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, 2012

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

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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: [376,536,950]

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 99.3 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 changes to and differing interpretations of mining tax regimes in foreign jurisdictions;
- risks related to changes in the market price of gold, niobium, and other minerals;
- risks related to past unprecedented events in global financial markets;
- risks related to past market events and conditions and the deterioration of general economic indicators;
- risks related to our ability to replace reserves depleted by production;
- 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 fluctuations in exchange rates of currencies;
- risks related to our potential need for and ability to obtain additional financing to meet capital expenditure plans;
- risks associated with being a multinational company;
- risk related to the potential to default under our credit facility or senior unsecured notes due to violation of covenants therein;

- risks related to the differences between the assumptions used to determine 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;
- risk related to the accuracy of mineral reserve and mineral resource estimates;
- risks related to uncertainties in the validity of mining interests and ability to acquire new properties and retain skilled and experienced employees;
- risks and hazards inherent to the mining industry, most of which are beyond our control;
- risks related to market prices and 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;
- risks related to labor 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, Canada 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 the conduct of business in foreign countries including varying degrees of political and economic risk, which include political unrest and foreign military intervention;
- 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, such as the mining legislation in French Guiana and Québec, 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;
- risk and unknown costs of litigation;
- risks related to undetected failures in internal controls over financial reporting;
- risk related to making acquisitions, including the integration of operations;
- risks related to the construction, development and start-up of the Westwood and Côté Gold Projects and potential further expansion activities at the Niobec niobium mine and the Essakane, Sadiola and Rosebel gold mines;
- risks related to the training of workers and the resettlement of local communities in connection with any proposed expansion of the Essakane Gold Mine; and
- risks related to dependence on key personnel.

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") as issued by the International Accounting Standards Board. 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 31, 2012, 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$0.9949.

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, 2012 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, 2012 and December 31, 2011, 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, 2012, 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 operation 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, 2012, 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, 2012 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, 2012. The auditor's attestation is included on page 46 of Exhibit 99.3 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 has materially affected, or is 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 Human Resources and Compensation, Nominating and Corporate Governance and Audit and Finance Committees. The Company's Board of Directors has determined that all the members of the Human Resources and Compensation, Nominating and Corporate Governance 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 128 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 members of the Audit and Finance Committee are John Caldwell (Chair), Guy G. Dufresne, Richard Hall and Mahendra Naik. The Board has determined that John Caldwell, Guy G. Dufresne and Mahendra Naik are financial experts, in that each of them has an understanding of generally accepted accounting principles and financial statements; is able to assess the general application of accounting principles in connection with the accounting for estimates, accruals and reserves; has 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); has 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, 2012. See page 133 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 pages 132 and 133 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 Nominating 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 23 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, 2012 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, 2012
99.2	Management's Discussion and Analysis
99.3	Annual Financial Statements
99.4	Certifications of Chief Executive Officer and Chief Financial Officer pursuant to Rule 13a-14 or 15d-14 of the Securities Exchange Act of 1934
99.5	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
99.6	Consent of KPMG LLP
99.7	Consent of P. Bedell
99.8	Consent of E. Belzile
99.9	Consent of L. Gignac
99.10	Consent of L.P. Gignac
99.11	Consent of I. Glacken
99.12	Consent of P. Godin
99.13	Consent of J. Hawxby
99.14	Consent of G. Voicu
99.15	Consent of P. Pelletier
99.16	Consent of R. Sirois
99.17	Consent of Roscoe Postle Associates Inc.
99.18	Consent of G. Clow
99.19	Consent of B. Salmon
99.20	Consent of M. Lavigne
99.21	Consent of D. Vallieres
99.22	Consent of G. Mining Services Inc.
99.23	Consent of Golder Associates Ltd.
99.24	Consent of AMEC GRD SA
99.25	Consent of Optiro Pty Ltd.
99.26	Consent of P. Simard
99.27	Consent of A. Savoie
99.28	Consent of P. Levesque
99.29	Consent of Belzile Solutions Inc.
99.30	Consent of B. McDonough
99.31	Consent of E. Williams
99.32	Consent of J. Lavigne
99.33	Consent of W. Roscoe
99.34	Consent of R. Morel

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 25 , 2013

Exhibit 99.1



ANNUAL INFORMATION FORM

FOR THE YEAR ENDED
DECEMBER 31, 2012

Dated: March 25, 2013

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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. *The information in this Annual Information Form is complemented by the Company's Audited Consolidated Annual Financial Statements for the year ended December 31, 2012 and the management's discussion and analysis thereon.*
5. *The Company's Annual Financial Statements for the year ended December 31, 2012 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 are a set of rules and policies 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 Côté Gold 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; past unprecedented events in global financial markets; past 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 or senior unsecured notes 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, Canada 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, which may include the possibility for political unrest and foreign military intervention; 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 French Guiana and Canada, 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 and Côté Gold 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. Past 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

2012 Amended Credit Facility: means the amended and restated unsecured revolving credit facility increased 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, which amends and restates the credit agreement entered into on April 15, 2008 providing for a revolving facility of $140 million that was subsequently amended and restated on March 24, 2010 to increase the revolving facility to $350 million.

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.

2012 Amended Letters of Credit Facility: means the amended and restated credit agreement with the revolving facility increased 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, which amends and restates the credit agreement entered into on April 23, 2010 providing for a revolving facility of $50 million.

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.

2012 Senior Unsecured Notes: means the $650 million of senior unsecured notes bearing interest at 6.75% which matures on October 1, 2020 and which were issued by the Company on September 21, 2012.

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 decreasing confidence into Proven Mineral Reserves and Probable Mineral Reserves. A Proven Mineral Reserve has a higher level of confidence than a Probable 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 decreasing geological confidence, into Measured, Indicated and Inferred categories. A Measured Mineral Resource has a higher 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.

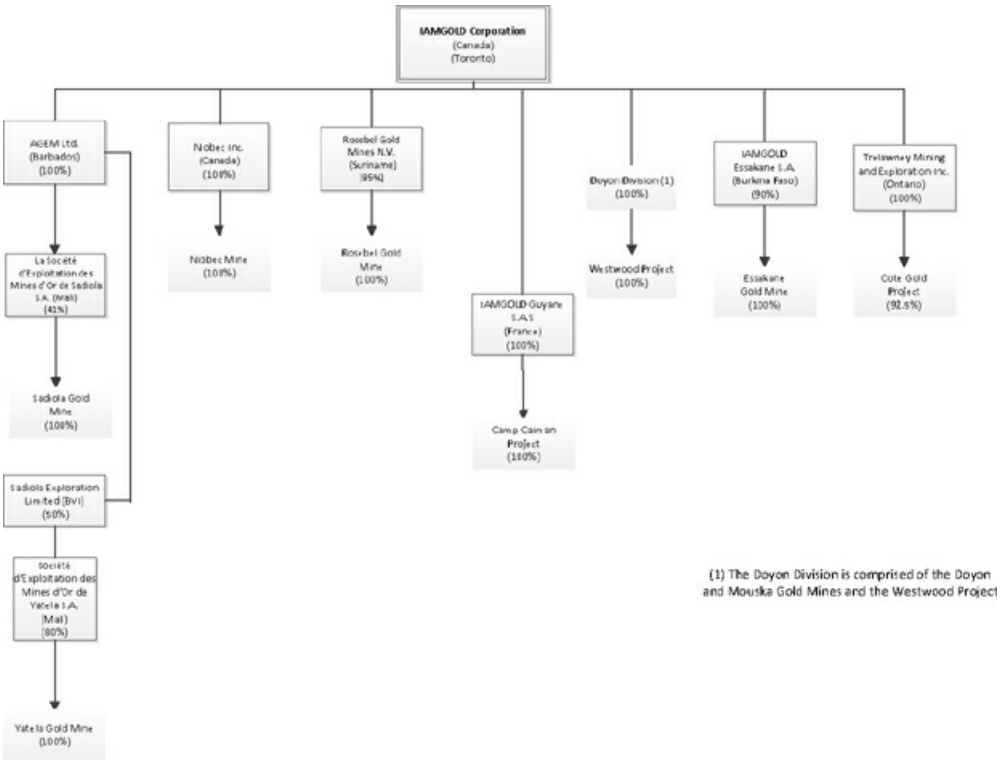
The registered and principal office of the Company is located at 401 Bay Street, Suite 3200, PO Box 153, Toronto, Ontario, Canada M5H 2Y4. The Company’s telephone number is (416) 360-4710 and its website address is www.iamgold.com.

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 various royalty interests on mineral resource properties, including 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



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 and the owner of the Westwood and Côté Gold Projects.

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 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 made in July 2011.

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 shelf 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 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 made in January 2012.

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 in the 2012 Amended Letters of Credit Facility. 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 Inc., that is supported by the Company.

On June 21, 2012, the Company completed the acquisition of all of the issued and outstanding common shares of Trelawney Mining and Exploration Inc. (“Trelawney”) through a plan of arrangement. Under the terms of the plan of arrangement, former shareholders of Trelawney received C$3.30 in cash for each common share Trelawney held. The main asset acquired in this transaction was the Côté Gold project located adjacent to the Swayze Greenstone Belt in Northern Ontario, Canada.

On September 21, 2012, the Company completed the issuance of the 2012 Senior Unsecured Notes. The Company intends to use the proceeds for general corporate purposes, including the funding of capital expenditures and exploration.

On November 14, 2012, the Company disposed of its interest in the Quimsacocha project in Ecuador to INV Metals Inc. (“INV Metals”) through the disposal of all shares of its wholly-owned subsidiary IAMGOLD Ecuador S.A., in exchange for 231.3 million common shares of INV Metals. The Company held approximately 47% of the issued and outstanding INV Metals common shares immediately after the closing of the transaction.

On November 26, 2012, the President of Suriname announced that an agreement had been reached with IAMGOLD with respect to a joint venture that would target satellite resources beyond the current concession, with agreed rates for power. This agreement is subject to final approval by the National Assembly of the Republic of Suriname.

On March 4, 2013, the Company announced that in order to reinforce its financial position and improve its return on capital, it would be initiating a cost reduction program (“Cost Reduction Program”) to reduce annualized spending by $100 million through cost-cutting initiatives aimed at reducing mine operating costs, exploration expenditures and mine site and corporate general and administrative costs. As a result of this

initiative, certain forecasted financial information contained herein may be affected by the implementation of this program.

On March 21, 2013, the Company announced the start-up of the gold processing plant at the Westwood Project and also provided further details regarding its Cost Reduction Program initially announced on March 4, 2013 by identifying cost savings targets for 2013 in the operations, exploration, and general and administrative areas of the Company as indicated below:

	($ millions)
Operations	$ 43
Exploration	$ 40
G&A at site	$ 11
Corporate G&A	$ 6
Target	$ 100

2. Trends

IAMGOLD's income and cash flow are predominately affected by the trends in the price of gold, which fluctuates continually due to factors beyond the control of IAMGOLD.

The world-wide gold market is relatively deep and liquid, with the price of gold generally quoted in US dollars. The demand for gold is primarily for jewelry fabrication, which accounts for the majority of demand, and bullion investment by central banks, financial institutions and private individuals all of whom buy, sell and hold bullion as an investment and as a store of value.

While prevailing supply and demand play some part in determining its price, gold continues to be sought as a refuge against economic uncertainty and as a hedge against the devaluation of local currencies.

Based on the gold spot prices quoted on the London Bullion Market, from the end of 2009 to the end of 2012 the average price of gold increased each year. This rising trend in gold prices primarily reflected the rise of gold as a fiat currency in the face of declining confidence in key national currencies, particularly the U.S. dollar. This trend obscures the gold price volatility during this period, which saw the spot price oscillate from a low of $1,058 per ounce to a high of $1,895 per ounce.

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

	Years Ended December 31				
	2012	2011	2010	2009	2008
High	$ 1,792	$ 1,895	$ 1,420	$ 1,213	$ 1,011
Low	$ 1,540	$ 1,319	$ 1,058	$ 810	$ 713
Average	$ 1,669	$ 1,572	$ 1,225	$ 972	$ 872

During the three years of 2010 through 2012, the rising price of gold also spurred new development and expansion in the gold industry, straining the supply and increasing the cost of materials, equipment and services for both the construction and operation of mines around the world. During 2012, these rising costs began to squeeze profit margins as the price of gold started to level off. As a result, the pace of new development projects began to slow and the backlog for key construction materials and equipment began to ease.

IAMGOLD also produces niobium, a scarce metal that is used to lighten and strengthen steel primarily for automotive, pipeline and structural applications. Global supply is sourced from only three producers of consequence, including IAMGOLD's Niobec mine, and is dominated by a Brazilian private company that annually provides in the range of 85 per cent of the world's annual supply. While niobium prices are relatively stable, they do rise and fall based on the demand for steel, there is a prevailing trend of increasing prices based on an intensifying penetration of niobium in steel production as demand grows for higher-quality steel products.

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 in part on the market prices for mine production from the Company's producing properties. In 2012, approximately 88% 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 and Côté Gold 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 IAMGOLD, 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 2012 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.

The Company operates in various countries around the world and is subject to the tax laws in each of those countries. The tax laws of each country are subject to differing interpretations and may be vulnerable to sudden changes.

Fiscal stability agreements are in place with the governments of Burkina Faso, Mali and Suriname to provide a reasonable measure of protection by stabilizing the tax laws applicable to mining projects. However, the Company's interpretation and application of the stability agreement and the tax laws to its transactions and activities may not coincide with that of the regulatory authorities. In addition, a regulatory authority's

interpretation of the relevant provisions of the stability agreement and the applicable tax laws may change at any time. As a result, transactions may be challenged by regulatory authorities and the Company's operations may be assessed, which could result in significant additional taxes, penalties and interest.

The Company may be required to pay additional taxes following tax audits.

The Company is subject to routine tax audits by various tax authorities. The most recent tax audit in Canada related to the fiscal years up to and including 2010. Future tax audits may result in additional tax and interest payments which would negatively affect our financial condition and operating results. Changes in tax rules and regulations or the interpretation of tax laws by the courts or the tax authorities may also have a substantial negative impact on the Company's business.

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, 2013, there were no funds drawn against the 2012 Amended Credit Facility or the 2012 Niobec Credit Facility, but $67.5 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 significant amount of indebtedness following the issuance of the 2012 Senior Unsecured Notes could make it more difficult for the Company to satisfy its obligations to existing creditors or obtain additional financing and could also require the Company to dedicate cash flows toward debt repayment instead of other purposes.

Following the offering of the Company's $650 million 2012 Senior Unsecured Notes in

September 2012, the Company has a significant amount of indebtedness.

Specifically, the high level of indebtedness could have important consequences to the holders of the 2012 Senior Unsecured Notes and other stakeholders, including: making it more difficult to satisfy obligations with respect to the 2012 Senior Unsecured Notes and other debt; limiting the ability to obtain additional financing to fund future working capital, capital expenditures, acquisitions or other general corporate requirements, or requiring the Company to make non-strategic divestitures; requiring a substantial portion of cash flows to be dedicated to debt service payments instead of other purposes, thereby reducing the amount of cash flows available for working capital, capital expenditures, acquisitions and other general corporate purposes; increasing the vulnerability to general adverse economic and industry conditions; exposing the Company to the risk of increased interest rates as borrowings under the 2012 Amended Credit Facility at variable rates of interest; limiting the flexibility in planning for and reacting to changes in the industry in which the Company competes; placing the Company at a disadvantage compared to other, less leveraged competitors who may be able to take advantage of opportunities that the Company's indebtedness would prevent it from doing so; and increasing the cost of borrowing.

In addition, the 2012 Amended Credit Facility and the indenture governing the 2012 Senior Unsecured Notes contain restrictive covenants that limit the Company's ability to engage in activities that may be in its long-term best interest. The Company's failure to comply with those covenants could result in an event of default which, if not cured or waived, could result in the acceleration of all its debt.

The Company may not be able to generate sufficient cash to service all of its indebtedness, including the 2012 Senior Unsecured Notes, and may be forced to take other actions to satisfy its obligations under such indebtedness, which may not be successful.

If the Company cannot make scheduled payments on its debt, it will be in default and holders of the 2012 Senior Unsecured Notes could declare all outstanding principal and interest to be due and payable, enabling lenders under the 2012 Amended Credit Facility to cancel their commitments to lend and causing a cross-acceleration or cross-default under certain of its other debt agreements, if any, and its other creditors could enforce or foreclose against the collateral securing its obligations and the Company could be forced into bankruptcy, receivership or liquidation.

The terms of the Company's 2012 Amended Credit Facility restrict and the indenture governing the 2012 Senior Unsecured Notes will restrict the Company's current and future operations, particularly its ability to respond to changes or to take certain actions. A breach by the Company of any of the covenants contained therein may negatively affect the Company.

A breach of the covenants under the 2012 Amended Credit Facility or the indenture governing the 2012 Senior Unsecured Notes or the Company's other debt instruments from time to time could result in an event of default under the applicable indebtedness. Such a default may allow the creditors to accelerate the related debt and may result in

the acceleration of any other debt containing a cross-acceleration or cross-default provision which applies. In addition, an event of default under the 2012 Amended Credit Facility would permit the lenders thereunder to terminate all commitments to extend further credit under that facility. Furthermore, if the Company were unable to repay any amounts due and payable under the 2012 Amended Credit Facility, those lenders could proceed against the guarantees securing such indebtedness. In the event the Company's lenders or noteholders accelerate the repayment of the Company's borrowings, the Company may not have sufficient assets to repay that indebtedness. As a result of these restrictions, the Company may be:

- limited in how it conducts its business;
- unable to raise additional debt or equity financing to operate during general economic or business downturns; or
- unable to compete effectively or to take advantage of new business opportunities.

These restrictions may affect the Company's ability to grow in accordance with its strategy.

A lowering or withdrawal of the ratings assigned to the Company's debt securities by rating agencies may increase its future borrowing costs and reduce its access to capital.

The Company's debt currently has a non-investment grade rating, and any rating assigned could be lowered or withdrawn entirely by a rating agency if, in that rating agency's judgment, future circumstances relating to the basis of the rating, such as adverse changes, so warrant. Consequently, real or anticipated changes in the Company's credit ratings will generally affect the market value of the 2012 Senior Unsecured Notes. Credit ratings are not recommendations to purchase, hold or sell the 2012 Senior Unsecured Notes. Additionally, credit ratings may not reflect the potential effect of risks relating to the structure of the 2012 Senior Unsecured Notes.

Any future lowering of the Company's ratings likely would make it more difficult or more expensive for the Company to obtain additional debt financing.

The Company estimates the recoverable amount of goodwill and non-financial assets using assumptions and if the carrying value of an asset is then determined to be greater than its actual recoverable amount, an impairment is recognized reducing the Company's earnings.

The Company conducts annual impairment assessments, which are typically performed at December 31, of the values of goodwill and non-financial assets, including mining assets, exploration and evaluation assets and royalty interests. If the carrying amount of the asset or group of assets being tested is greater than its recoverable amount, an impairment loss is recorded in the given period.

The recoverable amount is determined based on the present value of estimated future cash flows from each long-lived asset, group of assets or cash generating units ("CGUs"), which are calculated based on numerous assumptions such as proven and probable reserves, resources when appropriate, estimates of real discount rates, net

asset value multipliers, realizable metal prices, operating costs, capital and site restoration costs and estimated future foreign exchange and inflation rates, as defined under IFRS. 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 CGUs experiences a decline in its fair value, then this may result in an impairment charge in future periods, reducing 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 US dollars. The costs of the Company are incurred principally in Canadian dollars, US dollars, Euros and CFA francs. The appreciation of non-US dollar currencies against the U.S. dollar increases the cost of gold production in US dollar terms. While CFA francs currently have a fixed exchange rate to the Euro and are currently convertible into Canadian and US 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 a substantial portion 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.

In addition, the Company expects to generate cash flow and profits at its foreign subsidiaries, and may need to repatriate funds from those subsidiaries to fulfill its business plans, in particular in relation to ongoing expenditures at the development assets. The Company may not be able to repatriate funds or have limited ability to repatriate funds from their foreign subsidiaries, or in the alternative, may incur tax payments or other costs when doing so, due to legal restrictions or tax requirements at local subsidiary levels or at the parent company level, which costs could be material.

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, aluminum, 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 metal 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 metal 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 types, 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, or revocation or regulatory changes affecting 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 expansions, 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 Company's production and cost estimates depend on many factors outside the Company's control and may vary from actual production and costs, which could have an adverse impact on the Company's financial results.

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 ore bodies 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.

The ability of the Company to sustain or increase its present levels of gold and niobium 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 and niobium 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.

Mineral 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 Company's technical report on the Essakane Gold Mine.

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 geometry of the undercut and the structural attributes of the rock mass.

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-ups 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 aquifers 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 production and 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 Company's business is subject to evolving corporate governance and public disclosure regulations that have increased both the Company's compliance costs and the risk of noncompliance, which could have an adverse effect on the Company's stock price.

The Company is subject to changing rules and regulations promulgated by a number of US and Canadian governmental and self-regulated organizations, including the SEC, the Canadian Securities Administrators, the New York Stock Exchange, the Toronto Stock Exchange, and the International Accounting Standards Board. These rules and regulations continue to evolve in scope and complexity and many new requirements have been created in response to laws enacted by the US Congress, making compliance more difficult and uncertain. For example, on July 21, 2010, the US Congress passed the Dodd-Frank Wall Street Reform and Consumer Protection Act, which resulted in the SEC adopting rules that will require the Company to disclose on an annual basis, beginning in 2014, certain payments made by the Company, its subsidiaries or entities controlled by it, to the US government and foreign governments, including sub-national governments. The SEC has also adopted rules under the Dodd Frank Act that will require a company filing reports with the SEC to disclose on an annual basis, beginning in 2014, whether certain "conflict minerals" necessary to the

functionality or production of a product manufactured by such company originated in the Democratic Republic of the Congo (the “DRC”) or any adjoining country. The Company’s efforts to comply with the Dodd-Frank Act, the rules and regulations promulgated thereunder, and other new rules and regulations have resulted in, and are likely to continue to result in, increased general and administration expenses and a diversion of management time and attention from revenue-generating activities to compliance activities.

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 that 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 the risk of increased costs when 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. These factors could cause the Company’s operating costs, capital expenditures and production schedules to change, which could have a material adverse effect on the profitability of the Company.

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").

At the end of 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.

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. On May 22, 2012, the Company filed an appeal of the Administrative Tribunal's decision in both actions at the Administrative Court of Appeal in Bordeaux, France and increased the amount of the Compensation Claim to €763 million to account for higher prevailing gold prices.

No amounts have been accrued in the financial statements of the Company 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.

There can be 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 grandfathering of rights under the French mining code due to the ambiguity of certain provisions contained in the new mining framework for French Guiana.

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 few years. The Company estimates the net present value of future cash outflows for reclamation costs at all properties under IFRS at $258.1 million as at December 31, 2012 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 depends upon its key management and professional positions and on senior executives to provide leadership to the organization. The Company's ability to effectively manage its exploration, development and operating activities (including Health, Safety & Sustainability) depends in large part on the efforts of individuals in these positions and senior leaders within the organization. The Company faces intense competition for qualified management, professionals and executives from other resource companies and there can be no assurance that the Company will be able to attract and retain such talent in the future. The Company's inability to attract and retain capable leaders and key management positions and professionals could have a material adverse effect on the Company's business, financial condition and/or operational results.

The success of the Company also heavily depends on the technical expertise of its professional employees and on its ability to motivate, retain and attract highly skilled talent.

The competition for technical expertise 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 talent with the necessary skills and experience to manage its current needs and anticipated growth. The failure to attract such qualified talent to manage the existing operations and projects effectively could have a material adverse effect on the Company's business, financial condition and/or operational results.

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.

In respect of the Sadiola Sulphide Project at the Sadiola Gold Mine in Mali, further delays by the Company in obtaining approval to proceed with this project from its joint venture partner may affect the accuracy of the existing life of mine plan for the Sadiola Gold Mine.

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

Some of the Company's assets are controlled and 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 human-provoked incidents that could affect the mining of ore and the Company's mining operations and development projects, 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 the Sadiola and Yatela Gold Mines in Mali 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.

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, insurance coverage may not be available in the future or may not be adequate to cover any resulting loss, and the ability to claim under existing policies may be contested. 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 and heavy fuel oil at the Essakane Gold Mine in Burkina Faso and at the Rosebel Gold Mine in Suriname; electricity at the Sadiola Gold Mine in Mali; aluminum at the Niobec Niobium Mine in Quebec; and generally steel, concrete, explosives 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 or due to operational changes. 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.

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. 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. A number of the Company's employees are represented by labour unions under various collective labour agreements and the employees at the Essakane Gold Mine entered into a three-year salary increase agreement which is effective from July 1, 2012 to July 1, 2015. At the Westwood Project, the Company and the union concluded a six-year collective labour agreement in 2012 which is effective from December 1, 2011 to November 30, 2017. In addition, existing labour agreements may not prevent a strike or work stoppage at the Company's facilities in the future, and any such work stoppage could have a material adverse effect on the Company's earnings and financial condition.

The success of the Côté Gold Project is dependent upon, among other things, the integration of operations, technologies and personnel of the Côté Gold Project with the Company, the economics of this project and obtaining required licenses and permits from various governmental authorities.

The Company's success after the Côté Gold Project will depend in large part on the success of the Company's management in integrating the operations, technologies and personnel of the Côté Gold Project with those of the Company, the economics of the project and obtaining required licenses and permits from various governmental

authorities. The failure of the Company to obtain such licenses or permits could impair its results of operation, profitability and financial results.

In addition, the overall integration of the operations, technologies and personnel of the Côté Gold Project into the Company may result in unanticipated operational problems, expenses, liabilities and diversion of management attention.

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 government authorities and 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, mine development, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, mine and worker safety, relations with neighbouring communities, 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 resource companies affecting the environment, human health and safety of the surrounding communities. Delays in obtaining or failure to obtain, renew, or retain 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 investigating and addressing contamination (including claims for natural resource damages) or for fines or penalties to governmental authorities relating to contamination issues at current or former activities or at third party sites. The Company could also be held liable for claims relating to exposure to hazardous substances. The costs associated with such responsibilities and liabilities may be significant.

Since 2008, samples of the Niobec Mine's final effluent regularly failed the Daphnia magna toxicity test which is a requirement of the provincial regulations in Québec but not the federal regulations in Canada. After many studies and reviews with Québec authorities, the Niobec Mine's final effluent toxicity issue was 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. Construction of the Shipshaw system was completed in July 2012 and since commencement of operations with this system, the results for the Daphnia magna toxicity test have been in compliance with the provincial regulations.

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 by a reservoir of fresh water which was temporarily being stored in the north end of the TSF while a permanent fresh water storage basin was being constructed. As a result of seep detection, a local well in the downstream area was proactively closed and an alternate water supply was made available. Golder Associates Ltd. were retained to conduct site investigations and identify mitigative solutions as well as develop long term tailings management plans to prevent a reoccurrence. Tailings seep interception efforts were successful and downstream groundwater has returned to background levels. To provide assurance against a reoccurrence, a tailings water treatment plant is under construction and scheduled for commissioning in the second quarter of 2013.

Such measures, including corrective action taken to address the Essakane Gold Mine tailings seep, and any additional measures required to address effluent compliance, fines and costs and/or the effluent quality at any location 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, letters of credit 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; royalties, net profits payments and tax increases or other claims by government entities, including retroactive claims; risk of expropriation and nationalization; delays in obtaining or the inability to obtain necessary governmental permits; compliance with applicable anti-corruption laws, including the *U.S. Foreign Corrupt Practices Act* ("FCPA") and the Canadian *Corruption of Foreign Public Officals Act* ("CFPOA"); 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 or the import, for further processing, of by-products from the gold extraction process containing gold; limitations on the repatriation of earnings; and increased financing costs.

On March 21, 2012, in the context of significant loss of territory in northern Mali to insurgents, a coup d'etat was initiated by members of the Malian army. This created significant uncertainty within the country and political pressures both domestically and from outside the country encouraging restoration of full democratic rule. As a prudent matter, the Company suspended certain drilling activities at exploration projects in Mali and decided to proceed cautiously with its expansion project at the Sadiola Gold Mine. In April 2012, an interim president was appointed in accordance with mechanisms in the Malian constitution. An interim Prime Minister and Cabinet was also appointed. In August 2012, an expanded interim government was appointed with the support of the Economic Community of West Africa States ("ECOWAS") and the international community. In January, 2013, an international military campaign led by France commenced in Northern Mali to oust the insurgents. While the security situation in Northern Mali has improved since the intervention, the situation remains volatile, and the country faces continued challenges including food shortages, internally displaced persons, and the continued presence in parts of northern Mali of factions of Islamist rebels. The political situation in Mali continues to present a risk and uncertainty to the continued operations and exploration programs of the Company in Mali and there can be no assurance that the political situation will stabilize or improve in the future.

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 the ownership of land and mineral rights and net profit and royalty payments.

Any amendment to current laws and regulations governing the rights of leaseholders or the payment of royalties, net profits interests or similar amounts, or a 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.

The Company is also subject to the tax laws of several foreign jurisdictions which are complex and potentially subject to change. These tax laws are also subject to varying interpretations and application by the relevant regulatory authorities, which may result in additional taxes being assessed.

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 governments 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; supply and repayment of funds for capital investments; the right to export production; distribution of dividends; shareholder rights and obligations for the Company, joint venture partners, and the government in respect of their ownership; 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, or are in the process of modernizing, (i.e. Burkina Faso, Mali and Canada) 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 Suriname, Burkina Faso and Mali 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/or financial condition.

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

The operations and development projects 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 of the Côté Gold Project and the expansion of the Niobec Mine 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 such as the Westwood and Côté Gold projects, 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 and costs 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 and 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, 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 with those of the Company. Any acquisition 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.

Item III Description of the Business

1. Mining Activities—Canada

In Canada, the Company owns the Westwood Project, the Niobec Mine (a producer of niobium and discussed in Section 3 of Item III 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 (who at the time the Westwood Report was prepared was Manager, Mining Geology, IAMGOLD Corporation and is currently Vice President, Geology & Resources, G Mining Services Inc.), Daniel Vallières (Manager, Underground Projects, IAMGOLD Corporation) and Pierre Pelletier (Vice President, Metallurgy, IAMGOLD Corporation) and the technical report (the “Westwood Project Mineral Resources Report”) entitled “Westwood Project, Québec, Canada Mineral Resources Report as of May 31, 2011” dated March 5, 2012, prepared by Patrice Simard (Head of Geology Department, Westwood Project, IAMGOLD Corporation), Armand Savoie (Responsible for Mineral Resources and Reserves at Westwood Project for IAMGOLD Corporation), Richard Morel (Project Manager and Responsible for Mineral Resources and Reserves at Westwood Project for IAMGOLD Corporation) and Réjean Sirois (who at the time the Westwood Report was prepared was Manager, Mining Geology, IAMGOLD Corporation and is currently Vice President, Geology & Resources, G Mining Services Inc.). The Westwood Report and the Westwood Project Mineral Resources Report 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 Westwood Report and the Westwood Project Mineral Resources 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”. The Westwood Project will use existing mill and water management facilities from the

Doyon Gold Mine. A mining lease has been renewed for a 20 year period expiring April 22, 2032.

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 1983, 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 1999, 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. 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 2012, a total of 437,838 metres of DD had been completed at the Westwood Project. Holes were collared from both surface (years 2002 to 2009) and the underground exploration (from 2006 to the present) drifts at depths of 360, 600, 840, 1,040, 1,320 and 1,400 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 in length. 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. Eleven electric drills (from underground) were running between January and December 2012. Hole lengths vary from less than one hundred metres to 2.0 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

Over 84,000 metres of DD, were completed during 2012 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 27,000 metres during 2012. In addition, seven drills focused on in-fill and delineation work, drilling nearly 55,500 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 2013 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 2013 calls for 88,240 metres of drilling.

x) Mining Operations and Processing

The ore will be processed at the existing mill complex at the Doyon Gold Mine. This mill was refurbished in 2012 and was progressively commissioned during the last quarter of 2012 and up until February 2013. The capacity of the refurbished mill is 800,000 tonnes per year and ore from the Westwood property will be processed according to the Westwood Project's production schedule. The start-up of the mill occurred on March 21, 2013.

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 2012, shaft sinking reached a depth of 1,931 metres, with starting up of the 140-0 loading and 156-0, 180-0 and 192-0 stations. Underground development work totaled 14,017 metres of lateral and vertical excavation.

At the end of 2012, the Westwood Project employed 479 employees and 324 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, which has been expired since November 2011, now covers employees at the Westwood Project. The employees at the Mouska Gold Mine are covered by their own collective agreement.

xi) Mineral Reserves and Resources

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

xii) Environment

As at December 31, 2012, the recorded amount of estimated restoration and closure costs for the property was $4.2 million, representing the discounted costs. The undiscounted cost of estimated restoration and closure costs for the property was $4.6 million.

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 $92,000 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 samples with values greater than 3.0 g Au/t obtained with the A.A. method are assayed again 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 Reserves and Resources

Information on mineral reserves and resources is provided in Section 5 of Item III 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, 2012. For the Mouska Gold Mine, Pierre Lévesque, Head of Geology, and Emilie Williams, Chief Engineer, are the "qualified persons" for the purposes of NI 43-101 and are responsible for all mineral resource and mineral reserve estimates, as at December 31, 2012.

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. 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 will begin to be batch processed in 2013. The Mouska Gold Mine did not process ore in 2012. The declared gold production resulted from recovery of trapped gold in the mill circuit prior to mill refurbishing and final adjustments from refining of 2011 production. Based on mineral reserves as at December 31, 2012, the Mouska Gold Mine is expected to continue in operation until December 2013, with restoration scheduled for 2014.

The Mouska Gold Mine will continue stockpiling ore until the start-up of the mill for the Westwood Project. All stockpiled ore as well as the remainder of the 2013 production will be milled in 2013.

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

Mouska Gold Mine	2012	2011
Gold Production (Ounces)	400	24,000
Tonnage milled (tonnes)	0	56,000
Grade milled (g Au/t)	0	13.9
Recovery (%)	0	95

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

Hourly employees at the Mouska Gold Mine are unionized. The collective agreements regarding employment of hourly employees expire on October 17, 2013 for the Mouska Gold Mine. At the end of 2012, the Mouska Gold Mine employed approximately 117 individuals and 40 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 the activities to minimize such 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.

Updated closure plans for the Doyon property, consisting of closure plans for the Doyon Gold Mine and the Westwood Project were approved by the Québec Government in March 2012 and July 2012, respectively. As at December 31, 2012, the recorded amount of estimated restoration and closure costs for the Doyon property was $111.3 million, representing the discounted costs. The undiscounted cost of estimated restoration and closure costs for the property was $122.1 million, of which $69.5 million is currently provisioned for through letters of credit under the Company's 2012 Amended Letters of Credit Facility.

viii) Exploration and Development

Exploration at the Mouska Gold Mine in 2012 included approximately 30,200 metres of underground DD, mainly targeting Zones 47, 50-South and 65 and their projected extensions. The current resource inventory was downgraded during the fourth quarter of 2012 following the decision to close the Mouska Gold Mine at the end of 2013. However, total reserves are estimated at 176,000 tonnes grading 12.5 g/t Au for 71,000 ounces, representing a gain of 13,000 tonnes grading 14.9 g/t Au for 6,220 ounces compared to the prior year. Of this total, nearly 73,400 tonnes grading 12.4 g/t Au are stockpiled at the Doyon Gold Mine's mill.

ix) Taxation

The Company's Canadian operations are subject to a combined federal and provincial statutory income tax rate of approximately 27 per cent. The Company's operations in the Province of Quebec are also subject to a mining duty with a statutory tax rate of 16 per cent. Additional tax information is provided in Section 6.5 below.

1.3 Côté Gold Project

Unless stated otherwise, the information in this section is based upon the technical report (the ''Côté Gold Report'') entitled ''NI 43-101 Technical Report on the Côté Gold Project, Chester Township, Ontario, Canada'' dated October 24, 2012, prepared by Roscoe Postle Associates Inc. ("RPA"), Jamie Lavigne, M.Sc., P.Geo., and William E. Roscoe, Ph.D., P.Eng and subsequent mineral resource estimate dated December 31, 2012, completed by RPA. 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 Côté Gold Report which is available for review on SEDAR at www.sedar.com. The Côté Gold Technical Report has been filed with the securities regulatory authorities in each of the provinces and territories of Canada.

i) Property Description and Location

The Côté Gold Project consists of a collection of properties assembled through staking and various option agreements. The Côté Gold Project area is located southwest of Gogama, Ontario, and extends from Esther Township in the west to Champagne Township in the east, a distance of approximately 57 kilometres. The properties cover an area of approximately 516 kilometres^2. They are bisected by Highway 144 and are

approximately 200 kilometres north of Sudbury via Highway 144 and approximately 120 kilometres southwest of Timmins via Highways 101 and 144. This area is in the Porcupine Mining Division.

On April 27, 2012, the Company announced that it had entered into a definitive agreement with Trelawney to acquire, through a wholly-owned subsidiary, all of the issued and outstanding common shares of Trelawney through a plan of arrangement. On June 21, 2012, IAMGOLD acquired all of the outstanding common shares of Trelawney. Under the terms of the transaction, former shareholders of Trelawney were entitled to $3.30 in cash for each Trelawney common share held. The total purchase price amounted to $542.6 million. The transaction costs were $6.2 million and cash and cash equivalents acquired were $57.9 million. The shares of Trelawney were subsequently delisted and Trelawney remains an indirect 100%-owned subsidiary of the Company. All of the interests in the property groups are owned by the Company through Trelawney and its various subsidiaries and are subject to property agreements in effect at the time of acquisition.

The Côté Gold Project area comprises ten property groups: Chester, Sheridan Option, Trelawney Mining & Exploration, Ontario 986813 Ltd., Sanatana Option, Trelawney Augen Acquisition Corp. East (Sanatana right of first refusal) and West, Huffman Lake Option, Falcon Gold Option, and Leliever properties.

The Chester Property, within which the Côté Gold deposit is located, includes 56 claims, 28 patents, and three leases with a total area of approximately 1,936 ha. RPA is not aware of any known environmental liabilities associated with the Côté Gold Project, the Chester Property, or any of the other property groups.

ii) Accessibility, Local Resources and Infrastructure

The Côté Gold Project is located southwest of Gogama, Ontario. The property is bisected by Highway 144 and is approximately 200 kilometres by road north of Sudbury, along Highway 144 and approximately 120 kilometres by road southwest of Timmins via Highways 101 and 144. Access to the property is by a network of logging roads and local bush roads accessed from Highway 144 and from the Sultan Industrial Road which runs east-west along and below the southern part of the project area.

The climate of the project area is continental in nature, with cold winters (-10°C to -35ºC) and warm summers (+10°C to +35°C). In this area, winter conditions can be expected from late October to early April. Precipitation averages 80 centimetres a year with a substantial portion in the form of snow averaging 2.4 metres per year.

The nearby town of Gogama (population 600) is on the CN railway line and is also connected to the regional electric power grid, but has few resources related to exploration and mining. However, Sudbury and Timmins are only about 200 kilometres and 120 kilometres distant by road, respectively. Either centre has mining suppliers and contractors plus experienced and general labour.

The main infrastructure on the Chester Property is a 3 metre by 5 metre, 1,675 metre decline to a final depth of 162 metres plus 700 metres of lateral drifting on five levels. This is referred to as the Chester 1 Project, which is located several kilometres east of the Côté Gold deposit. There is a shallow shaft (Bates) on the east end of the main vein structure and 90 metres of raises in mineralization. This is all located on Lease CLM 270 and Mining Lease P1222832 (Chester 1). The development work was completed from 1986 to 1989, but production was not achieved. The project is now connected to the 120 kV provincial power grid.

In early February 2010, Trelawney purchased the equipment and plant required to establish surface and underground infrastructure at the Chester 1 Project. The material included a surface and underground electrical distribution system, a ventilation and mine air heat system, compressors furnished warehouse, workshop, offices, and various pieces of mobile equipment. Dewatering of the underground workings began in February 2010 and portal and underground rehabilitation began in the second half of 2010. Through early 2011, Trelawney recovered an underground bulk sample consisting of approximately 10,000 tonnes of mineralized material. Later in 2011, the Project was placed on care and maintenance.

The area is typical of glaciated terrain of the Canadian Shield. The topography is gently rolling, with high points seldom exceeding 50 metres above local lake levels. Elevations on the property are generally between 380 and 400 metres above sea level. The higher ground usually has a veneer of glacial till or soil over bedrock. There is only a few percent of outcrop, mostly confined to higher ground. Low ground is covered by deep glacial till and frequent small lakes and/or swamps. Most of the area has been logged in the last 30 years so that vegetation is generally small second growth poplar, birch, spruce and pine. Poplar, birch, and white pine are common on the higher ground and spruce in the lower, wetter areas.

iii) History

Prospecting and exploration activity in the vicinity of the Company’s properties began about 1900 and has continued sporadically to the present time. In the early 1930s and 1940s, a significant amount of prospecting and trenching was carried out plus the sinking of a few shallow shafts and some minor production from the Young-Shannon, Murgold-Chesbar, and Jack Rabbit properties. From the early 1970s to about 1990, there was a great deal of surface work and drilling performed along with some limited underground investigations. With the consolidation of control of a group of properties in 2006, a reappraisal of the potential of several interesting gold prospects became possible. Trelawney acquired the properties in 2009 and began the exploration work that led to the discovery of the Côté Gold deposit.

iv) Geological Setting and Mineralization

Chester Township is located in the Swayze greenstone belt in the southwestern extension of the Abitibi greenstone belt of the Superior Province. The Swayze belt contains a diversity of extrusive and intrusive rock types ranging from ultramafic through

felsic in composition, as well as both chemical and clastic sedimentary rocks. Igneous rocks predominate and include both volcanic and plutonic rocks. The Swayze area underwent a complex and protracted structural history of polyphase folding, development of multiple foliations, ductile high-strain zones and late brittle faulting.

The Chester Township area overlies a narrow greenstone belt assemblage, which separates the Kenogamissi Granitoid Complex to the north from the Chester Granitoid Complex to the south. The Ridout Deformation Zone, a major east-west high-strain zone, is within the greenstone belt rocks.

The Company's Chester Property is underlain by calc-alkalic pyroclastic metavolcanic rocks of felsic to intermediate composition (Chester Group), felsic to intermediate, heterogeneous, granitoid intrusive rocks of the Chester Granitoid Complex, and related migmatites.

Two different types of gold mineralization are recognized on the Chester Property. The historically important mineralization can be termed quartz vein and fracture associated, while the new Côté Gold discovery is viewed as an Archean gold porphyry deposit. Any genetic or temporal relationships between the two types of gold mineralization are unknown at this time.

The Côté Gold deposit mineralization consists of low to moderate grade gold ± copper mineralization associated with brecciated and altered, intermediate to locally mafic intrusive rocks. Mineralization occurs in the form of disseminated and fracture-controlled sulphides which generally correlate with the gold values. Gold mineralization is closely associated with the sulphides (pyrite, chalcopyrite, molybdenite, rare pyrrhotite) and visible gold is often present where molybdenite occurs.

The brecciated/mineralized lithologies have been affected by at least four distinct hydrothermal alteration events, two of which are pervasive and two vein/veinlet and fracture controlled. The pervasive alteration phases are mineral assemblages representing potassic and sodic alteration types. The vein/veinlet and fracture controlled alteration events are mineral assemblages representing phyllic and propylitic alteration types.

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

In 2009-10, Trelawney drilled 47 holes totalling 23,500 metres on the Côté Gold deposit and during the period from January to September 2011, a further 82 surface DD holes for a total of 42,199 metres were drilled. All of the holes were targeted on the Côté Gold deposit for the purpose of determining the extent of the mineralized zone and to provide sufficient data to permit resource estimation. Continued drilling on the Côté Gold deposit has largely been focused on infill drilling to support the estimation of indicated resources. Since the completion of the February 24, 2012 mineral resource update, a further 79 holes totalling 44,856 metres were completed (including assays) and included in the current estimate.

Through the 2011-12 drilling program, five drilling contractors have been involved: Ronkor Diamond Drilling Ltd. from Sudbury, Ontario, Marathon Drilling Company Ltd. from Greely, Ontario, Bradley Brothers Limited from Rouyn-Noranda, Quebec, Landdrill International Inc. from Moncton, New Brunswick and Summit Drilling from Sudbury, Ontario. A variety of drilling rigs have been employed, with the major criteria being the ability to drill to a depth of 500 metre to 1,000 metre with NQ (or BTW) tools. NQ-sized holes were cased north-west into bedrock and drilled NQ size (47 mm) to depth. Holes were spotted on a grid and collar sites surveyed by differential GPS. On rare occasions, holes were reduced to BQ if drilling problems were encountered.

The three-dimensional location of the Company's holes is determined with a FlexIt instrument in single point mode, which measures the dip and azimuth at 50 metre intervals down the hole with an initial test taken 10 metre below the casing and a final at the bottom. Holes drilled by Bradley Brothers Limited were surveyed with a Reflex instrument in multishot mode, taking measurements of dip and azimuth at 50 metre intervals down the hole.

For holes drilled on land, the casing was left in place and capped. Holes drilled on lakes were cemented and the casing was pulled.

Drilling on the Côté Gold deposit continues to indicate a large volume of brecciated, intrusive rock mineralized with low to moderate gold values over wide intervals. Some of the better intercepts are calculated using a cut-off grade of 0.3 g/t Au and a maximum internal dilution of five metres, where all assays are capped at 25 g/t Au. The true widths of individual intercepts are not known.

The mineralized rocks at the Côté Gold Project include diorite, granodiorite and gabbro as well as variably altered and brecciated combinations of all three. Mineralized or unmineralized, the core is very competent except for very local, metric intervals of blocky core where minor faults are encountered. One larger fault has been encountered in the western portion of the Côté Gold deposit with true widths varying from 5 metres to 10 metres. Overall, the Company estimates 99 per cent core recovery.

The sampling interval is established by minimum or maximum sampling lengths determined by geological and/or structural criteria. The minimum sampling length is 30 centimetres to 50 centimetres, while the maximum length is 1.5 m. The typical sample length in most of the mineralized zones is one metre.

Sample intervals are tagged in a procedure requiring the geologist to clearly mark the start and end of each sample on the core with a grease pencil. The geologist or geological technician transfers all sample intervals to a sample book. Each page in the sample book represents a unique number with two identical sample tags. The borehole number and sample interval are transferred to one of the tags and recorded in the logs. One tag is placed in a plastic sample bag with the sample and the second is stapled in the core box beneath the representative half sample. This method of recording sample numbers is a quality control measure that ensures that the proper sample tag is inserted

into the correct sample bag. During this procedure, the location for the insertion of standards and blanks into the sample sequence is noted.

The Company saws and samples the entire length of a drill hole. Diabase dikes that occur within the sequence are not sampled except for two one-metre shoulder samples at the upper and lower contacts of the dike. All unsampled diabase is inserted as blanks into the assay sequence.

Prior to sawing, geotechnicians orient the core for cutting to mitigate biased sampling procedures. Sawn core is placed in the core box with the cut facing up and the top half of the core is sent for assay. The remaining half of the core is stored in racks or pallets at the core farm facilities located at Camp #1 near Gogama, Ontario.

Geotechnicians sample the core after logging. For QA/QC purposes, the Company inserts one gold standard sample or one blank diabase sample at every twelfth sample interval. Nine OREAS (Ore Research & Exploration Analytical Standards) gold standards ranging from 0.116 g/t Au to 8.79 g/t Au have been acquired from Analytical Solutions of Toronto. The Company also has Accurassay set aside the pulp from one out of every 10 samples to be sent to a second laboratory as a check assay.

Samples, standards, and blanks are tagged and sealed in plastic bags, which are put into rice bags and sealed with security tags. The sealed rice bags are placed on pallets in a secure area of the camp. Gardewine Transport collects the bagged samples from the Côté Gold Project's camp twice a week and delivers them to the Accurassay sample preparation facility in Sudbury from where they are forwarded by Accurassay to its analytical laboratory in Thunder Bay, Ontario.

The Accurassay laboratory is accredited to the ISO 17025 by the Standards Council of Canada, Scope of Accreditation 434. For sample preparation, the Company requests that samples be crushed to -8 mesh after which a 1,000 g subset of each sample is pulverized to 90 per cent passing -150 mesh. Assays are completed using a standard fire assay (FA) with a 30 g aliquot and an atomic absorption (AA) finish. For samples that return values of between 2 g/t Au and 5 g/t Au, another pulp is taken and fire assayed with a gravimetric finish. Samples returning values greater than 5 g/t Au are reanalyzed by pulp metallic analysis.

All samples are subject to a 33-element inductively coupled plasma ("ICP") scan, Accurassay procedure ICP 580.

The split sample material sent for assay is for the most part an accurate reflection of one half of the core and should be free of bias because of the relatively competent nature of the core recovered. The mineralization is heterogeneous by nature, however, and duplicate samples will reflect that fact. Due to the high rate of core recovery within the mineralized zone, assays are considered to be reliable. The true widths of mineralized intersections are not yet known.

The Company determines the bulk density of samples by the water immersion method. Bulk densities are determined for barren host rocks and for the full length of sample intervals sent for assay.

RPA concurs with the adequacy of the samples taken, the Company's QA/QC program, the security of the shipping procedures, and the sample preparation and analytical procedures at the Accurassay laboratory in Thunder Bay.

RPA has completed site visits to the Chester exploration property and has reviewed exploration, drilling, logging, and sampling procedures with Trelawney and the Company's personnel. Through the observation of core and outcrop during the site visits and through the independent review of reports and geological literature, RPA has reviewed the geology of the Côté Gold deposit. With respect to geology and drill core logging, RPA noted inconsistency in the recording of rock types in the DD hole logs and subsequently portrayed on interpreted drill sections. With respect to sampling and drill core logging, RPA noted inconsistent sampling practice where samples crossed obvious lithological or mineralization limits or contacts. RPA recommends that the Company implement systems to provide consistency in recognition and recording of rock types and alteration types and ensure that samples adhere to obvious geological contacts.

The Company inserts control samples at a frequency of one control sample in a total of every 12 samples submitted to Accurassay. The control samples consist either of a Certified Reference Material ("CRM") or a blank. During 2012, the Company used nine different CRMs with gold values ranging from 0.334 g/t to 8.79 g/t. For blanks, the Company has used barren diabase dike drill core recovered from the Côté Gold deposit drilling and commercially acquired silica blanks. A total of 2,227 blanks and 1,634 CRMs were analyzed from December 31, 2011 to August 1, 2012.

The Company has check assays on pulp rejects completed at ActLabs from Ancaster, Ontario. A total of 1,544 samples were analyzed at ActLabs. All of the samples were analyzed using the FA-AA method and 20 samples that produced over-ranges were also analyzed with the FA-Gravimetric method. These analytical methods and sample preparation protocol are equivalent to that used by the Company at Accurassay.

vi) Mineral Resources

The Mineral Resource estimate was completed using Gemcom GEMS 6.4 software and employs a conventional approach including 3D geological modelling, block modelling, and ordinary kriging grade estimation. The Mineral Resource is reported at a cut-off grade of 0.3 g/t Au and a gold price of US$1,600 per ounce. High grade gold assays were capped at 15 g/t Au and 20 g/t Au depending on the zone.

MINERAL RESOURCE ESTIMATE – DECEMBER 31, 2012
IAMGOLD Corporation – Côté Gold Project

Classification	Tonnage (Mt)	Grade (g/t Au)	Contained Gold (Moz)
Indicated	269	0.88	7.61
Inferred	44	0.74	1.04

Notes:

1. CIM Definitions were followed for classification of Mineral Resources.
2. Mineral resources are estimated at a cut-off grade of 0.30 g/t Au.
3. Mineral resources are estimated using a gold price of US$1,600 per ounce and metallurgical recovery of 93.5%.
4. High grade assays are capped at 15 g/t and 20 g/t depending on the sub-domain.
5. Bulk density of 2.71 t/m^3 was used for tonalite and breccia and 2.79 t/m^3 was used for diorite.
6. The Mineral Resource Estimate is constrained within a Whittle Pit shell using assumed costs and the above noted gold recovery and gold price.

The Mineral Resource estimate as reported in the table above is the part of the block model that was constrained within a preliminary pit optimization shell using preliminary gold recoveries for the Côté Gold deposit and assumed costs and gold price. The Mineral Resources are classified as Indicated and Inferred and follow CIM Definition Standards for Mineral Resources and Mineral Reserves adopted on November 27, 2010 (CIM Definitions).

The Côté Gold Mineral Resource was estimated using only DD hole data. All holes have been drilled from surface utilizing a locally established grid. The location of all DD holes have been surveyed and reported in Universal Transverse Mercator map projection North American datum of 1983 (“UTM NAD83”) coordinates. The current Mineral Resource estimate is based on 293 diamond drill holes, totalling 158,047 m, and 154,823 assayed samples as summarized below. This represents an approximately 40 per cent increase in the information available for the current resource estimate relative to the previous estimate dated October 24, 2012.

DATABASE SUMMARY
IAMGOLD Corporation—Côté Gold Project

	Current	Previous	Change	% Change
Number of Holes	293	208	85	41%
Number of Metres	158,047	110,722	47,325	43%
Number of Downhole Survey Readings	4,122	2,820	1,302	46%
Number of Samples Assayed	154,823	110,880	43,943	40%
Number of Specific Gravity Determinations	553	553	0	0%

Most of the additional drilling completed on the Côté Gold deposit was in-fill drilling on 50 metre spaced sections within the previously drilled 100 metres spaced sections over a strike length of approximately 1,400 metres. Gaps, where the current drill information is at a spacing greater than 50 m, are either due to the drill holes that were being processed (logged and sampled) at the time of preparing the current estimate or because of limited access to parts of the deposit due to water and swamp cover.

RPA verified the updated database using the database verification tools in Gemcom. RPA compared a number of laboratory assay certificates as against the database entries and carried out general inspection of the data, which included evaluation of the drill hole data on plans and sections. Upon completion of the database verification process, RPA concluded that current data omissions and potential errors would have minimal impact on grade estimation and that the database was satisfactory for Mineral Resource estimation.

Two main domains of mineralization have been interpreted at the Côté Gold Project and are referred to as the Southwest (“SW”) domain and the Northeast (“NE”) domain. The SW and NE domains are separated by a west striking, steeply north dipping fault zone and are intruded by vertical to steeply dipping, north-northwest striking, post mineralization diabase dykes. This interpretation formed the basis for the October 24, 2012 Côté Gold Mineral Resource estimate. RPA evaluated this interpretation using the updated drilling data and concludes that it remains a reasonable framework for geological modelling and resource estimation of the Côté Gold deposit. RPA expanded and modified the interpretation of the NE and SW domains to incorporate the new DD.

Each of the SW and NE domains is characterized by a single, large, continuous, and comparatively thick body of mineralization referred to as the SW Main Zone in the SW domain and NE Main Zone in the NE domain. Both the NE and SW domains also include smaller, thinner, and less continuous zones of mineralization but the SW Main and NE Main zones represent greater than 90 per cent of all the mineralization. The SW Main and NE Main zones have each been further divided into Upper and Lower subzones. The Upper sub-zones are characterized by an irregular, flat to moderately dipping geometry that “rolls” to a steeper north dipping orientation that characterizes the Lower sub-zones.

Mineralization at the Côté Gold deposit occurs in all of the intrusive rock types and breccias with the exception of the diabase dikes that post-date mineralization. RPA has plotted and evaluated the lithology data from the re-logged holes and notes a more consistent distribution of gabbro (re-logged as diorite) occurring dominantly peripheral to, and within, the upper, northern, hanging wall margin of the NE and SW mineralization domains and also in general mantling the mineralized bodies. This spatial association suggests that the diorite distribution may have some control on the shape and distribution of mineralization.

Statistics describing the Au assay data have been calculated for the SW Main and NE Main zones as well as for each of the Upper and Lower sub-zones. The statistics for the Upper and Lower sub-zones in both of the SW and NE Main zones are summarized

below. In both the SW and NE Main zones, there is a significant difference in average grade between the Upper and Lower sub-zones.

In all cases, the Au statistics are characterized by a strong positive skew, a relatively high coefficient of variation, and in the case of the uncapped data, the occurrence of a few spectacularly high grade assays.

AU ASSAY STATISTICS BY SUB-DOMAIN
IAMGOLD Corporation—Côté Gold Project

	SWUpper		SWLower		NEUpper		SELower	
Statistic	Au(g/t)[1]	Au(g/t)[2]	Au(g/t)[1]	Au(g/t)[3]	Au(g/t)[1]	Au(g/t)[2]	Au(g/t)[1]	Au(g/t)[3]
N	12,555	12,555	8,748	8,748	6,569	6,569	18,751	18,751
Mean	1.11	0.93	0.83	0.75	1.26	0.89	0.90	0.73
Length Weighted Mean	1.11	0.93	0.83	0.76	1.14	0.85	0.88	0.72
Minimum	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Q1	0.09	0.09	0.10	0.10	0.11	0.10	0.10	0.10
Median	0.31	0.31	0.30	0.30	0.33	0.32	0.27	0.27
Q3	0.89	0.89	0.74	0.74	0.82	0.82	0.66	0.66
Maximum	312.65	20.00	98.20	15.00	785.09	20.00	541.22	15.00
Standard Deviation	5.77	2.13	2.78	1.56	12.99	2.11	5.94	1.65
Coefficient of Variation	5.20	2.28	3.35	2.08	10.33	2.38	6.59	2.26
Skewness	30.44	5.91	17.23	5.78	45.93	6.43	54.11	5.89

Notes:

1. Assays uncapped.
2. Assays capped at 20 g/t.
3. Assays capped at 15 g/t.

The strongly skewed distribution of the assay data and the relatively high coefficient of variation that characterize all mineralization domains, zones, and sub-zones indicate that high grade outliers may have a disproportionate influence on the average gold grade and need to be capped for use in grade estimation. To estimate the gold grade capping levels, RPA has evaluated histograms and log probability plots and has completed a decile analysis for each of the four sub-zones included in the NE and SW Main zones. Based on these analyses, a grade cap of 20 g/t Au was determined to be appropriate for the upper sub-zones and a grade cap of 15 g/t Au was determined to be appropriate for the lower sub-zones. For the SW Upper and NE Upper sub-zones, application of a grade cap of 20 g/t Au reduces the gold contained in the top percentile from 31.45 per cent and 39.56 per cent to 15.74 per cent and 14.17 per cent, respectively. Similarly, application of a 15 g/t Au grade cap reduces the contained gold from 24.69 per cent to 15.51 per cent in the SW Lower sub-zone and from 32.67 per cent to 14.50 per cent in the NE Lower sub-zone.

For the Mineral Resource estimate, a composite length of 5 metres was used based on the convention that the composite length be equal to half the block height that was used for resource estimation.

The bulk density of the Côté Gold Project drill core is determined at the project core logging facility using the conventional approach of weighing the samples dry and immersed in water. The average bulk density by rock type in the database is consistent with the average bulk density of rock types in the re-logged database. No correlation was recognized between density and gold grade.

The block model used for estimation of the Côté Gold deposit grade and tonnage consists of 10 metre by 10 metre by 10 metre blocks oriented N60°E in UTM coordinate space.

Blocks were assigned integer codes corresponding to their occurrence inside or outside of the mineralization wireframes. All blocks occurring wholly or partially within the diabase dykes were coded as dykes in addition to their occurrence inside or outside of the mineralization zones. All blocks above the base of overburden surface have been assigned a rock code of 0 and are not included in model grade/tonnage tabulations.

Based on the bulk density measurements completed at the Côté Gold deposit site and the development of the geological solids, three density values have been assigned to blocks. All blocks within the diorite interpretation (wireframe) have been assigned a density of 2.79 t/m^3. All blocks collectively representing the felsic intrusive rocks and the breccias have been assigned a density of 2.71 t/m^3. No specific gravity (“SG”) measurements have been completed on the diabase dykes, however, RPA has assigned a value 2.91 t/m^3 based on experience with this rock type elsewhere in the Abitibi of eastern Ontario.

Ordinary kriging was used for block grade estimation utilizing the two-structure spherical variogram models developed for the Upper and Lower sub-zones. For the Upper and Lower sub-zones in both of the SW Main and NE Main zones, the search orientation and range were set to the range and orientation of the respective second spherical structures. Block grade estimation utilized only the 5 metre composites that occur within the respective zone and sub-zones.

In all cases, most of the blocks were assigned Au grade in the first pass using the parameters described below. However, multiple passes were used to fill all blocks and the successive passes were based on doubling the search ranges and reducing the number of minimum samples required to three in each of the SW and NE sub-zones.

BLOCK MODEL GRADE INTERPOLATION PARAMETERS
IAMGOLD Corporation – Côté Gold Project

Domain	Group	Zone	Sub-zone	Variogram	Orientation	Range	Number of Samples		
							Min	Max	Max/Hole
SW	SWGRP2	SW100 (Main)	Upper	Upper	55/0/0	165/65/20	4	6	3
			Lower	Lower	-30/-75/0	60/150/75	4	6	3
		SW200 SW300		Upper	0/-20/0	100/100/30	2	6	3
	SWGRP3	SW301 SW400 SW401		Lower	0/-60/0	100/100/30	2	6	3
NE	NEGRP3	NE100 (Main)	Upper	Upper	55/0/0	165/65/20	4	6	3
			Lower	Lower	-30/-75/0	60/150/75	4	6	3
		NE111		Upper	55/0/0	165/65/20	4	6	3
		NE200 NE300 NE400 NE500		Upper	0/-45/0	100/100/30	2	6	3

Note: Structure orientation rotation of the ellipse axes is using the ‘ZXZ’ convention.

The block model volumes were checked against the wireframes volumes and differences were determined to be very minor and acceptable. Swath plots prepared at 50 metre level intervals indicate a reasonable comparison between average block grade and average composite grade. RPA notes that the swath plots show a consistent decrease in grade with increasing depth in the deposit for both the composite data and the block model grades. Block model grades were compared with composite grades on a section-by-section basis on both vertical section and plan view. The comparison indicates an acceptable local agreement between block grades and composite grades.

Based on the parameters outlined below as well as other considerations, RPA has reported the Côté Gold Mineral Resources at a cut-off grade of 0.30 g/t Au. This cut-off grade is the same as that used for the October 24, 2012 Côté Gold Mineral Resource estimate and is consistent with cut-off grades used to report Mineral Resources of other large low grade gold deposits with open pit potential at current gold prices.

In order to comply with the CIM Definitions of “reasonable prospects for economic extraction”, RPA prepared a range of preliminary Whittle pit shells using the estimated costs and parameters shown below.

PRELIMINARY WHITTLE PIT SHELL PARAMETERS
Côté Gold Project

Item	Amount
Mining—$ per tonne waste	1.90
Mining—$ per tonne material above 0.30 g/t Au	1.75
Mining—$ increment per 10 m	0.013
Pit Wall Slopes (°)	35-45
Process—$ per tonne ore	9.00
G&A—$ per tonne ore	1.50
Gold Recovery (%)	93.5
Gold Price (US$)	1,600
Discount Rate (%)	6

For constraining the resource, IAMGOLD selected a smaller pit than the base shell generated by the inputs in the table above. This smaller pit more closely matches what might be selected as the basis for a pit design in an engineering study as it considers the time value of money when selecting the optimized pit shell.

Only those blocks contained within the preliminary pit shell are reported as Mineral Resource at a cut-off grade of 0.30 g/t Au.

Mineralization in the Côté Gold deposit is classified as Indicated and Inferred. Potentially Indicated blocks occur within the thick and continuous parts of the SW and NE Main zones. The smaller, thinner, and less continuous zones of mineralization have been classified as Inferred. Potentially Indicated blocks are those that are assigned a gold grade in the first pass interpolation and occur within 2/3 of the first pass range. The distribution of these blocks was assessed on a section-by-section basis and continuous solids were created around “core” zones eliminating peripheral and isolated clusters of blocks. The Indicated solids also included “internal domains” where the first pass and 2/3 range criteria were not met but where the blocks were included as they occupied central and likely continuous parts of the zones. Mineralization extends significantly below the resource limits imposed by the preliminary Whittle pit and RPA notes that the blocks below the pit almost entirely occur outside of the first pass and 2/3 range criteria used for the classification of Indicated Resources within the pit.

RPA compared the distribution of mineralization in the in-fill holes used for this update with that used for the October 24, 2012 estimate (i.e., the wireframe shapes) and the Au summary statistics of the new and previous data sets, and concludes that the general approach to estimation used historically remains reasonable for the current estimate.

Constrained by a preliminary Whittle pit shell and based on a cut-off grade of 0.30 g/t AU, Indicated Mineral Resources at Côté Gold are estimated to be 269 million tonnes at an average grade of 0.88 g/t Au containing 7.61 million ounces of gold and Inferred Mineral Resources are estimated to be 44 million tonnes at an average grade of 0.74 g/t Au containing 1.04 million ounces of gold. Compared with the previous model, the

current model shows a modest increase in total tonnage within the Whittle pit and a significant increase in Indicated Resources, which are both consistent with a 40 per cent increase in drill metres and samples that are largely at in-fill positions. The current Côté Gold Project Mineral Resource estimate is presented below at various cut-off grades and is reported at a cut-off grade of 0.3 g/t Au.

MINERAL RESOURCE ESTIMATE – DECEMBER 31, 2012
IAMGOLD Corporation – Côté Gold Project

Classification	Cut-off Grade (g/t Au)	Tonnage (Mt)	Grade (g/t Au)	Contained Gold (Moz)
Indicated	0.25	278	0.86	7.68
Indicated	**0.3**	**269**	**0.88**	**7.61**
Indicated	0.4	244	0.93	7.32
Indicated	0.5	210	1.01	6.83
Inferred	0.25	47	0.71	1.07
Inferred	**0.3**	**44**	**0.74**	**1.04**
Inferred	0.4	36	0.83	0.95
Inferred	0.5	30	0.9	0.88

Notes:

1. CIM Definitions were followed for classification of Mineral Resources.
2. Mineral Resources are estimated at a cut-off grade of 0.30 g/t Au.
3. Mineral Resources are estimated using a gold price of US$1,600 per ounce and metallurgical recovery of 93.5%.
4. High grade assays are capped at 15 g/t and 20 g/t depending on sub-domain.
5. Bulk density of 2.71 t/m^3 was used for tonalite and breccia and 2.79 t/m^3 was used for diorite.
6. The Mineral Resource Estimate is constrained within a Whittle Pit shell using assumed costs and the above noted gold recovery and gold price.

Information on mineral resources is also provided in Section 5 of Item III below.

vii) Exploration and Development

The main focus of project activities on the Chester Property by the Company has been DD on the Côté Gold deposit. Underground exploration and evaluation ended when the Chester 1 project was placed on care and maintenance. Surface exploration on the eastern part of the Côté Gold Project area has included geological mapping, prospecting, and outcrop sampling as well as some soil sampling. These programs were on the Sheridan Option, Trelawney, and Ontario 986813 properties. Since the formation of the Trelawney Augen Acquisition Corporation (“TAAC”), two ground geophysical surveys have been completed. One airborne survey was completed over the Sheridan Option Property.

Chester Property

The Company’s exploration on the Chester Property consisted mainly of drilling. The previous exploration at the property, including underground bulk sampling carried out by

Trelawney was reported in the NI 43-101 Report Technical Report on the Côté Gold Deposit, Chester Property, Ontario, Canada, April 21, 2011 by William E. Roscoe, PH.D., P.Eng., R. Barry Cook, M.Sc., P.Eng.

Sheridan Option Property

During the 2012 field season (April-September), work completed by the Company consisted of prospecting, geologic mapping and geochemical sampling (soil and rock). A total of 225 rock grab samples were collected, described and assayed. A total of 810 soil samples were collected at 50 metre spacing on 1,000 metre spaced lines. All sample locations and mapping data as well topographic features and infrastructure were integrated into the Project GIS. Approximately 73 kilometres of grid line cutting was completed, and on this grid 33 kilometres of induced polarization has been completed to date.

Trelawney Mining and Exploration Property

Grab samples of outcrop were collected from the Trelawney Mining and Exploration claims during the 2012 field season. This includes 11 samples from the Neville Block, 69 samples from the Benneweis Block, and 253 samples from the Yeo Block.

Ontario 986813 Limited Property

Geological mapping, prospecting and sampling was completed the during the 2012 summer months (May-September). A total of 191 grab samples of outcrop were taken including 191 from the North Block, 536 samples from the South Block, and 215 samples from the East Block. Sample locations and geological mapping were compiled in the Project Geographic Information System.

TAAC West Property

Exploration on the TAAC West Property has been limited to two ground geophysical surveys. The dominant activity on the TAAC West Property has been diamond drilling and specifically at the Jerome deposit.

viii) Taxation

The Company's Canadian operations are subject to a combined federal and provincial statutory income tax rate of approximately 27 per cent. The Company's operations in the Province of Ontario are also subject to a statutory mining tax rate of 10 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. now known as AMEC GRD SA), Louis-Pierre Gignac (Senior Mining Engineer, G Mining Services Inc.), and Philip Bedell (Principal, Bedell Engineering Inc., who at the time the Essakane Report was prepared was 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; however, on the second renewal, at least 25 per cent of the original area must be relinquished. 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 towards 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 $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.

The Burkina Faso Mining Code is presently under review by the Ministry of Mines and a final version is expected in 2013.

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. The permit area is surrounded by six exploration permits (the “Essakane Exploration Permits”) totalling 1,248 square kilometres. Five of the six Essakane Exploration Permits were granted by the Ministry of Mines in November 2009 for an initial three-year term ending November 2012, and were approved for renewal by the Minister of Mines. Quarries and Energy for a first three-year term on December 18, 2012. The sixth Essakane Exploration Permit was also approved for renewal for a second three-year term on that date and 25 per cent of the original area covered by that permit was relinquished. An application for a new permit on the relinquished area was subsequently filed and is pending. The new permit was approved by the Minister of Mines, Quarries and Energy on February 22, 2013. On the same date all the dues taxes were paid. The ministerial decree is pending.

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 entity's name was changed to IAMGOLD Essakane S.A. on July 5, 2012. The Company owns 90 per cent of the outstanding shares of IAMGOLD Essakane S.A., while the Government of Burkina Faso has a ten per cent free-carried interest in the outstanding shares in IAMGOLD Essakane S.A. The Government of Burkina Faso also collects a royalty between 3 and 5 per cent, depending on the price of gold, and various other taxes and duties on the imports of fuels, supplies, equipment 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 IAMGOLD Essakane S.A. Pursuant to a condition contained in a bridge loan facility agreement entered into by Orezone Essakane Limited, IAMGOLD 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 IAMGOLD Essakane S.A. by describing the Government of Burkina Faso's commitments and operational tax regime and the obligations of IAMGOLD 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, IAMGOLD 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 IAMGOLD 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 the Essakane Gold Mine has adopted 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 IAMGOLD 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 Gold Mine. 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.

The Essakane Mine initiated local training programs for artisans and unskilled labour was sourced locally with skilled labour drawn from Burkina Faso at large. Some 90-150 expatriates from North America and Europe were required in the initial years of production, but that number decreased as Burkinabe workers acquired 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.

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 per cent 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 IAMGOLD Essakane S.A.

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 North-North-East-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

The Essakane deposit 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, IAMGOLD Essakane SA’s drilling 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 85 per cent 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 $5^{1}/_{4}$ to $5^{1}/_{2}$ 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 rotary 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 Essakane 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 was 38 million tonnes in 2012, then

will climb to 60 million tonnes per year in 2015 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 are 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 five hydraulic excavators and two wheel loaders. The truck fleet is composed of twenty-two 150-ton class and six 100-ton class trucks.

Ore to the plant is a blend of the three weathered types predominantly with saprolite and transition (saprock) for the first three years. Fresh rock mill feed has gradually increased from 2012 onwards. Milling rates reached 9.8 million tonnes in 2012 and will increase to 10.8 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 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 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 2013 attributable production is estimated at 255,000 to 275,000 ounces of gold.

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

ESSAKANE GOLD MINE	2012	2011
Gold Production (Ounces) 100%	350,000	375,000
Tonnage milled (tonnes)	10,762,000	7,977,000
Grade milled (g Au/t)	1.10	1.5
Recovery (%)	92	95

xiv) Exploration and Development

In 2012, over 58,000 metres of delineation and resource expansion drilling were completed in conjunction with just under 105,000 metres of exploration drilling by the Company's regional exploration group (both within and outside the mine lease). Most of the delineation and resource expansion drilling was done in and around the pit area to confirm the continuity of deeper zones. Some definition drilling was also initiated at Falagountou and Essakane North in preparation for mining scheduled in 2014. The 2013 exploration campaign will continue to evaluate the potential for additional oxide resources on the Essakane mining lease and further advance exploration prospects on the surrounding exploration concessions.

xv) Mineral Reserves and Resources

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

xvi) Environment

As at December 31, 2012, the recorded amount of estimated restoration and closure costs for the property was $33.0 million, representing the discounted costs. The undiscounted cost of estimated restoration and closure costs for the property was $33.5 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 La Société d'Exploitation des Mines d'Or de Sadiola S.A. ("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 per cent, AngloGold Ashanti, which indirectly owns 41 per cent, and the Government of Mali, which owns 18 per cent. The IFC, a member of the World Bank Group, sold one half of its 6 per cent 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 per cent 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 per cent 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

Drilling programs are completed using either standard or core drilling (with a DD rig) techniques.

Sampling and Analysis

The majority of the samples used in the resource evaluation are from exploration and grade control drill chips from RC drilling. Exploration RC rigs are fitted with cyclones providing routine samples on a two metre basis. Sub-samples are split at the rig using a three tier stacked riffle splitter yielding a 2-2.5 kg sample. Grade control holes are sampled on a two metre basis. The drill rigs are fitted with a rotary cone splitter producing an automatic sub sample (Sandvik Rotaport sampling systems). RC samples too wet to pass through the riffle splitters are dried in an oven overnight and later split with the three tier riffle system. Drilling is normally stopped when the sample becomes

too wet. Wet samples are flagged in the database.

Core from the DD holes are logged and split in half by a diamond saw. One half is bagged and dispatched for density determination and assay while the other half remains for reference in the core tray. Sample intervals are generally on a one metre basis with deviations as appropriate to account for changing geology.

The following laboratories are used for sample analysis:

- SEMOS – onsite laboratory owned and operated by SEMOS processing all grade control. A 30 g aliquot is routinely used for fire assay.
- SGS Analabs in Kayes – used for processing exploration RC chips, diamond core and soil samples and some grade control samples when the SEMOS lab is full. SGS uses a 30 g aliquot for sulphide material and a 50 g aliquot for oxide material.
- SGS South Africa—Booysens – used for processing QA/QC external lab checks.

The operator monitors analysis data quality with the implementation of QA/QC measures which include the routine insertion of QC materials into the sample stream as well as regular audits and job observations. QC material comprised standard reference materials (“SRMs”), blanks, field and pulp duplicates and pulp reject repeats from previous sample submissions. These programs were run in addition to the normal QC insertions and monitoring undertaken in house by SEMOS and SGS Analabs (Kayes). The SRMs are supplied by Rocklabs Limited for a variety of gold grade ranges.

For RC drill chippings, core or soil geochem samples, four QC materials are inserted per tray of 50 assays at SGS Analabs in Kayes and three QC materials are inserted per tray of 30 assays at the SEMOS laboratory from the QC box. The four materials will typically consist of SRMs, pulverised blanks and pulp duplicates from remaining material of a previous assay. Coarse duplicates are inserted at the sample dispatch yard at a rate of one every 20 samples.

All SEMOS resource drill hole data are stored in a custom designed SQL relational database from Century Systems, now part of CAE Mining. The system is set up to check for errors to prevent geological overlapping and incorrect sample intervals. The system has user security levels to prevent unauthorized access to data as well as data corruption by simultaneous multiple user use. On completion of data entry, each drill hole is authorized by the project geologist. This effectively locks the data to prevent any further changes to the drill hole data. A secure audit trail is in place to document any access. The drill hole authorization is one of the internal SOX controls.

Resource modeling is undertaken by a dedicated team of on-site personnel supported by the Company’s corporate office and with consultants when required. Geological and grade models are constructed using Datamine™ software, and post processing of the estimates are carried out using the uniform conditioning technique within Istatis™ software to estimate recoverable resources.

Reconciliations are carried out on grade, tonnage and contained metal between the individual resource models and grade control models on a monthly basis. 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 Reserves and Resources

Information on mineral reserves and resources is provided in Section 5 of Item III 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 per cent of revenue derived from operations at the Sadiola Gold Mine, an engineering fee of 4 per cent 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 at Sadiola and elsewhere. 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 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. A proportion of harder ores or saprolite ores with some large hard boulders are fed to portable crushing and screening plants to reduce the size of the feed material, before being fed to the mineral sizers. 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 before it passes 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 a gravity circuit for recovery of coarse gold and then back to the regrind mill.

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 the 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 per cent 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.

In 2012, agreements have been reached with the Malian government for access to grid power as well as affording the SSP tax treatment equivalent to new projects. Economic analyses are still ongoing in respect of the new mining sequence and the life of mine. Additionally, government approvals and permits have been received for construction of the SSP project and for the construction of the power line and power supply infrastructure connected to the main Malian power grid.

While there has been progress on certain engineering and procurement aspects of the SSP, this project has not been approved and there is a possibility that this project may not be approved.

vi) Production

A construction decision on the SSP is expected in 2013. 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 2013.

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

SADIOLA GOLD MINE	2012	2011
Gold Production (Ounces) [1]	245,000	295,000
Tonnage milled (tonnes)	4,638,000	4,827,000
Grade milled (g Au/t)	1.8	1.9
Recovery (%)	89	94

[1] The Company's 41% interest in Sadiola represents 100,000 ounces in 2012 and 121,000 in 2011.

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 the 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 SSP. 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, 2012, the recorded amount of estimated restoration and closure costs for the property was $59.3 million, representing the discounted amount (proportionate share: $24.3 million). The undiscounted amount of the restoration and closure costs for the property was $60.1 million (proportionate share: $24.6 million).

viii) Exploration and Development

Exploration for both the Sadiola Gold Mine and 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. The combined Sadiola -Yatela 2012 exploration 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 $12.6 million (100 per cent basis) in both capital and expensed exploration expenditures was spent at the Sadiola and Yatela Gold Mines.

Numerous previously identified oxide targets were drilled on the Sadiola concession and 47,668 metres of RC and 9,251 metres of DD were completed. Other work included termite sampling, induced polarization survey, outcrop mapping and research into the structural and mineralisation models of the Sadiola/Yatela deposits. Resource delineation continued at the FE2, FE3, FE4 and Tambali pits. Further deep drilling was carried out to test the deeper sulphides below the SSP.

The Yatela Gold Mine is in its final stages of operation and the priority for 2012 was the exploration of remaining oxide targets on the Yatela concession with the objective of extending the life of the oxide plant. For this, a total of 57,816 metres of RC drilling and 2,608 metres of DD were completed. All oxide targets on the Yatela concession are

now considered largely exhausted.

For 2013, approximately 167,000 metres of RC drilling and DD is planned to explore remaining oxide targets on the Sadiola concession and prioritized sulphide targets on both the Sadiola and Yatela concessions.

ix) Mining Taxation

Net mining profits, as calculated under the Malian Mining Code, are subject to a statutory tax rate of 30 per cent. All operating costs, depreciation and financing charges are deducted in calculating net profits.

A royalty (*Contribution pour prestation de services*) of 3 per cent based on the export value of gold production, and an *ad valorem* tax of 3 per cent 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

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 211.98 square kilometres. The shareholders of YATELA are Sadiola Exploration Limited (“SADEX”) (which is indirectly owned 50 per cent by IAMGOLD and 50 per cent by AngloGold Ashanti) which holds an 80 per cent interest and the Government of Mali which holds a 20 per cent 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 subsection 2.2 (i) of Item III 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

Geological sample holes were drilled with either RC drilling or core drilling (with a DD rig).

Exploration RC drilling was conducted with face hammers using a range of bit sizes from 124 mm to 140 mm depending on ground conditions using either a Schramm 685s or KWL 1600 drill rigs with 500 psi compressors. DD in exploration uses a Boart Longyear LF90F drilling NQ, HQ and PQ sizes. Routine grade control was carried out with Drilltech D45KS rigs providing a 146mm hole while the deeper advanced grade control holes were drilled with the Schramm 685s or KWL 1600.using 4-1/2 to 5 inch

hammer with bit sizes varying from 124 mm to 133 mm for the 4-1/2 inch hammer and 133 mm to 140 mm for the 5 inch hammer. The hammer/bit sizes are selected to suit the ground conditions to give optimum sample recovery.

Sampling and Analysis

The sampling process at the Yatela Gold Mine is the same as the one used at the Sadiola Gold Mine. See Subsection 2.2 iii) of Item III above under the subheading *Sampling and Analysis*.

v) Mineral Reserves and Resources

Information on mineral resources and reserves is provided in Section 5 of Item III 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.

Contract mining operations are carried out by African Mine Services. 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 first quarter of 2014.

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

YATELA GOLD MINE	2012	2011
Gold Production (Ounces)[1]	72,000	72,000
Tonnage crushed (tonnes)	2,724,000	2,815,000
Grade crushed (g Au/t)	1.1	1.0

(1) The Company holds a 40% interest in Yatela representing 29,000 ounces in 2012 and 29,000 ounces in 2011.

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, 2012, the recorded amount of estimated restoration and closure costs for the property was $15.3 million, representing the proportionate share of discounted cost. The undiscounted amount of estimated restoration and closure costs for the property was a proportionate share of $15.3 million.

viii) Exploration and Development

See subsection 2.2 viii) of Item III above which also applies to the Yatela Gold Mine.

ix) Mining Taxation

The Yatela Gold Mine is subject to the same mining taxation regime as that applicable to the Sadiola Gold Mine. See 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 Corporation – 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 and who, at the time the Rosebel Report was prepared, was the Geology and Mine Exploration Superintendent, Rosebel Gold Mine N.V. ("RGM"). 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 80 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 85,300 hectares. The property is held by 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 N.V. Grasshopper Aluminum Company ("Grassalco"), a state-owned mining company, 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.

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 27 MW of fixed power to the mine and mill facilities.

iii) History

The Rosebel property was optioned in 1992 by Golden Star Resources Ltd. ("Golden Star") from Grassalco. 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 Ressources S.A. ("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 that are nearby, 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 north-west-east south-east 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 terms 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 the 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 a few decimetres to more than 3 metres. Disposition of shear veins systematically follows the bedding. In the 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 the Mayo area, 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. These veins show variability in structural style and intensity depending on their localization from the main shear zone. In the Pay Caro area, shear veins can be several meters thick with a typical brecciated texture. These veins are associated to a strong fabric and an intense alteration envelope 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 the Royal Hill area, 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 QA/QC procedures, including standards, blanks, duplicates and check assays in external laboratories, are employed.

vi) Mineral Reserves and Resources

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

vii) Mining Operations

Processing involves crushing and grinding using two-stage SAG and ball milling, gravity separation which recovers in the range of 30 per cent 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 2013 attributable production is estimated at 365,000 to 385,000 ounces of gold.

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

ROSEBEL GOLD MINE	2012	2011
Gold Production (Ounces) 100% [1]	402,000	406,000
Tonnage milled (tonnes)	12,817,000	12,862,000
Grade milled (g Au/t)	1.0	1.0
Recovery (%)	96	94

[1] The production attributable to the Company in 2012 is 382,000 ounces of gold and the production attributable to the Company in 2011 is 385,000 ounces of gold.

At the end of 2012, Rosebel employed approximately 2,076 individuals and contractors, including those employed by outside contractors and the regional exploration and construction teams. 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. As per the conditions of the existing CLA both parties agreed in the final Quarter of 2012 to extend the existing agreement subject to further terms and conditions. A one year extension to this CLA was agreed upon, subject to further terms and conditions.

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. For this purpose RGM has a community relations management system in place.

As at December 31, 2012, the recorded amount of estimated restoration and closure costs for the property was $53.4 million, representing the discounted amount. The undiscounted amount of estimated restoration and closure costs for the property was $58.4 million.

ix) Exploration and Development

In 2012, a DD program totalling 104,061 metres was completed at ten different deposits and on several near-mine exploration prospects, as presented in the following table:

Deposits	Infill (metres)	Exploration (metres)	Condemnation (metres)	Total (metres)
Koolhoven	5,930	1,364	9,303	16,597
Royal Hill	6,051	0	0	6,051
Pay Caro	3,155	4,041	0	7,196
West Pay Caro	1,526	3,087	3,447	8,060
East Pay Caro	0	1,107	3,435	4,542
Rosebel	8,775	2,619	2,941	14,335
"J" Zone	7,367	1,368	2,142	10,887
Mayo	7,287	10,612	2,370	20,269
Roma	2,053	1,155	0	3,208
Overman	6,110	1,149	0	7,259
East Tailings	0	2,617	0	2,617
Others (BT, TC, CC, IN)		3,050		3,050
Total	**48,254**	**32,169**	**23,638**	**104,061**

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

For 2013, the Company plans to include a $14.5 million resource delineation and near-mine exploration program. The 72,000 metre near-mine drill program is designed to upgrade additional resources to reserves and pursue targets in close proximity to existing 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: 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 September 6, 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-kilometre 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 and a response from the authorities is pending. 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

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 5-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.

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 57 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 were sampled continuously from top to bottom (normally 1.0 metre in length) and the core was split. Sample lengths were 1.5 metres for RC drilling. All drill collars were surveyed and downhole surveys were conducted in exploration holes and average recovery was approximately 90 per cent. The logging and sampling of drill holes was done in accordance with industry standards. Assays were 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 conformed industry-accepted quality control methods. The QA/QC program included assaying of field duplicates, re-numbered pulps and rejects, addition of standards and blanks by the geology department and pulps and rejects were 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-kilometre 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 have to file the necessary applications to obtain a mining permit.

vii) Taxation

Subject to some particularities such as the possibility of: (a) obtaining a tax exemption; and (b) reducing capital expenditures through tax credits (*Loi Girardin*), the French tax system generally applies to French Guiana, an overseas department of France.

The Camp Caiman Project benefits from a ten-year exemption from income tax, once mining operations begin, and a seventeen-year exemption from property tax. The Company expects the capital expenditures for the construction of the mine to qualify for tax credits (*Loi Girardin*).

The Company also expects that a royalty tax will apply to the production of gold and that significant indirect taxes, such as l'Octroi de mer and a fuel tax, will apply to production inputs.

3. Non-Gold

3.1 Ferroniobium—Niobec Mine

Unless stated otherwise, the information in the sections below (other than information subsequent to the date of the applicable Niobec Report (defined 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). All disclosure subsequent to the above-mentioned June 17, 2011

technical report has been prepared by Pierre Pelletier and Daniel Vallières, both acting as “qualified persons” for the purposes of NI 43-101.

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 383.4 hectare surface property, comprised of two mining leases which have been renewed until 2015 and 181 claims (totaling 82,010.9 hectares), 13 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 36 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 plain 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 core assays 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. IAMGOLD indicates that 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 Reserves and Resources

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

vii) Mining Operations

The initial tailings pond closed in 2005 and the second one 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 3 and 8 operating days. The mining method currently used is blasthole open stoping without backfill.

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

The pyrochlore concentrate produced at the Niobec Mine is converted into ferroniobium grading 66 per cent niobium using an aluminothermic process. In 2012, production reached 4.7 million kg of niobium.

Management and the union at the Niobec Mine negotiated new collective agreements in 2011 one of which will terminate on April 30, 2014 and the other of which will terminate on July 31, 2014. As of December 31, 2012, the Niobec Mine employed approximately 462 individuals, excluding those employed by outside contractors.

viii) Exploration and Development

In 2012, over 61,000 metres of definition and exploration DD were completed at the Niobec Mine. Definition drilling was carried out for the preparation of the mining areas and to confirm the transition plan for 2012 and 2013. All definition drilling was done from

underground drifts (27 941 meters). In terms of exploration, 31,250 metres were drilled underground in 2012, and 1,833 metres from the surface.

Since the acquisition of the Niobec Mine, the Company invested $274 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 2013, niobium production is expected to be between 4.7 million kilograms and 5.1 million kilograms. For 2013, Niobec capital expenditures are estimated to be $80 million and this includes $49 million related to the Niobec expansion project. Main items related to the expansion in 2013 are related to the completion of the feasibility study, mine development and land acquisition. The remaining $31 million corresponds to the capital required for the development associated to the transition, the completion of the concentrator expansion to 285 tonnes per hour, mobile equipment and various projects.

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, 2012, the recorded amount of estimated restoration and closure costs for the property was $8.5 million, representing the discounted amount. The undiscounted amount of estimated restoration and closure costs for the property was $9.1 million.

x) Taxation

The Niobec Mine is subject to a combined Canadian federal and provincial statutory income tax rate of approximately 27 per cent and the Quebec mining duty statutory tax rate of 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 ("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, including Suriname, Brazil, Peru and Columbia, and with the acquisition of the Côté Gold project, an increased presence in Canada with projects in the provinces of Ontario and Québec. With a long-term commitment to reserves replenishment and strategic mandate for organic growth, the Company has numerous, active, near mine and early to advance staged exploration projects and continues to pursue additional advanced exploration joint venture or acquisition opportunities that will provide the foundation for future growth.

In 2012, IAMGOLD incurred $152.3 million on exploration projects, a 40 per cent increase from $108.6 million in 2011. The 2012 expenditures included:

- Near-mine exploration and resource development expenditures of $47.2 million involving the completion of more than 392,000 metres of drilling directed at on-going resource expansion, delineation and condemnation drilling programs principally at the Rosebel Gold Mine in Suriname, an underground exploration and resource delineation drilling program at the Westwood project and the Niobec Mine in Québec and a resource delineation program at the Essakane Gold Mine in Burkina Faso; and
- Greenfield exploration of $105.1 million conducted at 15 projects, including the recently acquired Côté Gold Project in Ontario, and exploration of a rare earth zone in proximity to the Niobec Mine.

Exploration expenditures are summarized as follows:

(in $ millions)	Capitalized	Expensed	Total
2012	**$**	**$**	**$**
Near-mine exploration and resource development [(a)]	38.6	8.6	47.2
Greenfield exploration projects	1.0	81.9	82.9
Côté Gold Project	—	22.2	22.2

	39.6	112.7	152.3
2011	$	$	$
Near-mine exploration and resource development [a]	34.0	19.3	53.3
Greenfield exploration projects	1.3	54.0	55.3
Scoping and Feasibility	—	—	—
	35.3	73.3	108.6

[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 36 of the Company's annual consolidated financial statements.

The Company's exploration expenditures were as follows:

(in $ millions)	2012	2011	2010
	$	$	$
Capitalized near-mine exploration and resource development			
Suriname	**16.0**	13.6	14.4
Canada	**11.3**	9.6	8.7
Mali	**0.4**	1.0	4.9
Burkina Faso	**10.9**	9.8	13.4
	38.6	34.0	41.4
Capitalized greenfield exploration			
South America	**0.1**	—	—
Africa	**0.9**	1.3	1.0
	1.0	1.3	1.0
Total capitalized	**39.6**	35.3	42.4
Expensed near-mine exploration and resource development			
Canada	**3.9**	9.7	4.5
Mali	**4.7**	4.8	2.4
Burkina Faso	**—**	4.4	—
Other	**—**	0.4	0.3
	8.6	19.3	7.2
Expensed greenfield exploration			
South America	**23.2**	18.1	19.3
Africa	**44.4**	33.4	16.2
Canada	**14.3**	2.5	1.1
Côté Gold	**22.2**	—	—
	104.1	54.0	36.6
Total expensed	**112.7**	73.3	43.8
Total	**152.3**	108.6	86.2

4.2 Capitalized Exploration and Development Projects

IAMGOLD mine and regional exploration teams continued to conduct near-mine exploration and resource development work during 2012 at the Essakane, Rosebel and Mouska Gold Mines, the Westwood Project and the Niobec Mine.

4.2.1 **Essakane Gold Mine, Burkina Faso**

Approximately 58,700 metres of DD and RC drilling was completed during the year on the mine lease directed towards resource delineation and development at the EMZ deposit and the Falagountou satellite deposit. At the EMZ deposit drilling targeted areas of inferred resources at depth within or slightly below the feasibility study expansion pit design as well as potential extensions of the EMZ deposit to the north beyond the current life of mine pit. Drilling at the Falagountou satellite deposit was designed to improve the current resources. Results were incorporated in an updated year end resource and reserve estimate. Approximately 42,000 metres of resource drilling is planned in 2013.

4.2.2 **Rosebel Gold Mine, Suriname**

Over 104,000 metres of DD was completed on the Rosebel mine lease and Charmagne concession focussed on resource drilling and geotechnical and condemnation drilling programs. Resource drilling has increased the confidence in the existing resource inventory and targeted resource expansions at the J-Zone, Koolhoven, West Pay Caro, Mayo, Roma and Overman deposits. Results will be incorporated as part of an ongoing expansion feasibility study scheduled for completion in the first half of 2013. Some 72,000 metres of DD is planned in 2013 directed principally to resource delineation and expansion.

4.2.3 **Westwood Project, Quebec**

Nearly 84,300 metres of underground DD was completed in 2012. The program continued to target additional inferred resources and upgrade existing mineral resources to indicated categories in tandem with on-going underground development and construction of surface installations. A drilling program totalling nearly 88,200 metres is planned in 2013.

4.2.4 **Mouska Gold Mine, Quebec**

Approximately 30,200 metres of underground drilling was completed during the year. The program delineated resource blocks scheduled for mining and also tested a number of areas to evaluate the potential for additional resources. A decision was made in the third quarter of 2012 to cease production at the Mouska Gold Mine at the end of 2013.

4.2.5 **Niobec Mine, Quebec**

Over 59,200 metres of underground DD and just over 1,800 metres of condemnation and geotechnical drilling were completed as part of a resource delineation and expansion program that has been designed to expand and convert resources to reserves, and underpin a five-year transition strategy toward the planned expansion of the operation. A metallurgical test work program to confirm recoveries for use in the resource estimation has been ongoing throughout the year. In 2013, 45,600 metres of drilling is planned which will focus primarily on resource delineation and expansion of existing resources.

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, four advanced exploration projects in Mali, Senegal and Canada and eleven early stage gold projects in Peru, Colombia, Brazil, Suriname and Québec. A summary of project highlights is provided below.

4.3.1 **Africa – Senegal**

IAMGOLD maintains an office in Dakar that serves as a base and administrative center for West African regional exploration.

The Boto-Daorala project has been the focus of a sustained exploration program over the last several years. Based on encouraging results early in 2012, exploration drilling on the Boto-Daorala project was expanded to total nearly 14,300 metres completed by year end. Drilling intersected wide zones of mineralized, variably altered and brecciated meta-sedimentary lithologies at the Boto 2, 4 and 6 prospects. Drill core assay results confirmed wide intersections of associated gold mineralization. In 2013, further drilling to extend the mineralized zones, totaling approximately 25,000 metres of DD and RC drilling is planned and a mineral resource estimate will be completed in the first half of the year.

4.3.2 **Africa – Mali**

The Company conducted exploration on two advanced projects in Mali during the year. Exploration activities were negatively impacted and significantly reduced in March 2012 as a precautionary measure due to security issues relating to a military coup. By mid-June 2012, exploration activities re-started and continued to year end. In January 2013, exploration was again suspended with the outbreak of hostilities between international forces and rebel insurgents from northern Mali. The situation will be monitored with a view to resume exploration programs as soon as practical.

The Siribaya Project is an advanced exploration gold project operated as a joint venture with Merrex Gold Inc. (“Merrex”). IAMGOLD holds a 50 per cent interest in the project and is the operator. In 2012, over 26,700 metres of DD and RC drilling were completed principally along the Siribaya mineralized trend and the Bambadinka geochemical anomaly. Overall, the results were mixed and only limited follow up is planned in 2013. Concurrent with the drilling program, some 29,600 termite mound geochemical samples were collected and analyzed for gold, increasing the total number of samples collected to date on the property to over 48,800 samples. The results have identified up to eight new prospective targets for exploration which will be the focus of the 2013 program. The proposed 2013 exploration work plan and budget is currently under review but is expected to focus on the completion of AC drilling program in order to better evaluate the new geochemical targets.

A total budget of $4 million (100 per cent basis) is being considered, of which the Company’s proportionate share will be approximately $2 million prior to administrative overhead fees paid by Merrex.

The Kalana project, also located in Mali, was held under the terms of an Option to Joint Venture agreement with Avnel Gold Mining Limited. The Company had the right to earn a 51 per cent interest in the project 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 could 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 elected 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, which was not satisfied, was to establish a resource estimate of no less than 2 million ounces of gold.

In 2012, over 67,000 metres of DD and RC drilling was completed on the Kalana project. The primary objective of the program was to develop a drill hole supported geological model of the Kalana deposit to be used to complete an NI 43-101 compliant mineral resource estimate. By year end, a preliminary estimate had been completed. Based on the results of the 2012 exploration program, a decision was made to terminate the option effective February 28, 2013. Expensed expenditures incurred on the project during the option to December 31, 2012 totaled approximately $31.6 million, including cash payments to Avnel of US$2.0 million.

4.3.3 **Africa – Burkina Faso**

In addition to the resource delineation and development drilling described above on capitalized exploration, approximately 104,700 metres of DD and RC drilling were completed on exploration targets located within the 100.2 square-kilometre Essakane mine permit and surrounding mineral concessions in 2012. On the mine permit, drilling was completed to evaluate the potential for near surface oxide resources several kilometres along strike to the southeast of the EMZ pit and explore for possible extensions or adjacent zones of mineralization at the Falagountou satellite deposit.

Outside of the mine permit, exploration work continued throughout the year on the Company's 1,266.39-square-kilometre 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. An aggressive DD and RC drilling program totalling over 65,200 metres was completed to infill historical drilling and advance resource studies along the 10 kilometre long Gossey – Korizena mineralized trend. Final results of the 2012 program are pending and will be incorporated into resource studies as merited.

In 2013, the exploration group plans to carry out more than 102,000 metres of RC and DD, and a further 34,000 metres of AC drilling, including resource development drilling totalling 42,000 metres.

4.3.4 **South America – Brazil**

Exploration in Brazil is carried out from an exploration office in Belo Horizonte, Brazil. In 2012, the Company's main exploration focus was on the 230-square-kilometre Pitangui project located in Minas Gerais State, near the Turmalina gold mine held by Jaguar Mining Inc. Approximately 7,750 metres of DD was completed by year-end after the drilling program was expanded to further evaluate Banded Iron Formation hosted gold mineralization discovered in late 2011. Drilling has intersected mineralization and favourable host stratigraphy over a minimum 700 metre strike length. To assist targeting in future drilling programs, additional surveys have been completed including a 2,504 line kilometre heliborne magnetic and radiometric survey, a borehole electromagnetic geophysical survey of selected drill holes and soil geochemical sampling surveys over prioritized target areas. Approximately 7,750 metres of DD is planned to continue to explore this early stage discovery in 2013.

4.3.5 **South America—Suriname**

In addition to the near-mine resource delineation and development drilling program described previously for the Rosebel mine lease and Overman deposit, approximately 12,200 metres of DD was completed to test various exploration targets within the Rosebel district. Exploration activities were focused principally on testing the Koemboe, East Koemboe, East Rosebel and Charmagne target areas. In 2013, 12,000 metres of drilling is planned to further explore the Koemboe, East Koemboe and East Rosebel target areas as well as several other prospects identified within the greater Rosebel concessions.

4.3.6 **North America – Québec, Canada**

IAMGOLD operates an exploration office in Val d'Or, Quebec to support several exploration programs in the Abitibi area and northern Quebec. 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.

On the Company's Bousquet-Odyno property, a third phase of DD totalling approximately 6,450 metres was completed in 2012. This project is located only eight kilometres from the Westwood Project. The drill program was designed to extend the mineralized structure intersected in previous drill campaigns. Preliminary results demonstrate a gold-bearing corridor that has been traced for more than 500 metres along strike. Additional drilling will be necessary to evaluate continuity.

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 winter drilling program totaling approximately 2,970 m in fifteen holes was completed during the first quarter of 2012. The program was designed to further evaluate a 12-kilometer-long gold mineralized corridor and test the extensions of positive 2011 drilling results and surface sampling. Several holes intersected zones of pervasive alteration containing disseminated sulphide mineralization and encouraging assay results were obtained. A follow up drill program is planned for the winter of 2013.

The Company also maintains an interest in some joint ventures and passive royalty interests in Québec. The more important ventures include several Val-d'Or camp properties being actively explored under different agreements by Alexandria Minerals and Adventure Gold.

4.3.7 **North America – Québec, Canada – Rare Earth Elements ("REE")**

In February 2012, the Company announced an inferred resource of 466.8 million tonnes at a grade of 1.65% Total Rare Earth Oxides following the 2011 exploration drilling program.

During 2012, just over 23,800 metres of DD was carried out to determine the potential limits of the deposit and complete a resource delineation program on 100 x 100 metre drill centres to an average vertical depth of 700 metres. The purpose of the delineation program was to upgrade and expand the mineral resources in preparation for a pre-feasibility study of the REE deposit. Results were incorporated into an updated resource estimate and reported as part of the Company's annual year end resource and reserve statement in early 2013. The 2012 drilling campaign included two deep holes which confirmed the presence of REE bearing host breccias to a vertical depth of 1,250 metres. As part of planned evaluation studies, a 1,300 metre exploration drift extending from the nearby Niobec Mine to the REE deposit was initiated, with nearly 900 metres completed at year-end. The work on the REE drift was completed in February 2013 with a final length of 1,221 metres and will allow for the collection of a bulk sample to support planned metallurgical studies and provide access for future underground drilling programs.

4.3.8 **North America – Ontario, Canada – Côté Gold Project**

The Côté Gold Project is an advanced exploration and development-stage gold project located in Ontario, Canada. IAMGOLD owns a 92.5% beneficial interest in the project. The remaining 7.5% beneficial interest is owned by Treelawn Investment Corp. The

project is located in the southeastern part of the Swayze Greenstone Belt halfway between Timmins and Sudbury, 20 kilometres southwest of Gogama, Ontario. The Company acquired the Côté Gold Project as part of the acquisition of Trelawney, which closed on June 21, 2012. By year end, approximately 67,900 metres of DD had been completed on the Côté Gold Project by IAMGOLD. The primary objective of the drill program has been to upgrade a significant portion of the inferred resources to an indicated category for use in a prefeasibility study as well as to continue to explore the extents of the deposit to expand the resource. On October 24, 2012, the Company reported an updated NI 43-101 compliant resource estimate for the Côté Gold deposit stating indicated resources totaling 131 million tonnes averaging 0.84 grams of gold per tonne for 3.56 million ounces and inferred resources of 165 million tonnes averaging 0.88 grams of gold per tonne for 4.66 million ounces. The updated resource estimate, based on a cut-off grade of 0.30 grams of gold per tonne, represented a 274% increase in indicated resources from the previous estimate, also based on a cut-off grade of 0.30 grams of gold per tonne. Resource delineation drilling continued to year-end, together with geotechnical studies and metallurgical test work to support the commencement of a pre-feasibility study which will be carried out through 2013. A further resource update was completed as part of the Company's annual year-end resource and reserve statement and is reported in Section 5 of Item III below. The resource delineation drill program is planned to continue into the first quarter of 2013, to complete infill drilling in areas that were inaccessible during the spring to fall field season.

The acquisition of the Côté Gold Project included a large portfolio of exploration properties, including various joint venture properties. The property position covers an approximate 60-kilometre strike length of favourable geology, including the direct extensions of the Côté Gold Project property. In 2013, the focus will be on developing a multi-year exploration program to assess the potential of the property holdings. A DD program totaling 16,000 metres is planned to explore a number of prioritized exploration targets.

4.4 Outlook

The Company intends to continue the search for new opportunities and pursue the discovery of new deposits in 2013. The approved spending for capitalized and expensed exploration and development for 2013, which is currently under review, is $142.2* million and is summarized as follows:

(in $ millions)	Capitalized	Expensed	Total
2013	$	$	$
Near Mine Exploration and Evaluation	35.6	3.8	39.4*
Corporate exploration projects-greenfield	0.9	46.3	47.2*
Corporate exploration projects-brownfield	1.2	21.3	22.5*
Total exploration projects	37.7	71.4	109.1
Côté Gold Project	0.2	30.7	30.9*
Scoping and Feasibility	—	2.2	2.2
Total	**37.9**	**104.3**	**142.2***

* Further to IAMGOLD's Cost Reduction Program, the Company anticipates that the exploration and development spending will be reduced by approximately $40 million to be apportioned approximately equally between the Company's near mine/brownfield and greenfield exploration projects.

Capitalized expenditure estimates include underground development and drilling at the Westwood Project and near-mine exploration and resource development programs at the Rosebel, Mouska and Essakane Gold Mines and at the Niobec Mine.

The Company finances exploration expenditures from internal cash resources.

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, 2012. Réjean Sirois, Eng., Vice President, Geology & Resources for G. Mining Services Inc. (previously, Manager, Mining Geology, IAMGOLD Corporation), 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, 2012. Mineral reserves and/or mineral resources at Doyon, Mouska, Rosebel, Essakane, Côté Gold, 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 $1,400 per ounce in 2012 and mineral resources were estimated using a long-term gold price assumption of $1,600 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, 2012[(1)(2)(3)(4)]

	Attributable Contained Ounces of Gold (000)
Total Proven and Probable Reserves	11,327
Total Measured and Indicated Resources (Inclusive of Reserves)	22,603
Total Inferred Resources	6,093

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.

(4) Mineral resource/reserves tonnage, grade and contained metal have been rounded to reflect the accuracy of the estimate, and numbers may not add due to rounding.

Mineral Reserves and Resources of Gold Operations as of December 31, 2012 (1)(2)(3)(4)(5)

Gold Operations	Tonnes (000)	Grade (g Au/t)	Contained Ounces of Gold (000)	Attributable Contained Ounces of Gold (000)
Rosebel, (6) **Suriname**				**(95%)**
Proven Reserves	107,192	1.0	3,489	3,315
Probable Reserves	69,191	1.0	2,243	2130
Subtotal	**176,383**	**1.0**	**5,732**	**5,445**
Measured Resources	149,557	1.0	4,598	4,368
Indicated Resources	102,707	1.0	3,221	3,060
Inferred Resources	13,027	0.7	282	268
Essakane, (7) **Burkina Faso**				**(90%)**
Probable Reserves	114,377	1.0	3,659	3,293
Subtotal	**114,377**	**1.0**	**3,659**	**3,293**
Measured Resources	6,071	0.9	178	160
Indicated Resources	149,172	0.9	4,439	3,996
Inferred Resources	25,698	0.8	697	627
Sadiola, (8) **Mali**				**(41%)**
Proven Reserves	5,398	1.3	225	92
Probable Reserves	84,899	1.8	4,990	2,046
Subtotal	**90,297**	**1.8**	**5,215**	**2,138**
Measured Resources	17,290	0.9	512	210
Indicated Resources	125,647	1.8	7,275	2,983
Inferred Resources	26,812	1.7	1,447	593
Yatela,(9) **Mali**				**(40%)**
Proven Reserves	120	1.4	6	2
Probable Reserves	640	3.6	74	30
Subtotal	**760**	**3.3**	**80**	**32**
Measured Resources	1,316	0.7	28	11
Indicated Resources	1,260	3.0	123	49
Inferred Resources	928	2.4	72	29
Doyon & Mouska,(10) **Québec**				**(100%)**
Proven Reserves	155	12.4	62	62
Probable Reserves	21	13.4	9	9
Subtotal	**176**	**12.5**	**71**	**71**
Measured Resources	470	6.9	104	104
Indicated Resources	730	4.0	94	94
Inferred Resources	1,735	6.3	353	353

Gold Operations	Tonnes (000)	Grade (g Au/t)	Contained Ounces of Gold (000)	Attributable Contained Ounces of Gold (000)
Westwood, [11] Québec				**(100%)**
Proven Reserves	267	7.6	65	65
Probable Reserves	673	13.1	283	283
Subtotal	**940**	**11.5**	**348**	**348**
Measured Resources	277	7.5	67	67
Indicated Resources	1,117	13.0	466	466
Inferred Resources	9,589	10.6	3,258	3,258
Côté Gold,[12] Canada				**(92.5%)**
Indicated Resources	269,300	0.9	7,606	7,035
Inferred Resources	43,800	0.7	1,043	965
Total				
Proven and Probable Reserves	382,933	1.2	15,105	11,327
Measured and Indicated Resources	824,914	1.1	28,711	22,603
Inferred Resources	121,589	1.8	7,152	6,093

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) Mineral resource/reserves tonnage, grade and contained metal have been rounded to reflect the accuracy of the estimate, and numbers may not add due to rounding.
(6) 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.
(7) Essakane mineral reserves have been estimated as of December 31, 2012 using a $1,400/oz gold price and mineral resources have been estimated as of December 31, 2012 using a $1,600/oz gold price and have been estimated in accordance with NI 43-101.
(8) Mineral reserves at Sadiola have been estimated as of December 31, 2012 using a US $1,185/oz gold price and mineral resources have been estimated as of December 31, 2012 using a US $2,000/oz gold price and have been estimated in accordance with JORC code.
(9) Mineral reserves at Yatela have been estimated as of December 31, 2012 using a US $1,300/oz gold price and mineral resources have been estimated as of December 31, 2012 using a US $1,300/oz gold price and have been estimated in accordance with JORC code.
(10) 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, 2012 using a $1,400/oz gold price and mineral resources have been estimated as of December 31, 2012 using $1,600/oz gold price. Resources and reserves estimates have been estimated in accordance with NI 43-101.
(11) Westwood mineral resources have been estimated as of December 31, 2012 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.
(12) Côté Gold mineral resources have been estimated as of December 31, 2012 using a $1,600/oz gold price and have been estimated in accordance with NI 43-101 by RPA.

Mineral Reserves and Resources of Niobium Operation as of December 31, 2012 (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	422,900	0.42	1,768
Subtotal	**422,900**	**0.42**	**1,768**
Measured Resources	291,631	0.44	1,271
Indicated Resources	344,158	0.38	1,292
Inferred Resources	83,763	0.31	263

Notes:

(1) Measured and indicated resources are inclusive of 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) Mineral reserves have been estimated as at December 31, 2012 under the block caving scenario using $45 per kg of Niobium and include dilution material. Mineral resources have been estimated using a cut-off 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 scenario 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) A small amount of Inferred and unclassified mineral resource material will be mined from the block caving scenario and segregation of the material is not possible. A conservative 0% Nb_2O_5 was applied to that material.
(6) Mineral reserves and mineral resources have been estimated in accordance with NI 43-101.
(7) Mineral resource/reserves tonnage, grade and contained metal have been rounded to reflect the accuracy of the estimate, and numbers may not add due to rounding.

Mineral Resources of the Rare Earth Elements Project as of December 31, 2012 (1)(2)(3)

	Tonnes (000s)	Grade TREO (%)	Contained TREO (million kilograms)
St-Honoré, Québec			**(100%)**
Indicated Resources	531,000	1.64	8,730
Inferred Resources	527,000	1.83	9,652

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 inferred resources are presented in situ using 0.5% TREO (Total Rare Earth Oxides) cut-off grade and are unconstrained by whittle shell or mining design. The indicated resources are limited to 350 metres below surface and the Inferred resources are limited to 700 metres below surface.
(3) Mineral resources have been estimated in accordance with NI 43-101.
(4) Mineral resource/reserves tonnage, grade and contained metal have been rounded to reflect the accuracy of the estimate, and numbers may not add due to rounding.

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, Niobium and TREO (Total Rare Earth Oxides) 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., Vice President; Geology & Resources for G. Mining Services Inc. (previously Manager, Mining Geology, IAMGOLD Corporation) 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 5 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.

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, 2012 was 11.3 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 9 per cent and, a $100 decrease in the gold price would decrease the Company’s attributable share of ounces by around 5 per cent. The mineral reserves will follow a similar trend since as of December 31, 2012 all open pit mineral resources are confined within pit shells.

6. Other Aspects of the Business

6.1 Marketing of Production

All gold produced by IAMGOLD is in the form of doré bars, which is sold directly to gold refineries in North America and Europe at prevailing spot prices, less fees charged by the refineries for their services.

The Company's niobium production is sold mainly to steel manufacturers in Asia, Europe and North America. The majority of the niobium is sold through contracts, most with a term of a year or longer, with periodic pricing adjustments to reflect market dynamics.

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, 2012				
$C/$	**2012**	**2011**	**2010**	**2009**	**2008**
High	0.9642	0.9407	0.9931	1.0251	0.9711
Low	1.0443	1.0658	1.0848	1.3067	1.3007
Average	0.9996	0.9891	1.0299	1.1420	1.0660
End of Period	0.9949	1.0170	0.9946	1.0510	1.2180

6.2 Government Regulation

The North American 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 and Permitting

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.

The Côté Gold Project will be entering the permitting phase of the project in the first half of 2013. The first step of the permitting process is the project description document which will be the decision basis for the federal government to decide on whether an environmental assessment is required. The Company anticipates that an environmental assessment will be required and is proceeding with the required studies to fulfill this requirement.

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 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	**4.2**	**4.6**
Doyon and Mouska Gold Mines	**111.3**	**122.1**
Essakane	**33.0**	**33.5**
Sadiola Gold Mine	**24.3***	**24.6***
Yatela Gold Mine	**15.3***	**15.3***
Rosebel Gold Mine	**53.4**	**58.4**
Niobec Mine	**8.5**	**9.1**
Other Sites	**8.1**	**8.9**

* Proportionate share based on ownership as at December 31, 2012.

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. In Canada, consultations with aboriginals, including First Nations is a critical component of the permitting of our operations. At the Côté Gold project, First Nation consultations are on-going with the Mattagami and the Flying Post First Nations. An Exploration Agreement is already in place which identifies participation opportunities for both the Mattagami and Flying Post communities, and discussions are now occurring to put an Impact Benefit Agreement in place by year end (2013).

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 non-governmental organization 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

The Company’s worldwide earnings are generally subject to federal income tax in Canada. However, the 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 subject to a combined federal and provincial statutory corporate income tax rate of approximately 27 per cent. The Company's Québec operations are also subject to a mining duty statutory tax rate of 16 per cent.

6.6 Mining Development and Construction

Since 2007, the Company has had in place 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 2012, 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 slightly lower than the Company's 9 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. Since then, in 2011 and 2012, Niobium demand has grown in line with crude steel production. Demand for Niobium grew by 5 per cent in 2011 and is estimated to have grown by 2 per cent in 2012. Its price was relatively stable throughout the difficult market conditions between 2008 and 2010. The price increased to its highest level in 2011 and was maintained in 2012. 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 88 per cent of total 2012 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. In 2009, the Washington Agreement was extended by 19 signatory banks, who committed to selling no more than a combined 400 metric tonnes of gold through 2014. The financial crisis of 2008 and resulting coordinated loosening of monetary policies by the world's central banks have also affected the volatility of the price of gold.

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 in North America and Asia or through a distributor or an agent.

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, 2012, the Company employed approximately 5,800 individuals and approximately 92 contractor-employees.

7. Dividends

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

	December 2012	June 2012	December 2011	June 2011	2010
Dividend payment per Common Share	$ 0.125	$0.125	$ 0.125	$0.10	$0.08

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 and the 2012 Senior Unsecured Notes both contain covenants that restrict the ability of the Company to declare or pay dividends if a default under the 2012 Amended Credit Facility or the 2012 Senior Unsecured Notes, as applicable, 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 million compensation claim and the Administrative Tribunal of French Guiana ruled against the Company in both matters in February 2012. The Company appealed this decision on May 22, 2012

to the Administrative Court of Appeal in Bordeaux and increased the amount of the claim to €763 million to account for higher gold prices.

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 376,563,054 Common Shares and no First Preference Shares or Second Preference Shares were issued and outstanding as at March 21, 2013.

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 Ratings

The following table sets out the ratings of IAMGOLD's corporate credit and the 2012 Senior Unsecured Notes credit by the rating agencies indicated as at March 21, 2013:

	Standard & Poor's	Moody's Investors Services
Corporate Rating	BB-	Ba3
Senior Note Rating	BB-	B1
Trend/Outlook	Stable	Stable

Standard & Poor's Rating Services' ("S&P") credit ratings are on a long-term rating scale that ranges from AAA to D, which represents the range from highest to lowest quality of such securities rated. The ratings from AAA to CCC may be modified by the addition of a plus (+) or a minus (-) sign to show relative standing within the major categories. In addition, S&P may add a rating outlook of "positive", "negative" or "stable" which assesses the potential direction of a long-term credit rating over the intermediate term (typically six months to two years). S&P has assigned IAMGOLD a corporate credit rating of BB- and a credit rating of BB- on the 2012 Senior Unsecured Notes. According to the S&P, this rating generally means the relevant issue currently has the capacity to meet its finance commitments, but that adverse business, financial, or economic conditions will likely impair the relevant issuer's capacity or willingness to meet its financial commitments. S&P adds that an issuer or obligation rated 'BB-' should be able to withstand a mild level of stress and still meet its financial obligations.

Moody's Investors Service ("Moody's") credit ratings are on a rating scale that ranges from Aaa to C, which represents the range from highest to lowest quality. Moody's appends numerical modifiers 1, 2 and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic category. Moody's has assigned IAMGOLD a corporate family credit rating of Ba3 and a credit rating of B1 on the 2012 Senior Unsecured Notes. According to Moody's, this rating generally means that the obligations are considered speculative and are subject to high credit risk.

Item VI 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, 2012.

TSX

	High (C$)	Low (C$)	Close (C$)	Volume
January	18.13	15.47	16.73	36,282,598
February	17.71	14.64	14.96	38,268,476
March	15.15	12.85	13.28	31,316,835
April	13.66	11.73	12.25	30,983,177
May	12.42	9.31	11.07	42,316,841
June	13.23	11.34	12.04	44,326,837
July	12.70	10.26	11.20	26,871,482
August	13.18	10.45	12.89	31,322,096
September	16.01	12.81	15.59	34,026,353
October	16.45	14.82	15.50	25,686,482
November	15.91	11.17	11.74	26,554,952
December	11.90	10.47	11.39	25,053,928

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, 2012.

NYSE

	High (US$)	Low (US$)	Close (US$)	Volume
January	17.82	15.26	16.74	50,947,083
February	17.74	14.82	15.12	50,698,872
March	15.38	12.87	13.29	61,356,406
April	13.75	11.84	12.40	56,447,173
May	12.62	9.20	10.67	80,013,573
June	12.96	10.90	11.80	80,814,582
July	12.30	10.03	11.14	51,749,184
August	13.29	10.42	13.10	56,826,103
September	16.42	12.85	15.81	75,335,502
October	16.88	15.05	15.59	56,669,790
November	15.92	11.12	11.83	65,763,161
December	11.97	10.58	11.47	56,500,801

Item VII 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*
JOHN E. CALDWELL (1)(3) *Toronto, Ontario, Canada*	*Director of the Company*	*2006*
DONALD K. CHARTER (2)(5) *Etobicoke, Ontario, Canada*	*President and CEO of Corsa Coal Corp.*	*1994*
W. ROBERT DENGLER (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 [(1)(5)] *Silverthorn, Colorado, United States of America*	*Director of the Company*	*2012*
MAHENDRA NAIK [(1)(2)] *Markham, Ontario, Canada*	*Chief Financial Officer of Fundeco Inc. Private Investment Company, Chartered Accountant*	*1990*
JOHN T. SHAW [(3)(5)] *Sydney, New South Wales, Australia*	*Director of the Company*	*2006*
TIMOTHY R. SNIDER [(2)(4)] *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*
(5) *Member of the Resources & Reserves 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.

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	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
BENJAMIN R. LITTLE Toronto, Ontario, Canada	Senior Vice President, Corporate Affairs	2011
CRAIG S. MACDOUGALL Oakville, Ontario, Canada	Senior 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. 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, 2013, directors and executive officers of IAMGOLD as a group beneficially own, directly or indirectly, or exercise control or direction over, approximately 5.4 million Common Shares or 1.44 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) 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 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; and (ii) 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.

Conflicts 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 VIII 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 and Finance Committee") which consists of Messrs. John E. Caldwell (Chairman), Guy Dufresne, Richard J. Hall and Mahendra Naik. The directors of the Company have determined that all members of the Audit and Finance Committee are "independent" and "financially literate" for the purposes of applicable laws. The directors of the Company have also determined that each of John E. Caldwell, Guy Dufresne and Mahendra Naik is an "Audit Committee Financial Expert" for the purposes of applicable laws. The designation of a member of the Audit and Finance 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 and Finance Committee.

The following is a brief summary of the education and experience of each member of the Audit and Finance Committee that is relevant to the performance of his responsibilities as a member of the Audit and Finance 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. Mr. Caldwell holds a Bachelor of Commerce Degree from Carleton University and is a Certified Public Accountant.

Name	Relevant Education and Experience
Guy G. Dufresne	Mr. Dufresne is an engineer from Ecole Polytechnique de Montréal and holds a Masters Degree in Engineering (including computers) from the Massachusetts institute of Technology and an MBA from the Harvard Business School. Mr. Dufresne currently serves as a member of the board of RONA, a position he has held since January 2013. He also currently serves as Chairman of the board of L'Union Canadienne, a subsidiary of RSA Canada, a position that he has held since October 2012. 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 positions 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 Marine Commerce, The Mining Association of Canada, The Québec Forest Product Association and L'Institut Armand-Frappier (a pharmaceutical research centre). Mr. Dufresne has acquired through education and experience, an understanding of how to help companies to be cost competitive and profitable.

Name	Relevant Education and Experience
Richard J. Hall	Mr. Hall was appointed a director of IAMGOLD on March 22, 2012. Mr. Hall brings nearly 40 years of exploration, development, mining and corporate experience. Mr. Hall served as Chairman of Premier Gold from 2010 until June 2012 and served as President and Chief Executive Officer of Northgate Minerals from July 2011 until October 2011 when Northgate was acquired by AuRico Gold. From 2008 until 2011, he held the position of Chairman of Grayd Resource Corporation when Grayd was acquired by Agnico Eagle in November 2011. He also served as a director and Chairman of the Special Committee of Creston Moly during its acquisition by Mercator Minerals in 2011. In addition to his Board activities, Mr. Hall acts as a mineral industry consultant to various companies. From 1999 to 2008, he served as President and CEO of Metallica Resources Inc., where he was involved in all aspects of the company's development including the financing, construction and commissioning of the Cerro San Pedro gold-silver mine in Mexico. While at Metallica, the El Morro deposit was discovered in Chile and was brought through to a final feasibility study in conjunction with Metallica's operating partner on the project, Xstrata Copper. In August 2008, Metallica was part of a $1.6 billion merger with Peak Gold Ltd. and New Gold Inc. to form what is now New Gold Inc. Previous to his tenure at Metallica, Mr. Hall held senior management positions with Dayton Mining Corporation and Pegasus Gold Corporation. Mr. Hall holds a Bachelor and a Masters Degree in Geology and an MBA from Eastern Washington University. He has also completed an Executive Development Program at the University of Minnesota and is a member of the National Association of Corporate Directors and a member of both the Audit and Investment Committees of the Society of Economic Geologists.

Name	Relevant Education and Experience
Mahendra Naik	Mr. Naik is a Chartered Accountant with more than 32 years of financial accounting, 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 Board and member of a TSX-listed mining company and a member of the Audit Committee for a TSXV listed international financial services company. In addition, he is Chairman and a member of the Audit Committees of a number of private companies, including precious metals, a private Canadian bank and financial service businesses.

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 Audit and Finance 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 $1,680,000 in 2012 and $1,580,000 in 2011.

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 $328,000 in 2012 and $750,000 in 2011. The audit-related fees relate to services provided in connection with statutory filings 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 $112,000 in 2012 and $305,000 in 2011. 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:

	2012	2011
Audit Fees	1,680,000	1,580,000
Audit-Related Fees	328,000	750,000
Tax Fees	112,000	305,000
Total	2,120,000	2,635,000

Item IX Interest of Management and Others in Material Transactions

Within the three most recently completed financial years and during the current 2013 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 X 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 XI Material Contracts

2012 Amended Credit Facility

The Company amended and restated its existing $350 million unsecured revolving credit facility 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 a total net debt ratio of not greater than 3.50:1 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, 2013, 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 as well as covenants to maintain a total net debt ratio of not greater than 3.50:1 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 percent of the proceeds of equity issuances or contributions after December 31, 2011. The Credit Agreement also includes typical events of default, including any change of control of Niobec.

As at March 21, 2013, there were no funds drawn under the 2012 Niobec Credit Facility.

2012 Amended Letter of Credit Facility

The Company amended and restated its existing $50 million letter of credit facility on February 22, 2012 with The National Bank of Canada (the "Lender"). The amendments provide for a revolving bank credit facility of up to $75 million 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 Company has executed its option to extend the term of the facility for up to 364 days. The Facility now matures on April 22, 2014. 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, 2013, there were $67.5 million of funds drawn and issued in the form of Letters of Credit, under the 2012 Amended Letters of Credit Facility.

2012 Senior Unsecured Notes

On September 21, 2012, the Company issued at face value $650.0 million of senior unsecured notes. The 2012 Senior Unsecured Notes are denominated in U.S. dollars, mature and become due and payable on October 1, 2020, and bear interest at the rate of 6.75% per annum. Interest is payable in arrears in equal semi-annual installments on April 1 and October 1 of each year commencing in 2013. The 2012 Senior Unsecured Notes are guaranteed by some of the Company's subsidiaries. The Company intends to use the proceeds of the 2012 Senior Unsecured Notes for general corporate purposes, including funding capital expenditures and exploration.

The Company incurred transaction costs of $11.6 million which have been capitalized and offset against the carrying amount of the $650.0 million 2012 Senior Unsecured Notes within long-term debt in the consolidated balance sheet and is being amortized using the effective interest rate method. The amortization of transaction costs for the year ended December 31, 2012 was $0.4 million.

Except as noted below, the 2012 Senior Unsecured Notes are not redeemable, in whole

or part, by the Company until October 1, 2016. On and after October 1, 2016, the Company may redeem the 2012 Senior Unsecured Notes, in whole or in part, at the relevant redemption price (expressed as a percentage of the principal amount of the 2012 Senior Unsecured Notes) and accrued and unpaid interest on the 2012 Senior Unsecured Notes up to the redemption date. The redemption price for the 2012 Senior Unsecured Notes during the 12 month period beginning on October 1 of each of the following years is: 2016 – 103.375%; 2017 – 101.688%; and 2018 and thereafter – 100%.

Prior to October 1, 2016, the Company may redeem some or all of the 2012 Senior Unsecured Notes at a price equal to 100% of the principal amount of the 2012 Senior Unsecured Notes plus a “make-whole” premium for accrued and unpaid interest.

Prior to October 1, 2015 using the cash proceeds from an equity offering the Company may redeem up to 35% of the original aggregate principal amount of the 2012 Senior Unsecured Notes at a redemption price equal to 106.750% of the aggregate principal amount thereof, plus accrued and unpaid interest up to the redemption date.

The following are the contractual maturities related to the 2012 Senior Unsecured Notes, including estimated interest payments and excluding the impact of netting agreements.

			Payments due by period ($ millions)			
At December 31, 2012	Carrying amount	Contractual cash flows	1 Year	2-3 Years	4-5 Years	After 5 Years
2012 Senior Unsecured Notes	$650.0	$ 1,002.4	$45.2	$ 87.8	$ 87.8	$781.6

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 XII 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, 2012.

KPMG LLP, Chartered Accountants

The “qualified persons” whose names are set forth herein, being: Réjean Sirois, Pierre Pelletier, Daniel Vallieres, Gabriel Voicu, Patrice Simard, Armand Savoie, Pierre Levesque, Elzear Belzile and Belzile Solutions Inc., Ian Glacken and Optiro Pty Ltd, Louis-Pierre Gignac, Louis Gignac and G Mining Services Inc, John Hawxby, AMEC GRD SA (formerly 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, Emilie Williams, Jamie Lavigne, William Roscoe and Richard Morel.

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. Pierre Pelletier, Daniel Vallieres, Patrice Simard, Armand Savoie and Pierre Levesque 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, 2012 in their report dated February 20, 2013. In connection with their audit, KPMG LLP has confirmed that they are independent within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation and regulation, and that they are independent accountants with respect to the Company under all relevant US professional and regulatory standards.

Item XIII 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 21, 2013, 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, 2012.

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 its mandate and 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 review with respect to the integrity of financial reporting process of the Corporation, the integrity of the Corporation’s financial statements, the system of internal controls and management of the financial risks of the Corporation, the performance of IAMGOLD’s internal audit function, the external audit qualifications, independence and performance, review 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 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 Corporation’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 review. Management of the Corporation is responsible for the preparation, presentation and integrity of the Corporation’s financial statements as well as the Corporation’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 Corporation’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 Corporation’s quarterly financial statements. It is not the responsibility of the Committee

to plan or conduct audits or to determine that the Corporation'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 Corporation and of the professionals and experts (including the Corporation'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 Corporation'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 compensation and authorize payment 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 of the Board. 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 nominating and 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 chairman of the Committee will be appointed by the Committee from time to time on the recommendation of the nominating and corporate governance committee.

(c) The Committee shall meet at times necessary to perform duties described above in a timely manner but not less than four times per year.

(d) The secretary of the Committee will be the Secretary of the Corporation or such other person as is chosen by the Committee.

(e) 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.

(f) 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.

(g) 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.

(h) All decisions of the Committee shall be by simple majority and the chairman of the Committee shall not have a deciding or casting vote.

(i) Minutes shall be kept in respect of the proceedings of all meetings of the Committee.

(j) 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.

(k) 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 and the external auditor 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) review 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, and reporting and disclosure risks 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) review 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.

(e) Other Matters

(i) The Committee shall review and approve all related party transactions;

(ii) The Committee shall receive and review periodic reports from management relating to disclosure and compliance with laws and regulations;

(iii) The Committee shall review human resource and succession planning for accounting, finance and internal audit staff;

(iv) The Committee shall perform an annual self-evaluation of its performance including fulfilling its responsibilities as set out in this charter;

(v) 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 Corporation, 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 Corporation 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 Corporation;

b. an individual whose immediate family member is, or has been within the last three years, an executive officer of the Corporation;

c. an individual who:

   i. is a partner of a firm that is the Corporation'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 Corporation'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 Corporation'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 Corporation'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 Corporation'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 Corporation received, more than $75,000 in direct compensation from the Corporation 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 Corporation 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 Corporation pursuant to which the individual may accept, directly or indirectly, any consulting, advisory or other compensatory fee from the Corporation or any subsidiary entity of the Corporation, 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 Corporation or any of its subsidiary entities, is deemed to have a material relationship with the Corporation, 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 Corporation or any subsidiary entity of the Corporation.

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 Corporation that may interfere with the exercise of his/her independence from management and the Corporation.

In addition:

a. A director who is an employee, or whose immediate family member is an executive officer, of the Corporation 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 Corporation, 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 Corporation 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 Corporation’s present executives serve on that corporation’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 corporation that makes payments to, or receives payments from, the Corporation for property or services in an amount which, in any single fiscal year, exceeds the greater of $1 million, or 2% of such other corporation’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 corporation 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 Corporation’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

IAMGOLD CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS YEAR ENDED DECEMBER 31, 2012

The following Management's Discussion and Analysis ("MD&A"), dated February 20, 2013, should be read in conjunction with IAMGOLD's audited consolidated annual financial statements and related notes for December 31, 2011 and related notes thereto which appear elsewhere in this report. 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.

CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION

Certain information included in this MD&A, 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 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.

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ABOUT IAMGOLD

IAMGOLD Corporation ("IAMGOLD" or the "Company") (www.iamgold.com) is a leading mid-tier gold producer with five operating gold mines (including current joint ventures) on three continents. In the Canadian province of Québec, the Company also operates Niobec Inc., one of the world's top three producers of niobium, and owns a rare earth element resource close to its niobium mine. IAMGOLD is uniquely positioned with a strong financial position and extensive management and operational expertise. To grow from this strong base, IAMGOLD has a pipeline of development and exploration projects and continues to assess accretive acquisition opportunities. IAMGOLD's growth plans are strategically focused in certain regions in Canada, select countries in South America and Africa.

With respect to corporate social responsibility, IAMGOLD's commitment is to Zero Harm, in every aspect of its business. IAMGOLD is one of only eight mining companies on the JSI index[1] which is modeled on the S&P/TSX 60.

IAMGOLD is listed on the Toronto Stock Exchange (trading symbol "IMG") and the New York Stock Exchange (trading symbol "IAG").

2012 HIGHLIGHTS

FINANCIAL

- Revenues for 2012 were $1.7 billion, in line with the prior year. The limited movements in revenues are mainly related to lower gold sales volume ($111.2 million), lower by-product credits and royalty income ($3.5 million) partially offset by higher realized gold price ($98.8 million) and higher niobium revenues ($12.7 million). Revenues for the fourth quarter 2012 were down $13.2 million or 3% from the same prior year period mainly due to lower gold sales volume. The reduction in sales was related to lower production from processing lower grade and ore stockpiling at Mouska.
- Cost of sales for 2012 was $948.0 million, up $56.2 million or 6% from prior year. The increase in cost of sales is mainly related to higher mine operating costs associated with mining and processing of harder rock at Essakane, Rosebel and Sadiola and longer hauling distances at Rosebel ($49.2 million) and higher depreciation expense ($7.6 million). Cost of sales for the fourth quarter 2012 were up $6.0 million or 2% from the same prior year period as cost reductions from lower production volumes were offset by higher consumable costs.

[1] Jantzi Social Index ("JSI"). The JSI, a socially screened market capitalization-weighted common stock index modeled on the S&P/TSX 60 consists of 60 Canadian companies that pass a set of broadly based environmental, social and governance rating criteria.

- Net earnings from continuing operations attributable to equity holders for 2012 were $334.7 million or $0.89 per share, down $56.6 million or 14% from the prior year. The decrease in net earnings from continuing operations attributable to equity holders was mainly related to higher cost of sales noted above ($56.2 million) and higher exploration expenses ($39.4 million), partially offset by higher foreign exchange gains ($18.8 million) and lower income tax expense ($21.6 million). Net earnings from continuing operations attributable to equity holders for the fourth quarter 2012 were down $49.0 million or 37% with the same prior year period mainly from lower revenues, higher cost of sales, higher exploration costs and lower gains on sales of assets.
- Adjusted net earnings[1] for 2012 were $316.9 million ($0.84 per share [1]), down $88.8 million ($0.24 per share) or 22% from prior year. Adjusted net earnings[1] for the fourth quarter 2012 were $90.3 million ($0.24 per share [1]), down $17.5 million ($0.05 per share) or 16% from prior year.
- Cash, cash equivalents and gold bullion (at market value) were $1,036.8 million at December 31, 2012, down $225.7 million since December 31, 2011 mainly due to capital expenditures related to mining assets and exploration and evaluation assets ($700.5 million), the acquisition of the Côté Gold project ($485.7 million), the payment of dividends ($106.9 million) and acquisitions of investments ($49.7 million), offset partially by cash generated from the issuance of senior unsecured notes ($650.0 million), operating activities ($441.0 million) and sale of investments ($28.2 million).
- Operating cash flow for 2012 was $441.0 million, down $151.8 million or 26% from the prior year. The decrease in operating cash flow is mainly due to the higher cost of sales noted above ($56.2 million), higher exploration expenses ($39.4 million) as noted previously, as well as higher income taxes paid ($73.5 million). Operating cash flow for the fourth quarter 2012 was down $86.6 million or 42% from the same prior year period mainly due to lower revenues, higher exploration expenses, higher taxes paid and changes in non-cash working capital.
- Operating cash flow before changes in working capital [1] for 2012 was $504.0 million ($1.34 per share [1]), down $152.7 million ($0.41 per share) or 23% from the prior year. Operating cash flow before changes in working capital[1] for the fourth quarter was $130.1 million ($0.35 per share[1]), down $60.0 million ($0.16 per share) or 32% from the prior year.

OPERATIONS

- Regarding Health and Safety, the frequency of all types of serious injuries (measured as DART rate2) across IAMGOLD for 2012 was 1.08 compared to 1.12 for the prior year, representing a 4% improvement.
- Attributable gold production from continuing operations for 2012 was 830,000 ounces, down 66,000 ounces or 7% from the prior year. Gold production was lower as a result of lower grades at Essakane (22,000 ounces), Sadiola (21,000 ounces) and Rosebel (3,000 ounces), and stockpiling ore at Mouska (20,000 ounces). Attributable gold production for the fourth quarter 2012 was down 39,000 ounces or 15% from the same prior year period mainly due to lower grades and the stockpiling of ore at Mouska.
- Cash costs[1] for 2012 were $715 per ounce, up $79 per ounce or 12% from the prior year. Cash costs increased mainly due to the impact of lower grades, the increase in processing hard rock together with inflationary cost pressures across all sites. Cash costs for the fourth quarter 2012 were up $88 per ounce or 14% from the same prior year period for the same aforementioned reasons.

NIOBIUM OPERATIONS

- Niobium production for 2012 was 4.7 million kilograms, up 2% from the prior year. The operating margin per kilogram of niobium [1] for 2012 was similar to prior year at $15 per kilogram, as higher realized niobium prices partially offset the impact of increased costs. Niobium production in the fourth quarter 2012 was consistent with the same prior year period and operating margin for the fourth quarter 2012 was down $1 or 6% due to the impact of increasing costs and the strength of the Canadian dollar.

[1] The Company has disclosed adjusted net earnings, adjusted net earnings per share, operating cash flow before changes in working capital, operating cash flow before changes in working capital per share, total cash cost per ounce, gold margin and operating margin per kilogram of niobium sold which are non-GAAP measures. Refer to the Non-GAAP performance measures section of the MD&A for reconciliation to GAAP measures.

[2] The DART rate refers to the number of days away, restricted duty or job transfer incidents that occur per 100 employees.

CORPORATE DEVELOPMENTS

- On June 21, 2012, the Company completed the acquisition of all of the issued and outstanding common shares of Trelawney through a plan of arrangement (the "Transaction"). Under the terms of the Transaction, former shareholders of Trelawney received C$3.30 in cash for each common share of Trelawney held. The main asset acquired in this transaction was the Côté Gold project located adjacent to the Swayze Greenstone Belt in Northern Ontario, Canada.
- On September 21, 2012, the Company completed the issuance of $650.0 million of senior unsecured notes bearing interest at 6.75% due in 2020. The Company intends to use the proceeds for general corporate purposes, including the funding of capital expenditures and exploration.
- On November 14, 2012, the Company disposed of its interest in the Quimsacocha project in Ecuador to INV Metals Inc. ("INV Metals") through the disposal of all shares of its wholly-owned subsidiary IAMGOLD Ecuador S.A., in exchange for 231.3 million common shares of INV Metals. The Company held approximately 47% of the issued and outstanding INV Metals shares immediately after the closing of the transaction.
- On November 26, 2012, the President of Suriname announced that an agreement had been reached with IAMGOLD with respect to a joint venture that would target satellite resources beyond the current concession, with attractively priced power. Final approval by the National Assembly of the Republic of Suriname is expected in the near future.
- On January 22, 2013, the Company announced a mineral resource update for the Company's Côté Gold project in northern Ontario. The new resource estimate consists of an indicated resource of 269 million tonnes averaging 0.88 grams of gold per tonne for 7.61 million ounces and an Inferred Resource of 44 million tonnes averaging 0.74 grams of gold per tonne for 1.04 million ounces. The updated resource estimate represents a 114% increase in indicated resources from the previous estimate. A positive attribute of the deposit is its accessibility for open-pit mining. The deposit locally outcrops at surface and on average is covered with less than 6 metres of barren overburden.

Summary of Financial and Operating Results ($ millions, except where noted)	Three months ended December 31, 2012	Change	2011	Years ended December 31, 2012	Change	2011
Financial Data						
Revenues	**$468.4**	**(3%)**	$ 481.6	**$1,670.0**	**—**	$1,673.2
Cost of sales	**259.9**	**2%**	253.9	**948.0**	**6%**	891.8
Gross earnings from mining operations	**$208.5**	**(8%)**	$ 227.7	**$ 722.0**	**(8%)**	$ 781.4
Net earnings attributable to equity holders of IAMGOLD [1]	**$ 84.6**	**(37%)**	$ 133.6	**$ 334.7**	**(14%)**	$ 391.3
Basic net earnings per share ($/share) [1]	**$ 0.22**	**(39%)**	$ 0.36	**$ 0.89**	**(14%)**	$ 1.04
Adjusted net earnings attributable to equity holders of IAMGOLD [1, 2]	**$ 90.3**	**(16%)**	$ 107.8	**$ 316.9**	**(22%)**	$ 405.7
Basic adjusted net earnings per share ($/share) [1,2]	**$ 0.24**	**(17%)**	$ 0.29	**$ 0.84**	**(22%)**	$ 1.08
Operating cash flow [1]	**$118.9**	**(42%)**	$ 205.5	**$ 441.0**	**(26%)**	$ 592.8
Operating cash flow ($/share) [1]	**$ 0.32**	**(42%)**	$ 0.55	**$ 1.17**	**(26%)**	$ 1.58
Operating cash flow before changes in working capital [1, 2]	**$130.1**	**(32%)**	$ 190.1	**$ 504.0**	**(23%)**	$ 656.7
Operating cash flow before changes in working capital ($/share) [1, 2]	**$ 0.35**	**(31%)**	$ 0.51	**$ 1.34**	**(23%)**	$ 1.75
Key Operating Statistics – Gold mines						
Gold sales – 100% (000s oz) [1]	**246**	**(6%)**	263	**881**	**(8%)**	953
Gold sales – attributable (000s oz) [1]	**232**	**(6%)**	248	**827**	**(8%)**	896
Gold production – attributable (000s oz) [3]	**214**	**(15%)**	253	**830**	**(7%)**	896
Average realized gold price ($/oz) [1]	**$1,704**	**4%**	$ 1,638	**$ 1,667**	**7%**	$ 1,555
Total cash cost ($/oz) [1, 2]	**$ 731**	**14%**	$ 643	**$ 715**	**12%**	$ 636
Gold margin ($/oz) [1, 2]	**$ 973**	**(2%)**	$ 995	**$ 952**	**4%**	$ 919
Key Operating Statistics – Niobec mine						
Niobium production (millions of kg Nb)	**1.2**	**—**	1.2	**4.7**	**2%**	4.6
Niobium sales (millions of kg Nb)	**1.1**	**(15%)**	1.3	**4.7**	**2%**	4.6
Operating margin ($/kg Nb) [2]	**$ 15**	**(6%)**	$ 16	**$ 15**	**—**	$ 15

Financial Position ($ millions)	December 31, 2012	Change	December 31, 2011
Cash, cash equivalents, and gold bullion			
— at market value	**$ 1,036.8**	**(18%)**	$ 1,262.5
— at cost	**$ 910.4**	**(21%)**	$ 1,148.4
Total assets	**$ 5,376.2**	**22%**	$ 4,393.8
Long-term debt	**$ 638.8**	**—**	$ —
Available credit facilities	**$ 750.0**	**114%**	$ 350.0

1 Amounts represent results from continuing operations and do not include discontinued operations.

2 The Company has disclosed the following non-GAAP measures: adjusted net earnings attributable to equity holders of IAMGOLD, adjusted net earnings per share, operating cash flow before changes in working capital per share, total cash cost per ounce, gold margin per ounce, and operating margin per kilogram of niobium sold at the Niobec mine. Refer to the Non-GAAP performance measures section of the MD&A for reconciliation to GAAP measures.

3 Excludes attributable ounces from discontinued operations of nil for the year ended December 31, 2012 (year ended 2011: 76,000 ounces). Discontinued operations include Mupane, Tarkwa and Damang, which were sold in 2011.

RESERVES AND RESOURCES

IAMGOLD's Share	December 31, 2012	Change	December 31, 2011
Gold (000s attributable oz contained)			
Total proven and probable mineral reserves	**11,327**	**(15%)**	13,300
Total measured and indicated mineral resources [1, 2]	**22,603**	**24%**	18,198
Total inferred resources	**6,093**	**5%**	5,789
Niobium (millions of kg Nb_2O_5 contained)			
Proven and probable reserves [4, 5]	**1,768**	**1%**	1,746
Measured and indicated resources [1, 2, 3, 4, 5]	**2,563**	**27%**	2,014
Inferred resources [6]	**263**	**(52%)**	547
Total Rare Earth Oxides ("TREO") (millions of kg TREO contained)			
Indicated resources [5, 7]	**8,730**	**—**	0
Inferred resources [7]	**9,652**	**25%**	7,702

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 inclusive of probable reserves.
4. Mineral reserves have been estimated at December 31, 2012 using the block caving scenario 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. A small amount of inferred and unclassified mineral resource material will be mined from the block caving scenario and segregation of the material is not possible. A conservative 0% Nb_2O_5 was applied to that material. For the purpose of estimating the mineral reserves, which by the Canadian Institute of Mining, Metallurgy and Petroleum 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 indicated and inferred resources are presented on a contained basis (" *in situ*") using a 0.5% TREO cutoff grade and unconstrained by whittle shell or mining design.

For assumptions used to determine reserves and resources, refer to the section on Critical Accounting Estimates section in this MD&A.

Reserves and resources changed as follows:

- Excluding the 2012 sale of Quimsacocha which accounted for 1.7 million ounces, total attributable proven and probable gold reserves decreased by 2% or 0.3 million ounces (net of depletion) to 11.3 million ounces of gold at the end of 2012. In light of the feasibility study currently underway at Rosebel and due out shortly, it was appropriate for 2012 to reflect Rosebel's December 2011 reserves, net of the year's depletion. A positive reconciliation adjustment for actual production versus the 2011 resource model was observed in 2012.
- Total attributable measured and indicated gold resources (inclusive of reserves) increased by 24% or 4.4 million ounces to 22.6 million ounces of gold at the end of 2012 mainly due to the acquisition and further infill and exploration drilling of Côté Gold.
- The niobium probable mineral reserves have increased by 1% to 1.8 billion kilograms of contained Nb_2O_5 based on the block caving scenario.
- Niobium measured and indicated resources have increased by 27% to 2.6 billion kilograms of contained Nb_2O_5 compared to the prior year.

OUTLOOK

IAMGOLD Full Year Guidance	2013
Rosebel (000s oz)	365 – 385
Essakane (000s oz)	255 – 275
Doyon division (000s oz)[1]	130 – 150
Total owner-operated production (000s oz)	750 – 810
Joint ventures (000s oz)	125 – 140
Total attributable production (000s oz)	**875 – 950**
Owner-operated total cash cost ($/oz)[2]	$810 – $880
Consolidated total cash cost ($/oz)[2]	$850 – $925
Niobec production (millions of kg Nb)	4.7 – 5.1
Niobec operating margin ($/kg Nb)[2]	$ 15 – $17
Effective tax rate (%)	38%

[1] Doyon division production of 130,000 – 150,000 ounces includes Westwood non-commercial production of 40,000 to 50,000 ounces. Associated contribution will be recorded against its mining assets on the consolidated balance sheet.

[2] Cash cost per ounce and operating margin per kilogram of niobium sold at the Niobec mine are non-GAAP measures. Refer to the Non-GAAP performance measures section of the MD&A for reconciliation to GAAP measures.

GOLD PRODUCTION AND CASH COSTS

IAMGOLD expects 2013 gold production to be in the range of 875,000 to 950,000 ounces. The forecast reflects lower grades at Essakane and Rosebel, in conjunction with the expected slower ramp up at Westwood and the expected lower performance at Sadiola. Total cash costs, including royalties, for 2013 are expected to increase to a range of between $850 and $925 an ounce. Approximately one-third of the increase in cash costs per ounce is attributed to inflation while another third reflects the impact of lower ore grades on production costs. The balance of the expected year-over-year increase is due to both the transition to harder ore at the Company's mature mines and the higher unit costs at Westwood attributed to lower production in its first year of operation. The growing proportion of harder ore drives up stripping ratios and labour costs and exerts a greater demand on crushing and grinding capacity, which in turn increases energy consumption and the use of reagents.

WESTWOOD

The Westwood processing facility is on track to begin gold production by the end of March 2013. The mine site is projected to be producing gold by October 2013 at levels which adhere to the Company's definition of commercial production. The contribution from the gold produced in the interim period will be applied as a credit against mining assets in the consolidated balance sheet. This will lower net cash from operating activities and lower net cash used in investing activities. The contribution from the gold produced from the stockpiled ore at Mouska will be reported on the consolidated income statement.

JOINT VENTURES

Beginning January 1, 2013, the Company will account for its joint venture interests, Sadiola and Yatela, under the equity method of accounting as is required by International Financial Reporting Standards. The new methodology will report earnings from these joint ventures in the consolidated statements of earnings in one line as share of net earnings (losses) from associates and joint ventures. Although, net earnings and earnings per share will be unaffected, revenues, cost of sales and income tax expense amongst other individual income statement line items will be reduced. In addition, consolidated operating cash flow and the individual line items will be reduced in accordance with the revised treatment.

NIOBIUM PRODUCTION AND OPERATING MARGIN

The Company expects to produce between 4.7 and 5.1 million kilograms of niobium in 2013 at an operating margin of between $15 and $17 a kilogram.

CAPITAL EXPENDITURES

The Company reduced its capital expenditure forecast for 2013 as set out below mainly due to the delayed approval of the Sadiola sulphide project and the deferral of capital spending at Niobec. For Niobec, the timing of capital spending will be aligned with the advancement of permitting and the completion of the feasibility study.

	$ Millions
Rosebel	130[1]
Essakane	300
Westwood	100
Niobec	80
Joint ventures	50[2]
Corporate and other	5

[1] The $130 million is not related to the expansion. Capital expenditures for the expansion will be provided upon completion of the feasibility study at the end of the first quarter 2013.

[2] The $50 million is related to sustaining capital expenditures, capitalized stripping costs on the push-back of the pit, and existing commitments related to the sulphide expansion project. The Company is freezing additional capital commitments for the expansion project until an agreement is reached with AngloGold Ashanti on how to proceed with the project.

Depreciation expense is expected to increase in 2013 compared to 2012 with the commencement of commercial production at the Westwood mine and higher depreciation of capitalized stripping at Essakane.

The outlook is based on 2013 full year assumptions for average realized gold price of $1,700 per ounce, $C/$US exchange rate of 1.00, $US/€ exchange rate of 1.25 and average crude oil price of $95 per barrel.

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

In 2012, the gold price continued to display considerable volatility with spot daily closings between $1,540 and $1,792 per ounce (2011: between $1,319 and $1,895 per ounce) from the London Bullion Market Association.

	Years ended December 31,		
	2012	**Change**	2011
Average market gold price ($/oz)	**$1,669**	**6%**	$1,572
Average realized gold price ($/oz)	**$1,667**	**7%**	$1,555
Closing market gold price ($/oz)	**$1,658**	**6%**	$1,566

NIOBIUM MARKET

The Company is one of three significant producers of ferroniobium in the world, with a market share of approximately 8% in 2012. The largest producer in the niobium market is a Brazilian producer whose dominant market position can impact market dynamics. Niobium demand closely follows the demand for steel, with a trend towards increased usage of niobium per tonne of steel produced. World steel production in 2012 was 1% higher than 2011. The average realized sales price was marginally higher in 2012 when compared to the average realized sales price in the prior year.

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 and functional 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 the corporate office cost base. International operations are also exposed to fluctuation in currency exchange rates. Currencies continued to experience volatility relative to the U.S. dollar in 2012. The key currencies to which the Company is exposed are the Canadian dollar and the Euro.

	2012	2011
Average rates		
• Canadian$ / U.S.$	**0.9993**	0.9889
• U.S.$ / Euro	**1.2858**	1.3923
Closing rates		
• Canadian$ / U.S.$	**0.9949**	1.0203
• U.S.$ / Euro	**1.3185**	1.2945

In 2013, the Company will have a significant Canadian dollar requirement due to the expenditures required to advance the Westwood and Côté Gold projects and the Niobec expansion feasibility project. In addition, the Company will continue to have Euro requirements due to capital and operating expenditures related to the Essakane mine in Burkina Faso. The Company hedges a portion of currency exposure through forward and option contracts to mitigate the impact of the volatility in the exchange rates of these currencies. In 2013, 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. Given the increase in Canadian dollar requirements for 2013, the Company will enter into increasing Canadian dollar hedges to mitigate volatility risk.

Refer to Financial Condition – Market risks section for more information

OIL PRICE

The Company's operations and projects expect to consume approximately 1.0 million barrels of fuel in 2013. In 2012, the oil price displayed considerable volatility with spot daily closings between $78 and $109 per barrel.

	2012	2011
Average market oil price ($/barrel)	**$94**	$95
Closing market oil price ($/barrel)	**$92**	$99

Refer to Financial Condition – Market risks section for more information.

SENSITIVITY IMPACT

The following table provides estimated sensitivities around certain inputs, excluding the impact of the Company's hedging program that can affect the Company's operating results, assuming expected 2013 production levels.

	Change of	**Annualized Impact on Cash Cost[1] by $/oz**
Gold price	$100/oz	$ 5
Oil price	$10/barrel	$ 13
Canadian$ / U.S.$	$0.10	$ 14
U.S.$ / Euro	$0.10	$ 11

[1] Cash cost per ounce is a non-GAAP measure. Refer to Non-GAAP performance measures section of the MD&A for reconciliation to GAAP measures.

ANNUAL UPDATES

Operations

The table below presents the total ounces of gold sold from continuing operations and the realized gold price per ounce.

	Gold Sales (000s oz) Years ended December 31,		Realized gold price ($/oz) Years ended December 31,	
	2012	2011	**2012**	2011
Operator	**751**	803	**$ 1,667**	$ 1,553
Joint ventures[1]	**130**	150	**$ 1,666**	$ 1,566
Total from continuing operations[2,3]	**881**	953	**$ 1,667**	$ 1,555

1 Attributable sales of joint ventures: Sadiola (41%) and Yatela (40%).
2 Attributable sales volume for years ended 2012 and 2011 were 827,000 and 896,000 ounces, respectively, after taking into account 95% of the Rosebel sales and 90% of the Essakane sales.
3 Continuing operations exclude Mupane, Tarkwa and Damang, which were sold in 2011 and are discontinued operations.

The table below presents the gold production attributable to the Company along with the weighted average total cash cost per ounce of production.

	Gold Production (000s oz) Years ended December 31,		Total Cash Cost ($/oz)[1] Years ended December 31,	
	2012	2011	**2012**	2011
IAMGOLD Operator				
Rosebel (95%)	**382**	385	**$ 671**	$ 616
Essakane (90%)	**315**	337	**603**	488
Doyon division[2] (100%)	**4**	24	**137**	1,076
	701	746	**$ 637**	$ 573
Joint Ventures				
Sadiola (41%)	**100**	121	**$ 1,076**	$ 816
Yatela (40%)	**29**	29	**1,337**	1,534
	129	150	**$ 1,134**	$ 954
Continuing operations	**830**	896	**$ 715**	$ 636
Discontinued operations[3]	**—**	76	**$ —**	$ 847
Total	**830**	972	**$ 715**	$ 653
Continuing operations				
Cash cost, excluding royalties			**$ 624**	$ 551
Royalties			**91**	85
Total cash cost[1]			**$ 715**	$ 636

1 Total cash cost is a non-GAAP measure. Refer to the Non-GAAP performance measures section of the MD&A for reconciliation to GAAP measures.
2 In 2012, the mine, as planned, did not produce gold other than marginal gold derived from the mill clean-up process.
3 Discontinued operations include Mupane, Tarkwa and Damang, which were sold in 2011.

Suriname – Rosebel Mine (IAMGOLD interest – 95%)
Summarized Results 100% Basis

	Years ended December 31,		
	2012	**Change**	2011
Total operating material mined (000s t)	**55,165**	**4%**	53,122
Capital waste mined (000s t)	**1,996**	**—**	—
Strip ratio[1]	**3.1**	**3%**	3.0
Ore milled (000s t)	**12,817**	**—**	12,862
Head grade (g/t)	**1.0**	**—**	1.0
Recovery (%)	**96**	**2%**	94
Gold production – 100% (000s oz)	**402**	**(1%)**	406
Attributable gold production – 95% (000s oz)	**382**	**(1%)**	385
Gold sales – 100% (000s oz)	**393**	**1%**	390
Gold revenue ($/oz)[2]	**$ 1,666**	**7%**	$ 1,555
Cash cost excluding royalties ($/oz)	**$ 576**	**9%**	$ 528
Royalties ($/oz)	**$ 95**	**8%**	$ 88
Total cash cost ($/oz)[3]	**$ 671**	**9%**	$ 616

1 Strip ratio is calculated as waste divided by ore mined.
2 Gold revenue per ounce is calculated as gold sales divided by ounces of gold sold.
3 Total cash cost per ounce is a non-GAAP measure. Refer to the Non-GAAP performance measures section of the MD&A for reconciliation to GAAP measures.

Total material mined increased 8% during 2012 to 57 million tonnes and included longer hauls.

Gold production for 2012 was consistent with 2011 as the impact of improved recoveries offset marginally lower grades and throughput. Upgrading the gravity circuit proved beneficial as recovery improved during the course of 2012. The mill processed more hard and transitional ore as compared to the prior year. This will be a continuing situation at Rosebel and therefore the site is in the process of increasing its grinding capacity by installing a third ball mill, which is expected to be brought into production by the end of the first quarter 2013. In addition, a feasibility study to evaluate the economics for a further expansion of the mill is in progress and is expected to be completed in the first half of 2013.

Total cash cost per ounce in 2012 was higher compared to the prior year mainly due to higher labour, fuel and power costs. Labour costs were higher due to inflationary factors in the Surinamese economy and the increase in fuel and power costs is attributable to more tonnes mined, longer haulage distances and processing of hard rock.

During 2012, Rosebel's capital expenditures were $124.0 million and included the third ball mill ($35.2 million), mining equipment ($34.7 million), resource development and near-mine exploration ($16.0 million), capital spares ($6.7 million), installation of a pre-crush and pebble crusher ($6.1 million), tailings dam ($5.3 million), pit preparation ($4.4 million), completion of the gravity circuit ($4.3 million) and other sustaining capital ($11.3 million).

Outlook

Rosebel's attributable production in 2013 is expected to be between 365,000 and 385,000 ounces. Capital expenditures are expected to be approximately $130 million related to mobile equipment ($50 million), tailings dam ($15 million), capital spares ($10 million), completion of the third ball mill ($5 million), resource delineation and near mine exploration ($15 million), capitalized stripping ($15 million) and other sustaining capital ($20 million). Capital expenditures for the expansion will be provided upon completion of the feasibility study, expected in the first quarter 2013.

Cost management initiatives

Ongoing cost management initiatives at Rosebel include continuous improvement programs to improve utilization of primary production equipment in the mine, increased tire life, improved drill and blast performance and optimization of the intensive cyanide leach section of the gravity circuit to increase overall recovery and reduce total cyanide consumption. Additionally, the operation continues to look for opportunities to reduce power consumption and to find additional soft rock resources to feed the plant.

Burkina Faso – Essakane Mine (IAMGOLD interest—90%)
Summarized Results 100% Basis

	Years ended December 31,		
	2012	**Change**	2011
Total operating material mined (000s t)	**11,739**	**(35%)**	18,015
Capital waste mined (000s t)	**24,614**	**169%**	9,152
Strip ratio[1]	**2.8**	**65%**	1.7
Ore milled (000s t)	**10,762**	**35%**	7,977
Head grade (g/t)	**1.1**	**(27%)**	1.5
Recovery (%)	**92**	**(3%)**	95
Gold production – 100% (000s oz)	**350**	**(7%)**	375
Attributable gold production – 90% (000s oz)	**315**	**(7%)**	337
Gold sales – 100% (000s oz)	**351**	**(7%)**	379
Gold revenue ($/oz)[2]	**$ 1,668**	**7%**	$ 1,553
Cash cost excluding royalties ($/oz)	**$ 520**	**28%**	$ 407
Royalties ($/oz)	**$ 83**	**2%**	$ 81
Total cash cost ($/oz)[3]	**$ 603**	**24%**	$ 488

1 Strip ratio is calculated as waste divided by ore mined.
2 Gold revenue per ounce is calculated as gold sales divided by ounces of gold sold.
3 Total cash cost per ounce is a non-GAAP measure. Refer to the Non-GAAP performance measures section of the MD&A for reconciliation to GAAP measures.

Gold production was 7% lower than the prior year as a result of lower grades partially offset by increased mill throughput. During 2012, Essakane continued waste stripping in the Phase 2 push-back of the main pit. During this period higher grade hard ore was stockpiled while lower grade softer ore was mined and processed. Essakane's throughput increased 35% compared to the prior year as the mine effectively addressed the crusher issues and the brief water shortage which limited production in 2011.

Total cash costs in 2012 were higher compared to the prior year mainly due to the impact of lower grades, higher energy prices and upward pressure on consumable prices.

During 2012, Essakane's capital expenditures were $254.4 million and consisted of the plant expansion project ($144.4 million), capitalized stripping costs on the push-back of the pit ($53.5 million), resource development ($10.9 million), standby generator for the power plant ($4.8 million), capital spares ($7.7 million), mining equipment ($5.7 million), liner installation ($4.7 million), bulk water storage ($1.2 million), and other sustaining capital ($21.5 million).

Outlook

Essakane's attributable production in 2013 is expected to be between 255,000 and 275,000 ounces. The mine is expected to process more hard and transitional rock at a lower head grade compared to 2012. Capital expenditures are expected to be approximately $300 million related to the plant expansion ($196 million), capitalized stripping ($74 million), resource delineation and near mine exploration ($11 million) and other sustaining capital ($19 million).

Cost management initiatives

Ongoing cost management initiatives at Essakane include significantly improved loading and hauling productivity in the mine, improved primary crusher performance and a program to improve maintenance reliability in the plant to maximize operating time and improve circuit stability. As well, the construction team is working to achieve early completion of two key elements of the expansion project: additional leach capacity and a pebble crusher for the existing grinding circuit. Completion of these two elements will enhance performance in the near term. Efforts continue as well to review alternative power sources for Essakane.

Canada – Doyon Division (IAMGOLD interest – 100%)
Summarized Results 100% Basis

	Years ended December 31,		
	2012	**Change**	2011
Total operating material mined (000s t)	**71**	**25%**	57
Gold production (000s oz)	**4**	**(83%)**	24
Gold sales (000s oz)	**7**	**(79%)**	34
Gold revenue ($/oz)[1]	**$1,678**	**10%**	$1,523
Cash cost excluding royalties ($/oz)	**$ 100**	**(90%)**	$1,038
Royalties ($/oz)	**$ 37**	**(3%)**	$ 38
Total cash cost ($/oz)[2]	**$ 137**	**(87%)**	$1,076

[1] Gold revenue per ounce is calculated as gold sales divided by ounces of gold sold.
[2] Total cash cost per ounce is a non-GAAP measure. Refer to the Non-GAAP performance measures section of the MD&A for reconciliation to GAAP measures.

During 2012, Doyon continued to stockpile ore, which will be processed in the refurbished mill in 2013. Doyon did not process ore in 2012 and gold production for the year was a result of clean-up of the mill.

Outlook

The Doyon division includes the Mouska mine and the Westwood mine. The Mouska mine is expected to close at the end of 2013 and the Westwood mine is expected to commence production in the first quarter of 2013. Gold production in 2013 is expected to be between 130,000 and 150,000 ounces. Capital expenditures are expected to be approximately $100 million and includes underground mine development ($45 million), underground mine equipment ($29 million), shaft sinking ($5 million), underground and surface construction ($14 million) and resource delineation and near mine exploration ($7 million).

Cost management initiatives

Cost management focus at Westwood is directed at a number of initiatives to improve underground development productivity. These efforts include greater presence of senior supervisors underground, improvements to the supply chain for work materials to development crews, improved maintenance practices and scheduling additional working faces to provide greater flexibility. Improved underground development productivity will reduce requirements for both additional manpower and equipment going forward, as well as provide opportunities for increased ounce production for the current year and a quicker project ramp up period.

Mali – Sadiola Mine (IAMGOLD interest – 41%)
Summarized Results 41% Basis

	Years ended December 31,		
	2012	**Change**	2011
Total operating material mined (000s t)	**9,703**	**8%**	8,957
Capital waste mined (000s t)	**3,506**	**32%**	2,653
Strip ratio[1]	**10.4**	**4%**	10.0
Ore milled (000s t)	**1,902**	**(4%)**	1,979
Head grade (g/t)	**1.8**	**(5%)**	1.9
Recovery (%)	**89**	**(5%)**	94
Attributable gold production – 41% (000s oz)	**100**	**(17%)**	121
Attributable gold sales – 41% (000s oz)	**101**	**(17%)**	121
Gold revenue ($/oz)[2]	**$1,664**	**6%**	$1,565
Cash cost excluding royalties ($/oz)	**$ 975**	**35%**	$ 722
Royalties ($/oz)	**$ 101**	**7%**	$ 94
Total cash cost ($/oz)[3]	**$1,076**	**32%**	$ 816

1 Strip ratio is calculated as waste divided by ore mined.
2 Gold revenue per ounce is calculated as gold sales divided by ounces of gold sold.
3 Total cash cost per ounce is a non-GAAP measure. Refer to the Non-GAAP performance measures section of the MD&A for reconciliation to GAAP measures.

Attributable gold production for 2012 was 17% lower compared to the prior year driven by lower grades, lower recoveries and lower throughput. Recoveries were lower mainly due to the processing of graphitic ore.

Total cash costs rose sharply compared to the prior year mainly as a result of lower gold production, higher contractor and higher consumable costs. Royalties were higher as a result of higher realized gold prices.

The Company's attributable portion of capital expenditures during 2012 was $49.7 million and consisted of spending on the Sadiola sulphide project ($30.0 million), capitalized stripping ($11.8 million) and various smaller projects ($7.9 million).

Sadiola did not distribute a dividend in 2012 compared to the distribution of a $35.8 million dividend to the Company in 2011.

Cost management initiatives

For 2013, Sadiola will address contractor management to improve mining efficiencies and will improve mill performance to reduce maintenance costs and increase gold production.

Mali – Yatela Mine (IAMGOLD interest – 40%)
Summarized Results 40% Basis

	Years ended December 31,		
	2012	**Change**	2011
Total operating material mined (000s t)	**8,277**	**22%**	6,797
Strip ratio[1]	**12.0**	**54%**	7.8
Ore crushed (000s t)	**1,090**	**(3%)**	1,126
Head grade (g/t)	**1.1**	**10%**	1.0
Attributable gold stacked – 40% (000s oz)	**35**	**(8%)**	38
Attributable gold production – 40% (000s oz)	**29**	**—**	29
Attributable gold sales – 40% (000s oz)	**29**	**—**	29
Gold revenue ($/oz)[2]	**$1,676**	**7%**	$1,571
Cash cost excluding royalties ($/oz)	**$1,238**	**(14%)**	$1,438
Royalties ($/oz)	**$ 99**	**3%**	$ 96
Total cash cost ($/oz)[3]	**$1,337**	**(13%)**	$1,534

1 Strip ratio is calculated as waste divided by ore mined.
2 Gold revenue per ounce is calculated as gold sales divided by ounces of gold sold.
3 Total cash cost per ounce is a non-GAAP measure. Refer to the Non-GAAP performance measures section of the MD&A for reconciliation to GAAP measures.

Attributable gold production in 2012 was similar to the prior year with higher grades offsetting lower ore crushed. Mine production was 22% higher than prior year as Yatela focused on the main pit and the North satellite pit. Waste stripping in the North satellite pit commenced early in 2012 and reached the bottom of the pit by the end of the year leading to improved grades.

Total cash costs in 2012 were lower compared to 2011 due to a beneficial adjustment to the mining contractor rates and the impact of the impairment of inventories during 2012 which have reduced the net cost of gold produced.

There were no significant capital expenditures during 2012 and 2011. Dividends were not distributed in 2012 and 2011.

Cost management initiatives

Cost management for Yatela will be focused on improving the production of gold through accessing additional and/or higher grade ore zones as they are identified. During the end of life mining, Yatela will continue to look for opportunities to leach additional gold from older heaps.

Canada – Niobec Mine (IAMGOLD interest – 100%)
Summarized Results 100% Basis

	Years ended December 31,		
	2012	**Change**	2011
Total operating material mined (000s t)	**2,155**	**3%**	2,087
Ore milled (000s t)	**2,195**	**4%**	2,113
Grade (% Nb_2O_5)	**0.55**	**(4%)**	0.57
Niobium production (millions of kg Nb)	**4.7**	**2%**	4.6
Niobium sales (millions of kg Nb)	**4.7**	**2%**	4.6
Operating margin ($/kg Nb) [1]	**$ 15**	**—**	$ 15

[1] Operating margin per kilogram of niobium at the Niobec mine is a non-GAAP measure. Refer to the Non-GAAP performance measures section of the MD&A for reconciliation to GAAP measures.

Niobium production in 2012 was slightly higher than the prior year as higher throughput was mostly offset by lower Nb_2O_5 ore grades.

Niobium revenues increased to $190.5 million in 2012 compared to $177.8 million in the prior year due to higher realized niobium prices and higher sales volumes. The operating margin in 2012 remained unchanged compared to the prior year as higher realized niobium prices were offset by higher labour and consumable costs.

In 2012, capital expenditures were $75.7 million and included underground development ($16.6 million), additional hoisting capacity ($9.4 million), expansion feasibility study ($9.6 million), pipeline project for additional water ($2.3 million), relocation of the leaching and the filter band ($1.9 million), mill expansion ($6.0 million), mining equipment ($7.6 million), office expansion ($2.7 million), capital spares ($2.2 million) and various other projects ($17.4 million).

Outlook

The Niobec mine's production for 2013 is expected to be between 4.7 million kilograms and 5.1 million kilograms with an operating margin ranging between $15 and $17 per kilogram. Capital expenditures are expected to be $80 million and include:

- completion of the expansion feasibility study, land acquisitions and mine development associated with the expansion ($49 million),
- underground mine development ($9 million),
- completion of the mill expansion to reach a throughout rate of 285 tonnes per hour ($4 million),
- completion of an underground garage ($3 million), and
- other sustaining capital ($15 million).

The timing of further capital spending related to the Niobec expansion project will be aligned with the advancement of permitting and the completion of the feasibility study in the third quarter of 2013.

Cost management initiatives

For 2013, Niobec is focusing on improving underground development productivity and blasting efficiency. Improved stability of ore quality fed to the mill is providing improved metallurgical performance. In the converter, the operation is introducing larger melting vessels to improve overall productivity and reduce costs. Additionally, the mine is exploring the possibility of monetizing some by-products that could provide additional revenues beyond ferroniobium sales.

DEVELOPMENT AND EXPANSION PROJECTS

($ millions)	Years ended December 31, 2012	2011
North America		
Canada – Westwood project	**$ 179.4**	$ 124.3
Canada – Niobec expansion feasibility study	**9.6**	—
Africa		
Burkina Faso – Essakane expansion	**144.4**	—
Mali – Sadiola sulphide project (41%)	**30.0**	3.7
South America		
Ecuador – Quimsacocha project	**1.6**	3.0
Capitalized Development and Expansion Expenditures	**$ 365.0**	$ 131.0

In 2012, the Company's total development and expansion project expenditures were $365.0 million. As expected, expenditures for the Essakane expansion ramped up as permits were granted and fiscal terms were confirmed. The Company is monitoring the situation and is ready to move forward, when appropriate.

CANADA – WESTWOOD PROJECT

The Westwood processing facility is on track to begin gold production by the end of March 2013. The Westwood project expenditures in 2012 of $179.4 million consisted of significant infrastructure preparation and construction, including the cyanide destruction plant, paste fill plant and mill refurbishing. The new waste water treatment plant is now operational. The sewage and potable water network is complete. Completion of the infill and step-out drilling program as mining continued in the Warrenmac zone for stockpiling ahead of the 2013 start-up. During 2012, shaft sinking reached a depth of 1,931 metres. Shaft sinking was completed in January 2013 to a depth of 1,958 metres. Underground development work in 2012 totaled 14,017 metres of lateral and vertical excavation.

In October 2012, the union membership ratified a six-year contract effective from December 1, 2011.

CANADA – NIOBEC EXPANSION FEASIBILITY STUDY

Based on the pre-feasibility study completed in early 2012, the Company is proceeding with a feasibility study using the block caving mining method. The completion of the feasibility study is expected by the third quarter 2013 and the permitting process should be finalized by 2014. An 'Environment, Social, Impact and Assessment study' has been provided to the Quebec provincial authority in December 2012.

BURKINA FASO – ESSAKANE EXPANSION PROJECT

The construction of the plant expansion to double hard rock processing capacity was started in July 2012. This followed a favourable outcome to negotiations with the Government of Burkina Faso on fiscal terms related to the mine expansion, including the reduction of the import duty on expansion related materials from 7.5% to 2.5%. Engineering and construction is well underway and meeting targets on both cost and schedule. Completion of the construction project is expected by the end of 2013.

MALI – SADIOLA SULPHIDE PROJECT

In Mali, the Company is reassessing its strategy with respect to its joint venture operations with AngloGold Ashanti. Until such time as an agreement is reached on how to proceed with the sulphide expansion project the Company is freezing capital expenditures related to the expansion. The expansion project is necessary to accommodate hard rock processing, as the existing mill was not designed to do so. While production at the joint venture operations was not disrupted by the conflict in Mali, the Company has reduced its exploration activity in more remote regions of the country.

SURINAME – ROSEBEL EXPANSION

Further capacity expansion to address the increasing ore hardness will depend on the outcome of the feasibility study to be completed at the end of the first quarter 2013. On November 26, the President of Suriname announced that an agreement had been reached with IAMGOLD with respect to a joint venture that would target satellite resources beyond the current concession, with attractively priced power. Final approval by the National Assembly of the Republic of Suriname is expected in the near future.

EXPLORATION

IAMGOLD was active at 20 mine, near-mine, development and greenfield exploration projects in eight countries located in West Africa and North and South America for the year ended December 31, 2012.

In 2012, exploration expenditures totaled $152.3 million, of which $112.7 million was expensed and $39.6 million was capitalized. The increase of $43.7 million in total exploration expenditures compared to 2011 is due to a larger exploration program and the acquisition of the Côté Gold Project during the year. Drilling activities from projects totaled approximately 681,500 metres for the year.

($ millions)	Years ended December 31,		
	2012	**Change**	2011
Near-mine exploration and evaluation	**$ 47.2**	**(11%)**	$ 53.3
Greenfield exploration projects	**105.1**	**90%**	55.3
Total	**$152.3**	**40%**	$108.6

OUTLOOK – 2013 EXPLORATION

The following table represents the current outlook for exploration expenditures for 2013:

($ millions)	Capitalized	Expensed	Total
Near-mine exploration and evaluation	$ 35.6	$ 3.8	$ 39.4
Corporate exploration projects - greenfield	1.0	51.4	52.4
Corporate exploration projects - brownfield	1.2	23.3	24.5
Total exploration projects	$ 37.8	$ 78.5	$116.3
Scoping and feasibility studies	0.1	25.8	25.9
Total	$ 37.9	$ 104.3	$142.2

The outlook for 2013 exploration expenditures is lower by $10.1 million compared to 2012 full year exploration spend due to reduced exploration activities in West Africa compared to 2012, partially offset by increased programs in Brazil, Colombia and ongoing exploration and feasibility work at the Côté Gold project of $23.8 million. The Company also plans to carry out mine site resource development programs at Rosebel, Essakane, Niobec and Westwood. Approximately 458,000 metres of reverse circulation and diamond drilling is planned for 2013.

MINE SITE AND NEAR MINE EXPLORATION PROGRAMS

In 2012, IAMGOLD mine and regional exploration teams conducted near-mine exploration and resource development at Essakane, Rosebel, Westwood, Mouska and Niobec.

ESSAKANE, BURKINA FASO

Approximately 163,500 metres of diamond and reverse circulation drilling was completed during the year on the mine lease and surrounding exploration concessions, including over 58,700 metres directed towards resource delineation and development. On the mine lease, drilling targeted areas of inferred resources within the Essakane Main Zone (“EMZ”) at depth within or slightly below the feasibility study expansion pit design as well as potential extensions of the EMZ to the north beyond the current life of mine pit. Results have been incorporated into the year-end resource and reserve model. Drilling was completed to evaluate the potential for near surface oxide resources several kilometres along the mine trend to the southeast of the EMZ pit for which results are pending.

Elsewhere, drilling was completed to infill historical drilling, advance resource studies and explore for possible extensions or adjacent zones of mineralization at the Falagountou satellite deposit and along the 10 kilometre long Gossey – Korizena mineralized trend. Integration and interpretation of these results is in progress.

ROSEBEL, SURINAME

Over 116,250 metres of diamond drilling was completed on the Rosebel mine lease and surrounding mineral concessions during the year, including approximately 80,400 metres focussed on resource drilling and over 23,600 metres directed towards geotechnical and condemnation drilling programs. Resource drilling has increased the confidence in the existing resource inventory and targeted resource expansions at the J-Zone, Koolhoven, West Pay Caro, Mayo, Roma and Overman deposits. Results have been incorporated into an updated resource and reserve estimate as part of the Company's annual year-end resource and reserve statement. Exploration drilling, geological mapping and geochemical sampling programs continued elsewhere on the property, including a mechanical auger drill program over domains of thick alluvium that cover projected extensions of the Rosebel district mineralized trends.

WESTWOOD, QUEBEC, CANADA

Nearly 84,300 metres of underground diamond drilling was completed during the year. The program continued to target additional inferred resources and upgrade existing mineral resources to indicated categories in tandem with on-going underground development and construction of surface installations. In the fourth quarter 2012, the program was focussed on infill delineation drilling to confirm continuity of identified mineralization zones between levels 36 and 104, and resource expansion drilling, principally below level 132. As part of ongoing development work, the exploration ramp and underground drifts were extended by nearly 3.6 kilometres during the fourth quarter to improve underground access for future definition drilling in the upper parts of the deposit.

MOUSKA, QUEBEC, CANADA

Approximately 30,200 metres of underground drilling was completed during the year. The program delineated resource blocks scheduled for mining and also tested a number of areas to evaluate the potential for additional resources. A decision, however, was made in the third quarter 2012 to cease production at Mouska at the end of 2013.

NIOBEC, QUEBEC, CANADA

Over 59,200 metres of underground diamond drilling and just over 1,800 metres of condemnation and geotechnical drilling were completed as part of a resource delineation and expansion program that has been designed to expand and convert resources to reserves, and underpin a five-year transition strategy toward the planned expansion of the operation. Drill results have been incorporated in the Company's annual year-end resource and reserve statement. A metallurgical test work program to confirm recoveries for use in the resource estimation has been ongoing throughout the year.

GREENFIELD EXPLORATION PROJECTS

In addition to the mine site and near mine exploration programs described above, in 2012, the Company was active on fifteen early stage to advanced greenfield exploration projects.

CÔTÉ GOLD PROJECT, ONTARIO, CANADA

At the end of the fourth quarter 2012, approximately 67,900 metres of diamond drilling had been completed on the Côté Gold project since it was acquired on June 21, 2012. The primary objective of the drill program has been to upgrade a significant portion of the inferred resources to an indicated category for use in a pre-feasibility study as well as to continue to explore the extents of the deposit in order to expand the resource. On January 22, 2013, the Company reported an updated National Instrument 43-101, "Standards of Disclosure for Mineral Projects" ("NI 43-101") compliant resource estimate for the Côté Gold deposit stating indicated resources of 269 million tonnes averaging 0.88 grams of gold per tonne for 7.61 million ounces and an Inferred Resource of 44 million tonnes averaging 0.74 grams of gold per tonne for 1.04 million ounces. The updated resource estimate, based on a cut-off grade of 0.30 grams of gold per tonne, represents a 114% increase in Indicated Resources from the previous estimate, also based on a cut-off grade of 0.30 grams of gold per tonne. The updated Côté Gold resource estimate benefited from the infill drilling that substantially upgraded the quality of the estimate through conversion of inferred resources to indicated resources. Resource delineation drilling is planned to continue into the first quarter 2013, to complete infill drilling in areas that are better accessed under winter freeze conditions.

KALANA JOINT VENTURE, MALI

Over 67,000 metres of diamond and reverse circulation drilling was completed on the Kalana project during the year. The primary objective of the 2012 program was to develop a drill hole supported geological model of the Kalana deposit to be used to complete an NI 43-101 compliant mineral resource estimate. Under the terms of the Kalana Option Agreement, the Company must complete an updated resource estimate for the project which establishes a resource containing a minimum of 2 million ounces of gold, as a partial vesting requirement. At December 31, 2012, a preliminary estimate had been completed and is currently under appraisal. An extension of the Option Agreement to February 28, 2013 was agreed by the parties to facilitate the evaluation process.

BOTO, SENEGAL

Based on encouraging initial results, exploration drilling on the Boto project was expanded to total nearly 14,300 metres during the year. Drilling intersected wide zones of mineralized, variably altered and brecciated meta-sedimentary lithologies at the Boto 2, 4 and 6 prospects. Drill core assay results confirmed wide intersections of associated gold mineralization. Further drilling to extend the mineralized zones is planned and a mineral resource estimate will be completed in the first half 2013.

PITANGUI, BRAZIL

Approximately 7,750 metres of diamond drilling was completed during the year after the drilling program was expanded to further explore newly discovered Banded Iron Formation hosted gold mineralization. Drilling has intersected mineralization and favourable host stratigraphy over a minimum 700-metre strike length. To assist targeting in future drilling programs, additional surveys have been completed including a 2,504 line kilometre heliborne magnetic and radiometric survey, a borehole electromagnetic geophysical survey of selected drill holes and soil geochemical sampling surveys over prioritized target areas.

REE PROJECT, QUEBEC, CANADA

On February 2, 2012, the Company reported NI 43-101 compliant inferred resources totaling 466.9 million tonnes grading 1.65% Total Rare Earth Oxides ("TREO") on its wholly owned Rare Earth Element ("REE") deposit to an approximate depth of 375 metres.

During 2012, 23,800 metres of diamond drilling was completed to determine the potential limits of the deposit and complete a resource delineation program on 100 x 100 metre drill centres and to an average vertical depth of 700 metres. The purpose of the delineation program was to upgrade and expand the mineral resources in preparation for a pre-feasibility study of the REE deposit. On February 20, 2013, the Company announced the results of an updated resource estimate incorporating the results of the 2012 drilling campaign. The updated estimate has resulted in a significant conversion of inferred resources to an indicated category. Total indicated resources are estimated at 531 million tonnes at an average grade of 1.64% TREO representing 8.7 billion kilograms of contained TREO. An additional 527 million tonnes of inferred resources at an average grade of 1.83% TREO representing 9.7 billion kilograms of contained TREO have also been delineated. The 2012 drilling campaign included two deep holes which confirmed the presence of REE bearing host breccias to a vertical depth of 1,250 metres. As part of planned evaluation studies, a 1,300 metre exploration drift extending from the nearby Niobec mine to the REE deposit was initiated, with nearly 900 metres completed by year end. The drift is expected to be completed in early 2013 and will allow for the collection of a bulk sample to support planned metallurgical studies and provide access for future underground drilling programs.

QUARTERLY FINANCIAL REVIEW

($ millions, except where noted)	2012				2011			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenues from continuing operations	**$468.4**	**$386.8**	**$410.6**	**$404.2**	$481.6	$431.9	$345.7	$414.0
Net earnings from continuing operations	**$ 94.6**	**$ 86.7**	**$ 60.9**	**$129.0**	$145.8	$ 60.0	$ 80.1	$142.1
Net earnings	**$ 94.6**	**$ 86.7**	**$ 60.9**	**$129.0**	$145.8	$ 50.7	$484.5	$162.3
Net earnings attributable to equity holders of IAMGOLD	**$ 84.6**	**$ 78.0**	**$ 52.9**	**$119.2**	$133.6	$ 40.7	$478.9	$153.4
Basic earnings attributable to equity holders of IAMGOLD per share ($/share)	**$ 0.22**	**$ 0.21**	**$ 0.14**	**$ 0.32**	$ 0.36	$ 0.11	$ 1.28	$ 0.41
Diluted earnings attributable to equity holders of IAMGOLD per share ($/share)	**$ 0.22**	**$ 0.21**	**$ 0.14**	**$ 0.32**	$ 0.35	$ 0.11	$ 1.27	$ 0.41

The fourth quarter 2012 is the twelfth consecutive quarter of positive net earnings for the Company.

FINANCIAL CONDITION

LIQUIDITY AND CAPITAL RESOURCES

The Company ended 2012 with $1,036.8 million in cash, cash equivalents and gold bullion at market value.

Working capital[1] as at December 31, 2012 was $1,028.0 million, down $143.0 million compared to December 31, 2011 due to lower current assets ($145.0 million), partially offset by lower current liabilities ($2.0 million).

Current assets were mainly down due to less cash and cash equivalents of $238.1 million resulting mainly from the acquisition of the Côté Gold project ($485.7 million), capital expenditures related to mining assets and exploration and evaluation assets ($700.5 million), the payment of dividends ($106.9 million) and acquisitions of investments ($49.7 million), offset partially by cash generated from the issuance of senior unsecured notes ($650.0 million) and operating activities ($441.0 million).

Working Capital[1]		**December 31, 2012**	December 31, 2011
Working capital[1]	($ millions)	**$ 1,028.0**	$ 1,171.0
Current working capital ratio[2]		**3.8**	4.1

[1] Working capital is defined as current assets less current liabilities and excludes non-current stockpiles.
[2] Current working capital ratio is defined as current assets divided by current liabilities.

As at December 31, 2012, no funds were drawn against the Company's $750.0 million total unsecured revolving credit facilities. At December 31, 2012, the Company has committed $69.5 million of its $75.0 million letters of credit facility for the guarantee of certain asset retirement obligations.

Gold Bullion		**December 31, 2012**	December 31, 2011
Ounces held	(oz)	**134,737**	134,636
Weighted average acquisition cost	($/oz)	**$ 720**	$ 719
Acquisition cost	($ millions)	**$ 96.9**	$ 96.8
End of year spot price for gold	($/oz)	**$ 1,658**	$ 1,566
End of year market value	($ millions)	**$ 223.3**	$ 210.9

CONTRACTUAL OBLIGATIONS

Contractual obligations at December 31, 2012 were $1,249.0 million, an increase of $1,032.1 million compared to December 31, 2011, mainly due to the issuance of 6.75% senior unsecured notes in the third quarter 2012. These obligations will be met through available cash resources and operating cash flows.

Contractual and other key obligations are presented in tabular form below.

At December 31, 2012 ($ millions)	Total	Less than 1 Year	2–3 Years	4–5 Years	After 5 Years
Long-term debt	$1,002.4	$ 45.2	$ 87.8	$ 87.8	$ 781.6
Contracted capital expenditures	101.7	101.5	0.2	—	—
Purchase obligations	136.3	123.0	8.3	4.7	0.3
Operating leases	8.6	3.5	4.5	0.6	—
Total contractual obligations	1,249.0	273.2	100.8	93.1	781.9
Asset retirement obligations[(a)]	276.5	7.5	17.1	12.7	239.2
Termination benefits[(a)]	2.7	1.5	1.2	—	—
Total obligations	$1,528.2	$ 282.2	$ 119.1	$ 105.8	$1,021.1

(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 34 of the Company's 2012 annual consolidated financial statements.

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

Investments in marketable securities are classified as available-for-sale financial assets and are recorded at fair value. Marketable securities expected to be sold within the next 12 months are recorded in receivables and other current assets and the remainder are recorded in other non-current assets on the consolidated balance sheet.

During the year, the Company reviewed its marketable securities for objective evidence of impairment and determined that an impairment charge of $24.1 million was required, which $17.6 million was transferred from other comprehensive income to interest income, derivatives and other investment gains / (losses).

SUMMARY OF OUTSTANDING DERIVATIVE CONTRACTS

In 2012, the Company had entered into derivative contracts to limit the impact of fluctuations as a result of significant volatility in global markets by hedging a portion of its expected consumption of Canadian dollars, Euros, oil and aluminum.

At December 31, 2012, the Company's outstanding derivative contracts were as follows:

Contracts	2013
Foreign Currency	
Canadian dollar contracts (millions of $C)	420.0
Forward weighted average rate (C$/$)	C$1.0369/$
Option exercise rate range (C$/$)	C$1.0000 – C$1.0725/$
Hedge ratio[1]	68%
Euro contracts (millions of €)	108.0
Forward weighted average rate ($/ €)	$1.2500/€
Option exercise rate range ($/ €)	$1.1841– $1.2800/€
Hedge ratio[1]	33%
Commodities	
Crude oil option contracts (barrels)	591,000
Exercise price range ($/barrel of crude oil)	$75 - $95
Hedge ratio[1]	43%
Aluminum swap contracts (metric tonnes)	2,100
Swap weighted average hedge price ($/metric tonne)	$2,146
Hedge ratio[1]	45%

Hedge ratio is calculated by dividing the amount (in foreign currency or commodity units) of outstanding derivative contracts by total foreign exchange and commodity exposures.

CURRENCY EXCHANGE RATE RISK

The Company's objective is to hedge its exposure to Canadian dollars and Euros resulting from operating and capital expenditures requirements at the Niobec and Essakane mines, the Westwood project and corporate costs.

OIL OPTION 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 and diesel.

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.

For further information regarding risks associated with financial instruments please refer to note 19 of the Company's 2012 annual consolidated financial statements.

SHAREHOLDERS' EQUITY

In June 2012, the Company declared a semi-annual dividend in the amount of $0.125 per share which was paid in July 2012 totaling $47.0 million. In December 2012, the Company declared a semi-annual dividend in the amount of $0.125 per share which was paid in January 2013 totaling $47.1 million.

Number issued and outstanding	December 31, 2012	February 19, 2013
Shares	**376,536,950**	376,561,054
Share options	**4,159,150**	4,137,244

CASH FLOW

($ millions)	Years ended December 31, 2012	2011
Continuing operations		
• Operating activities	**$ 441.0**	$ 592.8
• Investing activities	**(1,213.3)**	247.2
• Financing activities	**529.1**	(28.2)
• Impact of foreign exchange on cash and cash equivalents	**5.1**	(11.4)
Increase (decrease) in cash and cash equivalents from continuing operations	**(238.1)**	800.4
Cash flows used in discontinued operations	**—**	(19.6)
Increase (decrease) in cash and cash equivalents	**(238.1)**	780.8
Cash and cash equivalents, beginning of year	**1,051.6**	270.8
Cash and cash equivalents, end of year	**813.5**	1,051.6

OPERATING ACTIVITIES

Cash flows from continuing operating activities were lower than the prior year by $151.8 million. The decrease mainly relates to higher mine operating costs ($49.2 million) resulting from lower gold grades and harder ore being processed, higher exploration expenses ($39.4 million) as noted previously, as well as higher income taxes paid ($73.5 million).

INVESTING ACTIVITIES

Cash flows utilized for investing activities in 2012 are mainly the result of capital expenditures related to mining assets and exploration and evaluation assets ($700.5 million) which was higher than the prior year given the ramp up of Westwood and the Essakane expansion project. In addition, the Company completed the acquisition of the Côté Gold project for cash on June 21, 2012 ($485.7 million).

FINANCING ACTIVITIES

Cash flows generated from investing activities in 2012 were higher than the prior year mainly as a result of the issuance of senior unsecured notes for gross proceeds of $650.0 million, partially offset by dividends paid.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

DISCLOSURE CONTROLS AND PROCEDURES

The Company's disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is communicated to senior management, to allow timely decisions regarding required disclosure. An evaluation of the effectiveness of the Company's disclosure controls and procedures, as defined under the rules of the Canadian Securities Administration, was conducted as of December 31, 2012 under the supervision of the Company's Disclosure Committee and with the participation of management. Based on the results of that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective as of the end of the period covered by this report in providing reasonable assurance that the information required to be disclosed in the Company's annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported in accordance with securities legislation.

Since the December 31, 2012 evaluation, there have been no adverse changes to the Company's controls and procedures and their design remains effective.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of the Company's financial reporting and the preparation of financial statements in compliance with IFRS. The Company's internal control over financial reporting includes policies and procedures that:

- pertain to the maintenance of records that accurately and fairly reflect the transactions of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS;
- ensure the Company's receipts and expenditures are made only in accordance with authorization of management and the Company's directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized transactions that could have a material effect on the annual or interim financial statements.

An evaluation of the effectiveness of the Company's internal control over financial reporting was conducted as of December 31, 2012 by the Company's management, including the Chief Executive Officer and Chief Financial Officer. Based on this evaluation, management has concluded that the Company's internal controls over financial reporting were effective.

The acquisition of Trelawney - Côté Gold project on June 21, 2012, as described in Note 5 of the audited consolidated annual financial statements, did not significantly impact the design of internal controls over financial reporting and disclosure. There were no further changes in the Company's business activities during the period.

LIMITATIONS OF CONTROLS AND PROCEDURES

The Company's management, including the Chief Executive Officer and Chief Financial Officer 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") as issued by the International Accounting Standards Board ("IASB"). The significant accounting policies for the purposes of IFRS are described in note 3 of the Company's annual consolidated financial statements.

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgments, 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 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. For more details, also refer to the Operation risks section of this MD&A. 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).

	2012	2011
Weighted average gold price used for:		
Gold reserves ($/oz)	**1,263**[1]	1,126[3]
Gold resources ($/oz)	**1,584**[2]	1,362[4]
Niobium sale price		
Niobium reserves ($/kg Nb)	**45.00**	45.00
Niobium measured and indicated resources ($/kg Nb)	**45.00**	45.00
Niobium inferred resources ($/kg Nb)	**45.00**	45.00
Foreign exchange rate (C$/US$):		
Reserves	**1.05**	1.05
Measured and indicated resources	**1.05**	1.05
Inferred resources	**1.05**	1.05

1. Mineral reserves have been estimated at December 31, 2012, using a gold price of $1,400 per ounce for Mouska, Westwood and Essakane mines, $1,185 per ounce for the Sadiola mine, $1,300 per ounce for the Yatela mine and $1,200 per ounce for the Rosebel mine.
2. Mineral resources have been estimated at December 31, 2012, using a gold price of $1,600 per ounce for Doyon division with a foreign exchange rate of 1.05C$/U.S.$, and Essakane mine, $2,000 per ounce for the Sadiola mine, $1,400 per ounce for the Rosebel 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.
3. Mineral reserves have been estimated at December 31, 2011 using a gold price of $1,200 per ounce for Rosebel and Essakane mines, $1,200 per ounce for the Mouska mine, $1,100 per ounce for the Sadiola mine and $1,300 per ounce for Yatela mine. Mineral reserves for the Quimsacocha project were estimated in July 2008 using $750 per ounce.
4. Mineral resources have been estimated at December 31, 2011 using a gold price of $1,400 per ounce for Rosebel, Essakane, Mouska and Doyon mines, $1,300 per ounce for the Yatela mine and $1,600 per ounce for the Sadiola 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.

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

Mining assets, royalty interests and any fair value increment related to the original acquisition of investments in associates are amortized over the estimated economic life of the asset. 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 expected economic conversions of resources to reserves, upon a business combination or an asset acquisition, are not amortized until the related resources are converted into reserves.

In the estimation of the units of production, the nature of the ore body and the method of mining the ore body are taken into consideration. Changes in the mineral reserves estimate will result in changes to the depreciation charges over the remaining life of the operation.

VALUATION OF NON-FINANCIAL ASSETS (GOODWILL AND LONG-LIVED ASSETS)

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. In addition, 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 expected economic conversions of resources to reserves. The excess of the purchase price over the fair value of net assets acquired is recorded as goodwill.

In accordance with IFRS 3, Business Combinations, a business combination is a transaction in which an acquirer obtains control of a business which is defined as an integrated set of activities and assets that is capable of being conducted and managed to provide a return to investors. For an integrated set of activities and assets to be considered a business, the set needs to contain inputs, and processes. Based on management's judgment, the Trelawney acquisition does not meet the definition of a business combination as the primary asset (Côté Gold project) is an exploration stage property. Consequently, the transaction has been recorded as an acquisition of an asset.

The determination of fair value requires management to make assumptions and estimates about future events. The Company sometimes 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. 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.

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.

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 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, aluminium 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 based on forward rates considering the market price, rate of interest and volatility and take 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.

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.

Other elements of uncertainty in estimating these costs include potential changes in regulatory requirements and in the methods of remediation.

INCOME TAXES

Current income 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 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 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 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 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 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. Uncertainty exists for the evaluation of provisions and contingent liabilities. Provisions are recognized as liabilities where the Company has a present obligation (legal or constructive) as a result of a past event (an obligating event), a reliable estimate can be made of the amount of the obligation, and it is probable that an outflow of resources will be required to settle the obligation.

Where it is not more likely that a present obligation exists at the end of the reporting period, the Company discloses a contingent liability, unless the possibility of an outflow of resources embodying economic benefits is remote. The Company does not recognize contingent liabilities in its consolidated financial statements. Should, however, an obligation in a later period be deemed to be probable, then a provision shall be recognized, impacting the consolidated financial statements.

NOTES TO INVESTORS REGARDING THE USE OF RESOURCES

CAUTIONARY NOTE TO INVESTORS CONCERNING ESTIMATES OF MEASURED AND INDICATED RESOURCES

This report uses the terms “measured resources” and “indicated resources”. We advise investors that while those terms are recognized and required by Canadian regulations, the United States Securities and Exchange Commission (“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 report 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 report, 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.

A pre-feasibility study is a comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on mining, processing, metallurgical, economic, marketing, legal, environmental, social and governmental considerations and the evaluation of any other relevant factors which are sufficient for a qualified person, acting reasonably, to determine if all or part of the Mineral Resource may be classified as a Mineral Reserve.

GOLD, NIOBIUM AND TREO 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 and reserve estimates for IAMGOLD Corporation is Réjean Sirois, Eng., Vice President, Geology & Resources for G Mining Services Inc. Réjean worked for 25 years with IAMGOLD Corporation and has an excellent knowledge of all the operations and projects. He 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.

FUTURE ACCOUNTING POLICIES

The following new standards, and amendment to standards and interpretations, were not yet effective for the year ended December 31, 2012, and have not been applied in preparing these consolidated financial statements. These are summarized 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.

IFRS 10 – Consolidated financial statements

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. This standard retains the concept that a company should consolidate all entities that it controls, and provides for a new definition of control. In accordance with IFRS 10, an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Company is in the process of evaluating its investments.

IFRS 11 – Joint arrangements, and IAS 28 – Amended standard on associates and joint ventures

The IASB replaced the existing guidance for joint ventures (now 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 and, joint operations will be accounted for in a manner similar to proportionate consolidation.

The Company reviewed its joint arrangements and has concluded that Sadiola and Yatela will be considered joint ventures for accounting purposes. Consequently, IAMGOLD will account for its interest in Sadiola and Yatela using the equity method instead of proportionate consolidation effective January 1, 2013. Retrospective adjustments will be applied starting in 2013 at the beginning of the earliest period presented, January 1, 2012.

IFRS 12 – Disclosure of interests in other entities

IFRS 12 replaces the existing disclosure requirements for entities that have interests in subsidiaries, joint arrangements, and associates, and also contains disclosure requirements for entities that have interests in unconsolidated structured entities. IFRS 12 will be effective January 1, 2013. The Company will expand disclosure regarding interest in other entities, such as information to enable users to evaluate the nature of, and risks associated with, the Company's interests in other entities, and the effects of those interests on its consolidated balance sheet, financial performance and cash flows. In addition to financial information related to its interests in other entities, disclosure will include significant judgments and assumptions the Company has made in determining that it has control of another entity, that it has joint control of an arrangement or significant influence over another entity, and the type of joint arrangement when the arrangement has been structured through a separate vehicle, if any.

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 fair 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.

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 in situations where the following 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. Based on its review, IAMGOLD does not believe there will be any impact on its consolidated financial statements upon the adoption of IFRIC 20.

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.

IAMGOLD's vision challenges it to generate superior value for its stakeholders through accountable mining. The Company's business activities expose it to significant risks due to the nature of mining, exploration and development activities. The ability to manage these risks is a key component of the Company's business strategy and is supported by a risk management culture and an effective enterprise risk management (ERM) approach.

These practices ensure management is forward looking in its assessment of risks. Identification of key risks occurs in the course of business activities, pursuing approved strategies and as part of the execution of risk oversight responsibilities at the Management and Board level.

The Company's view of risks is not static. An important component of its ERM approach is to ensure that key risks which are evolving or emerging risks are appropriately identified, managed, and incorporated into existing ERM assessment, measurement, monitoring and reporting processes.

The following is a summary of the key risks that the Company is facing.

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 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 oil, 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 of this MD&A.

IMPAIRMENT ASSESSMENT

The Company conducts annual impairment assessments, which are typically performed at December 31, of the values of goodwill and non-current assets, including mining assets, exploration and evaluation assets and royalty interests. If the carrying amount of the asset or group of assets being tested is greater than its recoverable amount, an impairment loss is recorded in the given period.

The recoverable amount is determined based on the present value of estimated future cash flows from each long-lived asset, group of assets or cash generating units ("CGUs"), which are calculated based on numerous assumptions such as proven and probable reserves, resources when appropriate, estimates of real discount rates, net asset value multipliers, realizable metal prices, operating costs, capital and site restoration costs and estimated future foreign exchange and inflation rates, as defined under IFRS. 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 CGUs experiences a decline in its fair value, then this may result in an impairment charge in future periods, reducing the Company's earnings.

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 and Euros, and its expected consumption of oil and aluminum. For more details, also refer to the Financial Position section 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 its 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/amend or renew its senior 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 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 IAMGOLD management on an annual basis, and may be updated throughout the year with appropriate approval. The limits are set to minimize the concentration of risks and therefore mitigate the potential for financial loss resulting from counterparty failure.

No material exposure is considered to exist by virtue of the possible non–performance of the counterparties to financial instruments.

INDEBTNESS AND FULFILLING OBLIGATIONS UNDER THE TERMS OF INDEBTNESS

Following the offering of the Company's $650.0 million senior unsecured notes in September 2012, the Company will have a significant amount of indebtedness.

Specifically, the high level of indebtedness could have important consequences to the holders of the notes and other stakeholders, including: making it more difficult to satisfy obligations with respect to the notes and other debt; limiting the ability to obtain additional financing to fund future working capital, capital expenditures, acquisitions or other general corporate requirements, or requiring the Company to make non-strategic divestitures; requiring a substantial portion of cash flows to be dedicated to debt service payments instead of other purposes, thereby reducing the amount of cash flows available for working capital, capital expenditures, acquisitions and other general corporate purposes; increasing the vulnerability to general adverse economic and industry conditions; exposing the Company to the risk of increased interest rates as borrowings under the senior credit facility at variable rates of interest; limiting the flexibility in planning for and reacting to changes in the industry in which the Company competes; placing the Company at a disadvantage compared to other, less leveraged competitors who may be able to take advantage of opportunities that the Company's indebtedness would prevent it from doing so; and increasing the cost of borrowing.

In addition, the Senior Credit Facility and the indenture governing the notes contain restrictive covenants that limit the Company's ability to engage in activities that may be in its long-term best interest. The Company's failure to comply with those covenants could result in an event of default which, if not cured or waived, could result in the acceleration of all its debt.

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.

INTERNAL CONTROLS OVER FINANCIAL REPORTING MAY NOT DETECT ALL FAILURES

The Company documented and tested, during its 2012 fiscal year, its internal control procedures in order to satisfy the requirements of Section 404 of Sarbanes-Oxley ("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. 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.

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.

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 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 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. 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. 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 ore bodies, 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 expansions, 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 ore bodies 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, integration of technologies and personnel 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 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.

JOINT VENTURE OPERATIONS

The Company has joint ventures with other mining companies which 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.

EVOLVING CORPORATE GOVERNANCE REGULATIONS

The Company is subject to changing rules and regulations promulgated by a number of United States and Canadian governmental and self-regulated organizations, including the SEC, the Canadian Securities Administrators, the New York Stock Exchange, the Toronto Stock Exchange, and the International Accounting Standards Board. These rules and regulations continue to evolve in scope and complexity and many new requirements have been created in response to laws enacted by the United States Congress, making compliance more difficult and uncertain. The result of increased compliance is potentially higher general and administration expenses and a diversion of management time and attention from revenue-generating activities to compliance activities.

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.

NON-GAAP[1] PERFORMANCE MEASURES

ADJUSTED NET EARNINGS FROM CONTINUING OPERATIONS ATTRIBUTABLE TO EQUITY HOLDERS

Adjusted net earnings from continuing operations attributable to equity holders of IAMGOLD and adjusted net earnings from continuing operations attributable to equity holders of IAMGOLD 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 holders of IAMGOLD and adjusted net earnings from continuing operations attributable to equity holders 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 holders represent net earnings from continuing operations attributable to equity holders excluding certain impacts, net of tax, such as changes in asset retirement obligations at closed sites, unrealized derivative gain or loss, gain/loss on sale of marketable securities and assets, impairment of marketable securities, foreign exchange gain or loss, as well as the impact of significant change in tax laws for mining taxes, and unrealized gain/loss on foreign exchange translation of deferred income tax liabilities. These measures are not necessarily indicative of net earnings or cash flows as determined under IFRS.

[1] GAAP – Generally accepted accounting principles.

The following table provides a reconciliation of net earnings from continuing operations attributable to equity holders of IAMGOLD as per the audited consolidated annual statement of earnings, to adjusted net earnings from continuing operations attributable to equity holders of IAMGOLD.

($ millions, except for number of shares and per share amounts)	Years ended December 31, 2012	2011
Earnings from continuing operations before income taxes and non-controlling interests	**$ 570.6**	$ 649.0
Adjusted items:		
• Interest expense on senior unsecured notes	**11.2**	—
• Foreign exchange losses / (gains)	**(10.7)**	8.1
• Unrealized losses / (gains) on derivative instruments	**(16.2)**	2.2
• Gains on sale of marketable securities	**(25.5)**	(8.9)
• Impairment of marketable securities	**24.1**	1.6
• Losses / (gains) on sale of assets	**0.8**	(25.1)
• Changes in estimates of asset retirement obligations at closed sites	**5.3**	23.0
	(11.0)	0.9
Adjusted earnings from continuing operations before income taxes and non-controlling interests	**$ 559.6**	$ 649.9
• Income tax expenses	**(199.4)**	(221.0)
• Tax impact of adjusted items	**(6.8)**	13.5
• Non-controlling interests	**(36.5)**	(36.7)
Adjusted net earnings from continuing operations attributable to equity holders of IAMGOLD	**$ 316.9**	$ 405.7
Basic weighted average number of common shares outstanding (in millions)	**376.2**	374.9
Basic adjusted net earnings from continuing operations attributable to equity holders of IAMGOLD per share ($/share)	**$ 0.84**	$ 1.08

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:

($ millions, except for number of shares and per share amounts)	Years ended December 31, 2012	2011
Cash flow generated from continuing operating activities per the audited consolidated annual financial statements	**$441.0**	$592.8
Adjusting items from non-cash working capital items and long-term ore stockpiles		
• Receivables and other current assets	**1.4**	47.8
• Inventories and non-current ore stockpiles	**72.9**	65.7
• Accounts payable and accrued liabilities	**(11.3)**	(49.6)
Operating cash flow from continuing operations before changes in working capital	**$504.0**	$656.7
Basic weighted average number of common shares outstanding (in millions)	**376.2**	374.9
Basic operating cash flow from continuing operations before changes in working capital per share ($/share)	**$ 1.34**	$ 1.75

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 depreciation, 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 cost of sales, excluding depreciation, depletion and amortization as per the audited consolidated annual statement of earnings.

Year ended December 31, 2012

	Operating Gold Mines						Other	
($ millions, except where noted) (audited)	Rosebel	Essakane	Doyon Division	Sadiola	Yatela	Total	Other[1]	Total[2]
Cost of sales, excluding depreciation	$274.4	$ 217.4	$ 8.4	$111.2	$ 48.8	$660.2	$126.3	$786.5
Adjust for:								
By-product credit (excluded from cost of sales)	(0.7)	(0.9)	(0.5)	(0.2)	—	(2.3)		
Stock movement	0.8	2.7	(2.2)	(1.0)	0.4	0.7		
Other mining costs	(4.9)	(8.1)	(5.2)	(2.1)	(10.5)	(30.8)		
Cost attributed to non-controlling interests	(13.5)	(21.1)	—	—	—	(34.6)		
	$(18.3)	$ (27.4)	$ (7.9)	$ (3.3)	$(10.1)	$(67.0)		
Total cash costs – operating mines	$256.1	$ 190.0	$ 0.5	$107.9	$ 38.7	$593.2		
Attributable gold production – operating mines (000s oz)	382	315	4	100	29	830		
Total cash costs ($/oz)	$ 671	$ 603	$ 137	$1,076	$1,337	$ 715		

Year ended December 31, 2011

	Operating Gold Mines						Other	
($ millions, except where noted) (audited)	Rosebel	Essakane	Doyon Division	Sadiola	Yatela	Total	Other[1]	Total[2]
Cost of sales, excluding depreciation	$248.7	$ 191.9	$ 37.8	$ 98.1	$ 46.5	$623.0	$114.9	$737.9
Adjust for:								
By-product credit (excluded from cost of sales)	(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)		
Total cash costs – operating mines	$237.1	$ 164.6	$ 25.4	$ 98.6	$ 44.3	$570.0		
Attributable gold production – operating mines (000s oz)	385	337	24	121	29	896		
Total cash costs ($/oz)	$ 616	$ 488	$1,076	$ 816	$1,534	$ 636		

[1] Niobium, Corporate, and Exploration and Evaluation Segments.
[2] As per note 27 of the Company's audited consolidated annual 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 total 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 the Company's 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 total cash costs per ounce.

	Years ended December 31,	
($/oz of gold)	**2012**	2011
Realized gold price for continuing operations	**$1,667**	$1,555
Total cash cost for continuing operations	**$ 715**	$ 636
Gold margin	**$ 952**	$ 919

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 the 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 cost of sales as per note 36 of the audited consolidated annual statement of earnings.

	Years ended December 31,	
($ millions, except where noted)	**2012**	2011
Revenues from the Niobec mine as per segmented information	**$ 190.5**	$ 177.8
Cost of sales from the Niobec mine as per segmented information, excluding depreciation expenses	**$(117.9)**	$(111.2)
Other costs	**(0.2)**	0.9
Operating margin	**$ 72.4**	$ 67.5
Sales volume (millions of kg Nb)	**4.7**	4.6
Operating margin ($/kg Nb)	**$ 15**	$ 15

IAMGOLD CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2012

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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.

The financial information on the Company presented 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 of Directors carries out this responsibility principally through its Audit Committee which consists of independent 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 of Directors 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 20, 2013

Carol T. Banducci
Chief Financial Officer
February 20, 2013

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. 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, 2012, 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, 2012 and no material weaknesses were discovered.

The effectiveness of the Company's internal controls over financial reporting as at December 31, 2012 has been audited by KPMG LLP, Chartered Accountants, as stated in their report located on page 46 of the Annual Financial Statements.

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, 2012 and December 31, 2011, and the related consolidated statements of earnings, comprehensive income, changes in equity and cash flows for the years then ended. These consolidated financial statements are the responsibility of IAMGOLD Corporation's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with 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 financial position of IAMGOLD Corporation as of December 31, 2012 and December 31, 2011, and its financial performance and its cash flows for the years then ended 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, 2012, 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 February 20, 2013 expressed an unqualified (unmodified) opinion on the effectiveness of IAMGOLD Corporation's internal control over financial reporting.



Chartered Accountants, Licensed Public Accountants
February 20, 2013
Toronto, Canada

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON INTERNAL CONTROL OVER FINANCIAL REPORTING

To the Board of Directors and Shareholders of IAMGOLD Corporation

We have audited IAMGOLD Corporation's internal control over financial reporting as of December 31, 2012, 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, included under the heading Management's Report on Internal Control over Financial Reporting in Management's Discussion and Analysis of Financial Condition and Results of Operations for the year ended December 31, 2012. 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.

In our opinion, IAMGOLD Corporation maintained, in all material respects, effective internal control over financial reporting as of December 31, 2012, 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 Canadian Generally Accepted Auditing Standards and the standards of the Public Company Accounting Oversight Board (United States) the consolidated balance sheets of IAMGOLD Corporation as of December 31, 2012 and December 31, 2011, and the related consolidated statements of earnings, comprehensive income, changes in equity and cash flows for the years then ended, and our report dated February 20, 2013 expressed an unqualified (unmodified) opinion on those consolidated financial statements.



Chartered Accountants, Licensed Public Accountants
Toronto, Canada
February 20, 2013

CONSOLIDATED BALANCE SHEETS

(In millions of U.S. dollars)	Notes	December 31, 2012	December 31, 2011
Assets			
Current assets			
Cash and cash equivalents	8	**$ 813.5**	$ 1,051.6
Gold bullion (market value $223.3; December 31, 2011 - $210.9)	9	**96.9**	96.8
Income tax receivable		**25.0**	26.3
Receivables and other current assets	10	**160.6**	132.3
Inventories	11	**305.1**	239.1
		1,401.1	1,546.1
Non-current assets			
Deferred income tax assets	22	**55.4**	41.4
Investments in associates	12	**56.1**	16.3
Mining assets	13	**2,713.3**	1,881.6
Exploration and evaluation assets	14	**533.3**	356.5
Goodwill	15	**256.7**	256.7
Other non-current assets	16	**360.3**	295.2
		3,975.1	2,847.7
		$ 5,376.2	$ 4,393.8
Liabilities and Equity			
Current liabilities			
Accounts payable and accrued liabilities		**$ 252.3**	$ 206.0
Income tax payable		**62.2**	109.2
Dividends payable		**48.6**	47.0
Current portion of asset retirement obligations	21(a)	**7.4**	6.3
Current portion of other non-current liabilities		**2.6**	6.6
		373.1	375.1
Non-current liabilities			
Deferred income tax liabilities	22	**285.6**	256.4
Long-term debt	18(a)	**638.8**	—
Asset retirement obligations	21(a)	**250.7**	215.9
Other non-current liabilities		**23.2**	17.5
		1,198.3	489.8
		1,571.4	864.9
Equity			
Equity attributable to IAMGOLD Corporation shareholders			
Common shares	23	**2,315.8**	2,308.6
Contributed surplus		**26.7**	19.9
Retained earnings		**1,343.2**	1,104.9
Accumulated other comprehensive income		**42.4**	41.1
		3,728.1	3,474.5
Non-controlling interests		**76.7**	54.4
		3,804.8	3,528.9
Contingencies and commitments	21(c), 34		
		$ 5,376.2	$ 4,393.8

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

CONSOLIDATED STATEMENTS OF EARNINGS

(In millions of U.S. dollars, except per share amounts)	Notes	Years ended December 31 2012	2011
Revenues		**$ 1,670.0**	$ 1,673.2
Cost of sales	27	**948.0**	891.8
General and administrative expenses	28	**58.3**	54.2
Exploration expenses		**112.7**	73.3
Other		**4.8**	25.7
Operating costs		**1,123.8**	1,045.0
Earnings from operations		**546.2**	628.2
Share of net earnings (losses) from investments in associates (net of income tax)	12	**12.0**	(1.6)
Finance costs	29	**(18.5)**	(7.1)
Foreign exchange gains (losses)		**10.7**	(8.1)
Interest income and derivatives and other investment gains	30	**20.2**	37.6
Earnings from continuing operations before income tax expense		**570.6**	649.0
Income taxes	22	**(199.4)**	(221.0)
Net earnings from continuing operations		**371 .2**	428.0
Net earnings from discontinued operations	7(c)	**—**	415.3
Net earnings		**$ 371.2**	$ 843.3
Net earnings from continuing operations attributable to:			
Equity holders of IAMGOLD Corporation		**$ 334.7**	$ 391.3
Non-controlling interests		**36.5**	36.7
		$ 371.2	$ 428.0
Net earnings attributable to:			
Equity holders of IAMGOLD Corporation		**$ 334.7**	$ 806.6
Non-controlling interests		**36.5**	36.7
		$ 371.2	$ 843.3
Attributable to equity holders of IAMGOLD Corporation			
Weighted average number of common shares outstanding (in millions)	24		
Basic		**376.2**	374.9
Diluted		**376.9**	376.5
Earnings from continuing operations per share ($ per share)			
Basic		**$ 0.89**	$ 1.04
Diluted		**$ 0.89**	$ 1.04
Earnings per share ($ per share)			
Basic		**$ 0.89**	$ 2.15
Diluted		**$ 0.89**	$ 2.14

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In millions of U.S. dollars)	Notes	Years ended December 31 2012	2011
Net earnings		**$ 371.2**	$ 843.3
Other comprehensive income (loss), net of tax			
Net unrealized change in fair value of available-for-sale financial assets, net of tax	19(a)(iii)	**8.2**	4.2
Net realized change in fair value and impairment of available-for-sale financial assets, net of tax	19(a)(iii)	**(6.9)**	(6.4)
		1.3	(2.2)
Other		**(2.3)**	(0 .8)
Total other comprehensive loss		**(1.0)**	(3.0)
Comprehensive income		**$ 370.2**	$ 840.3
Comprehensive income from continuing operations		**$ 370.2**	$ 425.0
Comprehensive income from discontinued operations	7(c)	**—**	415.3
Comprehensive income		**$ 370.2**	$ 840.3
Comprehensive income attributable to:			
Equity holders of IAMGOLD Corporation		**$ 333.7**	$ 803.6
Non-controlling interests		**36.5**	36.7
		$ 370.2	$ 840.3

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In millions of U.S. dollars)	Notes	Attributable to Equity Holders of IAMGOLD Corporation						
		Common Shares	Contributed Surplus	Retained Earnings	Accumulated Other Comprehensive Income	Total	Non-controlling Interests	Total Equity
At December 31, 2011		**$2,308.6**	**$ 19.9**	**$1,104.9**	**$ 41.1**	**$3,474.5**	**$ 54.4**	**$3,528.9**
Net earnings		**—**	**—**	**334.7**	**—**	**334 .7**	**36.5**	**371.2**
Net change in fair value of available-for-sale financial assets, net of tax		**—**	**—**	**—**	**1.3**	**1.3**	**—**	**1.3**
Other		**—**	**—**	**(2.3)**	**—**	**(2.3)**	**—**	**(2.3)**
Total comprehensive income		**—**	**—**	**332.4**	**1.3**	**333.7**	**36.5**	**370.2**
Issued shares on exercise of share-based payments		**7.2**	**(1.8)**	**—**	**—**	**5.4**	**—**	**5.4**
Share-based compensation	25	**—**	**8.6**	**—**	**—**	**8.6**	**—**	**8.6**
Dividends	26	**—**	**—**	**(94.1)**	**—**	**(94.1)**	**(14.2)**	**(108.3)**
Total transactions		**7.2**	**6.8**	**(94.1)**	**—**	**(80.1)**	**(14.2)**	**(94.3)**
At December 31, 2012		**$2,315.8**	**$ 26.7**	**$1,343.2**	**$ 42.4**	**$3,728.1**	**$ 76.7**	**$3,804.8**

(In millions of U.S. dollars)	Notes	Attributable to Equity Holders of IAMGOLD Corporation						
		Common Shares	Contributed Surplus	Retained Earnings	Accumulated Other Comprehensive Income	Total	Non-controlling Interests	Total Equity
At December 31, 2010		$2,255.5	$ 18.8	$ 383.6	$ 43.3	$2,701.2	$ 56.9	$2,758.1
Net earnings		—	—	806.6	—	806.6	36.7	843.3
Net change in fair value of available-for-sale financial assets, net of tax		—	—	—	(2.2)	(2.2)	—	(2.2)
Other		—	—	(0.8)	—	(0.8)	—	(0.8)
Total comprehensive income		—	—	805.8	(2.2)	803.6	36.7	840.3
Issued shares, net of issue costs		34.6	—	—	—	34.6	—	34.6
Gain on sale of treasury shares		—	0 .1	—	—	0.1	—	0.1
Issued shares on exercise of share-based payments		18.5	(5.3)	—	—	13.2	—	13.2
Share-based compensation	25		6.3	—	—	6.3	—	6.3
Dividends	26	—	—	(84.5)	—	(84.5)	(11.7)	(96.2)
Disposal of a subsidiary - La Arena project		—	—	—	—	—	(27.5)	(27.5)
Total transactions		53.1	1 .1	(84.5)	—	(30.3)	(39.2)	(69.5)
At December 31, 2011		$2,308.6	$ 19.9	$1,104.9	$ 41.1	$3,474.5	$ 54.4	$3,528.9

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions of U.S. dollars)	Notes	Years ended December 31 2012	2011
Operating activities			
Net earnings from continuing operations		**$ 371.2**	$ 428.0
Adjustments for:			
Finance costs	29	**18.5**	7.1
Depreciation expense		**163.9**	156.8
Changes in estimates of asset retirement obligations at closed sites	21(a)	**5.3**	23.0
Income tax expenses		**199.4**	221.0
Unrealized impact of foreign exchange on cash and cash equivalents		**(5.1)**	11.4
Other non-cash items	32(a)	**(10.7)**	(21.8)
Adjustments for cash items	32(b)	**(4.5)**	(8.3)
Movements in non-cash working capital items and non-current ore stockpiles	32(c)	**(63.0)**	(63.9)
Cash generated from operating activities		**675.0**	753.3
Income tax paid		**(234.0)**	(160.5)
Net cash from operating activities		**441.0**	592.8
Investing activities			
Mining assets			
Capital expenditures		**(698.3)**	(265.4)
Sales proceeds		**2.5**	1.0
Additions to exploration and evaluation assets		**(2.2)**	(130.8)
Acquisition of the Côté Gold project	5	**(485.7)**	—
Other investing activities	32(d)	**(29.6)**	(95.0)
Proceeds from disposals of non-core assets	32(e)	**—**	737.4
Net cash from (used in) investing activities		**(1,213.3)**	247.2
Financing activities			
Gross proceeds from long-term debt		**650.0**	—
Proceeds from issue of share capital		**5.4**	54.7
Dividends paid		**(106.9)**	(80.1)
Interest paid		**(3.1)**	(2.9)
Payment of long-term debt transaction costs		**(11.6)**	—
Other		**(4.7)**	0.1
Net cash from (used in) financing activities		**529.1**	(28.2)
Unrealized impact of foreign exchange on cash and cash equivalents		**5.1**	(11.4)
Net cash used in discontinued operations	7(d)	**—**	(19.6)
Increase (decrease) in cash and cash equivalents		**(238.1)**	780.8
Cash and cash equivalents, beginning of the year		**1,051.6**	270.8
Cash and cash equivalents, end of the year		**$ 813.5**	$ 1,051.6

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

1. CORPORATE INFORMATION

IAMGOLD Corporation ("IAMGOLD" or "the Company") is a corporation incorporated under the *Canada Business Corporations Act* 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, 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, 2012, have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

The significant accounting policies applied in these consolidated financial statements are presented in note 3 and are based on IFRS effective as at December 31, 2012.

The consolidated financial statements of IAMGOLD were authorized for issue in accordance with a resolution of the Board of Directors on February 20, 2013.

(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; and
- available-for-sale financial assets.

The methods used to measure fair values are discussed in note 19.

(c) Basis of consolidation

Subsidiaries and joint ventures related to significant properties of the Company are accounted for as follows:

Name	Property – Location	**December 31, 2012**	December 31, 2011	Accounting Method
Rosebel Gold Mines N.V.	Rosebel mine – Suriname	**95%**	95%	Consolidation
Essakane S.A.	Essakane mine – Burkina Faso	**90%**	90%	Consolidation
Doyon division including the Westwood project[1]	Doyon division – Canada	**100%**	100%	Consolidation
Niobec Inc.	Niobec mine – Canada	**100%**	100%	Consolidation
Trelawney Mining and Exploration Inc.[2]	Côté Gold project – Canada	**100%**	—	Consolidation
IAMGOLD Ecuador S.A.[3]	Quimsacocha project – Ecuador	**—**	100%	Consolidation
Société d'Exploitation des Mines d'Or de Sadiola S.A.	Sadiola mine – Mali	**41%**	41%	Proportionate consolidation
Société d'Exploitation des Mines d'Or de Yatela S.A.	Yatela mine – Mali	**40%**	40%	Proportionate consolidation

1 Division of IAMGOLD Corporation.
2 On June 21, 2012, IAMGOLD acquired all of the outstanding common shares of Trelawney Mining and Exploration Inc., which owns a 92.5% interest in the Côté Gold project located adjacent to the Swayze Greenstone Belt in northern Ontario, Canada.
3 On November 14, 2012, IAMGOLD disposed of its interest in the Quimsacocha project in Ecuador through the sale of all shares of its wholly-owned subsidiary IAMGOLD Ecuador S.A.

Subsidiaries are entities controlled by the Company. The income and expenses of the subsidiary are included in the consolidated financial statements from the acquisition date, which is the date on which the Company obtains control of the acquired entity.

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 (losses) from investments in associates is recognized in the consolidated statements of earnings and accounted for as an increase (decrease) in investments in associates in the consolidated balance sheets. 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 functional and presentation currency of the Company is the U.S. dollar.

Foreign currency transactions are converted to U.S. dollars initially at the exchange rate at the date of the transaction. Monetary assets and liabilities are translated at the exchange rate in effect at the balance sheet date. Non-monetary assets and liabilities are translated at historical exchange rates prevailing at each transaction date. Revenues and expenses are translated at the average exchange rates throughout the reporting period, except depreciation expense, which are translated at the rates of exchange applicable to the related assets, and share-based compensation expense, which is translated at the rates of exchange applicable at the date of grant of the share-based compensation. Exchange gains and losses on translation are included in the consolidated statements of earnings. When gain or loss on certain non-monetary items, such as, available-for-sale ("AFS") is recognized in other comprehensive income ("OCI"), the translation differences are also recognized in OCI.

Subsidiaries, joint ventures or associates whose functional currency is other than the U.S. dollar, foreign currency balances and transactions are translated into U.S. dollars. Assets and liabilities are translated at the exchange rate in effect at the balance sheet date. Revenues and expenses are translated at average exchange rates throughout the reporting period or at rates that approximate the actual exchange rates; items such as depreciation are translated at the rate implicit in the historical rate applied to the related asset. Exchange gains and losses on translation are included in OCI. Exchange gains and losses are recognized in the consolidated statements of earnings upon the substantial disposition, liquidation or closure of the entity that gave rise to such amounts.

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 have been applied consistently by the Company, and its subsidiaries and associates.

(a) Financial instruments

The Company recognizes financial assets and financial liabilities on the date the Company 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.

(i) Non-derivative financial instruments

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.

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 investments with initial maturities of three months or less. Short-term investments have initial maturities of more than three months. The unrealized gains or losses related to changes in fair value are reported in interest income and derivatives and other investment gains (losses).

Loans and receivables

Trade and other receivables are classified as loans and receivables and are carried at amortized cost using the effective interest rate method, less impairment losses, if any.

Available-for-sale financial assets

The Company's investments in marketable securities are designated as AFS financial assets and recorded at fair value on the trade date with transaction costs included in the recorded amount. Changes in fair value of AFS investments are recognized in OCI until investments are disposed of or when there is objective evidence of impairment in value.

Non-derivative financial liabilities

Accounts payable, senior unsecured notes, and borrowings related to the credit facility are accounted for at amortized cost, using the effective interest rate method. The amortization of senior unsecured notes issue costs is calculated using the effective interest rate method, and the amortization 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 relationship that qualifies for hedge accounting are classified as financial instruments at fair value through profit and loss.

Derivative instruments at fair value through profit and loss, including embedded derivatives, are recorded in 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 statements 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, concentrate inventory, and ore stockpiles are measured at the lower of weighted average production cost and net realizable value. Mine supplies are measured at the lower of average purchase cost and net realizable value. Net realizable value is the estimated selling price less the estimated costs to complete processing and sell finished goods.

Production costs include the cost of materials, labour, mine site production overheads and depreciation to the applicable stage of processing.

The cost of ore stockpiles is increased based on the related current cost of production for the period, and decreases in stockpiles are charged to cost of sales using the weighted average cost per tonne. Stockpiles are segregated between current and non-current inventories on the consolidated balance sheet based on the period in which they are expected to be processed.

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. Qualifying assets are defined as assets that require more than six months to be brought to the location and condition intended by management. 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 statements of earnings in interest income and derivatives and other investment gains (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 consolidated statements of earnings as incurred.

Property, plant and equipment presented on the consolidated balance sheets 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 expected economic conversions of resources to reserves, recorded in a business combination or an asset acquisition, and capitalized stripping costs, and
  - plant and equipment.

a. Mining and construction in progress

Upon determination of technical feasibility and commercial viability of extracting a mineral resource, the related exploration and evaluation assets (refer to note 3(f) below), which include expected economic conversions of resources to reserves, recorded in a business combination or an asset acquisition, are transferred to mine and other construction in progress costs. These amounts plus all subsequent mine development costs are capitalized. Costs are not amortized until 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.

Borrowing 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 inventories.

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

Costs associated with stripping activities in an open pit mine are expensed within cost of sales unless the stripping activity can be shown to represent a betterment to the mineral property in which case, the stripping costs are capitalized. Capitalized stripping costs are included in “mining properties and deferred costs” within mining assets.

(ii) Corporate equipment

Corporate equipment (located at corporate locations) includes the following categories of assets: furniture and equipment, computer equipment, software, scientific instruments and equipment, vehicles and leasehold improvements. Corporate equipment is classified in other non-current assets.

(e) Depreciation

Effective from the point an asset is ready for its intended use, mining assets, corporate equipment and royalty interests are amortized 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 amortization 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 amortized 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 depreciation and will be accounted for on a prospective basis over the remaining life of the operation. In 2012 and 2011, the Company has not incorporated any non-reserve material in its depreciation calculations.

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 related to expected economic conversions of resources to reserves recorded in a business combination or an asset acquisition, are not amortized until resources are converted into reserves. Amounts related to capitalized costs of exploration and evaluation assets and mine and other construction in progress are not amortized as the assets are not available for use.

The basis of amortization for capitalized stripping assets 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.

Capitalized borrowing costs are amortized over the useful life of the related asset.

Residual values, useful lives and amortization methods are reviewed at least annually and adjusted if appropriate. The impact of changes to the estimated useful lives, change in depreciation method or residual values is accounted for prospectively.

(f) Mineral exploration and evaluation costs

Exploration activities relate to the collection of exploration data.

Exploration data consists of geological, geophysical, geochemical, sampling, drilling, trenching, analytical test work, assaying, mineralogical, metallurgical, and other similar information that is derived from activities undertaken to locate, investigate, define or delineate a mineral prospect or mineral deposit. Mineral exploration costs are expensed as incurred.

Evaluation costs are capitalised and relate to activities to evaluate the potential 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. The technical feasibility and commercial viability is based on management’s evaluation of the geological properties of an ore body based on information obtained through evaluation activities, including metallurgical testing, resource and reserve estimates and economic assessment whether the ore body can be mined economically. Exploration properties acquired through asset acquisitions or business combinations are also recognized as exploration and evaluation assets.

(g) Business combinations and goodwill

Business combinations relate to the acquisition of an asset or a group of assets that constitute a business. For an integrated set of activities and assets to be considered a business, it needs to contain inputs, and processes. If the set of activities and assets acquired relate to an exploration stage property, the Company considers other factors to determine whether the set of activities and assets is a business such as the extent to which the acquired project has resources or reserves, and the extent and nature of the additional work to identify resources or convert resources into reserves. The Company also assesses whether the entity acquired has begun planned principal activities, has employees, necessary permits for production, intellectual property is pursuing a plan to produce outputs, and will be able to obtain access to customers that will purchase the outputs.

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 expected economic conversions of resources to reserves. The excess of the purchase price over the fair value of net assets acquired is recorded as goodwill.

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.

When the net of the amounts assigned to assets acquired and liabilities assumed exceeds the cost of purchase, the excess is recognized as negative goodwill and recorded in the consolidated statements 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.

If a transaction does not meet the definition of a business under IFRS, the transaction is recorded as an asset acquisition. Accordingly, the net identifiable assets acquired and liabilities assumed are measured at the fair value consideration paid, based on their relative fair values at the acquisition date. Acquisition-related costs are included in the consideration paid and capitalized. No goodwill and no deferred tax asset or liability arising from the assets acquired and liabilities assumed are recognized upon the acquisition of assets.

(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 was determined using a differential cost method based on cost savings expected from favourable terms of supplier contracts. Other intangible assets are amortized 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 depreciation 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 amortized 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 in the consolidated statements of earnings.

If the fair value of a marketable security declines below its carrying amount, the Company performs qualitative and quantitative assessments of whether the impairment is either significant or prolonged. If an unrealized loss on an AFS marketable security has been recognized in OCI and it is deemed to be either significant or prolonged, any cumulative loss that had been recognized in OCI is reclassified as an impairment loss in interest income and derivatives and other investment gains (losses).

Once an AFS marketable security has been impaired, all subsequent losses calculated as the difference between the acquisition cost and current fair value, less any previously recognized impairment loss, are recognized in interest income and derivatives and other investment gains (losses). If the fair value of a previously impaired AFS marketable security subsequently recovers, the unrealized gains are recorded in OCI. Previously recorded impairment losses are not subject to reversal.

(ii) Non-financial assets

If a property is abandoned or deemed economically unfeasible, the related project balances are impaired.

The Company conducts annual impairment assessments, which are typically performed at December 31, of the values of goodwill and non-current 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. A CGU is typically considered to be an individual mine site or a development project.

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 in the consolidated statements of earnings. Impairment losses recognized in relation to goodwill are not reversed for subsequent increases in a CGU's 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 costs 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 CGUs experience 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 a discount rate that reflects current market assessments, 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 are recognized as changes to the corresponding assets and asset retirement obligation when they occur. Environmental 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) Other provisions

Provisions are recognized when a present obligation exists (legal or constructive) as a result of a past event, for which it is probable that an outflow of economic resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are determined based on management's best estimate (refer to note 3(s)(viii)).

Certain conditions may exist as of the date the financial statements are issued, which may result in a loss to the Company, but which will only be resolved when one or more future events will occur or fail to occur.

If the assessment of a contingency suggests that a loss is probable, and the amount can be reliably estimated, then a provision is recorded. When a contingent loss is not probable but is reasonably possible then details of the contingent loss are disclosed.

(m) Income taxes

(i) Current income tax

Current income 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 tax assets and current income 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 taxes related to items recognized directly in equity are recognized directly in equity.

(ii) Deferred income tax

Deferred income tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes using the balance sheet approach 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 tax liabilities are recognized for all taxable temporary differences, except:

- Where the deferred income 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 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 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 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 asset or liability 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 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 taxes related to items recognized directly in equity are recognized directly in equity.

Deferred income tax assets and deferred income 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 tax rates will be consistent with current estimates. Changes in tax rates increase the volatility of the Company's earnings.

(n) 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 as incurred.

(o) 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.

(p) 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. Share-based 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 consolidated statements of earnings and credited to contributed surplus within shareholders' equity.

The grant date fair value is based on the underlying market price of the shares of the Company 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.

Determination of the grant date fair value requires management estimates such as risk-free interest rate, volatility and weighted average expected life. 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) 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.

(q) 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.

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 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.

(r) 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, 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. Net earnings from operations and any gain or loss on the disposal are disclosed separately as net earnings from discontinued operations in the consolidated statements of earnings and comparative periods are reclassified.

(s) 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.

Assumptions about the future and other major sources of estimation uncertainty at the end of the reporting period have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities, within the next financial year. The most significant judgments and sources of estimation uncertainty that the Company believes could have a significant impact on the amounts recognized in its consolidated financial statements as described below.

(i) Mineral reserves and resources

Key sources of estimation uncertainty

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 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:

- Capitalization and amortization of stripping costs (note 3(d)(i)c.);
- Determination of the useful life of mining assets and measurement of the depreciation expense (note 3(e));
- Mineral exploration and evaluation costs and determination of technical feasibility and commercial viability (note 3(f)). 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;
- Fair value of mineral rights acquired in a business combination (note 3(g));
- Consideration of whether assets acquired meet the definition of a business or should be accounted for as an asset acquisition (note 3(g));
- Impairment analysis of non-financial assets including evaluation of estimated future cash flows of cash generating units (note 3(j)(ii)); and
- Estimates of the timing of the outlays for asset retirement obligations (note 3(k)).

(ii) Determination of the date of transition from construction to production accounting

Judgments made in relation to accounting policies

Commencement of production is an important "point in time" determination, for accounting purposes, of when a constructed asset (considered as a whole operation) has reached a level of function indicative of its readiness to be considered a viable operation and accounted for as such, including accounting recognition of revenue and expenses from the operation. 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.

(iii) Impairment analysis of goodwill and non-financial assets

Key sources of estimation uncertainty

Management's assumptions and estimate of future cash flows used in the Company's impairment assessment of goodwill and non-financial assets 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.

If an indication of impairment exists, and annual for CGUs with goodwill, an estimate of a CGU's recoverable amount is calculated. The recoverable amount is based on the fair value less costs to sell using a discounted cash flow methodology taking into account assumptions that would be made by market participants. Cash flows are for periods up to the date that mining is expected to cease which depends on a number of variables including recoverable mineral reserves and resources, expansion plans and the forecasted selling prices for such production. Refer to note 33.

In estimating the net realizable value of inventories, significant estimate is made regarding the quantities of saleable metals included in stockpiles and is estimated based on the quantities of ore, the grade of ore and the estimated recovery percentage. There can be no assurance that actual quantities will not differ significantly from estimates used. Refer to note 3(c).

Judgments made in relation to accounting policies

Both internal and external sources of information are required to be considered when determining whether an impairment indicator may be present. Judgment is required around significant adverse changes in the business climate which may be indicators for impairment such as a significant decline in the asset's market value, decline in resources and/or reserves as a result of geological re-assessment or change in timing of extraction of resources and/or reserves which would result in a change in the discounted cash flow obtained from the site, and lower metal prices or higher input cost prices than would have been expected since the most recent valuation of the site.

Management judgment is required in the identification of cash generating units and allocation of goodwill to CGUs for impairment testing purposes.

(iv) Definition of a business

Judgments made in relation to accounting policies

Based on management's judgment, the acquisition of Trelawney in 2012 (refer to note 5) did not meet the definition of a business as the primary asset (Côté Gold project) was an exploration stage property. Consequently, the transaction has been recorded as the acquisition of an asset.

(v) Determination of control by one entity over another

Judgments made in relation to accounting policies

Subsidiaries are entities controlled by the Company, and 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.

As at December 31, 2012, IAMGOLD owned 45.3% of the outstanding shares of Galane Gold Ltd. and 47.0% of the outstanding shares of INV Metals Inc. ("INV Metals") (refer to note 12). If an investor holds 20% or more of the voting power of the investee, it is presumed that the investor has significant influence, unless it can be clearly demonstrated that this is not the case. The Company used its judgment to determine that it has significant influence, and no control, over these entities and accounted for it as investments in associates using the equity method of accounting.

(vi) Determination of fair values and impairment analysis of financial instruments

Judgments made in relation to accounting policies

Certain financial instruments are recorded at fair value on the balance sheet. Current market conditions have an impact on these fair values. Management's estimate of the fair value of financial instruments is subject to risks and uncertainties as disclosed in note 3(a).

Financial assets such as marketable securities 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. Fair values, impairment and sensitivity analyses related to marketable securities and warrants held as investments are disclosed in note 19(a)(iii).

(vii) Derivative financial instruments

Key sources of estimation uncertainty

The Company monitors on a regular basis its hedge position for 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. Forecasts are based on estimates of future transactions. For its derivative contracts, 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. Refer to note 19 for more detailed information and sensitivity analyses based on changes in currencies and commodity prices.

(viii) Provisions and recognition or not of a liability for loss contingencies

Judgments made in relation to accounting policies

Judgments are required to determine if a present obligation exists at the end of the reporting period by considering all available evidence, including opinion of experts.

Key sources of estimation uncertainty

Provisions related to present obligations are management's best estimate of amount of probable future outflow, expected timing of payments, and discount rates. Refer to note 21(a).

(ix) Determination of deferred income tax including uncertain tax position

Key sources of estimation uncertainty

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is not 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 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. There is no certainty that income tax rates will be consistent with current estimates. Changes in tax rates increase the volatility of the Company's earnings. For more information, refer to notes 3(i)(ii)) and 22.

4. FUTURE ACCOUNTING POLICIES

The following new standards, and amendment to standards and interpretations, were not yet effective for the year ended December 31, 2012, and have not been applied in preparing these consolidated financial statements. These are summarized 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.

IFRS 10 – Consolidated financial statements

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. This standard retains the concept that a company should consolidate all entities that it controls, and provides for a new definition of control. In accordance with IFRS 10, an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Company is in the process of evaluating its investments.

IFRS 11 – Joint arrangements, and IAS 28 – Amended standard on associates and joint ventures

The IASB replaced the existing guidance for joint ventures (now 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 and, joint operations will be accounted for in a manner similar to proportionate consolidation.

The Company reviewed its joint arrangements and has concluded that Sadiola and Yatela will be considered joint ventures for accounting purposes. Consequently, IAMGOLD will account for its interest in Sadiola and Yatela using the equity method instead of proportionate consolidation effective January 1, 2013. Retrospective adjustments will be applied starting in 2013 at the beginning of the earliest period presented, January 1, 2012.

IFRS 12 – Disclosure of interests in other entities

IFRS 12 replaces the existing disclosure requirements for entities that have interests in subsidiaries, joint arrangements, and associates, and also contains disclosure requirements for entities that have interests in unconsolidated structured entities. IFRS 12 will be effective January 1, 2013. The Company will expand disclosure regarding interest in other entities, such as information to enable users to evaluate the nature of, and risks associated with, the Company's interests in other entities, and the effects of those interests on its consolidated balance sheet, financial performance and cash flows. In addition to financial information related to its interests in other entities, disclosure will include significant judgments and assumptions the Company has made in determining that it has control of another entity, that it has joint control of an arrangement or significant influence over another entity, and the type of joint arrangement when the arrangement has been structured through a separate vehicle, if any.

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 fair 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.

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 in situations where the following 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. Based on its review, IAMGOLD does not believe there will be any impact on its consolidated financial statements upon the adoption of IFRIC 20.

5. ACQUISITION

Trelawney – Côté Gold project

On June 21, 2012, IAMGOLD acquired all of the outstanding common shares of Trelawney Mining and Exploration Inc. ("Trelawney"), a Canadian junior mining and exploration company that owns a 92.5% interest in the Côté Gold project located adjacent to the Swayze Greenstone Belt in northern Ontario, Canada.

For each common share of Trelawney, IAMGOLD paid C$3.30 in cash. The total purchase price amounted to $542.6 million, which includes transaction costs of $6.2 million and is net of cash and cash equivalents acquired of $57.9 million.

Prior to the acquisition, IAMGOLD's investment in Trelawney was designated as an available-for-sale marketable security. The fair value of the investment on the date of the acquisition of $56.9 million has been included as part of consideration for the transaction.

Based on management's judgment, this acquisition does not meet the definition of a business combination (refer to note 3(g)) as the primary asset (Côté Gold project) is an exploration stage property. Consequently, the transaction has been recorded as an acquisition of an asset.

The total purchase price was allocated to the assets acquired and the liabilities assumed based on the fair value of the total consideration at the closing date of the acquisition. All financial assets acquired and financial liabilities assumed were recorded at fair value.

Assets acquired and liabilities assumed	
Current assets	$ $4.8
Mining assets	7.6
Exploration and evaluation assets	532.7
Other non-current assets	0.8
Current liabilities	(2.6)
Asset retirement obligations	(0.4)
Other non-current liabilities	(0.3)
	$542.6
Consideration paid	
Cash payment	$543.6
Less: Cash and cash equivalents acquired	(57.9)
Cash consideration	485.7
Initial investment	56.9
	$542.6

6. DIVESTITURES

(a) Quimsacocha project

On November 14, 2012, IAMGOLD disposed of its interest in the Quimsacocha project in Ecuador to INV Metals through the sale of all of the shares of its wholly-owned subsidiary IAMGOLD Ecuador S.A., in exchange for 231.3 million common shares of INV Metals which were valued at $27.8 million with transactions costs of $1.2 million. The disposition resulted in a net after-tax loss of $3.0 million. The Company's investment in INV Metals represents 47% of the issued and outstanding common shares of INV Metals. This investment has been accounted for using the equity method.

(b) La Arena project

On February 9, 2011, IAMGOLD sold all of the outstanding shares of La Arena S.A. (the La Arena project in Peru) to Rio Alto Mining Limited for a cash payment of $48.8 million resulting in an after-tax gain of $10.5 million.

7. DISCONTINUED OPERATIONS

(a) Tarkwa and Damang mines

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 $667.0 million and recorded an after-tax gain on this sale of $402.6 million in the second quarter 2011. 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.

(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 $34.2 million resulting in a gain on disposal of $5.3 million (before income taxes) during the third quarter 2011. The proceeds consisted of $12.5 million in cash, a $3.8 million 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 $17.9 million, representing 48.5% of the outstanding shares of Galane. The tax impact of the sale was a recovery of $1.5 million.

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	$ 5.9
Current assets	9.8
Mining assets	22.5
Non-current ore stockpiles	5.9
Accounts payable and accrued liabilities	(6.8)
Asset retirement obligations	(9.3)
Deferred income tax liabilities	(0.1)
Net carrying value	$27.9
Consideration received, satisfied in cash	$12.5
Cash and cash equivalents disposed of	5.9
Net cash inflow on disposal	$ 6.6

(c) Net earnings from discontinued operations

Results and gains on disposal of these discontinued operations are presented separately as net earnings from discontinued operations attributable to equity holders of IAMGOLD in the consolidated statements of earnings.

	Year ended December 31, 2011
Tarkwa and Damang mines	
Share of net earnings from investments in associates before disposal	$ 21.0
Gain on sale of investments in associates	402.8
Net earnings from the Tarkwa and Damang mines	$ 423.8
Mupane mine	
Revenues	$ 50.5
Cost of sales	(46.3)
Derivative loss on gold hedging contracts and other [1]	(19.8)
Income tax recovery	0.3
Net loss from the Mupane mine before its disposal	(15.3)
Gain on sale of the Mupane mine	5.3
Income tax recovery on sale	1.5
	6.8
Net loss from the Mupane mine	$ (8.5)
	$ 415.3

[1] The disposal of the Mupane mines led to the retirement of outstanding Mupane gold hedges resulting in a realized derivative loss during 2011.

(d) Net cash used in discontinued operations

	Year ended December 31, 2011
Cash flow used in:	
Operating activities	$ (15.3)
Investing activities	(4.3)
	$ (19.6)

8. CASH AND CASH EQUIVALENTS

	December 31, 2012	December 31, 2011
Cash	**$ 471.6**	$ 631.2
Short-term deposits with initial maturities of three months or less	**341.9**	420.4
	$ 813.5	$ 1,051.6

9. GOLD BULLION

		December 31, 2012	December 31, 2011
Ounces held	(oz)	**134,737**	134,636
Weighted average acquisition cost	($ /oz)	**$ 720**	$ 719
Acquisition cost	($millions)	**$ 96.9**	$ 96.8
End of year spot price for gold	($ /oz)	**$ 1,658**	$ 1,566
End of year market value	($millions)	**$ 223.3**	$ 210.9

10. RECEIVABLES AND OTHER CURRENT ASSETS

	December 31, 2012	December 31, 2011
Gold trade receivables	**$ 10.9**	$ 24.0
Settlement receivables from sales of niobium	**16.8**	19.2
Receivables from governments [1]	**49.2**	26.3
Royalty receivable	**2.1**	1.9
Other receivables	**26.9**	14.7
Trade and other receivables	**105.9**	86.1
Derivatives	**16.8**	4.7
Marketable securities	**18.7**	24.3
Warrants held as investments	**0.3**	—
Prepaid expenses	**18.9**	17.2
	$ 160.6	$ 132.3

[1] Receivables from governments related to taxes and mineral rights.

11. INVENTORIES

	December 31, 2012	December 31, 2011
Finished goods:		
Gold production inventories	$ 39.4	$ 38.7
Niobium production inventories	14.5	12.1
Gold in process	**10.8**	13.3
Ore stockpiles	**53.5**	16.5
Mine supplies	**186.9**	158.5
	305.1	239.1
Ore stockpiles included in other non-current assets	**132.9**	111.3
	$ 438.0	$ 350.4

In 2012, the write-down of inventories to net realizable value amounted to $9.5 million (2011 – $1.5 million).

12. INVESTMENTS IN ASSOCIATES

	Tarkwa[1]	Damang[1]	Galane[2]	INV Metals[3]	Total
At December 31, 2010	$ 198.4	$ 47.7	$ —	$ —	$ 246.1
Acquisition	—	—	17.9	—	17.9
Share of net losses	—	—	(1.6)	—	(1.6)
Share of net earnings (losses) (discontinued operations)	24.3	(3.3)	—	—	21.0
Dividends received from associates	—	(5.7)	—	—	(5.7)
Disposals	(222.7)	(38.7)	—	—	(261.4)
At December 31, 2011	**—**	**—**	**16.3**	**—**	**16.3**
Acquisition	**—**	**—**	**—**	**27.8**	**27.8**
Share of net earnings	**—**	**—**	**12 .0**	**—**	**12.0**
At December 31, 2012	**$ —**	**$ —**	**$ 28.3**	**$ 27.8**	**$ 56.1**

1 On June 22, 2011, IAMGOLD sold its 18.9% interests in Tarkwa and Damang gold mines in Ghana, West Africa to Gold Fields Limited. In 2011, IAMGOLD's share of net earnings from Tarkwa and Damang were reported in net earnings from discontinued operations in the Company's consolidated statements of earnings.

2 As part of the consideration from the sale of the Mupane gold mine, IAMGOLD received common shares of Galane, the new owner of the Mupane mine, representing 48.5% of the outstanding shares of Galane as of August 31, 2011 (date of the transaction). The ownership percentage in Galane as of December 31, 2012 was 45.3%. This investment is accounted for using the equity method. IAMGOLD includes Galane's results on a three-month lag. The latest available financial statements are as of September 30, 2012. The Company was not made aware of any material events from September 30 to December 31, 2012. The carrying value of this asset was recorded on the balance sheet on September 1, 2011 at its fair value of $17.9 million. The fair value of the Company's shares in Galane was $19.2 million based on its market quoted price at December 31, 2012.

3 On November 14, 2012, IAMGOLD disposed of its interest in the Quimsacocha project in Ecuador through the disposal of all shares of its wholly-owned subsidiary IAMGOLD Ecuador S.A., in exchange for a total of 231.3 million common shares of INV Metals valued at $27.8 million, which is 47% of INV Metals' issued and outstanding shares. This investment has been accounted for using the equity method. IAMGOLD includes INV Metals' results on a three-month lag. The latest available financial statements are as of September 30, 2012. The Company was not aware of any material events from November 14 to December 31, 2012. The carrying value of this asset was recorded on November 14, 2012, at its fair value. The fair value of the Company's shares in INV Metals was $25.6 million based on its market quoted price at December 31, 2012.

At September 30, 2012, financial information for investments in Galane and INV Metals, not adjusted for the percentage held by the Company, is summarized below:

	September 30, 2012		September 30, 2011	
	Galane	INV Metals	Galane	INV Metals
Assets				
Current assets	$ 30.4	$ 8.2	$15.7	$ —
Non-current assets	42.0	20.9	33.9	—
	$ 72.4	$ 29.1	$49.6	$ —
Liabilities				
Current liabilities	$ 8.4	$ 0.4	$ 7.1	$ —
Non-current liabilities	9.4	0.2	15.9	—
	$ 17.8	$ 0.6	$23.0	$ —
Net income [1]				
Revenues	$ 94.8	$ —	$ 1 .5	$ —
Expenses	(69.6)	—	(4.7)	—
Net earnings (loss es)	$ 25.2	$ —	$ (3.2)	$ —

1 Net earnings in Galane as of September 30, 2012 represents twelve months of activity from October 1, 2011 to September 30, 2012. Net loss as of September 30, 2011 represents one month of activity from September 1, 2011 to September 30, 2011.

13. MINING ASSETS

	Mining and construction in progress	Mining properties and deferred costs	Plant and equipment	Total
Cost				
At December 31, 2010	$ 42.4	$1,737.0	$1,156.8	$2,936.2
Additions - continuing operations	96.1	70.1	78.8	245.0
Additions - discontinued operations	1.2	2.2	0.9	4.3
Changes in asset retirement obligations	—	22.7	—	22.7
Disposals - continuing operations	—	(0.2)	(12.0)	(12.2)
Disposals - discontinued operations	(2.6)	(55.6)	(46.3)	(104.5)
Transfers within mining assets	(38.0)	28.7	9.3	—
Other	—	—	3.1	3.1
At December 31, 2011	**99.1**	**1,804.9**	**1,190.6**	**3,094.6**
Additions	**384.9**	**124.7**	**139.6**	**649.2**
Acquisition of the Côté Gold project	**—**	**—**	**7.6**	**7.6**
Changes in asset retirement obligations	**—**	**31.5**	**—**	**31.5**
Disposals	**—**	**—**	**(15.1)**	**(15.1)**
Transfer[1]	**329.6**	**—**	**—**	**329.6**
Transfers within mining assets	**(104.2)**	**18.6**	**85.6**	**—**
Other	**—**	**—**	**1.4**	**1.4**
At December 31, 2012	**$ 709.4**	**$1,979.7**	**$1,409.7**	**$4,098.8**
Accumulated Depreciation				
At December 31, 2010	$ —	$ 731.4	$ 416.1	$1,147.5
Depreciation expense - continuing operations [2]	—	71.7	78.6	150.3
Depreciation expense - discontinued operations	—	1.5	2.1	3.6
Disposals - continuing operations	—	(0.2)	(8.6)	(8.8)
Disposals - discontinued operations	—	(44.9)	(37.1)	(82.0)
Other	—	2.4	—	2.4
At December 31, 2011	**—**	**761.9**	**451.1**	**1,213.0**
Depreciation expense [2]	—	**88.4**	**93.3**	**181.7**
Disposals	—	—	**(9.7)**	**(9.7)**
Other	—	—	**0.5**	**0.5**
At December 31, 2012	**$ —**	**$ 850.3**	**$ 535.2**	**$1,385.5**
Net book value at December 31, 2011	$ 99.1	$1,043.0	$ 739.5	$1,881.6
Net book value at December 31, 2012	**$ 709.4**	**$1,129.4**	**$ 874.5**	**$2,713.3**

[1] Upon determination of technical feasibility and commercial viability of a project, the related exploration and evaluation assets are transferred to mining and construction in progress . During the first quarter 2012, capitalized costs related to the Westwood project were transferred from exploration and evaluation assets to mining assets .

[2] Excluding depreciation expense relating to corporate assets .

Mining and construction in progress at December 31, 2012 and 2011, include capital expenditures related to projects at the following: Rosebel mine (2012 – $40.6 million; 2011 – $13.9 million), Essakane mine (2012 – $109.7 million; 2011 – $32.2 million), Sadiola mine (2012 – $7.0 million; 2011 – $3.2 million), Yatela mine (2012 – $0.6 million; 2011 – nil), Niobec mine (2012 – $32.2 million; 2011 – $49.8 million), and Westwood mine (2012 – $517.7 million; 2011 – amount included in exploration and evaluation assets).

In 2012, borrowing costs attributable to qualifying assets associated with the Essakane and Westwood mine capitalized in mining and construction in progress totaled $1.6 million (2011 – nil) at a weighted average interest rate of 6.97%.

Mining properties and deferred costs at December 31, 2012 included capitalized stripping costs of $93.1 million (2011 – $32.8 million). Stripping costs of $78.1 million were capitalized during 2012 (2011 – $33.9 million), and $17.8 million were depreciated during 2012 (2011 – $1.1 million).

14. EXPLORATION AND EVALUATION ASSETS

At December 31, 2010	$ 306.2
Exploration and evaluation expenditures	122.9
Transfer to mining assets	(1 .5)
Disposal of the La Arena project	(71.1)
At December 31, 2011	**356.5**
Exploration and evaluation expenditures	**2.0**
Acquisition of the Côté Gold project	**532.7**
Disposal of the Quimsacocha project	**(28.3)**
Transfer to mining assets [1]	**(329.6)**
At December 31, 2012	**$ 533.3**

[1] Upon determination of technical feasibility and commercial viability of a project, the related exploration and evaluation assets are transferred to mining and construction in progress. During the first quarter 2012, capitalized costs related to the Westwood project were transferred from exploration and evaluation assets to mining assets .

	December 31, 2012	December 31, 2011
Canada - Côté Gold project	**$ 533.3**	$ —
Canada - Westwood project	**—**	329.6
Ecuador - Quimsacocha project	**—**	26.9
	$ 533.3	$ 356.5

15. GOODWILL

	December 31, 2012	December 31, 2011
Cash-generating units		
Rosebel mine	**$ 168.4**	$ 168.4
Doyon division	**88.3**	88.3
	$ 256.7	$ 256.7

	Years ended December 31	
	2012	**2011**
Balance, beginning of the year	**$ 256.7**	$ 268.0
Disposal of the La Arena project	**—**	(11.3)
Balance, end of the year	**$ 256.7**	$ 256.7

16. OTHER NON-CURRENT ASSETS

	December 31, 2012	December 31, 2011
Receivables from governments[1]	**$ 25.3**	$ 11.3
Marketable securities	**76.1**	93.8
Warrants held as investments	**0.2**	10.1
Royalty interests[(a)]	**18.8**	21.2
Ore stockpiles	**132.9**	111.3
Deposits on non-current assets	**83.0**	27.1
Other	**24.0**	20.4
	$ 360.3	$ 295.2

[1] Receivables from governments related to taxes, mineral rights and exploration tax credits.

(a) Royalty Interests

	Cost	Accumulated Depreciation	Net royalty interests
December 31, 2012			
Diavik[1]	**$49.4**	**$ 31.4**	**$ 18.0**
Paul Isnard Concession[2]	**0.8**	**—**	**0.8**
	$50.2	**$ 31.4**	**$ 18.8**
December 31, 2011			
Diavik[1]	$49.4	$ 29.0	$ 20.4
Paul Isnard Concession[2]	0.8	—	0.8
	$50.2	$ 29.0	$ 21.2

[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] Royalty on gold production from the Paul Isnard concessions. On December 5, 2011, the Company entered into an option agreement which provides the third party an ability to purchase the existing royalty (expiring on July 30, 2015).

17. 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 sheets and statements of earnings information for the Company's joint ventures are summarized below:

	December 31, 2012			December 31, 2011		
	Sadiola	Yatela	Total	Sadiola	Yatela	Total
Ownership	41%	40%		41%	40%	
Current assets	$ 38.1	$18.2	$ 56.3	$ 46.5	$26.6	$ 73.1
Non-current assets	144.8	6.5	151.3	103.6	6.0	109.6
Total assets	$182.9	$24.7	$207.6	$150.1	$32.6	$182.7
Current liabilities	$ 47.8	$ 9.0	$ 56.8	$ 33.4	$11.3	$ 44.7
Non-current liabilities	28.8	14.0	42.8	32.6	15.6	48.2
Total liabilities	$ 76.6	$23.0	$ 99.6	$ 66.0	$26.9	$ 92.9

	Year ended December 31, 2012			Year ended December 31, 2011		
Revenues	$168.9	$47.7	$216.6	$189.0	$46.2	$235.2
Expenses[1]	130.2	51.6	181.8	142.9	54.6	197.5
Net earnings (losses)	$ 38.7	$ (3.9)	$ 34.8	$ 46.1	$ (8.4)	$ 37.7

[1] Including income taxes.

18. LONG-TERM DEBT

(a) Senior unsecured notes

On September 21, 2012, the Company issued at face value $650.0 million of senior unsecured notes ('Notes"). The Notes are denominated in U.S. dollars, mature and become due and payable on October 1, 2020, and bear interest at the rate of 6.75% per annum. Interest is payable in arrears in equal semi-annual installments on April 1 and October 1 of each year commencing in 2013. The Notes are guaranteed by some of the Company's subsidiaries. The Company intends to use the proceeds of the Notes for general corporate purposes, including funding capital expenditures and exploration.

The Company incurred transaction costs of $11.6 million which have been capitalized and offset against the carrying amount of the $650.0 million Notes within long-term debt in the consolidated balance sheet and is being amortized using the effective interest rate method. The amortization of transaction costs for the year ended December 31, 2012 was $0.4 million.

Except as noted below, the Notes are not redeemable, in whole or part, by the Company until October 1, 2016. On and after October 1, 2016, the Company may redeem the Notes, in whole or in part, at the relevant redemption price (expressed as a percentage of the principal amount of the Notes) and accrued and unpaid interest on the Notes up to the redemption date. The redemption price for the Notes during the 12-month period beginning on October 1 of each of the following years is: 2016 – 103.375%; 2017 – 101.688%; and 2018 and thereafter – 100%.

Prior to October 1, 2016, the Company may redeem some or all of the Notes at a price equal to 100% of the principal amount of the Notes plus a "make-whole" premium for accrued and unpaid interest.

Prior to October 1, 2015 using the cash proceeds from an equity offering the Company may redeem up to 35% of the original aggregate principal amount of the Notes at a redemption price equal to 106.750% of the aggregate principal amount thereof, plus accrued and unpaid interest up to the redemption date.

The following are the contractual maturities related to the Notes, including estimated interest payments and excluding the impact of netting agreements.

At December 31, 2012	Carrying amount	Contractual cash flows	Payments due by period 1 Year	2-3 Years	4 -5 Years	After 5 Years
Notes	$650.0	$ 1,002.4	$45.2	$ 87.8	$ 87.8	$ 781 .6

(b) Credit facility

On February 22, 2012, the Company amended and increased its $350.0 million unsecured revolving credit facility to a four-year, $500.0 million 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 amended credit facility provides for an interest rate margin above London Interbank Offered Rate ("LIBOR"), banker's acceptance ("BA") prime rate and base rate advances which varies according to the total net debt ratio of the Company. Fees related to the credit facility vary according to the total debt ratio the Company. This credit facility is guaranteed by some of the Company's subsidiaries. The maturity date of this amended credit facility is February 22, 2016 with a provision to extend the maturity date for a period of one year.

On February 22, 2012, the Company amended and increased its $50.0 million revolving facility for the issuance of letters of credit to $75.0 million. This revolving credit facility is guaranteed and secured by a Performance Security Guarantee underwritten by Export Development Canada ("EDC"). The maturity date of this credit facility is April 22, 2013 with a provision to extend the maturity date for a period of one year. At December 31, 2012, the Company had letters of credit in the amount of $69.5 million to guarantee certain asset retirement obligations compared to $17.9 million at December 31, 2011.

On February 22, 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. The credit facility provides for an interest rate margin above LIBOR, BA prime rate and base rate advances, which varies according to the total net debt ratio of the Company. Fees related to the credit facility vary according to the total debt ratio of the Company. This credit facility is guaranteed by the Company and some of the Company's subsidiaries. The maturity date of this credit facility is February 22, 2016 with a provision to extend the maturity date for a period of one year.

No funds were drawn against credit facilities at December 31, 2012 and December 31, 2011. The Company has complied with its credit facility covenants as of December 31, 2012.

Credit facility issue costs of $4.5 million are capitalized in other non-current assets. Amortization is calculated on a straight-line basis over the term of the credit facility. The remaining capitalized issue costs related to the previous credit facilities of $1.1 million were expensed in 2012 and included in finance costs. The carrying amount of credit facilities issue costs at December 31, 2012 was $3.7 million.

19. FINANCIAL INSTRUMENTS

Financial assets (liabilities)	December 31, 2012 Carrying Amount	December 31, 2012 Fair Value	December 31, 2011 Carrying Amount	December 31, 2011 Fair Value
Cash and cash equivalents	**$ 813.5**	**$ 813.5**	$1,051.6	$1,051.6
Trade and other receivables	**105.9**	**105.9**	86.1	86.1
Marketable securities	**94.8**	**94 .8**	118.1	118.1
Warrants held as investments	**0.5**	**0.5**	10.1	10.1
Derivatives - Currency contracts	**14.1**	**14.1**	0.1	0.1
Derivatives - Oil contracts	**2.7**	**2.7**	4.6	4.6
Derivatives - Currency contracts	**(0.1)**	**(0.1)**	(4.6)	(4.6)
Derivatives - Aluminum contracts	**(0.1)**	**(0.1)**	(0.8)	(0.8)
Accounts payable and accrued liabilities	**(252.3)**	**(252.3)**	(206.0)	(206.0)
Other liability - embedded derivatives[1]	**(0.5)**	**(0.5)**	(1.0)	(1.0)
Long-term debt[2]	**(650.0)**	**(651.6)**	—	—

1 Related to the contingent consideration for the purchase in 2009 of the additional 3% interest in Sadio la.

2 The carrying amount and the fair value of the long-term debt exclude transaction costs (net of amortization) of $11.2 million.

(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.

The Company's approach to managing this risk is to ensure that there is sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage.

As at December 31, 2012, the Company's cash, cash equivalents and gold bullion position at market value was $1,036.8 million (December 31, 2011 – $1,262.5 million). The Company had notes payable of $650.0 million as at December 31, 2012.

As at December 31, 2012, no funds were drawn against the Company's $750.0 million total unsecured revolving credit facilities. As at December 31, 2012, the Company has committed $69.5 million (December 31, 2011 – $17.9 million) of its $75.0 million letters of credit revolving facility for the guarantee of 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 base shelf prospectus has never been 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; and
- 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.

Under the terms of the Company's derivative 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 associated with these instruments by spreading out the maturity of its derivatives over time.

(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 measurement of the fair value of derivatives accounts for counterparty credit risk.

The Company holds cash and cash equivalents in credit worthy financial institutions that comply with the Company's investment policy and its credit risk parameters.

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 summarized in note 10. 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.

Credit risk on settlement receivables from niobium sales arises from difficulties buyers may have in meeting their payment obligations. At December 31, 2012, 61% of outstanding settlement receivables from sales of niobium were outstanding for less than 30 days, and 30% for between 30 and 60 days. In order to minimize the credit risk related to receivables from sales of niobium, credit limit exposure reviews are performed on a regular basis. No impairment of receivables from niobium sales was recognized in 2012 and 2011. 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 the following types of risks, share, and commodity market price risk, currency risk, and interest rate risk.

a. Fair value measurements

The following fair value hierarchy, which reflects the nature 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:

At December 31, 2012	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 :				
Cash and cash equivalents	**$ 813.5**	**$ —**	**$ —**	**$ 813.5**
Assets available for sale - marketable securities	**73.1**	**—**	**21.7**	**94 .8**
Assets at fair value through profit and loss - warrants held as investments	**—**	**0.5**	**—**	**0.5**
Derivatives :				
Currency contracts	**—**	**14.1**	**—**	**14.1**
Oil contracts	**—**	**2.7**	**—**	**2.7**
	$ 886.6	**$ 17.3**	**$ 21.7**	**$ 925.6**
Financial liabilities :				
Derivatives :				
Currency contracts	**—**	**(0.1)**	**—**	**(0.1)**
Aluminum contracts	**—**	**(0.1)**	**—**	**(0.1)**
Other liability - embedded derivatives	**—**	**(0.5)**	**—**	**(0.5)**
	$ —	**$ (0.7)**	**$ —**	**$ (0.7)**

b. Valuation techniques

Marketable Securities

The fair value of AFS financial assets (marketable securities) included in Level 1 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 market that is the principal active market for that particular security and available-for-sale financial assets with a quoted-market price are 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 for these securities, obtained from the entity, to value these marketable securities.

Available-for-sale financial assets included in Level 3	
At December 31, 2011	**$19.2**
Change in fair value reported in other comprehensive income	**2.7**
Gain on disposal recognized in the statement of earnings	**(0.2)**
At December 31, 2012	**$21.7**

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 those contracts. The Company reassess the reasonableness of these valuations through internal methods and third party 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.

c. Marketable securities and warrants held as investments, and market price risk

IAMGOLD holds certain marketable securities and warrants 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 and warrants held as investments.

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.

The unrealized gains related to change in market price of marketable securities classified as available-for-sale are recorded in the accumulated other comprehensive income within equity. The Company sold some of its marketable securities during 2012 and 2011. Gains previously included in the accumulated other comprehensive income were transferred to the statement of earnings.

During 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 impairment charges were required.

	Years ended December 31	
	2012	2011
Movement in accumulated other comprehensive income		
Net unrealized change in fair value of available-for-sale financial assets:		
Unrealized gains	**$ 9.4**	$ 6.1
Income tax impact	**(1.2)**	(1.9)
	8.2	4.2
Net realized change in fair value and impairment of available-for-sale financial assets:		
Sale of marketable securities	**(25.5)**	(8.9)
Impairment losses	**17.6**	1.6
Income tax impact	**1.0**	0.9
	(6.9)	(6.4)
	$ 1.3	$ (2.2)

The Company also has share purchase warrants held as investments included in other non-current assets on the consolidated balance sheet. An unrealized loss of $3.5 million related to the change in the fair value of these warrants held as investments was recorded in 2012 (2011 – unrealized gain $0.9 million).

At December 31, 2012, the impact of an increase of 10% in the fair value of marketable securities and warrants held as investments would have resulted in an increase in unrealized gains net of tax of $8.2 million that would be included in other comprehensive income and no material change in net earnings. The impact of a decrease of 10% in the fair value of marketable securities and warrants held as investments would have resulted in a decrease in unrealized gains net of tax of $7.5 million that would be included in other comprehensive income and a loss of $0.8 million in net earnings.

d. Currency exchange rate risk

Movements in the Canadian dollar (C$) and the Euro (€) against the U.S. dollar have a direct impact on the Company's financial statements. Canadian and international operations have exposure to these currencies; however metal sales are mainly transacted in the U.S. dollar and a significant portion of each international operation's cost base is denominated in the U.S. dollar.

The impact of conversion of transactions denominated in foreign currencies is accounted for in the statements of earnings and presents increased risk, as these foreign currency rates fluctuate in relation to the U.S. dollar.

The Company monitors on a regular basis its hedge position for its exposure to the Canadian dollar and the Euro 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 some of its mine sites, and corporate costs.

As at December 31, 2012, the Company had outstanding contracts for:

- Forward and option contracts for C$420 million ($412 million) hedging approximately 68% of its planned exposure to the Canadian dollar in 2013. Contract rates range from C$1.00/$ to C$1.07/$.
- Forward and option contracts for €108 million ($133 million) hedging approximately 33% of its planned exposure to the Euro in 2013. Contract rates range from $1.18/€ to $1.28/€.

These contracts did not qualify for hedge accounting. The fair value of these contracts was included in other current and non-current assets (liabilities).

	December 31, 2012	December 31, 2011
Canadian dollar (C$)	**$ 9.2**	$ (4.3)
Euro (€)	**4.8**	(0.3)
Other currencies	**—**	0.1
	$ 14.0	$ (4.5)

Fair value adjustments (unrealized gains (losses) on contracts) and realized losses on settlements were recognized and recorded in derivative gains (losses).

	Years ended December 31	
	2012	2011
Unrealized gains (losses) on contracts	**$ 19.0**	$ (5.0)
Realized losses	**(2.3)**	(1.8)
	$ 16.7	$ (6.8)

The fair value as at December 31, 2012, 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 consolidated statements of earnings.

	December 31, 2012	**Increase of 10%**	**Decrease of 10%**
Canadian dollar (C$)	**$ 9.2**	**$ (15.6)**	**$ 49.4**
Euro (€)	**4.8**	**(3.5)**	**14.9**
	$ 14.0	**$ (19.1)**	**$ 64.3**

e. Sensitivity analysis on net monetary assets

The foreign exchange gain recorded in 2012 of $12.2 million (2011 – loss of $8.1 million) was mainly due to the impact of foreign exchange variation on the net monetary asset position comprising of items such as cash held in Canadian dollar, receivables, payables, and income taxes payable, denominated in a foreign currency.

A strengthening of 10% of the U.S. dollar, against the Canadian dollar at December 31, 2012 would have increased net earnings by approximately $10 million. A weakening of the U.S. dollar against the Canadian dollar at December 31, 2012 would have had the same but opposite effect on the amount shown above, on the basis that all other variables remain constant.

f. 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 and diesel.

During the year, the Company increased its hedge position for its exposure to fuel by executing option contracts.

As a result, as at December 31, 2012, the Company had outstanding option contracts covering 43% of its fuel exposure in 2013. Contract prices were between $75 and $95 per barrel for crude oil. Planned fuel requirements are for the Rosebel, Essakane, Sadiola, Yatela, Niobec and Westwood operations.

The fair value at December 31, 2012 was included in other current and non-current assets (liabilities).

	Number of Barrels	December 31, 2012	December 31, 2011
Crude oil option contracts	**591,000**	**$ 2.7**	$ 4.4
Heating oil option contracts	**—**	**—**	0.2
	591,000	**$ 2.7**	$ 4.6

Changes in fair values and realized losses resulted in unrealized derivative gains as follows:

	Years ended December 31	
	2012	2011
Unrealized gains on contracts	**$ 0.1**	$ 2.7
Realized losses	**(0.6)**	(0.3)
	$ (0.5)	$ 2.4

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, 2012	Increase of 10%	Decrease of 10%
Crude oil option contracts	**$ 2.7**	**$ 7.6**	**$ —**

g. 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 in 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 45% of its aluminum exposure for 2013 at the Niobec mine. The negative fair value of outstanding contracts as at December 31, 2012 of $0.1 million was included in other non-current assets. The valuation of these contracts was based on an average aluminum price of $2,146 per metric tonne, at no cost, for the 2013 consumption.

Fair Value	Number of metric tonnes	December 31, 2012	December 31, 2011
Aluminum contracts	2,100	$ (0.1)	$ (0.8)

These contracts did not qualify for hedge accounting. Changes in fair values and realized losses resulted in unrealized derivative gains (losses) as follows:

	Years ended December 31 2012	2011
Unrealized gains (losses) on contracts	$ 0.6	$ (0.8)
Realized losses	(0.8)	(0.2)
	$ (0.2)	$ (1.0)

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, 2012	Increase of 10%	Decrease of 10%
Aluminum contracts	$ (0.1)	$ 0.3	$ (0.5)

h. Interest rate risk

Interest rate risk is the risk that the value of assets and liabilities will change when the related interest rates change. The Company is exposed to interest rate risk on its cash and cash equivalents and long-term debt. The Company does not take any particular measures to protect itself against fluctuations in interest rates. The interest rate risk related to cash and cash equivalents is low because of the short-term nature of these securities.

The Notes bear interest at the rate of 6.75% per annum. Changes in interest rates do not have an impact on interest expense related to the Notes because the rate is fixed.

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. Related interest rates are based on market interest rates. Fees related to the letter of credit and standby fees also vary according to the senior debt ratio. A change in the interest rate for the credit facility would have an impact on net earnings and/or capitalized costs depending on whether there were expenditures on qualifying assets in the period. If interest rate in 2012 had been 10% lower or higher with all other variables held constant, the impact on the interest expense would not have been material during 2012.

(b) Derivative gains (losses)

Derivative gains (losses) are included in interest income and derivatives and other investment gains (losses) in the consolidated statements of earnings.

	Years ended December 31	
	2012	2011
Unrealized change in fair value of:		
Derivatives - currency contracts	**$ 19.0**	$ (5.0)
Derivatives - oil contracts	**0.1**	2.7
Derivatives - aluminum contracts	**0.6**	(0.8)
Other (warrants held as investments and embedded derivatives)	**(3 .5)**	0.9
	16.2	(2.2)
Realized losses on:		
Derivatives - currency contracts	**(2.3)**	(1.8)
Derivatives - oil contracts	**(0.6)**	(0.3)
Derivatives - aluminum contracts	**(0.8)**	(0.2)
	(3.7)	(2.3)
	$ 12.5	$ (4.5)

20. 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 long-term debt covenants; and
- To protect the Company's value with respect to market and risk fluctuations.

The Company's capital items are the following:

	December 31, 2012	December 31, 2011
Cash and cash equivalents	**$ 813.5**	$ 1,051.6
Gold bullion at market value	**223.3**	210.9
Credit facilities available for use	**750.0**	350.0
Long-term debt[1]	**650.0**	—
Common shares	**2,315.8**	2,308.6

[1] Long-term debt excluding transaction costs (net of amortization) of $ 11.2 million.

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.

The Company's cash and cash equivalents, and gold bullion position valued at December 31, 2012 gold market price, was $1,036.8 million (December 31, 2011 – $1,262.5 million). This decrease was mainly due to the acquisition of the Côté Gold project, capital expenditures related to mining assets and exploration and evaluation assets, and the payment of dividends, partially offset by the net proceeds from the Notes and the net cash generated from operating activities.

The Company continues to have available a short form base shelf prospectus qualifying the distribution of securities of up to $1.0 billion, which was filed in July 2011.

There were no changes in the Company's approach to capital management during the year other than the issuance of long-term debt. The Company's capital structure was modified during 2012 in support of the Company's growth objectives. In February 2012, the Company amended its credit facility agreement increasing the available amount from $350.0 million to $750.0 million. On September 21, 2012, the Company issued at face value $650.0 million of Notes. The Company intends to use the proceeds of the Notes for general corporate purposes, including funding capital expenditures and exploration. The Company has complied with its long-term debt covenants.

21. PROVISIONS

(a) Asset retirement obligations

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 and discount rates, and acquisition or construction of a new mine. The Company makes a provision based on a best estimate of the future cost of rehabilitating mine sites and related production facilities on a discounted basis.

The following table presents the reconciliation of the provision for asset retirement obligations:

	Years ended December 31	
	2012	2011
Balance, beginning of the year	**$ 222.2**	$ 187.4
Acquisition of the Côté Gold project	**0.4**	—
Revision of estimated cash flows and discount rates :		
Capitalized in mining assets	**31.5**	22.7
Expensed (related to closed sites)	**5.3**	23.0
Accretion expense-continuing operations[1]	**1.3**	2.9
Accretion expense-discontinued operations	**—**	0.1
Disbursements-continuing operations	**(2 .6)**	(2.8)
Disbursements-discontinued operations	**—**	(0.1)
Other	**—**	(1.7)
Discontinued operations - Mupane	**—**	(9.3)
Balance, end of the year	**258.1**	222.2
Less : current portion	**(7 .4)**	(6.3)
Non-current portion	**$ 250.7**	$ 215.9

[1] Included in finance costs.

As at December 31, 2012, the Company had letters of credit in the amount of $69.5 million to guarantee asset retirement obligations compared to $17.9 million at December 31, 2011. The increase in collateral support to guarantee asset retirement obligations was the result of Quebec, Canada regulators accepting a revised asset retirement plan. The Company also has legally restricted cash of $3.1 million included in other non-current assets for the purposes of settling asset retirement obligations.

At December 31, 2012, 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	Average Real Discount Rate
Rosebel mine	**$ 58.4**	2013-2032	0.6%
Essakane mine	**33.5**	2019-2033	0.1%
Doyon mine	**122.1**	2013-2043	0.4%
Sadiola mine (41%)	**24.6**	2013-2039	0.1%
Yatela mine (40%)	**15.2**	2013-2022	0.1%
Niobec mine	**9.1**	2013-2029	0.4%
Other Canadian sites	**13.6**	2013-2109	0.3%
	$ 276.5		

The schedule of estimated future disbursements for rehabilitation and for security deposits is as follows:

2013	**$ 7.5**
2014	**8.6**
2015	**8.5**
2016	**7.0**
2017	**5.7**
2018 onwards	**239.2**
	$276.5

(b) Termination benefits

Contractual termination benefits were first 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 extended the life of the Mouska mine from 2009 to late 2013 through the use of paste backfill to extract additional ore. During these years, 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 related to termination benefits for the closure of the Company's Doyon and Mouska mines in Canada as of December 31, 2012 and December 31, 2011, were as follows:

	Years ended December 31	
	2012	2011
Balance, beginning of the year	**$ 2.9**	$ 2.6
Termination benefits adjustments	**(0.2)**	0.6
Paid during the year	**(0.2)**	(0.5)
Foreign exchange impact	**0.1**	0.2
Balance, end of the year	**$ 2.6**	$ 2.9

	December 31, 2012	December 31, 2011
Current portion included in current portion of other non-current liabilities	**$ 1.5**	$ 0.4
Long-term portion included in other non-current liabilities	**1.1**	2.5
	$ 2.6	$ 2.9

(c) Provisions for litigation claims and regulatory assessments

By their nature, contingencies will only be determined 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 operates in various countries around the world and may be subject to assessments by the regulatory authorities in each of those countries, which can be complex and subject to interpretation. Assessments may relate to matters such as income and other taxes, duties and environmental matters. The Company is diligent and exercises informed judgment to interpret the provisions of applicable laws and regulations as well as their application and administration by regulatory authorities to reasonably determine and pay the amounts due. From time to time, the Company may undergo a review by the regulatory authorities and in connection with such reviews, disputes may arise with respect to the Company's interpretations about the amounts due and paid.

The Company is also subject to various litigation actions. In-house counsel, outside legal advisors, and other subject matter experts assess the potential outcome of litigation and regulatory assessments. Accordingly, the Company establishes provisions for future disbursements considered probable. At December 31, 2012 the Company did not have any material provisions for litigation claims or regulatory assessments. Further, the Company does not believe claims or regulatory assessments for which no provision has been recorded will have a material impact on the financial position of the Company.

22. INCOME TAXES

The components that give rise to deferred income tax assets and liabilities are as follows:

	December 31, 2012	December 31, 2011
Deferred tax assets:		
Other assets	**$ 22.7**	$ 26.6
Exploration and evaluation assets	**76.6**	10.4
Share issue costs	**0.7**	4.5
Non-capital losses	**96.0**	57.4
Mining assets	**—**	16.2
Asset retirement obligations	**31.4**	30.3
Income tax benefit of mining duties	**7.9**	6.5
	235.3	151.9
Deferred tax liabilities:		
Mining assets	**(397.1)**	(245.0)
Exploration and evaluation assets	**—**	(56.4)
Royalty interests	**(15.9)**	(15.9)
Other intangible assets	**(1 .4)**	(1.6)
Mining duties	**(29.3)**	(24.0)
Available-for-sale financial assets	**(6.6)**	(7.0)
Other	**(15.2)**	(17.0)
	(465.5)	(366.9)
Net deferred income tax liabilities	**$ (230.2)**	$ (215.0)
Classification		
Non-current assets	**$ 55.4**	$ 41.4
Non-current liabilities	**(285.6)**	(256.4)
	$ (230.2)	$ (215.0)

For Canadian income tax purposes, the Company has non-capital loss carry forwards of $421.7 million and a net capital loss carry forward of $181.8 million 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 2013. 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 non-capital loss carry forward of $53.2 million, net capital loss carry forward of $158.6 million and exploration and development expenses of $62.9 million. 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 $2.3 million (2011 – $12.7 million).

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 $249.8 million 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 $682.2 million (2011 - $1,304.4 million) related to investments in certain 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 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 26.8% in 2012 (2011 – 28.4%) to earnings from continuing operations before income taxes. The reasons for the differences are as follows:

	Years ended December 31	
	2012	2011
Earnings from continuing operations before income taxes	**$ 570.6**	$ 649.0
Income tax provision calculated using the combined Canadian federal and provincial statutory income tax rate	**$ 152.9**	$ 184.3
Increase (reduction) in income taxes resulting from :		
Earnings not subject to taxation	**(0.1)**	(1.1)
Earnings in foreign jurisdictions subject to different tax rates	**6.5**	(5.7)
Tax benefits not recognized	**21.7**	9.6
Provincial mining duty tax	**5.2**	7.1
Non-deductible expenses	**17.8**	12.8
Non-resident with holding taxes	**5.2**	4.5
Foreign exchange related to income taxes	**(7.3)**	8.4
Change in enacted tax rates	**(5.9)**	5.5
Flow-through shares	**—**	6.5
Over provided in prior periods	**1.6**	(6.2)
Other	**1.8**	(4.7)
Total income tax expense	**$ 199.4**	$ 221.0

The effective tax rate for the years ended December 31, 2012 and 2011 was 34.9% and 34%, respectively.

The income tax expense (benefit) on other comprehensive income is made up of the following components:

	Years ended December 31	
	2012	2011
Unrealized change in fair value of available-for-sale financial assets	**$ 1.2**	$ 1.9
Realized change in fair value and impairment of available-for-sale financial assets	**(1.0)**	(0.9)
Other	**(0.8)**	(0.4)
Total income tax expense related to other comprehensive income	**$ (0.6)**	$ 0.6

The income tax expense (benefit) is made up of the following components:

	Years ended December 31 2012	2011
Current:		
Federal and provincial income taxes	**$ 5.0**	$ 4.6
Provincial mining taxes	**2.2**	1.5
Foreign income taxes	**179.8**	191.9
Changes in tax rates or imposition of new taxes	**(3.4)**	—
	183.6	198.0
Deferred:		
Federal and provincial income tax - origination and reversal of temporary differences	**(1.1)**	(8.1)
Provincial mining taxes - origination and reversal of temporary differences	**3.0**	9.5
Foreign income taxes - origination and reversal of temporary differences	**16.4**	16.1
Changes in tax rates or imposition of new taxes	**(2.5)**	5.5
	15.8	23.0
Total income tax expense	**$ 199.4**	$ 221.0

The 2012 movement for deferred income taxes may be summarized as follows:

	December 31, 2011	Statement of earnings	Other comprehensive income	Other	December 31, 2012
Deferred tax assets:					
Other assets	**$ 26.6**	**$ (4.7)**	**$ 0 .8**	**$—**	**$ 22.7**
Exploration and evaluation assets	**10.4**	**66.2**	**—**	**—**	**76.6**
Share issue costs	**4.5**	**(3.8)**	**—**	**—**	**0.7**
Non-capital losses	**57.4**	**38.6**	**—**	**—**	**96.0**
Mining assets	**16.2**	**(16.2)**	**—**	**—**	**—**
Asset retirement obligations	**30.3**	**1.1**	**—**	**—**	**31.4**
Income tax benefit on mining duties	**6.5**	**1.4**	**—**	**—**	**7.9**
Deferred tax liabilities:					
Mining assets	**(245.0)**	**(152.1)**	**—**	**—**	**(397.1)**
Exploration and evaluation assets	**(56.4)**	**56.4**	**—**	**—**	**—**
Royalty interests	**(15.9)**	**—**	**—**	**—**	**(15.9)**
Other intangible assets	**(1.6)**	**0.2**	**—**	**—**	**(1.4)**
Mining duties	**(24.0)**	**(5.3)**	**—**	**—**	**(29.3)**
Available-for-sale assets	**(7.0)**	**0.6**	**(0.2)**	**—**	**(6.6)**
Other	**(17.0)**	**1.8**	**—**	**—**	**(15.2)**
	$ (215.0)	**$ (15.8)**	**$ 0.6**	**$—**	**$ (230.2)**

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	$ 23.8	$ 2.5	$ 0.3	$ —	$ 26.6
Exploration and evaluation assets	2.1	8.3	—	—	10.4
Share issue costs	3.4	1.1	—	—	4.5
Non-capital losses	56.6	0.8	—	—	57.4
Net capital losses	0.6	(0.6)	—	—	—
Mining assets	1.2	15.0	—	—	16 .2
Asset retirement obligations	12.4	17.9	—	—	30.3
Income tax benefit on mining duties	1 .8	4.7	—	—	6 .5
Deferred tax liabilities:					
Mining assets	(210.1)	(34.9)	—	—	(245.0)
Exploration and evaluation assets	(47.7)	(8.7)	—	—	(56.4)
Royalty interests	(16.1)	0.2	—	—	(15.9)
Other intangible assets	(1.9)	0.3	—	—	(1.6)
Mining duties	(7.7)	(16.3)	—	—	(24.0)
Available-for-sale assets	(6.3)	0.2	(0.9)	—	(7.0)
Other	(14.3)	(13.5)	—	10.8	(17.0)
	$ (202.2)	$ (23.0)	$ (0.6)	$10.8	$ (215.0)

23. 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

	Notes	Years ended December 31 2012	2011
Outstanding, beginning of the year		**375,918,655**	372,849,289
Issuance of flow-through shares	23(c)	**—**	1,700,000
Exercise of options	25(a)	**597,670**	1,311,627
Release of restricted share units and performance share units	25(b)	**20,625**	57,739
Outstanding, end of the year		**376,536,950**	375,918,655

(c) Issuance of flow-through common shares

Under the applicable tax legislation, the Company is required to incur an amount equivalent to the proceeds of the issue of flow-through shares on prescribed resource expenditures. 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 $43.3 million (C$43.3 million) in 2011 (nil – 2012). 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 $34.6 million in 2011. The difference between the amount recognized in common shares and the amount the investors paid for the shares (2011 – $6.9 million) was recognized in amortization of gain related to flow-through shares (included in interest income and derivatives and other investment gains).

24. EARNINGS PER SHARE

Basic earnings per share computation

	Years ended December 31	
	2012	2011
Numerator:		
Net earnings from continuing operations attributable to equity holders of IAMGOLD	$ 334.7	$ 391.3
Net earnings attributable to equity holders of IAMGOLD	$ 334.7	$ 806.6
Denominator:		
Weighted average number of common shares (basic)	**376,186,069**	374,946,713
Basic earnings from continuing operations attributable to equity holders of IAMGOLD per share ($/share)	**$ 0.89**	$ 1.04
Basic earnings attributable to equity holders of IAMGOLD per share ($/share)	**$ 0.89**	$ 2.15

Diluted earnings per share computation

	Years ended December 31	
	2012	2011
Denominator:		
Weighted average number of common shares (basic)	**376,186,069**	374,946,713
Dilutive effect of employee share options	**454,308**	1,443,903
Dilutive effect of employee restricted share units	**286,937**	120,968
Dilutive effect of employee performance share units	**10,918**	8,868
Weighted average number of common shares (diluted)	**376,938,232**	376,520,452
Diluted earnings from continuing operations attributable to equity holders of IAMGOLD per share ($/share)	**$ 0.89**	$ 1.04
Diluted earnings attributable to equity holders of IAMGOLD per share ($/share)	**$ 0.89**	$ 2.14

Equity instruments excluded from the computation of diluted earnings per share which could be dilutive in the future were as follows:

	Years ended December 31	
	2012	2011
Share options	**3,118,025**	942,972
Performance share units	**180,711**	4,306
	3,298,736	947,278

25. SHARE-BASED COMPENSATION

	Years ended December 31	
	2012	2011
Share option plan	**$ 4.7**	$ 4.3
Share bonus plan	**1.1**	0.6
Deferred share plan	**2.8**	1.2
Share-based compensation for continuing operations[1]	**$ 8.6**	$ 6.1

[1] The 2011 share-based compensation expense excludes the $ 0.2 million related to the reclassification of Mupane as discontinued operations.

(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, 2012, the total number of shares reserved for the grants of share options was 20,257,401. As of December 31, 2012, the shares that remained in reserve were 6,518,351 of which 4,159,150 were outstanding and 2,359,201 were unallocated.

	Year ended December 31, 2012		Year ended December 31, 2011	
	Share Options	**Weighted Average Exercise Price (C$)[1]**	Share Options	Weighted Average Exercise Price (C$)[1]
Outstanding, beginning of the year	3,542,646	$ 13.25	4,732,649	$ 11.31
Granted	1,435,535	13.30	722,416	19.27
Exercised	(597,670)	8.70	(1,311,627)	9.83
Forfeited	(221,361)	13.26	(600,792)	12.64
Outstanding, end of the year	4,159,150	$ 13.92	3,542,646	$ 13.25
Exercisable, end of the year	1,838,646	$ 12.74	1,588,891	$ 11.50

[1] All exercise prices are denominated in Canadian dollars. The exchange rates at December 31, 2012 and 2011, between U.S. dollar and Canadian dollar were C$ 0.9949/U.S.$ and C$ 1.0203/U.S.$, respectively.

The following table summarizes information related to share options outstanding at December 31, 2012:

Range of Prices C$/share	Number outstanding	Weighted Average Remaining Contractual Life - years	Weighted Average Exercise Price C$/share
5.01 – 10.00	486,075	0.4	$ 6.41
10.01 – 15.00	2,485,014	4.1	$ 12.99
15.01 – 20.00	989,342	4.6	$ 18.22
20.01 – 25.00	192,719	4.9	$ 22.37
25.01 – 27.00	6,000	4.2	$ 26.25
	4,159,150	3.8	$ 13.92

The following are the weighted average inputs to the Black-Scholes model used in determining fair value of options granted. The estimated fair value of the options is expensed over the options' expected life.

	Years ended December 31	
	2012	2011
Weighted average risk-free interest rate	**2%**	2%
Weighted average expected volatility [1]	**45%**	45%
Weighted expected dividend yield	**1.88%**	0.45%
Weighted average expected life of options issued (years)	**5.0**	5.0
Weighted average grant-date fair value (C$ per share)	**$ 4.58**	$ 7.71
Weighted average share price at grant date (C$ per share)	**$ 13.27**	$ 19.23
Weighted average exercise price (C$ per share)	**$ 13.30**	$ 19.27

[1] 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 740,511 common shares. In 2012, the Company's Board of Directors approved a reallocation of 140,511 common shares from the share purchase plan reserve to the share bonus plan reserve. As of December 31, 2012, the shares that remained in reserve were 448,814 of which 178,042 were outstanding and 270,772 were unallocated.

A summary of the status of the Company's restricted share units issued to employees and directors under the share bonus plan reserve and changes during the year is presented below.

	Years ended December 31	
	2012	2011
	Number	Number
Outstanding, beginning of the year	**182,259**	12,500
Granted	**17,604**	197,231
Issued	**—**	(23,250)
Forfeited	**(21,821)**	(4,222)
Outstanding, end of the year	**178,042**	182,259

Deferred share plan

The Company has a deferred share plan for employees whereby a maximum of 2,359,489 common shares may be awarded. In 2012, the Company's Board of Directors approved a reallocation of 859,489 common shares from the share purchase plan reserve to the deferred share plan reserve. In addition, the Company's shareholders approved an increase of 1,000,000 common shares in the deferred share plan reserve. At December 31, 2012, the shares that remained in reserve were 2,241,291 of which 822,879 were outstanding and 1,418,412 were 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	
	2012	2011
	Number	Number
Outstanding, beginning of the year	**246,103**	137,417
Granted	**446,955**	170,602
Issued	**(20,625)**	(34,488)
Forfeited	**(76,922)**	(27,428)
Outstanding, end of the year	**595,511**	246,103

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	
	2012	2011
	Number	Number
Outstanding, beginning of the year	**62,438**	—
Granted	**171,787**	74,639
Forfeited	**(6,857)**	(12,201)
Outstanding, end of the year	**227,368**	62,438

(ii) Summary of awards

Restricted share units

Executive officers, directors 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, employee 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 Human Resources and Compensation Committee of the Board of Directors. The amount of shares granted is determined as part of the employees' overall compensation.

Starting in 2012, director restricted share unit grants vest at the end of each year, 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 as part of their retainer compensation established by the Nominating and Corporate Governance Committee and approved by the Board of Directors.

The following are the weighted average inputs to the model used in determining fair value for restricted share units granted. The estimated fair value of the awards is expensed over their vesting period.

	Years ended December 31	
	2012	2011
Risk-free interest rate	**1%**	1%
Expected volatility[1]	**42%**	43%
Dividend yield	**1.91%**	0.76%
Weighted average expected life of RSUs issued (years)	**2.8**	2.9
Weighted average grant-date fair value (C$ per share)	**$ 11.99**	$ 20.23
Weighted average share price at grant date (C$ per share)	**$ 13.13**	$ 20.65
Model used	**Black-Scholes**	Black-Scholes

[1] 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.

The following are the weighted average inputs to the model used in determining fair value for performance share units granted. The estimated fair value of the awards is expensed over their vesting period.

	Years ended December 31	
	2012	2011
Risk-free interest rate	**1%**	2%
Expected volatility[1]	**42%**	44%
Weighted average expected life of PSUs issued (years)	**2.9**	2.9
Weighted average grant-date fair value (C$ per share)	**$ 10.72**	$ 17.18
Weighted average share price at grant date (C$ per share)	**$ 13.44**	$ 19.52
Model used	**Monte Carlo**	Monte Carlo

[1] Expected volatility is estimated by considering historic average share price volatility adjusted for market fluctuations.

(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.

26. DIVIDENDS

During 2012, IAMGOLD declared an annual dividend of $0.25 per share, payable in two semi-annual installments of $0.125 per share each.

	Years ended December 31	
	2012	2011
Dividend to IAMGOLD's shareholders :		
$0.10 per common share, paid in July 2011	**$ —**	$ 37.5
$0.125 per common share, paid in January 2012	**—**	47.0
$0.125 per common share, paid in July 2012	**47.0**	—
$0.125 per common share, paid in January 2013	**47.1**	—
	94.1	84.5
Subsidiaries' dividends to non-controlling interests	**14.2**	11.7
	$ 108.3	$ 96.2

27. COST OF SALES

Cost of sales includes mine production, transport and smelter processing costs, royalty expenses, applicable site administrative costs, applicable stripping costs and other related costs, and depreciation expense.

	Years ended December 31	
	2012	2011
Operating costs - mines	**$ 706.1**	$ 656.9
Royalties	**80.4**	81.0
Depreciation expense [1]	**161.5**	153.9
	$ 948.0	$ 891.8

[1] Depreciation expense excludes depreciation relating to corporate assets, which is included in general and administrative expenses (note 28).

28. GENERAL AND ADMINISTRATIVE EXPENSES

	Years ended December 31	
	2012	2011
Salaries	**$ 24.2**	$ 24.0
Director fees and expenses	**2.2**	1.9
Professional and consulting fees	**9.9**	9.2
Other administration costs	**11.0**	10.1
	47.3	45.2
Share-based compensation	**8.6**	6.1
Depreciation expense	**2.4**	2.9
	$ 58.3	$ 54.2

29. FINANCE COSTS

	Years ended December 31	
	2012	2011
Credit facility fees	**$ 4.5**	$ 3.9
Interest expense	**11.2**	—
Accretion expense	**1.3**	2.9
Other	**1.5**	0.3
	$ 18.5	$ 7.1

30. INTEREST INCOME AND DERIVATIVES AND OTHER INVESTMENT GAINS (LOSSES)

	Years ended December 31	
	2012	2011
Interest Income	**$ 3.0**	$ 1.8
Gain on sale of gold bullion	**—**	1.4
Gain on sale of marketable securities	**25.5**	8.9
Impairment of marketable securities	**(24.1)**	(1.6)
Gain (loss) on sale of assets	**(0 .8)**	14.6
Gain on sale of La Arena project	**—**	10.5
Derivative gain (loss)	**12.5**	(4.5)
Amortization of gain related to flow-through shares	**—**	6.8
Other	**4.1**	(0.3)
	$ 20.2	$ 37.6

31. EXPENSES BY NATURE

The following employee benefits expenses are included in cost of sales, general and administrative expenses, and exploration expenses:

	Years ended December 31	
	2012	2011
Salaries, short-term incentives, and other benefits	**$ 261.8**	$ 242.2
Share-based payments	**8.4**	5.8
Other	**7.5**	7.3
	$ 277.7	$ 255.3

32. CASH FLOW ITEMS

(a) Adjustments for other non-cash items within operating activities

	Years ended December 31	
	2012	2011
Share-based compensation	**$ 8.6**	$ 6.1
Gain on sale of marketable securities	**(25.5)**	(8.9)
Impairment of marketable securities	**24.1**	1.6
Loss (gain) on sale of assets	**0.8**	(14.6)
Gain on sale of La Arena project	**—**	(10.5)
Derivative loss (gain)	**(12.5)**	4.5
Amortization of gain related to flow-through shares	**—**	(6.8)
Share of net losses (earnings) from investments in associates	**(12.0)**	1.6
Other	**5.8**	5.2
	$ (10.7)	$ (21.8)

(b) Adjustments for cash items within operating activities

	Years ended December 31	
	2012	2011
Disbursements related to asset retirement obligations	**$ (2.6)**	$ (2.8)
Settlement of derivatives	**(1.3)**	(4.7)
Disbursements related to termination benefits	**(0.2)**	(0.5)
Other	**(0.4)**	(0.3)
	$ (4.5)	$ (8.3)

(c) Movements in non-cash working capital items and non-current ore stockpiles

	Years ended December 31	
	2012	2011
Receivables and other current assets	**$ (1.4)**	$ (47.8)
Inventories and non-current ore stockpiles	**(72.9)**	(65.7)
Accounts payable and accrued liabilities	**11.3**	49.6
	$ (63.0)	$ (63.9)

(d) Other investing activities

	Years ended December 31	
	2012	2011
Purchase of short-term investments	**$ —**	$ (169.9)
Cash received upon maturity of short-term investments	**—**	169.9
Acquisition of investments	**(49.7)**	(50.8)
Proceeds from sale of investments	**28.2**	11.2
Acquisition of gold bullion	**—**	(56.8)
Disposal of gold bullion	**—**	2.0
Restricted cash	**(1.2)**	(1.2)
Net disposals (acquisitions) of other assets	**(6.9)**	0.6
	$ (29.6)	$ (95.0)

(e) Net proceeds from disposals of non-core assets

	Years ended December 31	
	2012	2011
Disposal of the La Arena project	**$ —**	$ 48.8
Disposal of the Tarkwa and Damang mines	**—**	667.0
Disposal of the Mupane mine	**—**	6.6
Disposal of the Magistral royalty interest	**—**	15.0
	$ —	$ 737.4

33. IMPAIRMENT

(a) Impairment charges

There were no impairment charges for long-lived assets and goodwill accounted for in 2012 and 2011.

(b) Impairment testing for cash-generating units containing goodwill

The Company performs impairment testing on an annual basis, as of December 31, and more frequently if there are indicators of impairment. 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.

For the impairment test, the fair value less costs to sell ("FVLCS") was used to determine the recoverable amount since it is higher as compared to value in use. FVLCS was calculated using a discounted cash flow methodology taking account of assumptions that would be considered by market participants. Cash flows are for periods up to the date that mining is expected to cease, which are 19 years for both the Suriname gold operations and the Doyon division.

Long-term realized gold price used in impairment testing was determined by reference to external market consensus forecasts. The long-term gold price assumption used in impairment testing was $1,400 per ounce (2011 - $1,225 per ounce).

Real post-tax discount rates, includes 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 the cash flows have not already been adjusted. These rates were calculated with reference to market information from third-party sources.

Gold companies typically trade at a market capitalization that is based on a multiple of their discounted cash flows referred to as a "NAV multiple". For consistency in market evaluations, a NAV multiple was applied to the discounted cash flows of the Suriname gold operations and the Doyon division. The NAV multiple represents the CGU's exploration potential beyond the identified reserves and resources and expectation of continued higher production than modeled.

Expected future cash flows used to determine the FVLCS used in the impairment testing are inherently uncertain and could materially change over time. The cash flows are significantly affected by a number of factors including estimates of production levels, operating costs and capital expenditures; as well as economic factors beyond management's control, such as gold prices and discount rates. Should management's estimate of the future not reflect actual events, impairments may be identified.

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. A material change in gold price would cause the Company to review its mine plan and future capital expenditures and expansion plans accordingly.

34. COMMITMENTS

(a) Royalty expenses

Production from certain mining operations is subject to third party royalties (included in the cost of sales) based on various methods of calculation summarized as follows:

	Years ended December 31	
	2012	2011
Rosebel[1]	**$ 38.4**	$ 35.7
Essakane[2]	**28.9**	30.3
Mouska[3]	**0.1**	0.9
Sadiola[4]	**10.1**	11.3
Yatela[4]	**2.9**	2.8
Total included in mining costs	**$ 80.4**	$ 81.0

[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 are payable to a charitable foundation for the purpose of promoting local development of natural resources within Suriname.

[2] Royalty based on 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.

(b) Management fees

	Years ended December 31	
	2012	2011
Joint ventures:		
Sadiola (1% of revenues)	**$ 1.7**	$ 1.9
Yatela (1% of revenues)	**0.5**	0.5
Total included in mining costs	**$ 2.2**	$ 2.4

(c) Capital commitments

	December 31, 2012	December 31, 2011
Capital commitments (excluding those related to joint ventures)		
Capital expenditures obligations	**$ 100.7**	$ 68.0
Purchase obligations	**98.8**	105.4
Operating leases	**8.6**	7.2
Capital commitments related to joint ventures (IAMGOLD share)		
Capital expenditures obligations	**1.0**	4.4
Purchase obligations	**37.5**	31.9
	$ 246.6	$ 216.9

At December 31, 2012	Total	Payments Due by Period: Less than 1 Year	2-3 Years	4 -5 Years	After 5 Years
Capital expenditures obligations	$101.7	$ 101.5	$ 0.2	$ —	$ —
Purchase obligations	136.3	123.0	8 .3	4 .7	0 .3
Operating leases	8.6	3 .5	4 .5	0 .6	—
Total	$246.6	$ 228.0	$ 13.0	$ 5.3	$ 0 .3

35. RELATED PARTY TRANSACTIONS

There were no material related party transactions in 2012 and 2011.

Compensation of key management personnel

Compensation breakdown for key management personnel, comprising of the Company's directors and executive officers, is as follows:

	Years ended December 31 2012	2011
Salaries and other benefits [1]	$ 8.6	$ 9.3
Termination benefits	—	0.1
Share-based payments	4.5	3.2
	$ 13.1	$ 12.6

[1] Salaries and other benefits include amounts paid to directors.

36. 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 ventures in the Sadiola mine (41%) and 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, and
- Corporate which also includes royalty interests located in Canada and investments in associates

	December 31, 2012			December 31, 2011		
	Total non-current assets	Total assets	Total liabilities	Total non-current assets	Total assets	Total liabilities
Gold Mines						
Suriname	$ 731.3	$ 876.3	$ 249.4	$ 633.7	$ 833.4	$237.8
Burkina Faso	976.0	1,187.9	158.5	787.2	954.5	139.8
Canada	768.1	823.8	158.0	493.0	532.3	131.8
Mali	151.3	207.6	99.6	109.6	182.7	92.9
Total Gold Mines	2,626.7	3,095.6	665.5	2,023.5	2,502.9	602.3
Niobium	481.1	538.4	162.6	423.6	476.7	145.3
Exploration and Evaluation	549.9	593.9	12.7	31.8	45.4	6.9
Corporate	317.4	1,148.3	730.6	368.8	1,368.8	110.4
Total	$3,975.1	$5,376.2	$1,571.4	$2,847.7	$4,393.8	$864.9

Year ended December 31, 2012

	Consolidated statement of earnings information							
	Revenues	Cost of sales [1]	Depreciation expense	General and administrative	Exploration	Other	Earnings (losses) from operations	Capital expenditures [2]
Gold Mines								
Suriname	$ 655.7	$274.4	$ 49.6	$ —	$ 10.1	$—	$ 321.6	$ 124.0
Burkina Faso	586.9	217.4	74.2	—	2.9	—	292.4	254.4
Canada	12.6	8.4	0.4	—	3.9	4.9	(5.0)	190.8
Mali	216.6	160.0	9.3	—	4.7	—	42.6	52.4
Total Gold Mines	1,471.8	660.2	133.5	—	21.6	4.9	651.6	621.6
Niobium	190.5	117.9	20.4		—	—	52.2	75.7
Exploration and Evaluation	—	2.9	0.6	1.8	81.3	0.2	(86.8)	2.2
Corporate	7.7	5.5	7.0	56.5	9.8	(0.3)	(70.8)	1.0
	$1,670.0	$786.5	$ 161.5	$ 58.3	$ 112.7	$ 4.8	$ 546.2	$ 700.5

Year ended December 31, 2011

	Consolidated statement of earnings information							
	Revenues	Cost of sales [1]	Depreciation expense	General and administrative	Exploration	Other	Earnings (losses) from operations	Capital expenditures [2]
Gold Mines								
Suriname	$ 608.1	$248.7	$ 51.6	$ —	$ 7.9	$ —	$ 299.9	$ 72.8
Burkina Faso	590.1	191.9	69.9	—	4.4	—	323.9	104.6
Canada	52.3	37.8	1.0	0.9	7.5	21.8	(16.7)	130.0
Mali	235.2	144.6	5.4	—	4.8	—	80.4	24.3
Total Gold Mines	1,485.7	623.0	127.9	0.9	24.6	21.8	687.5	331.7
Niobium	177.8	111.2	19.0	0.1	—	0.6	46.9	61.4
Exploration and Evaluation	—	1.3	—	0.6	48.7	—	(50.6)	3.1
Corporate	9.7	2.4	7.0	52.6	—	3.3	(55.6)	—
	$1,673.2	$737.9	$ 153.9	$ 54.2	$ 73.3	$25.7	$ 628.2	$ 396.2

[1] Excluding depreciation expense.
[2] Expenditures for mining assets and exploration and evaluation assets.

Exhibit 99.4

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 25, 2013

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 25, 2013

By: /s/ Carol Banducci
Carol Banducci
Chief Financial Officer

Exhibit 99.5

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, 2012 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 25, 2013 /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, 2012 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 25, 2013 /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 99.6

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 Report of Independent Registered Public Accounting Firm dated February 20, 2013 on the consolidated balance sheets of IAMGOLD Corporation as at December 31, 2012 and December 31, 2011, and the related consolidated statements of earnings, comprehensive income, changes in equity and cash flows for the years ended December 31, 2012 and December 31, 2011; and
- our Report of Independent Registered Public Accounting Firm on Internal Control over Financial Reporting dated February 20, 2013 on IAMGOLD Corporation's internal control over financial reporting as of December 31, 2012

each of which is incorporated by reference in this annual report on Form 40-F of IAMGOLD Corporation for the fiscal year ended December 31, 2012.

We also consent to the incorporation by reference of such reports in the Registration Statement on Form F-10 (File No. 333-175246) of IAMGOLD Corporation.

KPMG LLP

Chartered Accountants, Licensed Public Accountants

Toronto, Canada
March 25, 2013

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.

KPMG Confidential

Exhibit 99.7

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 (the "Company") 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 Gold Project, Burkina Faso", effective June 3, 2008, readdressed March 3, 2009 (the "Essakane Report"); and (2) the annual information form of the Company dated March 25, 2013, 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 Bedell

By: Philip Bedell, P. Eng., B.E.Sc., M.E.Sc.
Title: President
Company: Bedell Engineering Inc.

Date: March 25, 2013

Exhibit 99.8

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 (the "Company") 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 Company dated March 25, 2013 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 25, 2013

/s/ Elzéar Belzile

Name: Elzéar Belzile, Ing.
Title: Independent Mining Consultant
Company: Belzile Solutions Inc.

Exhibit 99.9

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 (the "Company") 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 Gold Project, Burkina Faso", effective June 3, 2008, readdressed March 3, 2009 (the "Essakane Report"); and (2) the annual information form of the Company dated March 25, 2013, 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
Title: President, G Mining Services Inc.

Date: March 25, 2013

Exhibit 99.10

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 (the "Company") 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 Gold Project, Burkina Faso", effective June 3, 2008, readdressed March 3, 2009 (the "Essakane Report"); and (2) the annual information form of the Company dated March 25, 2013, 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
Title: Senior Mining Engineer, G Mining Services Inc.

Date: March 25, 2013

Exhibit 99.11

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 (the "Company") 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 Gold Project, Burkina Faso", effective June 3, 2008, readdressed March 3, 2009 (the "Essakane Report"); and (2) the annual information form of the Company dated March 25, 2013, 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: Principal Consultant, Optiro Pty Ltd.

Date: March 25, 2013

Exhibit 99.12

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 (the "Company") with the United States Securities and Exchange Commission in connection with (1) the technical report dated September 6, 2005, entitled "Cambior – Rapport Technique – Projet Camp Caiman – Norme Canadienne 43-101" (the "Camp Caiman Report"); and (2) the annual information form of the Company dated March 25, 2013, which includes reference to my name in connection with information relating to the Camp Caiman 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 25, 2013

/s/ Patrick Godin

Name: Patrick Godin, Eng. ASC.
Title: Chief Operating Officer
Company: Stornoway Diamond Corporation

Exhibit 99.13

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 (the "Company") 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 Gold Project, Burkina Faso", effective June 3, 2008, readdressed March 3, 2009 (the "Essakane Report"); and (2) the annual information form of the Company dated March 25, 2013, 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. (now known as AMEC GRD SA)

Date: March 25, 2013

Exhibit 99.14

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 (the "Company") with the United States Securities and Exchange Commission in connection with (1) the technical report entitled "IAMGOLD Corporation – Rosebel Mine, Suriname – NI 43-101 Technical Report" dated March 29, 2010 (the "Rosebel Report"); and (2) the annual information form of the Company dated March 25, 2013 which includes reference to my name in connection with the information relating to the Rosebel Mine, 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 25, 2013

/s/ Gabriel Voicu

Name: Gabriel Voicu, PhD, P. Geo
Title: Technical Services Manager

Exhibit 99.15

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 (the "Company") with the United States Securities and Exchange Commission in connection with (1) the technical report dated February 27, 2009 entitled "NI 43-101 Technical Report for Westwood Project, Québec, Canada" (the "Westwood Report"); (2) the technical report dated June 17, 2011 entitled "Technical Report on Expansion Options at the Niobec Mine, Québec, Canada" (the "Niobec Report"); and (3) the annual information form of the Company dated March 25, 2013 which includes reference to my name in connection with information relating to the 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 25, 2013

/s/ Pierre Pelletier

Name: P. Pelletier, Eng.
Title: Vice President, Metallurgy

Exhibit 99.16

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 (the "Company") with the United States Securities and Exchange Commission in connection with (1) the technical report dated February 27, 2009 entitled "NI 43-101 Technical Report: Westwood Project, Québec, Canada" (the "2009 Westwood Report"); (2) the technical report dated March 5, 2012 entitled "Westwood Project, Québec, Canada, Mineral Resources Report as of May 31, 2011" (the "2012 Westwood Report"); (3) the annual information form of the Company dated March 25, 2013, which includes reference to my name in connection with mineral resource and reserve estimations for all of the Company's properties as at December 31, 2012, technical information, the 2009 Westwood Report, the 2012 Westwood Report and the properties described therein; and (4) the Company's Management's Discussion and Analysis for the year ended December 31, 2012, which includes reference to my name in connection with mineral resource and reserve estimations for all of the Company's properties as at December 31, 2012.

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 25, 2013

/s/ Réjean Sirois, ing.

Name: Réjean Sirois, Eng.
Title: Vice President of Geology & Resources, G Mining Services Inc.

Exhibit 99.17

CONSENT OF ROSCOE POSTLE ASSOCIATES INC.

Roscoe Postle Associates Inc. hereby consents to reference to its name included or incorporated by reference in the Annual Report on Form 40-F being filed by IAMGOLD Corporation (the "Company") with the United States Securities and Exchange Commission in connection with (1) the report dated April 21, 2011 entitled "Technical Report on the Côté Lake Deposit, Chester Property, Ontario, Canada" (the "Côté Lake Report"); (2) the technical report dated June 17, 2011 entitled "Technical Report on Expansion Options at the Niobec Mine, Québec, Canada" (the "Niobec Report"); (3) the technical report dated October 24, 2012 entitled "NI 43-101 Technical Report on the Côté Gold Project, Chester Township, Ontario, Canada" dated October 24, 2012 (the "Côté Gold Report"); and (4) the annual information form of the Company dated March 25, 2013 which includes reference to its name in connection with information relating to the Niobec Report and the properties described therein, the mineral resource and mineral reserve estimates for the Côté Gold Project, the Côté Lake Report, the Côté Gold 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 25, 2013

ROSCOE POSTLE ASSOCIATES INC.

/s/ Graham G. Clow

By: Graham G. Clow, P.Eng.
Title: Chairman
Company: Roscoe Postle Associates Inc.

Exhibit 99.18

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 (the "Company") 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" (the "Niobec Report"); and (2) the annual information form of the Company dated March 25, 2013 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 25, 2013

/s/ Graham G. Clow

Name: Graham G. Clow, P. Eng.
Title: Principal Mining Engineer
Company: Roscoe Postle Associates Inc.

Exhibit 99.19

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 (the "Company") 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" (the "Niobec Report"); and (2) the annual information form of the Company dated March 25, 2013 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 25, 2013

/s/ Bernard Salmon

Name: Bernard Salmon, Ing.
Title: Principal Consulting Geological Engineer
Company: Roscoe Postle Associates Inc.

Exhibit 99.20

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 (the "Company") 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" (the "Niobec Report"); and (2) the annual information form of the Company dated March 25, 2013 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 25, 2013

/s/ Marc Lavigne

Name: Marc Lavigne, M.Sc., Ing.
Title: Senior Mining Engineer
Company: Roscoe Postle Associates Inc.

Exhibit 99.21

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 (the "Company") with the United States Securities and Exchange Commission in connection with (1) the technical report dated February 27, 2009 entitled "NI 43-101 Technical Report for Westwood Project, Québec, Canada" (the "Westwood Report"); (2) the technical report dated June 17, 2011 entitled "Technical Report on Expansion Options at the Niobec Mine, Québec, Canada" (the "Niobec Report"); and (3) the annual information form of the Company dated March 25, 2013 which includes reference to my name in connection with information relating to the 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 25, 2013

/s/ Daniel Vallieres, ing.

Name: Daniel Vallieres, Eng.
Title: Manager, Underground Projects

Exhibit 99.22

CONSENT OF G MINING SERVICES INC.

G Mining Services Inc. hereby consents to reference to its name included or incorporated by reference in the Annual Report on Form 40-F being filed by IAMGOLD Corporation (the "Company") with the United States Securities and Exchange Commission in connection with (1) the technical report dated February 27, 2009 entitled "NI 43-101 Technical Report: Westwood Project, Québec, Canada" (the "2009 Westwood Report"); (2) the technical report dated March 5, 2012 entitled "Westwood Project, Québec, Canada, Mineral Resources Report as of May 31, 2011" (the "2012 Westwood Report"); (3) the report evaluating the Essakane Gold Project in Burkina Faso entitled "IAMGOLD Corporation: Updated Feasibility Study – Essakane Gold Project, Burkina Faso", effective June 3, 2008, readdressed March 3, 2009 (the "Essakane Report"); (4) the annual information form of the Company dated March 25, 2013, which includes reference to its name in connection with mineral resource and reserve estimations for all of the Company's properties as at December 31, 2012, technical information, the 2009 Westwood and 2012 Westwood Reports, the Essakane Report and the properties described therein; and (5) the Company's Management's Discussion and Analysis for the year ended December 31, 2012, which includes reference to its name in connection with mineral resource and reserve estimations for all of the Company's properties as at December 31, 2012.

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 25, 2013

G MINING SERVICES INC.

/s/ Louis Gignac

By: Louis Gignac
Title: President

Exhibit 99.23

CONSENT OF GOLDER ASSOCIATES LTD.

Golder Associates Ltd. hereby consents to reference to its name included or incorporated by reference in the Annual Report on Form 40-F being filed by IAMGOLD Corporation (the "Company") 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 Gold Project Burkina Faso", effective June 3, 2008, readdressed March 3, 2009 (the "Essakane Report"); and (2) the annual information form of the Company dated March 25, 2013, which includes reference to its 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 25, 2013

GOLDER ASSOCIATES LTD.

/s/ Michael E. Beadle

By: Michael E. Beadle, P. Eng.
Title: Associate

Exhibit 99.24

CONSENT OF AMEC GRD SA

AMEC GRD SA (formerly GRD Minproc (Pty) Ltd.) hereby consents to reference to its name included or incorporated by reference in the Annual Report on Form 40-F being filed by IAMGOLD Corporation (the "Company") 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 Gold Project Burkina Faso", effective June 3, 2008, readdressed March 3, 2009 (the "Essakane Report"); and (2) the annual information form of the Company dated March 25, 2013, which includes reference to its 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 25, 2013

AMEC GRD SA

/s/ Colin Gilbert Kubank

By: Colin Gilbert Kubank
Title: Managing Director

Exhibit 99.25

CONSENT OF OPTIRO PTY LTD.

The undersigned hereby consents to reference to its name included or incorporated by reference in the Annual Report on Form 40-F being filed by IAMGOLD Corporation (the "Company") 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 Gold Project, Burkina Faso", effective June 3, 2008, readdressed March 3, 2009 (the "Essakane Report"); and (2) the annual information form of the Company dated March 25, 2013, which includes reference to its 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 25, 2013

OPTIRO PTY LTD.

/s/ I.M. Glacken

By: I.M. Glacken
Title: Principal Consultant

Exhibit 99.26

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 (the "Company") with the United States Securities and Exchange Commission in connection with (1) the report entitled "Westwood Project, Québec, Canada, Mineral Resources Report as of May 31, 2011" dated March 5, 2012 (the "Westwood Report") and (2) the annual information form of the Company dated March 25, 2013, which includes reference to my name in connection with information relating to mineral resource and mineral reserve estimates for the Doyon Gold Mine, the Westwood Project, the Westwood 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/ Patrice Simard

By: Patrice Simard
Title: Head of Geology Department

Date: March 25, 2013

Exhibit 99.27

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 (the "Company") with the United States Securities and Exchange Commission in connection with (1) the report entitled "Westwood Project, Québec, Canada, Mineral Resources Report as of May 31, 2011" dated March 5, 2012 (the "Westwood Report") and (2) the annual information form of the Company dated March 25, 2013, which includes reference to my name in connection with information relating to mineral resource and mineral reserve estimates for the Doyon Gold Mine, the Westwood Project, the Westwood 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/ Armand Savoie

By: Armand Savoie
Title: Responsible for Mineral Reserves

Date: March 25, 2013

Exhibit 99.28

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 (the "Company") with the United States Securities and Exchange Commission in connection with the annual information form of the Company dated March 25, 2013, 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 25, 2013

Exhibit 99.29

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 (the "Company") 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 Company dated March 25, 2013 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 25, 2013

BELZILE SOLUTIONS INC.

/s/ Elzéar Belzile

By: Elzéar Belzile, Ing.
Title: Independent Mining Consultant

Exhibit 99.30

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 (the "Company") 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" (the "Niobec Report"); and (2) the annual information form of the Company dated March 25, 2013 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 25, 2013

/s/ Barry McDonough

Name: Barry McDonough, P.Geo.
Title: Senior Geologist
Company: Roscoe Postle Associates Inc.

Exhibit 99.31

CONSENT OF E. WILLIAMS

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 (the "Company") with the United States Securities and Exchange Commission in connection with the annual information form of the Company dated March 25, 2013, 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/ Emilie Williams

By: Emilie Williams
Title: Chief Engineer

Date: March 25, 2013

Exhibit 99.32

CONSENT OF J. 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 (the "Company") with the United States Securities and Exchange Commission in connection with (1) the report evaluating the Côté Gold Project in Ontario, Canada entitled "NI 43-101 Technical Report on the Côté Gold Project, Chester Township, Ontario, Canada" dated October 24, 2012 (the "Côté Gold Report"); and (2) the annual information form of the Company dated March 25, 2013, which includes reference to my name in connection with information relating to the Côté Gold Project, the Côté Gold 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/ Jamie Lavigne

By: Jamie Lavigne, M.Sc., P.Geo
Title: Associate Principal Geologist
Company: Roscoe Postle Associates Inc.

Date: March 25, 2013

Exhibit 99.33

CONSENT OF W. ROSCOE

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 (the "Company") with the United States Securities and Exchange Commission in connection with (1) the report dated April 21, 2011 entitled "Technical Report on the Côté Lake Deposit, Chester Property, Ontario, Canada" (the "Côté Lake Report"); (2) the report evaluating the Côté Gold Project entitled "NI 43-101 Technical Report on the Côté Gold Project, Chester Township, Ontario, Canada" dated October 24, 2012 (the "Côté Gold Report"); and (3) the annual information form of the Company dated March 25, 2013, which includes reference to my name in connection with information relating to the Côté Gold Project, the Côté Lake Report, the Côté Gold 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/ William E. Roscoe

By: William E. Roscoe, Ph.D, P.Eng

Date: March 25, 2013

Exhibit 99.34

CONSENT OF R. MOREL

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 (the "Company") with the United States Securities and Exchange Commission in connection with (1) the report entitled "Westwood Project, Québec, Canada, Mineral Resources Report as of May 31, 2011" dated March 5, 2012 (the "Westwood Report") and (2) the annual information form of the Company dated March 25, 2013, which includes reference to my name in connection with information relating to the Westwood Project, the Westwood 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/ Richard Morel

By: Richard Morel

Date: March 25, 2013