

Nov 6 (Reuters) - Coeur d'Alene Mines Corp, the largest U.S.-based primary silver producer, reported a lower-than-expected quarterly profit as production fell 10 percent, and the company said operating costs will remain high, sending its shares down 22 percent.

Gold and silver miners across the globe have been struggling with rising costs. Bigger rivals Newmont Mining Corp and Canada's Barrick Gold Corp reported a sharp drop in quarterly profit as costs jumped.

Coeur d'Alene said on Tuesday 2012 cash operating costs would be at the high end of its forecast of \$6.50 to \$7.50 per silver ounce. The company had said in August that costs would be at the low end.

The company also cut the upper end of its silver production outlook for the full year by a million ounces. It now expects to produce 18.5-19 million ounces.

Silver output fell 10 percent to 4.4 million ounces in the third quarter, with silver production at its flagship silver-gold Palmarejo mine in Mexico sliding 19 percent. Gold output at the mine fell 21 percent.

Operations at the mine were affected by unfavorable underground conditions encountered during September and a change in mining method, Coeur said. The company in August shut production at the mine for two days after the death of a worker.

Coeur d'Alene, which also operates mines in Bolivia and the United States, said operating costs at the Palmarejo mine rose five times to \$3.75 per silver ounce.

Average realized prices for silver fell 21 percent in the quarter while those for gold fell 2 percent, Coeur said.

WEAK RESULTS

Coeur d'Alene reported a net loss of \$15.8 million, or 18 cents per share, compared with a profit of \$23 million, or 26 cents per share, a year earlier.

Excluding one-time items, it earned 29 cents per share.

Total metal sales fell 33 percent to \$230.6 million.

Silver sales, which contributed 59 percent to total metal sales, fell 27 percent.

Analysts, on average, had expected a profit of 43 cents per share on sales of \$246 million, according to Thomson Reuters I/B/E/S.

Coeur d'Alene shares, which have gained 86 percent in the past three months, were down 22 percent at \$23.76 in morning trade on the New York Stock Exchange on Tuesday. They fell to a two-month of \$23.62 earlier.