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

FORM 40-F

¨ **REGISTRATION STATEMENT PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

x **ANNUAL REPORT PURSUANT TO SECTION 13(a) OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2011

Commission file number: 001-31528

IAMGOLD Corporation

(Exact Name of Registrant as Specified in its Charter)

Canada	**1040**	**Not Applicable**
(Province or other jurisdiction of incorporation or organization)	**(Primary Standard Industrial Classification Code)**	**(I.R.S. Employer Identification No.)**

401 Bay Street, Suite 3200
P.O. Box 153
Toronto, Ontario M5H 2Y4
(416) 360-4710
(Address and Telephone Number of Registrant's Principal Executive Offices)

DL Services, Inc.
Columbia Center
701 5th Avenue, Suite 6100
Seattle, WA 98104
(206) 903-8800
(Name, address (including zip code) and telephone number (including area code) of agent for service in the United States)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of Each Class:	**Name of Each Exchange On Which Registered:**
Common Shares, no par value	New York Stock Exchange

Securities registered or to be registered pursuant to Section 12(g) of the Act: **None**

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: **None**

For annual reports, indicate by check mark the information filed with this form:

x Annual Information Form x Audited Annual Financial Statements

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report: 375,918,655

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act 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. x Yes ¨ 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 ¨ No

EXPLANATORY NOTE

IAMGOLD Corporation (the "***Company***" or the "***Registrant***") is a Canadian issuer eligible to file its annual report pursuant to Section 13 of the Securities Exchange Act of 1934, as amended (the "***Exchange Act***") on Form 40-F pursuant to the multi-jurisdictional disclosure system of the Exchange Act . The Company is a "foreign private issuer" as defined in Rule 3b-4 under the Exchange Act. Equity securities of the Company are accordingly exempt from Sections 14(a), 14(b), 14(c), 14(f) and 16 of the Exchange Act pursuant to Rule 3a12-3.

Exhibits 99.1 through 99.5 are incorporated by reference as exhibits to the Company's Registration Statement on Form F-10 (File No. 333-175246).

FORWARD-LOOKING STATEMENTS

This annual report on Form 40-F and the exhibits attached hereto contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements concern the Company's anticipated results and developments in the Company's operations in future periods, planned exploration and development of its properties, plans related to its business and other matters that may occur in the future. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management.

Statements concerning reserves and mineral resource estimates may also be deemed to constitute forward-looking statements to the extent that they involve estimates of the mineralization that will be encountered if the property is developed, and in the case of mineral reserves, such statements reflect the conclusion based on certain assumptions that the mineral deposit can be economically exploited. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "estimates" or "intends", or stating that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved) are not statements of historical fact and may be forward-looking statements. Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors which could cause actual events or results to differ from those expressed or implied by the forward-looking statements, including, without limitation:

- risk related to hazards normally encountered in the mining business including unusual or unexpected geological formations, rock bursts, cave-ins, floods and other conditions;
- risks related to delays and repair costs resulting from equipment failure;
- risk related to access to changes in mining tax regimes in foreign jurisdictions;
- risks related to changes in the market price of gold, niobium, and other minerals which in the past has fluctuated widely and which could affect the profitability of our operations and financial condition;
- risks related to the global financial markets and their impact on the global economy and the gold mining industry;
- risks related to recent market events and conditions and the deterioration of general economic indicators;
- risks related to our need to continually replace reserves depleted by production to maintain production levels over the long term;
- risks related to our reserves and resources figures being estimates based on interpretations and assumptions which may result in less mineral production under actual conditions than is currently estimated;
- risks related to our potential need for and ability to obtain additional financing;
- risk related to the potential to default under our credit facility due to violation of covenants therein;
- risks related to the location of our primary properties, including political, economic, and regulatory instability;

- risks related to the differences between the assumption of fair value estimates with respect to the carrying amount of mineral interests (including goodwill) and actual fair values;
- risk related to the use of derivative instruments including credit risk, market liquidity risk and unrealized mark-to-market risk;
- risks related to our mineral properties being subject to prior unregistered agreements, transfers, or claims and other defects in title;
- risks and hazards inherent to the mining industry, most of which are beyond our control;
- risks related to the availability of commodities used by us;
- risks related to the lack of infrastructure and other risks related to the geographical areas in which we carry out our operations, including the availability of sufficient water supplies;
- risks related to labour disruptions;
- health risks associated with the mining work force in Africa, Québec and Suriname;
- risks related to disruptions in the communities surrounding our properties;
- risks related to compliance with the extensive laws and regulations governing the environment, health and safety of our mining and processing operations and exploration activities;
- risks related to our business being subject to environmental laws and regulations which may increase our costs of doing business and restrict our operations;
- risks related to the ability to obtain required licenses and permits from various governmental authorities in order to exploit our properties;
- risks and expenses related to reclamation costs and related liabilities;
- risks related to continuously evolving legislation, which may have unknown and negative impact on operations;
- risks normally associated with the conduct of joint ventures;
- risks related to the inability to control standards of non-controlled assets;
- risks related to undetected failures in internal controls over financial reporting;
- risks related to the construction, development and start-up of the Westwood Project;
- risks associated with pursuing a block caving mining method to expand the Niobec Mine;
- uncertainty relating to our ability to attract and maintain qualified management to meet the needs of our anticipated growth and risks relating to our ability to manage our growth effectively;
- risks related to the ability to acquire new properties and the integration of acquisitions;
- risks related to the inability to maintain adequate insurance to cover all potential risks;
- risks related to the training of works and the resettlement of local communities in connection with any proposed expansion of the Essakane Gold Mine;
- risks and unknown costs of litigation;
- risks related to some of the Company’s directors and officers being involved with other mining companies;

- risks related to the Company's strategic planning process in light of constantly changing market conditions; and
- risks related to the Company's ability to compete successfully with its competitors in acquiring exploration properties and mining assets

This list is not exhaustive of the factors that may affect our forward-looking statements. Some of the important risks and uncertainties that could affect forward-looking statements are described further in the exhibits attached to this annual report. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the forward-looking statements. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date the statements are made, and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as required by law. Investors are cautioned against attributing undue certainty to forward-looking statements.

NOTE TO UNITED STATES READERS-
DIFFERENCES IN UNITED STATES AND CANADIAN REPORTING PRACTICES

The Company is permitted, under a multi-jurisdictional disclosure system adopted by the United States, to prepare this annual report in accordance with Canadian disclosure requirements, which are different from those of the United States. The Company prepares its financial statements, which are filed with this report on Form 40-F, in accordance with International Financial Reporting Standards ("IFRS"). They may not be comparable to financial statements of United States companies.

CURRENCY

Unless otherwise indicated, all dollar amounts in this annual report on Form 40-F are in United States dollars. The exchange rate of Canadian dollars into United States dollars, on December 30, 2011, based upon the noon buying rate in New York City for cable transfers payable in Canadian dollars as certified for customs purposes by the Federal Reserve Bank of New York, was U.S.$1.00= CDN$1.0170.

RESOURCE AND RESERVE ESTIMATES

The Company's Annual Information Form ("AIF") filed as Exhibit 99.1 to this annual report on Form 40-F has been prepared in accordance with the requirements of the securities laws in effect in Canada, which differ from the requirements of United States securities laws. The terms "mineral reserve", "proven mineral reserve" and "probable mineral reserve" are Canadian mining terms as defined in accordance with Canadian National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101") and the Canadian Institute of Mining, Metallurgy and Petroleum's (the "CIM") - *CIM Definition Standards on Mineral Resources and Mineral Reserves* , adopted by the CIM Council, as amended. These definitions differ from the definitions in the United States Securities and Exchange Commission ("SEC") Industry Guide 7 ("SEC Industry Guide 7") under the United States *Securities Act of 1933*, as amended. Under SEC Industry Guide 7 standards, a "final" or "bankable" feasibility study is required to report reserves, the three-year historical average price is used in any reserve or cash flow analysis to designate reserves and the primary environmental analysis or report must be filed with the appropriate governmental authority.

In addition, the terms "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource" are defined in and required to be disclosed by NI 43-101; however, these terms are not defined terms under SEC Industry Guide 7 and are normally not permitted to be used in reports and registration statements filed with the SEC. Investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be converted into reserves. "Inferred mineral resources" have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies, except in rare cases. Investors are cautioned not to assume that all or any part of an inferred mineral resource exists or is economically or legally mineable. Disclosure of "contained ounces" in a resource is permitted disclosure under Canadian regulations; however, the SEC normally only permits issuers to report mineralization that does not constitute "reserves" by SEC standards as in place tonnage and grade without reference to unit measures.

Accordingly, information contained in this report and the documents incorporated by reference herein containing descriptions of our mineral deposits may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements under the United States federal securities laws and the rules and regulations thereunder.

ANNUAL INFORMATION FORM

The Company's AIF for the fiscal year ended December 31, 2011 is filed as Exhibit 99.1 and incorporated by reference in this annual report on Form 40-F.

AUDITED ANNUAL FINANCIAL STATEMENTS AND MANAGEMENT'S DISCUSSION AND ANALYSIS

Audited Annual Financial Statements

The audited consolidated financial statements of the Company, which comprise the consolidated balance sheets as at December 31, 2011, December 31, 2010 and January 1, 2010 and the consolidated statement of earnings, comprehensive income, changes in equity and cash flow for each of the years in the two-year period ended December 31, 2011, including the report of the independent auditor with respect thereto, are filed as Exhibit 99.3 and incorporated by reference in this annual report on Form 40-F.

Management's Discussion and Analysis

The Company's management's discussion and analysis (" **MD&A**") is filed as Exhibit 99.2 and incorporated by reference in this annual report on Form 40-F.

Tax Matters

Purchasing, holding, or disposing of securities of the Registrant may have tax consequences under the laws of the United States and Canada that are not described in this annual report on Form 40-F.

DISCLOSURE CONTROLS AND PROCEDURES

At the end of the period covered by this report, an evaluation was carried out under the supervision of and with the participation of the Company's management, including the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), of the effectiveness of the design and operations of the Company's disclosure controls and procedures (as defined in Rule 13a – 15(e) and Rule 15d – 15(e) under the Exchange Act). Based on that evaluation the CEO and the CFO have concluded that as of the end of the period covered by this report, the Company's disclosure controls and procedures were adequately designed and effective in ensuring that: (i) information required to be disclosed by the Company in reports that it files or submits to the Securities and Exchange Commission under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in applicable rules and forms and (ii) information required to be disclosed in our reports filed under the Exchange Act is accumulated and communicated to our management, including our CEO and CFO, as appropriate, to allow for accurate and timely decisions regarding required disclosure.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Our 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.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. 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.

Management conducted an evaluation of the design and operation of the Company's internal control over financial reporting as of December 31, 2011, based on the criteria set forth in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. This evaluation included review of the documentation of controls, evaluation of the design effectiveness of controls, testing of the operating effectiveness of controls and a conclusion on this evaluation. Based on this evaluation, management has concluded that the Company's internal control over financial reporting was effective as of December 31, 2011 and no material weaknesses were discovered.

As this report is required for U.S. reporting purposes, the Company is a "foreign private issuer" as defined in Rule 3b-4 of the Exchange Act, and the Company is a "large accelerated filer", the Company is required to provide an auditor's attestation report on internal control over financial reporting. The Company's auditor has attested to internal controls over financial reporting for the year ended December 31, 2011. The auditor's attestation is filed as Exhibit 99.5 and is incorporated by reference in this annual report on Form 40-F.

CHANGES IN INTERNAL CONTROLS OVER FINANCIAL REPORTING

During the period covered by this annual report on Form 40-F, no changes occurred in the Company's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

The Company's management, including the CEO and CFO, does not expect that its disclosure controls and procedures or internal controls and procedures will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, a control may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

CORPORATE GOVERNANCE

The Company is required to describe its practices and policies with regard to corporate governance, in accordance with Canadian securities regulatory requirements, by way of a corporate governance statement contained in the Company's annual report or information circular. The Company is listed on the Toronto Stock Exchange ("TSX") and the New York Stock Exchange ("NYSE") and also complies with the specific corporate governance requirements of the exchanges, as they relate to the Company. As the Company is listed on the NYSE, the Company complies as necessary with the rules and guidelines of the United States Securities and Exchange Commission ("SEC"). The Company reviews its governance practices on an ongoing basis to ensure it is in compliance with applicable securities regulatory requirements, and laws generally, including, without limitation, those introduced pursuant to the Sarbanes-Oxley Act in the United States, by the SEC and NYSE, as well as Canadian securities regulatory authorities, within the timeframes specified as the revisions and new requirements come into effect. The Company posts a statement of corporate governance practices on its website, available here http://www.iamgold.com/English/Corporate/Corporate-Governance/default.aspx.

The Company's Board of Directors has separately designated standing Compensation, Corporate Governance and Nominating and Audit and Finance Committees. The Company's Board of Directors has determined that all the members of the Compensation, Corporate Governance and Nominating and Audit and Finance Committees are independent, based on the criteria for independence and unrelatedness prescribed by the Sarbanes-Oxley Act of 2002, section 10A(m)(3), and the NYSE Listed Company Manual.

Corporate governance relates to the activities of the Company's board of directors (the "Board"), the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day to day management of the Company. The Board is committed to sound corporate governance practices which are both in the interest of its shareholders and contribute to effective and efficient decision making.

Canadian National Instrument 58-201 *Corporate Governance Guidelines* ("NP 58-201") establishes corporate governance guidelines which apply to all Canadian public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. National Instrument 58-101 *Disclosure of Corporate Governance Practices* mandates disclosure of corporate governance practices, which disclosure is set out in the Company's annual report or information circular.

AUDIT AND FINANCE COMMITTEE

The Company's Board of Directors has a separately designated standing Audit and Finance Committee established in accordance with section 3(a)(58)(A) of the Exchange Act. The members of the Company's Audit and Finance Committee are identified on page 122 of the Annual Information Form, attached herewith as Exhibit 99.1 and incorporated by reference. In the opinion of the Company's Board of Directors, all members of the Audit and Finance Committee are independent (as determined under Rule 10A-3 of the Exchange Act and the rules of the NYSE) and are financially literate.

Audit and Finance Committee Financial Expert

The Board has determined that all members of the Audit and Finance Committee (John Caldwell (Chair), Donald K. Charter, Mahendra Naik and Guy G. Dufresne) are financial experts, in that they each have an understanding of generally accepted accounting principles and financial statements; are able to assess the general application of accounting principles in connection with the accounting for estimates, accruals and reserves; have experience preparing, auditing, analyzing or evaluating financial statements that entail accounting issues of equal complexity to the Company's financial statements (or actively supervising another person who did so); have an understanding of internal controls and procedures for financial reporting and an understanding of audit committee functions.

The members of the Audit and Finance Committee are appointed and replaced from time to time by resolution of the Board.

The Audit and Finance Committee meets with the President and Chief Executive Officer and the Chief Financial Officer of the Company and the Company's independent auditors to review and inquire into matters affecting financial reporting, the system of internal accounting and financial controls, as well as audit procedures and audit plans. The Audit and Finance Committee also recommends to the Board of Directors the auditors to be appointed. In addition, the Committee reviews and recommends to the Board for approval the annual financial statements, Management's Discussion and Analysis, and undertakes other activities required by regulatory authorities.

Audit and Finance Committee Charter

The Company's Audit and Finance Committee Charter is attached to the Company's Annual Information Form incorporated by reference hereto as Exhibit 99.1 and available on the Company's website at www.iamgold.com or in print to any shareholder who provides the Company with a written request to the Corporate Secretary at 401 Bay Street, Suite 3200, P.O. Box 153, Toronto, Ontario M5H 2Y4.

PRINCIPAL ACCOUNTING FEES AND SERVICES – INDEPENDENT AUDITORS

KPMG LLP acted as the Company's independent auditor for the fiscal year ended December 31, 2011. See pages 126-127 of the Registrant's Annual Information Form, which is attached hereto as Exhibit 99.1 for the total amount billed to the Company by KPMG LLP for services performed in the last two fiscal years by category of service (for audit fees, audit-related fees, tax fees and all other fees) in Canadian dollars.

PRE-APPROVAL OF AUDIT AND NON-AUDIT SERVICES PROVIDED BY INDEPENDENT AUDITORS

See page 126 of the Registrant's Annual Information Form incorporated by reference to this document as Exhibit 99.1.

OFF-BALANCE SHEET TRANSACTIONS

The Company does not have any off-balance sheet financing arrangements or relationships with unconsolidated special purpose entities.

CODE OF ETHICS

The Board has adopted a written Code of Conduct by which it and all officers and employees of the Company abide. In addition, the Board, through its meetings with management and other informal discussions with management, encourages a culture of ethical business conduct and believes the Company's high caliber management team promotes a culture of ethical business conduct throughout the Company's operations and is expected to monitor the activities of the Company's employees, consultants and agents in that regard. The Board encourages any concerns regarding ethical conduct in respect of the Company's operations to be raised, on an anonymous basis, with the President and CEO, the Chairman, or another Board member as appropriate. The Company has established an anonymous, confidential report system, administered by a third party, through which any concern of any employee regarding the integrity of the financial reporting system, the financial reporting process, the financial statements themselves, or the Company's compliance with applicable laws generally, may be sent directly to the Chairs of the Audit and Finance and Corporate Governance Committees, each independent directors.

It is a requirement of applicable corporate law that directors and senior officers who have an interest in a transaction or agreement with the Company promptly disclose that interest at any meeting of the Board at which the transaction or agreement will be discussed and, in the case of directors, abstain from discussions and voting in respect to the same if the interest is material. These requirements are also contained in the Company's Articles, which are made available to the directors and senior officers of the Company.

All amendments to the code, and all waivers of the code with respect to any of the officers covered by it, which waiver may be made only by the Board in respect of senior officers, will be posted on the Company's website, submitted on Form 6-K and provided in print to any shareholder who requests them. The Company's Code of Business Conduct and Ethics is located on its website at www.iamgold.com.

CONTRACTUAL OBLIGATIONS

The information provided under the heading "Management's Discussion and Analysis — Financial Risks — Contractual Obligations" on page 44 in Exhibit 99.2, as filed with this annual report on Form 40-F, contains the Company's disclosure of contractual obligations and is incorporated by reference herein.

NOTICES PURSUANT TO REGULATION BTR

There were no notices required by Rule 104 of Regulation BTR that the Registrant sent during the year ended December 31, 2011 concerning any equity security subject to a blackout period under Rule 101 of Regulation BTR.

MINE SAFETY DISCLOSURE

Not applicable.

UNDERTAKING

The Company undertakes to make available, in person or by telephone, representatives to respond to inquiries made by the Commission staff, and to furnish promptly, when requested to do so by the Commission staff, information relating to: the securities registered pursuant to Form 40-F; the securities in relation to which the obligation to file an annual report on Form 40-F arises; or transactions in said securities.

CONSENT TO SERVICE OF PROCESS

The Company filed an Appointment of Agent for Service of Process and Undertaking on Form F-X with respect to the class of securities in relation to which the obligation to file the Form 40-F arises.

Any change to the name or address of the agent for service of process of the Registrant shall be communicated promptly to the Commission by an amendment to the Form F-X referencing the file number of the Registrant.

EXHIBITS

99.1	Annual Information Form of the Company for the year ended December 31, 2011
99.2	Management's Discussion and Analysis
99.3	Annual Financial Statements
99.4	Report of Independent Registered Public Accounting Firm
99.5	Report of the Independent Registered Accounting Firm on Internal Control Over Financial Reporting
99.6	Certifications of Chief Executive Officer and Chief Financial Officer pursuant to Rule 13a-14 or 15d-14 of the Securities Exchange Act of 1934
99.7	Certifications of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
99.8	Consent of KPMG LLP
99.9	Consent of P. Bedell

99.10	Consent of E. Belzile
99.11	Consent of F. Clouston
99.12	Consent of L. Gignac
99.13	Consent of L.P. Gignac
99.14	Consent of I. Glacken
99.15	Consent of P. Godin
99.16	Consent of J. Hawxby
99.17	Consent of G. Voicu
99.18	Consent of P. Pelletier
99.19	Consent of R. Sirois
99.20	Consent of Roscoe Postle Associates Inc.
99.21	Consent of G. Clow
99.22	Consent of B. Salmon
99.23	Consent of M. Lavigne
99.24	Consent of D. Vallieres
99.25	Consent of G. Mining Services Inc.
99.26	Consent of Golder Associates Ltd.
99.27	Consent of GRD Minproc (Pty) Ltd.
99.28	Consent of Optiro Pty Ltd.
99.29	Consent of P. Simard
99.30	Consent of A. Savoie
99.31	Consent of P. Levesque
99.32	Consent of Belzile Solutions Inc.
99.33	Consent of B. McDonough
99.34	Consent of M.F. Bugnon
99.35	Consent of PJ Lafleur
99.36	Consent of PJ Lafleur Geo Conseil Inc.
99.37	Consent of M. Ayad

SIGNATURES

Pursuant to the requirements of the Exchange Act, the Registrant certifies that it meets all of the requirements for filing on Form 40-F and has duly caused this annual report to be signed on its behalf by the undersigned, thereto duly authorized.

IAMGOLD CORPORATION

By: /S/ STEPHEN J.J. LETWIN
Name: **Stephen J.J. Letwin**
Title: **President & Chief Executive Officer**

Date: March 23, 2012

Exhibit 99.1



ANNUAL INFORMATION FORM

FOR THE YEAR ENDED
DECEMBER 31, 2011

Dated: March 23, 2012

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Explanatory Notes:

1. *All dollar amounts presented in this Annual Information Form are expressed in US dollars, unless otherwise indicated.*
2. *Production results are in metric units, unless otherwise indicated.*
3. *IAMGOLD Corporation carries on business in Canada. The subsidiaries of IAMGOLD Corporation carry on business in Canada and elsewhere. In this Annual Information Form, the words "Company" and "IAMGOLD" are used interchangeably and in each case refer, as the context may require, to all or any of IAMGOLD Corporation and its subsidiaries.*
4. *Unless otherwise specified, reference herein to the 2011 Annual Report are references to IAMGOLD's Annual Report for the year ended December 31, 2011. All such references are incorporated herein.*
5. *The information in this Annual Information Form is complemented by the Company's Audited Consolidated Annual Financial Statements for the year ended December 31, 2011 and the management's discussion and analysis thereon.*
6. *The 2011 Annual Report, the Company's Annual Financial Statements for the year ended December 31, 2011 and the management's discussion and analysis thereon, are available on SEDAR at* www.sedar.com *and the Company's website at* www.iamgold.com.

Cautionary Note to US Investors Regarding Mineral Reporting Standards

The disclosure in this Annual Information Form has been prepared in accordance with the requirements of Canadian securities laws, which differ from the requirements of United States securities laws. Disclosure, including scientific or technical information, has been made in accordance with Canadian National Instrument 43-101 — Standards of Disclosure for Mineral Projects ("NI 43-101"). NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. For example, the terms "measured mineral resources", "indicated mineral resources", "inferred mineral resources", "proven mineral reserves" and "probable mineral reserves"

are used in this Annual Information Form and documents incorporated herein by reference to comply with the reporting standards in Canada. While those terms are recognized and required by Canadian regulations, the United States Securities and Exchange Commission (the "SEC") does not recognize them. Under United States standards, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. Investors are cautioned not to assume that all or any part of the mineral deposits in these categories will ever be converted into mineral reserves. These terms have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of measured mineral resources, indicated mineral resources, inferred mineral resources, proven mineral reserves or probable mineral reserves will ever be upgraded or mined. In accordance with Canadian rules, estimates of inferred mineral resources cannot form the basis of feasibility or other economic studies. Investors are cautioned not to assume that any part of the reported measured mineral resources, indicated mineral resources or inferred mineral resources in this Annual Information Form is economically or legally mineable and will ever be classified as a reserve. In addition, the definitions of proven and probable mineral reserves used in NI 43-101 may differ from the definitions in the SEC Industry Guide 7. Disclosure of "contained ounces" is permitted disclosure under Canadian regulations; however, the SEC normally only permits issuers to report mineralization that does not constitute reserves as in place tonnage and grade without reference to unit measures. Accordingly, information contained in this Annual Information Form containing descriptions of the Company's mineral properties may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements under the United States federal securities laws and the rules and regulations thereunder. ***US investors are urged to consider closely the disclosure on technical terminology under the heading "Technical Information" in the Glossary below.***

Special Note Regarding Forward-Looking Statements

This Annual Information Form contains certain information that may constitute “forward- looking information” and “forward-looking statements” within the meaning of applicable Canadian securities laws and the United States Private Securities Litigation Reform Act of 1995, respectively. Forward-looking statements are necessarily based on a number of estimates and assumptions that are inherently subject to significant business, economic and competitive uncertainties and contingencies. All statements other than statements which are reporting results as well as statements of historical fact set forth or incorporated herein by reference, are forward-looking statements that may involve a number of known and unknown risks, uncertainties and other factors; many of which are beyond the Company’s ability to control or predict. Forward-looking statements include, without limitation, statements regarding strategic plans, future production, sales targets (including market share evolution in regard to niobium), cost estimates and anticipated financial results; potential mineralization and evaluation and evolution of mineral reserves and resources (including, but not limited to potential for further increases at the Rosebel, Essakane and Sadiola gold mines and at the Niobec niobium mine) and expected mine life; expected exploration results, future work programs, capital expenditures and objectives, evolution and economic performance of development projects including, but not limited to, the Westwood and Quimsacocha projects and exploration budgets and targets; construction and production targets and timetables, as well as anticipated timing of grant of permits and governmental incentives; expected continuity of a favourable gold market; contractual commitments, royalty payments, litigation matters and measures of mitigating financial and operational risks; anticipated liabilities regarding site closure and employee benefits; continuous availability of required manpower; possible exercise of outstanding warrants; the integration or expansion of operations, technologies and personnel of acquired operations and properties and, more generally, continuous access to capital markets; and the Company’s global outlook and that of each of its mines. These statements relate to analysis and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements.

Statements concerning actual mineral reserves and resources estimates are also deemed to constitute forward-looking statements to the extent that they involve estimates of the mineralization that will be encountered if the relevant project or property is developed, and in the case of mineral reserves, such statements reflect the conclusion based on certain assumptions that the mineral deposit can be economically exploited.

Forward-looking statements, which involve assumptions and describe the Company's future plans, strategies and expectations, are generally identifiable by use of the words "may", "will", "should", "continue", "expect", "anticipate", "estimate", "believe", "intend", "plan" or "project" or the negative of these words or other variations on these words or comparable terminology. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. The following are some, but not all, of the important factors that could cause actual results or outcomes to differ materially from those discussed in the forward-looking statements: hazards normally encountered in the mining business including unusual or unexpected geological formations, rock bursts, cave-ins, floods and other conditions; delays and repair costs resulting from equipment failure; changes to and differing interpretations of mining tax regimes in foreign jurisdictions; the market prices of gold, niobium and other minerals; recent unprecedented events in global financial markets; recent market events and conditions and the deterioration of general economic indicators; the ability of the Company to replace reserves depleted by production; over/underestimation of reserve and resource calculations; fluctuations in exchange rates of currencies; failure to obtain financing as and when required to fund exploration and development; default under the Company's credit facility due to a violation of covenants therein; failure to obtain financing to meet capital expenditure plans; risks associated with being a multinational company; differences between the assumption of fair value estimates with respect to the carrying amount of mineral interests (including goodwill) and actual fair values; inherent risks related to the use of derivative instruments; accuracy of mineral reserve and mineral resource estimates; uncertainties in the validity of mining interests and ability to acquire new properties and retain skilled and experienced employees; various risks and hazards beyond the Company's control, many of which are not economically insurable; risks and hazards inherent to the mining industry, most of which are beyond the Company's control; market prices and availability of commodities used by the Company in its operations; lack of infrastructure and other risks related to the geographical areas in which the Company carries out its operations; labour disruptions and other disruptions caused by mining accidents which may involve personal injury to or death of employees or contractors; health risks associated with the mining work force in Africa, Québec and Suriname; disruptions created by surrounding communities; need to comply with the extensive laws and regulations governing the environment, health and safety of the Company's mining and processing operations and exploration activities; risks normally associated with any conduct of business in foreign countries including varying degrees of political and economic risk; ability to obtain the required licenses and permits from various governmental authorities in order to exploit the Company's properties; risks and expenses related to reclamation costs and related liabilities; continuously evolving legislation, such as the mining legislation in Ecuador and French Guiana, which may have unknown and negative impact on operations; risks normally associated with the conduct of joint ventures; inability to control standards of non-controlled assets; risk and unknown costs of litigation; undetected failures in internal controls over financial reporting; risks related to making acquisitions, including the integration of operations; risks related to the construction, development and start-up of the Westwood Project and potential further expansion activities at the Niobec niobium mine and the Essakane, Sadiola and Rosebel gold mines; the training of workers and

the resettlement of local communities in connection with any proposed expansion of the Essakane Gold Mine; dependence on key personnel; and other related matters.

Although the Company has attempted to identify important factors that could cause actual results to differ materially from expectations, intentions, estimates or forecasts, there may be other factors that could cause results to differ from what is anticipated, estimated or intended. Those factors are described or referred to below, under the heading “Risk Factors” in this Annual Information Form. Recent events in European financial and credit markets have resulted in high market and commodity price volatility and uncertainty in credit markets. These on-going events could impact forward-looking statements contained in this Annual Information Form in an unpredictable and possibly detrimental manner. Accordingly, readers should not place undue reliance on forward-looking statements. Except as required under applicable securities legislation, the Company undertakes no obligation to publicly update or revise forward-looking statements, whether as a result of new information, future events or otherwise.

Glossary

Mining Terms and Frequently Used Abbreviations

AC: Aircore.

By-product: a secondary metal or mineral product recovered in the milling process.

Carbon-in-leach (CIL) process: a process used to recover dissolved gold inside a cyanide leach circuit. Coarse activated carbon particles are introduced in the leaching circuit and are moved counter-current to the slurry, absorbing gold as they pass through the circuit. Loaded carbon is removed from the slurry by screening. Gold is recovered from the loaded carbon by stripping in a caustic cyanide solution followed by electrolysis. CIL is a process similar to CIP (carbon-in-pulp) except that the gold leaching and the gold absorption are done simultaneously in the same stage compared with CIP where the gold absorption stage follows the gold leaching stage.

Carbon-in-pulp (CIP) process: a process used to recover dissolved gold from a cyanide leach slurry. Coarse activated carbon particles are moved counter-current to the slurry, absorbing gold as they pass through the circuit. Loaded carbon is removed from the slurry by screening. Gold is recovered from the loaded carbon by stripping in a caustic cyanide solution followed by electrolysis.

Concentrate: a product containing the valuable metal and from which most of the waste material in the ore has been eliminated.

Contained ounces: ounces in the mineralized rock without reduction due to mining loss or processing loss.

Converter: a furnace in which the pyrochlore concentrate is converted into ferroniobium and heat is produced by the oxidation reaction.

Cut-off grade: the lowest grade of mineralized material considered economic; used in the estimation of mineral reserves in a given deposit.

DD: Diamond Drilling or Diamond Drill.

Deferred development: development of surface and underground infrastructures to be used over an extended period. Costs related to this activity are capitalized.

Deferred stripping: The capitalization of additional waste material mined, deemed to be a betterment, in order to extract an ore body in an open pit operation.

Depletion: the decrease in quantity of mineral reserves in a deposit or property resulting from extraction or production.

Dilution: an estimate of the amount of waste or low-grade mineralized rock which will be mined with the ore as part of normal mining practices in extracting an ore body.

EHS: environment, health and safety.

EMS: environmental management system.

g Au/t: gram of gold per tonne.

Grade: the relative quantity or percentage of metal or mineral content.

ISO 14001: a standard established by the International Organization for Standardization setting forth the guidelines for an environmental management system.

ISO 9001: a standard established by the International Organization for Standardization setting forth the guidelines for a quality management system.

Leach/heap leach: to dissolve minerals or metals out of ore with chemicals. Heap leaching gold involves the percolation of a cyanide solution through crushed ore heaped on an impervious pad or base.

MW: megawatts.

Mineral reserves: mineral reserves are divided into two categories; proven and probable mineral reserves, which are more particularly defined herein under Section 5 of Item III below.

Mineral resources: mineral resources are divided into three categories; measured, indicated and inferred, which are more particularly defined herein under Section 5 of Item III below.

Mtpa: Million tonnes per annum.

Ounce: refers to one troy ounce, which is equal to 31.1035 grams.

QA/QC: quality-assurance/quality control.

Qualified person: an individual who is an engineer or geoscientist with a university degree, or equivalent accreditation, in an area of geosciences, or engineering, relating to mineral exploration or mining who has at least five years of experience in mineral exploration, mine development or operation, or mineral project assessment, or any combination of these, that is relevant to his or her professional degree or area of practice, and who has experience relevant to the subject matter of the mineral project or technical report, and who is in good standing with a professional association, as more fully referenced in NI 43-101.

RAB: Rotary air blast.

RC: reversed circulation.

Recovery: the proportion of valuable material obtained during mining or processing. Generally expressed as a percentage of the material recovered compared to the total material present.

Restoration: operation consisting of restoring a mining site to a satisfactory condition.

RQD: rock quality designation.

SAG: Semi-autogenous grinding.

Stope: the underground excavation from which the ore is extracted.

Stoping: the process of mining an underground ore body.

Stripping: In Mining: the process of removing overburden or waste rock to expose ore.

In Processing: the process of removing the gold from loaded carbon by use of a hot caustic cyanide solution.

Tailings: the material that remains after metals or minerals considered economic have been removed from ore during milling.

Tailings pond or Tailings Storage Facility (TSF): a containment area used to deposit tailings from milling.

Tonne: by common convention refers to one Metric ton, equivalent to 1,000 kg.

Financial Terms

2008 Credit Facility: means the credit agreement providing for a revolving facility of up to $140 million entered into by the Company and a syndicate of financial institutions led by The Bank of Nova Scotia and Société Générale on April 15, 2008.

2010 Amended Credit Facility: means the amended and restated 2008 Credit Facility including increasing the revolving facility to $350 million and changes to several terms and conditions, entered into by the Company and a syndicate of financial institutions led by The Bank of Nova Scotia, Société Générale and Canadian Imperial Bank of Commerce on March 24, 2010.

2012 Amended Credit Facility: means the amended and restated 2010 Credit Facility including increasing the revolving facility to $500 million and changes to several terms and conditions, entered into by the Company and a syndicate of financial institutions led by The Bank of Nova Scotia, Canadian Imperial Bank of Commerce and Toronto-Dominion Bank on February 22, 2012.

2012 Niobec Credit Facility: means the credit facility providing a $250 million revolving facility entered into by Niobec Inc., a wholly-owned subsidiary of the Company, and a syndicate of financial institutions led by The Bank of Nova Scotia, Canadian Imperial Bank of Commerce and Toronto-Dominion Bank on February 22, 2012.

2010 Letters of Credit Facility: means the credit agreement providing for a revolving facility of up to $50 million for the issuance of letters of credit entered into by the Company and the National Bank of Canada on April 23, 2010.

2012 Amended Letters of Credit Facility: means the amended and restated credit agreement including increasing the revolving facility of up to $75 million for the issuance of letters of credit entered into by the Company and the National Bank of Canada on February 22, 2012.

2008 Financial Creditors: means the syndicate of financial institutions party to the 2008 Credit Facility.

2010 Financial Creditors: means the syndicate of financial institutions party to the 2010 Amended Credit Facility.

2012 Financial Creditors: means the syndicate of financial institutions party to the 2012 Amended Credit Facility and/or the 2012 Niobec Credit Facility and/or the 2012 Amended Letters of Credit Facility.

Forward sales: the sale of a commodity for delivery at a specified future date and price, usually at a premium to the spot price.

Hedge: a risk management technique used to manage commodity price, interest rate, foreign currency exchange or other exposures arising from regular business transactions.

Hedging: a future transaction made to protect the price of a commodity as revenue or cost and secure cash flows.

Margin: money or securities deposited with a broker as security against possible negative price fluctuations.

Royalty: cash payment or physical payment (in-kind) generally expressed as a percentage of net smelter returns (“NSR”) or mine production.

Spot price: the current price of a metal for immediate delivery.

TSX: the Toronto Stock Exchange.

Volatility: propensity for variability. A market or share is volatile when it records rapid variations.

Technical Information

For the Sadiola and Yatela mines, refer to the definitions of the JORC Code (defined below) under the heading " *Australasian Code for Reporting of Mineral Resources and Ore Reserves"* below.

Canadian Standards for Mineral Resources and Reserves

Unless otherwise indicated, in this Annual Information Form, the following terms have the meanings set forth below. **Reference is made to the "Cautionary Note to US Investors Regarding Mineral Reporting Standards" at the beginning of this Annual Information Form.**

Mineral Reserves

Mineral Reserves are sub-divided in order of increasing confidence into Probable Mineral Reserves and Proven Mineral Reserves. A Probable Mineral Reserve has a lower level of confidence than a Proven Mineral Reserve.

A Mineral Reserve is the economically mineable part of a Measured or Indicated Mineral Resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A Mineral Reserve includes diluting materials and allowances for losses that may occur when the material is mined.

Proven Mineral Reserve

A Proven Mineral Reserve is the economically mineable part of a Measured Mineral Resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction is justified.

Probable Mineral Reserve

A Probable Mineral Reserve is the economically mineable part of an Indicated and, in some circumstances, a Measured Mineral Resource, demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified.

Mineral Resources

Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories. An Inferred Mineral Resource has a lower level of confidence than that applied to an Indicated Mineral Resource. An Indicated

Mineral Resource has a higher level of confidence than an Inferred Mineral Resource but has a lower level of confidence than a Measured Mineral Resource.

A Mineral Resource is a concentration or occurrence of natural, solid, inorganic material or natural, solid, fossilized, organic material including base and precious metals, coal and industrial minerals in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge.

Measured Mineral Resource

A Measured Mineral Resource is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity.

Indicated Mineral Resource

An Indicated Mineral Resource is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed.

Inferred Mineral Resource

An Inferred Mineral Resource is that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.

Metallurgical Recovery and Cut-off Grade

In calculating mineral reserves, cut-off grades are established using the Company's long-term metal or mineral prices and foreign exchange assumptions, the average metallurgical recovery rates and estimated production costs over the life of the related operation. For an underground operation, a cut-off grade is calculated for each mining method, as production costs vary from one method to another. For a surface operation,

production costs are determined for each block included in the block model of the relevant operation.

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Australasian Code for Reporting of Mineral Resources and Ore Reserves

The estimates of ore reserves and mineral resources for the Sadiola and Yatela mines, as set out in this Annual Information Form have been calculated in accordance with the Australasian Code for Reporting of Mineral Resources and Ore Reserves prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and Minerals Council of Australia (the "JORC Code"). NI 43-101 provides that companies may make disclosures using the reserve and resource categories of the JORC Code subject to the satisfaction of certain requirements.

The definitions of **ore reserves** (under the JORC Code) are as follows.

Ore reserve (under the JORC Code) is the economically mineable part of a measured or indicated mineral resource. It includes diluting materials and allowances for losses which may occur when the material is mined. Appropriate assessments, which may include feasibility studies, have been carried out, and include consideration of, and modification by, realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified. Ore reserves are subdivided in order of increasing confidence into probable ore reserves and proved ore reserves.

Probable ore reserve (under the JORC Code) is the economically mineable part of an indicated, and in some circumstances measured, mineral resource. It includes diluting materials and allowances for losses which may occur when the material is mined. Appropriate assessments, which may include feasibility studies, have been carried out, and include consideration of, and modification by, realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified.

Proved ore reserve (under the JORC Code) is the economically mineable part of a measured mineral resource. It includes diluting materials and allowances for losses which may occur when the material is mined. Appropriate assessments, which may include feasibility studies, have been carried out, and include consideration of, and modification by, realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified.

The definitions of **mineral resources** under the JORC Code are as follows:

Mineral resource is a concentration or occurrence of material of intrinsic economic interest in or on the Earth's crust in such form and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral resources are subdivided, in order of increasing geological confidence, into inferred, indicated and measured categories.

Inferred mineral resource is that part of a mineral resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and is assumed, but not verified, geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes which may be limited or of uncertain quality and reliability.

Indicated mineral resource is that part of a mineral resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed.

Measured mineral resource is that part of a mineral resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are spaced closely enough to confirm geological and/or grade continuity.

Mineral resources, which are not ore reserves, do not have demonstrated economic viability.

The foregoing definitions of ore reserves and mineral resources as set forth in the JORC Code have been reconciled to the definitions in the Canadian Institute of Mining, Metallurgy and Petroleum Standards on Mineral Resources and Reserves Definitions and Guidelines (the "CIM Standards") adopted under NI 43-101. If ore reserves and mineral resources for the Sadiola and Yatela gold mines were estimated in accordance with the definitions in the CIM Standards, there would be no substantive differences in the reserve and resource estimates for such mines set forth herein.

Symbols Used

Ag	=	Silver
Au	=	Gold
Ce	=	Cerium
Cu	=	Copper
Dy	=	Dysprosium
Eu	=	Europium
FeNb	=	Ferroniobium
Gd	=	Gadolinium
La	=	Lanthanum
Nb	=	Niobium
Nb_2O_5	=	Niobium pentoxide (pyrochlore)
Nd	=	Neodymium
Pr	=	Praseodymium
Sm	=	Samarium
Tb	=	Terbium

Item I Name and Incorporation

The Company was incorporated under the *Canada Business Corporations Act* with the name “IAMGOLD International African Mining Gold Corporation” by articles of incorporation effective March 27, 1990. By articles of amendment effective June 23, 1995, the outstanding common shares of the Company (“Common Shares”) were consolidated on a one-for-4.45 basis. By articles of amendment effective July 19, 1995, the authorized capital of the Company was increased by the creation of an unlimited number of first preference shares (“First Preference Shares”), issuable in series, and an unlimited number of second preference shares (“Second Preference Shares”), issuable in series, and the “private company” restrictions were deleted. By articles of amendment effective June 27, 1997, the name of the Company was changed to “IAMGOLD Corporation”. By articles of amalgamation effective April 11, 2000, the Company amalgamated with its then wholly-owned subsidiary, 3740781 Canada Ltd. (formerly 635931 Alberta Ltd.). By articles of amalgamation effective January 1, 2004, the Company amalgamated with its then wholly-owned subsidiary, Repadre Capital Corporation (“Repadre”). Effective March 22, 2006, the Company completed a business combination transaction with Gallery Gold Limited (“Gallery Gold”) and effective November 8, 2006, the Company acquired Cambior Inc. (“Cambior”) by amalgamating a wholly-owned subsidiary, IAMGOLD-Québec Management Inc. (“IMG-QC”), with Cambior pursuant to the terms of a court-sanctioned arrangement (“Cambior Arrangement”). By articles of amalgamation effective January 1, 2011, the Company amalgamated with its then wholly-owned subsidiary, IAMGOLD Burkina Faso Inc. (“IMG-BF”). By articles of amalgamation effective March 1, 2011, the Company amalgamated with its then wholly-owned subsidiary, IMG-QC.

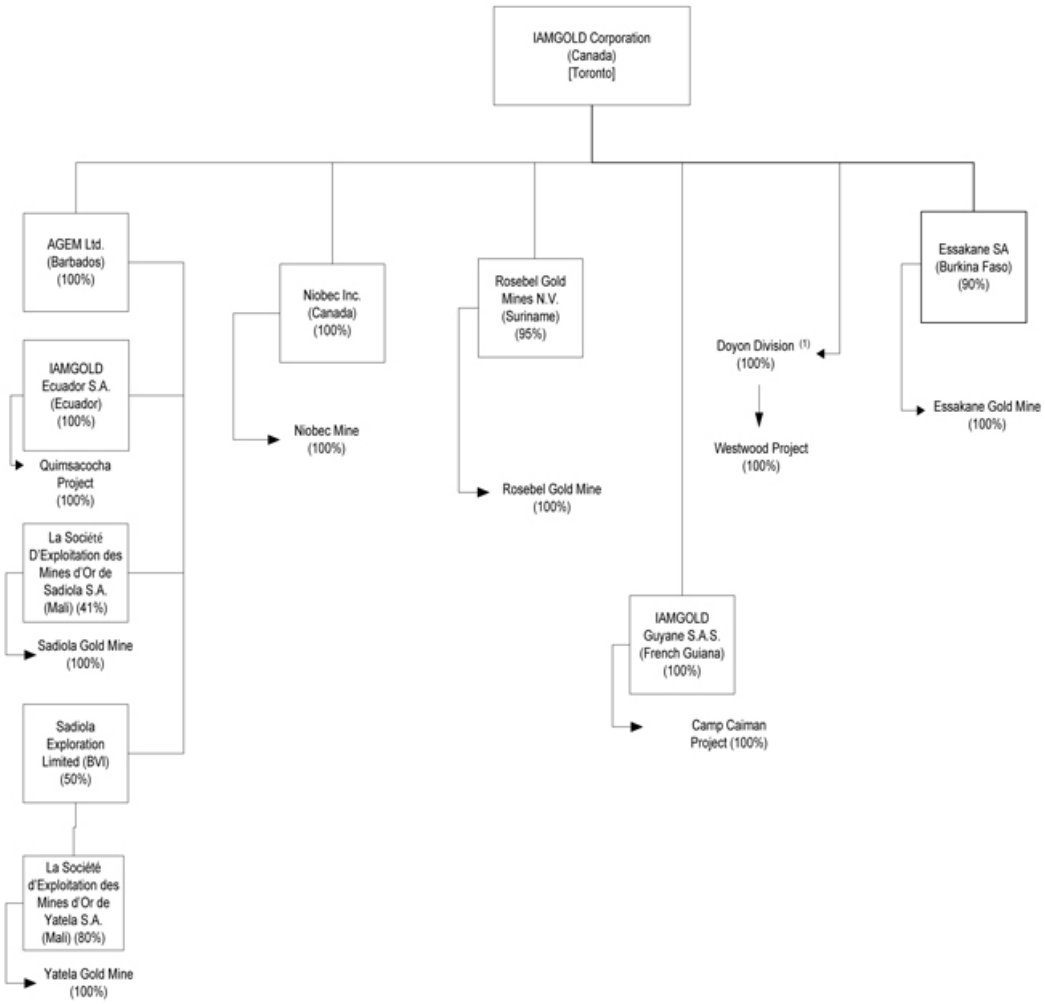
The registered and principal office of the Company is located at 401 Bay Street, Suite 3200, PO Box 153, Toronto, Ontario, Canada M5H 2Y4. The Company’s telephone number is (416) 360-4710 and its website address is www.iamgold.com.

Item II General Development of the Business

1. Three-Year History

IAMGOLD is engaged primarily in the exploration for, and the development and production of, mineral resource properties throughout the world. Through its holdings, IAMGOLD has interests in various operations and exploration properties as well as a royalty interest on a property that produces diamonds. The following chart illustrates certain subsidiaries of IAMGOLD, together with the jurisdiction of incorporation of each such subsidiary and the percentage of voting securities beneficially owned or over which control or direction is exercised by IAMGOLD, and the material mineral projects of IAMGOLD held through such subsidiaries and the percentage of ownership interest that the relevant subsidiary of IAMGOLD has in such material mineral projects.

IAMGOLD's Corporate Structure



(1) The Doyon Division is comprised of the Doyon and Mouska Gold Mines and the Westwood Project.

Other property interests of IAMGOLD include a 1% royalty on the Diavik diamond property located in the Northwest Territories, Canada.

The Company is the owner and operator of the Rosebel, Essakane, Niobec, and Mouska mines.

On February 25, 2009, the Company acquired a 90% interest in the Essakane gold project comprised of a mining permit covering 100.2 square kilometres and certain exploration permits in Burkina Faso, West Africa (the “Essakane Gold Mine”) by amalgamating a wholly-owned subsidiary, IMG-BF with Orezone Resources Inc. (“Orezone Resources”) pursuant to a plan of arrangement whereby the Company agreed to acquire each outstanding common share of Orezone Resources in exchange for 0.08 Common Shares and 0.125 shares of a new company, Orezone Gold Corporation (“Orezone Gold”), into which the exploration properties of Orezone Resources that were not related to the Essakane Gold Mine were spun out together with approximately C$10 million in cash.

On the date of the transaction, the Company held approximately 16.6% of the outstanding common shares of Orezone Gold, which were subsequently sold, and the former shareholders of Orezone Resources held approximately 9% of the outstanding Common Shares.

In addition, as part of the transaction, the Standard Bank of South Africa Limited (“Standard Bank”) assigned to the Company a $40 million bridge loan payable by a former subsidiary of Orezone Resources to Standard Bank in consideration for the payment by IAMGOLD of $40 million plus interest. This former subsidiary of Orezone Resources was acquired by the Company under the plan of arrangement with Orezone Resources. The $40 million bridge loan is now an inter-company loan from AGEM Ltd. (“AGEM”), a wholly-owned financing subsidiary of the Company, to Essakane S.A., the entity through which the Company holds its 90% indirect interest in the Essakane Gold Mine.

On March 26, 2009, the Company completed a public offering (the “Offering”) of Common Shares through a syndicate of underwriters at a price of C$8.75 per share by way of a short form prospectus in all of the provinces and territories of Canada, except Québec, and a registration statement filed with the SEC under the multijurisdictional disclosure system. Including the Common Shares issued on the exercise of the over-allotment option, the Company issued 39,445,000 Common Shares for aggregate gross proceeds of C$345,143,750. Approximately C$250 million of the net proceeds from the Offering w ere used to fund the construction and development of the Essakane Gold Mine and the balance was used to fund capital expenditures at the Company’s other properties and other general corporate purposes including future acquisition opportunities.

On June 5, 2009, the Company issued 1,379,310 flow-through Common Shares for proceeds of C$20,000,000. As of December 31, 2009, the Company had applied all of the flow-through share proceeds raised to fund prescribed resource expenditures on the Company’s Westwood Project in Québec, Canada. Subsequent to December 31, 2009,

the Company filed with tax authorities the documents required to renounce the tax credits associated with these expenditures and thereby fulfilled its commitments under the subscription agreement and satisfied the requirements under applicable Canadian federal income tax legislation.

On June 19, 2009, the Company acquired 16,088,636 common shares at C$0.70 per share for a total investment of C$11,262,000 representing approximately 15.7% of the then current issued and outstanding shares of Oromin Explorations Ltd. (“Oromin”). Oromin is a TSX-listed company with a joint venture interest in a property covering a large landholding in close proximity to the Sabodala mine in Senegal. The Company acquired these common shares for investment purposes.

In June 2009, an option and earn-in agreement was entered into for the sale of the La Arena Project in Peru. The Company received approximately 8 million common shares and 1,500,000 warrants of Rio Alto Mining Limited (“Rio Alto”) for a total value of $1.4 million. Rio Alto had the option to purchase all of the outstanding shares of La Arena S.A., a then IAMGOLD wholly-owned subsidiary, for a cash payment of $47.6 million subject to certain adjustments. In February 2011, pursuant to terms of the option agreement, Rio Alto purchased all the outstanding shares of La Arena S.A. for a cash payment of $49 million.

On July 29, 2009, the Company filed a base shelf prospectus with the securities regulators in each province and territory of Canada, except Québec, and a corresponding registration statement with the SEC in the United States. These filings made it possible for the Company to make offerings of common shares, warrants, debt securities, subscription receipts or any combination thereof of up to $700 million until August 29, 2011.

In August 2009, the Company entered into an option agreement to acquire up to a 51% initial interest in Avnel Gold Limited (“Avnel”) and Avnel’s 80% interest in a small operating gold mining company in southwest Mali. Acquiring a 51% interest in Avnel will require the Company to spend $11 million on exploration activities over a three-year period, and deliver a NI 43-101 resource estimation of at least 2 million ounces of gold. IAMGOLD can increase its interest to 70% by solely funding a feasibility study (or to 65%, if funded jointly), and by payment of a feasibility study fee determined from the amount of reserves and resources outlined. The Company believes that there is the potential for a large bulk tonnage operation in the immediate mine area, and significant upside in the large land package. IAMGOLD incurred $1.8 million in 2009 as part of a $2.5 million mandatory expenditure in the first year of the agreement.

On December 29, 2009, IAMGOLD acquired an additional 3% interest in SEMOS from the International Finance Corporation (“IFC”) thereby increasing its ownership interest in the Sadiola Gold Mine joint venture to 41%. AngloGold Ashanti, the other joint venture participant responsible for operating the mine, acquired the other 3% interest.

The consideration for each 3% share in SEMOS was $6 million in cash followed by contingent payments of:

- $0.25 million in respect of each of 2010, 2011 and 2012 for which the average gold price exceeds $900 per ounce, or $0.5 million in respect of each of the aforementioned years that the average gold price exceeds $1,000 per ounce, and
- $0.5 million upon approval by the board of directors of SEMOS and the Republic of Mali to proceed with the development of the Sadiola Sulphide Project ("SSP").

The Company paid the IFC $0.5 million on January 31, 2011 in respect of 2010 and another $0.5 million on January 31, 2012 in respect of 2011.

On March 11, 2010 and September 15, 2010, the Company issued 1,575,000 and 403,064 flow-through Common Shares, respectively, for proceeds of C$31,500,000 and C$10,000,000, respectively. As of December 31, 2010, the Company had applied all of the flow-through share proceeds raised to fund prescribed resource expenditures on the Company's Westwood Project in Québec, Canada. As at December 31, 2010, the Company filed with tax authorities the documents required to renounce the tax credits associated with these expenditures and thereby fulfilled its commitments under the subscription agreement and satisfied the requirements under applicable Canadian federal income tax legislation.

On July 16, 2010, the Essakane Gold Mine achieved commercial production.

On February 24, 2011, the Company issued 1,700,000 flow-through Common Shares for proceeds of C$43,316,000. As at December 31, 2011, the Company filed with tax authorities the documents required to renounce the tax credits associated with these expenditures and thereby fulfilled its commitments under the subscription agreement and satisfied the requirements under applicable Canadian federal income tax legislation.

On April 1, 2011, the Company acquired 6,250,000 common shares at C$0.40 per share for a total investment of C$2,500,000, together with 3,125,000 share purchase warrants, of the current and outstanding shares of Avnel. The Company acquired these common shares for investment purposes.

On June 9, 2011, the Company acquired 3,500,000 common shares at C$0.75 per share for a total investment of C$1,750,000 representing approximately 13.98% of the current and outstanding shares of Merrex Gold Inc. ("Merrex"). The Company acquired these common shares for investment purposes.

On June 15, 2011, the Company further acquired 5,000,000 common shares at C$0.66 per share for a total investment of C$3,300,000 representing approximately 8.48% of the current and outstanding shares of Avnel. The Company acquired such shares as a result of a purchase of common shares from an Avnel shareholder on a prospectus exempt basis. The acquisition of these common shares are for investment purposes.

On June 20, 2011, the Company filed an independent technical report for the Niobec mine (the "Niobec Mine") confirming a 691% increase in measured and indicated

niobium resources.

On June 21, 2011, the Company announced an increase in dividends by 150% from C$0.08 to C$0.20 per share per annum with the first semi-annual payment of C$0.10 being made in July 2011.

On June 22, 2011, the Company entered into an Earn-in Option Agreement with Virginia Mines on their Lac Pau project located in the James Bay region. The Company has the right to earn a 50 per cent interest in the property in consideration of C$6 million in work expenditures and prescribed cash payments.

On June 22, 2011, the Company received C$667 million in cash from Gold Fields Limited from the sale of its 18.9% interest in the Tarkwa and Damang gold mines in Ghana.

On July 14, 2011, the Company filed a base shelf prospectus for renewal of an existing facility with the securities regulators in each province and territory of Canada (except for Québec) and a corresponding registration statement with the SEC in the United States. These filings will allow the Company to make offerings of shares, warrants, debt securities, subscription receipts or any combination thereof of up to $1 billion until August 15, 2013.

On August 12, 2011, the Company delisted from the Botswana Stock Exchange.

On August 31, 2011, the Company completed the sale of the shares of Gallery Gold Pty Ltd., which indirectly held the Mupane gold mine (the “Mupane Gold Mine”) in Botswana, to Galane Gold Ltd. (“Galane”). The Company received a total consideration of C$34.2 million, consisting of C$12.5 million in cash, C$17.9 million in common shares of Galane and a C$3.8 million promissory note payable over three years at an annual rate of 6%. The Company received an aggregate of 21,875,000 common shares of Galane representing approximately 48.5% of the outstanding shares of Galane. The securities are being held for investment purposes.

On November 4, 2011, the Company acquired 12,000,000 common shares and 6,000,000 warrants at an aggregate price per unit (common share and warrant) of C$0.285 for a total investment of C$3,420,000, with the common share position representing approximately 14.03% of the current and outstanding shares of Colombia Crest Gold Corp. The Company acquired these common shares pursuant to a non-brokered private placement on a prospectus exempt basis. The Company acquired such shares for investment purposes.

On November 8, 2011, the Company acquired 11,000,000 common shares and 5,500,000 warrants at an aggregate price per unit (common share and warrant) of C$0.55 for a total investment of C$6,050,000, with the common share position representing approximately 10.4% of the current and outstanding shares of Bellhaven Copper and Gold Inc. The Company acquired these common shares pursuant to a non-brokered private placement on a prospectus exempt basis. The Company acquired

such shares for investment purposes.

On December 6, 2011, the Company acquired 15,384,615 common shares at C$0.65 per share for a total investment of C$10,000,000, representing approximately 13.2% of the current and outstanding shares of Tolima Gold Inc. The Company acquired these common shares pursuant to a brokered private placement on a prospectus exempt basis. The Company acquired such shares for investment purposes.

On December 9, 2011, the Company announced its second increase in dividends by 25% from C$0.20 to C$0.25 per share per annum with the next semi-annual payment of C$0.125 to be made in January 2012.

On December 28, 2011, the Company received $15,000,000 cash for the sale of two NSR royalties, including the royalty on the Magistral property in Mexico.

On February 22, 2012, the Company increased its existing unsecured revolving credit facility to $500 million and its existing letters of credit revolving credit facility to $75 million. The 2012 Amended Credit Facility is a four-year facility expiring in 2016. In addition, the Company's wholly owned subsidiary, Niobec Inc., received a four-year unsecured revolving credit facility in the amount of $250 million in support of expansion plans for its Niobec mine. The 2012 Niobec Credit Facility is a separate facility for Niobec, that is supported by the Company.

2. Trends

IAMGOLD's income and cash flow are significantly affected by trends in the price of gold and in input costs.

The price of gold is beyond the control of IAMGOLD and has moved significantly over the past three years. Based on the London PM Fix on the London Bullion Market, the lowest gold price during this period was $810 on January 15, 2009 and the highest price was $1,895 on September 5 and September 6, 2011. While there is an upward trend in the price of gold since 2006, there has been significant volatility during this period. The rising trend in gold prices primarily reflects a progressive global appreciation of gold as a fiat currency amid declining confidence in key national currencies, particularly the United States dollar.

The costs of inputs to the mining industry have also been rising over the past three years. Some cost items such as royalty payments to the host countries for mining operations and fuel costs have risen in the same magnitude and direction as gold prices. The rising price of gold has also spurred new development and expansion in the gold mining industry. This growth has raised the demand and strained the supply of materials and equipment for both the construction and operation of mines around the world. As a result, backorders and costs for key materials and equipment have increased. Other input costs, such as labour, have risen with local inflationary rates.

In the past three years, the rate of increase in the price of gold has outpaced the rate of increase in input costs. The net result is that during this period operating margins, income and cash flows have significantly increased. See discussion under the heading "Risk Factors" below.

3. Risk Factors

The Company is subject to various financial and operational risks that could materially impact on, among other things, operating results, profitability and levels of operating cash flow, as described below. Any one of such risk factors could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

Financial Risks

The Company's earnings are directly related to the market prices for various minerals.

The Company's revenues depend on the market prices for mine production from the Company's producing properties. In 2011, approximately 89% of the Company's revenues were attributable to gold sales. The gold market is highly volatile and is subject to various factors including political stability, general economic conditions, mine production and intent of governments who own significant above-ground reserves. Gold prices fluctuate widely and are affected by numerous factors beyond the Company's control including central bank lending, sales and purchases of gold, producer hedging activities, expectations of inflation, the level of demand for gold as an investment, speculative trading, the relative exchange rate of the US dollar with other major currencies, interest rates, global and regional demand, political and economic conditions and uncertainties, industrial and jewellery demand, production costs in major gold producing regions and worldwide production levels. The aggregate effect of these factors is impossible to predict with accuracy. In addition, the price of gold has, on occasion, been subject to very rapid short-term changes because of speculative activities. Fluctuations in gold prices may materially adversely affect the Company's financial performance or results of operations. If the world market price of gold was to drop and the prices realized by the Company on gold sales were to decrease significantly and remain at such a level for any substantial period of time, the profitability of the Company and cash flow would be negatively affected. The world market price of gold has fluctuated widely during the last several years. If the market price of gold falls significantly from its current level, the mine development projects may be rendered uneconomic and the development of the mine projects may be suspended or delayed. The profitability and economic viability of the Company's niobium producing property, the Niobec mine, is subject to market fluctuations in the price of niobium. The niobium market is characterized by a dominant producer whose actions may affect the price of niobium. The consequences of competitor actions could be loss of market share and significant reduced margins and profitability.

Failure to generate sufficient cash flow from operations to fund the Company's capital expenditure plans may result in a delay or indefinite postponement of exploration, development or production on any or all of the Company's properties.

To fund growth, the Company may depend on securing the necessary capital through loans or other forms of permanent capital. The availability of this capital is subject to general economic conditions and lender and investor interest in the Company and its projects. The construction of mining facilities and commencement of mining operations, such as at the Westwood Project in Canada, and the exploration and development of the Company's properties, including continuing exploration projects around the world and expansion of the Essakane, Niobec, Rosebel and Sadiola mines, will require substantial capital expenditures. In addition, a portion of the Company's activities is directed to the search for, and the development of, new mineral deposits. The Company may be required to seek additional financing and continuation of the current financial arrangements with its lenders to maintain its capital expenditures at planned levels. The Company will also have additional capital requirements to the extent that it decides to expand its present operations and exploration activities or construct additional new mining and processing operations at any of its properties or take advantage of opportunities for acquisitions, joint ventures or other business opportunities that may arise. Financing may not be available when needed or, if available, may not be available on terms acceptable to the Company. Failure to obtain any financing necessary for the Company's capital expenditure plans may result in a delay or indefinite postponement of exploration, development or production on any or all of the Company's properties.

To finance future operations and development efforts, the Company expects to have sufficient cash flow from operations, but may raise funds through the disposition of non-core assets, project financing or other forms of indebtedness, or the issue of Common Shares of IAMGOLD or securities convertible into Common Shares of IAMGOLDs, which would dilute the shareholdings of the then current shareholders.

To finance future operations and development efforts, the Company expects to have sufficient cash flow from operations, but may raise funds through project financing or other means. It is also examining various options to realize the full value of the Company's joint venture interests in mines in West Africa and in its wholly-owned niobium mine in Quebec, Canada.

The Company may also raise funds through the issue of Common Shares or the issue of securities convertible into Common Shares. The constating documents of the Company allow it to issue, among other things, an unlimited number of Common Shares for such consideration and on such terms and conditions as may be established by the directors of the Company, in many cases, without the approval of shareholders. The Company cannot predict the size of future issues of Common Shares or the issue of securities convertible into Common Shares of IAMGOLD or the effect, if any, that future issues and sales of the Company's Common Shares will have on the market price of its Common Shares. Due to recent market volatility and the past devaluation of global stock markets, there may be an increased risk of dilution for existing shareholders should the Company need to issue additional Common Shares at a lower share price to

meet its capital requirements. Any transaction involving the issue of previously authorized but unissued Common Shares or securities convertible into Common Shares would result in dilution, possibly substantial, to present and prospective holders of Common Shares.

Past events in global financial markets have had a profound impact on the global economy and the gold mining industry and this situation could adversely affect the Company's growth prospects, profitability, access to financing, revenue, costs and enterprise value.

Past events in global financial markets have had a profound impact on the global economy. Many industries, including the gold mining industry, are impacted by these market conditions. Some of the key impacts of the current financial market turmoil include contraction in credit markets resulting in a widening of credit risk, currency devaluations and high volatility in global equity, commodity, foreign exchange and precious metal markets and a lowering of market liquidity. A continued or worsened slowdown in the financial markets or other economic conditions, including, but not limited to, consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, interest rates and tax rates may adversely affect the Company's growth and profitability. Specifically, a global credit and liquidity crisis could impact the cost and availability of financing and the Company's overall liquidity; the volatility of gold prices impacts the Company's revenues, profits and cash flow; volatile energy, commodity and consumables prices and currency exchange rates impact the Company's production costs; and the devaluation and volatility of global stock markets impacts the valuation of the Company's equity securities. These factors could have a material adverse effect on the Company's financial condition and/or results of operations and enterprise value.

The Company's system of internal controls over financial reporting may not detect or uncover all failures of persons within the Company to disclose material information required to be reported or fraudulent acts of a material nature.

The Company documented and tested, during its 2011 fiscal year, its internal control procedures in order to satisfy the requirements of Section 404 of the Sarbanes-Oxley Act ("SOX"). SOX requires an annual assessment by management of the effectiveness of the Company's internal control over financial reporting and an attestation report by the Company's independent auditors addressing this assessment. The Company may fail to achieve and maintain the adequacy of its internal control over financial reporting as such standards are modified, supplemented, or amended from time to time, and the Company may not be able to ensure that it can conclude on an ongoing basis that it has effective internal controls over financial reporting in accordance with Section 404 of SOX. The Company's failure to satisfy the requirements of Section 404 of SOX on an ongoing and timely basis could result in the loss of investor confidence in the reliability of its financial statements, which in turn could harm the Company's business and negatively impact the trading price of its Common Shares or market value of its other securities. In addition, any failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Company's operating results or cause it to fail to meet its reporting obligations. Future acquisitions of

companies may provide the Company with challenges in implementing the required processes, procedures and controls in its acquired operations. Acquired companies may not have disclosure controls and procedures or internal control over financial reporting that are as thorough or effective as those required by securities laws currently applicable to the Company.

No evaluation can provide complete assurance that the Company's internal control over financial reporting will detect or uncover all failures of persons within the Company to disclose material information required to be reported. The effectiveness of the Company's control and procedures could also be limited by simple errors or faulty judgments. Accordingly, the Company's management does not expect that its internal control over financial reporting will prevent or detect all errors and all fraud. In addition, as the Company continues to expand, the challenges involved in implementing appropriate internal controls over financial reporting will increase and will require that the Company continue to improve its internal controls over financial reporting. Although the Company intends to devote substantial time and incur substantial costs, as necessary, to ensure ongoing compliance, the Company cannot be certain that it will be successful in complying with Section 404 of SOX.

Mining and other tax regimes in foreign jurisdictions are subject to differing interpretations and may be vulnerable to sudden changes.

In some cases, fiscal stability agreements are in place and provide a measure of protection by stabilizing certain tax rates applicable to a mining project depending on its phase of development. The Company's interpretation of taxation law as applied to its transactions and activities may not coincide with that of the tax authorities. As a result, transactions may be challenged by tax authorities and the Company's operations may be assessed, which could result in significant additional taxes, penalties and interest.

The violation by the Company of covenants contained in the 2012 Amended Credit Facility, the 2012 Niobec Credit Facility and the 2012 Amended Letters of Credit Facility (the "Credit Facilities") may cause the Company to be in default under the terms of these facilities.

The 2012 Amended Credit Facility places certain limits on the Company, such as, on the Company's ability to incur additional indebtedness, enter into derivative transactions, make investments in a business, or carry on business unrelated to mining, dispose of the Company's material assets or, in certain circumstances, pay dividends. Further, the Credit Facilities require the Company to maintain specified financial ratios and meet financial condition covenants. Events beyond the Company's control, including changes in general economic and business conditions, may affect the Company's ability to satisfy these covenants, which could result in a default under the Credit Facilities. As at March 21, 2012, there were no funds drawn against the 2012 Amended Credit Facility or the 2012 Niobec Credit Facility, but $18.4 million in letters of credit were drawn against the 2012 Amended Letters of Credit Facility. Depending on its cash position and cash requirements, the Company may draw on the 2012 Amended Credit Facility and the 2012 Niobec Credit Facility to fund part of the capital expenditures required in connection with its current development projects. If an event of

default under the 2012 Amended Credit Facility or the 2012 Niobec Credit Facility occurs, the Company would be unable to draw down further on the 2012 Amended Credit Facility or the 2012 Niobec Credit Facility and the lenders could elect to declare all principal amounts outstanding thereunder at such time, together with accrued interest, to be immediately due. An event of default under the 2012 Amended Credit Facility or the 2012 Niobec Credit Facility may also give rise to an event of default under existing and future debt agreements and, in such event, the Company may not have sufficient funds to repay amounts owing under such agreements.

The Company's fair value estimates with respect to the carrying amount of mineral interests (including goodwill) are based on numerous assumptions and may differ significantly from actual fair values.

Periodically, the Company evaluates the carrying amount of mineral interests (including goodwill) to determine whether the effect of current events and circumstances indicate such carrying amount may no longer be supportable, which becomes more of a risk in the global economic conditions that exist currently. The fair values of its reporting units are based, in part, on certain factors and assumptions that may be partially or totally outside of the Company's control. This evaluation involves a comparison of the estimated fair value of the Company's reporting units to their carrying values. The Company's fair value estimates are based on numerous assumptions and may differ from actual realizable values and these differences may be significant and could have a material effect on the Company's financial position and/or results of operation. If the Company fails to achieve its valuation assumptions or if any of its reporting units experiences a decline in its fair value, then this may result in an impairment charge, which would reduce the Company's earnings.

Fluctuations in exchange rates of currencies directly impact the earnings of the Company.

Currency fluctuations may affect the revenues which the Company will realize from its operations since gold is sold in the world market in United States dollars. The costs of the Company are incurred principally in Canadian dollars, United States dollars, Euros, CFA francs and South African Rand. The appreciation of non-U.S. dollar currencies against the U.S. dollar increases the cost of gold production in U.S. dollar terms. While CFA francs currently have a fixed exchange rate to the Euro and are currently convertible into Canadian and United States dollars, they may not always have a fixed exchange rate or be convertible in the future.

The Company is affected by movements in interest rates.

The Company is affected by movements in interest rates. Interest payments under the 2012 Amended Credit Facility are subject to fluctuation based on changes to specified interest rates. See the discussion below under the heading "Material Contracts – 2012 Amended Credit Facility". A copy of the credit agreement in connection with the 2012 Amended Credit Facility is available under the Company's profile on SEDAR at www.sedar.com.

There are financial risks associated with being a multinational company.

The Company is a multinational company that conducts operations through mainly foreign subsidiaries, foreign companies and joint ventures, and substantially all of the assets of Company consist of equity in these entities. Accordingly, any limitations, or the perception of limitations, on transfer of cash or other assets between the parent company and these entities, or among these entities, could restrict the Company's ability to fund its operations efficiently, or to repay its debts, and could impact negatively on the Company's valuation and share price.

The use of derivative instruments involves certain inherent risks including credit risk, market liquidity risk and unrealized mark-to-market risk.

While the Company generally does not employ hedge (or derivative) products in respect of mineral production, the Company may from time to time employ hedge (or derivative) products in respect of input costs such as fuel oil, interest rates and/or currencies. Hedge (or derivative) products are generally used to manage the risks associated with, among other things, mineral price volatility, changes in commodity prices, interest rates, foreign currency exchange rates and energy prices. Where the Company holds such derivative positions, the Company will deliver into such arrangements in the prescribed manner. The use of derivative instruments involves certain inherent risks including: (a) *credit risk* – the risk of default on amounts owing to the Company by the counterparties with which the Company has entered into such transactions; (b) *market liquidity risk* – the risk that the Company has entered into a derivative position that cannot be closed out quickly, by either liquidating such derivative instrument or by establishing an offsetting position; and (c) *unrealized mark-to-market risk* – the risk that, in respect of certain derivative products, an adverse change in market prices for commodities, currencies or interest rates will result in the Company incurring an unrealized mark-to-market loss in respect of such derivative products.

In the case of a gold option based forward sales program, if the metal price rises above the price at which future production has been committed under an option based forward sales hedge program, the Company may have an opportunity loss. If the metal price falls below that committed price under an option based forward sales hedge program, revenues will be protected to the extent of such committed production. There can be no assurance that the Company will be able to achieve future realized prices for metal prices that may exceed the option based forward sales hedge program.

Operational Risks

The Company's mineral reserves and mineral resources are estimates, and no assurance can be given that the estimated reserves and resources are accurate or that the indicated level of gold will be produced.

Reserves are statistical estimates of mineral content and ore based on limited information acquired through drilling and other sampling methods and require judgmental interpretations of geology, structure, grade distributions and trends, and other factors. Successful extraction requires safe and efficient mining and processing.

The Company's mineral reserves and mineral resources are estimates, and no assurance can be given that the estimated reserves and resources are accurate or that the indicated level of gold will be produced. Actual mineralization or formations may be different from those predicted. Further, it may take many years from the initial phase of drilling before production is possible, and during that time the economic feasibility of exploiting a discovery may change. Mineral resource estimates for properties that have not commenced production are based, in many instances, on limited and widely spaced drill hole information, which is not necessarily indicative of the conditions between and around drill holes. Accordingly, such mineral resource estimates may require revision as more drilling information becomes available or as actual production experience is gained. It cannot be assumed that all or any part of the Company's mineral resources constitute or will be converted into reserves. Market price fluctuations of gold or niobium, as applicable, as well as increased production and capital costs, reduced recovery rates or technical, economic, regulatory or other factors may render the Company's proven and probable reserves unprofitable to develop at a particular site or sites for periods of time or may render mineral reserves containing relatively lower grade mineralization uneconomic. Moreover, short-term operating factors relating to the mineral reserves, such as the need for the orderly development of ore bodies or the processing of new or different ore grades, may cause mineral reserves to be reduced or the Company to be unprofitable in any particular accounting period. Estimated reserves may have to be recalculated based on actual production experience. Any of these factors may require the Company to reduce its mineral reserves and resources, which could have a negative impact on the Company's financial results. Failure to obtain necessary permits or government approvals could also cause the Company to reduce its reserves. There is also no assurance that the Company will achieve indicated levels of gold or niobium recovery or obtain the prices for gold or niobium production assumed in determining the amount of such reserves. Level of production may also be affected by weather or supply shortages. The SEC does not permit mining companies in their filings with the SEC to disclose estimates other than mineral reserves. However, because the Company prepares its disclosure in accordance with Canadian disclosure requirements, the Company's disclosure contains resource estimates in addition to reserve estimates, in accordance with NI 43-101. See the discussion above under the heading "Cautionary Note to U.S. Investors Regarding Mineral Reporting Standards".

The Company must continually replace reserves depleted by production to maintain production levels over the long term.

The Company must continually replace reserves depleted by production to maintain production levels over the long term. The life-of-mine estimates for each of the material properties of the Company are based on a number of factors and assumptions and may prove to be incorrect. In addition, mine life would be shortened if the Company expands production. Reserves can be replaced by expanding known ore bodies, locating new deposits or making acquisitions. Exploration is highly speculative in nature. The Company's exploration projects involve many risks and are frequently unsuccessful. Once a site with mineralization is discovered, it may take several years from the initial phases of drilling until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven

and probable reserves and to construct mining and processing facilities. As a result, there is no assurance that current or future exploration programs will be successful. There is a risk that depletion of reserves will not be offset by discoveries or acquisitions. The mineral base of the Company may decline if reserves are mined without adequate replacement and the Company may not be able to sustain production beyond the current mine lives, based on current production rates.

The ability of the Company to sustain or increase its present levels of gold production is dependent in part on the success of its projects, which are subject to numerous known and unknown risks.

The ability of the Company to sustain or increase its present levels of gold production is dependent in part on the success of its projects. Risks and unknowns inherent in all projects include, but are not limited to: the accuracy of reserve estimates; metallurgical recoveries; capital and operating costs of such projects; and the future prices of the relevant minerals. Projects have no operating history upon which to base estimates of future cash flow. The capital expenditures and time required to develop new mines or other projects are considerable and changes in costs or construction schedules can affect project economics. It is not unusual in the mining industry for new mining operations to experience unexpected problems during the start-up phase, resulting in delays and requiring more capital than anticipated. Actual costs and economic returns may differ materially from the Company's estimates or the Company could fail to obtain the governmental approvals necessary for the operation of a project, in which case, the project may not proceed, either on its original timing, or at all.

Reserve and resource calculations may be over/underestimated as a result of coarse gold at the Essakane Gold Mine.

The Essakane Gold Mine is a "coarse gold" deposit with particles up to five millimetres in diameter. Attempts have been made to ensure that the grade samples used to determine mineral reserves and resources are representative by using various sample preparation and analytical techniques and by re-assaying many of the earlier samples using these sample preparation and analytical techniques. The grade of the deposit could be lower or higher than predicted by the grade model developed for the feasibility study and included in the Essakane Report.

There are risks associated with pursuing a block caving mining method to expand the Niobec Mine.

The Company is considering the use of a block caving mining method to expand the Niobec Mine from the range of alternate bulk mining methods available. The pursuit of this method to expand the Niobec Mine carries with it a certain degree of risk since it is characterized by caving and extraction of a massive volume of rock, which will translate into the formation of a surface depression whose morphology depends on the characteristics of the mining, the rock mass and the topography of the ground surface.

Block cave mining can be used on any ore body that is sufficiently massive and fractured. A major challenge at the mine design stage is to predict how specific ore bodies will cave depending on the various geometry of the undercut.

The pursuit of this method involves the creation of an underground tunnel to draw points where the overlying rock, broken by gravity, more or less flows to the draw point, to be gathered and taken away for processing.

Certain of the core geotechnical risks associated with block caving are as follows:

- uncontrolled, dynamic, large scale caving events resulting in airblasts, damage to draw points and/or other infrastructure; loss of control of cave propagation; and premature cave propagation to surface;
- caveback hang-up resulting in the development of excessive voids leading to airblast potential and production disruption, which may threaten the economic viability of the Niobec Mine;
- undesirable cave propagation outside the ore body resulting in potential flooding of the Niobec Mine with mud and/or water; impact to workforce safety; and surface damage; and
- a high level of concentrated surface subsidence on breakthrough resulting in surface damage; safety hazards on the surface; and disruption of acquifiers in the vicinity of the Niobec Mine.

The realization of any of these risks, assuming the block caving method is used, could have a material adverse impact on the progress of any expansion activities at the Niobec Mine. There can be no assurance that the Company would be successful in overcoming any of the above risks and/or the results associated with such risks as part of the expansion of the Niobec Mine.

In a dynamic environment, the Company needs to ensure that its strategic planning process keeps pace with constantly changing market conditions. This is to ensure that the Company has a strategic plan in place that: supports the organization's overall objectives; is reflective of the underlying fundamentals affecting the Company's business at any given time; and is executed on time. Otherwise, the Company faces the risk of not having an appropriate strategic plan in place to ensure its continued, efficient growth, or having a strategic plan that is no longer relevant in light of existing market conditions or due to a delay in its execution.

The Company operates in an environment with constantly changing variables that directly impact its business both in the short- and long-term. In order to keep abreast of current market conditions and fundamentals affecting the Company's business, the Company has a strategic planning process in place which regularly reviews its strategic plan to ensure that the Company is on track to meet its growth objectives efficiently. Given that unforeseen changes can occur at any time and that strategic plans are based upon certain conditions and assumptions that may not be valid, there can be no assurance that the Company's strategic planning process will be completely effective in

developing a strategic plan that is both appropriate for the Company and relevant, at all times, possibly resulting in a material adverse effect on the Company's business, financial condition and/or results of operations. The Company may also not be able to execute its strategic plan in a timely way.

The Company is subject to continuously evolving legislation, which may have unknown and negative impact on operations.

The Company is subject to continuously evolving legislation in the areas of labour, environment, land titles, mining practices and taxation. New legislation may have a negative impact on operations. The Company participates in a number of industry associations to monitor changing legislation and maintains a good dialogue with governmental authorities in that respect. However, the Company is unable to predict what legislation or revisions may be proposed that might affect its business or when any such proposals, if enacted, might become effective. Such changes, however, could require increased capital and operating expenditures and could prevent, delay or prohibit certain operations of the Company.

The validity of mining interests held by the Company can be uncertain and may be contested.

The validity of mining interests held by the Company, which constitute most of the Company's property holdings, can be uncertain and may be contested. Acquisition of title to mineral properties is a very detailed and time-consuming process, and the Company's title to its properties may be affected by prior unregistered agreements or transfers, or undetected defects. Several of the Company's licenses will need to be renewed, and on renewal the license may cover a smaller area. There is a risk that the Company may not have clear title to all its mineral property interests, or they may be subject to challenge or impugned in the future. Although the Company has attempted to acquire satisfactory title to its properties, some risk exists that some titles, particularly title to undeveloped properties, may be defective. A successful challenge to the Company's title to its properties could result in the Company being unable to operate on its properties as anticipated or being unable to enforce its rights with respect to its properties which could have a material adverse effect on the Company.

There can be no assurance that the Company will continue to be able to compete successfully with its competitors in acquiring exploration properties and mining assets.

The Company competes with other mining companies and individuals for mining interests on exploration properties and the acquisition of mining assets, which may increase its cost of acquiring suitable claims, properties and assets. There can be no assurance that the Company will continue to be able to compete successfully with its competitors in acquiring such properties and assets.

Shortages of critical resources, equipment and skilled labour may adversely affect costs and scheduling at the Company's operations and development projects.

The mining industry has been impacted by increased worldwide demand for critical resources such as input commodities, drilling equipment, tires and skilled labour and

these shortages have caused unanticipated cost increases and delays in delivery times, thereby impacting operating costs, capital expenditures and production schedules.

The Company cannot confirm the likelihood that a new application for a mining permit will be granted at its Camp Caiman Project in French Guiana or that it will receive any compensation for having been denied a mining permit.

Camp Caiman is a development project located about 45 kilometres southeast of Cayenne, the capital city of French Guiana.

Following the French government's decision not to issue a mining permit for the Camp Caiman Project in 2008, the Company initiated two distinct legal actions in 2009 at the Administrative Tribunal in French Guiana: the first one challenging the legality of the French government's decision (the "Permitting Appeal"); and the second one seeking compensation in the amount of €275 million for damages resulting from that decision (the "Compensation Claim").

Under the Permitting Appeal, the Administrative Tribunal stayed the government's decision in 2010 and ordered the government to issue a more reasoned permitting decision on the Camp Caiman Project.

Later in 2010, the French government again decided not to issue a mining permit for the Camp Caiman Project and the Company subsequently filed a new appeal of this second decision at the end of 2010 (the "Second Permitting Appeal").

On December 30, 2011, the French authorities published a new mining framework for French Guiana setting out exclusion zones in French Guiana where mining activities are to be prohibited. While the Camp Caiman Project is located in an exclusion zone situated near the Kaw mountain, it is unclear whether the Company's right to apply for a new permit within this zone is grandfathered under the French mining code or whether the prohibition on mining in this zone requires further administrative action from the French authorities in order to be effective. There is no assurance that the development of the Camp Caiman Project could proceed under the new framework since the French government could again refuse to issue the permit notwithstanding the provisions of the French mining code due to the ambiguity of certain provisions contained in the new mining framework for French Guiana. The Company believes that any outcome for the Camp Caiman Project will also depend on the political will of the French government and of the regional government in French Guiana.

On February 2, 2012, the Administrative Tribunal held a hearing regarding both the Second Permitting Appeal and the Compensation Claim and, on February 16, 2012, dismissed both of the Company's actions. The Company may appeal the Administrative Tribunal's decision.

The Company is subject to risks and expenses related to reclamation costs and related liabilities.

The Company is generally required to submit for governmental approval a reclamation plan (some of which are reassessed on a regular basis) and to pay for the reclamation of its mine sites upon the completion of mining activities. Based on current mineral reserves and business plans, it is anticipated that the Mouska and Yatela gold mines

will complete mining activities within the next two years. The Company estimates the net present value of future cash outflows for reclamation costs at all properties under IFRS at $ 222.2 million as at December 31, 2011 based on information available as of that date. Any significant increases over the current estimates of these costs could have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

The Company is dependent upon key management and professional personnel and executives to lead its organization.

The Company is dependent upon a number of key management and professional personnel and on executives to provide leadership to its organization. The Company's ability to manage its exploration, development and operating activities depends in large part on the efforts of these individuals and leaders within its organization. The Company faces intense competition for qualified management and professional personnel and executives from other mining companies and there can be no assurance that the Company will be able to attract and retain such persons in the future. The Company's inability to attract and retain capable leaders and key management and professional personnel could have a material adverse effect on the Company's business, financial condition and/or results of operations.

The success of the Company is also heavily dependent on its technical personnel and on its ability to motivate, retain and attract highly skilled persons and there can be no assurance that the Company will continue to be able to compete successfully with its competitors in attracting and retaining technically skilled and experienced employees.

The competition for qualified technical personnel in the mining industry is currently intense. There can be no assurance that the Company will continue to be able to compete successfully with its competitors in attracting and retaining additional qualified technical personnel with the necessary skills and experience to manage its current needs and anticipated growth. The failure to attract such qualified personnel to manage growth effectively could have a material adverse effect on the Company's business, financial condition and/or results of operations.

The Company operates certain of its properties through joint ventures and is subject to the risks normally associated with the conduct of joint ventures.

Certain of the properties in which the Company has an interest are operated through joint ventures with other mining companies and are subject to the risks normally associated with the conduct of joint ventures. Such risks include: inability to exert control over strategic decisions made in respect of such properties; disagreement with partners on how to develop and operate mines efficiently; inability of partners to meet their obligations to the joint venture or third parties; and litigation between partners regarding joint venture matters. Any failure of such other companies to meet their obligations to the Company or to third parties, or any disputes with respect to the parties' respective rights and obligations, could have a material adverse effect on the joint ventures or their respective properties, which could have a material adverse effect on the Company's results of operations and financial condition.

The Company's non-controlled assets may not comply with its standards.

Some of the Company's assets are managed by other companies or joint venture partners. Some of the Company's partners may have divergent business objectives and/or practices which may impact business and financial results. Management of the Company's joint venture assets may not comply with the Company's management and operating standards, controls and procedures (including with respect to health, safety and the environment). Failure to adopt equivalent standards, controls and procedures at these assets or improper management or ineffective policies, procedures or controls could not only adversely affect the value of the related non-managed projects and operations but could also lead to higher costs and reduced production and adversely impact the Company's results and reputation and future access to new assets.

The Company's business is subject to a number of risks and hazards, most of which are beyond the Company's control, and many of which are not economically insurable and the mining industry is subject to significant risks and hazards, most of which are beyond the Company's control.

The Company's business is subject to a number of risks and hazards generally, including, without limitation, adverse environmental conditions and hazards, unavailability of materials and equipment, adverse property ownership claims, unusual or unexpected geological conditions, ground or slope failures, pit wall failures, rock bursts, cave-ins, floods, seismic activity, earthquakes, changes in the regulatory environment, industrial accidents, labour force disruptions or disputes, gold bullion losses due to natural disasters or theft and other natural or man-provoked incidents that could affect the mining of ore and the Company's mining operations, most of which are beyond the Company's control. In addition, the Company has encountered other natural phenomena such as inclement weather conditions which include unusual rainy seasons at the Rosebel Gold Mine in Suriname or drought or water shortages at the Essakane Gold Mine in Burkina Faso. These risks and hazards could result in damage to, or destruction of, mineral properties or production facilities, personal injury or death, environmental damage to the Company's properties or the properties of others, delays in mining, monetary losses and possible legal liability.

As a result, production may fall below historic or estimated levels and the Company may incur significant costs or experience significant delays that could have a material adverse effect on the Company's financial performance, liquidity and results of operations. To minimize risks in these areas, the Company provides training programs for employees and has joint management-worker committees to review work practices and environment.

Where economically feasible and based on availability of coverage, a number of operational, financial and political risks are transferred to insurance companies. The availability of such insurance is dependent on the Company's past insurance loss and records and general market conditions. Available insurance does not cover all of the potential risks associated with a mining company's operations. The Company may also be unable to maintain insurance to cover insurable risks at economically feasible premiums, and insurance coverage may not be available in the future or may not be

adequate to cover any resulting loss. Moreover, insurance against risks such as the validity and ownership of unpatented mining claims and mill sites and environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. As a result, the Company might become subject to liability for environmental damage or other hazards for which it is completely or partially uninsured or for which it elects not to insure because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial condition and/or results of operations.

The profitability of the Company's business is affected by the market prices and availability of commodities which are consumed or otherwise used in connection with the Company's operations and projects as well as other factors which impact capital and operating costs.

The profitability of the Company's business is affected by the market prices and availability or shortages of commodities which are consumed or otherwise used in connection with the Company's operations and projects, such as diesel fuel, oil at the Essakane Gold Mine in Burkina Faso, for example, electricity at the Sadiola Gold Mine in Mali, for example, steel, concrete and cyanide. Prices of such commodities also can be subject to volatile price movements, which can be material and can occur over short periods of time, and are affected by factors that are beyond the Company's control. Operations consume significant amounts of energy and are dependent on suppliers or governments to meet these energy needs. In some cases, no alternative source of energy is available. An increase in the cost, or decrease in the availability, of construction materials such as steel and concrete may affect the timing and cost of the Company's projects. If the costs of certain commodities consumed or otherwise used in connection with the Company's operations and projects were to increase significantly, and remain at such levels for a substantial period of time, the Company may determine that it is not economically feasible to continue commercial production at some or all of the Company's operations or the development of some or all of the Company's current projects, which could have a material adverse impact on the Company. Costs at any particular mining location are also subject to variation due to a number of factors, such as changing ore grade, changing metallurgy and revisions to mine plans in response to the physical shape and location of the ore body. Reported cost may also be affected by changes in accounting standards. A material increase in costs at any significant location could have a significant effect on the Company's capital costs, profitability and operating cash flow.

The operations of the Company are carried out in geographical areas which lack adequate infrastructure and are subject to various other risk factors, including the availability of sufficient water supplies.

Mining, processing, development, and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources, and water supply are important determinants which affect capital and operating costs. Lack of

such infrastructure or unusual or infrequent weather phenomena, sabotage, terrorism, government, or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations, financial condition, and/or results of operations.

The Company's failure to obtain needed water permits, the loss of some or all of the Company's water rights for any of its mines or shortages of water due to drought or loss of water permits could require the Company to curtail or close mining production and could prevent the Company from pursuing expansion opportunities at the Essakane Gold Mine, for example.

The Company's Quimsacocha Project in Ecuador is subject to relatively high levels of political risk in light of the early stages of the development of the mining sector, and fluidity in the rules governing mining investments.

The Company has completed a pre-feasibility study on its Quimsacocha Project located in Ecuador. Further feasibility work is required before the Company will be in a position to negotiate a mining contract with the government that would clarify all applicable fiscal terms governing the project. The project and feasibility work may be impacted by unanticipated legislative, regulatory or public policy initiatives in Ecuador in the future.

Under the mining law, the Company must agree on an exploitation contract with the government prior to entering the construction and exploitation phase at the Quimsacocha Project. There is no certainty that the Company will be able to enter into an exploitation contract on favourable terms. The failure to agree on such a contract could have an adverse effect on the Company's financial condition and/or results of operations.

There are risks that, should they materialize, could create a situation hostile to the Company or which could undermine the ability of mining companies to operate successfully in Ecuador. These risks include, but are not limited to, the possibility that: the mining law is amended, or regulations are promulgated under the mining law, in a manner which renders the development of the Quimsacocha Project impossible or uneconomic for the Company; the Company is unsuccessful in negotiating fiscal terms in a mining contract that would support development of the project; and the Company is unsuccessful in entering into an "exploitation contract" with the government, as required under the mining law.

The Company is dependent on its workforce to extract and process minerals, and is therefore sensitive to a labour disruption at any of the Company's material properties.

The Company is dependent on its workforce to extract and process minerals. The Company has programs to recruit and train the necessary manpower for its operations and endeavours to maintain good relations with its workforce in order to minimize the possibility of strikes, lock-outs and other stoppages at its work sites. Relations between the Company and its employees may be impacted by changes in labour relations which may be introduced by, among other things, employee groups, unions, and the relevant governmental authorities in whose jurisdictions the Company carries on business. In

2011 the Company experienced work stoppages at its Rosebel Gold Mine in Suriname and its Essakane Gold Mine in Burkina Faso, both due to wage increase demands. Further labour disruptions at any of the Company's material properties could have a material adverse impact on its business, results of operations and financial condition. The majority of our employees are represented by labour unions under various collective labour agreements. The Company may not be able to satisfactorily renegotiate its collective labour agreements when they expire. In addition, existing labour agreements may not prevent a strike or work stoppage at our facilities in the future, and any such work stoppage could have a material adverse effect on the Company's earnings and financial condition.

There are health risks associated with the mining work force in Africa and Suriname.

Malaria and other diseases such as HIV/AIDS represent a serious threat to maintaining a skilled workforce in the mining industry throughout Africa and in South America and are a major healthcare challenge faced by the Company's operations in Africa. There can be no assurance that the Company will not lose members of its workforce or see its workforce man-hours reduced or incur increased medical costs as a result of these health risks, which could have a material and adverse effect on the Company's future cash flows, earnings, results of operations and financial condition.

Surrounding communities may affect mining operations through the restriction of access of supplies and workforce to the mine site or through legal challenges asserting ownership rights.

Surrounding communities may affect the mining operations through the restriction of access of supplies and workforce to the mine site. Certain of the material properties of the Company may be subject to the rights or asserted rights of various community stakeholders, including indigenous people. Active community outreach and development programs are maintained to mitigate the risk of blockades or other restrictive measures by the communities.

Artisanal miners make use of some or all of the Company's properties. This condition may interfere with work on the Company's properties and present a potential security threat to the Company's employees. There is a risk that the Company's operations may be delayed, or interfered with, due to the use of the properties by artisanal miners. The Company uses its best efforts to maintain good relations with the local communities in order to minimize such risks.

The Company's mining and processing operations and exploration activities are subject to extensive laws and regulations governing the environment, health and safety.

The Company's mining and processing operations and exploration activities are subject to extensive laws and regulations governing the protection of the environment, exploration, development, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, mine and worker safety, protection of endangered and other special status species and other matters. The Company's ability to obtain permits and approvals and to successfully operate in particular communities may be adversely impacted by real or perceived detrimental events associated with the Company's activities or those of other mining companies affecting the environment, human health and safety of the surrounding communities. Delays in obtaining or failure to obtain government permits and approvals

may adversely affect the Company's operations, including its ability to explore or develop properties, commence production or continue operations. Failure to comply with applicable environmental, health and safety laws and regulations may result in injunctions, fines, suspension or revocation of permits and other penalties. The costs and delays associated with compliance with these laws, regulations and permits could prevent the Company from proceeding with the development of a project or the operation or further development of a mine or increase the costs of development or production and may materially adversely affect the Company's business, results of operations or financial condition. The Company may also be held responsible for the costs of addressing contamination at the site of current or former activities or at third party sites. The Company could also be held liable for exposure to hazardous substances. The costs associated with such responsibilities and liabilities may be significant.

Since 2008, samples of Niobec's final effluent have regularly failed the *Daphnia magna* toxicity test which is a requirement of the provincial but not the federal regulations. After many studies and reviews with provincial authorities, Niobec's final effluent toxicity issue will be solved by switching the source of the process water supply to the higher volume Shipshaw river and re-locating the discharge of final effluent to that location. Studies indicate that this option will resolve toxicity and provide a long-term freshwater supply for expanded mining operations. Construction of the Shipshaw system began in the middle of 2011 and is scheduled for completion in April 2012.

Niobec has periodically exceeded the Total Suspended Solids ("TSS") monthly average concentration allowed under the Metal Mining Effluent Regulations and Environmental Effects ("MMER"). A new sedimentation pond was built in 2008 which effectively reduced TSS, but not enough to prevent the algal blooms due to phosphorous. On October 28th, 2010 Niobec received an order, in accordance with the Fisheries Act, from the enforcement branch of Environment Canada to further reduce TSS concentrations. To achieve this, sedimentation fences and Actiflo treatment equipment were installed at the beginning of 2011. Subsequently, all TSS monthly averages are now under the maximum concentration allowed under the MMER and the Company is in compliance with TSS regulations.

In December 2011, Niobec received a written warning from the Québec Ministry of the Environment for failing to notify the Minister without delay of a diesel spill which occurred on November 30, 2011. The spill was contained inside a secondary catchment and notification was sent the following day. This delay contravenes the "immediate notification" requirements. No further enforcement is anticipated.

Groundwater monitoring in 2011 detected a tailings seep outside of the Essakane Gold Mine's tailings storage facility ("TSF"). A hydrogeological study determined the seep was limited to the southeast area of the impoundment and was attributed to permeability issues in the TSF floor which were unforeseen. The seep was exacerbated ("driven") by a hydraulic head of fresh water which was temporarily being stored in the north end

while the permanent structure was being constructed. As a result local wells in the area were proactively closed and alternate water supplies were made available. To prevent a reoccurrence of this issue, a tailings water treatment plant is scheduled for construction in 2012. The Company has also initiated mitigation plans which will address the source of the seep, as well as a collection/pump-back system which will address the resulting plume outside of the impoundment. It is expected that these plans will return the groundwater to its original condition.

Such measures, and any additional measures required to address effluent compliance, fines and costs and/or the effluent quality at either the Niobec Mine or the Essakane Gold Mine may have a negative impact on the Company's financial condition and/or results of operations. In certain of the countries in which the Company has operations, it is required to submit, for government approval, a reclamation plan for each of its mining sites that establishes the Company's obligation to reclaim property after minerals have been mined from the site. In some jurisdictions, bonds or other forms of financial assurances are required as security for these reclamation activities. The Company may incur significant costs in connection with these reclamation activities, which may materially exceed the provisions the Company has made for such reclamation. In addition, the unknown nature of possible future additional regulatory requirements and the potential for additional reclamation activities create further uncertainties related to future reclamation costs, which may have a material adverse effect on the Company's financial condition, liquidity or results of operations. Various environmental incidents can have a significant impact on operations.

Mining investments are subject to the risks normally associated with any conduct of business in foreign countries including varying degrees of political and economic risk.

Mining investments are subject to the risks normally associated with any conduct of business in foreign countries including: uncertain political and economic environments; war, terrorism and civil disturbances; changes in laws or policies of particular countries, including those relating to imports, exports, duties and currency; cancellation or renegotiation of contracts; royalty fees, net profits payments and tax increases or other claims by government entities, including retroactive claims; risk of loss due to disease and other potential endemic health issues; risk of expropriation and nationalization; delays in obtaining or the inability to obtain necessary governmental permits; currency fluctuations; restrictions on the ability of local operating companies to sell gold offshore for U.S. dollars, and on the ability of such companies to hold U.S. dollars or other foreign currencies in offshore bank accounts; import and export regulations, including restrictions on the export of gold; limitations on the repatriation of earnings; and increased financing costs.

These risks may limit or disrupt operating mines or projects, restrict the movement of funds, cause the Company to have to expend more funds than previously expected or required, or result in the deprivation of contract rights or the taking of property by nationalization or expropriation without fair compensation, and may materially adversely affect the Company's financial position and/or results of operations. In addition, the enforcement by the Company of its legal rights in foreign countries, including rights to

exploit its properties or utilize its permits and licenses may not be recognized by the court systems in such foreign countries.

The Company's operations could be adversely affected by changes in mining laws related to royalties, net profit payments, land and mineral ownership.

The Company's operations could be adversely affected by changes in mining laws related to royalties, net profit payments, land and mineral ownership and similar matters.

Major changes to the mining laws of the countries in which the Company owns mining properties may be considered from time to time. If these legislative changes, which may relate to, among other things, royalty fees or net profit payments, are enacted in the future, they could have a significant effect on the ownership, use, operation and profitability of mining claims that the Company owns or holds. Any amendment to current laws and regulations governing the rights of leaseholders or the payment of royalties, net profits interests or similar amounts, or more stringent enforcement thereof in countries where the Company has operations, could have a material adverse impact on the Company's financial condition and/or results of operations.

Operations, particularly those located in emerging countries, are subject to a number of political risks.

The Company currently conducts mining, development and exploration activities in countries with developing economies. These countries and other emerging markets in which the Company may conduct operations have, from time to time, experienced economic or political instability. It is difficult to predict the future political, social and economic direction of the countries in which the Company operates, and the impact government decisions may have on its business. Any political or economic instability in the countries in which the Company currently operates could have a material and adverse effect on the business and results of operations.

Operations in Burkina Faso, Mali, and Suriname are governed by mineral agreements with local governmental authorities that establish the terms and conditions under which the Company's affairs are conducted. These agreements are subject to international arbitration and cover a number of items, including: the duration of mining licenses/operating permits; the right to export production; labour matters; the right to hold funds in foreign bank accounts and in foreign currencies; taxation rates; and the right to repatriate capital and profits.

While the governments of most countries the Company operates in have modernized their mining legislation and are generally considered by the Company to be mining friendly, no assurances can be provided that this will continue in the future. The economy and political system of Ecuador, French Guiana, Suriname, Peru, Colombia, Burkina Faso, Mali and Senegal should be considered to be less predictable than in countries such as Canada and the U.S. The possibility that a current, or a future, government may adopt substantially different policies or take arbitrary action which

might halt exploration, production, extend to the nationalization of private assets or the cancellation of contracts, the cancellation of mining and exploration rights and/or changes in taxation treatment cannot be ruled out, any of which could have a material and adverse effect on the Company's future cash flows, earnings, results of operations and financial condition.

The Company maintains active communications programs with host governmental authorities and the Canadian government.

The Company's mining properties are subject to various royalty, carried ownership interests and land payment agreements.

The Company's mining properties are subject to various royalty, free-carried ownership interests and land payment agreements. Failure by the Company to meet its payment obligations under these agreements could result in the loss of related property interests.

The mining laws of Burkina Faso, Mali and Senegal stipulate that should an economic ore body be discovered on a property subject to an exploration permit, a permit that allows processing operations to be undertaken must be issued to the holder. Legislation in these countries currently provides for the relevant government to acquire a free-carried ownership interest, normally of at least 10%, in any mining project. The requirements of the various governments as to the foreign ownership and control of mining companies may change in a manner which adversely affects the Company.

The operations of the Company require licenses and permits from various governmental authorities to exploit its properties.

The operations of the Company require licenses and permits from various governmental authorities to exploit its properties, and the process for obtaining licenses and permits from governmental authorities often takes an extended period of time and is subject to numerous delays, costs and uncertainties. Any unexpected delays or costs associated with the permitting process could delay the development or impede the operation of a mine, which could adversely impact the Company's operations and profitability. Such licenses and permits are subject to change in various circumstances. Failure to comply with applicable laws and regulations may result in injunctions, fines, suspensions or revocation of permits and licenses, and other penalties. There can be no assurance that the Company has been or will be at all times in compliance with all such laws and regulations and with its licenses and permits or that the Company has all required licenses and permits in connection with its operations. The Company may be unable to timely obtain, renew or maintain in the future all necessary licenses and permits that may be required to explore and develop its properties, commence construction or operation of mining facilities and properties under exploration or development or to maintain continued operations that economically justify the cost.

The Company is subject to the risk of litigation, the causes and costs of which cannot be known.

The Company is subject to litigation arising in the normal course of business and may be involved in disputes with other parties in the future which may result in litigation. The

causes of potential future litigation cannot be known and may arise from, among other things, business activities, environmental laws, volatility in stock price or failure to comply with disclosure obligations. The results of litigation cannot be predicted with certainty. If the Company is unable to resolve these disputes favourably, it may have a material adverse impact on the Company's financial performance, cash flow and results of operations. See the discussion under the heading "Litigation" under Section 8 of Item III below.

In the event of a dispute involving the foreign operations of the Company, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada. The Company's ability to enforce its rights could have an adverse effect on its future cash flows, earnings, results of operations and financial condition.

Any acquisition that the Company may choose to complete may be of a significant size, may change the scale of the Company's business and operations and may expose the Company to new geographic, political, operating, financial and geological risks.

The Company plans to continue to pursue the acquisition of producing, development and advance stage exploration properties and companies. The search for attractive acquisition opportunities and the completion of suitable transactions are time consuming and expensive, divert management attention away from our existing business and may be unsuccessful. Any acquisition that the Company may choose to complete may be of a significant size, may change the scale of the Company's business and operations and may expose the Company to new geographic, political, operating, financial and geological risks. The Company's success in its acquisition activities depends on its ability to identify suitable acquisition candidates, negotiate acceptable terms for any such acquisition and integrate the acquired operations successfully with those of the Company. Any acquisitions would be accompanied by risks. For example, there may be a significant change in commodity prices after the Company has committed to complete the transaction and established the purchase price or share exchange ratio; a material ore body may prove to be below expectations; the Company may have difficulty integrating and assimilating the operations and personnel of any acquired companies, realizing anticipated synergies and maximizing the financial and strategic position of the combined enterprise, and maintaining uniform standards, policies and controls across the organization; the integration of the acquired business or assets may disrupt the Company's ongoing business and its relationships with employees, customers in the case of the Niobec Mine, suppliers and contractors; and the acquired business or assets may have unknown liabilities which may be significant. In the event that the Company chooses to raise debt capital to finance any such acquisition, the Company's leverage will be increased. If the Company chooses to use equity as consideration for such acquisition, existing shareholders may suffer dilution. Alternatively, the Company may choose to finance any such acquisition with its existing resources. There can be no assurance that the Company would be successful in overcoming these risks or any other problems encountered in connection with such acquisitions.

From time to time, some of the Company's directors and officers may be involved with other mining companies.

Certain of the directors and officers of the Company may also serve or may in the future serve as directors and/or officers of other companies involved in resource exploration and development and, consequently, there exists the possibility for such directors and officers to be in a position of conflict. As a result of any such conflict, the Company may miss the opportunity to participate in certain transactions, which may have a material adverse effect on the Company's business.

Item III Description of the Business

1. Mining Activities - Canada

In Canada, the Company owns interests in the Westwood Project, the Niobec Mine (a producer of niobium and discussed in Section 3 below) and the Doyon and Mouska gold mines, the second of which is still in production in Québec.

1.1 Doyon Division - Westwood Project

Unless stated otherwise, the information in this section is based upon the technical report (the "Westwood Report") entitled "NI 43-101 Technical Report: Westwood Project, Québec, Canada" dated February 27, 2009, prepared by Réjean Sirois (Manager, Mining Geology, IAMGOLD Corporation), Daniel Vallières (Manager, Underground Projects, IAMGOLD Corporation) and Pierre Pelletier (Vice President, Metallurgy, IAMGOLD Corporation). The Westwood Report has been filed with the securities regulatory authorities in each of the provinces and territories of Canada. Portions of the following information are based on assumptions, qualifications and procedures which are not fully described herein. Reference should be made to the full text of the Westwood Report which is available for review on SEDAR at www.sedar.com.

i) Project Description and Location

The Westwood Project, which is directly owned by the Company, is located in the Bousquet Township approximately 40 kilometres east of Rouyn-Noranda, Québec. The Westwood Project is located on the Doyon gold mine property (the "Doyon Gold Mine"), described in subsection 1.2 i) of Item III below and, together with Doyon Gold Mine and the Mouska gold mine (the "Mouska Gold Mine"), forms part of the "Doyon Division". Federal and provincial permits will be required for project approval; however, the approval process may be made easier if the Westwood Project is considered to be an extension of the Doyon Gold Mine. The Westwood Project will use existing mill and water management facilities from the Doyon Gold Mine.

ii) Accessibility, Climate, Local Infrastructure and Physiography

Access to the Westwood Project is by road from the Doyon Gold Mine. The Westwood Project is at an elevation of about 340 metres, its physiography is relatively flat and it is accessible year round. It is located in a mature forest and power, water and labour are all readily available in the area.

iii) History

Exploration in the area of the Westwood Project dates back to 1910. In 1980, the Doyon Gold Mine was brought into production by Lac Minerals Ltd. (“Lac”), and Cambior subsequently acquired a 50 per cent interest in the Doyon Gold Mine. In 1998, Cambior became the sole owner of the Doyon Gold Mine when it acquired the remaining interest of Barrick Gold Corporation, which had acquired its interest pursuant to its acquisition of Lac. In 2002, Cambior commenced exploration and spent $11.3 million in drilling 50,000 metres and completing 2.6 kilometres of drift development. The Company acquired Cambior in November 2006.

iv) Geological Setting and Mineralization

The Westwood Project is part of the Doyon-Bousquet-LaRonde (“DBL”) mining camp. The project is located within the southern Abitibi sub-province, in Archean volcanic and intrusive rocks of the Bousquet Formation. The DBL mining camp hosts two world class deposits: the Doyon and LaRonde-Penna mines and is by far the largest Au-Cu-Zn-Ag producing district in Québec.

The Westwood Project area is underlain by meta-volcanics rocks of the Blake River Group and partly by meta-sediments of the Cadillac and Kewagama Groups. The Mooshla intrusive, a synvolcanic differentiated pluton, intrudes the volcanics in the western part of the property. Stratigraphy generally strikes east-west (100-110°), dips steeply to moderately (70-80°) towards the south and is interpreted to have a southerly facing direction. The regional foliation is sub-parallel to the stratigraphy and vary in intensity from mild to intense. Regional metamorphism is transitional from greenschist to lower amphibolites facies.

Mineralization observed in the DBL camp is mainly associated with units number 4 and 5 of the Bousquet Formation and to a lesser extent with the Mosshla intrusive complex. These rocks host gold-sulphide vein-type mineralization at Zones 1, 2 (sub-units number 4.2, 4.3 and 4.4) and West (Mooshla Pluton) of the Doyon deposit and gold-rich VMS-type mineralization at the Bousquet (sub-units number 4.4 and 5.1) and LaRonde, deposits (sub-units number 5.1, 5.2 and 5.5).

Three distinct mineralized envelopes are identified in the Westwood area. The first two zones (Zone 2 Extension and North Corridor) consist of quartzpyrite ± chalcopyrite ± sphalerite veins and veinlets within a matrix containing 2 to 10% of disseminated pyrite. The vein systems are orientated 085-105°/60-70°S, which is slightly discordant to the regional foliation in both strike and dip. These zones are located within felsic to intermediate volcanic rocks (sub-units number 4.3 and 4.4), and associated with a proximal sericite-pyrite-garnet alteration assemblage. The third envelope delineates the Warrenmac-Westwood mineralized corridor, which is located at the same stratigraphic contact on each side of the Bousquet Fault. Both consist of gold-rich pyrite-sphalerite stringers or concentrations with local massive sulphide bands (5-50 centimetres but locally up to 7 metres) and minor gold-bearing sulphide-rich quartz veins or veinlets, all enveloped by a disseminated pyrite-rich alteration halo. Occasional black quartz veins with chalcopyrite traces return gold values, but not systematically. Rocks hosting the

Warrenmac-Westwood mineralization are lithologically and geochemically similar to the host rocks of the main sulphide lenses at the LaRonde-Penna mine. East-west sub-horizontal quartz-tourmaline (pyrite) veins are also present but rarely anomalous in gold.

v) Exploration

From the initiation of exploration starting in 2002 to December 2011, a total of 385,000 metres of DD had been completed at the Westwood Project, of which 173,600 metres tested continuity within the known resources and the remaining 211,400 metres targeted extensions to the resources. Holes were collared from both surface (years 2002 to 2009) and the underground exploration (from 2006 to the present) drifts at depths of 360 and 840 metres below surface.

vi) Sampling and Analysis

Sampling is conducted on intervals selected based on quartz sulphides, veins stringers, sulphide rich concentrations, shearing/deformation, alteration and disseminated sulphides, and the geologists at the Westwood Project are responsible for sample selection. Exploration core is sawed in half with one half sent to the laboratory and the other half kept as a reference in the core box. In areas of definition drilling, the whole samples are sent to the lab for assaying or a sample is first cut in half with one half sent for metallurgical testing and the other half sent to the lab for assaying. The samples are put into a sample bag, identified by sample number. Typically samples are 1 metre long in the possible high grade zones; outside these zones, sample intervals are 1 metre or 1.5 metres. The analytical quality assurance program includes systematic addition of blank samples, renumbered reject and pulp duplicates and internal reference material standards for each batch of samples sent for analysis. Some reject samples are sent to an external laboratory (Lab Expert of Rouyn, Noranda) for reassaying. In addition, some reject samples are sent to ALS Chemex at Val d'Or for base metal content determination as well as gold and silver assays. A data verification program is in place.

vii) Drilling

Orbit Garant Drilling has been the drilling contractor on site since 2004. Nine electric drills (from underground) were running between January and December 2011. Hole lengths vary from less than one hundred metres to 2.4 kilometres. Core recovery is usually very good (greater than 95 per cent) except for the main fault zone and sericitic schist intervals where recovery may locally decrease to 50 per cent. Even when the recovery is good, the RQD is generally poor within the main fault zone area. All exploration holes are surveyed, in direction and dip, at the collar and while drilling is in progress. Down hole surveys are performed at nominal 50 metre downhole intervals with Reflex or Flexit tools depending on the instrument availability. Down-hole geophysical surveys were not performed in 2011.

viii) Security of Samples

All samples are sent to the Doyon Gold Mine laboratory. A complete QA/QC program is then incorporated into the mine's own quality control system. A typical batch of samples

sent to the laboratory numbers approximately 150 samples and around 15 to 20 QA/QC samples are inserted into the sample stream.

ix) Exploration Drilling

The 2008-09 surface exploration drilling campaign covered the area above the 14th level located at a vertical depth of 840 metres on both sides of the Bousquet Fault. The underground exploration drilling tested the continuity and lateral extent of the known mineralized lenses. The definition drilling program targeting Zone 2 delineated greater geological continuity than expected for the mineralization whereas grade distribution appears variable inside individual lenses as predicted. Additional mineralization was delineated closer to surface and at depth, and some isolated intercepts require follow-up. No drilling was carried out to surface in 2011.

Over 75,000 metres of diamond drilling, at a cost of $9.6 million, were completed during 2011 as part of the underground drill program. The program was designed to identify additional inferred resources and upgrade existing mineral resources to measured and indicated categories in tandem with the on-going underground development and construction.

Four underground drills, working on the exploration drilling program below the 132 level, drilled over 28,600 metres during 2011. In addition, five drills focused on in-fill and delineation work, drilling nearly 46,600 metres during the year. The Company has acquired additional confidence in the inferred resources and the remaining exploration potential.

The potential to find more resources on both sides of the Bousquet fault is considered good, especially at depth and to the west on the three mineralized corridors. On the eastern side, the boundaries of mineralization require further definition drilling and all known zones remain open at depth. The 2012 exploration program has been designed at closer spacing (80 metres X 80 metres) for shallow depth (500 metres below the 14th level) and greater spacing at further depths. Planned development will provide access for detailed evaluation drilling on Zone 2 and the North Corridor for the same period. The approved budget for 2012 calls for 89,000 metres of drilling.

x) Mining Operations and Processing

It is planned that the ore will be processed at the existing mill complex at the Doyon Gold Mine and in the first phase only the gold ore will be treated in the mill at a proposed annual rate of 500,000 tonnes per year with the intention to increase this to 750,000 tonnes per year in the fourth year.

The ore will be trucked to the Doyon Gold Mine mill at a distance of approximately 2 kilometres for crushing and then conveyed to ore bins using the existing conveyor system. The existing SAG mill and ball mill will also be utilized. Cyanide destruction will be increased to treat 100 per cent of the tailings. The existing gold recovery circuit will require some repairs and improvements. A new circuit will be set up to remove sulphides in order to begin the restoration work of the tailings in the ponds. Tailings

disposal includes the use of desulphurized tailings for reclamation cover materials at the Doyon tailings impoundments, underground paste backfill and in-pit disposal.

A bulk sample from the 84-0 level, Zone 2-30 of the Westwood project has been processed inside the actual Doyon mill circuit. A total of 8,366 tonnes were processed in July 2009. The results from the bulk sample treatment met all expectations, achieving 96 per cent gold recovery without any problems. Mineral processing and metallurgical testing will continue to be carried out on the different ore zones.

During 2011, shaft sinking reached a depth of 1,455 metres, with the installation of a spill pocket and the safety bulkhead under the 104-0 level, and underground development work totaled 9,315 metres of lateral and vertical excavation.

At the end of 2011, the Westwood Project employed 345 employees and 260 contractors.

After the Doyon Gold Mine ceased production at the end of 2009, the mills at the Doyon Gold Mine continued to process ore from the Mouska Gold Mine. The collective agreement for employees at the Doyon Gold Mine now covers employees at the Westwood Project. The employees at the Mouska Gold Mine are covered by their own collective agreement.

xi) Mineral Resources and Mineral Reserves Estimates

Modeling of the 3D mineralized envelopes and block modeling resource estimation is performed using Gemcom GEMS v.6.2.4 software. The interpretation was performed on sections using polylines and then checked on plan views to avoid unexpected changes of direction and to ensure lateral continuity. Extension of the mineralized zones was restricted to a maximum of 50 metres laterally and 100 metres vertically from the drill holes information. Minimum width was set to 2.0 metres (true width) even if the mineralization could be contained within 10 to 25 centimetre veins. The sample length varied from 0.5 metres to 1.5 metres with an average of about one metre. All drill hole assay values are grouped into one composite per drill hole per vein. Based on the log normal distributions and Doyon Gold Mine geologists' experience, Zone 2 Extension assays were capped to a grade*thickness value of 99 g*m/t which translates into 66 g Au/t over a 1.5 metre length, 99 g Au/t over 1.0 metre or 198 g Au/t over 0.5 metre. North Corridor assays were capped to a grade*thickness value of 60 g*m/t which translates into 40 g Au/t over a 1.5 metres length, 60 g Au/t over 1.0 metre or 120 g Au/t over 0.5 metre. The zones pertaining to the Westwood corridor are usually mineralized on the entire length of the drill hole intersects, therefore all the assay grades were capped at 20 g Au/t except for the WW10, WW17 veins and the Warrenmac massive sulfide lens that were cut at 40 g/t whatever the length of the assay. Specific gravity of 2.85 tonnes per cubic metre was used for the Zone 2 extension and North Corridor lenses based on 80 density tests. During the 2007-2011 drilling campaigns 2,442 density measurements were completed. The data average is 2.85 tonnes per cubic metre for the waste and vein zones, 3.30 tonnes per cubic metre for the semi-massive sulfide and 3.50 t/m^3 for the massive sulfide material. Because the Company's drill holes are too widely spaced, a conservative density of 3.10 tonnes per

cubic metre was used to estimate the tonnage of the massive to semi-massive type of mineralization pertaining to the Westwood corridor. Exceptions are vein WW25 (3.7 t/m^3) and the Warrenmac massive sulfide lens (3.7 t/m ^{3}) where there are enough closely space values to estimate the average density with enough precision.

Assuming a price of $1,400 per ounce for gold and an exchange rate of C$1.05 for each US$1.00, six grams of gold per tonne cut off for resources was used as a base. A development dilution of 33 per cent was added on the development ore while 56 per cent dilution and a 94 per cent mining recovery was added on the production ore.

A proposed production rate of 2,050 tonnes per day or 750,000 tonnes per year was used. Preliminary estimates of operational costs (not including pre-production expenditures) are C$92.94 per tonne.

Total Inferred Resources by Cut-Offs[(1)(2)]

Cut-Off (g Au/t)	Tonnes (000)	Grade (g Au/t)	Contained Gold (000 oz)
1.0	22,935	6.9	5,055
2.0	20,996	7.4	4,967
3.0	18,617	8.0	4,767
4.0	15,234	8.9	4,387
5.0	11,798	10.2	3,850
6.0	9,411	11.3	3,407
7.0	7,812	12.2	3,067

Total Indicated Resources by Cut-Offs[(1)(2)]

Cut-Off (g Au/t)	Tonnes (000)	Grade (g Au/t)	Contained Gold (000 oz)
1.0	966	10.9	338
2.0	953	11.0	337
3.0	931	11.2	335
4.0	899	11.4	331
5.0	848	11.8	323
6.0	779	12.3	308
7.0	682	13.0	285

Inferred Resources per Zones - (Cut-off = 6 g Au/t) (1)(2)

	Corridors	Tonnes (000)	Grade (g Au/t)	Contained Gold (000 oz)
East of Bousquet Fault	Zone 2	578	10.5	196
	North	2,320	11.2	836
	Westwood	1,334	8.5	366
West of Bousquet Fault	Zone 2	3,864	12.0	1,490
	North	1,100	13.1	464
	Westwood	215	7.8	55

Indicated Resources per Zones - (Cut-off = 6 g Au/t) (1)(2)

	Corridors	Tonnes (000)	Grade (g Au/t)	Contained Gold (000 oz)
East of Bousquet Fault	Zone 2			
	North			
	Westwood			
West of Bousquet Fault	Zone 2	560	13.8	248
	North			
	Westwood			
	(Warrenmac lens)	219	8.5	60

Some base metal resources were evaluated using the NSR value of the 2009 scoping study. The total amount of base metal resources is presently insufficient to show proper economic return and therefore is not part of the present study.

Note:

(1) Although “measured resources”, “indicated resources” and “inferred resources” are categories of mineralization that are recognized and required to be disclosed by Canadian regulations, the SEC does not recognize them. Disclosure of contained ounces is permitted under Canadian regulations, however, the SEC generally permits resources to be reported only as in place tonnage and grade. See “Cautionary Note to U.S. Investors Regarding Mineral Reporting Standards”.

(2) All zones are estimated using a minimum of 2.0 metres true width and each individual lenses are capped to a maximum of 15 g Au/t.

xii) Financial Evaluation

A recently completed development study (the “Development Study”) identified the following key metrics for the Westwood Project:

Classification	Tonnes	Grade (g/t Au Undiluted)	Contained Au (000s oz)
Indicated Mineral Resource [1] (Warrenmac)	219,000	8.6	60
Indicated Mineral Resource [1] (Zone 2 Westwood)	560,000	13.8	248
Inferred Mineral Resource [1]	9,411,000	11.3	3,407
Total Recovered Gold		3,480,070 oz.	
Mine Life		19 years	
Average Annual Gold Production		190,000 oz.	
Average Cash Cost		$533 per oz.	
Total Pre-production Capital [2]		$518 million	
Sustaining Capital (life of mine)		$529 million	
Operating Cash flow (after-tax)		$1,717 million	
Estimated IRR (after-tax)		9% -11%	
Canadian/US Exchange Rate (2012 - 1.00)		1.05	
Average Gold Price Assumption		$1,249 per oz.	

(1) Mineral resources as of May 2011 are calculated at an undiluted 6 g/t Au cutoff grade at a minimum two-metre width; panel grades of individual lenses are capped at 15 g/t.
(2) Includes remaining capital of $198 million (after tax credits) for 2012.

xiii) Environment

As at December 31, 2011, the recorded amount of estimated restoration and closure costs for the property was $2.5 million, representing the discounted costs. The undiscounted cost of estimated restoration and closure costs for the property was $2.7 million.

Cautionary Note to Investors Concerning Development Study

There has been insufficient work to date to define a NI 43-101 compliant measured or indicated mineral resource for the Westwood Project. Due to the uncertainty that may be attached to inferred and indicated mineral resources, it cannot be assumed that all or any part of an inferred or indicated mineral resource will be upgraded to an indicated or measured mineral resource with continued exploration. The results of the Development Study set out above are preliminary in nature and include inferred and indicated mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the results of the Development Study set out above will be realized.

1.2 Doyon Division – Doyon and Mouska Gold Mines

i) Property Description and Location

The Doyon and Mouska Gold Mines are located approximately 40 kilometres east of Rouyn-Noranda, in the Province of Québec, Canada and, together with the Westwood Project, comprise the Doyon Division. The Doyon and Mouska Gold Mines cover an area of approximately 2,785 hectares and are situated on the prolific Cadillac-Bousquet gold belt in the Abitibi region. The Doyon and Mouska Gold Mines are held 100% by the Company. The Doyon Gold Mine property has a total surface area of approximately 20 square kilometres (1,993 hectares) and consists of 116 claims, one mining lease and three tailings leases. Mining and tailings leases are paid annually against a payment of about $66,000 per year. The mining lease was renewed for a 10-year period until July 2, 2020.

The Mouska Gold Mine property is adjacent to the western border of the Doyon Gold Mine property. This 792 hectare property is held through 22 claims and two mining leases, one expiring on August 6, 2021 and the second on April 5, 2018. The property's production is subject to two royalties. The first, a 2% royalty on the value of gold recovered is payable to Franco-Nevada Corporation. The second royalty is a 0.2% royalty on gold produced, payable to the estate of an individual.

ii) Accessibility, Local Resources and Infrastructure

The Doyon and Mouska Gold Mines are readily accessible by existing paved roads and benefit from available water supply and electric power supply sources. The Doyon Gold Mine facilities and equipment include a conventional mill equipped with a SAG mill and cyanidation, CIP and copper flotation processing facilities, a high-density sludge plant, a water treatment plant, a tailings pond and settling pond (both allowing for natural degradation of the cyanide, decanting and recirculation of the water used in milling), electrical and mechanical maintenance shops and a headframe, mechanized mobile underground equipment, as well as a warehouse, a paste backfill plant and an

administrative building. The Doyon Gold Mine ceased operation in 2009. Surface infrastructure is being maintained during restoration of the site for treatment of the Mouska ore, and to facilitate construction at the Westwood Project.

The Mouska Gold Mine's principal facilities include a headframe, a service building housing electrical and mechanical shops and an administrative office. All of the ore mined is processed at the Doyon Gold Mine's milling facilities. Access to underground is via a main shaft of 485 metres and an internal shaft of 560 metres. The internal shaft is located 1.2 kilometres east from the main shaft. A ramp is located near the internal shaft on Level 15 to access reserves at depth.

iii) Geological Setting and Mineralization

The Doyon and Mouska Gold Mines lie in the southern portion of the Archean Abitibi volcanic belt within the Bousquet Formation of the Blake River Group ("BRG"), otherwise known as the Cadillac-Bousquet gold belt in the Abitibi region of Québec. The stratigraphy trends east-west and dips steeply to the south. The BRG is overlain to the north by sedimentary rocks of the Kewagama Group and overlies sedimentary rocks of the Cadillac Group to the south. The contacts between the BRG and the adjacent sedimentary groups are characterised by extensive zones of deformation. The Mooshla intrusive, a synvolcanic differentiated pluton, intrudes on the BRG volcanic rocks.

The Cadillac-Bousquet belt is one of the largest gold producing districts of the Abitibi greenstone belt, Québec's most productive metal mining region. The belt hosts several large deposits including La Ronde, Bousquet 2, Bousquet 1, Doyon and Mouska. These deposits lie within the intensely altered and deformed corridor of the BRG known as the Doyon-Dumagami deformation zone. Current reserves and resources combined with historical production from these mines exceed 28 million ounces of gold.

The Doyon gold deposit is dominated by vein-type mineralization, with the main mineralized veins averaging several centimetres in thickness. Vein assemblages typically comprise varying proportions of pyrite, quartz, chalcopyrite, carbonate and gold. The deposit can be divided into three parts: Zone 1, Zone 2 and West Zone. Zones 1 and 2 occur exclusively within volcanic rocks whereas West Zone mineralization is hosted by the Mooshla intrusive.

The Mouska gold deposit is hosted by volcanic and plutonic rocks of the BRG. Volcanic rocks dominate and are primarily basaltic to andesitic in composition. Economic mineralization is associated with laterally and vertically continuous narrow quartz veins of less than one metre in thickness. Veins strike East South East, dip sub-vertically and contain 5-15% pyrite-pyrrhotite and 5-10% chalcopyrite. Economic lenses occur in andesitic volcanics and in the Mooshla intrusive, which occupies the south-eastern third of the property. The intrusive hosts the current known reserves and has the best potential for resource expansion.

iv) Drilling, Sampling and Analysis, and Security of Samples

All drill collars are surveyed and down hole surveys are conducted in exploration holes. The logging and sampling of drill holes are carried out in accordance with industry standards. Exploration core is split and mineralized zones sampled on 0.5 to 1.5 metre lengths. Whole core is usually sampled in areas of definition drilling. In unmineralized areas, sample lengths may be up to 3.0 metres. Most core samples are assayed at the Doyon and Mouska Gold Mines' laboratory. Samples from mineralized areas are assayed by fire assay method while unmineralized samples are assayed by atomic absorption ("A.A."). All values greater than 3.0 g Au/t obtained with the A.A. method are redone by fire assay.

At the Mouska Gold Mine all samples are assayed by fire assay method with A.A. finish and all values greater than 3.0 g Au/t obtained with the previous method are repeated twice by fire assay by gravity finish.

The quality assurance procedures and assay protocols followed at the Doyon and Mouska Gold Mines conform to industry-accepted quality control methods. The QA/QC program at the Doyon and Mouska Gold Mines includes assaying of re-numbered pulps and rejects and the addition of standards and blanks by the geology department. Pulps and rejects are routinely submitted to a commercial laboratory for external check assays.

v) Mineral Resources and Reserves

Information on mineral resources and reserves is provided in Section 5 below. Patrice Simard and Armand Savoie, both acting as "qualified persons" for the purposes of NI 43-101 are responsible for all mineral resource and mineral reserve estimates, for the Doyon Gold Mine, as at December 31, 2011. For the Mouska Gold Mine, Pierre Lévesque, Head of Geology, "qualified person" for the purposes of NI 43-101 is responsible for all mineral resource and mineral reserve estimates, as at December 31, 2011.

vi) Mining Operations

The Mouska Gold Mine has recently made the transition to sub-level stoping with paste fill, although shrinkage mining may be used in some cases. All ore is processed on site. The 2,300 tonnes per day Doyon plant uses the CIL and CIP process to recover gold and produce gold bullion. In the future, no more copper concentrate will be produced after the decision to dismantle the flotation circuit has been made. The ore mined from the Mouska Gold Mine will be stockpiled and batch processed in the first quarter of 2013. No processing is planned for 2012 due to the refurbishing of the mill. Based on mineral reserves as at December 31, 2011, the Mouska Gold Mine is expected to continue in operation until 2014.

In 2012, the Mouska Gold Mine will continue stockpiling ore which will be processed in 2013 at the mill currently being refurbished for the start-up of the Westwood Project. There will be no gold production at the Mouska Gold Mine in 2012.

The following table indicates operating information for the Doyon and Mouska Gold Mines, combined, for the last two years.

DOYON DIVISION – Doyon and Mouska	2011	2010
Gold Production (Ounces)	24,000	33,000
Tonnage milled (tonnes)	56,000	61,000
Grade milled (g Au/t)	13.9	13.4
Recovery (%)	95	96

Information on mineral resources and reserves is provided in Section 5 below.

Hourly employees at the Doyon and Mouska Gold Mines are unionized. The collective agreements regarding employment of hourly employees expire on October 17, 2013 for the Mouska Gold Mine. At the end of 2011, the Mouska Gold Mine and the mills at the Doyon Gold Mine employed approximately 163 individuals and 51 contractors.

vii) Environment

The EMS for the Doyon Division, which includes the Westwood Project, are certified under the 2004 revision of the ISO 14001 Standard and remains in compliance with the certification. The Doyon and Mouska Gold Mines successfully passed the ISO 14001 recertification audit in November 2010.

The EMS is built on a database describing operational activities and their impacts or risks on the environment. Operational procedures aim at controlling said activities to minimize said impacts. Continuous improvement of environmental performance is obtained through programs with objectives and targets. Emergency response plans and closure plans for reclamation are also prepared.

An update of the closure plan for the Doyon property, including the Westwood Project was submitted to the Québec Government in March 2010. As at December 31, 2011, the recorded amount of estimated restoration and closure costs for the Doyon property was $107.6 million, representing the discounted costs. The undiscounted cost of estimated restoration and closure costs for the property was $116.5 million, of which $17.9 million is currently funded through letters of credit under the Company’s 2010 Letter of Credit Facility.

viii) Exploration and Development

In 2009, the Westwood Project capital expenditures were charged to the Westwood Project, a part of the Doyon Division. The majority of exploration expenditures for the Doyon Division, including the Mooshla Project, the Mouska Deep Project and the Doyon Deep Extension Project were expensed directly by the mines. Work was initiated in 2005 on the Mooshla Project by developing access from the underground workings of the Mouska Gold Mine. The exploration drift was completed in 2008, and exploration performed at Mooshla in 2009 was comprised of 4,670 metres of exploration drilling for

an investment of $645,471. No further exploration work was performed at the Mooshla Project.

In 2011, exploration at the Mouska Gold Mine comprised approximately 31,900 metres of DD on several targets, including the 47 and 50-South lenses below level 17-2, for a total cost of $3.1 million. This work resulted in a transfer of 33,000 tonnes with a grade of 10.6 g Au/t to reserves and a reclassification of 121,000 tonnes with a grade of 12.7 g Au/t to measured and indicated resources; the majority of these tonnes were previously classified as inferred resources. Finally, an additional 11,000 tonnes of inferred resources with a grade of 7.1 g Au/t were added in Zone 47. At the Mouska Gold Mine, additional underground development is under way to access these recently defined reserves and resources located under level 17-2.

From the Doyon Gold Mine, the Doyon Deep Extension project was an exploration program designed to test the Doyon structures below the existing shaft. A total of 7,486 metres of DD were completed for C$854,782 in 2009. No work of drilling was carried out in 2010. Follow-up drilling on the remaining potential is scheduled for 2011-12 when access from the Westwood Project underground development workings will be available.

ix) Taxation

The Company's Canadian operations are subject to federal and provincial income taxes. In March 2010, the Government of Québec passed amendments to the Québec mining duty regime which increased the statutory rate from 12 per cent to 16 per cent. Additional tax information is provided in Section 6.5 below.

2. Mining Activities – International

2.1 Africa: Burkina Faso – Essakane Gold Mine

Unless stated otherwise, the information in the sections below (other than the information under the headings "Essakane Mining Convention" and "Mining Legislation") are based upon the technical report (the "Essakane Report") entitled "IAMGOLD Corporation: Updated Feasibility Study — Essakane Gold Project, Burkina Faso" dated March 3, 2009 (effective June 3, 2008), prepared by Louis Gignac (President, G Mining Services Inc.), Ian Glacken (Principal Consultant, Optiro Pty Ltd.), John Hawxby (formerly, Senior Project Manager, GRD Minproc (Pty) Ltd.), Louis-Pierre Gignac (Senior Mining Engineer, G Mining Services Inc.), and Philip Bedell (Principal, Golder Associates Ltd.). The Essakane Report has been filed with the securities regulatory authorities in each of the provinces and territories of Canada. Portions of the following information are based on assumptions, qualifications and procedures which are not fully described herein. Reference should be made to the full text of the Essakane Report which is available for review on SEDAR at www.sedar.com.

i) Mining Legislation and Permits

The permits comprising the Essakane Gold Mine are subject to the Mining Law *no. 031-2003/AN* dated May 8, 2003 of Burkina Faso (the "Burkina Faso Mining Law"). The Essakane Exploration Permits (defined in Section 2.1 ii) of Item III below) are considered to be exploration permits as defined under the Burkina Faso Mining Law. The Burkina Faso Mining Law gives the exploration permit holder the exclusive right to explore for the minerals requested on the surface and in the subsurface within the boundaries of the exploration permit.

The exploration permit also gives the holder the exclusive right, at any time, to convert the exploration permit into a mining exploitation permit in accordance with the law. Exploration permits are valid for a period of three years from date of issue and may be renewed for two more consecutive terms of three years each for a total of nine years. Mining permits are valid for an initial period of twenty years and are renewable for five-year periods on an exclusive basis, until the deposit is exhausted. Pursuant to Article 21 of the Burkina Faso Mining Law, mining permits are treated as real property rights with complete right of mortgage and liens. Both exploration and mining permits are transferable rights subject to the consent of the Ministry of Mines of Burkina Faso. Pursuant to article 78 of the law, only holders of mining exploitation permits are required to maintain a fiduciary account with an accredited bank to hold funds for reclamation of mining properties. As a result, Essakane SA is required to maintain a reserve for future reclamation in connection with the Essakane mining permit. The Burkina Faso Mining Law also guarantees a stable fiscal regime for the life of any mine developed. The Burkina Faso Mining Law also provides that work toward development and mining must be started within two years from the date a mining permit is granted and must conform to the feasibility study.

All mining exploitation permits in Burkina Faso are subject to a ten per cent carried interest. In addition, once a mining convention is signed and an exploitation license is awarded by the government, a royalty applies on a graduated basis based on the prevailing gold price.

The royalty rate is set at 3 per cent if the gold price is less than or equal to $1,000; 4 per cent if the gold price lies between $1,000 and $1,300, and 5 per cent if the gold price is greater than $1,300.

The mining convention guarantees stabilization of financial and customs regulations and rates during the period of the exploitation to reflect the rates in place at the date of signing. The Burkina Faso Mining Law states that no new taxes can be imposed with the exception of mining duties, taxes and royalties. However, the title holder can benefit from any reductions of tax rates during the life of the exploitation license.

ii) Property Description and Location

The Essakane Gold Mine straddles the boundary of the Oudalan and Seno provinces in the Sahel region of Burkina Faso and is approximately 330 kilometres northeast of the capital, Ouagadougou. It is situated some 42 kilometres east of the nearest large town

and the provincial capital of Oudalan, Gorom-Gorom, and near the village of Falagountou to the east. All the Essakane Exploration Permits are located on contiguous ground.

The Essakane main zone deposit (the “EMZ deposit”) and the Falagountou resource are located within a 100.2 square kilometre permit area as described below in Section 2.1 iii) of Item III below. The permit area is surrounded by six exploration permits (the “Essakane Exploration Permits”) totalling 1,266.39 square kilometres. Five of the six Essakane Exploration Permits are new permits granted by the Ministry of Mines in November 2009 for an initial three-year term ending November 2012, and subject to further renewal. The sixth Essakane Exploration Permit was renewed in October 2009 for a second three-year term subject to renewal in October 2012.

iii) Type of Mineral Tenure

Each of the Essakane Exploration Permits has been granted by the Minister of Mines, Quarries and Energy pursuant to the Burkina Faso Mining Law. The Essakane Exploration Permits are in good standing. Pursuant to the Burkina Faso Mining Law, each mining exploitation permit application requires a separate feasibility study but there is precedent in Burkina Faso for variations to this rule. The total entitlement of an exploration permit is nine years. Exploration permits are guaranteed by the Burkina Faso Mining Laws, provided the permit holder complies with annual exploration expenditures and reporting requirements. The Burkina Faso Mining Law provides for an exploration permit to be superseded by a mining permit.

Essakane S.A. is a Burkinabe company created for the purpose of developing and operating the Essakane Gold Mine. The Company owns 90 per cent of the outstanding shares of Essakane S.A., while the Government of Burkina Faso has a ten percent free-carried interest in the outstanding shares in Essakane S.A. and a graduated royalty varying between 3 per cent and 5 per cent based on the market price of gold from production. The ten per cent interest of the Government of Burkina Faso is a carried interest. The Government of Burkina Faso also collects various taxes and duties on the imports of fuels, supplies, equipments and outside services as specified in the Burkina Faso Mining Law.

iv) Essakane Mining Convention

In July 2008, subsequent to the date of the Essakane Report, the mining convention (the “Essakane Mining Convention”) for the Essakane Gold Mine was signed by the Minister of Mines and Energy for Burkina Faso and Essakane S.A. Pursuant to a condition contained in a bridge loan facility agreement entered into by Orezone Essakane Limited, Essakane S.A. was required to re-execute the Essakane Mining Convention in September 2008. The Essakane Mining Convention acts as a stability agreement in respect of mining operations by, among other things, transferring the state-owned mineral rights to a mining company. The Essakane Mining Convention clarifies the application of the provisions of the Burkina Faso Mining Law with respect to Essakane S.A. by describing the Government of Burkina Faso’s commitments and

operational tax regime and the obligations of Essakane S.A. to the Government of Burkina Faso. The Essakane Mining Convention cannot be changed without the mutual agreement of both parties. Pursuant to the Essakane Mining Convention, Essakane S.A. is to carry out its operations in furtherance of, and in accordance with, the 2007 Essakane Feasibility Study and the Environmental Assessment. The Essakane Mining Convention is valid from the date of issuance for a period of 20 years and is renewable for the full life of the Essakane mining permit. Thereafter, the Essakane Mining Convention is renewable at the request of either of Essakane S.A. or the Government of Burkina Faso for one or more periods of ten years each, subject to the provisions of the Burkina Faso Mining Law.

The Essakane Mining Convention stabilizes and governs specific details relating to fiscal policy, taxation, employment, land and mining guarantees, customs and currency exchange regulations and environmental protection in accordance with the Burkina Faso Mining Law.

In accordance with Burkina Faso's statutory requirements and international best practices, the Environmental Assessment had been submitted to the Burkina Faso Minister of Environment on August 8, 2007. After review and public consultations, the Environmental permit (the "Essakane Environmental Permit") for the Essakane Gold Mine was issued by the Minister of the Environment on November 30, 2007.

The Essakane Gold Mine resulted in the displacement of approximately 11,300 people living in 2,562 households in the Essakane Gold Mine area. A resettlement action plan (the "RAP") was developed and approved in consultation with the community to address the resettlement of these people. The RAP describes the policies, procedures, compensation rates, mitigation measures and schedule for resettlement. The approach to involuntary resettlement is consistent with the International Financial Corporation's Performance Standards on Environmental and Social Sustainability and Essakane will adopt a collaborative approach involving the Government of Burkina Faso and the affected communities. Construction of resettlement villages commenced in October 2008 and was completed in 2009.

v) Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Essakane Gold Mine area and specifically the area surrounding the EMZ deposit are characterized by relatively flat terrain sloping gently towards the Gorouol River to the north of the EMZ deposit. Vegetation consists mostly of light scrub and seasonal grasses. Access to and from the capital Ouagadougou is by paved road and then by laterite road and within the exploration permits, access is by way of local tracks and paths. The derelict heap leach pad and plant operated by Compagnie d'Exploitation des Mines d'Or du Burkina ("CEMOB") in the 1990s is located one kilometre east of the EMZ deposit and contains approximately one million tonnes of leached material.

As discussed above under the heading "Essakane Mining Convention", some 2,562 households totaling 11,300 individuals live within the Essakane Gold Mine footprint or are economically affected by the Essakane Gold Mine. There are no major commercial activities in the project area and economic activity is confined to

subsistence farming and artisanal mining. There are no operating rail links and all transport is by road or by air using an aircraft owned and operated by Essakane S.A. The climate is typically sahelian and with the temperature ranging from 50°C to 10°C. A wet season occurs between late May and September. Surface rights in the area of the Essakane mining permit belong to the State of Burkina Faso. Utilization of the surface rights is granted by the Essakane mining permit under condition that the current users are properly compensated. Electricity to the exploration site is provided by on-site diesel generators; satellite communication is also available at the Essakane site. Water is pumped from wells (boreholes) in sufficient quantities for exploration drilling and the mining camp. A 26 megawatt power plant, fuelled with heavy fuel oil was built for the production phase. The main sources of water are the Gorouol River during the rainy season and well fields around the Essakane pit and near the Gorouol River.

Essakane S.A. has initiated local training programs for artisans. It is envisaged that unskilled labour will be sourced locally with skilled labour drawn from Burkina Faso at large. It is expected that some 90-150 expatriates from North America and Europe will be required in the initial years of production, but that number will decrease as Burkinabe workers acquire the expertise and experience to replace the expatriate employees.

The tailings storage facility is located southwest of the surface mine and processing plant. The mine waste storage facility is located mainly east of the surface mine, and a smaller waste dump will also be located west of the surface mine.

Approximately one million tonnes of material on the existing CEMOB heap leach pad from previous mining operations may be processed during the production phase. Currently, there is no plan for heap leaching at the Essakane Gold Mine in the future.

vi) History

The EMZ deposit has been an active artisanal mining site since 1985. Heap leach processing of gravity rejects from the artisanal winnowing and washings was carried out by CEMOB in the period 1992-1999. From available records located in Burkina Faso, CEMOB placed 1.01 million tonnes of material at an average grade of 1.9 grams of gold per tonne and achieved 73 percent recovery. It is estimated that 250,000 ounces of gold has been extracted from the local area since 1992. At its peak, up to 25,000 miners worked the EMZ deposit.

A company named Société Filière Or (“SFO”) was formed in which the Government of Burkina Faso held a 10 per cent interest. SFO controlled all mining and processing. During this period, the Bureau des Mines et de la Géologie du Burkina undertook regional mapping and geochemical programs and arranged and financed the program of heap leach test work between 1989 and 1991. The plant was constructed in 1992 and produced 18,000 ounces in 1993 but averaged between 3,000 and 5,000 ounces per year. Serious efforts were also made to leach saprolite from the EMZ deposit but, based on verbal accounts, leaching failed because of high cement consumption and solution blinding in the heaps.

CEMOB was granted the Essakane mining research permit in 1991. The permit covered most of the area which is now included within the Essakane Gold Mine (excluding the Gomo permit). BHP Minerals International Exploration Inc. (“BHP”) assisted CEMOB and explored the area from 1993 to 1996 under a proposed joint venture earn-in. BHP excavated and sampled 26 trenches (for 4,903 metres) along the EMZ deposit. Scout RC drilling was completed (including on the Falagountou and Gossey prospects), followed by RC drilling (7,949 metres of vertical holes on a 100 metre by 50 metre grid) and a few DD holes (1,510 metres) in the main area of artisanal mining on the EMZ deposit.

Upon CEMOB going into liquidation in 1996, Coronation International Mining Corporation (“CIMC”) secured title and in July 2000, six new Essakane licenses were granted to CIMC. In September 2000, CIMC entered into an option agreement with Ranger Minerals (“Ranger”) pursuant to which Ranger undertook an exploration program, focusing on intensive RAB and RC drilling of an oxide resource between October 2000 and June 2001. RAB drilling (12,867 metres) was used to locate drill targets at Essakane North, Essakane South, Falagountou and Gossey. Follow up RC drilling at the EMZ deposit amounting to 22,393 metres was completed along with 1,070 metres of DD twins and extensions. Ranger mapped and sampled veins in the BHP trenches and decided to drill toward local grid east at a dip of -60 degrees.

In April 2007, Orezone Resources, Orezone Inc., Orezone Essakane Limited, Gold Fields Essakane (BVI) Limited (“GF BVI”), Orogen and Essakane (BVI) Limited entered into a members agreement which gave effect to the terms of an option agreement and also set out the terms and conditions on which the parties would form a joint venture. GF BVI earned a 50 per cent interest in Essakane (BVI) Limited by spending the requisite $8 million on exploration. It increased its ownership to 60 per cent in the Essakane Gold Mine when it gained a further ten per cent interest in Essakane (BVI) Limited after Essakane (BVI) Limited completed the Essakane Feasibility Study on September 11, 2007. In October 2007, Orezone Resources entered into an agreement with GF BVI to acquire its 60 per cent interest in the Essakane Gold Mine in consideration for $200 million, with $150 million in cash and $50 million in Orezone Resources Shares. The transaction closed on November 26, 2007 and Orezone Resources became the operator and owner of a 100 per cent interest in the Essakane Gold Mine subject to the interest of the Burkina Faso government.

After obtaining the Essakane Environmental Permit, and concluding an agreement with the local population discussed above under the heading “Essakane Mining Convention”, the Essakane mining permit was granted, which resulted in the transfer of the Essakane Gold Mine to Essakane S.A. See “General Development of the Business — Three Year History” for a description of the acquisition of Orezone Resources by IAMGOLD.

Orezone Resources was the project operator at the Essakane Gold Mine from July 2002 through December 2005. The 2006 project development exploration program on the deposit was carried out by GF BVI and focused on quality of gold assay, quality of geological modelling and quality of mineral resource estimate.

vii) Geological Setting

The Essakane Gold Mine occurs in the Paleoproterozoic Gorouol greenstone belt in northern Burkina Faso. The local stratigraphy can be subdivided into a succession of lower-greenschist facies meta-sediments (argillites, arenites and volcaniclastics), conglomerate and subordinate felsic volcanics, and an overlying Tarkwaian-like succession comprising siliciclastic meta-sediments and conglomerate. Each succession contains intercalated mafic intrusive units that collectively comprise up to forty per cent of the total stratigraphic section.

The region preserves evidence for at least two regional deformational events. D1 structural elements such as the Essakane host anticline are refolded by a series of NNE-trending F2 folds. Later localized deformation occurs near the margin of a calc-alkaline batholith in the south of the project area. The Markoye Fault trends North North East through the western portion of the project area and separates the Paleoproterozoic rocks from an older granite-gneiss terrane to the west.

viii) Mineralization

Essakane is an orogenic gold deposit characterized by quartz-carbonate stockwork vein arrays and is hosted within the lower meta-sedimentary sequence. The deposit occurs in an upright asymmetric anticline that plunges shallowly to the northwest. The highest concentration of quartz veins and gold mineralization occurs in the 50-70 metre thick ‘main arenite unit’, and spatially in the hinge zone and eastern fold limb of the host anticline.

There are two distinct structural controls on gold mineralization: (i) gold associated with bedding parallel deformation; and (ii) gold associated with structures formed by the anticlinal folding event. The vein arrays are complex and consist of: (i) early bedding parallel laminated quartz veins; (ii) late steeply dipping extensional quartz veins; (iii) axial planar veins and pressure solution seams in the fold axial zone.

Alteration in the host arenite unit typically consists of a sericite > carbonate > silica ± albite ± arsenopyrite ± pyrite assemblage. Arsenopyrite and pyrite occur within and adjacent to quartz veins or are disseminated throughout areas of wallrock alteration. Traces of chalcopyrite, pyrrhotite, galena and hematite can occur with the arsenopyrite. Gold occurs as free particles within the veins and also as intergrowths in arsenopyrite on vein margins or in the host rocks. The regolith profile within the deposit area consists of one to three metres of laterite, a 30 to 50 metre thick upper saprolite zone and a 10 to 30 metre thick lower saprolite zone that is underlain by competent rock. The Essakane deposit has a strike length of 2,500 metres and is open to the north, although economic mineralization follows the fold plunge to become progressively deeper.

ix) Drilling

Orezone Resources and GF BVI drilled 20,364 metres of oriented HQ diameter core between September 2005 and June 2006 for the project development and feasibility study program. Since 2009 Essakane SA drilled 79,561 metres of DD and 12,788

metres of RC. The objectives were to infill drill to upgrade inferred resources, expand the resource inventory and better understand the geology and controls on mineralization to advance geological modelling and improve the quality of assay samples.

x) Sampling Method

Most of the drill holes are sampled as one metre lengths of full core. The first one kilogram assay sub-sample is split out only after the sample had been crushed to 80 per cent passing 2 millimetres. The entire one kilogram sub-sample aliquot is pulverized to 90 percent passing 75 microns and assayed without further sub-sampling. RC drilling during 2006 was mainly used as a pre-collar to DD holes. Drilling changed to DD as soon as wet samples were returned generally at a depth of 45 to 50 metres. In 2010, 99 holes were drilled entirely using RC drilling to a depth of 150 metres to investigate ore shoots at Essakane South. All the 5¼ to 5½ inch RC holes were sampled at 1 metre intervals at the drill rig. The full 20 to 40 kilogram RC samples were reduced to 3 to 5 kilograms with an 8 to 1 riffle splitter. This was subsequently changed in 2006 to use rotor splitters to split out a 1 kilogram sample which was then pulverized to 90 per cent passing 75 microns and assayed by LeachWELL rapid cyanide leach. The one kilogram splits were re-assayed at SGS Tarkwa in 2006 and 10 per cent of the splits were sent to ALS Chemex in Ouagadougou during the 2010 campaign.

GF BVI completed a range of bottle roll leach and gravity concentration tests in late 2005 and demonstrated that the previous BLEG and LeachWELL bottle roll assays were biased low because of anomalously poor dissolution of coarse gold. GF BVI introduced a comprehensive QA/QC system involving insertion of certified standard reference materials supplied by RockLabs, which is still kept in place by the Esskane Gold Mine exploration team. Coarse quartz blanks were inserted as well.

xi) Data Verification

A significant proportion of the assay data for the Essakane Gold Mine has been generated by previous operators. However, much of this historical data was generated either with inadequate QA/QC measures in place, or uncertified reference materials were used, and thus made the quality control measures equivocal. In 2007, RSG Global completed a review of the recorded quality control data for the Essakane pre-feasibility study. The key findings of this review are summarized below:

- The use of uncertified (unaccredited) standards should be discontinued; the use of 250 gram standards for BLEG and LeachWELL cyanide leach assays should be examined.
- Orezone standards appear to have been mixed up during laboratory submission; much of Orezone standard data appears unusable.
- The Abilabs QA/QC results appear to be substandard.
- A bias between BHP FA (ITS FAA) and BLEG assays may be the result of incomplete dissolution during the BLEG process.

- Indications exist that unaccounted gold is present within samples that report BLEG results less than 1.0 g Au/t; this suggests that tails samples should be taken for all BLEG samples greater than 0.5 g Au/t.
- Heterogeneity test work should be undertaken to optimize the sub-sampling protocol.

xii) Mineral Processing and Metallurgical Testing

Early on, it was determined that a conventional crushing, milling, CIL gold plant would be required and extensive leaching tests were conducted on various ore types.

xiii) Mining Operations

Mining is carried out using a conventional drill, blast, load and haul surface mining method with an owner fleet. The annual mining rate will be 35 million tonnes per year in 2012, then climb to 50-55 million tonnes per year to 2014 and is expected to remain at that rate for six years before decreasing gradually to the end of pit life. The weathered zones will continue to be sequentially mined over the life of the operation commencing with the saprolite and benches will be on five metre heights. Grade control samples are collected using RC drills and drill rigs are used for drilling production blast holes. Loading is accomplished with hydraulic excavators and wheel loaders. The truck fleet is composed of fourteen 150-ton class and six 100-ton class trucks.

Ore to the plant is a blend of the three weathered types commencing predominantly with saprolite and transition (saprock) for the first three years. Fresh rock mill feed will gradually increase from 2012 onwards. Milling rates will be at 9 million tonnes per year, and 12.0 million tonnes per year thereafter when mill feed is entirely fresh rock. The great majority of waste material is being stored in the main overburden storage facility. Other mining infrastructure involves a mine office complex (mine offices, change house and canteen), equipment workshop with overhead cranes integrated to the main warehouse and external wash down bays, blasting and explosives compound including magazines, diesel storage and dispensing facility and a drill core storage facility. The operating costs have been determined for two ore types, namely the saprolite ore and fresh rock arenite/argillite ore. The operating cost for the transition ore type is determined by averaging the process cost for the oxide and fresh ore.

The proposed tailings storage facility has an overall base of some 450 hectares and was developed in stages concurrent with mine production using thickened tailings disposal with full capacity to suit the current life of mine. Mine haul roads are 20 metres wide and constructed by the mining department to support the 150 tonne mine haul trucks. The mine village was built from prefabricated structures and this village was initially used as the construction camp. The site has a satellite communications system. Two office complexes are located in the mine plant area, one to service mine operations and maintenance and the other reserved for construction management and administrative services. The main warehouse is attached to the mine maintenance shops and includes a sizeable storage yard.

General services are an essential component to the success of the project. Because of the remoteness and complex logistics of the mine coupled with the limited services available in Burkina Faso, the scope and extension of the general services department to support construction and, subsequently, production is very substantial. Current manpower is approximately 2,300 workers, including contractors. The capital costs for infrastructure, processing facilities, plant and equipment, construction indirects, general services and pre-production development was approximately $448 million.

Production

The 2012 production is estimated at 320,000 to 345,000 attributable ounces of gold.

The following table indicates operating information for the Essakane Gold Mine.

ESSAKANE GOLD MINE	2011	2010
Gold Production (Ounces) 100%	375,000	136,000
Tonnage milled (tonnes)	7,977,000	2,973,000
Grade milled (g Au/t)	1.5	1.5
Recovery (%)	95	96

xiv) Exploration and Development

In 2011, over 30,000 metres of delineation and resource expansion drilling were completed in conjunction with 50,000 metres of exploration drilling by the Company's regional exploration group (both within and outside the mine lease). Over 22,000 metres were also drilled in or near the pit area to extend or confirm the continuity of deeper zones for the purposes of an expansion feasibility study.

xv) Mineral Resources and Mineral Reserve Estimates

As of December 2011, the Essakane Mineral Resources and Mineral Reserves include both the Essakane Main Zone (EMZ) and the satellite Falagountou deposit, located approximately 9 kilometres east of the EMZ.

The EMZ block model used for the mineral resouces estimation consists of blocks of dimensions of twenty metres east-west, twenty metres north-south and five metres vertical. The average density was determined by lithological type and alteration level by conducting density measurements on approximately 12,000 saprock and fresh arenite and argillite core samples.

The Falagountou block model is based on five metre cubic blocks in which both gold grade and rock density were interpolated using the inverse distance squared algorithm.

The open pit optimizations were performed using Whittle software based on the Lerch-Grossman algorithm. The final pit shells used for mine design correspond to the ones that maximize the net present value of both the EMZ and Falagountou Projects.

The basis of the mineral resource estimate in both deposits included geological interpretation and modeling, block modeling, drill hole compositing (five metre lengths at EMZ and one metre at Falagountou), statistical analysis of sample sets to establish a suitable domaining strategy, analysis of caps by examining the cumulative mean grade and cumulative standard deviation of the data sets and variography of the raw composite grades within each domain. The base case gold price used for pit optimization and design was $1,100 per ounce while mineral resources were defined within a $1,400 per ounce pit shell.

December 2011 Mineral Resources (1)(2)

Category	Tonnage (Mt)	Grade (g Au/t)	Contained Gold (M oz)
Indicated	139.6	1.05	4.735
Inferred	24.1	1.14	0.885

Notes:

(1) Mineral resources are inclusive of mineral reserves. Although “measured resources”, “indicated resources” and “inferred resources” are categories of mineralization that are recognized and required to be disclosed by Canadian regulations, the SEC does not recognize them. Disclosure of contained ounces is permitted under Canadian regulations; however, the SEC generally permits resources to be reported only as in place tonnage and grade. See “Cautionary Note to U.S. Investors Regarding Mineral Reporting Standards”.

(2) Reported within a $1,400/oz Whittle Pit Shell generated on Measured, Indicated and Inferred Resources.

December 2011 Mineral Reserve (1)

Category	Reporting Cut-off (g Au/t)	Tonnage (M t)	Grade (g Au/t)	Contained Gold (M oz)
Probable	Oxide (0.35-0.37)	16.588	0.82	0.436
	Transition (0.39-0.42)	16.628	0.99	0.530
	Fresh (0.52-0.54)	76.029	1.18	2.892
Total Probable		**109.245**	**1.10**	**3.858**
Total		**109.245**	**1.10**	**3.858***

Waste (including non-reserve material)	(000t)	**260,449**
Strip Ratio		**2.38**
***attributable: 3,472,000 oz**		

Notes:

(1) Mineral Reserve based on $1,200 per ounce cutoffs inside $1,100 per ounce pit design.

xvi) Environment

As at December 31, 2011, the recorded amount of estimated restoration and closure costs for the property was $20.2 million, representing the discounted costs. The undiscounted cost of estimated restoration and closure costs for the property was $22.7 million.

2.2 Africa: Republic of Mali - Sadiola Gold Mine

i) Property Description and Location

The Sadiola Gold Mine consists of an open pit mining operation exploiting the Sadiola gold deposit, associated CIP processing plant, townsite and infrastructure at Sadiola, in Mali. The Sadiola area is located in the extreme west of the Republic of Mali, West Africa near the Senegal/Mali border, approximately 70 kilometres south of Kayes, the regional capital. The Sadiola Gold Mine is owned by SEMOS which holds the mining rights for gold, silver (and related substances) and platinoids for the mining permit area in Mali (the “Sadiola Mining Permit”) in which the Sadiola Gold Mine is located. The Sadiola Mining Permit covers an area of 302 square kilometres. The shareholders of SEMOS are IAMGOLD, which indirectly owns 41%, AngloGold Ashanti, which indirectly owns 41%, and the Government of Mali, which owns 18%. The IFC, a member of the World Bank Group, sold one half of its 6% interest to each of IAMGOLD and AngloGold Ashanti on December 29, 2009 and no longer has an interest in SEMOS.

The Sadiola Mining Permit is for an initial term of 30 years, expiring in 2024, and may be extended by order of the President of Mali if mining operations are ongoing. Under the Malian Mining Code, the Sadiola Mining Permit may be cancelled by a decree of the President in certain events, including: a delay of mining for longer than one year, without valid reason, in a manner prejudicial to the general interests of Mali; a default in the performance of the obligations under, or the failure to maintain proper records as required by, the concession agreement covering the Sadiola Mining Permit; the non-payment of taxes; conducting mining activities outside of the Sadiola Mining Permit; and ceasing to provide technical and financial guarantees required in order to proceed satisfactorily with mining activities.

SEMOS

SEMOS is the joint venture company which holds the Sadiola Mining Permit, owns the Sadiola Gold Mine and carries out exploration activities within the Sadiola Mining Permit. SEMOS is governed by an agreement dated September 8, 1994 (the “SEMOS Shareholders Agreement”) to which all of the shareholders of SEMOS are parties. Decisions of the directors of SEMOS are by majority vote; however, the approval of at least 75% of the directors of SEMOS is required for a number of significant decisions affecting the assets, operations or capitalization of SEMOS, including the modification of any mining plan, the encumbrance of assets, the development of another mine, a change in the nature or purpose of SEMOS and a decision to abandon the Sadiola Mining Permit, as well as for budget approvals, incurring of indebtedness and profit distributions. A shareholder (other than the Government of Mali) can be forced to relinquish its shares of SEMOS by any other shareholder for breach of the SEMOS Shareholders Agreement, in which event there is a requirement for the valuation of the terminated party’s interest and a buyout at such value.

SEMOS makes distributions of profits after taking into account repayment of capital, the forecast operating and capital expenses of SEMOS, and legal reserves required by applicable corporate law. Operating expenses include all the expenses of SEMOS incurred in connection with its activities, including mine operations, depreciation, taxation and legal provisions, but excluding investments.

IAMGOLD and AngloGold Ashanti have agreed to vote together at shareholders' meetings with respect to any action requiring 75% shareholder approval or at meetings of directors with respect to any resolution requiring a similar level of approval. There is no requirement to vote together in the event of a conflict of interest with respect to one of the parties voting. If the two parties cannot agree, their shares of SEMOS must be voted against such resolution.

ii) Accessibility, Climate, Local Resources and Infrastructure

The Sadiola Gold Mine is located in a remote part of Mali with almost no infrastructure. Establishing the mine and process plant required upgrading of the regional gravel road linking the mine to Kayes, and access to the Sadiola Gold Mine from Kayes is now by a regional all-weather road. There is an airstrip at the Sadiola Gold Mine capable of handling light aircraft. Kayes is serviced by rail, road and air from Bamako, the capital of Mali, and from Dakar, the capital of Senegal. Bamako has an international airport with daily flights to many other West African and European destinations. There are return flights twice weekly between Bamako and Kayes. Dakar is a major port of entry to West Africa by sea and air.

A 57 kilometre pipeline from the Senegal River, the only reliable source of water in the region, was built to provide approximately eight million cubic metres per year of process water. Electrical power is provided through Sadiola's diesel powered generating sets which are capable of meeting an average demand of 16.7 MW and a peak demand of 17.7 MW. As part of the Sadiola Sulphide Project ("SSP"), as discussed under the heading Sadiola Sulphide Project below, a connection to the Mali electrical grid is being investigated which would make available lower cost power for Sadiola.

iii) Drilling, Sampling and Analysis, and Security of Samples

QA/QC protocols are in place with respect to sampling procedures.

The collection and processing of all grade control and exploration samples prior to dispatch to the SEMOS laboratory is carried out by employees of SEMOS.

Blind quality control sample trays are given to the SEMOS laboratory containing 2.9% pulp repeats, 2.9% blanks and 2.9% standard material. Coarse blanks are submitted at an approximate rate of 5%. No field duplicates are submitted. The SEMOS laboratory processes principally all the grade control samples for the Sadiola Gold Mine.

In combination with the SEMOS laboratory, Analabs (in Kayes) processes the samples from exploration and the Deep Sulphide Project. Blind quality control sample trays are given to Analabs containing 10% pulp repeats, 3% blanks and 7% standard material.

Coarse blanks are submitted at an approximate rate of 5%. No field duplicates are submitted. Approximately 10% of a drill project's ore zone is submitted to an external laboratory (generally Chemex, in Canada) for check assay. More recently, certain projects have had 10% of their entire sample set sent for re-assay.

SEMOS resource drilling uses a custom designed SQL relational database. The database is marketed by Century Systems (Canada). The system has been pre-designed to check for errors so as to prevent geological overlapping and incorrect sample intervals. The system utilizes user security levels to prevent unauthorized access to data as well as data corruption by simultaneous multiple user use. The database is audited from time to time.

Resource modeling is undertaken by a dedicated team of on-site personnel. Datamine is used to construct geological and grade models, while Istatis software is used for Uniform Condition to estimate recoverable resources.

Reconciliations are carried out on grade, tonnage and contained metal between the individual anomaly resource models and grade control models on a monthly basis (for anomaly where mining has taken place). In addition, reconciliations between plant and resource models are also carried out monthly. Daily and monthly comparisons of called mining grade and received plant grade are also undertaken.

iv) Mineral Resources and Reserves

Information on mineral resources and reserves is provided in Section 5 below.

v) Mining Operations

Operator

IAMGOLD and AngloGold Ashanti are equal partners in SEMOS and AngloGold Ashanti, through its wholly-owned subsidiary AngloGold Mali S.A. ("AngloGold Mali"), is the operator of the Sadiola Gold Mine. In consideration for its services, AngloGold Mali is entitled to receive a management fee of 1% of revenue derived from operations at the Sadiola Gold Mine, an engineering fee of 4% of capital expenditures at the Sadiola Gold Mine (with some exclusions) and reimbursement for technical and consultancy services (which are to be competitive and consistent with the standard rates charged by AngloGold Ashanti to other non-operator companies). In addition, AngloGold Mali is entitled to reimbursement for all reasonable costs incurred by it in connection with its services as operator of the Sadiola Gold Mine.

Production

The oxide and sulphidic saprolite ores are being exploited by open pit mining techniques. Ore extraction is being conducted at the Sadiola main pit and four smaller satellite pits.

The pit slopes have been engineered to industry standards of stability for the range of lithologies present at Sadiola, following risk management principles. There are regular reviews of the slope designs and conditions by external geotechnical consultants.

Mining operations are carried out by Moolmans, a mining contractor from South Africa with extensive open pit experience. Grade control is effected by drilling 10 metre long vertical (or inclined) holes on a 10 metre by five metre grid. Ore is transported to the main run-of-mine stockpile, located between one kilometre and seven kilometres from the respective pits. Waste material is disposed of in dumps adjacent to the pits with minimal haul distances, usually less than 0.5 kilometres.

Approximately 90 per cent of ore is stockpiled before processing. The ore stockpiling facility is located between the pit and the process plant, and its purpose is two-fold. Primarily, the area allows stockpiles of ore with differing oxide and sulphide mineralogy, gold grades, hardness, viscosity levels (resulting not only from variable clay contents but also from differing clay minerals) and grit contents to be laid down. Ore is reclaimed from the stockpiles and fed into the process plant on a blended basis, thereby reducing feed variability and contributing to the efficiency of the process plant and maximizing the recovery of gold. The second function of the stockpile is to provide a reserve of ore to feed the process plant at times when pit operations are temporarily affected by external factors such as heavy rains.

Processing

The processing plant consists of two identical parallel leach circuits, collectively capable of treating approximately 4.6 million tonnes of saprolite ores per year.

As described above, most of the ore is delivered from the pit to a stockpile/reclaim area, adjacent to the processing plant site. The ore blend is reclaimed from the stockpile using front-end loaders and trucks and, with the ore sourced directly from the pit, is fed to two parallel mineral sizers, a type of crusher designed to handle the softer ores which are found at the Sadiola Gold Mine. The ore passes to surge bins located ahead of the two ball mills. A single regrind mill is incorporated, serving both circuits, to further grind the coarse fraction contained in the output from the ball mills and into a conventional grinding and leaching circuit.

The discharge from the ball mills is fed to cyclones, the overflow from which goes to the leach circuit where the pulp is subject to cyanide leaching, while the underflow goes to the regrind mill. A second gravity concentrator was added to the circuit during 2010.

The barren slurry, after removal of the gold, is pumped to the tailings dam, located approximately three kilometres to the southeast of the process plant, for final disposal.

Sadiola Sulphide Project (“SSP”)

In December 2010, a feasibility study on the mining and processing of the hard sulphide ore at Sadiola was completed. The current Sadiola Gold Mine life of mine plan indicates declining gold production over time going forward until end of mine life in 2017. The

feasibility study projects an increase in production at the Sadiola Gold Mine to between 350,000 and 500,000 ounces per year (on a 100% basis running from 2013 through 2018) with an end of mine life in 2025, increasing the total gold production at the Sadiola Gold Mine by approximately 2.2 million ounces beyond the current mine plan.

The feasibility study calls for mining to continue on an open pit basis and incorporate larger mining equipment. This study is based on construction of a new crushing, grinding and CIL plant for treatment of the deep sulphide ores and existing hard ore stockpiles while the existing mill would continue to treat soft oxide ores in parallel, or treat additional sulphide ore once oxide ore is exhausted. The total nominal treatment capacity of the proposed operation would be 8.5 million tonnes per year on the combined feeds versus 5 million tonnes per year nominal capacity with the current plant treating primarily softer oxide ores.

Evaluating the differential economics between the current plan and the new plan, the feasibility study demonstrates an after-tax project internal rate of return of 17%, at a gold price of $1,000 per ounce based on an initial investment of $384 million for the treatment plant, mining fleet, waste pre-stripping, and various infrastructure elements. Average cash costs are projected to be $685 per ounce on a life of mine basis (including royalties).

The economics are dependent on successful conclusion of ongoing negotiations with the Malian government for access to grid power at appropriate rates, as well as agreement with the government that the SSP is subject to a tax treatment equivalent to new projects.

vi) Production

A construction decision on the SSP is expected in 2012. The feasibility study on the SSP to expand the processing facility to process hard rock in conjunction with soft rock was completed in 2010 and is currently being updated. Final approval by both joint venture parties is expected in 2012.

The following table indicates operating information for the Sadiola Gold Mine for the last two years:

SADIOLA GOLD MINE	2011	2010
Gold Production (Ounces) [1]	295,000	287,000
Tonnage milled (tonnes)	4,827,000	4,371,000
Grade milled (g Au/t)	1.9	2.1
Recovery (%)	94	93

[1] The Company's 41% interest in Sadiola represents 121,000 ounces in 2011 and 118,000 in 2010.

vii) Environment

Under the concession agreement with the Republic of Mali, SEMOS is obligated to minimize the environmental and social impact of mining activities and is required to

rehabilitate the mine site once the mine permanently ceases operation. A baseline program monitors environmental parameters, including seasonal differences in climatic data, water quality for surface and groundwater and groundwater levels. There is also an integrated EMS for the Sadiola Gold Mine. The EMS ensures that the environment is protected and that environmental policies are adhered to. An annual independent environmental audit of the Sadiola Gold Mine is conducted, focusing in particular on the EMS, community relations and closure and rehabilitation. The Sadiola Gold Mine is ISO 14001 certified.

The two principal environmental concerns are the potential for the contamination of surface and ground water resources, particularly with cyanide, arsenic and antimony, and the rehabilitation of the tailings dam and waste rock dumps. IAMGOLD believes that these issues are currently being adequately addressed. The gold plant and tailings dam are managed as a closed system, with water flow being strictly controlled and recycled. Spillage of contaminated process water inside the plant is contained in a concrete bunded area, from where the water is pumped back into the treatment plant process. The tailings dam is fenced and access to the area is controlled.

Two issues that continue to receive attention are the closure plan and environmental issues associated with the processing for SSP. The conceptual closure plan will be updated in the following months and will include the SSP. An environmental and social impact assessment ("ESIA") was prepared in 2011 and approved by the Government of Mali on August 22nd, 2011 for the SPP. The recommendations and mitigation measures of the ESIA have been adopted and the EMS is being revised as appropriate to address all SSP impacts.

There are adequate facilities for all mineral processing requirements, including waste disposal, on site. As at December 31, 2011, the recorded amount of estimated restoration and closure costs for the property was $57.8 million, representing the discounted amount (proportionate share: $23.7 million). The undiscounted amount of the restoration and closure costs for the property was $62.4 million (proportionate share: $25.6 million).

viii) Exploration and Development

Exploration for both the Sadiola Gold Mine and Yatela gold mine (the "Yatela Gold Mine"), which is owned by La Société d'Exploitation des Mines d'Or de Yatela S.A. ("YATELA") is carried out by SEMOS. A combined SADIOLA-YATELA 2009-2010 exploration budget of $14.9 million (100 per cent basis) was completed at the end of 2010. The program was designed to carry out further evaluation of the remaining oxide potential of the joint venture lands, and undertake investigation of potential sulphide mineralization. A total of 67,912 metres of RC drilling and 3,513 metres of DD was completed during 2010. Exploration in 2011 continued with that work, and a total of $14.2 million (100 per cent basis) in both capital and expensed exploration expenditures was recorded. Seventeen targets had been identified on the Sadiola concession at the start of the 2011 program ranging from geophysical anomalies to drill-offsets of known economic grade mineralization. Resource delineation continued in the vicinity of the

Sadiola, FE3 and FE4 pits, and a further phase of drilling was carried out on the SSP. At the Yatela Gold Mine, numerous targets had been identified on the Yatela concession ranging from geophysical anomalies to exploration of satellite zones such as KW-18, and resource evaluation drilling in the vicinity of the Yatela and Alamoutala pits. Combined RC and DD at the Sadiola and Yatela Gold Mines totaled 81,066 metres for the year.

For 2012, an approved budget of US$12.0 million (100 per cent basis) will cover over 100,000 metres of RC and DD on the Sadiola-Yatela lands. The Yatela Gold Mine operation is in its final stages of operation and a priority of the 2012 exploration program will be exploration of remaining oxide targets on the Yatela land package. The priority on the Sadiola concessions will be extensions to the sulphide resource on the SSP, exploration for potential oxide resources north of the Sadiola pit and between the FE3 and FE4 pits (the FE4 Gap) and their northern extensions, geophysical targets at Tambali, and oxide targets at Manndakoto. Portions of the 2012 program and budget will also be directed to sulphide exploration as the program transitions from oxide exploration.

ix) Mining Taxation

Net mining profits, as calculated under the Malian Mining Code, are taxable at the rate of 35%. All operating costs, depreciation and financing charges are deducted in calculating net profits.

A royalty (*Contribution pour prestation de services*) of 3% based on the export value of gold production, and an *ad valorem* tax of 3% payable on the value of products sold to refineries or any other buyer less any refining expenses and selling costs, are paid to the Government of Mali.

2.3 Africa: Republic of Mali - Yatela Gold Mine

i) Property Description and Location

The mining permit area in Mali in which the Yatela Gold Mine is situated (the “Yatela Mining Permit”) is located immediately north of the Sadiola Mining Permit. The Yatela Mining Permit is owned by YATELA, and covers 195 square kilometres. The shareholders of YATELA are Sadiola Exploration Limited (“SADEX”) (which is indirectly owned 50% by IAMGOLD and 50% by AngloGold Ashanti) which holds an 80% interest and the Government of Mali which holds a 20% interest.

YATELA is governed by a shareholders’ agreement dated May 27, 2000. Decisions of the directors of YATELA are by a majority vote. The board of directors of YATELA currently consists of eight directors. SADEX is entitled to appoint six directors and the Government of Mali is entitled to appoint two directors.

Each shareholder of YATELA is entitled to receive dividends, which may be distributed after payment of the financial obligations of YATELA, including the shareholder loan advanced by SADEX for the development and construction of the Yatela Gold Mine.

Dividend distributions by YATELA also take into account the projected operating and capital expenses of YATELA and legal reserves required by applicable corporate law.

SADEX received the Yatela Mining Permit from the Government of Mali in February 2000. The Yatela Mining Permit is for an initial term of 30 years, expiring in 2031, and may be extended by order of the President of Mali if mining operations are ongoing. The Yatela Mining Permit may be cancelled on the same bases as the Sadiola Mining Permit (see “Sadiola Gold Mine — Property Description and Location” above).

ii) Accessibility, Climate, Local Resources and Infrastructure

The Yatela Gold Mine adjoins the Sadiola Gold Mine to the north and its location and access are the same as for the Sadiola Gold Mine. Information thereon is provided in subsection 2.2 of Item III above.

The Yatela Gold Mine is located approximately 25 kilometres north of the Sadiola Gold Mine and is situated close to the main gravel road to Kayes, the regional capital, which is approximately 60 kilometres from the Yatela Gold Mine. In 2005, a new access road was constructed between Yatela and Sadiola to facilitate movement between the two operations.

The water needed by the Yatela Gold Mine is sourced from a well field and from boreholes established to dewater the pit in advance of mining. Potable water for both the Yatela Gold Mine operation and the mine townsite is supplied from the well field and treated prior to distribution.

Electrical power is provided through six diesel powered generating sets located at the Yatela Gold Mine.

iii) History and Exploration

SADEX, through a predecessor wholly-owned subsidiary, had the right to explore an exploration permit adjacent to the northern boundary of the Sadiola Mining Permit. The northern part of the Yatela property was acquired by SADEX on February 6, 1998 from Eltin Limited (“Eltin”) of Australia.

SADEX commissioned a feasibility study, which was carried out by AngloGold Ashanti and presented in June 1999. The feasibility study concluded that an open pit mine feeding a 2.5 Mtpa heap leach operation was the most financially attractive of the alternatives studied.

The final feasibility study prepared by AngloGold Ashanti in November 1999 advanced the heap leach option to a fully tendered capital cost status. The final feasibility study reported that an open pit 2.5 Mtpa heap leach operation should be capable of producing 1.2 million ounces from the Yatela deposit over a six year period.

iv) Drilling, Sampling and Analysis, and Security of Samples

The collection and processing of all grade control and exploration samples prior to dispatch to the SEMOS laboratory is carried out by employees of YATELA.

Blind quality control sample trays are given to the SEMOS laboratory containing 2.9% pulp repeats, 2.9% blanks and 2.9% standard material. Coarse blanks are submitted at an approximate rate of 5%. No field duplicates are submitted. The SEMOS laboratory processes principally all the grade control samples for the Yatela Gold Mine.

In combination with the SEMOS laboratory, Analabs (in Kayes) processes the exploration samples. Blind quality control sample trays are given to Analabs containing 10% pulp repeats, 3% blanks and 7% standard material. Coarse blanks are submitted at an approximate rate of 5%. No field duplicates are submitted. Approximately 10% of mineralized intervals are submitted to an external laboratory for check assay.

The resource drilling database system is the same as for the Sadiola Gold Mine. Information thereon is provided in subsection 2.2 iii) of Item III above.

Reconciliations are carried out on grade, tonnage and contained metal between the individual anomaly resource models and grade control models on a monthly basis (for anomaly where mining has taken place). In addition, reconciliations between plant and resource models are also carried out monthly. Daily and monthly comparisons of called mining grade and received plant grade are also undertaken.

QA/QC protocols are in place with respect to sampling procedures.

v) Mineral Resources and Ore Reserves

Information on mineral resources and reserves is provided in Section 5 below.

vi) Mining Operations

Operator

IAMGOLD and AngloGold Ashanti are equal partners and AngloGold Mali is the operator of the Yatela Gold Mine on the same terms as those for the Sadiola Gold Mine.

Mining operations are now carried out by African Mine Services which, in 2008, replaced the previous contractor, Moolmans. The Yatela deposit is being exploited by open pit mining techniques. In addition to mining of the Yatela main pit, from time to time a number of satellite pits have provided ore feed to the Yatela processing plant.

Processing

The process plant consists of a standard heap leaching facility. It consists of a two stage crusher circuit feeding an agglomeration drum to produce a pelletized product.

The discharge from the agglomeration drum is transported by an overland conveyor to the “grasshopper” conveyor and radial stackers which build each heap leach pad in up to three lifts. Cyanide solution is fed through drip irrigation piping on the pads. The pregnant solution is collected after it has percolated through the pad and is eventually pumped through carbon filled columns which strip out the gold. The gold loaded carbon is later treated at the Sadiola Gold Mine elution plant to produce gold doré bars.

The average life of mine gold recovery rate incorporated in the feasibility study was 85 per cent. The leach cycle of the Yatela Gold Mine is longer than originally anticipated, however, the ultimate recovery rate for the contained gold is still expected to be 85 per cent.

Production

The Yatela Gold Mine life of mine contemplates operations continuing only through to the end of 2013.

The following table indicates operating information for the Yatela Gold Mine for the last two years:

YATELA GOLD MINE	2011	2010
Gold Production (Ounces)[1]	72,000	150,000
Tonnage crushed (tonnes)	2,815,000	2,933,000
Grade crushed (g Au/t)	1.0	1.2

[1] The Company holds a 40% interest in Yatela representing 29,000 ounces in 2011 and 60,000 ounces in 2010.

vii) Environment

Under the concession agreement with the Government of Mali, YATELA is obligated to minimize the environmental and social impact of mining activities, and is required to rehabilitate the mine site once the Yatela Gold Mine permanently ceases operation. An environmental impact assessment report prepared in accordance with Malian and international standards was approved by the Malian authorities and resulted in the Malian authorities issuing the necessary environmental permits.

A baseline program monitors seasonal differences in climatic data, water quality for surface and groundwater and groundwater levels. An integrated and comprehensive EMS has been implemented for the Yatela Gold Mine. The EMS ensures that disturbance to the environment is maintained within acceptable limits and that environmental policies are adhered to. An independent environmental audit of YATELA is conducted annually. The Yatela Gold Mine is ISO 14001 certified.

There are adequate facilities for all mineral processing requirements, including waste disposal, on site.

The Yatela Gold Mine started a strong stakeholder engagement on the closure plan and many specialist studies on geochemistry, geotechnics, environment and social aspects are ongoing.

As at December 31, 2011, the recorded amount of estimated restoration and closure costs for the property was $36.0 million, representing the discounted cost (proportionate share: $14.4 million). The undiscounted amount of estimated restoration and closure costs for the property was $36.3 million (proportionate share: $14.5 million).

viii) Exploration and Development

See Item II Section 2.2 (viii) for the Exploration and Development of the Yatela Gold Mine.

ix) Mining Taxation

YATELA was exempt from taxation of net mining profits, as calculated under the Malian Mining Code, until July 5, 2006. Since that date, the mining taxation applicable to YATELA is the same as that applicable to SEMOS. Information thereon is provided in subsection 2.2 (ix) of Item III above.

2.4 South America: Suriname - Rosebel Gold Mine

Unless stated otherwise, the information in the sections below (other than information subsequent to the date of the Rosebel Report (defined below)) is based upon the technical report (the "Rosebel Report") entitled "IAMGOLD – Rosebel Mine, Suriname – Technical Report" dated March 29, 2010, prepared by the IAMGOLD Technical Group under the supervision of Gabriel Voicu, a qualified person for the purposes of NI 43-101. Portions of the following information are based on assumptions, qualifications and procedures which are not fully described herein. Reference should be made to the full text of the Rosebel Report which is available for review on SEDAR at www.sedar.com.

i) Property Description and Location

The Rosebel property is located in Suriname, South America, approximately 100 kilometres south of the city of Paramaribo, the capital of Suriname. Suriname is a former Dutch colony located on the northeastern coast of South America. The Rosebel mining concession covers 17,000 hectares in the District of Brokopondo, between the Suriname River to the East and the Saramacca River to the West, and is surrounded by exploration concessions covering an additional surface area of 62,355 hectares. The property is held by Rosebel Gold Mine N.V. ("RGM"), a 95%-owned subsidiary of IAMGOLD.

The relationship between the Company, RGM and the Republic of Suriname is governed by a mineral agreement executed on April 7 th, 1994, as amended and supplemented by an agreement dated March 13th, 2003 (the "Mineral Agreement"). The Mineral Agreement provides, in particular, for the Republic of Suriname holding a 5% carried participation in the share capital of RGM (the Class A shares) and 2 million

redeemable shares (the Class B shares). The capital structure of RGM had provided for the redemption of Class B shares in accordance with the Commercial Code of Suriname prior to distribution of dividends to its shareholders. In October 2009, the remaining Class B shares held by the Republic of Suriname were redeemed such that as at December 31, 2009, the Republic of Suriname only held 50 Class A shares and the Company held 950 Class A shares and 7,999,000 Class B shares in RGM. Through a unanimous resolution of the shareholders of RGM passed in December 2009, only holders of Class A shares are now entitled to receive dividends as and when declared by RGM.

The Mineral Agreement outlines various business conditions, including the right to export gold, to hold funds in foreign bank accounts, to access local currency at market rates and to import goods, with few exceptions, on a duty-free basis. The Mineral Agreement provides for an income tax rate being the lesser of the statutory rate in effect (currently 36 per cent) and 45 per cent, an international dispute resolution mechanism and a debt-to-equity capital structure of 4 to 1.

On December 16, 2002, RGM was granted a 25-year renewable Right of Exploitation for the Rosebel mine from the Government of Suriname, following the Government's approval of the updated feasibility study and environmental impact assessment.

Production from the Rosebel mine is subject to a fixed royalty of 2 per cent of production, paid in-kind, and, a price participation royalty of 6.5 per cent on the amount exceeding a market price of $425 per ounce of gold, when applicable, payable to the Government of Suriname, and a fixed royalty of 0.25 per cent of production payable in kind to a foundation established by RGM, Grassalco and the Government of Suriname to promote the local development of natural resources as stipulated in the Mineral Agreement. The Suriname Environmental and Mining Foundation's board is composed of two representatives from RGM, two from Grassalco and one from the Government of Suriname.

All of the Company's shares of RGM were pledged in favor of the 2010 Financial Creditors under the 2010 Amended and Restated Credit Facility subject, until March 24, 2013, to a first ranking pledge and security agreement in respect of 50 per cent of RGM shares, which was assigned to EURO, a subsidiary of the Company. Subsequently, the pledge of shares were released and are no longer pledged to the bank syndicate.

ii) Accessibility, Local Resources and Infrastructure

The Rosebel Gold Mine began commercial production on February 11, 2004. The property is accessible by plane or by road from Paramaribo. Its facilities and equipment include a processing plant, maintenance and warehouse facilities, a transmission line to tap into the Afobaka power generating station owned by a major bauxite producer, and related support infrastructure. RGM concluded two power supply agreements, one with the Government being indexed to the price of gold, and one with a state-owned entity, EBS NV, which is fully effective for a period of 10 years, being indexed to the oil price, both of which provide for the supply of 21 MW of average power and 27 MW for peak power to the mine and mill facilities.

iii) History

The Rosebel property was optioned in 1992 by Golden Star Resources Ltd. (“Golden Star”) from Grasshopper Aluminum Company N.V. (“Grassalco”), a state-owned mining company. Cambior held a 50 per cent interest in the property from June 1994 to May 2002 when it acquired Golden Star’s 50 per cent interest (the “Rosebel Transaction”). Pursuant to the Rosebel Transaction, Golden Star received a gold price participation right (the “Rosebel Royalty”) equal to 10 per cent of the excess gold market price above $300 per ounce for soft and transitional ore and above $350 per ounce for hard rock ore, and in each case, after deducting a fixed royalty of 2 per cent of production paid in-kind to the Government of Suriname, up to a maximum of 7 million ounces produced. Golden Star subsequently sold the Rosebel Royalty to EURO. Cambior, which held a 95 per cent interest in RGM, was acquired by the Company on November 8, 2006, pursuant to the Cambior Arrangement and an 84.55 per cent interest in EURO was acquired by the Company pursuant to a public offer on December 23, 2008. Subsequent to the public offer for EURO, the Company acquired additional shares and now holds approximately 86% of EURO.

Further to the acquisition of Cambior, the Company assumed the obligation to pay the Rosebel Royalty to EURO. With the acquisition of a controlling interest in EURO, the Company was able to effectively decrease its reported cash cost for gold produced at RGM. A feasibility study and an environmental impact assessment were filed with the Government of Suriname in May 1997. Following additional drilling on the property, a revised feasibility study was submitted to the Government in December 1997. An updated feasibility study for the project was completed in August 2002 and submitted shortly thereafter to the Government of Suriname, with an environmental impact assessment, for approval.

Following the acceptance of the 2002 updated feasibility study and environmental impact assessment, the granting of the 25-year renewable Right of Exploitation, the securing of satisfactory business conditions, the completion of financing and implementation of political risk insurance coverage, Cambior, through its subsidiary RGM, officially commenced construction of the Rosebel mine in December 2002 and commercial production began on February 11, 2004.

iv) Geological Setting and Mineralization

The Rosebel concession lies within the Paleoproterozoic Guiana Shield. The Suriname portion of the shield is characterized by discrete corridors of low grade metamorphic rocks (greenstone belts) separated by large granite-gneiss terranes.

Rosebel deposits are hosted by a volcano-sedimentary sequence of the Marowijne Supergroup and by the overlying detrital sedimentary sequence of the Rosebel Formation. Five types of rocks occurring there are distinguishable: felsic to mafic volcanic rocks, deep-water sediments, shallow-water sediments, felsic intrusion and late diabase dikes. Economical gold mineralization has been recognized in sedimentary and volcanic rocks while the intrusion only shows rare gold occurrences and the dykes are totally devoid of any mineralization. The regional metamorphism is restricted from low-

greenschist to greenschist facies. The main regional fabric varies from east-west in the Southern part of the property to west north-west-east south-east to the North and follows the regional tectonic grain as seen on an aeromagnetic survey. Two phases of deformation differing in style are recognized on the property. The first phase (D1) has affected deep-water sediments and volcanic rocks only and the second phase (D2) has affected all rock units (except diabase dykes). Gold mineralization is late regarding this second phase of deformation; shear veins are emplaced within faults and tension veins in the nearby of those, but none of the two show signs of subsequent deformation.

Three domains of mineralization are found on the property; North, Central and South. The northern domain includes J Zone and Koolhoven pits along a trend to the north of volcanic rocks and Pay Caro-East Pay Caro pits along a trend at the southern contact between volcanic rocks and detrital sedimentary rocks. The two trends follow a West Northwest-East Southeast orientation. The central domain only includes one pit, Rosebel, which is striking east-west. The southern domain is made of one structural trend roughly oriented east-west along which Mayo, Roma and Royal Hill pits are laying.

Mineralization is hosted in both shear and tension veins which are tightly associated in space and time. The association of those two vein systems at the Rosebel Gold Mine is in fact a common aspect of orogenic gold deposits where tension veins are formed into extensional fractures that have accommodated deformation. In term of volume of gold and quartz, tension veins are more important at the Rosebel Gold Mine, although shear veins also carry a considerable amount of gold (i.e. Pay Caro Deposit) and play a primordial role for fluid circulation. The North and the South domains shows disparity in veining style: one type of shear vein and three types of tension veins have been recognized in each domain.

In the South domain the shear veins are developed parallel to main shear zone and are in general confined to the footwall of this main structure. Texture of shear veins is usually banded with most of the time tourmaline alternating with quartz near the border of the vein. Thickness of those veins varies from few decimetres to more than 3 metres. Disposition of shear veins systematically follows the bedding; in Royal Hill area where rocks have been folded, the shear veins will be emplaced along the northern flank of anticline and they are dipping around 60 degrees north. Going west in Mayo, where the bedding is dipping around 40 degrees north, shear veins are flattened and follow this orientation. The more important shear veins are emplaced along the contact between volcanic and sedimentary rocks or along conglomeratic levels within the arenitic sequence.

Shear veins in the North domain are sub-vertical to steeply dipping south and are oriented west north-west-east south-east. They are showing variability in structural style and intensity depending on their localization from the main shear zone. In Pay Caro, shear veins can be several meters thick with a typical brecciated texture. They are associated to a strong fabric and an intense alteration envelop developed in host rocks. In the Koolhoven and J Zone pits where shears are more discrete, shear veins are usually centimetric to decimetric and are not associated to any well developed fabric, neither to strong alteration aureoles. North-south tension veins are dipping between 60

degrees and 75 degrees west and are present throughout the property. Their chronological relation with other sets of veins has not been well established in the South domain, but clear crosscutting relations found in the Koolhoven pit show that they are generally slightly earlier than stacks of north-dipping veins. Analysis of their gold content demonstrates as well that they have the same gold distribution in term of grade than any other sets of vein, and so, probably originate from the same mineralized fluids.

Two other sets of tension vein spatially associated to shear veins are present in the South domain; flat veins and north-dipping veins. Flat veins are present in the northernmost part of Royal Hill deposit and are developed into or near conglomerate levels in the hinge of the anticline. Their emplacement is attributed to the presence of the anticline that has acted as a structural trap for fluids. The north-dipping veins are systematically associated in space with shear veins and form stacks in the footwall or the hanging wall of shear veins. In Royal Hill they are dipping around 30 degrees to 45 degrees north, but going west into Mayo Pit, those stacks of vein are mostly sub-horizontal to slightly north-dipping since the shears are less steep than in the Royal Hill area.

Two more sets of tension veins are identified in the North domain as well: east-west sub-vertical veins and stacks of north-dipping veins. East-west veins are sub-vertical to steeply dipping to the north and are only found in the Pay Caro deposit near the main shear zone. These veins are interpreted to have utilized pre-existing weakness planes along the northern flanks of east-west orientated parasitic folds. North-dipping tension veins form west north-west-east south-east trending stacks dipping around 45 degrees to the north north-east in the nearby of shear veins and are related to the latest normal movement undergone by the fault zone.

v) Drilling, Sampling and Analysis and Security of Samples

The core is HQ size in soft rock and reduced to NQ size in solid rock. Most of the holes are sampled continuously from top to bottom of the hole and sample intervals are normally one metre in length. The core is split. All drill collars are surveyed and downhole surveys conducted in exploration holes. The logging and sampling of drill holes is done in accordance with industry standards. Assays are performed on site at the Rosebel Gold Mine laboratory and in the Suriname capital of Paramaribo at the Filab laboratory. All samples are assayed by fire assay method.

Industry standard quality assurance and quality control procedures, including standards, blanks, duplicates and check assays in external laboratories, are employed.

vi) Mineral Resources and Reserves

Information on mineral resources and reserves is provided below in Section 5.

vii) Mining Operations

Processing involves crushing and grinding using two-stage SAG and ball milling, gravity separation which recovers in the range of 30% of the gold, a cyanidation circuit and a

CIL plant. The flowsheet reflects the need to handle soft and sticky ore from the laterite and saprolite layers during the initial mining phase before treating harder material from the transition and hard rock zones.

The 2012 production is estimated at 370,000 to 395,000 attributable ounces of gold.

The following table indicates operating information for the Rosebel Gold Mine for the last two years.

ROSEBEL GOLD MINE	2011	2010
Gold Production (Ounces) 100% [1]	406,000	416,000
Tonnage milled (tonnes)	12,862,000	12,832,000
Grade milled (g Au/t)	1.0	1.1
Recovery (%)	94	93

[1] The production attributable to the Company in 2011 is 385,000 ounces of gold and the production attributable to the Company in 2010 is 395,000 ounces of gold.

At the end of 2011, Rosebel employed approximately 1,836 individuals and contractors, including those employed by outside contractors. In April, 2007, a three-year collective labour agreement (“CLA”) was concluded and a one-year extension of this contract was negotiated in 2008 and amended in 2009. In 2011, a new CLA was negotiated and concluded for a period of 2 years, valid from January 1, 2011 to December 31, 2012.

viii) Environment

The EMS for the Rosebel Gold Mine is certified under ISO 14001, effective December 2005, and remains in compliance with certification. The Rosebel Gold Mine successfully passed the ISO 14001 recertification audit in 2008 and 2011. Rosebel maintains active community consultation with nearby communities and works in partnership with the communities on community development projects.

As at December 31, 2011, the recorded amount of estimated restoration and closure costs for the property was $40.1 million, representing the discounted amount. The undiscounted amount of estimated restoration and closure costs for the property was $48.6 million.

ix) Exploration and Development

A total of 88,706 metres of DD were completed in 2011 on various near-mine drilling programs that were developed in nine different deposits as presented in the following table.

Deposits	Infill (metres)	Exploration (metres)	Condemnation (metres)	Total (metres)
Koolhoven	0	0	0	0
Royal Hill	11,961	3,606	0	15,567
Pay Caro	1,657	8,202	0	9,859
Rosebel	4,548	10,182	3,519	18,249
"J" Zone	1,880	512	0	2,391
Mayo	13,693	7,920	4,742	26,355
Roma	1,649	0	0	1,649
Overman	9,844	449	0	10,293
East Tailings	0	4,343	0	4,343
Total	**45,232**	**35,213**	**8,261**	**88,706**

Additionally, a regional exploration effort was carried out on the Rosebel concession and adjacent exploration concessions as described in Section 4.3.8 below.

For 2012, the Company plans to include a $15.6 million resource delineation and near-mine exploration program. The 95,000 metre near-mine drill program is designed to upgrade additional resources to reserves and pursue targets in close proximity to exisiting resources.

x) Taxation

Under the 1994 Mineral Agreement in effect for the Rosebel Gold Mine, as amended and referred to above, it is provided that the corporate income tax rate applicable during the first 25 years of operation is the lesser of the year-to-year applicable corporate tax rate (currently 36 per cent) and 45 per cent. Operating expenses, including interest expenses, are generally deductible from taxable income, and losses may be carried forward indefinitely. Capital expenditures are generally depreciated over a four-year period for plant and equipment during the pre-production period and the production phase. Dividends and interest may be paid without any withholding taxes. Legislative stability of taxation rules and rates is guaranteed by the 1994 Mineral Agreement, as amended.

2.5 South America: Ecuador - Quimsacocha Project

Unless stated otherwise, the information in the sections below are based upon the technical report (the "Quimsacocha Report") entitled "Quimsacocha Gold Project, Ecuador: Technical Report NI 43-101" dated February 2009, prepared by Pierre Pelletier (Vice-President Metallurgy, IAMGOLD Corporation), Daniel Vallières (Manager, Underground Projects, IAMGOLD Corporation) and Francis Clouston (Manager, Project Evaluation, IAMGOLD Corporation). The Quimsacocha Report has been filed with the securities regulatory authorities in each of the provinces and territories of Canada. Portions of the following information are based on assumptions, qualifications and procedures which are not fully described herein. Reference should be made to the full text of the Quimsacocha Report which is available for review on SEDAR at www.sedar.com.

i) Property Description and Location

The Quimsacocha Project is 100 per cent owned by the Company and is located approximately 30 kilometres southwest of the city of Cuenca, Azuay Province, Ecuador. The property consists of three mining concessions covering an aggregate area of approximately 8,030 hectares.

ii) Accessibility, Climate, Local Resources, Infrastructure and Physiography

Access to the property from Cuenca is by 40 kilometres of paved road to the town of San Gerardo, 8 kilometres of winding gravel road to the exploration base camp and 10 kilometres of winding gravel road to the project. The project is located at an elevation ranging from 3,500 metres to 3,900 metres.

The mean daily temperature is 8.4ºC and ranges from 1.2ºC in July-September to 9.3ºC in November-December. Total annual precipitation averages 1,281 millimetres. The wettest months are November, March and April which average 270 millimetres per month and the driest months are August and December, averaging 22 millimetres per month. Vegetation is sparse and typical of Andean vegetation above the tree line. Much of the property is covered by Andean "páramo", a type of moorland vegetation consisting of mainly coarse grasses. Stands of small pine occur on hillsides adjacent to the property.

iii) History

Initial exploration work was carried out by the United Nations in the 1970s. A stream sediment geochemical survey identified base metal anomalies that were further investigated by geological mapping and DD. COGEMA then acquired the property and carried out an exploration program in the 1990s. Stream sediment geochemical surveys identified gold anomalies and subsequently a ten-hole, 1,869 metres DD program was completed from 1992 to 1993.

In 1994, COGEMA, Newmont Mining Corp., and TVX Gold formed a joint venture to further explore the Quimsacocha targets. During 1994 to 1996, the exploration program

comprised geological mapping as well as geochemical and geophysical surveys over the main areas of hydrothermal alteration. The joint venture identified nine targets by geochemical and geophysical surveys. The targets were further investigated with a two-phase, 82-hole, DD program for a total of 7,581 metres.

In March 1999, IAMGOLD acquired the Cerro Casco, Cristal, and Rio Falso concessions from COGEMA. Upon completion of a bankable feasibility study, IAMGOLD is required to pay COGEMA $2.00 per ounce of gold in the proven and probable reserves plus the measured and indicated resources, as defined by the feasibility study, commencing on the date that a formal production decision is made. In addition, COGEMA will be entitled to a 5% net profits interest (“NPI”) in any mining operation on the property. IAMGOLD retains a first right of refusal should COGEMA elect to sell the NPI. A fourth, adjoining concession (San Martin) was not subject to the COGEMA agreement and was returned to the Government in 2008 after the application of the Mining Mandate in the spring of that year. The prefeasibility study regarding the Quimsacocha Project commenced in 2008 and was completed in February 2009.

iv) Geological Setting and Mineralization

Ecuador can be subdivided into a number of tectonostratigraphic terranes that were accreted onto the Amazon Craton from late Jurassic to Eocene. The Quimsacocha project is located in the western Cordillera of the Andes, in the southwest part of Chaucha terrane. Quimsacocha is regionally located in the continental area of Chaucha that is bound by the Bulubulo Fault system to the north, the Girón Fault to the southeast and the Jubones Fault to the southwest.

The local Quimsacocha geology is dominated by Upper Miocene volcanics and volcaniclastics, including the Turi, Turupamba, Quimsacocha and Tarqui Formations. The property is located between two major faults: the Gañarin and Girón Faults. A caldera with a diameter of four kilometres lies along the Gañarin fault, 400 metres west of the Quimsacocha deposit. The Turi Formation is comprised of tuffaceous breccias, conglomerates and sandstones and underlies rhyolitic to dacitic tuffs and minor lapilli tuffs of the Turupamba Formation. The overlying Quimsacocha Formation comprises banded lava flows and andesite tuffs and breccias. The Quimsacocha Formation and upper parts of the Turi Formation are the principal host lithologies.

The Quimsacocha Deposit is a high sulphidation epithermal gold-copper-silver deposit. Mineralization is associated with a north north-east striking structural feature and is hosted by coarse-grained tuffs or at lithological contacts between flows and tuffs. The alteration system covers an area of approximately twelve kilometres north-south by six kilometres east-west and is typical of high sulphidation systems, with a nucleus of vuggy and massive silica, and more laterally, alunite, kaolin, dickite and pyrophyllite surrounded by a halo of argillic alteration represented by illite and smectite clays.

Mineralization zones are characterized by multiple brecciation and open-space filling events and sulphides such as pyrite, enargite, covellite, chalcopyrite and luzonite or, at lower sulphidation states, tennantite and tetrahedrite. The principal area of economic interest is a flat lying mineralized zone that strikes north-south for approximately one

kilometre, extends east-west for at least 300 metres and ranges in thickness from 10 metres to 100 metres (Main Zone). Gold mineralization is found, for the most part, in one of the following mineralogical assemblages: (i) Vuggy silica plus fine grained pyrite and enargite; (ii) Massive pyrite, including a brilliant arsenical pyrite; (iii) Vuggy silica with grey silica banding, sulphide space-filling and (iv) banded pyrite.

v) Exploration and Development

The Company has compiled all the data assembled by previous operators and has conducted an exploration program to supplement the database. Magnetometer surveys on 100 metres line spacing were conducted. In areas covered by previous owners the spacing was reduced to 25 metres. Magnetic highs in the central part of the caldera, as well as an area north of the D1 Zone, possibly correspond to a subvolcanic unit with a high magnetite content. Magnetic lows on the property are associated with shears or zones of silicification. Soil geochemical surveys were conducted to supplement rock geochemical surveys previously conducted. DD followed, and all hydrothemal alteration from drill holes was analyzed using a portable infrared mineral analyzer. Alteration vectors were plotted which led to the discovery of the main Quimsacocha mineralization. In addition to the Quimsacocha deposit, the property hosts several additional mineralized prospects including Cerro Casco, Gulag, Aguarangos and Rio Falso.

A mandate passed by the Constituent Assembly of Ecuador in April 2008 resulted in a moratorium on mining activities in the country pending the completion of new mining legislation. Following a national referendum which approved a new constitution in September 2008, a mini-congress or “Congresillo” was formed to act as Ecuador’s legislative body pending presidential and congressional elections which took place in April 2009 and resulted in the re-election of President Correa and his Alianza Pais party. President Correa has publicly supported the introduction of responsible large-scale mining in Ecuador.

On January 19, 2009, President Correa signed a new mining law passed by the Congresillo. New mining regulations were developed to support the new mining law and were approved by President Correa in November 2009. The Company anticipates resuming final feasibility work and entering into negotiations on a mining contract for the project, including fiscal terms, once greater clarity emerges from the negotiations between the Ecuadorian Government and other mining projects under development.

vi) Drilling, Sampling and Analysis, and Security of Samples

The Quimsacocha mineralization does not outcrop and the resource estimate is based entirely on DD data. Core sample intervals were determined by Company geologists based on the type and intensity of alteration and sulphide mineralization. Most mineralized zones were sampled using a maximum interval of one metre. Intersections selected for sampling were cut in half with a diamond saw. Half the core was placed in a plastic sample bag and samples were placed in large rice bags, approximately eight per bag, secured, and shipped to the laboratory via company and public transport. Core recovery is noted in most, but not all, of the drill logs. Core recovery is generally very good and averages greater than 90 per cent in the mineralized zones. A total of 74,625 metres has been drilled to date.

Until January 2005, split core samples were prepared in Quito, Ecuador, by ALS-Chemex and assayed at the ALS-Chemex, Vancouver laboratory. Beginning in January 2005, the sample preparation and fire assays were done by BSI Inspectorate ("BSI") in Lima, Peru. Sample pulps were shipped to BSI in Sparks, Nevada for inductively coupled plasma ("ICP") analyses, until July 2005 when BSI installed ICP analyses capability in Lima. Most of the assays used in the resource estimate were conducted at the BSI facility and all samples are analyzed for gold by fire assay and a multi-element package using aqua regia digestion with an ICP finish. BSI's Quality Control program requires including one duplicate sample, standard reference sample, and blank sample per batch of ten samples.

The Company's QA/QC program included the submission of standard reference samples and blank samples with the pulverized samples of core. Reference material and blanks are inserted at a frequency of one per fifteen samples. Check samples are also analyzed at a second laboratory.

A prefeasibility study completed in late 2008 investigated the economic and technical potential for an underground mining operation using conventional milling, and incorporating a flotation circuit to produce a sulfide concentrate containing the copper, gold and silver. The refractory characteristics of the gold require applied sulfides oxidation technology to liberate the gold and silver. The sulfide will be oxidized using autoclave technology. The oxidation product will be leached in a conventional CIL circuit for gold and silver technology. Copper from the leach solution would be recovered by copper cementation. The study was based on concentrator throughput of 3,000 tonnes per day. Average yearly production over an eight year mine life would be approximately 200,000 ounces of gold, 990,000 ounces of silver and 9.3 million pounds of copper. The pre-feasibility preparations included metallurgical testing, environmental and social baseline studies, a geotechnical assessment and mine planning and processing design.

vii) Mineral Processing and Metallurgical Testing

The following is a summary of the mineral processing and metallurgical testing conducted at Quimsacocha:

- A flotation process followed by an off-site pressure oxidation (“POX”) of the concentrate process has been selected as the most environmentally and economically favorable ore treatment option.
- Design is based on a 3,000 tonnes per day ore production during an 8-year mine life (1,095,000 tonnes per year).
- The chosen processes should ensure optimal recovery of several economic elements: 90 per cent Au, 92 per cent Cu and 77 per cent Ag. Flotation of the sulfides will ensure removal of approximately 95 per cent of the sulphur from the ore treated on-site.
- 78 per cent of the total planned ore to be milled at the mine site and the resulting tailings will remain there. This stream theoretically represents the less reactive material and should result in less reactive waste. 58 per cent will be used as paste backfill underground and the remaining 20 per cent will be deposited on surface in the form of thickened tails or paste tails in a secured containment facility.
- For economic reasons, the POX plant will be located in the Guayagil area at sea level near limestone sources.
- Enough flotation concentrate has been produced from the samples available to proceed to a pilot plant run using POX. The results have been used for the flotation, autoclave, gold and copper recovery circuit design.
- Testwork confirms that the ore is moderately hard but that its abrasion index is exceptionally high. A technical review of the grinding and milling circuit alternatives resulted in the selection of a single stage SAG mill circuit for economic reasons.

viii) Mineral Reserves and Resources

In 2008, personnel of the Company completed a mineral resource estimate. The following table sets out the indicated and inferred mineral resource of the Quimsacocha Project at a cut-off of 3.0 grams of gold per tonne.

Indicated Mineral Resource at 3.0 g Au/t grade cutoff as of August 2008 (1)

Resource Status	Tonnage	Gold		Silver		Copper	
	(000)	(g/t)	(000 oz)	(g/t)	(000 oz)	(%)	(lbs)
High grade	9,242.41	6.76	2,009	37.94	11,275	0.44	88,926,400
Low grade	692.93	4.40	98	26.31	586	0.47	7,182,800
Total	9,935.34	6.60	2,107	37.13	11,861	0.44	96,109,200

Inferred Mineral Resources at 3.0 g Au/t grade cutoff as of August 2008 (1)

Resource Status	Tonnage	Gold		Silver		Copper	
	(000)	(g/t)	(000 oz)	(g/t)	(000 oz)	(%)	(lbs)
High grade	104.60	8.94	30	41.09	138	1.18	2,728,400
Low grade	194.60	4.91	31	47.48	297	0.85	3,629,700
Total	299.20	6.32	61	45.24	435	0.96	6,538,100

Note:

(1) Mineral resources are inclusive of mineral reserves. Tonnes and ounces have been rounded and this may result in minor discrepancies. Although “measured resources”, “indicated resources” and “inferred resources” are categories of mineralization that are recognized and required to be disclosed by Canadian regulations, the SEC does not recognize them. Disclosure of contained ounces is permitted under Canadian regulations; however, the SEC generally permits resources to be reported only as in place tonnage and grade. See “Cautionary Note to U.S. Investors Regarding Mineral Reporting Standards”.

The following table sets out the diluted probable mineral reserve after factoring in mining recovery and development. Currently there are no proven mineral reserves at the Quimsacocha Project.

Mineral Reserves

Resource Status	Tonnage	Gold		Silver		Copper	
	(000)	(g/t)	(000 oz)	(g/t)	(000 oz)	(%)	(lbs)
Development	135	6.46	28	34.45	150	0.42	1,250,021
Mining Recovery (95%)	7,963	6.46	1,654	36.45	9,332	0.42	73,732,717
Probable Mineral Reserve	**8,098**	**6.46**	**1,682**	**36.44**	**9,482**	**0.42**	**74,982,738**

ix) Environment

In the past, Environmental Impact Assessments were submitted for drilling programs and the environmental management plans and field activities were audited by relevant government agencies. All activities to date have been in conformance with laws, regulations and related agreements.

The Company is awaiting the issuance of environmental regulations which would enable the water authority to issue the necessary approvals required for mining activity to resume. A water use permit was received in July 2010 and a letter authorizing the resumption of activity at the site was received on February 15, 2011.

Community consultation and development programs are well advanced in support of the exploration and development activities.

2.6 South America: French Guiana - Camp Caiman Project

Unless stated otherwise, the information in the sections below (other than information subsequent to the date of the Camp Caiman Report (defined below)) are based upon the technical report (the “Camp Caiman Report”) entitled “*Cambior – Rapport Technique – Projet Camp Caiman – Norme Canadienne 43-101*” (the “Camp Caiman Report”), dated August 2005 and prepared under the supervision of Patrick Godin, then General Manager, Camp Caiman Project, “a qualified person” for the purposes of NI 43-101. Portions of the following information are based on assumptions,

qualifications and procedures which are not fully described herein. Reference should be made to the full text of the Camp Caiman Report which is available for review on SEDAR at www.sedar.com.

i) Property Description and Location

The Camp Caiman Project is located about 45 kilometres (directly by air) southeast of Cayenne, the capital city of French Guiana, an overseas department of France located on the northeastern coast of South America between Brazil and Suriname. French Guiana covers an area of 91,000 square kilometres and hosts a population of approximately 200,000 people.

The property is held by IAMGOLD Guyane S.A.S., an indirect wholly-owned subsidiary of the Company, and was acquired in November 2003 as a result of a merger transaction with Ariane Gold Corp ("Ariane"). The Camp Caiman Project is comprised of a 30 square kilometres mining concession obtained in November 2004 for a period of 25 years and two adjacent exploration permits: Trésor (20 square kilometres) to the West and Patawa (21 square kilometres) to the East. The two exploration permits expired on July 31, 2009 but extension applications were filed. The mineral rights held by the Company are subject to the French mining laws applicable in French Guiana.

All of the Company's equity securities of IAMGOLD Guyane are pledged in favor of ASARCO Incorporated as guarantee for payment of the balance of the purchase price.

ii) Accessibility, Climate, Local Resources, Infrastructure and Physiography

Over 95 per cent of French Guiana is covered by rainforest with no infrastructure. Access to the Camp Caiman Project area from Cayenne is by road, with approximately 65 kilometres of paved highway and 8 kilometres of all-weather unpaved road. There is presently no major infrastructure at Camp Caiman.

iii) Exploration

Gold mining has been carried out in French Guiana since 1857 and a total of approximately 6.5 million ounces of gold has been declared, essentially from alluvial and eluvial deposits. Systematic regional exploration funded by the French government and carried out by the *Bureau de Recherches Géologiques et Minières* ("BRGM") between 1975 and 1995, led to the identification of a number of primary gold targets that were auctioned to the private industry. BRGM identified a 7-kilometres long gold-in-soil geochemical anomaly at Camp Caiman and the project was auctioned in 1994 to Asarco Guyane Française S.A.R.L.

The initial drill program discovered the Scout Zone in 1996, which led to an expanded DD program in 1997 and the discovery of the CC-88 Zone. A pre-feasibility study of both deposits was carried out in April 1999. Further delineation drilling took place in 2000 and 2001 after the publication of the study. Intensive exploration drilling resumed in September 2002 when Ariane took over Camp Caiman.

A significant amount of exploration drilling has been carried out at Camp Caiman since 1996, with a total of 135,545 metres of drilling in 1,790 holes as at December 31, 2005: 82,530 metres of DD in 713 holes and 53,015 metres of RC drilling in 1,077 holes.

The geological model was updated with an estimated measured and indicated resource base of 20.4 million tonnes at an average grade of 2.46 g Au/t, representing 1.615 million ounces of gold contained, of which 59 per cent are in saprolite material.

iv) Drilling, Sampling and Analysis and Security of Samples

The core is HQ size in soft rock and reduced to NQ size in solid rock. The majority of holes are sampled continuously from top to bottom (normally 1.0 metre in length) and the core is split. Sample lengths are 1.5 metres for RC drilling. All drill collars are surveyed and downhole surveys are conducted in exploration holes and average recovery is approximately 90 per cent. The logging and sampling of drill holes is done in accordance with industry standards. Assays are performed in Cayenne by SGS-Cayenne (Filab) laboratory. All samples are assayed by fire assay method.

The quality assurance procedures and assay protocols followed for the Camp Caiman Project conform to industry-accepted quality control methods. The QA/QC program includes assaying of field duplicates, re-numbered pulps and rejects, addition of standards and blanks by the geology department and pulps and rejects are routinely submitted to a second commercial laboratory for external check assays.

v) Exploration and Development

In August 2005, Cambior released a Feasibility Study for the Camp Caiman Project which estimated probable ore reserves at 12.3 million tonnes at an average grade of 2.8 g Au/t representing some 1.1 million ounces of gold *in situ*. A gold price of $425/oz was used to calculate the cut off grades and pit design. The Camp Caiman ore body, located in a 30 square kilometres mining concession, was to have two open pits. The Scout pit, comprised primarily of saprolite, represents 35 per cent of the project's probable reserves. Adjacent, to the east of the Scout pit, Pit 88 is composed of saprolite and fresh rock in equal proportions, and represents 65 per cent of the project's probable reserves. The deposits identified are open at depth in the north extension of Pit 88 and the western extension of the Scout pit.

Please refer to "Operational Risks" in Section 3 of Item II above for a detailed discussion on the likelihood of the Company obtaining a mining permit for the Camp Caiman Project in light of legal actions that the Company has taken in this respect and the impact of the French government's new mining framework for French Guiana.

vi) Environment

For another project to be developed, a new environmental impact study will need to be prepared for the Camp Caiman Project pursuant to regulatory requirements together with the identification of a new site. The Company will then file the necessary applications to obtain a mining permit.

vii) Taxation

French Guiana being an overseas department of France, the general French system of tax applies, subject to some particularities such as the possibility of: (a) practicing tax allowance of 1/3 which applies just as well on taxable income as on losses; (b) obtaining a tax exemption; and (c) reducing capital expenditures through tax credits (*Loi Girardin*). The Camp Caiman Project benefits from a ten-year income tax exemption once mining operations begin and the Company expects the construction of the mine to qualify under the *Loi Girardin* by virtue of the project being situated in an overseas French department and because its activities relate to mining. The Company also benefits from a 17-year exemption on property tax. A royalty tax applies on gold production and there are significant indirect taxes, such as l'Octroi de mer and the fuel tax.

The France-Canada tax treaty provides for a withholding tax rate of 10% on interest payments from France to Canada and 5% on dividend payments to shareholders holding 10% or more of a local entity.

3. Non-Gold

3.1 Ferroniobium Production - Niobec Mine

Unless stated otherwise, the information in the sections below are based upon the following technical reports (the "Niobec Reports");

1. In respect of the Niobec Mine:

The technical report entitled "Technical Report for Niobec Mine" dated February 18, 2009, prepared by Elzéar Belzile (Belzile Solutions Inc.)

2. In respect of the Expansion Options at the Niobec Mine:

The technical report entitled "Technical Report on Expansion Options at the Niobec Mine, Québec, Canada" dated June 17, 2011, prepared by Graham G. Clow (Principal Mining Engineer, Roscoe Postle Associates Inc.), Bernard Salmon (Principal Consulting Geological Engineer, Roscoe Postle Associates Inc.), Marc Lavigne (Senior Mining Engineer, Roscoe Postle Associates Inc.), Barry McDonough (Senior Geologist, Roscoe Postle Associates Inc.), Pierre Pelletier (Vice President, Metallurgy, IAMGOLD Corporation) and Daniel Vallières (Manager, Underground Projects, IAMGOLD Corporation).

The Niobec Reports have been filed with the securities regulatory authorities in each of the provinces and territories of Canada. Portions of the following information are based on assumptions, qualifications and procedures which are not fully described herein. Reference should be made to the full text of the Niobec Reports which are available for review on SEDAR at www.sedar.com.

i) Property Description and Location

The Niobec Mine is an underground mine and is located on a 2,422.6 hectare property, comprised of two mining leases which have been renewed until 2015 and 66 claims, 25 kilometres north of Chicoutimi, Québec. The Niobec property is held 100 per cent by the Company through its wholly-owned subsidiary Niobec Inc.

The Niobec Mine is the only North American source of pyrochlore (the primary niobium ore) in operation and one of three major producers of niobium worldwide. Niobium is a greyish white metal which tarnishes bluish when exposed to air for a long period of time. When polished, niobium resembles steel. Niobium is noted for its malleability, ductility and electrical conductivity. Niobium is characterized by its resistance to impacts, corrosion and high temperatures.

Niobium is mainly used in special alloys for steel used in pipelines, the automobile industry and structures, as it enhances impact strength as well as wear and corrosion resistance. It is also used in the manufacturing of superconducting magnets, and in medical applications such as the design of artificial joints and pacemakers.

Discovered in 1801, it was not until 1874 that a Swedish scientist succeeded in isolating the niobium element for the first time. Although the International Union of Pure and Applied Chemistry adopted and confirmed the name “niobium” in 1950, this metal is sometimes called “columbium”. The Niobec Mine first produces a niobium pentoxide (Nb_2O_5) concentrate which is thereafter converted on-site into standard grade ferroniobium (FeNb).

ii) Accessibility, Local Resources and Infrastructure

The Niobec Mine is readily accessible by existing paved roads and benefits from available water supply and electric power supply sources.

The Niobec Mine facilities include a headframe, a niobium pentoxide (Nb_2O_5) concentrator, a concentrate-to-ferroniobium converter and ancillary surface installations. The Niobec Mine has year-round operation.

The topography is relatively flat at an average elevation of 144 metres. The Niobec Mine is surrounded by a mixture of forest and farms.

iii) History

Prior to July 2, 2004, Cambior held a 50 per cent interest in the mine on a joint venture basis with Sequoia Minerals Inc. (“Sequoia”), which held the other 50 per cent. Mazarin Inc., Sequoia’s predecessor in interest, had purchased its 50 per cent interest in the Niobec Mine from Teck Corporation in March 2001. On July 2, 2004, Cambior acquired Sequoia through a merger transaction, thereby consolidating the ownership of the Niobec Mine. On November 8, 2006, the Company acquired Cambior pursuant to the Cambior Arrangement. The Niobec Mine was transferred to a wholly-owned subsidiary of the Company called Niobec Inc. on August 31, 2011.

Commercial production of concentrates at the Niobec Mine began in 1976 and ferroniobium production followed from December 1994 onwards. The Niobec Mine has had an excellent history of mineral reserve renewal over 46 years of operation. It is currently producing approximately 9 per cent of world consumption.

iv) Geological Setting and Mineralization

The Niobec deposit lies within the southern portion of the Saint-Honoré carbonatite, within the Grenville structural province of the Canadian shield . The Grenville province is subdivided into three distinct litho-structural units; a gneiss complex, the anorthosite and charnockite-mangerite batholiths, and the calc-alkaline intrusions. The development of the early Paleozoic St-Lawrence River rift system was associated with extensive alkaline igneous activity, including the emplacement of the Saint-Honoré carbonatite.

A carbonatite is an igneous rock comprising at least 50 per cent carbonate minerals. Occurrences on a global scale are sparse and widely distributed. Dominant carbonate minerals, in order of decreasing abundance, include calcite, dolomite, ankerite, and rarely siderite and magnesite.

The St-Honoré alkaline complex is almost completely covered by Trenton limestone of Palaeozoic age and is elliptical in plan view, with a major axial length of approximately four kilometres. It consists of a series of crescent shaped lenses of carbonatite with compositions becoming younger progressively inwards from calcitite through dolomitite to ferrocarbonatite. Rocks immediately surrounding the complex are composed of magnetite diorite as well as hypersthene syenite.

Niobium-bearing minerals of bi-pyramidal form are disseminated throughout the carbonatite. The economic mineralization is comprised of ferrian and sodic pyrochlore, generally in association with geological units rich in magnetite, biotite and apatite. The niobium-bearing minerals dispersed in the rock are fine-grained (0.2 to 0.8 mm in diameter) and rarely visible to the naked eye such that DD is the only way to evaluate the economic content of mineralized zones.

Mineralized envelopes vary between 45 and 180 meters in width (north-south direction) while their length can reach almost 750 meters. The zones have a known vertical extent of approximately 750 meters, although they remain open at depth. The deepest completed drill holes are mineralized at grades equivalent to those of current ore production. Dips are generally vertical or steeply dipping (>70 degrees) to the north-west or north-east.

Average grades of the large mineralized envelopes are between 0.44 and 0.51 per cent Nb_2O_5 . The majority of the mineral reserves and resources are located in the six first mining blocks between 90 and 750 meters in depth.

v) Drilling, Sampling and Analysis and Security of Samples

All drill collars are surveyed, and logging and sampling of drill holes is carried out in accordance with industry standards. The majority of the holes are sampled continuously from top to bottom, and samples are normally 3 metres in length. All assays are performed on site at the Niobec Mine laboratory and are assayed by X-ray fluorescence spectrometry. Procedures and quality control at the laboratory are integrated with the mine's ISO system. External assay checks are performed every year even if not at the same level as for gold mines. Grade is very regular at Niobec and the results from external labs confirm that the assays are highly reproducible.

vi) Mineral Resources and Reserves

The following table sets out the estimated mineral resources and mineral reserves at the Niobec Mine as of December 31, 2011:

Niobec Mine
Mineral Reserves and Resources as of December 31, 2011 (1)(2)(3)(4)(5)(6)(7)

	Tonnes (000)	Grade (% Nb_2O_5)	Tonnes (Nb_2O_5)
Probable	419,208	0.42	1,746
Total Probable Reserves	**419,208**	**0.42**	**1,746**
Measured	235,269	0.44	1,028
Indicated	250,233	0.39	986
Total Measured and Indicated Resources	485,502	0.41	2,014
Inferred	155,376	0.35	547

Note:

(1) Numbers have been rounded and this may result in minor discrepancies. Although "measured resources", "indicated resources" and "inferred resources" are categories of mineralization that are recognized and required to be disclosed by Canadian regulations, the SEC does not recognize them. See "Cautionary Note to U.S. Investors Regarding Mineral Reporting Standards".

(2) Measured and indicated resources are 98% inclusive of probable reserves. Under the block caving scenario around 2% of the measured and indicated resources include in the probable reserves are slightly below the cutoff of 0.20% Nb_2O_5 per tonne (before recovery) used for resource reporting. This material represents only 5.8 million tonnes averaging 0.18% Nb_2O_5 for 10 million kilograms of Nb_2O_5 contained.

(3) In mining operations, measured and indicated resources that are not mineral reserves are considered uneconomic at the price used for reserves estimations but are deemed to have a reasonable prospect of economic extraction.

(4) Mineral reserves have been estimated as at December 31, 2011 using the block caving scenario from the pre-feasibility study using $45 per kg of Niobium and include dilution material. Mineral resources have been estimated using a cutoff of 0.20% Nb_2O_5 per tonne (before recovery) under the block caving scenario.

(5) There is a large volume of the material within the planned block caving that has a Measured Resource classification. However, due to the uncertainty associated with estimating material movement within the cave, a Probable classification has been applied to the reserve because of the uncertainty.

(6) Inferred and unclassified mineral resource material will be mined from the block caving scenario and segregation of the material is not possible. The inferred and unclassified material is considered to carry similar grade as the measured and indicated resources, though the material has insufficient certainty to be classified as Measured or Indicated Resource. For the purpose of estimating the Mineral Reserves, which by CIM definitions include diluting materials, tonnage of this inferred and unclassified material have been included. This material is considered to be mineralized dilution, which will be included in the Mineral Reserve estimate and within the production plan.

(7) Mineral reserves and mineral resources have been estimated in accordance with NI 43-101.

Subsequent to the preliminary economic assessment in respect of the Niobec Mine expansion announced in May 2011 and filed in June 2011, the Company conducted a pre-feasibility study (the “Pre-feasibility Study”) to better evaluate the potential of alternate bulk mining methods and to select the optimal method to proceed with at the feasibility stage. The study took into consideration a number of factors, including health and safety, technical feasibility, and the environmental, social and financial aspects. The outcome of the study is that the Company has chosen to use a block caving mining method to expand the Niobec Mine. Based on the block caving scenario, Measured & Indicated Resources at the Niobec Mine are estimated at more than 2.0 billion kilograms of contained niobium pentoxide at an average grade of 0.41% Nb_2O_5.

As of December 31, 2011, based on the block caving scenario, the niobium probable mineral reserves have increased substantially by 616% to 1.7 billion kilograms of contained Nb_2O_5.

The Pre-feasibility Study includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the assessment will be realized. Additionally, while preparing the Pre-feasibility Study, sparse drilling information, particularly in the lower west section of the deposit, obliged modellers to fill the voids by increasing the area of influence of DD holes beyond normal practice at the Niobec Mine for definition of inferred resources. This resulted in the addition of 21 million tonnes at 0.43% Nb_2O_5 for 89 million kilograms Nb_2O_5 for the purposes of the mine plan, which equates to 5% of the expected tonnage processed. To reflect the selected mining method, 11 million tonnes of barren material from the development and the Trenton limestone overlaying the deposit were also introduced as dilution. For the purposes of the evaluation, the cave angle of the walls was assumed to be vertical. Approximately 34 million tonnes at 0.32% for 107 million kilograms of Nb_2O_5 were included as dilution in the mineral reserves.

The deposit is open laterally to the east and west and at depth. In 2011, the Company initiated steps to determine the full extent of the niobium mineralization, and as part of that work carried out drilling to depths of almost 1,000 metres. Results show that niobium mineralization persists at depth below the known deposit at similar grades. Metallurgical tests are in progress to confirm the recoverable content of the mineralization intersected. An underground drilling program of 34,000 metres has been planned for 2012 as part of a multi-year plan to convert 100% of the Inferred resources in Blocks 4, 5 and 6 into measured and indicated resources by 2015.

Additional information on mineral resources and reserves is provided in Section 5 below.

vii) Mining Operations

The initial tailing ponds closed in 2005 and the second started operating in 2003. Both ponds are located close to infrastructure and cover 1.2 square kilometres. An ore

stockpile is also located on the plant site covering between 7 and 20 operating days. The mining method currently used is blasthole open stoping without backfill.

The Niobec processing facilities use conventional crushing, rod and ball mill grinding, followed by many flotation steps to obtain pyrochlore concentrate.

The pyrochlore concentrate produced at Niobec is transformed into ferroniobium grading 66 per cent niobium using an aluminothermic process. Sales and production in 2011 were equivalent to that of 2008.

Management and the union at the Niobec Mine negotiated new collective agreements in 2011 which will terminate on April 30, 2014. At year-end, 2011, the Niobec Mine employed approximately 409 individuals, excluding those employed by outside contractors.

viii) Exploration and Development

In 2011, 25,908 metres of DD were completed at the Niobec Mine. From this total, exploration and reserve development drilling represented 16,764 metres and definition drilling totaled 9,144 metres. From 2009 to 2011, drilling below the 730-metre level has demonstrated the continuity of the different lenses of the Niobec deposit. Definition drilling was carried out for the preparation of the mining areas for 2011 and 2012. All drilling is from underground drifts.

Since the acquisition of the Niobec Mine, the Company invested $198 million on capital expenditures, mainly for a new hoist and headframe extension, shaft sinking and underground infrastructure, mill expansion, paste backfill plant, water supplying, equipment and deferred development.

For 2012, niobium production is expected to be between 4.6 million kilograms and 5.1 million kilograms. In 2012, capital expenditures are estimated at $90 million, mainly related to advancing the feasibility study, underground development, recovery improvement project, service hoist, mining equipment and pumping station.

ix) Environment

The EMS for the Niobec mine is certified under the 2004 revision of the ISO 14001 standard. The Niobec Mine successfully passed the ISO 14001 recertification audit in November 2010. The Niobec Mine's quality management system is certified ISO 9001: 2000 since 1995; it was last recertified in 2009.

On October 28th, 2010, the Company received a direction, in accordance with the Fisheries Act, from the enforcement branch of Environment Canada regarding the Company's intermittent exceedances of Total Suspended Solids ("TSS"). To ensure compliance, sedimentation fences were installed and additional treatment equipment has been in operation since the beginning of 2011 to reduce TSS concentrations. The detailed management plan was submitted to Environment Canada outlining the work

completed to date, and the actions to be taken to achieve compliance with the Metal Mining Effluent Regulations and Environmental Effects ("MMER").

A closure plan has been prepared and approved by the Government of Québec. Reclamation of a tailings facility was completed in 2006. As at December 31, 2011, the recorded amount of estimated restoration and closure costs for the property was $8.0 million, representing the discounted amount. The undiscounted amount of estimated restoration and closure costs for the property was $8.5 million.

x) Taxation

The Company's Canadian operations are subject to federal and provincial income taxes. In March 2010, the Government of Québec passed amendments to the Québec mining duty regime which increased the statutory rate from 12 per cent to 16 per cent. Additional tax information is provided in Section 6.5 below.

3.2 Diamond Royalty – Diavik Project

IAMGOLD holds a 1 per cent royalty (the "Lac de Gras Royalty") in respect of diamond production from any claims staked by Dr. Christopher Jennings on his own behalf or on behalf of any person for whom Dr. Jennings acted as a consultant during the period from November 15, 1991 to November 15, 1992 in the Lac de Gras area of the Northwest Territories, Canada, between longitude 108 degrees and 112 degrees west and between latitude 64 degrees and 65 degrees north. During the relevant time period, Dr. Jennings was involved in staking certain claims (the "Lac de Gras Claims") in the Mackenzie Mining District of the Northwest Territories and Nunavut which are subject to the Lac de Gras Royalty. The Lac de Gras Claims include the Diavik diamond property (the "Diavik Project") in which Harry Winston Diamond Corporation (formerly Aber Diamond Corporation) ("HWDC") owns a 40 per cent interest and Diavik Diamond Mines Inc. ("DDM"), a wholly owned subsidiary of Rio Tinto plc, owns a 60 per cent interest. Effective September 2003, Repadre (which subsequently merged with IAMGOLD) entered into a royalty agreement with HWDC and DDM formalizing the foregoing 1 per cent royalty in respect of the Diavik Project.

4. Exploration and Development

4.1 General

IAMGOLD's exploration efforts remain focused in West Africa, select countries of South America, and the province of Québec in Canada. With a strategic mandate for organic growth, the Company has numerous projects already underway and continues to pursue additional advanced exploration joint venture or acquisition opportunities that will provide the foundation for future growth.

In 2011, IAMGOLD incurred $108.6 million on exploration projects, a 26 per cent increase from $86.2 million in 2010. The 2011 expenditures included:

- Near-mine exploration and resource development expenditures of $53.3 million involving the completion of more than 335,000 metres of drilling directed at on-going resource expansion and delineation drilling programs including Rosebel in Suriname for $14.0 million, an underground exploration and resource delineation drilling program at the Westwood development project in Québec for $9.6 million and a resource delineation program at Essakane in Burkina Faso for $14.2 million; and
- Greenfield exploration of $55.3 million conducted at 17 projects, including two advanced exploration sites and exploration of a Rare Earth zone in proximity to the Niobec mine, in 8 countries in Africa and the Americas as part of IAMGOLD's long-term commitment to reserves replenishment and organic growth.

Exploration expenditures are summarized as follows:

(in $ millions)	Capitalized	Expensed	Total
	$	$	$
2011			
Near-mine exploration and resource development [(a)]	36.7	40.4	77.1
Greenfield exploration projects	1.3	52.2	53.5
	38.0	92.6	130.6
	$	$	$
2010			
Near-mine exploration and resource development [(a)]	41.4	7.3	48.7
Greenfield exploration projects	1.0	36.6	37.6
	42.4	43.9	86.3
2009			
Near-mine exploration and resource development [(a)]	26.1	6.8	32.9
Greenfield exploration projects	0.7	30.2	30.9
	26.8	37.0	63.8

(a) Capitalized and expensed exploration related to activities within a mine area are included in Mining assets on the consolidated balance sheet and within the segmented information found in note 32 of the Company's annual consolidated financial statements.

The Company's exploration expenditures were as follows:

(in $ millions)	**2011**	2010	2009
	$	$	$
Capitalized near-mine exploration and resource development			
Suriname	**13.6**	14.4	12.0
Canada	**9.6**	8.7	9.8
Mali	**1.0**	4.9	1.4
Burkina Faso	**9.8**	13.4	2.9
	34.0	41.4	26.1

Capitalized greenfield exploration			
South America	—	—	0.2
Africa	**1.3**	1.0	0.5
	1.3	1.0	0.7
Total capitalized	**35.3**	42.4	26.8
Expensed near-mine exploration and resource development			
Canada	**9.7**	4.5	3.8
Mali	**4.8**	2.4	2.3
Burkina Faso	**4.4**	—	—
Other	**0.4**	0.3	0.7
	19.3	7.2	6.8
Expensed greenfield exploration			
South America	**18.1**	19.3	15.3
Africa	**33.4**	16.2	13.8
Canada	**2.5**	1.1	1.1
	54.0	36.6	30.2
Total expensed	**73.3**	43.8	37.0
Total	**108.6**	86.2	63.8

4.2 Capitalized Exploration and Development Projects

4.2.1 **Africa – Botswana**

The Company's exploration efforts near the Mupane Mine were suspended in 2010. As described previously in Section 1 of Item II above, this operation was sold in 2011, and no further exploration is contemplated for Botswana at this time.

4.2.2 **Africa – Tanzania**

Earlier in 2009, the Company terminated the three commercial agreements that comprised the Buckreef Project. The Company's Kitongo Project was sold in 2010, and the Company does not contemplate any further exploration in Tanzania at this time.

4.2.3 **South America – Ecuador**

The Company's exploration and development activities are confined to the Quimsacocha project. Following the mandate passed by the Constituent Assembly in April 2008, resulting in a moratorium on mining activities, exploration activities on the Company's Quimsacocha Project were suspended. Exploration on the project has remained inactive since that time. The status of the Quimsacocha Project is discussed in further detail in Section 2.5 of Item III above.

4.2.4 **South America – Peru**

In June 2009, an option and earn-in agreement was entered into for the sale of the La Arena Project in Peru. Rio Alto purchased all of the outstanding shares of La Arena S.A. for a cash payment of $49 million as announced February 9, 2011. Details of the option are contained in Section 1 of Item II above.

4.3 Greenfields Exploration and Development Expensed

In addition to the capitalized mine site and development programs described above, the greenfields exploration portfolio consists of near-mine exploration programs on large land positions adjoining the Company's Essakane and Rosebel Gold Mines, two advanced exploration projects in Mali, and fourteen early stage gold projects in Peru, Colombia, Brazil, Suriname, Québec and Senegal. The Company's exploration team had an on-site presence in eight countries within North and South America and Africa in 2011.

4.3.1 **Africa – Senegal**

IAMGOLD maintains an office in Dakar that serves as a base for West African regional exploration and African mine operations. Between 2007 and 2009, the Company completed 10,239 metres of DD and 18,353 metres of RC drilling on the Daorala-Boto concession, located near the border with Mali. Within the Boto part of the concession, multiple zones of gold mineralization have been intersected in earlier drill campaigns, and two important gold trends identified. A 5,000 metre core drilling program is planned for 2012.

On the Daorala sector of the concession, pitting, trenching and shallow auger drilling was performed over a target identified in 2010. In 2011, RC drilling was initiated on an 800-metre long gold anomalous trend that lies on trend with the Loulo mining complex in neighbouring Mali. A total of 6,908 metres of drilling was completed in 2011, principally at Daorala, but results to date have not, as yet, defined significant mineralization on this northern target. Limited follow up RC drilling and auger drilling is planned for 2012 at Daorala.

The Bambadji Project, a contiguous concession block located between Boto and Daorala, was joint-ventured with Randgold Resources ("Randgold") in 2007, providing Randgold the ability to earn a 65 per cent interest in the property. Randgold operates the joint venture, and continues to explore the property.

4.3.2 **Africa – Mali**

The Siribaya advanced exploration gold project in Mali is held under an Option to Joint Venture with Merrex Gold Inc. ("Merrex"). IAMGOLD can earn a 50 per cent interest in the project by incurring C$10.5 million in exploration expenses. In the fourth quarter of 2011, the Company informed Merrex that the earn-in expenditure obligations of C$10.5 million had been satisfied, and IAMGOLD had vested a 50 per cent interest in the

project, subject to confirmation of project expenditures by Merrex. Formal vesting is expected to take place in the first quarter of 2012. In 2011, drilling on the Siribaya trend focused on four kilometres of an eight to nine-kilometre long gold mineralized structural corridor defined by geochemistry and geophysics. A total of 49,293 metres of RC and core drilling was completed in 2011, and focused chiefly on the Siribaya trend. The program was designed to determine the extent of gold mineralization utilizing wide spaced fences of holes, and provide more close spaced DD where better results were encountered. Initial drill results from the parallel Bambadinka zone, a priority satellite target located two kilometres west of the Siribaya trend, returned mixed results but only a small sector of the eight-kilometre long zone was tested; additional drilling is planned for 2012. The 2012 exploration budget is $11.9 million (100 per cent basis), of which the Company's proportionate share will be $5.9 million prior to administrative overhead fees paid by Merrex.

Subject to the terms of an agreement with Avnel, the Company has the right to earn a 51 per cent interest in the Kalana joint venture by spending $11 million over three years, making two cash payments of $1 million to Avnel, and demonstrating a 2 million ounce gold resource. The Company may also increase its share of the available interest in the project up to 70 per cent upon delivery of a feasibility study, or up to 65 per cent if Avnel elects to participate in the study. In December 2011, the prescribed earn-in exploration expenditures and cash payments to Avnel had been satisfied. The remaining condition for completing the earn-in is establishing a resource estimate of no less than 2 million ounces gold.

Drilling continued through 2011 with two machines, with 61,141 metres of RC drilling and DD completed during the year. The Company plans to move aggressively with exploration at Kalana in 2012 with an approved budget of $12.5 million that will include a 60,000 metres drilling program. The principal objective is to develop a 2 million ounce resource estimate by the third quarter of 2012. Preliminary metallurgical testing by SGS Mineral Services Lakefield laboratory in Ontario indicates recoveries in the range of 95 per cent to 97 per cent with relative low cyanide consumption. Further metallurgical work is required and will be carried out as the Company's understanding of the gold mineralization is further refined. Because of the high nugget effect characterizing Kalana's gold mineralization, additional technical studies will also be conducted to provide confidence for resource grade estimation.

4.3.3 **Africa – Burkina Faso**

In 2011, a total of 22,420 metres of RC drilling and 11,348 metres of DD had been completed on exploration targets within the 100.2 square kilometre mine permit, independent of the 52,569 metre resource expansion program carried out within and immediately adjacent to the Essakane Main Zone resource. Additionally, 4,527 metres of AC drilling was achieved in 2011 on the mine permit, testing large expanses of the 100 square kilometre permit that are covered with a thin veneer of windblown sands which mask underlying bedrock and limit the effectiveness of surface geochemical surveys. Encouraging drill results were received from a zone south of the Falagountou resource, and drilling will resume in 2012.

Outside of the mine permit, exploration work continued throughout 2011 on the Company's 1,266.39 square kilometre block of exploration concessions surrounding the mine permit as part of a multi-year exploration effort. The program was initiated in 2010, and focused on established gold mineralized trends in closest proximity to the Essakane infrastructure, most notably the more than 10 kilometre long gold anomalous Gossey-Korizena trend and the Tassiri prospect. A total of 20,263 metres of AC drilling conducted during 2011 (12,432 metres in 2010) confirmed the continuity of the target anomaly beneath large tracts of transported sand cover. The Company will return to these areas for further work later in 2012 with aggressive RC and follow-up AC drilling programs. The Gossey-Korizena prospect shows excellent promise; however, oxide potential is limited by the shallow weathering profile encountered to date.

In 2012, the exploration group plans to carry out more than 200,000 metres of RC drilling and DD, and a further 35,000 metres of AC drilling. This includes a 45,000 metres program directed at resource evaluation and infill drilling on the Essakane Main Zone and the Falagountou deposit.

4.3.4 **South America – Peru**

The Company maintains an exploration office in Lima, Peru. In 2011, additional core drilling totalling 2,887 metres was completed on the Company's wholly-owned Candelaria project. The Company is examining alternatives for the project, but no work is planned for 2012. In 2012, the Company will proceed with plans to drill test two early stage projects, in addition to regional surveys and examination of acquisition opportunities.

4.3.5 **South America – Brazil**

Exploration in Brazil is carried out from an exploration office in Belo Horizonte, Brazil. The Company holds a thirty kilometer long property package in Minas Gerais State. A mineralized trend on the Congonhas property had been explored with several drill campaigns by the Company between 2007 and 2010. The project was inactive in 2011, and the Company is examining various alternatives for continued exploration on the project. The Company was active on the approximately 1,050 square kilometres of exploration lands that are also held elsewhere in the Minas Gerais district. This work included a 3,147 metres core drilling program on the Pitangui project near the Turmalina mine held by Jaguar Mining Inc. The drilling was conducted to test a broad and coherent soil geochemistry anomaly. The program encountered favorable intercepts of gold mineralization that will be the focus of a minimum 3,000 metre drill program in 2012.

In Para State, a 3,019 metre DD campaign together with project scale mapping and sampling was carried out in 2011 based on encouraging exploration and drill results obtained in 2010. The 2011 exploration program advanced the understanding of a hosted gold mineralization system encountered on the property, and expanded the regional exploration coverage over the Company's 1,200 square kilometer land

package. A 2,500 metre drill program is planned for 2012.

4.3.6 **South America – French Guiana**

No exploration activities have been undertaken on the Company's exploration concessions located about 20 to 25 kilometres southwest of the Camp Caiman Project, also known as Project Harmonie. A planned 5,000 metre drill program first designed in 2008 was suspended due to the uncertainty surrounding the Camp Caiman Project and the impactof the new mining framework for French Guiana. The Company continues to monitor the situation. Applications were submitted in order to maintain the Company's exploration rights in the area, but the approvals are pending.

4.3.7 **South America – Guyana**

In September 2010, Strongholds Metals Inc. ("Stronghold") entered into a definitive Earn-In and Joint Venture Agreement with IAMGOLD on the Company's Eagle Mountain gold project in Guyana. Stronghold has the option to acquire 100 per cent of the property under certain circumstances and upon completion of milestones that include minimum exploration expenditures of $3.5 million. If Stronghold completes the requirements under the option, Stronghold will acquire 100 per cent of the property. If a mining permit is issued, the total consideration to be paid to the Company is up to $11 million and the issuance of 6 million Stronghold shares.

4.3.8 **South America – Suriname**

The 2011 exploration program within the Rosebel district included a total of 9,975 metres of core and RC drilling. Exploration activities were focused principally on the Koemboe and Kraboe Doin prospects, located 10 and 16 kilometres south of the Rosebel infrastructure, respectively.

At the Charmagne project, located 15 kilometres north of Rosebel, 1,774 metres of core drilling was achieved to test the strike continuation of the Overman deposit (main shear) and the southern offset (southern shear). The program had limited success. A concept study was also contemplated in 2011 that provided the basis for a contrained in-pit inferred resources and economic justification for further work. Drilling resumed in January 2012, and a reconnaissance stream sediment survey and regional mapping will be initiated on a permit granted early in 2012 that is located immediately west of Charmagne.

A follow-up drilling program of 3,606 metres was completed on the Kraboe Doin prospect, located 18 kilomtres south of the Rosebel mine complex. The program provided further evaluation of a large cluster of gold anomalous zones extending over more than eight kilometres. Results were mixed, and the project area will be inactive in 2012.

A 4,596 metre DD and RC drill program was completed in 2011 on the Koemboe prospect to trace east-west trending mineralized quartz veins encountered in trenching

and an earlier DD campaign. Significant intersections were made, and drilling extended the known strike of veining and mineralization to 400 metres and to a depth of 120 metres. In 2012, a planned 3,000 metre core drilling campaign will assess possible extensions of the two gold-bearing structures defined to date.

The Sarakreek and Tapanahony projects are located in the Brokopondo province about 100 kilometres south of the Rosebel Gold Mine and 170 kilometres south of the capital of Paramaribo. The project covers an area of 1,281 square kilometres in two concession blocks. IAMGOLD holds an 87.5 per cent interest in the entire project. The Sarakreek sector of the property package was inactive in 2011. At Tapanahony, DD (1,055 metres) was initiated in 2011 on a 1.2 kilometre long geochemical anomaly. The drilling program will continue into 2012 with 3,000 metres planned.

In 2012, the Company plans 13,000 metres of DD on grassroots and near-mine exploration in addition to a 95,000 metre resource evaluation program planned for the Rosebel mine area. In addition, a comprehensive mechanized auger drill program is also planned to develop new target areas beneath transported sand cover that overlies significant portions of the Company's land package.

4.3.9 **North America – Québec, Canada**

IAMGOLD re-opened an exploration office in Val d'Or in 2010 to reactivate several exploration programs in the Abitibi area and strengthen the Company's exploration presence in Québec. Collectively, the Company controls approximately seven kilometres of the Cadillac Break, and 28 kilometres of the Destor-Porcupine Fault, two major structural zones in the camp that host most of the gold deposits in the Abitibi gold district. A second phase of DD on the Company's Bousquet-Odyno property was completed in 2011 with a total of 6,409 metres. The project is located only eight kilometres from the Westwood Project. The drill program was designed to build on positive drill results obtained in 2010. Preliminary results demonstrate a continuous gold-bearing structure that has been traced for more than 300 metres. The lateral and depth extensions remain to be tested.

In connection with the earn-in option agreement that the Company entered into on June 22, 2011 with Virginia Mines on their Lac Pau project located in the James Bay region a high-resolution heliborne magnetic survey was carried out to refine the understanding of the geological and structural framework of the project area. A synthesis of summer field work shows new areas of interest along the Lac Pau gold corridor. A 3,000 metre winter drilling program is planned for the first quarter 2012 to further evaluate the 12 kilometre long gold mineralized corridor and test extensions of positive drilling results and surface sampling.

The Company also maintains an interest in numerous joint ventures and passive royalty interests in Québec. Some of the more important ventures include several Val-d'Or camp properties being actively explored under different agreements by Alexandria Minerals, Alexis Minerals and Adventure Gold; the Cogitore Resources earn-in agreement on the Caribou-Estrees property; and Virginia Mines' earn-in agreement in

the Anatacau property located in the James Bay (Opinaca) region.

4.3.10 **North America – Québec, Canada – Rare Earths Elements**

In February, the Company announced the delineation of a large and potentially significant rare earth elements ("REE") deposit located less than one kilometre north of the Niobec mine. The rare earth element zone ("REE zone") was last explored in 1985 and work was reinitiated early in 2011 on the zone with a four-hole validation drilling campaign that successfully replicated historic drill results. A supplemental exploration program of $2.5 million was approved in 2011 to drill test the projected extensions of known niobium resources at Niobec, and to explore the REE zone. The REE zone was evaluated during the year with 13,798 metres of DD in 29 holes. The 2011 drill program conducted by the Company on the REE zone aimed to establish the three dimensional "footprint" of mineralization, provide a preliminary REE grade estimate and samples for preliminary metallurgical test work. The campaign was completed on a nominal grid spacing of 100 by 200 metres to programmed drill depths of about 450 metres. Four holes exceeded 700 metres in total length, and to a maximum length of 750 metres. The deeper holes demonstrate that the brecciated and mineralized facies of the REE zone persists uninterrupted at depth, although the resource model is reported only to a depth of 375 metres. The program confirmed that the host carbonatite complex contains significant quantities of rare earths including Ce, La, Nd, Pr, Sm, Gd, Eu, Dy and Tb. Further exploration and infill drilling is expected to extend the resource model well below the current depth parameters, and to the south and southwest. The Company initiated a 2,750 metre follow-up drill campaign in January 2012 to establish the overall limits of REE mineralization with greater certainty. Additional drilling is also planned in 2012 for resource definition and to aid in developing a scoping study.

4.4 Outlook

The Company intends to continue the search for new opportunities and pursue the discovery of new deposits in 2012. The approved capitalized and expensed exploration and development for 2012 is $130.6 million and is summarized as follows:

(in $ millions)	Capitalized $	Expensed $	Total $
2012			
Near Mine Exploration and Evaluation	36.7	40.4	77.1
Greenfields exploration projects	1.3	52.2	53.5
	38.0	**92.6**	**130.6**

Capitalized expenditure estimates include underground development and drilling at the Westwood property and near-mine exploration and resource development programs at the Rosebel, Niobec, Mouska and Essakane operations.

The Company finances exploration expenditures from internal cash resources. The Company also benefits from financial assistance from the Québec government for some Québec programs through the issuance of flow-through shares.

5. Mineral Reserves and Resources

The following tables set out the Company's estimate of its mineral reserves and mineral resources as of December 31, 2011. Réjean Sirois, Eng., Manager, Mining Geology, a "qualified person" for the purposes of NI 43-101, is responsible for all mineral resource and mineral reserve estimates contained herein, as at December 31, 2011. Mineral reserves and/or mineral resources at Doyon, Mouska, Rosebel, Essakane, Qiumsacocha, Westwood, Niobec and the St-Honoré deposit have been estimated in accordance with the CIM Definition Standards on Mineral Resources and Mineral Reserves adopted by the CIM Council as required by NI 43-101. Mineral reserves and resources at the Sadiola and Yatela mines have been estimated in accordance with or reconciled to the definitions of the JORC Code. Except as otherwise indicated below, reported mineral reserves were estimated using a long-term gold price assumption of $1,200 per ounce in 2011 and mineral resources were estimated using a long-term gold price assumption of $1,400 per ounce. The Company is required by NI 43-101 to disclose its mineral reserves and mineral resources using the subcategories of proven mineral reserves, probable mineral reserves, measured mineral resources, indicated mineral resources and inferred mineral resources. **Unlike proven and probable mineral reserves, mineral resources (of all categories) do not have a demonstrated economic viability.**

Consolidated Mineral Reserves and Resources as of December 31, 2011 [1][2][3]

	Attributable Contained Ounces of Gold (000)
Total Proven and Probable Reserves	13,300
Total Measured and Indicated Resources (Inclusive of Reserves)	18,198
Total Inferred Resources	5,789

Notes:

(1) Mineral resources that are not mineral reserves do not have demonstrated economic viability. Inferred resources are in addition to measured and indicated resources. Details of measured and indicated resources and other NI 43-101 information can be found in the relevant technical reports, all of which have been prepared by a qualified person as defined in NI 43-101 and filed with the Canadian securities regulators and which are available on SEDAR at www.sedar.com. Inferred resources have a great amount of uncertainty as to their existence and whether they can be mined legally or economically. It cannot be assumed that all or any part of the inferred resources will ever be upgraded to a higher category. Although "measured resources," "indicated resources" and "inferred resources" are categories of mineralization that are recognized and required to be disclosed under Canadian regulations, the SEC does not recognize them. Disclosure of contained ounces is permitted under Canadian regulations; however, the SEC generally permits resources to be reported only as in place tonnage and grade. See "Cautionary Note to U.S. Investors Regarding Mineral Reporting Standards". Rounding differences may occur.

(2) Measured and indicated resources are inclusive of proven and probable reserves.

(3) Mineral resources and mineral reserves for each property are reported separately in the table below.

Mineral Reserves and Resources of Gold Operations as of December 31, 2011 (1)(2)(3)(4)

Gold Operations	Tonnes (000)	Grade (g Au/t)	Contained Ounces of Gold (000)	Attributable Contained Ounces of Gold (000)
Rosebel, (5) **Suriname**				**(95%)**
Proven Reserves	102,417	1.0	3,321	3,155
Probable Reserves	83,964	1.0	2,710	2,575
Subtotal	**186,381**	**1.0**	**6,031**	**5,730**
Measured Resources	158,043	1.0	4,849	4,607
Indicated Resources	105,072	1.0	3,276	3,112
Inferred Resources	13,876	0.7	293	278
Essakane,(6) **Burkina Faso**				**(90%)**
Probable Reserves	109,245	1.1	3,858	3,472
Subtotal	**109,245**	**1.1**	**3,858**	**3,472**
Measured Resources	—	—	—	—
Indicated Resources	139,620	1.1	4,735	4,262
Inferred Resources	24,128	1.1	855	797
Sadiola,(7) **Mali**				**(41%)**
Proven Reserves	10,382	2.1	683	280
Probable Reserves	96,727	1.6	4,922	2,018
Subtotal	**107,109**	**1.6**	**5,605**	**2,298**
Measured Resources	21,906	1.4	958	393
Indicated Resources	150,109	1.6	7,508	3,078
Inferred Resources	45,040	1.6	2,258	926
Yatela,(8) **Mali**				**(40%)**
Proven Reserves	930	0.6	19	8
Probable Reserves	2,001	1.8	113	45
Subtotal	**2,931**	**1.4**	**132**	**53**
Measured Resources	1,048	0.8	26	10
Indicated Resources	2,782	2.3	201	81
Inferred Resources	806	2.8	73	29
Doyon & Mouska,(9) **Québec**				**(100%)**
Proven Reserves	59	12.3	23	23
Probable Reserves	104	12.4	42	42
Subtotal	**163**	**12.4**	**65**	**65**
Measured Resources	375	5.4	65	65
Indicated Resources	925	5.9	175	175
Inferred Resources	1,597	5.7	291	291

Gold Operations	Tonnes (000)	Grade (g Au/t)	Contained Ounces of Gold (000)	Attributable Contained Ounces of Gold (000)
Westwood,[10] Québec				**(100%)**
Indicated Resources	779	12.3	308	308
Inferred Resources	9,411	11.3	3,407	3,407
Quimsacocha,[11] Ecuador				**(100%)**
Probable Reserves	8,098	6.5	1,682	1,682
Indicated Resources	9,935	6.6	2,107	2,107
Inferred Resources	299	6.3	61	61
Total				
Proven and Probable Reserves	413,927	1.3	17,373	13,300
Measured and Indicated Resources	590,594	1.3	24,208	18,198
Inferred Resources	95,157	2.4	7,268	5,789

Notes:

(1) Measured and indicated resources are inclusive of proven and probable reserves.
(2) In underground operations, mineral resources contain similar dilution and mining recovery as mineral reserves.
(3) In mining operations, measured and indicated resources that are not mineral reserves are considered uneconomic at the price used for reserve estimations but are deemed to have a reasonable prospect of economic extraction.
(4) Although “measured resources”, “indicated resources” and “inferred resources” are categories of mineralization that are recognized and required to be disclosed under Canadian regulations, the SEC does not recognize them. Disclosure of contained ounces is permitted under Canadian regulations; however, the SEC generally permits resources to be reported only as in place tonnage and grade. See “Cautionary Note to U.S. Investors Regarding Mineral Reporting Standards”.
(5) Rosebel mineral reserves have been estimated as of December 31, 2011 using a $1,200/oz gold price and mineral resources have been estimated as of December 31, 2011 using a $1,400/oz gold price and have been estimated in accordance with NI 43-101.
(6) Essakane mineral reserves have been estimated as of December 31, 2011 using a $1,200/oz gold price and mineral resources have been estimated as of December 31, 2011 using a $1,400/oz gold price and have been estimated in accordance with NI 43-101.
(7) Mineral reserves at Sadiola have been estimated as of December 31, 2011 using a US $1,100/oz gold price and mineral resources have been estimated as of December 31, 2011 using a US $1,600/oz gold price and have been estimated in accordance with JORC code.
(8) Mineral reserves at Yatela have been estimated as of December 31, 2011 using a US $1,300/oz gold price and mineral resources have been estimated as of December 31, 2011 using a US $1,300/oz gold price and have been estimated in accordance with JORC code.
(9) Figures for Doyon & Mouska include mineral reserves from the Mouska Gold Mine and resources from both the Doyon and Mouska Gold Mines. Mineral reserves at Mouska have been estimated as of December 31, 2011 using a $1,200/oz gold price and mineral resources have been estimated as of December 31, 2011 using $1,400/oz gold price. Resources and reserves estimates have been estimated in accordance with NI 43-101.
(10) Westwood mineral resources have been estimated as of May 2011 using a 6.0 grams per tonne gold cutoff over a minimum width of 2 metres and have been estimated in accordance with NI 43-101.
(11) Quimsacocha mineral resources have been estimated as at July 2008 using a 3.0 grams per tonne gold cutoff and mineral reserves have been estimated using a US $750/oz gold price and have been estimated in accordance with NI 43-101.

Mineral Reserves and Resources of Niobium Operation as of December 31, 2011 [1][2][3][4][5][6]

Niobium Operation	Tonnes (000s)	Grade (%Nb_2O_5)	Contained Tonnes Nb_2O_5 (million kilograms)
Niobec, Québec			**(100%)**
Probable Reserves	419,208	0.42	1,746
Subtotal	**419,208**	**0.42**	**1,746**
Measured Resources	235,269	0.44	1,028
Indicated Resources	250,233	0.39	986
Inferred Resources	155,376	0.35	547

Notes:

(1) Measured and indicated resources are 98% inclusive of probable reserves. Under the block caving scenario around 2% of the measured and indicated resources included in the probable reserves are slightly below the cutoff of 0.20% Nb_2O_5 per tonne (before recovery) used for resource reporting. This material represents only 5.8 million tonnes averaging 0.18% Nb_2O_5 for 10 million kilograms of Nb_2O_5 contained.
(2) In mining operations, measured and indicated resources that are not mineral reserves are considered uneconomic at the price used for reserves estimations but are deemed to have a reasonable prospect of economic extraction.
(3) Mineral reserves have been estimated as at December 31, 2011 using the block caving scenario from the pre-feasibility study using $45 per kg of Niobium and include dilution material. Mineral resources have been estimated using a cutoff of 0.20% Nb_2O_5 per tonne (before recovery) under the block caving scenario.
(4) There is a large volume of the material within the planned block caving that has a Measured Resource classification. However, due to the uncertainty associated with estimating material movement within the cave, a Probable classification has been applied to the reserve because of the uncertainty.
(5) Inferred and unclassified mineral resource material will be mined from the block caving scenario and segregation of the material is not possible. The inferred and unclassified material is considered to carry similar grade as the measured and indicated resources, though the material has insufficient certainty to be classified as Measured or Indicated Resource. For the purpose of estimating the Mineral Reserves, which by CIM definitions include diluting materials, tonnage of this inferred and unclassified material have been included. This material is considered to be mineralized dilution, which will be included in the Mineral Reserve estimate and within the production plan.
(6) Mineral reserves and mineral resources have been estimated in accordance with NI 43-101.

Mineral Resources of the Rare Earth Project as of December 31, 2011 (1)(2)(3)

	Tonnes (000s)	Grade TREO (%)	Contained TREO (million kilograms)
St-Honoré, Québec			**(100%)**
Inferred Resources	466,800	1.65	7,702

Notes:

(1) In mining operations, measured and indicated resources that are not mineral reserves are considered uneconomic at the price used for reserves estimations but are deemed to have a reasonable prospect of economic extraction.
(2) The resource estimate was prepared by Pierre Jean Lafleur, Eng., an independent Qualified Person and principal consultant of P.J. Lafleur Géo-Conseil Inc (“PJLGC”) of Ste-Thérèse, Québec. The inferred resources are presented in situ using 0.5% TREO cutoff grade and are unconstrained by whittle shell or mining design.
(3) Mineral resources have been estimated in accordance with NI 43-101.

The Company’s reserve estimate is comprised of in-place material, *i.e.* contained ounces of gold and contained kilograms of Nb_2O_5 and metallurgical recovery factors must be taken into account in order to assess and quantify the recoverable material.

There are numerous parameters inherent in estimating proven and probable mineral reserves, including many factors beyond the Company’s control. The estimation of reserves is a subjective process, and the accuracy of any reserve estimate is a function of the quality of available data and of engineering and geological interpretation and judgment. Results from drilling, testing and production, as well as material changes in metal prices subsequent to the date of an estimate, may justify a revision of such estimates.

Estimation Procedures

Gold and Niobium Technical Information and Qualified Person/Quality Control

The individual responsible for the supervision of the preparation and review of all mineral resource and mineral reserve estimates for IAMGOLD is Réjean Sirois, Eng., Manager, Mining Geology who is considered a “qualified person” for the purposes of NI

43-101 with respect to the mineralization being reported on. The technical information in this section has been included herein with the consent and prior review of Mr. Sirois. The qualified person has verified the data disclosed, and data underlying the information or opinions contained in this section.

REE Technical Information and Qualified Person/Quality Control

The drilling results used to evaluate the TREO (Total Rare Earth Oxides) deposit have been prepared in accordance with NI 43-101 and JORC. The “Qualified Person” responsible for the supervision of the preparation and review of this information is Marie-France Bugnon, P. Geo., General Manager Exploration. Marie-France Bugnon is considered a “Qualified Person” for the purposes of NI 43-101 with respect to the technical information being reported on. The “Qualified Person” responsible for the estimation of the Mineral Resources is Pierre Jean Lafleur, Eng., principal consultant of P.J. Lafleur Géo-Conseil Inc (“PJLGC”) of Ste-Thérèse, Québec. Pierre Jean Lafleur is an independent person and is considered a “Qualified Person” for the purposes of NI 43-101 with respect to the technical information being reported on.

For each of the projects and properties it operates, the Company has established rigorous methods and procedures aimed at assuring reliable estimates of the mineral reserves and resources. For each mine and project of the Company, the relevant qualified persons verified the data disclosed, including samplings, analytical and test data underlying the information contained herein. Quality control falls under the responsibility of Mr. Sirois.

In calculating mineral reserves, cut-off grades are established using the Company’s long-term gold price and foreign exchange assumptions, the average metallurgical recovery rates and estimated production costs over the life of the related operation. For an underground operation, a cut-off grade is calculated for each mining method, as production costs vary from one method to another. For a surface operation, production costs are determined for each block included in the block model of the relevant operation.

The nature of mining activities is such that the extraction of ore from a mine reduces reserves. In order to renew reserves (at least partially) on most of its producing properties, the Company carries out exploration drilling programs at depth and laterally.

The Company’s attributable share of mineral reserves for gold operations as of December 31, 2011 was 13,300 million ounces. A sensitivity analysis on the price of gold used to calculate the mineral resources would affect attributable ounces as follows: a $100 increase in the gold price would increase the Company’s attributable share of ounces by around 6 per cent and, a $100 decrease in the gold price would decrease the Company’s attributable share of ounces by around 6 per cent. The mineral reserves will follow a similar trend since as of December 31, 2011 all open pit mineral resources are confined within pit shells.

6. Other Aspects of the Business

6.1 Marketing of Production

The gold market is relatively deep and liquid, with the price of gold generally quoted in US dollars. The demand for gold is primarily for jewellery fabrication purposes and bullion investment. Gold is traded on a world-wide basis. Fabricated gold has a variety of uses, including jewellery (which accounts for 80 per cent of fabricated demand), electronics, dentistry, decorations, medals and official coins. Central banks, financial institutions and private individuals buy, sell and hold gold bullion as an investment and as a store of value.

The use of gold as a store of value (the tendency of gold to retain its value in relative terms against basic goods and in times of inflation and monetary crisis) and the large quantities of gold held for this purpose in relation to annual mine production, has meant that historically the potential total supply of gold has been far greater than demand. Thus, while current supply and demand plays some part in determining the price of gold, this does not occur to the same extent as for other commodities. Gold prices have, in addition, been significantly affected by macro-economic factors such as expectations of inflation, interest rates, exchange rates, changes in reserve policy by central banks and global or regional political and economic crises. In times of inflation and currency devaluation, gold was often seen as a refuge, which increased purchases of gold and thereby supported its market price.

The Company's revenue and earnings are generated predominantly from the sale of gold. The gold price fluctuates continually due to factors beyond IAMGOLD's control.

The following table indicates fluctuations in the gold price in US dollars per troy ounce based on the London PM Fix on the London Bullion Market for the periods indicated:

	Year Ended December 31, 2011				
	2011	2010	2009	2008	2007
High	$1,895	$1,420	$1,213	$1,011	$841
Low	$1,319	$1,058	$ 810	$ 713	$608
Average	$1,572	$1,225	$ 972	$ 872	$695

Also, since revenue from sales of gold and ferroniobium are received in US dollars while a significant portion of operating and other expenses are incurred in other currencies, including Canadian dollars, the value of the Canadian dollar and other currencies relative to the US dollar has a direct impact on the Company's profit margin.

The following table illustrates fluctuations in the exchange rates for US dollars **expressed in Canadian dollars** for the last five calendar years, as established for customs purposes by the Bank of Canada.

	Year Ended December 31, 2011				
$C/$	2011	2010	2009	2008	2007
High	0.9449	0.9946	1.0292	0.9719	0.9170
Low	1.0604	1.0778	1.3000	1.2969	1.1853
Average	0.9891	1.0299	1.1420	1.0660	1.0748
End of Period	1.0170	0.9946	1.0466	1.2246	0.9881

6.2 Government Regulation

The Canadian mining industry has evolved with federal and state or provincial legislation governing the exploration, mining, processing and marketing of minerals. This legislation governs the acquisition and ownership of mining rights, mining duties and income taxes, labour, health and safety standards, exports and other related matters.

The North American mining industry is also subject to federal and state or provincial environmental protection legislation. This legislation imposes high standards in order to reduce or eliminate the effects of waste generated by ore mining and processing operations. Consequently, the construction and commercial operation of a mine necessarily entails compliance with applicable environmental legislation and the obtaining of permits for the use of land and water or other similar authorizations from various government bodies. Each mining company is under a strict obligation to comply with all applicable environmental laws.

Failure to comply with this legislation may lead to the issuance of orders suspending or curtailing operations or requiring the installation of additional equipment. IAMGOLD could be required to indemnify private parties suffering losses or damages arising from its mining activities and could be assessed fines if found guilty of penal infractions under the terms of such legislation.

In the Guiana Shield, RGM must comply, in the course of its operations, with a range of Surinamese laws similar in their effects to legislation to which IAMGOLD is subject in Canada. However, with respect to the Rosebel Gold Mine, the Mineral Agreement executed on April 7, 1994, provides exceptions to applicable Surinamese legislation in favour of RGM and its shareholders in certain instances, among which figure an alleviated tax system and, in certain cases, provisions for legislative stability. The Mineral Agreement provides a comprehensive legal framework that applies to the specific activities of the Rosebel Gold Mine.

The Company commissioned an environmental impact assessment for the Rosebel Gold Mine which was filed with, and approved by, the Surinamese Government in 2002 along with an updated feasibility study.

Elsewhere in South America and Africa, the Company must comply with various mining and environmental laws in force in such countries, which laws are generally similar in effect to comparable laws in North American jurisdictions.

The Company believes that it is in substantial compliance with all material current legislation, regulations and administrative standards applicable to its activities.

6.3 Environment

The Company's challenge is to integrate its economic activities with environmental integrity, social concerns and effective governance, the four pillars of sustainable mining.

With respect to environmental stewardship, IAMGOLD will focus activities to understand the interaction between activities and the environment, and seek ways to protect the environment and maximize sustainable development.

None of the environmental measures taken by the Company should impact negatively on its competitive position, as the whole of the North American mining industry is subject to substantially similar regulatory standards. The medium and long-term financial impact of these standards lies in the cost of mine site restoration during mining and once mining activities have ceased. The Company annually reviews its provision for environmental obligations, and no material adverse effect on earnings is expected in the future. IAMGOLD believes that its operations are substantially in compliance, except as noted at Niobec, with all relevant and material laws and regulations, as well as standards and guidelines issued from the relevant regulatory authorities.

The estimates for restoration and closure costs are prepared by knowledgeable individuals and are subject to review and approval by government authorities. Site closure costs are charged against a provision accumulated during the production phase. These obligations are currently estimated as follows:

	Discounted (in millions of $)	Undiscounted (in millions of $)
Westwood	**2.5**	**2.7**
Doyon and Mouska Gold Mines	**107.6**	**116.5**
Essakane	**20.2**	**22.7**
Sadiola Gold Mine	**23.7***	**25.6***
Yatela Gold Mine	**14.4***	**14.5***
Rosebel Gold Mine	**40.1**	**48.6**
Niobec Mine	**8.0**	**8.5**
Other Sites	**5.7**	**6.6**

* Proportionate share based on ownership as at December 31, 2011.

6.4 Community Relations

Community support for mining operations is viewed as a key ingredient for a successful mining venture. As part of its strategy, the Company plays an active role in the communities in which it operates. The Company has established community relations programs to interact with stakeholders with respect to its activities and their impact on the local communities. The positive economic impacts of mining operations are often

more noticeable in emerging countries. Therefore, in such countries, the Company implements development programs, which can be sustained beyond the mine life, to assist in improving the quality of life for those residents impacted by the operations and projects. To that effect, in 2011, the Company began a 5-year partnership in Burkina Faso with its NGO partner *Plan* to help deliver vocational and job-readiness training in various regions throughout the country. The $7.6 million initiative is primarily funded by the Canadian International Development Agency, with IAMGOLD and *Plan* making a substantial commitment of $1.9 million.

6.5 Taxes

IAMGOLD is subject to federal income tax in Canada on its worldwide earnings, although earnings of the Company's foreign subsidiaries are not generally subject to Canadian tax until repatriated to Canada. Some of the foreign subsidiaries operate in countries which have concluded a tax treaty with Canada and, as a consequence, active business income earned in those countries would be exempt from Canadian taxes when repatriated to Canada. However, earnings of foreign subsidiaries operating in other countries that have not concluded a tax treaty with Canada could attract Canadian income tax depending on the tax rate in the relevant foreign country. The Company's Canadian operations are also subject to a combined federal and provincial corporate income tax rate of approximately 28 per cent. The Company's Québec operations are also subject to a mining duty tax. During 2011, the Government of Québec increased the mining duty statutory tax rate from 12 per cent to 16 per cent.

6.6 Mining Development and Construction

In 2007, the Company created a Project Development department, consisting of three in-house divisions to support the existing operations on specific technical issues, extraordinary capital expenditures, expansions, and the advancement of projects. The goal consists of optimizing performance of each division's activities with a view to achieving greater effectiveness in terms of costs and schedule.

The objective of the Technical Services Division is to provide technical assistance to mines operated by the Company on specific projects and to conduct technical studies.

The objective of the IAMROCK Mining Development Division is to form and manage specialized teams performing mining development works at various mines or projects, in accordance with corporate priorities.

The objective of the Engineering and Construction Division is to form and manage teams of professionals and technicians specialized in engineering and planning, implementing and supervising construction activities of mine facilities and infrastructure.

6.7 Intellectual Property

Operations of the Company are not dependent upon or subject to patents or intellectual property licenses or rights.

6.8 Competition

6.8.1 **Gold Market**

The Company is in competition with other mining companies for the acquisition of interests in precious metal mining properties. In the pursuit of such acquisition opportunities, IAMGOLD competes with several Canadian and foreign companies that may have substantially greater financial and other resources. Although IAMGOLD has acquired many such assets in the past, there can be no assurance that its acquisition efforts will succeed in the future.

6.8.2 **Niobium Market**

The Niobec Mine is currently the only ferroniobium producer in North America. The Company competes on a worldwide basis against two other producers, both located in Brazil, for the sale of the mine's production. Companhia Brasilera de Metalurgia e Mineraçâo ("CBMM") is the world's largest producer of ferroniobium with an estimated market share, in 2011, in the range of 85 per cent. Mineraçâo Catalâo, a member of the Anglo-American plc group, is estimated to hold approximately 6 per cent of world supply, which is slighty lower than the Company's 8 per cent global market share.

Niobium demand has increased significantly since 2002/2003; however, due to the difficult market conditions in 2009, demand decreased by 33 per cent compared to 2008 and rebounded 42 per cent in 2010. In 2011, demand grew 5 per cent, inline with the increase in crude steel production. Its price has also marginally increased since 2009 to reach a new level in 2011. The Company's competitiveness in certain markets may be impacted by tariffs and duties imposed by governments. Nevertheless, steady market and limited supply growth has enabled the Company to expand production and increase sales.

6.9 Sale of Production

The Company's revenues are generated predominately from the sale of gold (more than 82 per cent of total 2009 revenues on a consolidated basis). The gold price is subject to fluctuations resulting from factors beyond the Company's control. These factors include general price inflation, changes in investment trends and international monetary systems, political events and changes in gold supply and demand on the public and private markets. The gold market is characterized by significant above-ground reserves which can dramatically affect the price should a portion of these reserves be brought to market. In 1999, the gold market felt the effects of gold reserve sales by some central banks as well as the effects of the announcement at the end of September 1999 by European central banks of a self-imposed annual limit on gold sales (the "Washington Agreement"). In 2004, the group of 15 signatories to the Washington Agreement renewed this agreement for a period of five years, with additional participants joining the original group of signatories. The renewal should provide for continued stability in the marketplace.

From the commencement of commercial production until the end of 1994, production from the Niobec Mine was sold in the form of concentrates to firms in Europe, India, Japan and the United States for conversion into ferroniobium and distribution in their respective markets. Commercial production of ferroniobium at the mine site commenced in December 1994 following the construction of a plant to convert niobium pentoxide concentrates into ferroniobium grading 66 per cent niobium using an aluminothermic process. Ferroniobium produced at the Niobec Mine is currently distributed, directly or through a distributor or an agent, mainly in North America, Europe and Asia.

A significant part of the annual production from the Niobec Mine is sold under the terms of commercial contracts with third party purchasers. However, these purchasers are not bound to purchase and take delivery of all of Niobec's production under the terms of these contracts and there can be no assurance that these contracts will be renewed upon their expiry or that the Company will be able to enter into agreements with other purchasers in the event that the existing contracts are not renewed.

6.10 Employees

As at December 31, 2011, the Company employed approximately 5,269 individuals and approximately 979 contractor-employees.

7. Dividends

The following table outlines the dividends declared per Common Share for the three most recently completed financial years:

	December 2011	June 2011	2010	2009
Dividend payment per Common Share	$ 0.125	$0.10	$0.08	$0.06

IAMGOLD maintains a dividend policy with the timing, payment and amount of dividends paid by IAMGOLD to shareholders to be determined by the directors of IAMGOLD from time to time based upon, among other things, the cash flow, results of operations and financial condition of IAMGOLD, the need for funds to finance ongoing operations and development, exploration and capital projects and such other business considerations as the directors of IAMGOLD may consider relevant.

The 2012 Amended Credit Facility contains covenants that restrict the ability of the Company to declare or pay dividends if a default under the 2012 Amended Credit Facility has occurred and is continuing or would result from the declaration or payment of the dividend.

8. Litigation

As more fully described under Section 3 "Risk Factors" of Item II above, in order to protect the Company's interests and those of its shareholders for damages incurred to date in connection with the denial of the Company's application to begin construction of the Camp Caiman Project, the Company appealed the French government's decision to

deny a permit for the Camp Caiman Project and instituted a €$275,000,000 compensation claim and the Adminstrative Tribunal of French Guiana ruled against the Company in both matters. The Company may appeal this decision.

Item IV Description of Capital Structure

The Company is authorized to issue an unlimited number of First Preference Shares, an unlimited number of Second Preference Shares and an unlimited number of Common Shares, of which 376,063,280 Common Shares and no First Preference Shares or Second Preference Shares were issued and outstanding as at March 21, 2012.

Each Common Share entitles the holder thereof to one vote at all meetings of shareholders other than meetings at which only holders of another class or series of shares are entitled to vote. Each Common Share entitles the holder thereof, subject to the prior rights of the holders of the First Preference Shares and the Second Preference Shares, to receive any dividends declared by the directors of the Company and the remaining property of the Company upon dissolution.

The First Preference Shares are issuable in one or more series. Subject to the articles of the Company, the directors of the Company are authorized to fix, before issue, the designation, rights, privileges, restrictions and conditions attaching to the First Preference Shares of each series. The First Preference Shares rank prior to the Second Preference Shares and the Common Shares with respect to the payment of dividends and the return of capital on liquidation, dissolution or winding-up of the Company. Except with respect to matters as to which the holders of First Preference Shares are entitled by law to vote as a class, the holders of First Preference Shares are not entitled to vote at meetings of shareholders of the Company. The holders of First Preference Shares are not entitled to vote separately as a class or series or to dissent with respect to any proposal to amend the articles of the Company to create a new class or series of shares ranking in priority to or on parity with the First Preference Shares or any series thereof, to effect an exchange, reclassification or cancellation of the First Preference Shares or any series thereof or to increase the maximum number of authorized shares of a class or series ranking in priority to or on parity with the First Preference Shares or any series thereof.

The Second Preference Shares are issuable in one or more series. Subject to the articles of the Company, the directors of the Company are authorized to fix, before issue, the designation, rights, privileges, restrictions and conditions attaching to the Second Preference Shares of each series. The Second Preference Shares rank junior to the First Preference Shares and prior to the Common Shares with respect to the payment of dividends and the return of capital on liquidation, dissolution or winding-up of the Company. Except with respect to matters as to which the holders of Second Preference Shares are entitled by law to vote as a class, the holders of Second Preference Shares are not entitled to vote at meetings of shareholders of the Company. The holders of Second Preference Shares are not entitled to vote separately as a class or series or to dissent with respect to any proposal to amend the articles of the

Company to create a new class or series of shares ranking in priority to or on parity with the Second Preference Shares or any series thereof, to effect an exchange, reclassification or cancellation of the Second Preference Shares or any series thereof or to increase the maximum number of authorized shares of a class or series ranking in priority to or on parity with the Second Preference Shares or any series thereof.

Item V Market for Securities

The Common Shares of the Company are listed on the Toronto Stock Exchange (the "TSX") under the symbol "IMG" and on the New York Stock Exchange ("NYSE") under the symbol "IAG".

The following table sets forth the market price range, in Canadian dollars, and the trading volume of the Common Shares on the TSX for each month during the year ended December 31, 2011.

TSX

	High (C$)	Low (C$)	Close (C$)	Volume
January	19.99	17.08	19.04	41,422,620
February	21.97	18.95	20.59	35,133,836
March	22.79	19.35	21.37	31,489,254
April	22.43	18.61	19.67	36,870,597
May	20.72	17.94	20.42	42,244,770
June	20.63	17.51	18.14	38,871,770
July	21.00	17.70	19.12	20,137,729
August	20.60	18.03	20.23	41,506,997
September	23.67	19.78	20.83	33,031,912
October	22.06	18.08	21.43	22,721,352
November	23.79	18.84	20.62	33,020,079
December	21.00	15.07	16.18	32,681,098

The following table sets forth the market price range, in US dollars, and the trading volume of the Common Shares on the NYSE for each month during the year ended December 31, 2011.

NYSE

	High (US$)	Low (US$)	Close (US$)	Volume
January	20.03	17.36	19.02	65,438,944
February	22.34	19.10	21.20	68,607,017
March	23.38	19.64	22.02	72,315,778
April	23.38	19.43	20.75	64,329,129
May	21.38	18.50	21.05	70,741,022
June	21.22	17.69	18.76	69,726,974
July	22.20	18.15	20.00	44,370,609
August	21.44	18.20	20.60	71,563,969
September	23.88	19.17	19.78	70,062,344
October	22.18	16.97	21.50	47,646,988
November	23.49	18.10	20.18	40,102,006
December	20.68	14.69	15.85	42,624,619

Item VI Directors and Officers

1. Directors

As of the date hereof, the list of IAMGOLD's directors is as follows:

Name, Province and Country of Residence	*Principal Occupation*	*Director Since*
WILLIAM D. PUGLIESE *Aurora, Ontario, Canada*	*Chairman of the Company*	1990
STEPHEN J.J. LETWIN *Toronto, Ontario, Canada*	*President and CEO of the Company*	2010
DEREK BULLOCK [(2)] *Fenelon Falls, Ontario, Canada*	*Mining Consultant*	1994
JOHN E. CALDWELL [(1)(3)] *Toronto, Ontario, Canada*	*Director of the Company*	2006
DONALD K. CHARTER [(1)(2)] *Etobicoke, Ontario, Canada*	*President and CEO of Corsa Coal Corp*	1994
W. ROBERT DENGLER [(2)(3)(4)] *Aurora, Ontario, Canada*	*Director of the Company*	2005
GUY G. DUFRESNE [(1)(4)] *Boucherville, Québec, Canada*	*Director of the Company*	2006

Name, Province and Country of Residence	*Principal Occupation*	*Director Since*
RICHARD J. HALL *Silverthorne, Colorado, United States of America*	*Chairman of Premier Gold Mines*	2012
MAHENDRA NAIK [(1)(2)] *Markham, Ontario, Canada*	*Chief Financial Officer of Fundeco Inc. Private Investment Company, Chartered Accountant*	1990
JOHN T. SHAW [(3)(4)] *Sydney, New South Wales, Australia*	*Director of the Company*	2006
TIMOTHY R. SNIDER *Tuscon, Arizona, United States of America*	*Chairman of Cupric Canyon Capital LLC*	2011

(1) *Member of the Audit and Finance Committee*
(2) *Member of the Human Resources and Compensation Committee*
(3) *Member of the Nominating and Corporate Governance Committee*
(4) *Member of the Environmental, Health and Safety Committee*

All of the above-mentioned directors have held their current positions or another position with their current employer or a company related thereto during the last five years, with the following exceptions: Mr. Hall who, prior to October 2011, was President and Chief Executive Officer of Northgate Minerals and who, prior to July 2008, was President and Chief Executive Officer of Metallica Resources Inc.; and Mr. Snider who, prior to March 2008, was President and Chief Operating Officer of Freeport-McMoRan Copper & Gold Inc. and who, prior to March 2007, was President and Chief Operating Officer of Phelps Dodge Corporation.

Each director will, unless he resigns or his office becomes vacant for any reason, hold office until the close of the next annual meeting of shareholders or until his successor is elected or appointed.

2. Executive Officers

The current list of Company executive officers is as follows:

Name, Province and Country of Residence	Occupation	Officer Since
STEPHEN J.J. LETWIN Toronto, Ontario, Canada	President and CEO of the Company as of November 1, 2010	2010
P. GORDON STOTHART Oakville, Ontario, Canada	Executive Vice President and Chief Operating Officer	2007

Name, Province and Country of Residence	Occupation	Officer Since
CAROL T. BANDUCCI Mississauga, Ontario, Canada	Executive Vice President and Chief Financial Officer	2007
ROBERT CARREAU Toronto, Ontario, Canada	Senior Vice President, Health, Safety and Sustainability	2011
MICHAEL DONNELLY Oakville, Ontario, Canada	Senior Vice President, Exploration	2007
BENJAMIN R. LITTLE Toronto, Ontario, Canada	Senior Vice President, Corporate Affairs	2011
CRAIG S. MACDOUGALL Oakville, Ontario, Canada	Vice President, Exploration	2012
DENIS MIVILLE-DESCHÊNES* Bromont, Québec, Canada	Senior Vice President, Project Development	2006
PAUL B. OLMSTED Mississauga, Ontario, Canada	Senior Vice President, Corporate Development	2003
JEFFERY A. SNOW Toronto, Ontario, Canada	Senior Vice President, General Counsel	2009
LISA ZANGARI Toronto, Ontario, Canada	Senior Vice President, Human Resources	2009

* Prior to joining the Company, the individual was an officer or held another management position with a company acquired by IAMGOLD.

All of the executive officers of the Company have held their current positions or another management position with the Company or one of its affiliates during the last five years, with the following exceptions: Mr. Stephen J.J. Letwin who, prior to joining IAMGOLD in November 2010, was based in Houston, Texas where he was the Executive Vice President, Gas Transportation & International, with Enbridge Inc. Before joining Enbridge, Mr. Letwin served as President and & Chief Operating Officer of TransCanada Energy and was Chief Financial Officer, TransCanada Pipelines Limited, Numac (Westcoast Energy), and Encor Energy; Mr. Stothart who, prior to December 2007, was General Manager, Project Technical Services for Xstrata Copper (a mining company); Ms. Banducci who, prior to July 2007, was Vice President, Financial Operations with Royal Group Technologies (a building products manufacturer); Mr. Carreau who, prior to December 2011, held the position of Vice-President, Corporate Social Responsibility and Sustainability at an international mining company; Mr. Little who, prior to August 2009, held the position of Director of Government and International Affairs at Barrick Gold Corporation; Mr. MacDougall who, prior to February 2012, worked as an industry consultant and prior to that he held the position of President and CEO of Continental Nickel Limited; Mr. Snow who, prior to November 2009, was Managing Director, Mining Group for McMillan LLP and Ms. Zangari who, prior to September 2009, was Senior Vice President, Human Resources at Kinross Gold Corporation (a mining company).

3. Shareholdings of Directors and Officers

As at March 21, 2012, directors and executive officers of IAMGOLD as a group beneficially own, directly or indirectly, or exercise control or direction over, approximately 5,139,985 million Common Shares or 1.37 per cent of all the issued and outstanding Common Shares of IAMGOLD.

4. Corporate Cease Trade Orders or Bankruptcies

To the knowledge of the Company, no director or executive officer of the Company is, or has been in the last ten years, a director or executive officer of an issuer that, while acting in such capacity, (a) was the subject of a cease trade order or similar order or an order that denied the issuer access to any exemptions under securities legislation, for a period of more than 30 consecutive days, (b) was subject to an event that resulted, after that person ceased to be a director or executive officer, in the issuer being the subject of a cease trade or similar order or an order that denied the issuer access to any exemption under securities legislation, for a period of more than 30 consecutive days, or (c) or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, except for the following: (i) Mr. Caldwell was serving as a director of the Mosaic Group Inc. when, in December 2002, it filed for protection under the *Companies' Creditors Arrangements Act* (the "CCAA"). Mr. Caldwell ceased being a director of the Mosaic Group in September 2003; (ii) Mr. Caldwell was a director of Stelco Inc. when, in January 2004, it obtained a court order under the CCAA to initiate the restructuring of its debt obligations

and capital structure. Stelco Inc. emerged from CCAA on March 31, 2006. Mr. Caldwell was a director of Stelco Inc. from 1997 until March 31, 2006; (iii) Mr. Shaw was serving as a non-executive director of Albidon Limited when, on April 22, 2009, the company voluntarily appointed administrators. Following this appointment of administrators Mr. Shaw resigned as director of Albidon Limited. As of October 2010, the administration of the company came to an end.

Personal Bankruptcies

To the knowledge of the Company, no director or executive officer of the Company, or shareholder holding a sufficient number of securities to affect materially the control of the Company, has, within the 10 years before the date of this Annual Information Form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his or her assets.

Penalties and Sanctions

To the best of management's knowledge, no penalties or sanctions have been imposed on a director or executive officer of the Company, or shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, in relation to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or has had any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflict of Interest

To the best of management's knowledge, there are no existing or potential material conflicts of interest between the Company or any of its subsidiaries and any director or officer of the Company or a subsidiary of the Company.

Item VII Audit and Finance Committee

1. Composition and Relevant Education and Experience of Members

The directors of the Company have an Audit and Finance Committee (the "Audit Committee") which consists of Messrs. John E. Caldwell (Chairman), Donald K. Charter, Mahendra Naik and Guy Dufresne. The directors of the Company have determined that all members of the Audit Committee are "independent" and "financially literate" for the purposes of applicable laws. The directors of the Company have also determined that each member of the Audit Committee is an "Audit Committee Financial Expert" for the purposes of applicable laws. The designation of each member of the Audit Committee as an "Audit Committee Financial Expert" does not make him an "expert" for any purpose, impose any duties, obligations or liability on him that are greater than those

imposed on members of the Board of Directors who do not carry this designation or affect the duties, obligations or liability of any other member of the Audit Committee.

The following is a brief summary of the education and experience of each member of the Audit Committee that is relevant to the performance of his responsibilities as a member of the Audit Committee.

The text of the Audit and Finance Committee's charter is attached hereto as Schedule "A".

Name	Relevant Education and Experience
John E. Caldwell (Chairman)	Mr. Caldwell has been a director of the Company since 2006. Mr. Caldwell brings extensive general and financial management and risk assessment experience to the Board. From 2003 until his retirement from SMTC Corporation, on March 31, 2011, he served as President and Chief Executive Officer and as a member of the board of directors. Before joining STMC, Mr. Caldwell held positions in The Mosaic Group, a marketing services provider, as Chair of the Restructuring Committee of the Board, from October 2002 to September 2003, in GEAC Computer Corporation Limited, a computer software company, as President and Chief Executive Officer from October 2000 to December 2001 and in CAE Inc., a provider of simulation and modeling technologies and integrated training solutions for the civil aviation and defense industries, as President and Chief Executive Officer from June 1993 to October 1999. In addition, Mr. Caldwell served in a variety of senior executive positions in finance, including Senior Vice President of Finance and Corporate Affairs of CAE and Executive Vice President of Finance and Administration of Carling O'Keefe Breweries of Canada. Over the course of his career, Mr. Caldwell has served on the audit committees of ten public companies. Also, for the past several years, Mr. Caldwell has been a lecturer on board oversight responsibility for enterprise risk as part of an accredited board of director education program through McMaster University in Canada. Mr. Caldwell has been a director of Advanced Micro Devices, Inc., a global semiconductor provider since 2006 and of Faro Technologies, Inc., a producer of three dimensional manufacturing measurement systems, since 2002. Mr. Caldwell also served on the board of directors of ATI Technologies Inc. from 2003 to 2006, Rothmans Inc. from 2004 to 2008, Cognos Inc. from 2000 to 2008, Stelco Inc. from 1997 to 2006 and Sleeman Breweries Ltd. from 2003 to 2005.

Name	Relevant Education and Experience
Donald K. Charter	Mr. Charter became the President and CEO of Corsa Capital in August of 2010. Corsa is a junior metallurgical coal mining company listed on the TSX.V with operations in Pennsylvania. Mr. Charter has business experience in a number of sectors including mining (precious metals, base metals, iron ore, coal), oil & gas, real estate and financial services. He is a graduate of McGill University where he obtained degrees in Economics and Law. He began his career in Toronto where he built a successful commercial and M&A business law practice becoming a partner in a national law firm. In 1996 he joined the Dundee group of companies as an Executive Vice President with a number of capital markets related responsibilities. In 1998 he became the inaugural Chairman and CEO of the Dundee Securities group of companies and oversaw its growth from a start up to a major independent financial services company. In 2006, Mr. Charter left this group and focused his attention on 3C's Corporation, his personal consulting and investment company, and as a corporate director primarily in the resource sector currently sitting on the Board of Directors of Lundin Mining (Compensation Committee (Chair), Audit Committee) Dundee REIT and Adriana Resources (Chairman of the Board). Mr. Charter has extensive corporate governance experience and has sat on and chaired a number of audit, compensation and governance committees during his career as well a number of special, independent and strategic committees in various corporate situations. He has completed the Institute of Corporate Directors, Directors Education Program and is a member of the Institute.

Name	Relevant Education and Experience
Mahendra Naik	Mr. Naik is a Chartered Accountant with mining and investment company experience. He holds a Bachelor of Commerce degree from the University of Toronto. He practiced as a Chartered Accountant for nine years with a major Canadian accounting firm. As a Chartered Accountant, Mr. Naik has experience in preparing, auditing, analyzing and evaluating financial statements, understands internal controls and procedures for financial reporting and understands the accounting principles used by the Company to prepare its financial statements as well as the implications of said accounting principles on the Company's results. From 1990 to 1999, he was the Chief Financial Officer of IAMGOLD. He is also the Chairman of the Audit Committee for a TSX listed base-metals company. In addition, he is Chairman of the Audit Committee of a number of private companies in the precious metals and financial service businesses.
Guy G. Dufresne	Mr. Dufresne is an engineer from Ecole Polytechnique de Montréal and holds a masters degree of engineering (including computers) from the Massachusetts Institure of Technology and an MBA from the Harvard Business School. From 1992 to 2006, he was President and CEO of Québec Cartier Mining and led the turnaround of this iron ore company; for 25 years prior to 1992, he held progressive senior positons within the forest product industry including President and COO of Kruger. Since about 1980, Mr. Dufresne has been a member of the board of several public and private companies and he has worked on numerous committees; he is still a member of the board of RSA Canada, an insurance company. Over the years he has been Chairman of the board of Tembec, Cambior, Conseil du Patronat, Chamber of Marien Commerce, The Mining Association of Canada, The Québec Forest Product Association and L'Institut Armand-Frappier (a pharmaceutical reseach centre). Mr. Dufresne has acquired through education and experience, an understanding of how to help companies to be cost competitive and profitable.

2. Mandate of the Audit and Finance Committee

The general mandate of the Audit and Finance Committee is to review and, if deemed appropriate, recommend the approval of the Company's annual and quarterly financial statements and related disclosure to the Board of Directors, and more particularly to

oversee the Company's financial reporting process, internal control system, management of financial risks and the audit process of financial information.

This committee reviews the general policies submitted by the Company's management in connection with financial reporting and internal control and deals with all material matters relating thereto. Based on its review, this committee makes recommendations to the Board of Directors. Finally, the committee ensures that the external auditors are independent *vis-à-vis* management of the Company and makes its recommendations regarding their nomination for the ensuing year. The charter of the Audit and Finance Committee is attached hereto as Schedule A.

3. Pre-Approval Policies and Procedures

The Audit and Finance Committee has adopted a pre-approval policy with respect to permitted non-audit services. Under this policy, subject to certain conditions, specified audit-related services, tax-related non-audit services, audit services and certain permitted non-audit services may be presented to the Audit and Finance Committee for pre-approval as a category of services on an annual or project basis. On a quarterly basis, the Chief Financial Officer of IAMGOLD is required to update the Audit and Finance Committee in respect of the actual amount of fees in comparison to the pre-approved estimate. Following the annual pre-approval, on an interim basis, the Chief Financial Officer of IAMGOLD is permitted to approve statutory, compliance and subsidiary audits and additional audit-related services and specified non-audit services, provided that the estimated fees for such services fall within specified dollar limits. Additional audit-related services and specified non-audit services that exceed the dollar thresholds and all additional non-audit services, including tax-related non-audit services, require the pre-approval of the Audit and Finance Committee (or if within a specified dollar threshold, the Committee Chairman).

4. External Auditor Service Fees

Audit Fees

The aggregate fees billed by the Company's external auditor in each of the last two fiscal years for audit services were $1,609,000 in 2011 and $1,705,000 in 2010.

Audit-Related Fees

The aggregate fees billed in each of the last two fiscal years for assurance and related services by the Company's external auditor that are not included in the above paragraph were $721,000 in 2011 and $68,000 in 2010. The audit-related fees relate to services provided in connection with public offerings and transactions completed by the Company.

Tax Fees

The aggregate fees billed in each of the last two fiscal years for professional tax services rendered by the Company's external auditor were $305,000 in 2011 and $83,000 in 2010. The professional tax services related to corporate tax compliance, tax planning and other related tax services.

All Other Fees

There were no other fees billed by the Company's external auditors in the past two fiscal years.

Chart for the above fee disclosure

The aggregate fees billed by the external auditor of the Company in each of the last two financial years of the Company are as follows:

	2011	2010
Audit Fees[1]	1,609,000	1,705,000
Audit-Related Fees[2]	721,000	68,000
Tax Fees[3]	305,000	83,000
Total	2,635,000	1,856,000

(1) "Audit Fees" include the aggregate professional fees paid to KPMG LLP for the audit of the annual consolidated financial statements and other regulatory audits and filings.

(2) "Audit-Related Fees" include the aggregate fees paid to KPMG LLP, for the provision of financial filing advice services.

(3) "Tax Fees" include the aggregate fees paid to KPMG LLP for the provision of corporate tax compliance, tax planning and other tax related services.

Item VIII Interest of Management and Others in Material Transactions

Within the three most recently completed financial years and during the current 2011 fiscal year to the date hereof, none of the directors or executive officers of the Company, any person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10 per cent of the outstanding voting securities of the Company or associates or affiliates of any such individuals has, to the best of the Company's knowledge, any material interest, direct or indirect, in any transaction that has materially affected or is reasonably expected to materially affect the Company and its subsidiaries.

Item IX Transfer Agent and Registrar

The Company's transfer agent and registrar is:

Computershare Trust Company of Canada
100 University Ave.
9th Floor, North Tower
Toronto, Ontario M5J 2Y1
Canada

Item X Material Contracts

2008 Credit Facility

The Company entered into a credit agreement (the “Credit Agreement”) on April 15, 2008 with a syndicate of financial institutions (collectively the “Lenders”) led by The Bank of Nova Scotia and Société Générale providing for a revolving bank credit facility of up to $140 million (the “2008 Credit Facility”). The purpose of the 2008 Credit Facility is to finance general corporate requirements of the Company including permitted acquisitions. The 2008 Credit Facility matures and all indebtedness thereunder is due and payable on April 15, 2013. The Company, with the consent of Lenders representing greater than 66 2/3 per cent of the aggregate commitments under the 2008 Credit Facility, has the option to extend the term of the facility for up to two additional one-year terms. The Company must replace or cancel the commitments of any Lenders who do not consent to such an extension.

Advances under the 2008 Credit Facility are available in US dollars and bear interest at rates calculated with respect to certain financial ratios of the Company and vary in accordance with borrowing rates in Canada and the United States. The Lenders are each paid a standby fee on the undrawn portion of the 2008 Credit Facility, which fee also depends on certain financial ratios of the Company. Payment and performance of the Company’s obligations under the facility are guaranteed by certain of the subsidiaries of the Company (collectively with the Company, the “Obligors”) and are secured by a pledge by the Obligors of all of their equity interests in each of the other Obligors (other than the Company) and a pledge by the Obligors of their bank accounts, investment accounts, bullion accounts and certain debt obligations. The Credit Agreement includes certain covenants relating to the operations and activities of the Obligors including, among others, restrictions with respect to indebtedness, distributions, entering into derivative transactions, disposition of material assets, mergers and acquisitions and maintaining assets in certain jurisdictions, as well as covenants to maintain certain financial ratios and a tangible net worth of not less than the aggregate of $738 million plus 50 per cent of the Company’s consolidated net income for the fiscal quarter ending December 31, 2007 and each subsequent fiscal year (excluding any period in which net income is a loss), plus 50 per cent of the proceeds of equity issuances or contributions after December 31, 2007. The Credit Agreement also includes typical events of default, including any change of control of the Company.

2010 Amended Credit Facility

The Company amended and restated the Credit Agreement (“Amended Credit Agreement”) on March 24, 2010 with a revised syndicate of financial institutions (collectively the “Revised Lenders”) led by The Bank of Nova Scotia, Société Générale and the Canadian Imperial Bank of Commerce. The amendments provide for a revolving bank credit facility of up to $350 million or Canadian dollar equivalents (the “2010 Amended Credit Facility”). The purpose of the 2010 Amended Credit Facility

remains to finance general corporate requirements of the Company, including permitted acquisitions and the issuance of letters of credit. The 2010 Amended Credit Facility matures and all indebtedness thereunder is due and payable on March 24, 2013. The Company, with the consent of the Revised Lenders representing greater than 66 2/3 per cent of the aggregate commitments under the 2010 Amended Credit Facility, has the option to extend the term of the facility. The Company must replace or cancel the commitments of any Revised Lenders who do not consent to such an extension.

Advances under the 2010 Amended Credit Facility are available in US dollars, and Canadian dollars and bear interest at rates calculated with respect to certain financial ratios of the Company and vary in accordance with borrowing rates in Canada and the United States. The Revised Lenders are each paid a standby fee on the undrawn portion of the 2010 Amended Credit Facility, which fee also depends on certain financial ratios of the Company. Payment and performance of the Company's obligations under the facility continue to be guaranteed by certain of the subsidiaries of the Company (collectively with the Company, the "Obligors"). Generally, previous security including pledges by the Obligors of all of their equity interests in each of the other Obligors (other than the Company) and a pledge by the Obligors of their bank accounts, investment accounts, bullion accounts and certain debt obligations have been eliminated. The Amended Credit Agreement includes certain covenants relating to the operations and activities of the Obligors including, among others, restrictions with respect to indebtedness, distributions, entering into derivative transactions, disposition of material assets, mergers and acquisitions as well as covenants to maintain certain financial ratios and a tangible net worth of not less than the aggregate of $1,250 million plus 50 per cent of the Company's consolidated net income for the fiscal quarter ending December 31, 2010 and each subsequent fiscal year (excluding any period in which net income is a loss), plus 50 per cent of the proceeds of equity issuances or contributions after December 31, 2009. The Amended Credit Agreement also includes typical events of default, including any change of control of the Company.

2012 Amended Credit Facility

The Company amended and restated the Credit Agreement ("Amended Credit Agreement") on February 22, 2012 with a revised syndicate of financial institutions (collectively the "Revised Lenders") led by The Bank of Nova Scotia, the Canadian Imperial Bank of Commerce and Toronto-Dominion Bank. The amendments provide for a revolving bank credit facility of up to $500 million or Canadian dollar equivalents (the "2012 Amended Credit Facility"). The purpose of the 2012 Amended Credit Facility remains to finance general corporate requirements of the Company, including permitted acquisitions and the issuance of letters of credit. The 2012 Amended Credit Facility matures and all indebtedness thereunder is due and payable on February 22, 2016. The Company, with the consent of Revised Lenders representing greater than 66 2/3 per cent of the aggregate commitments under the 2012 Amended Credit Facility, has the option to extend the term of the facility. The Company must replace or cancel the commitments of any Revised Lenders who do not consent to such an extension.

Advances under the 2012 Amended Credit Facility are available in US dollars, and Canadian dollars and bear interest at rates calculated with respect to certain financial ratios of the Company and vary in accordance with borrowing rates in Canada and the United States. The Revised Lenders are each paid a standby fee on the undrawn portion of the 2012 Amended Credit Facility, which fee also depends on certain financial ratios of the Company. Payment and performance of the Company's obligations under the facility continue to be guaranteed by certain of the subsidiaries of the Company (collectively with the Company, the "Obligors"). The Amended Credit Agreement includes certain covenants relating to the operations and activities of the Obligors including, among others, restrictions with respect to indebtedness, distributions, entering into derivative transactions, disposition of material assets, mergers and acquisitions as well as covenants to maintain certain financial ratios and a tangible net worth of not less than the aggregate of $2.25 billion plus 50 per cent of the Company's consolidated net income for the fiscal quarter ending December 31, 2012 and each subsequent fiscal year (excluding any period in which net income is a loss), plus 50 per cent of the proceeds of equity issuances or contributions after December 31, 2011. The Amended Credit Agreement also includes typical events of default, including any change of control of the Company.

As at March 21, 2012, there were no funds drawn under the 2012 Amended Credit Facility.

2012 Niobec Credit Facility

The Company entered into a credit agreement (the "Credit Agreement") on February 22, 2012 with a syndicate of financial institutions (collectively the "Lenders") led by The Bank of Nova Scotia, the Canadian Imperial Bank of Commerce and Toronto-Dominion Bank for the purpose of providing a revolving bank credit facility of up to $250 million (the "2012 Niobec Credit Facility"). The purpose of the 2012 Niobec Credit Facility is to finance general corporate requirements of Niobec Inc. ("Niobec"), a wholly-owned subsidiary of the Company including capital expansion. The 2012 Niobec Credit Facility matures and all indebtedness thereunder is due and payable on February 22, 2016. Niobec and the Company, with the consent of Lenders representing greater than 66 2/3 per cent of the aggregate commitments under the 2012 Niobec Credit Facility, has the option to extend the term of the facility for an additional one-year term. Niobec must replace or cancel the commitments of any Lenders who do not consent to such an extension.

Advances under the 2012 Niobec Credit Facility are available in US and Canadian dollars and bear interest at rates calculated with respect to certain financial ratios of the Company and vary in accordance with borrowing rates in Canada and the United States. The Lenders are each paid a standby fee on the undrawn portion of the 2012 Niobec Credit Facility, which fee also depends on certain financial ratios of Niobec. Payment and performance of Niobec's obligations under the facility are secured by an unconditional guaranteed by the Company. The Credit Agreement includes certain covenants relating to the operations and activities of Niobec including, among others,

restrictions with respect to indebtedness, distributions, entering into derivative transactions, disposition of material assets, mergers and acquisitions. The Credit Agreement also includes typical events of default, including any change of control of Niobec.

As at March 21, 2012, there were no funds drawn under the 2012 Niobec Credit Facility.

2010 Letter of Credit Facility

The Company entered into a Credit Agreement ("Letter of Credit Agreement") on April 23, 2010 with The National Bank of Canada. The purpose of the 2010 Letter of Credit Facility is to provide letters of credit as security in respect of obligations the Company may have as they relate to its asset retirement obligations. The 2010 Letter of Credit Facility matures and all indebtedness thereunder is due and payable on April 23, 2011. The Company has the option to extend the term of the facility for up to 364 days. The Company must replace or cancel the commitments of the Lender if it does not consent to such an extension.

The Lender is paid a standby fee on the undrawn portion of the 2010 Letter of Credit Facility. Payment and performance of the Company's obligations under the facility are guaranteed by a performance security guarantee as underwritten by the Economic Development Canada. The Letter of Credit Agreement includes typical events of default, including any change of control of the Company.

2012 Amended Letter of Credit Facility

The Company amended and restated the Credit Agreement ("Letter of Credit Agreement") on February 22, 2012 with The National Bank of Canada (the "Lender"). The amendments provide for a revolving bank credit facility of up to $75million or Canadian dollar equivalents ("the 2012 Amended Letters of Credit Facility"). The purpose of the 2012 Amended Letters of Credit Facility remains to provide letters of credit as security in respect of obligations the Company may have as they relate to its asset retirement obligations. The 2012 Amended Letters of Credit Facility matures and all indebtedness thereunder is due and payable at February 2013. The Company has the option to extend the term of the facility for up to 364 days. The Company must replace or cancel the commitments of the Lender if it does not consent to such an extension.

The Lender is paid a standby fee on the undrawn portion of the 2012 Amended Letter of Credit Facility. Payment and performance of the Company's obligations under the facility are guaranteed by a performance security guarantee as underwritten by the Economic Development Canada. The Letter of Credit Agreement includes typical events of default, including any change of control of the Company.

As at March 21, 2012, there were $18.4 million of funds drawn and issued in the form of Letters of Credit, under the 2012 Amended Letters of Credit Facility.

There are no other contracts, other than those herein disclosed in this Annual Information Form and other than those entered into in the ordinary course of the Company's business, that is material to the Company and which was entered into in the most recently completed financial year of the Company or before the most recently completed financial year but is still in effect as of the date of this Annual Information Form.

Item XI Interests of Experts

The following persons and companies have prepared or certified a statement, report or valuation described or included in a filing, or referred to in a filing, made by the Company under National Instrument 51-102 during, or relating, to the financial year of the Company ended December 31, 2011.

KPMG LLP, Chartered Accountants

The "qualified persons" whose names are set forth herein, being: Réjean Sirois, Pierre Pelletier, Daniel Vallieres, Francis Clouston, Gabriel Voicu, Patrice Simard, Armand Savoie, Pierre Levesque, Marie-France Bugnon, Elzear Belzile and Belzile Solutions Inc., Ian Glacken and Optiro Pty Ltd, Louis-Pierre Gignac, Louis Gignac and G Mining Services Inc, John Hawxby, GRD Minproc (Pty) Ltd, Phillip Bedell and Golder Associates Ltd, Patrick Godin, Roscoe Postle Associates Inc, Graham G. Clow, Bernard Salmon, Marc Lavigne, Barry McDonough, Pierre Jean Lafleur, P.J. Lafleur Géo-Conseil Inc. and M. Ali Ben Ayad

To the knowledge of the Company, after reasonable enquiry, each of the foregoing persons and companies, except for KPMG LLP, beneficially owns, directly, or indirectly, or exercises control or direction over less than one per cent of the outstanding Common Shares. Réjean Sirois, Pierre Pelletier, Daniel Vallieres, Francis Clouston, Gabriel Voicu, Patrice Simard, Armand Savoie, Pierre Levesque and Marie-France Bugnon are employees of the Company.

KPMG LLP are the Company's external auditors and have reported to the shareholders on the Company's consolidated financial statements for the year ended December 31, 2011 in their report dated February 23, 2012. In connection with their audit, KPMG LLP has confirmed that they are independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

Item XII Additional Information

Additional information relating to the Company may be found on SEDAR at *www.sedar.com* and the Company's website at *www.iamgold.com*. Information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, will be contained in the Company's Management Information Circular pertaining to its Annual General Meeting of Shareholders, scheduled for May 14, 2012, which will involve the election of directors. Additional information is also provided in the Company's audited consolidated financial statements and management's discussion and analysis for its most recently completed financial year ended December 31, 2011.

SCHEDULE A

IAMGOLD CORPORATION

AUDIT AND FINANCE COMMITTEE CHARTER

1. Overall Purpose and Objectives

The audit and finance committee (the “Committee”) will assist the directors (the “Directors”) of IAMGold Corporation (the “Corporation”) in fulfilling their responsibilities under applicable legal and regulatory requirements. To the extent considered appropriate by the Committee or as required by applicable legal or regulatory requirements, the Committee will provide oversight with respect to the integrity of financial reporting process of the Corporation, the system of internal controls and management of the financial risks of the Corporation, the performance of IAMGOLD’s internal audit function and the external audit process of the financial information of the Corporation, oversight of financial policies and the nature and structure of major strategic financial commitments. In fulfilling its responsibilities, the Committee maintains an effective working relationship with the Directors, management of the Corporation, internal audit and the external auditor of the Corporation as well as monitors the independence of the external auditor.

In addition to the powers and responsibilities expressly delegated by the Board of Directors to the Committee in this Charter, the Committee may exercise any other powers and carry out any other responsibilities delegated to it by the Board from time to time consistent with the Company’s bylaws. The powers and responsibilities delegated by the Board to the Committee in this Charter or otherwise shall be exercised and carried out by the Committee as it deems appropriate without requirement of Board approval, and any decision made by the Committee (including any decision to exercise or refrain from exercising any of the powers delegated to the Committee hereunder) shall be at the Committee’s sole discretion. While acting within the scope of the powers and responsibilities delegated to it, the Committee shall have and may exercise all the powers and authority of the Board. To the fullest extent permitted by law, the Committee shall have the power to determine which matters are within the scope of the powers and responsibilities delegated to it.

Notwithstanding the foregoing, the Committee’s responsibilities are limited to oversight. Management of the Company is responsible for the preparation, presentation and integrity of the Company’s financial statements as well as the Company’s financial reporting process, accounting policies, internal audit function, internal accounting controls and disclosure controls and procedures. The independent auditor is responsible for performing an audit of the Company’s annual financial statements, expressing an opinion as to the conformity of such annual financial statements with accounting principles generally accepted in the Canada (GAAP) and reviewing the Company’s quarterly financial statements. It is not the responsibility of the Committee to

plan or conduct audits or to determine that the Company's financial statements and disclosure are complete and accurate and in accordance with generally accepted accounting principles and applicable laws, rules and regulations. Each member of the Committee shall be entitled to rely on the integrity of those persons within the Company and of the professionals and experts (including the Company's internal auditor (or others responsible for the internal audit function, including contracted non-employee or audit or accounting firms engaged to provide internal audit services) and the Company's independent auditor) from which the Committee receives information and, absent actual knowledge to the contrary, the accuracy of the financial and other information provided to the Committee by such persons, professionals or experts.

2. Authority

(a) The Committee shall have the authority to:

(i) engage independent counsel and other advisors as the Committee determines necessary to carry out its duties;

(ii) set and pay the compensation for any advisors employed by the Committee;

(iii) communicate directly with the internal and external auditor of the Corporation and require that the external auditor of the Corporation report directly to the Committee; and

(iv) seek any information considered appropriate by the Committee from any employee of the Corporation.

(b) The Committee shall have unrestricted and unfettered access to all personnel and documents of the Corporation and shall be provided with the resources reasonably necessary to fulfill its responsibilities.

3. Membership and Organization

(a) The Committee will be composed of at least three members. The members of the Committee shall be appointed by the Directors to serve one-year terms and shall be permitted to serve an unlimited number of consecutive terms. Every member of the Committee must be a Director who is independent and financially literate. In this Charter, the terms "independent" and "financially literate" have the meaning ascribed to such terms by Applicable Laws , including currently the requirements of Multilateral Instrument 52-110 and the Corporate Governance Rules of the New York Stock Exchange ("NYSE Rules"), which are reproduced in Appendix "A" attached hereto. The chairman of the Committee will be appointed by the Committee from time to time on the recommendation of the corporate governance committee and must have such accounting or related financial management expertise as the Directors may determine in

their business judgment.

All members shall, to the satisfaction of the Board of Directors, be “financially literate”, and at least one member shall have accounting or related financial management expertise to qualify as a “financial expert” in accordance with applicable legal requirements, including currently the requirements of Multilateral Instrument 52-110, the rules adopted by the United States Securities and Exchange Commission and the NYSE Rules reproduced in Appendix “A” attached hereto.

No Committee member may simultaneously serve on the audit committee of more than two other public companies, unless the Board determines that such simultaneous service would not impair the ability of such member to effectively serve on the Committee.

As the rules set out in Schedule “A” may be revised, updated or replaced from time to time, the Audit Committee shall ensure that such schedule is up-dated accordingly when required.

(b) The secretary of the Committee will be the Secretary of the Corporation or such other person as is chosen by the Committee.

(c) The Committee may invite such persons to meetings of the Committee as the Committee considers appropriate, except to the extent exclusion of certain persons is required pursuant to this Charter or Applicable Laws.

(d) The Committee may invite the external auditor of the Corporation to be present at any meeting of the Committee and to comment on any financial statements, or on any of the financial aspects, of the Corporation.

(e) The Committee will meet as considered appropriate or desirable by the Committee. Any member of the Committee may call or the external auditor of the Corporation may request a meeting of the Committee at any time upon 48 hours prior written notice.

(f) All decisions of the Committee shall be by simple majority and the chairman of the Committee shall not have a deciding or casting vote.

(g) Minutes shall be kept in respect of the proceedings of all meetings of the Committee.

(h) Except as may be delegated by the Committee to any one or more members of the Committee, no business shall be transacted by the Committee except at a meeting of the members thereof at which a majority of the members thereof is present.

(i) The Committee may transact its business by a resolution in writing signed by all the members of the Committee in lieu of a meeting of the Committee.

4. Role and Responsibilities

To the extent considered appropriate or desirable or required by applicable legal or regulatory requirements, the Committee shall, in respect of the:

(a) Financial Reporting of the Corporation

(i) review the quarterly and annual financial statements of the Corporation, management's discussion and analysis and any annual and interim earnings press releases of the Corporation before the Corporation publicly discloses such information and discuss these documents with the external auditor and with management of the Corporation, as appropriate;

(ii) consider the fairness of the quarterly and annual interim financial statements and financial disclosure of the Corporation and review with management of the Corporation whether,

- actual financial results for the annual and interim periods varied significantly from budgeted, projected or previous period results;
- generally accepted accounting principles have been consistently applied;
- there are any actual or proposed changes in accounting or financial reporting practices of the Corporation; and
- there are any significant or unusual events or transactions which require disclosure and, if so, consider the adequacy of that disclosure;

(iii) review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and consider their impact on the financial statements of the Corporation;

(iv) review any legal matters which could significantly impact the financial statements of the Corporation as reported on by counsel and meet with counsel to the Corporation whenever deemed appropriate;

(v) review the selection of, and changes in the accounting policies of the Corporation;

(vi) review judgmental areas, for example those involving a valuation of the assets and liabilities and other commitments and contingencies of the Corporation;

(vii) review audit issues related to the material associated and affiliated entities of the Corporation that may have a significant impact on the equity investment therein of the Corporation;

(viii) discuss the Corporation's earnings press releases, as well as financial information and earning guidance provided to analysts and rating agencies, if applicable;

(ix) meet with management and the external auditor of the Corporation to review the annual financial statements of the Corporation and the results of the audit thereof; and

(x) meet separately and periodically with the management of the Corporation, the external auditor of the Corporation and the internal auditor (or other personnel responsible for the internal audit function of the Corporation) of the Corporation to discuss any matters that the Committee, the external auditor of the Corporation or the internal auditor of the Corporation , respectively, believes should be discussed privately;

(b) Internal Controls of the Corporation

(i) oversee the planning and implementation of work of the internal auditor pursuant to the internal audit charter, which charter shall be approved by the Committee from time to time, including, without limitation, the identification and management of risks to the Corporation through the implementation of a system of internal controls appropriate to the Corporation;

(ii) review the areas of greatest financial risk to the Corporation and whether management of the Corporation is managing these risks effectively;

(iii) review and determine if internal control recommendations made by either the internal or external auditor of the Corporation have been implemented by management of the Corporation;

(iv) review and be satisfied that adequate procedures are in place for the review of the public disclosure of the Corporation of financial information and periodically assess the adequacy of those procedures; and

(v) establish procedures for,

- the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and

- the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters relating to the Corporation;

(c) External Auditor of the Corporation

(i) recommend to the Directors,

- the external auditor to be nominated for the purpose of preparing or issuing an auditor's report on the annual financial statements of the Corporation or performing other audit, review or attest services for the Corporation; and
- the remuneration to be paid to the external auditor of the Corporation;

(ii) review the proposed audit scope and approach of the external auditor of the Corporation and ensure no unjustifiable restriction or limitations have been placed on the scope of the proposed audit;

(iii) oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report on the annual financial statements of the Corporation or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management of the Corporation and the external auditor of the Corporation regarding any financial reporting matter and review the performance of the external auditor of the Corporation;

(iv) consider the qualification and independence of the external auditor of the Corporation, including reviewing the range of services provided by the external auditor of the Corporation in the context of all consulting services obtained by the Corporation;

(v) pre-approve all non-audit services to be provided to the Corporation or any subsidiary entities thereof by the external auditor of the Corporation and, to the extent considered appropriate: (i) adopt specific policies and procedures in accordance with Applicable Laws for the engagement of such non-audit services; and/or (ii) delegate to one or more independent members of the Committee the authority to pre-approve all non-audit services to be provided to the Corporation or any subsidiary entities thereof by the external auditor of the Corporation provided that the other members of the Committee are informed of each such non-audit service;

(vi) review and approve the hiring policies of the Corporation regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation;

(vii) review with the external auditor of the Corporation any audit problems or difficulties and management's response to such problems or difficulties;

(d) Financial Matters

The Committee shall review and, where appropriate, make recommendations to the Directors regarding:

(i) policies relating to the Corporation's cash flow, cash management and working capital, shareholder dividends and related policy, and share issuance and repurchases;

(ii) financing plans, including capital market and off-balance sheet transactions, including, without limitation, equity, debt and sale-leasebacks that may have a material impact on the Corporation's financial position;

(iii) capital expenditure budgets and proposed major capital expenditure (development and exploration) projects;

(iv) acquisitions, joint ventures, divestitures and other similar transactions; and

(v) other transactions or financial issues that management wishes to be reviewed by the Committee.

The Committee shall review and assess annually this charter and recommend any proposed changes to the Board of Directors for approval and perform an annual evaluation of the performance of the Committee, the results of which shall be reported to the Board of Directors.

5. Communication with the Directors

(a) The Committee shall produce and provide the Directors with a summary of all actions taken at each Committee meeting or by written resolution.

(b) The Committee shall produce and provide the Directors with all reports or other information required to be prepared under Applicable Laws.

Appendix A

Independence Requirement of Multilateral Instrument 52-110

A member of the Audit Committee shall be considered “independent”, in accordance with Multilateral Instrument 52-110 - Audit Committees (“MI 52-110”), subject to the additional requirements or exceptions provided in MI 52-110, if that member has no direct or indirect relationship with the Company, which could reasonably interfere with the exercise of the member’s independent judgment. The following persons are considered to have a material relationship with the Company and, as such, cannot be a member of the Audit Committee:

a. an individual who is, or has been within the last three years, an employee or executive officer of the Company;

b. an individual whose immediate family member is, or has been within the last three years, an executive officer of the Company;

c. an individual who:

   i. is a partner of a firm that is the Company’s internal or external auditor;

   ii. is an employee of that firm; or

   iii. was within the last three years a partner or employee of that firm and personally worked on the Company’s audit within that time;

d. an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual:

   i. is a partner of a firm that is the Company’s internal or external auditor;

   ii. is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice, or

   iii. was within the last three years a partner or employee of that firm and personally worked on the Company’s audit within that time;

e. an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the Company’s current executive officers serves or served at the same time on the entity’s compensation committee; and

f. an individual who received, or whose immediate family member who is employed as an executive officer of the Company received, more than $75,000 in direct compensation from the Company during any 12 month period within the last three years, other than as remuneration for acting in his or her capacity as a member of the Board of Directors or any Board committee, or the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service for the Company if the compensation is not contingent in any way on continued service.

In addition to the independence criteria discussed above, any individual who:

a. has a relationship with the Company pursuant to which the individual may accept, directly or indirectly, any consulting, advisory or other compensatory fee from the Company or any subsidiary entity of the Company, other than as remuneration for acting in his or her capacity as a member of the board of directors or any board committee; or as a part-time chair or vice-chair of the board or any board or committee, or

b. is an affiliated entity of the Company or any of its subsidiary entities, is deemed to have a material relationship with the Company, and therefore, is deemed not to be independent.

The indirect acceptance by an individual of any consulting, advisory or other fee includes acceptance of a fee by:

a. an individual’s spouse, minor child or stepchild, or a child or stepchild who shares the individual’s home; or

b. an entity in which such individual is a partner, member, an officer such as a managing director occupying a comparable position or executive officer, or occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to the entity) and which provides accounting, consulting, legal, investment banking or financial advisory services to the Company or any subsidiary entity of the Company.

Independence Requirement of NYSE Rules

A director shall be considered “independent” in accordance with NYSE Rules if that director has no material relationship with the Company that may interfere with the exercise of his/her independence from management and the Company. In addition:

a. A director who is an employee, or whose immediate family member is an executive officer, of the Company is not independent until three years after the end of such employment relationships.

b. A director who receives, or whose immediate family member receives, more than $100,000 per year in direct compensation from the Company, other than director or committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service), is not independent until three years after he or she ceases to receive more than $100,000 per year in such compensation.

c. A director who is affiliated with or employed by, or whose immediate family member is affiliated with or employed in a professional capacity by, a present or former internal or external auditor of the Company is not “independent” until three years after the end of the affiliation or the employment or auditing relationship.

d. A director who is employed, or whose immediate family member is employed, as an executive officer of another company where any of the Company’s present executives serve on that company’s compensation committee is not “independent” until three years after the end of such service or the employment relationship.

e. A director who is an executive officer or an employee, or whose immediate family member is an executive officer, of a company that makes payments to, or receives payments from, the Company for property or services in an amount which, in any single fiscal year, exceeds the greater of $1 million, or 2% of such other company’s consolidated gross revenues, is not “independent” until three years after falling below such threshold.

A member of the Audit Committee must also satisfy the independence requirements of Rule 10A-3(b)(1) adopted under the Securities Exchange Act of 1934 as set out below:

In order to be considered to be independent, a member of an audit committee of a listed issuer that is not an investment company may not, other than in his or her capacity as a member of the audit committee, the board of directors, or any other board committee:

a. Accept directly or indirectly any consulting, advisory, or other compensatory fee from the issuer or any subsidiary thereof, provided that, unless the rules of the national securities exchange or national securities association provide otherwise, compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the listed issuer (provided that such compensation is not contingent in any way on continued service); or

b. Be an affiliated person of the issuer or any subsidiary thereof. An “affiliated person” means a person who directly or indirectly controls IAMGOLD, or a director, executive officer, partner, member, principal or designee of an entity that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, IAMGOLD.

Financial Literacy Under Multilateral Instrument 52-110

“Financially literate”, in accordance with MI 52-110, means that the director has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements.

Financial Expert under SEC Rules

An audit committee financial expert is defined as a person who has the following attributes:

a. an understanding of generally accepted accounting principles and financial statements;

b. the ability to assess the general application of such principles in connection with the accounting for estimates, accruals and reserves;

c. experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues which are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the registrant's financial statements, or experience actively supervising one or more persons engaged in such activities;

d. an understanding of internal controls and procedures for financial reporting; and

e. an understanding of audit committee functions.

An individual will be required to possess all of the attributes listed in the above definition to qualify as an audit committee financial expert and must have acquired such attributes through one or more of the following means:

a. education and experience as a principal financial officer, principal accounting officer, controller, public accountant or auditor, or experience in one or more positions that involve the performance of similar function;

b. experience actively supervising a principal financial officer, principal accounting officer, controller, public accountant, auditor or person performing similar functions;

c. experience overseeing or assessing the performance of companies or public accountants with respect to the preparation, auditing or evaluation of financial statements; or

d. other relevant experience

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL POSITION AND RESULTS OF OPERATIONS
2011

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The following Management's Discussion and Analysis ("MD&A"), dated February 23, 2012, should be read in conjunction with the Company's annual consolidated financial statements for December 31, 2011 and related notes thereto which appear elsewhere in this report. Beginning January 1, 2011, IAMGOLD Corporation ("IAMGOLD" or the "Company") reports under International Financial Reporting Standards ("IFRS"). The consolidated financial statements for 2011 have been prepared in accordance with IFRS with comparative information for 2010 restated under IFRS (refer to note 33 in the consolidated financial statements for the 2010 reconciliation from Canadian generally accepted accounting principles ("GAAP") to IFRS). All figures in this MD&A are in U.S. dollars, unless stated otherwise. Additional information on IAMGOLD Corporation can be found at www.sedar.com or www.sec.gov. IAMGOLD's securities trade on the Toronto and New York stock exchanges.

EXECUTIVE SUMMARY

IAMGOLD Corporation ("IAMGOLD," "IMG," or the "Company") is committed to being a global leader in generating superior value for its stakeholders through responsible mining. With respect to corporate social responsibility, IAMGOLD is committed to Zero Harm, in every aspect of its business.

IAMGOLD's continued focus on Zero Harm was evident in both the overall improved results in the year and the industry recognition received throughout the year. As disclosed in the 2010 MD&A, IAMGOLD had one fatality at the beginning of 2011 and cannot be satisfied until it reaches Zero Harm.

- In March 2011, IAMGOLD received the 2011 Environmental and Social Responsibility Award from the Prospectors and Developers Association of Canada. This award recognizes accomplishment in environmental protection and in developing good community relations in the mining sector.
- In May 2011, IAMGOLD was honoured with the 2011 Syncrude Award for Excellence in Sustainable Development for IAMGOLD's Zero Harm vision. This award promotes the Canadian minerals industry as an active seeker of sustainability solutions that engage and affect the Canadian public.
- IAMGOLD made the 2011 Maclean's/Jantzi-Sustainalytics list of the 50 Most Responsible Corporations in Canada for the second year in a row.
- IAMGOLD also ranked first in the mining industry in Canada's Best 50 Corporate Citizens in 2011 CSR publication Corporate Knights Magazine Focus on increasing value for its stakeholders.

In 2011, on the strength of record revenues of $1.7 billion, the Company generated record earnings from continuing operations attributable to equity shareholders of $391.3 million ($1.04 per share), an increase of $175.4 million (81%) from 2010, and record operating cash flow from continuing operations of $589.9 million ($1.57 per share) an increase of $242.1 million (70%) from 2010.

In addition to the Company's exceptional performance from its continuing operations in 2011, IAMGOLD delivered on the following key priorities:

- Expanding the value of its existing operations
- Unlocking the value of the Niobec mine and the rare earth elements ("REE")
- Divesting of non-core assets

The Company is delivering on its strategy of expanding operations to increase the return from its existing investments. In 2011 the Company incurred $395 million in capital projects and plans on spending $880 million in 2012. Specifically for the gold mines:

- Westwood – As confirmed by a recently completed development study, Westwood is on track to begin production in early 2013.
- Essakane – The expansion development study was completed at the end of 2011. Pending resolution of fiscal terms with the Government of Burkina Faso, commencement of construction is planned for early 2012, with completion in the second half of 2013.
- Sadiola – Significant progress has been made to advance the Sadiola sulphide project. The feasibility study completed in early 2011 is being optimized and is awaiting final approval by the Company's joint venture partner AngloGold Ashanti. Permits are in place to begin construction.
- Rosebel – Ongoing capital projects are formulated to maintain mill throughput in the 12-14 million tonne per year range as the operation moves to higher proportions of hard rock. The Company will complete a feasibility study on various aspects of this project during 2012.

The Company reviewed options to unlock the value of the Niobec mine and the REE deposit:

- In early 2012, the Company achieved positive results from a pre-feasibility study on its wholly-owned subsidiary Niobec Inc. The total probable mineral reserves of niobium increased by 616% to 1,746 million kilograms of contained Nb_2O_5 using the block-caving scenario.

- The pre-feasibility study confirms management's view of the value of the Niobec asset, estimated to have an after-tax net asset value of $1.6 billion to $1.8 billion.
- On February 2, 2012 the Company announced that an inferred resource of 466.8 million tonnes at an average grade of 1.65% Total Rare Earth Oxides ("TREO") was estimated on the REE zone adjacent to its Niobec niobium mine as a result of its 2011 exploration drilling program.

IAMGOLD delivered on its strategy to divest of non-core assets. In 2011, the Company received $737.4 million in cash and recorded after tax gains of $431.0 million:

- In December 2011, the Company disposed of its investment in two royalties, including the Magistral gold royalty on properties in Mexico, for proceeds of $15.0 million and a gain of $12.4 million
- In August 2011, the Company completed the disposition of its Mupane gold mine in Botswana for total proceeds of $34.2 million, resulting in net cash proceeds of $6.6 million and a gain of $5.3 million
- In June 2011, the Company completed the sale of its 18.9% interests in the Tarkwa and Damang gold mines in Ghana, West Africa to Gold Fields Limited for cash proceeds of $667.0 million, resulting in a gain of $402.8 million
- In February 2011, the Company disposed of the La Arena project in Peru, for proceeds of $48.8 million resulting in a gain of $10.5 million

Numerous projects are underway and the Company is pursuing additional exploration opportunities to continue to provide a strong pipeline for future growth. Based on positive exploration results, the Company has confirmed its commitment to organic growth by approving an aggressive corporate exploration plan of $130.6 million in 2012, a 20% increase over the $108.6 million expended in 2011.

The Company continues to invest in opportunistic junior mining companies and other investments as an avenue for growth. As of December 31, 2011, these investments totaled nearly $120 million at market value. In late 2011, IAMGOLD announced that it had acquired an interest in three companies with exploration projects in Colombia. The combined investment for all three companies was $20 million.

IAMGOLD has improved its ability to act on strategic initiatives with the strengthening of its liquidity position and access to funding. At the end of 2011, the Company had $1.3 billion in cash, cash equivalents and bullion (at market) resulting from the sale of non-core assets and record operating cash flow. In addition, the Company increased its shelf-prospectus to $1.0 billion and increased its available combined credit facilities to $825 million in early 2012.

Financial Results

During 2011, the Company generated a record $1.7 billion in revenues from continuing operations supported by an average realized gold price of $1,555 per ounce.

Record net earnings attributable to equity shareholders were $806.7 million ($2.15 per share) compared to $262.6 million ($0.71 per share) in 2010. Excluding earnings from discontinued operations, net earnings from continuing operations attributable to equity shareholders increased by $175.4 million to $391.3 million ($1.04 per share) from $215.9 million ($0.58 per share) in 2010. This 81% increase is the result of higher sales volume and an increasing gold margin[1].

[1] Adjusted net earnings attributable to equity shareholders of the Company, adjusted net earnings attributable to equity shareholders per share, operating cash flow from continuing operations before changes in working capital per share, cash cost per ounce, gold margin per ounce, operating margin per kilogram of niobium sold, are non-GAAP financial measures. Refer to the Supplemental Information section attached to the MD&A for reconciliation to GAAP measures.

Adjusted net earnings[1] from continuing operations attributable to equity shareholders were a record amount of $406.4 million ($1.08 per share [1]), an increase of 82% compared to 2010. The operating cash flow from continuing operations before changes in working capital[1] of $653.8 million ($1.74 per share) was a record in 2011 compared to $393.4 million ($1.06 per share) in 2010 and continues to be the Company's primary source of funding for the expansion plans at IAMGOLD's existing operations and exploration sites.

For 2011, IAMGOLD reported 896,000 attributable ounces of gold produced from continuing operations representing a 168,000-ounce or 23% increase compared to last year. The total attributable gold production including discontinued operations was 972,000 ounces (2010 - 967,000 ounces). Cash costs for continuing operations for 2011 were $636 per ounce[1] compared with $534 per ounce in 2010. Average cash costs at IAMGOLD's operated sites were $573 per ounce during 2011; an increase of 19% compared to $482 per ounce in 2010 as a result of lower grades, increasing costs in aggregate and higher royalties from higher gold prices.

The Company faced cost pressures from higher labour costs, higher energy costs, and higher costs of consumables. Despite the decline from its peak prices earlier in 2011, the worldwide price for crude oil continued to be higher than the prior year. This increase in energy prices led to higher haulage and power generation costs. Royalties increased by $26 per ounce due to higher gold prices. In addition, lower grades and hard rock contributed to increasing cash costs per ounce. Notwithstanding these cost increases, gold margins per ounce of gold[2] increased by 27% as a result of the increased gold price.

Niobium revenues were $177.8 million in 2011 compared to $158.7 million in 2010, driven by a higher realized niobium price and higher sales volumes during the year. The operating margin per kilogram of niobium[1] decreased by $3 per kilogram during 2011 to $15 per kilogram compared to the prior year. Notwithstanding a higher average price sold, the lower operating margin was due to lower grades and higher costs resulting from mine re-sequencing to align to future plan changes in mining approach, higher prices of consumables and a stronger Canadian dollar.

IFRS

The Company now reports its consolidated financial statements according to International Financial Reporting Standards ("IFRS"). These are the Company's first consolidated financial statements prepared in accordance with IFRS. In preparing its opening IFRS consolidated balance sheet, and comparative consolidated financial statements in 2010, the Company has adjusted amounts reported previously in financial statements and in the MD&A in accordance with previous Canadian generally accepted accounting principles.

Refer to note 33 in the 2011 annual consolidated financial statements for the 2010 reconciliation from Canadian generally accepted accounting principles to IFRS.

[1] Operating cash flow from continuing operations before changes in working capital per share, cash cost per ounce, operating margin per kilogram of niobium sold and gold margin per ounce are non-GAAP financial measures. Refer to the Supplemental Information section attached to the MD&A for reconciliation to GAAP measures.

OVERVIEW

IAMGOLD is an established mining company. IAMGOLD's interests include five operating gold mines, a niobium mine, a diamond royalty, and exploration and development projects located in Africa and the Americas. IAMGOLD's growth plans are currently focused in West Africa, select countries in South America and in the Canadian province of Quebec.

The following table highlights the Company's percentage ownership share of producing mines and major exploration and evaluation projects ("E&E").

Site	Operator	Reporting Segment	Geographic Location	IAMGOLD Share[e] 2011	IAMGOLD Share[e] 2010
Rosebel mine	IAMGOLD	Gold	Suriname	95%	95%
Essakane mine[a]	IAMGOLD	Gold	Burkina Faso	90%	90%
Doyon division[b]	IAMGOLD	Gold	Canada	100%	100%
Niobec mine	IAMGOLD	Non-gold	Canada	100%	100%
Quimsacocha project	IAMGOLD	E&E	Ecuador	100%	100%
Joint Ventures:					
Sadiola mine	AngloGold Ashanti	Gold	Mali	41%	41%
Yatela mine	AngloGold Ashanti	Gold	Mali	40%	40%
Discontinued Operations:					
Tarkwa mine[c]	Gold Fields Limited		Ghana	—	18.9%
Damang mine[c]	Gold Fields Limited		Ghana	—	18.9%
Mupane mine[d]	IAMGOLD		Botswana	—	100%

(a) Commercial production began on July 16, 2010.

(b) The Doyon division includes the Mouska mine and the Westwood project.

(c) On June 22, 2011, the Company sold its interests in Tarkwa and Damang gold mines.

(d) On August 31, 2011, the Company completed the disposition of its Mupane gold mine. As part of the consideration, IAMGOLD received 21,875,000 (48.5%) common shares of Galane Gold Ltd. ("Galane"), the new owner of the Mupane mine. The Mupane mine was classified as a discontinued operation until August 31, 2011. As of September 1, 2011, the Company began reporting the investment in Galane using the equity basis of accounting.

(e) The non-controlling interests relate to the non-controlling partners' interests in Rosebel Gold Mines N.V. (the Rosebel mine), and Essakane S.A. (the Essakane mine). Non-controlling interests are classified as a component of equity separate from the equity of the parent and are not included in net earnings, but rather presented as an allocation of net earnings. Basic earnings per share are calculated by dividing earnings attributable to equity shareholders by the weighted average number of common shares outstanding during the period. This MD&A includes discussion and analysis based on the portion of net earnings, net earnings from discontinued operations and adjusted net earnings attributable to equity shareholders of the Company.

2011 HIGHLIGHTS

Financial Results and Position

- Record revenues from continuing operations of $1,673.2 million were up 53% from $1,097.1 million in 2010.
- Record net earnings attributable to equity shareholders of $806.7 million ($2.15 per share) compared to $262.6 million ($0.71 per share) in 2010. Excluding the earnings from discontinued operations, net earnings from continuing operations attributable to equity shareholders increased by $175.4 million to $391.3 million ($1.04 per share) from $215.9 million ($0.58 per share) in 2010. This 81% increase is the result of higher sales volume and an increasing gold margin[1].
- Record adjusted net earnings from continuing operations attributable to equity shareholders [1] of $406.4 million ($1.08 per share [1]), increased by 82% from $223.2 million ($0.60 per share) in 2010. The adjusting items are mainly the result of gains on sales of assets, partially offset by losses from non-cash adjustments required under IFRS. See the Adjusted Net Earnings reconciliation for further details.
- Record operating cash flow from continuing operations before changes in working capital [1] of $653.8 million ($1.74 per share [1]), increased by 66% compared to $393.4 million ($1.06 per share) in 2010. See the operating cash flow from continuing operations before changes in working capital reconciliation for further details.
- Financial position with cash, cash equivalents and gold bullion (at market) of $1.3 billion as of December 31, 2011 was higher compared to $0.4 billion at December 31, 2010. The increase was mainly the result of the disposal of IAMGOLD's portion of the Tarkwa and Damang mines for $667 million. Operating cash flow during 2011 funded investments in operating, exploration and development sites.
- The net earnings from discontinued operations of $415.3 million are presented separately in the consolidated statement of earnings, and comparative periods have been adjusted accordingly.

Production, Cash Costs and Margin

Gold Operations

- Attributable gold production of 896,000 ounces from continuing operations increased by 23% compared to 728,000 attributable ounces in 2010. The total attributable gold production including discontinued operations was 972,000 ounces (2010 - 967,000 ounces).
- Weighted average cash costs[1] for continuing operations were $636 per ounce, compared to $534 per ounce in 2010. Cash costs at IAMGOLD-operated sites were $573 per ounce compared to $482 per ounce in 2010.
- The gold margin[1] increased by 27% from $726 per ounce during 2010 to $919 per ounce during 2011 as selling price increases more than offset the increases in costs.

Niobec Mine

The niobium production of 4.6 million kilograms was 0.2 million kilograms higher than production in 2010, at an operating margin [2] of $15 per kilogram, compared to $18 per kilogram in 2010. Notwithstanding a higher average price sold, the lower operating margin was due to lower grades and higher costs resulting from mine re-sequencing to align to future plan changes in mining approach, higher prices of consumables and a stronger Canadian dollar.

[1] Adjusted net earnings from continuing operations attributable to equity shareholders of the Company, adjusted net earnings from continuing operations attributable to equity shareholders per share, operating cash flow from continuing operations before changes in working capital, operating cash flow from continuing operations before changes in working capital per share, cash cost per ounce and gold margin per ounce are non-GAAP measures. Refer to the Supplemental Information section attached to the MD&A for reconciliation to GAAP measures.

[2] Operating margin per kilogram of niobium at the Niobec mine is a non-GAAP measure. Refer to the Supplemental Information section attached to the MD&A for reconciliation to GAAP measures.

Commitment to Zero Harm Continues

In March 2011, IAMGOLD received the 2011 Environmental and Social Responsibility Award from the Prospectors and Developers Association of Canada ("PDAC"). This award recognizes accomplishment in environmental protection and in developing good community relations in the mining sector. According to PDAC, IAMGOLD is being recognized and honoured for its commitment to excellence in environmental stewardship, community engagement, and health and safety in its exploration projects and operating mines in Africa, South America and Quebec. The Company is particularly commended for having been placed as the top extractive company and third overall in the Globe and Mail's ranking of Canada's largest companies by environmental and social and governance performance.

On May 23, 2011, IAMGOLD was honoured with the 2011 Syncrude Award for Excellence in Sustainable Development for IAMGOLD's Zero Harm vision. This award promotes the Canadian minerals industry as an active seeker of sustainability solutions that engage and affect the Canadian public. Sustainability is defined as meeting the needs of the present generation without compromising the ability of future generations to meet their needs. Sustainable development includes the interdependent and mutually reinforcing pillars of economic development, social development and environmental protection. This award recognizes extraordinary systems, programs or processes that have far-reaching and positive sustainability effects in all industry sectors across Canada. It recognizes those individuals, communities, organizations, corporations or academics that are working to create economic wealth while mitigating environmental impacts and acting inclusively towards all segments of society.

IAMGOLD made the 2011 Maclean's/Jantzi-Sustainalytics list of the 50 Most Responsible Corporations in Canada for the second year in a row.

IAMGOLD also ranked first in the mining industry in Canada's Best 50 Corporate Citizens in 2011 CSR publication Corporate Knights Magazine.

On September 29, 2011, IAMGOLD announced that it has embarked upon an innovative Canadian Public-Private Partnership to improve educational opportunities and provide greater access to "job-readiness" training for the youth of Burkina Faso in West Africa. The Canadian International Development Agency (CIDA) has approved funding of C$5.7 million to support this five-year project which was jointly proposed by Plan Canada and IAMGOLD. Together, Plan Canada and IAMGOLD have committed C$1.9 million to the project, which represents one of the largest public-private partnerships with an extractive company in CIDA's history.

The frequency of all types of serious injuries (measured as DART rate [1]) across IAMGOLD in 2011 was 1.12 compared to 1.06 in 2010. The 6% increase over 2010 is due to a slight increase in the number of Restricted/Transfer cases occurring across the company, although Days Away injuries cases were reduced by 29% over 2010. Total Recordable Injury rates were also reduced by 44% over 2010.

The importance of continually striving for Zero Harm is a core value for IAMGOLD. The Company strives to eliminate all injuries through a commitment to safety leadership at all levels, daily engagement of its employees in health and safety, and by fostering a culture of finding and eliminating hazards.

[1] The DART rate refers to the number of days away, restricted duty or job transfer incidents that occur per 100 employees

RESERVES AND RESOURCES

IAMGOLD's Share	2011	Change	2010[8]
Gold (000 attributable oz contained)			
Total proven and probable mineral reserves	**13,300**	**(5%)**	14,037
Total measured and indicated mineral resources [1][2]	**18,198**	**—**	18,140
Total inferred resources	**5,789**	**(20%)**	7,209
Niobium (millions of kg Nb_2O_5 contained)			
Proven and probable reserves [4][5]	**1,746**	**616%**	243.8
Measured and indicated resources [2][3][4][5]	**2,014**	**726%**	243.8
Inferred resources [6]	**547**	**73%**	316.3
Total Rare Earth Oxides ("TREO")			
Inferred resources[7] (000 tonnes)	**466,800**		N/A
Inferred resources[7] (% TREO)	**1.65**		N/A

(1) Measured and indicated gold resources are inclusive of proven and probable reserves.

(2) In mining operations, measured and indicated resources that are not mineral reserves are considered uneconomic at the price used for reserves estimations but are deemed to have a reasonable prospect of economic extraction.

(3) Measured and indicated niobium resources are 98% inclusive of probable reserves. Under the block caving scenario around 2% of the measured and indicated resources included in the probable reserves are slightly below the cutoff of 0.20% Nb_2O_5 per tonne (before recovery) used for resource reporting. This material represents only 5.8 million tonnes averaging 0.18% Nb_2O_5 for 10 million kilograms of Nb_2O_5 contained.

(4) Mineral reserves have been estimated as at December 31, 2011 using the block caving scenario from the pre-feasibility study using $45 per kg of Niobium and include dilution material. Mineral resources have been estimated using a cutoff of 0.20% Nb_2O_5 per tonne (before recovery) under the block caving scenario.

(5) There is a large volume of the material within the planned block caving that has a Measured Resource classification. However, due to the uncertainty associated with estimating material movement within the cave, a Probable classification has been applied to the reserve because of the uncertainty.

(6) Inferred and unclassified mineral resource material will be mined from the block caving scenario and segregation of the material is not possible. The inferred and unclassified material is considered to carry similar grade as the measured and indicated resources, though the material has insufficient certainty to be classified as Measured or Indicated Resource. For the purpose of estimating the Mineral Reserves, which by CIM definitions include diluting materials, tonnage of this inferred and unclassified material have been included. This material is considered to be mineralized dilution, which will be included in the Mineral Reserve estimate and within the production plan

(7) The resource estimate was prepared by Pierre Jean Lafleur, Eng., an independent Qualified Person and principal consultant of P.J. Lafleur Géo-Conseil Inc. of Ste-Thérèse, Québec. The inferred resources are presented "*in situ*" using a 0.5% TREO cutoff grade and unconstrained by whittle shell or mining design.

(8) Comparative figures exclude discontinued operations (Mupane, Tarkwa and Damang mines).

For assumptions used to determine reserves and resources, refer to the section on Critical Accounting Estimates section in this MD&A. For more information, also refer to the Company's latest annual report and the Company's website, www.iamgold.com.

Reserves and resources, excluding the discontinued operations of Mupane, Tarkwa and Damang, changed as follows:

- Total attributable proven and probable gold reserves decreased by 5% or 0.7 million ounces (net of depletion) to 13.3 million ounces of gold at the end of 2011.
- Total attributable measured and indicated gold resources (inclusive of reserves) were consistent with prior year at 18.2 million ounces of gold at the end of 2011.

- The niobium probable mineral reserves have increased substantially by 616% to 1,746 million kilograms of contained Nb_2O_5 based on the block caving scenario. The Study includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the assessment will be realized. Additionally, while preparing the Pre-feasibility Study, sparse drilling information, particularly in the lower west section of the deposit, obliged modellers to fill the voids by increasing the area of influence of diamond drill holes beyond normal practice at Niobec for definition of inferred resources. This resulted in the addition of 21 million tonnes at 0.43% Nb_2O_5 for 89 million kilograms Nb_2O_5 for the purposes of the mine plan, which equates to 5% of the expected tonnage processed. To reflect the selected mining method, 11 million tonnes of barren material from the development and the Trenton limestone overlaying the deposit were also introduced as dilution. For the purposes of the evaluation, the cave angle of the walls was assumed to be vertical. Approximately 34 million tonnes at 0.32% for 107 million kilograms of Nb_2O_5 were included as dilution in the mineral reserves.
- Niobium measured and indicated resources (98% of them are inclusive of reserves as expressed in comment (3) on the Reserves and Resources Table) increased by 726% to 2.0 billion kilograms of contained Nb_2O_5 compared to the prior year.
- On February 2, 2012, the Company announced the discovery of a large and highly significant rare earth elements (“REE”) deposit located only one kilometre north of the Niobec mine. The Company is evaluating options for the optimum strategy for exploiting the large REE deposit. A concept study is expected to be completed by the third quarter of 2012 to provide a Preliminary Economic Analysis of the REE deposit.

2012 OUTLOOK

IAMGOLD is providing guidance for production and cash costs for 2012 as follows:

	2012 Plan
Attributable gold production (thousands of ounces)	
Mines owned and operated by IAMGOLD	
Rosebel	**370 - 395**
Essakane	**320 - 345**
	690 - 740
Sadiola and Yatela mines	**150 - 170**
Total attributable production	**840 - 910**
Cash cost ($/oz of gold) [1]	**$670 - $695**
Average gold price ($/oz)	**1,700**
Average crude oil price ($/barrel)	**90**
Average foreign exchange rate (C$/US$)	**1.00**
Average foreign exchange rate (US$/€)	**1.40**
Niobium production	
Niobec (millions of kilograms)	**4.6 - 5.1**
Operating margin ($/kg Nb) [1]	**$15 - $17**

For 2013 and 2014, gold production is expected to be between 1.0 million and 1.1 million ounces. Niobium production is expected to be between 4.6 million and 5.1 million kilograms in 2013 and between 4.8 million and 5.3 million kilograms in 2014. For 2013 and 2014, the Company has assumed annual average crude oil prices of $95 and $100 per barrel, a Euro/ U.S. dollar rate of 1.35 for both periods and a U.S. dollar/ Canadian dollar rate of 1.00 and 1.05, respectively.

Cash cost per Ounce of Gold

The current financial market volatility may affect future cash costs either positively or negatively through changes in gold price, oil price, overall operating costs and currency rates. Changes in these assumptions may have a material impact on cash costs, results of operations and overall financial position of the Company. Actual results may vary significantly from guidance. The following table provides estimated sensitivities around certain inputs that can affect the Company's operating results, based on the Company's guidance for 2012.

	Change of	Impact on the Annualized 2012 Cash Cost by $/oz
Gold price	$ 100/oz	$ 6
Oil price	$10/barrel	$ 12
Euro per U.S. dollar	$ 0.10	$ 10

The Company will on an ongoing basis update its hedging strategy to mitigate currency and fuel exposures. Please refer to the Financial Position section of this document for details on the Company's hedging strategy.

[1] Cash cost per ounce and Operating margin per kilogram of niobium at the Niobec mine are non-GAAP measures. Refer to the Supplemental Information section attached to the MD&A for reconciliation to GAAP measures.

Guidance for Capitalized Mining Assets, Exploration and Development Expenditures

The following table shows the site allocation of IAMGOLD's planned capital expenditures for 2012 to 2014. The capital expenditures noted below are projected based on assumed project start dates and economic factors that are subject to change.

Site (in $ millions)	2012 $	2013 $	2014 $	Details
Westwood	220	50	30	The project remains on track for startup in early 2013. Includes spending for deepening shaft, developing drift levels for future mining and mill refurbishment. The 2012 after tax credit amount is $198 million.
Essakane	330	220	60	Includes spending for additional water storage pond, river diversion and additional power generation to process hard ore.
Rosebel	160	140	250	Primarily for crushing and grinding circuit expansion, resource development, and sustaining capital and carry over from 2011. Capital assumptions for the three years will be assessed with feasibility study to occur in 2012.
Sadiola (41%)	70	160	70	Assumes positive production decision for the Sulphide project.
Other	10	10	—	
	790	580	410	
Niobec	90	120	250	To advance the feasibility study, underground development and other improvements.
Total	**880**	**700**	**660**	

The following table outlines the capitalized stripping included in capital expenditures for 2012 to 2014:

Site (in $ millions)	2012 $	2013 $	2014 $
Essakane	50	40	40
Rosebel	—	20	50
Sadiola (41%)	15	50	50
Total	**65**	**110**	**140**

The 2012 expected exploration spending is $131 million, an increase of $22 million from 2010 spending. Included in the 2012 exploration spending is $54 million for greenfield projects and $37 million of capitalized expenditures which are included in the capital expenditures schedule above.

SUMMARIZED FINANCIAL RESULTS

Revenues from continuing operations in 2011 were a record $1,673.2 million, a 53% increase from $1,097.1 million in 2010, primarily due to higher gold sales from higher production and higher metal prices. For IAMGOLD's continuing operations including joint ventures, the number of ounces of gold sold increased by 215,000 ounces while the average realized gold price rose by 23% compared to 2010.

Net earnings attributable to equity shareholders were a record $806.7 million ($2.15 per share) during 2011, compared to $262.6 million ($0.71 per share) in 2010. The record gold margin per ounce[1] increased from $726 to $919 as price increases more than offset the increases in costs. The impact of higher metal sales and gold margins was partially offset by increases in mining costs and income and mining taxes. In addition, other significant items affecting net earnings included the positive impact of gains on disposal of discontinued operations and sale of other assets of $449.3 million, partially offset by the negative impact of changes in estimates of asset retirement obligations including unrecognized tax benefits for $25.7 million.

Adjusted net earnings from continuing operations attributable to equity shareholders [1] were a record $406.4 million ($1.08 per share [1]) an increase of 82% compared to $223.2 million ($0.60 per share) in 2010.

The operating cash flow from continuing operations in 2011 was a record $589.9 million compared to $347.8 million in 2010. Operating cash flow from continuing operations before changes in working capital[1] in 2011 was a record $653.8 million ($1.74 per share) [1], an increase of 66% compared to $393.4 million ($1.06 per share) in 2010. The increase is mainly due to the impact of higher production from continuing operations and higher per ounce gold margin.

Financial Position

The Company's cash, cash equivalents and gold bullion (at market value) position has improved with $1.3 billion available at December 31, 2011, compared to $0.4 billion at the end of 2010.

During 2011, cash and cash equivalents increased mainly due to the sale of the Company's 18.9% interests in the Tarkwa and Damang gold mines for gross proceed of $667.0 million. Cash generated from operating activities were re-invested in operating and development capital expenditures as well as funding the Company's exploration activities.

As at December 31, 2011, $350.0 million of unused credit remained available under the Company's credit facility. In addition, the Company had used $17.9 million of its $50.0 million letters of credit facility.

In February 2012, the Company increased its $350.0 million unsecured revolving credit facility to a four-year, $500.0 million unsecured revolving credit facility. The Company also increased its revolving facility for the issuance of letters of credit to $75.0 million.

In February 2012, Niobec Inc., a wholly-owned subsidiary of the Company, entered into a four-year $250.0 million unsecured revolving credit facility to be used for general corporate requirements including working capital requirements and expansion of existing facilities of Niobec.

With strong cash, cash equivalents, and gold bullion positions, the available credit facility and expected operating cash flows, the Company has the financial capacity to fund the continuing requirements of exploration and development projects and expansion of existing operations.

[1] Gold margin per ounce, adjusted net earnings from continuing operations attributable to equity shareholders of the Company, adjusted net earnings from continuing operations attributable to equity shareholders per share and operating cash flow from continuing operations before changes in working capital per share are non-GAAP measures. Refer to the Supplemental Information attached to the MD&A for reconciliation to GAAP measures.

(in $ millions)	December 31 2011 $	Change	December 31 2010 $
Financial Position			
Cash, cash equivalents and gold bullion			
• at market value	**1,262.5**	**207%**	411.3
• at cost	**1,148.4**	**269%**	311.2
Total assets	**4,349.7**	**27%**	3,431.1
Equity	**3,528.9**	**28%**	2,758.1

(in $ millions, except where noted)	2011 $	Change	2010 $
Results of Continuing Operations			
Revenues	**1,673.2**	**53%**	1,097.1
Mining costs including depreciation, depletion and amortisation	**914.8**	**41%**	649.4
Earnings from mining operations	**758.4**	**69%**	447.7
Net earnings from continuing operations attributable to equity shareholders	**391.3**	**81%**	215.9
Basic earnings from continuing operations attributable to equity shareholders per share ($/share)	**1.04**	**79%**	0.58
Net earnings attributable to equity shareholders	**806.7**	**207%**	262.6
Basic net earnings attributable to equity shareholders per share ($/share)	**2.15**	**203%**	0.71
Adjusted net earnings from continuing operations attributable to equity shareholders [1]	**406.4**	**82%**	223.2
Basic adjusted net earnings from continuing operations attributable to equity shareholders per share ($/share)[1]	**1.08**	**80%**	0.60
Cash Flows			
Operating cash flow from continuing operations	**589.9**	**70%**	347.8
Operating cash flow from continuing operations before changes in working capital [1]	**653.8**	**66%**	393.4
Operating cash flow from continuing operations before changes in working capital [1] ($/share)	**1.74**	**64%**	1.06

[1] Adjusted net earnings from continuing operations attributable to equity shareholders of the Company, adjusted net earnings from continuing operations attributable to equity shareholders per share and operating cash flow from continuing operations before changes in working capital per share are non-GAAP measures. Refer to the Supplemental Information attached to the MD&A for reconciliation to GAAP measures.

	2011	Change	2010
Key Operating Statistics			
Gold mines (Continuing operations)			
Gold sales (000 oz)[1]	**953**	**29%**	738
Average realized gold price ($/oz)	**1,555**	**23%**	1,260
Attributable gold production (000 oz)			
Continuing operations	**896**	**23%**	728
Discontinued operations	**76**	**(68%)**	239
Total	**972**	**1%**	967
Cash cost from continuing operations ($/oz)[2]	**636**	**19%**	534
Gold margin from continuing operations ($/oz)[2]	**919**	**27%**	726
Operating results – Niobec mine			
Niobium sales (millions of kg Nb)	**4.6**	**7%**	4.3
Niobium production (millions of kg Nb)	**4.6**	**5%**	4.4
Operating margin ($/kg Nb)[2]	**15**	**(17%)**	18

[1] Gold sales include 100% sales of Rosebel, Essakane and the Doyon division, 41% of sales from Sadiola, and 40% of sales from Yatela. Attributable sales for 2011 and 2010 were 896,000 ounces and 706,000 ounces, respectively, after taking into account 95% of the Rosebel sales and 90% of the Essakane sales.

[2] Cash cost per ounce, gold margin per ounce, and operating margin per kilogram of niobium at the Niobec mine are non-GAAP measures. Refer to the Supplemental Information attached to the MD&A for reconciliation to GAAP measures.

ATTRIBUTABLE GOLD PRODUCTION, CASH COST AND GOLD MARGIN PER OUNCE

The table below presents the gold production attributable to the Company along with the weighted average cash cost per ounce of production and the gold margin.

	Gold Production		Total Cash Cost[1]	
	2011	2010	**2011**	2010
	(000 oz)	(000 oz)	**$/oz**	$/oz
IAMGOLD Operator				
Rosebel (95%)	**385**	395	**616**	484
Essakane (90%)	**337**	122	**488**	429
Doyon division (100%)[1]	**24**	33	**1,076**	655
	746	550	**573**	482
Joint Ventures				
Sadiola (41%)	**121**	118	**816**	653
Yatela (40%)	**29**	60	**1,534**	780
	150	178	**954**	696
Continuing operations	**896**	728	**636**	534
Discontinued operations	**76**	239	**847**	695
Total	**972**	967	**653**	574
Continuing operations				
Cash cost[1] excluding royalties			**551**	475
Royalties			**85**	59
Cash cost			**636**	534
Gold margin from continuing operations				
Realized gold prices			**1,555**	1,260
Cash cost			**636**	534
Gold margin[1]			**919**	726

IAMGOLD's attributable gold production from continuing operations increased by 168,000 ounces (23%) during 2011 compared to the prior year primarily as a result of higher production from Essakane which was in production for the full year in 2011, partly offset by lower grades mined at Rosebel and Yatela.

The consolidated cash cost from continuing operations increased by $102 from $534 per ounce in 2010 to $636 per ounce in 2011. Cash costs at IAMGOLD-operated sites were $573 per ounce compared to $482 per ounce in 2010. The Company faced cost pressures from higher labour costs, higher energy costs, and higher costs of consumables. The worldwide price for crude oil continues to be higher than the prior year attributing to higher haulage and power generation costs. In addition, lower grades and mining harder ore contributed to increasing costs per ounce. Royalties increased by $26 per ounce mainly due to higher gold prices.

The higher gold prices supported mining hire cost end-of-life mines and offset increases at the major sites resulting in a 27% increase in gold margin[1] to $919 per ounce for 2011.

[1] Cash cost per ounce and gold margin per ounce are a non-GAAP measures. Refer to the Supplemental Information attached to the MD&A for reconciliation to GAAP measures.

GOLD SALES VOLUME AND REALIZED GOLD PRICE

The following table presents the total ounces of gold sold from continuing operations and the realized gold price per ounce.

	Gold Sales		Realized Gold Prices	
	2011	2010	**2011**	2010
	(000 oz)	(000 oz)	**$/oz**	$/oz
Operator	**803**	562	**1,553**	1,275
Joint ventures[(a)]	**150**	176	**1,566**	1,211
Total sales from continuing operations[(b)(c)]	**953**	738	**1,555**	1,260

(a) Attributable sales of joint ventures: Sadiola (41%) and Yatela (40%).

(b) Attributable sales for 2011 and 2010 were 896,000 ounces and 706,000 ounces, respectively, after taking into account 95% of the Rosebel sales and 90% of the Essakane sales.

(c) Continuing operations exclude Mupane, Tarkwa and Damang mines which are discontinued operations. Gold sales from discontinued operations in 2011 and 2010 were 79,000 ounces and 239,000 ounces, respectively.

Gold sales volumes from continuing operations increased in 2011 compared to 2010, mainly due to higher production at Essakane.

NIOBIUM PRODUCTION, SALES AND OPERATING MARGIN

	2011	**Change**	2010
Operating results – Niobec mine			
Niobium production (millions of kg Nb)	**4.6**	**5%**	4.4
Niobium sales (millions of kg Nb)	**4.6**	**7%**	4.3
Operating margin ($/kg Nb)[1]	**15**	**(17%)**	18

Niobium production during 2011 was 5% higher compared to the prior year. The operating margin per kilogram of niobium decreased by $3 per kilogram in 2011 compared to 2010.

Notwithstanding a higher average price sold, the lower operating margin was due to lower grades and higher costs resulting from mine re-sequencing to align to future plan changes in mining approach, higher prices of consumables and a stronger Canadian dollar.

[1] The operating margin per kilogram of niobium at the Niobec mine is a non-GAAP measure. Refer to the Supplemental Information attached to the MD&A for reconciliation to GAAP measures.

FINANCIAL RESULTS

REVENUES

The Company's consolidated revenues from continuing operations increased by $576.1 million (53%) compared to 2010 as a result of:

- Gold revenues increased by $552.7 million as gold prices increased by $295 per ounce ($281.7 million) and gold sale volumes increased by 215,000 ounces ($271.0 million) primarily as a result of higher production from Essakane which was in production for the full year in 2011;
- Niobium revenues increased by $19.1 million reflecting higher niobium prices ($9.8 million) and higher sales volume ($9.3 million); and
- Revenues from other metals and royalty interests in the Diavik mine increased by $4.3 million.

MINING COSTS

The 2011 mining costs from continuing operations, excluding depreciation, depletion and amortisation, increased by $226.7 million (42%) to $760.9 million compared to $534.2 million in 2010. Mining costs rose due to:

- Higher operating costs at Essakane ($118.0 million) as the mine was in production for the full year in 2011 compared to six months in 2010 and operating costs increased from prior year.
- Higher operating costs at other sites including Rosebel, Sadiola and Niobec ($90.3 million), primarily due to increased labour, energy and consumables costs together with the impact of mining lower grades and harder ore; and
- Higher royalties ($36.3 million) primarily due to higher realized gold prices;
- Offset partially by, lower adjustment to estimates of asset retirement obligations at closed sites ($17.9 million) compared to 2010.

DEPRECIATION, DEPLETION AND AMORTISATION

Depreciation, depletion and amortisation increased from $115.2 million in 2010 to $153.9 million in 2011, mainly due to higher production from Essakane. This was partially offset by an increase in the reserves for gold sites and at Niobec.

GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses have increased in 2011 to $54.2 million from $48.7 million in 2010 mainly due to increased investment in information systems, employee development and recruitment, and increased travel and charitable giving.

EXPLORATION EXPENSES

Exploration expenses in 2011 were $73.3 million, compared to $45.9 million in 2010. Exploration expenditures included near-mine exploration and resource development at Rosebel, Essakane and Westwood, and greenfield exploration on 16 projects. Refer to the Exploration section for more details.

FOREIGN EXCHANGE LOSS

The foreign exchange loss in 2011 was $8.0 million, compared to $7.8 million in 2010. The majority of the foreign exchange loss during 2011 and 2010 was due to the impact of the foreign exchange variation on monetary assets and liabilities such as cash, cash equivalents, receivables, payables and income and mining taxes payable.

INTEREST INCOME, DERIVATIVES AND OTHER INVESTMENT GAINS

The total of interest income, derivatives and other investment gains was $37.6 million in 2011 compared to $31.5 million in 2010.

The major items in 2011 were gains on sales of assets and marketable securities offset partially by unrealized derivative losses caused by the volatility in currency markets.

INCOME AND MINING TAXES

The Company does not recognize tax benefits on losses generated in countries where the recent history of operating losses does not satisfy the "probable" criterion for the recognition of deferred tax assets. Consequently, there are no income tax benefits recognized on the pre-tax losses in these jurisdictions where it is not probable that the benefit will be realized.

The income and mining tax expense (benefit) differs from the amount that would have been computed by applying the combined Canadian federal and provincial statutory income tax rate of 28.4% in 2011 (31% in 2010) to earnings from continuing operations before income and mining taxes.

The effective tax rate for the years ended December 31, 2011 and 2010 was 34% and 37%, respectively. The change in the effective tax rate was primarily attributable to the geographical mix of income, fluctuations in exchange rates for foreign currency, the impact of foreign exchange on the tax basis on non-monetary assets, and the non-recognition of tax benefits.

DISCONTINUED OPERATIONS

Results and gains on disposal of discontinued operations described below are presented separately as net earnings from discontinued operations in the consolidated statement of earnings, and comparative periods have been adjusted accordingly. Net earnings from discontinued operations totalled $415.3 million in 2011 compared to $46.7 million in 2010 as summarized in the note 6 of the Company's consolidated financial statements.

Tarkwa and Damang mines (Investments in associates)

On June 22, 2011, IAMGOLD sold its 18.9% interests in the Tarkwa and Damang gold mines in Ghana, West Africa to Gold Fields Limited for proceeds of $667.0 million. Interests in Tarkwa and Damang mines were accounted for as investments in associates using the equity method of accounting. The Company ceased the equity method of accounting as of April 1, 2011 and recorded an after-tax gain of $402.8 million on this sale.

Mupane mine

On August 31, 2011, the Company completed the disposition of its Mupane gold mine for $34.2 million resulting in an after-tax gain on disposal of $6.8 million. The disposal of the site resulted in a loss from discontinued operations of $15.3 million, including the retirement of outstanding Mupane gold hedges for $19.5 million.

The proceeds consisted of $12.5 million in cash, a $3.8 million promissory note, payable over 3 years at an annual interest rate of 6%, and 21,875,000 common shares of Galane Gold Ltd. ("Galane") valued at $17.9 million representing approximately 48.5% of the outstanding shares of Galane.

Starting September 1, 2011, the interest of 48.5% in Galane (the new entity owning the Mupane mine) was accounted for as an investment in associates using the equity method.

CASH FLOW

(in $ millions)	2011 $	2010 $
Continuing operations		
Operating activities	**589.9**	347.8
Investing activities	**247.3**	(346.4)
Financing activities	**(25.3)**	21.1
Impact of foreign exchange on cash and cash equivalents	**(11.4)**	0.7
Increase in cash and cash equivalents from continuing operations	**800.5**	23.2
Cash flows from (used in) discontinued operations	**(19.7)**	56.2
Increase in cash and cash equivalents	**780.8**	79.4
Cash and cash equivalents, beginning of year	**270.8**	191.4
Cash and cash equivalents, end of year	**1,051.6**	270.8

Continuing Operations:

Operating Activities

In 2011, cash flows from continuing operating activities were higher than last year as a result of higher gold sales at higher realized prices.

Investing Activities

Capital expenditures in mining assets and exploration and evaluation were $395.1 million during 2011 compared to $368.7 million in 2010.

Investing activities related to continuing operations in 2011 were more than offset by proceeds received from the disposition non-core assets including two royalties, one of which was the Magistral gold royalty on properties in Mexico, for proceeds of $15.0 million during the fourth quarter of 2011, the Mupane mine of $6.6 million during the third quarter of 2011, the Tarkwa and Damang mines of $667.0 million during the second quarter of 2011, and the sale of the La Arena project of $48.8 million during the first quarter of 2011.

Financing Activities

Cash flows used in financing activities related to continuing operations in 2011 and 2010 were mainly due to the payment of dividends to shareholders and non-controlling interests partially offset by the issuance of common shares. Dividends were lower in 2010.

Foreign Exchange

The impact of foreign exchange on cash and cash equivalents is related to the fluctuation of foreign currencies compared to the U.S. dollar.

Discontinued Operations:

Cash flows from (used in) discontinued operations are related to the Mupane, Tarkwa and Damang mines.

QUARTERLY FINANCIAL REVIEW

(in $ millions, except where noted)	2011				2010			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
	$	$	$	$	$	$	$	$
Revenues from continuing operations	481.6	431.9	345.7	414.0	440.9	234.7	198.1	223.4
Net earnings from continuing operations	145.8	60.0	80.1	142.1	120.3	39.9	24.2	48.7
Net earnings	145.8	50.7	484.5	162.3	134.5	54.5	30.7	60.2
Net earnings attributable to equity shareholders	133.7	40.7	478.9	153.4	124.0	52.0	29.5	57.1
Basic earnings attributable to equity shareholders of the Company per share ($/share)	0.36	0.11	1.28	0.41	0.33	0.14	0.08	0.15
Diluted earnings attributable to equity shareholders of the Company per share ($/share)	0.35	0.11	1.27	0.41	0.33	0.14	0.08	0.15

Revenues from continuing operations in the fourth quarter of 2011 were higher than in 2010 as a result of higher realized gold prices and higher gold sales. Net earnings figures were also higher compared to the same period last year as a result of higher sales volumes noted in conjunction with a 27% increase in gold margin[1].

[1] Gold margin per ounce is a non-GAAP measure. Refer to the Supplemental Information attached to the MD&A for reconciliation to GAAP measures.

MARKET TRENDS

GLOBAL FINANCIAL MARKET CONDITIONS

Events and conditions in the global financial markets impact gold prices, commodity prices, interest rates and currency rates. These conditions and market volatilities may have a positive or negative impact on the Company's revenues, operating costs, project development expenditures, and project planning.

GOLD MARKET

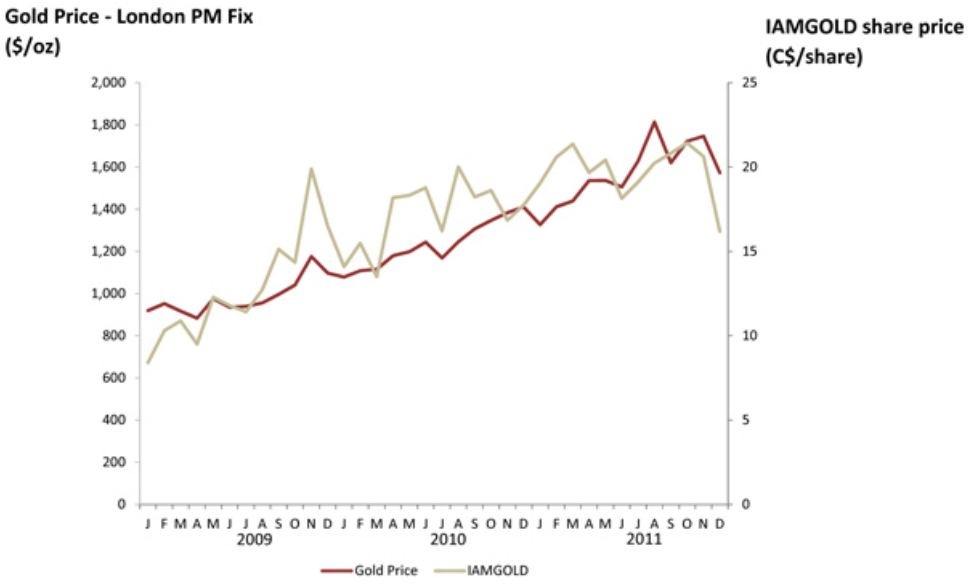
The global financial market crisis and the ongoing instability in certain economies during the past few years have affected the volatility of gold prices, oil prices, other commodity prices, foreign exchange rates and the cost and time value of money.

The gold market is affected by macro-issues such as global economic conditions and political instability as well as micro-issues such as mine production and substantial above-ground reserves that can affect the price should a portion of these reserves be brought to market. While many factors impact the valuation of gold, traditionally the key factors are the relative performance of the U.S. dollar value, global inflation rates, oil prices and interest rates. The performance of the Company and its gold producing mines is closely related to the market-driven price of gold.

In 2011, the gold price continued to display considerable volatility with spot daily closings between $1,319 and $1,895 per ounce (2010 – $1,058 and $1,420 per ounce) from London Bullion Market Association ("LBMA").

($/oz of gold)	**2011**	2010
Average market gold price	**1,572**	1,225
Average realized gold price	**1,555**	1,260
Closing market gold price	**1,566**	1,406

The Company's shareholder value increase in 2011 was partially the result of a rising gold price. As the following graph depicts, the price leverage impact is significant and correlated to IAMGOLD's share price movement.



NIOBIUM MARKET

The Company is one of three significant producers of ferroniobium in the world, with a market share of approximately 8% in 2011. The largest producer in the niobium market is a Brazilian producer whose operations can impact market conditions. Niobium demand closely follows the demand for steel, with a trend towards increased usage of niobium per tonne of steel produced. World steel production increased by approximately 5% compared to 2010. The niobium average realized price for IAMGOLD was marginally higher in 2011 when compared to 2010.

Niobium is a scarce metal used mainly in the production of high strength, low alloy steel. In addition to strengthening the steel, it lightens the weight, enhances flexibility, improves durability and reduces costs. Steel containing niobium has many attractive properties, making it highly desirable for manufacturing automobiles, pipelines, cranes, bridges and other structures designed to handle large amounts of stress.

CURRENCY

The Company's reporting currency is the U.S. dollar. Movement in the Canadian dollar against the U.S. dollar has a direct impact on the Company's Canadian mining activities and executive office cost base. Canadian and international operations are also exposed to fluctuation in currency exchange rates. Currencies continued to experience volatility relative to the U.S. dollar in 2011. The recent downgrade in the U.S. sovereign credit rating is not expected to have a material impact on IAMGOLD's financial position as all or the Company's revenues and most of cost base are in U.S. dollar, and U.S. dollar denominated short-term investments have maturities of less than twelve months. The key currencies to which the Company is exposed are the Canadian dollar and the euro.

	2011	2010
Average rates		
Canadian $ / U.S.$	**0.9889**	1.0299
U.S.$ / Euro	**1.3923**	1.3268
Closing rates		
Canadian $ / U.S.$	**1.0203**	0.9999
U.S.$ / Euro	**1.2945**	1.3382

In 2012 the Company will have a significant Canadian dollar requirement due to capital expenditures required to advance the Westwood project, as well as operating and capital expenditures at the Niobec mine. In addition, during 2012 the Company will have euro requirements due to capital and operating expenditures related to the Essakane mine in Burkina Faso. The Company may hedge this exposure through forward and option contracts to mitigate the volatility of movement in the exchange rate of these currencies. In 2012, the Company will, on an ongoing basis, update its hedging strategy, which is designed to meet its currency requirements by mitigating the volatility of movement in the exchange rate of foreign currencies.

Refer to Financial position – Market risks section for more information.

OIL PRICE

Diesel fuel is used at the mine sites for the mining fleets and the mills for power and is a significant cost component for the Company's sites (Rosebel, Essakane, Sadiola and Yatela). The Company's operations and projects consumed approximately 0.7 million barrels of fuel in 2011 and the Company is expected to consume approximately 0.8 million barrels of fuel in 2012. In 2011, the oil price displayed considerable volatility with spot daily closings between $75 and $113 per barrel.

($/barrel)	**2011**	2010
Average market oil price	**95**	80
Closing market oil price	**99**	91

Diesel is a key input to extract tonnage and, in some cases, to wholly or partially power operations. Since fuel is produced by the refinement of crude oil, changes in the price of oil directly impact fuel costs. The Company believes there is a strong relationship between prices for crude oil, heating oil and diesel.

During 2011, the Company modified the application of its strategy by including West Texas Crude oil as a basis for hedging. The Company increased its hedge position for its exposure to fuel by executing option contracts. Refer to Financial position – Market risks section for more information.

Suriname – Rosebel Mine (IAMGOLD interest – 95%)
Summarized Results
100% Basis

	2011	Change	2010
Total operating material mined (000 t)	**53,122**	**2%**	52,287
Strip ratio[(a)]	**3.0**	**3%**	2.9
Ore milled (000 t)	**12,862**	**—**	12,832
Head grade (g/t)	**1.0**	**(9%)**	1.1
Recovery (%)	**94**	**1%**	93
Gold production – 100% (000 oz)	**406**	**(2%)**	416
Attributable gold production – 95% (000 oz)	**385**	**(2%)**	395
Gold sales – 100% (000 oz)	**390**	**(6%)**	416
Gold revenue ($/oz)[(b)]	**1,555**	**25%**	1,244
Cash cost excluding royalties ($/oz)	**528**	**25%**	421
Royalties ($/oz)	**88**	**40%**	63
Cash cost ($/oz)[(c)]	**616**	**27%**	484

(a) Strip ratio is calculated as waste divided by full-grade ore mined.
(b) Gold revenue per ounce is calculated as gold sales divided by ounces of gold sold.
(c) Cash cost per ounce is a non-GAAP measure. Refer to the Supplemental Information section attached to the MD&A for reconciliation to GAAP measures.

Gold production during 2011 was 2% lower than the prior year, primarily as a result of lower grades partially offset by higher recoveries.

Cash costs per ounce of $616 were higher by 27% than the prior year primarily due to adverse cost pressures faced by the mine. Higher global oil prices led to increased cost of hauling and increased costs of thermal power. Labour costs were higher in 2011 compared to 2010 due to inflationary factors in the Surinamese economy and royalties increased with rising gold prices, partly offset by the devaluation of the Surinamese dollar.

During 2011, Rosebel's capital expenditures were $72.7 million and consisted of new mining equipment ($17.8 million), resource delineation and near-mine exploration ($11.7 million), two excavators ($10.9 million), new truck shop ($6.8 million), tailings dam ($6.2 million), gravity circuit upgrade ($4.5 million), new ball mill project ($3.2 million) and other sustaining capital ($11.6 million).

Expansion at Rosebel

The current Rosebel mine expansion project was announced early in 2011 and is effectively an optimization of the mineral reserve. Without expansion, Rosebel mill throughput would decline going forward as the ore mix trends to higher proportions of hard rock, resulting in a decline in gold production and an increase in cash costs.

Metallurgical test work and ore characterization completed in 2011 indicates that the transition to hard rock is coming sooner than expected, and that the hardness of the ore is more than originally anticipated. The mine is entering a transition period whereby the proportion of hard rock in the mill feed will climb from a nominal 15% currently to approximately 80% by 2016. As a result, it is necessary to accelerate the expansion installations and to install additional crushing and grinding equipment to maintain mill throughput at between 12 and 14 million tonnes per year, marginally higher than the rate achieved in recent years, even with the increased hard rock volumes. During 2012, a feasibility study will be carried out to provide greater design detail around this 12 to 14 million tonne per year expansion case.

In addition to the current expansion project, strategic studies have identified the potential opportunity for a more significant plant expansion to bring in additional satellite resources in the Rosebel region. This would provide an opportunity to potentially incorporate different mining, processing, and power supply alternatives and would result in economies of scale. In support of these larger capacity expansion plans, the Company entered into a Heads of Agreement with the Government of Suriname in December 2011 on the terms and conditions governing the expansion and the incorporation of satellite resources. A mutually beneficial definitive agreement is expected to follow later in 2012. Concept study work, in parallel with the feasibility study mentioned above, is planned for 2012 to further develop the understanding and definition of the expansion potential and the cost, gold price, and/or resource developments necessary to make a significant expansion viable.

Planned capital expenditures over the next three years are estimated at $550 million pending further studies and approval, and include project capital, sustaining capital and capitalized stripping.

Outlook

Rosebel's attributable production in 2012 is expected to be between 370,000 and 395,000 ounces. Capital expenditures of $160 million for 2012 includes mill expansion project ($68 million), mine expansion ($15 million), resource delineation and near mine exploration ($16 million), replacement of mining equipment ($51 million), and other sustaining capital expenditures ($10 million). The 95,000-metre near-mine drill program is designed to upgrade additional resources to reserves and pursue targets in close proximity to existing resources.

Burkina Faso – Essakane Mine (IAMGOLD interest—90%)
Summarized Results
100% Basis

	2011	Change	2010[a]
Total operating material mined (000 t)	**18,015**	**40%**	12,858
Capitalized waste mined (000 t)	**9,152**	**—**	—
Strip ratio[b]	**1.7**	**42%**	1.2
Ore milled (000 t)	**7,977**	**168%**	2,973
Head grade (g/t)	**1.5**	**—**	1.5
Recovery (%)	**95**	**(1%)**	96
Gold production – 100% (000 oz)	**375**	**176%**	136
Attributable gold production – 90% (000 oz)	**337**	**176%**	122
Gold sales – 100% (000 oz)	**379**	**235%**	113
Gold revenue ($/oz)[c]	**1,553**	**13%**	1,371
Cash cost excluding royalties ($/oz)	**407**	**3%**	396
Royalties ($/oz)	**81**	**145%**	33
Cash cost ($/oz)[d]	**488**	**14%**	429

[a] Commercial production started July 16, 2010.
[b] Strip ratio is calculated as waste mined divided by ore mined.
[c] Gold revenue per ounce is calculated as gold sales divided by ounces of gold sold.
[d] Cash cost per ounce is a non-GAAP measure. Refer to the Supplemental Information section attached to the MD&A for reconciliation to GAAP measures.

Attributable production during 2011 was 176% higher compared to the prior year which included only six months of production. Production during the year was negatively affected by extended crusher repair and a brief water shortage before the beginning of the rainy season in the second quarter of 2011. Essakane finished the year with strong fourth quarter production of 94,000 attributable ounces. The site mitigated the risk of water shortage for the future years by constructing an additional bulk water storage pond. The mine production during the year was 27.2 million tonnes, of which 9.2 million tonnes was capitalized waste as the site commenced mining phase 2 of the main pit.

Cash costs per ounce were higher in 2011 due to an increase in energy prices, upward pressure on consumable prices and higher royalties. Royalties rose as a result of increase in royalty levied from 3% to 5% and higher gold prices.

During 2011, Essakane's capital expenditures were $104.5 million and consisted of capitalized stripping cost on the push-back of the pit ($24.7 million), bulk water storage facility ($16.5 million), the feasibility study on the expansion ($8.4 million), camp site upgrades ($4.8 million), mine equipment ($15.0 million), resource delineation and near-mine exploration program ($6.3 million), capital spares ($8.8 million), airplane ($2.6 million) and other sustaining capital ($17.4 million).

Expansion at Essakane

The original feasibility production scenario for Essakane was to process soft rock for three years at an expanded rate of 7.5 million tonnes per year, followed by a short transition period and proceeding with processing of hard rock at 5.4 million tonnes per year. Following the identification of additional reserves during the pre-production period and minor modifications to the process plant design, the throughput rate for soft rock was increased to 9 million tonnes per year, still to be followed by hard rock processing at 5.4 million tonnes per year. During 2010, a Concept Study was undertaken to review the opportunity of expanding the plant to enable the processing of hard rock at a rate of 10.8 million tonnes per year, double the original designed throughput. The benefit of this scenario would be to maintain the gold production profile going forward and reduce the consequential increase in cash costs resulting from both the increased processing cost of the hard rock and the increased impact of fixed costs at the lower production rate.

Based on the results of the Concept Study announced in 2010, an expansion development study was commissioned to bring the proposal to the point of a construction decision. The development study to expand the mine capacity at Essakane was completed in late 2011 and construction is expected to commence in early 2012. Due to pre-ordering of long lead items required for the expansion during 2011 (including haul trucks, excavators, and grinding mills), the construction schedule will allow commissioning of the expanded plant during the second half of 2013.

Under the expansion plan, mining will be carried out using the same type of equipment currently used at Essakane. The mining rate will climb to 50-55 million tonnes per year by 2014 and is expected to remain at that rate for six years before decreasing gradually to the end of pit life.

Key Metrics of the Essakane Expansion Development Study:

Classification	Tonnes (millions)	Grade (g/t Au)	Attributable Gold (000s oz)
Probable Reserves	109.2	1.1	3,472
Measured Mineral Resource*	—	—	—
Indicated Mineral Resource*	139.6	1.1	4,262
Inferred Mineral Resource	24.1	1.1	797
Mine Life		14 years	
Average Annual Gold Production		350,000 oz.	
Expansion Capital Expenditures (2011-14)		$362 million	
Sustaining Capital (life of mine)		$69 million	
Average Gold Price Assumption		$1,200 per oz.	

* Indicated mineral resources are inclusive of probable reserves

Outlook

Essakane's attributable production in 2012 is expected to be between 320,000 and 345,000 ounces. Capital expenditures for 2012 of $330 million are planned at Essakane and include expansion ($208 million), capitalized stripping ($50 million), additional water storage ($15 million), additional power generation for hard ore ($12 million), resource delineation and near-mine exploration program ($8 million) and other sustaining capital ($37 million).

Canada – Doyon Division (IAMGOLD interest – 100%)
Summarized Results
100% Basis

	2011	Change	2010
Total operating material mined (000 t)	**57**	**(7%)**	61
Ore milled (000 t)	**56**	**(8%)**	61
Head grade (g/t)	**13.9**	**4%**	13.4
Recovery (%)	**95**	**(1%)**	96
Gold production (000 oz)	**24**	**(27%)**	33
Gold sales (000 oz)	**34**	**3%**	33
Gold revenue ($/oz)[(a)]	**1,523**	**14%**	1,331
Cash cost excluding royalties ($/oz)	**1,038**	**66%**	626
Royalties ($/oz)	**38**	**31%**	29
Cash cost ($/oz)[(b)]	**1,076**	**64%**	655

(a) Gold revenue per ounce is calculated as gold sales divided by ounces of gold sold.
(b) Cash cost per ounce is a non-GAAP measure. Refer to the Supplemental Information section attached to the MD&A for reconciliation to GAAP measures.

In 2011, Mouska continued to produce at a reduced rate by stockpiling ore and batch processing at the end of the year. Gold production was lower than prior year as a result of less ore mined and processed. Cash costs per ounce increased during 2011 largely due to lower production volume and higher royalties from increasing gold prices.

Outlook

In 2012, Mouska will continue stockpiling ore which will be processed in 2013 at the mill is currently being refurbished for the start-up of Westwood. There is no gold production planned at Mouska in 2012.

Mali – Sadiola Mine (IAMGOLD interest – 41%)
Summarized Results
41% Basis

	2011	Change	2010
Total operating material mined (000 t)	**8,957**	**(7%)**	9,654
Capitalized waste mined (000 t)	**2,653**	**—**	—
Strip ratio[(a)]	**10.0**	**27%**	7.9
Ore milled (000 t)	**1,979**	**10%**	1,792
Head grade (g/t)	**1.9**	**(10%)**	2.1
Recovery (%)	**94**	**1%**	93
Attributable gold production (000 oz)	**121**	**3%**	118
Attributable gold sales (000 oz)	**121**	**3%**	117
Gold revenue ($/oz)[(b)]	**1,565**	**28%**	1,224
Cash cost excluding royalties ($/oz)	**722**	**24%**	580
Royalties ($/oz)	**94**	**29%**	73
Cash cost ($/oz)[(c)]	**816**	**25%**	653

(a) Strip ratio is calculated as waste divided by full-grade ore mined.
(b) Gold revenue per ounce is calculated as gold sales divided by ounces of gold sold.
(c) Cash cost per ounce is a non-GAAP measure. Refer to the Supplemental Information section attached to the MD&A for reconciliation to GAAP measures.

The attributable gold production in 2011 was slightly higher compared to the prior year as a result of higher throughput and recoveries partially offset by lower grades. Throughput was higher as overall plant availability improved during the year. The site mined 20% higher tonnage compared to the prior year and stripped significant quantities of waste, of which 2.7 million tonnes were capitalised.

Cash costs rose during 2011 compared to the prior year primarily as a result of higher energy costs, higher consumables costs, higher labour costs from a revised mining contract finalized in the fourth quarter of 2010, and increased royalties from higher realized gold prices.

The Company's attributable portion of capital expenditures during 2011 was $23.2 million and consisted of capitalized stripping ($9.3 million), sulphide project ($3.7 million), mill equipment ($2.9 million), infrastructure ($1.8 million) and other small projects ($5.5 million).

Sadiola distributed a dividend of $33.6 million to IAMGOLD during 2011 (2010: IAMGOLD's share – $63 million).

Expansion at Sadiola

The feasibility study on the Sulphide Project to expand the processing facility to treat hard rock in conjunction with soft rock was completed in 2011. This project is primarily based on mining of hard sulphide ore beneath the oxide zone in the existing Sadiola pit, at an overall expanded milling rate. Current oxide reserves will continue to be processed in the existing plant while the expansion is constructed and for some time afterward. Once the oxide resources are exhausted, the existing portion of the plant will be adapted to treat sulphide ores together with the expansion section.

Detailed engineering and logistical planning are underway and orders for long lead time equipment were issued during 2011. Also power supply terms for the expanded operation as well as the fiscal treatment of the new project. Negotiations with the government have reached the stage necessary to complete the definitive agreement on those issues. Permits for mine site construction were received in 2011 and the permit for power line construction is expected shortly.

Currently, a project optimization exercise is underway to incorporate the latest capital and operating cost estimates, the latest mine plan incorporating all oxide resources, along with new sulphide resources identified during the past year. An internal peer review of the project is being completed. A construction decision is expected in 2012 from the Company`s joint venture partner, AngloGold Ashanti. Under the current project schedule, pre-stripping of the Sadiola main pit to access the underlying sulphides will begin in 2013. Project completion and start-up of the new process plant is scheduled for the first half of 2014. IAMGOLD's share of planned total capital expenditures over the next three years is $300 million, of which $150 million is directly related to the expansion project.

Mali – Yatela Mine (IAMGOLD interest – 40%)
Summarized Results
40% Basis

	2011	Change	2010
Total operating material mined (000 t)	**6,797**	**37%**	4,960
Strip ratio[(a)]	**7.8**	**20%**	6.5
Ore crushed (000 t)	**1,126**	**(4%)**	1,173
Head grade (g/t)	**1.0**	**(17%)**	1.2
Attributable gold stacked (000 oz)	**38**	**(17%)**	46
Attributable gold production (000 oz)	**29**	**(52%)**	60
Attributable gold sales (000 oz)	**29**	**(51%)**	59
Gold revenue ($/oz)[(b)]	**1,571**	**32%**	1,186
Cash cost excluding royalties ($/oz)	**1,438**	**103%**	709
Royalties ($/oz)	**96**	**35%**	71
Cash cost ($/oz)[(c)]	**1,534**	**97%**	780

(a) Strip ratio is calculated as waste divided by full-grade ore mined.
(b) Gold revenue per ounce is calculated as gold sales divided by ounces of gold sold.
(c) Cash cost per ounce is a non-GAAP measure. Refer to the Supplemental Information section attached to the MD&A for reconciliation to GAAP measures.

Yatela's gold production continued to decline in 2011 as the mine life draws to a close. Attributable gold production was lower in 2011 compared to 2010 as a result of lower gold stacked in prior periods. After the completion of mining the bottom of the main pit in early 2010, mine production has shifted to a longer-haul satellite pit, which resulted in lower grades and higher waste stripping.

Cash costs during 2011 were significantly higher than in the prior year. This was primarily due to higher contractor costs as a result of a revised mining contractor fee structure in the fourth quarter of 2010, higher waste stripping, higher energy cost and higher royalties as a result of higher gold prices.

There were no significant capital expenditures during 2011 and in 2010.

Yatela did not distribute any dividend during 2011 compared to $25.9 million in 2010.

Canada – Niobec Mine (IAMGOLD interest – 100%)
Summarized Results
100% Basis

	2011	Change	2010
Total operating material mined (000 t)	**2,087**	**16%**	1,792
Ore milled (000 t)	**2,113**	**13%**	1,864
Grade (% Nb_2O_5)	**0.57**	**(7%)**	0.61
Niobium production (millions of kg Nb)	**4.6**	**5%**	4.4
Niobium sales (millions of kg Nb)	**4.6**	**7%**	4.3
Operating margin ($/kg Nb) [(a)]	**15**	**(17%)**	18

[(a)] Operating margin per kilogram of niobium at the Niobec mine is a non-GAAP measure. Refer to the Supplemental Information section attached to the MD&A for reconciliation to GAAP measures.

Niobium throughput increased by 13% compared to the prior year as Niobec received the full year benefit from the mill expansion which was completed in the third quarter of 2010. As a result, niobium production during 2011 was 5% higher than in the prior year. This was offset by lower grades as a result of significant development in low grade ore required for the mining sequence in the lower blocks.

Niobium revenues were $177.8 million in 2011 compared to $158.7 million in 2010, due to a higher realized niobium price and higher sales volume. The operating margin per kilogram of niobium decreased by $3 per kilogram during 2011 compared to 2010. Notwithstanding a higher average price sold, the lower operating margin was due to lower grades and higher costs resulting from mine re-sequencing to align to future plan changes in mining approach, higher prices of consumables and a stronger Canadian dollar.

In 2011, capital expenditures were $61.3 million and included a pumping station ($17.8 million), underground development ($14.5 million), underground equipment ($7.0 million), expansion project ($4.5 million), and other sustaining capital ($17.5 million).

Expansion at Niobec

The Company achieved positive results from a pre-feasibility study (the “study”) on its wholly-owned subsidiary Niobec Inc., situated in the province of Quebec, Canada. The results of the study provide further confidence to move forward on the Niobec expansion project. The planned transition from open stoping underground mining methods to block caving mining methods as detailed in the study is expected to approximately triple niobium production and improve margins. Based on the pre-feasibility study completed in early 2012, the Company will be proceeding with a feasibility study based on the block-caving mining method. The pre-feasibility study confirms management’s view of the value of the asset, estimated to have an after-tax net asset value of $1.6 to $1.8 billion.

The planned transition from the current open stoping underground mining method to block cave mining, as detailed in the Pre-Feasibility Study is expected to approximately triple niobium production and improve margins significantly. The Feasibility Study, planned for completion by mid-2013, is intended to confirm this evaluation, to increase the detail of engineering design and to improve the accuracy of estimates. Activities planned as part of the Feasibility Study will include: production of a detailed environmental and social impact assessment, further conversion of the remaining mineral resources to the measured and indicated categories, verification of specific design parameters through further test work, production of a detailed mine design and plan, a final evaluation of the construction costs and finalization of the economic evaluation.

Key Metrics of the Niobec Expansion Pre-Feasibility Study under the Block Cave Scenario:

Classification	Tonnes (millions)	Grade (% Nb_2O_5)	Contained Nb_2O_5 (million kilograms)
Probable Reserves	419.2	0.42%	1,746
Measured Mineral Resource [1]	235.3	0.44%	1,028
Indicated Mineral Resource [1]	250.2	0.39%	986
Inferred Mineral Resource	155.4	0.35%	547

NAV (After-tax)	$1.6-$1.8 billion
Total Recovered Niobium	576 million kg Nb
Mine Life (does not include all resources)	46 years
Average Annual Niobium Production	13.5 million kg Nb
Mining Cost	$17 per kg Nb
Operating Margin	$28 per kg Nb
Pre-production Capital Expenditures	$976 million
Growth and Sustaining Capital over 46 years	$965 million
Operating Cash flow (pre-tax)	$15.2 billion
Estimated IRR (after-tax)	17% - 19%
Canadian/US Exchange Rate (2012 - 1.00)	1.05
Niobium Price Assumption	$45 per kg Nb

(1) Measured and indicated resources are 98% inclusive of probable reserves. Under the block caving scenario around 2% of the measured and indicated resources included in the probable reserves are slightly below the cutoff of 0.20% Nb_2O_5 per tonne (before recovery) used for resource reporting. This material represents only 5.8 million tonnes averaging 0.18% Nb_2O_5 for 10 million kilograms of Nb_2O_5 contained.

The completion of the pre-feasibility study has provided more insight into the timing of the expenditures. Pre-production capital expenditures of $976 million are planned from 2013 through 2016 for expansion construction. This estimate includes permit applications, basic and detailed engineering, development work, construction and start-up of the mine and the new plant. The estimated cost of $30 million to complete the feasibility in 2012-2013 is not included.

The schedule of project expenditures is shown below:

Year	Capital Expenditures ($ millions)*
2013	90
2014	220
2015	291
2016	375
Total	**976**

* Excludes mine capital and feasibility study costs.

In 2011, following the scoping study results, a community relation office was put in place in order to inform key stakeholders in relation to the project. Several committees were formed by the foreseen impacted community to represent their interests. Preliminary social and environmental baselines were completed within the potentially impacted area. The permitting process is estimated to be completed between 18 to 24 months following the project notice deposit to the regulatory agencies.

Outlook

The Niobec mine's production for 2012 is expected to be between 4.6 million kilograms and 5.1 million kilograms with an operating margin between $15 and $17 per kilogram. In 2012, capital expenditures at Niobec of $90 million are planned for advancing the feasibility study ($30 million), underground development ($16 million), flotation optimization project ($9 million), project, service hoist ($8 million), mining equipment ($6 million), pumping station ($4 million) and sustaining capital ($17 million).

DEVELOPMENT PROJECTS

In 2011, the Company's total development project expenditures were $132.0 million, mainly related to the Westwood project in northern Quebec. Projects are summarized as follows:

(in $ millions)	**2011**	2010
	$	$
Capitalized Expenditures		
North America		
Canada – Westwood project	**124.3**	94.9
Africa		
Burkina Faso – Essakane project[1]	**—**	119.9
Mali – Sadiola deep sulphide project[1]	**3.7**	3.9
South America		
Ecuador – Quimsacocha project	**3.0**	4.6
Peru – La Arena project	**—**	35.2
	131.0	258.5
Expenses		
South America		
Ecuador – Quimsacocha project	**—**	0.3
French Guiana – Camp Caiman project	**1.0**	1.9
	1.0	2.2
Total	**132.0**	260.7

[1] Please refer to the Results of Operations section of this document for more information.

Outlook 2012 – Evaluation projects

The planned capitalized evaluation expenditures for 2012 are summarized as follows:

(in $ millions)	**Capitalized**
	$
2012	
Canada – Westwood project (before tax credits)	220.0
Ecuador – Quimsacocha project	3.0
	223.0

Canada – Westwood Project

Summary project highlights are shown in the table below:

Classification	Tonnes	Grade (g/t Au Undiluted)	Contained Au (000s oz)
Indicated Mineral Resource [1] (Warrenmac)	219,000	8.6	60
Indicated Mineral Resource [1] (Zone 2 Westwood)	560,000	13.8	248
Inferred Mineral Resource [1]	9,411,000	11.3	3,407

Total Recovered Gold	3,480,070 oz.
Mine Life	19 years
Average Annual Gold Production	190,000 oz.
Average Cash Cost	$533 per oz.
Total Pre-production Capital [2]	$518 million
Sustaining Capital (life of mine)	$529 million
Operating Cash flow (after-tax)	$1,717 million
Estimated IRR (after-tax)	9% -11%
Canadian/US Exchange Rate (2012 - 1.00)	1.05
Average Gold Price Assumption	$1,249 per oz.

(1) Mineral resources as of May 2011 are calculated at an undiluted 6 g/t Au cutoff grade at a minimum two-metre width; panel grades of individual lenses are capped at 15 g/t.
(2) Includes remaining capital of $198 million (after tax credits) for 2012.

Construction

The overall plan remains on track for an early 2013 commercial start. The Westwood project expenditures in 2011 totaled $124.3 million (2010 – $94.9 million) with significant infrastructure preparation and construction, including the completion of the fire detection system, the new pump house, the waste silo, and the beginning of the ground support of the six-metre diameter ventilation shaft. During 2011, shaft sinking reached a depth of 1,455 metres, with the installation of a spill pocket and the safety bulkhead under the 104-0 level, and underground development work totaled 9,315 metres of lateral and vertical excavation.

Exploration

Over 75,000 metres of diamond drilling, at a cost of $9.6 million, were completed during 2011 as part of the underground drill program. The program was designed to identify additional inferred resources and upgrade existing mineral resources to measured and indicated categories in tandem with the on-going underground development and construction.

Four underground drills, working on the exploration drilling program below the 132 level, drilled over 28,600 metres during 2011. In addition, five drills focused on in-fill and delineation work, drilling nearly 46,600 metres during the year. The Company has acquired additional confidence in the inferred resources and the remaining exploration potential.

Outlook for 2012:

Main activities planned for 2012 totalling $198.3 million (after-tax credits) are as follows:

- Construction of a new surface administration and services building and a new paste backfill plant;
- Extensive refurbishment of the existing Doyon mill and installation of a new sewage treatment plant;
- Shaft sinking to a depth of 1,954 metres by the end of 2012;
- Completion of permanent ground support for the six-metre ventilation raise;
- Excavation of a six-metre exhaust raise;
- Completion of 89,000 metres of infill and step-out drilling for resource development;
- Completion of 15,000 metres of vertical and horizontal development; and
- Commencement of mining in the Warrenmac zone for stockpiling ahead of the 2013 start-up.

South America – Ecuador – Quimsacocha Project

The Quimsacocha project has probable reserves of 8.1 million tonnes, at an average grade of 6.5 grams of gold per tonne of ore containing 1.7 million ounces of gold, within an indicated resource of 9.9 million tonnes, at an average grade of 6.6 grams of gold per tonne of ore containing 2.1 million ounces of gold.

The Company has obtained requisite permits and authorization to advance feasibility work.

The Company is also closely following the progress of mining contract negotiations involving three projects in Ecuador, which may serve to clarify certain key fiscal and other items.

Assessment of the project's financial viability continues as the Company works to clarify key fiscal and other applicable dimensions. Expenditures in 2012 of $3.0 million are based on continuing with the current level of activity. The Company continues to assess whether the government's position in contract negotiations offer sufficient flexibility, clarity and certainty to allow advancement of the project.

South America – French Guiana – Camp Caiman Project

Following the French government's decision not to issue a mining permit for the Camp Caiman project in 2008, the Company initiated two distinct legal actions in 2009 at the Administrative Tribunal in French Guiana: the first one challenging the legality of the French government's decision (the 'Permitting Appeal'); and the second one seeking compensation in the amount of €275 million for damages resulting from that decision (the "Compensation Claim").

Under the Permitting Appeal, the Administrative Tribunal stayed the government's decision in 2010 and ordered the government to issue a more reasoned permitting decision on the Camp Caiman project.

Later that same year, the French government again decided not to issue a mining permit for the Camp Caiman project – providing more detailed reasons this time – and the Company subsequently filed a new appeal of this second decision in the fourth quarter of 2010 (the "Second Permitting Appeal").

On February 2, 2012, the Administrative Tribunal held a hearing regarding both the Second Permitting Appeal and the Compensation Claim and, on February 16, 2012, dismissed both of the Company's actions. The Company may appeal the Administrative Tribunal's decision.

EXPLORATION

IAMGOLD's exploration efforts remain focused in West Africa, select countries in South America, and the province of Quebec in Canada. With a strategic mandate for organic growth, the Company has numerous projects already underway and continues to pursue additional advanced exploration joint venture or acquisition opportunities that will provide the foundation for future growth.

In 2011, IAMGOLD incurred $108.6 million on exploration projects compared to $86.2 million in 2010. The 2011 expenditures included:

- near-mine exploration and resource development expenditures of $53.3 million involving the completion of more than 335,000 metres of drilling directed at on-going resource expansion and delineation drilling programs including Rosebel in Suriname for $14.0 million, an underground exploration and resource delineation drilling program at the Westwood development project in Quebec for $ 9.6 million and a resource delineation program at Essakane in Burkina Faso for $14.2 million, and
- greenfield exploration expenditures of $55.3 million conducted at 17 projects, including two advanced exploration sites and exploration of a Rare Earth zone in proximity to the Niobec mine, in 8 countries in Africa and the Americas as part of IAMGOLD's long-term commitment to reserves replenishment and organic growth.

The Company's exploration and resource development expenditures were as follows:

(in $ millions)	**2011**	2010
	$	$
Capitalized Near-Mine Exploration and Resource Development		
Suriname	**13.6**	14.4
Canada	**9.6**	8.7
Mali	**1.0**	4.9
Burkina Faso	**9.8**	13.4
	34.0	41.4
Expensed Near-Mine Exploration and Resource Development		
Canada	**9.7**	4.5
Mali	**4.8**	2.4
Burkina Faso	**4.4**	—
Suriname	**0.4**	0.3
	19.3	7.2
Total Near-Mine Exploration and Resource Development Expenditures	**53.3**	48.6
Capitalized Greenfield Exploration		
Africa	**1.3**	1.0
Expensed Greenfield Exploration		
South America	**18.1**	19.3
Africa	**33.4**	16.2
Canada	**2.5**	1.1
	54.0	36.6
Total Greenfield Exploration	**55.3**	37.6
Total Expenditure	**108.6**	86.2

Outlook 2012 – Exploration

Based on positive exploration results, the Company has confirmed its commitment to organic growth by approving an aggressive corporate exploration budget of $130.6 million in 2012, a 20% increase over the $108.6 million expended in 2011. The 2012 corporate exploration program is the most ambitious ever undertaken by IAMGOLD, and the Company plans to carry out approximately 670,000 metres of core and reverse circulation drilling across 20 early to late stage exploration projects and the Company's four mines and development projects (495,000 metres completed in 2011). The drilling in 2012 includes a minimum of 2,750 metres on the Rare Earth Element ("REE") Project in Quebec, prior to planning and commencement of more detailed resource evaluation work.

The Company will carry out significant mine site resource development programs at the Westwood development project, and the Rosebel, Essakane and Niobec mines, with the goal to convert resources to reserves to counter reserve depletion, and further explore the near-mine environment.

(in $ millions)	Capitalized	Expensed	Total
	$	$	$
2012			
Near-mine exploration and evaluation	36.7	40.4	77.1
Greenfield exploration projects	1.3	52.2	53.5
	38.0	92.6	130.6

NEAR MINE EXPLORATION AND DEVELOPMENT

Resource development work was in progress during 2011 at Rosebel, Niobec, and Essakane in addition to the Westwood development project.

South America – Suriname – Rosebel

The 2011 reserve development and expansion program at the Rosebel mine was designed to convert measured and indicated resources into proven and probable reserves, and to extend inferred resources along strike and at depth. A total of 88,705 metres of diamond drilling was completed in 2011 on seven of the eight deposits at Rosebel, including 18,485 metres drilled during the fourth quarter of 2011. Resource development and resource conversion drilling was carried out on the Mayo and Rosebel deposits in the fourth quarter, with the focus on infill and resource expansion drilling at the Rosebel deposit to prepare for mining development in 2012. The first phase of condemnation drilling over the waste dump area for the Rosebel deposit was completed, and step-out drilling successfully extended the eastern and western limits of gold mineralization. Revised resource estimates were updated and released in February 2012.

Africa – Burkina Faso – Essakane

Drilling activities resumed early in the fourth quarter after the annual rainy season, principally on the northern sector of the Essakane Main Zone ("EMZ") resource. A total of 12,847 metres of drilling was completed in the fourth quarter of 2011 utilizing two machines, and 52,569 metres were drilled for the year in the immediate mine area. Resource expansion drilling continued to test the down dip extension of the eastern flank of the anticlinal structure that hosts the deposit. Drill results were mixed although targets at 300 to 450 metres vertical depths north of the current pit limits offer potential extensions to the resources. A revised resource estimate is planned for early 2012 that will better reflect the current operating cost structure, and incorporate a modified structural interpretation and updated geologic model. In 2012, drilling activities will be split between a resource definition program on the satellite Falagountou deposit, and an infill program at Essakane North. A total of 25,000 metres diamond drilling and 30,000 metres reverse circulation drilling is planned for 2012.

Canada – Quebec – Mouska

Underground drilling in the fourth quarter of 2011 continued with four diamond drills for a total of 9,780 metres (32,827 metres for full year 2011). Underground exploration drifting was carried out in conjunction with the 2011 drill program and 413 metres of exploration drift were completed to provide drill access and to expose mineralized zones for sampling. The current exploration and resource delineation program is chiefly targeting Zone 47, a subsidiary vein structure to veins exploited in the past and located only 35 metres north of existing workings. Zone 47 remains open in two directions, and is prospective for incremental mill feed. Drilling is also planned in 2012 on Zone 65, a parallel zone to historically mined zones. Exploration drifting exposed the structure in the third quarter 2011, and initial sampling results are encouraging.

Canada – Quebec – Westwood

During the fourth quarter of 2011, nine underground drills were operating and 15,455 metres of diamond drilling were completed (75,194 metres for full year 2011). The Company's efforts were focused on in-fill delineation and resource expansion drilling, principally below the 132 level. Infill drilling carried out during the quarter supported earlier geologic interpretations, and step-out drilling intersected new lenses of mineralization within the known corridors of mineralization.

The program is part of a multi-year development initiative to expand the inferred resource base and upgrade the existing inferred mineral resources to measured and indicated categories. The drilling program is carried out in conjunction with on-going underground development and construction of the surface installations. As part of the development work, the exploration shaft sinking was extended by 104 metres (total 527 metres in 2011), and the exploration ramp and underground drifts were extended by 2,639 metres during the fourth quarter of 2011 (9,315 metres of development drifting in 2011) to provide better underground access for definition drilling in the upper parts of the deposit. Better access will also improve drill positioning to target extensions to the known mineralized lenses at depth.

Canada – Quebec – Niobec

During the fourth quarter of 2011, 14,397 metres (33,394 metres full year 2011) of diamond drilling were completed at Niobec. Underground resource delineation and resource expansion programs contributed 6,639 metres to the quarterly total. Drilling was directed at mining Blocks 4-5 and 6 to upgrade resources to the reserve category as part of the sequential long-term mine planning and explore the depth extensions to the deposit principally below Blocks 4 and 5. A total of 7,758 metres of diamond drilling was completed on a surface program during the fourth quarter of 2011, along the projected eastern and western extensions of the Niobec resource area to fully evaluate the potential of the niobium zone and follow up interesting results from historic drill campaigns. The surface drilling campaign is projected to extend into first quarter of 2012. On-going metallurgical and mineralogical test work was carried out during the quarter to confirm estimated recoveries as part of the resource estimation process.

GREENFIELD EXPLORATION

In addition to the capitalized mine site and development programs described above, the greenfield exploration portfolio consists of near-mine exploration programs on large land positions adjoining the Company's Essakane and Rosebel mines, two advanced exploration projects in Mali, and fourteen early stage gold projects in Peru, Suriname, Brazil, Senegal and Quebec. The Company's exploration team had an on-site presence in 8 countries within North and South America and Africa in 2011.

South America – Suriname

The 2011 near-mine exploration program near the Rosebel mine included a total of 9,975 metres of diamond and reverse circulation drilling in 2011. In the fourth quarter of 2011, activities were focused on the Koemboe and Kraboe Doin prospects, located 10 and 16 kilometres south of the Rosebel infrastructure, respectively. As reported in the previous quarter, more than 3,000 metres of diamond drilling in 20 holes was completed at Koemboe to trace east-west trending mineralized quartz veins encountered in trenching and an earlier diamond drilling campaign. Significant intersections were made, and drilling extended the known strike of veining and mineralization to 400 metres and to a depth of 120 metres. In 2012, a planned 3,000-metre core drilling campaign will assess the possible extensions of two gold-bearing structures defined to date. At Kraboe Doin, the follow-up drilling program of 3,605 metres was completed but results were mixed. At the Charmagne project, located 15 kilometres north of Rosebel, 1,773 metres of core drilling was achieved to test the strike continuation of the Overman deposit (main shear) and the southern offset (southern shear). The drill program resumed work in mid-January 2012. On the newly granted permit of Charmagne West, a reconnaissance stream sediment survey and regional mapping will start in the first quarter of 2012.

Drilling (1,055 metres) was initiated in the quarter on the Tapanahony project, 120 kilometres southeast of the Rosebel mine, where a coherent 1.2 kilometre long surficial geochemistry anomaly will be systematically tested. The drilling program will continue into 2012.

In 2012, a 7,000-metre core drilling campaign is planned in conjunction with a comprehensive mechanized auger drill program to develop new target areas beneath transported sand cover that overlies significant portions of the Company's land package.

South America – Brazil

At the South Para (Vila Estrela) project, 2023 metres of core drilling were achieved during the quarter (3,019 metres for full year 2011) together with project scale mapping and sampling. Further follow-up is planned for 2012.

In Minas Gerais State, 1415 metres of diamond drilling (3,147 metres for full year 2011) were completed to test a broad and coherent soil geochemistry anomaly. The program encountered favourable intercepts of gold mineralization that will be the focus of an expanded program in 2012.

Africa – Burkina Faso – Essakane

During the fourth quarter of 2011, exploration work continued on the Company's 1,283-square-kilometre block of exploration concessions surrounding the mine permit. Through December 2011, 22,420 metres of reverse circulation and 11,348 metres of diamond drilling had been completed on exploration targets within the 100-square-kilometre mine permit, independent of the 52,569-metre resource expansion program carried out within and immediately adjacent to the Essakane Main Zone resource. Additionally, 4,527 metres of aircore drilling was achieved in 2011, testing large expanses of the mine permit that are covered with a thin veneer of windblown sands which mask underlying bedrock and limit the effectiveness of surface geochemical surveys. Encouraging drill results were received from a targeted zone south of the Falangountou resource, and drilling will resume early in 2012 to better determine continuity and grade.

An aggressive exploration program on the Company's surrounding exploration permits continued during the fourth quarter on established gold mineralized trends in closest proximity to the Essakane infrastructure, most notably the more than 10-kilometre-long gold anomalous Gossey-Korizena trend and the Tassiri prospect. More than 4,173 metres of reverse circulation were completed during the quarter on these satellite prospects. Significant drill results were also reported earlier on the Gossey-Korizena trend, an intermittently exposed 10-kilometre long gold anomalous zone defined by artisanal workings, historic surface sampling and scout drilling. More than 20,263 metres of aircore drilling conducted through December 2011 confirmed the continuity of the target anomaly beneath large tracts of transported sand cover. The Company will return to these areas for further work later in 2012 with aggressive reverse circulation and follow-up aircore drilling programs. The Korizena prospect shows promise; however, oxide potential is limited by the shallow oxide weathering profile encountered to date.

Africa – Mali – Kalana Joint Venture

Subject to the terms of an agreement with Avnel Gold Mining Limited ("Avnel"), entered into in August 2009, the Company has the right to earn a 51% interest in the Kalana joint venture by spending $11 million over three years, and demonstrating a 2 million ounce gold resource. The Company may also increase its share of the available interest in the project up to 70% upon delivery of a feasibility study, or up to 65% if Avnel elects to participate in the study. At the end of 2011, the remaining condition for completing the earn-in requirements was establishing a resource estimate showing a minimum 2 million ounce resource. Drilling continued through the fourth quarter of 2011 with two machines, with 25,930 metres completed in the quarter (61,141 metres through December). Drilling is anticipated to continue into 2012 with the principal objective of developing a resource estimate for the Kalana mine area and the near-by Kalanako prospect by the third quarter of 2012. Preliminary metallurgical testing by SGS Mineral Services Lakefield laboratory in Ontario indicates recoveries in the range of 95% to 97% with relative low cyanide consumption. Further metallurgical work is required and will be carried out as the Company's understanding of ore characterization is further refined. Because of the high nugget effect characterizing Kalana gold mineralization, additional technical studies will also be conducted to provide confidence for resource grade estimation. The Company plans to move aggressively with exploration at Kalana in 2012 with an approved budget of $12.5 million that will include a planned program of 60,000 metres of drilling.

Africa – Mali – Siribaya Joint Venture

The Siribaya advanced exploration gold project in Mali is held under an option to joint venture with Merrex Gold Inc. ("Merrex"). In the fourth quarter of 2011, the Company informed Merrex that the earn-in expenditure obligations of C$10.5 million had been satisfied, and IAMGOLD had vested at 50% interest in the project, subject to confirmation of project expenditures by Merrex. Formal vesting is expected to take place in the first quarter of 2012. Exploration drilling proceeded throughout the fourth quarter with two drills, completing 21,216 metres of combined reverse circulation and core drilling (49,293 metres for full year 2011). Exploration efforts were focused chiefly on the Siribaya trend to determine the extent of gold mineralization utilizing wide spaced fences of holes, and more detailed diamond drilling follow-up on positive assay results. Initial drill results from the parallel Bambadinka zone returned mixed results but only a small sector of the eight-kilometre long zone was tested; additional drilling is planned for 2012. The 2012 exploration budget is $11.9 million, of which the Company's proportionate share will be $5.9 million.

Africa – Senegal

Exploration continued through the fourth quarter on the Company's Boto-Daorala project. Activities were focused on a gold anomalous zone on the Daorala portion of the concessions that lies on trend with the Loulo mining complex in neighboring Mali. A total of 1,082 metres of diamond and reverse circulation drilling were completed in the quarter (6,908 metres for full year 2011) but results to date have not, as yet, defined significant mineralization. Work in 2012 will focus on the Boto project area with a 5,000-metre core drilling program planned.

Canada – Quebec – Rare Earth Elements

In February 2012, the Company announced the discovery of a large and potentially highly significant rare earth elements ("REE") deposit located less than one kilometre north of the Niobec mine. The rare earth element zone ("REE zone") was last explored in 1985 and work was reinitiated early in 2011 on the REE zone with a four-hole validation drilling campaign that successfully replicated historic drill results. As reported in the Company's 2011 second quarter report, a supplemental exploration program of $2.5 million was approved to drill test the projected extensions of known niobium resources at Niobec, and to explore the REE zone. The REE zone was evaluated with a total of 13,798 metres of diamond drilling in 29 holes including 2,499 metres drilled in the fourth quarter of 2011. The 2011 drill program conducted by the Company on the REE zone aimed to establish the three dimensional "footprint" of mineralization, provide a preliminary REE grade estimate and samples for preliminary metallurgical test work. The campaign was completed on a grid spacing of 100 by 200 metres to programmed drill depths of about 450 metres. Four holes exceeded 700 metres in total length, and to a maximum length of 750 metres. The deeper holes demonstrate that the brecciated and mineralized facies of the REE zone persists uninterrupted at depth, although the resource model is reported only to a depth of 375 metres. The program confirmed that the host carbonatite complex contains significant quantities of rare earths including Cerium (Ce), Lanthanum (La), Neodymium, (Nd), Praseodymium (Pr), Samarium (Sm),

Gadolinium (Gd), Europium (Eu), Dysprosium (Dy) and Terbium (Tb). Further exploration and infill drilling is expected to extend the resource model well below the current depth parameters, and to the south and southwest. The Company initiated a 2,750-metre follow-up drill campaign in January 2012 to establish the overall limits of REE mineralization with greater certainty. Additional drilling is also planned in 2012 for resource definition and to aid in developing a scoping study.

Canada – Quebec

The second phase of diamond drilling on the Company's Bousquet-Odyno Property was completed in the quarter with a total of 6,409 metres for 2011. The project, located only eight kilometres from the Westwood development project in the Abitibi region of Quebec, was reactivated in 2010 as part of the Company's renewed emphasis on exploration in Quebec. The drill program aims to build on positive drill results, and to determine continuity of encouraging gold mineralization encountered in an earlier drilling campaign. Assay results are incomplete, but demonstrate a continuous gold-bearing structure that has been traced for more than 300 metres. The lateral and depth extensions remain to be tested.

As reported previously, an Earn-in Option agreement was entered into on June 22, 2011 with Virginia Mines ("Virginia") on their Lac Pau project located in the James Bay region. The Company has the right to earn a 50% interest in the property in consideration of C$6 million in work expenditures and prescribed cash payments. A high-resolution heliborne magnetic survey was carried out to refine the understanding of the geological and structural framework of the project area. A synthesis of summer field work shows new areas of interest along the Lac Pau gold corridor. A 3,000-metre winter drilling program is planned for the first quarter of 2012 to further evaluate a 12-kilometre long gold mineralized corridor and test extensions of positive drilling results and surface sampling.

FINANCIAL POSITION

Financial Risks

The Company manages capital and its exposure to financial risks by ensuring it has sufficient financial capacity to support its operations, current mine development plans and long-term growth strategy.

The Company is subject to various financial risks that could have a significant impact on profitability and financial conditions. These risks include liquidity risk, credit risk and financial market conditions relating to interest rates, gold price, oil price and currency rates.

Liquidity Risk and Capital Resources

The Company ended 2011 with a strong balance sheet, having $1.3 billion in cash, cash equivalents, and gold bullion evaluated at market value, compared to $411.3 million at the end of 2010. This increase is mainly due to the sale on June 22, 2011, of the Company's 18.9% interests in the Tarkwa and Damang gold mines for $667.0 million cash, and to cash flow from operating activities of $589.9 million during 2011 mostly used to fund capital expenditures in mining assets and exploration and development projects.

In addition, in February 2011, IAMGOLD received $48.8 million for the sale of its La Arena project. On February 24, 2011, IAMGOLD issued 1.7 million flow-through shares at a price of C$25.48 per share raising gross proceeds of $43.3 million.

As at December 31, 2011, no funds were drawn against the Company's $350.0 million unsecured revolving credit facility. The Company also has a $50.0 million revolving facility for the issuance of letters of credit of which, as at December 31, 2011, $17.9 million in letters of credit were outstanding to guarantee certain asset retirement obligations.

In February 2012, the Company increased its $350.0 million unsecured revolving credit facility to a four-year, $500.0 million unsecured revolving credit facility. The Company also increased its revolving facility for the issuance of letters of credit to $75.0 million.

In February 2012, Niobec Inc., a wholly-owned subsidiary of the Company, entered into a four-year $250.0 million unsecured revolving credit facility to be used for general corporate requirements including working capital requirements and expansion of existing facilities of Niobec.

In January 2012, IAMGOLD paid a semi-annual dividend in the amount of $0.125 per share for a total of $47.0 million.

In July 2011, IAMGOLD filed a renewal of its existing short form base shelf prospectus qualifying the distribution of securities of up to $1 billion. The renewal has a 25-month life in Canada (except for Quebec) and the United States, and is intended to provide the Company additional financial flexibility. The proceeds from any such offerings may be used by the Company to further expand and develop its existing mines, advance its development projects, further explore and develop its mineral properties, fund working capital requirements or for other general corporate purposes including acquisitions. This filing is a renewal of the Company's existing base shelf prospectus that was never drawn on.

Gold Bullion

		2011	2010
Ounces held	(oz)	**134,636**	100,001
Weighted average acquisition cost	($/oz)	**719**	404
Acquisition cost	(in $ millions)	**96.8**	40.4
End of year spot price for gold	($/oz)	**1,566**	1,406
End of year market value	(in $ millions)	**210.9**	140.6

During 2011, the Company sold 1,412 ounces in conjunction with the sale of its interests in the Tarkwa and Damang properties, for proceeds of $2.1 million resulting in a gain of $1.4 million. The Company purchased 35,912 ounces of gold on the open market during the year at an average cost of $1,581 per ounce totaling $56.8 million. In 2011, the Company received a dividend of 135 ounces of gold valued at $1,788 per ounce totaling $0.3 million.

Working Capital

	2011	2010
Working capital (in $ millions)	**1,190.8**	344.3
Current working capital ratio	**4.4**	2.4

During 2011, working capital increased by $846.5 million as a result of the proceeds received the disposal of assets held for sale, higher supplies inventories to support increased mining and processing activities and a higher current portion of marketable securities. This was partially offset by higher dividends payable and the higher income and mining tax payable related to increased profitability.

Contractual Obligations

Contractual obligations as at December 31, 2011, are presented in tabular form below. These obligations will be met through available cash resources and operating cash flows.

At December 31, 2011 (in $ millions)	Total $	Less than 1 Year $	2–3 Years $	4–5 Years $	After 5 Years $
Contracted capital expenditures	72.4	71.7	0.7	—	—
Purchase obligations	137.3	127.7	6.8	2.8	—
Operating leases	7.2	3.3	2.4	1.5	—
Termination benefits[(a)]	3.1	0.5	2.6	—	—
Asset retirement obligations[(a)]	245.7	6.4	14.5	13.1	211.7
Total contractual obligations	465.7	209.6	27.0	17.4	211.7

(a) Represents undiscounted cash flows.

Contracted capital expenditure commitments relate to contractual commitments to complete facilities at some of the Company's mines. Purchase obligations relate to agreements to purchase goods and services that are enforceable and legally binding on the Company. Operating leases refer to total payment obligations related to operating lease agreements. Termination benefits relate to the Doyon division.

The Company also holds hedging contracts that are described below. Production from certain mining operations are subject to third-party royalties and management fees as described in note 30 of the Company's 2011 annual consolidated financial statements.

Asset retirement obligations

As at December, 31, 2011, the Company had letters of credit in the amount of $17.9 million to guarantee asset retirement obligations.

At December, 31, 2011, a liability of $222.2 million, representing the discounted value of these obligations, is included in the Company's consolidated balance sheet compared to $187.4 million at the end of 2010. The increase in obligations which occurred during the year mainly related to the revaluation of the liability using lower real discount rates in effect at December 31, 2011 and greater disturbance at Essakane and Rosebel from increasing production activities.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. For hedging activities, it is the risk that the fair value of a derivative might be adversely affected by a change in underlying commodity prices or currency exchange rates and that this in turn affects the Company's financial condition.

The Company mitigates market risk by establishing and monitoring parameters that limit the types and degree of market risk that may be undertaken, establishing trading agreements with counterparties under which there is no requirement to post any collateral or make any margin calls on derivatives. Counterparties cannot require settlement solely because of an adverse change in the fair value of a derivative.

Marketable securities and warrants held as investments, and market price risk

IAMGOLD holds certain marketable securities following the settlement of specific transactions (e.g. disposal of a project in exchange for the shares of the counterparty) or as a strategic investment. These investments relate to mining companies which are part of a volatile market. Share market price exposure risk is related to the fluctuation in the market price of marketable securities. Investments in marketable securities are classified as available-for-sale financial assets and are recorded at fair value in receivables and other for marketable securities expected to be sold in the next 12 months, and for the remainder in other non-current assets on the consolidated balance sheet.

In 2011, the unrealized gain related to change in market price of marketable securities classified as available-for-sale of $6.1 million compared to $49.0 million during 2010 was recorded in the fair value reserve within equity.

The Company sold some of its marketable securities during 2011 and 2010. Gains previously included in the fair value reserve were transferred to the statement of earnings for $8.9 million in 2011 compared to of $21.0 million during 2010.

At the end of the year, the Company reviewed the value of marketable securities for objective evidence of impairment based on both quantitative and qualitative criteria and determined that an impairment charge of $1.6 million was required in 2011 (no impairment in 2010). Factors considered in determining impairment included declines in market value over a prolonged period of time and other public information available on these companies.

The Company also has share purchase warrants held as investments included in other non-current assets on the consolidated balance sheet. An unrealized gain of $0.9 million related to the change in the fair value of these warrants held as investments was recorded in 2011 compared to a gain of $4.0 million during 2010.

At December 31, 2011, the impact of a change of 10% in the fair value of marketable securities and warrants held as investments would have resulted in a change in unrealized net of tax gain/loss of $10.2 million that would be included in other comprehensive income, and a change of $0.9 million in net earnings.

Derivative instruments

At the end of December 2011, the Company had entered into hedging contracts to limit the impact of fluctuations as a result of volatilities in the world markets by hedging a portion of its expected consumption of Canadian dollars, South African Rand, oil and aluminum.

At the end of the year, fair values of the Company's derivatives were as follows:

	December 31, 2011		December 31, 2010	
(in $ millions)	**Carrying Value** $	**Fair Value** $	Carrying Value $	Fair Value $
Derivatives – Currency exchange contracts	**(4.6)**	**(4.6)**	—	—
Derivatives – Oil option contracts	**4.6**	**4.6**	—	—
Derivatives – Aluminum contracts	**(0.8)**	**(0.8)**	—	—
	(0.8)	**(0.8)**	—	—

Currency exchange rate risk

Movements in the Canadian dollar (C$), the euro (€) and the South African Rand ("Rand"; symbol: "ZAR") against the U.S. dollar have a direct impact on the Company's financial statements. Canadian and international operations have exposure to currencies; however metal sales are mainly transacted in U.S. dollars and a significant portion of each international operation's cost base is denominated in U.S. dollars.

The impact of conversion of transactions denominated in foreign currencies is accounted for in the statement of earnings and presents increased risk, as these foreign currency rates fluctuate in relation to the U.S. dollar.

During 2011, the Company increased its hedge position for its exposure to the Canadian dollar, the euro and the Rand by executing a combination of forward and option contracts. The Company's objective is to hedge its exposure to these currencies resulting from operating and capital expenditures requirements at the Niobec and Essakane mines, the Westwood project, and corporate costs.

As at December 31, 2011, the Company had outstanding contracts for:

- Forward and options contracts for C$234.9 million ($233.7 million) hedging 62% of its exposure in 2012. Contracts rates are from C$0.97/U.S.$ to C$1.05/U.S.$.
- Forward and options contracts for €96.0 million ($124.8 million) hedging 37% of its exposure in 2012. The average contracts rate for those contracts is 1.300.
- Forward contracts for ZAR 55.5 million ($6.6 million), hedging 100% of its exposure in 2012, at an average rate of ZAR 8.384/U.S.$.

These contracts do not qualify for hedge accounting. The fair value was included in other current liabilities in the consolidated balance sheet.

Fair value (in $millions)	**December 31 2011** $	December 31 2010 $
Canadian dollar (C$)	**(4.3)**	—
Euro (€)	**(0.4)**	—
South African Rand (ZAR)	**0.1**	—
	(4.6)	—

Fair value adjustments (unrealized loss on contracts) and a realized loss on deliveries were recognized and recorded as follows:

(in $ millions)	**2011** $	2010 $
Unrealized loss on contracts	**(5.0)**	—
Realized loss	**(1.8)**	(3.1)
Total included in derivative loss	**(6.8)**	(3.1)

The fair value as at December 31, 2011, and the fair value based on an increase or a decrease of 10% of the exchange rate as compared to the U.S. dollar would have been as follows. The entire change in fair value would go through the statement of earnings.

Fair value (in $ millions)	**December 31 2011** $	Increase of 10% $	Decrease of 10% $
Canadian dollar (C$)	**(4.3)**	(20.8)	14.3
Euro (€)	**(0.4)**	(10.4)	10.2
South African Rand (ZAR)	**0.1**	(0.5)	0.8
	(4.6)	(31.7)	25.3

Sensitivity analysis on net monetary assets:

The foreign exchange loss recorded in 2011 of $8.0 million, compared to $7.8 million in 2010, was mainly due to the impact of foreign exchange variation on the net monetary asset position comprising items such as cash held in Canadian dollars, receivables, payables and income and mining taxes payable.

A strengthening of the U.S. dollar, against the Canadian dollar at December 31, 2011 would have decreased net earnings by approximately $13 million. A weakening of the U.S. dollar against the Canadian dollar at December 31, 2011 would have had the same but opposite effect on the amount shown above, on the basis that all other variables remain constant.

Oil contracts and fuel market price risk

Diesel is a key input to extract tonnage and, in some cases, to wholly or partially power operations. Since fuel is produced by the refinement of crude oil, changes in the price of oil directly impact fuel costs. The Company believes there is a strong relationship between prices for crude oil, heating oil and diesel.

During 2011, the Company modified its strategy by using West Texas Crude oil as the basis for hedging. The Company increased its hedge position for its exposure to fuel by executing a combination of swap and option contracts.

As a result, as at December 31, 2011, the Company had outstanding option contracts covering 66% of its fuel exposure in 2012. Contract prices were between $2.55 and $2.99 per gallon for heating oil, and between $70 and $95 per barrel for crude oil. Planned fuel requirements are for the Rosebel, Essakane, Sadiola, Yatela, Niobec and Westwood operations.

The fair value is included in current assets in the consolidated balance sheet. At December 31, 2011, the fair value of outstanding contracts was as follows:

Fair value (in $ millions)	**Number of Barrels**	**December 31 2011** **$**	December 31 2010 $
Heating oil option contracts	95,200	**0.2**	—
Crude oil option contracts	453,600	**4.4**	—
	548,800	**4.6**	—

Changes in fair values resulted in a derivative gain (loss) as follows:

(in $ millions)	**2011** **$**	2010 $
Unrealized gain (loss) on contracts	**2.7**	(1.1)
Realized gain (loss)	**(0.3)**	0.2
Total included in derivative gain (loss)	**2.4**	(0.9)

The fair value of these contracts, based on an increase or a decrease of 10% of the price, would have been as follows. The entire change in fair value would go through the statement of earnings.

(in $ millions)	**December 31 2011** **$**	Increase of 10% $	Decrease of 10% $
Heating oil option contracts	**0.2**	1.0	(0.4)
Crude oil option contracts	**4.4**	8.1	1.4

Aluminum contracts and market price risk

Aluminum is a key input in the production of ferroniobium. The Company has a hedging strategy to limit the impact of fluctuations of aluminum prices and to economically hedge a portion of its future consumption of aluminum at the Niobec mine. The Company used swap contracts to economically hedge 75% of its aluminum exposure for 2012 and 49% in 2013 at the Niobec mine. The fair value of outstanding contracts as at December 31, 2011 was included in current other liabilities for the 2012 contracts and in other non-current assets for the 2013 contracts. The valuation of these contracts was based on an average aluminum price between $2,146 per metric tonne and $2,369 per metric tonne, at no cost, for the 2012 and 2013 consumption.

Fair value (in $ millions)	December 31 2011 $	December 31 2010 $
Contracts expiring in 2012	**(0.8)**	—
Contracts expiring in 2013	**—**	—
	(0.8)	—

These contracts did not qualify for hedge accounting. Changes in fair values resulted in a derivative gain (loss) as follows:

(in $ millions)	2011 $	2010 $
Unrealized loss on contracts	**(0.8)**	(0.2)
Realized gain (loss)	**(0.2)**	0.1
Total included in derivative loss	**(1.0)**	(0.1)

The fair value of these contracts, based on an increase or a decrease of 10% of the price, would have been as follows. The entire change in fair value would go through the statement of earnings.

(in $ millions)	December 31 2011 $	Increase of 10% $	Decrease of 10% $
Aluminum contracts	**(0.8)**	0.3	(1.9)

Shareholders' Equity

On July 20, 2011, IAMGOLD paid a semi-annual dividend in the amount of $0.10 per share totaling $37.5 million. On December 9, 2011, IAMGOLD increased its annual dividend payment to $0.25 per share, resulting in a semi-annual dividend payment in the amount of $0.125 per share payable on January 5, 2012 of $47.0 million. In 2011, additional dividends of $11.7 million were related to subsidiaries' dividends to non-controlling interests.

Number issued and outstanding	December 31, 2011	February 22, 2012
Shares	**375,918,655**	375,950,030
Share options	**3,542,646**	3,507,271

The increase in the number of shares issued and outstanding between December 31, 2011 and February 22, 2012 is due to the exercise of options.

Non-controlling Interests

The non-controlling interests relate to the non-controlling partners' interests in Rosebel Gold Mines N.V. (the Rosebel mine), Essakane S.A. (the Essakane mine) and EURO Ressources S.A.

Related Party Transactions

In 2011 and 2010, there were no material related party transactions.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

Pursuant to regulations adopted by the U.S. Securities and Exchange Commission (SEC), under the Sarbanes-Oxley Act of 2002 and those of the Canadian Securities Administrators, the Company's management evaluates the effectiveness of the design and operation of the Company's disclosure controls and procedures. This evaluation is done under the supervision of, and with the participation of, the President and Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO").

Disclosure Controls and Procedures

As at the end of the period covered by this MD&A and accompanying consolidated financial statements, the CEO and the CFO have reviewed and evaluated the effectiveness of the Company's disclosure controls and procedures. Based on that evaluation, the CEO and the CFO have concluded that the Company's disclosure controls and procedures were effective to provide reasonable assurance that material information relating to the Company, including its consolidated subsidiaries and joint venture, was made known to them by others within those entities.

Internal Controls over Financial Reporting

Management of the Company, with the participation of the CEO and the CFO, are responsible for establishing and maintaining adequate internal controls over financial reporting. The Company's internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with international financial reporting standards.

There have been no significant changes in the Company's internal control over financial reporting or in other factors that could significantly affect internal controls during 2011.

Limitations of Controls and Procedures

The Company's management, including the CEO and the CFO believe that any disclosure controls and procedures and internal controls over financial reporting, no matter how well designed, can have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance that the objectives of the control system are met.

CRITICAL ACCOUNTING ESTIMATES

The Company's consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). The significant accounting policies for the purposes of IFRS are described in note 3 of the Company's annual consolidated financial statements.

Preparation of the consolidated financial statements requires management to make estimates and assumptions. The Company considers the following estimates to be the most critical in understanding the uncertainties that could impact its results of operations, financial condition and cash flows.

Mineral Reserves and Mineral Resources

Mineral reserve and resource estimates include numerous uncertainties and depend heavily on geological interpretations and statistical inferences drawn from drilling and other data, and require estimates of the future price for the commodity in question and the future cost of operations. Actual production costs may be different than estimated production costs due to many factors, including increasing costs of inputs such as labour, energy and consumables as well as higher royalty expenses related to the price of gold.

Level of production may also be affected by other factors such as weather and supply shortages. Results from drilling, testing and production, as well as material changes in metal prices subsequent to the date of an estimate, may justify revision of such estimates.

The key operating parameters to determine mineral reserves and resources are summarized below. For more information, refer to the detailed presentation of reserves and resources included in the latest annual report and at the Company's website (www.iamgold.com).

	2011	2010
Weighted average gold price used for:		
Gold reserves ($/oz)	**1,126** [a]	937 [c]
Gold resources ($/oz)	**1,362** [b]	1,059 [d]
Niobium sale price		
Niobium reserves ($/kg Nb)	**45.00**	25.00
Niobium measured and indicated resources ($/kg Nb)	**45.00**	25.00
Niobium inferred resources ($/kg Nb)	**45.00**	37.50
Foreign exchange rate (C$/US$):		
Reserves	**1.05**	1.15
Measured and indicated resources	**1.05**	1.15
Inferred resources	**1.05**	1.05

(a) Mineral reserves have been estimated at December 31, 2011, using a gold price of $1,200 per ounce for Mouska, Rosebel and Essakane mines, $1,100 per ounce for the Sadiola mine, and $1,300 per ounce for the Yatela mine. Mineral reserves for the Quimsacocha project were estimated in July 2008 using $750 per ounce.

(b) Mineral resources have been estimated at December 31, 2011, using a gold price of $1,400 per ounce for Doyon division with a foreign exchange rate of 1.05C$/U.S.$, Rosebel and Essakane mines, $1,600 per ounce for the Sadiola mine and $1,300 per ounce for the Yatela mine. A cut-off of 6 g/t Au over a minimum thickness of 2 metres was used for the Westwood project. Mineral resources for the Quimsacocha project were estimated in July 2008 using $750 per ounce.

(c) Mineral reserves have been estimated at December 31, 2010 using a gold price of $975 per ounce for Rosebel and Essakane mines, $1,200 per ounce for the Mouska mine, $900 per ounce for the Sadiola mine and $1,000 per ounce for Yatela mine. Mineral reserves for the Quimsacocha project were estimated in July 2008 using $750 per ounce.

(d) Mineral resources have been estimated at December 31, 2010 using a gold price of $1,100 per ounce for Rosebel, Essakane and Yatela mines, $1,200 per ounce for the Mouska mine, $1,180 per ounce for the Yatela mine and $1,000 per ounce for Doyon mine. A cut-off of 6 g/t Au over a minimum thickness of 2 metres was used for the Westwood project. Mineral resources for the Quimsacocha project were estimated in July 2008 using $750 per ounce.

Purchase Price Allocation

Business combinations are accounted for using the acquisition method of accounting whereby identifiable assets acquired and liabilities assumed are recorded at fair value as of the date of acquisition. Mineral rights that can be reliably valued are recognized in the assessment of fair values on acquisition, including amounts attributable to values beyond proven and probable reserves ("VBPP"). The excess of the purchase price over the fair value of net assets acquired is recorded as goodwill.

The determination of fair value requires management to make assumptions and estimates about future events. The Company also retains outside specialists to assist in determining the final allocations of the fair values for certain assets. The assumptions and estimates with respect to determining the fair value of assets acquired and liabilities assumed generally require a high degree of judgement and include estimates of mineral reserves and resources acquired, future commodity prices, discount rates and foreign exchange rates. Changes in any of the assumptions or estimates used in determining the fair value of acquired assets and liabilities assumed could have an impact on the allocation of the fair value to balance sheet items and on future results.

Mineral exploration and evaluation costs

Mineral exploration costs are charged to earnings in the period in which they are incurred.

Evaluation costs are expenditures for activities that relate to the evaluation of the technical feasibility and commercial viability of extracting a mineral resource on sites where the Company does not have mineral deposits already being mined or constructed, and are capitalized as exploration and evaluation assets.

Upon determination of technical feasibility and commercial viability of extracting a mineral resource, capitalized costs in exploration and evaluation assets are transferred into mine and other construction in progress, which are classified as a component of mining assets.

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether future economic benefits may be realized, which are based on assumptions about future events and circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditures are capitalized, any information becomes available suggesting that the expenditures are not recoverable, the amount capitalized is recognized in the consolidated statement of earnings as impairment in the period when the new information becomes available. Changes in any of the assumptions or estimates used could have an impact on the Company's results of operations and financial position.

Depreciation, Depletion and Amortisation

Mining assets, royalty interests and any fair value increment related to the original acquisition of investments in associates are amortised over the estimated economic life of the mine. If the expected useful life of the assets is less than the life of the deposit, depreciation is based on their anticipated useful life on a straight-line basis. Amounts relating to VBPP reserves are not amortised until the related resources are converted into reserves.

In the estimation of the units of production, the nature of the orebody and the method of mining the orebody are taken into consideration. Changes in the mineral reserves estimate will result in changes to the depreciation and amortisation charges over the remaining life of the operation.

Impairment of Non-Financial Assets (Goodwill and Long-Lived Assets)

The Company conducts annual impairment assessments of the values of goodwill and long-lived assets, including mining assets, exploration and evaluation assets and royalty interests. Further, if at any other point, an indication of impairment exists, an estimate of the asset's recoverable amount is calculated as described in note 3 of the Company's annual consolidated financial statements on significant accounting policies. A prior period impairment loss is tested for possible reversal of impairment whenever an event or change in circumstance indicates the impairment may have reversed.

The Company evaluates the recoverable amount of non-financial assets to determine whether current events, economic conditions and circumstances indicate that the carrying amount may no longer be supportable. The fair values are based, in part, on certain factors that may be partially or totally outside of the Company's control. The Company's fair value estimates are based on mineral reserves and resources and on numerous assumptions such as estimates of discount rates, realizable metals prices, operating costs, capital and site restoration expenses and estimated future foreign exchange and inflation rates. Management's assumptions and estimate of future cash flows are subject to risk and uncertainties, particularly in market conditions where higher volatility exists, and may be partially or totally outside of the Company's control. Therefore, it is reasonably possible that changes could occur with evolving economic conditions. If the Company fails to achieve its valuation assumptions or if one of its reporting units experiences a decline in its fair value, this may result in an impairment charge. The impairment charge may be significant and could have a material effect on the Company's financial position and results of operation.

Fair Value of Financial Instruments

The Company has financial instruments recorded at fair value on the balance sheet. Cash, cash equivalents and warrants held as investments are designated as financial assets at fair value through profit and loss and are measured at fair value.

The Company's investments in marketable securities are designated as available-for-sale financial assets and recorded at fair value on the trade date with transaction costs included in the recorded amount. Unrealized gains and losses on available-for-sale investments are recognized in other comprehensive income (fair value reserve) until investments are disposed of or when there is objective evidence of an impairment in value, at which point accumulated gains and losses in fair value reserve are transferred to earnings.

Warrants held as investments are measured at fair value using the Black-Scholes pricing model. Unrealized gains or losses related to changes in the fair value are included in interest income, derivatives and other investment gains in the consolidated statement of earnings.

The Company may hold derivative financial instruments to hedge its risk exposure to fluctuations of the U.S. dollar compared to other currencies, and fluctuations in commodity prices such as for oil, aluminum and gold. All derivative instruments not designated as a hedge are classified as financial assets at fair value through profit and loss. Derivative instruments, including embedded derivatives, are recorded on the consolidated balance sheet at fair value. Subsequent to initial recognition, these derivatives are measured at fair value. The fair value of derivative instruments is based on forward rates considering the market price, rate of interest and volatility and takes into account the credit risk of the financial instrument. Changes in estimated fair value, including translation differences, at each reporting date, are included in the consolidated statement of earnings as a derivative gain or loss.

Financial assets at fair value through profit and loss are tested for impairment at each reporting date to determine whether there is any objective evidence of impairment. A financial asset is considered to be impaired if objective evidence, that can be estimated reliably, indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Current market conditions can have an impact on these fair values. These management estimates are subject to risk and uncertainties. Therefore, it is reasonably possible that changes could occur which may affect the recoverability of the Company's financial instruments.

Asset Retirement Obligations

The Company records the present value of estimated costs of legal and constructive obligations required to restore locations in the period in which the obligation is incurred. The obligation is generally considered to have been incurred when mine assets are constructed or the ground environment is disturbed at the production location. These estimates are dependent on labour costs, known environmental impacts, the effectiveness of remedial and restoration measures, inflation rates and average credit-adjusted risk-free interest rates. The Company also estimates the timing of the outlays, which is subject to change depending on continued mining activities or newly discovered reserves.

Elements of uncertainty in estimating these costs include potential changes in regulatory requirements and in the methods of remediation.

Share-Based Compensation

The Company has the following share-based payment plans with related costs included in general and administrative expenses such as share options, share bonus plan, deferred share plan, directors share bonuses and share purchase plan.

The Company utilizes the Black-Scholes model to value these options. The model requires management estimates such as a risk-free interest rate, volatility, dividend yield, weighted average expected life of options issued, and grant-date fair value as discussed in note 22 of the Company's annual consolidated financial statements.

Income and Mining Taxes

Current income and mining tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income and mining tax is provided using the balance sheet method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income and mining tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income and mining tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will be available to allow the deferred tax asset to be recovered. Deferred income and mining tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is expected to be realized or the liability settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

As mining is capital intensive with long-lived assets, these deferred tax provisions can be significant. Assessing the recoverability of deferred income tax assets requires management to make significant estimates of future taxable income. There is no certainty that future income and mining tax rates and foreign exchange rates will be consistent with current estimates, which increases the volatility of the Company's net earnings.

Litigation

The Company is subject to various litigation actions, whose outcome could have an impact on its valuation should it be required to make payments to the plaintiffs. In-house counsel and outside legal advisors assess the potential outcome of the litigation, and the Company establishes provisions for future disbursements required. In aggregate, the potential payments would not be deemed material.

CHANGES IN ACCOUNTING POLICIES AND FUTURE ACCOUNTING POLICIES

International Financial Reporting Standards ("IFRS")

The consolidated financial statements of IAMGOLD and all its subsidiaries, joint ventures and associates, as at and for the year ended December 31, 2011, have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). These are the Company's first consolidated financial statements prepared in accordance with IFRS, and IFRS 1, First-time Adoption of International Financial Reporting Standards has been applied.

The significant accounting policies applied in these consolidated financial statements are presented in note 3 of the 2011 consolidated financial statements and are based on IFRS effective for financial years beginning January 1, 2011.

An explanation of how the transition to IFRS has affected the reported financial position, financial performance and cash flows of the Company is provided in note 33 of the Company's 2011 consolidated financial statements. This note includes reconciliations of equity, net earnings and total comprehensive income reported under previous Canadian generally accepted accounting principles to those reported under IFRS for the year ended December 31, 2010 and as at the date of transition, January 1, 2010.

FUTURE ACCOUNTING POLICIES

IFRS 9 – Financial Instruments

The IASB has issued IFRS 9, Financial Instruments, which is a four-part project proposing to replace IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 is planned to be effective on January 1, 2015. The Company is in the process of evaluating the impact of the change to its consolidated financial statements as a result of the new standard.

IFRS 10 – Consolidated financial statements

The IASB recently issued its new suite of consolidation and related standards, replacing the existing accounting for subsidiaries and joint ventures (now joint arrangements), and making limited amendments in relation to associates. IFRS 10 supersedes IAS 27, Consolidated and separate financial statements, and SIC 12, Consolidation – Special purpose entities. IFRS 10 will be effective January 1, 2013 and early adoption is permitted. The Company is in the process of evaluating the requirements of the new standards.

IFRS 11 – Joint arrangements, and
IAS 28 – Amended standard on associates and joint ventures

The IASB replaced the existing guidance for joint ventures (joint arrangements) and made limited amendments in relation to associates and the application of the equity method of accounting. Under IFRS 11, joint arrangements are now classified as either joint operations or joint ventures, depending upon the rights and obligations of the parties to the arrangement.

Limited amendments were made to IAS 28 regarding associates and joint ventures held for sale and changes in interests held in associates and joint ventures. Under IFRS 11, joint ventures will be accounted for using the equity method instead of proportionate consolidation.

IFRS 11 and IAS 28 (2011) will be effective January 1, 2013 and early adoption is permitted. The Company will apply this new standard in relation to its joint ventures, Sadiola and Yatela. The Company is in the process of evaluating the requirements of the new standards.

IFRS 12 – Disclosure of interests in other entities

IFRS 12 replace the existing disclosure requirements for entities that have interests in subsidiaries, joint arrangements, and associates. IFRS 12 contains disclosure requirements for entities that have interests in unconsolidated structured entities. IFRS 12 will be effective January 1, 2013. The Company is in the process of evaluating the requirements of the new standards.

IFRS 13 – Fair value measurement

IFRS 13 replaces the fair value measurement guidance contained in individual IFRS with a single source of fair value measurement guidance, and defines value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, i.e. an exit price. IFRS 13 is applicable prospectively starting January 1, 2013 and early application is permitted with disclosure of the fact. The Company is in the process of evaluating the requirements of the new standards.

IFRIC 20 – Stripping costs in the production phase of a surface mine

IFRIC 20 provides guidance on the accounting for the costs of stripping activity in the production phase of surface mining when two benefits accrue to the entity from the stripping activity: usable ore that can be used to produce inventory and improved access to further quantities of material that will be mined in future periods. IFRIC 20 is applicable for annual period beginning on or after January 1, 2013 and early application is permitted. The Company is in the process of evaluating the requirements of the new standard.

RISKS AND UNCERTAINTIES

The Company is subject to various business, financial and operational risks that could materially adversely affect the Company's future business, operations and financial condition and could cause such future business, operations and financial condition to differ materially from the forward-looking statements and information contained in this MD&A and as described in the Cautionary Statement on Forward-Looking Information found in this document.

For a more comprehensive discussion of the risks faced by the Company, please refer to the Company's latest Annual Information Form, filed with Canadian securities regulatory authorities at www.sedar.com, and filed under Form 40-F with the United States Securities Exchange Commission at www.sec.gov/edgar.html. The Annual Information Form, which, in addition to being filed and viewable on www.sedar.com and www.sec.gov/edgar.html, is available upon request from the Company, and is incorporated by reference into this MD&A.

FINANCIAL RISKS

General economic conditions

Events and conditions in the global financial markets during recent past years have had a profound impact on the global economy, leading to a loss of confidence in global credit and financial markets, restricted access to capital and credit, and increased counterparty risk. Many industries, including the gold mining industry, are impacted by these market conditions. Some of the key impacts of the current financial market conditions include contraction in credit markets resulting in a widening of credit risk, devaluations and high volatility in global equity, commodity, foreign exchange and precious metal markets, and a lack of market liquidity. A continued or worsened slowdown in the financial markets or other economic conditions may adversely affect the Company's growth and profitability. No material exposure to financial instruments held by the Company is considered to exist by virtue of the possible non-performance of the counterparties.

Commodity prices and currency

All of the factors that determine commodity prices such as prices for gold, niobium, copper, silver or certain other commodities (such as diesel, aluminum and electricity), and currencies (U.S. dollar and other currency exchange rates) are beyond the Company's control. For more details, also refer to the Market trends section and the Financial Position section (Financial Risk) of this MD&A.

Hedging activities

Derivative products can be used to manage the risks associated with, among other things, changes in commodity prices and foreign currency exchange rates. The Company regularly enters into such arrangements in the prescribed manner. The Company enters into hedging contracts to limit the impact of fluctuations as a result of volatilities in the world markets by hedging its requirement of Canadian dollars, euros and South African Rand, and its expected consumption of diesel and aluminum. For more details, also refer to the Financial Position section (Market Risk) of this MD&A.

Liquidity and capital resources

The adequacy of the Company's capital structure is assessed on an ongoing basis and adjusted as necessary after taking into consideration the Company's strategy, the forward gold and niobium prices, the mining industry, economic conditions and the associated risks. In order to maintain or adjust its capital structure, the Company may adjust its capital spending, adjust the amount of dividend distributions, issue new shares, purchase shares for cancellation pursuant to normal course issuer bids, extend its credit facility, issue new debt, reimburse existing debt, if any, or purchase or sell gold bullion. For more details, also refer to the Financial Position section (Liquidity Risk and Capital Resources) of this MD&A.

Credit risk related to financial instruments and cash deposits

Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the IAMGOLD management on an annual basis, and may be updated throughout the year with the appropriate approval. The limits are set to minimize the concentration of risks and therefore mitigate the potential for financial loss through counterparty failure.

No material exposure is considered to exist by virtue of the possible non–performance of the counterparties to financial instruments.

Access to capital markets, financing and interest rates

To fund growth, the Company may depend on securing the necessary capital through loans or permanent capital. The availability of this capital is subject to general economic conditions and lenders' and investors' interest in the Company and its projects. There is a risk in obtaining financing as and when required, and on commercially acceptable terms, for exploration, development, acquisitions and general corporate purposes. The Company is subject to movements in interest rates.

Taxation

Mining tax regimes in foreign jurisdictions are subject to change and may not include fiscal stability guarantees. The Company's interpretation of taxation law as applied to its transactions and activities may not coincide with that of the tax authorities. As a result, transactions may be challenged by tax authorities and the Company's operations may be assessed, which could result in significant additional taxes, penalties and interest.

OPERATIONAL RISKS

Mineral reserves, mineral resources, and extraction

The Company's mineral reserves and mineral resources are estimates, and no assurance can be given that the estimated reserves and resources are accurate or that the indicated level of metal will be produced. Such estimates are, in large part, based on interpretations of geological data obtained from drill holes and other sampling techniques. Actual mineralization or geologic conditions may be different from those predicted. In addition to gold market price fluctuations, it may take many years from the initial phase of drilling before production is possible, and during that time the economic feasibility of exploiting a discovery may change. To minimize the risks, reserves are estimated in accordance with accepted guidelines and standards within the mining industry, quality control programs are established, and competent personnel are employed.

The Company must continually replace reserves depleted by production to maintain production levels over the long term. Reserves can be replaced by expanding known orebodies, locating new deposits or making acquisitions. There is no assurance that current or future exploration programs will be successful. There is a risk that depletion of reserves will not be offset by discoveries or acquisitions.

Production and Cost Estimates

The cost of production, development and exploration varies depending on factors outside the Company's control. Failure to achieve production or cost estimates or material increases in costs could have an adverse impact on the Company's future cash flows, profitability, results of operations and financial condition. Actual production and costs may vary from estimates for a variety of reasons, including: actual ore mined varying from estimates of grade, tonnage, dilution and metallurgical and other characteristics; short-term operating factors relating to the ore reserves, such as the need for sequential development of orebodies and the processing of new or different ore grades; revisions to mine plans; risks and hazards associated with mining; natural phenomena, such as inclement weather conditions, and unexpected labour shortages or strikes. Costs of production may also be affected by a variety of factors such as changing strip ratios, ore grade metallurgy, labour costs, the cost of supplies and services, general inflationary pressures and currency exchange rates.

Projects

The Company's ability to sustain or increase its present levels of production is dependent in part on the success of its projects. Risks and unknowns inherent in all projects include the inaccuracy of estimated reserves, metallurgical recoveries, capital and operating costs of such projects, and the future prices of the relevant minerals. Projects have no operating history upon which to base estimates of future cash flows.

Acquisitions and integration

Any acquisition that the Company may choose to complete may be of a significant size, may change the scale of the Company's business and operations, and may expose the Company to new geographic, political, operational, financial and geological risks. The Company's success in its acquisition activities depends on its ability to identify suitable acquisition candidates, negotiate acceptable terms for any such acquisition and integrate the acquired operations successfully and in a timely manner with those of the Company.

Title to properties

The validity of mining interests held by the Company, which constitute most of the Company's property holdings, can be uncertain and may be contested. Acquisition of a title to mineral properties is a very detailed and time-consuming process, and the Company's title to its properties may be affected by prior unregistered agreements or transfers, or undetected defects.

Insurance

Where economically feasible and based on availability of coverage, a number of operational and financial risks are transferred to insurance companies. Available insurance does not cover all the potential risks associated with a mining company's operations. The Company may also be unable to maintain insurance to cover insurable risks at economically feasible premiums, and the ability to claim under existing policies may be contested.

Key personnel

The success of the Company is heavily dependent on its key personnel and on its ability to motivate, retain and attract highly skilled persons. The competition for qualified personnel in the mining industry is currently intense. There can be no assurance that the Company will successfully retain current key personnel or attract additional qualified personnel to manage its current needs and anticipated growth.

Geographical areas

Some of the operations of the Company are carried out in geographical areas which lack adequate infrastructure and are subject to various other risk factors. Reliable roads, bridges, power sources and water supply are important determinants which affect capital and operating costs.

Environmental, health and safety

The Company's mining and processing operations and exploration activities are subject to extensive laws and regulations governing the protection of the environment, waste disposal, worker safety, mine development and protection of endangered and other special status species. The Company's ability to obtain permits and approvals and to successfully operate in particular communities may be adversely impacted by real or perceived detrimental events associated with the Company's activities or those of other mining companies affecting the environment, human health and safety or the surrounding communities. The Company's legal and/or constructive commitments to rectify disturbance caused by mining, development and exploration activities may change due to new laws or regulations, updated reclamation plans or new environmental requirements.

Political risk

Mining investments are subject to the risks normally associated with any conduct of business in foreign countries including uncertain political and economic environments; war, terrorism and civil disturbances; changes in laws or policies of particular countries, including those relating to imports, exports, duties and currency; cancellation or renegotiation of contracts; royalty fees, net profits payments and tax increases or other claims by government entities, including retroactive claims.

Non-controlled assets

Some of the Company's assets are controlled and managed by other companies, some of which may have a substantially higher interest in the assets than the interest of the Company. Some of the Company's partners may have divergent business objectives which may impact business and financial results.

Litigation

The Company is subject to litigation arising in the normal course of business and may be involved in disputes with other parties in the future which may result in litigation. The causes of potential future litigation cannot be known and may arise from, among other things, business activities, environmental laws, volatility in stock price or failure to comply with disclosure obligations. The results and costs of litigation cannot be predicted with certainty.

FORWARD-LOOKING STATEMENTS

CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION

Certain information included in this Management's Discussion and Analysis, including any information as to the Company's future financial or operating performance, and other statements that express management's expectations or estimates of future performance, other than statements of historical fact, constitute forward-looking statements. Forward-looking statements are provided for the purpose of providing information about management's current expectations and plans relating to the future. Forward-looking statements are generally identifiable by use of the words "may", "will", "should", "continue", "expect", "anticipate", "estimate", "believe", "intend", "plan" or "project" or the negative of these words or other variations on these words or comparable terminology. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The Company cautions the reader that such forward-looking statements involve risks, uncertainties and other factors that may cause the actual financial results, performance or achievements of IAMGOLD to be materially different from the Company's estimated future results, performance or achievements expressed or implied by those forward-looking statements, and the forward-looking statements are not guarantees of future performance. These risks, uncertainties and other factors include, but are not limited to, changes in the global prices for gold, niobium, copper, silver or certain other commodities (such as diesel, aluminum and electricity); changes in U.S. dollar and other currency exchange rates, interest rates or gold lease rates; risks arising from holding derivative instruments; the level of liquidity and capital resources; access to capital markets, financing and interest rates; mining tax regimes; ability to successfully integrate acquired assets; legislative, political or economic developments in the jurisdictions in which the Company carries on business; operating or technical difficulties in connection with mining or development activities; laws and regulations governing the protection of the environment; employee relations; availability and increasing costs associated with mining inputs and labour; the speculative nature of exploration and development, including the risks of diminishing quantities or grades of reserves; adverse changes in the Company's credit rating; contests over title to properties, particularly title to undeveloped properties; and the risks involved in the exploration, development and mining business. With respect to development projects, IAMGOLD's ability to sustain or increase its present levels of gold production is dependent in part on the success of its projects. Risks and unknowns inherent in all projects include the inaccuracy of estimated reserves and resources, metallurgical recoveries, capital and operating costs of such projects, and the future prices for the relevant minerals. Development projects have no operating history upon which to base estimates of future cash flows. The capital expenditures and time required to develop new mines or other projects are considerable, and changes in costs or construction schedules can affect project economics. Actual costs and economic returns may differ materially from IAMGOLD's estimates or IAMGOLD could fail to obtain the governmental approvals necessary for the operation of a project; in either case, the project may not proceed, either on its original timing or at all.

For a more comprehensive discussion of the risks faced by the Company, refer to the Company's annual MD&A risks and uncertainties section, and the Company's latest Annual Information Form, filed with Canadian securities regulatory authorities at www.sedar.com, and filed under Form 40-F with the United States Securities Exchange Commission at www.sec.gov/edgar.html. The Annual Information Form and the risks described in the Annual Information Form (filed and viewable on www.sedar.com and www.sec.gov/edgar.html, and available upon request from the Company) and hereby incorporated by reference into this MD&A.

The Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise except as required by applicable law.

NOTES TO INVESTORS REGARDING THE USE OF RESOURCES

Cautionary Note to Investors Concerning Estimates of Measured and Indicated Resources

This news release uses the terms “measured resources” and “indicated resources”. We advise investors that while those terms are recognized and required by Canadian regulations, the SEC does not recognize them. Investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be converted into reserves.

Cautionary Note to Investors Concerning Estimates of Inferred Resources

This news release also uses the term “inferred resources”. We advise investors that while this term is recognized and required by Canadian regulations, the SEC does not recognize it. “Inferred resources” have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies, except in rare cases. Investors are cautioned not to assume that part or all of an inferred resource exists, or is economically or legally mineable.

Scientific and Technical Disclosure

IAMGOLD is reporting mineral resource and reserve estimates in accordance with the CIM guidelines for the estimation, classification and reporting of resources and reserves.

Cautionary Note to U.S. Investors

The United States Securities and Exchange Commission limits disclosure for U.S. reporting purposes to mineral deposits that a company can economically and legally extract or produce. IAMGOLD uses certain terms in this news release, such as “measured,” “indicated,” or “inferred,” which may not be consistent with the reserve definitions established by the SEC. U.S. investors are urged to consider closely the disclosure in the IAMGOLD Annual Reports on Forms 40-F. You can review and obtain copies of these filings from the SEC’s website at http://www.sec.gov/edgar.shtml or by contacting the Investor Relations department.

The Canadian Securities Administrators’ National Instrument 43-101 (“NI 43-101”) requires mining companies to disclose reserves and resources using the subcategories of “proven” reserves, “probable” reserves, “measured” resources, “indicated” resources and “inferred” resources. Mineral resources that are not mineral reserves do not demonstrate economic viability.

A mineral reserve is the economically mineable part of a measured or indicated mineral resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A mineral reserve includes diluting materials and allows for losses that may occur when the material is mined. A proven mineral reserve is the economically mineable part of a measured mineral resource demonstrated by at least a preliminary feasibility study. A probable mineral reserve is the economically mineable part of an indicated, and in some circumstances, a measured mineral resource demonstrated by at least a preliminary feasibility study.

A mineral resource is a concentration or occurrence of natural, solid, inorganic material, or natural, solid fossilized organic material including base and precious metals in or on the Earth’s crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge. A measured mineral resource is that part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity. An indicated mineral resource is that part of a mineral resource for which

quantity, grade or quality, densities, shape and physical characteristics can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed. An inferred mineral resource is that part of a mineral resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. Mineral resources which are not mineral reserves do not have demonstrated economic viability.

Investors are cautioned not to assume that part or all of an inferred resource exists, or is economically or legally mineable.

A feasibility study is a comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of realistically assumed mining, processing, metallurgical, economic, marketing, legal, environmental, social and governmental considerations together with any other relevant operational factors and detailed financial analysis, that are necessary to demonstrate at the time of reporting that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a Pre-Feasibility Study.

Gold and Niobium Technical Information and Qualified Person/Quality Control Notes

The mineral resource estimates contained in this news release have been prepared in accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects (“NI 43-101”) and JORC. The “Qualified Person” responsible for the supervision of the preparation and review of all resource estimates for IAMGOLD Corporation is Réjean Sirois, Eng., Manager, Mining Geology. Réjean is considered a “Qualified Person” for the purposes of National Instrument 43-101 with respect to the mineralization being reported on. The technical information has been included herein with the consent and prior review of the above noted Qualified Person. The Qualified person has verified the data disclosed, and data underlying the information or opinions contained herein.

REE Technical Information and Qualified Person/Quality Control Notes

The drilling results contained in this news release have been prepared in accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects (“NI 43-101”), JORC and/or SAMREC. The “Qualified Person” responsible for the supervision of the preparation and review of this information is Marie-France Bugnon, P. Geo.,General Manager Exploration. Marie-France is considered a “Qualified Person” for the purposes of National Instrument 43-101 with respect to the technical information being reported on.

The “Qualified Person” responsible for the estimation of the Mineral Resources is Pierre Jean Lafleur, Eng., principal consultant of P.J. Lafleur Géo-Conseil Inc (“PJLGC”) of Ste-Thérèse, Québec is an independent person considered a “Qualified Person” for the purposes of National Instrument 43-101 with respect to the technical information being reported on.

The technical information has been included herein with the consent and prior review of the above noted Qualified Person. The Qualified person has verified the data disclosed, and data underlying the information or opinions contained herein. Core assays are performed on core sawed or split in half. The samples were assayed by using sodium peroxide fusion and Inductively Coupled Plasma Mass Spectrometry (ICP-MS) for lanthanides over upper limit, and re-assayed by sodium peroxide fusion and a combination of Inductively Coupled Plasma Optical Emission Spectrometry (ICP-OES) and ICP-MS for 55 elements. Assays were carried out at SGS Canada Inc. of Lakefield, Ontario and Actlabs Ltd of Ancaster, Ontario. Certified reference material, duplicate and blanks were inserted in the sample sequence for quality control.

SUPPLEMENTAL INFORMATION TO THE MANAGEMENT'S DISCUSSION AND ANALYSIS

NON-GAAP[1] PERFORMANCE MEASURES

Adjusted net earnings from continuing operations attributable to equity shareholders

Adjusted net earnings from continuing operations attributable to equity shareholders and adjusted net earnings from continuing operations attributable to equity shareholders per share are non-GAAP financial measures. Management believes that these measures better reflect the Company's performance for the current period and are a better indication of its expected performance in future periods. Adjusted net earnings from continuing operations attributable to equity shareholders and adjusted net earnings from continuing operations attributable to equity shareholders per share are intended to provide additional information, but do not have any standardized meaning prescribed by IFRS, are unlikely to be comparable to similar measures presented by other issuers, and should not be considered in isolation or a substitute for measures of performance prepared in accordance with IFRS. Adjusted net earnings from continuing operations attributable to equity shareholders represent net earnings from continuing operations attributable to equity shareholders excluding certain impacts, net of tax, such as changes in asset retirement obligations including unrecognized tax benefits, unrealized derivative gain or loss, gain/loss on sale of marketable securities and assets, foreign exchange gain or loss, executive severance costs, as well as the impact of significant change in tax laws for mining taxes, and unrealized gain on foreign exchange translation of deferred income and mining tax liabilities. These measures are not necessarily indicative of net earnings or cash flows as determined under IFRS. The following table provides a reconciliation of net earnings from continuing operations attributable to equity shareholders as per the consolidated statement of earnings, to adjusted net earnings from continuing operations attributable to equity shareholders.

[1] GAAP – Generally accepted accounting principles.

Adjusted net earnings from continuing operations attributable to equity shareholders

(in $ millions, except for number of shares and per share amounts)	**2011** **$**	2010 $
Net earnings from continuing operations attributable to equity shareholders [1]	**391.3**	215.9
Executive severance costs	**—**	0.8
Foreign exchange loss	**6.1**	5.2
Derivative loss	**3.4**	0.6
Gain on sales of marketable securities	**(8.9)**	(22.1)
Gain on sales of assets	**(25.1)**	(3.7)
Changes in estimates of asset retirement obligations including unrecognized tax benefits	**25.7**	30.0
Higher / (lower) taxes from significant changes in mining tax laws	**5.5**	(5.1)
Unrealized loss on foreign exchange translation of deferred income and mining tax liabilities	**8.4**	1.6
	15.1	7.3
Adjusted net earnings from continuing operations attributable to equity shareholders	**406.4**	223.2
Basic weighted average number of common shares outstanding (in millions)	**374.9**	371.4
Basic adjusted net earnings from continuing operations attributable to equity shareholders of the Company per share ($/share)	**1.08**	0.60

[1] As per the consolidated financial statements.

Operating cash flow from continuing operations before changes in working capital

The Company makes reference to a non-GAAP measure for operating cash flow from continuing operations before changes in working capital and operating cash flow from continuing operations before changes in working capital per share. This measure is defined as cash generated from continuing operations excluding changes in working capital. Working capital can be volatile due to numerous factors including build-up of inventories. Management believes that, by excluding these items from continuing operations, this non-GAAP measure provides investors with the ability to better evaluate the cash flow performance of the Company.

The following table provides a reconciliation of operating cash flow from continuing operations before changes in working capital:

(in $ millions, except where noted)

	2011	2010
	$	$
Cash generated from operating activities (continuing operations) per the consolidated financial statements	**589.9**	347.8
Adjusting items from non-cash working capital items and long-term ore stockpiles:		
Accounts receivable and other assets	**47.8**	(20.3)
Inventories and long-term stockpiles	**65.7**	73.7
Accounts payable and accrued liabilities	**(49.6)**	(7.8)
Operating cash flow from continuing operations before changes in working capital	**653.8**	393.4
Basic weighted average number of common shares outstanding (in millions)	**374.9**	371.4
Basic operating cash flow from continuing operations before changes in working capital per share ($/share)	**1.74**	1.06

Cash costs

The Company's MD&A often refers to cash costs per ounce, a non-GAAP performance measure, in order to provide investors with information about the measure used by management to monitor performance. This information is used to assess how well the producing gold mines are performing compared to plan and prior periods, and also to assess the overall effectiveness and efficiency of gold mining operations. Cash cost figures are calculated in accordance with a standard developed by the Gold Institute, which was a worldwide association of suppliers of gold and gold products and included leading North American gold producers. The Gold Institute ceased operations in 2002, but the standard is still an accepted standard of reporting cash costs of gold production in North America. Adoption of the standard is voluntary, and the cost measures presented herein may not be comparable to other similarly titled measures of other companies. Costs include mine site operating costs such as mining, processing, administration, royalties and production taxes, and attributable realized derivative gain or loss, but are exclusive of amortisation, reclamation, capital, and exploration and development costs. These costs are then divided by the Company's attributable ounces of gold produced to arrive at the total cash costs per ounce. The measure, along with sales, is considered to be a key indicator of a company's ability to generate operating earnings and cash flow from its mining operations.

These gold cash costs do not have any standardized meaning prescribed by IFRS and differ from measures determined in accordance with IFRS. They are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These measures are not necessarily indicative of net earnings or cash flow from operations as determined under IFRS.

The following tables provide a reconciliation of total cash costs per ounce produced for gold mines (continuing operations) to the mining costs, excluding depreciation, depletion and amortisation as per the consolidated statement of earnings.

Year ended December 31, 2011

(in $ millions, except where noted)	Operating Gold Mines						Other	
	Rosebel	Essakane[a]	Doyon Division	Sadiola	Yatela	Total	Other[b]	Total[c]
	$	$	$	$	$	$	$	$
Mining costs, excluding depreciation, depletion and amortisation	248.7	191.9	37.8	98.1	46.5	623.0	114.9	737.9
Adjust for:								
By-product credit (excluded from mining costs)	(1.1)	(1.1)	(1.2)	(0.3)	—	(3.7)		
Stock movement	9.1	(0.7)	(5.6)	1.0	(0.8)	3.0		
Other mining costs	(7.1)	(7.2)	(5.6)	(0.2)	(1.4)	(21.5)		
Cost attributed to non-controlling interests	(12.5)	(18.3)	—	—	—	(30.8)		
	(11.6)	(27.3)	(12.4)	0.5	(2.2)	(53.0)		
Cash costs – operating mines	237.1	164.6	25.4	98.6	44.3	570.0		
Attributable gold production – operating mines (000 oz)	385	337	24	121	29	896		
Total cash costs ($/oz)	616	488	1,076	816	1,534	636		

(a) Commercial production started July 16, 2010.
(b) Niobium, Exploration and evaluation and Corporate segments.
(c) As per note 24 of the Company's consolidated financial statements.

Year ended December 31, 2010

(in $ millions, except where noted)	Operating Gold Mines						Other	
	Rosebel	Essakane[a]	Doyon Division	Sadiola	Yatela	Total	Other[b]	Total[c]
	$	$	$	$	$	$	$	$
Mining costs, excluding depreciation, depletion and amortisation	211.2	48.2	28.7	78.4	46.6	413.1	80.1	493.2
Adjust for:								
By-product credit (excluded from mining costs)	(0.4)	(0.1)	(2.1)	(0.2)	(0.1)	(2.9)		
Stock movement	(6.0)	11.2	(2.5)	0.6	0.8	4.1		
Other mining costs	(3.7)	(0.9)	(2.2)	(1.9)	(0.5)	(9.2)		
Cost attributed to non-controlling interests	(10.0)	(5.8)	—	—	—	(15.8)		
	(20.1)	4.4	(6.8)	(1.5)	0.2	(23.8)		
Cash costs – operating mines	191.1	52.6	21.9	76.9	46.8	389.3		
Attributable gold production – operating mines (000 oz)	395	122	33	118	60	728		
Total cash costs ($/oz)	484	429	655	653	780	534		

(a) Commercial production started July 16, 2010.
(b) Niobium, Exploration and evaluation and Corporate Segments.
(c) As per note 24 of the Company's consolidated financial statements.

Gold margin

The Company's MD&A refers to gold margin per ounce of gold, a non-GAAP performance measure, in order to provide investors with information about the measure used by management to monitor the performance of its gold assets. The information allows management to assess how well the gold mines are performing relative to the plan and to prior periods, as well as assess the overall effectiveness and efficiency of gold operations.

In periods of rising gold prices it becomes profitable to process lower-grade ore. Such a decision will typically result in an increase in cash costs per ounce, but it is equally important to recognize that margins also increase at an equal or even faster rate. While mining lower grade ore results in less gold being processed in any given period, over the long-run it allows the Company to optimize the production of profitable gold, thereby maximizing total financial returns over the life of the mine. IAMGOLD's exploitation strategy, including managing cutoff grades, mine sequencing, and stockpiling practices, is designed to maximize the total value of the asset given conservatively derived assumptions for key economic parameters going forward. At the same time, the site operating teams seek to achieve the best performance in terms of cost per tonne mined, cost per tonne processed and overheads.

The gold margin per ounce of gold does not have any standardized meaning prescribed by IFRS, is unlikely to be comparable to similar measures presented by other issuers, and should not be considered in isolation or a substitute for measures of performance prepared in accordance with IFRS.

The following table provides a reconciliation of gold margin per ounce of gold for the gold operating mine (continuing operations) to gold realized price less cash costs per ounce.

(in $/ounce of gold)	**2011**	2010
	$/oz	$/oz
Realized gold price	**1,555**	1,260
Cash cost for continuing operations	**636**	534
Gold margin	**919**	726

Unit operating margin per kilogram of niobium for the Niobec mine

The Company's MD&A refers to operating margin per kilogram of niobium at the Niobec mine, a non-GAAP performance measure, in order to provide investors with information about the measure used by management to monitor the performance of its non-gold asset, the Niobec mine. The information allows management to assess how well the Niobec mine is performing relative to plan and to prior periods, as well as assess the overall effectiveness and efficiency of the operation. The operating margin per kilogram of niobium does not have any standardized meaning prescribed by IFRS, is unlikely to be comparable to similar measures presented by other issuers, and should not be considered in isolation or a substitute for measures of performance prepared in accordance with IFRS.

The following table provides a reconciliation of operating margin per kilogram of niobium at the Niobec mine to revenues, and mining costs as per the consolidated statement of earnings.

(in $ millions, except where noted)	**2011**	2010
	$	$
Revenues from the Niobec mine as per segmented information (note 32 of the Company's consolidated financial statements)	**177.8**	158.7
Mining costs per consolidated statement of earnings	**737.9**	493.2
Mining costs from gold mines as per cash cost reconciliation	**(623.0)**	(413.1)
Other mining costs	**(4.6)**	(0.7)
Mining costs from the Niobec mine	**110.3**	79.4
Operating margin	**67.5**	79.3
Sales volume (millions of kg Nb)	**4.6**	4.3
Operating margin ($/kg Nb)	**15**	18

MINING OPERATIONS PRODUCTION DATA

The tables below show production data for each mining operation for each quarter of 2011 and 2010.

	2011				2010			
	Q4	**Q3**	**Q2**	**Q1**	Q4	Q3	Q2	Q1
Suriname—Rosebel Mine (IAMGOLD interest – 95%)								
Total material mined (000 t)	14,644	14,883	12,284	11,311	13,967	12,364	11,797	14,159
Strip ratio[a]	2.8	3.0	3.1	3.1	2.6	3.0	2.9	3.2
Ore milled (000 t)	3,354	3,315	3,125	3,068	3,417	3,112	3,172	3,131
Head grade (g/t)	1.1	1.0	1.0	1.1	1.2	1.1	0.9	1.1
Recovery (%)	94	93	93	96	95	94	89	92
Gold production – 100% (000 oz)	110	99	92	105	126	106	86	98
Attributable gold production – 95% (000 oz)	104	94	87	100	119	101	82	93
Gold sales – 100% (000 oz)	100	99	87	104	131	96	87	102
Gold revenue ($/oz)[b]	1,630	1,674	1,518	1,401	1,378	1,238	1,207	1,111
Cash cost excluding royalties ($/oz)	502	535	617	469	378	421	504	401
Royalties ($/oz)	96	94	87	75	71	63	63	55
Cash cost ($/oz)[c]	598	629	704	544	449	484	567	456
Burkina Faso—Essakane Mine (IAMGOLD interest – 90%)[d]								
Total material mined (000 t)	7,095	6,526	5,929	7,617	7,454	5,404	—	—
Strip ratio[a]	1.6	1.7	1.5	1.9	1.1	1.2	—	—
Ore milled (000 t)	2,407	1,975	1,344	2,251	1,675	1,298	—	—
Head grade (g/t)	1.4	1.6	1.6	1.5	1.7	1.2	—	—
Recovery (%)	94	96	96	96	96	95	—	—
Gold production – 100% (000 oz)	105	95	69	106	89	47	—	—
Attributable gold production – 90% (000 oz)	94	86	62	95	80	42	—	—
Gold sales – 100% (000 oz)	104	91	69	115	95	18	—	—
Gold revenue ($/oz)[b]	1,642	1,670	1,519	1,402	1,386	1,287	—	—
Cash cost excluding royalties ($/oz)	340	451	525	359	372	441	—	—
Royalties ($/oz)	85	84	88	69	42	18	—	—
Cash cost ($/oz)[c]	425	535	613	428	414	459	—	—
Canada—Doyon Division (IAMGOLD interest – 100%)								
Total material mined (000 t)	13	14	16	14	12	13	17	19
Ore milled (000 t)	43	13	—	—	44	17	—	—
Head grade (g/t)	14.5	12.0	—	—	13.1	14.2	—	—
Recovery (%)	95	94	—	—	96	96	—	—
Gold production (000 oz)	19	5	—	—	18	13	2	—
Gold sales (000 oz)	21	3	—	10	24	3	—	6
Gold revenue ($/oz)[b]	1,576	1,673	—	1,371	1,396	1,284	—	1,100
Cash cost excluding royalties ($/oz)	1,007	1,161	—	—	812	430	252	—
Royalties ($/oz)	37	42	—	—	31	26	28	—
Cash cost ($/oz)[c]	1,044	1,203	—	—	843	456	280	—

[a] Strip ratio is calculated as waste mined divided by ore mined.

[b] Gold revenue per ounce is calculated as gold sales divided by ounces of gold sold.

[c] Cash cost is a non-GAAP measure. Refer to the Cash costs section above for reconciliation to GAAP measures.

[d] Commercial production started effective as of July 16, 2010. Refer to the Results of Operations' section for more information.

	2011				2010			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Mali—Sadiola Mine (IAMGOLD interest – 41%)								
Total material mined (000 t)	**3,842**	**2,659**	**2,640**	**2,469**	2,692	1,808	2,486	2,668
Strip ratio[(a)]	**16.8**	**15.6**	**6.7**	**6.3**	7.4	8.5	8.2	7.9
Ore milled (000 t)	**513**	**505**	**492**	**469**	460	441	448	443
Head grade (g/t)	**2.0**	**2.0**	**2.0**	**1.8**	2.1	2.1	2.1	2.1
Recovery (%)	**93**	**94**	**95**	**95**	92	92	95	94
Attributable gold production (000 oz)	**28**	**30**	**33**	**30**	29	30	29	30
Attributable gold sales (000 oz)	**30**	**31**	**30**	**30**	31	28	29	29
Gold revenue ($/oz)[(b)]	**1,678**	**1,691**	**1,502**	**1,387**	1,366	1,222	1,188	1,109
Cash cost excluding royalties ($/oz)	**913**	**739**	**620**	**642**	696	589	567	473
Royalties ($/oz)	**110**	**100**	**85**	**82**	89	70	69	65
Cash cost ($/oz)[(c)]	**1,023**	**839**	**705**	**724**	785	659	636	538
Mali—Yatela Mine (IAMGOLD interest – 40%)								
Total material mined (000 t)	**2,131**	**1,432**	**1,746**	**1,488**	1,384	1,508	1,364	704
Strip ratio[(a)]	**10.9**	**9.0**	**6.3**	**6.1**	5.5	8.2	7.7	4.3
Ore crushed (000 t)	**301**	**261**	**288**	**276**	308	233	328	304
Head grade (g/t)	**1.0**	**1.0**	**1.1**	**1.0**	1.0	1.0	1.0	1.9
Attributable gold stacked (000 oz)	**11**	**8**	**10**	**9**	10	7	11	18
Attributable gold production (000 oz)	**8**	**7**	**6**	**8**	9	9	15	27
Attributable gold sales (000 oz)	**8**	**7**	**7**	**7**	8	10	15	26
Gold revenue ($/oz)[(b)]	**1,673**	**1,701**	**1,488**	**1,389**	1,373	1,233	1,185	1,110
Cash cost excluding royalties ($/oz)	**1,497**	**1,687**	**1,309**	**1,233**	1,302	1,169	622	397
Royalties ($/oz)	**107**	**106**	**92**	**79**	77	74	75	65
Cash cost ($/oz)[(c)]	**1,604**	**1,793**	**1,401**	**1,312**	1,379	1,243	697	462
Discontinued Operations								
Botswana—Mupane Mine (IAMGOLD interest – 100%)								
Gold production (000 oz)	**—**	**9**	**10**	**11**	15	16	13	13
Cash cost ($/oz)[(c)]	**—**	**1,287**	**1,271**	**1,379**	1,062	964	887	826
Ghana—Tarkwa and Damang Mines (IAMGOLD interest – 18.9%)								
Attributable gold production (000 oz)	**—**	**—**	**—**	**46**	45	45	49	43
Cash cost ($/oz)[(c)]	**—**	**—**	**—**	**542**	627	598	634	612

(a) Strip ratio is calculated as waste mined divided by ore mined.

(b) Gold revenue per ounce is calculated as gold sales divided by ounces of gold sold.

(c) Cash cost is a non-GAAP measure. Refer to the Cash Costs section above for reconciliation to GAAP measures.

	2011				2010			
	Q4	**Q3**	**Q2**	**Q1**	Q4	Q3	Q2	Q1
Canada—Niobec Mine (IAMGOLD interest – 100%)								
Total operating material mined (000 t)	**525**	**487**	**546**	**529**	454	427	441	470
Ore milled (000 t)	**539**	**524**	**529**	**521**	502	458	456	448
Grade (% Nb_2O_5)	**0.56**	**0.55**	**0.60**	**0.57**	0.59	0.62	0.62	0.61
Niobium production (millions of kg Nb)	**1.2**	**1.2**	**1.1**	**1.1**	1.0	1.1	1.1	1.2
Niobium sales (millions of kg Nb)	**1.3**	**1.0**	**1.3**	**1.0**	1.0	1.1	1.1	1.1
Operating margin ($/kg Nb) [(a)]	**16**	**14**	**14**	**16**	17	19	19	19

(a) Operating margin per kilogram of niobium at the Niobec mine is a non-GAAP measure. Refer to the above section Unit Operating Margin per Kilogram of Niobium for the Niobec Mine for reconciliation to GAAP measure.

Exhibit 99.3

CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2011

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

To the Shareholders and Directors of IAMGOLD Corporation

The accompanying consolidated financial statements of IAMGOLD Corporation ("the Company"), their presentation and the information contained in the Management Discussion and Analysis including information determined by specialists, are the responsibility of management. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. These are the Company's first consolidated financial statements prepared in accordance with IFRS, and IFRS 1, First-time Adoption of International Financial Reporting Standards has been applied.

The financial information on the Company presented elsewhere in the Management Discussion and Analysis is consistent with that in the consolidated financial statements.

The integrity of the consolidated financial reporting process is the responsibility of management. Management maintains systems of internal controls designed to provide reasonable assurance that transactions are authorised, assets are safeguarded, and reliable financial information is produced. Management selects accounting principles and methods that are appropriate to the Company's circumstances, and makes certain determinations of amounts reported in which estimates or judgments are required.

The Board of Directors is responsible for ensuring that management fulfils its responsibility for financial reporting. The Board carries out this responsibility principally through its Audit Committee which consists of outside directors. The Board of Directors has also designated the Chairman of the Audit Committee as the Company's financial expert. The Audit Committee meets periodically with management and the external auditors to discuss internal controls, auditing matters and financial reporting requirements. The Audit Committee satisfies itself that each party is properly discharging its responsibilities; reviews the quarterly and annual consolidated financial statements and any reports by the external auditors; and recommends the appointment of the external auditors for review by the Board and approval by the shareholders.

The external auditors audit the consolidated financial statements annually on behalf of the shareholders. The external auditors have full and free access to management and the Audit Committee.

Stephen J. J. Letwin
Chief Executive Officer
February 23, 2012

Carol T. Banducci
Chief Financial Officer
February 23, 2012

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of IAMGOLD Corporation

We have audited the accompanying consolidated financial statements of IAMGOLD Corporation, which comprise the consolidated balance sheets as at December 31, 2011, December 31, 2010 and January 1, 2010, the consolidated statements of earnings, comprehensive income, changes in equity and cash flows for the years ended December 31, 2011 and December 31, 2010, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of IAMGOLD Corporation as at December 31, 2011, December 31, 2010 and January 1, 2010, and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2011 and December 31, 2010 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

KPMG LLP

Chartered Accountants, Licensed Public Accountants
Toronto, Canada
February 23, 2012

IAMGOLD CORPORATION
CONSOLIDATED BALANCE SHEETS
(In thousands of U.S. dollars)

	Notes	December 31, 2011 $	December 31, 2010 (notes 6, 33) $	January 1, 2010 (notes 6, 33) $
Assets				
Current assets				
Cash and cash equivalents	7	**1,051,613**	270,779	191,374
Gold bullion (market value $210,874; December 31, 2010 – $140,551; January 1, 2010 –$108,749)	8	**96,795**	40,411	40,408
Receivables and other current assets	9	**155,919**	81,848	82,912
Inventories	10	**239,127**	204,716	160,897
		1,543,454	597,754	475,591
Non-current assets				
Investments in associates	11	**16,259**	246,122	232,438
Mining assets	12	**1,881,581**	1,788,703	1,624,511
Exploration and evaluation assets	13	**356,494**	306,215	174,661
Goodwill	14	**256,689**	267,978	267,978
Other non-current assets	15	**295,245**	224,333	174,735
		2,806,268	2,833,351	2,474,323
		4,349,722	3,431,105	2,949,914
Liabilities and Equity				
Current liabilities				
Accounts payable and accrued liabilities		**205,951**	158,410	140,462
Income and mining taxes payable		**86,743**	52,416	33,485
Dividends payable		**46,988**	31,324	24,507
Current portion of asset retirement obligations	18(a)	**6,366**	4,511	7,119
Current portion of other non-current liabilities		**6,577**	6,825	5,819
		352,625	253,486	211,392
Non-current liabilities				
Deferred income and mining tax liabilities	20	**234,814**	216,784	206,944
Asset retirement obligations	18(a)	**215,854**	182,910	112,094
Other non-current liabilities		**17,514**	19,804	13,031
		468,182	419,498	332,069
		820,807	672,984	543,461
Equity				
Equity attributable to equity shareholders of the Company:				
Common shares	21	**2,308,633**	2,255,498	2,201,528
Contributed surplus		**19,869**	18,789	12,302
Retained earnings		**1,104,884**	383,602	151,758
Fair value reserve		**41,151**	43,267	17,659
		3,474,537	2,701,156	2,383,247
Non-controlling interests		**54,378**	56,965	23,206
		3,528,915	2,758,121	2,406,453
		4,349,722	3,431,105	2,949,914

Commitments and contingencies (note 30)
Subsequent events (note 19)

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

IAMGOLD CORPORATION
CONSOLIDATED STATEMENTS OF EARNINGS
(In thousands of U.S. dollars, except per share amounts)

Years ended December 31	Notes	2011	(Notes 6, 33) 2010
		$	$
Revenues		**1,673,187**	1,097,072
Mining costs	24	**914,818**	649,355
General and administrative expenses	25	**54,246**	48,718
Exploration expenses		**73,326**	45,870
Other		**2,637**	(565)
Operating costs		**1,045,027**	743,378
Earnings from operations		**628,160**	353,694
Share of net loss from investments in associates (net of income tax)	11	**(1,635)**	—
Finance costs	26	**(7,131)**	(5,980)
Foreign exchange losses		**(8,040)**	(7,788)
Interest income, derivatives and other investment gains	27	**37,636**	31,499
Earnings from continuing operations before income and mining taxes		**648,990**	371,425
Income and mining tax expenses	20	**(220,996)**	(138,291)
Net earnings from continuing operations		**427,994**	233,134
Net earnings from discontinued operations	6(c)	**415,320**	46,711
Net earnings		**843,314**	279,845
Net earnings from continuing operations attributable to:			
Equity shareholders of the Company		**391,344**	215,910
Non-controlling interests		**36,650**	17,224
Net earnings from continuing operations		**427,994**	233,134
Net earnings attributable to:			
Equity shareholders of the Company		**806,664**	262,621
Non-controlling interests		**36,650**	17,224
Net earnings		**843,314**	279,845
Weighted average number of common shares outstanding attributable to equity shareholders of the Company (in thousands)	21(d)		
Basic		**374,947**	371,392
Diluted		**376,520**	373,255
Earnings from continuing operations attributable to equity shareholders of the Company per share ($ per share)			
Basic		**1.04**	0.58
Diluted		**1.04**	0.58
Earnings attributable to equity shareholders of the Company per share ($ per share)			
Basic		**2.15**	0.71
Diluted		**2.14**	0.70

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

IAMGOLD CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands of U.S. dollars)

Years ended December 31	Notes	2011	(Notes 6, 33) 2010
		$	$
Net earnings		**843,314**	279,845
Other comprehensive income (loss), net of tax:			
Net change in fair value of available-for-sale financial assets, net of tax	17(a)iii	**4,242**	43,926
Net change in fair value of available-for-sale financial assets and impairment transferred to the statement of earnings, net of tax	17(a)iii	**(6,358)**	(18,318)
		(2,116)	25,608
Other		**(881)**	(949)
Total other comprehensive income (loss), net of tax		**(2,997)**	24,659
Comprehensive income		**840,317**	304,504
Comprehensive income from continuing operations		**424,997**	257,793
Comprehensive income from discontinued operations	6(c)	**415,320**	46,711
Comprehensive income		**840,317**	304,504
Comprehensive income attributable to:			
Equity shareholders of the Company		**803,667**	287,280
Non-controlling interests		**36,650**	17,224
		840,317	304,504

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

IAMGOLD CORPORATION
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In thousands of U.S. dollars)

		Attributable to Equity Shareholders of the Company						
Year ended December 31, 2011	Notes	**Common Shares**	**Contributed Surplus**	**Retained Earnings**	**Fair Value Reserve**	**Total**	**Non-controlling Interests**	**Total Equity**
		$	**$**	**$**	**$**	**$**	**$**	**$**
Balance December 31, 2010	33(a)	2,255,498	18,789	383,602	43,267	**2,701,156**	56,965	**2,758,121**
Net earnings		—	—	806,664	—	**806,664**	36,650	**843,314**
Net change in fair value of available-for-sale financial assets, net of tax	17(a)(iii)	—	—	—	(2,116)	**(2,116)**	—	**(2,116)**
Other		—	—	(881)	—	**(881)**	—	**(881)**
Total comprehensive income		—	—	805,783	(2,116)	**803,667**	36,650	**840,317**
Issuance of shares, net of issue costs	21	34,618	—	—	—	**34,618**	—	**34,618**
Gain on sale of treasury shares		—	106	—	—	**106**	—	**106**
Issuance of shares for share-based payments		18,517	(5,303)	—	—	**13,214**	—	**13,214**
Share-based payments	22	—	6,277	—	—	**6,277**	—	**6,277**
Dividends	23	—	—	(84,501)	—	**(84,501)**	(11,713)	**(96,214)**
Disposal of a subsidiary – La Arena project	5	—	—	—	—	**—**	(27,524)	**(27,524)**
Total transactions with owners		53,135	1,080	(84,501)	—	**(30,286)**	(39,237)	**(69,523)**
Balance December 31, 2011		**2,308,633**	**19,869**	**1,104,884**	**41,151**	**3,474,537**	**54,378**	**3,528,915**
Year ended December 31, 2010 (Notes 6, 33)								
Balance January 1, 2010	33(a)	2,201,528	12,302	151,758	17,659	**2,383,247**	23,206	**2,406,453**
Net earnings		—	—	262,621	—	**262,621**	17,224	**279,845**
Net change in fair value of available-for-sale financial assets, net of tax	17(a)(iii)	—	—	—	25,608	**25,608**	—	**25,608**
Other		—	—	(949)	—	**(949)**	—	**(949)**
Total comprehensive income		—	—	261,672	25,608	**287,280**	17,224	**304,504**
Issuance of shares, net of issue costs	21	29,582	—	—	—	**29,582**	—	**29,582**
Exercise of warrants		3,035	—	—	—	**3,035**	—	**3,035**
Gain on sale of treasury shares		—	451	—	—	**451**	—	**451**
Issuance of shares for share-based payments		21,353	(6,217)	—	—	**15,136**	—	**15,136**
Share-based payments	22	—	7,689	—	—	**7,689**	—	**7,689**
Dividends	23	—	—	(29,828)	—	**(29,828)**	(8,673)	**(38,501)**
Change in ownership – La Arena project		—	4,564	—	—	**4,564**	25,208	**29,772**
Total transactions with owners		53,970	6,487	(29,828)	—	**30,629**	16,535	**47,164**
Balance December 31, 2010		2,255,498	18,789	383,602	43,267	**2,701,156**	56,965	**2,758,121**

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

IAMGOLD CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands of U.S. dollars)

Years ended December 31	Notes	2011	(Notes 6, 33) 2010
		$	$
Operating activities:			
Net earnings from continuing operations		**427,994**	233,134
Adjustments for:			
Finance costs		**7,131**	5,980
Depreciation, depletion and amortisation		**156,797**	116,607
Changes in estimates of asset retirement obligations at closed sites	18(a)	**23,048**	40,979
Income and mining tax expenses		**220,996**	138,291
Unrealized foreign exchange loss (gain) on cash and cash equivalents		**11,438**	(686)
Other non-cash items	28(a)	**(21,940)**	(15,374)
Adjustments for cash items	28(b)	**(8,300)**	(8,579)
Movements in non-cash working capital items and long-term ore stockpiles	28(c)	**(63,907)**	(45,528)
Cash generated from operating activities		**753,257**	464,824
Interest paid		**(2,894)**	(2,686)
Income and mining taxes paid		**(160,459)**	(114,300)
Net cash from operating activities		**589,904**	347,838
Investing activities:			
Acquisition of mining assets		**(264,326)**	(256,622)
Acquisition of exploration and evaluation assets		**(130,818)**	(112,045)
Other investing activities	28(d)	**(94,954)**	22,271
Net cash proceeds from disposals of non-core assets	28(e)	**737,406**	—
Net cash from (used in) investing activities		**247,308**	(346,396)
Financing activities:			
Proceeds from loan		**—**	50,000
Repayment of debt		**—**	(50,000)
Financing costs		**—**	(2,365)
Issuance of shares, net of issue costs		**54,724**	54,652
Dividends paid		**(80,141)**	(31,684)
Other financing activities		**106**	451
Net cash from (used in) financing activities		**(25,311)**	21,054
Impact of foreign exchange on cash and cash equivalents		**(11,438)**	686
Net cash from (used in) discontinued operations	6(d)	**(19,629)**	56,223
Increase in cash and cash equivalents		**780,834**	79,405
Cash and cash equivalents, beginning of year		**270,779**	191,374
Cash and cash equivalents, end of year	7	**1,051,613**	270,779

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

1. CORPORATE INFORMATION

IAMGOLD Corporation ("IAMGOLD" or "the Company") is a limited company incorporated and domiciled in Canada whose shares are publicly traded. The address of the Company's registered office is 401 Bay Street, Suite 3200, Toronto, Ontario, Canada.

The principal activities of the Company are the exploration for, development and operation of gold mining properties, and the operation of a niobium mine.

2. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements of IAMGOLD and all its subsidiaries, joint ventures and associates, as at and for the year ended December 31, 2011, have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). These are the Company's first consolidated financial statements prepared in accordance with IFRS, and IFRS 1, First-time Adoption of International Financial Reporting Standards has been applied.

The significant accounting policies applied in these consolidated financial statements are presented in note 3 and are based on IFRS effective for financial years beginning January 1, 2011.

An explanation of how the transition to IFRS has affected the reported financial position, financial performance and cash flows of the Company is provided in note 33. This note includes reconciliations of equity, net earnings and total comprehensive income reported under previous Canadian generally accepted accounting principles to those reported under IFRS for the year ended December 31, 2010 and as at the date of transition, January 1, 2010.

The consolidated financial statements of IAMGOLD were authorized for issue in accordance with a resolution of the Board of Directors on February 23, 2012.

(b) Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis, except for the following, which are measured at fair value:

- derivative financial instruments;
- financial instruments at fair value through profit and loss;
- available-for-sale assets.

The methods used to measure fair values are discussed further in note 17.

(c) Basis of consolidation

Subsidiaries, joint ventures and associates related to significant properties of the Company are accounted for as follows:

Name	Property – Location	Ownership Interest as at December 31, 2011	December 31, 2010	January 1, 2010	Accounting Method
Rosebel Gold Mines N.V.	Rosebel mine – Suriname	95%	95%	95%	Consolidated
Essakane S.A.	Essakane mine – Burkina Faso	90%	90%	90%	Consolidated
Doyon division including the Westwood project[1]	Doyon division – Canada	100%	100%	100%	Consolidated
Société d'Exploitation des Mines d'Or de Sadiola S.A.	Sadiola mine – Mali	41%	41%	41%	Proportionately consolidated
Société d'Exploitation des Mines d'Or de Yatela S.A.	Yatela mine – Mali	40%	40%	40%	Proportionately consolidated
Niobec Inc.	Niobec mine – Canada	100%	100%	100%	Consolidated
IAMGOLD Ecuador S.A.	Quimsacocha project –Ecuador	100%	100%	100%	Consolidated
Gallery Gold (Pty) Ltd.[2]	Mupane mine – Botswana	—	100%	100%	Consolidated
Goldfields Ghana Limited	Tarkwa mine – Ghana[3]	—	18.9%	18.9%	Equity method of accounting
Abosso Goldfields Limited	Damang mine – Ghana[3]	—	18.9%	18.9%	Equity method of accounting

(1) Part of IAMGOLD Corporation.

(2) On August 31, 2011, the Company sold its wholly-owned investment in Gallery Gold (Pty) Ltd, including its Mupane gold mine (note 6(b)). As part of the consideration, IAMGOLD received common shares of Galane Gold Ltd. ("Galane"), the new owner of the Mupane mine, representing approximately 48.5% of the outstanding shares of Galane.

(3) On June 22, 2011, IAMGOLD sold its 18.9% interests in the Tarkwa and Damang gold mines in Ghana, West Africa to Gold Fields Limited (note 6(a)).

Subsidiaries are entities controlled by the Company. Joint ventures are those entities over which the Company has joint control established by contractual agreement and requiring unanimous consent of the joint venturers for strategic, financial and operating decisions. Financial results of joint ventures are proportionately consolidated from the date that joint control commences until the date that joint control ceases, and are prepared for the same reporting period as the parent company, using consistent accounting policies.

Investments in associates are those entities in which the Company has significant influence, but no control or joint control, and are accounted for using the equity method. The Company's share of net earnings (loss) from investments in associates is recognized in the consolidated statement of earnings and accounted for as an increase (decrease) in investments in associates in the consolidated balance sheet. The cash received from investments in associates is accounted for as a decrease of investments in associates in the consolidated balance sheet.

All intra-company balances, income and expenses and unrealized gains and losses resulting from intra-company transactions are eliminated on consolidation.

(d) Functional and presentation currency

The consolidated financial statements are presented in U.S. dollars, which is the functional currency of the Company, its subsidiaries, joint ventures and associates.

Any monetary items denominated in a foreign currency are converted to U.S. dollars at the exchange rate in effect at the balance sheet date, non-monetary items at historical exchange rates, revenues and expenses at the average exchange rate in effect on the dates they occur and, depreciation, depletion and amortisation at the same historical exchange rates as the assets to which it relates. Foreign exchange gains and losses are recorded in the statement of earnings.

(e) Significant accounting judgments, estimates and assumptions

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

(i) Mineral reserves and resources

Mineral reserves and resources have been estimated by qualified persons as defined in accordance with Canadian Securities Administrators' National Instrument 43-101 Standards of Disclosure for Mineral Projects requirements.

Mineral reserve and resource estimates include numerous uncertainties and depend heavily on geological interpretations and statistical inferences drawn from drilling and other data, and require estimates of the future price for the commodity in question and the future cost of operations. The mineral reserve and resource estimates are subject to uncertainty and actual results may vary from these estimates. Results from drilling, testing and production, as well as material changes in metal prices and operating costs subsequent to the date of an estimate, may justify revision of such estimates.

A number of accounting estimates, as described in the following relevant accounting policy notes, are impacted by the reserve and resource estimates:

- Note 3(e) – Depreciation
- Note 3(f) – Mineral exploration and evaluation costs
- Note 3(g) – Business combinations and goodwill
- Note 3(j)(ii) – Impairment of non-financial assets
- Note 3(k) – Asset retirement obligations

(ii) Other

In addition, the following areas of judgments, estimates and assumptions are described in the following notes:

- Note 3(a) – Financial instruments
- Note 3(l)(ii) – Deferred income and mining tax
- Note 3(o) – Share-based payments
- Notes 18 and 30 – Provisions, commitments and contingencies

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and in preparing the IFRS consolidated balance sheet at January 1, 2010 for the purposes of the transition to IFRS.

(a) Financial instruments

The Company recognizes financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instruments. A financial asset is derecognized either when the Company has transferred substantially all the risks and rewards of ownership of the financial asset or when cash flows expire. A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expired.

Certain financial instruments are recorded at fair value on the balance sheet. Current market conditions have an impact on these fair values. These represent management's estimates and are subject to risks and uncertainties.

(i) Non-derivative financial instruments

Non-derivative financial instruments comprise cash and cash equivalents, short-term investments, trade and other receivables, marketable securities, warrants held as investments, and trade and other payables.

Non-derivative financial instruments are recognized initially at fair value plus attributable transaction costs where applicable. Subsequent to initial recognition, non-derivative financial instruments are classified and measured as described below.

Available-for-sale financial assets

The Company's investments in marketable securities are designated as available-for-sale financial assets and recorded at fair value on the trade date with transaction costs included in the recorded amount. Change in fair value of available-for-sale investments are recognized in other comprehensive income (fair value reserve) until investments are disposed of or when there is objective evidence of an impairment in value, at which point accumulated gains and losses in fair value reserve are transferred to earnings.

Financial assets at fair value through profit and loss

Cash and cash equivalents, short-term investments and warrants held as investments are designated as financial assets at fair value through profit and loss and are measured at fair value. Cash equivalents are short-term deposits or investments with initial maturities of three months or less. Short-term investments have initial maturities of more than three months. The unrealized gain or loss related to changes in fair value is reported under derivative gain or loss in the consolidated statement of earnings.

Loans and receivables

Trade and other receivables are classified as loans and receivables and are carried at amortised cost using the effective interest rate method, less impairment losses, if any.

Non-derivative financial liabilities

Trade and other payables, and loans and borrowings which relate to the credit facility, are accounted for at amortised cost, using the effective interest rate method. Amortisation of credit facility issue costs is calculated on a straight-line basis over the term of the credit facility.

(ii) Derivative financial instruments

The Company may hold derivative financial instruments to hedge its risk exposure to fluctuations of the U.S. dollar compared to other currencies, and fluctuations in commodity prices such as for oil, aluminum and gold. All derivative instruments not designated as a hedge are classified as financial instruments at fair value through profit and loss.

Derivative instruments, including embedded derivatives, are recorded on the consolidated balance sheet at fair value. Subsequent to initial recognition, these derivatives are measured at fair value. The fair value of derivative instruments is based on forward rates considering the market price, rate of interest and volatility and takes into account the credit risk of the financial instrument.

Changes in estimated fair value, including translation differences, at each reporting date, are included in the consolidated statement of earnings as a derivative gain or loss.

Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related.

(b) Gold bullion

Investments in gold bullion are measured at the lower of average cost and net realizable value.

(c) Inventories

Gold and niobium production inventories and concentrate inventory are measured at the lower of cost and net realizable value. Production costs include the cost of materials, labour, mine site production overheads and depreciation to the applicable stage of processing.

Ore stockpiles are measured at the lower of cost and net realizable value. The cost of ore stockpiles is increased based on the related current mining costs of the period, and decreases in stockpiles are charged back to mining costs using the weighted average cost per tonne. Stockpiles are segregated between current and long-term inventories on the consolidated balance sheet.

Mine supplies are measured at the lower of average purchase cost and net realizable value. Provisions for redundant and slow-moving items are made by reference to specific items of inventory. Spare parts, stand-by and servicing equipment held are generally classified as inventories. Major capital spare parts and stand-by equipment (insurance spares) are classified as a component of mining assets.

(d) Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment charges.

The initial cost of an asset comprises its purchase or construction cost, any costs directly attributable to bringing the asset to a working condition for its intended use, the initial estimate of the rehabilitation obligation, and for qualifying assets, borrowing costs. The purchase price or the construction cost is the aggregate cash paid and the fair value of any other consideration given to acquire the asset.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized in the consolidated statement of earnings within interest income, derivatives and other investment gains or losses.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. Costs of the day-to-day servicing of property, plant and equipment are recognized in the statement of earnings as incurred.

Property, plant and equipment presented on the consolidated balance sheet are as follows:

(i) Mining assets

Mining assets represent the capitalized expenditures related to:

- mine and other construction in progress, and
- the operation of mineral properties in the production stage, including:
  - mining properties and deferred costs, which include values beyond proven and probable reserves ("VBPP") and capitalized stripping costs, and
  - plant and equipment.

a. Mine and other construction in progress costs

Upon determination of technical feasibility and commercial viability, the related exploration and evaluation assets (refer to note (f) below), including VBPP related to the project, are transferred to mine and other construction in progress costs. These amounts plus all subsequent expenditures are capitalized. Costs are not amortised until such time as the project is brought into production.

Mine construction costs include expenditures to develop new ore bodies, define further mineralization in existing ore bodies, and construct, install and complete infrastructure facilities.

Financing costs are capitalized to the project when funds have been borrowed, either to specifically finance a project or for general borrowings during the period of construction.

The date of transition from construction to production accounting is based on both qualitative and quantitative criteria such as substantial physical project completion, sustained level of mining, sustained level of processing activity, and passage of a reasonable period of time. Upon completion of mine construction activities (based on the determination of the commencement of production), costs are removed from mine and other construction in progress assets and incorporated into the appropriate categories of mining assets and supplies.

b. Mining properties and deferred costs

Capitalized costs for exploration and evaluation on or adjacent to sites where the Company has mineral deposits, are classified as mining properties and deferred costs within mining assets.

c. Stripping costs

Mining costs associated with stripping activities in an open pit mine are expensed unless the stripping activity can be shown to represent a betterment to the mineral property in which case, the stripping costs would be capitalized. Capitalized stripping costs are included in "mining properties and deferred costs" within mining assets.

(ii) Corporate equipment

Corporate equipment (located at corporate locations) include the following categories of assets: furniture and equipment, computer equipment, software, scientific instruments and equipment, vehicles and leasehold improvements. Corporate equipment are classified in other non-current assets.

(e) Depreciation

Effective from the point they are ready for their intended use, mining assets, corporate equipment and royalty interests are amortised on a straight line basis or using the units-of-production method over the shorter of the estimated economic life of the asset or the mining operation. The method of amortisation is determined based on that which best represents the use of the assets.

The reserve and resource estimates for each operation are the prime determinants of the life of a mine. In general, an ore body where the mineralization is reasonably well defined is amortised over its proven and probable mineral reserves. Non reserve material may be included in depreciation calculations in limited circumstances where there is a high degree of confidence in its economic extraction. Changes in the estimate of mineral reserves and resources will result in changes to the depreciation and will be accounted for on a prospective basis over the remaining life of the operation.

Estimated useful lives normally vary from three to fifteen years for items of plant and equipment to a maximum of twenty years for buildings.

Amounts relating to VBPP are not amortised until resources are converted into reserves. Amounts relating to capitalized costs of exploration and evaluation assets and mine and other construction in progress are not amortised as the assets are not available for use.

The basis of amortisation for capitalized stripping is the ore to be extracted as a result of the specific stripping activity (reserves that directly benefit from the stripping activity) and is determined on a units-of-production basis.

The borrowing costs are amortised over the useful life of the related asset.

Residual values, useful lives and amortisation methods are reviewed at least annually and adjusted if appropriate. The impact of changes to the estimated useful lives or residual values is accounted for prospectively.

(f) Mineral exploration and evaluation costs

Mineral exploration costs are charged to earnings in the period in which they are incurred.

Evaluation costs are expenditures for activities that relate to the evaluation of the technical feasibility and commercial viability of extracting a mineral resource on sites where the Company does not have mineral deposits already being mined or constructed, and are capitalized as exploration and evaluation assets.

Upon determination of technical feasibility and commercial viability of extracting a mineral resource, capitalized costs in exploration and evaluation assets are transferred into mine and other construction in progress, which are classified as a component of mining assets.

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether future economic benefits may be realized, which are based on assumptions about future events and circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditures are capitalized, any information becomes available suggesting that the expenditures are not recoverable, the amount capitalized is recognized in the consolidated statement of earnings as impairment in the period when the new information becomes available.

(g) Business combinations and goodwill

Business combinations are accounted for using the acquisition method of accounting whereby identifiable assets acquired and liabilities assumed are recorded at fair value as of the date of acquisition. Mineral rights that can be reliably valued are recognized in the assessment of fair values on acquisition, including amounts attributable to VBPP. The excess of the purchase price over the fair value of net assets acquired is recorded as goodwill.

When VBPP are transferred to reserves, the excess of fair values over the carrying values of the acquired assets and liabilities is amortised over proven and probable reserves and is subject to impairment tests.

For non-wholly owned subsidiaries, non-controlling interests are initially recorded at the fair value of the non-controlling interests share holdings or the non-controlling interests' proportion of the fair values of the assets and liabilities recognized at acquisition.

When a subsidiary is acquired in a number of stages, the carrying value of interests prior to acquisition of control is re-measured to fair value on the date control is acquired, amounts previously recognized in other comprehensive income in respect of the subsidiary are reversed, and the difference is recognized in earnings.

If a transaction does not meet the definition of a business combination under IFRS, the transaction is recorded as an asset acquisition.

Goodwill and negative goodwill can arise on the acquisition of subsidiaries, joint ventures and investments in associates. When the net of the amounts assigned to assets acquired and liabilities assumed exceeds the cost of purchase, any excess calculated is recognized as negative goodwill and recorded in the consolidated statement of earnings at the date of acquisition.

Subsequent to initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purposes of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to cash generating units ("CGU") that are expected to benefit from the synergies of the combination.

(h) Other intangible assets

Other intangible assets are related to the fair value of favourable supplier contracts accounted for on a prior acquisition. The fair value is determined using a differential cost method based on cost savings expected from favourable terms of supplier contracts. Other intangible assets are amortised under the straight-line method based on the terms of each contract, which range from 2 to 20 years. Other intangible assets are classified in other non-current assets on the consolidated balance sheet.

(i) Royalty interests

The Company records its royalty interests at cost, net of accumulated amortisation and impairment charges. Royalty interests are classified in other non-current assets on the consolidated balance sheet.

(j) Impairment

(i) Financial assets

Financial assets are tested for impairment at each reporting date to determine whether there is any objective evidence of impairment. A financial asset is considered to be impaired if objective evidence, that can be estimated reliably, indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

An impairment loss in respect of marketable securities is calculated by reference to its fair value.

A prior period impairment loss for loans and receivables is tested for possible reversal of impairment whenever an event or change in circumstance indicates the impairment may have reversed. If it has been determined that the impairment has reversed, the carrying amount of the asset is increased to its recoverable amount to a maximum of the carrying value that would have been determined had no impairment loss been recognized in prior periods. An impairment loss reversal would be recognized into the consolidated statement of earnings.

(ii) Non-financial assets

If a property is abandoned or deemed economically unfeasible, the related project balances are written off.

The Company conducts annual impairment assessments of the values of goodwill and long-lived assets, including mining assets, exploration and evaluation assets and royalty interests. Further, if at any other point an indication of impairment exists, an estimate of the asset's recoverable amount is calculated. The recoverable amount is determined as the higher of the asset's fair value less costs to sell ("FVLCS") and value in use ("VIU"). The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, the individual assets are grouped together into a CGU for impairment purposes. The CGU represents the lowest level for which there are separately identifiable cash inflows that are largely independent of the cash flows from other assets or other groups of assets.

If the carrying amount of the asset or CGU exceeds its recoverable amount, an impairment loss is first recorded against any goodwill allocated to the relevant CGU. If the impairment loss is greater than the attributable goodwill, the excess is then recorded to the other long-lived assets in the CGU on a pro rata basis.

A prior period impairment loss is tested for possible reversal of impairment whenever an event or change in circumstance indicates the impairment may have reversed. If it has been determined that the impairment has reversed, the carrying amount of the asset is increased to its recoverable amount to a maximum of the carrying value that would have been determined had no impairment loss been recognized in prior periods. An impairment loss reversal is recognized into the consolidated statement of earnings. Impairment losses recognized in relation to goodwill are not reversed for subsequent increases in its recoverable amount.

The recoverable amount is determined based on the present value of estimated future cash flows from each long-lived asset or CGU, which are calculated based on numerous assumptions such as proven and probable reserves, resources when appropriate, estimates of discount rates, realizable metals prices, operating costs, capital and site restoration expenses and estimated future foreign exchange and inflation rates, as defined under IFRS for FVLCS and VIU. Management's assumptions and estimate of future cash flows are subject to risk and uncertainties, particularly in market conditions where higher volatility exists, and may be partially or totally outside of the Company's control. Therefore, it is reasonably possible that changes could occur with evolving economic conditions, which may affect the recoverability of the Company's long-lived assets and goodwill. If the Company fails to achieve its valuation assumptions or if any of its long-lived assets or CGU experiences a decline in its fair value, then this may result in an impairment charge in future periods, which would reduce the Company's earnings.

(k) Asset retirement obligations

The Company records the present value of estimated costs of legal and constructive obligations required to restore locations in the period in which the obligation is incurred with a corresponding increase in the carrying value of the related mining asset. The obligation is generally considered to have been incurred when mine assets are constructed or the ground environment is disturbed at the production location. The discounted liability is adjusted at the end of each period to reflect the passage of time, based on the discount rate that reflect current market assessments and the risks specific to the liability, and changes in the estimated future cash flows underlying the obligation.

The Company also estimates the timing of the outlays, which is subject to change depending on continued operation or newly discovered reserves.

The periodic unwinding of the discount is recognized in earnings as a finance cost. Additional disturbances or changes in restoration costs or in discount rates will be recognized as changes to the corresponding assets and asset retirement obligation when they occur. Environmental and on-going site reclamation costs at operating mines, as well as changes to estimated costs and discount rates for closed sites, are charged to earnings in the period during which they occur.

(l) Income and mining taxes

(i) Current income and mining tax

Current income and mining tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Current income and mining tax assets and current income and mining tax liabilities are only offset if a legally enforceable right exists to set off the amounts, and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current income and mining taxes relating to items recognized directly in equity are recognized directly in equity.

(ii) Deferred income and mining tax

Deferred income and mining tax is provided using the balance sheet method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income and mining tax liabilities are recognized for all taxable temporary differences, except:

- Where the deferred income and mining tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit; and
- In respect of taxable temporary differences associated with investments in subsidiaries, and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled by the parent, or venturer and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income and mining tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When results from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, and interests in joint ventures, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income and mining tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income and mining tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will be available to allow the deferred tax asset to be recovered.

A translation gain or loss will arise where the local tax currency is not the same as the functional currency. A deferred tax is recognized on the difference between the book value of the non-monetary assets and the underlying tax basis, translated to the functional currency using the current foreign exchange rate.

Deferred income and mining tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is expected to be realized or the liability settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred income and mining taxes relating to items recognized directly in equity are recognized directly in equity.

Deferred income and mining tax assets and deferred income and mining tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

There is no certainty that income and mining tax rates will be consistent with current estimates. Changes in tax rates increase the volatility of the Company's earnings.

(m) Flow-through common shares

Flow-through common shares are recognized in equity based on the quoted price of the existing shares on the date of the issue. The difference between the amount recognized in common shares and the amount the investor pays for the shares is recognized as a deferred gain which is reversed into earnings as eligible expenditures are incurred. The deferred tax impact is recorded as eligible expenditures are incurred, provided the Company has the intention to renounce the related tax benefits.

(n) Earnings per share

The Company presents basic and diluted earnings per share data for its common shares. Basic earnings per share are calculated by dividing earnings attributable to equity shareholders by the weighted average number of common shares outstanding during the period. Diluted earnings per share are determined by adjusting the weighted average number of common shares for the dilutive effect of share-based payments, employee incentive share units, and warrants using the treasury stock method.

(o) Share-based payments

The Company has the following share-based payment plans with related costs included in general and administrative expenses.

(i) Share options, share bonus plan, and deferred share plan

The Company operates a number of equity-settled share-based payment plans in respect of its employees. Compensation costs are measured based on the grant date fair value of the equity-settled instruments and recognized upon grant date over the related service period in the statement of earnings and credited to contributed surplus within shareholders' equity.

The fair value is based on market prices of the equity-settled instruments granted, taking into account the terms and conditions upon which those equity-settled instruments were granted. The fair value of equity-settled instruments granted is estimated using the Black-Scholes model or other appropriate method and assumptions at grant date.

The model requires management estimates such as risk-free interest rate, volatility and weighted average expected life impacting weighted average grant date fair value. The weighted average grant date fair value is the basis for which share-based payments are recognized in earnings.

Upon exercise of options and/or issuance of shares, consideration paid by employees, as well as the grant date fair value of the equity-settled instruments, are transferred to common shares.

(ii) Directors share bonus plan

Share bonuses to directors are expensed on issuance as they vest immediately. They are measured at the date of issuance at the closing market price of the last day of the period.

(iii) Share purchase plan

The Company provides a share purchase plan where the Company contributes towards the purchase of shares on the open market. The Company's contribution vests on December 31 of each year and is charged to earnings in the year of contribution.

(p) Revenue recognition

Revenues include sales of gold, niobium and by-product concentrate as well as royalty revenue.

Revenues from the sale of gold and by-products (silver and copper concentrate) are recognized when the metal is delivered to the counterparties to the transaction.

Revenues from the sale of niobium (ferroniobium) are recognized when legal title (rights and obligations) to the ferroniobium is transferred to the buyer.

Royalty revenue is recognized when the Company has reasonable assurance with respect to measurement and collectability. Revenue based royalties such as Net Smelter Return ("NSR") or Gross Proceeds Royalties are determined based on the proceeds from the sale or other disposition of minerals recovered from the property on which the royalty interest is held. The form, manner and timing of the receipt of any specific royalty payment are governed by the corresponding royalty agreement with the owner of the royalty property.

(q) Assets held for sale and discontinued operations

A discontinued operation is a component of the Company that either has been disposed of or is classified as held for sale, i.e. if its carrying value will be recovered principally through a sale transaction rather than through continuing use and when the relevant criteria are met. A component of the Company comprises operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the entity. Results of operations and any gain or loss on the disposal are disclosed separately as net earnings from discontinued operations in the consolidated statement of earnings and comparative periods are reclassified accordingly.

4. FUTURE ACCOUNTING POLICIES

The following new standards, and amendment to standards and interpretations, were not yet effective for the year ended December 31, 2011, and have not been applied in preparing these consolidated financial statements. They are summarised as follows:

IFRS 9 – Financial instruments

The IASB has issued IFRS 9, Financial Instruments, which is a four-part project proposing to replace IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 is planned to be effective on January 1, 2015. The Company is in the process of evaluating the impact of the change to its consolidated financial statements as a result of the new standard.

IFRS 10 – Consolidated financial statements

The IASB recently issued its new suite of consolidation and related standards, replacing the existing accounting for subsidiaries and joint ventures (now joint arrangements), and making limited amendments in relation to associates. IFRS 10 supersedes IAS 27, Consolidated and separate financial statements, and SIC 12, Consolidation – Special purpose entities. IFRS 10 will be effective January 1, 2013 and early adoption is permitted. The Company is in the process of evaluating the requirements of the new standards.

IFRS 11 – Joint arrangements,
and IAS 28 – Amended standard on associates and joint ventures

The IASB replaced the existing guidance for joint ventures (new arrangements) and made limited amendments in relation to associates and the application of the equity method of accounting. Under IFRS 11, joint arrangements are now classified as either joint operations or joint ventures, depending upon the rights and obligations of the parties to the arrangement.

Limited amendments were made to IAS 28 regarding associates and joint ventures held for sale and changes in interests held in associates and joint ventures. Under IFRS 11, joint ventures will be accounted for using the equity method instead of proportionate consolidation.

IFRS 11 and IAS 28 (2011) will be effective January 1, 2013 and early adoption is permitted. The Company will apply this new standard in relation to its joint ventures, Sadiola and Yatela. The Company is in the process of evaluating the requirements of the new standards.

IFRS 12 – Disclosure of interests in other entities

IFRS 12 replace the existing disclosure requirements for entities that have interests in subsidiaries, joint arrangements, and associates. IFRS 12 contains disclosure requirements for entities that have interests in unconsolidated structured entities. IFRS 12 will be effective January 1, 2013. The Company is in the process of evaluating the requirements of the new standards.

IFRS 13 – Fair value measurement

IFRS 13 replaces the fair value measurement guidance contained in individual IFRS with a single source of fair value measurement guidance, and defines value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, i.e. an exit price. IFRS 13 is applicable prospectively starting January 1, 2013 and early application is permitted with disclosure of the fact. The Company is in the process of evaluating the requirements of the new standards.

IFRIC 20 – Stripping costs in the production phase of a surface mine

IFRIC 20 provides guidance on the accounting for the costs of stripping activity in the production phase of surface mining when two benefits accrue to the entity from the stripping activity: usable ore that can be used to produce inventory and improved access to further quantities of material that will be mined in future periods. IFRIC 20 is applicable for annual period beginning on or after January 1, 2013 and early application is permitted. The Company is in the process of evaluating the requirements of the new standards.

5. DIVESTITURES

La Arena project

In June 2009, an option and earn-in agreement was entered into with Rio Alto Mining Limited ("Rio Alto") for the sale of the La Arena project in Peru. In 2009, the Company received 8,024,511 common shares (10.6% interest) and 1,500,000 warrants of Rio Alto for a total value of $1,400,000 at inception.

During the option term, Rio Alto earned-in newly issued shares of La Arena S.A., an IAMGOLD wholly-owned subsidiary, up to the maximum allowed under the agreement of 38.7% by incurring $30,000,000 in expenditures on the La Arena project. At the end of 2010, the Rio Alto expenditures on the La Arena project totaled $38,933,000 since June 2009.

In February 2011, as per the option agreement, Rio Alto purchased all of the outstanding shares of La Arena S.A. for a cash payment of $48,847,000 resulting in an after-tax gain of $10,517,000. The La Arena project was included in the Exploration and evaluation segment. Major classes of assets and liabilities included as part of the La Arena project were as follows as at the date of disposal:

	$
Current assets	147
Exploration and evaluation assets	66,941
Corporate equipment	103
Goodwill	11,289
Current liabilities	(6,044)
Deferred income and mining tax liabilities	(6,582)
Non-controlling interests	(27,524)
Net carrying value	38,330

6. DISCONTINUED OPERATIONS

(a) Tarkwa and Damang mines (Investments in associates)

On June 22, 2011, IAMGOLD sold its 18.9% interests in the Tarkwa and Damang gold mines in Ghana, West Africa to Gold Fields Limited for gross proceeds of $667,000,000 and recorded an after-tax gain on this sale of $402,837,000. Interests in Tarkwa and Damang mines were accounted for as investments in associates using the equity method. The Company ceased the equity method accounting as of the date of the agreement, April 15, 2011. The Tarkwa and Damang mines were previously reported under the segment of equity accounted items. For more information refer to note 6(c) below.

(b) Mupane mine

On August 31, 2011, the Company sold its wholly owned investment in Gallery Gold (Pty) Ltd. which held the Company's interest in the Mupane gold mine ("Mupane mine") for $34,200,000 resulting in a gain on disposal of $5,276,000 (before income tax). The proceeds consisted of $12,506,000 in cash, a $3,800,000 promissory note, payable over three years at an annual interest rate of 6%, and 21,875,000 common shares of Galane Gold Ltd. ("Galane") valued at $17,894,000, representing approximately 48.5% of the outstanding shares of Galane. The tax impact of the sale was a recovery of $1,500,000. The Mupane mine was previously reported under the Gold mines – Botswana segment.

Starting September 1, 2011, the interest of 48.5% in Galane (the new entity owning the Mupane mine) was accounted for as an investment in associates using the equity method (note 11).

Major classes of assets and liabilities included as part of the Mupane mine were as follows as at the date of disposal:

	$
Cash and cash equivalents	5,947
Receivables and other current assets	1,978
Inventories	7,798
Mining assets	22,514
Non-current ore stockpiles	5,925
Accounts payable and accrued liabilities	(6,837)
Asset retirement obligations	(9,303)
Deferred income tax liabilities	(89)
Net carrying value	27,933
Consideration received, satisfied in cash	12,506
Cash and cash equivalents disposed of	5,947
Net cash inflow on disposal	6,559

(c) Net earnings from discontinued operations

Results and gains on disposal of these discontinued operations are presented separately as net earnings from discontinued operations in the consolidated statement of earnings, and comparative periods have been adjusted accordingly.

Years ended December 31	2011 $	2010 $
Tarkwa and Damang mines		
Share of earnings from investments in associates before disposal	**21,002**	56,496
Gain on sale of investments in associates	**402,837**	—
Net earnings from the Tarkwa and Damang mines	**423,839**	56,496
Mupane mine		
Revenues	**50,475**	70,173
Mining costs	**(46,309)**	(65,951)
Derivative loss on gold hedging contracts [1]	**(19,451)**	(12,734)
Other expenses	**(310)**	(1,184)
Income taxes	**300**	(89)
Net loss from the Mupane mine before its disposal	**(15,295)**	(9,785)
Gain on sale of the Mupane mine	**5,276**	—
Income tax recovery on sale	**1,500**	—
	6,776	—
Net loss from the Mupane mine	**(8,519)**	(9,785)
Net earnings from discontinued operations attributable to equity shareholders of the Company	**415,320**	46,711

(1) The disposal of the Mupane mine led to the retirement of outstanding Mupane gold hedges resulting in a realized derivative loss. In September 2011, the remaining hedging contracts that had not been delivered (71,600 ounces of gold with contract prices between $1,339 and $1,500 per ounce) were bought back at prices between $1,776 and $1,886 per ounce resulting in a realized loss of $26,074,000. Including the impact of option contracts for ounces of gold exercised during the year and the reversal of previous fair value adjustments, the total derivative loss for gold contracts totaled $19,451,000 during 2011.

(d) Net cash flow from (used in) discontinued operations

Years ended December 31	2011	2010
	$	$
Cash flow from (used in):		
Operating activities	**(15,301)**	41,440
Investing activities	**(4,328)**	14,783
	(19,629)	56,223

7. CASH AND CASH EQUIVALENTS

	December 31 2011	December 31 2010	January 1 2010
	$	$	$
Cash	**631,170**	269,194	182,570
Cash equivalents:			
Short-term deposits with initial maturities of three months or less	**420,443**	1,585	8,804
Cash and cash equivalents	**1,051,613**	270,779	191,374

8. GOLD BULLION

		December 31 2011	December 31 2010	January 1 2010
Ounces held	(oz)	**134,636**	100,001	99,999
Weighted average acquisition cost	($/oz)	**719**	404	404
Acquisition cost	($000)	**96,795**	40,411	40,408
End of year spot price for gold	($/oz)	**1,566**	1,406	1,088
End of year market value	($000)	**210,874**	140,551	108,749

During 2011, the Company sold 1,412 ounces in conjunction with the sale of its interests in the Tarkwa and Damang properties, for proceeds of $2,060,000 resulting in a gain of $1,412,000. The Company purchased 35,912 ounces of gold on the open market during the year at an average cost of $1,581 per ounce totaling $56,791,000. The Company received a dividend of 135 ounces of gold valued at $1,788 per ounce totaling $241,000.

9. RECEIVABLES AND OTHER CURRENT ASSETS

	Note	December 31 2011	December 31 2010	January 1 2010
		$	$	$
Gold trade receivables		**23,953**	9,808	7,693
Settlement receivables from sales of niobium		**19,258**	12,666	20,720
Receivables from governments related to taxes, mineral rights and exploration tax credits		**49,940**	24,422	24,717
Royalty receivable		**1,860**	1,625	1,188
Other receivables		**14,681**	6,665	7,911
		109,692	55,186	62,229
Derivatives – currency contracts	17(a)(iii)	**—**	—	142
Derivatives – oil contracts	17(a)(iii)	**4,606**	—	2,723
Derivatives – aluminum contracts	17(a)(iii)	**—**	—	186
Marketable securities – current portion		**24,331**	6,670	—
Prepaid expenses		**17,290**	19,992	17,632
		155,919	81,848	82,912

The Company's exposure to credit risk is disclosed in note 17(a)(ii).

10. INVENTORIES

	December 31 2011	December 31 2010	January 1 2010
	$	$	$
Current:			
Finished goods:			
Gold production inventories	**38,660**	38,632	32,104
Niobium production inventories	**12,143**	12,841	7,230
Concentrate inventory	**—**	589	661
Gold in process	**13,318**	6,960	10,991
Ore stockpiles	**16,481**	19,628	26,392
Mine supplies	**158,525**	126,066	83,519
	239,127	204,716	160,897
Included in Other non-current assets:			
Ore stockpiles	**111,260**	97,880	70,370

In 2011 the write-down of inventories to net realizable value amounted to $1,530,000 (2010 – nil). The amount of inventories recognised as an expense during the period is disclosed in note 24.

11. INVESTMENTS IN ASSOCIATES

On June 22, 2011, IAMGOLD sold its 18.9% interests in the Tarkwa and Damang gold mines in Ghana, West Africa to Gold Fields Limited (note 6(a)). IAMGOLD's share of earnings from Tarkwa and Damang were reported into net earnings from discontinued operations (note 6(c)) in the Company's consolidated statement of earnings.

On August 31, 2011, the Company sold its wholly-owned investment in Gallery Gold (Pty) Ltd., including its Mupane gold mine (note 6(b)). As part of the consideration, IAMGOLD received common shares of Galane, the new owner of the Mupane mine, representing approximately 48.5% of the outstanding shares of Galane. This investment is accounted for using the equity method. The end of the reporting period of the financial statements of Galane is as of September 30, 2011 because their financial statements as at December 31, 2011 were not available prior to completing the Company's consolidated financial statements. IAMGOLD will continue to include Galane's results on a three-month lag due to the delay in the preparation of their financial statements compared to IAMGOLD. The carrying value of this asset was recorded on the balance sheet on September 1, 2011, at its fair value of $17,894,000. There were no material events from September 30 to December 31, 2011. The fair value of the Company's shares in Galane was $22,726,000 at December 31, 2011 based on the quoted prices of the shares.

Investments in associates are as follows:

	Tarkwa	Damang	Galane	Total
	$	$	$	$
Balance, January 1, 2010	192,016	40,422	—	232,438
Share of earnings in 2010	43,554	12,942	—	56,496
Dividends received from associates in 2010	(18,900)	(5,670)	—	(24,570)
Loan repayments in 2010	(18,242)	—	—	(18,242)
Balance, December 31, 2010	**198,428**	**47,694**	**—**	**246,122**
Acquisition (note 6(b))	**—**	**—**	**17,894**	**17,894**
Share of loss in 2011	**—**	**—**	**(1,635)**	**(1,635)**
Share of earnings (loss) in 2011 (discontinued operations) (note 6(c))	**24,266**	**(3,264)**	**—**	**21,002**
Dividends received from associates in 2011	**—**	**(5,670)**	**—**	**(5,670)**
Disposal in 2011	**(222,694)**	**(38,760)**	**—**	**(261,454)**
Balance, December 31, 2011	**—**	**—**	**16,259**	**16,259**

Financial information for investments in Galane, not adjusted for the percentage held by the Company, is summarised below:

	Galane
	$
As at September 30, 2011	
Current assets	15,708
Non-current assets	33,946
Total assets	49,654
Current liabilities	7,074
Non-current liabilities	15,911
Total liabilities	22,985
From September 1 to September 30, 2011	
Revenues	1,481
Expenses	(4,728)
Net loss	(3,247)

12. MINING ASSETS

Mining assets net of accumulated depreciation were as follows:

	Mine and other construction in progress	Mining properties and deferred costs	Plant and equipment	Total
	$	$	$	$
Cost				
As at January 1, 2010	409,554	1,605,240	640,141	2,654,935
Additions	187,752	32,755	39,870	260,377
Change in rehabilitation provision	—	25,719	—	25,719
Disposals	—	(16)	(11,830)	(11,846)
Transfer	(554,878)	74,603	488,663	8,388
Other	—	(1,304)	—	(1,304)
As at December 31, 2010	**42,428**	**1,736,997**	**1,156,844**	**2,936,269**
Additions – continuing operations	96,139	70,093	78,774	245,006
Additions – discontinued operations	1,143	2,228	957	4,328
Change in rehabilitation provision	—	22,668	—	22,668
Disposals – continuing operations	—	(258)	(11,982)	(12,240)
Disposals – discontinued operations	(2,596)	(55,611)	(46,337)	(104,544)
Transfer	(38,030)	28,726	9,304	—
Other	—	—	3,095	3,095
As at December 31, 2011	**99,084**	**1,804,843**	**1,190,655**	**3,094,582**
Accumulated depreciation and impairment				
As at January 1, 2010	—	665,919	364,505	1,030,424
Depreciation expense – continuing operations	—	57,773	47,224	104,997
Depreciation expense – discontinued operations	—	6,742	6,755	13,497
Disposals	—	—	(9,740)	(9,740)
Transfer	—	997	7,391	8,388
As at December 31, 2010	**—**	**731,431**	**416,135**	**1,147,566**
Depreciation expense – continuing operations	—	71,698	78,623	150,321
Depreciation expense – discontinued operations	—	1,475	2,122	3,597
Disposals – continuing operations	—	(203)	(8,638)	(8,841)
Disposals – discontinued operations	—	(44,876)	(37,131)	(82,007)
Other	—	2,365	—	2,365
As at December 31, 2011	**—**	**761,890**	**451,111**	**1,213,001**
Net book value as at January 1, 2010	409,554	939,321	275,636	1,624,511
Net book value as at December 31, 2010	42,428	1,005,566	740,709	1,788,703
Net book value as at December 31, 2011	**99,084**	**1,042,953**	**739,544**	**1,881,581**

Mine and other construction in progress at December 31, 2011 and 2010, include capital expenditures related to projects at IAMGOLD's mines such as the expansion at the Rosebel mine ($13,852,000), the Phase 2 expansion, the bulk water storage and camp site upgrades at the Essakane mine, ($32,181,000), the feasibility study of the Sadiola sulphide project ($3,236,000), and the expansion of the Niobec mine including different projects ($49,815,000). There was no amount relating to expenditures for the construction of a mine facility that has not yet commenced commercial production.

Mining properties and deferred costs at December 31, 2011 included capitalized stripping costs of $32,829,000 (December 31, 2010 – $1,833,000). Stripping costs of $33,941,000 were capitalized during 2011 (2010 – nil), and $1,113,000 were amortised during 2011 (2010 – $8,903,000).

Mining properties and deferred costs did not include any VBPP at December 31, 2011 (December 31, 2010 – $20,237,000). In 2011, an amount of $20,237,000 (2010 – $46,840,000) was transferred from VBPP, an un-amortisable class, during the year to development costs, an amortisable class.

Borrowing costs attributable to qualifying assets were nil in 2011 and 2010.

13. EXPLORATION AND EVALUATION ASSETS

Capitalized investments in exploration and evaluation properties were as follows:

	Note	**December 31 2011**	December 31 2010	January 1 2010
		$	$	$
Canada – Westwood project		**329,571**	209,615	119,333
Ecuador – Quimsacocha project	30(a)	**26,923**	23,937	19,345
Peru – La Arena project	5	**—**	66,941	30,008
Other		**—**	5,722	5,975
		356,494	306,215	174,661

	$
At January 1, 2010	174,661
Additions	131,964
Disposals	(410)
At December 31, 2010	**306,215**
Additions	**122,943**
Transfers to mining assets	**(1,539)**
Disposals	**(71,125)**
At December 31, 2011	**356,494**

The net book value reflects the cost of exploration and evaluation assets and does not include any accumulated impairment. Exploration expenses in the consolidated statement of earnings amounted to $73,326,000 in 2011 compared to $45,870,000 during 2010.

14. GOODWILL

The carrying amount of goodwill allocated to each of the cash-generating units is as follows:

	December 31 2011	December 31 2010	January 1 2010
	$	$	$
Rosebel mine	**168,413**	168,413	168,413
Doyon division	**88,276**	88,276	88,276
La Arena exploration project	**—**	11,289	11,289
	256,689	267,978	267,978

	Note	2011	2010
		$	$
Balance, beginning of the year		**267,978**	267,978
Disposal of the La Arena exploration project	5	**(11,289)**	—
Balance, end of the year		**256,689**	267,978

15. OTHER NON-CURRENT ASSETS

	Note	December 31 2011	December 31 2010	January 1 2010
		$	$	$
Receivables from governments related to taxes, mineral rights and exploration tax credits		**11,310**	9,570	6,229
Marketable securities – non-current	15(a)	**93,753**	69,331	49,237
Warrants held as investments	15(a)	**10,056**	4,748	1,382
Royalty interests	15(b)	**21,190**	26,514	28,688
Ore stockpiles – non-current		**111,260**	97,880	70,370
Corporate equipment		**7,940**	6,864	6,035
Other intangible assets		**4,491**	5,332	8,373
Loan receivable	6(b)	**3,800**	—	—
Prepayment amounts on non-current assets		**27,111**	—	—
Other		**4,334**	4,094	4,421
		295,245	224,333	174,735

(a) Marketable Securities and Warrants Held as Investments

The Company's exposure to market risk and the sensitivity analysis related to marketable securities and warrants held as investments are disclosed in note 17(a)(iii).

(b) Royalty Interests

	Cost	Accumulated amortisation	Net royalty interests
	$	$	$
At December 31, 2011			
Diavik[1]	**49,446**	**29,006**	**20,440**
Auplata[3]	**750**	**—**	**750**
	50,196	**29,006**	**21,190**
At December 31, 2010	$	$	$
Diavik[1]	49,446	26,289	23,157
Magistral[2]	3,109	502	2,607
Auplata[3]	750	—	750
	53,305	26,791	26,514
At January 1, 2010	$	$	$
Diavik[1]	49,446	23,365	26,081
Magistral[2]	3,109	502	2,607
	52,555	23,867	28,688

(1) The Company owns a 1% gross proceeds' royalty on certain claims in the Lac de Gras region of the Northwest Territories, including the Diavik lands controlled by Harry Winston Diamond Corporation and Diavik Diamond Mines Inc.

(2) The Company owned a sliding scale NSR royalty on mineral production from the Magistral gold property in Mexico owned by US Gold Corporation which was sold with another royalty in December 2011 for gross proceeds of $15,000,000 resulting in a pre-tax gain of $12,393,000.

(3) In 2010, the Company transferred shares held in a subsidiary in exchange for a royalty on gold production of properties. The fair value of the properties transferred was attributed to this non-monetary transaction. On December 5, 2011, the subsidiary entered into an option agreement which provides the third party with the ability to effectively purchase from the subsidiary the existing royalty in return for cash, shares and a retained net smelter royalty. The option agreement expires on July 30, 2015.

16. JOINT VENTURES

The following amounts represent the Company's proportionate interest in the joint ventures of the Sadiola mine (41%) and the Yatela mine (40%). Condensed balance sheet and statement of earnings information for the Company's joint ventures are summarised below:

	December 31, 2011			December 31, 2010		
	Sadiola	**Yatela**	**Total**	Sadiola	Yatela	Total
Ownership	**41%**	**40%**		41%	40%	
	$	**$**	**$**	$	$	$
Current assets	**46,528**	**26,529**	**73,057**	40,427	26,733	67,160
Non-current assets	**103,606**	**6,013**	**109,619**	78,019	5,916	83,935
Total assets	**150,134**	**32,542**	**182,676**	118,446	32,649	151,095
Current liabilities	**33,446**	**11,344**	**44,790**	27,435	8,215	35,650
Non-current liabilities	**32,558**	**15,507**	**48,065**	17,725	10,321	28,046
Total liabilities	**66,004**	**26,851**	**92,855**	45,160	18,536	63,696

Years ended December 31			**2011**			2010
Revenues	**188,987**	**46,208**	**235,195**	143,476	70,606	214,082
Expenses (including income and mining taxes)	**142,882**	**54,639**	**197,521**	104,427	66,475	170,902
Net earnings (loss)	**46,105**	**(8,431)**	**37,674**	39,049	4,131	43,180

17. FINANCIAL INSTRUMENTS

The following table presents the carrying amounts and estimated fair values of the Company's financial instruments.

	December 31, 2011		December 31, 2010		January 1, 2010	
	Carrying value	**Fair value**	Carrying value	Fair value	Carrying value	Fair value
	$	**$**	$	$	$	$
Financial Assets (Liabilities)						
Cash and cash equivalents	**1,051,613**	**1,051,613**	270,779	270,779	191,374	191,374
Receivables included in receivables and other	**109,692**	**109,692**	55,186	55,186	62,229	62,229
Derivatives – Currency contracts	**89**	**89**	—	—	142	142
Derivatives – Currency contracts	**(4,649)**	**(4,649)**	—	—	—	—
Derivatives – Oil contracts	**4,606**	**4,606**	—	—	2,723	2,723
Derivatives – Aluminum contracts	**9**	**9**	—	—	186	186
Derivatives – Aluminum contracts	**(761)**	**(761)**	—	—	—	—
Marketable securities	**118,084**	**118,084**	76,001	76,001	49,237	49,237
Warrants held as investments	**10,056**	**10,056**	4,748	4,748	1,382	1,382
Accounts payable and accrued liabilities	**(205,951)**	**(205,951)**	(158,410)	(158,410)	(140,462)	(140,462)
Other liability – Embedded derivatives[(1)]	**(992)**	**(992)**	(1,449)	(1,449)	(1,108)	(1,108)

(1) Related to the contingent consideration for the purchase in 2009 of the additional 3% interest in Sadiola.

(a) Risks

The Company is subject to various financial risks that could have a significant impact on profitability, levels of operating cash flow and financial conditions. Ongoing financial market conditions may have an impact on interest rates, gold prices and currency rates.

The Company is exposed to various liquidity, credit and market risks associated with its financial instruments, and manages those risks as follows:

i. Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

As at December 31, 2011, the Company's cash and cash equivalents, and gold bullion position valued at the year-end gold market price, was $1,262,487,000 (December 31, 2010 – $411,330,000). The Company has a $350,000,000 unsecured revolving credit facility and a $50,000,000 revolving facility for the issuance of letters of credit. As at December 31, 2011 and 2010, no funds were drawn against the credit facility, and $17,885,000 (December 31, 2010 – $18,244,000) in letters of credit were used to guarantee certain asset retirement obligations.

In July 2011, IAMGOLD filed a renewal of its existing short form base shelf prospectus qualifying the distribution of securities of up to $1 billion. These filings allow the Company to make offerings of common shares, warrants, debt securities, subscription receipts or any combination thereof. The renewal has a 25-month life in each of the provinces of Canada, except for Quebec, and the United States, and is intended to provide the Company additional financial flexibility. The proceeds from any such offerings may be used by the Company to further expand and develop its existing mines, advance its development projects, further explore and develop its mineral properties, fund working capital requirements or for other general corporate purposes including acquisitions. The Company's existing base shelf prospectus was never drawn on.

The Company has a treasury policy designed to support management of liquidity risk as follows:

- Invest in financial instruments in order to preserve capital, maintain required liquidity and realize a competitive rate of return while considering an appropriate and tolerable level of credit risk;
- Evaluate, review and monitor on a periodic basis, credit ratings and limits for counterparties with whom funds are invested;
- Invest or maintain investment in gold bullion until a combination of factors indicates that a sale or use of gold bullion is strategically advantageous for the Company, or as part of the overall treasury management;
- Monitor cash balances within each operating entity;
- Perform short- to medium-term cash flow forecasting, as well as medium and long-term forecasting incorporating relevant budget information;
- Determine market risks inherent in the business, including currency, fuel and other non-gold commodities and evaluate, implement and monitor hedging strategies through the use of derivative instruments.

The market liquidity risk is the risk that the Company has entered into a derivative position that cannot be closed out quickly, by either liquidating such derivative instrument or by establishing an offsetting position. Under the terms of the Company's hedging agreements, counterparties cannot require the immediate settlement of outstanding derivatives, except upon the occurrence of customary events of default such as covenant breaches, including financial covenants, insolvency or bankruptcy. The Company generally mitigates liquidity risk by spreading out the maturity of its derivatives over time.

The Company's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage.

ii. Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The maximum amount of credit risk is equal to the balance of cash and cash equivalents, receivables and derivative assets. Where applicable, the fair value of derivatives has been evaluated to account for counterparty credit risk.

The Company holds cash and cash equivalents in credit worthy financial institutions and does not hold any asset-backed commercial paper.

For derivatives, the Company mitigates credit risk by entering into derivatives with high quality counterparties, limiting the exposure per counterparty, and monitoring the financial condition of the counterparties.

Receivables included in receivables and other current assets are summarised in note 9. The credit risk related to gold trade receivable is considered minimal as gold is sold to creditworthy major banks and settled promptly, usually within the following month.

Niobium sales credit risk on settlement receivables is related to difficulties buyers may have in meeting their payment obligations. At December 31, 2011, 65% of outstanding settlement receivables from sales of niobium were outstanding for less than 30 days, and 31% for between 30 and 60 days. In order to minimise the credit risk related to receivables from sales of niobium, credit limit exposure reviews are performed on a regular basis. No impairment was recognised in 2011 and 2010. There was no amount that would otherwise be past due or impaired whose terms have been renegotiated. The Company does not hold any security or any other credit enhancements in relation to these receivables.

The credit risk is also related to receivables from government related to taxes, mineral rights and exploration tax credits. Pending completion of certain government audits, the full balance recorded may not be ultimately realized. Management does not expect the amount realized to be materially different from that currently recorded.

iii. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. For hedging activities, it is the risk that the fair value of a derivative might be adversely affected by a change in underlying commodity prices or currency exchange rates, and that this in turn affects the Company's financial condition.

The Company mitigates market risk by establishing and monitoring parameters that limit the types and degree of market risk that may be undertaken, establishing trading agreements with counterparties under which there are no requirement to post any collateral or make any margin calls on derivatives. Counterparties cannot require settlement solely because of an adverse change in the fair value of a derivative. Market risk comprises three types of risks, share, and commodity market price risk, currency risk, and interest rate risk.

Fair value measurements

The following fair value hierarchy, which reflects the significance of the inputs, is used in making the measurements of fair value of financial assets and liabilities.

Level 1.	Quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2.	Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3.	Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's financial assets and liabilities recorded at fair value were as follows:

December 31, 2011	Quoted Prices in Active Markets for Identical Assets (Level 1) $	Significant Other Observable Inputs (Level 2) $	Significant Unobservable Inputs (Level 3) $	Aggregate Fair Value $
Financial assets :				
Available for sale – Marketable securities	98,869	—	19,215	118,084
Assets at fair value through profit and loss – Warrants held as investments	—	10,056	—	10,056
Derivatives:				
Currency contracts	—	89	—	89
Oil contracts	—	4,606	—	4,606
Aluminum contracts	—	9	—	9
Total	98,869	14,760	19,215	132,844
Financial liabilities:				
Derivatives:				
Currency contracts	—	(4,649)	—	(4,649)
Aluminum contracts	—	(761)	—	(761)
Other liability – Embedded derivatives	—	(992)	—	(992)
Total	—	(6,402)	—	(6,402)

Valuation techniques

Marketable Securities:

The fair value of available-for-sale financial assets (marketable securities) is determined based on a market approach reflecting the closing price of each particular security at the balance sheet date. The closing price is a quoted market price obtained from the exchange that is the principal active market for that particular security and is therefore classified within Level 1 of the fair value hierarchy. Investments in equity instruments that are not actively traded use valuation techniques that require inputs that are both unobservable and significant, and therefore were categorized as Level 3 in the fair value hierarchy. The Company used the latest transaction price to value these marketable securities in Level 3.

	$
Available-for-sale financial assets included in Level 3	
Balance at December 31, 2010	9,730
Change in fair value reported in other comprehensive income	10,130
Disposal and gain on disposal recognized in the statement of earnings	(645)
Balance at December 31, 2011	19,215

Warrants held as investments:

The fair value of warrants held as investments, classified as financial assets at fair value through profit and loss, is obtained through the use of the Black-Scholes pricing model which uses share price inputs and volatility measurements, and is therefore classified within Level 2 of the fair value hierarchy.

Derivatives:

For its derivative contracts (currency, oil and aluminum) and embedded derivatives, the Company obtains a valuation of the contracts from counterparties of its portfolio of contracts. The Company reassess the reasonableness of these valuations. Valuations are based on forward rates considering the market price, rate of interest and volatility, and take into account the credit risk of the financial instrument, and are therefore classified within Level 2 of the fair value hierarchy.

Marketable securities and warrants held as investments, and market price risk

IAMGOLD holds certain marketable securities following the settlement of specific transactions (e.g., disposal of a project in exchange for the shares of the counterparty) or as a strategic investment. These investments relate to mining companies which are part of a volatile market. Share market price exposure risk is related to the fluctuation in the market price of marketable securities.

Investments in marketable securities are classified as available-for-sale financial assets and are recorded at fair value in receivables and other current assets for marketable securities expected to be sold in the next twelve months, and for the remainder in other non-current assets on the consolidated balance sheet.

In 2011, the unrealized gain related to change in market price of marketable securities classified as available-for-sale totaled $6,128,000 compared to $48,970,000 during 2010. These unrealized gains are recorded in the fair value reserve within equity.

The Company sold some of its marketable securities during 2011 and 2010. Gains previously included in the fair value reserve, $8,912,000 in 2011 and $21,042,000 during 2010, were transferred to the statement of earnings.

At the end of the year, the Company reviewed the value of marketable securities for objective evidence of impairment based on both quantitative and qualitative criteria and determined that an impairment charge of $1,643,000 was required in 2011 (no impairment in 2010). Factors considered in determining impairment include a decreasing trend of these investments' market value over a prolonged period of time and other public information available on these companies.

Movement in fair value reserve	Note	**2011**	2010
		$	$
Net change in fair value of available-for-sale financial assets			
Unrealized gain		**6,128**	48,970
Income and mining tax impact	20	**(1,886)**	(5,044)
		4,242	43,926
Net change in fair value of available-for-sale financial assets and impairment transferred to the statement of earnings			
Gain on sale	27	**(8,912)**	(21,042)
Impairment	27	**1,643**	—
Income and mining tax impact	20	**911**	2,724
		(6,358)	(18,318)
		(2,116)	25,608

The Company also has share purchase warrants held as investments included in other non-current assets on the consolidated balance sheet. An unrealized gain of $936,000 related to the change in the fair value of these warrants held as investments was recorded in 2011 compared to $3,952,000 during 2010.

At December 31, 2011, the impact of a change of 10% in the fair value of marketable securities and warrants held as investments would have resulted in a change in unrealized net of tax gain/loss of $10,216,000 that would be included in other comprehensive income, and a change of $871,000 in net earnings.

Currency exchange rate risk

Movements in the Canadian dollar (C$), the euro (€) and the South African Rand ("Rand"; symbol: "ZAR") against the U.S. dollar have a direct impact on the Company's financial statements. Canadian and international operations have exposure to currencies; however metal sales are mainly transacted in U.S. dollars and a significant portion of each international operation's cost base is denominated in U.S. dollars.

The impact of conversion of transactions denominated in foreign currencies is accounted for in the statement of earnings and presents increased risk, as these foreign currency rates fluctuate in relation to the U.S. dollar.

During 2011, the Company increased its hedge position for its exposure to the Canadian dollar, the euro and the Rand by executing a combination of forward and option contracts. The Company's objective is to hedge its exposure to these currencies resulting from operating and capital expenditures requirements at the Niobec and Essakane mines, the Westwood project, and corporate costs.

As at December 31, 2011, the Company had outstanding contracts for:

- Forward and options contracts for C$234,906,000 ($233,693,000) hedging 62% of its exposure in 2012. Contracts rates are from C$0.97/U.S.$ to C$1.05/U.S.$.
- Forward and options contracts for €96,000,000 ($124,789,000) hedging 37% of its exposure in 2012. The average contracts rate for those contracts is 1.300.
- Forward contracts for ZAR 55,500,000 ($6,620,000), hedging 100% of its exposure in 2012, at an average rate of ZAR 8.384/U.S.$.

These contracts do not qualify for hedge accounting. The fair value was included in other current liabilities in the consolidated balance sheet.

Fair value	**December 31 2011**	December 31 2010
	$	$
Canadian dollar (C$)	**(4,314)**	—
Euro (€)	**(335)**	—
South African Rand (ZAR)	**89**	—
	(4,560)	—

Fair value adjustments (unrealized loss on contracts) and a realized loss on deliveries were recognized and recorded as follows:

	2011	2010
	$	$
Unrealized loss on contracts	**(5,022)**	—
Realized loss	**(1,748)**	(3,085)
Total included in derivative loss	**(6,770)**	(3,085)

The fair value as at December 31, 2011, and the fair value based on an increase or a decrease of 10% of the exchange rate as compared to the U.S. dollar would have been as follows. The entire change in fair value would be recorded in the statement of earnings.

Fair value	**December 31 2011**	Increase of 10%	Decrease of 10%
	$	$	$
Canadian dollar (C$)	**(4,314)**	(20,864)	14,305
Euro (€)	**(335)**	(10,368)	10,178
South African Rand (ZAR)	**89**	(506)	812
	(4,560)	(31,738)	25,295

Sensitivity analysis on net monetary assets:

The foreign exchange loss recorded in 2011 of $8,040,000 compared to $7,788,000 in 2010 was mainly due to the impact of foreign exchange variation on the net monetary asset position comprising items such as cash, receivables, payables, and income and mining taxes payable, denominated in a foreign currency.

A strengthening of the U.S. dollar, against the Canadian dollar at December 31, 2011 would have decreased net earnings by approximately $13,100,000. A weakening of the U.S. dollar against the Canadian dollar at December 31, 2011 would have had the same but opposite effect on the amount shown above, on the basis that all other variables remain constant.

Oil contracts and fuel market price risk

Diesel is a key input to extract tonnage and, in some cases, to wholly or partially power operations. Since fuel is produced by the refinement of crude oil, changes in the price of oil directly impact fuel costs. The Company believes there is a strong relationship between prices for crude oil, heating oil and diesel.

During 2011, the Company modified the application of its strategy by including West Texas Crude oil as a basis for hedging. The Company increased its hedge position for its exposure to fuel by executing option contracts.

As a result, as at December 31, 2011, the Company had outstanding option contracts covering 66% of its fuel exposure in 2012. Contract prices were between $2.55 and $2.99 per gallon for heating oil, and between $70 and $95 per barrel for crude oil. Planned fuel requirements are for the Rosebel, Essakane, Sadiola, Yatela, Niobec and Westwood operations.

The fair value is included in current assets in the consolidated balance sheet. At December 31, 2011, the fair value of outstanding contracts was as follows:

Fair value	**Number of Barrels**	**December 31 2011**	December 31 2010
		$	$
Heating oil option contracts	95,200	**206**	—
Crude oil option contracts	453,600	**4,400**	—
	548,800	**4,606**	—

Changes in fair values resulted in a derivative gain (loss) as follows:

	2011	2010
	$	$
Unrealized gain (loss) on contracts	**2,658**	(1,093)
Realized gain (loss)	**(263)**	146
Total included in derivative gain (loss)	**2,395**	(947)

The fair value of these contracts, based on an increase or a decrease of 10% of the price, would have been as follows. The entire change in fair value would be recorded in the statement of earnings.

	December 31 2011	Increase of 10%	Decrease of 10%
	$	$	$
Heating oil option contracts	**206**	1,030	(388)
Crude oil option contracts	**4,400**	8,048	1,374

Aluminum contracts and market price risk

Aluminum is a key input in the production of ferroniobium. The Company has a hedging strategy to limit the impact of fluctuations of aluminum prices and to economically hedge a portion of its future consumption of aluminum at the Niobec mine. The Company used swap contracts to economically hedge 75% of its aluminum exposure for 2012 and 49% in 2013 at the Niobec mine. The fair value of outstanding contracts as at December 31, 2011 was included in other current liabilities for the 2012 contracts and in other non-current assets for the 2013 contracts. The valuation of these contracts was based on an average aluminum price between $2,146 per metric tonne and $2,369 per metric tonne, at no cost, for the 2012 and 2013 consumption.

Fair value	**December 31 2011**	December 31 2010
	$	$
Contracts expiring in 2012	**(761)**	—
Contracts expiring in 2013	**9**	—
	(752)	—

These contracts did not qualify for hedge accounting. Changes in fair values resulted in a derivative gain (loss) as follows:

	2011	2010
	$	$
Unrealized loss on contracts	**(752)**	(186)
Realized gain (loss)	**(275)**	79
Total included in derivative loss	**(1,027)**	(107)

The fair value of these contracts, based on an increase or a decrease of 10% of the price, would have been as follows. The entire change in fair value would be recorded in the statement of earnings.

	December 31 2011	Increase of 10%	Decrease of 10%
	$	$	$
Aluminum contracts	**(752)**	346	(1,856)

Interest rate risk

The Company is exposed to interest rate risk on its cash and cash equivalents and revolving credit facility. Related interest rates are based on market interest rates. The credit facility provides for an interest rate margin above LIBOR, BA prime rate and Base rate advances which varies according to the senior debt ratio. Fees related to the letter of credit and standby fees also vary according to the senior debt ratio. A change in the debt interest rates would have an impact on net earnings and/or capitalized costs according to the project the debt is related to. The Company does not take any particular measures to protect itself against fluctuations in interest rates.

If interest rates in 2011 had been 10% lower or higher with all other variables held constant, the impact on net earnings would not have been material on the interest expense recorded during 2011.

(b) Capital management

IAMGOLD's objectives when managing capital are:

- To ensure the Company has sufficient financial capacity to support its operations, current mine development plans and long-term growth strategy;
- To provide a superior return to shareholders;
- To ensure the Company complies with its credit facility covenants; and
- To protect the Company's value with respect to market and risk fluctuations.

The Company's capital items are the following:

	Note	**December 31 2011**	December 31 2010	January 1 2010
		$	$	$
Cash and cash equivalents	7	**1,051,613**	270,779	191,374
Gold bullion (market value $210,874;	8	96,795		
December 31, 2010 – $140,551;			40,411	
January 1, 2010 – $108,749)				40,408
Common shares	21	**2,308,633**	2,255,498	2,201,528

The Company's capital structure reflects the requirements of a company focused on growth in a capital intensive industry that experiences lengthy development lead times as well as risks associated with capital costs and timing of project completion. Factors affecting these risks, which are beyond the Company's control, include the availability of resources, the issuance of necessary permits, costs of various inputs and the volatility of the gold price.

The adequacy of the Company's capital structure is assessed on an ongoing basis and adjusted as necessary after taking into consideration the Company's strategy, the forward gold and niobium prices, the mining industry, economic conditions and the associated risks. In order to maintain or adjust its capital structure, the Company may adjust its capital spending, adjust the amount of dividend distributions, issue new shares, purchase shares for cancellation pursuant to normal course issuer bids, extend its credit facility, issue new debt, repay existing debt if any, or purchase or sell gold bullion. There were no changes in the Company's approach to capital management during the year. The Company has complied with its credit facility covenants.

The Company's capital structure was modified during 2011 in support of the Company's growth objectives. As disclosed in note 21, the Company issued flow-through shares in 2011 for gross proceeds of C$43,316,000 to fund prescribed resource expenditures on the Westwood project. In February 2012, the Company amended its credit facility agreement as described in note 19.

As disclosed in note 8, in 2011 the Company purchased additional gold bullion for a net amount of $54,731,000. On January 14, 2011, the Company paid the 2010 annual dividend of $0.08 per share totaling $29,828,000. On July 20, 2011, IAMGOLD paid a semi-annual dividend in the amount of $0.10 per share totaling $37,513,000. On December 9, 2011, IAMGOLD increased its annual dividend payment to $0.25 per share, resulting in a semi-annual dividend payment in the amount of $0.125 per share payable on January 5, 2012 of $46,988,000. In 2011, additional dividends of $11,713,000 were related to subsidiaries' dividends to non-controlling interests (note 23).

In July 2011, IAMGOLD filed a renewal of its existing short form base shelf prospectus qualifying the distribution of securities of up to $1 billion (note 17(a)(i)).

(c) Derivative gain (loss)

The derivative loss is included in Interest income, derivatives and other investment gains (note 27) in the consolidated statement of earnings.

	Note	2011 $	2010 $
Unrealized change in fair value of:			
Derivative – Currency contracts	17(a)iii	**(5,022)**	—
Derivative – Oil contracts	17(a)iii	**2,658**	(1,093)
Derivative – Aluminum contracts	17(a)iii	**(752)**	(186)
Other (warrants held as investments and embedded derivatives)		**892**	3,428
Unrealized derivative gain (loss)		**(2,224)**	2,149
Realized gain (loss) on:			
Derivative – Currency contracts	17(a)iii	**(1,748)**	(3,085)
Derivative – Oil contracts	17(a)iii	**(263)**	146
Derivative – Aluminum contracts	17(a)iii	**(275)**	79
Realized derivative loss		**(2,286)**	(2,860)
Derivative loss		**(4,510)**	(711)

18. PROVISIONS

(a) Asset retirement obligations

The following table presents the reconciliation of the liability for asset retirement obligations:

	2011 $	2010 $
Balance, beginning of the year	**187,421**	119,213
Revision in estimated cash flows, timing of payments and discount rates:		
– capitalized in mining assets	**22,641**	25,719
– expensed (related to closed sites)	**23,048**	40,979
Accretion expense – continuing operations	**2,883**	2,228
Accretion expense – discontinued operations	**108**	156
Disbursement – continuing operations	**(2,781)**	(3,258)
Disbursement – discontinued operations	**(59)**	(75)
Other	**(1,756)**	2,459
Discontinued operations – Mupane	**(9,285)**	—
Balance, end of the year	**222,220**	187,421
Less current portion	**(6,366)**	(4,511)
Non-current portion	**215,854**	182,910

The Company's activities are subject to various laws and regulations regarding environmental restoration and closure provisions for which the Company estimates future costs. These provisions may be revised on the basis of amendments to such laws and regulations and the availability of new information, such as changes in reserves corresponding to a change in the mine life, acquisition or construction of a new mine. The Company makes full provision for the future cost of rehabilitating mine sites and related production facilities on a discounted basis on the development of mines or installation of those facilities.

As at December 31, 2011, the Company had letters of credit in the amount of $17,885,000 to guarantee asset retirement obligations.

At December 31, 2011, estimated undiscounted amounts of cash flows required to settle the obligations, expected timing of payments and the discount rate assumed in measuring the asset retirement obligations were as follows:

	Undiscounted Amounts Required	Expected Timing of Payments	Discount Rate
	$		
Rosebel mine	48,649	2012–2032	1.3%
Essakane mine	22,701	2020–2034	0.7%
Doyon mine	116,534	2012–2041	0.5%
Sadiola mine (41%)	25,578	2012–2038	0.6%
Yatela mine (40%)	14,478	2012–2021	0.1%
Niobec mine	8,488	2012–2029	0.5%
Other Canadian sites	9,280	2012–2109	0.5%
	245,708		

The schedule of estimated future disbursements for rehabilitation and for security deposits is as follows:

	$
2012	6,395
2013	6,415
2014	8,088
2015	9,333
2016	3,747
2017 onwards	211,730
	245,708

(b) Termination benefits

Contractual termination benefits of $4,928,000 were recorded in 2008 for both the Doyon and Mouska mines in Canada. In 2009, the life of the Doyon mine was extended from May 2009 to December 2009 due to improved operating efficiencies. In addition, the Company approved a program to extend the life of the Mouska mine from 2009 into early 2012 through the use of paste backfill to extract additional ore. In 2011 and 2010, termination benefits provisions were adjusted due to mine life extension at the Mouska mine and the continued employment of certain Doyon mine employees at the Westwood and Essakane sites.

Liabilities relating to termination benefits for the closure of the Company's Doyon and Mouska mines in Canada as of December 31, 2011, were as follows:

	December 31 2010	Termination Benefits Adjustments in 2011	Paid During 2011	Foreign Exchange Impact 2011	December 31 2011
	$	$	$	$	$
Doyon and Mouska	2,627	692	(542)	161	2,938

Liabilities relating to termination benefits for the closure of the Company's Doyon and Mouska mines in Canada as of December 31, 2010, were as follows:

	January 1 2010	Termination Benefits Adjustments in 2010	Paid During 2010	Foreign Exchange Impact 2010	December 31 2010
	$	$	$	$	$
Doyon and Mouska	3,279	(550)	(220)	118	2,627

At December 31	2011	2010
	$	$
Current portion included in Accounts payable and accrued liabilities	**466**	2,357
Long-term portion included in Other non-current liabilities	**2,472**	270
	2,938	2,627

(c) Provisions for litigation claims

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

The Company is subject to various litigation actions, whose outcome could have an impact on its valuation should it be required to make payments to the plaintiffs. In-house counsel and outside legal advisors assess the potential outcome of the litigation and the Company establishes provisions for future disbursements required. As at December 31, 2011, the Company does not have any material provisions for litigation claims.

19. CREDIT FACILITY

On March 25, 2010, the Company increased its $140,000,000 secured revolving credit facility to a $350,000,000 unsecured revolving credit facility. As at December 31, 2011 and 2010, no funds were drawn against this credit facility. The amended credit facility provides for an interest rate margin above LIBOR, BA, prime rate and Base rate advances which varies according to the total debt ratio. Fees related to the credit facility vary according to the total debt ratio. This credit facility is guaranteed by some of the Company's subsidiaries. The maturity date of this amended credit facility is March 24, 2013 with a provision to extend the maturity date for a period of one year. The Company has complied with its credit facility covenants as at December 31, 2011.

On February 22, 2012, the Company amended and increased its $350,000,000 unsecured revolving credit facility to a four-year, $500,000,000 unsecured revolving credit facility. The key amendments include an increase in commitments, an increase in tenor, a reduction in borrowing costs and fees, and improved financing conditions. The maturity date of this amended credit facility is in February 2016 with a provision to extend the maturity date for a period of one year.

On April 23, 2010, the Company entered into a $50,000,000 revolving credit facility for the issuance of letters of credit. As at December 31, 2011, $17,885,000 in letters of credit were outstanding to guarantee certain asset retirement obligations. This revolving credit facility provides for a fixed interest rate charge of 0.35% per annum on utilized amounts and standby fees of 0.10% per annum for the unutilized portion of the facility. This revolving credit facility is guaranteed and secured by a Performance Security Guarantee underwritten by Export Development Canada ("EDC"). The maturity date of this new credit facility was April 22, 2011 with a provision to extend the maturity date for a period of one year. The Company has complied with its credit facility covenants as at December 31, 2011.

On February 22, 2012, the Company amended its revolving facility for the issuance of letters of credit as well as increasing the facility to $75,000,000. The amended revolving credit facility provides for a fixed interest rate charge of 0.25% per annum on utilized amounts and standby fees of 0.06% per annum for the unutilized portion of the facility. The maturity date of this credit facility is in February 2013 with a provision to extend the maturity date for a period of one year.

On February 22, 2012, Niobec Inc., a wholly-owned subsidiary of the Company, entered into a four-year $250,000,000 unsecured revolving credit facility to be used for general corporate requirements including working capital requirements and expansion of existing facilities of Niobec. The credit facility provides for an interest rate margin above LIBOR, BA prime rate and Base rate advances which varies according to the total debt ratio. Fees related to the credit facility vary according to the total debt ratio. This credit facility is guaranteed by the Company and some of the Company's subsidiaries. The maturity date of this credit facility is in February 2016 with a provision to extend the maturity date for a period of one year.

Credit facility issue costs

Credit facility issue costs are capitalized in other long-term assets and the current portion is included in prepaid expenses. Amortisation is calculated on a straight-line basis over the term of the credit facility. The carrying value of credit facility issue costs at December 31, 2011 was $1,401,000 (2010 – $2,486,000).

20. INCOME AND MINING TAXES

The components that give rise to deferred income and mining tax assets and liabilities are as follows:

	December 31 2011	December 31 2010	January 1 2010
	$	$	$
Deferred tax assets:			
Other assets	**26,589**	23,750	3,718
Exploration and evaluation assets	**10,367**	2,073	36,441
Share issue costs	**4,501**	3,381	4,324
Non-capital losses	**57,379**	56,552	34,160
Net capital losses	**—**	642	474
Mining assets	**16,227**	1,234	20,098
Asset retirement obligations	**30,343**	12,403	7,626
Income tax benefit of mining duties	**6,494**	1,840	2,768
	151,900	101,875	109,609
Deferred tax liabilities:			
Mining assets	**(244,983)**	(210,025)	(164,363)
Exploration and evaluation assets	**(56,410)**	(47,728)	(79,807)
Royalty interests	**(15,908)**	(16,059)	(31,134)
Other intangible assets	**(1,617)**	(1,920)	(3,014)
Mining duties	**(23,979)**	(7,651)	(9,610)
Contingencies	**(18,105)**	(14,847)	(13,136)
Available-for-sale assets	**(6,980)**	(6,171)	(2,617)
Other	**(18,732)**	(14,258)	(12,872)
	(386,714)	(318,659)	(316,553)
Net deferred income and mining tax liabilities	**(234,814)**	(216,784)	(206,944)

For Canadian income tax purposes, the Company has non-capital loss carry forwards of $212,944,000, net capital loss carry forward of $128,199,000, and exploration and development expenses of $212,590,000, which, subject to certain restrictions, may be used to reduce taxable income in the future.

The non-capital loss carry forwards begin to expire in 2026. The net capital loss carry forward may be carried forward indefinitely, but can only be used to reduce capital gains. The exploration and development expenses may be carried forward indefinitely.

The Company has not recognized tax benefits on a net capital loss carry forward of $101,052,000 and exploration and development expenses of $64,000,000. It is not probable that these deferred tax assets will be realized in the future.

Governmental assistance, in the form of a Quebec refundable credit, has reduced the amount capitalized for exploration expenditures by approximately $12,700,000 (2010 – $11,500,000).

The Company has not recognized tax benefits on losses or other deductible amounts generated in countries where the probable criteria for the recognition of deferred tax assets has not been met. Consequently, deferred tax assets have not recognized on the loss carry forwards and other deductible amounts of $220,041,000 in these jurisdictions as it is not probable that the deferred tax asset will be realized in the future.

The Company has not recognized a deferred tax liability on temporary differences of $1,304,361,000 (2010 – $745,386,000) related to investments in subsidiaries and joint ventures because the Company can control the reversal of the temporary differences and the temporary differences are not expected to reverse in the foreseeable future.

The Company designates all dividends paid to its shareholders to be eligible dividends.

The income and mining tax expense (benefit) differs from the amount that would have been computed by applying the combined Canadian federal and provincial statutory income tax rate of 28.4% in 2011 (31% in 2010) to earnings from continuing operations before income and mining taxes. The reasons for the differences are as follows:

Years ended December 31	**2011**	2010
	$	$
Earnings from continuing operations before income and mining taxes	**648,990**	371,425
Income tax provision calculated using the combined Canadian federal and provincial statutory income tax rate	**184,313**	115,142
Increase (reduction) in income and mining taxes resulting from:		
Earnings not subject to taxation	**(1,081)**	—
Earnings in foreign jurisdiction subject to different tax rates	**(5,718)**	890
Tax benefits not recognized	**9,572**	15,046
Provincial mining duty tax	**7,181**	2,724
Non-deductible expenses	**12,768**	9,550
Non-resident withholding taxes	**4,513**	1,411
Foreign exchange related to income taxes	**8,410**	1,129
Change in enacted tax rates	**5,465**	(5,052)
Flow-through shares	**6,492**	5,865
Under (over) provided in prior periods	**(6,125)**	(2,105)
Other	**(4,794)**	(6,309)
Total income and mining tax expense	**220,996**	138,291

The effective tax rate for the years ended December 31, 2011 and 2010 was 34% and 37%, respectively. The change in the effective tax rate was primarily attributable to the geographical mix of income, fluctuations in exchange rates for foreign currency, the impact of foreign exchange on the tax basis on non-monetary assets, and the non-recognition of tax benefits.

The income tax expense (benefit) on other comprehensive income is made up of the following components:

Years ended December 31	Note	2011 $	2010 $
Change in fair value of available-for-sale financial assets	17(a)(iii)	**1,886**	5,044
Reversal of unrealized gain on sale and impairment of available-for-sale financial assets	17(a)(iii)	**(911)**	(2,724)
Other		**(327)**	(424)
Total income tax expense related to other comprehensive income		**648**	1,896

The income and mining tax expense (benefit) is made up of the following components:

Years ended December 31	2011 $	2010 $
Current:		
Federal and provincial income tax	**1,266**	—
Provincial mining taxes	**1,560**	765
Foreign income tax	**191,907**	132,881
	194,733	133,646
Deferred:		
Federal and provincial income tax – origination and reversal of temporary differences	**(4,863)**	(3,016)
Provincial mining taxes – origination and reversal of temporary differences	**9,535**	1,959
Foreign income tax – origination and reversal of temporary differences	**16,126**	10,754
Change in tax rate or imposition of new taxes	**5,465**	(5,052)
	26,263	4,645
Total income and mining tax expense	**220,996**	138,291

The 2011 movement for deferred income taxes may be summarized as follows:

	December 31, 2010	Statement of earnings	Other comprehensive income	Other	December 31, 2011
	$	$	$	$	$
Deferred tax assets:					
Other assets	23,750	2,512	327	—	26,589
Exploration and evaluation assets	2,073	8,294	—	—	10,367
Share issue costs	3,381	1,120	—	—	4,501
Non-capital losses	56,552	827	—	—	57,379
Net capital losses	642	(642)	—	—	—
Mining assets	1,234	14,993	—	—	16,227
Asset retirement obligations	12,403	17,940	—	—	30,343
Income tax benefit on mining duties	1,840	4,654	—	—	6,494
Deferred tax liabilities:					
Mining assets	(210,025)	(34,958)	—	—	(244,983)
Exploration and evaluation assets	(47,728)	(8,682)	—	—	(56,410)
Royalty interests	(16,059)	151	—	—	(15,908)
Other intangible assets	(1,920)	303	—	—	(1,617)
Mining duties	(7,651)	(16,328)	—	—	(23,979)
Contingencies	(14,847)	(3,258)	—	—	(18,105)
Available-for-sale assets	(6,171)	166	(975)	—	(6,980)
Other	(14,258)	(13,355)	—	8,881	(18,732)
	(216,784)	(26,263)	(648)	8,881	(234,814)

The 2010 movement for deferred income taxes may be summarized as follows:

	January 1, 2010	Statement of earnings	Other comprehensive income	Other	December 31, 2010
	$	$	$	$	$
Deferred tax assets:					
Other assets	3,718	19,608	424	—	23,750
Exploration and evaluation assets	36,441	(34,368)	—	—	2,073
Share issue costs	4,324	(943)	—	—	3,381
Non-capital losses	34,160	22,392	—	—	56,552
Net capital losses	474	168	—	—	642
Mining assets	20,098	(18,864)	—	—	1,234
Asset retirement obligations	7,626	4,777	—	—	12,403
Income tax benefit on mining duties	2,768	(928)	—	—	1,840
Deferred tax liabilities:					
Mining assets	(164,363)	(45,662)	—	—	(210,025)
Exploration and evaluation assets	(79,807)	32,079	—	—	(47,728)
Royalty interests	(31,134)	15,075	—	—	(16,059)
Other intangible assets	(3,014)	1,094	—	—	(1,920)
Mining duties	(9,610)	1,959	—	—	(7,651)
Contingencies	(13,136)	(1,711)	—	—	(14,847)
Available-for-sale assets	(2,617)	(1,234)	(2,320)	—	(6,171)
Other	(12,872)	1,913	—	(3,299)	(14,258)
	(206,944)	(4,645)	(1,896)	(3,299)	(216,784)

21. SHARE CAPITAL

(a) Authorized

Unlimited first preference shares, issuable in series.
Unlimited second preference shares, issuable in series.
Unlimited common shares.

(b) Issued and outstanding common shares

	Note	2011 Number of shares	2010 Number of shares
Outstanding, beginning of year		**372,849,289**	368,887,211
Issuance of flow-through shares	21(c)	**1,700,000**	1,978,064
Exercise of warrants		**—**	160,000
Exercise of options	22(a)	**1,311,627**	1,751,303
Issuance of shares for share-based payments	22(b)(c)	**57,739**	72,711
Outstanding, end of the year		**375,918,655**	372,849,289

(c) Issuance of flow-through common shares

Flow-through common shares require the Company to incur an amount equivalent to the proceeds of the issue on prescribed resource expenditures in accordance with the applicable tax legislation. The proceeds from the flow-through common shares fund prescribed resource expenditures on the Westwood project.

In February 2011, IAMGOLD entered into an agreement for a private placement of flow-through common shares. The issuance of 1,700,000 common shares at a price of C$25.48 per share raised gross proceeds of $43,281,000 (C$43,316,000).

In 2010, the Company issued 1,575,000 flow-through common shares in March 2010 at C$20.00 per share with gross proceeds of $29,706,000 (C$31,500,000) in addition to 403,064 flow-through common shares in September 2010 at C$24.81 per share with gross proceeds of $9,394,000 (C$10,000,000).

As at December 31, 2011, the Company had applied the entire flow-through common share proceeds raised to eligible expenditures.

Flow-through common shares were recognized in equity based on the quoted price of the existing shares on the date of the issue less issuance costs for $34,618,000 in 2011 (2010 – $29,582,000). The difference between the amount recognized in common shares and the amount the investor paid for the shares (2011 – $6,892,000; 2010 – $8,249,000) was recognized in amortisation of gain related to flow-through shares (included in interest income, derivatives and other investment gains) (note 27).

(d) Earnings per share

Basic earnings per share computation

Years ended December 31	2011	2010
	$	$
Numerator:		
Net earnings from continuing operations attributable to equity shareholders of the Company	**391,344**	215,910
Net earnings attributable to equity shareholders of the Company	**806,664**	262,621
Denominator:	**Number**	Number
Weighted average number of common shares (basic)	**374,946,713**	371,391,919
	$/share	**$/share**
Basic earnings from continuing operations attributable to equity shareholders of the Company per share	**1.04**	0.58
Basic earnings attributable to equity shareholders of the Company per share	**2.15**	0.71

Diluted earnings per share computation

Years ended December 31	2011	2010
Denominator:	**Number**	Number
Weighted average number of common shares (basic)	**374,946,713**	371,391,919
Dilutive effect of employee share options	**1,443,903**	1,777,066
Dilutive effect of share bonus plan and employee deferred share plan	**120,968**	86,219
Dilutive effect of employees performance share units	**8,868**	—
Weighted average number of common shares (diluted)	**376,520,452**	373,255,204
	$/share	**$/share**
Diluted earnings from continuing operations attributable to equity shareholders of the Company per share	**1.04**	0.58
Diluted earnings attributable to equity shareholders of the Company per share	**2.14**	0.70

Equity instruments excluded from the computation of diluted earnings per share which could be dilutive in the future were as follows:

	2011	2010
	Number	Number
Share options	**942,972**	553,856
Performance share units	**4,306**	—
	947,278	553,856

22. SHARE-BASED PAYMENTS

The amount recorded in earnings in the year is as follows:

Years ended December 31	2011	2010
	$	$
Share option plan	**4,257**	7,119
Deferred share plan	**1,281**	247
Share bonus plan	**582**	323
Share-based payments for continuing operations	**6,120**	7,689
Share-based payments for discontinued operations	**157**	—
	6,277	7,689

(a) Share option plan

The Company has a comprehensive share option plan for its full-time employees, directors and officers. The options vest over three or five years and expire no later than 10 years from the grant date.

As at December 31, 2011, the total number of shares reserved for the grants of share options was 20,257,401. As of December 31, 2011, 7,093,521 shares remain in reserve of which 3,516,786 are outstanding and 3,576,735 are unallocated.

A summary of the status of the Company's share option plan as of December 31, 2011 and 2010 and changes during the two years then ended is presented below. All exercise prices are denominated in Canadian dollars. The exchange rates at December 31, 2011 and 2010, between U.S. dollar and Canadian dollar were C$1.0203/U.S.$ and C$0.9999/U.S.$ respectively.

Years ended December 31	2011		2010	
	Options	Weighted Average Exercise Price (C$)	Options	Weighted Average Exercise Price (C$)
Outstanding, beginning of year	**4,732,649**	**11.31**	5,413,233	9.75
Granted	**722,416**	**19.27**	1,286,689	14.56
Exercised	**(1,311,627)**	**9.83**	(1,751,303)	9.02
Forfeited	**(600,792)**	**12.64**	(215,970)	10.26
Outstanding, end of the year	**3,542,646**	**13.25**	4,732,649	11.31
Exercisable, end of the year	**1,588,891**	**11.50**	1,514,835	10.88

The following table summarises information relating to share options outstanding at December 31, 2011:

Range of Prices C$/share	Number outstanding	Weighted Average Remaining Contractual Life - years	Weighted Average Exercise Price C$/share
5.01–10.00	905,060	1.2	6.96
10.01–15.00	1,493,814	2.5	12.50
15.01–20.00	936,285	5.4	18.49
20.01–25.00	201,487	5.9	22.37
25.01–27.00	6,000	5.2	26.25
	3,542,646	3.1	13.25

The following are the weighted average inputs to the Black-Scholes model used in determining fair value for options granted in 2011. The estimated fair value of the options is expensed over their vesting period of five years.

	2011	2010
Weighted average risk-free interest rate	**2%**	2%
Weighted average volatility	**45%**	60%
Weighted expected dividend yield	**0.45%**	0.43%
Weighted average expected life of options issued (years)	**5.0**	3.95
Weighted average grant-date fair value (C$ per share)	**7.71**	6.54
Weighted average share price at grant date (C$ per share)	**19.23**	14.32
Weighted average exercise price (C$ per share)	**19.27**	14.56

Expected volatility is estimated by considering historic average share price volatility based on the average expected life of the options.

(b) Other share-based payment plans

i. Reserves

Share bonus plan

The Company has a share bonus plan for employees and directors with a maximum allotment of 600,000 common shares. As of December 31, 2011, 308,303 shares remained in reserve of which 182,259 are outstanding and 126,044 are unallocated.

A summary of the status of the Company's restricted share units issued under the share bonus plan reserve and changes during the year is presented below.

Years ended December 31	2011	2010
	Number	Number
Outstanding, beginning of year	**12,500**	37,500
Granted	**185,731**	—
Issued	**(11,750)**	(25,000)
Forfeited	**(4,222)**	—
Outstanding, end of the year	**182,259**	12,500

A summary of the status of the Company's director share bonus issued under the share bonus plan reserve and changes during the year is presented below.

Years ended December 31	2011	2010
	Number	Number
Outstanding, beginning of year	**—**	—
Granted	**11,500**	16,000
Issued	**(11,500)**	(16,000)
Outstanding, end of the year	—	—

Deferred share plan

The Company has a deferred share plan for employees whereby a maximum of 500,000 common shares may be awarded. As of December 31, 2011, 402,427 shares remained in reserve of which 308,541 are outstanding and 93,886 are unallocated.

A summary of the status of the Company's restricted share units issued under the deferred share plan reserve and changes during the year is presented below.

Years ended December 31	2011	2010
	Number	Number
Outstanding, beginning of year	**137,417**	95,125
Granted	**170,602**	75,000
Issued	**(34,488)**	(31,708)
Forfeited	**(27,428)**	(1,000)
Outstanding, end of the year	**246,103**	137,417

A summary of the status of the Company's performance share units issued under the deferred share plan reserve and changes during the year is presented below.

Years ended December 31	2011	2010
	Number	Number
Outstanding, beginning of year	**—**	—
Granted	**74,639**	—
Forfeited	**(12,201)**	—
Outstanding, end of the year	**62,438**	—

ii. Summary of Awards

Restricted share units: Executive officers and certain employees are granted restricted share units from the deferred share plan reserve or share bonus plan reserve on an annual basis.

Restricted share units granted in 2010 and prior vest equally over three or four years, have no restrictions upon vesting and are equity settled. There are no cash settlement alternatives and no vesting conditions other than service.

Starting in 2011, restricted share unit grants vest after thirty-five months, have no restrictions upon vesting and are equity settled. There are no cash settlement alternatives and no vesting conditions other than service.

Restricted share units are granted to employees based on performance objectives and criteria determined on an annual basis based on guidelines established by the Compensation Committee of the Board of Directors. The amount of shares granted is determined as part of the employees' overall compensation.

The following are the weighted average inputs to the Black-Scholes model used in determining fair value for restricted share units granted in 2011 and 2010. The estimated fair value of the awards is expensed over their vesting period.

	2011	2010
Risk-free interest rate	**1%**	2%
Volatility	**43%**	60%
Dividend yield	**0.76%**	0.33%
Weighted average expected life of units issued (years)	**2.9**	3.0
Weighted average grant-date fair value (C$ per share)	**20.23**	19.16
Weighted average share price at grant date (C$ per share)	**20.65**	19.35

Expected volatility is estimated by considering historic average share price volatility adjusted for market fluctuations.

Performance share units: Starting in 2011, executive officers and senior employees are granted on an annual basis, performance share units from the deferred share plan based on performance objectives and criteria determined on an annual basis and as per guidelines established by the Compensation Committee of the Board of Directors. The amount of performance share units granted is determined as part of the executive officers and senior employees' overall compensation. The performance share units vest after thirty-five months provided the Compensation Committee determines certain corporate performance targets are achieved and the service conditions are met.

Director Share Bonus: Independent directors receive 500 shares on a quarterly basis from the share bonus plan reserve for the first three quarters of 2011. The shares vest immediately and have no restrictions upon issue. As of the fourth quarter of 2011, director share based compensation was increased to a specific dollar value for the year to be awarded in shares or cash equivalent as per the Compensation Committee recommendation and Board decision effective October 1, 2011. This increase was retroactive for all of 2011.

(c) Share purchase plan

The Company has a share purchase plan for employees with more than three months of continuous service. Participants determine their contribution as a whole percentage of their base salary from 1% to 10%. The Company matches 75% of the first 5% of employee contributions, to a maximum of 3.75% of the employee's salary, towards the purchase of shares on the open market. No shares are issued from treasury under the current purchase plan. The Company's contribution is expensed and is considered vested at the end of the day on December 31 of each calendar year.

23. DIVIDENDS

On December 9, 2011, IAMGOLD increased its annual dividend payment to $0.25 per share, resulting in a semi-annual dividend payment in the amount of $0.125 per share payable on January 5, 2012 of $46,988,000. In addition, subsidiaries' dividends to non-controlling interests totaled $11,713,000 in 2011.

	2011	2010
	$	$
Dividend to IAMGOLD's shareholders:		
$0.08 per common share, paid in January 2011	**—**	29,828
$0.10 per common share, paid in July 2011	**37,513**	—
$0.125 per common share, paid in January 2012	**46,988**	—
	84,501	29,828
Subsidiaries' dividends to non-controlling interests	**11,713**	8,673
	96,214	38,501

24. MINING COSTS

Mining costs include mine production, transport and smelter processing costs, royalty expenses, applicable site administrative costs, applicable stripping costs and other related costs, changes in estimates of asset retirement obligations at closed sites, as well as depreciation, depletion and amortisation.

Years ended December 31	Note	**2011**	2010
		$	$
Operating costs – mines		**683,517**	473,030
Royalties		**80,963**	44,701
Total operating costs – mines		**764,480**	517,731
Inventory movements		**(26,589)**	(24,532)
Mining costs excluding depreciation, depletion and amortisation		**737,891**	493,199
Depreciation, depletion and amortisation		**153,879**	115,177
Changes in estimates of asset retirement obligations at closed sites	18(a)	**23,048**	40,979
Mining costs		**914,818**	649,355

25. GENERAL AND ADMINISTRATIVE EXPENSES

Years ended December 31	Note	2011 $	2010 $
Salaries		**24,453**	23,830
Director fees and expenses		**1,914**	985
Professional and consulting fees		**9,011**	8,026
Other administration costs		**9,830**	6,758
		45,208	39,599
Share-based payments	22	**6,120**	7,689
Depreciation		**2,918**	1,430
General and administrative expenses		**54,246**	48,718

26. FINANCE COSTS

Years ended December 31	2011 $	2010 $
Credit facility fees	**3,918**	3,680
Accretion expense	**2,883**	2,228
Other	**330**	72
	7,131	5,980

27. INTEREST INCOME, DERIVATIVES AND OTHER INVESTMENT GAINS (LOSSES)

Years ended December 31	Note	2011 $	2010 $
Interest income		**1,799**	193
Gain on sale of gold bullion	8	**1,412**	—
Gain on sale of marketable securities	17(a)(iii)	**8,912**	21,042
Impairment of marketable securities	17(a)(iii)	**(1,643)**	—
Gain on sale of assets		**14,561**	3,557
Gain on sale on the La Arena project	5	**10,517**	—
Derivative loss	17(c)	**(4,510)**	(711)
Amortisation of gain related to flow-through shares	21(c)	**6,892**	8,249
Other		**(304)**	(831)
		37,636	31,499

28. CASH FLOW ITEMS

(a) Adjustments for other non-cash items

Years ended December 31	Note	2011 $	2010 $
Share-based payments	22	**6,120**	7,689
Gain on sale of marketable securities	27	**(8,912)**	(21,042)
Impairment of marketable securities	27	**1,643**	—
Gain on sale of assets	27	**(25,078)**	(3,557)
Derivative loss	27	**4,510**	711
Amortisation of gain related to flow-through shares	27	**(6,892)**	(8,249)
Unrealized foreign exchange loss and other		**5,034**	9,074
Share of net loss from investments in associates (net of income tax)		**1,635**	—
		(21,940)	(15,374)

(b) Adjustments for cash items within operating activities

Years ended December 31	Note	2011 $	2010 $
Disbursement related to asset retirement obligations	18(a)	**(2,781)**	(3,258)
Settlement of derivatives		**(4,695)**	(4,885)
Disbursement related to termination benefits	18(b)	**(542)**	(220)
Other		**(282)**	(216)
		(8,300)	(8,579)

(c) Movements in non-cash working capital items and long-term ore stockpiles

Years ended December 31	2011 $	2010 $
Receivables and other non-current assets	**(47,836)**	20,352
Inventories and non-current ore stockpiles	**(65,666)**	(73,697)
Accounts payable and accrued liabilities	**49,595**	7,817
	(63,907)	(45,528)

(d) Other investing activities

Years ended December 31	2011 $	2010 $
Purchase of short-term investments	**(169,887)**	—
Cash received upon maturity of short-term investments	**169,887**	—
Acquisition of investments	**(50,764)**	(5,936)
Proceeds from sale of investments	**11,175**	29,659
Acquisition of gold bullion	**(56,791)**	—
Disposal of gold bullion	**2,060**	—
Restricted cash	**(1,244)**	—
Net disposal (acquisition) of other assets	**610**	(1,452)
	(94,954)	22,271

(e) Net proceeds from disposals of non-core assets

Years ended December 31	Note	2011 $	2010 $
Disposal of the La Arena project	5	**48,847**	—
Disposal of Tarkwa and Damang mines	6(a)	**667,000**	—
Disposal of the Mupane mine	6(b)	**6,559**	—
Disposal of the Magistral royalty interest	15(b)	**15,000**	—
Net cash from disposals		**737,406**	—

29. IMPAIRMENT

(a) Impairment testing for cash-generating units containing goodwill

The Company performs impairment testing on an annual basis and more frequently when there are indicators of impairment. The most recent test was undertaken at December 31, 2011. Goodwill acquired through business combinations has been allocated to cash-generating units ("CGU") at a reportable segment level for impairment testing. There are two CGUs for which goodwill has been allocated, Suriname gold operations, and the Doyon division (note 14).

The fair value less costs to sell ("FVLCS") was calculated using a discounted cash flow methodology taking account of assumptions that would be made by market participants. Cash flows are for periods up to the date that mining is expected to cease and is based on management best estimates. The periods covered are 18 years for Rosebel, and 20 years for the Doyon division. The length of the period depends on a number of variables including recoverable reserves and resources, expansion plans and the forecasted selling prices for such production.

The models are most sensitive to assumptions on recoverable reserves and resources, expected realized metal prices, discount rates and capital expenditures.

Economically recoverable reserves and resources represent management's expectations at the time of completing the impairment testing, based on reserves and resource statements and exploration and evaluation work undertaken by appropriately qualified persons.

Long-term realized gold prices were determined by reference to external market consensus forecasts as of December 31, 2011. The long-term gold price assumption was $1,225 per ounce.

Discount rates utilized represent real pre-tax rates and range between 3.75% and 9.00% including country and project risks. These rates were based on the weighted average cost of capital specific to each CGU and the currency of the cash flows generated. The weighted average cost of capital reflects the current market assessment of the time value of money, equity market volatility and the risks specific to the CGU for which cash flows have not already been adjusted. These rates were calculated with reference to market information from third-party advisors.

The Company believes that long-term gold price is the only key assumption where a reasonably possible change could occur to amend the conclusions of the impairment testing. A change in the long-term gold price would have an associated beneficial impact on input costs which would, to a certain extent, offset the impact of the change in the long-term gold price. In addition, a material change in gold price would cause the Company to review its mine plan and future capital expenditures and expansion plans accordingly. The possible effects of a change in any single assumption may not fairly reflect the impact on a CGU's fair value as the assumptions are inextricably linked.

(b) Impairment charges

There were no impairment charges for long-lived assets and goodwill accounted for in 2011 and 2010.

30. COMMITMENTS AND CONTINGENCIES

(a) Quimsacocha Project in Ecuador

In November 2009, detailed mining and environmental regulations relating to the Ecuadorian mining law passed in February 2009 were completed and approved by the President of Ecuador. The Company has obtained requisite permits and authorization to advance feasibility work at the Quimsacocha project in Ecuador. The Company is also closely following the progress of mining contract negotiations involving three projects in Ecuador, which may serve to clarify certain key fiscal and other items.

Assessment of the project's financial viability continues as the Company works to clarify key fiscal and other applicable dimensions. The Company continues to assess whether the government's position in contract negotiations offer sufficient flexibility, clarity and certainty to allow advancement of the project. At December 31, 2011, the carrying value of the Quimsacocha project included in exploration and evaluation assets was $26,923,000.

(b) Camp Caiman Project in French Guiana

Following the French government's decision not to issue a mining permit for the Camp Caiman project in 2008, the Company initiated two distinct legal actions in 2009 at the Administrative Tribunal in French Guiana: the first one challenging the legality of the French government's decision (the 'Permitting Appeal'); and the second one seeking compensation in the amount of €275,000,000 for damages resulting from that decision (the "Compensation Claim").

Under the Permitting Appeal, the Administrative Tribunal stayed the government's decision in 2010 and ordered the government to issue a more reasoned permitting decision on the Camp Caiman project.

Later that same year, the French government again decided not to issue a mining permit for the Camp Caiman project providing more detailed reasons this time, and the Company subsequently filed a new appeal of this second decision in the fourth quarter of 2010 (the "Second Permitting Appeal").

On February 2, 2012, the Administrative Tribunal held a hearing regarding both the Second Permitting Appeal and the Compensation Claim, and on February 16, 2012, dismissed both of the Company's actions. The Company may appeal the Administrative Tribunal's decision.

The Camp Caiman project is carried at zero value and no amounts have been accrued in the financial statements relating to the above proceedings. In 2009, the Company recorded a non-cash impairment of $88,814,000 for the net carrying value of the project, including $28,239,000 of goodwill.

(c) Royalty expenses

Production from certain mining operations is subject to third party royalties (included in mining costs) based on various methods of calculation summarised as follows:

Years ended December 31	2011	2010
	$	$
Rosebel [1]	**35,715**	26,363
Essakane [2]	**30,243**	4,538
Mouska [3]	**904**	966
Sadiola [4]	**11,330**	8,601
Yatela [4]	**2,771**	4,233
Total included in mining costs	**80,963**	44,701

[1] 2% in-kind royalty per ounce of gold production and price participation of 6.5% on the amount exceeding a market price of $425 per ounce when applicable, using for each calendar quarter the average of the market prices determined by the London Bullion Market, P.M. Fix.

0.25% of all minerals produced at Rosebel payable to a charitable foundation for the purpose of promoting local development of natural resources within Suriname.

10% of the excess, if any, of the average quarterly market price above $300 per ounce for gold production from the soft and transitional rock portions and above $350 per ounce from the hard rock portion of the Rosebel property, after commencement of commercial production, and in each case, after deducting a fixed royalty of 2% of production in-kind, up to a maximum of 7,000,000 ounces produced. In 2008, IAMGOLD acquired 84.55% of outstanding shares of EURO Ressources S.A., the owner of this participation right royalty. The resulting mining asset is being depreciated over the reserves and resources of the Rosebel mine.

[2] In 2010, 3% of gold sold applied to the gold market price the day before shipment. Starting January 1, 2011, the royalty is calculated using a percentage of gold sold applied to the gold market price the day before shipment; the royalty percentage varies according to the gold market price: 3% if the gold market price is lower or equal to $1,000 per ounce, 4% if the gold market price is between $1,000 and $1,300 per ounce, or 5% if the gold market price is above $1,300 per ounce.

[3] Two royalties of 0.2% and 2.0% respectively of gold production.

[4] A royalty of 3% of revenue and a royalty of 3% of the net amount of sales less refining and treatment charges.

(d) Management fees

Years ended December 31	2011 $	2010 $
Joint ventures:		
Sadiola (1% of revenues)	**1,890**	1,435
Yatela (1% of revenues)	**462**	706
Total management fees included in mining costs	**2,352**	2,141

(e) Capital commitments

	December 31 2011 $	December 31 2010 $
Capital commitments (excluding those related to joint ventures)		
Contracted capital expenditures	**67,965**	32,152
Purchase obligations	**105,442**	15,302
Operating leases	**7,223**	5,869
Capital commitments related to joint ventures (IAMGOLD share)		
Contracted capital expenditures	**4,421**	—
Purchase obligations	**31,896**	25,878

		Payments Due by Period			
At December 31, 2011	Total	Less than 1 Year	2–3 Years	4–5 Years	After 5 Years
	$	$	$	$	$
Contracted capital expenditures	72,386	71,699	687	—	—
Purchase obligations	137,338	127,658	6,841	2,839	—
Operating leases	7,223	3,250	2,429	1,544	—

31. RELATED PARTY TRANSACTIONS

There were no material related party transactions in 2011 and 2010.

Compensation of key management personnel

Compensation for key management personnel, comprising of the Company's directors and executive officers, are as follows:

Years ended December 31	2011 $	2010 $
Salaries and other benefits [(a)]	**9,267**	8,709
Termination benefits	**91**	2,309
Share-based payments	**3,218**	3,451
	12,576	14,469

(a) Salaries and other benefits include amounts paid to directors.

32. SEGMENTED INFORMATION

The Company's gold mine segment is divided into geographic segments, as follows:

- Suriname:
  - Rosebel mine
- Burkina Faso:
  - Essakane mine
- Canada:
  - Doyon division including the Mouska mine and the Westwood project
- Mali:
  - Joint venture in the Sadiola mine (41%)
  - Joint venture in the Yatela mine (40%)

The Company's segments also include non-gold activities divided into the following segments:

- Niobium, for the Niobec mine located in Canada,
- Exploration and evaluation,
- Corporate which also includes royalty interests located in Canada and the investment in associate (Galane) (note 11).
- Discontinued operations(note 6):
  - Botswana, Mupane mine
  - Investments in associates in the Tarkwa and Damang mines (18.9%).

Year ended December 31, 2011

	Gold Mines				
	Suriname	Burkina Faso	Canada	Mali	Total
	$	$	$	$	$
Revenues	608,165	590,087	52,275	235,195	1,485,722
Depreciation, depletion and amortisation	51,605	69,984	953	5,365	127,907
Exploration expenses	371	4,416	7,501	4,761	17,049
Interest income	—	—	—	—	—
Interest expense	133	227	146	—	506
Gain on sale of assets, marketable securities, and other	—	(4,726)	(11,017)	—	(15,743)
Net earnings (loss)	246,627	262,639	(17,257)	37,674	529,683
Expenditures for mining assets and capitalized exploration and evaluation	72,705	104,544	129,309	24,266	330,824
Decrease to goodwill	—	—	—	—	—
At December 31, 2011:					
Total non-current assets	633,690	787,865	493,039	109,619	2,024,213
Total assets	833,421	955,503	532,285	182,676	2,503,885
Total liabilities	237,837	143,558	131,839	92,855	606,089

	Total Gold Mines	Niobium	Exploration and Evaluation	Corporate	Subtotal	Discontinued Operations	Total
	$	$	$	$	$	$	$
Revenues	1,485,722	177,771	—	9,694	1,673,187	—	1,673,187
Depreciation, depletion and amortisation	127,907	18,974	370	9,546	156,797	—	156,797
Exploration expenses	17,049	—	56,277	—	73,326	—	73,326
Interest income	—	—	35	1,764	1,799	—	1,799
Interest expense	506	(8)	—	3,750	4,248	—	4,248
Gain on sale of assets, marketable securities, and other (note 27)	(15,743)	37	3,078	52,975	40,347	—	40,347
Share of net loss from investments in associates (net of income tax)	—	—	—	(1,635)	(1,635)	—	(1,635)
Net earnings (loss)	529,683	30,989	(46,812)	(85,866)	427,994	415,320	843,314
Expenditures for mining assets and capitalized exploration and evaluation	330,824	61,333	2,987	—	395,144	4,328	399,472
Decrease to goodwill	—	—	(11,289)	—	(11,289)	—	(11,289)
At December 31, 2011:							
Total non-current assets	2,024,213	423,577	31,118	327,360	2,806,268	—	2,806,268
Total assets	2,503,885	476,719	44,354	1,324,764	4,349,722	—	4,349,722
Total liabilities	606,089	145,256	3,081	66,381	820,807	—	820,807

Year ended December 31, 2010

	Gold Mines				
	Suriname	Burkina Faso	Canada	Mali	Total
	$	$	$	$	$
Revenues	517,406	154,574	45,943	214,082	932,005
Depreciation, depletion and amortisation	52,115	22,398	—	12,503	87,016
Exploration expenses	300	1,078	4,450	2,415	8,243
Interest income	—	—	—	—	
Interest expense	—	—	340	—	340
Gain on sale of assets, marketable securities and other	—	—	(1,967)	(26)	(1,993)
Net earnings (loss)	180,712	50,616	(26,358)	43,180	248,150
Expenditures for mining assets and capitalized exploration and evaluation	51,642	128,424	103,270	10,895	294,231
Increase to goodwill	—	—	—	—	—
At December 31, 2010:					
Total non-current assets	597,752	730,670	472,745	83,935	1,885,102
Total assets	732,319	874,011	494,512	151,095	2,251,937
Total liabilities	203,194	80,908	107,651	63,696	455,449

	Total Gold Mines	Niobium	Exploration and Evaluation	Corporate	Subtotal	Discontinued operations	Total
	$	$	$	$	$	$	$
Revenues	932,005	158,654	—	6,413	1,097,072	—	1,097,072
Depreciation, depletion and amortisation	87,016	19,461	258	9,872	116,607	—	116,607
Exploration expenses	8,243	—	37,627	—	45,870	—	45,870
Interest income	—	—	16	177	193	—	193
Interest expense	340	52	—	3,360	3,752	—	3,752
Gain on sale of assets, marketable securities and other (note 27)	(1,993)	314	3,758	29,938	32,017	—	32,017
Net earnings (loss)	248,150	39,377	(15,026)	(39,367)	233,134	46,711	279,845
Expenditures for mining assets and capitalized exploration and evaluation	294,231	65,867	8,569	—	368,667	3,459	372,126
Increase to goodwill	—	—	—	—	—	—	—
At December 31, 2010:							
Total non-current assets	1,885,102	379,479	105,090	189,975	2,559,646	273,705	2,833,351
Total assets	2,251,937	421,882	107,886	350,172	3,131,877	299,228	3,431,105
Total liabilities	455,449	62,018	15,675	109,963	643,105	29,879	672,984

33. TRANSITION TO IFRS

As stated in note 2(a), these are the Company's first consolidated financial statements prepared in accordance with IFRS. Adoption of IFRS requires the Company to make certain accounting policy choices, and disclose the expected impact on the Company's financial position and financial performance. The Company adopted IFRS in accordance with IFRS 1, First-Time Adoption of International Financial Reporting Standards. In accordance with IFRS, the Company applied certain optional exemptions and certain mandatory exceptions as applicable for first-time IFRS adopters.

The accounting policies set out in note 3 have been applied in preparing the consolidated financial statements for the year ended December 31, 2011, the comparative information presented in these consolidated financial statements for the year ended December 31, 2010, and in the preparation of the opening IFRS consolidated balance sheet at January 1, 2010 (the Company's transition date).

In preparing its opening IFRS consolidated balance sheet, and comparative consolidated financial statements in 2010, the Company has adjusted amounts reported previously in financial statements prepared in accordance with previous Canadian generally accepted accounting principles ("GAAP"). An explanation of how the transition from previous Canadian GAAP to IFRS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

(a) Reconciliation of consolidated equity at January 1, 2010 and December 31, 2010

The following table presents the impact on shareholders' equity.

	January 1, 2010	December 31, 2010
	$	$
Shareholders' equity under Canadian GAAP	**2,416,661**	**2,775,810**
IFRS adjustments – Increase (decrease) in equity:		
Foreign currency translation (note i)	(49,568)	(89,888)
Business combinations (note ii)	—	3,971
Exploration and evaluation assets (note iii)	(5,266)	(5,266)
Asset retirement obligations (note iv)	(5,118)	(19,721)
Financial instruments (note v)	2,476	7,611
Warrants (note vi)	(555)	—
Flow-through shares (note vii)	(3,006)	24
Income and mining taxes (note viii)	29,995	31,005
Non-controlling interests reclassifications (note ix)	23,112	57,869
Other	(2,278)	(3,294)
	(10,208)	(17,689)
Total equity under IFRS	**2,406,453**	**2,758,121**

(b) Reconciliation of consolidated net earnings for the year ended December 31, 2010

The following table presents the impact on net earnings. Each line is net of income and mining tax and non-controlling interests where applicable.

	2010 $
Net earnings under Canadian GAAP	**279,793**
IFRS adjustments – Increase (decrease) in net earnings:	
Unrealized loss on translating financial statements of foreign denominated entities (note i)	(5,213)
Business combinations (note ii)	(593)
Asset retirement obligations (note iv)	(14,603)
Warrants (note vi)	(183)
Flow-through shares (note vii)	2,256
Income and mining taxes (note viii)	233
Non-controlling interests reclassifications (note ix)	18,222
Other	(67)
	52
Net earnings under IFRS	**279,845**
Net earnings from continuing operations	233,134
Net earnings from discontinued operations	46,711
Net earnings under IFRS	**279,845**

(c) Reconciliation of consolidated comprehensive income for the year ended December 31, 2010

The following table presents the impact on comprehensive income. Each line is net of income and mining tax and non-controlling interests where applicable.

	2010 $
Comprehensive income under Canadian GAAP	**334,596**
Adjustment to net earnings (see table (b) above)	52
Reversal of cumulative translation adjustment (note i)	(35,107)
Increase in unrealized gain in available-for-sale financial assets (notes v, viii)	5,912
Other	(949)
	(30,092)
Comprehensive income under IFRS	**304,504**
Comprehensive income from continuing operations	257,793
Comprehensive income from discontinued operations	46,711
Comprehensive income under IFRS	**304,504**

(d) Cash flow reconciliation

The statement of cash flow has been adjusted according to the following:

- Interest paid and income and mining taxes paid have been shown separately within operating activities of the statement of cash flows, whereas they were previously disclosed as supplementary information.

(e) Explanation of differences impacting the Company's consolidated financial statements including IFRS 1 – First-Time Adoption of International Financial Reporting Standards

The following narratives explain the significant differences between Canadian GAAP accounting policies and the IFRS accounting policies adopted by the Company for the year beginning January 1, 2011, with comparative information for 2010 restated under IFRS, including the IFRS 1 exemptions and exceptions applied in the conversion from Canadian GAAP to IFRS. Only the differences having an impact on the Company are described below.

i. Foreign currency translation

Canadian GAAP – The factors considered in the determination of the functional currency of the Company, its subsidiaries, associates and joint ventures were prioritized based on management judgment. The U.S. dollar was the functional currency of the Company and all of its activities, with the exception of the Company's Canadian mining activities, for which the functional currency was the Canadian dollar.

IFRS – (IAS 21, The Effects of Changes in Foreign Exchange Rates) – The functional currency of the Company, its subsidiaries, associates and joint ventures is determined on the basis of primary economic environment factors. Secondary and other indicators may be used to provide further evidence of the functional currency. Finally, management judgment should be used if the indicators are mixed and the functional currency is not obvious, in order to determine the functional currency which most faithfully represents the economic effects of the underlying transactions, events and conditions of the entity.

Under IFRS, the U.S. dollar is the functional currency of the Company and all of its subsidiaries, associates and joint ventures. As a result, the cumulative translation adjustment within accumulated other comprehensive income on the consolidated balance sheet under Canadian GAAP was eliminated. Any monetary items denominated in a foreign currency are converted to U.S. dollars at the exchange rate in effect at the balance sheet date, non-monetary items at historical exchange rates, revenues and expenses at the average exchange rate in effect on the dates they occur and, depreciation, depletion and amortisation at the same historical exchange rates as the assets to which it relates. Foreign exchange gains and losses are recorded in the statement of earnings.

	January 1, 2010	December 31, 2010
	$	$
Decrease in receivables and other current assets	(170)	(147)
Decrease in inventories	(1,136)	(1,560)
Decrease in mining assets	(32,720)	(57,343)
Decrease in exploration and evaluation assets	(8,436)	(18,585)
Decrease in goodwill	(6,866)	(11,607)
Decrease in other non-current assets	(240)	(305)
Increase in asset retirement obligations	—	(341)
Decrease in cumulative translation adjustment	47,481	82,588
Decrease in retained earnings	2,087	7,300
Decrease in depreciation expense		(1,548)
Increase in accretion expense		2
Increase in foreign exchange losses		6,759
Decrease in net earnings		(5,213)

ii. Business combinations

IFRS 1 provides the option to apply IFRS 3 Revised, Business Combinations, retrospectively or prospectively from the transition date. The retrospective basis would require restatement of all business combinations and all changes in interests in subsidiaries, associates and joint ventures that occurred prior to the transition date. The Company elected not to retrospectively apply IFRS 3 and transactions resulting in changes in interests that occurred prior to its transition date, and such business combinations and transactions were not restated.

In addition, as a condition under IFRS 1 for applying this exemption, goodwill relating to business combinations that occurred prior to the transition date was tested for impairment on the transition date even though no impairment indicators were identified. No impairment existed at the transition date.

The IFRS adjustments below (the La Arena transaction) relate to changes in interests in a subsidiary occurring after January 1, 2010.

La Arena transaction

Canadian GAAP – Consideration received as part of the farm-out arrangement resulted in a dilution in the Company's interest of a subsidiary. Refer to note 5 relating to the La Arena project for more information. Non-controlling interests were adjusted to reflect the reduction in the Company's interest in net assets of the subsidiary with a corresponding proportionate reduction recognized in the value of the related goodwill and a gain for the difference between these amounts and the consideration received.

IFRS – The difference between the amount by which non-controlling interests are adjusted and the consideration received is recognized directly in equity. No adjustment was made to the carrying amount of the assets and liabilities of the subsidiary, including goodwill.

	January 1, 2010	December 31, 2010
	$	$
Increase in goodwill	—	3,971
Increase in contributed surplus	—	(4,564)
Decrease in retained earnings	—	593
Decrease in interest income, derivatives and other investment gains		593
Decrease in net earnings		(593)

iii. Exploration and evaluation assets

Canadian GAAP – Exploration expenses incurred prior to the date of establishing that a property has mineral resources with the potential of being economically recoverable were charged against earnings. Costs incurred subsequent to this date were capitalized until such time as the projects were brought into production or were deemed economically unfeasible.

IFRS – (IFRS 6, Exploration and Evaluation of Mineral Resources) – The Company's policy is such that all exploration expenditures are charged to earnings. Evaluation expenditures, representing those activities that relate to the evaluation of the technical feasibility and commercial viability of extracting a mineral resource, are capitalized.

As a result, certain exploration costs capitalized under Canadian GAAP have been expensed under IFRS, resulting in a decrease in exploration and development assets. This change had an impact only on transition. There was no impact to earnings in the year ended December 31, 2010.

	January 1, 2010	December 31, 2010
	$	$
Decrease in exploration and evaluation assets	(6,353)	(6,353)
Decrease in deferred income and mining tax liabilities	1,087	1,087
Decrease in retained earnings	5,266	5,266

As part of the adoption of IFRS, the term "exploration and development" was replaced with "exploration and evaluation assets" in respect of capitalized exploration and evaluation projects.

iv. Asset retirement obligations

Discount rate

Canadian GAAP – The discount rate used was the entity's credit-adjusted risk-free interest rate. In addition, changes in the discount rate were not reflected in the measurement of the provision. The unwinding of the discount was presented as an operating expense. At the end of 2010, the average credit-adjusted risk-free interest rate was between 4.03% and 6.43% for all the Company's mines and sites.

IFRS – (IAS 37, Provisions, Contingent Liabilities and Contingent Assets) – The discount rate used reflects the risks specific to the obligation. Changes to the discount rate require re-measurement of the provision. The unwinding of the discount is presented as a financing cost. The impact of the adoption of IFRS is mainly related to these changes in the discount rate. Total projected undiscounted cash outflow has not changed materially. At the end of 2010, the average discount rate was between 1.49% and 2.52% for all the Company's mines and sites.

Measurement of obligation

Canadian GAAP – The obligation was measured based on fair value using third-party market assumptions.

IFRS – Asset retirement obligations are measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

IFRS 1 election – Decommissioning Liabilities Included in the Cost of Property, Plant and Equipment

Management has elected to use the IFRS 1 exemption which provides relief from the application of IFRIC 1, Changes in Existing Decommissioning, Restoration and Similar Liabilities, and prescribes an alternative treatment in determining the adjustment to the corresponding asset and retained earnings at the transition date for changes in the estimate of the liability that occurred before the transition date to IFRS.

	January 1, 2010	December 31, 2010
	$	$
Increase in mining assets	7,253	20,933
Decrease in exploration and evaluation assets	—	(18)
Decrease in current asset retirement obligations	692	420
Increase in non-current asset retirement obligations	(14,757)	(47,822)
Decrease in deferred income and mining tax liabilities	1,694	6,766
Increase in non-controlling interests	(94)	(111)
Decrease in retained earnings	5,212	19,832
Increase in mining costs		24,599
Decrease in depreciation expense		(1,041)
Decrease in accretion expense		(3,868)
Increase in foreign exchange losses		(15)
Decrease in income and mining tax expense		(5,072)
Decrease in net earnings		(14,603)
Net earnings adjustments attributable to:		
Equity shareholders of the Company		(14,620)
Non-controlling interests		17
		(14,603)

v. Financial instruments

Unquoted marketable securities

Canadian GAAP – Investments in equity instruments classified as available-for-sale that did not have a quoted market price in an active market were measured at cost.

IFRS – (IAS 39, Financial Instruments: Recognition and Measurement) – These assets are recognized at fair value where fair value can be reliably measured.

	January 1, 2010	December 31, 2010
	$	$
Increase in marketable securities	2,830	8,698
Increase in deferred income and mining tax liabilities	(354)	(1,087)
Increase in fair value reserve	(2,476)	(7,611)
Increase in retained earnings	—	—
Increase in unrealized gain on available-for-sale financial assets		(5,868)
Income tax impact		733
Increase in other comprehensive income		5,135

vi. Warrants

Canadian GAAP – Contracts to deliver a fixed number of equity instruments in exchange for a fixed amount of foreign currency were considered equity instruments and were accounted for at cost.

IFRS – The Company's warrants have a Canadian dollar exercise price which differs from the Company's functional currency. As a result, these warrants are treated as a liability and measured at fair value with changes in fair value recognized through net earnings.

In addition, in 2009, some warrants expired without being exercised and were allocated to contributed surplus under Canadian GAAP. Under IFRS, the value of these warrants was transferred to retained earnings.

	January 1, 2010	December 31, 2010
	$	$
Increase in long-term liabilities – Warrants	(555)	—
Increase in common shares	—	(590)
Decrease in contributed surplus	24,391	24,391
Decrease in equity – Warrants	148	—
Increase in retained earnings	(23,984)	(23,801)
Increase in derivative loss		183
Decrease in net earnings		(183)

vii. Flow-through common shares

Canadian GAAP – Flow-through common shares were recorded at their face value, net of related issuance costs. On the date the tax credits were renounced, a future tax liability was recognized as a cost of issuing the shares.

IFRS – Flow-through common shares are recognized in equity based on the quoted price of the existing shares on the date of the issue. The difference between the amount recognized in common shares and the amount the investor pays for the shares is recognized as a deferred gain which is reversed into earnings as eligible expenditures are incurred. The deferred tax impact is recorded as eligible expenditures are incurred, provided the Company has the intention to renounce the related tax benefits.

	January 1, 2010	December 31, 2010
	$	$
Decrease in deferred income and mining tax liabilities	(3,006)	24
Decrease in common shares	1,741	967
Decrease (increase) in retained earnings	1,265	(991)
Increase in foreign exchange loss		128
Increase in other income		(8,249)
Increase in income and mining tax expense		5,865
Increase in net earnings		2,256

viii. Income and mining taxes

Deferred tax on translation gains and/or losses on non-monetary assets and liabilities

Canadian GAAP – The tax effect of temporary differences related to translation gains or losses were specifically exempted from being recognized.

IFRS – (IAS 12, Income Taxes) – There is no such exemption under IFRS. A translation gain or loss will arise where the local tax currency is not the same as the functional currency. Deferred tax is recognized on the difference between the book value of the non-monetary assets and the underlying tax basis, translated to the functional currency using the current foreign exchange rate.

Deferred tax on intercompany transactions

Canadian GAAP – Recognition of a deferred tax asset or liability for a temporary difference arising from intercompany transactions was prohibited. Such temporary differences may arise when the tax base of the asset in the buyer's jurisdiction differs from the carrying amount of the asset in the consolidated financial statements. Further, cash taxes paid or recovered as a result of a transfer of an asset were recorded as a deferred tax asset or liability in the financial statements and recognized through tax expense when the asset was leaving the Company or was otherwise utilized.

IFRS – There are no such exceptions under IFRS. Therefore, deferred tax is recognized for temporary differences arising on intercompany transactions measured at the tax rate of the buyer, and cash tax paid or recovered on intercompany transactions is recognized in the period incurred.

Classification of deferred tax

Canadian GAAP – Deferred taxes were split between current and non-current components on the basis of either the underlying asset or liability, or the expected reversal of items not related to an asset or liability.

IFRS – All deferred tax assets and liabilities are classified as non-current.

Other adjustments

Other adjustments from Canadian GAAP to IFRS have been tax affected.

	January 1, 2010	December 31, 2010
	$	$
Decrease in deferred income and mining tax liabilities	29,995	31,005
Increase in non-controlling interests	—	(714)
Increase in accumulated other comprehensive income	—	(777)
Increase to retained earnings	(29,995)	(29,514)
Increase in income and mining tax expense		2,212
Decrease in foreign exchange loss		(2,445)
Increase in net earnings		233
Net earnings adjustments attributable to:		
Equity shareholders of the Company		(481)
Non-controlling interests		714
		233
Decrease in income and mining tax on items recognized directly in other comprehensive income		(777)

ix. Non-controlling interests

Canadian GAAP – Non-controlling interests in the equity of a consolidated affiliate were classified as a separate component between liabilities and equity in the consolidated balance sheet and as a component of net earnings within the consolidated statement of earnings.

IFRS – Non-controlling interests are classified as a component of equity separate from the equity of the parent and are not included in net earnings, but rather presented as an allocation of net earnings.

x. Impairment of property, plant and equipment

Recoverable amount

Canadian GAAP – A recoverability test was performed by first comparing the undiscounted expected future cash flows to be derived from the asset to its carrying amount. If the asset did not recover its carrying value, an impairment loss was calculated as the excess of the asset's carrying amount over its fair value.

IFRS – (IAS 36, Impairment of Assets) – The impairment loss is calculated as the excess of the asset's carrying amount over its recoverable amount, where the recoverable amount is defined as the higher of the asset's fair value less costs to sell ("FVLCS") and its value in use. Under the FVLCS calculation, expected future cash flows from the asset are discounted to their net present value less an estimate of the cost to sell the asset.

The change in measurement methodology did not have an impact on transition or the year ended December 31, 2010.

Reversal of impairment

Canadian GAAP – A reversal of impairment losses was not permitted.

IFRS – (IAS 39, Financial Instruments: Recognition and Measurement) – A reversal of impairment losses is required for assets other than goodwill if certain criteria are met.

On the transition date and in the year ended December 31, 2010, no reversal of impairment was recognized.

xi. Other IFRS 1 exemptions and exceptions

IFRS 1 optional exemptions

Below are the remaining applicable optional exemptions in IFRS 1 applied in the conversion from Canadian GAAP to IFRS.

(i) Borrowing costs – IFRS 1 permits the application of IAS 23, Borrowing Costs, which requires an entity to capitalize the borrowing costs related to all qualifying assets, retrospectively or prospectively from a date that is no later than the transition date. This is consistent with the Company's policy under Canadian GAAP. As a result, no adjustment was required on transition to IFRS.

(ii) Fair value as deemed cost – IFRS 1 permits the measurement of any item of property, plant and equipment at the item's fair value on the date of transition as the item's deemed cost. The Company elected to deem the cost of certain assets at their fair value on the date of transition. The selected assets had fair values that approximated their carrying values on January 1, 2010 and as a result, no transition adjustment was recorded. The aggregate fair value of items for which the deemed cost election was applied was $47,483,000 as at January 1, 2010.

IFRS Mandatory exceptions

As an applicable mandatory exception in IFRS 1 relevant to the Company's conversion from Canadian GAAP to IFRS for estimates, hindsight is not used to create or revise estimates. The estimates previously made by the Company under Canadian GAAP were not revised for application of IFRS except where necessary to reflect any difference in accounting policies.

Exhibit 99.4

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders of IAMGOLD Corporation

We have audited the accompanying consolidated balance sheets of IAMGOLD Corporation as of December 31, 2011, December 31, 2010 and January 1, 2010 and the related consolidated statements of earnings, comprehensive income, changes in equity and cash flows for the years ended December 31, 2011 and December 31, 2010. These consolidated financial statements are the responsibility of IAMGOLD Corporation management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards and 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 consolidated financial position of IAMGOLD Corporation as of December 31, 2011, December 31, 2010 and January 1, 2010, and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2011 and December 31, 2010 in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), IAMGOLD Corporation's internal control over financial reporting as of December 31, 2011, based on the criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated March 22, 2012 expressed an unqualified opinion on the effectiveness of IAMGOLD Corporation's internal control over financial reporting.

KPMG LLP

Chartered Accountants, Licensed Public Accountants
Toronto, Canada
March 22, 2012

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.
KPMG Canada provides services to KPMG LLP.

Exhibit 99.5



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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON INTERNAL CONTROL OVER FINANCIAL REPORTING

To the Shareholders of IAMGOLD Corporation

We have audited IAMGOLD Corporation's internal control over financial reporting as of December 31, 2011, based on the criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). IAMGOLD Corporation'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, in management's report on internal control over financial reporting included in Form 40-F for the year ended December 31, 2011. 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, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included 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.

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.
KPMG Canada provides services to KPMG LLP.

In our opinion, IAMGOLD Corporation maintained, in all material respects, effective internal control over financial reporting as of December 31, 2011, based on the criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

We also have audited in accordance with the standards of the Public Company Accounting Oversight Board (United States) the consolidated balance sheet of IAMGOLD Corporation as of December 31, 2011, December 31, 2010 and January 1, 2010, and the related consolidated statements of earnings, comprehensive income, changes in equity and cash flows for each the years ended December 31, 2011 and December 31, 2010, and our report dated March 22, 2012 expressed an unqualified opinion on those consolidated financial statements.

KPMG LLP

Chartered Accountants, Licensed Public Accountants
Toronto, Canada
March 22, 2012

Exhibit 99.6

CERTIFICATION

I, Stephen J.J. Letwin, certify that:

1. I have reviewed this annual report on Form 40-F of IAMGOLD Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

4. The issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

(c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: March 23, 2012

By: /s/ Stephen J.J. Letwin
Stephen J.J. Letwin
President & Chief Executive Officer

CERTIFICATION

I, Carol Banducci, certify that:

1. I have reviewed this annual report on Form 40-F of IAMGOLD Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

4. The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

(c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: March 23, 2012

By: /s/ Carol Banducci
Carol Banducci
Chief Financial Officer

Exhibit 99.7

CERTIFICATION PURSUANT TO
18 U.S.C. §1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the annual report of IAMGOLD Corporation (the "Company") on Form 40-F for the period ended December 31, 2011 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Stephen J. J. Letwin, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in this Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

March 23, 2012

/s/ Stephen J.J. Letwin
Stephen J.J. Letwin
President & Chief
Executive Officer

A signed original of this written statement required by Section 906 has been provided to IAMGOLD Corporation and will be retained by IAMGOLD Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

CERTIFICATION PURSUANT TO
18 U.S.C. §1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the annual report of IAMGOLD Corporation (the "Company") on Form 40-F for the period ended December 31, 2011 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Carol Banducci, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in this Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

March 23, 2012 /s/ Carol Banducci
Carol Banducci
Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to IAMGOLD Corporation and will be retained by IAMGOLD Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 99.8

KPMG LLP
Chartered Accountants
Bay Adelaide Centre
333 Bay Street Suite 4600
Toronto ON M5H 2S5

Telephone (416) 777-8500
Fax (416) 777-8818
Internet www.kpmg.ca

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors of IAMGOLD Corporation

We consent to the inclusion in this annual report on Form 40-F of:

- our Independent Auditors' Report dated February 23, 2012 on the consolidated financial statements of IAMGOLD Corporation comprising the consolidated balance sheets of IAMGOLD Corporation as at December 31, 2011, December 31, 2010 and January 1, 2010, consolidated statements of earnings, comprehensive income, changes in equity and cash flows for the years ended December 31, 2011 and December 31, 2010, and notes comprising a summary of significant accounting policies and other explanatory information;
- our Report of Independent Registered Public Accounting Firm dated March 22, 2012 on the consolidated balance sheets of IAMGOLD Corporation as at December 31, 2011, December 31, 2010 and January 1, 2010 and the related consolidated statements of earnings, comprehensive income, changes in equity and cash flows for the years ended December 31, 2011 and December 31, 2010; and
- our Report of Independent Registered Public Accounting Firm on Internal Control over Financial Reporting dated March 22, 2012 on IAMGOLD Corporation's internal control over financial reporting as of December 31, 2011

each of which is contained in or incorporated by reference in this annual report on Form 40-F of IAMGOLD Corporation for the fiscal year ended December 31, 2011.

We also consent to the incorporation by reference of such reports in the Registration Statement on Form F-10 (File No. 333-175246) and the Registration Statement on Form S-8 (Registration No. 333-142127) of IAMGOLD Corporation.

KPMG LLP

Chartered Accountants, Licensed Public Accountants

Toronto, Canada
March 23, 2012

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.
KPMG Canada provides services to KPMG LLP.

Exhibit 99.9

CONSENT OF P. BEDELL

The undersigned hereby consents to reference to the undersigned's name included or incorporated by reference in the Annual Report on Form 40-F being filed by IAMGOLD Corporation with the United States Securities and Exchange Commission in connection with (1) the report evaluating the Essakane Gold Project in Burkina Faso entitled "IAMGOLD Corporation: Updated Feasibility Study Essakane Project Burkina Faso", effective June 3, 2008, readdressed March 3, 2009 (the "Essakane Report"); and (2) the annual information form of the Corporation dated March 23, 2012, which includes reference to my name in connection with information relating to the Essakane Project, the Essakane Report and the properties described therein.

The undersigned also consents to the incorporation by reference of this consent as an exhibit to the Form F-10 of the Company (File No. 333-175246) dated July 14, 2011.

/s/ Philip R. Bedell
By: Philip R. Bedell, P. Eng., B.E.Sc., M.E.Sc.
Title: Senior Consultant
Company: Golder Associates Ltd.

Date: March 23, 2012

Exhibit 99.10

CONSENT OF E. BELZILE

The undersigned hereby consents to reference to the undersigned's name included or incorporated by reference in the Annual Report on Form 40-F being filed by IAMGOLD Corporation with the United States Securities and Exchange Commission in connection with (1) the technical report dated February 18, 2009 entitled "Technical Report for Niobec Mine" (the "Niobec Report"); and (2) the annual information form of the Corporation dated March 23, 2012 which includes reference to my name in connection with information relating to the Niobec Report and the properties described therein.

The undersigned also consents to the incorporation by reference of this consent as an exhibit to the Form F-10 of the Company (File No. 333-175246) dated July 14, 2011.

Date: March 23, 2012

/s/ Elzéar Belzile

Name: Elzéar Belzile, Ing
Title: Independent Mining Consultant
Company: Belzile Solutions Inc.

Exhibit 99.11

CONSENT OF F. CLOUSTON

The undersigned hereby consents to reference to the undersigned's name included or incorporated by reference in the Annual Report on Form 40-F being filed by IAMGOLD Corporation with the United States Securities and Exchange Commission in connection with (1) the technical report entitled "Technical Report on the Quimsacocha Gold Project, Azuay Province, Ecuador (February 2009)" (the "Quimsacocha Report"); and (2) the annual information form of the Corporation dated March 23, 2012 which includes reference to my name in connection with mineral resource estimations for the Essakane Project, technical information and the Quimsacocha Report and the properties described therein.

The undersigned also consents to the incorporation by reference of this consent as an exhibit to the Form F-10 of the Company (File No. 333-175246) dated July 14, 2011.

Date: March 23, 2012

/s/ Francis Clouston, ing.
Name: Francis Clouston, P. Eng.
Title: Geology Superintendent, Essakane SA

Exhibit 99.12

CONSENT OF L. GIGNAC

The undersigned hereby consents to reference to the undersigned's name included or incorporated by reference in the Annual Report on Form 40-F being filed by IAMGOLD Corporation with the United States Securities and Exchange Commission in connection with (1) the report evaluating the Essakane Gold Project in Burkina Faso entitled "IAMGOLD Corporation: Updated Feasibility Study Essakane Project Burkina Faso", effective June 3, 2008, readdressed March 3, 2009 (the "Essakane Report"); and (2) the annual information form of the Corporation dated March 23, 2012, which includes reference to my name in connection with information relating to the Essakane Project, the Essakane Report and the properties described therein.

The undersigned also consents to the incorporation by reference of this consent as an exhibit to the Form F-10 of the Company (File No. 333-175246) dated July 14, 2011.

/s/ Louis Gignac

By: Louis Gignac, D. Eng.
Title: President
Company: G Mining Services Inc.

Date: March 23, 2012

Exhibit 99.13

CONSENT OF L.P. GIGNAC

The undersigned hereby consents to reference to the undersigned's name included or incorporated by reference in the Annual Report on Form 40-F being filed by IAMGOLD Corporation with the United States Securities and Exchange Commission in connection with (1) the report evaluating the Essakane Gold Project in Burkina Faso entitled "IAMGOLD Corporation: Updated Feasibility Study Essakane Project Burkina Faso", effective June 3, 2008, readdressed March 3, 2009 (the "Essakane Report"); and (2) the annual information form of the Corporation dated March 23, 2012, which includes reference to my name in connection with information relating to the Essakane Project, the Essakane Report and the properties described therein.

The undersigned also consents to the incorporation by reference of this consent as an exhibit to the Form F-10 of the Company (File No. 333-175246) dated July 14, 2011.

/s/ Louis-Pierre Gignac
By: Louis Pierre Gignac, ing.
Title: Senior Mining Engineer
Company: G Mining Services Inc.

Date: March 23, 2012

Exhibit 99.14

CONSENT OF I. GLACKEN

The undersigned hereby consents to reference to the undersigned's name included or incorporated by reference in the Annual Report on Form 40-F being filed by IAMGOLD Corporation with the United States Securities and Exchange Commission in connection with (1) the report evaluating the Essakane Gold Project in Burkina Faso entitled "IAMGOLD Corporation: Updated Feasibility Study Essakane Project Burkina Faso", effective June 3, 2008, readdressed March 3, 2009 (the "Essakane Report"); and (2) the annual information form of the Corporation dated March 23, 2012, which includes reference to my name in connection with information relating to the Essakane Project, the Essakane Report and the properties described therein.

The undersigned also consents to the incorporation by reference of this consent as an exhibit to the Form F-10 of the Company (File No. 333-175246) dated July 14, 2011.

/s/ Ian Glacken
By: Ian Glacken
Title: Director, Optiro

Date: March 23, 2012

Exhibit 99.15

CONSENT OF P. GODIN

The undersigned hereby consents to reference to the undersigned's name included or incorporated by reference in the Annual Report on Form 40-F being filed by IAMGOLD Corporation with the United States Securities and Exchange Commission in connection with (1) the technical report dated September 2005, entitled "Cambior – Rapport Technique – Projet Camp Caiman – Norme Canadienne 43-101" (the "Camp Caiman Report"); and (2) the annual information form of the Corporation dated March 23, 2012 which includes reference to my name in connection with information relating to the Camp Caiman Report ad the properties described therein.

The undersigned also consents to the incorporation by reference of this consent as an exhibit to the Form F-10 of the Company (File No. 333-175246) dated July 14, 2011.

Date: March 23, 2012

/s/ Patrick Godin

Name: Patrick Godin, Eng. ASC.
Title: Chief Operating Officer
Company: Stronoway Diamond Corporation

Exhibit 99.16

CONSENT OF J. HAWXBY

The undersigned hereby consents to reference to the undersigned's name included or incorporated by reference in the Annual Report on Form 40-F being filed by IAMGOLD Corporation with the United States Securities and Exchange Commission in connection with (1) the report evaluating the Essakane Gold Project in Burkina Faso entitled "IAMGOLD Corporation: Updated Feasibility Study Essakane Project Burkina Faso", effective June 3, 2008, readdressed March 3, 2009 (the "Essakane Report"); and (2) the annual information form of the Corporation dated March 23, 2012, which includes reference to my name in connection with information relating to the Essakane Project, the Essakane Report and the properties described therein.

The undersigned also consents to the incorporation by reference of this consent as an exhibit to the Form F-10 of the Company (File No. 333-175246) dated July 14, 2011.

/s/ John Hawxby

By: John Hawxby, Pr. Eng., MIET, MSAIEE, BSc. Eng.
Title: Formerly, Senior Project Manager, GRD Minproc (Pty) Ltd.

Date: March 23, 2012

Exhibit 99.17

CONSENT OF G. VOICU

The undersigned hereby consents to reference to the undersigned's name included or incorporated by reference in the Annual Report on Form 40-F being filed by IAMGOLD Corporation with the United States Securities and Exchange Commission in connection with (1) the technical report entitled "NI-43101 Technical Report on the Rosebel Mine, Suriname," dated March 29, 2010 (the "Rosebel Report"); and (2) the annual information form of the Corporation dated March 23, 2012 which includes reference to my name in connection with mineral resource estimations, technical information and the Rosebel Report and the properties described therein.

The undersigned also consents to the incorporation by reference of this consent as an exhibit to the Form F-10 of the Company (File No. 333-175246) dated July 14, 2011.

Date: March 23, 2012

/s/ Gabriel Voicu

Name: Gabriel Voicu, PhD, P. Geo
Title: Superintendent Geology and Mine Exploration

Exhibit 99.18

CONSENT OF P. PELLETIER

The undersigned hereby consents to reference to the undersigned's name included or incorporated by reference in the Annual Report on Form 40-F being filed by IAMGOLD Corporation with the United States Securities and Exchange Commission in connection with (1) the technical report entitled "Technical Report on the Quimsacocha Gold Project, Azuay Province, Ecuador (February 2009)" (the "Quimsacocha Report"); (2) the technical report dated February 27, 2009 entitled "National Instrument 43-101 Technical Report for Westwood Project, Québec Canada" (the "Westwood Report"); (3) the technical report dated June 17, 2011 entitled "Technical Report on Expansion Options at the Niobec Mine, Québec, Canada, prepared for IAMGOLD Corp." (the "Niobec Report"); and (4) the annual information form of the Corporation dated March 23, 2012 which includes reference to my name in connection with information relating to the Quimsacocha, Westwood and Niobec Reports and the properties described therein.

The undersigned also consents to the incorporation by reference of this consent as an exhibit to the Form F-10 of the Company (File No. 333-175246) dated July 14, 2011.

Date: March 23, 2012

/s/ Pierre Pelletier
Name: P. Pelletier, Eng.
Title: Vice President, Metallurgy

Exhibit 99.19

CONSENT OF R. SIROIS

The undersigned hereby consents to reference to the undersigned's name included or incorporated by reference in the Annual Report on Form 40-F being filed by IAMGOLD Corporation with the United States Securities and Exchange Commission in connection with (1) the technical report dated February 27, 2009 entitled "National Instrument 43-101 Technical Report: Westwood Project, Québec Canada" (the "Westwood Report"); (2) the annual information form of the Corporation dated March 23, 2012, which includes reference to my name in connection with mineral resource and reserve estimations for all of IAMGOLD's properties as at December 31, 2011, technical information and the Westwood Report and the properties described therein; and (3) IAMGOLD's Management's Discussion and Analysis for the year ended December 31, 2011, which includes reference to my name in connection with mineral resource and reserve estimations for all of IAMGOLD's properties as at December 31, 2011.

The undersigned also consents to the incorporation by reference of this consent as an exhibit to the Form F-10 of the Company (File No. 333-175246) dated July 14, 2011.

Date: March 23, 2012

/s/ Réjean Sirois
Name: Réjean Sirois, eng.
Title: Manager, Mining Geology

Exhibit 99.20

CONSENT OF ROSCOE POSTLE ASSOCIATES INC.

The undersigned hereby consents to reference to the undersigned's name included or incorporated by reference in the Annual Report on Form 40-F being filed by IAMGOLD Corporation with the United States Securities and Exchange Commission in connection with (1) the technical report dated June 17, 2011 entitled "Technical Report on Expansion Options at the Niobec Mine, Québec, Canada, prepared for IAMGOLD Corp." (the "Niobec Report"); and (2) the annual information form of the Corporation dated March 23, 2012 which includes reference to my name in connection with information relating to the Niobec Report and the properties described therein.

The undersigned also consents to the incorporation by reference of this consent as an exhibit to the Form F-10 of the Company (File No. 333-175246) dated July 14, 2011.

Date: March 23, 2012

ROSCOE POSTLE ASSOCIATES INC.

/s/ Graham G. Clow

By: Graham G. Clow, P.Eng.
Title: President and CEO

Exhibit 99.21

CONSENT OF G. CLOW

The undersigned hereby consents to reference to the undersigned's name included or incorporated by reference in the Annual Report on Form 40-F being filed by IAMGOLD Corporation with the United States Securities and Exchange Commission in connection with (1) the technical report dated June 17, 2011 entitled "Technical Report on Expansion Options at the Niobec Mine, Québec, Canada, prepared for IAMGOLD Corp." (the "Niobec Report"); and (2) the annual information form of the Corporation dated March 23, 2012 which includes reference to my name in connection with information relating to the Niobec Report and the properties described therein.

The undersigned also consents to the incorporation by reference of this consent as an exhibit to the Form F-10 of the Company (File No. 333-175246) dated July 14, 2011.

Date: March 23, 2012

/s/ Graham G. Clow

Name: Graham G. Clow, P. Eng.
Title: Principal Mining Engineer
Company: Roscoe Postle Associates Inc.

Exhibit 99.22

CONSENT OF B. SALMON

The undersigned hereby consents to reference to the undersigned's name included or incorporated by reference in the Annual Report on Form 40-F being filed by IAMGOLD Corporation with the United States Securities and Exchange Commission in connection with (1) the technical report dated June 17, 2011 entitled "Technical Report on Expansion Options at the Niobec Mine, Québec, Canada, prepared for IAMGOLD Corp." (the "Niobec Report"); and (2) the annual information form of the Corporation dated March 23, 2012 which includes reference to my name in connection with information relating to the Niobec Report and the properties described therein.

The undersigned also consents to the incorporation by reference of this consent as an exhibit to the Form F-10 of the Company (File No. 333-175246) dated July 14, 2011.

Date: March 23, 2012

/s/ Bernard Salmon

Name: Bernard Salmon, ing.
Title: Principal Consulting Geological Engineer
Company: Roscoe Postle Associates Inc.

Exhibit 99.23

CONSENT OF M. LAVIGNE

The undersigned hereby consents to reference to the undersigned's name included or incorporated by reference in the Annual Report on Form 40-F being filed by IAMGOLD Corporation with the United States Securities and Exchange Commission in connection with (1) the technical report dated June 17, 2011 entitled "Technical Report on Expansion Options at the Niobec Mine, Québec, Canada, prepared for IAMGOLD Corp." (the "Niobec Report"); and (2) the annual information form of the Corporation dated March 23, 2012 which includes reference to my name in connection with information relating to the Niobec Report and the properties described therein.

The undersigned also consents to the incorporation by reference of this consent as an exhibit to the Form F-10 of the Company (File No. 333-175246) dated July 14, 2011.

Date: March 23, 2012

/s/ Marc Lavigne

Name: Marc Lavigne, M.Sc., ing.
Title: Senior Mining Engineer
Company: Roscoe Postle Associates Inc.

Exhibit 99.24

CONSENT OF D. VALLIERES

The undersigned hereby consents to reference to the undersigned's name included or incorporated by reference in the Annual Report on Form 40-F being filed by IAMGOLD Corporation with the United States Securities and Exchange Commission in connection with (1) the technical report entitled "Technical Report on the Quimsacocha Gold Project, Azuay Province, Ecuador (February 2009)" (the "Quimsacocha Report"); (2) the technical report dated February 27, 2009 entitled "National Instrument 43-101 Technical Report for Westwood Project, Québec Canada" (the "Westwood Report"); (3) the technical report dated June 17, 2011 entitled "Technical Report on Expansion Options at the Niobec Mine, Québec, Canada, prepared for IAMGOLD Corp." (the "Niobec Report"); and (4) the annual information form of the Corporation dated March 23, 2012 which includes reference to my name in connection with information relating to the Quimsacocha, Westwood and Niobec Reports and the properties described therein.

The undersigned also consents to the incorporation by reference of this consent as an exhibit to the Form F-10 of the Company (File No. 333-175246) dated July 14, 2011.

Date: March 23, 2012

/s/ Daniel Vallieres, Eng.
Name: Daniel Vallieres, Eng.
Title: Manager, Underground Projects

Exhibit 99.25

CONSENT OF G. MINING SERVICES INC.

The undersigned hereby consents to reference to the undersigned's name included or incorporated by reference in the Annual Report on Form 40-F being filed by IAMGOLD Corporation with the United States Securities and Exchange Commission in connection with (1) the report evaluating the Essakane Gold Project in Burkina Faso entitled "IAMGOLD Corporation: Updated Feasibility Study Essakane Project Burkina Faso", effective June 3, 2008, readdressed March 3, 2009 (the "Essakane Report"); and (2) the annual information form of the Corporation dated March 23, 2012, which includes reference to my name in connection with information relating to the Essakane Project, the Essakane Report and the properties described therein.

The undersigned also consents to the incorporation by reference of this consent as an exhibit to the Form F-10 of the Company (File No. 333-175246) dated July 14, 2011.

Date: March 23, 2012

G MINING SERVICES INC.

/s/ Louis Gignac

By: Louis Gignac
Title: President

Exhibit 99.26

CONSENT OF GOLDER ASSOCIATES LTD.

The undersigned hereby consents to reference to the undersigned's name included or incorporated by reference in the Annual Report on Form 40-F being filed by IAMGOLD Corporation with the United States Securities and Exchange Commission in connection with (1) the report evaluating the Essakane Gold Project in Burkina Faso entitled "IAMGOLD Corporation: Updated Feasibility Study Essakane Project Burkina Faso", effective June 3, 2008, readdressed March 3, 2009 (the "Essakane Report"); and (2) the annual information form of the Corporation dated March 23, 2012, which includes reference to my name in connection with information relating to the Essakane Project, the Essakane Report and the properties described therein.

The undersigned also consents to the incorporation by reference of this consent as an exhibit to the Form F-10 of the Company (File No. 333-175246) dated July 14, 2011.

Date: March 23, 2012

GOLDER ASSOCIATES LTD.

/s/ Philip R. Bedell

By: Philip R. Bedell, B.E.Sc., M.E.Sc., P. Eng.
Title: Senior Consultant

Exhibit 99.27

CONSENT OF GRD MINPROC (PTY) LTD.

The undersigned hereby consents to reference to the undersigned's name included or incorporated by reference in the Annual Report on Form 40-F being filed by IAMGOLD Corporation with the United States Securities and Exchange Commission in connection with (1) the report evaluating the Essakane Gold Project in Burkina Faso entitled "IAMGOLD Corporation: Updated Feasibility Study Essakane Project Burkina Faso", effective June 3, 2008, readdressed March 3, 2009 (the "Essakane Report"); and (2) the annual information form of the Corporation dated March 23, 2012, which includes reference to my name in connection with information relating to the Essakane Project, the Essakane Report and the properties described therein.

The undersigned also consents to the incorporation by reference of this consent as an exhibit to the Form F-10 of the Company (File No. 333-175246) dated July 14, 2011.

Date: March 23, 2012

GRD MINPROC (PTY) LTD.

/s/ Colin Gilbert Kubank

By: Colin Gilbert Kubank
Title: Managing Director

Exhibit 99.28

CONSENT OF OPTIRO PTY LTD.

The undersigned hereby consents to reference to the undersigned's name included or incorporated by reference in the Annual Report on Form 40-F being filed by IAMGOLD Corporation with the United States Securities and Exchange Commission in connection with (1) the report evaluating the Essakane Gold Project in Burkina Faso entitled "IAMGOLD Corporation: Updated Feasibility Study Essakane Project Burkina Faso", effective June 3, 2008, readdressed March 3, 2009 (the "Essakane Report"); and (2) the annual information form of the Corporation dated March 23, 2012, which includes reference to my name in connection with information relating to the Essakane Project, the Essakane Report and the properties described therein.

The undersigned also consents to the incorporation by reference of this consent as an exhibit to the Form F-10 of the Company (File No. 333-175246) dated July 14, 2011.

Date: March 23, 2012

OPTIRO PTY LTD.

/s/ I.M. Glacken

By: I.M. Glacken
Title: Director

Exhibit 99.29

CONSENT OF P. SIMARD

The undersigned hereby consents to reference to the undersigned's name included or incorporated by reference in the Annual Report on Form 40-F being filed by IAMGOLD Corporation with the United States Securities and Exchange Commission in connection with the annual information form of the Corporation dated March 23, 2012, which includes reference to my name in connection with information relating to the mineral resource and mineral reserve estimates for the Doyon Gold Mine.

The undersigned also consents to the incorporation by reference of this consent as an exhibit to the Form F-10 of the Company (File No. 333-175246) dated July 14, 2011.

/s/ Patrice Simard
By: Patrice Simard
Title: Head of Geology Department

Date: March 23, 2012

Exhibit 99.30

CONSENT OF A. SAVOIE

The undersigned hereby consents to reference to the undersigned's name included or incorporated by reference in the Annual Report on Form 40-F being filed by IAMGOLD Corporation with the United States Securities and Exchange Commission in connection with the annual information form of the Corporation dated March 23, 2012, which includes reference to my name in connection with information relating to the mineral resource and mineral reserve estimates for the Doyon Gold Mine.

The undersigned also consents to the incorporation by reference of this consent as an exhibit to the Form F-10 of the Company (File No. 333-175246) dated July 14, 2011.

/s/ Armand Savoie
By: Armand Savoie
Title: Responsible for Mineral Reserves

Date: March 23, 2012

Exhibit 99.31

CONSENT OF P. LEVESQUE

The undersigned hereby consents to reference to the undersigned's name included or incorporated by reference in the Annual Report on Form 40-F being filed by IAMGOLD Corporation with the United States Securities and Exchange Commission in connection with the annual information form of the Corporation dated March 23, 2012, which includes reference to my name in connection with information relating to the mineral resource and mineral reserve estimates for the Mouska Gold Mine.

The undersigned also consents to the incorporation by reference of this consent as an exhibit to the Form F-10 of the Company (File No. 333-175246) dated July 14, 2011.

/s/ Pierre Lévesque
By: Pierre Lévesque
Title: Head of Geology Department

Date: March 23, 2012

Exhibit 99.32

CONSENT OF BELZILE SOLUTIONS INC.

The undersigned hereby consents to reference to the undersigned's name included or incorporated by reference in the Annual Report on Form 40-F being filed by IAMGOLD Corporation with the United States Securities and Exchange Commission in connection with (1) the technical report dated February 18, 2009 entitled "Technical Report for Niobec Mine" (the "Niobec Report"); and (2) the annual information form of the Corporation dated March 23, 2012 which includes reference to my name in connection with information relating to the Niobec Report and the properties described therein.

The undersigned also consents to the incorporation by reference of this consent as an exhibit to the Form F-10 of the Company (File No. 333-175246) dated July 14, 2011.

Date: March 23, 2012

BELZILE SOLUTIONS INC.

/s/ Elzéar Belzile

By: Elzéar Belzile, Ing

Title: Independent Mining Consultant

Exhibit 99.33

CONSENT OF B. MCDONOUGH

The undersigned hereby consents to reference to the undersigned's name included or incorporated by reference in the Annual Report on Form 40-F being filed by IAMGOLD Corporation with the United States Securities and Exchange Commission in connection with (1) the technical report dated June 17, 2011 entitled "Technical Report on Expansion Options at the Niobec Mine, Québec, Canada, prepared for IAMGOLD Corp." (the "Niobec Report"); and (2) the annual information form of the Corporation dated March 23, 2012 which includes reference to my name in connection with information relating to the Niobec Report and the properties described therein.

The undersigned also consents to the incorporation by reference of this consent as an exhibit to the Form F-10 of the Company (File No. 333-175246) dated July 14, 2011.

Date: March 23, 2012

/s/ Barry McDonough

Name: Barry McDonough, P.Geo.
Title: Senior Geologist
Company: Roscoe Postle Associates Inc.

Exhibit 99.34

CONSENT OF M. BUGNON

The undersigned hereby consents to reference to the undersigned's name included or incorporated by reference in the Annual Report on Form 40-F being filed by IAMGOLD Corporation with the United States Securities and Exchange Commission in connection with the annual information form of the Corporation dated March 23, 2012, which includes reference to my name in connection with information relating to the drilling results used to evaluate the Total Rare Earth Oxides deposit.

The undersigned also consents to the incorporation by reference of this consent as an exhibit to the Form F-10 of the Company (File No. 333-175246) dated July 14, 2011.

/s/ Marie-France Bugnon
By: Marie-France Bugnon, P. Geo.
Title: General Manager, Exploration

Date: March 23, 2012

Exhibit 99.35

CONSENT OF P. LAFLEUR

The undersigned hereby consents to reference to the undersigned's name included or incorporated by reference in the Annual Report on Form 40-F being filed by IAMGOLD Corporation with the United States Securities and Exchange Commission in connection with (1) the technical report dated March 2012 entitled "NI 43-101 Technical Report to present the Mineral Resources of the Rare Earth Elements Zone Niobec Mine – IAMGOLD Corporation" (the "Technical Report") and (2) the annual information form of the Corporation dated March 23, 2012, which includes reference to my name in connection with information relating to the drilling results used to evaluate the Total Rare Earth Oxides deposit and the Technical Report and the properties described therein.

The undersigned also consents to the incorporation by reference of this consent as an exhibit to the Form F-10 of the Company (File No. 333-175246) dated July 14, 2011.

/s/ Pierre Jean Lafleur
By: Pierre Jean Lafleur
Title: President, PJ Lafleur
Conseil Inc.

Date: March 23, 2012

Exhibit 99.36

CONSENT OF PJ LAFLEUR GEO CONSEIL INC.

The undersigned hereby consents to reference to the undersigned's name included or incorporated by reference in the Annual Report on Form 40-F being filed by IAMGOLD Corporation with the United States Securities and Exchange Commission in connection with (1) the technical report dated March 2012 entitled "NI 43-101 Technical Report to present the Mineral Resources of the Rare Earth Elements Zone Niobec Mine – IAMGOLD Corporation" (the "Technical Report") and (2) the annual information form of the Corporation dated March 23, 2012, which includes reference to our name in connection with information relating to the drilling results used to evaluate the Total Rare Earth Oxides deposit and the Technical Report and the properties described therein.

The undersigned also consents to the incorporation by reference of this consent as an exhibit to the Form F-10 of the Company (File No. 333-175246) dated July 14, 2011.

PJ LAFLEUR GEO CONSEIL INC.

/s/ Pierre Jean Lafleur

By: Pierre Jean Lafleur
Title: President, PJ Lafleur Conseil Inc.

Date: March 23, 2012

Exhibit 99.37

CONSENT OF M. AYAD

The undersigned hereby consents to reference to the undersigned's name included or incorporated by reference in the Annual Report on Form 40-F being filed by IAMGOLD Corporation with the United States Securities and Exchange Commission in connection with (1) the technical report dated March 2012 entitled "NI 43-101 Technical Report to present the Mineral Resources of the Rare Earth Elements Zone Niobec Mine – IAMGOLD Corporation" (the "Technical Report") and (2) the annual information form of the Corporation dated March 23, 2012, which includes reference to my name in connection with information relating to the Technical Report and the properties described therein.

The undersigned also consents to the incorporation by reference of this consent as an exhibit to the Form F-10 of the Company (File No. 333-175246) dated July 14, 2011.

/s/ M. Ali Ben Ayad
By: M. Ali Ben Ayad, P. geo.
Title: Associate Geologist

Date: March 23, 2012