

# Coeur Mining to Acquire Wharf Mine From Goldcorp

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*Provides Immediate Positive Cash Flow From Established, Low-Cost U.S. Gold Mine*

*Accretive Transaction Adds to Company's Production and Cash Flow Growth*

CHICAGO, Jan. 12, 2015 (GLOBE NEWSWIRE) -- [Coeur Mining Inc.](#) ("Coeur" or the "Company") (NYSE:CDE) announced today it has entered into a definitive agreement with a subsidiary of [Goldcorp Inc.](#) (NYSE:GG) (TSX:G) to acquire 100% of the Wharf gold mine, a producing gold mine located near Lead, South Dakota ("Wharf") for cash consideration of \$105 million.

## **Key Highlights**

- Mine expected to produce 85,000 &ndash; 90,000 ounces of gold in 2015 at an all-in sustaining cost of \$800 &ndash; \$875 per gold ounce<sup>1</sup>
- Expected to increase Company's 2015 EBITDA by over 30% and boost free cash flow
- Anticipated to reduce Coeur's consolidated unit costs
- Provides quality, immediate growth from accretive transaction
- Adds stable, established source of production and cash flow to Coeur's existing portfolio
- Enhances Company's overall geopolitical risk profile
- Leverages Coeur's 25 years of open-pit, heap leach experience
- Would represent a 24% increase to Coeur's total gold reserves<sup>2</sup>

"The acquisition of Wharf further establishes Coeur as a leading, growing producer of silver and gold in the Americas while improving our overall portfolio with strong cash flow generation in a low-risk jurisdiction. Wharf is a straightforward open-pit operation that has been well-run for over thirty years. Ongoing capital requirements are expected to be minimal, resulting in low expected all-in costs and significant expected free cash flow," said Mitchell J. Krebs, Coeur's President and Chief Executive Officer. "We believe this transaction will generate an attractive rate of return and is immediately accretive to cash flow and net asset value. We are excited to welcome our new team members at Wharf as we look to pursue identified opportunities to optimize the operation, add incremental value, and extend the mine life."

## **Transaction Overview**

Under the terms of the agreement, Coeur will acquire a 100% interest in Wharf for cash consideration of \$105 million. Although financing is not a condition to closing, Coeur has received term sheets for a senior secured line of credit for up to half of the purchase price in order to maintain the Company's liquidity and financial flexibility. The transaction is subject to United States antitrust approval and other customary closing conditions. Coeur anticipates closing the transaction in the first quarter of 2015.

## **Wharf Mine Overview**

Wharf is an open-pit gold mine located in the Black Hills mining district in Lead, South Dakota. The Black Hills district was historically the second largest gold producing district in the United States and includes the renowned Homestake mine. Wharf has been in production for over 30 years after commencing production with an estimated three-year mine life. During that period, Wharf has produced over 2.0 million ounces of gold and has a current reserve base of 560,000 ounces of gold.

Processing consists of crushing followed by heap leaching, providing gold recovery rates around 80%. Wharf

is expected to produce 85,000 &ndash; 90,000 ounces of gold in 2015 at an all-in sustaining cost of \$800 &ndash; \$875 per gold ounce<sup>1</sup>.

The mine has a highly experienced, stable, and dedicated local workforce totaling approximately 190 people with a strong safety track record. In addition, Wharf operates with a strong social license, which has provided substantial benefits to the operation.

1. Guidance provided by Goldcorp on January 12, 2015.

2. Represents the addition of Coeur's gold reserves effective December 31, 2013 (except La Preciosa, effective July 29, 2014) and Wharf's gold reserves effective December 31, 2013.

## Wharf Reserves and Resources

As reported by Goldcorp at December 31, 2013, mineral reserves and resources for Wharf are shown below. For Coeur's purposes, these estimates for Wharf are considered to be historical estimates under National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* ("NI 43-101") as they were prepared by Goldcorp prior to Coeur's agreement to acquire Wharf. Coeur anticipates completing the work necessary to prepare and file a National Instrument 43-101 technical report after the transaction closes.

	Tons (000s)	Grade (oz/t) Gold	Grade (oz/t) Silver	Ounces (000s) Gold	Ounces (000s) Silver
Proven and Probable Reserves					
Proven Reserves	15,179	0.022	0.078	340	1,190
Probable Reserves	8,245	0.026	0.108	220	890
Total Proven and Probable Reserves	23,424	0.024	0.089	560	2,080
Measured and Indicated Resources					
Measured Resources	4,795	0.020	0.104	100	500
Indicated Resources	1,642	0.020	0.102	30	170
Total Measured and Indicated Resources	6,437	0.020	0.104	130	670

### Notes:

1. Mineral Reserves and Mineral Resources estimate as reported by Goldcorp in its Annual Information Form dated March 31, 2014 ("AIF") for the financial year ended December 31, 2013, available at [www.sedar.com](http://www.sedar.com) under Goldcorp's profile. As discussed in the AIF, Mineral Reserves and Mineral Resources were prepared by Goldcorp in accordance with NI 43-101 under the supervision of a qualified person. Coeur is not treating these historical estimates as current and has not completed sufficient work to classify the historical estimate as current mineral reserves or mineral resources for Coeur's purposes. Coeur's qualified person will review and verify the scientific and technical information &irm;of Goldcorp, as well as complete the other work necessary for purposes of preparing a 43-101 technical report, including validation of data quality, resource model accuracy, and costs used in reserve and resource cutoffs.

2. As discussed in the AIF, mineral reserves were calculated by Goldcorp using metal prices of \$1,300 per gold ounce and \$22 per silver ounce, and mineral resources were calculated using \$1,500 per gold ounce and \$24 per silver ounce. Mineral resources are in addition to mineral reserves and do not have demonstrated economic viability. Rounding of tons, as required by reporting guidelines, may result in apparent differences between tons and grade.

#### Conversion Table

1 short ton = 0.907185 metric tons

1 troy ounce = 31.10348 grams

## Advisors

Morgan Stanley & Co. LLC is serving as financial advisor to Coeur on this transaction and Gibson, Dunn &

Crutcher LLP is serving as legal advisor.

## Conference Call Information and Presentation Materials

Coeur will conduct a conference call and webcast at [www.coeur.com](http://www.coeur.com) to discuss the transaction announcement on January 13, 2015 at 11:00 a.m. Eastern time. A slide presentation to accompany the conference call will also be available at [www.coeur.com](http://www.coeur.com).

Dial-In Numbers: (877) 768-0708 (U.S. and Canada)

(660) 422-4718 (International)

Conference ID: 631 17 395

A replay of the call will be available on Coeur's website through February 13, 2015.

Replay Numbers: (855) 859-2056 (U.S. and Canada)

(404) 537-3406 (International)

Conference ID: 631 17 395

## About Coeur

Coeur Mining is the largest U.S.-based primary silver producer and a significant gold producer with four precious metals mines in the Americas employing nearly 2,000 people. Coeur produces from its wholly owned operations: the Palmarejo silver-gold mine in Mexico, the San Bartolomé silver mine in Bolivia, the Rochester silver-gold mine in Nevada and the Kensington gold mine in Alaska. The Company also has a non-operating interest in the Endeavor mine in Australia in addition to net smelter royalties on the Cerro Bayo mine in Chile, the El Gallo complex in Mexico, and the Zaruma mine in Ecuador. In addition, the Company has two silver-gold feasibility stage projects - the La Preciosa project in Mexico and the Joaquin project in Argentina. The Company also conducts ongoing exploration activities in Alaska, Argentina, Bolivia, Mexico, and Nevada. The Company owns strategic investment positions in several silver and gold development companies with projects in North and South America.

## Cautionary Statement

This news release contains forward-looking statements within the meaning of securities legislation in the United States and Canada, including statements regarding anticipated benefits of the Wharf acquisition, reserves and resource estimates, production, costs, mine life, liquidity, cash flow and financing initiatives. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause Coeur's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, the risk that regulatory approvals of the contemplated transaction are not obtained on the proposed terms and schedule, the risk that the contemplated transaction will not be consummated, the risk that Coeur will not realize any or all of the anticipated or expected benefits from the transaction, the risk that development and operating synergy goals for the transaction will not be met and that disruptions from the transaction will harm relationships with customers, employees, suppliers and regulators, the risk that unexpected costs will be incurred, the outcome of litigation (including with respect to the transaction) and regulatory proceedings, the risks and hazards inherent in the mining business (including risks inherent in developing large-scale mining projects, environmental hazards, industrial accidents, weather or geologically related conditions), changes in the market prices of gold and silver and a sustained lower price environment, the uncertainties inherent in Coeur's production, exploratory and developmental activities, including risks relating to permitting and regulatory delays, ground conditions, grade variability, any future labor disputes or work stoppages, the uncertainties inherent in the estimation of gold and silver ore reserves, changes that could result from Coeur's future acquisition of new mining properties or businesses, reliance on third parties to operate certain mines where Coeur owns silver production and reserves and the absence of control over mining operations in which Coeur or its subsidiaries hold royalty or streaming interests and risks related to these mining operations including results of mining and exploration activities, environmental, economic and political risks of the jurisdiction in which the mining operations are located, the loss of any third-party smelter to which Coeur markets silver and gold, the effects of environmental and other governmental regulations, the risks inherent in the ownership or operation of or investment in mining properties or businesses in foreign countries, Coeur's ability to raise additional financing necessary to conduct its business, make payments or refinance its debt, as well as other uncertainties and risk factors set out in filings made from time to time with

the United States Securities and Exchange Commission, and the Canadian securities regulators, including, without limitation, Coeur's most recent reports on Form 10-K and Form 10-Q. Actual results, developments and timetables could vary significantly from the estimates presented. Readers are cautioned not to put undue reliance on forward-looking statements. Coeur disclaims any intent or obligation to update publicly such forward-looking statements, whether as a result of new information, future events or otherwise. Additionally, Coeur undertakes no obligation to comment on analyses, expectations or statements made by third parties in respect of Coeur, its financial or operating results or its securities.

W. David Tyler, Coeur's Vice President, Technical Services and a qualified person under Canadian National Instrument 43-101, reviewed the information in this news release.

Cautionary Note to U.S. Investors - The United States Securities and Exchange Commission permits U.S. mining companies, in their filings with the SEC, to disclose only those mineral deposits that a company can economically and legally extract or produce. We may use certain terms in public disclosures, such as "measured," "indicated," "inferred" and "resources," that are recognized by Canadian regulations, but that SEC guidelines generally prohibit U.S. registered companies from including in their filings with the SEC. U.S. investors are urged to consider closely the disclosure in our Form 10-K which may be secured from us, or from the SEC's website at [www.sec.gov](http://www.sec.gov).

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