



2011 Q1 REPORT

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

FIRST QUARTER ENDED MARCH 31, 2011

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The following Management's Discussion and Analysis ("MD&A"), dated May 11, 2011, should be read in conjunction with the Company's annual consolidated financial statements for December 31, 2010 and related notes thereto which appear elsewhere in this report. Beginning January 1, 2011, IAMGOLD reports under International Financial Reporting Standards ("IFRS"). The unaudited consolidated interim financial statements for the first quarter of 2011 have been prepared in accordance with IFRS with comparative information for 2010 restated under IFRS (refer to note 25 in the unaudited consolidated interim financial statements for the first quarter of 2011 for reconciliations from Canadian generally accepted accounting principles ("GAAP") to IFRS). All figures in this MD&A are in U.S. dollars, unless stated otherwise. Additional information on IAMGOLD Corporation can be found at www.sedar.com or www.sec.gov. IAMGOLD's securities trade on the Toronto, New York and Botswana stock exchanges.

CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION

Certain information included in this Management's Discussion and Analysis, including any information as to the Company's future financial or operating performance and other statements that express management's expectations or estimates of future performance other than statements of historical fact, constitute "forward-looking statements." Forward-looking statements are provided for the purpose of providing information about management's current expectations and plans relating to the future. Readers are cautioned that reliance on such information may not be appropriate for other purposes. The words "expect," "will," "intend," "estimate" and similar expressions identify forward-looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The Company cautions the reader that such forward-looking statements involve risks, uncertainties and other factors that may cause the actual financial results, performance or achievements of IAMGOLD to be materially different from the Company's estimated future results, performance or achievements expressed or implied by those forward-looking statements, and the forward-looking statements are not guarantees of future performance. These risks, uncertainties and other factors include, but are not limited to changes in the global prices for gold, niobium, copper, silver or certain other commodities (such as diesel, aluminum and electricity); changes in U.S. dollar and other currency exchange rates, interest rates or gold lease rates; risks arising from holding derivative instruments; the level of liquidity and capital resources; access to capital markets, financing and interest rates; mining tax regimes; ability to successfully integrate acquired assets; legislative, political or economic developments in the jurisdictions in which the Company carries on business; operating or technical difficulties in connection with mining or development activities; laws and regulations governing the protection of the environment; employee relations; availability and increasing costs associated with mining inputs and labour; the speculative nature of exploration and development, including the risks of diminishing quantities or grades of reserves; adverse changes in the Company's credit rating; contests over title to properties, particularly title to undeveloped properties; and the risks involved in the exploration, development and mining business. With respect to development projects, IAMGOLD's ability to sustain or increase its present levels of gold production is dependent in part on the success of its projects. Risks and unknowns inherent in all projects include the inaccuracy of estimated reserves and resources, metallurgical recoveries, capital and operating costs of such projects, and the future prices for the relevant minerals. Development projects have no operating history upon which to base estimates of future cash flows. The capital expenditures and time required to develop new mines or other projects are considerable, and changes in costs or construction schedules can affect project economics. Actual costs and economic returns may differ materially from IAMGOLD's estimates or IAMGOLD could fail to obtain the governmental approvals necessary for the operation of a project; in either case, the project may not proceed, either on its original timing or at all.

For a more comprehensive discussion of the risks faced by the Company, refer to the Company's annual MD&A risks and uncertainties section, and the Company's 2010 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 risks are 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 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.

U.S. Investors Should Note

The U.S. Securities and Exchange Commission ("SEC") permits mining companies, in their filings with the SEC, to disclose only those mineral deposits that a company can economically and legally extract or produce. The Company may use certain terms in its publications such as "measured," "indicated" and "inferred" "resources" that are prescribed by Canadian regulatory policy and guidelines but are prohibited by the SEC from use by U.S. registered companies in their filings with the SEC.

EXECUTIVE SUMMARY

IAMGOLD Corporation (“IAMGOLD,” “IMG,” or the “Company”) is committed to being a global leader in generating superior value for its stakeholders through responsible mining. With respect to corporate social responsibility, IAMGOLD’s commitment is to Zero Harm, in every aspect of its business.

IAMGOLD remains focused on growth and increasing value for its stakeholders. The Company will continue its strategy of expanding existing operations as the most cost effective way to grow while aggressively looking for accretive new opportunities. IAMGOLD will pursue strategic relationships to unlock value within its existing portfolio of assets and to target new opportunities. To date in 2011 the Company has:

- Announced it has reached an agreement to sell its 18.9% interest in the Tarkwa and Damang gold mines in Ghana, West Africa to Gold Fields Limited (“Gold Fields”) for \$667 million. This transaction is subject to the approval of Gold Fields’ shareholders and is expected to close no later than July 31, 2011.
- Signed a Memorandum of Understanding (“MOU”) with the China National Gold Group Corporation (“China Gold”). This is an example of the options IAMGOLD is considering to expand its resources in support of its strategy. This MOU confirms the mutual intention of IAMGOLD and China Gold to cooperate in the pursuit and development of mineral deposits in the regions of IAMGOLD’s focus.
- Announced results from an independent technical report on IAMGOLD’s niobium mine with potential for a 691% increase in measured and indicated mineral resources to 1.93 billion kilograms of contained niobium pentoxide, and an after-tax net asset value in the range of \$1.6 billion to \$2.0 billion.
- Completed the feasibility study on the Sadiola sulphide initiative and continues progress towards a construction decision in 2011.
- Disposed of the La Arena project, a non-strategic asset, for \$48.8 million resulting in a gain of \$10.5 million (before income tax impact). In addition, as part of the option and earn-in agreement in June 2009, IAMGOLD received 8 million shares and 1.5 million warrants of Rio Alto Mining Limited for a total value of \$1.4 million at inception. These shares and warrants had a market value of \$21.2 million as at the end of March 2011.

For the first quarter of 2011, IAMGOLD reported record net earnings and gold production of 290,000 attributable ounces at a cash cost of \$575 per ounce¹. The Rosebel and Essakane mines each produced in excess of 105,000 ounces of gold (on a 100% basis) in the quarter. During the first quarter of 2011, the Company generated revenues of \$432.5 million supported by an average realized gold price of \$1,396 per ounce. Net earnings of \$162.3 million (\$0.41 per share) increased by 170% compared to the first quarter of 2010. Adjusted net earnings¹ of \$144.9 million (\$0.36 per share) increased by 163% compared to the first quarter of 2010. Operating cash flow of \$205.8 million (\$0.55 per share²) continues to fund the expansion plans at IAMGOLD’s existing operations and fund exploration initiatives.

¹ Adjusted net earnings and adjusted net earnings attributable to equity shareholders per share, and cash cost per ounce are non-GAAP financial measures. Refer to the Supplemental Information section attached to the MD&A for reconciliation to GAAP measures.

² Operating cash flow per share is a non-GAAP measure and is calculated by dividing the consolidated cash flow from operating activities by the weighted average number of common shares outstanding in the period.

The Company has updated its 2011 guidance with the announcement of the sale of the 18.9% interests in both the Tarkwa and Damang mines. Attributable gold production guidance is now between 950,000 and 1,050,000 ounces and cash costs of between \$590 and \$620 an ounce. The updated guidance excludes Tarkwa and Damang results from production and cash costs effective April 1, 2011. Average cash costs at IAMGOLD-operated sites were \$534 per ounce during the first quarter of 2011, an increase of 7% compared to \$501 per ounce during the first quarter of 2010.

The Company demonstrated its focus on profitable growth with the following initiatives in the first quarter of 2011:

- Progress with the feasibility study to review the expansion of the Essakane mine to capitalize on promising near-mine exploration results.
- The Company is reviewing steps to expand the capacity at the Rosebel mine.
- Development and exploration continue at the Westwood project. Spending of \$27.5 million (before tax credits) in the first quarter of 2011 and the shaft achieved a depth of 1,157 metres. The project continues on plan with expected production in early 2013.
- Independent technical report confirming IAMGOLD's niobium mine potential with a 691% increase in measured and indicated mineral resources and an estimated after-tax net asset value of up to \$2.0 billion.
- The Company has numerous projects underway and is pursuing additional advance exploration opportunities to continue to provide a strong avenue for future growth.

The Company now reports its financial statements according to International Financial Reporting Standards ("IFRS"). Refer to note 25 in the unaudited consolidated interim financial statements for the 2010 reconciliation from Canadian generally accepted accounting principles to IFRS.

OVERVIEW

IAMGOLD is an established mining and exploration company. IAMGOLD's interests include eight operating gold mines and a niobium producer, a diamond royalty, and exploration and development projects located in Africa and the Americas. IAMGOLD's growth plans are currently focused in West Africa, select countries in South America and in the Canadian provinces of Ontario and Quebec. The Company's advanced exploration and development projects include the Westwood project in Canada and the Quimsacocha project in Ecuador.

The following table highlights the Company's percentage ownership share of producing mines and major exploration and evaluation projects ("E&E").

Site	Operator	Reporting Segment	Geographic Location	IAMGOLD Share 2011	IAMGOLD Share 2010
Rosebel mine	IAMGOLD	Gold	Suriname	95%	95%
Essakane mine ^(a)	IAMGOLD	Gold	Burkina Faso	90%	90%
Doyon division ^(b)	IAMGOLD	Gold	Canada	100%	100%
Mupane mine	IAMGOLD	Gold	Botswana	100%	100%
Niobec mine	IAMGOLD	Non-gold	Canada	100%	100%
Quimsacocha project	IAMGOLD	E&E	Ecuador	100%	100%
Joint Ventures:					
Sadiola mine	AngloGold Ashanti	Gold	Mali	41%	41%
Yatela mine	AngloGold Ashanti	Gold	Mali	40%	40%
Investments in associates^(c):					
Tarkwa mine	Gold Fields Limited	Gold	Ghana	18.9%	18.9%
Damang mine	Gold Fields Limited	Gold	Ghana	18.9%	18.9%

^(a) The construction of the Essakane mine was completed in 2010, and commercial production began on July 16, 2010.

^(b) The Doyon division includes the Mouska mine and the Westwood project.

^(c) On April 15, 2011, the Company announced that it has reached an agreement to sell its interests in Tarkwa and Damang gold mines for \$667 million. The transaction is subject to the approval of shareholders of Gold Fields Limited and is expected to close no later than July 31, 2011.

First Quarter 2011 HIGHLIGHTS

Financial Results and Position

- Revenues of \$432.5 million were up 80% from \$240.1 million in the first quarter of 2010.
- Record net earnings of \$162.3 million (\$0.41 per share), increased by 170% compared to \$60.2 million (\$0.15 per share) in the first quarter of 2010.
- Strong adjusted net earnings¹ of \$144.9 million (\$0.36 per share¹), increased by 163% from \$55.0 million (\$0.14 per share) in the first quarter of 2010.
- Strong operating cash flow of \$205.8 million (\$0.55 per share²), increased by 177% compared to \$74.3 million (\$0.20 per share) in the first quarter of 2010.
- Financial position strengthened with cash, cash equivalents and gold bullion (at market) of \$621.4 million and availability under the credit facility of \$350.0 million at March 31, 2011.
- Proceeds of \$48.8 million received on the sale of the La Arena project resulting in a pre-tax gain of \$10.5 million.
- Raised gross proceeds of \$43.3 million through a private placement of flow-through shares with 1.7 million shares issued at a price of C\$25.48 per share.
- On April 15, 2011, IAMGOLD announced the agreement to sell its 18.9% interest in the Tarkwa and Damang gold mines in Ghana, West Africa to Gold Fields Limited for \$667 million in cash. The deal is expected to close no later than July 31, 2011.

Production and Cash Costs

Gold Operations

- Attributable gold production of 290,000 ounces, an increase of 41% compared to 206,000 attributable ounces in the first quarter of 2010.
- Weighted average cash cost¹ of \$575 per ounce, compared to \$524 per ounce in the first quarter of 2010.
- At Essakane, attributable production of 95,000 ounces at a cash cost¹ of \$428 per ounce compared to 80,000 ounces at \$414 per ounce in the fourth quarter of 2010. The mill achieved its target and processed an average of 25,000 tonnes per day.

Niobium Operation

- Niobium production of 1.1 million kilograms, 8% lower than production in the first quarter of 2010, and an operating margin¹ of \$16 per kilogram, compared to \$19 per kilogram in the first quarter of 2010.
- Independent technical report confirming IAMGOLD's niobium mine potential with a 691% increase in measured and indicated mineral resources and an estimated after-tax net asset value of up to \$2.0 billion.

Exploration

- Exploration expenditures of \$18.9 million, compared to \$16.2 million during the first quarter of 2010, including near-mine exploration and resource development at Rosebel, Essakane and Westwood, and greenfield exploration on 16 projects.

¹ Adjusted net earnings, adjusted net earnings attributable to equity shareholders per share, cash cost per ounce and operating margin per kilogram of niobium at the Niobec mine are non-GAAP measures. Refer to the Supplemental Information section attached to the MD&A for reconciliation to GAAP measures.

² Operating cash flow per share is a non-GAAP measure and is calculated by dividing the consolidated cash flow from operating activities by the weighted average number of common shares outstanding in the period.

Development and Expansion Projects

Canada – Westwood Project

The Westwood project expenditures in the first quarter of 2011 totaled \$27.5 million (before tax credits) with significant infrastructure preparation and construction, including the completion of a number of hoist elements, the fire detection system with the new pump house, final breakthrough of the six-metre diameter ventilation shaft completed and the installation of ground support infrastructure. During the first quarter of 2011, shaft sinking reached 1,157 metres, with the excavation of a spill pocket and the safety bulkhead, and underground development work including 2,106 metres of lateral and vertical excavation achieved.

Ecuador – Quimsacocha

The Company has obtained the requisite permits and authorization to advance feasibility work of the Quimsacocha project. The Company maintains regular contact and dialogue with senior government officials in order to obtain needed clarity on fiscal and other matters, including the analysis of the model mining contracts recently released by the Ecuadorian government.

Mali – Sadiola Sulphide Project

The feasibility study on the Sadiola sulphide initiative was completed in 2010 and progress continues towards a construction decision in 2011.

Suriname – Rosebel Mine

The Company is reviewing steps to expand the capacity at the Rosebel mine.

Burkina Faso – Essakane Feasibility Study to Expand the Mine

A feasibility study to expand the mine is currently in progress and is expected to be completed in the third quarter of 2011. The current mine plan includes processing soft rock for the first three years at a rate of 9.0 million tonnes per year starting in 2011, followed by approximately nine years of processing hard rock. The study is expected to demonstrate that the hard rock capacity of the mine could be expanded to process approximately 10.8 million tonnes per year, compared to the current estimate of 5.4 million tonnes per year. The expectation is for life-of-mine average annual gold production of between 450,000 and 470,000 ounces (on a 100% basis), compared to the current estimate of 315,000 ounces. Assuming a positive outcome of the study, construction could commence in the fourth quarter of 2011.

Disposal of the La Arena Project

On February 9, 2011, IAMGOLD received \$48.8 million in cash from Rio Alto Mining Limited (“Rio Alto”) for the sale of its La Arena development project resulting in a gain of \$10.5 million (before income tax impact). In addition, as part of the option and earn-in agreement in June 2009, IAMGOLD received 8 million shares and 1.5 million warrants of Rio Alto for a total value of \$1.4 million at inception. These shares and warrants had a market value of \$21.2 million as at the end of March 2011.

Commitment to Zero Harm Continues

- In March 2011, IAMGOLD received the 2011 Environmental and Social Responsibility Award from the Prospectors and Developers Association of Canada (“PDAC”). This award recognizes accomplishment in environmental protection and in developing good community relations in the mining sector. According to PDAC, IAMGOLD is being recognized and honoured for its commitment to excellence in environmental stewardship, community engagement, and health and safety in its exploration projects and operating mines in Africa, South America and Quebec. The Company is particularly commended for having been placed as the top extractive company and third overall in the Globe and Mail’s ranking of Canada’s largest companies by environmental and social and governance performance.
- The frequency of all types of serious injuries (measured as DART rate¹) across IAMGOLD during the first quarter of 2011 decreased marginally to 0.52 compared to 0.63 in the first quarter of 2010.
- A fatality occurred at the Rosebel operation on February 4, 2011, involving an employee of a drilling contractor while operating an all terrain utility vehicle. The single vehicle accident occurred at night when the vehicle driven by the contractor employee rolled over on its side, resulting in a fatal injury to the operator. A full accident investigation was conducted to determine the root causes and contributing factors in the accident, with the site implementing mitigation strategies from the investigation results to eliminate a repeat incident. Both the drilling contractor and IAMGOLD have been providing continued support to the employees and families affected by this tragedy.
- The importance of continually striving for Zero harm is a core value for IAMGOLD. The Company strives to eliminate all injuries through programs that reinforce the importance of constant vigilance in the workplace and the adoption of safe work practices.

¹ The DART rate refers to the number of Days Away, Restricted Duty or Job Transfer incidents that occur per 100 employees.

2011 OUTLOOK

IAMGOLD revised its guidance for production for 2011 as follows:

	2011 Revised Guidance Issued in May 2011	2011 Original Guidance Issued in January 2011
Attributable gold production (000 oz)		
Mines owned and operated by IAMGOLD		
Rosebel	360–380	360–380
Essakane	370–390	370–390
Mouska	25–30	25–30
Mupane	55–60	55–60
	810–860	810–860
Sadiola and Yatela mines	145–160	145–160
Tarkwa and Damang mines	46	145–180
Total attributable production	950–1,050	1,100–1,200
Cash cost (\$/oz of gold)¹		
	590–620	565–595
Average gold price (\$/oz)	1,400	1,300
Average crude oil price (\$/barrel)	100	85
Average foreign exchange rate (C\$/US\$)	1.00	1.00
Average foreign exchange rate (US\$/€) ^(a)	1.40	1.35
Niobium production		
Niobec (millions of kilograms)	4.5–5.0	4.5–5.0
Operating margin (\$/kg Nb) ¹	15–17	15–17

^(a) Applies to the Essakane mine.

Production Guidance

The production guidance for 2011 was revised downwards to reflect the proposed sale of the 18.9% interest in the Tarkwa and Damang gold mines in Ghana, West Africa to Gold Fields Limited. There were no other changes to production outlook. The revised guidance includes only three months' production from associates in Africa.

¹ Cash cost per ounce and Operating margin per kilogram of niobium at the Niobec mine are non-GAAP measures. Refer to the Supplemental Information section attached to the MD&A for reconciliation to GAAP measures.

Guidance for Cash Cost per Ounce of Gold

The Company revised its guidance for its cash cost per ounce of gold in 2011 to between \$590 and \$620 per ounce, \$25 per ounce higher than the original cash cost guidance issued in January 2011. This increase primarily reflects the update in production and in the business environment assumptions on royalty rates, royalty costs driven by the price for gold, price of oil, and foreign exchange rates.

The current financial market volatility may affect future cash costs either positively or negatively through changes in gold price, oil price, overall operating costs and currency rates. Changes in these assumptions may have a material impact on cash costs, results of operations and overall financial position of the Company. Actual results may vary significantly from guidance. The following table provides estimated sensitivities around certain inputs that can affect the Company's operating results, based on the Company's guidance for 2011.

	Change of	Impact on the Annualized 2011 Cash Cost by \$/oz
Gold price	\$100/oz	\$6
Oil price	\$10/barrel	\$10
Canadian dollar per U.S. dollar	\$0.10	\$3
Euro per U.S. dollar	\$0.10	\$5

Guidance for Capitalized Mining Assets, Exploration and Development Expenditures

The Company plans to continue making significant investment in mine development and exploration in 2011 and maintains its capital expenditure guidance of \$460.0 million provided in January 2011.

FINANCIAL RESULTS

Revenues in the first quarter of 2011 reached \$432.5 million, an 80% increase from \$240.1 million in the first quarter of 2010, primarily due to the addition of production from the Essakane mine and higher gold prices. For IAMGOLD's operations and joint ventures, the number of ounces of gold sold increased by 57% while the average realized gold price rose by 26% compared to the first quarter of 2010.

In the first quarter of 2011, net earnings increased by 170% to \$162.3 million (\$0.41 per share), compared to \$60.2 million (\$0.15 per share) in the first quarter of 2010. Adjusted net earnings¹ of \$144.9 million (\$0.36 per share¹) increased by 163% compared to \$55.0 million (\$0.14 per share) in the first quarter of 2010. The impact of higher sales and gold prices was partially offset by increases in mining costs and income and mining taxes.

Operating cash flow in the first quarter of 2011 was \$205.8 million (\$0.55 per share²), an increase of 177% compared to \$74.3 million (\$0.20 per share²) in the first quarter of 2010. The increase is mainly due to increased sales partially offset by higher mining costs and income and mining taxes.

Financial Position

The Company's cash, cash equivalents and gold bullion (at market value) position has improved with \$621.4 million available at March 31, 2011, compared to \$411.3 million at the end of 2010. During the first quarter of 2011, cash and cash equivalents increased mainly due to cash flow from operating activities, the issuance of flow-through shares and the proceeds received from the disposal of the La Arena project, partially offset by capital expenditures in mining assets and exploration and evaluation projects.

As at March 31, 2011, \$350.0 million of unused credit remained available under the Company's credit facility. In addition, the Company had used \$18.8 million from the \$50.0 million revolving facility for the issuance of letters of credit.

In the first quarter of 2011, the Company issued 1.7 million flow-through shares at a price of C\$25.48 per share with gross proceeds of \$43.3 million to fund prescribed resource expenditures on the Westwood project. On February 9, 2011, IAMGOLD received \$48.8 million for the sale of its La Arena project.

On April 15, 2011, IAMGOLD announced that it has reached an agreement to sell its 18.9% interest in the Tarkwa and Damang gold mines in Ghana, West Africa to Gold Fields Limited ("Gold Fields") for \$667.0 million. This transaction is subject to the approval of Gold Fields' shareholders and is expected to close no later than July 31, 2011. The Company expects to record an after-tax gain on this sale of approximately \$400.0 million. Including the funds from the disposition of Tarkwa and Damang, IAMGOLD's projected liquidity position would be over \$1.6 billion. In 2011, the Company plans to incur \$460.0 million in capital expenditures and approximately \$51.0 million in exploration expenses.

¹ Adjusted net earnings and adjusted net earnings attributable to equity shareholders per share are non-GAAP measures. Refer to the Supplemental Information section attached to the MD&A for reconciliation to GAAP measures.

² Operating cash flow per share is a non-GAAP measure and is calculated by dividing the consolidated cash flow from operating activities by the weighted average number of common shares outstanding in the period.

SUMMARIZED FINANCIAL RESULTS

(in \$ millions)	March 31 2011	Change	December 31 2010
	\$		\$
Financial Position			
Cash and cash equivalents and gold bullion			
• at market value	621.4	51%	411.3
• at cost	517.9	66%	311.2
Total assets	3,631.5	6%	3,431.1
Equity	2,941.1	7%	2,758.1
(in \$ millions, except where noted)	First quarter ended March 31 2011	Change	First quarter ended March 31 2010
	\$		\$
Results of Operations			
Revenues	432.5	80%	240.1
Mining costs including depreciation, depletion and amortisation	230.4	57%	146.4
Earnings from mining operations	202.1	116%	93.7
Net earnings	162.3	170%	60.2
Basic and diluted net earnings attributable to equity shareholders per share (\$/share)	0.41	173%	0.15
Adjusted net earnings ¹	144.9	163%	55.0
Basic adjusted net earnings attributable to equity shareholders per share (\$/share) ¹	0.36	157%	0.14
Cash Flows			
Operating cash flow	205.8	177%	74.3
Operating cash flow per share ² (\$/share)	0.55	175%	0.20
Key Operating Statistics			
Gold mines			
Gold sales (000 oz) ³	325	47%	221
Average realized gold price (\$/oz)	1,396	26%	1,111
Attributable gold production (000 oz)	290	41%	206
Cash cost (\$/oz) ⁴	575	10%	524
Operating results – Niobium mine			
Niobium sales (millions of kg Nb)	1.0	(9%)	1.1
Niobium production (millions of kg Nb)	1.1	(8%)	1.2
Operating margin (\$/kg Nb) ⁴	16	(16%)	19

¹ Adjusted net earnings and adjusted net earnings attributable to equity shareholders per share are non-GAAP measures. Refer to the Supplemental Information attached to the MD&A for reconciliation to GAAP measures.

² Operating cash flow per share is a non-GAAP measure and is calculated by dividing the consolidated cash flow from operating activities by the weighted average number of common shares outstanding in the period.

³ Gold sales include 100% sales of Rosebel, Essakane, Doyon division and Mupane, 41% of sales from Sadiola, 40% of sales from Yatela, and 18.9% of sales from Tarkwa and Damang.

⁴ Cash cost per ounce and Operating margin per kilogram of niobium at the Niobec mine are non-GAAP measures. Refer to the Supplemental Information attached to the MD&A for reconciliation to GAAP measures.

Gold Production and Cash Cost

Gold production for the first quarter of 2011 was 290,000 attributable ounces at an average cash cost¹ of \$575 per ounce, compared to 206,000 attributable ounces at an average cash cost of \$524 per ounce in the first quarter of 2010.

The 41% increase in production was mainly the result of inclusion of production of the Essakane mine and higher recoveries at Rosebel, partially offset by lower ore availability at the Yatela mine.

Despite higher production, the consolidated average cash cost¹ of \$575 per ounce in the first quarter of 2011 has increased by \$51 per ounce from \$524 per ounce in the first quarter of 2010 mainly due to lower grades at maturing sites, higher energy costs, and higher royalties of \$15 per ounce.

Average cash costs at IAMGOLD-operated sites (Rosebel, Essakane, Mupane and the Doyon division) were \$534 per ounce during the first quarter of 2011, an increase of 7% compared to \$501 per ounce during the first quarter of 2010. The weighted average cash cost for IAMGOLD's two main operations (Rosebel and Essakane) was \$487 per ounce in the first quarter of 2011. Cash costs for the Company's joint ventures (Sadiola and Yatela) were \$840 per ounce during the first quarter of 2011, an increase of 67% compared to \$502 per ounce during the first quarter of 2010.

Niobium Production and Operating Margin

Niobium production was slightly lower in the first quarter of 2011 compared to the first quarter of 2010, resulting primarily from lower grades as a result of processing primarily development ore.

The operating margin per kilogram of niobium¹ decreased by \$3 per kilogram during the first quarter of 2011 compared to the first quarter of 2010 as a result of commissioning of the paste backfill system, the strengthening in the Canadian dollar and higher prices and volumes of aluminum used in processing. The paste backfill process will enable near complete extraction of the ore body including areas with lower grades, impacting mining costs and operating margin, but significantly improving total cash flow over the life of the mine.

Throughout the first quarter of 2011, the Company has been executing on its strategic initiative to unlock the value of Niobec. On May 4, 2011, the Company announced the results of an independently prepared NI 43-101 compliant preliminary economic assessment ("PEA") on the Company's wholly-owned Niobec niobium mine in the province of Quebec, Canada. The PEA shows a significant increase in the measured, indicated and inferred mineral resource estimates at Niobec with the potential for a significant production expansion. The PEA examined the impact of changing the existing underground mine to an alternative bulk mining method. IAMGOLD technical personnel then compared the economics of the open pit scenario and a block caving scenario (the "Study"). The work done on the PEA and the Study will be advanced in a 2011 pre-feasibility study to confirm the potential upside of Niobec.

The Study reflects potential for a 691% increase in measured and indicated mineral resources to 1.93 billion kilograms of contained niobium pentoxide, and a potential threefold increase in niobium production to a level of 15 million kilograms per year. Based on higher metal prices and lower operating costs, the operating margin is estimated to increase from \$18 per kilogram to \$28 per kilogram of niobium. Under the above assumptions, the remaining mine life would exceed 40 years. After-tax net asset value is expected to range between \$1.6 billion and \$2.0 billion.

In addition, the Company has identified an underexplored Rare Earth Element (REE) zone at the Niobec site and exploration and metallurgical testwork has been initiated.

¹ Cash cost per ounce and operating margin per kilogram of niobium at the Niobec mine are non-GAAP measures. Refer to the Supplemental Information section attached to the MD&A for reconciliation to GAAP measures.

ATTRIBUTABLE GOLD PRODUCTION AND CASH COST PER OUNCE

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

	Gold Production		Total Cash Cost ²	
	First quarter ended March 31			
	2011	2010	2011	2010
	(000 oz)	(000 oz)	\$/oz	\$/oz
IAMGOLD Operator				
Rosebel (95%)	100	93	544	456
Essakane (90%)	95	-	428	-
Doyon division (100%) ¹	-	-	-	-
Mupane (100%)	11	13	1,379	826
	206	106	534	501
Joint Ventures				
Sadiola (41%)	30	30	724	538
Yatela (40%)	8	27	1,312	462
	38	57	840	502
Investments in associates				
Tarkwa and Damang (18.9%)	46	43	542	612
Total	290	206	575	524
Cash cost excluding royalties			506	470
Royalties			69	54
Cash cost ²			575	524

In the first quarter of 2011, IAMGOLD's attributable gold production increased by 84,000 ounces, or 41%, compared to the first quarter of 2010.

The increase in production was a result of:

- inclusion of production from Essakane which commenced production in the third quarter of 2010, and
- higher recoveries at Rosebel resulting from the construction of additional CIL tanks in 2010,

partially offset by:

- lower ore availability at Yatela.

The consolidated average cash cost of \$575 per ounce during the first quarter of 2011 has increased by \$51 per ounce from \$524 per ounce in the first quarter of 2010 mainly due to lower grades at maturing sites, higher energy costs, and higher royalties of \$15 per ounce. Increases in the gold price resulted in increased price-driven royalty amounts.

¹ As a cost savings initiative, the ore mined from Mouska has been stockpiled and will be batch processed later in 2011.

² Cash cost per ounce is a non-GAAP measure. Refer to the Supplemental Information attached to the MD&A for reconciliation to GAAP measures.

ATTRIBUTABLE GOLD SALES VOLUME AND REALIZED GOLD PRICE

The following table presents the total ounces of gold sold and the realized gold price per ounce.

	Gold sales		Realized gold price	
	First quarter ended		First quarter ended	
	March 31		March 31	
	2011	2010	2011	2010
	(000 oz)	(000 oz)	\$/oz	\$/oz
Operator	242	123	1,400	1,111
Joint ventures	37	55	1,387	1,110
Investments in associates	46	43	1,382	1,112
Total ^(a)	325	221	1,396	1,111

^(a) Attributable sales volume for the first quarters of 2011 and 2010 were 309,000 ounces and 216,000 ounces, respectively, after taking into account 95% of the Rosebel sales and 90% of the Essakane sales.

Gold sales volumes increased in the first quarter of 2011 compared to the first quarter of 2010, mainly due to commencement of commercial production at Essakane partially offset by lower sales at Yatela. The average spot gold price on the London Bullion Market Association ("LBMA") for the first quarter of 2011 was \$1,386 per ounce, versus \$1,109 per ounce in the same period in 2010.

NIOBIMUM PRODUCTION, SALES AND OPERATING MARGIN

	First quarter ended		
	2011	Change	2010
Operating results – Niobium Mine			
Niobium production (millions of kg Nb)	1.1	(8%)	1.2
Niobium sales (millions of kg Nb)	1.0	(9%)	1.1
Operating margin (\$/kg Nb) ¹	16	(16%)	19

Niobium production during the first quarter of 2011 was 8% lower compared to the first quarter of 2010 primarily as a result of lower Nb₂O₅ ore grade. The operating margin per kilogram of niobium decreased by \$3 per kilogram during the first quarter of 2011 compared to the same period in 2010. As expected, the inclusion of the paste backfill process and the strengthening Canadian dollar lowered operating margin per kilogram of niobium.

¹ Operating margin per kilogram of niobium at the Niobec Mine is a non-GAAP measure. Refer to the Supplemental Information attached to the MD&A for reconciliation to GAAP measures.

FINANCIAL RESULTS

ADJUSTED NET EARNINGS¹

Adjusted net earnings during the first quarter of 2011 of \$144.9 million increased by \$89.9 million when compared to \$55.0 million in the same period in 2010. The change is attributable to the following:

	2011
(in \$ millions)	\$
Higher metal prices	82.4
Higher sales volumes	109.4
Higher operating costs	(60.8)
Higher royalties	(9.4)
Higher depreciation, depletion and amortisation	(13.7)
Higher earnings from investments in associates	10.6
Higher exploration expenses	(5.6)
Other	(1.0)
Higher income and mining taxes	(22.0)
Increase in adjusted net earnings, compared to the first quarter of 2010	89.9

REVENUES

The Company's consolidated revenues increased by 80% to \$432.5 million in the first quarter of 2011 as a result of:

- a \$80.3 million (26%) positive impact from the rise in gold prices realized at owner-operated mines and joint ventures,
- a \$112.1 million (101,000 ounces) increase in gold sales by owner-operated mines and joint ventures,
- a marginal increase in niobium sales prices (\$2.1 million), and
- an increase in revenue from royalty interests in the Diavik mine (\$0.6 million),

partially offset by:

- lower niobium sales volumes (\$2.7 million).

MINING COSTS

Mining costs, excluding depreciation, depletion and amortisation, were \$185.5 million in the first quarter of 2011, a 61% increase from \$115.3 million in the first quarter of 2010. Mining costs rose due to:

- commencement of commercial production at the Essakane mine in July 2010 (\$50.6 million), and higher operating costs (\$10.2 million), primarily due to increased energy and consumables costs and the impact of a weaker U.S. dollar, and
- higher royalties (\$9.4 million), driven from higher realized gold prices.

DEPRECIATION, DEPLETION AND AMORTISATION

Depreciation, depletion and amortisation (included in mining costs) increased from \$31.2 million in the first quarter of 2010 to \$44.9 million in the first quarter of 2011, mainly due to the inclusion of Essakane where production commenced during the third quarter of 2010. This was partially offset by an increase in the reserves for gold sites and Niobec.

¹ Adjusted net earnings and adjusted net earnings attributable to equity shareholders per share are non-GAAP measures. Refer to the Supplemental Information attached to the MD&A for reconciliation to GAAP measures.

GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses in the first quarter of 2011 were \$12.5 million, compared to \$11.6 million in the first quarter of 2010. The increase in 2011 mainly reflects inflation and the impact of the stronger Canadian dollar.

EXPLORATION EXPENSES

Exploration expenses in the first quarter of 2011 were \$14.0 million, compared to \$8.4 million in the first quarter of 2010. Exploration expenditures included near-mine exploration and resource development at Rosebel, Essakane and Westwood, and greenfield exploration on 16 projects. Refer to the Exploration section for more details.

FOREIGN EXCHANGE GAIN OR LOSS

The foreign exchange loss in the first quarter of 2011 was \$5.2 million, compared to \$1.7 million in the first quarter of 2010. The majority of the foreign exchange loss during 2011 and 2010 was related to the impact of foreign exchange variation on monetary assets such as cash held in Canadian dollars, receivables, payables and asset retirement obligations.

INTEREST INCOME, DERIVATIVES AND OTHER INVESTMENT GAINS

The total of interest income, derivatives gain and other investment gains was \$16.7 million in the first quarter of 2011 compared to \$7.8 million in the first quarter of 2010.

Major items during the first quarter of 2011 are a gain on disposal of the La Arena project of \$10.5 million (before tax impact) and a derivative gain of \$4.7 million. The derivative gain in 2011 was mainly due to the market variation of gold option contracts for the Mupane mine, which were undertaken to support a positive cash flow for the remaining limited life of the operation. In addition, the derivative gain was impacted by the positive change in the fair value of warrants held as investments. For more information on derivatives, refer to the Financial Position section of this MD&A.

The income in the first quarter of 2010 mainly included a gain of disposal of marketable securities of \$8.0 million.

INCOME AND MINING TAXES

The Company does not recognize tax benefits on losses generated in countries where the recent history of operating losses does not satisfy the "probable" criterion for the recognition of deferred tax assets. Consequently, there are no income tax benefits recognized on the pre-tax losses in these jurisdictions. It is not probable that the benefit will be realized.

In the first quarter of 2011, income and mining taxes totaled \$43.4 million, compared to \$29.3 million in the first quarter of 2010. The effective tax rate varies from the combined federal and provincial income tax rate of 28% in the first quarter of 2011 and 31% in the first quarter of 2010 primarily due to the geographic distribution of income, the fluctuations in exchange rates for foreign currency, and the non recognition of tax benefits on certain losses.

CASH FLOW

	First quarter ended March 31 2011	First quarter ended March 31 2010
(in \$ millions)	\$	\$
Operating activities	205.8	74.3
Investing activities	(12.5)	(101.1)
Financing activities	11.9	5.2
Impact of foreign exchange on cash and cash equivalents	1.5	(0.1)
Increase (decrease) in cash and cash equivalents	206.7	(21.7)
Cash and cash equivalents, beginning of period	270.8	191.4
Cash and cash equivalents, end of period	477.5	169.7

Operating Activities

Cash flows from operating activities were positively impacted by higher revenues partially offset by increased mining costs and spending on exploration, and higher income and mining taxes.

Investing Activities

Investing activities in the first quarter of 2011 included capital expenditures in mining assets and exploration and evaluation of \$53.3 million, compared to \$113.6 million in the first quarter of 2010. In 2011, investing activities were lower as it includes funds received from the sale of the La Arena project. In 2010, expenditures included the construction expenditures on the Essakane mine.

Financing Activities

Cash flows from financing activities in the first quarters of 2011 and 2010 were mainly due to issuance of shares (flow-through shares and exercise of options), partially offset by payment of dividends to shareholders and non-controlling interests.

Foreign Exchange

The impact of foreign exchange on cash and cash equivalents is related to the fluctuation of the Canadian dollar compared to the U.S. dollar and the level of Canadian funds held at the end of the period.

QUARTERLY FINANCIAL REVIEW^(a)

(in \$ millions, except where noted)	2011 Q1	Q4	Q3	Q2	2010 Q1
	\$	\$	\$	\$	\$
Revenues	432.5	459.0	254.1	214.0	240.1
Net earnings	162.3	134.5	54.5	30.7	60.2
Basic and diluted earnings attributable to equity shareholders of the Company per share (\$/share)	0.41	0.33	0.14	0.08	0.15

^(a) The unaudited consolidated interim financial statements for the first quarter of 2011 have been prepared in accordance with IFRS with comparative information for 2010 restated under IFRS. Comparative information for 2009 have not been restated.

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 the first quarter of 2011, the gold price continued to display considerable volatility with spot daily closings between \$1,319 and \$1,447 per ounce (first quarter of 2010 – \$1,058 and \$1,153 per ounce) from London Bullion Market Association ("LBMA").

(\$/oz of gold)	First quarter ended March 31 2011	First quarter ended March 31 2010
Average market gold price	1,386	1,109
Average realized gold price	1,396	1,111
	March 31 2011	December 31 2010
Closing market gold price	1,439	1,406

NIOBIUM MARKET

The Company is one of three significant producers of ferroniobium in the world, with a market share of approximately 8% in 2010. The largest producer in the niobium market is a Brazilian producer whose operations can impact market conditions. Niobium demand closely follows the demand for steel, with a trend towards increased usage of niobium per tonne of steel produced. World steel production increased by approximately 9% compared to the first quarter of 2010 and 8% compared to the fourth quarter of 2010. The niobium average realized price for IAMGOLD was marginally higher in the first quarter of 2011 when compared to the average realized price in the first quarter of 2010.

Niobium is used primarily as an alloying element to strengthen steels used in the transportation and gas transmission pipeline industries. In the transportation industry, niobium is used in truck frames and wheels, railway cars, containers, car outer body panels, and in heat-resistant automotive parts such as exhaust systems and catalytic converters. Niobium applications to various types of vehicles also reduce weight, thereby providing savings in fuel consumption. Gas transmission pipelines which require extra strength and durability are made from high-strength steel plates containing niobium. Niobium is also extensively used in providing increased strength to structural steels used in the construction industry, as well as to bridges and high-rise buildings in civil construction. New applications for niobium are constantly being developed as this steel-alloying element provides increased strength, with the added benefits of good weldability and meeting requirements from a great variety of end users. In a highly competitive global market, niobium is called on to play an ever-expanding role as a result of its properties and alloying uses.

CURRENCY

The Company's reporting currency is the U.S. dollar. Movement in the Canadian dollar against the U.S. dollar has a direct impact on the Company's Canadian mining activities and executive office cost base. International operations are also exposed to fluctuation in currency exchange rates. Currencies continued to experience volatility relative to the U.S. dollar in the first quarter of 2011. The key currencies to which the Company is exposed are the Canadian dollar and the euro.

	Closing Rate March 31 2011	Closing Rate December 31 2010	Average Rate First quarter ended March 31 2011	Average Rate First quarter ended March 31 2010
Canadian \$ / US\$	0.9697	0.9999	0.9854	1.0192
US\$ / Euro	1.4168	1.3382	1.3693	1.3513

In 2011, 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.

OIL PRICE

The Company's operations and projects expect to consume approximately 0.6 million barrels of fuel in 2011. In the first quarter of 2011, the oil price displayed considerable volatility with spot daily closings between \$83 and \$106 per barrel.

(\$/barrel)	First quarter ended March 31 2011	First quarter ended March 31 2010
Average market oil price	94	79
	March 31 2011	December 31 2010
Closing market oil price	106	91

The Company's hedging strategy for oil price is based on the use of heating oil option contracts to provide protection against the effects of oil price increases on the cost of diesel fuel. Call options on heating oil are used to mitigate the risk of diesel price increases. At March 31, 2011, there were no outstanding hedge contracts. The Company will on an ongoing basis update its hedging strategy.

RESULTS OF OPERATIONS

Suriname – Rosebel Mine (IAMGOLD interest – 95%)

Summarized Results

100% Basis

	First quarter ended March 31 2011	Change	First quarter ended March 31 2010
Total operating material mined (000 t)	11,311	(20%)	14,159
Strip ratio ^(a)	3.1	(3%)	3.2
Ore milled (000 t)	3,068	(2%)	3,131
Head grade (g/t)	1.1	-	1.1
Recovery (%)	96	4%	92
Gold production – 100% (000 oz)	105	7%	98
Attributable gold production – 95% (000 oz)	100	7%	93
Gold sales – 100% (000 oz)	104	2%	102
Gold revenue (\$/oz) ^(b)	1,401	26%	1,111
Cash cost excluding royalties (\$/oz)	469	17%	401
Royalties (\$/oz)	75	36%	55
Cash cost (\$/oz) ^(c)	544	19%	456

(a) Strip ratio is calculated as waste divided by full-grade ore mined.

(b) Gold revenue per ounce is calculated as gold sales divided by ounces of gold sold.

(c) Cash cost per ounce is a non-GAAP measure. Refer to the Supplemental Information section attached to the MD&A for reconciliation to GAAP measures.

Gold production during the first quarter of 2011 was 7% higher compared to the first quarter of 2010, primarily as a result of improved gold recoveries from the installation of additional leach tanks in the early part of the fourth quarter of 2010.

Cash costs per ounce were up in the first quarter of 2011 due to higher fuel and power prices, higher consumables, and higher royalties due to rising gold prices.

During the first quarter of 2011, Rosebel's capital expenditures were \$7.6 million and consisted of new mining equipment (\$2.1 million), resource delineation and near-mine exploration (\$2.3 million), new truck shop (\$0.9 million), tailings dam (\$0.7 million), and various smaller projects (\$1.6 million).

Outlook

Rosebel's attributable production in 2011 is expected to be between 360,000 and 380,000 ounces.

The Company is reviewing steps to expand the capacity at the Rosebel mine.

Capital expenditures of \$95 million are planned at Rosebel in 2011, and include spending of \$46 million on a mine equipment expansion and replacement program, \$15 million on mill expansion and a gravity circuit upgrade, \$15 million on a resource delineation and near-mine exploration program, and \$19 million on other sustaining capital. The 95,000-metre near-mine drill program is designed to upgrade additional resources to reserves and pursue targets in close proximity to existing resources.

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

	First quarter ended March 31 2011 ^(a)	Change	First quarter ended March 31 2010 ^(a)
Total operating material mined (000 t)	7,617	-	-
Strip ratio ^(b)	1.9	-	-
Ore milled (000 t)	2,251	-	-
Head grade (g/t)	1.5	-	-
Recovery (%)	96	-	-
Gold production – 100% (000 oz)	106	-	-
Attributable gold production – 90% (000 oz)	95	-	-
Gold sales – 100% (000 oz)	115	-	-
Gold revenue (\$/oz) ^(c)	1,402	-	-
Cash cost excluding royalties (\$/oz)	359	-	-
Royalties (\$/oz)	69	-	-
Cash cost (\$/oz) ^(d)	428	-	-

^(a) Commercial production started July 16, 2010.

^(b) Strip ratio is calculated as waste mined divided by ore mined.

^(c) Gold revenue per ounce is calculated as gold sales divided by ounces of gold sold.

^(d) Cash cost per ounce is a non-GAAP measure. Refer to the Supplemental Information section attached to the MD&A for reconciliation to GAAP measures.

Attributable production during the first quarter of 2011 was 95,000 ounces, compared to 80,000 ounces during the fourth quarter of 2010 mostly due to higher throughput. During the quarter, the mill achieved its target throughput rate and processed 25,000 tonnes per day.

Cash costs excluding royalties were lower compared to the fourth quarter of 2010 despite lower grades, higher energy prices and upward pressure on consumable prices. Positive results are attributable to the efficiency improvements realized throughout the operation. During the first quarter of 2011, cash costs after royalties were \$428 per ounce compared to \$414 per ounce during the fourth quarter of 2010 as a result of higher royalties which result from an increase of 2% in the average royalty rates and higher realized gold prices.

During the first quarter of 2011, Essakane's capital expenditures were \$9.2 million and consisted of the feasibility study on the expansion (\$1.0 million), mill upgrades (\$1.3 million), capitalized exploration and development (\$1.8 million), and other sustaining capital (\$5.1 million). A feasibility study to expand the mine is currently in progress and is expected to be completed in the third quarter of 2011. The current mine plan includes processing soft rock for the first three years at a rate of 9.0 million tonnes per year starting in 2011, followed by approximately nine years of processing hard rock. The study is expected to demonstrate that the hard rock capacity of the mine could be expanded to process approximately 10.8 million tonnes per year, compared to the current estimate of 5.4 million tonnes per year. The expectation is for life-of-mine average annual gold production of between 450,000 and 470,000 ounces (on a 100% basis), compared to the current estimate of 315,000 ounces. Assuming a positive outcome of the study, construction could commence in the fourth quarter of 2011.

Outlook

Essakane's attributable production in 2011 is expected to be between 370,000 and 390,000 ounces. Based on a favourable outcome of the feasibility study, capital expenditures of \$139 million are planned at Essakane in 2011 and include \$95 million for the expansion project, \$8 million for the feasibility study, and \$6.6 million for the resource delineation and near-mine exploration program. The 50,000-metre near-mine drill program is designed to upgrade additional resources to reserves and pursue targets in close proximity to existing resources.

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

	First quarter ended March 31 2011	Change	First quarter ended March 31 2010
Total operating material mined (000 t)	14	(26%)	19
Ore milled (000 t)	-	-	-
Gold production (000 oz)	-	-	-
Gold sales (000 oz)	10	67%	6
Gold revenue (\$/oz) ^(a)	1,371	25%	1,100
Cash cost excluding royalties (\$/oz)	-	-	-
Royalties (\$/oz)	-	-	-
Cash cost (\$/oz) ^(b)	-	-	-

^(a) Gold revenue per ounce is calculated as gold sales divided by ounces of gold sold.

^(b) Cash cost per ounce is a non-GAAP measure. Refer to the Supplemental Information section attached to the MD&A for reconciliation to GAAP measures.

As a cost savings initiative, the ore mined from Mouska has been stockpiled and will be batch processed later in 2011.

Outlook

The production of the Mouska mine is expected to be between 25,000 and 30,000 ounces in 2011.

Botswana – Mupane Mine (IAMGOLD interest – 100%)

Summarized Results

100% Basis

	First quarter ended March 31 2011	Change	First quarter ended March 31 2010
Total operating material mined (000 t)	2,365	21%	1,954
Strip ratio ^(a)	9.0	(5%)	9.5
Ore milled (000 t)	256	2%	250
Head grade (g/t)	1.5	(21%)	1.9
Recovery (%)	88	1%	87
Gold production (000 oz)	11	(15%)	13
Gold sales (000 oz)	13	(13%)	15
Gold revenue (\$/oz) ^(b)	1,394	25%	1,115
Cash cost excluding royalties (\$/oz)	1,297	67%	775
Royalties (\$/oz)	82	61%	51
Cash cost (\$/oz) ^(c)	1,379	67%	826

(a) Strip ratio is calculated as waste divided by full-grade ore mined.

(b) Gold revenue per ounce is calculated as gold sales divided by ounces of gold sold.

(c) Cash cost per ounce is a non-GAAP measure. Refer to the Supplemental Information section attached to the MD&A for reconciliation to GAAP measures.

In the first quarter of 2011, gold production declined by 15% compared to the same quarter in the prior year as a result of lower gold grades.

Cash cost per ounce of gold was higher in the first quarter of 2011 compared to 2010, primarily as a result of higher tonnage mined at a higher strip ratio and the impact of higher diesel fuel prices. In addition, higher royalties resulted from increased gold prices.

Capital expenditures for the first quarter of 2011 were minimal.

Mupane option contracts

Due to Mupane's short life of mine and to secure its margin, at the beginning of 2010 the Company entered into option contracts to protect the majority of the mine's production for 2010, 2011 and 2012. These hedges are intended to support a positive operating cash flow from the operation. These option contracts provide hedges of in excess of 80% of the expected production through 2013.

During the first quarter of 2011, option contracts for 4,400 ounces of gold expired without being exercised, while option contracts for 8,800 ounces were exercised at \$1,372 per ounce.

Outlook

The production of the Mupane mine is expected to be between 55,000 and 60,000 ounces in 2011.

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

	First quarter ended March 31 2011		First quarter ended March 31 2010
		Change	
Total operating material mined (000 t)	2,469	(7%)	2,668
Strip ratio ^(a)	6.3	(20%)	7.9
Ore milled (000 t)	469	6%	443
Head grade (g/t)	1.8	(14%)	2.1
Recovery (%)	95	1%	94
Attributable gold production (000 oz)	30	-	30
Attributable gold sales (000 oz)	30	3%	29
Gold revenue (\$/oz) ^(b)	1,387	25%	1,109
Cash cost excluding royalties (\$/oz)	642	36%	473
Royalties (\$/oz)	82	26%	65
Cash cost (\$/oz) ^(c)	724	35%	538

^(a) Strip ratio is calculated as waste divided by full-grade ore mined.

^(b) Gold revenue per ounce is calculated as gold sales divided by ounces of gold sold.

^(c) Cash cost per ounce is a non-GAAP measure. Refer to the Supplemental Information section attached to the MD&A for reconciliation to GAAP measures.

The attributable gold production was consistent in the first quarter of 2011 compared to the same period in 2010 as higher throughput and recoveries offset lower gold grades. As expected, gold grades have decreased from mining satellite pits following the completion of mining at the main Sadiola pit.

Cash cost per ounce of gold rose during the first quarter of 2011 compared to the first quarter of 2010, primarily as a result of lower production from lower grades, higher energy costs, higher labour costs from a revised mining contract finalized in the fourth quarter of 2010, and increased royalties from higher realized gold prices.

The Company's attributable portion of capital expenditures during the first quarter of 2011 was \$0.9 million, mainly related to the Sadiola sulphide project and capitalized exploration expenditures.

The feasibility study on the sulphide project to expand the processing facility to process hard rock in conjunction with soft rock was completed in 2010. IAMGOLD has taken the lead in this work with an innovative approach to reduce cost and re-engineer the construction schedule. A construction decision is expected during 2011. The potential to add more resources and reserves to the sulphide deposit as well as to the other satellite deposits remains encouraging and will be pursued in 2011.

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

	First quarter ended March 31 2011		First quarter ended March 31 2010
		Change	
Total operating material mined (000 t)	1,488	111%	704
Strip ratio ^(a)	6.1	42%	4.3
Ore crushed (000 t)	276	(9%)	304
Head grade (g/t)	1.0	(47%)	1.9
Attributable gold stacked (000 oz)	9	(50%)	18
Attributable gold production (000 oz)	8	(70%)	27
Attributable gold sales (000 oz)	7	(73%)	26
Gold revenue (\$/oz) ^(b)	1,389	25%	1,110
Cash cost excluding royalties (\$/oz)	1,233	211%	397
Royalties (\$/oz)	79	22%	65
Cash cost (\$/oz) ^(c)	1,312	184%	462

^(a) Strip ratio is calculated as waste divided by full-grade ore mined.

^(b) Gold revenue per ounce is calculated as gold sales divided by ounces of gold sold.

^(c) Cash cost per ounce is a non-GAAP measure. Refer to the Supplemental Information section attached to the MD&A for reconciliation to GAAP measures.

Attributable gold production was sharply lower in the first quarter of 2011 compared to the same period in 2010 as a result of lower volumes of ore crushed and significantly lower gold grades. After the completion of mining the bottom of the main pit in early 2010, mine production has shifted to a longer-haul satellite pit, which resulted in lower grades and higher waste stripping.

Cash costs per ounce were significantly higher during the first quarter of 2011 compared to the first quarter of 2010, primarily as a result of lower production, higher waste stripping, higher energy costs, and higher royalties from higher realized gold prices.

There were no significant capital expenditures during the first quarter of 2011 and the comparable period last year.

Yatela did not distribute any dividend during the first quarters of 2011 and 2010.

**Ghana – Tarkwa and Damang Mines (IAMGOLD interest – 18.9%)
Summarized Results**

	First quarter ended March 31 2011	Change	First quarter ended March 31 2010
Attributable gold production (000 oz)	46	7%	43
Cash cost (\$/oz) ^(a)	542	(11%)	612

^(a) Cash cost per ounce is a non-GAAP measure. Refer to the Supplemental Information section attached to the MD&A for reconciliation to GAAP measures.

On April 15, 2011, IAMGOLD announced that it had reached an agreement to sell its 18.9% interests in the Tarkwa and Damang gold mines in Ghana, West Africa to Gold Fields Limited (“Gold Fields”) for gross proceeds of \$667 million. This transaction is subject to the approval of Gold Fields’ shareholders and is expected to close no later than July 31, 2011.

The Company’s updated guidance excludes Tarkwa and Damang results from production and cash costs effective April 1, 2011.

Interests in Tarkwa and Damang were accounted for using the equity method and were disclosed in the consolidated interim balance sheet as investments in associates. The carrying value of investments in associates as at March 31, 2011 was \$261.5 million. The Company will no longer account for its investments in associates using the equity method, and the Company’s future share of net earnings from these investments will not be recognized in the consolidated statement of earnings starting that date.

In the first quarter of 2011, the Company received a dividend of \$5.7 million from Tarkwa and Damang, compared to no dividends during the first quarter of 2010.

Canada – Niobec Mine (IAMGOLD interest – 100%)

Summarized Results

100% Basis

	First quarter ended March 31 2011		First quarter ended March 31 2010
		Change	
Total operating material mined (000 t)	529	13%	470
Ore milled (000 t)	521	16%	448
Grade (% Nb ₂ O ₅)	0.57	(7%)	0.61
Niobium production (millions of kg Nb)	1.1	(8%)	1.2
Niobium sales (millions of kg Nb)	1.0	(9%)	1.1
Operating margin (\$/kg Nb) ^(a)	16	(16%)	19

^(a) Operating margin per kilogram of niobium at the Niobec mine is a non-GAAP measure. Refer to the Supplemental Information section attached to the MD&A for reconciliation to GAAP measures.

Niobium production during the first quarter of 2011 was 8% lower compared to the first quarter of 2010 primarily as a result of lower Nb₂O₅ ore grade.

Niobium revenues were \$39.6 million in the first quarter of 2011 compared to \$40.2 million in the same period in 2010, due to a decrease in sales volumes as a result of lower production, partially offset by higher realized niobium prices during the quarter.

The operating margin per kilogram of niobium decreased by \$3 per kilogram during the first quarter of 2011 compared to the same period in 2010. As expected, the inclusion of the paste backfill process starting the second quarter of 2010 lowered operating margin per kilogram of niobium. Paste backfill enables near complete extraction of the ore body including areas with lower grades, impacting mining costs and operating margin. In addition, the operating margin per kilogram of niobium was adversely impacted by the stronger Canadian dollar, and higher prices and volumes of aluminum used in processing compared to 2010.

In the first quarter of 2011, capital expenditures were \$10.6 million and included underground development (\$2.7 million), underground equipment (\$2.5 million), pumping station (\$3.1 million), and various other projects (\$2.3 million).

On May 4, 2011 the Company announced the results of an independently prepared NI 43-101 compliant preliminary economic assessment (“PEA”) on the Company’s wholly-owned Niobec niobium mine in the province of Quebec, Canada. The PEA shows a significant increase in the measured, indicated and inferred mineral resource estimates at Niobec with the potential for a significant production expansion. The PEA examined the impact of changing the existing underground mine to an alternative bulk mining method. IAMGOLD technical personnel then compared the economics of the open pit scenario and a block caving scenario (the “Study”). The work done on the PEA and the Study will be advanced in a 2011 pre-feasibility study to confirm the potential upside of Niobec.

The Study reflects potential for a 691% increase in measured and indicated mineral resources to 1.93 billion kilograms of contained niobium pentoxide, and a potential threefold increase in niobium production to a level of 15 million kilograms per year. Based on higher metal prices and lower operating costs, the operating margin is estimated to increase from \$18 per kilogram to \$28 per kilogram of niobium. Under the above assumptions, the remaining mine life would exceed 40 years. After-tax net asset value is expected to range between \$1.6 billion and \$2.0 billion.

In addition, the Company has identified an underexplored Rare Earth Element (REE) zone at the Niobec site and exploration and metallurgical testwork has been initiated.

Outlook

The Niobec mine’s production for 2011 is expected to be between 4.5 million kilograms and 5.0 million kilograms with an operating margin in a range of between \$15 and \$17 per kilogram. In 2011, capital expenditures at Niobec of \$39 million are mainly related to underground development, a pumping station and water treatment.

DEVELOPMENT PROJECTS

In the first quarter of 2011, the Company's total development project expenditures were \$26.0 million, mainly related to the Westwood project in northern Quebec. Projects are summarized as follows:

(in \$ millions)	First quarter ended March 31 2011	First quarter ended March 31 2010
Capitalized Expenditures	\$	\$
North America		
Canada – Westwood project	24.9	24.5
Africa		
Burkina Faso – Essakane project	-	56.4
South America		
Ecuador – Quimsacocha project	0.9	1.5
Peru – La Arena project	-	1.4
	25.8	83.8
Expenses		
South America		
French Guiana – Camp Caiman project	0.2	0.5
Total	26.0	84.3

Outlook 2011 – Evaluation projects

The planned capitalized evaluation expenditures for 2011 are summarized as follows:

(in \$ millions)	Capitalized
2011	\$
Westwood project (net of expected tax credits of \$15.7 million)	130.1
Quimsacocha project	3.1
	133.2

Canada – Westwood Project

Mining plan and resources

On December 21, 2009, IAMGOLD announced continued positive results from an updated preliminary assessment study (the “study”) on its 100% owned Westwood development project located two kilometres from the Company's Doyon gold mine in the Abitibi region of Northern Quebec. In addition, on February 15, 2011, the Company announced the indicated and inferred resources increased by 6% to 3.7 million ounces. The project remains on plan for completion by early 2013 with an estimated total cost of \$500 million.

The study is classified as preliminary as most of the resources delineated at Westwood are in the inferred category. The study includes mine planning, capital and operating cost estimation, rock mechanics, metallurgical work, and overall economic studies that are advanced, due in part to the knowledge obtained from the Doyon mine.

Construction

The Westwood project expenditures in the first quarter of 2011 totaled \$27.5 million (before tax credits) with significant infrastructure preparation and construction, including the completion of a number of hoist elements, the fire detection system with the new pump house, final breakthrough of the six-metre diameter ventilation shaft completed and the installation of ground support infrastructure. During the first quarter of 2011, shaft sinking reached 1,157 metres, with the excavation of a spill pocket and the safety bulkhead, and underground development work including 2,106 metres of lateral and vertical excavation achieved.

Exploration

More than 21,000 metres of exploration drilling and valuation drilling were completed in the first quarter of 2011. The exploration ramp and drift was extended by 1,289 metres in the first quarter of 2011 to provide better drilling access allowing definition drilling of the upper parts of the deposit which will be mined early in the production sequence as well as improve access to drill off extensions to the known ore lenses at depth.

Ongoing drilling programs for 82,000 metres are planned in 2011 and aimed at finding additional inferred resources and continued upgrading of existing inferred mineral resources to measured and indicated categories.

Outlook 2011

Evaluation activities planned in 2011 for a total of \$130.1 million (net of tax credits of \$15.7 million) are as follows:

- complete construction of the surface waste silo to allow ore development by the end of 2011,
- achieve shaft sinking plan (1,560 metres by end of 2011),
- complete the six-metre ventilation raise boring,
- ground support to the six-metre ventilation raise boring,
- start construction of the 84-0 level hydrostatic plug to close Doyon underground accesses,
- infill and step-out drilling for resource development (82,000 metres), and
- total vertical and horizontal development of 12,946 metres.

South America – Ecuador – Quimsacocha

The Quimsacocha project has probable reserves of 8.1 million tonnes, at an average grade of 6.5 grams of gold per tonne of ore containing 1.7 million ounces of gold, within an indicated resource of 9.9 million tonnes, at an average grade of 6.6 grams of gold per tonne of ore containing 2.1 million ounces of gold.

The Company has obtained the requisite permits and authorization to advance feasibility work.

The Company maintains regular contact and dialogue with senior government officials in order to obtain needed clarity on fiscal and other matters, including the analysis of the model mining contracts recently released by the Ecuadorian government.

Assessment of the project's financial viability continues as the Company works to clarify key fiscal and other applicable dimensions. Evaluation expenditures expected in 2011 of \$3.1 million are based on continuing with the current level of activity. The Company plans to determine whether the new contract model and the government's position offer flexibilities that will allow advancement of the project.

EXPLORATION

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

In the first quarter of 2011, IAMGOLD incurred \$18.9 million on exploration projects, a 17% increase from \$16.2 million in the first quarter of 2010. The 2011 expenditures included:

- near-mine exploration and resource development expenditures of \$9.8 million including the initial stages of a planned resource expansion and delineation drilling program of more than 95,000 metres at Rosebel in Suriname for \$2.3 million, a drill delineation program of more than 72,000 metres at Essakane in Burkina Faso for \$1.3 million, and \$2.6 million directed at an exploration and resource delineation drilling program of more than 82,000 metres at the Westwood development project in Quebec; and
- greenfield exploration of \$9.1 million conducted at 16 projects, including two advanced exploration sites, in 8 countries in Africa and the Americas as part of IAMGOLD's long-term commitment to reserves replenishment and organic growth.

Exploration expenditures are summarized as follows:

(in \$ millions)	Capitalized	Expensed	Total
First quarter of 2011	\$	\$	\$
Near-mine exploration and resource development ^(a)	5.1	4.7	9.8
Greenfield exploration projects	-	9.1	9.1
	5.1	13.8	18.9
First quarter of 2010	\$	\$	\$
Near-mine exploration and resource development ^(a)	8.3	2.2	10.5
Greenfield exploration projects	-	5.7	5.7
	8.3	7.9	16.2

^(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 24 of the Company's unaudited consolidated interim financial statements.

The Company's exploration expenditures were as follows:

(in \$ millions)	First quarter ended March 31 2011	First quarter ended March 31 2010
	\$	\$
Capitalized Near-Mine Exploration and Resource Development		
Suriname	2.3	3.5
Canada	2.6	2.4
Mali	0.2	0.3
Burkina Faso	-	2.1
Total capitalized	5.1	8.3
Expensed Near-Mine Exploration and Resource Development		
Canada	2.4	0.9
Botswana	-	0.1
Mali	0.9	1.0
Burkina Faso	1.3	-
Other	0.1	0.2
	4.7	2.2
Expensed Greenfield Exploration		
South America	4.1	3.3
Africa	4.5	2.2
Canada	0.5	0.2
	9.1	5.7
Total expensed	13.8	7.9
Total	18.9	16.2

Outlook 2011 – Exploration

The planned and approved capitalized and expensed exploration for 2011 is \$92.1 million and is summarized below.

In 2011, the Company plans to test more than 18 grassroots projects in Senegal, Mali, Suriname, Colombia, Peru, Brazil and the Canadian province of Quebec, and is searching for advanced exploration opportunities or acquisitions.

Following positive exploration results in 2010, IAMGOLD announced a record \$43.5 million greenfield spend for 2011, which provides the Company the means to aggressively advance new and existing growth opportunities. Nearly 118,000 metres of drilling are planned across all greenfield sites in 2011, with an additional 46,425 metres of aircore drilling budgeted for Essakane. The planned drilling comprises a significant proportion of the overall budget and an important allocation of expenditures in resource development. It further reflects the Company's strategic commitment to organic growth "through the drill bit." An exploration office was re-opened in Val-d'Or in 2010 as part of a plan to reactivate several dormant exploration projects in the Abitibi region of Quebec.

Drilling at near-mine and greenfield exploration sites is projected to exceed 500,000 metres in 2011.

(in \$ millions)	Capitalized	Expensed	Total
2011	\$	\$	\$
Near-mine exploration and evaluation	40.3	8.3	48.6
Greenfield exploration projects	0.9	42.6	43.5
	41.2	50.9	92.1

CAPITALIZED EXPLORATION EXPENDITURES

Near-mine exploration and resource development work was in progress during the first quarter of 2011 at Westwood, in addition to significant mine site exploration programs at Rosebel, Niobec, Mouska and Essakane.

South America – Suriname – Rosebel

In alignment with the 2011 corporate objectives for organic growth, the 2011 reserve development and delineation program at Rosebel was designed to extend resources along strike and at depth, to identify new resources near the known deposits, and to convert resources into reserves at a rate exceeding mine depletion. During the first quarter of 2011, a total of 21,520 metres of diamond core drilling was completed from the 95,000-metre annual budget. Most of the drilling efforts were concentrated at the Mayo deposit with 13,943 metres drilled, mainly for resource development and expansion. Assaying is in progress and positive outcomes are expected. A total of 4,343 metres were drilled in the east tailings road area with the aim of delineating new resources along strike from the Pay Caro and East Pay Caro deposits. Assay results received to date are very positive and a subsequent phase of drilling will be implemented later this year. Smaller programs were drilled for reserves development at the Roma deposit (1,648 metres) and reserves development and expansion in the J-Zone area (1,586 metres). Received assay results are positive, but will not cause major changes to the resource/reserve inventory.

Africa – Burkina Faso – Essakane

Resource development drilling amounted to 13,900 metres of core drilling in the first quarter of 2011 that targeted the northern extension of the Essakane Main Zone (“EMZ”) as part of the mine expansion feasibility study. Results have highlighted numerous drill intercepts grading more than 2 g/t Au over a drilling width of twenty to fifty metres within the footwall argillite zone. An aggressive in-fill and step-out drilling campaign will be a priority of the 2011 drilling program, and 72,000 metres of drilling (43,000 metres of diamond drilling and 29,000 metres of reverse circulation drilling) are planned within a total budget of \$8.8 million.

In addition to the delineation drilling noted above, a total of 9,813 metres of combined reverse circulation and diamond exploration drilling was carried out along the projected northwest and southeast trends of the EMZ. An important objective of the 2011 exploration drilling program is to expand the northern limits of the current EMZ resource beyond the Gorouol river. Exploration to the northwest continues to intersect significant gold mineralization at potentially economic depths for more than one kilometre past the established resource. Geologic and resource modeling is on-going, and this new information will be incorporated into a revised resource model in the second half of 2011. Additional exploration on widely spaced reverse circulation drill fences approximately one kilometre to the southeast of the EMZ resource encountered narrow and sporadic gold mineralized intercepts as reported from previous drilling.

Canada – Quebec – Mouska

Approximately 7,750 metres of underground diamond drilling were completed during the first quarter from the budgeted 2011 program of 33,600 metres. The exploration and resource delineation program is targeting Zone 47; a subsidiary vein structure located only 35 metres north of existing workings. Drilling during the first quarter targeted the depth extension of this structure below the current mineral reserves and results are encouraging. This sector remains open laterally and at depth, and an additional phase of drilling will be initiated over the coming months.

Canada – Quebec – Niobec

A total of 9,140 metres of step-out and resource delineation drilling is budgeted at Niobec in 2011 for a total of \$0.7 million. During the first quarter, a total of 3,330 metres were drilled in Block 4 to upgrade resources to the reserve category. The deposit is open at depth, and an additional drilling program of 6,000 metres was approved during the quarter to explore the depth potential of the Niobec deposit toward Block 12 (current resources are delineated only to Block 9). The program started at the end of March with first assay results expected at the end of the second quarter.

GREENFIELD EXPLORATION EXPENSES

The Company's exploration team had an on-site presence in 8 countries within North and South America and Africa in the first quarter, including greenfield exploration work on regional land positions in proximity to the Company's operating mines at Essakane and Rosebel.

South America – Brazil

Exploration activities during the first quarter of 2011 included geological mapping and geochemical sampling programs over several early-stage project areas located in the States of Minas Gerais and southern Para. This work will guide follow-up ground geophysical surveys and subsequent drilling campaigns that are planned to commence late in the second quarter. Preliminary results at the Pitangui project in Minas Gerais have revealed two significant geochemical anomalies and potential drill targets: the Penha-Onça trend extending over 2.2 strike kilometres in length and the Jaguará anomaly that is underlain by an area of highly prospective Archean structure and stratigraphy.

South America – Peru

In the first quarter of 2011, the Company initiated a follow-up drill program on IAMGOLD's wholly-owned Candelaria project in southern Peru. Candelaria is one of three early stage projects the exploration group expects to drill test in 2011. Regional surveys and examination of acquisition opportunities continues as part of the Company's commitment to establishing a robust exploration project pipeline.

South America – Suriname

The start of the 2011 regional exploration drilling program, which totals over 8,500 metres to test exploration targets in the vicinity of the Rosebel mine infrastructure, has been delayed due to heavy rains. This drilling is in addition to the minimum 95,000-metre resource expansion program planned for the Rosebel mine area. In-fill and delineation drilling is planned for the Charmagne project following the results of a positive project concept study. In spite of the poor weather conditions, a high resolution airborne geophysical survey was completed over the Rosebel and Tapanahony concessions, and is underway over the Company's Charmagne project.

Detailed mapping and trenching of small outcrop inliers in an area of significant alluvial cover located 10 kilometres south of the Rosebel infrastructure has identified quartz vein arrays and host rocks that mimic the mineralization style of the southern Rosebel mine trend. Significant results have been returned from trenching and rock chip sampling of the quartz vein sets. A systematic reverse circulation drilling campaign to explore beneath the thick alluvial cover commenced late the quarter.

Africa – Burkina Faso – Essakane

During the first quarter of 2011, exploration work continued on the Company's 1,283-square-kilometre block of exploration concessions surrounding the mine permit. A multi-year aircore drilling program is being carried out over areas covered with thin sheets of windblown sands, and 6,456 metres were completed during the first quarter of 2011. Exploration will focus on established gold mineralized trends closest to the Essakane infrastructure, most notably the more than 10-kilometre-long gold anomalous Korizena trend, and the Alkoma 2 prospect.

Africa – Mali – Kalana Joint Venture

Subject to the terms of an agreement with Avnel Gold Mining Limited (“Avnel”), entered into in August 2009, the Company has the right to earn a 51% interest in the Kalana joint venture by spending \$11 million over three years. The Company may also increase its share of the available interest in the project up to 70% upon delivery of a feasibility study, or up to 65% if Avnel elects to participate in the study. As at the end of March 31, 2011, \$8.6 million in exploration expenditures had been expended on the property in fulfillment of the \$11 million earn-in condition.

Systematic drill testing recommenced in January 2011 with two diamond drills within the mine area as part of a 34,500-metre combined diamond and reverse circulation drill program of \$8 million, and the Company is reviewing the possibility of adding a third drill in the second quarter 2011. The exploration program is designed to test and validate a detailed and predictive geologic model of the Kalana mine area developed by the Company, and more than 8,300 metres was completed in the first quarter of 2011. As the program develops, the Company will begin development of a preliminary resource estimate that incorporates the known high-grade veins with the potential bulk minable material in the surrounding mineralized envelopes at Kalana. Satellite zones, such as Kalanako, located only three kilometres east of the Kalana mine offer significant upside potential and will be an important part of the 2011 exploration program. Additional targets have been identified on the 387 square kilometre land package by regional termite mound geochemistry that will undergo further exploration during the current program.

The previously reported remedial drill sample re-assay program initiated in October 2010 was completed in the first quarter of 2011. Results have re-established the integrity of the assay database and reaffirmed the exploration potential as previously interpreted by IAMGOLD's exploration team.

Africa – Mali – Fougadian Joint Venture

In December 2010, the Company entered into an option-to-joint-venture agreement with Avnel to acquire an initial 51% interest of the available 90% interest, in a 147-square-kilometre concession package located immediately south of the Kalana mine permit. The Company may acquire an additional 14% interest (total 65%) upon completion of certain conditions including establishing a minimum gold resource of 250,000 ounces. Regional surveys, including termite mound geochemistry are on-going, and the Company is establishing a separate camp to service the exploration program.

Africa – Mali – Siribaya Joint Venture

The Siribaya advanced exploration gold project in Mali is held under an option to joint venture with Merrex Gold Inc. (“Merrex”). IAMGOLD can earn a 50% interest in the project by incurring C\$10.5 million in exploration expenses, and at the end of the first quarter of 2011 the Company had expended C\$7.6 million towards this earn-in condition. In April 2011, the Company made a private placement in Merrex of C\$2.5 million, increasing the Company's shareholding to 13,116,883 shares representing 11.37% of the issued capital of Merrex.

Drilling to date on the Siribaya trend has focused on four kilometres of an eight- to nine-kilometre-long gold mineralized structural corridor defined by geochemistry and geophysics. Significant intercepts have been recorded within the mineralized corridor and on trend with the established resource areas described by Merrex.

A minimum C\$3.0 million budget for 2011 will include 17,000 metres of reverse circulation drilling. In March 2011, the Company reached an arrangement with Merrex whereby IAMGOLD will initiate an additional 10,000-metre diamond drilling program in the resource areas that will be funded by Merrex. Once IAMGOLD's vesting requirements are satisfied, the drill campaign and expenditures will be treated as a supplemental contribution to the joint venture exploration funding by Merrex, and associated expenditures will be credited to Merrex's future funding requirements to the joint venture.

The reverse circulation program is designed to systematically test the mineralized corridor on wide-spaced 400 to 500-metre sections for more than three kilometres beyond the limits of the existing drill coverage, whereas the diamond drill program will continue to evaluate and expand the limits of the known resource. Reverse circulation drilling commenced in March 2011, and diamond drilling began in April 2011. Mechanized auger drilling is focused on the sub-parallel Bambadinka mineralized zone, a priority satellite target located two kilometres west of the Siribaya trend. Select targets defined by auger drilling at Bambadinka, as well as other promising satellite targets on the property, will be tested as part of the 2011 program.

Canada – Quebec

The Bousquet-Odyno diamond drilling program was completed for a total of nine holes and 4,144 metres for the first phase of a program initiated in the fourth quarter of 2010. The next phase of exploration drilling will start once all results have been received, evaluated and new targets determined.

FINANCIAL POSITION

Financial Risks

The Company manages capital and its exposure to financial risks by ensuring it has sufficient financial capacity to support its operations, current mine development plans and long-term growth strategy.

The Company is subject to various financial risks that could have a significant impact on profitability and financial conditions. These risks include liquidity risk, credit risk and financial market conditions relating to interest rates, gold price, oil price and currency rates.

Liquidity Risk and Capital Resources

The Company ended the first quarter of 2011 with a strong balance sheet, having \$621.4 million in cash, cash equivalents and gold bullion evaluated at market value, compared to \$411.3 million at the end of 2010. This increase is mainly due to strong cash flow from operating activities of \$205.8 million, partially offset by capital expenditures in mining assets and exploration and development projects.

In February 2011, IAMGOLD received \$48.8 million for the sale of its La Arena project. On February 24, 2011, IAMGOLD entered into an agreement for a private placement of flow-through shares with the issuance of 1.7 million shares at a price of C\$25.48 per share raising gross proceeds of \$43.3 million.

As at March 31, 2011, no funds were drawn against the Company's \$350.0 million unsecured revolving credit facility. The Company also has a \$50.0 million revolving facility for the issuance of letters of credit of which, as at March 31, 2011, \$18.8 million in letters of credit were outstanding to guarantee certain asset retirement obligations.

The filing of a base shelf prospectus in 2009 with the securities regulators in each province and territory of Canada (except for Quebec), and a corresponding registration statement with the SEC in the United States, allows the Company to make offerings of common shares, warrants, debt securities, subscription receipts or any combination thereof of up to \$700 million until August 29, 2011. The Company plans to renew this base shelf prospectus in 2011.

Gold Bullion

	March 31 2011	December 31 2010
Ounces held (oz)	100,001	100,001
Weighted average acquisition cost (\$/oz)	404	404
Acquisition cost (\$ millions)	40.4	40.4
End of period spot price for gold (\$/oz)	1,439	1,406
End of period market value (\$ millions)	143.9	140.6

Gold bullion is held in the accounts of reputable and authorized counterparties, which include Canadian chartered banks, refineries, metals dealers and foreign banks as reviewed and approved by senior management on a continual basis. For accounting purposes, gold bullion is valued at cost in the Company's consolidated balance sheet.

Working Capital

	March 31 2011	December 31 2010
Working capital (\$ millions)	567.0	344.3
Current working capital ratio	3.0	2.4

During the first quarter of 2011, working capital increased by \$222.7 million mainly due to increased cash and cash equivalents.

Contractual Obligations

Contractual obligations as at March 31, 2011 were \$140.9 million, an increase of approximately \$61.7 million compared to December 31, 2010, mainly due to higher purchase obligations at Essakane and Niobec mines. These obligations will be met through available cash resources and operating cash flows.

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 29 of the Company's 2010 annual consolidated financial statements.

Asset retirement obligations

As at March 31, 2011, the Company had letters of credit in the amount of \$18.8 million to guarantee asset retirement obligations.

At March 31, 2011, a liability of \$190.8 million, representing the discounted value of these obligations, is included in the Company's unaudited consolidated balance sheet compared to \$187.4 million at the end of 2010. The increase in obligations during the first quarter of 2011 was mainly related to foreign exchange impact. Disbursements, totaling \$0.6 million, were incurred during the first quarter of 2011 (first quarter of 2010 – \$0.5 million).

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

In the first quarter of 2011, an unrealized gain related to change in market price of marketable securities classified as available-for-sale of \$19.6 million (first quarter of 2010 – \$1.6 million) was recorded in the fair value reserve within equity. The Company sold some of its marketable securities during the first quarters of 2011 and 2010. Gains previously included in the fair value reserve were transferred to the statement of earnings for \$0.3 million (first quarter of 2010 – \$8.0 million). At the end of the period, the Company reviewed the value of marketable securities for objective evidence of impairment based on both quantitative and qualitative criteria and determined that no impairment charge was required in 2011 and 2010. Factors considered in determining impairment included a decreasing trend of these investments' market value and other information available on these companies.

The Company also has share purchase warrants held in investments included in other non-current assets on the unaudited consolidated balance sheet. The unrealized gain or loss related to changes in fair value is reported under derivative gain or loss in the consolidated statement of earnings. An unrealized gain of \$2.8 million related to the change in the fair value of warrants held as investments was recorded in the first quarter of 2011 (first quarter of 2010 – \$1.0 million).

At March 31, 2011, the impact of a change of 10% in the fair value of marketable securities and warrants held as investments would have resulted in a change in unrealized net of tax gain/loss of \$8.8 million that would be included in other comprehensive income, and a change of \$0.7 million in net earnings.

Derivative instruments

At the end of March 2011, the Company had entered into hedging contracts to limit the impact of fluctuations as a result of volatilities in the world markets by hedging a portion of the Mupane mine's gold production and of its expected consumption of aluminum. At the end of March 2011, there were no outstanding derivative contracts related to the Company's foreign currency and its expected consumption of diesel. The Company may enter into option contracts to hedge a portion of its exposure to the Canadian dollar, the euro, and heating oil later in 2011.

At the end of the period, fair values of the Company's derivatives were as follows:

	March 31, 2011		December 31, 2010	
	Carrying Value	Fair Value	Carrying Value	Fair Value
(in \$ millions)	\$	\$	\$	\$
Derivatives – Gold option contracts	(9.7)	(9.7)	(11.8)	(11.8)
Derivatives – Aluminum option contracts	0.1	0.1	-	-
	(9.6)	(9.6)	(11.8)	(11.8)

Gold market price risk

Due to Mupane's short life of mine and to secure its margin, at the beginning of 2010 the Company entered into gold option contracts to protect the majority of the mine's production for 2010, 2011 and 2012. These hedges are intended to support a positive operating cash flow from the limited life of the operation.

As at March 31, 2011, the options provided protection on 39,600 ounces in 2011 at prices between \$1,000 and \$1,400 per ounce and on 54,000 ounces in 2012 at prices between \$1,000 and \$1,500 per ounce. These option contracts provide hedges of in excess of 80% of the expected production through the end of 2013. During the first quarter of 2011, option contracts for 4,400 ounces of gold expired without being exercised while option contracts for 8,800 ounces were exercised.

Fair value adjustments (unrealized gain on contracts) and a realized loss on deliveries were recognized and recorded as follows:

	First quarter ended March 31 2011	First quarter ended March 31 2010
(in \$ millions)	\$	\$
Unrealized gain on contracts	(2.1)	-
Realized loss	0.4	-
Total included in derivative gain	(1.7)	-

	March 31, 2011		December 31, 2010	
	Carrying Value	Fair Value	Carrying Value	Fair Value
(in \$ millions)	\$	\$	\$	\$
Gold option contracts (Mupane)				
Current portion	(5.1)	(5.1)	(5.5)	(5.5)
Non-current portion	(4.6)	(4.6)	(6.3)	(6.3)
	(9.7)	(9.7)	(11.8)	(11.8)

As at March 31, 2011, the valuation of the remaining gold option contracts was based on a gold price of \$1,439 per ounce and, following the assumption of an increase or a decrease of \$100 per ounce, would have been as follows:

	December 31, 2010 \$1,439/oz	Increase of \$100/oz at \$1,539/oz	Decrease of \$100/oz at \$1,339/oz
	Fair Value	Fair Value	Fair Value
(in \$ millions)	\$	\$	\$
Gold option contracts	(9.7)	(16.1)	(4.9)

Currency exchange rate risk

Movements in the Canadian dollar and the euro against the U.S. dollar have a direct impact on the Company's financial statements. International operations have exposure to currencies; however, metal sales are mainly transacted in U.S. dollars and a significant portion of each international operation's cost base is denominated in U.S. dollars.

At the end of March 31, 2011 and December 31, 2010, there were no outstanding currency contracts. The Company may enter into option contracts to hedge a portion of its exposure to the Canadian dollar and the euro for 2011. The Company's objective is to hedge its exposure to the Canadian dollar requirement due to capital expenditures required to advance the Westwood project and operating and capital expenditures at the Niobec and the Essakane mines.

Foreign exchange loss or gain

The foreign exchange loss in the first quarter of 2011 was \$5.2 million, compared to \$1.7 million in the first quarter of 2010. The majority of the foreign exchange loss during the first quarters of 2011 and 2010 was related to the impact of foreign exchange variation on monetary assets such as cash held in Canadian dollars, receivables, payables and asset retirement obligations. A 10% depreciation of the Canadian dollar compared to the U.S. dollar would impact positively net earnings (including the tax impact) by approximately \$12.9 million. A 10% appreciation would decrease net earnings (including the tax impact) by approximately \$14.2 million.

Heating oil option contracts and fuel market price risk

At the end of March 2011 and December 2010, there were no outstanding heating oil contracts. The Company may enter into option contracts to hedge a portion of its exposure for 2011 at the Rosebel, Essakane, Mupane, Sadiola, and Yatela operations.

Aluminum option contracts and market price risk

Aluminum is a key input in the production of niobium. The Company entered into contracts to limit the impact of fluctuations of aluminum prices and to economically hedge approximately 29% of its future consumption of aluminum for 2011 at the Niobec mine. The fair value of outstanding contracts as at March 31, 2011 was \$0.1 million which resulted in an equivalent gain during the first quarter of 2011.

Shareholders' Equity

At the end of 2010, the Company announced an annual dividend payment of \$0.08 per share (2009 – \$0.06 per share), totaling \$29.8 million, which was paid on January 14, 2011 (\$22.1 million in 2009 paid on January 12, 2010). The Company also reported that, in future, it plans to pay its dividend semi-annually.

Number issued and outstanding	March 31, 2011	May 9, 2011
Shares	374,734,809	374,751,620
Share options	4,559,542	4,542,731

The increase in the number of shares issued and outstanding since March 31, 2011 is due to the exercise of options.

Non-controlling Interests

The non-controlling interests relate to the non-controlling partners' interests in Rosebel Gold Mines N.V. (the Rosebel mine), EURO Ressources S.A., and Essakane S.A. (the Essakane mine).

RELATED PARTY TRANSACTIONS

In the first quarters of 2011 and 2010, there were no material related party transactions.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

Pursuant to regulations adopted by the U.S. Securities and Exchange Commission (SEC), under the Sarbanes-Oxley Act of 2002 and those of the Canadian Securities Administrators, the Company's management evaluates the effectiveness of the design and operation of the Company's disclosure controls and procedures. This evaluation is done under the supervision of, and with the participation of, the President and Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO").

Disclosure Controls and Procedures

As at the end of the period covered by this MD&A and accompanying unaudited consolidated interim financial statements, the CEO and the CFO have reviewed and evaluated the effectiveness of the Company's disclosure controls and procedures. Based on that evaluation, the CEO and the CFO have concluded that the Company's disclosure controls and procedures were effective to provide reasonable assurance that material information relating to the Company, including its consolidated subsidiaries and joint venture, was made known to them by others within those entities.

Internal Controls over Financial Reporting

Management of the Company, with the participation of the CEO and the CFO, are responsible for establishing and maintaining adequate internal controls over financial reporting. The Company's internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of unaudited consolidated interim financial statements for external purposes in accordance with international financial reporting standards.

Management, including the CEO and the CFO, evaluated the design of the Company's internal control over financial reporting as at March 31, 2011. In making this assessment, management, including the CEO and the CFO, used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control – Integrated Framework. This evaluation included review of the documentation of controls, evaluation of the design and testing the operating effectiveness of controls, and a conclusion on this evaluation.

There have been no significant changes in the Company's internal control over financial reporting or in other factors that could significantly affect internal controls subsequent to the date of management's evaluation.

Limitations of Controls and Procedures

The Company's management, including the CEO and the CFO believe that any disclosure controls and procedures and internal controls over financial reporting, no matter how well designed, can have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance that the objectives of the control system are met.

CHANGES IN ACCOUNTING POLICIES

International Financial Reporting Standards ("IFRS")

In February 2008, the Canadian Accounting Standards Board ("AcSB") confirmed that IFRS, as issued by the International Accounting Standards Board ("IASB"), will replace Canadian GAAP for publicly accountable enterprises and must be adopted for fiscal years beginning on or after January 1, 2011.

As a result, IAMGOLD now reports under IFRS for interim and annual periods beginning January 1, 2011, with comparative information for 2010 restated under IFRS. Adoption of IFRS requires the Company to make certain accounting policy choices. Refer to note 25 in the unaudited consolidated interim financial statements for the first quarter of 2011 for reconciliations from Canadian generally accepted accounting principles to IFRS.

FUTURE ACCOUNTING POLICIES

IFRS 9 – Financial Instruments

The IASB has issued IFRS 9, Financial Instruments, which is four-part project proposing to replace IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 is planned to be effective on January 1, 2013. The Company is in the process of evaluating the impact of the change to its consolidated financial statements based on the characteristics of its financial instruments.

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 on page 2.

For a more comprehensive discussion of the risks faced by the Company, please refer to the Company's 2010 annual MD&A, and the Company's 2010 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.

SUPPLEMENTAL INFORMATION TO THE MANAGEMENT'S DISCUSSION AND ANALYSIS

NON-GAAP PERFORMANCE MEASURES

Adjusted net earnings

Adjusted net earnings and adjusted net earnings attributable to equity shareholders per share are non-GAAP financial measures. Management believes that these measures better reflect the Company's performance for the current period and are a better indication of its expected performance in future periods. Adjusted net earnings and adjusted net earnings attributable to equity shareholders per share are intended to provide additional information, but do not have any standardized meaning prescribed by IFRS, are unlikely to be comparable to similar measures presented by other issuers, and should not be considered in isolation or a substitute for measures of performance prepared in accordance with IFRS. Adjusted net earnings represent net earnings excluding certain impacts, net of tax, such as impairment charge, changes in asset retirement obligations for closed properties, unrealized derivative gain or loss on Mupane gold hedging and warrants held as investments, marketable securities and assets, foreign exchange gain or loss, and executive severance costs, as well as unrealized gain on foreign exchange translation of deferred income and mining tax liabilities. These measures are not necessarily indicative of net earnings or cash flows as determined under IFRS. The following table provides a reconciliation of net earnings to adjusted net earnings as per the unaudited condensed consolidated interim statement of earnings.

	First quarter ended March 31 2011	First quarter ended March 31 2010
(in \$ millions, except for number of shares and per share amounts)	\$	\$
Net earnings	162.3	60.2
Executive severance costs	-	0.8
Foreign exchange loss	5.2	1.7
Unrealized derivative gain on Mupane gold hedging and warrants held as investments	(4.9)	(1.0)
Gain on sales of marketable securities	(0.2)	(7.0)
Gain on sales of assets (including a positive tax impact in Q1-2011)	(14.9)	(0.1)
Unrealized gain on foreign exchange translation of deferred income and mining tax liabilities	(2.6)	0.4
	(17.4)	(5.2)
Adjusted net earnings	144.9	55.0
Adjusted net earnings attributable to:		
Equity shareholders of the Company	136.0	51.9
Non-controlling interests	8.9	3.1
	144.9	55.0
Basic weighted average number of common shares outstanding (in millions)	373.6	369.4
Basic and diluted earnings attributable to equity shareholders of the Company per share (\$/share)	0.41	0.15
Basic adjusted net earnings attributable to equity shareholders of the Company per share (\$/share)	0.36	0.14

Cash costs

The Company's MD&A often refers to cash costs per ounce, a non-GAAP performance measure, in order to provide investors with information about the measure used by management to monitor performance. This information is used to assess how well the producing gold mines are performing compared to plan and prior periods, and also to assess the overall effectiveness and efficiency of gold mining operations. Cash cost figures are calculated in accordance with a standard developed by the Gold Institute, which was a worldwide association of suppliers of gold and gold products and included leading North American gold producers. The Gold Institute ceased operations in 2002, but the standard is still an accepted standard of reporting cash costs of gold production in North America. Adoption of the standard is voluntary, and the cost measures presented herein may not be comparable to other similarly titled measures of other companies. Costs include mine site operating costs such as mining, processing, administration, royalties and production taxes, and attributable realized derivative gain or loss, but are exclusive of amortisation, reclamation, capital, 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 to the mining costs, excluding depreciation, depletion and amortisation as per the unaudited consolidated interim statement of earnings.

First quarter ended March 31, 2011

(in \$ millions, except where noted)	Operating Gold Mines						Other		Total ^(c)
	Rosebel	Essakane ^(a)	Doyon Division	Mupane	Sadiola	Yatela	Total	Other ^(b)	
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Mining costs, excluding depreciation, depletion and amortisation ^(d)	55.3	50.6	6.9	17.8	21.6	9.2	161.4	24.1	185.5
Adjust for:									
By-product credit (excluded from mining costs)	-	-	(0.4)	-	-	-	(0.4)		
Stock movement	2.3	(4.2)	(5.2)	(2.3)	0.1	0.4	(8.9)		
Other mining costs	(0.4)	(1.0)	(1.3)	(0.6)	-	0.2	(3.1)		
Cost attributed to non-controlling interests	(2.9)	(4.5)	-	-	-	-	(7.4)		
	(1.0)	(9.7)	(6.9)	(2.9)	0.1	0.6	(19.8)		
Cash costs – operating mines	54.3	40.9	-	14.9	21.7	9.8	141.6		
Cash costs – investments in associates ^(e)							25.0		
Total cash costs including investments in associates							166.6		
Attributable gold production – operating mines (000 oz)	100	95	-	11	30	8	244		
Attributable gold production – investments in associates (000 oz) ^(e)							46		
Total attributable gold production (000 oz)							290		
Total cash costs (\$/oz)	544	428	-	1,379	724	1,312	575		

(a) Commercial production starting July 16, 2010.

(b) Niobium, Exploration and evaluation and Corporate segments.

(c) As per the unaudited consolidated interim statement of earnings.

(d) As per note 16 of the Company's unaudited consolidated interim financial statements.

(e) Investments in associates relate to the Tarkwa and Damang mines.

First quarter ended March 31, 2010

(in \$ millions, except where noted) (unaudited)	Operating Gold Mines					Other		
	Rosebel	Doyon Division	Mupane	Sadiola	Yatela	Total	Other ^(a)	Total ^(b)
Mining costs, excluding depreciation, depletion and amortisation ^(c)	49.6	6.2	12.0	16.2	11.9	95.9	19.4	115.3
Adjust for:								
By-product credit (excluded from mining costs)	(0.1)	(0.1)	-	-	-	(0.2)		
Stock movement	(3.8)	(4.6)	(1.3)	0.3	0.7	(8.7)		
Accretion expense and other changes in asset retirement obligations	(0.4)	-	-	(0.2)	(0.2)	(0.8)		
Foreign exchange, interest and other	(0.5)	(1.5)	-	(0.3)	0.1	(2.2)		
Cost attributed to non-controlling interests	(2.2)	-	-	-	-	(2.2)		
	(7.0)	(6.2)	(1.3)	(0.2)	0.6	(14.1)		
Cash costs – operating mines	42.6	-	10.7	16.0	12.5	81.8		
Cash costs – investments in associates ^(d)						26.3		
Total cash costs including investments in associates						108.1		
Attributable gold production – operating mines (000 oz)	93	-	13	30	27	163		
Attributable gold production – investments in associates (000 oz) ^(d)						43		
Total attributable gold production (000 oz)						206		
Total cash costs (\$/oz)	456	-	826	538	462	524		

^(a) Niobium, Exploration and evaluation and Corporate Segments.

^(b) As per unaudited consolidated interim statement of earnings.

^(c) As per note 16 of the Company's unaudited consolidated interim financial statements.

^(d) Investments in associates relate to the Tarkwa and Damang Mines.

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 mining costs as per the unaudited consolidated interim statement of earnings.

(in \$ millions, except where noted)	First quarter ended March 31 2011	First quarter ended March 31 2010
	\$	\$
Revenues from the Niobec mine as per segmented information (note 24 of the Company's unaudited consolidated interim financial statements)	39.6	40.2
Mining costs per unaudited consolidated interim statement of earnings	185.5	115.3
Mining costs from gold mines as per cash cost reconciliation	(161.4)	(95.9)
Other mining costs	(0.4)	(0.4)
Mining costs from the Niobec mine	23.7	19.0
Operating margin	15.9	21.2
Sales volume (millions of kg Nb)	1.0	1.1
Operating margin (\$/kg Nb)	16	19

MINING OPERATIONS PRODUCTION DATA

The tables below show production data for each mining operation for each quarter of 2011 and 2010.

	2011 Q1	Q4	Q3	Q2	2010 Q1
Suriname—Rosebel Mine (IAMGOLD interest—95%)					
Total operating material mined (000 t)	11,311	13,967	12,364	11,797	14,159
Strip ratio ^(a)	3.1	2.6	3.0	2.9	3.2
Ore milled (000 t)	3,068	3,417	3,112	3,172	3,131
Head grade (g/t)	1.1	1.2	1.1	0.9	1.1
Recovery (%)	96	95	94	89	92
Gold production – 100% (000 oz)	105	126	106	86	98
Attributable gold production – 95% (000 oz)	100	119	101	82	93
Gold sales – 100% (000 oz)	104	131	96	87	102
Gold revenue (\$/oz) ^(b)	1,401	1,378	1,238	1,207	1,111
Cash cost excluding royalties (\$/oz)	469	378	421	504	401
Royalties (\$/oz)	75	71	63	63	55
Cash cost (\$/oz) ^(c)	544	449	484	567	456
Burkina Faso—Essakane Mine (IAMGOLD interest – 90%)					
Total operating material mined (000 t)	7,617	7,454	5,404	-	-
Strip ratio ^(a)	1.9	1.1	1.2	-	-
Ore milled (000 t)	2,251	1,675	1,298	-	-
Head grade (g/t)	1.5	1.7	1.2	-	-
Recovery (%)	96	96	95	-	-
Gold production – 100% (000 oz)	106	89	47	-	-
Attributable gold production – 90% (000 oz)	95	80	42	-	-
Gold sales – 100% (000 oz)	115	95	18	-	-
Gold revenue (\$/oz) ^(b)	1,402	1,386	1,287	-	-
Cash cost excluding royalties (\$/oz)	359	372	441	-	-
Royalties (\$/oz)	69	42	18	-	-
Cash cost (\$/oz) ^(c)	428	414	459	-	-
Canada—Doyon Division (IAMGOLD interest – 100%)					
Total operating material mined (000 t)	14	12	13	17	19
Ore milled (000 t)	-	44	17	-	-
Head grade (g/t)	-	13.1	14.2	-	-
Recovery (%)	-	96	96	-	-
Gold production (000 oz)	-	18	13	2	-
Gold sales (000 oz)	10	24	3	-	6
Gold revenue (\$/oz) ^(b)	1,371	1,396	1,284	-	1,100
Cash cost excluding royalties (\$/oz)	-	812	430	252	-
Royalties (\$/oz)	-	31	26	28	-
Cash cost (\$/oz) ^(c)	-	843	456	280	-

^(a) Strip ratio is calculated as waste mined divided by ore mined.

^(b) Gold revenue per ounce is calculated as gold sales divided by ounces of gold sold.

^(c) Cash cost is a non-GAAP measure. Refer to the Cash costs section above for reconciliation to GAAP measures.

^(d) Commercial production started effective as of July 16, 2010. Refer to the Results of Operations' section for more information.

	2011 Q1	Q4	Q3	Q2	2010 Q1
Botswana—Mupane Mine (IAMGOLD interest—100%)					
Total operating material mined (000 t)	2,365	1,967	2,583	1,853	1,954
Strip ratio ^(a)	9.0	6.9	9.8	5.8	9.5
Ore milled (000 t)	256	279	315	279	250
Head grade (g/t)	1.5	1.9	1.8	1.8	1.9
Recovery (%)	88	89	86	80	87
Gold production (000 oz)	11	15	16	13	13
Gold sales (000 oz)	13	13	16	13	15
Gold revenue (\$/oz) ^(b)	1,394	1,382	1,236	1,226	1,115
Cash cost excluding royalties (\$/oz)	1,297	1,001	902	829	775
Royalties (\$/oz)	82	61	62	58	51
Cash cost (\$/oz) ^(c)	1,379	1,062	964	887	826
Mali—Sadiola Mine (IAMGOLD interest – 41%)					
Total operating material mined (000 t)	2,469	2,692	1,808	2,486	2,668
Strip ratio ^(a)	6.3	7.4	8.5	8.2	7.9
Ore milled (000 t)	469	460	441	448	443
Head grade (g/t)	1.8	2.1	2.1	2.1	2.1
Recovery (%)	95	92	92	95	94
Attributable gold production (000 oz)	30	29	30	29	30
Attributable gold sales (000 oz)	30	31	28	29	29
Gold revenue (\$/oz) ^(b)	1,387	1,366	1,222	1,188	1,109
Cash cost excluding royalties (\$/oz)	642	696	589	567	473
Royalties (\$/oz)	82	89	70	69	65
Cash cost (\$/oz) ^(c)	724	785	659	636	538
Mali—Yatela Mine (IAMGOLD interest – 40%)					
Total operating material mined (000 t)	1,488	1,384	1,508	1,364	704
Strip ratio ^(a)	6.1	5.5	8.2	7.7	4.3
Ore crushed (000 t)	276	308	233	328	304
Head grade (g/t)	1.0	1.0	1.0	1.0	1.9
Attributable gold stacked (000 oz)	9	10	7	11	18
Attributable gold production (000 oz)	8	9	9	15	27
Attributable gold sales (000 oz)	7	8	10	15	26
Gold revenue (\$/oz) ^(b)	1,389	1,373	1,233	1,185	1,110
Cash cost excluding royalties (\$/oz)	1,233	1,302	1,169	622	397
Royalties (\$/oz)	79	77	74	75	65
Cash cost (\$/oz) ^(c)	1,312	1,379	1,243	697	462
Ghana—Tarkwa and Damang Mines (IAMGOLD interest – 18.9%)					
Attributable gold production (000 oz)	46	45	45	49	43
Cash cost (\$/oz) ^(c)	542	627	598	634	612

^(a) Strip ratio is calculated as waste mined divided by ore mined.

^(b) Gold revenue per ounce is calculated as gold sales divided by ounces of gold sold.

^(c) Cash cost is a non-GAAP measure. Refer to the Cash Costs section above for reconciliation to GAAP measures.

	2011 Q1	Q4	Q3	Q2	2010 Q1
Canada—Niobec Mine (IAMGOLD interest – 100%)					
Total operating material mined (000 t)	529	454	427	441	470
Ore milled (000 t)	521	502	458	456	448
Grade (% Nb ₂ O ₅)	0.57	0.59	0.62	0.62	0.61
Niobium production (millions of kg Nb)	1.1	1.0	1.1	1.1	1.2
Niobium sales (millions of kg Nb)	1.0	1.0	1.1	1.1	1.1
Operating margin (\$/kg Nb) ^(a)	16	17	19	19	19

^(a) Operating margin per kilogram of niobium at the Niobec mine is a non-GAAP measure. Refer to the above section Unit Operating Margin per Kilogram of Niobium for the Niobec Mine for reconciliation to GAAP measure.

IAMGOLD CORPORATION
CONSOLIDATED BALANCE SHEETS

(Unaudited; In thousands of U.S. dollars)

	Notes	March 31, 2011	December 31, 2010 (note 25)	January 1, 2010 (note 25)
Assets		\$	\$	\$
Current assets				
Cash and cash equivalents		477,535	270,779	191,374
Gold bullion (market value \$143,901; December 31, 2010 – \$140,551)	6	40,411	40,411	40,408
Receivables and other current assets		109,180	81,848	82,912
Inventories	7	220,363	204,716	160,897
		847,489	597,754	475,591
Non-current assets				
Investments in associates	5(b)	261,454	246,122	232,438
Mining assets		1,776,115	1,788,703	1,624,511
Exploration and evaluation assets	8	263,201	306,215	174,661
Goodwill	9	256,689	267,978	267,978
Other non-current assets	10	226,593	224,333	174,735
		2,784,052	2,833,351	2,474,323
		3,631,541	3,431,105	2,949,914
Liabilities and Equity				
Current liabilities				
Accounts payable and accrued liabilities		162,696	158,410	140,463
Income and mining taxes payable		101,566	52,416	33,485
Dividends payable		5,786	31,324	24,507
Current portion of asset retirement obligations		4,483	4,511	7,119
Current portion of other non-current liabilities		5,938	6,825	5,819
		280,469	253,486	211,393
Non-current liabilities				
Deferred income and mining taxes liabilities		205,071	216,784	206,944
Asset retirement obligations		186,332	182,910	112,094
Other non-current liabilities		18,533	19,804	13,031
		409,936	419,498	332,069
		690,405	672,984	543,462
Equity				
Equity attributable to equity shareholders of the Company:				
Common shares	13	2,292,510	2,255,498	2,201,528
Contributed surplus		19,759	18,789	12,301
Retained earnings		536,980	383,602	151,758
Fair value reserve		59,311	43,268	17,659
		2,908,560	2,701,157	2,383,246
Non-controlling interests		32,576	56,964	23,206
		2,941,136	2,758,121	2,406,452
		3,631,541	3,431,105	2,949,914

Commitments and contingencies (note 22)

Subsequent event (note 5(b))

See the accompanying notes, which are an integral part of these unaudited consolidated interim financial statements.

IAMGOLD CORPORATION

CONSOLIDATED STATEMENTS OF EARNINGS

(Unaudited; In thousands of U.S. dollars, except per share amounts)

First quarters ended March 31		2011	2010
	Notes		(note 25)
		\$	\$
Revenues		432,467	240,056
Mining costs	16	230,395	146,448
General and administrative expenses	17	12,464	11,588
Exploration expenses		13,984	8,405
Other		630	(833)
Operating costs		257,473	165,608
Earnings from operations		174,994	74,448
Share of net earnings from investments in associates		21,002	10,412
Earnings from operations and investments in associates		195,996	84,860
Finance costs	18	(1,760)	(1,497)
Foreign exchange losses		(5,237)	(1,662)
Interest income, derivatives and other investment gains	19	16,662	7,788
Earnings before income and mining taxes		205,661	89,489
Income and mining tax expenses	20	(43,362)	(29,325)
Net earnings		162,299	60,164
Net earnings attributable to :			
Equity shareholders of the Company		153,378	57,026
Non-controlling interests		8,921	3,138
Net earnings		162,299	60,164
Weighted average number of common shares outstanding attributable to equity shareholders of the Company (in thousands)	13(d)		
Basic		373,598	369,411
Diluted		375,437	371,545
Basic and diluted earnings attributable to equity shareholders of the Company per share (\$ per share)		0.41	0.15

See the accompanying notes, which are an integral part of these unaudited consolidated interim financial statements.

IAMGOLD CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited; In thousands of U.S. dollars)

First quarters ended March 31		2011	2010
	Notes		(note 25)
		\$	\$
Net earnings		162,299	60,164
Other comprehensive income, net of tax:			
Change in unrealized gain in available-for-sale financial assets	15	19,646	1,573
Reversal of unrealized gain following the sale of available financial assets	15	(287)	(8,027)
Income and mining tax impact on items above	15	(3,316)	1,309
Total other comprehensive income (loss), net of tax		16,043	(5,145)
Comprehensive income		178,342	55,019
Comprehensive income attributable to :			
Equity shareholders of the Company		169,421	51,881
Non-controlling interests		8,921	3,138
		178,342	55,019

See the accompanying notes, which are an integral part of these unaudited consolidated interim financial statements.

IAMGOLD CORPORATION
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Unaudited; In thousands of U.S. dollars)

	Notes	Attributable to Equity Shareholders of the Company						Non-controlling Interests	Total Equity
		Common Shares	Contributed Surplus	Retained Earnings	Fair Value Reserve	Total			
		\$	\$	\$	\$	\$	\$	\$	
Balance December 31, 2010	25	2,255,498	18,789	383,602	43,268	2,701,157	56,964	2,758,121	
Net earnings		-	-	153,378	-	153,378	8,921	162,299	
Net change in fair value of available-for-sale financial assets, net of tax	15	-	-	-	16,043	16,043	-	16,043	
Total comprehensive income		-	-	153,378	16,043	169,421	8,921	178,342	
Issuance of shares, net of issue costs	13(c)	34,618	-	-	-	34,618	-	34,618	
Sale of treasury shares		-	20	-	-	20	-	20	
Issuance of shares for share-based payments		2,394	(706)	-	-	1,688	-	1,688	
Share-based payments	14	-	1,656	-	-	1,656	-	1,656	
Dividends		-	-	-	-	-	(5,785)	(5,785)	
Disposal of a subsidiary – La Arena project	5(a)	-	-	-	-	-	(27,524)	(27,524)	
Total transactions with owners		37,012	970	-	-	37,982	(33,309)	4,673	
Balance March 31, 2011		2,292,510	19,759	536,980	59,311	2,908,560	32,576	2,941,136	
Balance January 1, 2010	25	2,201,528	12,301	151,758	17,659	2,383,246	23,206	2,406,452	
Net earnings		-	-	57,026	-	57,026	3,138	60,164	
Net change in fair value of available-for-sale financial assets, net of tax	15	-	-	-	(5,145)	(5,145)	-	(5,145)	
Total comprehensive income		-	-	57,026	(5,145)	51,881	3,138	55,019	
Issuance of shares, net of issue costs	13(c)	22,340	-	-	-	22,340	-	22,340	
Issuance of shares for share-based payments		5,478	(1,726)	-	-	3,752	-	3,752	
Share-based payments	14	-	2,280	-	-	2,280	-	2,280	
Change in ownership – La Arena project		-	276	-	-	276	1,266	1,542	
Total transactions with owners		27,818	830	-	-	28,648	1,266	29,914	
Balance March 31, 2010		2,229,346	13,131	208,784	12,514	2,463,775	27,610	2,491,385	

See the accompanying notes, which are an integral part of these unaudited consolidated interim financial statements.

IAMGOLD CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited; In thousands of U.S. dollars)

First quarters ended March 31		2011	2010
	Note	\$	(note 25) \$
Operating activities:			
Net earnings		162,299	60,164
Adjustments for:			
Share of net earnings from investments in associates, net of dividends received		(15,332)	(10,412)
Financing costs		1,760	1,497
Depreciation, depletion and amortisation		45,297	31,519
Income and mining tax expenses		43,362	29,325
Unrealized foreign exchange loss (gain) on cash and cash equivalents		(1,594)	132
Other non-cash items	21(a)	(9,946)	(4,002)
Adjustments for cash items	21(b)	(1,153)	(3,884)
Movements in working capital	21(c)	(14,377)	(6,376)
Cash generated from operating activities		210,316	97,963
Interest paid		(693)	(203)
Income and mining taxes paid		(3,818)	(23,444)
Net cash from operating activities		205,805	74,316
Investing activities:			
Acquisition of mining assets		(29,321)	(88,047)
Acquisition of exploration and evaluation assets		(23,934)	(25,555)
Disposal of the La Arena project	5(a)	48,847	-
Other	21(d)	(8,129)	12,490
Net cash used in investing activities		(12,537)	(101,112)
Financing activities:			
Financing costs		-	(2,402)
Issuance of shares, net of issue costs		43,198	32,159
Dividends paid		(31,324)	(24,507)
Other		20	-
Net cash generated from financing activities		11,894	5,250
Impact of foreign exchange on cash and cash equivalents		1,594	(132)
Increase (decrease) in cash and cash equivalents		206,756	(21,678)
Cash and cash equivalents, beginning of year		270,779	191,374
Cash and cash equivalents, end of the period		477,535	169,696

See the accompanying notes, which are an integral part of these unaudited consolidated interim financial statements.

IAMGOLD CORPORATION

NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE FIRST QUARTERS ENDED MARCH 31, 2011 AND 2010

(Amounts in notes are in U.S. dollars, and tabular amounts are in thousands of U.S. dollars, except where otherwise indicated.)

1. CORPORATE INFORMATION

The unaudited condensed consolidated interim financial statements (“consolidated interim financial statements”) of IAMGOLD Corporation (“IAMGOLD” or “the Company”) for the first quarter ended March 31, 2011 were authorized for issue in accordance with a resolution of the directors on May 11, 2011. IAMGOLD is a limited company incorporated and domiciled in Canada whose shares are publicly traded. The address of the Company’s registered office is 401 Bay Street, Suite 3200, Toronto, Ontario, Canada.

The principal activities of the Company are the exploration for, development and operation of gold mining properties and the operation of a niobium mine.

2. BASIS OF PREPARATION

(a) Statement of compliance

The unaudited condensed consolidated interim financial statements (“consolidated interim financial statements”) of IAMGOLD and all its subsidiaries (together referred to as “IAMGOLD” or “the Company”) for the first quarter ended March 31, 2011 have been prepared in accordance with IAS 34, Interim Financial Reporting. These are the Company’s first International Financial Reporting Standards (“IFRS”) consolidated interim financial statements for part of the period covered by the first IFRS annual financial statements, and IFRS 1, First-time Adoption of International Financial Reporting Standards, has been applied. The consolidated interim financial statements do not include all of the information required for full annual consolidated financial statements. Accordingly certain information and disclosures normally included in annual financial statements prepared in accordance with IFRS, as issued by the International Accounting Standards Board (“IASB”), have been omitted or condensed.

The significant accounting policies applied in these consolidated interim financial statements are presented in note 3 and are based on IFRS in effect as of May 11, 2011. Any changes to IFRS that will impact the annual consolidated financial statements for the year ending December 31, 2011 could result in a restatement of these consolidated interim financial statements.

An explanation of how the transition to IFRS has affected the reported financial position, financial performance and cash flows of the Company is provided in note 25. This note includes reconciliations of equity, net earnings and total comprehensive income for the 2010 comparative periods, and of equity at the date of transition reported under previous Canadian generally accepted accounting principles to those reported under IFRS for those periods and at the date of transition.

(b) Basis of measurement

The consolidated interim financial statements have been prepared on a historical cost basis, except for the following, which are measured at fair value:

- derivative financial instruments
- financial instruments at fair value through profit and loss
- available-for-sale assets

The methods used to measure fair values are discussed further in note 11.

(c) Basis of consolidation

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

Name	Property – Location	Ownership Interest as at March 31, 2011	Accounting Method
Rosebel Gold Mines N.V.	Rosebel mine – Suriname	95%	Consolidated
Essakane S.A.	Essakane mine – Burkina Faso	90%	Consolidated
Doyon division including the Westwood project ⁽¹⁾	Doyon division – Canada	100%	Consolidated
Gallery Gold (Pty) Ltd.	Mupane mine – Botswana	100%	Consolidated
La Société d'Exploitation des Mines d'Or de Sadiola S.A.	Sadiola mine – Mali	41%	Proportionately consolidated
Société d'Exploitation des Mines d'Or de Yatela S.A.	Yatela mine – Mali	40%	Proportionately consolidated
Gold Fields Ghana Limited	Tarkwa mine – Ghana	18.9%	Equity method of accounting
Abosso Goldfields Limited	Damang mine – Ghana	18.9%	Equity method of accounting
IAMGOLD Ecuador S.A.	Quimsacocha project – Ecuador	100%	Consolidated
Niobec mine ⁽¹⁾	Niobec mine – Canada	100%	Consolidated

⁽¹⁾ Part of IAMGOLD Corporation

Subsidiaries are entities controlled by the Company. Joint ventures are those entities over which the Company has joint control established by contractual agreement and requiring unanimous consent of the joint venturers for strategic, financial and operating decisions. Financial statements 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 from investments in associates is recognized in the consolidated statement of earnings and is accounted for as an increase in investments in associates in the consolidated balance sheet. The cash received from investments in associates is accounted for as a decrease of investments in associates in the consolidated balance sheet.

All intra-company balances, income and expenses and unrealized gains and losses resulting from intra-company transactions are eliminated on consolidation.

(d) Functional and presentation currency

The consolidated financial statements are presented in U.S. dollars, which is the functional currency of the Company, its subsidiaries, joint ventures and associates. All tabular amounts are in thousands of U.S. dollars, except where otherwise indicated.

(e) Significant accounting judgements, estimates and assumptions

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

(i) Mineral reserves and resources

Mineral reserves and resources estimates have been estimated by qualified persons as defined in accordance with Canadian Securities Administrators' National Instrument 43-101 Standards of Disclosure for Mineral Projects requirements.

Mineral reserve and resource estimates include numerous uncertainties and depend heavily on geological interpretations and statistical inferences drawn from drilling and other data, and require estimates of the future price for the commodity in question and the future cost of operations. The mineral reserve and resource estimates are subject to uncertainty and actual results may vary from these estimates. Results from drilling, testing and production, as well as material changes in metal prices and operating costs subsequent to the date of an estimate, may justify revision of such estimates.

A number of accounting estimates, as described in the following relevant accounting policy notes, are impacted by the reserve and resource estimates:

- Note 3(e) – Depreciation
- Note 3(f) – Mineral exploration and evaluation costs
- Note 3(g) – Business combinations and goodwill
- Note 3(j)(ii) – Impairment on non-financial assets
- Note 3(k) – Asset retirement obligations

(ii) Other

In addition, the following areas of judgements, estimates and assumptions are described in the following notes:

- Note 3(a) – Financial instruments
- Note 3(l)(ii) – Income and mining taxes
- Note 3(o) – Share-based payment
- Notes 12 and 22 – Commitments and contingencies

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Financial instruments

The Company recognizes financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instruments. A financial asset is derecognized either when the Company has transferred substantially all the risks and rewards of ownership of the financial asset or when cash flows expire. A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expired.

Certain financial instruments are recorded at fair value on the balance sheet. Current market conditions have an impact on these fair values. These represent management's estimates and are subject to risks and uncertainties.

(i) Non-derivative financial instruments

Non-derivative financial instruments comprise cash and cash equivalents, trade and other receivables, marketable securities, warrants held as investments, and trade and other payables.

Non-derivative financial instruments are recognized initially at fair value plus attributable transaction costs where applicable. Subsequent to initial recognition, non-derivative financial instruments are classified and measured as described below.

Available-for-sale financial assets

The Company's investments in marketable securities are designated as available-for-sale financial assets and recorded at fair value on the trade date with transaction costs included in the recorded amount. Unrealized gains and losses on available-for-sale investments are recognized in other comprehensive income (fair value reserve) until investments are disposed of or when there is objective evidence of an impairment in value, at which point accumulated gains and losses in fair value reserve are transferred to earnings.

Financial assets at fair value through profit and loss

Cash and 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. Cash equivalents are short-term deposits or investments with initial maturities of less than 90 days. 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.

Loans and receivables

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

Loans and borrowings

Loans and borrowings relate to the credit facility which is accounted for at amortised cost, using the effective interest rate method. Amortisation 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 heating oil, aluminum and gold. All derivative instruments not designated as a hedge are classified as financial assets at fair value through profit and loss.

Derivative instruments, including embedded derivatives, are recorded on the consolidated balance sheet at fair value. Subsequent to initial recognition, these derivatives are measured at fair value. The fair value of derivative instruments is based on forward rates considering the market price, rate of interest and volatility and takes into account the credit risk of the financial instrument.

Changes in estimated fair value, including translation differences, at each reporting date, are included in the consolidated statement of earnings as a derivative gain or loss.

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 valued at the lower of average cost and net realizable value.

(c) Inventories

Gold and niobium production inventories and concentrate inventory are valued at the lower of cost or net realizable value. Production costs include the cost of materials, labour, mine site production overheads and depreciation to the applicable stage of processing.

Ore stockpiles are valued at the lower of cost and net realizable value. The cost of ore stockpiles is increased based on the related current mining cost of the period, and decreases in stockpiles are charged back to mining costs using the weighted average cost per tonne. Stockpiles are segregated between current and long-term inventories on the consolidated balance sheet.

Mine supplies are valued at the lower of average purchase cost and net realizable value. Provisions for redundant and slow-moving items are made by reference to specific items of stock. Spare parts, stand-by and servicing equipment held are generally classified as inventories. Major capital spare parts and stand-by equipment (insurance spares) are classified as a component of mining assets.

(d) Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment charges.

The initial cost of an asset comprises its purchase or construction cost, any costs directly attributable to bringing the asset to a working condition for its intended use, the initial estimate of the rehabilitation obligation, and for qualifying assets, borrowing costs. The purchase price or the construction cost is the aggregate cash paid and the fair value of any other consideration given to acquire the asset.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized in the consolidated statement of earnings within interest income, derivatives and other investments gains or losses.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. Costs of the day-to-day servicing of property, plant and equipment are recognized in the statement of earnings as incurred.

Property, plant and equipment presented on the consolidated balance sheet are as follows:

(i) Mining assets

Mining assets represent the capitalized expenditures related to:

- mine and other construction in progress, and
- the operation of mineral properties in the production stage, including:
 - mining properties and deferred costs, which include values beyond proven and probable reserves (“VBPP”) and capitalized stripping costs, and
 - plant and equipment.

a. Mine and other construction in progress costs

Upon determination of technical feasibility and commercial viability, the related exploration and evaluation assets (refer to note (f) below), including VBPP related to the project, are transferred to mine and other construction in progress costs. These amounts plus all subsequent expenditures are capitalized. Costs are not amortised until such time as the project is brought into production.

Mine construction costs include expenditures to develop new ore bodies, define further mineralization in existing ore bodies, and construct, install and complete infrastructure facilities.

Financing costs are capitalized to the project when funds have been borrowed, either to specifically finance a project or for general borrowings during the period of construction. The amount of borrowing costs capitalized cannot exceed the actual amount of borrowings costs incurred during the period.

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 transferred from exploration and development assets and incorporated into the appropriate categories of mining assets.

b. Mining properties and deferred costs

Capitalized costs for exploration and evaluation on or adjacent to sites where the Company has mineral deposits, are classified as mining properties and deferred costs within mining assets.

c. Stripping costs

Mining costs associated with stripping activities in an open pit mine are expensed unless the stripping activity can be shown to represent a betterment to the mineral property in which case, the stripping costs would be capitalized. Capitalized stripping costs are included in “mining properties and deferred costs” within mining assets and are amortised over the reserves that directly benefit from the stripping activity on a units-of-production basis.

(ii) Corporate equipments

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

(e) Depreciation

Effective from the point they are ready for their intended use, mining assets, corporate equipments and royalty interests are amortised on a straight line basis or using the units-of-production method over the shorter of the estimated economic life of the asset or the mining operation. The method of amortisation is determined based on that which best represents the use of the assets.

The reserve and resource estimates for each operation are the prime determinants of the life of that mine. In general, an ore body where the mineralization is reasonably well defined is amortised over its proven and probable mineral reserves. Non reserve material may be included in depreciation calculations in limited circumstances where there is a high degree of confidence in its economic extraction. Changes in the estimate of mineral reserves and resources will result in changes to the depreciation and will be accounted for on a prospective basis over the remaining life of the operation.

Estimated useful lives normally vary from five to fifteen years for items of plant and equipment to a maximum of twenty years for buildings.

Amounts relating to VBPP are not amortised until resources are converted into reserves. Amounts relating to capitalized costs of exploration and evaluation assets and mine and other construction in progress are not amortised as the assets are not available for use.

The basis of amortisation for capitalized stripping is the ore to be extracted as a result of the specific stripping activity and is determined on a units-of-production basis. The borrowing costs are amortised over the useful life of the related asset.

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

(f) Mineral exploration and evaluation costs

Mineral exploration costs are charged to earnings in the period in which they are incurred.

Evaluation costs are expenditures for activities that relate to the evaluation of the technical feasibility and commercial viability of extracting a mineral resource on sites where the Company does not have mineral deposits already being mined or constructed, and are capitalized as exploration and evaluation assets.

Upon determination of technical feasibility and commercial viability of extracting a mineral resource, capitalized costs in exploration and evaluation assets are transferred into mine and other construction in progress, which are classified as a component of mining assets.

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgement in determining whether future economic benefits may be realized, which are based on assumptions about future events and circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditures are capitalized, any information becomes available suggesting that the expenditures are not recoverable, the amount capitalized is recognized in the consolidated statement of earnings as impairment in the period when the new information becomes available.

(g) Business combinations and goodwill

Business combinations are accounted for using the acquisition method of accounting whereby identifiable assets acquired and liabilities assumed are recorded at fair value as of the date of acquisition. Mineral rights that can be reliably valued are recognized in the assessment of fair values on acquisition, including amounts attributable to VBPP. The excess of the purchase price over the fair value of net assets acquired is recorded as goodwill.

When VBPP are transferred to reserves, the excess of fair values over the carrying values of the acquired assets and liabilities is amortised over proven and probable reserves and is subject to impairment tests.

For non-wholly owned subsidiaries, non-controlling interests are initially recorded at the fair value of the non-controlling interests share holdings or the non-controlling interests' proportion of the fair values of the assets and liabilities recognized at acquisition.

When a subsidiary is acquired in a number of stages, the carrying value of interests prior to acquisition of control is re-measured to fair value on the date control is acquired, amounts previously recognized in other comprehensive income in respect of the subsidiary are reversed, and the difference is recognized in earnings.

If a transaction does not meet the definition of a business combination under IFRS, the transaction is recorded as an asset acquisition.

Goodwill and negative goodwill can arise on the acquisition of subsidiaries, joint ventures and investments in associates. When the net of the amounts assigned to assets acquired and liabilities assumed exceeds the cost of purchase, any excess calculated is recognized as negative goodwill and recorded in the consolidated statement of earnings at the date of acquisition.

Subsequent to initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purposes of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to cash generating units ("CGU") that are expected to benefit from the synergies of the combination.

(h) Other intangible assets

Other intangible assets are related to the fair value of favourable supplier contracts accounted for on a prior acquisition. The fair value is determined using a differential cost method based on cost savings expected from favourable terms of supplier contracts. Other intangible assets are amortised under the straight-line method based on the terms of each contract, which range from 2 to 20 years. Other intangible assets are classified in other non-current assets on the consolidated balance sheet.

(i) Royalty interests

The Company records its royalty interests at cost, net of accumulated amortisation and impairment charges. Royalty interests are classified in other non-current assets on the consolidated balance sheet.

(j) Impairment

(i) Financial assets

Financial assets at fair value through profit and loss are tested for impairment at each reporting date to determine whether there is any objective evidence of impairment. A financial asset is considered to be impaired if objective evidence, that can be estimated reliably, indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of marketable securities and warrants held as investments 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 is recognized into the consolidated statement of earnings.

(ii) Non-financial assets

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

The Company conducts annual impairment assessments of the values of goodwill and long-lived assets, including mining assets, exploration and evaluation assets and royalty interests. Further, if at any other point an indication of impairment exists, an estimate of the asset's recoverable amount is calculated. The recoverable amount is determined as the higher of the asset's fair value less costs to sell ("FVLCS") and value in use ("VIU"). The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, the individual assets are grouped together into a CGU for impairment purposes. The CGU represents the lowest level for which there are separately identifiable cash inflows that are largely independent of the cash flows from other assets or other groups of assets.

If the carrying amount of the asset or CGU exceeds its recoverable amount, an impairment loss is first recorded against any goodwill allocated to the relevant CGU. If the impairment loss is greater than the attributable goodwill, the excess is then recorded to the other long-lived assets in the CGU on a pro rata basis.

A prior period impairment loss is tested for possible reversal of impairment whenever an event or change in circumstance indicates the impairment may have reversed. If it has been determined that the impairment has reversed, the carrying amount of the asset is increased to its recoverable amount to a maximum of the carrying value that would have been determined had no impairment loss been recognized in prior periods. An impairment loss reversal is recognized into the consolidated statement of earnings. Impairment losses recognized in relation to goodwill are not reversed for subsequent increases in its recoverable amount.

The recoverable amount is determined based on the present value of estimated future cash flows from each long-lived asset or CGU, which are calculated based on numerous assumptions such as proven and probable reserves, resources when appropriate, estimates of discount rates, realizable metals prices, operating costs, capital and site restoration expenses and estimated future foreign exchange and inflation rates, as defined under IFRS for FVLCS and VIU. Management's assumptions and estimate of future cash flows are subject to risk and uncertainties, particularly in market conditions where higher volatility exists, and may be partially or totally outside of the Company's control. Therefore, it is reasonably possible that changes could occur with evolving economic conditions, which may affect the recoverability of the Company's long-lived assets and goodwill. If the Company fails to achieve its valuation assumptions or if any of its long-lived assets or CGU experiences a decline in its fair value, then this may result in an impairment charge in future periods, which would reduce the Company's earnings.

(k) Asset retirement obligations

The Company records the present value of estimated costs of legal and constructive obligations required to restore locations in the period in which the obligation is incurred with a corresponding increase in the carrying value of the related mining asset. The obligation is generally considered to have been incurred when mine assets are constructed or the ground environment is disturbed at the production location. The discounted liability is adjusted at the end of each period to reflect the passage of time, based on the discount rates that reflect current market assessments and the risks specific to the liability, and changes in the estimated future cash flows underlying the obligation.

The Company also estimates the timing of the outlays, which is subject to change depending on continued operation or newly discovered reserves.

The periodic unwinding of the discount is recognized in earnings as a finance cost. Additional disturbances or changes in restoration costs will be recognized as changes to the corresponding assets and asset retirement obligation when they occur. Environmental and on-going site reclamation costs at operating mines, as well as changes to estimated costs for closed sites, are charged to earnings in the period during which they occur.

(l) Income and mining taxes

(i) Current income and mining tax

Current income and mining tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Current income and mining tax assets and current income and mining tax liabilities are only offset if a legally enforceable right exists to set off the amounts, and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current income and mining taxes relating to items recognized directly in equity are recognized directly in equity.

(ii) Deferred income and mining tax

Deferred income and mining tax is provided using the balance sheet method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income and mining tax liabilities are recognized for all taxable temporary differences, except:

- Where the deferred income and mining tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit; and
- In respect of taxable temporary differences associated with investments in subsidiaries, and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled by the parent, investor, or venturer and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income and mining tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When results from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, and interests in joint ventures, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income and mining tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income and mining tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will be available to allow the deferred tax asset to be recovered.

A translation gain or loss will arise where the local tax currency is not the same as the functional currency. A deferred tax is recognized on the difference between the book value of the non-monetary assets and the underlying tax basis, translated to the functional currency using the current foreign exchange rate.

Deferred income and mining tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is expected to be realized or the liability settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred income and mining taxes relating to items recognized directly in equity are recognized directly in equity.

Deferred income and mining tax assets and deferred income and mining tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

There is no certainty that income and mining tax rates will be consistent with current estimates. Changes in tax rates increase the volatility of the Company's earnings.

(m) Flow-through shares

Flow-through common shares are recognized in equity based on the quoted price of the existing shares on the date of the issue. The difference between the amount recognized in common shares and the amount the investor pays for the shares is recognized as a deferred gain which is reversed into earnings as eligible expenditures are incurred. The deferred tax impact is recorded as eligible expenditures are incurred, provided the Company has the intention to renounce the related tax benefits.

(n) Earnings per share

The Company presents basic and diluted earnings per share data for its common shares. Basic earnings per share are calculated by dividing earnings attributable to equity shareholders by the weighted average number of common shares outstanding during the period. Diluted earnings per share are determined by adjusting the weighted average number of common shares for the dilutive effect of share-based payments, employees performance share units, and warrants using the treasury stock method.

(o) Share-based payments

The Company has the following share-based payment plans with related costs included in general administrative expenses.

(i) Share options, share bonus plan, and deferred share plan

The Company operates a number of equity-settled share-based payment plans in respect of its employees. Compensation costs are measured based on the grant date fair value of the equity-settled instruments and recognized upon commencement of service over the related service period in the statement of earnings and credited to contributed surplus within shareholders' equity.

The fair value is based on market prices of the equity-settled instruments granted, taking into account the terms and conditions upon which those equity-settled instruments were granted. The fair value of equity-settled instruments granted is estimated using the Black-Scholes model and appropriate assumptions at grant date.

The model requires management estimates such as risk-free interest rate, volatility and weighted average expected life impacting weighted average grant date fair value. The weighted average grant date fair value is the basis for which share-based payments are recognized in earnings.

Upon exercise of options and/or issuance of shares, consideration paid by employees, as well as the grant date fair value of the equity-settled instruments, are transferred to common shares.

(ii) Directors share bonus plan

Share bonuses to directors are expensed on issuance as they vest immediately. They are measured at the date of issuance at the closing market price of the last day of the quarter.

(iii) Share purchase plan

The Company provides a share purchase plan where the Company contributes towards the purchase of shares on the open market. The Company's contribution vests on December 31 of each year and is charged to earnings in the year of contribution.

(p) Revenue recognition

Revenues include sales of gold, niobium and by-product concentrate as well as royalty revenue.

Revenues from the sale of gold and by-products (silver and copper concentrate) are recognized when the metal is delivered to the counterparties to the transaction.

Revenues from the sale of niobium (ferroniobium) are recognized when legal title (rights and obligations) to the ferroniobium is transferred to the buyer.

Royalty revenue is recognized when the Company has reasonable assurance with respect to measurement and collectability. Revenue based royalties such as Net Smelter Return (“NSR”) or Gross Proceeds Royalties are determined based on the proceeds from the sale or other disposition of minerals recovered from the property on which the royalty interest is held. The form, manner and timing of the receipt of any specific royalty payment are governed by the corresponding royalty agreement with the owner of the royalty property.

4. FUTURE ACCOUNTING POLICIES

IFRS 9 – Financial instruments

The IASB has issued IFRS 9, Financial Instruments, which is a four-part project proposing to replace IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 is planned to be effective on January 1, 2013. The first part of this project provides new guidance for the classification and measurement of financial assets and liabilities. The Company is in the process of evaluating the impact of the change to its consolidated financial statements based on the characteristics of its financial instruments.

5. DIVESTITURES

(a) La Arena project

In June 2009, an option and earn-in agreement was entered into with Rio Alto Mining Limited (“Rio Alto”) for the sale of the La Arena project in Peru. In 2009, the Company received 8,024,511 common shares (10.6% interest) and 1,500,000 warrants of Rio Alto for a total value of \$1,400,000 at inception. These shares (accounted for as marketable securities – available-for-sale assets) and warrants (accounted for as financial assets at fair value through profit and loss), had a market value of \$21,160,000 as at March 31, 2011.

During the option term, Rio Alto earned-in newly issued shares of La Arena S.A., an IAMGOLD wholly-owned subsidiary, up to the maximum allowed under the agreement of 38.7% by incurring \$30,000,000 in expenditures on the La Arena project. The Rio Alto expenditures on the La Arena project totaled \$38,933,000 since June 2009.

In February 2011, as per the option agreement, Rio Alto purchased all of the outstanding shares of La Arena S.A. for a cash payment of \$48,847,000 resulting in a gain of \$10,517,000 (before income tax impact). The La Arena project was included in the Exploration and evaluation segment. Major classes of assets and liabilities included as part of the La Arena project were as follows as at the date of disposal:

	\$
Current assets	147
Exploration and evaluation assets	66,941
Corporate equipments	103
Goodwill	11,289
Current liabilities	(6,044)
Deferred income and mining tax liabilities	(6,582)
Non-controlling interests	(27,524)
Net carrying value	38,330

(b) Tarkwa and Damang mines

On April 15, 2011, IAMGOLD announced that it had reached an agreement to sell its 18.9% interests in the Tarkwa and Damang gold mines in Ghana, West Africa to Gold Fields Limited ("Gold Fields") for gross proceeds of \$667 million. This transaction is subject to the approval of Gold Fields' shareholders and is expected to close no later than July 31, 2011. The Company expects to record an after-tax gain on this sale of approximately \$400 million. Interests in Tarkwa and Damang were accounted for using the equity method and were disclosed in the consolidated interim balance sheet as follows:

As at March 31	2011
	\$
Investments in associates	261,454

6. GOLD BULLION

	March 31 2011	December 31 2010	January 1 2010
Ounces held (oz)	100,001	100,001	99,999
Weighted average acquisition cost (\$/oz)	404	404	404
Acquisition cost (\$000)	40,411	40,411	40,408
End of period spot price for gold (\$/oz)	1,439	1,406	1,088
End of period market value (\$000)	143,901	140,551	108,749

7. INVENTORIES

	March 31 2011	December 31 2010	January 1 2010
	\$	\$	\$
Current:			
Finished goods:			
Gold production inventories	29,956	38,632	32,104
Niobium production inventories	16,415	12,841	7,230
Concentrate inventory	589	589	661
Gold in process	6,773	6,960	10,991
Ore stockpiles	34,278	19,628	26,392
Mine supplies	132,352	126,066	83,519
	220,363	204,716	160,897
Included in Other non-current assets:			
Ore stockpiles	94,212	97,880	70,370

In the first quarters of 2011 and 2010, there was no write-down of inventories to net realizable value.

8. EXPLORATION AND EVALUATION ASSETS

Capitalized investments in exploration and evaluation properties, net of impairment charges, were as follows:

	Note	March 31 2011	December 31 2010	January 1 2010
		\$	\$	\$
Canada – Westwood project		233,520	209,615	119,333
Ecuador – Quimsacocha project	22(a)	24,685	23,937	19,345
Tanzania – Other		-	726	726
French Guiana – Camp Caiman project	22(b)	3,223	3,223	3,476
Peru – La Arena project	5(a)	-	66,941	30,008
Peru – Other		1,773	1,773	1,773
		263,201	306,215	174,661

Exploration expenditures immediately expensed in the consolidated statement of earnings amounted to \$13,984,000 in the first quarter of 2011 (first quarter of 2010 – \$8,405,000).

9. GOODWILL

First quarters ended March 31		2011	2010
	Note	Net book value	Net book value
		\$	\$
At the beginning of the period		267,978	267,978
Disposal of the La Arena project	5(a)	(11,289)	-
At the end of the period		256,689	267,978

10. OTHER NON-CURRENT ASSETS

	March 31 2011	December 31 2010	January 1 2010
	\$	\$	\$
Receivables from governments related to taxes, mineral rights and exploration tax credits	10,352	9,570	6,229
Marketable securities – non-current	69,496	69,331	49,237
Warrants held as investments	7,749	4,748	1,382
Royalty interests	25,763	26,514	28,688
Ore stockpiles – non-current	94,212	97,880	70,370
Corporate equipments	6,798	6,864	6,035
Other intangible assets	4,972	5,332	8,373
Restricted cash	3,392	5	5
Other assets	3,859	4,089	4,416
	226,593	224,333	174,735

11. FINANCIAL INSTRUMENTS

The following table presents the carrying amounts and estimated fair values of the Company's financial instruments.

	March 31, 2011		December 31, 2010		January 1, 2010	
	Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
	\$	\$	\$	\$	\$	\$
Financial Assets						
Cash and cash equivalents	477,535	477,535	270,779	270,779	191,374	191,374
Receivables excluded in receivables and other	56,115	56,115	55,928	55,928	62,657	62,657
Derivatives – Currency contracts ⁽¹⁾	-	-	-	-	142	142
Derivatives – Heating oil option and swap contracts ⁽¹⁾	-	-	-	-	2,723	2,723
Derivatives – Aluminum option contracts ⁽¹⁾	145	145	-	-	186	186
Marketable securities ⁽¹⁾	100,851	100,851	76,001	76,001	49,237	49,237
Warrants held as investments ⁽¹⁾	7,749	7,749	4,748	4,748	1,382	1,382
Financial Liabilities						
Accounts payable and accrued liabilities	(162,696)	(162,696)	(158,410)	(158,410)	(140,463)	(140,463)
Derivatives – Gold option contracts ⁽¹⁾	(9,735)	(9,735)	(11,831)	(11,831)	-	-
Other long-term liability – Embedded derivatives ⁽²⁾	(962)	(962)	(1,449)	(1,449)	(1,108)	(1,108)

(1) Derivatives, marketable securities, and warrants held as investments in other companies are discussed below.

(2) Related to the contingent liability following the purchase in 2009 of the additional 3% interest in Sadiola.

(a) Financial risk management objectives and policies

As at March 31, 2011, the Company's cash and cash equivalents, and gold bullion position valued at the end of the period gold market price, was \$621,436,000 (December 31, 2010 – \$411,330,000). The Company has a \$350,000,000 unsecured revolving credit facility and a \$50,000,000 revolving facility for the issuance of letters of credit. As at March 31, 2011 and December 31, 2010, no funds were drawn against the credit facility, and \$18,798,000 (December 31, 2010 – \$18,244,000) in letters of credit were used to guarantee certain asset retirement obligations.

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 in receivables and other for marketable securities expected to be sold in the next 12 months, and for the remainder in other non-current assets on the consolidated balance sheet. In the first quarter of 2011, an unrealized gain related to change in market price of marketable securities classified as available-for-sale of \$19,646,000 (first quarter of 2010 – \$1,573,000) was recorded in the fair value reserve within equity. The Company sold some of its marketable securities during the first quarters of 2011 and 2010. Gains previously included in the fair value reserve were transferred to the statement of earnings for \$287,000 (first quarter of 2010 – \$8,027,000).

At the end of the period, the Company reviewed the value of marketable securities for objective evidence of impairment based on both quantitative and qualitative criteria and determined that no impairment charge was required in 2011 and 2010. Factors considered in determining impairment included a decreasing trend of these investments' market value and other information available on these companies.

The Company also has share purchase warrants held as investments included in other non-current assets on the consolidated balance sheet. These warrants held as investments are considered financial assets at fair value through profit and loss. The unrealized gain or loss related to changes in fair value is reported under derivative gain or loss in the consolidated statement of earnings. An unrealized gain of \$2,814,000 related to the change in the fair value of these warrants held as investments was recorded in the first quarter of 2011 (first quarter of 2010 – \$1,001,000).

At March 31, 2011, the impact of a change of 10% in the fair value of marketable securities and warrants held as investments would have resulted in a change in unrealized net of tax gain/loss of \$8,795,000 that would be included in other comprehensive income, and a change of \$673,000 in net earnings.

Gold market price risk

As at March 31, 2011, the options related to Mupane mine's production provided protection on 39,600 ounces in 2011 at prices between \$1,000 and \$1,400 per ounce, and on 54,000 ounces in 2012 at prices between \$1,000 and \$1,500 per ounce. These option contracts provide economic hedges in excess of 80% of the expected production through the end of the Mupane mine life in 2013. The total of these option contracts are treated as derivatives and fair valued on the financial statements with changes in fair value recognized in earnings.

During the first quarter of 2011, option contracts for 4,400 ounces of gold expired without being exercised while option contracts for 8,800 ounces were exercised. Fair value adjustments (unrealized gain on contracts) and a realized loss on deliveries were recognized and recorded as follows:

First quarters ended March 31	2011	2010
	\$	\$
Unrealized gain on contracts	2,096	-
Realized loss	(374)	-
Total included in derivative gain	1,722	-

	March 31 2011		December 31 2010		January 1 2010	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
	\$	\$	\$	\$	\$	\$
Gold option contracts (Mupane)						
Current portion	(5,111)	(5,111)	(5,504)	(5,504)	-	-
Non-current portion	(4,624)	(4,624)	(6,327)	(6,327)	-	-
	(9,735)	(9,735)	(11,831)	(11,831)	-	-

As at March 31, 2011, the fair value of these contracts and the resulting fair value after an increase and a decrease of \$100 in gold price would have been as follows:

	March 31, 2011 \$1,439/oz	Increase of \$100/oz at \$1,539/oz	Decrease of \$100/oz at \$1,339/oz
	\$	\$	\$
Gold option contracts	(9,735)	(16,108)	(4,944)

Currency exchange rate risk

In 2010, the Company used foreign exchange contracts to mitigate the risk of variability of the U.S. dollar compared to the Canadian dollar and the euro. These option contracts did not qualify for hedge accounting. Fair value adjustments in the first quarter of 2010 were recognized and recorded as an unrealized derivative loss of \$418,000. At the end of March 2011 and December 2010, there were no outstanding currency contracts.

The foreign exchange loss recorded in the first quarter of 2011 of \$5,237,000 (first quarter of 2010 – \$1,662,000) was mainly due to the impact of foreign exchange variation on monetary assets such as cash held in Canadian dollars, receivables, payables and asset retirement obligations. A 10% depreciation of the Canadian dollar compared to the U.S. dollar would impact positively net earnings (including the tax impact) by approximately by \$12,900,000. A 10% appreciation would decrease net earnings (including the tax impact) by approximately \$14,200,000.

Heating oil option contracts and fuel market price risk

In 2010, the Company entered into swap and option contracts to hedge a portion of requirements in 2010 at the Rosebel, Essakane, Mupane, Sadiola and Yatela operations. These contracts all expired in 2010 and did not qualify for hedge accounting. There were no contracts outstanding at the end of March 2011.

Aluminum option contracts and market price risk

Aluminum is a key input in the production of niobium. The Company has a hedging strategy to limit the impact of fluctuations of aluminum prices and to economically hedge a portion of its future consumption of aluminum at the Niobec mine. The Company used zero-cost option contracts to economically hedge 29% of its aluminum exposure for the remaining of 2011 at the Niobec mine. The fair value of outstanding contracts as at March 31, 2011 was \$145,000 which resulted in an equivalent gain during the first quarter of 2011. The valuation of these contracts was based on an aluminum price of \$2,500 per metric tonne, at no cost, for the 2011 consumption.

(b) Capital management

The Company has paid the 2010 annual dividend of \$0.08 per share on January 14, 2011, totaling \$29,828,000. The Company also reported that, in future, it plans to pay its dividend semi-annually.

(c) Derivative gain (loss)

The derivative gain (loss) is included in Interest income, derivatives and other investments gains (note 19) in the consolidated statement of earnings.

First quarters ended March 31	Note	2011	2010
Unrealized change in fair value of:		\$	\$
Derivative gold options	11(a)	2,096	-
Derivative – Currency contracts	11(a)	-	(418)
Derivative – Heating oil option and swap contracts	11(a)	-	(325)
Derivative – Aluminum contracts	11(a)	145	(77)
Other (warrants, warrants held as investments and embedded derivatives)		2,801	1,338
Unrealized derivative gain		5,042	518
Realized gain (loss) on:			
Derivative – Gold contracts	11(a)	(374)	-
Derivative – Heating oil contracts	11(a)	-	(20)
Derivative – Aluminum contracts	11(a)	-	43
Realized derivative gain (loss)		(374)	23
Derivative gain		4,668	541

12. PROVISIONS

Provisions for litigation claims

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgement and estimates of the outcome of future events.

The Company is subject to various litigation actions, whose outcome could have an impact on its valuation should it be required to make payments to the plaintiffs. In-house counsel and outside legal advisors assess the potential outcome of the litigation and the Company establishes provisions for future disbursements required. As at March 31, 2011, the Company does not have any material provisions for litigation claims.

13. 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**

First quarters ended March 31	2011	2010
	Number of shares	Number of shares
Outstanding, beginning of year	372,849,289	368,887,211
Issuance of flow-through shares ^(c)	1,700,000	1,575,000
Exercise of options	169,769	432,825
Issuance of shares for share-based payments (note 14)	15,751	26,500
Outstanding, end of the period	374,734,809	370,921,536

(c) **Issuance of flow through shares**

Flow-through common shares require the Company to incur an amount equivalent to the proceeds of the issue on prescribed resource expenditures in accordance with the applicable tax legislation. The proceeds from the flow-through shares fund prescribed resource expenditures on the Westwood project.

In February 2011, IAMGOLD entered into an agreement for a private placement of flow-through shares. The issuance of 1,700,000 shares at a price of C\$25.48 per share raised gross proceeds of \$43,281,000 (C\$43,316,000).

In 2010, the Company issued 1,575,000 flow-through shares in March 2010 at C\$20.00 per share with gross proceeds of \$29,706,000 (C\$31,500,000) in addition to 403,064 flow-through shares in September 2010 at C\$24.81 per share with gross proceeds of \$9,394,000 (C\$10,000,000).

Flow-through common shares are recognized 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 made.

As at March 31, 2011, the remaining unspent amount was \$39,303,000 (C\$38,124,000). The Company plans to fulfill its commitments under the subscription agreement and satisfy the requirements under applicable Canadian federal income tax legislation later in 2011 or at the beginning of 2012.

(d) **Earnings per share**

Basic earnings per share computation

First quarters ended March 31	2011	2010
	\$	\$
Numerator: Net earnings attributable to equity shareholders of the Company	153,378	57,026
Denominator: Weighted average number of common shares (basic)	Number 373,598,380	Number 369,410,611
Basic earnings attributable to equity shareholders of the Company per share	\$/share 0.41	\$/share 0.15

Diluted earnings per share computation

First quarters ended March 31	2011	2010
	\$	\$
Numerator: Net earnings attributable to equity shareholders of the Company	153,378	57,026
Denominator: Weighted average number of common shares (basic)	Number 373,598,380	Number 369,410,611
Dilutive effect of employee share options	1,752,468	2,017,818
Dilutive effect of share bonus plan and employee deferred share plan	84,998	110,125
Dilutive effect of employees performance share units	1,373	-
Dilutive effect of warrants	-	6,081
Weighted average number of common shares (diluted)	375,437,219	371,544,635
Diluted earnings attributable to equity shareholders of the Company per share	\$/share 0.41	\$/share 0.15

Equity instruments excluded from the computation of diluted earnings per share which could be dilutive in the future were as follows:

	March 31, 2011	March 31, 2010
	Number	Number
Share options	144,736	1,384,545

14. SHARE-BASED PAYMENTS

The Company expenses the fair value of all share-based payment transactions, all of which are equity-settled. The amount recorded in earnings in the period is as follows:

First quarters ended March 31	2011	2010
	\$	\$
Share option plan	1,403	2,137
Share bonus plan	85	79
Deferred share plan	168	64
	1,656	2,280

(a) Share option plan

The Company has a comprehensive share option plan for its full-time employees, directors and officers. As at March 31, 2011, the total number of shares reserved for the grants of share options was 20,257,401. As of March 31, 2011, 8,226,979 shares remain in reserve. Options issued on the acquisition of Cambior (in 2006) are excluded from this reserve number.

First quarter ended March 31	Options	Weighted Average Exercise Price (C\$)
Outstanding, beginning of year	4,732,649	11.31
Granted	72,080	22.23
Exercised	(169,769)	9.79
Forfeited	(75,418)	10.38
Outstanding, end of the period	4,559,542	11.55
Exercisable, end of the period	1,813,241	11.27

The following are the inputs to the Black-Scholes model used in determining fair value for options granted in the first quarter of 2011. The estimated fair value of the options is expensed over their vesting period of five years.

	2011
Risk-free interest rate	3%
Volatility	44%
Dividend	0.36%
Weighted average expected life of options issued (years)	5.0
Weighted average grant-date fair value (C\$ per share)	8.87
Weighted average share price at grant date (C\$ per share)	21.98
Weighted average exercise price (C\$ per share)	22.23

Expected volatility is estimated by considering historic average share price volatility.

(b) Share bonus plan

A summary of the status of the Company's share bonus plan and changes during the quarter is presented below.

First quarter ended March 31	2011
	Number
Outstanding, beginning of year	12,500
Granted	4,000
Issued	(4,000)
Outstanding, end of the period	12,500

(c) Deferred share plan

The Company has a deferred share plan for employees whereby a maximum of 500,000 common shares may be awarded. As of March 31, 2011, 436,915 shares remained in reserve.

Summary of plan

Restricted share units: Executive officers and certain employees are granted restricted share units from the deferred share plan on an annual basis. Restricted share units granted in 2010 and prior vest equally over three or four years, have no restrictions upon vesting and are equity settled. There are no cash settlement alternatives and no vesting conditions other than service.

Starting in 2011, restricted share unit grants vest after thirty-five months, have no restrictions upon vesting and are equity settled. There are no cash settlement alternatives and no vesting conditions other than service.

Restricted share units are granted to employees based on performance objectives and criteria determined on an annual basis based on guidelines established by the Compensation Committee of the Board of Directors. The amount of shares granted is determined as part of the employees' overall compensation.

A summary of the status of the Company's restricted share units and changes during the quarter is presented below.

First quarter ended March 31	2011
	Number
Outstanding, beginning of year	137,417
Granted	80,637
Issued	(11,750)
Forfeited	(3,250)
Outstanding, end of the period	203,054

The following are the inputs to the Black-Scholes model used in determining fair value for restricted share units granted in the first quarter of 2011. The estimated fair value of the awards is expensed over their vesting period of thirty-five months.

	2011
Weighted average grant-date fair value (C\$ per share)	21.85
Share price (C\$ per share)	22.08
Risk-free interest rate	2%
Volatility	46%
Dividend	0.36%
Weighted average expected life (years)	2.90

Expected volatility is estimated by considering historic average share price volatility.

Performance share units: Starting in 2011, executive officers and senior employees are granted performance share units from the deferred share plan on an annual basis. The performance share units vest after thirty-five months provided the Compensation Committee of the Board of Directors determines certain corporate performance targets are achieved and the service conditions are met.

Performance share units are granted to executive officers and senior employees based on performance objectives and criteria determined on an annual basis based on guidelines established by the Compensation Committee of the Board of Directors. The amount of performance share units granted is determined as part of the executive officers and senior employees' overall compensation.

A summary of the status of the Company's performance share units and changes during the quarter is presented below.

First quarter ended March 31	2011
	Number
Outstanding, beginning of year	-
Granted	34,086
Outstanding, end of the period	34,086

(d) Share purchase plan

The Company has a share purchase plan for Canadian and American-resident or expatriates employees with more than 3 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.

15. NET CHANGE in FAIR VALUE RESERVE

First quarters ended March 31	2011	2010
	\$	\$
Change in available-for-sale financial assets		
Unrealized gain	19,646	1,573
Income and mining tax impact	(3,355)	218
	16,291	1,791
Reversal of unrealized gain following the sale of available-for-sale financial assets		
Gain on sale	(287)	(8,027)
Income and mining tax impact	39	1,091
	(248)	(6,936)
	16,043	(5,145)

16. MINING COSTS

Mining costs include mine production, transport and smelter processing costs, royalty expenses, applicable site administrative costs, applicable stripping costs and other related costs, as well as depreciation, depletion and amortisation.

First quarters ended March 31	2011	2010
	\$	\$
Direct operating costs – mines	157,262	96,362
Royalties	19,174	9,730
Operating costs – mines	176,436	106,092
Stock movements	5,462	7,682
Other	3,647	1,493
Mining costs excluding depreciation, depletion and amortisation	185,545	115,267
Depreciation, depletion and amortisation	44,850	31,181
Mining costs	230,395	146,448

17. GENERAL AND ADMINISTRATIVE EXPENSES

First quarters ended March 31	Note	2011	2010
		\$	\$
Salaries, director and management fees		5,784	5,825
Professional and consulting fees		2,944	2,794
Office administration and other		1,633	351
		10,361	8,970
Share-based payments	14	1,656	2,280
Depreciation		447	338
General administrative expenses		12,464	11,588

18. FINANCE COSTS

First quarters ended March 31	2011	2010
	\$	\$
Credit facility fees	939	325
Accretion expense	817	1,187
Other	4	(15)
	1,760	1,497

19. INTEREST INCOME, DERIVATIVES AND OTHER INVESTMENTS GAINS (LOSSES)

First quarters ended March 31	Note	2011	2010
		\$	\$
Interest income		26	62
Gain on sale of marketable securities	11(a)	287	8,027
Gain on sale of the La Arena project	5(a)	10,517	-
Gain on sale of other assets		209	59
Derivative gain	11(c)	4,668	541
Other		955	(901)
		16,662	7,788

20. INCOME AND MINING TAX EXPENSES

The Company estimates the effective tax rate expected to be applicable for the full fiscal year and uses that rate to provide for income taxes in interim reporting periods. The Company also recognizes the tax impact on certain discrete (unusual or infrequently occurring) items, including changes in judgment concerning the probable realization of losses and effects of changes in tax laws or rates, in the interim period in which they occur.

The Company reported income and mining tax expenses of \$43,362,000 and \$29,325,000 for the quarters ended March 31, 2011 and 2010, respectively. The income and mining tax rate varies from the combined Canadian federal and provincial statutory tax rate of 28% and 31% in the first quarter of 2011 and 2010 respectively, due to the geographical distribution of earnings, which are subject to different tax rates, fluctuations in exchange rates and other non deductible expenses.

The Company has generally not recognized tax benefits on losses generated in several countries where the recent history of operating losses does not satisfy the probable criteria for the recognition of deferred tax assets. Consequently, there is no income tax benefit recognized on the pre-tax losses in these jurisdictions.

21. CASH FLOW ITEMS

(a) Adjustments for other non-cash items

First quarters ended March 31	Note	2011	2010
		\$	\$
Share-based payments		1,656	2,280
Gain on sale of marketable securities	11(a)	(287)	(8,027)
Gain on sale of assets	19	(10,726)	(59)
Derivative gain	11(c)	(4,668)	(541)
Other		4,079	2,345
		(9,946)	(4,002)

(b) Adjustments for cash items

First quarters ended March 31	2011	2010
	\$	\$
Disbursement related to asset retirement obligations	(580)	(466)
Settlement of derivatives	(374)	(3,262)
Disbursement related to termination benefits	(127)	(103)
Other	(72)	(53)
	(1,153)	(3,884)

(c) Movements in working capital

First quarters ended March 31	2011	2010
	\$	\$
Receivables and other non-current assets	95	9,566
Inventories	(13,915)	(2,267)
Accounts payable and accrued liabilities	(557)	(13,675)
	(14,377)	(6,376)

(d) Other investing activities

First quarters ended March 31	2011	2010
	\$	\$
Proceeds from sale of investments (Acquisition of investments)	(4,468)	12,665
Restricted cash	(3,385)	-
Net acquisition of other assets	(276)	(175)
	(8,129)	12,490

22. COMMITMENTS AND CONTINGENCIES

(a) Quimsacocha Project in Ecuador

In November 2009, detailed mining and environmental regulations relating to the Ecuadorian mining law passed in February 2009 were completed and approved by President Correa. The Company has obtained the requisite permits and authorization to advance feasibility work at the Quimsacocha project in Ecuador. The Company maintains regular contact and dialogue with senior government officials in order to obtain needed clarity on fiscal and other matters including the analysis of the model mining contract recently released by the Ecuadorian government.

Assessment of the project's financial viability continues as the Company works to clarify key fiscal and other applicable dimensions. The carrying value of the Quimsacocha project included in exploration and evaluation capitalized assets was \$24,685,000 at March 31, 2011.

(b) Camp Caiman Project in French Guiana

During the first quarter of 2008, the French government indicated that it would not be allowing the Camp Caiman project to proceed, and the Company responded by instituting two separate court proceedings in the second half of 2009 at the Administrative Tribunal of French Guiana, the first of which contests the legality of the French government's decision and the second of which seeks compensation in the amount of €275,000,000 for damages resulting from that decision.

In response to a decision released by the Administrative Tribunal on May 27, 2010 in the first proceeding, which cancelled the government's decision to deny a mining permit for the Camp Caiman project and ordered the government to issue a new decision on the Company's application for such permit, the French government, acting through the Prefect of French Guiana, released a new decision on August 26, 2010, which again denied a mining permit for the Camp Caiman project and relied on far more detailed environmental reasons than those contained in the cancelled decision in support of its conclusions.

The Company filed an appeal of this new decision on October 26, 2010 with the assistance of environmental experts and also filed additional materials on March 8, 2011 in connection with the second proceeding dealing with the €275,000,000 compensation claim in response to materials which the Prefect filed on August 13, 2010 in that matter. No amounts have been accrued in the financial statements. 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 for goodwill.

(c) Capital commitments

	March 31 2011	December 31 2010
	\$	\$
Capital commitments (excluding those related to joint ventures)		
Contracted capital expenditures	72,705	32,152
Purchase obligations	31,325	15,302
Operating leases	7,190	5,869
Capital commitments related to joint ventures		
Capital commitments incurred jointly with other venturers (IMG share)		
Contracted capital expenditures	1,752	-
Purchase obligations	27,932	25,878
Operating leases	-	-

23. RELATED PARTY TRANSACTIONS

There were no material related party transactions in 2011 and 2010.

24. 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
- Botswana:
 - Mupane mine
- Mali:
 - Joint venture in the Sadiola mine (41%)
 - Joint venture in the Yatela mine (40%)
- Ghana:
 - Investment in associates in Tarkwa mine (18.9%)
 - Investment in associates in Damang mine (18.9%)

The Company's segments also include non-gold activities for the Niobec mine located in Canada, Exploration and evaluation, and Corporate which also includes royalty interests located in Canada.

First quarter ended March 31, 2011

	Gold Mines					Total
	Suriname	Burkina Faso	Canada	Botswana	Mali	
	\$	\$	\$	\$	\$	\$
Revenues	146,003	161,809	13,648	18,434	51,095	390,989
Depreciation, depletion and amortisation	14,180	19,409	10	3,072	1,093	37,764
Share of net earnings from investments in associates	-	-	-	-	-	-
Exploration expenses	-	-	2,409	34	844	3,287
Interest income	-	-	-	-	-	-
Interest expense	-	-	7	-	-	7
Gain on sale of assets, marketable securities, and other	-	-	-	-	-	-
Net earnings (loss)	59,933	78,182	(161)	(790)	10,770	147,934
Expenditures for mining assets and capitalized exploration and evaluation	7,636	9,172	23,183	871	1,000	41,862
Decrease to goodwill	-	-	-	-	-	-
At March 31, 2011:						
Total assets	756,296	931,885	522,090	48,198	160,607	2,419,076
Total liabilities	233,274	101,324	109,452	25,676	62,439	532,165

	Total Gold Mines	Niobium	Exploration and Evaluation	Corporate	Subtotal	Equity Accounted items	Total
	\$						
Revenues	390,989	39,610	-	1,868	432,467	-	432,467
Depreciation, depletion and amortisation	37,764	5,158	76	2,299	45,297	-	45,297
Share of net earnings from investments in associates	-	-	-	-	-	21,002	21,002
Exploration expenses	3,287	-	10,697	-	13,984	-	13,984
Interest income	-	-	4	22	26	-	26
Interest expense	7	4	-	932	943	-	943
Gain on sale of assets, marketable securities, and other (note 19)	-	-	(429)	12,397	11,968	-	11,968
Net earnings (loss)	147,934	5,046	(7,864)	(3,819)	141,297	21,002	162,299
Expenditures for mining assets and capitalized exploration and evaluation	41,862	10,643	750	-	53,255	-	53,255
Decrease to goodwill	-	-	(11,289)	-	(11,289)	-	(11,289)
At March 31, 2011:							
Total assets	2,419,076	433,528	29,014	488,469	3,370,087	261,454	3,631,541
Total liabilities	532,165	71,490	2,537	84,213	690,405	-	690,405

First quarter ended March 31, 2010

	Gold Mines					Total
	Suriname	Burkina Faso	Canada	Botswana	Mali	
	\$	\$	\$	\$	\$	\$
Revenues	113,321	-	6,715	16,701	61,589	198,326
Depreciation, depletion and amortisation	12,638	18	(16)	3,278	8,695	24,613
Share of net earnings from investments in associates	-	-	-	-	-	-
Exploration expenses	1,478	65	933	105	996	3,577
Interest income	-	-	-	-	-	-
Interest expense	-	-	37	-	-	37
Gain on sale of assets, marketable securities, and other	-	-	-	-	-	-
Net earnings (loss)	32,726	(3,842)	(562)	1,025	15,394	44,741
Expenditures for mining assets and capitalized exploration and evaluation	8,433	61,119	24,833	216	1,942	96,543
Increase to goodwill	-	-	-	-	-	-

	Total Gold Mines	Niobium	Exploration and Evaluation	Corporate	Subtotal	Equity Accounted Items	Total
	\$	\$	\$	\$	\$	\$	\$
Revenues	198,326	40,198	-	1,532	240,056	-	240,056
Depreciation, depletion and amortisation	24,613	4,387	53	2,466	31,519	-	31,519
Share of net earnings from investments in associates	-	-	-	-	-	10,412	10,412
Exploration expenses	3,577	-	1,710	3,118	8,405	-	8,405
Interest income	-	-	4	58	62	-	62
Interest expense	37	-	-	273	310	-	310
Gain on sale of assets, marketable securities, and other (note 19)	-	-	2	7,183	7,185	-	7,185
Net earnings (loss)	44,741	15,674	(2,117)	(8,546)	49,752	10,412	60,164
Expenditures for mining assets and capitalized exploration and evaluation	96,543	16,310	748	1	113,602	-	113,602
Increase to goodwill	-	-	-	-	-	-	-

At December 31, 2010

	Gold Mines					Total
	Suriname	Burkina Faso	Canada	Botswana	Mali	
	\$	\$	\$	\$	\$	\$
Total assets	732,319	874,011	494,512	53,106	151,095	2,305,043
Total liabilities	203,194	80,908	107,651	29,879	63,696	485,328

	Total Gold Mines	Niobium	Exploration and Evaluation	Corporate	Subtotal	Equity Accounted Items	Total
	\$	\$	\$	\$	\$	\$	\$
Total assets	2,305,043	421,882	107,886	350,172	3,184,983	246,122	3,431,105
Total liabilities	485,328	62,018	15,675	109,963	672,984	-	672,984

25. TRANSITION TO IFRS

As stated in note 2(a), these are the Company's first unaudited consolidated interim financial statements prepared in accordance with IFRS. Adoption of IFRS requires the Company to make certain accounting policy choices, and disclose the expected impact on the Company's financial position and results of operations. The Company adopted IFRS in accordance with IFRS 1, First-Time Adoption of International Financial Reporting Standards. The first date at which IFRS were applied is January 1, 2010 (the "transition date"). In accordance with IFRS, the Company applied certain optional exemptions and certain mandatory exceptions as applicable for first time IFRS adopters.

The accounting policies set out in note 3 have been applied in preparing the financial statements for the first quarter ended March 31, 2011, the comparative information presented in these consolidated financial statements for the first quarter ended March 31, 2010 and year ended December 31, 2010, and in the preparation of the opening IFRS consolidated balance sheet at January 1, 2010.

In preparing its opening IFRS consolidated balance sheet, and comparative consolidated financial statements in 2010, the Company has adjusted amounts reported previously in financial statements in accordance with previous Canadian generally accepted accounting principles ("GAAP"). These adjusted amounts have not been audited yet. The 2011 and comparative 2010 annual consolidated financial statements under IFRS may differ from these preliminary amounts as a result of different interpretation, adjustments relating to any new IFRS pronouncements or other items identified during the completion and audit of the 2011 and the comparative 2010 consolidated financial statements.

(a) Unaudited reconciliation of consolidated equity at January 1, 2010, March 31, 2010 and December 31, 2010

The following table presents the impact on shareholders' equity.

	January 1, 2010	March 31, 2010	December 31, 2010
	\$	\$	\$
Shareholders' equity under Canadian GAAP	2,416,661	2,521,517	2,775,810
IFRS adjustments – Increase (decrease) in equity:			
Foreign currency translation (note i)	(49,568)	(71,973)	(89,887)
Business combinations (note ii)	-	475	3,971
Exploration and evaluation assets (note iii)	(5,266)	(5,266)	(5,266)
Asset retirement obligations (note iv)	(5,118)	(2,381)	(19,721)
Financial instruments (note v)	2,476	2,711	7,611
Warrants (note vi)	(555)	(218)	-
Flow-through shares (note vii)	(3,006)	(6,244)	24
Employee benefits (note viii)	(2,278)	(2,323)	(3,294)
Income and mining taxes (note ix)	29,995	28,840	31,006
Non-controlling interests reclassifications (note x)	23,111	26,247	57,867
	(10,209)	(30,132)	(17,689)
Total equity under IFRS	2,406,452	2,491,385	2,758,121

(b) Unaudited reconciliation of consolidated net earnings for the first quarter ended March 31, 2010 and the year ended December 31, 2010

The following table presents the impact on net earnings. Each line is net of income and mining tax and non-controlling interests where applicable.

	First quarter ended March 31, 2010	Year 2010
	\$	\$
Net earnings under Canadian GAAP	58,844	279,793
IFRS adjustments – Increase (decrease) in net earnings:		
Unrealized loss on translating financial statements of foreign denominated entities (note i)	(2,622)	(5,213)
Business combinations (note ii)	(287)	(593)
Asset retirement obligations (note iv)	2,737	(14,603)
Warrants (note vi)	337	(183)
Flow-through shares (note vii)	-	2,256
Employee benefits (note viii)	(45)	(67)
Income and mining taxes (note ix)	(1,155)	233
Non-controlling interests reclassifications (note x)	2,355	18,222
	1,320	52
Net earnings under IFRS	60,164	279,845

(c) Unaudited reconciliation of consolidated comprehensive income for the first quarter ended March 31, 2010 and the year ended December 31, 2010

	First quarter ended March 31, 2010	Year 2010
	\$	\$
Comprehensive income under Canadian GAAP	73,247	334,596
Adjustment to net earnings (see table (b) above)	1,320	52
Reversal of cumulative translation adjustment (note i)	(19,783)	(35,107)
Increase in unrealized gain in available-for-sale financial assets (note v)	235	5,135
Defined benefit plan actuarial loss (note viii)	-	(949)
Income and mining tax impact (note ix)	-	777
	(18,228)	(30,092)
Comprehensive income under IFRS	55,019	304,504

(d) Cash flow reconciliation

The statement of cash flow has been adjusted according to the following:

- Reclassification of changes in non-current ore stockpiles from investing activities to operating activities;
- Interest paid and income and mining taxes paid have been moved into operating activities of the statement of cash flows, whereas they were previously disclosed as supplementary information.

(e) Explanation of differences impacting the Company's financial statements including IFRS 1 – First-Time Adoption of International Financial Reporting Standards

The following narratives explain the significant differences between Canadian GAAP accounting policies and the IFRS accounting policies adopted by the Company for interim and annual periods beginning January 1, 2011, with comparative information for 2010 restated under IFRS, including the IFRS 1 exemptions and exceptions applied in the conversion from Canadian GAAP to IFRS. Only the differences having an impact on the Company are described below.

i. Foreign currency translation

Canadian GAAP – The factors considered in the determination of the functional currency of the Company, its subsidiaries, associates and joint ventures were prioritized based on management judgment. The U.S. dollar was the functional currency of the Company and all of its activities, with the exception of the Company's Canadian mining activities, for which the functional currency was the Canadian dollar.

IFRS (IAS 21, The Effects of Changes in Foreign Exchange Rates) – The functional currency of the Company, its subsidiaries, associates and joint ventures is determined on the basis of primary economic environment factors. Secondary and other indicators may be used to provide further evidence of the functional currency. Finally, management judgment should be used if the indicators are mixed and the functional currency is not obvious, in order to determine the functional currency which most faithfully represents the economic effects of the underlying transactions, events and conditions of the entity.

Under IFRS, the U.S. dollar is the functional currency of the Company and all of its subsidiaries, associates and joint ventures. As a result, the cumulative translation adjustment within accumulated other comprehensive income on the consolidated balance sheet under Canadian GAAP was eliminated. Any monetary items nominated in a foreign currency are converted to U.S. dollars at the exchange rate in effect at the balance sheet date, non-monetary items at historical exchange rates, revenues and expenses at the average exchange rate in effect on the dates they occur and, depreciation, depletion and amortisation at the same historical exchange rates as the assets to which it relates. Foreign exchange gains and losses are recorded in the statement of earnings.

ii. Business combinations

IFRS 1 provides the option to apply IFRS 3 Revised, Business Combinations, retrospectively or prospectively from the transition date. The retrospective basis would require restatement of all business combinations and all changes in interests in subsidiaries, associates and joint ventures that occurred prior to the transition date. The Company elected not to retrospectively apply IFRS 3 and transactions resulting in changes in interests that occurred prior to its transition date, and such business combinations and transactions were not restated.

In addition, and as a condition under IFRS 1 for applying this exemption, goodwill relating to business combinations that occurred prior to the transition date was tested for impairment on the transition date even though no impairment indicators were identified. No impairment existed at the transition date.

The IFRS adjustments below relate to changes in interests in a subsidiary occurring after January 1, 2010.

La Arena transaction

Canadian GAAP – Consideration received as part of the farm-out arrangement resulted in a dilution in the Company's interest of a subsidiary. Refer to note 5(a) relating to the La Arena project for more information. Non-controlling interests were adjusted to reflect the reduction in the Company's interest in net assets of the subsidiary with a corresponding proportionate reduction recognized in the value of the related goodwill and a gain for the difference between these amounts and the consideration received.

IFRS – The difference between the amount by which the non-controlling interests are adjusted and the consideration received is recognized directly in equity. No adjustment was made to the carrying amount of the assets and liabilities of the subsidiary, including goodwill.

iii. Exploration and evaluation assets

Canadian GAAP – Exploration expenses incurred prior to the date of establishing that a property has mineral resources with the potential of being economically recoverable were charged against earnings. Costs incurred subsequent to this date were capitalized until such time as the projects were brought into production or were deemed economically unfeasible.

IFRS (IFRS 6, Exploration and Evaluation of Mineral Resources) – The Company's policy is such that all exploration expenditures are charged to earnings. Evaluation expenditures, representing those activities that relate to the evaluation of the technical feasibility and commercial viability of extracting a mineral resource, are capitalized.

As a result, certain exploration costs capitalized under Canadian GAAP have been expensed under IFRS, resulting in a decrease in mining assets. This change had an impact only on transition. There was no impact to earnings in the first quarter ended March 31, 2010 and the year ended December 31, 2010.

As part of the adoption of IFRS, the term "exploration and development" was replaced with "exploration and evaluation assets" in respect of capitalized exploration and evaluation projects.

iv. Asset retirement obligations

Discount rate

Canadian GAAP – The discount rate used was the entity's credit-adjusted risk-free rate. In addition, changes in the discount rate were not reflected in the measurement of the provision. The unwinding of the discount was presented as an operating expense. At the end of 2010, the average credit-adjusted risk-free interest rate was between 4.03% and 6.43% for all the Company's mines and sites.

IFRS (IAS 37, Provisions, Contingent Liabilities and Contingent Assets) – The discount rate used reflects the risks specific to the obligation. Changes to the discount rate require re-measurement of the provision. The unwinding of the discount is presented as a financing cost. The impact is mainly related to these changes in the discount rate. Total projected undiscounted cash outflow has not changed materially. At the end of 2010, the average discount rate was between 1.49% and 2.52% for all the Company's mines and sites.

Measurement of obligation

Canadian GAAP – The obligation is measured based on fair value using third-party market assumptions.

IFRS – Asset retirement obligations are measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

IFRS 1 election – Decommissioning Liabilities Included in the Cost of Property, Plant and Equipment

Management has elected to use the IFRS 1 exemption which provides relief from the application of IFRIC 1, Changes in Existing Decommissioning, Restoration and Similar Liabilities, and prescribes an alternative treatment in determining the adjustment to the corresponding asset and retained earnings at the transition date for changes in the estimate of the liability that occurred before the transition date to IFRS.

v. Financial instruments

Unquoted marketable securities

Canadian GAAP – Investments in equity instruments classified as available-for-sale that did not have a quoted market price in an active market were measured at cost.

IFRS (IAS 39, Financial Instruments: Recognition and Measurement) – These assets are recognized at fair value where fair value can be reliably measured.

vi. Warrants

Canadian GAAP – Contracts to deliver a fixed number of equity instruments in exchange for a fixed amount of foreign currency were considered equity instruments and were accounted for at cost.

IFRS – The Company's warrants have a Canadian dollar exercise price which differs from the Company's functional currency. As a result, these warrants are treated as a liability and measured at fair value with changes in fair value recognized through net earnings.

In addition, in 2009, some warrants expired without being exercised and were allocated to contributed surplus under Canadian GAAP. Under IFRS, the value of these warrants was transferred to retained earnings.

vii. Flow-through shares

Canadian GAAP – Flow-through shares were recorded at their face value, net of related issuance costs. On the date the tax credits were renounced, a future tax liability was recognized as a cost of issuing the shares.

IFRS – Flow-through shares are recognized based on the quoted price of the existing shares on the date of the issue. The difference between the amount recognized in common shares and the amount the investor pays for the shares is recognized as a deferred gain which is reversed into earnings as eligible expenditures are incurred. The deferred tax impact is recorded as eligible expenditures are incurred, provided the Company has the intention to renounce the related tax benefits.

viii. Employee benefits

Canadian GAAP – The recognition of actuarial gains and losses was deferred. In each period, the portion of actuarial gains and losses that exceeds 10% of the greater of the accrued benefit obligation at the beginning of the year, and the fair value of plan assets at the beginning of the year, was amortised ("corridor approach").

IFRS – Actuarial gains and losses are recognized immediately in the statement of other comprehensive income, and are reported directly in retained earnings in the same period.

IFRS 1 provides the option to retrospectively apply the corridor approach under IAS 19, Employee Benefits, for the recognition of actuarial gains and losses, or recognize all cumulative gains and losses deferred under Canadian GAAP in opening retained earnings at the transition date. The Company elected to recognize a cumulative actuarial loss that existed at its transition date in opening retained earnings for all of its employee benefit plans.

ix. Income and mining taxes

Deferred tax on translation gains and/or losses on non-monetary assets and liabilities

Canadian GAAP – The tax effect of temporary differences related to translation gains or losses were specifically exempted from being recognized.

IFRS (IAS 12, Income Taxes) – There is no such exemption under IFRS. A translation gain or loss will arise where the local tax currency is not the same as the functional currency. Deferred tax is recognized on the difference between the book value of the non-monetary assets and the underlying tax basis, translated to the functional currency using the current foreign exchange rate.

Deferred tax on intercompany transactions

Canadian GAAP – Recognition of a deferred tax asset or liability for a temporary difference arising from intercompany transactions was prohibited. Such temporary differences may arise when the tax base of the asset in the buyer's jurisdiction differs from the carrying amount of the asset in the consolidated financial statements. Further, cash taxes paid or recovered as a result of a transfer of an asset were recorded as a deferred tax asset or liability in the financial statements and recognized through tax expense when the asset was leaving the Company or was otherwise utilized.

IFRS – There are no such exceptions under IFRS. Therefore, deferred tax is recognized for temporary differences arising on intercompany transactions measured at the tax rate of the buyer, and cash tax paid or recovered on intercompany transactions is recognized in the period incurred.

Classification of deferred tax

Canadian GAAP – Deferred taxes were split between current and non-current components on the basis of either the underlying asset or liability, or the expected reversal of items not related to an asset or liability.

IFRS – All deferred tax assets and liabilities are classified as non-current.

Other adjustments

Other adjustments from Canadian GAAP to IFRS have been tax affected.

x. Non-controlling interests

Canadian GAAP – Non-controlling interests in the equity of a consolidated affiliate were classified as a separate component between liabilities and equity in the consolidated balance sheet and as a component of net earnings within the consolidated statement of earnings.

IFRS – Non-controlling interests are classified as a component of equity separate from the equity of the parent and are not included in net earnings, but rather presented as an allocation of net earnings.

xi. Impairment of property, plant and equipment

Recoverable amount

Canadian GAAP – A recoverability test was performed by first comparing the undiscounted expected future cash flows to be derived from the asset to its carrying amount. If the asset did not recover its carrying value, an impairment loss was calculated as the excess of the asset's carrying amount over its fair value.

IFRS (IAS 36, Impairment of Assets) – The impairment loss is calculated as the excess of the asset's carrying amount over its recoverable amount, where the recoverable amount is defined as the higher of the asset's fair value less costs to sell ("FVLCS") and its value in use. Under the FVLCS calculation, expected future cash flows from the asset are discounted to their net present value less an estimate of the cost to sell the asset.

The change in measurement methodology did not have an impact on transition or the year ended December 31, 2010.

Reversal of impairment

Canadian GAAP – A reversal of impairment losses was not permitted.

IFRS (IAS 39, Financial Instruments: Recognition and Measurement) – A reversal of impairment losses is required for assets other than goodwill if certain criteria are met.

On the transition date and in the year ended December 31, 2010, no reversal of impairment was recognized.

xii. Other IFRS 1 exemptions and exceptions

IFRS 1 optional exemptions

Below are the remaining applicable optional exemptions in IFRS 1 applied in the conversion from Canadian GAAP to IFRS.

- (i) Borrowing costs – IFRS 1 permits the application of IAS 23, Borrowing Costs, which requires an entity to capitalize the borrowing costs related to all qualifying assets, retrospectively or prospectively from a date that is no later than the transition date. This is consistent with the Company's policy under Canadian GAAP. As a result, no adjustment was required on transition to IFRS.
- (ii) Fair value as deemed cost – IFRS 1 permits the measurement of any item of property, plant and equipment at the item's fair value on the date of transition as the item's deemed cost. The Company elected to deem the cost of certain assets at their fair value on the date of transition. The selected assets had fair values that approximated their carrying values on January 1, 2010 and as a result, no transition adjustment was recorded.

IFRS Mandatory exceptions

As an applicable mandatory exception in IFRS 1 relevant to the Company's conversion from Canadian GAAP to IFRS for estimates, hindsight is not used to create or revise estimates. The estimates previously made by the Company under Canadian GAAP were not revised for application of IFRS except where necessary to reflect any difference in accounting policies.