



# 2012 Q3 REPORT

Management's Discussion & Analysis	1
Financial Statements	29

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

### **THIRD QUARTER ENDED SEPTEMBER 30, 2012**

The following Management's Discussion and Analysis ("MD&A"), dated November 13, 2012, should be read in conjunction with IAMGOLD's consolidated interim unaudited financial statements and related notes and IAMGOLD's annual consolidated financial statements for December 31, 2011 and related notes thereto which appear elsewhere in this report. All figures in this MD&A are in U.S. dollars, unless stated otherwise. Additional information on IAMGOLD Corporation can be found at [www.sedar.com](http://www.sedar.com) or [www.sec.gov](http://www.sec.gov). IAMGOLD's securities trade on the Toronto and New York stock exchanges.

#### **CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION**

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

For a more comprehensive discussion of the risks faced by the Company, refer to the Company's most recent annual MD&A risks and uncertainties section, and the Company's latest Annual Information Form, filed with Canadian securities regulatory authorities at [www.sedar.com](http://www.sedar.com), and filed under Form 40-F with the United States Securities Exchange Commission at [www.sec.gov/edgar.html](http://www.sec.gov/edgar.html). The Annual Information Form and the risks described in the Annual Information Form (filed and viewable on [www.sedar.com](http://www.sedar.com) and [www.sec.gov/edgar.html](http://www.sec.gov/edgar.html), and available upon request from the Company) and hereby incorporated by reference into this MD&A.

The Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise except as required by applicable law.

## INDEX

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About IAMGOLD.....	2
Third Quarter Highlights.....	2
Outlook.....	5
Market Trends.....	6
Quarterly Updates	
Operations.....	8
Development and Expansion Projects.....	14
Exploration.....	16
Quarterly Financial Review.....	18
Financial Condition	
Liquidity and Capital Resources.....	18
Market Risk.....	19
Shareholders' Equity and Cash Flow.....	21
Disclosures Controls and Procedures and Internal Control over Financial Reporting.....	22
Critical Judgments and Estimates.....	22
Future Accounting Policies and Risks and Uncertainties.....	23
Non-GAAP Performance Measures.....	23

## ABOUT IAMGOLD

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IAMGOLD Corporation (“IAMGOLD,” “IMG,” or the “Company”) is a leading mid-tier gold mining company producing approximately one million ounces annually from five gold mines (including current joint ventures) on three continents. In the Canadian province of Québec, the Company also operates Niobec Inc., which produces more than 4.5 million kilograms of niobium annually, and owns a rare earth element resource close to its niobium mine. IAMGOLD is uniquely positioned with a strong financial position and extensive management and operational expertise. To grow from this strong base, IAMGOLD has a pipeline of development and exploration projects and continues to assess accretive acquisition opportunities. IAMGOLD’s growth plans are strategically focused in certain regions in Canada, select countries in South America and Africa.

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

IAMGOLD is listed on the Toronto Stock Exchange (“IMG”) and the New York Stock Exchange (“IAG”).

## THIRD QUARTER HIGHLIGHTS

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### FINANCIAL

- Revenues for the third quarter 2012 were \$386.8 million, down \$45.1 million or 10% from the same prior year period. The decrease in revenues was mainly related to lower gold sales volume (\$49.0 million) and a lower realized gold price (\$1.2 million), partially offset by higher niobium revenues (\$5.3 million). The lower volume of gold sales was the result of lower production (18,000 ounces) and gold produced late in the quarter (12,000 ounces) and sold in October.
- Mining costs for the third quarter 2012 were \$222.9 million, down \$17.8 million or 7% from the same prior year period. The decrease in mining costs is related to lower asset retirement obligation charges at closed sites (\$12.3 million), lower sales due to timing of shipments and less production (\$7.3 million) and lower royalties due to lower volume (\$2.3 million), offset partially by higher depreciation expense (\$4.1 million).

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

- Net earnings from continuing operations attributable to equity holders for the third quarter 2012 were \$78.0 million or \$0.21 per share, up \$28.0 million or 56% from the same prior year period. The increase in net earnings from continuing operations attributable to equity holders was mainly related to higher derivative gains on commodity and foreign exchange contracts (\$39.6 million), lower income taxes (\$23.6 million) and lower foreign exchange losses (\$9.4 million), partially offset by the net change in gross earnings which negatively impacted earnings (\$27.3 million), higher exploration expenses (\$13.2 million) and lower other income and net investment gains (\$4.3 million).
- Adjusted net earnings<sup>1</sup> for the third quarter 2012 were \$60.2 million (\$0.16 per share<sup>1</sup>), down \$52.2 million (\$0.14 per share) or 46% from the same prior year period.
- Cash, cash equivalents and gold bullion (at market value) was \$1,136.1 million at September 30, 2012, up \$521.2 million since June 30, 2012 mainly due to the issuance of senior unsecured notes (\$650.0 million), cash flow from operating activities (\$97.6 million) and higher market value for gold bullion due to higher gold prices (\$23.9 million), offset by capital expenditures related to mining assets and exploration and evaluation assets (\$186.9 million) and payment of dividends (\$54.3 million).
- Operating cash flow for the third quarter 2012 was \$97.6 million, down \$76.9 million or 44% from the same prior year period. The decrease in operating cash flow is mainly attributed to changes in revenues from lower gold sales volume (\$45.1 million), higher income taxes paid (\$7.2 million) and higher non-cash working capital mainly due to the build-up of finished goods inventories (\$17.1 million).
- Operating cash flow before changes in working capital<sup>1</sup> for the third quarter 2012 was \$114.3 million (\$0.30 per share<sup>1</sup>), down \$59.8 million (\$0.16 per share) or 34% from the same prior year period.

#### **OPERATIONS**

- From a Health and Safety perspective, the frequency of all types of serious injuries (measured as DART rate<sup>2</sup>) across IAMGOLD for the current year to date was 1.06 compared to 1.12 for the full year 2011, representing a 5% improvement.
- On November 1, 2012, subsequent to the end of the third quarter, the Company regrettably reported that a gardener employed at an exploration office in Ouagadougou, Burkina Faso, drowned. This incident will be reflected in the Company's safety rating for the fourth quarter.
- Attributable gold production from continuing operations for the third quarter 2012 was 205,000 ounces, down 17,000 ounces or 8% from the same prior year period. The decrease in attributable gold production was mainly due to lower production at Essakane which was primarily the result of processing lower grade ore. In addition, lower production at the Sadiola joint venture operation was driven by lower throughput and lower grades.
- Cash costs<sup>1</sup> for the third quarter 2012 were \$710 per ounce, up \$36 per ounce or 5% from the same prior year period. Cash costs increased mainly due to the impact of lower grades on gold production.

#### **NIOBIMUM OPERATIONS**

- Niobium production for the third quarter 2012 was 1.2 million kilograms, consistent with the same prior year period. The operating margin per kilogram of niobium<sup>1</sup> for the third quarter 2012 was \$16 per kilogram, up \$2 per kilogram or 14% from the same prior year period mainly as a result of higher realized niobium prices.

#### **CORPORATE DEVELOPMENTS**

- On September 21, 2012, the Company completed the issuance of \$650.0 million of senior unsecured notes bearing interest at 6.75% due in 2020. The Company intends to use the proceeds for general corporate purposes, including the funding of capital expenditures and exploration.
- On October 4, 2012, IAMGOLD announced a mineral resource update for the Company's recently acquired Côté Gold project in northern Ontario. The results showed a 274% increase in indicated resources and a substantial increase in total ounces compared to the last release (pre-acquisition) by Trelawney Mining in February 2012. The indicated resource increased to 131 million tonnes averaging 0.84 grams of gold per tonne for 3.56 million ounces. The inferred resource is estimated at 165 million tonnes, averaging 0.88 grams of gold per tonne for 4.66 million ounces. The percentage of the resource in the indicated category increased to 44%, up from 14% in the previous estimate.
- The Company is in the process of disposing of its interest in the Quimsacocha project in Ecuador to INV Metals Inc. ("INV Metals") through the disposal of all shares of its wholly-owned subsidiary IAMGOLD Ecuador S.A., in exchange for 221.2 million common shares of INV Metals. As a requirement of the transaction, INV Metals raised C\$20.0 million in equity financing. The Company participated in the financing in the amount of C\$1.0 million and will hold approximately 47% of the issued and outstanding INV Metals shares immediately after the closing of the transaction.

<sup>1</sup> The Company has disclosed operating cash flow before changes in working capital, operating cash flow before changes in working capital per share, total cash cost per ounce and operating margin per kilogram of niobium sold which are non-GAAP measures. Refer to the Supplemental Information attached to the MD&A for reconciliation to GAAP measures.

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

<b>Summary of Financial and Operating Results</b>	Three months ended September 30,			Nine months ended September 30,		
	<b>2012</b>	<b>Change</b>	2011	<b>2012</b>	<b>Change</b>	2011
<b>(\$ millions, except where noted)</b>						
<b>Financial Data</b>						
Revenues	\$ 386.8	(10%)	\$ 431.9	\$ 1,201.6	1%	\$ 1,191.6
Mining costs	222.9	(7%)	240.7	688.6	6%	650.2
Gross earnings from mining operations	\$ 163.9	(14%)	\$ 191.2	\$ 513.0	(5%)	\$ 541.4
Net earnings attributable to equity holders of IAMGOLD <sup>1</sup>	\$ 78.0	56%	\$ 50.0	\$ 250.1	(3%)	\$ 257.7
Basic net earnings per share (\$/share) <sup>1</sup>	\$ 0.21	62%	\$ 0.13	\$ 0.67	(3%)	\$ 0.69
Adjusted net earnings attributable to equity holders of IAMGOLD <sup>1,2</sup>	\$ 60.2	(46%)	\$ 112.4	\$ 226.6	(24%)	\$ 297.9
Basic adjusted net earnings per share (\$/share) <sup>1,2</sup>	\$ 0.16	(47%)	\$ 0.30	\$ 0.60	(25%)	\$ 0.80
Operating cash flow <sup>1</sup>	\$ 97.6	(44%)	\$ 174.5	\$ 322.1	(17%)	\$ 387.3
Operating cash flow (\$/share) <sup>1</sup>	\$ 0.26	(43%)	\$ 0.46	\$ 0.86	(17%)	\$ 1.03
Operating cash flow before changes in working capital <sup>1,2</sup>	\$ 114.3	(34%)	\$ 174.1	\$ 373.9	(20%)	\$ 466.6
Operating cash flow before changes in working capital (\$/share) <sup>1,2</sup>	\$ 0.30	(35%)	\$ 0.46	\$ 0.99	(21%)	\$ 1.25
<b>Key Operating Statistics – Gold mines</b>						
Gold sales – 100% (000s oz) <sup>1</sup>	201	(13%)	231	635	(8%)	690
Gold sales – Attributable (000s oz) <sup>1</sup>	188	(13%)	217	595	(8%)	648
Gold production – Attributable (000s oz) <sup>3</sup>	205	(8%)	222	616	(4%)	643
Average realized gold price (\$/oz) <sup>1</sup>	\$ 1,670	-	\$ 1,675	\$ 1,653	8%	\$ 1,524
Total cash cost (\$/oz) <sup>1,2</sup>	\$ 710	5%	\$ 674	\$ 708	12%	\$ 634
Gold margin (\$/oz) <sup>1,2</sup>	\$ 960	(4%)	\$ 1,001	\$ 945	6%	\$ 890
<b>Key Operating Statistics – Niobec mine</b>						
Niobium production (millions of kg Nb)	1.2	-	1.2	3.5	3%	3.4
Niobium sales (millions of kg Nb)	1.2	20%	1.0	3.6	9%	3.3
Operating margin (\$/kg Nb) <sup>2</sup>	\$ 16	14%	\$ 14	\$ 15	7%	\$ 14

<b>Financial Position (\$ millions)</b>	<b>September 30, 2012</b>	<b>Change</b>	<b>December 31, 2011</b>
Cash, cash equivalents, and gold bullion			
▪ at market value	\$ 1,136.1	(10%)	\$ 1,262.5
▪ at cost	\$ 993.7	(13%)	\$ 1,148.4
Total assets	\$ 5,214.3	20%	\$ 4,349.7
Long-term debt	\$ 638.3	-	\$ -
Equity	\$ 3,767.3	7%	\$ 3,528.9

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

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

3 Excludes attributable ounces from discontinued operations of nil for the three months and nine months ended September 30, 2012 (three months ended September 30, 2011: 9,000 ounces, nine months ended September 30, 2011: 76,000 ounces). Discontinued operations include Mupane, Tarkwa and Damang, which were sold in 2011.

## OUTLOOK

<b>IAMGOLD full year 2012 guidance</b>	
Attributable gold production (000s oz)	<b>840 – 910</b>
Cash cost (\$/oz) <sup>1</sup>	<b>\$670 – \$695</b>
Niobec production (millions of kg Nb)	<b>4.6 – 5.1</b>
Niobec operating margin (\$/kg Nb) <sup>1</sup>	<b>\$15 – \$17</b>
Capital expenditures (\$ millions)	<b>\$750 – \$780</b>

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

IAMGOLD expects 2012 gold production at the lower end of the guidance range due to the underperformance of the Company's joint venture operations. 2012 cash costs year-to-date for the Company's owned and operated mines are below the bottom of the guidance range, and are expected to be within guidance for the full year. However, consolidated cash costs are expected to be within  $\pm$  3% of the upper end of the \$670-\$695 per ounce range, due to lower production at the Company's joint venture operations. The Company maintains its 2012 guidance for niobium production and operating margin.

The Company is reducing its 2012 capital expenditure guidance from a range of \$800 to \$840 million to a range of \$750 to \$780 million. The lower expenditure is primarily due to timing assumptions with respect to the Sadiola and Essakane expansion projects. Further delays are expected with the Sadiola sulphide project, and the agreement on fiscal terms related to the Essakane expansion was concluded later than originally anticipated.

The effective tax rate for the third quarter 2012 was 35.0% compared to 54.0% for the same period in the prior year. The decrease in the effective tax rate is primarily attributable to unrealized foreign exchange gains and losses on the translation of inter-company loans and non-monetary assets from their tax currency (i.e., Canadian dollar, CFA, etc.) to their functional currency (i.e., the U.S. dollar). In 2011, the translation resulted in a net unrealized foreign exchange gain and a tax expense, whereas in 2012, the translation resulted in a net unrealized foreign exchange loss and a tax benefit.

The effective tax rate for the first nine months 2012 was 34.7% compared to 36.3% for the same period in the prior year. The decrease in the year to date effective rate is attributable to unrealized foreign exchange gains and losses, changes in enacted tax rates and the geographical mix of income.

The Company maintains its guidance for the effective tax rate to be in the range of 35% to 37% as previously disclosed.

The outlook is based on 2012 full year assumptions for average realized gold price of \$1,700 per ounce, \$C/\$US exchange rate of 1.00, \$US/€ exchange rate of 1.40 and average crude oil price of \$90 per barrel.

### 2013 Outlook

The Company is reducing its capital expenditure forecast for 2013, with details to be communicated at a later date. This is mainly due to delayed approval of the Sadiola sulphide project and the deferral of capital spending at Niobec. Rather than accelerate capital expenditures related to the Niobec expansion, as was contemplated initially, the timing of capital spending will be aligned with the advancement of permitting and the completion of the feasibility study.

As a result of the revised capital expenditure forecast for the gold business, continued poor performance at Sadiola and a slower ramp-up in production at Westwood, which will commence in the first quarter 2013, the Company is revising its 2013 production forecast. For 2013, gold production is expected to range between 875,000 and 950,000 ounces.

## 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 third quarter 2012, the gold price continued to display considerable volatility with spot daily closings between \$1,556 and \$1,785 per ounce (2011: between \$1,483 and \$1,895 per ounce) from the London Bullion Market Association.

	Three months ended September 30,			Nine months ended September 30,		
	2012	Change	2011	2012	Change	2011
Average market gold price (\$/oz)	\$ 1,652	(3%)	\$ 1,702	\$ 1,652	8%	\$ 1,534
Average realized gold price (\$/oz)	\$ 1,670	-	\$ 1,675	\$ 1,653	8%	\$ 1,524
Closing market gold price (\$/oz)				\$ 1,776	10%	\$ 1,620

### NIOBIMUM MARKET

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

### CURRENCY

The Company's reporting and functional currency is the U.S. dollar. Movement in the Canadian dollar against the U.S. dollar has a direct impact on the Company's Canadian mining activities and the corporate office cost base. International operations are also exposed to fluctuation in currency exchange rates. Currencies continued to experience volatility relative to the U.S. dollar in the third quarter 2012. The key currencies to which the Company is exposed are the Canadian dollar and the Euro.

Third quarter ended September 30	2012	2011
Average rates		
▪ Canadian\$ / U.S.\$	0.9951	0.9800
▪ U.S.\$ / Euro	1.2520	1.4127
Closing rates		
▪ Canadian\$ / U.S.\$	0.9838	1.0496
▪ U.S.\$ / Euro	1.2846	1.3384

In 2012, the Company will have a significant Canadian dollar requirement due to the expenditures required to advance the Westwood and Côte Gold projects and the Niobec expansion project. In addition, the Company will continue to have Euro and ZAR requirements due to capital and operating expenditures related to the Essakane mine in Burkina Faso. The Company hedges currency exposure through forward and option contracts to mitigate the impact of the volatility in the exchange rates of these currencies. In 2012, the Company will, on an ongoing basis, update its hedging strategy, which is designed to meet its currency requirements by mitigating the volatility of movement in the exchange rate of foreign currencies.

## OIL PRICE

The Company's operations and projects expect to consume approximately 1.0 million barrels of fuel in 2012. In the third quarter 2012, the oil price displayed considerable volatility with spot daily closings between \$84 and \$99 per barrel.

<b>Third quarter ended September 30</b>	<b>2012</b>	2011
Average market oil price (\$/barrel)	\$ 92	\$ 90
Closing market oil price (\$/barrel)	\$ 92	\$ 82

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

## SENSITIVITY IMPACT

The following table provides estimated sensitivities around certain inputs, excluding the impact of the Company's hedging program that can affect the Company's operating results, assuming expected 2012 production levels.

	<b>Change of</b>	<b>Annualized Impact on Cash Cost<sup>1</sup> by \$/oz</b>
Gold price	\$100/oz	\$6
Oil price	\$10/barrel	\$12
Euro	\$0.10	\$10

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

## QUARTERLY UPDATES

### Operations

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

	Gold Sales (000s oz)				Realized Gold Price (\$/oz)			
	Three months ended September 30,		Nine months ended September 30,		Three months ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011	2012	2011	2012	2011
Operator	170	193	546	578	\$ 1,674	\$ 1,672	\$ 1,654	\$ 1,523
Joint ventures <sup>1</sup>	31	38	89	112	\$ 1,645	\$ 1,693	\$ 1,648	\$ 1,528
Total sales from continuing operations <sup>2,3</sup>	201	231	635	690	\$ 1,670	\$ 1,675	\$ 1,653	\$ 1,524

1 Attributable sales of joint ventures: Sadiola (41%) and Yatela (40%).

2 Attributable sales volume for the third quarter 2012 and 2011 were 188,000 and 217,000 ounces, respectively, and for the first nine months 2012 and 2011 were 595,000 and 648,000 ounces, respectively, after taking into account 95% of the Rosebel sales and 90% of the Essakane sales.

3 Continuing operations exclude Mupane, Tarkwa and Damang, which were sold in 2011 and are discontinued operations.

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

	Gold Production (000s oz)				Total Cash Cost <sup>1</sup> (\$/oz)			
	Three months ended September 30,		Nine months ended September 30,		Three months ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011	2012	2011	2012	2011
<b>IAMGOLD Operator</b>								
Rosebel (95%)	95	94	282	281	\$ 689	\$ 629	\$ 674	\$ 622
Essakane (90%)	77	86	238	243	594	535	580	513
Doyon division <sup>2</sup> (100%)	-	5	4	5	-	1,203	137	1,203
	172	185	524	529	\$ 644	\$ 602	\$ 627	\$ 577
<b>Joint Ventures</b>								
Sadiola (41%)	26	30	73	93	\$ 978	\$ 839	\$ 1,059	\$ 755
Yatela (40%)	7	7	19	21	1,324	1,793	1,587	1,510
	33	37	92	114	\$ 1,050	\$ 1,031	\$ 1,169	\$ 894
<b>Continuing operations</b>	205	222	616	643	\$ 710	\$ 674	\$ 708	\$ 634
<b>Discontinued operations<sup>3</sup></b>	-	9	-	76	\$ -	\$ 1,287	\$ -	\$ 847
<b>Total</b>	205	231	616	719	\$ 710	\$ 697	\$ 708	\$ 656
<b>Continuing operations</b>								
Cash cost excluding royalties					\$ 623	\$ 584	\$ 620	\$ 550
Royalties					87	90	88	84
Total cash cost <sup>1</sup>					\$ 710	\$ 674	\$ 708	\$ 634

1 Total cash cost is a non-GAAP measure. Refer to the Supplemental Information section attached to the MD&A for reconciliation to GAAP measures.

2 As a cost savings initiative, the ore mined from Mouska was stockpiled in 2011. In 2012, the mine will not be producing other than marginal gold derived from the mill clean-up process.

3 Discontinued operations include Mupane, Tarkwa and Damang, which were sold in 2011.

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

	Three months ended September 30,			Nine months ended September 30,		
	2012	Change	2011	2012	Change	2011
Total operating material mined (000s t)	15,716	6%	14,883	40,749	6%	38,478
Capital waste mined (000s t)	223	-	-	1,210	-	-
Strip ratio <sup>1</sup>	3.5	17%	3.0	3.0	(3%)	3.1
Ore milled (000s t)	3,229	(3%)	3,315	9,542	-	9,508
Head grade (g/t)	1.0	-	1.0	1.0	-	1.0
Recovery (%)	97	4%	93	96	2%	94
Gold production – 100% (000s oz)	100	1%	99	297	-	296
Attributable gold production – 95% (000s oz)	95	1%	94	282	-	281
Gold sales – 100% (000s oz)	88	(11%)	99	283	(2%)	290
Gold revenue (\$/oz) <sup>2</sup>	\$ 1,677	-	\$ 1,674	\$ 1,652	8%	\$ 1,529
Cash cost excluding royalties (\$/oz)	\$ 595	11%	\$ 535	\$ 579	8%	\$ 537
Royalties (\$/oz)	\$ 94	-	\$ 94	\$ 95	12%	\$ 85
Total cash cost (\$/oz) <sup>3</sup>	\$ 689	10%	\$ 629	\$ 674	8%	\$ 622

1 Strip ratio is calculated as waste divided by ore mined.

2 Gold revenue per ounce is calculated as gold sales divided by ounces of gold sold.

3 Total cash cost per ounce is a non-GAAP measure. Refer to the Supplemental Information section attached to the MD&A for reconciliation to GAAP measures.

Gold production during the third quarter 2012 was marginally higher than the same prior year period, primarily as a result of higher recoveries, partially offset by lower throughput. Recoveries have improved with the nearly complete upgrade of the gravity circuit.

Total cash costs per ounce were higher compared to the same prior year period mainly due to higher labour, fuel and power costs. Labour costs were higher due to inflationary factors in the Surinamese economy and the increase in manpower attributable to a higher tonnage mined. The processing of a greater proportion of hard rock drove up power costs.

During the third quarter 2012, Rosebel's capital expenditures were \$27.9 million and consisted of advancing the third ball mill project (\$10.1 million), new mining equipment (\$6.6 million), resource development and near-mine exploration (\$4.7 million) and various smaller projects (\$6.5 million).

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

	Three months ended September 30,			Nine months ended September 30,		
	2012	Change	2011	2012	Change	2011
Total operating material mined (000s t)	1,957	(70%)	6,526	9,304	(54%)	20,072
Capital waste mined (000s t)	7,696	-	-	16,617	-	-
Strip ratio <sup>1</sup>	4.3	153%	1.7	2.6	53%	1.7
Ore milled (000s t)	2,620	33%	1,975	7,957	43%	5,570
Head grade (g/t)	1.1	(31%)	1.6	1.1	(31%)	1.6
Recovery (%)	92	(4%)	96	92	(4%)	96
Gold production – 100% (000s oz)	85	(11%)	95	264	(2%)	270
Attributable gold production – 90% (000s oz)	77	(11%)	86	238	(2%)	243
Gold sales – 100% (000s oz)	82	(10%)	91	256	(7%)	275
Gold revenue (\$/oz) <sup>2</sup>	\$ 1,670	-	\$ 1,670	\$ 1,655	9%	\$ 1,520
Cash cost excluding royalties (\$/oz)	\$ 517	15%	\$ 451	\$ 501	15%	\$ 434
Royalties (\$/oz)	\$ 77	(8%)	\$ 84	\$ 79	-	\$ 79
Total cash cost (\$/oz) <sup>3</sup>	\$ 594	11%	\$ 535	\$ 580	13%	\$ 513

1 Strip ratio is calculated as waste divided by ore mined.

2 Gold revenue per ounce is calculated as gold sales divided by ounces of gold sold.

3 Total cash cost per ounce is a non-GAAP measure. Refer to the Supplemental Information section attached to the MD&A for reconciliation to GAAP measures.

Gold production during the third quarter 2012 was 11% lower than the same prior year period mainly due to lower recoveries and processing of lower-grade ore, which offset the increase in ore milled.

Total cash costs in the third quarter 2012 were higher compared to the same prior year period mainly due to the impact of lower grades on gold production and a higher strip ratio.

During the third quarter 2012, Essakane's capital expenditures were \$85.6 million and consisted of the expansion project (\$62.1 million), capitalized stripping costs on the push-back of the pit (\$12.2 million), capital spares (\$3.4 million), resource development (\$2.5 million), and other sustaining capital (\$5.4 million).

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

	Three months ended September 30,			Nine months ended September 30,		
	2012	Change	2011	2012	Change	2011
Total operating material mined (000s t)	15	(7%)	14	48	9%	44
Gold production – 100% (000s oz)	-	(100%)	5	4	(20%)	5
Gold sales – 100% (000s oz)	-	(100%)	3	7	(46%)	13
Gold revenue (\$/oz) <sup>1</sup>	\$ -	(100%)	\$ 1,673	\$ 1,678	16%	\$ 1,443
Cash cost excluding royalties (\$/oz)	\$ -	(100%)	\$ 1,161	\$ 100	(91%)	\$ 1,161
Royalties (\$/oz)	\$ -	(100%)	\$ 42	\$ 37	(12%)	\$ 42
Total cash cost (\$/oz) <sup>2</sup>	\$ -	(100%)	\$ 1,203	\$ 137	(89%)	\$ 1,203

1 Gold revenue per ounce is calculated as gold sales divided by ounces of gold sold.

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

During the third quarter 2012, the site continued to stockpile ore, which will be processed in the refurbished mill in 2013.

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

	Three months ended September 30,			Nine months ended September 30,		
	2012	Change	2011	2012	Change	2011
Total operating material mined (000s t)	1,874	(30%)	2,659	6,688	(14%)	7,768
Capital waste mined (000s t)	390	-	-	3,315	-	-
Strip ratio <sup>1</sup>	7.1	(54%)	15.6	12.7	53%	8.3
Ore milled (000s t)	447	(11%)	505	1,357	(7%)	1,466
Head grade (g/t)	1.7	(15%)	2.0	1.8	(5%)	1.9
Recovery (%)	94	-	94	87	(8%)	95
Attributable gold production – 41% (000s oz)	26	(13%)	30	73	(22%)	93
Attributable gold sales – 41% (000s oz)	25	(19%)	31	71	(22%)	91
Gold revenue (\$/oz) <sup>2</sup>	\$ 1,644	(3%)	\$ 1,691	\$ 1,646	8%	\$ 1,527
Cash cost excluding royalties (\$/oz)	\$ 883	19%	\$ 739	\$ 964	45%	\$ 666
Royalties (\$/oz)	\$ 95	(5%)	\$ 100	\$ 95	7%	\$ 89
Total cash cost (\$/oz) <sup>3</sup>	\$ 978	17%	\$ 839	\$ 1,059	40%	\$ 755

1 Strip ratio is calculated as waste divided by ore mined.

2 Gold revenue per ounce is calculated as gold sales divided by ounces of gold sold.

3 Total cash cost per ounce is a non-GAAP measure. Refer to the Supplemental Information section attached to the MD&A for reconciliation to GAAP measures.

Attributable gold production for the third quarter 2012 was 13% lower compared to the same prior year period driven by lower grades and lower throughput. Higher cash costs compared to the same prior year period were the result of lower production and processing harder ore, which resulted in the usage of higher amounts of power and consumables.

The Company's attributable portion of capital expenditures during the third quarter 2012 was \$11.6 million and consisted of spending on the Sadiola sulphide project (\$8.5 million), capitalized stripping (\$1.6 million) and various smaller projects (\$1.5 million).

Sadiola did not distribute a dividend during the third quarter 2012 compared to the distribution of a \$13.4 million dividend to the Company during the third quarter 2011.

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

	Three months ended September 30,			Nine months ended September 30,		
	2012	Change	2011	2012	Change	2011
Total operating material mined (000s t)	2,078	45%	1,432	6,435	38%	4,666
Strip ratio <sup>1</sup>	12.6	40%	9.0	16.0	132%	6.9
Ore crushed (000s t)	315	21%	261	813	(1%)	825
Head grade (g/t)	0.9	(10%)	1.0	0.8	(20%)	1.0
Attributable gold stacked – 40% (000s oz)	7	(13%)	8	19	(30%)	27
Attributable gold production – 40% (000s oz)	7	-	7	19	(10%)	21
Attributable gold sales – 40% (000s oz)	6	(14%)	7	18	(14%)	21
Gold revenue (\$/oz) <sup>2</sup>	\$ 1,651	(3%)	\$ 1,701	\$ 1,652	8%	\$ 1,534
Cash cost excluding royalties (\$/oz)	\$ 1,236	(27%)	\$ 1,687	\$ 1,492	5%	\$ 1,417
Royalties (\$/oz)	\$ 88	(17%)	\$ 106	\$ 95	2%	\$ 93
Total cash cost (\$/oz) <sup>3</sup>	\$ 1,324	(26%)	\$ 1,793	\$ 1,587	5%	\$ 1,510

1 Strip ratio is calculated as waste divided by ore mined.

2 Gold revenue per ounce is calculated as gold sales divided by ounces of gold sold.

3 Total cash cost per ounce is a non-GAAP measure. Refer to the Supplemental Information section attached to the MD&A for reconciliation to GAAP measures.

Attributable gold production in the third quarter 2012 was similar to the same prior year period.

Cash costs in the third quarter 2012 were lower due to the impact of the impairment to inventories during 2012 which have reduced the net cost of gold produced. As expected, the short-term, non-capitalized waste stripping activities were completed in the third quarter and this has resulted in improved access to ore.

There were no significant capital expenditures during the third quarter 2012 and 2011. Yatela did not distribute any dividends during both the third quarters 2012 and 2011.

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

	Three months ended September 30,			Nine months ended September 30,		
	2012	Change	2011	2012	Change	2011
Total operating material mined (000s t)	546	12%	487	1,599	2%	1,562
Ore milled (000s t)	560	7%	524	1,637	4%	1,574
Grade (% Nb <sub>2</sub> O <sub>5</sub> )	0.54	(2%)	0.55	0.54	(5%)	0.57
Niobium production (millions of kg Nb)	1.2	-	1.2	3.5	3%	3.4
Niobium sales (millions of kg Nb)	1.2	20%	1.0	3.6	9%	3.3
Operating margin (\$/kg Nb) <sup>1</sup>	\$ 16	14%	\$ 14	\$ 15	7%	\$ 14

<sup>1</sup> 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 third quarter 2012 was unchanged compared to the same prior year period as higher throughput and recoveries were offset by lower Nb<sub>2</sub>O<sub>5</sub> ore grades.

Niobium revenues increased to \$47.7 million in the third quarter 2012 compared to \$42.4 million in the same prior year period due to a higher realized niobium prices and higher sales volumes. Operating margin during the third quarter 2012 was higher compared to the same prior year period as a result of the higher realized niobium prices partially offset by higher labour costs and the impact of lower grades.

In the third quarter 2012, capital expenditures were \$17.1 million and included underground development (\$3.8 million), service hoist project (\$3.8 million), feasibility study (\$3.5 million), process improvement (\$2.3 million), mining equipment (\$0.8 million), relocation of the leaching and the filter band (\$0.4 million) and various other projects (\$2.5 million).

## DEVELOPMENT AND EXPANSION PROJECTS

(\$ millions)	Three months ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011
North America				
Canada – Westwood project	\$ 40.9	\$ 30.6	\$ 120.6	\$ 88.4
Canada – Niobec feasibility study	3.5	-	4.3	-
Africa				
Burkina Faso – Essakane expansion	62.1	-	97.0	-
Mali – Sadiola sulphide project (41%)	8.5	-	19.3	-
South America				
Ecuador – Quimsacocha project	-	0.8	1.3	2.5
<b>Capitalized Development and Expansion Expenditures</b>	<b>\$ 115.0</b>	<b>\$ 31.4</b>	<b>\$ 242.5</b>	<b>\$ 90.9</b>

In the third quarter 2012, the Company's total development and expansion project expenditures was \$115.0 million. As expected in the third quarter 2012, expenditures for the Essakane expansion ramped up as permits were granted and fiscal terms were confirmed. At Sadiola, the sulphide project initiative has progressed cautiously given the ongoing political events. The Company is monitoring the situation and is ready to move forward, when appropriate.

### CANADA – WESTWOOD PROJECT

The target start-up for operations is first quarter 2013. The Westwood project expenditures in the third quarter 2012 of \$40.9 million consisted of significant infrastructure preparation and construction, including the cyanide destruction plant, paste fill plant and work progress on mill refurbishing. The new waste water treatment plant is now operational. The sewage and potable water network is complete. During the third quarter 2012, shaft sinking reached a depth of 1,817 metres. Underground development work in the third quarter 2012 totaled 2,963 metres (nine months ended 2012 – 9,800 metres) of lateral and vertical excavation. In October, the union membership ratified a six-year contract effective from December 1, 2011.

#### Q4 Activities:

- Construction of a new paste backfill plant
- Refurbishment of the existing Doyon mill and installation of a new sewage treatment plant
- Shaft sinking to a depth of 1,954 metres by the end of 2012
- Completion of infill and step-out drilling program for 2012 for resource development
- Completion of 15,000 metres of vertical and lateral development
- Continued mining in the Warrenmac zone for stockpiling ahead of the 2013 start-up

#### **CANADA - NIOBEC FEASIBILITY STUDY**

Based on the pre-feasibility study completed in early 2012, the Company is proceeding with a feasibility study based on the block caving mining method. The completion of the feasibility study is expected by the third quarter 2013 and the permitting process should be finalized by 2014. Additional funding is not required until the commencement of construction.

#### **BURKINA FASO – ESSAKANE EXPANSION PROJECT**

Under the expansion plan, mining will be carried out using the same type of equipment currently used at Essakane. The construction of the expanded plant to double hard rock processing capacity commenced in early July. This followed a favourable outcome to negotiations with the Government of Burkina Faso on fiscal terms related to mine expansions, including a reduction in the import duty on expansion related-materials from 7.5% to 2.5%. Completion of the construction project is expected by the end of 2013.

#### **MALI – SADIOLA SULPHIDE PROJECT**

Under the current project schedule, pre-stripping of the Sadiola main pit to access the underlying sulphides will begin in 2013. Project completion and start-up of the new process plant is scheduled for the end of 2014.

#### **SOUTH AMERICA – ECUADOR – QUIMSACocha PROJECT**

The Company is in the process of disposing of its interest in the Quimsacocha project in Ecuador to INV Metals Inc. ("INV Metals") through the disposal of all shares of its wholly-owned subsidiary IAMGOLD Ecuador S.A., in exchange for 221.2 million common shares of INV Metals. As a requirement of the transaction, INV Metals raised C\$20.0 million in equity financing. The Company participated in the financing in the amount of C\$1.0 million and will hold approximately 47% of the issued and outstanding INV Metals shares immediately after the closing of the transaction.

#### **SURINAME - ROSEBEL EXPANSION**

The Company is making good progress towards reaching a definitive agreement, which will be followed by a concept study to further define the expansion potential of bringing in the satellite resources.

## EXPLORATION

IAMGOLD was active at 20 mine sites, near-mine and greenfields exploration projects in eight countries of West Africa and North and South America for the nine months ended September 30, 2012.

In the third quarter 2012, exploration expenditures totaled \$43.7 million, of which \$33.6 million was expensed and \$10.1 million was capitalized. This is higher than exploration expenditures totaling \$27.1 million for the same period in 2011. Drilling activities from all projects totaled approximately 176,900 metres.

(\$ millions)	Three months ended September 30,			Nine months ended September 30,		
	2012	Change	2011	2012	Change	2011
Near-mine exploration and evaluation	\$ 12.1	(1%)	\$ 12.2	\$ 35.8	(2%)	\$ 36.7
Greenfield exploration projects	31.6	112%	14.9	71.3	84%	38.8
Total	\$ 43.7	61%	\$ 27.1	\$ 107.1	42%	\$ 75.5

### OUTLOOK – 2012 EXPLORATION

The following table represents the current outlook for exploration expenditures for 2012:

(\$ millions)	Capitalized	Expensed	Total
Near-mine exploration and evaluation	\$ 37.0	\$ 33.4	\$ 70.4
Greenfield exploration projects	1.6	85.3	86.9
Total	\$ 38.6	\$ 118.7	\$ 157.3

The outlook for 2012 exploration expenditures is \$157.3 million, up \$48.7 million as compared to the 2011 full year exploration spend. The outlook for 2012 is higher due to the expanded exploration program which is mainly from the Côte Gold project in Ontario (\$24.1 million).

### MINE SITE AND NEAR MINE EXPLORATION PROGRAMS

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

#### ESSAKANE, BURKINA FASO

Approximately 28,000 metres of diamond and reverse circulation drilling was completed during the quarter, including approximately 13,500 metres targeting potential extensions of the Essakane Main Zone to the north beyond the current life of mine pit and at depth, within or slightly below the expansion feasibility study pit design. Drilling programs designed to test for southeast extensions of the Falagountou satellite deposit and to evaluate the resource potential of selected target areas along the 10 kilometre long Gossey - Korizena mineralized trend were concluded due to arrival of seasonal rains. Integration and interpretation of results is in progress as assay data comes to hand.

#### ROSEBEL, SURINAME

Approximately 34,000 metres of diamond drilling was completed during the quarter, mainly at the J Zone, Koolhoven, Rosebel, Mayo and West Pay Caro deposits, to increase the confidence in the existing resource inventory and target resource expansions. Intersections were obtained from most targeted zones and results will be incorporated into updated resource models as they are received. Targeted geological mapping and geochemical sampling programs continued elsewhere on the property, as did a mechanical auger drilling program over domains of thick alluvium that cover projected extensions of the Rosebel district mineralized trends.

#### WESTWOOD, QUEBEC, CANADA

Twelve underground diamond drills operated during the third quarter and a total slightly exceeding 20,000 metres was completed. The Company's efforts were focused on infill delineation drilling between levels 36 and 104, and resource expansion drilling, principally below level 132. Obtained intersections continue to extend known mineralization and increase confidence in existing resources. The drilling program is carried out in conjunction with shaft sinking, underground development and construction of surface installations as the mine moves to operations scheduled for the first quarter 2013.

#### **MOUSKA, QUEBEC, CANADA**

Approximately 5,300 metres of underground diamond drilling was completed with four diamond drill rigs during the quarter. The program targeting Zones 47 and 50 South and their extensions was finalized in August. Drilling continues to evaluate the potential of Zone 65, a mineralized structure that parallels historically mined zones. With the decision to close the Mouska operation at the end of 2013, drilling beyond the scheduled production areas has ceased.

#### **NIOBEC, QUEBEC, CANADA**

Over 18,000 metres of underground diamond drilling was completed as part of a resource delineation and expansion project program designed to convert resources to reserves and underpin a five-year transition strategy toward the planned expansion. Drill results are as expected and continue to upgrade resources to mineral reserves. Metallurgical test work to constrain the resource estimation process continued during the quarter.

#### **GREENFIELD EXPLORATION PROJECTS**

In addition to the mine site and near mine exploration programs described above, the Company was active on some fifteen early stage to advanced greenfield exploration projects for the nine months ended September 30, 2012.

Highlights for the third quarter include:

#### **CÔTÉ GOLD PROJECT, ONTARIO, CANADA**

Approximately 51,000 metres of diamond drilling has been completed on the Côte Gold project since it was acquired on June 21, 2012. On October 4, 2012 the Company reported NI 43-101 compliant indicated resources of 131 million tonnes averaging 0.84 grams of gold per tonne for 3.56 million ounces and inferred resources of 165 million tonnes averaging 0.88 grams of gold per tonne for 4.66 million ounces for the Côte Gold deposit. The updated resource estimate, based on a cut-off grade of 0.30 grams of gold per tonne, represents a 274% increase in indicated resources from the previous estimate, also based on a cut-off grade of 0.30 grams of gold per tonne. Resource delineation drilling will continue into the fourth quarter, together with geotechnical studies and metallurgical test work to support the commencement of a pre-feasibility study. A further resource update will be completed as part of the Company's annual year-end Mineral Reserves and Resources Statement.

#### **REE PROJECT, QUEBEC, CANADA**

Almost 8,000 metres of diamond drilling was carried out during the third quarter to complete a resource delineation program on 100 x 100 metre drill centres and to an average vertical depth of 700 metres. The purpose of the program is to upgrade mineral resources of the REE deposit. A planned 1,300 metre exploration drift extending from the Niobec mine to the REE deposit was also initiated. The drift is expected to be completed in early 2013 and will allow for the collection of a bulk sample to support planned metallurgical studies and provide access for future underground drilling programs.

#### **KALANA JOINT VENTURE, MALI**

Diamond and reverse circulation drilling programs in progress on the Kalana project totaled over 8,100 metres during the quarter. Significant progress was made to reduce the large assay backlog, with returned results continuing to consolidate geological modeling ahead of a mineral resource estimate that is anticipated for completion in the fourth quarter. The principal objective of the current program is to satisfy the remaining earn-in requirement by developing a resource estimate for the Kalana mine area and nearby prospects.

#### **BOTO, SENEGAL**

Exploration diamond drilling continued on the Boto project until activities were halted in late July for the annual rainy season. Infill and extension drilling at the Boto 2, 4 and 6 prospects totaled over 1,100 metres for the quarter. Assay results returned to date have confirmed and in some cases extended the strike of known mineralization zones. The expanded drill program aims to evaluate the mineral resource potential of these targets and is expected to resume early in the fourth quarter.

#### **PITANGUI, BRAZIL**

A total of approximately 2,100 metres of diamond drilling was completed at the Jaguar prospect during the quarter where Banded Iron Formation hosted gold mineralization has been intersected over a minimum 700-metre strike length. A geophysical program was also initiated to help constrain the geometry of intersected mineralization zones and, in combination with regional soil geochemical surveys, identify additional anomalies over the prospective host stratigraphy.

## QUARTERLY FINANCIAL REVIEW

(\$ millions, except where noted)	2012			2011				2010
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Revenues from continuing operations	\$ 386.8	\$ 410.6	\$ 404.2	\$ 481.6	\$ 431.9	\$ 345.7	\$ 414.0	\$ 440.9
Net earnings from continuing operations	\$ 86.7	\$ 60.9	\$ 129.0	\$ 145.8	\$ 60.0	\$ 80.1	\$ 142.1	\$ 120.3
Net earnings	\$ 86.7	\$ 60.9	\$ 129.0	\$ 145.8	\$ 50.7	\$ 484.5	\$ 162.3	\$ 134.5
Net earnings attributable to equity holders of IAMGOLD	\$ 78.0	\$ 52.9	\$ 119.2	\$ 133.7	\$ 40.7	\$ 478.9	\$ 153.4	\$ 124.0
Basic earnings attributable to equity holders of IAMGOLD per share (\$/share)	\$ 0.21	\$ 0.14	\$ 0.32	\$ 0.36	\$ 0.11	\$ 1.28	\$ 0.41	\$ 0.33
Diluted earnings attributable to equity holders of IAMGOLD per share (\$/share)	\$ 0.21	\$ 0.14	\$ 0.32	\$ 0.35	\$ 0.11	\$ 1.27	\$ 0.41	\$ 0.33

The third quarter 2012 is the eleventh consecutive quarter of positive net earnings for the Company.

## FINANCIAL CONDITION

### Liquidity and Capital Resources

The Company ended the third quarter 2012 with \$1,136.1 million in cash, cash equivalents and gold bullion at market value.

Working capital<sup>1</sup> as at September 30, 2012 was \$1,116.9 million, down \$55.8 million compared to December 31, 2011 due to lower current assets (\$76.9 million) partially offset by lower current liabilities (\$21.1 million).

Current assets were mainly down due to less cash and cash equivalents of \$154.8 million resulting mainly from the acquisition of the Côte Gold project (\$485.7 million), capital expenditures related to mining assets and exploration and evaluation assets (\$491.4 million), the payment of dividends (\$105.2 million) and acquisitions of investments (\$48.9 million), offset partially by cash generated from the issuance of senior unsecured notes (\$650.0 million) and operating activities (\$322.1 million).

Working capital <sup>1</sup>		September 30, 2012	December 31, 2011
Working capital <sup>1</sup>	(\$ millions)	\$ 1,116.9	\$ 1,172.7
Current working capital <sup>1</sup> ratio <sup>2</sup>		4.2	4.2

<sup>1</sup> Working capital is defined as current assets less current liabilities and excludes long-term stockpiles.

<sup>2</sup> Current working capital ratio is defined as current assets divided by current liabilities.

As at September 30, 2012 no funds were drawn against the Company's \$750.0 million total unsecured revolving credit facilities. As of September 30, 2012 the Company has committed \$70.0 million of its \$75.0 million letters of credit facility for the guarantee of certain asset retirement obligations.

Gold bullion		September 30, 2012	December 31, 2011
Ounces held	(oz)	134,738	134,636
Weighted average acquisition cost	(\$/oz)	\$ 720	\$ 719
Acquisition cost	(\$ millions)	\$ 96.9	\$ 96.8
End of period spot price for gold	(\$/oz)	\$ 1,776	\$ 1,566
End of period market value	(\$ millions)	\$ 239.3	\$ 210.9

## CONTRACTUAL OBLIGATIONS

Contractual obligations as at September 30, 2012 were \$1,252.4 million, an increase of \$1,035.5 million compared to December 31, 2011, mainly due to the issuance of 6.75% senior unsecured notes for gross proceeds of \$650.0 million in the current quarter. These obligations will be met through available cash resources and operating cash flows. Contractual obligations presented in tabular form below.

<b>At September 30, 2012</b>	<b>Total</b>	<b>Less than 1 Year</b>	<b>2–3 Years</b>	<b>4–5 Years</b>	<b>After 5 Years</b>
(\$ millions)					
Long-term debt	\$ 1,002.4	\$ 23.2	\$ 87.8	\$ 87.8	\$ 803.6
Contracted capital expenditures	119.0	118.1	0.9	-	-
Purchase obligations	123.0	107.3	10.6	4.5	0.6
Operating leases	8.0	0.9	5.3	1.8	-
<b>Total contractual obligations</b>	<b>1,252.4</b>	<b>249.5</b>	<b>104.6</b>	<b>94.1</b>	<b>804.2</b>
Asset retirement obligations <sup>(a)</sup>	246.2	6.4	14.5	13.1	212.2
Termination benefits <sup>(a)</sup>	3.0	0.8	2.2	-	-
<b>Total obligations</b>	<b>\$ 1,501.6</b>	<b>\$ 256.7</b>	<b>\$ 121.3</b>	<b>\$ 107.2</b>	<b>\$ 1,016.4</b>

(a) Represents undiscounted cash flows.

## Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. For hedging activities, it is the risk that the fair value of a derivative might be adversely affected by a change in underlying commodity prices or currency exchange rates and that this in turn affects the Company's financial condition.

The Company mitigates market risk by establishing and monitoring parameters that limit the types and degree of market risk that may be undertaken, establishing trading agreements with counterparties under which there is no requirement to post any collateral or make any margin calls on derivatives. Counterparties cannot require settlement solely because of an adverse change in the fair value of a derivative.

## MARKETABLE SECURITIES AND WARRANTS HELD AS INVESTMENTS AND MARKET PRICE RISK

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

At the end of the quarter, the Company reviewed the value of marketable securities for objective evidence of impairment and determined that an impairment charge of \$1.2 million was required in the third quarter 2012 of which \$1.0 million was transferred from the fair value reserve to the statement of earnings (\$20.7 million during the first nine months 2012 of which \$15.9 million were transferred from the fair value reserve to the statement of earnings).

## SUMMARY OF OUTSTANDING DERIVATIVE CONTRACTS

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

At the end of the period, the Company's outstanding derivative contracts were as follows:

<b>Contracts</b>	<b>2012</b>	<b>2013</b>
<b>Foreign Currency</b>		
Canadian dollar contracts (millions of \$C)	51.0	420.0
Forward weighted average rate (C\$/ \$)	N/A	C\$1.0369/\$
Option exercise rate range (C\$/ \$)	C\$0.9821 – C\$1.0506/\$	C\$1.0075 – C\$1.0675/\$
Hedge ratio	41%	54%
Euro contracts (millions of €)	39.0	108.0
Forward weighted average rate (\$/ €)	\$1.2719/€	\$1.2500/€
Option exercise rate range (\$/ €)	\$1.2500 – \$1.3500/€	\$1.1841– \$1.2800/€
Hedge ratio	46%	47%
South African Rand contracts (millions of ZAR)	23.1	-
Weighted average rate (ZAR/\$)	ZAR 8.7473/\$	-
Hedge ratio	100%	-
<b>Commodities</b>		
Crude oil option contracts (barrels)	135,000	591,000
Exercise price range (\$/barrel of crude oil)	\$70 - \$95	\$75 - \$94
Hedge ratio	39%	60%
Aluminum swap contracts (metric tonnes)	800	2,100
Swap weighted average hedge price (\$/metric tonne)	\$2,209	\$2,146
Hedge ratio	70%	49%

## CURRENCY EXCHANGE RATE RISK

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

## OIL OPTION CONTRACTS AND FUEL MARKET PRICE RISK

Diesel is a key input to extract tonnage and, in some cases, to wholly or partially power operations. Since fuel is produced by the refinement of crude oil, changes in the price of oil directly impact fuel costs. The Company believes there is a strong relationship between prices for crude oil and diesel.

## ALUMINUM CONTRACTS AND MARKET PRICE RISK

Aluminum is a key input in the production of ferroniobium. The Company has a hedging strategy to limit the impact of fluctuations of aluminum prices and to economically hedge a portion of its future consumption of aluminum at the Niobec mine.

## Shareholders' Equity

At the end of 2011, the Company increased its annual dividend payment to \$0.25 per share, payable semi-annually. In January 2012, the Company paid the 2011 semi-annual dividend of \$0.125 per share totaling \$47.0 million. In June 2012, the Company declared a semi-annual dividend in the amount of \$0.125 per share which was paid in July 2012 totaling \$47.0 million.

Number issued and outstanding	September 30, 2012	November 12, 2012
Shares	376,467,700	376,478,950
Share options	4,213,852	4,196,413

## Cash Flow

(\$ millions)	Three months ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011
<b>Continuing operations</b>				
▪ Operating activities	\$ 97.6	\$ 174.5	\$ 322.1	\$ 387.3
▪ Investing activities	(188.6)	(269.0)	(1,013.3)	287.8
▪ Financing activities	587.5	(36.4)	532.3	(24.4)
▪ Impact of foreign exchange on cash and cash equivalents	1.2	(16.0)	4.5	(15.2)
Increase (decrease) in cash and cash equivalents from continuing operations	497.7	(146.9)	(154.4)	635.5
Cash flows used in discontinued operations	-	(13.9)	-	(19.6)
Increase (decrease) in cash and cash equivalents	497.7	(160.8)	(154.4)	615.9
Cash and cash equivalents, beginning of period	399.5	1,047.5	1,051.6	270.8
Cash and cash equivalents, end of period	897.2	886.7	897.2	886.7
Reclassification of cash to assets held for sale	(0.4)	-	(0.4)	-
Cash and cash equivalents, end of period excluding assets held for sale	\$ 896.8	\$ 886.7	\$ 896.8	\$ 886.7

### OPERATING ACTIVITIES

Cash flows from continuing operating activities were lower than the same prior year period by \$76.9 million. The decrease is mainly relates to changes in revenues mostly from lower gold sales volume (\$45.1 million), higher income taxes paid (\$7.2 million) and higher non-cash working capital mainly due to the build-up of finished goods inventories (\$17.1 million).

### INVESTING ACTIVITIES

Cash flows utilized for investing activities in the third quarter 2012 are mainly the result of capital expenditures in mining assets and exploration and evaluation of \$186.9 million which were lower than the same prior year period due to the timing of project expenditures.

### FINANCING ACTIVITIES

Cash flows generated from investing activities in the third quarter 2012 were higher than the same prior year period mainly as a result of the issuance of senior unsecured notes for gross proceeds of \$650.0 million.

## **DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING**

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### **DISCLOSURE CONTROLS AND PROCEDURES**

The Company's disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is communicated to senior management, to allow timely decisions regarding required disclosure. An evaluation of the effectiveness of the Company's disclosure controls and procedures, as defined under the rules of the Canadian Securities Administration, was conducted as of December 31, 2011 under the supervision of the Company's Disclosure Committee and with the participation of management. Based on the results of that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective as of the end of the period covered by this report in providing reasonable assurance that the information required to be disclosed in the Company's annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported in accordance with securities legislation.

Since the December 31, 2011 evaluation, there have been no adverse changes to the Company's controls and procedures and their design remains effective.

### **INTERNAL CONTROL OVER FINANCIAL REPORTING**

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

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

An evaluation of the effectiveness of the Company's internal control over financial reporting was conducted as of December 31, 2011 by the Company's management, including the Chief Executive Officer and Chief Financial Officer. Based on this evaluation, management has concluded that the Company's internal controls over financial reporting were effective.

There were no changes in the Company's business activities during the period.

There have been no significant changes in the Company's internal control over financial reporting or in other factors that could significantly affect internal controls during the third quarter ended September 30, 2012.

### **LIMITATIONS OF CONTROLS AND PROCEDURES**

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

## **CRITICAL JUDGEMENTS AND ESTIMATES**

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The Company's management makes judgments in its process of applying the Company's accounting policies in the preparation of its unaudited condensed interim consolidated financial statements. In addition, the preparation of financial data requires that the Company's management make assumptions and estimates of effects of uncertain future events on the carrying amounts of the Company's assets and liabilities at the end of the reporting period and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from those estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively. The critical judgments and estimates applied in the preparation of the Company's unaudited condensed interim consolidated financial statements are consistent with those applied and disclosed in note 2(b) to the Company's consolidated financial statements for the year ended December 31, 2011.

## **FUTURE ACCOUNTING POLICIES**

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For a more comprehensive discussion of future accounting policies that may impact the Company, please refer to the Company's current quarter unaudited consolidated interim financial statements and the audited annual consolidated financial statements, related notes and MD&A for 2011.

## **RISKS AND UNCERTAINTIES**

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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 earlier in this document.

For a more comprehensive discussion of the risks faced by the Company, please refer to the Company's 2011 annual MD&A, and the Company's 2011 Annual Information Form, filed with Canadian securities regulatory authorities at [www.sedar.com](http://www.sedar.com), and filed under Form 40-F with the United States Securities Exchange Commission at [www.sec.gov/edgar.html](http://www.sec.gov/edgar.html). The Annual Information Form, which, in addition to being filed and viewable on [www.sedar.com](http://www.sedar.com) and [www.sec.gov/edgar.html](http://www.sec.gov/edgar.html), is available upon request from the Company, and is incorporated by reference into this MD&A.

## **NON-GAAP<sup>1</sup> PERFORMANCE MEASURES**

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### **ADJUSTED NET EARNINGS FROM CONTINUING OPERATIONS ATTRIBUTABLE TO EQUITY HOLDERS**

Adjusted net earnings from continuing operations attributable to equity holders of IAMGOLD and adjusted net earnings from continuing operations attributable to equity holders of IAMGOLD per share are non-GAAP financial measures. Management believes that these measures better reflect the Company's performance for the current period and are a better indication of its expected performance in future periods. Adjusted net earnings from continuing operations attributable to equity holders of IAMGOLD and adjusted net earnings from continuing operations attributable to equity holders per share are intended to provide additional information, but do not have any standardized meaning prescribed by IFRS, are unlikely to be comparable to similar measures presented by other issuers, and should not be considered in isolation or a substitute for measures of performance prepared in accordance with IFRS. Adjusted net earnings from continuing operations attributable to equity holders represent net earnings from continuing operations attributable to equity holders excluding certain impacts, net of tax, such as changes in asset retirement obligations at closed sites, unrealized derivative gain or loss, gain/loss on sale of marketable securities and assets, impairment of marketable securities, foreign exchange gain or loss, executive severance costs, as well as the impact of significant change in tax laws for mining taxes, and unrealized gain/loss on foreign exchange translation of deferred income tax liabilities. These measures are not necessarily indicative of net earnings or cash flows as determined under IFRS.

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<sup>1</sup> GAAP – Generally accepted accounting principles.

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

(\$ millions, except for number of shares and per share amounts)	Three months ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011
Earnings from continuing operations before income taxes and non-controlling interests	\$ 133.4	\$ 130.3	\$ 423.6	\$ 443.3
Adjusted items:				
▪ Foreign exchange loss / (gain)	2.5	11.9	(8.5)	12.1
▪ Unrealized loss / (gain) on derivative instruments	(17.5)	23.3	(21.3)	19.0
▪ Gain on sale of marketable securities	(7.2)	(7.2)	(16.5)	(8.1)
▪ Impairment of marketable securities	1.2	-	20.7	-
▪ Loss / (gain) on sale of assets	0.9	0.1	(1.3)	(11.7)
▪ Changes in estimates of asset retirement obligations at closed sites	-	12.3	0.5	12.3
	(20.1)	40.4	(26.4)	23.6
Adjusted earnings from continuing operations before income taxes and non-controlling interests	\$ 113.3	\$ 170.7	\$ 397.2	\$ 466.9
▪ Income tax expenses	(46.7)	(70.3)	(147.0)	(161.1)
▪ Tax impact of adjusted items	2.3	22.0	2.9	16.6
▪ Non-controlling interests	(8.7)	(10.0)	(26.5)	(24.5)
Adjusted net earnings from continuing operations attributable to equity holders of IAMGOLD	\$ 60.2	\$ 112.4	\$ 226.6	\$ 297.9
Basic weighted average number of common shares outstanding (in millions)	376.2	375.4	376.1	374.6
Basic adjusted net earnings from continuing operations attributable to equity holders of IAMGOLD per share (\$/share)	\$ 0.16	\$ 0.30	\$ 0.60	\$ 0.80

#### OPERATING CASH FLOW FROM CONTINUING OPERATIONS BEFORE CHANGES IN WORKING CAPITAL

The Company makes reference to a non-GAAP measure for operating cash flow from continuing operations before changes in working capital and operating cash flow from continuing operations before changes in working capital per share. This measure is defined as cash generated from continuing operations excluding changes in working capital. Working capital can be volatile due to numerous factors including build-up of inventories. Management believes that, by excluding these items from continuing operations, this non-GAAP measure provides investors with the ability to better evaluate the cash flow performance of the Company.

The following table provides a reconciliation of operating cash flow from continuing operations before changes in working capital:

(\$ millions, except for number of shares and per share amounts)	Three months ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011
Cash flow generated from continuing operating activities per the unaudited consolidated interim financial statements	\$ 97.6	\$ 174.5	\$ 322.1	\$ 387.3
Adjusting items from non-cash working capital items and long-term ore stockpiles				
▪ Receivables and other current assets	6.2	5.0	(1.7)	14.9
▪ Inventories and long-term ore stockpiles	32.0	21.0	69.7	84.1
▪ Accounts payable and accrued liabilities	(21.5)	(26.4)	(16.2)	(19.7)
Operating cash flow from continuing operations before changes in working capital	\$ 114.3	\$ 174.1	\$ 373.9	\$ 466.6
Basic weighted average number of common shares outstanding (in millions)	376.2	375.4	376.1	374.6
Basic operating cash flow from continuing operations before changes in working capital per share (\$/share)	\$ 0.30	\$ 0.46	\$ 0.99	\$ 1.25

#### 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 amortization, reclamation, capital, and exploration and development costs. These costs are then divided by the Company's attributable ounces of gold produced to arrive at the total cash costs per ounce. The measure, along with sales, is considered to be a key indicator of a company's ability to generate operating earnings and cash flow from its mining operations.

These gold cash costs do not have any standardized meaning prescribed by IFRS and differ from measures determined in accordance with IFRS. They are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These measures are not necessarily indicative of net earnings or cash flow from operations as determined under IFRS.

The following tables provide a reconciliation of total cash costs per ounce produced for gold mines (continuing operations) to the mining costs, excluding depreciation, depletion and amortization as per the unaudited consolidated interim statement of earnings.

Third quarter ended September 30, 2012							Other	
(\$ millions, except where noted) (unaudited)	Operating Gold Mines						Other <sup>1</sup>	Total <sup>2</sup>
	Rosebel	Essakane	Doyon Division	Sadiola	Yatela	Total		
Mining costs, excluding depreciation, depletion, amortization and changes in estimates of asset retirement obligations at closed sites	\$ 64.7	\$ 52.3	\$ 1.9	\$ 23.2	\$ 9.6	\$ 151.7	\$ 30.1	\$ 181.8
Adjust for:								
By-product credit (excluded from mining costs)	(0.3)	(0.5)	(0.1)	-	-	(0.9)		
Stock movement	6.7	0.6	-	-	1.1	8.4		
Other mining costs	(2.4)	(2.6)	(1.8)	2.0	(1.8)	(6.6)		
Cost attributed to non-controlling interests	(3.5)	(5.0)	-	-	-	(8.5)		
	\$ 0.5	\$ (7.5)	\$ (1.9)	\$ 2.0	\$ (0.7)	\$ (7.6)		
Total cash costs – operating mines	\$ 65.2	\$ 44.8	\$ -	\$ 25.2	\$ 8.9	\$ 144.1		
Attributable gold production – operating mines (000s oz)	95	77	-	26	7	205		
Total cash costs (\$/oz)	\$ 689	\$ 594	\$ -	\$ 978	\$ 1,324	\$ 710		

Third quarter ended September 30, 2011							Other	
(\$ millions, except where noted) (unaudited)	Operating Gold Mines						Other <sup>1</sup>	Total <sup>2</sup>
	Rosebel	Essakane	Doyon Division	Sadiola	Yatela	Total		
Mining costs, excluding depreciation, depletion, amortization and changes in estimates of asset retirement obligations at closed sites	\$ 67.0	\$ 51.6	\$ 4.8	\$ 25.1	\$ 13.4	\$ 161.9	\$ 29.5	\$ 191.4
Adjust for:								
By-product credit (excluded from mining costs)	(0.2)	-	(0.2)	(0.1)	(0.1)	(0.6)		
Stock movement	(3.0)	0.2	2.9	0.6	(0.1)	0.6		
Other mining costs	(1.4)	(1.2)	(1.6)	0.1	-	(4.1)		
Cost attributed to non-controlling interests	(3.1)	(5.0)	-	-	-	(8.1)		
	\$ (7.7)	\$ (6.0)	\$ 1.1	\$ 0.6	\$ (0.2)	\$ (12.2)		
Total cash costs – operating mines	\$ 59.3	\$ 45.6	\$ 5.9	\$ 25.7	\$ 13.2	\$ 149.7		
Attributable gold production – operating mines (000s oz)	94	86	5	30	7	222		
Total cash costs (\$/oz)	\$ 629	\$ 535	\$ 1,203	\$ 839	\$ 1,793	\$ 674		

1 Niobium and Corporate Segments.

2 As per note 22 of the Company's unaudited condensed consolidated interim financial statements.

Nine months ended September 30, 2012							Other	
(\$ millions, except where noted) (unaudited)	Operating Gold Mines						Other <sup>1</sup>	Total <sup>2</sup>
	Rosebel	Essakane	Doyon Division	Sadiola	Yatela	Total		
Mining costs, excluding depreciation, depletion, amortization and changes in estimates of asset retirement obligations at closed sites	\$ 196.8	\$ 153.9	\$ 7.4	\$ 71.0	\$ 39.7	\$ 468.8	\$ 93.7	\$ 562.5
Adjust for:								
By-product credit (excluded from mining costs)	(0.5)	(0.7)	(0.4)	(0.1)	-	(1.7)		
Stock movement	7.8	6.3	(2.2)	2.0	1.1	15.0		
Other mining costs	(3.9)	(6.9)	(4.3)	4.5	(10.4)	(21.0)		
Cost attributed to non-controlling interests	(10.1)	(15.3)	-	-	-	(25.4)		
	\$ (6.7)	\$ (16.6)	\$ (6.9)	\$ 6.4	\$ (9.3)	\$ (33.1)		
Total cash costs – operating mines	\$ 190.1	\$ 137.3	\$ 0.5	\$ 77.4	\$ 30.4	\$ 435.7		
Attributable gold production – operating mines (000s oz)	282	238	4	73	19	616		
Total cash costs (\$/oz)	\$ 674	\$ 580	\$ 137	\$ 1,059	\$ 1,587	\$ 708		

Nine months ended September 30, 2011							Other	
(\$ millions, except where noted) (unaudited)	Operating Gold Mines						Other <sup>1</sup>	Total <sup>2</sup>
	Rosebel	Essakane	Doyon Division	Sadiola	Yatela	Total		
Mining costs, excluding depreciation, depletion, amortization and changes in estimates of asset retirement obligations at closed sites	\$ 182.5	\$ 144.1	\$ 15.1	\$ 68.5	\$ 31.8	\$ 442.0	\$ 85.4	\$ 527.4
Adjust for:								
By-product credit (excluded from mining costs)	(0.7)	(0.6)	(0.8)	(0.2)	(0.1)	(2.4)		
Stock movement	4.5	(0.5)	(3.2)	2.1	-	2.9		
Other mining costs	(2.2)	(4.8)	(5.1)	-	0.1	(12.0)		
Cost attributed to non-controlling interests	(9.2)	(13.8)	-	-	-	(23.0)		
	\$ (7.6)	\$ (19.7)	\$ (9.1)	\$ 1.9	\$ -	\$ (34.5)		
Total cash costs – operating mines	\$ 174.9	\$ 124.4	\$ 6.0	\$ 70.4	\$ 31.8	\$ 407.5		
Attributable gold production – operating mines (000s oz)	281	243	5	93	21	643		
Total cash costs (\$/oz)	\$ 622	\$ 513	\$ 1,203	\$ 755	\$ 1,510	\$ 634		

1 Niobium and Corporate Segments.

2 As per note 22 of the Company's unaudited condensed consolidated interim financial statements.

## GOLD MARGIN

The Company's MD&A refers to gold margin per ounce of gold, a non-GAAP performance measure, in order to provide investors with information about the measure used by management to monitor the performance of its gold assets. The information allows management to assess how well the gold mines are performing relative to the plan and to prior periods, as well as assess the overall effectiveness and efficiency of gold operations.

In periods of rising gold prices it becomes profitable to process lower-grade ore. Such a decision will typically result in an increase in total cash costs per ounce, but it is equally important to recognize that margins also increase at an equal or even faster rate. While mining lower grade ore results in less gold being processed in any given period, over the long-run it allows the Company to optimize the production of profitable gold, thereby maximizing the Company's total financial returns over the life of the mine. IAMGOLD's exploitation strategy, including managing cutoff grades, mine sequencing, and stockpiling practices, is designed to maximize the total value of the asset given conservatively derived assumptions for key economic parameters going forward. At the same time, the site operating teams seek to achieve the best performance in terms of cost per tonne mined, cost per tonne processed and overheads.

The gold margin per ounce of gold does not have any standardized meaning prescribed by IFRS, is unlikely to be comparable to similar measures presented by other issuers, and should not be considered in isolation or a substitute for measures of performance prepared in accordance with IFRS.

The following table provides a reconciliation of gold margin per ounce of gold for the gold operating mine (continuing operations) to gold realized price less total cash costs per ounce.

(\$/oz of gold)	Three months ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011
Realized gold price for continuing operations	\$ 1,670	\$ 1,675	\$ 1,653	\$ 1,524
Total cash cost for continuing operations	\$ 710	\$ 674	\$ 708	\$ 634
Gold margin	\$ 960	\$ 1,001	\$ 945	\$ 890

## 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.

(\$ millions, except where noted)	Three months ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011
Revenues from the Niobec mine as per segmented information (note 29 of the Company's unaudited consolidated interim financial statements)	\$ 47.7	\$ 42.4	\$ 144.5	\$ 130.1
Mining costs from the Niobec mine as per segmented information (note 29 of the Company's unaudited consolidated interim financial statements)	\$ (28.2)	\$ (27.7)	\$ (89.1)	\$ (82.7)
Other mining costs	(0.2)	-	-	-
Operating margin	\$ 19.3	\$ 14.7	\$ 55.4	\$ 47.4
Sales volume (millions of kg Nb)	1.2	1.0	3.6	3.3
Operating margin (\$/kg Nb)	\$ 16	\$ 14	\$ 15	\$ 14



# **CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

AS AT SEPTEMBER 30, 2012

Consolidated balance sheets	30
Consolidated statements of earnings	31
Consolidated statements of comprehensive income	32
Consolidated statements of changes in equity	33
Consolidated statements of cash flows	34
Notes to consolidated interim financial statements	35 to 58

## CONSOLIDATED BALANCE SHEETS

Unaudited (In millions of U.S. dollars)	Notes	September 30, 2012	December 31, 2011
<b>Assets</b>			
Current assets			
Cash and cash equivalents		\$ 896.8	\$ 1,051.6
Gold bullion (market value \$239.3; December 31, 2011 - \$210.9)	8	96.9	96.8
Receivables and other current assets	9	178.4	155.9
Inventories	10	265.3	239.1
Assets held for sale	5	29.1	-
		<b>1,466.5</b>	1,543.4
Non-current assets			
Investments in associates		24.8	16.3
Mining assets	11	2,536.7	1,881.6
Exploration and evaluation assets	12	533.3	356.5
Goodwill		256.7	256.7
Other non-current assets	13	396.3	295.2
		<b>3,747.8</b>	2,806.3
		<b>\$ 5,214.3</b>	\$ 4,349.7
<b>Liabilities and Equity</b>			
Current liabilities			
Accounts payable and accrued liabilities		\$ 248.5	\$ 206.0
Income tax payable		89.3	104.8
Dividends payable		3.1	47.0
Current portion of asset retirement obligations	17(a)	4.9	6.3
Current portion of other non-current liabilities		2.8	6.6
Liabilities held for sale	5	1.0	-
		<b>349.6</b>	370.7
Non-current liabilities			
Deferred income tax liabilities	18	214.2	216.7
Long-term debt	14(a)	638.3	-
Asset retirement obligations	17(a)	224.3	215.9
Other non-current liabilities		20.6	17.5
		<b>1,097.4</b>	450.1
		<b>1,447.0</b>	820.8
<b>Equity</b>			
Equity attributable to IAMGOLD Corporation shareholders			
Common shares		2,315.1	2,308.6
Contributed surplus		24.6	19.9
Retained earnings		1,308.0	1,104.9
Accumulated other comprehensive income		52.9	41.1
		<b>3,700.6</b>	3,474.5
Non-controlling interests		66.7	54.4
		<b>3,767.3</b>	3,528.9
Contingencies and Commitments	17(b), 27		
		<b>\$ 5,214.3</b>	\$ 4,349.7

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

## CONSOLIDATED STATEMENTS OF EARNINGS

Unaudited (In millions of U.S. dollars, except per share amounts) Notes	Three months ended September 30,		Nine months ended September 30,		
	2012	2011	2012	2011	
<b>Revenues</b>	<b>\$ 386.8</b>	\$ 431.9	<b>\$1,201.6</b>	\$1,191.6	
Mining costs	22	222.9	240.7	688.6	650.2
General and administrative expenses	23	16.2	14.3	42.8	37.7
Exploration and evaluation expenses		33.6	20.4	76.9	52.3
Other		(1.7)	(0.1)	0.2	1.3
<b>Operating costs</b>		<b>271.0</b>	275.3	<b>808.5</b>	741.5
<b>Earnings from operations</b>		<b>115.8</b>	156.6	<b>393.1</b>	450.1
Share of net earnings from investments in associates (net of income tax)		0.2	-	8.5	-
Finance costs	24	(3.0)	(2.0)	(7.3)	(5.7)
Foreign exchange gains (losses)		(2.5)	(11.9)	8.5	(12.1)
Interest income and derivatives and other investment gains (losses)	25	22.9	(12.4)	20.8	11.0
<b>Earnings from continuing operations before income tax expense</b>		<b>133.4</b>	130.3	<b>423.6</b>	443.3
Income taxes	18	(46.7)	(70.3)	(147.0)	(161.1)
<b>Net earnings from continuing operations</b>		<b>86.7</b>	60.0	<b>276.6</b>	282.2
Net earnings (loss) from discontinued operations	7(c)	-	(9.3)	-	415.3
<b>Net earnings</b>		<b>\$ 86.7</b>	\$ 50.7	<b>\$ 276.6</b>	\$ 697.5
<b>Net earnings from continuing operations attributable to:</b>					
Equity holders of IAMGOLD Corporation		\$ 78.0	\$ 50.0	\$ 250.1	\$ 257.7
Non-controlling interests		8.7	10.0	26.5	24.5
		<b>\$ 86.7</b>	\$ 60.0	<b>\$ 276.6</b>	\$ 282.2
<b>Net earnings attributable to:</b>					
Equity holders of IAMGOLD Corporation		\$ 78.0	\$ 40.7	\$ 250.1	\$ 673.0
Non-controlling interests		8.7	10.0	26.5	24.5
		<b>\$ 86.7</b>	\$ 50.7	<b>\$ 276.6</b>	\$ 697.5
<b>Attributable to equity holders of IAMGOLD Corporation</b>					
Weighted average number of common shares outstanding (in millions)	20				
Basic		376.2	375.4	376.1	374.6
Diluted		376.9	376.8	376.8	376.3
Earnings from continuing operations per share (\$ per share)					
Basic		\$ 0.21	\$ 0.13	\$ 0.67	\$ 0.69
Diluted		\$ 0.21	\$ 0.13	\$ 0.66	\$ 0.68
Earnings per share (\$ per share)					
Basic		\$ 0.21	\$ 0.11	\$ 0.67	\$ 1.80
Diluted		\$ 0.21	\$ 0.11	\$ 0.66	\$ 1.79

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

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Unaudited (In millions of U.S. dollars)	Notes	Three months ended September 30,		Nine months ended September 30,	
		2012	2011	2012	2011
<b>Net earnings</b>		<b>\$ 86.7</b>	\$ 50.7	<b>\$ 276.6</b>	\$ 697.5
<b>Other comprehensive income (loss), net of tax</b>					
Net unrealized change in fair value of available-for-sale financial assets, net of tax	15(a)(i)	17.2	(1.0)	12.4	4.5
Net realized change in fair value and impairment of available-for-sale financial assets, net of tax	15(a)(i)	(5.4)	(6.1)	(0.6)	(6.9)
<b>Total other comprehensive income (loss)</b>		<b>11.8</b>	(7.1)	<b>11.8</b>	(2.4)
<b>Comprehensive income</b>		<b>\$ 98.5</b>	\$ 43.6	<b>\$ 288.4</b>	\$ 695.1
Comprehensive income from continuing operations		\$ 98.5	\$ 52.9	\$ 288.4	\$ 279.8
Comprehensive income (loss) from discontinued operations	7(c)	-	(9.3)	-	415.3
<b>Comprehensive income</b>		<b>\$ 98.5</b>	\$ 43.6	<b>\$ 288.4</b>	\$ 695.1
<b>Comprehensive income attributable to:</b>					
Equity holders of IAMGOLD Corporation		\$ 89.8	\$ 33.6	\$ 261.9	\$ 670.6
Non-controlling interests		8.7	10.0	26.5	24.5
		<b>\$ 98.5</b>	\$ 43.6	<b>\$ 288.4</b>	\$ 695.1

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

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

		Attributable to Equity Holders of IAMGOLD Corporation						
Unaudited (In millions of U.S. dollars)	Notes	Common Shares	Contributed Surplus	Retained Earnings	Accumulated	Total	Non- controlling Interests	Total Equity
					Other Comprehensive Income			
<b>At December 31, 2011</b>		<b>\$2,308.6</b>	<b>\$ 19.9</b>	<b>\$1,104.9</b>	<b>\$ 41.1</b>	<b>\$3,474.5</b>	<b>\$ 54.4</b>	<b>\$3,528.9</b>
Net earnings		-	-	250.1	-	250.1	26.5	276.6
Total other comprehensive income		-	-	-	11.8	11.8	-	11.8
Total comprehensive income		-	-	250.1	11.8	261.9	26.5	288.4
Issued shares on exercise of share-based payments		6.5	(1.7)	-	-	4.8	-	4.8
Share-based compensation	21	-	6.4	-	-	6.4	-	6.4
Dividends		-	-	(47.0)	-	(47.0)	(14.2)	(61.2)
Total transactions		6.5	4.7	(47.0)	-	(35.8)	(14.2)	(50.0)
<b>At September 30, 2012</b>		<b>\$2,315.1</b>	<b>\$ 24.6</b>	<b>\$1,308.0</b>	<b>\$ 52.9</b>	<b>\$3,700.6</b>	<b>\$ 66.7</b>	<b>\$3,767.3</b>

		Attributable to Equity Holders of IAMGOLD Corporation						
Unaudited (In millions of U.S. dollars)	Notes	Common Shares	Contributed Surplus	Retained Earnings	Accumulated	Total	Non- controlling Interests	Total Equity
					Other Comprehensive Income			
<b>At December 31, 2010</b>		<b>\$2,255.5</b>	<b>\$ 18.8</b>	<b>\$ 383.6</b>	<b>\$ 43.3</b>	<b>\$2,701.2</b>	<b>\$ 56.9</b>	<b>\$2,758.1</b>
Net earnings		-	-	673.0	-	673.0	24.5	697.5
Total other comprehensive income		-	-	-	(2.4)	(2.4)	-	(2.4)
Total comprehensive income		-	-	673.0	(2.4)	670.6	24.5	695.1
Issued shares, net of issue costs		34.6	-	-	-	34.6	-	34.6
Gain on sale of treasury shares		-	0.1	-	-	0.1	-	0.1
Issued shares on exercise of share-based payments		16.0	(4.6)	-	-	11.4	-	11.4
Share-based compensation	21	-	5.2	-	-	5.2	-	5.2
Dividends		-	-	(37.5)	-	(37.5)	(11.7)	(49.2)
Disposal of a subsidiary - La Arena project		-	-	-	-	-	(27.5)	(27.5)
Total transactions		50.6	0.7	(37.5)	-	13.8	(39.2)	(25.4)
<b>At September 30, 2011</b>		<b>\$2,306.1</b>	<b>\$ 19.5</b>	<b>\$1,019.1</b>	<b>\$ 40.9</b>	<b>\$3,385.6</b>	<b>\$ 42.2</b>	<b>\$3,427.8</b>

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

## CONSOLIDATED STATEMENTS OF CASH FLOWS

Unaudited (In millions of U.S. dollars)	Notes	Three months ended September 30,		Nine months ended September 30,	
		2012	2011	2012	2011
<b>Operating activities</b>					
Net earnings from continuing operations		\$ 86.7	\$ 60.0	\$ 276.6	\$ 282.2
Adjustments for:					
Finance costs	24	3.0	2.0	7.3	5.7
Depreciation expense		41.7	37.5	127.4	112.0
Changes in estimates of asset retirement obligations at closed sites	17(a)	-	12.3	0.5	12.3
Income tax expenses		46.7	70.3	147.0	161.1
Unrealized impact of foreign exchange on cash and cash equivalents		(1.2)	16.0	(4.5)	15.2
Other non-cash items	26(a)	(17.3)	15.3	(14.2)	(4.5)
Adjustments for cash items	26(b)	(1.3)	(2.5)	(3.8)	(4.9)
Movements in non-cash working capital items and non-current ore stockpiles	26(c)	(16.7)	0.4	(51.8)	(79.3)
Cash generated from operating activities		141.6	211.3	484.5	499.8
Income tax paid		(44.0)	(36.8)	(162.4)	(112.5)
<b>Net cash from operating activities</b>		<b>97.6</b>	<b>174.5</b>	<b>322.1</b>	<b>387.3</b>
<b>Investing activities</b>					
Mining assets		(186.3)	(67.6)	(489.2)	(152.2)
Exploration and evaluation assets		(0.6)	(35.0)	(2.2)	(95.5)
Acquisition of the Côte Gold project	4	(5.3)	-	(485.7)	-
Other investing activities	26(d)	3.6	(3.1)	(36.2)	(17.0)
Purchase of short-term investments		-	(169.9)	-	(169.9)
Proceeds from disposals of non-core assets	26(e)	-	6.6	-	722.4
<b>Net cash from (used in) investing activities</b>		<b>(188.6)</b>	<b>(269.0)</b>	<b>(1,013.3)</b>	<b>287.8</b>
<b>Financing activities</b>					
Proceeds from long-term debt		650.0	-	650.0	-
Proceeds from issue of share capital		3.1	5.9	4.8	52.9
Dividends paid		(54.3)	(41.8)	(105.2)	(75.2)
Interest paid		(0.8)	(0.6)	(2.3)	(2.2)
Payment of transaction costs		(10.5)	-	(15.0)	-
Other		-	0.1	-	0.1
<b>Net cash from (used in) financing activities</b>		<b>587.5</b>	<b>(36.4)</b>	<b>532.3</b>	<b>(24.4)</b>
<b>Impact of foreign exchange on cash and cash equivalents</b>		<b>1.2</b>	<b>(16.0)</b>	<b>4.5</b>	<b>(15.2)</b>
<b>Net cash used in discontinued operations</b>	7(d)	<b>-</b>	<b>(13.9)</b>	<b>-</b>	<b>(19.6)</b>
<b>Reclassification of cash to assets held for sale</b>		<b>(0.4)</b>	<b>-</b>	<b>(0.4)</b>	<b>-</b>
<b>Increase (decrease) in cash and cash equivalents</b>		<b>497.3</b>	<b>(160.8)</b>	<b>(154.8)</b>	<b>615.9</b>
Cash and cash equivalents, beginning of the period		399.5	1,047.5	1,051.6	270.8
<b>Cash and cash equivalents, end of the period</b>		<b>\$ 896.8</b>	<b>\$ 886.7</b>	<b>\$ 896.8</b>	<b>\$ 886.7</b>

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

# NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED SEPTEMBER 30, 2012 AND 2011

(Amounts in notes and in tables are in millions of U.S. dollars, except where otherwise indicated) (Unaudited)

## 1. CORPORATE INFORMATION

IAMGOLD Corporation (“IAMGOLD” or “the Company”) is a limited liability 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, joint ventures and associates, as at and for the third quarter ended September 30, 2012, have been prepared in accordance with IAS 34, Interim Financial Reporting, and 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 International Financial Reporting Standards (“IFRS”), have been omitted or condensed.

The consolidated interim financial statements of IAMGOLD were authorized for issue in accordance with a resolution of the Board of Directors on November 13, 2012.

Certain 2011 comparative figures have been reclassified to conform to the consolidated financial statement presentation adopted in 2012.

### (b) Significant accounting judgments, estimates and assumptions

The preparation of consolidated interim financial statements 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 interim 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. Actual results may differ from these estimates.

### (c) Significant accounting policies

These consolidated interim financial statements have been prepared following the same accounting policies and methods of computation as the annual audited consolidated financial statements for the year ended December 31, 2011.

### (d) Basis of consolidation

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

Name	Property – Location	September 30, 2012	December 31, 2011	Accounting Method
Rosebel Gold Mines N.V.	Rosebel mine – Suriname	95%	95%	Consolidation
Essakane S.A.	Essakane mine – Burkina Faso	90%	90%	Consolidation
Doyon division including the Westwood project <sup>1</sup>	Doyon division – Canada	100%	100%	Consolidation
Niobec Inc.	Niobec mine – Canada	100%	100%	Consolidation
Trelawney Mining and Exploration Acquisition Inc. <sup>2</sup>	Côté Gold project – Canada	100%	-	Consolidation
IAMGOLD Ecuador S.A. <sup>3</sup>	Quimsacocha project – Ecuador	100%	100%	Consolidation
Société d’Exploitation des Mines d’Or de Sadiola S.A.	Sadiola mine – Mali	41%	41%	Proportional consolidation
Société d’Exploitation des Mines d’Or de Yatela S.A.	Yatela mine – Mali	40%	40%	Proportional consolidation

1 Division of IAMGOLD Corporation.

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

3 IAMGOLD is in the process of disposing its interest in IAMGOLD Ecuador S.A. Refer to note 5.

### **3. FUTURE ACCOUNTING POLICIES**

The following new standards, and amendment to standards and interpretations, were not yet effective for the third quarter ended September 30, 2012, and have not been applied in preparing these consolidated interim financial statements. The Company is in the process of evaluating the impact of the change to its consolidated financial statements as a result of the new standards. These are summarised as follows:

#### **IFRS 9 – Financial instruments**

The IASB has issued IFRS 9, Financial Instruments, which is a four-part project proposing to replace IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 is planned to be effective on January 1, 2015.

#### **IFRS 10 – Consolidated financial statements**

The IASB recently issued its new suite of consolidation and related standards, replacing the existing accounting for subsidiaries and joint ventures (now joint arrangements), and making limited amendments in relation to associates. IFRS 10 supersedes IAS 27, Consolidated and separate financial statements, and SIC 12, Consolidation – Special purpose entities. IFRS 10 will be effective January 1, 2013 and early adoption is permitted.

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

The IASB replaced the existing guidance for joint ventures (new arrangements) and made limited amendments in relation to associates and the application of the equity method of accounting. Under IFRS 11, joint arrangements are now classified as either joint operations or joint ventures, depending upon the rights and obligations of the parties to the arrangement.

Limited amendments were made to IAS 28 regarding associates and joint ventures held for sale and changes in interests held in associates and joint ventures. Under IFRS 11, joint ventures will be accounted for using the equity method and, joint operations will be accounted for in a manner similar to proportionate consolidation.

IFRS 11 and IAS 28 (2011) will be effective January 1, 2013 and early adoption is permitted. The Company will apply this new standard in relation to its joint ventures, including Sadiola and Yatela.

#### **IFRS 12 – Disclosure of interests in other entities**

IFRS 12 replaces the existing disclosure requirements for entities that have interests in subsidiaries, joint arrangements, and associates, and also contains disclosure requirements for entities that have interests in unconsolidated structured entities. IFRS 12 will be effective January 1, 2013.

#### **IFRS 13 – Fair value measurement**

IFRS 13 replaces the fair value measurement guidance contained in individual IFRS with a single source of fair value measurement guidance, and defines value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, i.e. an exit price. IFRS 13 is applicable prospectively starting January 1, 2013 and early application is permitted.

#### **IFRIC 20 – Stripping costs in the production phase of a surface mine**

IFRIC 20 provides guidance on the accounting for the costs of stripping activity in the production phase of surface mining in situations where the following benefits accrue to the entity from the stripping activity: usable ore that can be used to produce inventory and improved access to further quantities of material that will be mined in future periods. IFRIC 20 is applicable for annual period beginning on or after January 1, 2013 and early application is permitted.

#### 4. ACQUISITION

##### Trelawney – Côté Gold project

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

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

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

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

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

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

## 5. ASSETS HELD FOR SALE

IAMGOLD is in the process of disposing of its interest in the Quimsacocha project in Ecuador to INV Metals Inc. ("INV Metals") through the disposal of all of the shares of its wholly-owned subsidiary IAMGOLD Ecuador S.A., in exchange for 221.2 million common shares of INV Metals. In addition, the Company is subject to the receipt of the following milestone payments:

- C\$5.0 million of INV Metals shares upon the signing of an exploitation contract with the government of Ecuador in respect of the project, and
- C\$2.5 million of INV Metals shares upon the project achieving commercial production.

As a requirement of the transaction, INV Metals raised C\$20.0 million in equity financing. The Company participated in the financing in the amount of C\$1.0 million and will hold approximately 47% of the issued and outstanding INV Metals shares immediately after the closing of the transaction.

The Quimsacocha project is included in the exploration and evaluation segment. During the three months ended September 30, 2012, INV Metals successfully completed the equity financing of C\$20.0 million and the indicators for the remaining conditions of the transaction, including shareholder approval and government consent, were positive. Accordingly, the carrying values of the major classes of assets and liabilities included as part of the Quimsacocha project were classified as assets and liabilities held for sale in the consolidated balance sheet as at September 30, 2012 and are as follows:

	<b>September 30, 2012</b>
<b>Assets classified as held for sale</b>	
Current assets	\$ 0.4
Exploration and evaluation assets	28.3
Capital assets	0.4
	<b>\$ 29.1</b>
<b>Liabilities classified as held for sale</b>	
Current liabilities	\$ 1.0

## 6. DIVESTITURES

### La Arena project

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

## 7. DISCONTINUED OPERATIONS

### (a) Tarkwa and Damang mines

On June 22, 2011, IAMGOLD sold its 18.9% interests in the Tarkwa and Damang gold mines in Ghana, West Africa to Gold Fields Limited for gross proceeds of \$667.0 million and recorded an after-tax gain on this sale of \$402.6 million in the second quarter 2011. Interests in Tarkwa and Damang mines were accounted for as investments in associates using the equity method. The Company ceased the equity method accounting as of the date of the agreement, April 15, 2011.

### (b) Mupane mine

On August 31, 2011, the Company sold its wholly owned investment in Gallery Gold (Pty) Ltd. which held the Company's interest in the Mupane gold mine ("Mupane mine") for \$34.2 million resulting in a gain on disposal of \$5.3 million (before income tax) during the third quarter 2011. The proceeds consisted of \$12.5 million in cash, a \$3.8 million promissory note, payable over three years at an annual interest rate of 6%, and 21,875,000 common shares of Galane Gold Ltd. ("Galane") valued at \$17.9 million, representing approximately 48.5% of the outstanding shares of Galane. The tax impact of the sale was a recovery of \$1.5 million.

**(c) Net earnings (loss) from discontinued operations**

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

	Three months ended September 30, 2011	Nine months ended September 30, 2011
<b>Tarkwa and Damang mines</b>		
Share of earnings from investments in associates	-	\$ 21.0
Gain on sale of investments in associates	\$ 0.2	402.8
Net earnings from the Tarkwa and Damang mines	0.2	423.8
<b>Mupane mine</b>		
Revenues	12.8	50.5
Mining costs	(10.5)	(46.3)
Derivative loss on gold hedging contracts and other	(18.9)	(19.8)
Income tax recovery	0.3	0.3
Net loss from the Mupane mine before its disposal	(16.3)	(15.3)
Gain on sale of the Mupane mine	5.3	5.3
Income tax recovery on sale	1.5	1.5
	6.8	6.8
Net loss from the Mupane mine	(9.5)	(8.5)
	\$ (9.3)	\$ 415.3

**(d) Net cash used in discontinued operations**

	Three months ended September 30, 2011	Nine months ended September 30, 2011
Cash flow used in:		
Operating activities	\$ (25.7)	\$ (15.3)
Investing activities	(0.7)	(4.3)
Net cash used in discontinued operations	(26.4)	(19.6)
Cash and cash equivalents held for sale at the beginning of the period	12.5	-
	\$ (13.9)	\$ (19.6)

## 8. GOLD BULLION

		September 30, 2012	December 31, 2011
Ounces held	(oz)	134,738	134,636
Weighted average acquisition cost	(\$/oz)	\$ 720	\$ 719
Acquisition cost	(\$ millions)	\$ 96.9	\$ 96.8
End of period spot price for gold	(\$/oz)	\$ 1,776	\$ 1,566
End of period market value	(\$ millions)	\$ 239.3	\$ 210.9

## 9. RECEIVABLES AND OTHER CURRENT ASSETS

		September 30, 2012	December 31, 2011
Gold trade receivable		\$ 13.1	\$ 24.0
Settlement receivables from sales of niobium		19.5	19.2
Receivables from governments <sup>1</sup>		55.8	49.9
Royalty receivable		1.8	1.9
Other receivables		27.9	14.7
		118.1	109.7
Derivatives		18.8	4.6
Marketable securities		18.8	24.3
Warrants held as investments		0.9	-
Prepaid expenses		21.8	17.3
		\$ 178.4	\$ 155.9

<sup>1</sup> Receivables from governments related to taxes, mineral rights and exploration tax credits.

## 10. INVENTORIES

		September 30, 2012	December 31, 2011
Finished goods:			
Gold production inventories		\$ 53.7	\$ 38.7
Niobium production inventories		11.6	12.1
Gold in process		10.4	13.3
Ore stockpiles		9.7	16.5
Mine supplies		179.9	158.5
		265.3	239.1
Ore stockpiles included in other non-current assets		154.8	111.3
		\$ 420.1	\$ 350.4

Inventories are valued at the lower of cost and net realizable value. Net realizable value is the estimated selling price less the estimated costs to complete processing and sell finished goods. For the three months ended September 30, 2012, a write-down of Yatela inventories to net realizable value of \$1.8 million was recorded (nine months ended September 30, 2012 – \$9.5 million). There were no inventory write-downs in the three months and nine months ended September 30, 2011.

## 11. MINING ASSETS

	Mining and construction in progress	Mining properties and deferred costs	Plant and equipment	Total
<b>Cost</b>				
As at December 31, 2010	\$ 42.4	\$ 1,737.0	\$ 1,156.8	\$ 2,936.2
Additions- continuing operations	96.1	70.1	78.8	245.0
Additions- discontinued operations	1.2	2.2	0.9	4.3
Changes in asset retirement obligations	-	22.7	-	22.7
Disposals - continuing operations	-	(0.2)	(12.0)	(12.2)
Disposals - discontinued operations	(2.6)	(55.6)	(46.3)	(104.5)
Transfer within mining assets	(38.0)	28.7	9.3	-
Other	-	-	3.1	3.1
<b>As at December 31, 2011</b>	<b>99.1</b>	<b>1,804.9</b>	<b>1,190.6</b>	<b>3,094.6</b>
Additions	250.4	86.6	104.1	441.1
Acquisition of the Côté Gold project	-	-	7.6	7.6
Changes in asset retirement obligations	-	6.7	-	6.7
Disposals	-	-	(8.2)	(8.2)
Transfer <sup>1</sup>	329.6	-	-	329.6
Transfer within mining assets	(50.9)	3.7	47.2	-
Other	-	-	1.4	1.4
<b>As at September 30, 2012</b>	<b>\$ 628.2</b>	<b>\$ 1,901.9</b>	<b>\$ 1,342.7</b>	<b>\$ 3,872.8</b>
<b>Accumulated Depreciation</b>				
As at December 31, 2010	\$ -	\$ 731.4	\$ 416.1	\$ 1,147.5
Depreciation expense - continuing operations <sup>2</sup>	-	71.7	78.6	150.3
Depreciation expense - discontinued operations	-	1.5	2.1	3.6
Disposals - continuing operations	-	(0.2)	(8.6)	(8.8)
Disposals - discontinued operations	-	(44.9)	(37.1)	(82.0)
Other	-	2.4	-	2.4
<b>As at December 31, 2011</b>	<b>-</b>	<b>761.9</b>	<b>451.1</b>	<b>1,213.0</b>
Depreciation expense	-	61.3	66.8	128.1
Disposals	-	-	(5.5)	(5.5)
Other	-	-	0.5	0.5
<b>As at September 30, 2012</b>	<b>\$ -</b>	<b>\$ 823.2</b>	<b>\$ 512.9</b>	<b>\$ 1,336.1</b>
Net book value as at December 31, 2011	\$ 99.1	\$ 1,043.0	\$ 739.5	\$ 1,881.6
<b>Net book value as at September 30, 2012</b>	<b>\$ 628.2</b>	<b>\$ 1,078.7</b>	<b>\$ 829.8</b>	<b>\$ 2,536.7</b>

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

2 Excluding depreciation expense relating to corporate assets.

## 12. EXPLORATION AND EVALUATION ASSETS

	September 30, 2012	December 31, 2011
Canada - Côte Gold project	\$ 533.3	\$ -
Canada - Westwood project	-	329.6
Ecuador - Quimsacocha project <sup>1</sup>	-	26.9
	<b>\$ 533.3</b>	<b>\$ 356.5</b>
<b>At December 31, 2010</b>		<b>\$ 306.2</b>
Exploration and evaluation expenditures		122.9
Transfers to mining assets		(1.5)
Disposal of the La Arena project		(71.1)
<b>At December 31, 2011</b>		<b>356.5</b>
Exploration and evaluation expenditures		2.0
Acquisition of the Côte Gold project		532.7
Transfer to assets held for sale <sup>1</sup>		(28.3)
Transfer to mining assets <sup>2</sup>		(329.6)
<b>At September 30, 2012</b>		<b>\$ 533.3</b>

<sup>1</sup> At September 30, 2012, the Quimsacocha project was classified as an asset held for sale.

<sup>2</sup> Upon determination of technical feasibility and commercial viability of a project, the related exploration and evaluation assets are transferred to mining and construction in progress within mining assets. During the first quarter 2012, capitalized costs to the Westwood project were transferred from exploration and evaluation assets to mining assets.

Exploration and evaluation expenses in the consolidated statements of earnings amounted to \$33.6 million in the third quarter 2012 (\$76.9 million during the first nine months of 2012) compared to \$20.4 million during the third quarter 2011 (\$52.3 million during the first nine months of 2011).

## 13. OTHER NON-CURRENT ASSETS

	September 30, 2012	December 31, 2011
Receivables from governments <sup>1</sup>	\$ 22.8	\$ 11.3
Marketable securities	90.8	93.8
Warrants held as investments	1.2	10.1
Royalty interests	19.4	21.2
Ore stockpiles	154.8	111.3
Deposits on non-current assets	79.6	27.1
Other	27.7	20.4
	<b>\$ 396.3</b>	<b>\$ 295.2</b>

<sup>1</sup> Receivables from governments related to taxes, mineral rights and exploration tax credits.

## 14. LONG-TERM DEBT AND CREDIT FACILITIES

### (a) Senior Notes

On September 21, 2012, the Company issued at face value \$650.0 million of senior unsecured notes ("Notes"). As at September 30, 2012, the fair value was \$650.0 million. The Notes are denominated in U.S. dollars, mature and become due and payable on October 1, 2020, and bear interest at the rate of 6.75% per annum. Interest is payable in arrears in equal semi-annual installments on April 1 and October 1 of each year commencing in 2013. The Notes are guaranteed by some of the Company's subsidiaries. The Company intends to use the proceeds of the Notes for general corporate purposes, including funding capital expenditures and exploration.

The Company incurred transaction costs of \$11.7 million which have been capitalized and offset against the carrying amount of the \$650.0 million Notes within long-term debt in the balance sheet and will be amortized using the effective interest rate method.

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

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

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

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

At September 30, 2012	Payments due by period					After 5 Years
	Carrying amount	Contractual cash flows	1 Year	2-3 Years	4-5 Years	
Notes	\$650.0	\$ 1,002.4	\$ 23.2	\$ 87.8	\$ 87.8	\$ 803.6

**(b) Credit Facility**

On February 22, 2012, the Company amended and increased its \$350.0 million unsecured revolving credit facility to a four-year, \$500.0 million unsecured revolving credit facility. The key amendments include an increase in commitments, an increase in tenor, a reduction in borrowing costs and fees, and improved financing conditions. The amended credit facility provides for an interest rate margin above London Interbank Offered Rate (“LIBOR”), banker’s acceptance (“BA”) prime rate and base rate advances which varies according to the total net debt ratio of the Company. Fees related to the credit facility vary according to the total debt ratio the Company. This credit facility is guaranteed by some of the Company’s subsidiaries. The maturity date of this amended credit facility is February 22, 2016 with a provision to extend the maturity date for a period of one year.

On February 22, 2012, the Company amended and increased its \$50.0 million revolving facility for the issuance of letters of credit to \$75.0 million. The amended revolving credit facility provides for a fixed interest rate charge of 0.25% per annum on utilized amounts and standby fees of 0.06% per annum for the unutilized portion of the facility. This revolving credit facility is guaranteed and secured by a Performance Security Guarantee underwritten by Export Development Canada (“EDC”). The maturity date of this credit facility is April 22, 2013 with a provision to extend the maturity date for a period of one year. At September 30, 2012, the Company had letters of credit in the amount of \$70.0 million to guarantee certain asset retirement obligations compared to \$17.9 million at December 31, 2011.

On February 22, 2012, Niobec Inc., a wholly-owned subsidiary of the Company, entered into a four-year \$250.0 million unsecured revolving credit facility to be used for general corporate requirements including working capital requirements and expansion of existing facilities of Niobec. The credit facility provides for an interest rate margin above LIBOR, BA prime rate and base rate advances, which varies according to the total net debt ratio of the Company. Fees related to the credit facility vary according to the total debt ratio of the Company. This credit facility is guaranteed by the Company and some of the Company’s subsidiaries. The maturity date of this credit facility is February 22, 2016 with a provision to extend the maturity date for a period of one year.

No funds were drawn against credit facilities at September 30, 2012 and December 31, 2011. The Company has complied with its credit facility covenants as of September 30, 2012.

Credit facility issue costs of \$4.5 million are capitalized in other non-current assets. Amortization is calculated on a straight-line basis over the term of the credit facility. The remaining capitalized issue costs related to the old credit facilities of \$1.1 million were expensed and included in finance costs. The carrying amount of credit facilities issue costs at September 30, 2012 was \$4.0 million.

## 15. FINANCIAL INSTRUMENTS

	September 30, 2012		December 31, 2011	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets (liabilities)				
Cash and cash equivalents	\$ 896.8	\$ 896.8	\$ 1,051.6	\$ 1,051.6
Receivables	118.1	118.1	109.7	109.7
Derivatives - Currency contracts	17.7	17.7	0.1	0.1
Derivatives - Currency contracts	(0.7)	(0.7)	(4.6)	(4.6)
Derivatives - Oil contracts	4.8	4.8	4.6	4.6
Derivatives - Oil contracts	(1.0)	(1.0)	-	-
Derivatives - Aluminum contracts	(0.1)	(0.1)	(0.8)	(0.8)
Marketable securities	109.6	109.6	118.1	118.1
Warrants held as investments	2.1	2.1	10.1	10.1
Accounts payable and accrued liabilities	(248.5)	(248.5)	(206.0)	(206.0)
Long-term debt <sup>1</sup>	(650.0)	(650.0)	-	-

<sup>1</sup> Long-term debt excludes transaction costs of \$ 11.7 million.

### (a) Available-for-sale financial assets and derivatives

#### (i) Marketable securities and warrants held as investments, and market price risk

If the fair value of a marketable security declines below its carrying amount, the Company performs qualitative and quantitative assessments of whether the impairment is either significant or prolonged. If an unrealized loss on an available-for-sale marketable security has been recognized in other comprehensive income ("OCI") and it is deemed to be either significant or prolonged, any cumulative loss that had been recognized in OCI is reclassified as an impairment loss in the consolidated statements of earnings.

Once an available-for-sale marketable security has been impaired, all subsequent losses calculated as the difference between the acquisition cost and current fair value, less any previously recognized impairment loss, are recognized in the consolidated statements of earnings. If the fair value of a previously impaired available-for-sale marketable security subsequently recovers, the unrealized gain is recorded in OCI. Previously recorded impairment losses are not subject to reversal through the consolidated statements of earnings.

Movement in fair value reserve	Three months ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011
Net unrealized change in fair value of available-for-sale financial assets:				
Unrealized gain (loss)	\$ 19.9	\$ (1.3)	\$ 14.2	\$ 6.4
Income tax impact	(2.7)	0.3	(1.8)	(1.9)
	17.2	(1.0)	12.4	4.5
Net realized change in fair value and impairment of available-for-sale financial assets:				
Gain on sale	(7.2)	(7.2)	(16.5)	(8.1)
Impairment loss	1.0	0.2	15.9	0.2
Income tax impact	0.8	0.9	-	1.0
	(5.4)	(6.1)	(0.6)	(6.9)
	\$ 11.8	\$ (7.1)	\$ 11.8	\$ (2.4)

The Company has share purchase warrants held as investments. An unrealized loss of \$0.4 million related to the change in the fair value of these warrants held as investments was recorded in the consolidated statement of earnings in the third quarter 2012 (\$2.0 million during the first nine months of 2012) compared to a loss of \$1.3 million during the third quarter 2011 (gain of \$0.7 million during the first nine months of 2011).

**(ii) Currency exchange rate risk**

At September 30, 2012, the Company had outstanding contracts which did not qualify for hedge accounting for:

- Forward and option contracts for C\$471.0 million (\$464.0 million) hedging approximately 41% of its planned exposure to the Canadian dollar for the remainder of 2012 and 54% in 2013. Contract rates range from C\$0.98/\$ to C\$1.07/\$.
- Forward and option contracts for €147.0 million (\$183.5 million) hedging approximately 46% of its planned exposure to the Euro for the remainder of 2012 and 47% in 2013. Contract rates range from \$1.18/€ to \$1.35/€.
- Forward contracts for ZAR 23.1 million (\$2.6 million), hedging 100% of its planned exposure to the South African Rand for the remainder of 2012, at an average rate of ZAR 8.75/\$.

The fair value at September 30, 2012 was included in other current and non-current assets (liabilities).

Fair Value	September 30, December 31,	
	2012	2011
Canadian dollar (C\$)	\$ 13.8	\$ (4.3)
Euro (€)	3.1	(0.3)
South African Rand (ZAR)	0.1	0.1
	\$ 17.0	\$ (4.5)

Fair value adjustments (unrealized gain (loss) on contracts) and a realized gain (loss) on settlements were recognized and recorded in derivative gain (loss).

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2012	2011	2012	2011
Unrealized gain (loss) on contracts	\$ 14.5	\$ (17.7)	\$ 21.8	\$ (16.0)
Realized gain (loss)	(0.7)	0.2	(2.6)	0.2
	\$ 13.8	\$ (17.5)	\$ 19.2	\$ (15.8)

**(iii) Oil contracts and fuel market price risk**

At September 30, 2012, the Company had outstanding option contracts, which did not qualify for hedge accounting, covering approximately 39% of its estimated fuel exposure for the remainder of 2012 and approximately 60% in 2013. Contract prices range from \$70 to \$95 per barrel for crude oil. Planned fuel requirements are for the Rosebel, Essakane, Sadiola, Yatela, Niobec and Westwood operations.

The fair value at September 30, 2012 was included in other current and non-current assets (liabilities).

Fair Value	Number of Barrels	September 30, December 31,	
		2012	2011
Crude oil option contracts	726,000	\$ 3.8	\$ 4.4
Heating oil option contracts	-	-	0.2
	726,000	\$ 3.8	\$ 4.6

Changes in fair values and a realized loss resulted in a derivative gain (loss) as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011
Unrealized gain (loss) on contracts	\$ 2.7	\$ (3.7)	\$ 0.8	\$ (3.1)
Realized loss	(0.5)	(0.3)	(0.1)	(0.3)
	\$ 2.2	\$ (4.0)	\$ 0.7	\$ (3.4)

**(iv) Aluminum contracts and market price risk**

At September 30, 2012, the Company had outstanding swap contracts, which did not qualify for hedge accounting, hedging approximately 70% of its planned aluminum exposure for the remainder of 2012 and approximately 49% in 2013 at the Niobec mine. The fair value of outstanding contracts as at September 30, 2012 was included in other current liabilities. The valuation of these contracts was based on an average aluminum contract price between \$2,146 per metric tonne and \$2,209 per metric tonne for the 2012 and 2013 consumption.

Fair Value	Number of metric tonnes	September 30, 2012	December 31, 2011
Aluminum contracts	2,900	\$ (0.1)	\$ (0.8)

Changes in fair values and a realized loss resulted in a derivative gain (loss) as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011
Unrealized gain (loss) on contracts	\$ 0.7	\$ (0.6)	\$ 0.7	\$ (0.6)
Realized loss	(0.2)	(0.1)	(0.7)	-
	\$ 0.5	\$ (0.7)	\$ -	\$ (0.6)

**(b) Derivative gain (loss)**

The derivative gain (loss) is included in interest income, derivatives and other investment gains (losses) in the consolidated statements of earnings.

	Three months ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011
Unrealized change in fair value of:				
Derivative - Currency contracts	\$ 14.5	\$ (17.7)	\$ 21.8	\$ (16.0)
Derivative - Oil contracts	2.7	(3.7)	0.8	(3.1)
Derivative - Aluminum contracts	0.7	(0.6)	0.7	(0.6)
Other (warrants held as investments and embedded derivatives)	(0.4)	(1.3)	(2.0)	0.7
Unrealized derivative gain (loss)	17.5	(23.3)	21.3	(19.0)
Realized gain (loss) on:				
Derivative - Currency contracts	(0.7)	0.2	(2.6)	0.2
Derivative - Oil contracts	(0.5)	(0.3)	(0.1)	(0.3)
Derivative - Aluminum contracts	(0.2)	(0.1)	(0.7)	-
Realized derivative loss	(1.4)	(0.2)	(3.4)	(0.1)
	\$ 16.1	\$ (23.5)	\$ 17.9	\$ (19.1)

## 16. CAPITAL MANAGEMENT

	September 30, 2012	December 31, 2011
Cash and cash equivalents	\$ 896.8	\$ 1,051.6
Gold bullion at market value	239.3	210.9
Credit facilities available for use	750.0	350.0
Long-term debt <sup>1</sup>	650.0	-
Common shares	2,315.1	2,308.6

<sup>1</sup> Long-term debt excluding transaction costs of \$ 11.7 million.

The Company's cash and cash equivalents, and gold bullion position valued at September 30, 2012 gold market price, was \$1,136.1 million (December 31, 2011 – \$1,262.5 million). This decrease was mainly due to the acquisition of the Côté Gold project, capital expenditures related to mining assets and exploration and evaluation assets, and the payment of dividends, partially offset by the net proceeds from the Notes and the net cash generated from operating activities.

The Company continues to have available a short form base shelf prospectus qualifying the distribution of securities of up to \$1.0 billion, which was filed in July 2011.

On January 5, 2012, the Company paid the semi-annual dividend declared on December 9, 2011 of \$0.125 per share totaling \$47.0 million and on July 13, 2012, the Company paid the semi-annual dividend declared on June 20, 2012 of \$0.125 per share totaling \$47.0 million.

At September 30, 2012, dividends payable of \$3.1 million relates to non-controlling interests. The payments to the non-controlling interests for the three months and nine months ended September 30, 2012 were \$7.3 million and \$11.2 million, respectively.

## 17. PROVISIONS

### (a) Asset retirement obligations

The following table presents the reconciliation of the liability for asset retirement obligations:

	2012
Balance, December 31, 2011	\$ 222.2
Acquisition of the Côté Gold project	0.4
Revision of estimated discount rates:	
Capitalized in mining assets	6.7
Expensed in mining costs (related to closed sites)	0.5
Accretion expense <sup>1</sup>	1.0
Disbursements	(1.6)
Balance, September 30, 2012	229.2
Less current portion	(4.9)
Non-current portion	\$ 224.3

<sup>1</sup> Included in finance costs.

At September 30, 2012, the Company had letters of credit in the amount of \$70.0 million to guarantee asset retirement obligations compared to \$17.9 million at December 31, 2011. The increase in collateral support to guarantee asset retirement obligations was the result of Quebec, Canada regulators accepting a revised asset retirement plan. The Company also has legally restricted cash of \$3.2 million included in other non-current assets for the purposes of settling asset retirement obligations.

## (b) Provisions for litigation claims and regulatory assessments

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

The Company operates in various countries around the world and may be subject to assessments by the regulatory authorities in each of those countries, which can be complex and subject to interpretation. Assessments may relate to matters such as income and other taxes, duties and environmental matters. The Company is diligent and exercises informed judgment to interpret the provisions of applicable laws and regulations as well as their application and administration by regulatory authorities to reasonably determine and pay the amounts due. From time to time, the Company may undergo a review by the regulatory authorities and in connection with such reviews, disputes may arise with respect to the Company's interpretations about the amounts due and paid.

The Company is also subject to various litigation actions. In-house counsel, outside legal advisors, and other subject matter experts assess the potential outcome of litigation and regulatory assessments. Accordingly, the Company establishes provisions for future disbursements considered probable. At September 30, 2012, the Company did not have any material provisions for litigation claims or regulatory assessments. Further, the Company does not believe claims or regulatory assessments for which no provision has been recorded will have a material impact on the financial position of the Company.

## 18. INCOME TAXES

The Company estimates the effective income tax rate, including the impact of changes in exchange rates for foreign currency, expected to be applicable for the full fiscal year and uses that rate to calculate the income tax expense for interim reporting periods. The Company recognizes the tax impact of changes in the non-recognition of losses, enacted tax rates and other items as discrete items in the interim period in which they occur.

The effective income tax rate varies from the combined Canadian federal and provincial statutory income tax rate and mining duty rate. The differences between the effective income tax rate and combined statutory rate are due to fluctuations in exchange rates for foreign currency, the non-recognition of losses and other discrete items.

## 19. SHARE CAPITAL

### (a) Authorized

- Unlimited first preference shares, issuable in series
- Unlimited second preference shares, issuable in series
- Unlimited common shares

### (b) Issued and outstanding common shares

	Notes	Number of Shares	
		2012	2011
Outstanding, December 31		375,918,655	372,849,289
Issuance of flow-through shares		-	1,700,000
Exercise of options	21(a)	528,420	1,140,270
Release of restricted share units and performance share units	21(b)	20,625	57,239
Outstanding, September 30		376,467,700	375,746,798

## 20. EARNINGS PER SHARE

### Basic earnings per share computation

	Three months ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011
Numerator:				
Net earnings from continuing operations attributable to equity holders of IAMGOLD	\$ 78.0	\$ 50.0	\$ 250.1	\$ 257.7
Net earnings attributable to equity holders of IAMGOLD	\$ 78.0	\$ 40.7	\$ 250.1	\$ 673.0
Denominator:				
Weighted average number of common shares (basic)	376,191,888	375,394,844	376,083,845	374,635,491
Basic earnings from continuing operations attributable to equity holders of IAMGOLD per share (\$/share)	\$ 0.21	\$ 0.13	\$ 0.67	\$ 0.69
Basic earnings attributable to equity holders of IAMGOLD per share (\$/share)	\$ 0.21	\$ 0.11	\$ 0.67	\$ 1.80

### Diluted earnings per share computation

	Three months ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011
Denominator:				
Weighted average number of common shares (basic)	376,191,888	375,394,844	376,083,845	374,635,491
Dilutive effect of employee share options	389,020	1,318,998	494,987	1,539,586
Dilutive effect of employee restricted share units	229,920	107,768	206,900	99,880
Dilutive effect of employee performance share units	46,953	13,789	39,385	5,383
Weighted average number of common shares (diluted)	376,857,781	376,835,399	376,825,117	376,280,340
Diluted earnings from continuing operations attributable to equity holders of IAMGOLD per share (\$/share)	\$ 0.21	\$ 0.13	\$ 0.66	\$ 0.68
Diluted earnings attributable to equity holders of IAMGOLD per share (\$/share)	\$ 0.21	\$ 0.11	\$ 0.66	\$ 1.79

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

	Three months ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011
Share options	3,095,394	164,622	3,095,394	243,172
Performance share units	58,302	-	58,302	-
	3,153,696	164,622	3,153,696	243,172

## 21. SHARE-BASED COMPENSATION

The amount of share-based compensation<sup>1</sup> is recorded in general and administrative expenses.

	Three months ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011
Share option plan	\$ 1.0	\$ 1.0	\$ 3.4	\$ 3.7
Share bonus plan	0.4	0.1	0.8	0.3
Deferred share plan	0.9	0.5	2.2	1.0
	\$ 2.3	\$ 1.6	\$ 6.4	\$ 5.0

<sup>1</sup> The share-based compensation expense for the three months and nine months ended September 30, 2011 excludes \$0.2 million related to reclass of Mupane as discontinued operations.

### (a) Share option plan

At September 30, 2012, the total number of shares reserved for the grants of share options was 20,257,401. At September 30, 2012, the shares that remained in reserve were 6,587,601 of which 4,213,852 were outstanding and 2,373,749 were unallocated.

	Share Options	Weighted Average Exercise Price (C\$) <sup>1</sup>
Outstanding, December 31, 2011	3,542,646	\$ 13.25
Granted	1,395,535	13.34
Exercised	(528,420)	8.85
Forfeited	(195,909)	13.65
Outstanding, September 30, 2012	4,213,852	\$ 13.82
Exercisable, September 30, 2012	1,833,621	\$ 12.24

<sup>1</sup> All exercise prices are denominated in Canadian dollars. At September 30, 2012, the exchange rate between U.S. dollar and Canadian dollar was C\$0.9832/U.S.\$.

The following are the weighted average inputs to the Black-Scholes model used in determining fair value for options granted in the first nine months of 2012. The estimated fair value of the options is expensed over their expected life.

Nine months ended September 30, 2012	Share Options
Weighted average risk-free interest rate	2%
Weighted average expected volatility <sup>1</sup>	45%
Weighted expected dividend yield	1.87%
Weighted average expected life of options issued (years)	5.0
Weighted average grant-date fair value (C\$ per share)	\$ 4.60
Weighted average share price at grant date (C\$ per share)	\$ 13.32
Weighted average exercise price (C\$ per share)	\$ 13.34

<sup>1</sup> Expected volatility is estimated by considering historic average share price volatility based on the average expected life of the options.

### (b) Other share-based payment plans

#### (i) Reserves

##### Share bonus plan

The Company has a share bonus plan for employees and directors with a maximum allotment of 740,511 common shares. In 2012, the Company's Board of Directors approved a reallocation of 140,511 common shares from the share purchase plan reserve to the share bonus plan reserve. At September 30, 2012, the shares that remained in reserve were 448,814 of which 184,242 were outstanding and 264,572 are unallocated.

A summary of the status of the Company's restricted share units issued to employees under the share bonus plan reserve and changes during the first nine months of 2012 is presented below.

Outstanding, December 31, 2011	182,259
Granted	17,604
Forfeited	(15,621)
Outstanding, September 30, 2012	184,242

During the first nine months of 2012, 17,604 restricted share units were issued to directors under the share bonus plan reserve.

#### Deferred share plan

The Company has a deferred share plan for employees whereby a maximum of 2,359,489 common shares may be awarded. In 2012, the Company's Board of Directors approved a reallocation of 859,489 common shares from the share purchase plan reserve to the deferred share plan reserve. In addition, the Company's shareholders approved an increase of 1,000,000 common shares in the deferred share plan reserve. At September 30, 2012, the shares that remained in reserve were 2,241,291 of which 835,665 are outstanding and 1,405,626 are unallocated.

#### Restricted share units

A summary of the status of the Company's restricted share units issued under the deferred share plan reserve and changes during the first nine months of 2012 is presented below.

Outstanding, December 31, 2011	246,103
Granted	431,355
Exercised	(20,625)
Forfeited	(48,536)
Outstanding, September 30, 2012	608,297

#### Performance share units

A summary of the status of the Company's performance share units issued under the deferred share plan reserve and changes during the first nine months of 2012 is presented below.

Outstanding, December 31, 2011	62,438
Granted	171,787
Forfeited	(6,857)
Outstanding, September 30, 2012	227,368

#### (ii) Summary of Awards

##### Restricted share units

The following are the weighted average inputs to the model used in determining fair value for restricted share units granted in the first nine months of 2012. The estimated fair value of the awards is expensed over their vesting period.

Nine months ended September 30, 2012	Restricted share units
Risk-free interest rate	1%
Expected volatility <sup>1</sup>	42%
Dividend yield	1.9%
Weighted average expected life of options issued (years)	2.8
Weighted average grant-date fair value (C\$ per share)	\$ 12.41
Weighted average share price at grant date (C\$ per share)	\$ 13.08
Model used	Black-Scholes

<sup>1</sup> Expected volatility is estimated by considering historic average share price volatility adjusted for market fluctuations.

## Performance share units

The following are the weighted average inputs to the model used in determining fair value for performance share units granted in the first nine months of 2012. The estimated fair value of the awards is expensed over their vesting period.

<b>Nine months ended September 30, 2012</b>	<b>Performance share units</b>
Risk-free interest rate	1%
Expected volatility <sup>1</sup>	42%
Weighted average expected life of options issued (years)	2.9
Weighted average grant-date fair value (C\$ per share)	\$ 10.72
Weighted average share price at grant date (C\$ per share)	\$ 13.44
Model used	<b>Monte Carlo</b>

<sup>1</sup> Expected volatility is estimated by considering historic average share price volatility adjusted for market fluctuations.

## 22. MINING COSTS

Mining costs include but are not limited to mine production, transport and smelter processing costs, royalty expenses, applicable site administrative costs, applicable stripping costs, depreciation, depletion and amortization, and changes in estimates of asset retirement obligations at closed sites.

	Three months ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011
Operating costs - mines	\$ 162.8	\$ 170.1	\$ 504.6	\$ 470.4
Royalties	19.0	21.3	57.9	57.0
Total operating costs- mines	181.8	191.4	562.5	527.4
Depreciation expense <sup>1</sup>	41.1	37.0	125.6	110.5
Changes in estimates of asset retirement obligations at closed sites	-	12.3	0.5	12.3
	<b>\$ 222.9</b>	<b>\$ 240.7</b>	<b>\$ 688.6</b>	<b>\$ 650.2</b>

<sup>1</sup> Excluding depreciation expense relating to corporate assets.

## 23. GENERAL AND ADMINISTRATIVE EXPENSES

	Three months ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011
Salaries	\$ 6.6	\$ 6.1	\$ 18.1	\$ 16.0
Director fees and expenses	0.6	0.8	1.8	1.4
Professional and consulting fees	3.2	2.2	7.6	6.5
Other administration costs	2.9	3.1	7.1	7.3
	13.3	12.2	34.6	31.2
Share-based compensation	2.3	1.6	6.4	5.0
Depreciation expense	0.6	0.5	1.8	1.5
	<b>\$ 16.2</b>	<b>\$ 14.3</b>	<b>\$ 42.8</b>	<b>\$ 37.7</b>

## 24. FINANCE COSTS

	Three months ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011
Credit facility fees	\$ 1.1	\$ 1.0	\$ 3.3	\$ 2.9
Interest expense	1.2	-	1.2	-
Accretion expense	0.2	0.8	1.0	2.5
Other	0.5	0.2	1.8	0.3
	\$ 3.0	\$ 2.0	\$ 7.3	\$ 5.7

## 25. INTEREST INCOME AND DERIVATIVES AND OTHER INVESTMENT GAINS (LOSSES)

	Three months ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011
Interest Income	\$ 0.6	\$ 0.6	\$ 2.5	\$ 0.7
Gain on sale of gold bullion	-	-	-	1.4
Gain on sale of marketable securities	7.2	7.2	16.5	8.1
Impairment of marketable securities	(1.2)	-	(20.7)	-
Gain (loss) on sale of assets	(0.9)	(0.1)	1.3	1.2
Gain on sale of La Arena project	-	-	-	10.5
Derivative gain (loss)	16.1	(23.5)	17.9	(19.1)
Amortization of gain related to flow-through shares	-	2.6	-	6.9
Other	1.1	0.8	3.3	1.3
	\$ 22.9	\$ (12.4)	\$ 20.8	\$ 11.0

## 26. CASH FLOW ITEMS

### (a) Adjustments for other non-cash items

	Three months ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011
Share-based compensation	\$ 2.3	\$ 1.6	\$ 6.4	\$ 5.0
Gain on sale of marketable securities	(7.2)	(7.2)	(16.5)	(8.1)
Impairment of marketable securities	1.2	-	20.7	-
Loss (gain) on sale of assets	0.9	0.1	(1.3)	(1.2)
Gain on sale of La Arena project	-	-	-	(10.5)
Derivative (gain) loss	(16.1)	23.5	(17.9)	19.1
Amortization of gain related to flow-through shares	-	(2.6)	-	(6.9)
Earnings from investments in associates	(0.2)	-	(8.5)	-
Other	1.8	(0.1)	2.9	(1.9)
	\$ (17.3)	\$ 15.3	\$ (14.2)	\$ (4.5)

**(b) Adjustments for cash items within operating activities**

	Three months ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011
Disbursements related to asset retirement obligations	\$ (0.3)	\$ (0.7)	\$ (1.6)	\$ (1.7)
Settlement of derivatives	(0.8)	(1.7)	(1.7)	(2.8)
Other	(0.2)	(0.1)	(0.5)	(0.4)
	\$ (1.3)	\$ (2.5)	\$ (3.8)	\$ (4.9)

**(c) Movements in non-cash working capital items and long-term ore stockpiles**

	Three months ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011
Receivables and other current assets	\$ (6.2)	\$ (5.0)	\$ 1.7	\$ (14.9)
Inventories and long-term ore stockpiles	(32.0)	(21.0)	(69.7)	(84.1)
Accounts payable and accrued liabilities	21.5	26.4	16.2	19.7
	\$ (16.7)	\$ 0.4	\$ (51.8)	\$ (79.3)

**(d) Other investing activities**

	Three months ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011
Acquisition of investments	\$ (2.6)	\$ (12.0)	\$ (48.9)	\$ (27.8)
Proceeds from sale of investments	7.6	9.3	17.8	10.0
Restricted cash	-	-	(1.2)	(1.2)
Net disposal (acquisition) of other assets	(1.4)	(0.4)	(3.9)	2.0
	\$ 3.6	\$ (3.1)	\$ (36.2)	\$ (17.0)

**(e) Proceeds from disposals of non-core assets**

	Three months ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011
Disposal of the La Arena project	\$ -	\$ -	\$ -	\$ 48.8
Disposal of the Tarkwa and Damang mines	-	-	-	667.0
Disposal of the Mupane mine	-	6.6	-	6.6
	\$ -	\$ 6.6	\$ -	\$ 722.4

## 27. CONTINGENCIES AND COMMITMENTS

### (a) Capital commitments

	September 30, 2012	December 31, 2011
<b>Capital commitments (excluding those related to joint ventures)</b>		
Capital expenditures obligations	\$ 116.5	\$ 68.0
Purchase obligations	74.9	105.4
Operating leases	8.0	7.2
<b>Capital commitments related to joint ventures (IAMGOLD share)</b>		
Capital expenditures obligations	2.5	4.4
Purchase obligations	48.1	31.9
	<b>\$ 250.0</b>	<b>\$ 216.9</b>

### (b) Capital commitments – Payments due by period

At September 30, 2012	Payments Due by Period				
	Total	Less than 1 Year	2-3 Years	4-5 Years	After 5 Years
Capital expenditures obligations	\$ 119.0	\$ 118.1	\$ 0.9	\$ -	\$ -
Purchase obligations	123.0	107.3	10.6	4.5	0.6
Operating leases	8.0	0.9	5.3	1.8	-
Total	<b>\$ 250.0</b>	<b>\$ 226.3</b>	<b>\$ 16.8</b>	<b>\$ 6.3</b>	<b>\$ 0.6</b>

## 28. RELATED PARTY TRANSACTIONS

There were no material related party transactions in the first nine months of 2012 and 2011.

## 29. SEGMENTED INFORMATION

Three months ended September 30, 2012

	Consolidated statement of earnings information							Capital expenditures <sup>2</sup>
	Revenues	Mining costs <sup>1</sup>	Depreciation expense	General and administrative	Exploration	Other	Earnings (loss) from operations	
<b>Gold Mines</b>								
Suriname	\$ 147.9	\$ 64.7	\$ 13.1	\$ -	\$ 2.2	\$ -	\$ 67.9	\$ 27.9
Burkina Faso	138.4	52.3	16.6	-	0.9	-	68.6	85.6
Canada	0.6	1.9	0.1	0.5	0.8	-	(2.7)	43.4
Mali	50.6	32.8	3.8	-	1.5	-	12.5	12.2
Total Gold Mines	337.5	151.7	33.6	0.5	5.4	-	146.3	169.1
Niobium	47.7	28.2	5.5	0.2	-	(0.1)	13.9	17.1
Exploration and Evaluation	-	0.9	0.3	0.8	22.7	-	(24.7)	0.7
Corporate <sup>3</sup>	1.6	1.0	1.7	14.7	5.5	(1.6)	(19.7)	-
	\$ 386.8	\$ 181.8	\$ 41.1	\$ 16.2	\$ 33.6	\$ (1.7)	\$ 115.8	\$ 186.9

Three months ended September 30, 2011

	Consolidated statement of earnings information							Capital expenditures <sup>2</sup>
	Revenues	Mining costs <sup>1</sup>	Depreciation expense	General and administrative	Exploration	Other	Earnings (loss) from operations	
<b>Gold Mines</b>								
Suriname	\$ 165.3	\$ 67.0	\$ 12.5	\$ -	\$ 2.3	\$ -	\$ 83.5	\$ 25.2
Burkina Faso	152.4	51.5	16.0	0.2	0.9	-	83.8	25.6
Canada	4.9	16.5	0.3	0.1	1.7	-	(13.7)	35.4
Mali	64.6	38.5	1.2	-	1.7	-	23.2	2.1
Total Gold Mines	387.2	173.5	30.0	0.3	6.6	-	176.8	88.3
Niobium	42.4	27.7	5.2	(0.5)	-	-	10.0	13.6
Exploration and Evaluation	-	1.1	-	0.1	13.8	-	(15.0)	0.7
Corporate <sup>3</sup>	2.3	1.4	1.8	14.4	-	(0.1)	(15.2)	-
	\$ 431.9	\$ 203.7	\$ 37.0	\$ 14.3	\$ 20.4	\$ (0.1)	\$ 156.6	\$ 102.6

1 Excluding depreciation expense.

2 Expenditures for mining assets and exploration and evaluation assets.

3 Includes royalty interests and the earnings from investments in associates.

Nine months ended September 30, 2012

	Consolidated statement of earnings information							Capital expenditures <sup>2</sup>
	Revenues	Mining costs <sup>1</sup>	Depreciation expense	General and administrative	Exploration	Other	Earnings (loss) from operations	
<b>Gold Mines</b>								
Suriname	\$ 467.5	\$ 196.8	\$ 37.9	\$ -	\$ 7.3	\$ -	\$ 225.5	98.1
Burkina Faso	425.1	154.0	56.2	-	2.2	-	212.7	174.0
Canada	12.3	7.8	0.3	0.2	3.0	-	1.0	129.0
Mali	146.8	110.7	10.7	-	3.2	-	22.2	36.3
Total Gold Mines	1,051.7	469.3	105.1	0.2	15.7	-	461.4	437.4
Niobium	144.5	89.1	14.9	0.5	-	-	40.0	51.6
Exploration and Evaluation	-	1.5	0.3	1.2	55.3	-	(58.3)	2.0
Corporate <sup>3</sup>	5.4	3.1	5.3	40.9	5.9	0.2	(50.0)	0.4
	\$1,201.6	\$ 563.0	\$ 125.6	\$ 42.8	\$ 76.9	\$ 0.2	\$ 393.1	\$ 491.4

Nine months ended September 30, 2011

	Consolidated statement of earnings information							Capital expenditures <sup>2</sup>
	Revenues	Mining costs <sup>1</sup>	Depreciation expense	General and administrative	Exploration	Other	Earnings (loss) from operations	
<b>Gold Mines</b>								
Suriname	\$ 443.9	\$ 182.5	\$ 38.1	\$ -	\$ 5.9	\$ -	\$ 217.4	\$ 50.9
Burkina Faso	418.2	144.1	47.9	0.2	2.8	-	223.2	57.3
Canada	20.0	26.7	0.3	0.5	5.8	-	(13.3)	95.2
Mali	171.5	100.3	3.4	-	3.7	-	64.1	5.3
Total Gold Mines	1,053.6	453.6	89.7	0.7	18.2	-	491.4	208.7
Niobium	130.1	82.7	14.9	-	-	-	32.5	36.7
Exploration and Evaluation	-	1.1	-	0.4	34.1	-	(35.6)	2.3
Corporate <sup>3</sup>	7.9	2.3	5.9	36.6	-	1.3	(38.2)	-
	\$1,191.6	\$ 539.7	\$ 110.5	\$ 37.7	\$ 52.3	\$ 1.3	\$ 450.1	\$ 247.7

1 Excluding depreciation expense.

2 Expenditures for mining assets and exploration and evaluation assets.

3 Includes royalty interests and the earnings from investments in associates.

	September 30, 2012			December 31, 2011		
	Total non-current assets	Total assets	Total liabilities	Total non-current assets	Total assets	Total liabilities
<b>Gold Mines</b>						
Suriname	\$ 706.0	\$ 894.5	\$ 270.2	\$ 633.7	\$ 833.4	\$ 237.8
Burkina Faso	908.3	1,094.1	139.6	787.2	954.5	139.8
Canada	730.2	744.7	147.5	493.0	532.3	131.8
Mali	141.2	189.5	101.3	109.6	182.7	92.9
Total Gold Mines	2,485.7	2,922.8	658.6	2,023.5	2,502.9	602.3
Niobium	461.9	513.0	152.4	423.6	476.7	145.3
Exploration and Evaluation	549.7	620.9	8.6	31.8	45.4	6.9
Corporate	250.5	1,157.6	627.4	327.4	1,324.7	66.3
Total	\$ 3,747.8	\$ 5,214.3	\$ 1,447.0	\$ 2,806.3	\$ 4,349.7	\$ 820.8



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