	4,995	—	—	4,995
Reclamation	—	2,672	850	—	3,522
	15,034	52,768	48,832	—	116,634
NON-CURRENT LIABILITIES					
Debt	175,991	15,214	229,036	(221,384)	198,857
Royalty obligations	—	4,292	—	—	4,292
Reclamation	—	75,183	20,621	—	95,804
Deferred tax liabilities	13,810	6,179	54,809	—	74,798
Other long-term liabilities	1,993	4,750	53,294	—	60,037
Intercompany payable (receivable)	(405,623)	336,813	68,810	—	—
	(213,829)	442,431	426,570	(221,384)	433,788
STOCKHOLDERS' EQUITY					
Common stock	1,809	250	197,913	(198,163)	1,809
Additional paid-in capital	3,314,590	181,009	1,864,261	(2,045,270)	3,314,590
Accumulated deficit	(2,545,424)	(73,529)	(1,882,710)	1,956,239	(2,545,424)
Accumulated other comprehensive income (loss)	(2,488)	(2,488)	—	2,488	(2,488)
	768,487	105,242	179,464	(284,706)	768,487

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$569,692	$600,441	$654,866	$(506,090)	$1,318,909

Coeur Mining, Inc. and Subsidiaries
Notes to Consolidated Financial Statements

CONDENSED CONSOLIDATING BALANCE SHEET
DECEMBER 31, 2015

In thousands	Coeur Mining, Inc.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	$96,123	$ 34,228	$ 70,363	$—	$200,714
Receivables	11	12,773	73,208	—	85,992
Ore on leach pads	—	67,329	—	—	67,329
Inventory	—	45,491	36,220	—	81,711
Prepaid expenses and other	3,496	1,075	6,371	—	10,942
	99,630	160,896	186,162	—	446,688
NON-CURRENT ASSETS					
Property, plant and equipment, net	4,546	138,706	52,747	—	195,999
Mining properties, net	—	199,303	389,916	—	589,219
Ore on leach pads	—	44,582	—	—	44,582
Restricted assets	5,755	381	5,497	—	11,633
Equity securities	434	2,332	—	—	2,766
Receivables	—	—	24,768	—	24,768
Deferred tax assets	—	—	1,942	—	1,942
Net investment in subsidiaries	127,671	27,657	—	(155,328)	—
Other	54,578	9,197	5,695	(54,578)	14,892
TOTAL ASSETS	$292,614	$ 583,054	$ 666,727	$(209,906)	$1,332,489
LIABILITIES AND STOCKHOLDERS' EQUITY					
CURRENT LIABILITIES					
Accounts payable	$1,743	$ 21,956	$ 28,454	$—	$52,153
Other accrued liabilities	20,555	11,177	18,800	—	50,532
Debt	1,000	8,120	1,311	—	10,431
Royalty obligations	—	4,729	20,164	—	24,893
Reclamation	—	1,401	1,821	(1,151)	2,071
	23,298	47,383	70,550	(1,151)	140,080
NON-CURRENT LIABILITIES					
Debt	467,634	4,947	61,976	(54,578)	479,979
Royalty obligations	—	4,864	—	—	4,864
Reclamation	—	61,924	20,122	1,151	83,197
Deferred tax liabilities	28,600	6,927	111,605	—	147,132
Other long-term liabilities	2,171	3,838	49,752	—	55,761
Intercompany payable (receivable)	(650,565)	411,103	239,462	—	—
	(152,160)	493,603	482,917	(53,427)	770,933
STOCKHOLDERS' EQUITY					
Common stock	1,513	250	130,885	(131,135)	1,513
Additional paid-in capital	3,024,461	179,553	1,896,047	(2,075,600)	3,024,461
Accumulated deficit	(2,600,776)	(135,049)	(1,913,672)	2,048,721	(2,600,776)
Accumulated other comprehensive income (loss)	(3,722)	(2,686)	—	2,686	(3,722)
	421,476	42,068	113,260	(155,328)	421,476

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$292,614	$583,054	$666,727	$(209,906)	$1,332,489

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Coeur Mining, Inc. and Subsidiaries
Notes to Consolidated Financial Statements

NOTE 21 – COMMITMENTS AND CONTINGENCIES
Labor Union Contract
The Company maintains a labor agreement with Sindicato de Trabajadores Mineros de la Empresa Manquiri S.A. at the San Bartolomé mine in Bolivia. The San Bartolomé mine labor agreement, which became effective January 28, 2010, is currently active and does not have a fixed term. At December 31, 2016, approximately 11% of the Company’s global labor force was covered by this collective bargaining agreement. The Company cannot predict whether this agreement will be renewed on similar terms or at all, whether future labor disruptions will occur or, if disruptions do occur, how long they will last.
Rochester Production Royalty
Commencing January 1, 2014, Coeur Rochester is obligated to pay a 3.4% net smelter returns royalty on up to 39.4 million silver equivalent ounces produced and sold from a portion of the Rochester mine, payable on a quarterly basis. For each calendar quarter, the royalty is payable on the actual sales prices received (exclusive of gains or losses associated with trading activities), less refining and related costs, of gold and silver produced and sold from the applicable portions of the Rochester mine. Changes in the Company's mine plan and silver and gold prices result in the recognition of mark-to-market gains or losses in Fair value adjustments, net. At December 31, 2016, a total of 18.0 million silver equivalent ounces remain outstanding under the obligation.
Palmarejo Gold Production Royalty and Gold Stream
In January 2009, Coeur Mexicana entered into a gold production royalty agreement with a subsidiary of Franco-Nevada Corporation under which the subsidiary of Franco-Nevada Corporation purchased a royalty covering 50% of the life of mine gold to be produced from its Palmarejo silver and gold mine in Mexico (excluding production from the recently acquired Paramount properties). The royalty agreement provided for a minimum obligation of 4,167 ounces per month over an initial eight-year period for a total of 400,000 ounces of gold. On October 2, 2014, Coeur Mexicana terminated the Palmarejo gold production royalty in exchange for a termination payment of $2.0 million. In July 2016, the remaining minimum obligation under the Palmarejo royalty agreement was satisfied and the termination of the Palmarejo royalty agreement became effective.
Coeur Mexicana is now subject to a gold stream agreement whereby Coeur Mexicana will sell 50% of Palmarejo gold production (excluding production from the recently acquired Paramount properties) to a subsidiary of Franco-Nevada Corporation upon completion of the gold production royalty minimum ounce delivery requirement, for the lesser of $800 or spot price per ounce. Under the gold stream agreement, Coeur Mexicana received a $22.0 million deposit toward future deliveries under the gold stream agreement.
Sites Related to Callahan Mining Corporation
In 1991, the Company acquired all of the outstanding common stock of Callahan Mining Corporation. The Company has received requests for information or notices of potential liability from state or federal agencies with regard to Callahan's operations at sites in Maine, Colorado and Washington. The Company did not make any decisions with respect to generation, transport or disposal of hazardous waste at these sites. Therefore, the Company believes that it is not liable for any potential cleanup costs either directly as an operator or indirectly as a parent. The Company anticipates that further agency interaction may occur with respect to these sites.

Callahan operated a mine and mill in Brooksville, Maine from 1968 until 1972 and subsequently disposed of the property. In 2000, the U.S. Environmental Protection Agency, or EPA, made a formal request to the Company for information regarding the site. The site was placed on the National Priorities List on September 5, 2002, and the Maine Department of Transportation, a partial owner of the property, signed a consent order in 2005. In January 2009, the EPA and the State of Maine made additional formal requests to the Company for information relating to the site, to which the Company responded. The first phase of cleanup at the site began in April 2011.

The Van Stone Mine in Stevens County, Washington consists of several parcels of land and was mined from 1926 until 1993 by multiple owners. Callahan sold its parcel in 1990. In February 2010, the State of Washington Department of Ecology notified Callahan that it, among others, is a potentially liable person (PLP) under Washington law.

Under lease and option agreements with several owners, Callahan was involved with the Akron Mine located in Gunnison County, Colorado from 1937-1960. The United States Forest Service ("USFS") made formal requests for information to Callahan regarding the site in December 2003, February 2007, March 2013, and November 2013. Callahan timely responded to each request. In August 2014, Callahan received a notice of potential CERCLA liability from the USFS regarding environmental contamination at the Akron Mine.

Coeur Mining, Inc. and Subsidiaries
Notes to Consolidated Financial Statements

Bolivian Temporary Restriction on Mining above 4,400 Meters
In October 2009, the Bolivian state-owned mining organization, COMIBOL, announced by resolution that it was temporarily suspending mining activities above the elevation of 4,400 meters above sea level while stability studies of Cerro Rico mountain are undertaken. The Company holds rights to mine above this elevation under valid contracts with COMIBOL. The stability studies have been completed and officially submitted to the Bolivian mining technical authorities. Accordingly, the COMIBOL suspension has expired in accordance with the terms of the resolution. The Company is not currently mining above the 4,400 meter level due to community relations concerns and the current political climate in Bolivia.

If COMIBOL decides to affirmatively adopt a new resolution to restrict access above the 4,400 meter level, the Company may need to further write down the carrying value of the asset. While a portion of the Company's proven and probable reserves relate to material above the 4,400 meter level at San Bartolomé, so long as operations remain suspended, there is a risk that silver may not be produced from this material at expected levels or at all, particularly given the remaining anticipated mine life of this asset. It is also uncertain if any new mining or investment policies or shifts in political attitude may affect mining in Bolivia.

NOTE 22 – SUPPLEMENTAL CASH FLOW INFORMATION
The following table presents non-cash financing and investing activities and other cash flow information:

	Year ended December 31,		
Non-cash financing and investing activities:	2016	2015	2014
Capital lease obligations	$32,243	$4,123	$24,879
Non-cash extinguishment of senior notes	10,616	53,373	—
Non-cash acquisitions and related deferred taxes	—	297,821	—
Other cash flow information:			
Interest paid	$41,976	$42,264	$30,691
Income taxes paid	17,181	1,937	20,198

Coeur Mining, Inc. and Subsidiaries
Notes to Consolidated Financial Statements

SUMMARY OF QUARTERLY FINANCIAL DATA (UNAUDITED)
The following table sets forth a summary of the unaudited quarterly results of operations for the years ended December 31, 2016 and 2015 (in thousands, except per share data):

	Q1	Q2	Q3	Q4
2016				
Revenues	$148,387	$182,007	$176,247	$159,136
Costs applicable to sales	101,555	100,465	105,408	102,113
Amortization	27,964	37,505	27,763	29,929
Exploration	1,731	2,233	3,706	5,260
Other operating expenses (General and administrative, Pre-development, reclamation, and other, and Write-downs)	16,926	11,764	11,604	10,747
Net income (loss)	(20,396)	14,497	69,557	(8,306)
Cash provided by (used in) operating activities	6,617	45,939	47,812	25,449
Capital expenditures	22,172	23,288	25,627	29,926
Basic net income (loss) per share	$(0.14)	$0.09	$0.43	$(0.03)
Diluted net income (loss) per share	$(0.14)	$0.09	$0.42	$(0.03)

	Q1	Q2	Q3	Q4
2015				
Revenues	$152,956	$166,263	$162,552	$164,315
Costs applicable to sales	115,062	119,097	120,237	125,258
Amortization	33,090	38,974	35,497	36,190
Exploration	4,266	3,579	2,112	1,690
Other operating expenses (General and administrative, Pre-development, reclamation, and other, and Write-downs)(1)	15,597	10,718	11,632	326,017
Net income (loss)	(33,287)	(16,677)	(14,219)	(303,000)
Cash provided by (used in) operating activities	(3,449)	37,004	36,770	43,217
Capital expenditures	17,620	23,677	23,861	30,035
Basic net income (loss) per share	$(0.32)	$(0.12)	$(0.11)	$(2.28)
Diluted net income (loss) per share	$(0.32)	$(0.12)	$(0.11)	$(2.28)

(1) The Company performed impairment testing of long-lived assets in the fourth quarter of 2015 and, based on the results of the impairment testing, recorded a write-down of $313.3 million to long-lived assets.

PART IV

Item 15. Exhibits, Financial Statement Schedules

(a) The Company's consolidated financial statements and notes, together with the reports thereon of Grant Thornton LLP dated February 8, 2017 and of KPMG LLP dated February 10, 2016 are included herein as part of Item 8. Financial Statements and Supplementary Data above.

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

23.2	Consent of KPMG LLP, Independent Registered Public Accounting Firm (Filed herewith).
31.1	Certification of the CEO (Filed herewith).
31.2	Certification of the CFO (Filed herewith).
32.1	CEO Section 1350 Certification (Filed herewith).
32.2	CFO Section 1350 Certification (Filed herewith).
101.INS	XBRL Instance Document**
101.SCH	XBRL Taxonomy Extension Schema**
101.CAL	XBRL Taxonomy Extension Calculation Linkbase**
101.DEF	XBRL Taxonomy Extension Definition Linkbase**
101.LAB	XBRL Taxonomy Extension Label Linkbase**
101.PRE	XBRL Taxonomy Extension Presentation Linkbase**

* Management contract or compensatory plan or arrangement.

** The following financial information from Coeur Mining, Inc.'s Annual Report on Form 10-K/A for the year ended December 31, 2016, formatted in XBRL (Extensible Business Reporting Language): Consolidated Statements of Comprehensive Income (Loss), Consolidated Statements of Cash Flows, Consolidated Balance Sheets, and Consolidated Statement of Changes in Stockholders' Equity

SIGNATURES

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

COEUR MINING, INC.
(Registrant)

Date: February 10, 2017 By: /s/ Mitchell J. Krebs
Mitchell J. Krebs
(Director, President, and Chief Executive Officer)