



# 2016 Q2 REPORT

Management's Discussion & Analysis	1
Financial Statements	26



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

## SECOND QUARTER ENDED JUNE 30, 2016

The following Management's Discussion and Analysis ("MD&A") of IAMGOLD Corporation ("IAMGOLD" or the "Company"), dated August 3, 2016, is intended to supplement and complement the unaudited condensed consolidated interim financial statements and notes ("consolidated interim financial statements") thereto as at and for the three and six months ended June 30, 2016. This MD&A should be read in conjunction with IAMGOLD's audited annual consolidated financial statements and related notes for December 31, 2015 and the related MD&A included in the 2015 annual report. All figures in this MD&A are in U.S. dollars and tabular dollar amounts are in millions, unless stated otherwise. Additional information on IAMGOLD can be found at [www.sedar.com](http://www.sedar.com) or [www.sec.gov](http://www.sec.gov).

### CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION

---

All 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 information or forward-looking statements and are based on expectations, estimates and projections as of the date of this MD&A. For example, forward-looking statements contained in this MD&A are found under, but are not limited to being included under, the headings "Second Quarter 2016 Summary", "Second Quarter 2016 Outlook" and "Quarterly Updates", and include, without limitation, statements with respect to: the Company's guidance for production, total cash costs, all-in sustaining costs, depreciation expense, effective tax rate, capital expenditures, operations outlook, development and expansion projects, exploration, the future price of gold, the estimation of mineral reserves and mineral resources, the realization of mineral reserve and mineral resource estimates, the timing and amount of estimated future production, costs of production, permitting timelines, currency fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. 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, but are not limited to, the use of the words "may", "will", "should", "continue", "expect", "budget", "forecast", "anticipate", "estimate", "believe", "intend", "plan", "wish", "schedule", "suggest", "guidance", "outlook", "potential", "prospects", "seek", "targets", "strategy" 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 reliance on 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, copper, silver or certain other commodities (such as diesel 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, and financing; 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, and which 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 forward-looking information or forward-looking statements, please refer to the Company's latest Annual Information Form ("AIF"), filed with the 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.shtml](http://www.sec.gov/edgar.shtml). The risks described in the AIF (filed and viewable on [www.sedar.com](http://www.sedar.com) and [www.sec.gov/edgar.shtml](http://www.sec.gov/edgar.shtml), and available upon request from the Company) are 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

---

About IAMGOLD	2
Second Quarter 2016 Highlights	2
Second Quarter 2016 Summary	3
Outlook	5
Market Trends	6
Quarterly Updates	
Operations	7
Exploration	12
Quarterly Financial Review	15
Financial Condition	
Liquidity and Capital Resources	15
Market Risk	16
Shareholders' Equity	17
Cash Flow	17
Discontinued Operations	18
Disclosure Controls and Procedures and Internal Control over Financial Reporting	18
Critical Judgments, Estimates and Assumptions	19
New Accounting Standards Issued But Not Yet Effective	19
Risks and Uncertainties	19
Non-GAAP Performance Measures	20

## ABOUT IAMGOLD

---

IAMGOLD is a mid-tier mining company with four operating gold mines on three continents. A solid base of strategic assets in North and South America and West Africa is complemented by development and exploration projects, and continued assessment of accretive acquisition opportunities. IAMGOLD is in a strong financial position with extensive management and operational expertise. IAMGOLD ([www.iamgold.com](http://www.iamgold.com)) is listed on the Toronto Stock Exchange (trading symbol "IMG") and the New York Stock Exchange (trading symbol "IAG").

IAMGOLD's commitment is to Zero Harm, in every aspect of its business. IAMGOLD is one of the companies on the JSI index<sup>1</sup>.

## SECOND QUARTER 2016 HIGHLIGHTS

---

- Cash, cash equivalents and restricted cash were \$625.5 million at June 30, 2016.
- Total cash costs<sup>2</sup> and All-in sustaining costs<sup>2</sup> for the second quarter 2016 were \$756 per ounce produced and \$1,114 per ounce sold. These include a reduction of \$23 per ounce produced and \$24 per ounce sold, respectively, reflecting normalization of costs and the revised ramp-up at Westwood.
- Attributable gold production for the second quarter 2016, inclusive of joint venture operations, was 197,000 ounces, down 5,000 ounces compared to the same prior year period.
- Gold margins for the second quarter 2016 were \$513 per ounce, up \$136 per ounce or 36% from the same prior year period.
- Net cash from operating activities from continuing operations<sup>2</sup> for the second quarter 2016 was \$71.2 million, up \$39.5 million from the same prior year period.
- Adjusted net earnings from continuing operations attributable to equity holders<sup>2</sup> for the second quarter 2016 was \$5.9 million, up from an adjusted net loss of \$30.8 million for the same prior year period.
- During the second quarter 2016, the Company obtained additional commitments of \$40 million on its revolving credit facility, for a total of \$140 million.
- On June 15, 2016, drilling results at the Monster Lake project in Quebec were released indicating a possible second zone of mineralization along the main structure. Highlights included 1.2 metres grading 20.16 g/t Au.
- On July 5, 2016, assay results from the Boto project in Senegal were released confirming extension of mineralization with high grades below the current resource model. Highlights included 84 metres grading 4.12 g/t Au, including 22 metres grading 11.25 g/t Au.

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

<sup>2</sup> This is a non-GAAP measure. Refer to the non-GAAP performance measures section of this MD&A. Consists of Essakane, Rosebel, Westwood and the Joint Ventures on an attributable basis. Joint Ventures include Sadiola (41%) and Yatela (40%) which is in closure with nominal production.

- New gold zones discovered at the Nelligan joint venture project in Quebec with diamond drilling returning intersections up to 18.0 metres grading 3.20 g/t Au and 10.3 metres grading 4.43 g/t Au.
- The Company intends to move ahead with the Sadiola Sulphide Project by the end of the year conditional upon the timely decision by its joint venture partner to proceed and the Government of Mali's renewal of construction and operating permits, the power agreement and fiscal terms related to the project.

## SECOND QUARTER 2016 SUMMARY

### FINANCIAL

- Cash, cash equivalents and restricted cash were \$625.5 million at June 30, 2016, up \$77.5 million from December 31, 2015. The increase was mainly due to proceeds from the sale of gold bullion (\$170.3 million), cash generated from operating activities (\$122.6 million) and proceeds from the issuance of flow-through shares (\$30.3 million), partially offset by spending on Property, plant and equipment and Exploration and evaluation assets (\$149.4 million), repayment of the credit facility (\$70.0 million) and interest paid (\$21.6 million).
- Revenues from continuing operations for the second quarter 2016 were \$232.5 million, up \$6.0 million or 3% from the same prior year period due to a higher realized gold price (\$13.9 million) and higher sales volume at Essakane (\$6.0 million), partially offset by lower sales volume at Westwood (\$12.3 million) and Rosebel (\$2.2 million).
- Cost of sales from continuing operations for the second quarter 2016 was \$208.1 million, down \$20.7 million or 9% from the same prior year period. The decrease was the result of lower operating costs (\$17.3 million), lower depreciation expense (\$4.1 million), partially offset by higher royalties due to a higher realized gold price (\$0.7 million). Operating costs were lower primarily as a result of lower fuel prices, reduced mining at Westwood due to on-going focus on underground development and remedial work related to the revised ramp-up, lower costs at Rosebel as a result of the devaluation of the Surinamese dollar relative to the U.S. dollar, lower labour costs at Rosebel following the workforce reductions in 2015, and productivity improvement initiatives.
- Depreciation expense for the second quarter 2016 was \$62.3 million, down \$4.1 million or 6% from the same prior year period primarily due to lower amortization of capitalized waste stripping at Essakane and lower carrying values at the Westwood mine, partially offset by lower reserves at Rosebel.
- Income tax expense from continuing operations for the second quarter 2016 was \$14.0 million, up \$7.3 million or 109% from the same prior year period. Taxes were higher due to differences in the level of taxable income in the Company's operating jurisdictions from one period to the next as well as re-measurements of deferred tax assets and liabilities as result of fluctuations in foreign exchange.
- Net loss from continuing operations attributable to equity holders for the second quarter 2016 was \$12.2 million or \$0.03 per share, down \$7.5 million or \$0.02 per share from the same prior year period. The decrease was mainly due to lower cost of sales (\$20.7 million) and higher revenues (\$6.0 million), partially offset by lower gains on derivatives and warrants (\$7.4 million), higher income tax expense (\$7.3 million), higher foreign exchange losses (\$3.3 million) and higher other expenses (\$2.3 million).
- Net cash from operating activities from continuing operations<sup>1</sup> for the second quarter 2016 was \$71.2 million, up \$39.5 million or 125% from the same prior year period. The increase was mainly due to a change in the movement of non-cash working capital (\$20.2 million), higher earnings after non-cash adjustments (\$12.5 million) and lower net settlement of derivatives (\$4.9 million).
- Net cash from operating activities before changes in working capital from continuing operations<sup>1</sup> for the second quarter 2016 was \$64.9 million (\$0.16 per share<sup>1</sup>), up \$19.3 million (\$0.05 per share<sup>1</sup>) or 42% from the same prior year period.
- Adjusted net earnings from continuing operations attributable to equity holders<sup>1</sup> for the second quarter 2016 was \$5.9 million (\$0.01 per share<sup>1</sup>), up from an adjusted net loss of \$30.8 million (\$0.08 per share<sup>1</sup>) for the same prior year period.

### OPERATIONS

- Regarding health and safety, the frequency of all types of serious injuries (measured as the DART rate<sup>2</sup>) for the second quarter 2016 was 0.23, an improvement over the Company's target of 0.62 and 2015's performance of 0.67. The lower DART rate was largely attributable to the strong health and safety performance across all sites.
- Attributable gold production, inclusive of joint venture operations, for the second quarter 2016 was 197,000 ounces, down 5,000 ounces from the same prior year period. The decrease was due to lower production at Westwood (7,000 ounces) offset by higher throughput at Rosebel (2,000 ounces).
- Attributable gold sales, inclusive of joint venture operations, for the second quarter of 2016 were 187,000 ounces, which was lower than production of 197,000 ounces due to timing of sales.

<sup>1</sup> This is a non-GAAP measure. Refer to the non-GAAP performance measures section of this MD&A. Consists of Essakane, Rosebel, Westwood and the Joint Ventures on an attributable basis.

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

- Total cash costs<sup>1</sup> for the second quarter 2016 were \$756 per ounce produced, down 7% from the same prior year period. The decrease was mainly due to lower fuel prices, the stronger U.S. dollar relative to the Euro and the Canadian dollar, the devaluation of the Surinamese dollar relative to the U.S. dollar, lower labour costs at Rosebel following the workforce reductions in 2015, and productivity improvements partially offset by lower overall production. Included in Total cash costs<sup>1</sup> in the second quarter 2016 was a reduction of \$23 per ounce produced reflecting normalization of costs and the revised ramp-up at Westwood (June 30, 2015 - \$27), and a realized derivative gain of \$2 per ounce (June 30, 2015 - realized derivative loss of \$44) per ounce produced.
- All-in-sustaining costs<sup>1</sup> for the second quarter 2016 were \$1,114 per ounce sold, up \$38 per ounce from the same prior year period primarily due to an increase in sustaining capital and lower sales, partially offset by lower cash costs. Included in All-in sustaining costs<sup>1</sup> in the second quarter 2016 was a reduction of \$24 per ounce sold reflecting normalization of costs and the revised ramp-up at Westwood (June 30, 2015 - \$28), and a realized derivative gain of \$2 per ounce (June 30, 2015 - realized derivative loss of \$53) per ounce sold.

## SUMMARY OF FINANCIAL AND OPERATING RESULTS

Financial Position (\$ millions)	June 30, 2016	December 31, 2015
Cash, cash equivalents and restricted cash	\$ 625.5	\$ 548.0
Gold bullion		
at market value	\$ —	\$ 143.3
at cost	\$ —	\$ 97.4
Total assets	\$ 3,311.1	\$ 3,251.4
Long-term debt	\$ 628.9	\$ 628.1
Available credit facility	\$ 140.0	\$ 430.0

Financial Results (\$ millions, except where noted)	Three months ended June 30,		Six months ended June 30,	
	2016	2015	2016	2015
<b>Continuing Operations</b>				
Revenues	\$ 232.5	\$ 226.5	\$ 452.2	\$ 471.2
Cost of sales	\$ 208.1	\$ 228.8	\$ 421.3	\$ 460.5
Earnings (loss) from operations <sup>1</sup>	\$ 24.4	\$ (2.3)	\$ 30.9	\$ 10.7
Net earnings (loss) from continuing operations attributable to equity holders of IAMGOLD	\$ (12.2)	\$ (19.7)	\$ 40.9	\$ (36.2)
Net earnings (loss) from continuing operations attributable to equity holders of IAMGOLD per share (\$/share)	\$ (0.03)	\$ (0.05)	\$ 0.10	\$ (0.09)
Adjusted net earnings (loss) from continuing operations attributable to equity holders of IAMGOLD <sup>1</sup>	\$ 5.9	\$ (30.8)	\$ (1.4)	\$ (60.3)
Adjusted net earnings (loss) from continuing operations attributable to equity holders per share (\$/share) <sup>1</sup>	\$ 0.01	\$ (0.08)	\$ —	\$ (0.16)
Net cash from operating activities from continuing operations <sup>1</sup>	\$ 71.2	\$ 31.7	\$ 122.6	\$ 61.7
Net cash from operating activities before changes in working capital from continuing operations <sup>1</sup>	\$ 64.9	\$ 45.6	\$ 114.7	\$ 97.6
Net cash from operating activities before changes in working capital from continuing operations (\$/share) <sup>1</sup>	\$ 0.16	\$ 0.12	\$ 0.29	\$ 0.25
Net earnings from discontinued operations attributable to equity holders of IAMGOLD	\$ —	\$ —	\$ —	\$ 40.6
Net earnings from discontinued operations attributable to equity holders of IAMGOLD (\$/share)	\$ —	\$ —	\$ —	\$ 0.10
<b>Key Operating Statistics</b>				
Gold sales – attributable (000s oz)	187	195	378	403
Gold production – attributable (000s oz)	197	202	388	410
Average realized gold price <sup>1</sup> (\$/oz)	\$ 1,269	\$ 1,194	\$ 1,228	\$ 1,208
Total cash costs <sup>1</sup> (\$/oz)	\$ 756	\$ 817	\$ 751	\$ 832
Gold margin <sup>1</sup> (\$/oz)	\$ 513	\$ 377	\$ 477	\$ 376
All-in sustaining costs <sup>1</sup> (\$/oz)	\$ 1,114	\$ 1,076	\$ 1,099	\$ 1,095

<sup>1</sup> This is a non-GAAP measure. Refer to the non-GAAP performance measures section of this MD&A.

## OUTLOOK

<b>IAMGOLD Full Year Attributable Guidance<sup>3</sup></b>	<b>2016</b>
Essakane (000s oz)	365 - 375
Rosebel (000s oz)	285 - 295
Westwood (000s oz)	50 - 60
Total owner-operated production (000s oz)	700 - 730
Joint Ventures (000s oz)	70
Total attributable production (000s oz)	770 - 800
Total cash costs <sup>1</sup> - owner-operator (\$/oz)	\$775 - \$815
Total cash costs <sup>1,2</sup> (\$/oz)	\$775 - \$815
All-in sustaining costs <sup>1</sup> - owner-operator (\$/oz)	\$1,000 - \$1,100
All-in sustaining costs <sup>1,2</sup> (\$/oz)	\$1,000 - \$1,100

<sup>1</sup> This is a non-GAAP measure. Refer to the non-GAAP performance measures section of this MD&A.

<sup>2</sup> Consists of Essakane, Rosebel, Westwood and the Joint Ventures on an attributable basis.

<sup>3</sup> The outlook is based on 2016 full year assumptions with an average realized gold price of \$1,150 per ounce, Canadian \$/U.S.\$ exchange rate of 1.25, U.S.\$/€ exchange rate of 1.10 and average crude oil price of \$63 per barrel.

### GOLD PRODUCTION AND CASH COSTS

The Company maintains its 2016 attributable gold production guidance of 770,000 to 800,000 ounces, its 2016 total cash costs<sup>1</sup> guidance of \$775 to \$815 per ounce and 2016 total all-in sustaining costs<sup>1</sup> guidance of \$1,000 to \$1,100 per ounce.

### DEPRECIATION EXPENSE

The Company maintains its 2016 depreciation guidance of \$260 to \$270 million, which reflects the impact of lower reserves and higher amortization of capitalized waste stripping at Rosebel, and the timing of capital additions, partially offset by higher reserves at Essakane.

### INCOME TAXES

The Company expects to pay cash taxes in the range of \$14 million to \$22 million in 2016. Adjustments to deferred tax assets and or liabilities may also occur in the year.

### CAPITAL EXPENDITURES OUTLOOK<sup>1</sup>

The Company maintains its capital expenditures guidance of \$250 million ± 10% in 2016 as set out below.

<b>(\$ millions)</b>	<b>Sustaining</b>	<b>Development/ Expansion (Non-sustaining)</b>	<b>Total</b>
Owner-operator			
Essakane	\$ 85	\$ —	\$ 85
Rosebel	50	15	65
Westwood	15	65	80
	150	80	230
Corporate and development projects	—	10	10
Total owner-operator	150	90	240
Joint Ventures <sup>2</sup>	5	5	10
Total (±10%)	\$ 155	\$ 95	\$ 250

<sup>1</sup> Capitalized borrowing costs are not included. The Company expects capitalized borrowing costs to be in the range of \$20 to \$25 million in 2016.

<sup>2</sup> Attributable capital expenditures of Sadiola (41%).

<sup>1</sup> This is a non-GAAP measure. Refer to the non-GAAP performance measures section of this MD&A.

## MARKET TRENDS

### GLOBAL FINANCIAL MARKET CONDITIONS

Gold increased more than 7% in the second quarter 2016 from its closing price in the previous quarter and approximately 25% since the beginning of 2016. The rise in gold price can be attributed to two key factors: the United Kingdom's June 23rd referendum in which the United Kingdom voted to leave the European Union, and the shift in U.S. interest rate expectations. The United Kingdom's referendum result to leave the European Union shocked capital markets and investors. The U.S. Federal Reserve signaled an interest rate policy path that contradicted earlier market expectations of rising rates. Both events amplified market volatility and uncertainty, which benefited gold as investors sought less risky, safe-haven assets. Market events and conditions will continue to have an impact on the Company's revenues, operating costs, project development expenditures and project planning.

	Three months ended June 30,		Six months ended June 30,	
	2016	2015	2016	2015
Average market gold price (\$/oz)	\$ 1,260	\$ 1,192	\$ 1,221	\$ 1,206
Average realized gold price <sup>1</sup> (\$/oz)	\$ 1,269	\$ 1,194	\$ 1,228	\$ 1,208
Closing market gold price (\$/oz)			\$ 1,321	\$ 1,171

<sup>1</sup> This is a non-GAAP measure. Refer to the non-GAAP performance measures section of this MD&A.

### CURRENCY AND OIL PRICE

The U.S. dollar is the Company's functional currency. The Company's revenue is denominated in U.S. dollars as gold is priced in U.S. dollars. The Company's main exposures are to the Canadian dollar, the Euro, and oil prices, which have a direct impact on the Company's Canadian and international mining activities and operations.

Both the U.K. referendum vote outcome and the shift in U.S. interest rate expectations had an impact on foreign currency and oil price movements. The Sterling Pound fell by 8% against the U.S. dollar, while the Euro fell by less than 2% against the U.S. dollar, during the quarter. The Canadian dollar remained mostly unchanged in the quarter as these events were off-set by the impact of changes in oil prices. The average prices for Brent crude oil and West Texas Intermediate ("WTI") crude oil were 34% and 35% higher, respectively, than the first quarter 2016.

In the second quarter 2016, the average exchange rates for the Canadian dollar and the Euro to the U.S. dollar were C\$1.2885 and \$1.1292, respectively. The Company is forecasting exposures of approximately C\$149 million and €136 million for the remainder of 2016. These exposures relate to operational and capital expenditures in Canada and West Africa. The Company's hedging strategy is designed to reduce the exchange rate volatility of these currencies. Refer to Financial condition - Market risk section for more information.

In the second quarter 2016, the average prices of Brent and WTI crude oil were \$47 and \$46 per barrel, respectively. The Company expects its fuel consumption for the remainder of 2016 to be the equivalent of approximately 0.6 million barrels of oil for its mining operations in West Africa and South America. The Company's hedging strategy is to mitigate the price volatility of oil. Refer to Financial condition - Market risk section for more information.

	Three months ended June 30,		Six months ended June 30,	
	2016	2015	2016	2015
Average rates				
Canadian \$ / U.S.\$	1.2885	1.2291	1.3303	1.2345
U.S.\$ / €	1.1292	1.1068	1.1167	1.1167
Closing rates				
Canadian \$ / U.S.\$			1.2995	1.2490
U.S.\$ / €			1.1068	1.1150
Average Brent price (\$/barrel)	\$ 47	\$ 64	\$ 41	\$ 59
Closing Brent price (\$/barrel)			\$ 50	\$ 64
Average WTI price (\$/barrel)	\$ 46	\$ 58	\$ 40	\$ 53
Closing WTI price (\$/barrel)			\$ 48	\$ 59

## 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 2016 production levels:

	Change of	Annualized impact on Total Cash Costs <sup>1</sup> \$/oz	Annualized impact on All-in Sustaining Costs <sup>1</sup> \$/oz
Gold price <sup>2</sup>	\$100/oz	\$5	\$5
Oil price	\$10/barrel	\$14	\$15
Canadian\$ / U.S.\$	\$0.10	\$7	\$13
U.S.\$ / €	\$0.10	\$18	\$21

<sup>1</sup> This is a non-GAAP measure. Refer to the non-GAAP performance measures section of this MD&A. Total cash costs and all-in sustaining costs, consists of Essakane, Rosebel, Westwood and the Joint Ventures on an attributable basis.

<sup>2</sup> Gold price sensitivities relate to royalty cost arrangements, which are included in total cash costs and all-in sustaining costs.

## QUARTERLY UPDATES

### OPERATIONS

The table below presents gold production attributable to the Company, total cash costs<sup>1</sup> per ounce produced and all-in sustaining costs<sup>1</sup> per ounce sold.

	Gold Production (000s oz)		Total Cash Costs <sup>1</sup> (\$ per ounce produced)		All-in Sustaining Costs <sup>1</sup> (\$ per ounce sold)	
	2016	2015	2016	2015	2016	2015
<b>Three months ended June 30,</b>						
Owner-operator						
Essakane (90%)	89	89	\$ 679	\$ 802	\$ 1,090	\$ 1,022
Rosebel (95%)	73	71	765	864	1,051	1,104
Westwood (100%)	16	23	948	837	1,157	1,044
	178	183	738	831	1,130	1,112
Joint Ventures	19	19	926	688	970	736
Total operations	197	202	\$ 756	\$ 817	\$ 1,114	\$ 1,076
Cash costs, excluding royalties			\$ 703	\$ 768		
Royalties			53	49		
Total cash costs <sup>1</sup>			\$ 756	\$ 817		
All-in sustaining costs <sup>1</sup>					\$ 1,114	\$ 1,076

<sup>1</sup> This is a non-GAAP measure. Refer to the non-GAAP performance measures section of this MD&A. Consists of Essakane, Rosebel, Westwood and the Joint Ventures on an attributable basis.

	Gold Production (000s oz)		Total Cash Costs <sup>1</sup> (\$ per ounce produced)		All-in Sustaining Costs <sup>1</sup> (\$ per ounce sold)	
	2016	2015	2016	2015	2016	2015
<b>Six months ended June 30,</b>						
Owner-operator						
Essakane (90%)	177	178	\$ 685	\$ 781	\$ 1,103	\$ 1,004
Rosebel (95%)	141	147	766	857	1,004	1,069
Westwood (100%)	31	45	906	983	1,017	1,277
	349	370	737	836	1,120	1,123
Joint Ventures	39	40	877	794	908	832
Total operations	388	410	\$ 751	\$ 832	\$ 1,099	\$ 1,095
Cash costs, excluding royalties			\$ 699	\$ 783		
Royalties			52	49		
Total cash costs <sup>1</sup>			\$ 751	\$ 832		
All-in sustaining costs <sup>1</sup>					\$ 1,099	\$ 1,095

<sup>1</sup> This is a non-GAAP measure. Refer to the non-GAAP performance measures section of this MD&A. Consists of Essakane, Rosebel, Westwood and the Joint Ventures on an attributable basis.

	Attributable Gold Sales <sup>1</sup> (000s oz)				Average Realized Gold Price <sup>2</sup> (\$/oz)			
	Three months ended June 30,		Six months ended June 30,		Three months ended June 30,		Six months ended June 30,	
	2016	2015	2016	2015	2016	2015	2016	2015
Owner-operator	170	176	341	363	\$ 1,270	\$ 1,194	\$ 1,229	\$ 1,208
Joint Ventures	17	19	37	40	1,258	1,193	1,224	1,209
	187	195	378	403	\$ 1,269	\$ 1,194	\$ 1,228	\$ 1,208

<sup>1</sup> Includes Essakane and Rosebel at 90% and 95%, respectively.

<sup>2</sup> This is a non-GAAP measure. Refer to the non-GAAP performance measures section of this MD&A.

## CAPITAL EXPENDITURES<sup>1</sup>

(\$ millions)	Three months ended June 30,		Six months ended June 30,	
	2016	2015	2016	2015
<b>Sustaining</b>				
Essakane <sup>2,3</sup>	\$ 31.8	\$ 16.0	\$ 65.3	\$ 29.2
Rosebel <sup>2,4</sup>	18.4	15.1	30.5	28.7
Westwood	3.2	5.3	6.2	15.5
Total gold segments	53.4	36.4	102.0	73.4
Corporate and other	—	0.2	—	0.3
Total capital expenditures	53.4	36.6	102.0	73.7
Joint Ventures <sup>5</sup>	0.6	0.7	0.9	1.1
	\$ 54.0	\$ 37.3	\$ 102.9	\$ 74.8
<b>Development/Expansion (Non-sustaining)</b>				
Essakane	\$ 0.2	\$ 2.3	\$ 0.2	\$ 4.4
Rosebel	2.6	1.7	3.1	3.2
Westwood	23.6	11.9	42.0	21.2
Total gold segments	26.4	15.9	45.3	28.8
Corporate and other	—	—	1.5	—
Côté Gold	0.5	1.9	0.8	3.8
Total capital expenditures	26.9	17.8	47.6	32.6
Joint Ventures <sup>5</sup>	0.1	0.6	1.4	1.9
	\$ 27.0	\$ 18.4	\$ 49.0	\$ 34.5
<b>Total</b>				
Essakane	\$ 32.0	\$ 18.3	\$ 65.5	\$ 33.6
Rosebel	21.0	16.8	33.6	31.9
Westwood	26.8	17.2	48.2	36.7
Total gold segments	79.8	52.3	147.3	102.2
Corporate and other	—	0.2	1.5	0.3
Côté Gold	0.5	1.9	0.8	3.8
Total capital expenditures	80.3	54.4	149.6	106.3
Joint Ventures <sup>5</sup>	0.7	1.3	2.3	3.0
	\$ 81.0	\$ 55.7	\$ 151.9	\$ 109.3

<sup>1</sup> Capital expenditures include cash expenditures for Property, plant and equipment, Exploration and evaluation assets, finance lease payments and are net of proceeds from sale and leaseback arrangements.

<sup>2</sup> On an attributable basis, Essakane (90%) and Rosebel (95%) sustaining capital expenditures for the three months ended June 30, 2016 were \$28.7 million and \$17.5 million, respectively (three months ended June 30, 2015 - \$14.4 million and \$14.3 million), and for the six months ended June 30, 2016 were \$58.8 million and \$29.0 million, respectively (six months ended June 30, 2015 - \$26.3 million and \$27.3 million).

<sup>3</sup> Includes capitalized stripping at Essakane for the three and six months ended June 30, 2016 of \$11.9 million and \$26.0 million, respectively (three and six months ended June 30, 2015 - \$6.0 million and \$12.4 million, respectively).

<sup>4</sup> Includes capitalized stripping at Rosebel for the three and six months ended June 30, 2016 of \$3.6 million and \$6.8 million, respectively (three and six months ended June 30, 2015 - \$4.2 million and \$8.4 million, respectively).

<sup>5</sup> Attributable capital expenditures of Sadiola (41%).

**Burkina Faso – Essakane Mine (IAMGOLD interest – 90%)**  
**Summarized Results 100% Basis, unless otherwise stated**

	Three months ended June 30,		Six months ended June 30,	
	2016	2015	2016	2015
<b>Mine operating statistics</b>				
Ore mined (000s t)	3,119	2,807	6,181	5,474
Waste mined (000s t)	8,771	9,654	18,536	19,062
Total material mined (000s t)	11,890	12,461	24,717	24,536
Strip ratio <sup>1</sup>	2.8	3.4	3.0	3.5
Ore milled (000s t)	2,793	2,763	5,540	5,289
Head grade (g/t)	1.24	1.23	1.23	1.28
Recovery (%)	90	91	91	91
Gold production - (000s oz)	99	99	196	198
Attributable gold production - 90% (000s oz)	89	89	177	178
Gold sales - (000s oz)	92	86	188	177
<b>Performance measures</b>				
Average realized gold price <sup>2</sup> (\$/oz)	\$ 1,277	\$ 1,192	\$ 1,232	\$ 1,203
All-in sustaining costs <sup>2</sup> (\$/oz)	\$ 1,090	\$ 1,022	\$ 1,103	\$ 1,004
Cash costs <sup>2</sup> excluding royalties (\$/oz)	\$ 634	\$ 761	\$ 639	\$ 738
Royalties (\$/oz)	\$ 45	\$ 41	\$ 46	\$ 43
Total cash costs <sup>2</sup> (\$/oz)	\$ 679	\$ 802	\$ 685	\$ 781

<sup>1</sup> Strip ratio is calculated as waste mined divided by ore mined.

<sup>2</sup> This is a non-GAAP measure. Refer to the non-GAAP performance measures section of this MD&A.

Attributable gold production for the second quarter 2016 of 89,000 ounces, was consistent with the same prior year period due to an increase in throughput of harder rock and slightly higher grades, offset by lower recoveries resulting from higher graphite content in the ore.

Total cash costs per ounce produced were \$679 in the second quarter of 2016 compared to \$802 in the same prior year period. The decrease was primarily due to lower realized fuel prices, the stronger U.S. dollar relative to the Euro, and improved plant efficiency and performance, partially offset by higher consumption of fuel. Essakane continues to explore initiatives including the addition of a Solar Power Plant, to reduce fuel consumption in future years.

All-in sustaining costs per ounce sold during the second quarter 2016 were \$1,090 compared to \$1,022 in the same prior year period. The increase was primarily due to higher sustaining capital expenditures including an increase in capitalized waste stripping, partially offset by lower cash costs.

During the second quarter 2016, sustaining capital expenditures of \$31.8 million included capitalized stripping costs of \$11.9 million, mine equipment of \$6.3 million, capital spares of \$5.0 million, tailings construction of \$2.7 million, mill equipment of \$1.8 million, resource development of \$0.9 million, and various other sustaining capital expenditures of \$3.2 million.

The site continues to make significant progress on enhancement and optimization initiatives to improve recoveries, including installation of an intensive leach reactor and fine carbon treatment system. Construction was completed during the second quarter 2016 with testing underway.

During the second quarter 2016, Essakane entered into a settlement agreement with the Ministry of Environment of Burkina Faso to pay a fine of approximately twelve thousand U.S. dollars and has retained an independent consultant to undertake an audit of their tailings storage facility. These measures resulted from non-compliant water samples taken late in 2015 at one of the site's water monitoring wells.

**Outlook**

The Company maintains the Essakane guidance. Essakane's attributable production in 2016 is expected to be between 365,000 and 375,000 ounces. Capital expenditures are expected to be approximately \$85 million, consisting entirely of sustaining capital.

**Suriname – Rosebel Mine (IAMGOLD interest – 95%)**  
**Summarized Results 100% Basis, unless otherwise stated**

	Three months ended June 30,		Six months ended June 30,	
	2016	2015	2016	2015
<b>Mine operating statistics</b>				
Ore mined (000s t)	3,070	3,295	6,753	6,836
Waste mined (000s t)	11,272	12,715	24,189	25,232
Total material mined (000s t)	14,342	16,010	30,942	32,068
Strip ratio <sup>1</sup>	3.7	3.9	3.6	3.7
Ore milled (000s t)	3,212	3,080	6,262	6,276
Head grade (g/t)	0.78	0.80	0.78	0.81
Recovery (%)	95	95	95	95
Gold production - (000s oz)	77	75	149	155
Attributable gold production - 95% (000s oz)	73	71	141	147
Gold sales - (000s oz)	75	77	145	159
<b>Performance measures</b>				
Average realized gold price <sup>2</sup> (\$/oz)	\$ 1,264	\$ 1,196	\$ 1,224	\$ 1,210
All-in sustaining costs <sup>2</sup> (\$/oz)	\$ 1,051	\$ 1,104	\$ 1,004	\$ 1,069
Cash costs <sup>2</sup> excluding royalties (\$/oz)	\$ 696	\$ 797	\$ 699	\$ 791
Royalties (\$/oz)	\$ 69	\$ 67	\$ 67	\$ 66
Total cash costs <sup>2</sup> (\$/oz)	\$ 765	\$ 864	\$ 766	\$ 857

<sup>1</sup> Strip ratio is calculated as waste mined divided by ore mined.

<sup>2</sup> This is a non-GAAP measure. Refer to the non-GAAP performance measures section of this MD&A.

Attributable gold production for the second quarter 2016 was 73,000 ounces compared to 71,000 ounces in the same prior year period. The 3% increase was primarily due to higher throughput, partially offset by slightly lower grades. Despite experiencing a lower proportion of soft rock compared to the same prior year period, mill throughput increased as a result of improvements from the new flex power drive on the SAG mill.

Total cash costs per ounce produced were \$765 in the second quarter 2016 compared to \$864 in the same prior year period. The decrease was primarily due to lower consumption of fuel, lower fuel prices, and the devaluation of the Surinamese dollar against the U.S. dollar combined with lower labour costs following the workforce reductions in 2015.

All-in sustaining costs per ounce sold during the second quarter 2016 were \$1,051 compared to \$1,104 in the same prior year period primarily due to lower operating costs, partially offset by higher sustaining capital expenditures.

During the second quarter 2016, sustaining capital expenditures of \$18.4 million included mine equipment of \$5.7 million, capitalized waste stripping of \$3.6 million, capital spares of \$2.8 million, tailings storage facility construction of \$2.3 million, and various other sustaining capital expenditures of \$4.0 million. Non-sustaining capital expenditures of \$2.6 million were primarily related to the secondary crusher.

To manage the challenges of increasing proportions of hard rock in the current year, Rosebel continued with improvement initiatives to the grinding circuit during the second quarter 2016, including introducing a modified liner design for the shell liners of the SAG mill to improve grinding performance. In addition, Rosebel continues to make progress on securing other sources of soft rock in and around its operations. The installation of a new secondary crusher is also underway, which will assist in increasing the grinding capacity of hard rock in future years. The on-going metallurgical improvements to elution, carbon management and gravity optimization continue to help reduce gold inventory in circuit. The 2015 cost saving initiatives are delivering significant sustainable benefits, especially increased loading and hauling efficiencies, as well as improved drilling performance and explosives management, despite higher costs relating to grade control.

### **Outlook**

The Company maintains the Rosebel guidance. Rosebel's attributable production in 2016 is expected to be between 285,000 and 295,000 ounces. Capital expenditures are expected to be approximately \$65 million, comprised of \$50 million of sustaining capital and \$15 million of non-sustaining capital.

## Canada – Westwood Mine (IAMGOLD interest – 100%)

### Summarized Results

	Three months ended June 30,		Six months ended June 30,	
	2016	2015	2016	2015
<b>Mine operating statistics</b>				
Ore mined (000s t)	76	99	156	217
Ore milled (000s t)	89	103	174	218
Head grade (g/t)	6.10	7.06	5.94	6.66
Recovery (%)	93	96	93	96
Gold production - (000s oz)	16	23	31	45
Gold sales - (000s oz)	16	26	34	53
<b>Performance measures</b>				
Average realized gold price <sup>1</sup> (\$/oz)	\$ 1,257	\$ 1,198	\$ 1,227	\$ 1,216
All-in sustaining costs <sup>1</sup> (\$/oz)	\$ 1,157	\$ 1,044	\$ 1,017	\$ 1,277
Total cash costs <sup>1</sup> (\$/oz)	\$ 948	\$ 837	\$ 906	\$ 983

<sup>1</sup> This is a non-GAAP measure. Refer to the non-GAAP performance measures section of this MD&A.

Gold production for the second quarter 2016 was 16,000 ounces which was lower compared to 23,000 ounces in the same prior year period.

Underground development continued throughout the second quarter 2016 to open up access to new mining areas with over 6,600 metres of lateral and vertical development. Development work is on target with lateral development averaging 75 metres per day. The rehabilitation work related to reopening the 104 mining block is progressing on schedule with the completion of three of five by-pass drifts. In addition, production from the planned mining blocks is on schedule and development of track drifts is ongoing and in accordance with the Company's revised mine ramp-up plan.

Total cash costs per ounce produced and all-in sustaining costs per ounce sold for the second quarter 2016 were \$948 and \$1,157, respectively, compared to \$837 and \$1,044 in the same prior year period. In accordance with International Financial Reporting Standards, the Company reduced the costs attributed to inventory for the second quarter 2016 by \$4.6 million to normalize for the amount of fixed overhead on a per unit basis as a consequence of abnormally low production. The Company adjusted total cash costs for the second quarter 2016 which were reduced by \$280 per ounce produced, and adjusted all-in sustaining costs which were reduced by \$283 per ounce sold.

During the second quarter 2016, sustaining capital expenditures of \$3.2 million included underground development of \$1.4 million, underground equipment of \$0.8 million, resource development of \$0.6 million, and mobile and other equipment of \$0.4 million. Non-sustaining capital expenditures of \$23.6 million included expansion/ramp-up development of \$22.2 million and mobile equipment of \$1.4 million.

The Company expects to continue normalizing total cash costs and all-in sustaining costs for Westwood in 2016 on a similar basis as in 2015.

### Outlook

The Company maintains the Westwood guidance. Westwood's gold production in 2016 is expected to be between 50,000 and 60,000 ounces. Capital expenditures are expected to be approximately \$80 million, consisting of \$15 million in sustaining capital and \$65 million in non-sustaining capital.

**Mali – Sadiola Mine (IAMGOLD interest – 41%)**

**Summarized Results 41% Basis**

	Three months ended June 30,		Six months ended June 30,	
	2016	2015	2016	2015
<b>Mine operating statistics</b>				
Total material mined (000s t)	1,299	1,521	2,404	3,014
Ore milled (000s t)	474	511	956	982
Head grade (g/t)	1.20	1.14	1.24	1.18
Recovery (%)	94	95	95	94
Attributable gold production - (000s oz)	18	17	37	36
Attributable gold sales - (000s oz)	16	17	35	36
<b>Performance measures</b>				
Average realized gold price <sup>1</sup> (\$/oz)	\$ 1,258	\$ 1,193	\$ 1,224	\$ 1,209
All-in sustaining costs <sup>1</sup> (\$/oz)	\$ 973	\$ 706	\$ 893	\$ 815
Total cash costs <sup>1</sup> (\$/oz)	\$ 941	\$ 658	\$ 864	\$ 778

<sup>1</sup> This is a non-GAAP measure. Refer to the non-GAAP performance measures section of this MD&A.

Attributable gold production for the second quarter 2016 of 18,000 ounces, was consistent with the same prior year period due to higher grades being offset by lower throughput and recoveries.

Despite lower fuel and consumables prices, lower contractor costs, favourable foreign exchange rates and mill throughput improvements, total cash costs per ounce produced and all-in sustaining costs per ounce sold for the second quarter 2016 were 43% and 38% higher compared to the same prior year period primarily due to the drawdown of stockpiles in the second quarter 2016.

The Company expects Sadiola to continue mining and milling oxides into early 2018. The Company intends to move ahead with the Sadiola Sulphide Project by the end of the year conditional upon the timely decision by its joint venture partner to proceed and the Government of Mali's renewal of construction and operating permits, the power agreement and fiscal terms related to the project.

**Mali - Yatela Mine (IAMGOLD interest - 40%)**

The Yatela mine produced and sold 1,000 ounces in the second quarter 2016, compared to 2,000 ounces in the same prior year period. Stacking activity ceased in 2014 and closure activities continue. Minor gold production continues from rinsing of the leach pads.

**EXPLORATION**

The Company was active at brownfield and greenfield exploration projects in eight countries located in West Africa and the Americas.

In the second quarter 2016, expenditures for exploration and project studies totaled \$9.9 million compared to \$13.6 million in the same prior year period, of which \$8.0 million was expensed and \$1.9 million was capitalized. The decrease of \$3.7 million reflects continued expenditure reduction initiatives and re-prioritizing of planned expenditures compared to the prior year. Drilling activities on active projects and mine sites totaled approximately 62,000 metres for the second quarter 2016.

(\$ millions)	Three months ended June 30,		Six months ended June 30,	
	2016	2015	2016	2015
Exploration projects - greenfield	\$ 5.5	\$ 5.2	\$ 10.9	\$ 12.6
Exploration projects - brownfield <sup>1</sup>	3.7	5.2	7.4	10.1
	9.2	10.4	18.3	22.7
Feasibility and other studies	0.7	3.2	1.5	5.3
	\$ 9.9	\$ 13.6	\$ 19.8	\$ 28.0

<sup>1</sup> Exploration projects - brownfield for the three months ended June 30, 2016 and 2015 exclude expenditures related to Joint Ventures of \$0.2 million and \$nil, respectively, and includes near-mine exploration and resource development of \$1.9 million and \$3.6 million, respectively.

## OUTLOOK - 2016

The Company has increased its 2016 exploration expenditure guidance from \$34 million to \$37 million, excluding project studies. The 2016 resource development and exploration program includes approximately 170,000 to 190,000 metres of reverse circulation and diamond drilling.

(\$ millions)	Capitalized <sup>2</sup>	Expensed	Total
Exploration projects - greenfield	\$ —	\$ 18	\$ 18
Exploration projects - brownfield <sup>1</sup>	11	8	19
	11	26	37
Feasibility and other studies	10	3	13
	\$ 21	\$ 29	\$ 50

<sup>1</sup> Exploration projects - brownfield include planned near-mine exploration and resource development of \$8 million.

<sup>2</sup> The capitalized portion of the 2016 planned spending of \$21 million is included in the Company's capital spending guidance of \$250 million ± 10%.

### CÔTÉ GOLD PROJECT, CANADA

As at December 31, 2015, reported resources included indicated resources of 289.2 million tonnes grading 0.9 g/t Au for 8.4 million ounces of gold and inferred resources of 66.9 million tonnes grading 0.6 g/t Au for 1.2 million ounces (see news release dated February 17, 2016). The Company confirms that mineral reserves have not yet been declared for the Côté Gold project.

The Company continued to advance the feasibility study by conducting permitting activities and ongoing technical studies. Study and permitting related expenditures in the second quarter 2016 totaled \$0.5 million. During the reporting period, notice was received from the federal Minister of Environment and Climate Change that, after assessment by the department, the Côté Gold project is not likely to cause significant adverse environmental effects and that the project may proceed subject to the conditions listed in the assessment report and obtaining any required approvals and permits. A provincial Environmental Assessment decision by the Ontario government is expected by the end of the third quarter 2016.

Regional exploration activities continued within the 516 square kilometre property surrounding the Côté Gold deposit to develop and assess exploration targets that could further maximize the Company's flexibility with respect to any future development decisions.

### BROWNFIELD EXPLORATION PROJECTS

The Company's mine and regional exploration teams continued to conduct systematic brownfield exploration and resource development work during the second quarter 2016 at the Essakane, Rosebel and Westwood operations.

#### Essakane, Burkina Faso

Approximately 10,200 metres of reverse circulation drilling were completed on the mine lease and surrounding concessions during the second quarter 2016. On the mine lease, drilling focused on resource expansion in an area to the southeast of the Falagountou pit. The results received to date are considered encouraging and will be incorporated into updated resource models.

On the surrounding exploration concessions, exploration activities included the completion of approximately 2,100 metres of reverse circulation drilling at the Tassiri and Gourara targets as well as continued geological mapping, geochemical sampling and trenching to evaluate and prioritize selected target areas. Results will be compiled and used to guide future drilling programs.

#### Rosebel, Suriname

During the second quarter 2016, in excess of 7,500 metres of diamond drilling were completed on the Rosebel mine lease and surrounding mineral concessions, including approximately 1,300 metres of exploration and 6,200 metres of resource development drilling. The program focused on evaluating near-pit expansion targets at West Paycaro and will continue to evaluate other near pit opportunities. Initial results are encouraging and will be used to guide future exploration drilling programs and update resource models where applicable.

The near mine and regional exploration programs continue to focus on evaluating potential resource expansions and exploration targets in the vicinity of existing operations and on the Sarafina Option property to support the ongoing strategic objective to discover and outline additional mineral resources within softer and near surface saprolite and transition rocks.

#### Westwood, Canada

During the second quarter 2016, underground excavation totaled approximately just over 19,700 metres of underground resource development diamond drilling and 770 metres of service drill holes were completed. The diamond drill program continued to focus on infill drilling to upgrade existing inferred mineral resources to the indicated mineral resource category and ongoing definition drilling of ore zones scheduled to be mined in the near term.

### GREENFIELD EXPLORATION PROJECTS

In addition to the mine site and brownfield exploration programs described above, the Company conducted active exploration and drilling programs on a number of early to advanced stage greenfield exploration projects during the second quarter 2016. Highlights include:

## **Boto, Senegal**

Effective December 31, 2015, the Boto Gold project hosts an indicated resource of 27.7 million tonnes averaging 1.8 g/t Au for 1.56 million ounces of gold and an inferred resource of 2.9 million tonnes averaging 1.3 g/t Au for 125,000 ounces (see news release dated February 17, 2016). During the second quarter 2016, the Company continued with various technical and environmental studies to advance the economic evaluation of the project.

During the quarter, approximately 4,900 metres of diamond drilling were completed at the Malikoundi deposit to target mineralization in the foot wall not completely drilled in previous campaigns, as well as test for potential higher grade extensions at depth. Subsequent to the quarter, initial assay results were reported (see news release dated July 5, 2016) which confirmed high grade mineralization below the current resource pit shell as highlighted by drill hole DBDD-2294 that intersected 84.0 metres grading 4.12 g/t Au, including 22.0 metres grading 11.25 g/t Au. Additional assay results are pending.

## **Pitangui, Brazil**

Effective December 31, 2015, reported mineral resources at the São Sebastião deposit comprised of an inferred resource of 4.3 million tonnes grading 5.0 g/t Au for 679,000 ounces of gold (see news release dated February 17, 2016).

During the second quarter 2016, approximately 2,500 metres of diamond drilling were completed, for a total of nearly 4,750 metres completed year to date, to test targets along strike to the southeast of the São Sebastião deposit. To date, drilling has confirmed the presence of rock units similar to those hosting the main São Sebastião deposit. This is a positive indicator and confirms that the Company is exploring in a favourable sequence of rocks, which could potentially host additional mineralization.

## **Siribaya Joint Venture, Mali**

The Siribaya exploration project ("Siribaya project") in Mali is operated by IAMGOLD under a 50:50 joint venture with Merrex Gold Inc. ("Merrex"). Effective December 31, 2015, total resources estimated for the Siribaya project include indicated resources of 2.1 million tonnes grading 1.90 g/t Au for 129,000 ounces of gold, and inferred resources of 19.8 million tonnes grading 1.71 g/t Au for 1.1 million ounces. Of the inferred resources, the newly discovered Diakha deposit hosts 14.8 million tonnes grading 1.81 g/t Au for 863,000 ounces, accounting for 75% of the total tonnage and 79% of the contained gold within the total inferred resources at Siribaya (see news release dated February 9, 2016).

During the second quarter 2016, just over 10,800 metres of diamond and reverse circulation drilling were completed to test the Diakha deposit at depth below the current resource pit shell, as well as test for extensions along strike to the north. Subsequent to the reporting period, assay results were reported from 41 reverse circulation drill holes totaling over 6,600 metres drilled to evaluate the potential northern extension of the Diakha deposit. The results confirmed the presence of mineralization in the northern extension area highlighted by drill hole SRC16-655 which intersected 70.0 metres grading 1.55 g/t Au, including 12.0 metres grading 2.79 g/t Au (see Merrex news release dated July 6, 2016). Further assay results are pending and will be reported as they are received, validated and compiled.

## **Monster Lake Joint Venture, Canada**

The Monster Lake project, located 50 kilometres southwest of Chibougamau, Quebec, is held under an earn-in option to joint venture agreement with TomaGold Corporation. The Company holds an undivided 50% interest in the property, and holds an option to earn a further 25% undivided interest, for a total 75% undivided interest in the project, should it spend a total of C\$10.0 million on the project within a seven year period, beginning January 1, 2015.

The winter drilling program ended in April with a total of just over 8,100 metres from 21 diamond drill holes completed by the second quarter 2016. The program targeted the Monster Lake Shear Zone ("MLSZ") hosting the 325-Megane zone as well as adjacent structures identified from the exploration program. Results reported during the quarter include: 1.2 metres grading 20.16 g/t Au from drill hole ML 16-171; 0.7 metres grading 9.01 g/t Au and 5.5 metres grading 2.68 g/t Au from drill hole ML 16-175, which appears to have intersected a second zone along the MLSZ structure in an area located 200 to 400 metres to the north of the 325-Megane zone (see news release dated June 15, 2016).

Exploration activities are ongoing and include geological and structural mapping, and selected geochemical and geophysical surveys in advance of a follow up diamond drilling program planned as weather conditions permit later in the year.

## **Nelligan Joint Venture, Canada**

The Nelligan project is held under an earn-in option to joint venture agreement with Vanstar Mining Resources Inc. ("Vanstar"), signed on November 12, 2014, whereby the Company may earn up to an initial 50% interest in the property by completing staged cash payments totaling C\$0.6 million, and the completion of C\$4.0 million in exploration expenditures over a period of four and a half years. The Company can elect to earn an additional 25% to 30% undivided interest by completing pre-feasibility and feasibility studies and making additional cash payment totaling C\$0.5 million.

During the second quarter 2016, assay results were reported from the 4,500 metre winter diamond drilling program (see Vanstar news releases dated April 5 and June 30, 2016). The results have confirmed the presence of several, new mineralized gold-bearing zones located north of the Liam and Dan zones. Highlights include: 35.8 metres grading 1.90 g/t Au, including 18.0 metres grading 3.20 g/t Au in drill hole NE-16-36; 23.0 metres grading 1.23 g/t Au in drill hole NE-16-37; and 10.3 metres grading 4.43 g/t Au and 27.3 metres grading 1.30 g/t Au from drill hole NE-16-44.

The 2016 summer program has recently commenced and will involve completion of an orientation soil sampling program and geological compilation and modelling of drill results to guide preparation of further drilling campaigns.

### Eastern Borosi Joint Venture, Nicaragua

The 176 square kilometre Eastern Borosi project is located in the Golden Triangle of Northeast Nicaragua and is held under an earn-in option to joint venture agreement with Calibre Mining Corporation (“Calibre”). The Company may earn up to a 70% interest in the project by completing scheduled cash payments and exploration work expenditures totaling \$10.9 million over six years.

In the second quarter 2016, just over 3,600 metres of diamond drilling were completed, for a total of approximately 4,300 metres year to date, to drill test selected gold-silver vein systems highlighted from previous programs. Subsequent to the quarter, Calibre reported assay results (see Calibre news release dated July 26th, 2016) which included 5.6 metres grading 11.13 g/t Au and 13.7 g/t Ag, including 1.0 metre grading 56.96 g/t Au and 61.9 g/t Ag, from the Main Blag vein system. Further assay results will be reported by the project operator as they are received, validated and compiled.

## QUARTERLY FINANCIAL REVIEW

(\$ millions, except where noted)	2016		2015				2014	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Revenues from continuing operations	\$ 232.5	\$ 219.7	\$ 238.2	\$ 207.6	\$ 226.5	\$ 244.7	\$ 272.5	\$ 286.7
Net earnings (loss) from continuing operations <sup>1,2</sup>	\$ (9.2)	\$ 52.7	\$ (677.5)	\$ (84.9)	\$ (20.3)	\$ (12.6)	\$ (147.8)	\$ (79.3)
Net earnings from discontinued operations	\$ —	\$ —	\$ —	\$ 1.2	\$ —	\$ 40.6	\$ 26.7	\$ 12.0
Net earnings (loss)	\$ (9.2)	\$ 52.7	\$ (677.5)	\$ (83.7)	\$ (20.3)	\$ 28.0	\$ (121.1)	\$ (67.3)
Net earnings (loss) attributable to equity holders of IAMGOLD	\$ (12.2)	\$ 53.1	\$ (675.9)	\$ (83.8)	\$ (19.7)	\$ 24.1	\$ (122.0)	\$ (72.5)
Basic and diluted earnings (loss) attributable to equity holders of IAMGOLD per share (\$/share)	\$ (0.03)	\$ 0.13	\$ (1.73)	\$ (0.21)	\$ (0.05)	\$ 0.06	\$ (0.32)	\$ (0.19)

<sup>1</sup> In the fourth quarter 2015, Net loss from continuing operations included after-tax impairment charges of \$580.0 million.

<sup>2</sup> In the fourth quarter 2014, Net loss from continuing operations included an increase of \$39.6 million in the asset retirement provision at closed sites and unrealized losses of \$49.2 million on non-hedge derivatives.

## FINANCIAL CONDITION

### LIQUIDITY AND CAPITAL RESOURCES

At June 30, 2016, the Company had \$625.5 million in cash, cash equivalents and restricted cash.

During the first quarter 2016, the Company sold 135,148 ounces of gold bullion with a weighted average acquisition cost of \$721 per ounce for proceeds of \$1,239 - \$1,275 per ounce for a total of \$170.3 million.

In March 2016, the Company issued 12.0 million flow-through common shares for total proceeds of \$30.3 million. The flow-through common shares were issued to fund prescribed development expenditures in the province of Quebec.

Working capital<sup>1</sup> as of June 30, 2016 was \$759.2 million, up \$57.6 million compared to December 31, 2015 due to lower current liabilities (\$62.2 million) offset by lower current assets (\$4.6 million).

Current assets as of June 30, 2016 were \$947.3 million, down \$4.6 million compared to December 31, 2015 mainly due the sale of gold bullion (\$97.4 million) and lower inventories (\$7.9 million), partially offset by an increase in cash, cash equivalents and restricted cash (\$77.5 million) and higher receivables and other current assets (\$23.4 million).

Working Capital		June 30, 2016	December 31, 2015
Working capital <sup>1</sup>	(\$ millions)	\$ 759.2	\$ 701.6
Current working capital ratio <sup>2</sup>		5.0	3.8

<sup>1</sup> Working capital is defined as current assets less current liabilities.

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

On February 1, 2016, the Company entered into a four-year \$250 million credit facility consisting of a fully committed \$100 million secured revolving credit facility and a \$150 million accordion. On April 25, 2016, the Company amended its credit facility to increase its fully committed secured revolving credit facility from \$100 million to \$140 million. As a result of this amendment, the Company now has an accordion of \$110 million. The key terms of the new facility include limitations on incremental debt, restrictions on distributions and financial covenants including Net Debt to EBITDA, Tangible Net Worth, Interest Coverage and Minimum Liquidity.

The 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 net debt ratio of the Company. This credit facility is secured by some of the Company's real assets, guarantees by some of the Company's subsidiaries and pledges of shares in some of the Company's subsidiaries. The maturity date of this credit facility is February 1, 2020. The Company was in compliance with its credit facility covenants as at June 30, 2016.

Upon entering into the \$250 million credit facility described above, the Company terminated its four-year \$500 million unsecured revolving credit facility. During the first quarter 2016 and prior to termination, the Company repaid the \$70.0 million outstanding at the end of fiscal 2015 on the \$500 million unsecured revolving credit facility.

The Company had a \$75 million revolving credit facility for the issuance of letters of credit which matured on April 22, 2016. Following the expiration of the \$75 million credit facility, letters of credit worth \$2.5 million were issued under the Company's revolving credit facility and \$0.5 million under a separate letter of credit. In lieu of a letter of credit previously committed for the asset retirement obligation at the Doyon mine, the Company had committed restricted cash of \$71.3 million at June 30, 2016.

Under the indenture governing the senior unsecured notes previously issued by the Company, if the Company makes certain asset sales, it may use an amount equal to the net proceeds to repay certain debt obligations and/or reinvest, or commit to reinvest, in the Company's business, within 365 days after the applicable asset sale. At the end of the 365-day period, if there remains \$50 million or more of the net proceeds that the Company has not used in this manner, the Company would be required to use any such excess proceeds to offer to purchase the senior unsecured notes at par in the manner described in the indenture. Regarding the use of proceeds from the disposition of certain assets, the Company reports it has kept, observed, performed and fulfilled its obligations under the indenture governing its previously-issued unsecured notes.

### **CONTRACTUAL OBLIGATIONS**

Contractual obligations as of June 30, 2016 were \$945.2 million, and comprise primarily of contractual cash flows on senior unsecured notes, purchase obligations and capital expenditure obligations. These obligations will be met through available cash resources and net cash from operating activities.

The Company holds hedge derivative contracts that are included in the summary of outstanding derivative contracts in the Financial condition - Market risk section.

### **MARKETABLE SECURITIES**

Investments in marketable securities are recorded at fair value. The Company early adopted IFRS 9 - Financial Instruments, as amended November 2013 ("IFRS 9 (2013)") effective April 2014 and all previously recognized impairments were reclassified to Other comprehensive income ("OCI") as an adjustment to opening components of equity as at January 1, 2014.

### **INVESTMENTS IN ASSOCIATES AND JOINT VENTURES**

Associates (INV Metals Inc. and Merrex Gold Inc.) and Joint Ventures (Sadiola and Yatela) are included in the Consolidated balance sheets as Investments in associates and joint ventures. The Company's share of earnings (loss) from associates and joint ventures is included in the Consolidated statements of earnings as Share of net earnings (loss) from investments in associates and joint ventures, net of income taxes.

During the second quarter 2016, the Company reviewed its investments in associates for objective evidence of impairment and determined that no impairment existed. For investments in joint ventures, if the Company is made aware of significant events or transactions which were not reflected in the Company's share of net earnings (loss) from its joint ventures, adjustments would be made to the consolidated financial statements.

### **MARKET RISK**

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

### **CURRENCY EXCHANGE RATE RISK**

The Company's objective is to hedge a portion of its exposure to Canadian dollars and Euros resulting from operating and capital expenditure requirements at Essakane, Rosebel, Westwood and the Corporate offices.

### **OIL CONTRACTS AND FUEL MARKET PRICE RISK**

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

## SUMMARY OF OUTSTANDING HEDGE DERIVATIVE CONTRACTS

The Company has 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 and oil equivalents.

At June 30, 2016, the Company's outstanding hedge derivative contracts were as follows:

Contracts	2016	2017	2018
<b>Foreign Currency</b>			
Canadian dollar contracts (millions of C\$)	60	60	60
Option contracts rate range (C\$/C\$)	1.28 - 1.38	1.30	1.30 - 1.45
Hedge ratio <sup>1</sup>	40%	22%	22%
Euro contracts (millions of €)	30	66	—
Option contracts rate range (\$/€)	1.03 - 1.09	1.07 - 1.20	—
Hedge ratio <sup>1</sup>	22%	25%	—
<b>Commodities</b>			
Brent oil contracts (thousands of barrels)	263	420	336
Option contracts with strike prices at (\$/barrel)	46 - 65 <sup>2</sup>	60 <sup>3</sup>	60 <sup>3</sup>
Hedge ratio <sup>1</sup>	75%	62%	49%
WTI oil contracts (thousands of barrels)	188	324	240
Option contracts with strike prices at (\$/barrel)	40 - 58 <sup>2</sup>	60 <sup>3</sup>	60 <sup>3</sup>
Hedge ratio <sup>1</sup>	74%	61%	49%

<sup>1</sup> Hedge ratio is calculated by dividing the amount (in foreign currency or commodity units) of outstanding derivative contracts by total foreign currency and commodity exposures, respectively.

<sup>2</sup> The Company sold put options and purchased call options with strike prices which fall within the given range. If crude oil market prices are below the put strike price (low end of range) in 2016, the Company will incur a loss from the margin between the lower market price and the set put strike price. If crude oil prices are greater than the call strike price (high end of range) in 2016, the Company will benefit from the margin between the higher market price and the set call strike price.

<sup>3</sup> The Company will purchase crude oil in 2017 and 2018 at spot prices below \$60/barrel. The Company purchased call options to protect against an increase in crude oil prices above \$60/barrel.

## SHAREHOLDERS' EQUITY

Number issued and outstanding (millions)	June 30, 2016	August 2, 2016
Common shares	406.0	406.0
Share options	6.5	6.5

## CASH FLOW

(\$ millions)	Three months ended June 30,		Six months ended June 30,	
	2016	2015	2016	2015
Net cash from (used in) per consolidated financial statements:				
Operating activities	\$ 71.2	\$ 31.7	\$ 122.6	\$ 61.7
Investing activities	(87.1)	(55.7)	7.9	447.9
Financing activities	(16.2)	(23.8)	(58.6)	8.1
Effects of exchange rate fluctuation on cash and cash equivalents	(0.4)	(2.8)	1.3	(9.6)
Increase (decrease) in cash and cash equivalents	(32.5)	(50.6)	73.2	508.1
Cash and cash equivalents, beginning of the period	586.7	729.2	481.0	158.5
Cash and cash equivalents held for sale, beginning of the period	—	—	—	12.0
Cash and cash equivalents, end of the period	\$ 554.2	\$ 678.6	\$ 554.2	\$ 678.6

## OPERATING ACTIVITIES

Net cash from operating activities for the second quarter 2016 was \$71.2 million, up \$39.5 million or 125% from the same prior year period. The increase was mainly due to a change in the movement of non-cash working capital (\$20.2 million), higher earnings after non-cash adjustments (\$12.5 million) and lower net settlement of derivatives (\$4.9 million).

## **INVESTING ACTIVITIES**

Net cash used in investing activities for the second quarter 2016 was \$87.1 million, up \$31.4 million from the same prior year period. The increase was mainly due to higher spending on Property, plant and equipment and exploration and evaluation assets including capitalized borrowing costs (\$28.1 million) and higher funding of restricted cash (\$2.2 million).

## **FINANCING ACTIVITIES**

Net cash used in financing activities for the second quarter 2016 was \$16.2 million, down \$7.6 million from the same prior year period. The decrease was mainly due to lower interest paid (\$2.5 million), lower dividends paid to minority interests (\$1.7 million) and lower repayment of finance lease obligations (\$1.5 million).

## **DISCONTINUED OPERATIONS**

On January 22, 2015, the Company completed the sale of Niobec. The Company received \$504.1 million in cash, including working capital adjustments. The sale of Niobec included an adjacent rare earth element ("REE") deposit of which a 2% royalty on gross proceeds will be payable to the Company on any REE production.

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

---

### **DISCLOSURE CONTROLS AND PROCEDURES**

The Company's disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is communicated to senior management to allow timely decisions regarding required disclosure. An evaluation of the effectiveness of the Company's disclosure controls and procedures, as defined under the rules of the Canadian Securities Administration, was conducted as at December 31, 2015 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 at December 31, 2015 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, 2015 evaluation, there have been no material changes to the Company's disclosure controls and procedures.

### **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 consolidated 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 consolidated 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 consolidated financial statements.

An evaluation of the effectiveness of the Company's internal control over financial reporting including an evaluation of material changes that may have materially affected or are reasonably likely to have materially affected the internal controls over financial reporting based on the criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission, was conducted as of December 31, 2015 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 control over financial reporting was effective as of December 31, 2015.

There have been no material changes in the Company's internal control over financial reporting or in other factors that could affect internal controls during the second quarter 2016.

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

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

## CRITICAL JUDGMENTS, ESTIMATES AND ASSUMPTIONS

---

The Company's management makes judgments in its process of applying the Company's accounting policies in the preparation of its 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, estimates and assumptions applied in the preparation of the Company's consolidated financial statements are reflected in note 3 of the Company's audited annual consolidated financial statements for the year ended December 31, 2015.

### Qualified Person and Technical information

The technical and scientific information relating to exploration activities disclosed in this document was prepared under the supervision of and verified and reviewed by Craig MacDougall, P.Geol., Senior Vice President, Exploration, IAMGOLD. Mr. MacDougall is a Qualified Person as defined by National Instrument 43-101.

Data verification involves data input and review by senior project geologists at site, scheduled weekly and monthly reporting to senior exploration management and the completion of project site visits by senior exploration management to review the status of ongoing project activities and data underlying reported results. All drilling results for exploration projects or supporting resource and reserve estimates referenced in this MD&A have been previously reported in news releases disclosures either by the Company or the project operator as the case may be (see references news releases), and have been prepared in accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects. The sampling and assay data from drilling programs are monitored through the implementation of a quality assurance - quality control (QA-QC) program designed to follow industry best practice. Drill core (HQ and NQ size) samples are selected by the project geologists and sawn in half with a diamond saw at the project site. Half of the core is typically retained at the site for reference purposes. Generally, sample intervals are 1.0 to 1.5 metre in length and RC holes are sampled at 1.0 metre intervals at the drill rig. Samples are prepared and analyzed at site for the Company's producing mines and at accredited regional laboratories for the Company's exploration projects, using analysis techniques such as standard fire assay with a 50 gram charge; fire assay with gravimetric finish, or LeachWELL rapid cyanide leach with fire assay with a 50 gram charge.

## NEW ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

---

For a discussion of new accounting standards issued but not yet effective that may impact the Company, refer to note 3 of the Company's consolidated interim financial statements.

## RISKS AND UNCERTAINTIES

---

The Company is subject to various business, financial and operational risks which could materially adversely affect the Company's future business, operations and financial condition and could cause such future business, operations and financial condition to differ materially from the forward-looking statements and information contained in this MD&A and as described in the Cautionary Statement on Forward-Looking Information found in this document.

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

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

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

For a more comprehensive discussion of the risks faced by the Company, refer to the Company's latest AIF, 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 AIF, which is 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

The Company uses certain non-GAAP financial performance measures in its MD&A, which are described in the following section.

### EARNINGS (LOSS) FROM OPERATIONS

This measure is intended to enable management to better understand the earnings generated by operating mine sites before adjustments for corporate costs and non-operating charges and income. This measure is the difference between IFRS reported revenues and cost of sales, which include revenues from all gold and royalties, direct costs, production related allocated costs and depreciation.

(\$ millions)	Three months ended June 30,		Six months ended June 30,	
	2016	2015	2016	2015
Revenues	\$ 232.5	\$ 226.5	\$ 452.2	\$ 471.2
Cost of sales	208.1	228.8	421.3	460.5
Earnings (loss) from operations	\$ 24.4	\$ (2.3)	\$ 30.9	\$ 10.7

### GOLD MARGIN

The Company's MD&A refers to gold margin per ounce, 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 volatile gold prices, profitability changes with altering cut-off gold grades. Such a decision to alter the cut-off gold grade will typically result in a change to total cash costs per ounce, but it is equally important to recognize gold margins also change at a similar 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 cut-off grades, mine sequencing, and stockpiling practices, is designed to maximize the total value of the asset 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 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.

(\$/oz of gold)	Three months ended June 30,		Six months ended June 30,	
	2016	2015	2016	2015
Average realized gold price <sup>1</sup>	\$ 1,269	\$ 1,194	\$ 1,228	\$ 1,208
Total cash costs <sup>2,3</sup>	756	817	751	832
Gold margin	\$ 513	\$ 377	\$ 477	\$ 376

<sup>1</sup> Refer to the section below.

<sup>2</sup> Refer to page 23 for calculation.

<sup>3</sup> Consists of Essakane, Rosebel, Westwood and the Joint Ventures on an attributable basis.

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

## AVERAGE REALIZED GOLD PRICE PER OUNCE SOLD

This measure is intended to enable management to understand the average realized price of gold sold to third parties in each reporting period after removing the impact of non-gold revenues and by-product credits.

The average realized gold price per ounce sold 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 average realized gold price per ounce sold to revenues as per the consolidated interim financial statements.

(\$ millions, except where noted)	Three months ended June 30,		Six months ended June 30,	
	2016	2015	2016	2015
Revenues	\$ 232.5	\$ 226.5	\$ 452.2	\$ 471.2
Royalty revenues	(0.1)	(0.1)	(0.2)	(0.2)
By-product credits and other revenue	(1.2)	(0.5)	(2.0)	(1.2)
Revenues - owner-operator	\$ 231.2	\$ 225.9	\$ 450.0	\$ 469.8
Sales - owner-operator (000s oz)	183	189	367	389
Average realized gold price per ounce <sup>1</sup> - owner-operator (\$/oz)	\$ 1,270	\$ 1,194	\$ 1,229	\$ 1,208
Revenues - Joint Ventures	\$ 22.5	\$ 22.8	\$ 46.3	\$ 48.2
Sales - Joint Ventures (000s oz)	17	19	37	40
Average realized gold price per ounce <sup>1</sup> - Joint Ventures (\$/oz)	\$ 1,258	\$ 1,193	\$ 1,224	\$ 1,209
Average realized gold price per ounce <sup>1,2</sup> (\$/oz)	\$ 1,269	\$ 1,194	\$ 1,228	\$ 1,208

<sup>1</sup> Average realized gold price per ounce sold may not calculate based on amounts presented in this table due to rounding.

<sup>2</sup> Average realized gold price per ounce sold, consists of Essakane, Rosebel, Westwood and the Joint Ventures on an attributable basis.

## ADJUSTED NET EARNINGS (LOSS) ATTRIBUTABLE TO EQUITY HOLDERS

Adjusted net earnings (loss) attributable to equity holders of IAMGOLD and adjusted net earnings (loss) attributable to equity holders of IAMGOLD per share are non-GAAP performance measures. Management believes these measures better reflect the Company's performance for the current period and are better indications of its expected performance in future periods. Adjusted net earnings (loss) attributable to equity holders of IAMGOLD and adjusted net earnings (loss) attributable to equity holders of IAMGOLD per share are intended to provide additional information, but are unlikely to be comparable to similar measures presented by other issuers. These measures do not have any standardized meaning prescribed by IFRS and should not be considered in isolation or a substitute for measures of performance prepared in accordance with IFRS. Adjusted net earnings (loss) attributable to equity holders of IAMGOLD represents net earnings (loss) attributable to equity holders excluding certain impacts, net of taxes, such as write-down of assets, gain or loss on sales of assets, unrealized non-hedge derivative gain or loss, interest expense which is unrelated to financing working capital, foreign exchange gain or loss, restructuring charges, and changes in estimates of asset retirement obligations at closed sites. These measures are not necessarily indicative of net earnings or cash flows as determined under IFRS.

The following table provides a reconciliation of earnings from continuing operations before income taxes and non-controlling interests as per the Consolidated statements of earnings, to adjusted net earnings (loss) attributable to equity holders of IAMGOLD.

(\$ millions, except where noted)	Three months ended June 30,		Six months ended June 30,	
	2016	2015	2016	2015
Earnings (loss) from continuing operations before income taxes and non-controlling interests	\$ 4.8	\$ (13.6)	\$ 63.5	\$ (4.4)
Adjusted items:				
Gain on sale of gold bullion	—	—	(72.9)	—
Changes in estimates of asset retirement obligations at closed sites	(0.4)	(4.2)	3.3	2.6
Unrealized derivative gain	(2.7)	(15.0)	(4.9)	(8.1)
Realized derivative loss	1.2	—	1.2	—
Normalization of costs at Westwood	4.6	5.4	10.7	5.4
Write-down (recovery) of assets	(1.8)	2.4	1.8	3.4
Restructuring and other charges	—	0.3	0.2	0.9
Foreign exchange (gain) loss	2.1	(1.2)	(1.0)	(2.8)
(Gain) loss on sale of assets	—	0.2	(0.1)	(42.8)
Gain on purchase of senior unsecured notes	—	—	—	(0.9)
	3.0	(12.1)	(61.7)	(42.3)
Adjusted earnings (loss) from continuing operations before income taxes and non-controlling interests	7.8	(25.7)	1.8	(46.7)
Income taxes	(14.0)	(6.7)	(20.0)	(28.5)
Tax adjustments	15.1	1.0	19.4	18.2
Non-controlling interests	(3.0)	0.6	(2.6)	(3.3)
Adjusted net earnings (loss) from continuing operations attributable to equity holders of IAMGOLD	\$ 5.9	\$ (30.8)	\$ (1.4)	\$ (60.3)
Adjusted net earnings (loss) from continuing operations attributable to equity holders of IAMGOLD per share (\$/share)	\$ 0.01	\$ (0.08)	\$ —	\$ (0.16)
Including discontinued operations:				
Adjusted net earnings (loss) from continuing operations attributable to equity holders of IAMGOLD	\$ 5.9	\$ (30.8)	\$ (1.4)	\$ (60.3)
Net earnings from discontinued operations attributable to equity holders of IAMGOLD, net of tax	—	—	—	40.6
Adjusted items:				
Gain on disposal of discontinued operations	—	—	—	(37.8)
Adjusted net earnings (loss) including discontinued operations	\$ 5.9	\$ (30.8)	\$ (1.4)	\$ (57.5)
Adjusted net earnings (loss) including discontinued operations per share (\$/share)	\$ 0.01	\$ (0.08)	\$ —	\$ (0.15)
Basic weighted average number of common shares outstanding (millions)	405.9	391.4	401.3	388.3
Effective adjusted tax rate (%)	(14)%	(22)%	(33)%	(22)%

After adjusting reported earnings from continuing operations for those items not considered representative of the Company's core business or indicative of future continuing operations, the Company had an adjusted net earnings from continuing operations in the second quarter 2016 of \$5.9 million.

## TOTAL CASH COSTS PER OUNCE PRODUCED

The Company's MD&A refers to total cash costs per ounce produced, a non-GAAP performance measure, in order to provide investors with information about a key 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 their overall effectiveness and efficiency.

Total cash costs are calculated in accordance with a standard developed by the Gold Institute, which was a worldwide association of gold and gold product suppliers, including leading North American gold producers. The Gold Institute ceased operations in 2002, the standard is still an accepted measure of reporting cash costs of gold production in North America. Adoption of the standard is voluntary, 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, production taxes, and realized hedge and non-hedge derivative gains or losses, exclusive of depreciation, reclamation, capital expenditures and exploration and evaluation costs. These costs are then divided by the Company's attributable ounces of gold produced by mine sites in commercial production to arrive at the total cash costs per ounce produced.

The measure, along with revenues, is considered to be one of the key indicators of a Company's ability to generate operating earnings and cash flow from its mining operations. These total 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 operating activities as determined under IFRS.

The following table provides a reconciliation of total cash costs per ounce produced for gold mines to cost of sales, excluding depreciation expense as per the consolidated interim financial statements.

(\$ millions, except where noted)	Three months ended June 30,		Six months ended June 30,	
	2016	2015	2016	2015
<b>Continuing operations</b>				
Cost of sales <sup>1</sup> , excluding depreciation expense	\$ 145.8	\$ 162.4	\$ 297.5	\$ 331.8
Less: cost of sales for non-gold segments <sup>2</sup> , excluding depreciation expense	(0.2)	1.0	(0.3)	1.5
Cost of sales for gold segments, excluding depreciation expense	146.0	161.4	297.8	330.3
Adjust for:				
By-product credit (excluded from cost of sales)	(0.3)	(0.5)	(1.0)	(1.2)
Stock movement	5.1	7.4	1.0	7.2
Realized derivative loss	(0.8)	—	(1.5)	—
Normalization of costs at Westwood	(4.6)	(5.4)	(10.7)	(5.4)
Other mining costs	(3.9)	0.3	(9.2)	0.2
Cost attributed to non-controlling interests <sup>3</sup>	(9.7)	(11.2)	(19.2)	(22.1)
	(14.2)	(9.4)	(40.6)	(21.3)
Total cash costs - owner-operator	\$ 131.8	\$ 152.0	\$ 257.2	\$ 309.0
Attributable gold production - owner-operator (000s oz)	178	183	349	370
Total cash costs <sup>4,5</sup> - owner-operator (\$/oz)	\$ 738	\$ 831	\$ 737	\$ 836
Total cash costs - Joint Ventures	\$ 17.0	\$ 13.2	\$ 34.0	\$ 31.8
Attributable gold production - Joint Ventures (000s oz)	19	19	39	40
Total cash costs <sup>4,5</sup> - Joint Ventures (\$/oz)	\$ 926	\$ 688	\$ 877	\$ 794
Total cash costs <sup>4,5</sup>	\$ 148.8	\$ 165.2	\$ 291.2	\$ 340.8
Total attributable gold production (000s oz)	197	202	388	410
Total cash costs <sup>4,5</sup> (\$/oz)	\$ 756	\$ 817	\$ 751	\$ 832

<sup>1</sup> As per note 27 of the Company's consolidated interim financial statements.

<sup>2</sup> Non-gold segments consist of Exploration and evaluation and Corporate.

<sup>3</sup> Adjustments for the consolidation of Essakane (90%) and Rosebel (95%) to their attributable portion of cost of sales.

<sup>4</sup> Total cash costs per ounce produced may not calculate based on amounts presented in this table due to rounding.

<sup>5</sup> Consists of Essakane, Rosebel, Westwood and the Joint Ventures on an attributable basis.

## NET CASH FROM OPERATING ACTIVITIES FROM CONTINUING OPERATIONS

The Company makes reference to a non-GAAP performance measure for net cash from operating activities from continuing operations. Management believes by measuring cash flows generated from continuing operations, this non-GAAP measure provides investors with a better understanding of the cash flows of the underlying business activities.

The following table provides a reconciliation of net cash from operating activities from continuing operations.

(\$ millions)	Three months ended June 30,		Six months ended June 30,	
	2016	2015	2016	2015
Net cash from operating activities per consolidated interim financial statements	\$ 71.2	\$ 31.7	\$ 122.6	\$ 61.7
Less: Net cash from operating activities from discontinued operations <sup>1</sup>	—	—	—	2.9
Net cash from operating activities from continuing operations	\$ 71.2	\$ 31.7	\$ 122.6	\$ 58.8

<sup>1</sup> Net cash from operating activities from discontinued operations relates to the Niobec mine and adjacent rare earth element deposit sold in 2015. Refer to the Company's audited annual consolidated financial statements for the year ended December 31, 2015.

## NET CASH FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL FROM CONTINUING OPERATIONS

The Company makes reference to a non-GAAP performance measure for net cash from operating activities before changes in working capital from continuing operations and net cash from operating activities before changes in working capital from continuing operations per share. Working capital can be volatile due to numerous factors including a build-up or reduction of inventories. Management believes by excluding these items, these non-GAAP measures provide investors with the ability to better evaluate the cash flow performance of the Company.

The following table provides a reconciliation of net cash from operating activities before changes in working capital from continuing operations.

(\$ millions, except where noted)	Three months ended June 30,		Six months ended June 30,	
	2016	2015	2016	2015
Net cash from operating activities from continuing operations	\$ 71.2	\$ 31.7	\$ 122.6	\$ 58.8
Adjusting items from non-cash working capital items and non-current ore stockpiles				
Receivables and other current assets	0.2	(3.5)	7.1	(2.8)
Inventories and non-current ore stockpiles	10.9	19.1	(5.5)	21.9
Accounts payable and accrued liabilities	(17.4)	(1.7)	(9.5)	19.7
Net cash from operating activities before changes in working capital from continuing operations	\$ 64.9	\$ 45.6	\$ 114.7	\$ 97.6
Basic weighted average number of common shares outstanding (millions)	405.9	391.4	401.3	388.3
Net cash from operating activities before changes in working capital from continuing operations (\$/share)	\$ 0.16	\$ 0.12	\$ 0.29	\$ 0.25

## ALL-IN SUSTAINING COSTS PER OUNCE SOLD

The Company believes, although relevant, the current total cash costs measure commonly used in the gold industry does not capture the sustaining expenditures incurred in producing gold, therefore, may not present a complete picture of a Company's operating performance or its ability to generate free cash flow from its current operations. For these reasons, members of the World Gold Council ("WGC") defined an all-in sustaining costs measure which better represents the costs associated with producing gold. The WGC is a non-profit association of the world's leading gold mining companies, established in 1987 to promote the use of gold.

The all-in sustaining costs ("AISC") per ounce sold measure better meets the needs of analysts, investors and other stakeholders of the Company in assessing its operating performance and its ability to generate free cash flow. The definition of AISC, on an attributable basis, commences with cost of sales, excluding depreciation expense, and includes sustaining capital expenditures, sustaining exploration and evaluation expenses, environmental rehabilitation accretion and depreciation, by-product credits, corporate general and administrative costs.

This measure seeks to represent the cost of selling gold from current operations, and therefore does not include capital expenditures attributable to development projects or mine expansions, greenfield exploration expenses, income tax payments, working capital defined as current assets less current liabilities (except for inventory adjustments), items needed to normalize earnings, interest costs or dividend payments.

Consequently, this measure is not representative of all of the Company's cash expenditures and is not indicative of the Company's overall profitability. The calculation of AISC per ounce sold is based on the Company's attributable interest in sales from its gold mines. The usage of an attributable interest presentation is a fairer and more accurate way to measure economic performance than using a consolidated basis. The Company reports the AISC per ounce sold measure on an attributable sales basis, compared with the Company's current total cash costs presentation, which is on an attributable production basis.

The Company reports the measure with and without a deduction for by-product credits and reports the measure for its owner-operator mines (includes Essakane, Rosebel, Westwood), and in total (includes owner-operator mines and Joint Ventures).

AISC measures do not have any standardized meaning prescribed by IFRS and differs from measures determined in accordance with IFRS. It is 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. This measure is not necessarily indicative of net earnings or cash flow from operating activities as determined under IFRS.

(\$ millions, attributable, except where noted)	Three months ended June 30,		Six months ended June 30,	
	2016	2015	2016	2015
<b>Continuing operations</b>				
<b>AISC - owner-operator</b>				
Cost of sales <sup>1</sup> , excluding depreciation expense	\$ 136.4	\$ 151.4	\$ 278.1	\$ 309.8
Sustaining capital expenditures <sup>1</sup>	49.4	34.1	94.0	69.1
By-product credit, excluded from cost of sales	(0.3)	(0.5)	(1.0)	(1.2)
Corporate general and administrative costs <sup>2</sup>	8.3	9.3	16.4	19.0
Realized derivative loss	(0.8)	4.6	(1.4)	11.3
Environmental rehabilitation accretion and depreciation	2.7	3.1	5.8	5.7
Normalization of costs at Westwood	(4.6)	(5.4)	(10.7)	(5.4)
	\$ 191.1	\$ 196.6	\$ 381.2	\$ 408.3
<b>AISC - Joint Ventures</b>				
Cost of sales for Joint Ventures, excluding depreciation expense	\$ 16.7	\$ 13.2	\$ 33.2	\$ 31.8
Adjustments to cost of sales <sup>3</sup> - Joint Ventures	0.7	0.8	1.1	1.3
	17.4	14.0	34.3	33.1
AISC <sup>4</sup>	\$ 208.5	\$ 210.6	\$ 415.5	\$ 441.4
Attributable gold sales - owner-operator (000s oz)	170	176	341	363
AISC - owner-operator <sup>5</sup> (\$/oz)	\$ 1,130	\$ 1,112	\$ 1,120	\$ 1,123
AISC - owner-operator, excluding by-product credit (\$/oz)	\$ 1,131	\$ 1,115	\$ 1,123	\$ 1,127
Attributable gold sales (000s oz)	187	195	378	403
AISC <sup>4,5</sup> (\$/oz)	\$ 1,114	\$ 1,076	\$ 1,099	\$ 1,095
AISC excluding by-product credit <sup>4,5</sup> (\$/oz)	\$ 1,116	\$ 1,078	\$ 1,102	\$ 1,098

<sup>1</sup> Includes Essakane and Rosebel at their attributable amounts of 90% and 95% respectively. Refer to note 27 of the consolidated interim financial statements for cost of sales of total gold mines excluding Joint Ventures at 100% basis and refer to the capital expenditures table of the MD&A on page 8 for 2016 sustaining capital expenditures at 100% basis.

<sup>2</sup> Corporate general and administrative costs exclude depreciation expense.

<sup>3</sup> Adjustments to cost of sales consist of sustaining capital expenditures, by-product credit and environmental rehabilitation and depreciation.

<sup>4</sup> Consists of Essakane, Rosebel, Westwood and the Joint Ventures on an attributable basis.

<sup>5</sup> AISC per ounce sold may not calculate based on amounts presented in this table due to rounding.





# **UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**AS AT JUNE 30, 2016**

Consolidated balance sheets	27
Consolidated statements of earnings	28
Consolidated statements of comprehensive income	29
Consolidated statements of changes in equity	30
Consolidated statements of cash flows	31
Notes to condensed consolidated interim financial statements	32 to 51

## CONSOLIDATED BALANCE SHEETS

(Unaudited) (In millions of U.S. dollars)	Notes	June 30, 2016	December 31, 2015
<b>Assets</b>			
Current assets			
Cash and cash equivalents		\$ 554.2	\$ 481.0
Restricted cash	5	71.3	67.0
Gold bullion (market value - \$nil; December 31, 2015 - \$143.3)	6	—	97.4
Income taxes receivable		2.9	3.1
Receivables and other current assets	7	102.9	79.5
Inventories	8	216.0	223.9
		<b>947.3</b>	<b>951.9</b>
Non-current assets			
Investments in associates and joint ventures	9	50.0	56.6
Property, plant and equipment	10	1,872.4	1,853.8
Exploration and evaluation assets		157.7	155.1
Income taxes receivable		35.0	35.1
Other assets	11	248.7	198.9
		<b>2,363.8</b>	<b>2,299.5</b>
		<b>\$ 3,311.1</b>	<b>\$ 3,251.4</b>
<b>Liabilities and Equity</b>			
Current liabilities			
Bank indebtedness	15(b)	\$ —	\$ 70.0
Accounts payable and accrued liabilities		157.8	143.2
Income taxes payable		16.2	14.6
Current portion of provisions	12	12.7	13.4
Current portion of other liabilities	13	1.4	9.1
		<b>188.1</b>	<b>250.3</b>
Non-current liabilities			
Deferred income tax liabilities		163.4	145.8
Provisions	12	298.3	289.3
Long-term debt	15(a)	628.9	628.1
Other liabilities	13	0.2	—
		<b>1,090.8</b>	<b>1,063.2</b>
		<b>1,278.9</b>	<b>1,313.5</b>
<b>Equity</b>			
Equity attributable to IAMGOLD Corporation shareholders			
Common shares	18	2,396.7	2,366.2
Contributed surplus		37.5	38.2
Deficit		(420.3)	(461.2)
Accumulated other comprehensive loss		(24.9)	(47.4)
		<b>1,989.0</b>	<b>1,895.8</b>
Non-controlling interests		43.2	42.1
		<b>2,032.2</b>	<b>1,937.9</b>
Contingencies and commitments	12(b), 25		
		<b>\$ 3,311.1</b>	<b>\$ 3,251.4</b>

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

## CONSOLIDATED STATEMENTS OF EARNINGS

(Unaudited) (In millions of U.S. dollars, except per share amounts)	Notes	Three months ended June 30,		Six months ended June 30,	
		2016	2015	2016	2015
<b>Continuing Operations</b>					
<b>Revenues</b>		\$ 232.5	\$ 226.5	\$ 452.2	\$ 471.2
Cost of sales	21	208.1	228.8	421.3	460.5
General and administrative expenses		9.4	10.1	18.8	20.6
Exploration expenses		8.1	8.0	14.1	17.6
Other expenses (income)		0.9	(1.4)	8.3	8.4
<b>Operating costs</b>		<b>226.5</b>	<b>245.5</b>	<b>462.5</b>	<b>507.1</b>
<b>Income (loss) from operations</b>		<b>6.0</b>	<b>(19.0)</b>	<b>(10.3)</b>	<b>(35.9)</b>
Share of net earnings from investments in associates and joint ventures, net of income taxes	9	1.4	2.7	5.0	5.7
Finance costs	22	(7.1)	(9.6)	(15.4)	(19.7)
Foreign exchange gain (loss)		(2.1)	1.2	1.0	2.8
Interest income and derivatives and other investment gains	23	6.6	11.1	83.2	42.7
<b>Earnings (loss) before income taxes</b>		<b>4.8</b>	<b>(13.6)</b>	<b>63.5</b>	<b>(4.4)</b>
Income taxes	14	(14.0)	(6.7)	(20.0)	(28.5)
<b>Net earnings (loss) from continuing operations</b>		<b>(9.2)</b>	<b>(20.3)</b>	<b>43.5</b>	<b>(32.9)</b>
Net earnings from discontinued operations	4	—	—	—	40.6
<b>Net earnings (loss)</b>		<b>\$ (9.2)</b>	<b>\$ (20.3)</b>	<b>\$ 43.5</b>	<b>\$ 7.7</b>
<b>Net earnings (loss) from continuing operations attributable to</b>					
Equity holders of IAMGOLD Corporation		\$ (12.2)	\$ (19.7)	\$ 40.9	\$ (36.2)
Non-controlling interests		3.0	(0.6)	2.6	3.3
Net earnings (loss) from continuing operations		\$ (9.2)	\$ (20.3)	\$ 43.5	\$ (32.9)
<b>Net earnings (loss) attributable to</b>					
Equity holders of IAMGOLD Corporation		\$ (12.2)	\$ (19.7)	\$ 40.9	\$ 4.4
Non-controlling interests		3.0	(0.6)	2.6	3.3
Net earnings (loss)		\$ (9.2)	\$ (20.3)	\$ 43.5	\$ 7.7
<b>Attributable to equity holders of IAMGOLD Corporation</b>					
Weighted average number of common shares outstanding (in millions)					
Basic	19	405.9	391.4	401.3	388.3
Diluted	19	405.9	391.4	403.5	388.3
Basic and diluted earnings (loss) per share from continuing operations (\$ per share)	19	\$ (0.03)	\$ (0.05)	\$ 0.10	\$ (0.09)
Basic and diluted earnings per share from discontinued operations (\$ per share)	19	\$ —	\$ —	\$ —	\$ 0.10
Basic and diluted earnings (loss) per share including discontinued operations (\$ per share)	19	\$ (0.03)	\$ (0.05)	\$ 0.10	\$ 0.01

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

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Unaudited) (In millions of U.S. dollars)	Notes	Three months ended June 30,		Six months ended June 30,	
		2016	2015	2016	2015
<b>Net earnings (loss)</b>		\$ (9.2)	\$ (20.3)	\$ 43.5	\$ 7.7
<b>Other comprehensive income (loss), net of income taxes</b>					
<b>Items that will not be reclassified to the statement of earnings</b>					
<b>Movement in marketable securities fair value reserve</b>					
Net unrealized change in fair value of marketable securities		6.4	1.8	11.8	(1.8)
Net realized change in fair value of marketable securities	16(a)	—	—	(2.0)	5.3
Tax impact		(1.2)	—	(1.5)	—
		5.2	1.8	8.3	3.5
<b>Items that may be reclassified to the statement of earnings</b>					
<b>Movement in cash flow hedge fair value reserve from continuing operations</b>					
Effective portion of changes in fair value of cash flow hedges	16(b)	7.2	3.6	10.6	(23.9)
Time value of options and forward contracts excluded from hedge relationship	16(b)	0.9	(1.1)	0.6	4.3
Net change in fair value of cash flow hedges reclassified to the statement of earnings	16(b)	0.7	5.3	4.3	11.6
Time value of options and forward contracts reclassified to the statement of earnings	16(b)	—	(0.1)	—	(0.4)
Tax impact		(0.6)	(0.8)	(1.1)	0.2
<b>Movement in cash flow hedge fair value reserve from discontinued operations, net of income taxes</b>		—	—	—	1.6
		8.2	6.9	14.4	(6.6)
<b>Currency translation adjustment</b>		(2.3)	1.5	(0.4)	0.3
<b>Total other comprehensive income (loss)</b>		11.1	10.2	22.3	(2.8)
<b>Comprehensive income (loss)</b>		\$ 1.9	\$ (10.1)	\$ 65.8	\$ 4.9
<b>Comprehensive income (loss) attributable to:</b>					
Equity holders of IAMGOLD Corporation		\$ (1.1)	\$ (9.5)	\$ 63.2	\$ 1.6
Non-controlling interests		3.0	(0.6)	2.6	3.3
<b>Comprehensive income (loss)</b>		\$ 1.9	\$ (10.1)	\$ 65.8	\$ 4.9
<b>Comprehensive income (loss) arises from:</b>					
Continuing operations		\$ 1.9	\$ (10.1)	\$ 65.8	\$ (37.3)
Discontinued operations		—	—	—	42.2
<b>Comprehensive income (loss)</b>		\$ 1.9	\$ (10.1)	\$ 65.8	\$ 4.9

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

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Unaudited)		Six months ended June 30,	
(In millions of U.S. dollars)	Notes	2016	2015
<b>Common shares</b>			
Balance, beginning of the period		\$ 2,366.2	\$ 2,322.7
Issuance of shares for share-based compensation		3.0	5.1
Issuance of flow-through shares	18	27.5	35.3
Balance, end of the period		2,396.7	2,363.1
<b>Contributed surplus</b>			
Balance, beginning of the period		38.2	38.2
Issuance of shares for share-based compensation		(3.2)	(5.3)
Share-based compensation	20	2.5	3.1
Balance, end of the period		37.5	36.0
<b>Retained earnings (deficit)</b>			
Balance, beginning of the period		(461.2)	301.2
Net earnings attributable to equity holders of IAMGOLD Corporation		40.9	4.4
Balance, end of the period		(420.3)	305.6
<b>Accumulated other comprehensive income (loss)</b>			
<b>Marketable securities fair value reserve</b>			
Balance, beginning of the period		(32.5)	(31.9)
Net change in fair value of marketable securities, net of income taxes		8.3	3.5
Balance, end of the period		(24.2)	(28.4)
<b>Cash flow hedge fair value reserve</b>			
Balance, beginning of the period		(11.1)	(8.7)
Net change in fair value of cash flow hedges adjusted to property, plant and equipment	16(b)	0.2	3.0
Net change in fair value of cash flow hedges recognized in other comprehensive income (loss), net of income taxes		14.4	(6.6)
Balance, end of the period		3.5	(12.3)
<b>Currency translation adjustment</b>			
Balance, beginning of the period		(3.8)	(3.0)
Change for the period	9	(0.4)	0.3
Balance, end of the period		(4.2)	(2.7)
<b>Total accumulated other comprehensive loss</b>		<b>(24.9)</b>	<b>(43.4)</b>
<b>Equity attributable to equity holders of IAMGOLD Corporation</b>		<b>\$ 1,989.0</b>	<b>\$ 2,661.3</b>
<b>Non-controlling interests</b>			
Balance, beginning of the period		\$ 42.1	\$ 45.1
Net earnings attributable to non-controlling interests		2.6	3.3
Dividends paid to non-controlling interests	24(d)	(1.5)	(3.2)
Balance, end of the period		43.2	45.2
		<b>\$ 2,032.2</b>	<b>\$ 2,706.5</b>

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

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited) (In millions of U.S. dollars)	Notes	Three months ended June 30,		Six months ended June 30,	
		2016	2015	2016	2015
<b>Operating activities</b>					
Net earnings (loss)		\$ (9.2)	\$ (20.3)	\$ 43.5	\$ 7.7
Adjustments for:					
Finance costs		7.1	9.6	15.4	20.3
Depreciation expense		62.9	67.2	125.2	130.4
Changes in estimates of asset retirement obligations at closed sites		(0.4)	(4.2)	3.3	2.6
Income tax expense		14.0	6.7	20.0	28.5
Derivative loss		(1.8)	(4.9)	(0.5)	15.3
Gain on sale of gold bullion	6	—	—	(72.9)	—
Share of net earnings from investments in associates and joint ventures, net of income taxes	9	(1.4)	(2.7)	(5.0)	(5.7)
Gain on sale of royalty asset	23	—	—	—	(43.5)
Effects of exchange rate fluctuation on cash and cash equivalents		0.4	2.8	(1.3)	9.6
Other non-cash items	24(a)	(1.0)	3.9	—	(29.9)
Adjustments for cash items:					
Settlement of derivatives		(3.6)	(8.5)	(8.5)	(27.5)
Disbursements related to asset retirement obligations		(0.7)	(0.6)	(1.1)	(1.3)
Movements in non-cash working capital items and non-current ore stockpiles	24(b)	6.3	(13.9)	7.9	(38.7)
Cash from operating activities, before income taxes paid		72.6	35.1	126.0	67.8
Income tax paid		(1.4)	(3.4)	(3.4)	(6.1)
<b>Net cash from operating activities</b>		<b>71.2</b>	<b>31.7</b>	<b>122.6</b>	<b>61.7</b>
<b>Investing activities</b>					
Property, plant and equipment					
Capital expenditures		(79.3)	(51.5)	(146.4)	(100.1)
Capitalized borrowing costs		(7.4)	(5.7)	(7.4)	(5.7)
Proceeds from sale of gold bullion	6	—	—	170.3	—
Net proceeds from disposal of discontinued operations	4	—	—	—	489.7
Proceeds from sale of royalty asset		—	—	—	52.5
Dividends from related parties	9	—	4.1	—	4.1
Capital expenditures for Exploration and evaluation assets		(0.5)	(1.9)	(3.0)	(3.8)
Other investing activities	24(c)	0.1	(0.7)	(5.6)	11.2
<b>Net cash from (used in) investing activities</b>		<b>(87.1)</b>	<b>(55.7)</b>	<b>7.9</b>	<b>447.9</b>
<b>Financing activities</b>					
Interest paid		(14.1)	(16.6)	(14.2)	(17.2)
Repayment of credit facility	15(b)	—	—	(70.0)	—
Repurchase of long-term debt		—	—	—	(4.5)
Proceeds from issuance of flow-through shares	18	—	—	30.3	39.3
Other financing activities	24(d)	(2.1)	(7.2)	(4.7)	(9.5)
<b>Net cash from (used in) financing activities</b>		<b>(16.2)</b>	<b>(23.8)</b>	<b>(58.6)</b>	<b>8.1</b>
<b>Effects of exchange rate fluctuation on cash and cash equivalents</b>		<b>(0.4)</b>	<b>(2.8)</b>	<b>1.3</b>	<b>(9.6)</b>
<b>Increase (decrease) in cash and cash equivalents</b>		<b>(32.5)</b>	<b>(50.6)</b>	<b>73.2</b>	<b>508.1</b>
Cash and cash equivalents, beginning of the period		586.7	729.2	481.0	158.5
Cash and cash equivalents held for sale, beginning of the period		—	—	—	12.0
<b>Cash and cash equivalents, end of the period</b>		<b>\$ 554.2</b>	<b>\$ 678.6</b>	<b>\$ 554.2</b>	<b>\$ 678.6</b>

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

# NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2016 and 2015

(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 corporation governed by the *Canada Business Corporations Act* and domiciled in Canada whose shares are publicly traded. The address of the Company's registered office is 401 Bay Street, Suite 3200, Toronto, Ontario, Canada, M5H 2Y4.

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

## 2. BASIS OF PREPARATION

### (a) Statement of compliance

The unaudited condensed consolidated interim financial statements ("consolidated interim financial statements") of IAMGOLD and all of its subsidiaries, joint ventures and associates have been prepared in accordance with IAS 34, Interim Financial Reporting, and do not include all of the information required for 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.

These consolidated interim financial statements should be read in conjunction with IAMGOLD's audited annual consolidated financial statements and related notes as at and for the year ended December 31, 2015.

The consolidated interim financial statements of IAMGOLD were authorized for issue in accordance with a resolution of the Board of Directors on August 3, 2016.

### (b) Basis of measurement

The consolidated interim financial statements have been prepared on a historical cost basis, except for items measured at fair value as discussed in note 17.

### (c) Basis of consolidation

Subsidiaries and investments in joint ventures related to significant properties of the Company are accounted for as outlined below.

Name	Property – Location	June 30, 2016	December 31, 2015	Type of Arrangement	Accounting Method
Essakane S.A.	Essakane mine (Burkina Faso)	90%	90%	Subsidiary	Consolidation
Rosebel Gold Mines N.V.	Rosebel mine (Suriname)	95%	95%	Subsidiary	Consolidation
Doyon division including the Westwood mine	Doyon division (Canada)	100%	100%	Division	Consolidation
Trelawney Mining and Exploration Inc.	Côte Gold project (Canada)	100%	100%	Subsidiary	Consolidation
Euro Ressources S.A.	France	90%	90%	Subsidiary	Consolidation
Société d'Exploitation des Mines d'Or de Sadiola S.A.	Sadiola mine (Mali)	41%	41%	Joint Venture	Equity accounting

<sup>1</sup> Trelawney Mining and Exploration Inc. owns a 92.5% interest in the Côte Gold project.

### (d) 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 as at the date of the consolidated interim financial statements and reported amounts of revenues and expenses during the three and six months ended June 30, 2016. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events which are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

### (e) Significant accounting policies

These consolidated interim financial statements, including comparatives, have been prepared following the same accounting policies and methods of computation as the audited annual consolidated financial statements for the year ended December 31, 2015.

### 3. NEW ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The following new accounting standards were not yet effective for the six months ended June 30, 2016, and have not been applied in preparing these consolidated interim financial statements.

#### IFRS 15 - Revenue from Contracts with Customers

The IASB has issued IFRS 15, Revenue from Contracts with Customers, which will replace IAS 11, Construction Contracts and IAS 18, Revenue. The mandatory effective date of IFRS 15 is January 1, 2018. The objective of IFRS 15 is to establish a single, principles based model to be applied to all contracts with customers in determining how and when revenue is recognized. IFRS 15 also requires entities to provide users of financial statements with more informative and relevant disclosures. The Company will evaluate the impact of adopting IFRS 15 in its consolidated financial statements in future periods.

#### IFRS 9 - Financial Instruments

On July 24, 2014, the IASB issued the complete IFRS 9 ("IFRS 9 (2014)"), Financial Instruments. IFRS 9 (2014) differs in some regards from IFRS 9 (2013) which the Company early adopted effective April 1, 2014. IFRS 9 (2014) includes updated guidance on the classification and measurement of financial assets. The final standard also amends the impairment model by introducing a new 'expected credit loss' model for calculating impairment. The mandatory effective date of IFRS 9 (2014) is for annual periods beginning on or after January 1, 2018 and must be applied retrospectively with some exemptions. Early adoption is permitted. The Company will evaluate the impact of adopting IFRS 9 (2014) in its consolidated financial statements in future periods.

#### IFRS 16 - Leases

In January 2016, the IASB issued IFRS 16, Leases. The objective of IFRS 16 is to bring all leases on-balance sheet for lessees. IFRS 16 requires lessees to recognize a "right of use" asset and a lease liability calculated using a prescribed methodology. The mandatory effective date of IFRS 16 is for annual periods beginning on or after January 1, 2019. Early adoption is permitted provided that IFRS 15, Revenue from Contracts with Customers, is also adopted. The Company will evaluate the impact of adopting IFRS 16 in its consolidated financial statements in future periods.

### 4. DISCONTINUED OPERATIONS

On January 22, 2015, the Company sold its Niobec mine and the adjacent rare earth element ("REE") deposit resulting in a final after-tax gain of \$39.0 million after working capital adjustments. Net earnings, including the after-tax gain on disposal, for the Niobec mine were \$41.8 million during 2015. The final proceeds consisted of \$504.1 million in cash, as well as an additional \$30 million when the adjacent REE deposit goes into commercial production. A 2% gross proceeds royalty will be payable on any REE production. For full details regarding the disposal of the Niobec mine please refer to note 5 in the Company's annual audited consolidated financial statements for the year ended December 31, 2015.

### 5. RESTRICTED CASH

The Company has restricted cash held by the Government of Quebec in the amount of C\$92.7 million (June 30, 2016 - \$71.3 million; December 31, 2015 - \$67.0 million) to guarantee the asset retirement obligation relating to the Doyon mine. The Company has the right to replace the cash collateral with another form of acceptable collateral as prescribed by Government regulations.

### 6. GOLD BULLION

		June 30, 2016	December 31, 2015
Ounces held	(oz)	—	135,148
Weighted average acquisition cost	(\$/oz)	\$ —	\$ 721
Acquisition cost	(\$ millions)	\$ —	\$ 97.4
Spot price for gold, end of the period	(\$/oz)	\$ —	\$ 1,060
Market value, end of the period	(\$ millions)	\$ —	\$ 143.3

During the six months ended June 30, 2016, the Company sold all 135,148 ounces of gold bullion with a weighted average acquisition cost of \$721 per ounce for proceeds of \$1,239 - \$1,275 per ounce for a total of \$170.3 million. The resulting gain of \$ 72.9 million, net of transaction costs, was included in Interest income and derivatives and other investment gains in the Consolidated statements of earnings (refer to note 23).

## 7. RECEIVABLES AND OTHER CURRENT ASSETS

	Note	June 30, 2016	December 31, 2015
Gold receivables		\$ 5.2	\$ 2.3
Receivables from governments <sup>1</sup>		40.9	33.1
Receivables from related parties	26	41.8	29.5
Other receivables		3.2	3.1
<b>Total receivables</b>		<b>91.1</b>	<b>68.0</b>
Marketable securities and warrants		0.3	0.2
Prepaid expenses		6.5	10.3
Derivatives		5.0	0.6
Other current assets		—	0.4
		<b>\$ 102.9</b>	<b>\$ 79.5</b>

<sup>1</sup> Receivables from governments relate primarily to value added tax.

As at June 30, 2016, the allowance for doubtful non-trade receivables (excluding receivables from related parties) was \$2.6 million (December 31, 2015 - \$4.1 million). As at June 30, 2016, the allowance for doubtful non-trade receivables from related parties was \$36.0 million (December 31, 2015 - \$36.0 million).

## 8. INVENTORIES

	Note	June 30, 2016	December 31, 2015
Finished goods		\$ 59.8	\$ 56.2
Ore stockpiles		4.6	4.3
Mine supplies		151.6	163.4
		<b>216.0</b>	<b>223.9</b>
Ore stockpiles included in other non-current assets	11	156.1	147.0
		<b>\$ 372.1</b>	<b>\$ 370.9</b>

For the three and six months ended June 30, 2016, the Company recognized a write-down of inventories to net realizable value of \$nil and \$0.1 million, respectively (three and six months ended June 30, 2015 - \$0.6 million and \$1.8 million, respectively).

## 9. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

	Note	Associates <sup>1,2,3</sup>	Sadiola	Yatela	Total
<b>Balance, January 1, 2015</b>		\$ 6.8	\$ 49.6	\$ —	\$ 56.4
Acquisition		5.1	—	—	5.1
Impairment		(1.2)	—	—	(1.2)
Currency translation adjustment		(0.8)	—	—	(0.8)
Share of net earnings (loss), net of income taxes		(2.5)	11.9	0.3	9.7
Share of net earnings reversed to provision		—	—	(0.3)	(0.3)
Share of dividends paid		—	(12.3)	—	(12.3)
<b>Balance, December 31, 2015</b>		<b>7.4</b>	<b>49.2</b>	<b>—</b>	<b>56.6</b>
Currency translation adjustment		(0.4)	—	—	(0.4)
Share of net earnings (loss), net of income taxes		(0.3)	6.0	(0.7)	5.0
Share of net loss recorded as provision	12	—	—	0.7	0.7
Share of dividends declared but not yet paid		—	(11.3)	—	(11.3)
Disposal <sup>2</sup>		(0.6)	—	—	(0.6)
<b>Balance, June 30, 2016</b>		<b>\$ 6.1</b>	<b>\$ 43.9</b>	<b>\$ —</b>	<b>\$ 50.0</b>

<sup>1</sup> Associates include INV Metals and Merrex which are publicly traded companies incorporated in Canada. The Company's ownership interest in associates as at June 30, 2016 was INV Metals - 47% (December 31, 2015 - 47%), and Merrex - 23% (December 31, 2015 - 25%).

<sup>2</sup> On March 16, 2016, the Company disposed of its 41% ownership interest in Galane which had a carrying amount of \$0.6 million on the date of disposal for cash proceeds of \$0.2 million. The resulting loss of \$0.4 million, net of transaction costs, was recognized in Interest income and derivatives and other investment gains in the Consolidated statements of earnings (refer to note 23).

<sup>3</sup> IAMGOLD includes results based on the latest publicly available financial statements.

## 10. PROPERTY, PLANT AND EQUIPMENT

	Construction in progress	Mining properties	Plant and equipment	Total
<b>Cost</b>				
<b>Balance, January 1, 2015</b>	\$ 79.8	\$ 1,932.4	\$ 1,767.4	\$ 3,779.6
Additions	20.8	133.0	64.8	218.6
Changes in asset retirement obligations	—	(10.3)	—	(10.3)
Disposals	—	—	(25.1)	(25.1)
Transfers within Property, plant and equipment	(92.7)	78.5	14.2	—
<b>Balance, December 31, 2015</b>	<b>7.9</b>	<b>2,133.6</b>	<b>1,821.3</b>	<b>3,962.8</b>
Additions	16.3	90.3	52.6	159.2
Changes in asset retirement obligations	—	4.0	—	4.0
Disposals	—	—	(26.0)	(26.0)
Transfers within Property, plant and equipment	(7.0)	7.0	—	—
<b>Balance, June 30, 2016</b>	<b>\$ 17.2</b>	<b>\$ 2,234.9</b>	<b>\$ 1,847.9</b>	<b>\$ 4,100.0</b>
<b>Accumulated Depreciation and Impairment</b>				
<b>Balance, January 1, 2015</b>	\$ —	\$ 1,062.3	\$ 564.4	\$ 1,626.7
Depreciation expense <sup>1</sup>	—	106.3	176.7	283.0
Disposals	—	—	(22.0)	(22.0)
Impairment	3.5	214.4	3.4	221.3
<b>Balance, December 31, 2015</b>	<b>3.5</b>	<b>1,383.0</b>	<b>722.5</b>	<b>2,109.0</b>
Depreciation expense <sup>1</sup>	—	50.1	91.1	141.2
Disposals	—	—	(22.6)	(22.6)
<b>Balance, June 30, 2016</b>	<b>\$ 3.5</b>	<b>\$ 1,433.1</b>	<b>\$ 791.0</b>	<b>\$ 2,227.6</b>
Carrying amount, December 31, 2015	\$ 4.4	\$ 750.6	\$ 1,098.8	\$ 1,853.8
<b>Carrying amount, June 30, 2016</b>	<b>\$ 13.7</b>	<b>\$ 801.8</b>	<b>\$ 1,056.9</b>	<b>\$ 1,872.4</b>

<sup>1</sup> Excludes depreciation expense related to Corporate assets, which is included in General and administrative expenses.

## 11. OTHER NON-CURRENT ASSETS

	Note	June 30, 2016	December 31, 2015
Ore stockpiles	8	\$ 156.1	\$ 147.0
Marketable securities and warrants		28.3	14.9
Advances for the purchase of capital equipment		16.3	5.7
Restricted cash		12.2	9.1
Bond fund investments		9.9	6.4
Royalty interests		5.6	5.6
Derivatives		11.6	2.1
Other		8.7	8.1
		<b>\$ 248.7</b>	<b>\$ 198.9</b>

## 12. PROVISIONS

	Note	June 30, 2016	December 31, 2015
Asset retirement obligations		\$ 292.0	\$ 285.3
Yatela loss provision	9	13.6	12.9
Other		5.4	4.5
		\$ 311.0	\$ 302.7
Non-current provisions		\$ 298.3	\$ 289.3
Current portion of provisions		12.7	13.4
		\$ 311.0	\$ 302.7

### (a) Asset retirement obligations

The Company's activities are subject to various laws and regulations regarding environmental restoration and closure provisions for which the Company estimates future costs. These provisions may be revised on the basis of amendments to such laws and regulations and the availability of new information, such as changes in reserves corresponding to a change in the mine life and discount rates, changes in estimated costs of reclamation activities and acquisition or construction of a new mine. The Company makes a provision based on a best estimate of the future cost of rehabilitating mine sites and related production facilities on a discounted basis.

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

As at June 30, 2016, 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.

## 13. OTHER LIABILITIES

	Note	June 30, 2016	December 31, 2015
Finance lease liabilities		\$ 0.3	\$ 1.1
Cash flow hedges	17(a)	1.3	8.0
		\$ 1.6	\$ 9.1
Non-current other liabilities		\$ 0.2	\$ —
Current other liabilities		1.4	9.1
		\$ 1.6	\$ 9.1

## 14. INCOME TAXES

The Company estimates the effective tax rate expected to be applied for the full fiscal year and uses this rate to provide income taxes in interim periods. The impact of changes in judgment and estimates concerning the probable realization of losses, changes in tax rates, and foreign exchange rates are recognized in the interim period in which they occur.

The tax expense for the three months and six months ended June 30, 2016 were \$14.0 million and \$20.0 million, respectively (three months and six months ended June 30, 2015 - \$6.7 million and \$28.5 million, respectively) and varied from the tax expense calculated using the combined Canadian federal and provincial statutory income tax rate of 27%. The variance was mainly due to fluctuations in foreign currency exchange rates, net foreign earnings taxed at different tax rates and fluctuations in the mix of income for the recognition of certain tax benefits and related deferred tax assets.

## 15. LONG-TERM DEBT AND CREDIT FACILITIES

### (a) Senior unsecured notes

On September 21, 2012, the Company issued at face value \$650 million of senior unsecured notes ("Notes") with an interest rate of 6.75% per annum. The Notes are denominated in U.S. dollars and mature on October 1, 2020. Interest is payable in arrears in equal semi-annual installments on April 1 and October 1. In April 2016, the Company cancelled at face value the \$15.0 million of Notes it repurchased in 2015.

Under the indenture governing the Notes, if the Company makes certain asset sales, such as the sale of the Niobec mine and the Diavik royalty in 2015, it may use an amount equal to the net proceeds to repay certain debt obligations and/or reinvest, or commit to reinvest, in the Company's business, within 365 days after the applicable asset sale. At the end of

the 365-day period, if there remains \$50 million or more of the net proceeds that the Company has not used in this manner, the Company would be required to use any such excess proceeds to offer to purchase the Notes at par in the manner described in the indenture.

The following are the contractual maturities related to the Notes, including interest payments:

Notes, balance as at	Payments due by period					
	Carrying amount <sup>1</sup>	Contractual cash flows	<1 yr	1-2 yrs	3-5 yrs	>5 yrs
June 30, 2016	\$ 635.0	\$ 827.9	\$ 42.9	\$ 85.7	\$ 699.3	\$ —
December 31, 2015	\$ 635.0	\$ 849.3	\$ 42.9	\$ 85.7	\$ 720.7	\$ —

<sup>1</sup> The carrying amount of the long-term debt excludes unamortized deferred transaction costs of \$6.1 million as at June 30, 2016 (December 31, 2015 – \$6.9 million).

#### (b) Credit facilities

On February 1, 2016, the Company entered into a four-year \$250 million credit facility consisting of a fully committed \$100 million secured revolving credit facility and a \$150 million accordion. On April 25, 2016, the Company amended its credit facility to increase its fully committed secured revolving credit facility from \$100 million to \$140 million. As a result of this amendment, the Company has a remaining \$110 million accordion. As of June 30, 2016, \$2.5 million was drawn against the credit facility for the guarantee of certain asset retirement obligations. The key terms of the new facility include limitations on incremental debt, restrictions on distributions and financial covenants including Net Debt to EBITDA, Tangible Net Worth, Interest Coverage and Minimum Liquidity. The 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 net debt ratio of the Company. This credit facility is secured by some of the Company’s real assets, guarantees by some of the Company’s subsidiaries and pledges of shares in some of the Company’s subsidiaries. The maturity date of this credit facility is February 1, 2020. The Company was in compliance with its credit facility covenants as at June 30, 2016.

Upon entering into the \$250 million credit facility described above, the Company terminated its four-year \$500 million unsecured revolving credit facility. During the first quarter 2016 and prior to termination, the Company repaid the \$70.0 million outstanding at the end of fiscal 2015 on the \$500 million unsecured revolving credit facility.

The Company had a \$75 million revolving credit facility for the issuance of letters of credit which matured on April 22, 2016. Following the expiration of the \$75 million credit facility, letters of credit worth \$2.5 million were issued under the Company’s revolving credit facility and \$0.5 million under a separate letter of credit.

## 16. FINANCIAL INSTRUMENTS

Financial assets (liabilities)	June 30, 2016		December 31, 2015	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Cash and cash equivalents	\$ 554.2	\$ 554.2	\$ 481.0	\$ 481.0
Current receivables	9.0	9.0	5.4	5.4
Receivables from related parties	41.8	41.8	29.5	29.5
Marketable securities and warrants	28.6	28.6	15.1	15.1
Restricted cash <sup>1</sup>	83.5	83.5	76.1	76.1
Bond fund investments	9.9	9.9	6.4	6.4
Net derivative assets (liabilities)	15.3	15.3	(5.3)	(5.3)
Accounts payable and accrued liabilities	(157.8)	(157.8)	(143.2)	(143.2)
Finance lease liabilities	(0.3)	(0.3)	(1.1)	(1.1)
Bank indebtedness	—	—	(70.0)	(70.0)
Long-term debt <sup>2</sup>	(635.0)	(571.5)	(635.0)	(400.8)

<sup>1</sup> Restricted cash includes a current portion of \$71.3 million and a non-current portion of \$12.2 million classified in other assets.

<sup>2</sup> The carrying amount of the long-term debt excludes unamortized deferred transaction costs of \$6.1 million as at June 30, 2016 (December 31, 2015 – \$6.9 million).

(a) **Financial assets measured at fair value through Other comprehensive income**

**Marketable securities fair value reserve**

Share market price exposure risk is related to the fluctuation in the market price of marketable securities. The Company's portfolio of marketable securities is not part of its core operations, and accordingly, gains and losses from these marketable securities are not representative of the Company's performance during the period. Consequently, the Company has designated all of its investments in marketable securities to be measured at fair value through Other comprehensive income ("OCI"). The Company's portfolio of marketable securities is primarily focused on the mining sector and relates entirely to investments in equity securities.

During the six months ended June 30, 2016, the Company disposed of certain marketable securities which were no longer considered to be strategic to the Company.

	Three months ended June 30,		Six months ended June 30,	
	2016	2015	2016	2015
Proceeds from sale of marketable securities	\$ —	\$ —	\$ 0.1	\$ 14.4
Acquisition date fair value of marketable securities sold	—	—	(2.1)	(9.1)
Gain (loss) on sale of marketable securities recorded in OCI	\$ —	\$ —	\$ (2.0)	\$ 5.3

(b) **Cash flow hedge fair value reserve**

(i) **Hedge gains/losses**

	Hedge gains (losses) recognized in cash flow hedge reserve		(Gains) losses reclassified or adjusted from cash flow hedge reserve	
	Three months ended June 30, 2016	Six months ended June 30, 2016	Three months ended June 30, 2016	Six months ended June 30, 2016
Exchange rate risk				
Canadian dollar contracts				
Forward contracts	\$ —	\$ —	\$ —	\$ —
Option contracts	2.4	2.8	1.2	3.6
Euro contracts				
Option contracts	(0.6)	1.8	(0.6)	(0.8)
Oil and fuel market price risk				
Crude oil option contracts	5.4	6.0	—	1.7
	7.2	10.6	0.6	4.5
Time value of options and forward contracts excluded from hedge relationship	0.9	0.6	—	—
	\$ 8.1	\$ 11.2	\$ 0.6	\$ 4.5

	Hedge gains (losses) recognized in cash flow hedge reserve		(Gains) losses reclassified or adjusted from cash flow hedge reserve	
	Three months ended June 30, 2015	Six months ended June 30, 2015	Three months ended June 30, 2015	Six months ended June 30, 2015
Exchange rate risk				
Canadian dollar contracts				
Forward contracts	\$ 0.7	\$ (5.6)	\$ 1.9	\$ 6.6
Option contracts	1.3	(5.1)	0.5	0.5
Euro contracts				
Option contracts	1.6	(13.2)	4.2	7.6
Oil and fuel market price risk				
Crude oil option contracts	—	—	—	—
	3.6	(23.9)	6.6	14.7
Time value of options and forward contracts excluded from hedge relationship	(1.1)	4.3	(0.1)	(0.5)
	\$ 2.5	\$ (19.6)	\$ 6.5	\$ 14.2

	(Gains) losses reclassified from cash flow hedge reserve to:			
	Three months ended June 30, 2016	Six months ended June 30, 2016	Three months ended June 30, 2015	Six months ended June 30, 2015
Consolidated balance sheets				
Property, plant and equipment	\$ (0.1)	\$ 0.2	\$ 1.3	\$ 3.0
Consolidated statements of earnings				
Cost of sales	0.3	3.0	4.7	9.4
General and administrative expenses	0.4	1.3	0.5	1.8
Total	\$ 0.6	\$ 4.5	\$ 6.5	\$ 14.2

In the fourth quarter 2015, the Company early terminated certain currency hedge contracts associated with hedged future operating cash flows which are expected to occur in 2016. Related to these contracts, losses of \$1.2 million and \$2.4 million were reclassified from cash flow hedge reserve to operating costs, during the three and six months ended June 30, 2016, respectively.

There was no hedge ineffectiveness for the six months ended June 30, 2016 and 2015.

## (ii) Currency exchange rate risk

Movements in the Canadian dollar (C\$) and the Euro (€) against the U.S. dollar (\$) have a direct impact on the Company's consolidated financial statements.

The Company manages its exposure to the Canadian dollar and the Euro by executing a combination of forward and option contracts. The Company's objective is to hedge its exposure to these currencies resulting from operating and capital expenditure requirements at some of its mine sites and corporate offices.

The Company has designated forward and option contracts as cash flow hedges for its highly probable forecasted Canadian dollar and Euro expenditure requirements. The Company has elected to only designate the spot element of forward contracts and the change in the intrinsic value of options in the hedging relationships. The change in fair value of the time value component of options and the forward element of forward contracts are recorded in Other comprehensive income as a cost of hedging.

An economic relationship exists between the hedged items and the hedging instruments as the fair values of both the hedged items and hedging instruments move in opposite directions in response to the same risk. The hedge ratio is determined by dividing the quantity of the forward and option contracts by the quantity of the forecasted Canadian dollar and Euro expenditure exposures.

As at June 30, 2016, the Company had outstanding derivative contracts which qualified for hedge accounting. The periods in which the cash flows are expected to occur and the impact on the Consolidated statements of earnings, were as follows:

<b>June 30, 2016</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Total</b>
Cash flow hedges				
Exchange rate risk				
Canadian dollar option contracts (millions of C\$)	60	60	60	180
Contract rate range (C\$/C\$)	1.28-1.38	1.30	1.30-1.45	
Euro option contracts (millions of €)	30	66	—	96
Contract rate range (\$/€)	1.03-1.09	1.07-1.20	—	

Additional information on hedging instruments and hedged forecast transactions related to currency exchange rate risk as at June 30, 2016 and December 31, 2015 was as follows:

	Carrying amount		Fair value changes used for calculating hedge ineffectiveness		
	Assets	Liabilities	Accumulated cash flow hedge fair value reserve (before tax)	Hedging instruments	Hedged items
<b>As at June 30, 2016</b>					
Canadian option contracts	\$ 5.8	\$ —	\$ 2.2	\$ 2.2	\$ (2.2)
Euro option contracts	1.2	(0.6)	0.9	0.9	(0.9)
	\$ 7.0	\$ (0.6)	\$ 3.1	\$ 3.1	\$ (3.1)

	Carrying amount		Fair value changes used for calculating hedge ineffectiveness		
	Assets	Liabilities	Accumulated cash flow hedge fair value reserve (before tax)	Hedging instruments	Hedged items
<b>As at December 31, 2015</b>					
Canadian option contracts	\$ —	\$ (3.5)	\$ (1.8)	\$ (1.8)	\$ 1.8
Euro option contracts	0.6	(0.3)	—	—	—
	\$ 0.6	\$ (3.8)	\$ (1.8)	\$ (1.8)	\$ 1.8

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

Low sulfur diesel and fuel oil are key inputs to extract tonnage and, in some cases, to wholly or partially power operations. Brent crude oil and West Texas Intermediate (WTI) are components of diesel and fuel oil, respectively, such that changes in the price of crude oil directly impacts diesel and fuel oil costs. The Company established a hedging strategy to limit the impact of fluctuations in crude oil prices and to economically hedge future consumption of diesel and fuel oil at the Rosebel and Essakane mines. The Company has designated option and swap contracts as cash flow hedges for the crude oil component of its highly probable forecasted low sulfur diesel and fuel oil purchases.

As at June 30, 2016, the Company's outstanding crude oil derivative contracts, which qualified for hedge accounting, and the periods in which the cash flows are expected to occur and impact the consolidated statements of earnings, are as follows:

June 30, 2016	2016	2017	2018	Total
Brent crude oil option contracts (barrels) <sup>1</sup>	263	420	336	1,019
Option contracts with strike prices at (\$/barrel)	45 - 65 <sup>2</sup>	60 <sup>3</sup>	60 <sup>3</sup>	
WTI crude oil option contracts (barrels) <sup>1</sup>	188	324	240	752
Option contracts with strike prices at (\$/barrel)	40 - 58 <sup>2</sup>	60 <sup>3</sup>	60 <sup>3</sup>	

1 Quantities of barrels are in thousands.

2 The Company sold put options and purchased call options with strike prices which fall within the given range. If crude oil market prices are below the put strike price (low end of range) in 2016, the Company will incur a loss from the margin between the lower market price and the set put strike price. If crude oil prices are greater than the call strike price (high end of range) in 2016, the Company will benefit from the margin between the higher market price and the set call strike price.

3 The Company will purchase crude oil in 2017 and 2018 at spot prices below \$60/barrel. The Company purchased call options to protect against an increase in crude oil prices above \$60/barrel.

Additional information on hedging instruments and hedged forecast transactions related to oil and fuel market price risk as at June 30, 2016 and December 31, 2015 was as follows:

As at June 30, 2016	Carrying amount		Fair value changes used for calculating hedge ineffectiveness		
	Assets	Liabilities	Accumulated cash flow hedge fair value reserve (before tax)	Hedging instruments	Hedged items
Brent crude oil option contracts	\$ 5.9	\$ (0.7)	\$ 1.3	\$ 1.3	\$ (1.3)
WTI crude oil option contracts	3.7	—	1.0	1.0	(1.0)
	\$ 9.6	\$ (0.7)	\$ 2.3	\$ 2.3	\$ (2.3)

As at December 31, 2015	Carrying amount		Fair value changes used for calculating hedge ineffectiveness		
	Assets	Liabilities	Accumulated cash flow hedge fair value reserve (before tax)	Hedging instruments	Hedged items
Brent crude oil option contracts	\$ 1.3	\$ (3.2)	\$ (4.3)	\$ (4.3)	\$ 4.5
WTI crude oil option contracts	0.8	(1.0)	(1.1)	(1.1)	1.1
	\$ 2.1	\$ (4.2)	\$ (5.4)	\$ (5.4)	\$ 5.6

(c) Non-hedge derivatives and warrants

Gain (loss) on non-hedge derivatives and warrants are included in Interest income and derivatives and other investment gains in the Consolidated statements of earnings. These gains (losses) relate to contracts and warrants associated with the mine sites, development projects and corporate offices.

	Three months ended June 30,		Six months ended June 30,	
	2016	2015	2016	2015
Net gain (loss) on:				
Non-hedge derivatives - crude oil contracts	\$ —	\$ 10.8	\$ —	\$ (3.2)
Warrants	2.7	(0.7)	4.0	(0.9)
	\$ 2.7	\$ 10.1	\$ 4.0	\$ (4.1)

## 17. FAIR VALUE MEASUREMENTS

The fair value hierarchy categorizes into three levels the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities which the entity can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 which are observable for the asset or liability, either directly or indirectly such as those derived from prices.
- Level 3 inputs are unobservable inputs for the asset or liability.

There have been no changes in the classification of financial instruments in the fair value hierarchy since December 31, 2015.

### (a) Financial assets and liabilities measured at fair value on a recurring basis

As at June 30, 2016, the Company's financial assets and liabilities recorded at fair value were as follows:

	June 30, 2016					December 31, 2015
	Carrying Amount	Level 1	Level 2	Level 3	Total	Total
<b>Assets</b>						
Cash and cash equivalents	\$ 554.2	\$ 554.2	\$ —	\$ —	\$ 554.2	\$ 481.0
Restricted cash	83.5	83.5	—	—	83.5	76.1
Marketable securities and warrants	28.6	21.9	6.4	0.3	28.6	15.1
Bond fund investments	9.9	9.9	—	—	9.9	6.4
<b>Derivatives</b>						
Currency contracts	7.0	—	7.0	—	7.0	0.6
Crude oil contracts	9.6	—	9.6	—	9.6	2.1
	<b>\$ 692.8</b>	<b>\$ 669.5</b>	<b>\$ 23.0</b>	<b>\$ 0.3</b>	<b>\$ 692.8</b>	<b>\$ 581.3</b>
<b>Liabilities</b>						
<b>Derivatives</b>						
Currency contracts	\$ (0.6)	\$ —	\$ (0.6)	\$ —	\$ (0.6)	\$ (3.8)
Crude oil contracts	(0.7)	—	(0.7)	—	(0.7)	(4.2)
	<b>\$ (1.3)</b>	<b>\$ —</b>	<b>\$ (1.3)</b>	<b>\$ —</b>	<b>\$ (1.3)</b>	<b>\$ (8.0)</b>

### (b) Valuation techniques

#### *Marketable securities and warrants*

The fair value of marketable securities and warrants included in Level 1 is determined based on a market approach. The closing price is a quoted market price from the exchange market which is the principal active market for the particular security. The fair value of warrants included in Level 2 is obtained through the use of Black-Scholes pricing model, which uses share price inputs and volatility measurements. The fair value of investments in equity instruments which are not actively traded is determined using valuation techniques which require inputs that are both unobservable and significant, and therefore were categorized as Level 3 in the fair value hierarchy. The Company used the latest transaction price for these securities, obtained from the entity, to value these marketable securities and warrants.

#### *Bond fund investments*

The fair value of bond fund investments included in Level 1 is measured using quoted prices (unadjusted) in active markets.

#### *Derivatives*

For derivative contracts, the Company obtains a valuation of the contracts from counterparties of those contracts. The Company assesses the reasonableness of these valuations through internal methods and third-party valuations. The Company then calculates a credit valuation adjustment to reflect the counterparty's or the Company's own default risk. Valuations are based on the present value of market valuations considering interest rate and volatility, taking into account the credit risk of the financial instrument. Valuations of derivative contracts are therefore classified within Level 2 of the fair value hierarchy.

### *Long-term debt*

The long-term debt is accounted for at amortized cost, using the effective interest rate method. The fair value required to be disclosed is determined using quoted prices (unadjusted) in active markets, and is therefore classified within Level 1 of the fair value hierarchy. The fair value of long-term debt as at June 30, 2016 was \$571.5 million (December 31, 2015 - \$400.8 million).

### *Investments in associates*

Investments in associates are measured at fair value on a non-recurring basis when an impairment charge or reversal is to be recorded. After application of the equity method, the fair value of an investment in associate is determined for purposes of assessing whether an impairment charge or reversal of a previously recorded impairment charge is required. For publicly traded companies, the Company determines the fair value of its investments in associates based on a market approach reflecting the closing price of the investments in the associates' shares at the balance sheet date. Since there is a quoted market price, this is classified within Level 1 of the fair value hierarchy. As at June 30, 2016, no investments in associates were measured at fair value.

### *Finance lease liabilities*

Finance lease liabilities are accounted for at amortized cost, using the effective interest rate method. The fair value required to be disclosed is determined using market interest rate inputs and is therefore classified within Level 2 of the fair value hierarchy (refer to note 13).

## **18. SHARE CAPITAL**

The Company is authorized to issue an unlimited number of common shares, first preference shares issuable in series and second preference shares issuable in series.

	Six months ended June 30,	
	2016	2015
Number of common shares (in millions)		
Outstanding, beginning of the period	393.4	376.9
Issuance of shares for share-based compensation	0.6	0.7
Issuance of flow-through shares	12.0	13.8
Outstanding, end of the period	406.0	391.4

### **Flow-through common shares**

In March 2016, the Company issued 12.0 million flow-through common shares at prices ranging between C\$3.11 and C\$3.59 per share for net proceeds of \$30.3 million (C\$41.0 million). The flow-through common shares were issued to fund prescribed development expenditures on the Westwood mine. Flow-through common shares require the Company to incur an amount equivalent to the proceeds of the issue on prescribed development expenditures in accordance with the applicable tax legislation. As at June 30, 2016, the remaining unspent amount was \$13.2 million.

In December 2015, the Company issued 2.0 million flow-through common shares at prices ranging between C\$1.86 and C\$1.91 per share for net proceeds of \$3.7 million (C\$5.0 million). The flow-through common shares were issued to fund prescribed resource exploration expenditures in the provinces of Ontario and Quebec. As at June 30, 2016, the remaining unspent amount was \$2.0 million.

Total flow-through common shares relating to the two issuances described above of \$30.2 million were recognized in equity based on the quoted price of the existing shares on the date of the issue less issuance costs. The \$3.7 million difference between the amount recognized in common shares and the amount the investors paid for the shares is recognized as a deferred gain which is reversed into earnings as eligible expenditures are made. For the six months ended June 30, 2016, \$2.1 million was recognized as amortization of gain related to the flow-through common shares (six months ended June 30, 2015 - \$2.2 million), and was included in Interest income and derivatives and other investment gains (losses) in the Consolidated statements of earnings (refer to note 23).

## 19. EARNINGS (LOSS) PER SHARE

### Basic earnings (loss) per share computation

	Three months ended June 30,		Six months ended June 30,	
	2016	2015	2016	2015
Numerator				
Net earnings (loss) from continuing operations attributable to equity holders of IAMGOLD	\$ (12.2)	\$ (19.7)	\$ 40.9	\$ (36.2)
Net earnings from discontinued operations attributable to equity holders of IAMGOLD	—	—	—	40.6
Net earnings (loss) attributable to equity holders of IAMGOLD	\$ (12.2)	\$ (19.7)	\$ 40.9	\$ 4.4
Denominator (in millions)				
Weighted average number of common shares (basic)	405.9	391.4	401.3	388.3
Basic earnings (loss) from continuing operations attributable to equity holders of IAMGOLD per share (\$/share)	\$ (0.03)	\$ (0.05)	\$ 0.10	\$ (0.09)
Basic earnings from discontinued operations attributable to equity holders of IAMGOLD per share (\$/share)	—	—	—	0.10
Basic earnings (loss) attributable to equity holders of IAMGOLD per share (\$/share)	\$ (0.03)	\$ (0.05)	\$ 0.10	\$ 0.01

### Diluted earnings (loss) per share computation

Due to the net loss from continuing operations attributable to equity holders of IAMGOLD for the three and six months ended June 30, 2015, share options and restricted share units were anti-dilutive.

	Three months ended June 30,		Six months ended June 30,	
	2016	2015	2016	2015
Denominator (in millions)				
Weighted average number of common shares (basic)	405.9	391.4	401.3	388.3
Dilutive effect of restricted share units	—	—	2.2	—
Weighted average number of common shares (diluted)	405.9	391.4	403.5	388.3
Diluted earnings (loss) from continuing operations attributable to equity shareholders of IAMGOLD per share (\$/share)	\$ (0.03)	\$ (0.05)	\$ 0.10	\$ (0.09)
Diluted earnings from discontinued operations attributable to equity shareholders of IAMGOLD per share (\$/share)	—	—	—	0.10
Diluted earnings (loss) attributable to equity holders of IAMGOLD per share (\$/share)	\$ (0.03)	\$ (0.05)	\$ 0.10	\$ 0.01

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

(in millions)	Three months ended June 30,		Six months ended June 30,	
	2016	2015	2016	2015
Share options	6.5	5.5	5.6	5.5
Restricted share units	3.8	2.3	—	2.3
	10.3	7.8	5.6	7.8

## 20. SHARE-BASED COMPENSATION

### (a) Share option award plan

	Share options (in millions)	Weighted average exercise price (C\$) <sup>1</sup>
<b>Six months ended June 30, 2016</b>		
Outstanding, beginning of the period	5.3	\$ 8.92
Granted	1.2	3.26
Outstanding, end of the period	6.5	\$ 7.91
Exercisable, end of the period	3.2	\$ 11.07

<sup>1</sup> Exercise prices are denominated in Canadian dollars. The exchange rate at June 30, 2016 between the U.S. dollar and Canadian dollar was \$0.7695/C\$.

The following were the weighted average inputs to the Black-Scholes model used in determining the fair value of the options granted. The estimated fair value of the options is expensed over their expected life.

<b>Six months ended June 30, 2016</b>	
Weighted average risk-free interest rate	0.6%
Weighted average expected volatility <sup>1</sup>	62%
Weighted average dividend yield	0.00%
Weighted average expected life of options issued (years)	5.0
Weighted average grant-date fair value (C\$ per share)	\$ 1.68
Weighted average share price at grant date (C\$ per share)	\$ 3.26
Weighted average exercise price (C\$ per share)	\$ 3.26

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

### (b) Full value award plans

Full value awards consist of restricted share units.

<b>Six months ended June 30, 2016 (in millions)</b>	
Outstanding, beginning of the period	2.1
Granted	2.6
Issued	(0.6)
Forfeited	(0.3)
Outstanding, end of the period	3.8

The following were the weighted average inputs to the Black-Scholes model used in determining the fair value of the restricted share units granted. The estimated fair value of the awards is expensed over their vesting period.

<b>Six months ended June 30, 2016</b>	
Weighted average risk-free interest rate	0.5%
Weighted average expected volatility <sup>1</sup>	70%
Weighted average dividend yield	0.00%
Weighted average expected life of RSUs issued (years)	2.7
Weighted average grant-date fair value (C\$ per share)	\$ 2.85
Weighted average share price at grant date (C\$ per share)	\$ 2.85

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

## 21. COST OF SALES

Cost of sales includes mine production, transport and smelter costs, site administrative costs, royalty expenses, and depreciation expense.

	Three months ended June 30,		Six months ended June 30,	
	2016	2015	2016	2015
Operating costs	\$ 136.0	\$ 153.3	\$ 278.5	\$ 313.1
Royalties	9.8	9.1	19.0	18.7
Depreciation expense <sup>1</sup>	62.3	66.4	123.8	128.7
	\$ 208.1	\$ 228.8	\$ 421.3	\$ 460.5

<sup>1</sup> Depreciation expense excludes depreciation related to Corporate assets, which is included in General and administrative expenses.

## 22. FINANCE COSTS

	Three months ended June 30,		Six months ended June 30,	
	2016	2015	2016	2015
Interest expense	\$ 6.7	\$ 8.5	\$ 14.0	\$ 17.4
Credit facility fees	0.4	1.0	0.8	2.0
Accretion expense	—	0.1	0.6	0.3
	\$ 7.1	\$ 9.6	\$ 15.4	\$ 19.7

Total interest paid during the three and six months ended June 30, 2016 was \$21.5 million and \$21.6 million, respectively (three and six months ended June 30, 2015 - \$22.3 million and \$22.9 million, respectively). Interest paid relates to interest charges on Notes, credit facility and finance leases.

## 23. INTEREST INCOME AND DERIVATIVES AND OTHER INVESTMENT GAINS

	Notes	Three months ended June 30,		Six months ended June 30,	
		2016	2015	2016	2015
Interest income		\$ 0.6	\$ 0.6	\$ 1.1	\$ 1.0
Loss on sale of investment in associates	9	—	—	(0.4)	—
Recovery (write-down) of receivables		1.9	(1.1)	1.5	(1.5)
Gain (loss) on non-hedge derivatives and warrants	16(c)	2.7	10.1	4.0	(4.1)
Gain on sale of gold bullion	6	—	—	72.9	—
Gain on sale of royalty asset		—	—	—	43.5
Gain on purchase of senior unsecured notes		—	—	—	0.9
Amortization of gain related to flow-through common shares	18	1.4	1.2	2.1	2.2
Other gains		—	0.3	2.0	0.7
		\$ 6.6	\$ 11.1	\$ 83.2	\$ 42.7

## 24. CASH FLOW ITEMS

The consolidated statements of cash flows includes results and balances from discontinued operations.

### (a) Adjustments for other non-cash items within operating activities

	Three months ended June 30,		Six months ended June 30,	
	2016	2015	2016	2015
Share-based compensation	\$ 1.2	\$ 1.5	\$ 2.5	\$ 3.1
Gain on the disposal of discontinued operations	—	—	—	(37.8)
Amortization of gain related to flow-through shares	(1.4)	(1.2)	(2.1)	(2.2)
Write-down (recovery) of receivables	(1.9)	1.1	(1.5)	1.5
Write-down of inventories	—	0.6	0.1	1.8
Gain on purchase of senior unsecured notes	—	—	—	(0.9)
Loss on disposal of assets	0.1	0.9	2.8	2.0
Effects of exchange rate fluctuation on restricted cash	0.3	(0.1)	(4.4)	0.3
Other	0.7	1.1	2.6	2.3
	\$ (1.0)	\$ 3.9	\$ —	\$ (29.9)

### (b) Movements in non-cash working capital items and non-current ore stockpiles

	Three months ended June 30,		Six months ended June 30,	
	2016	2015	2016	2015
Receivables and other current assets	\$ (0.2)	\$ 3.5	\$ (7.1)	\$ 6.5
Inventories and non-current ore stockpiles	(10.9)	(19.1)	5.5	(26.2)
Accounts payable and accrued liabilities	17.4	1.7	9.5	(19.0)
	\$ 6.3	\$ (13.9)	\$ 7.9	\$ (38.7)

### (c) Other investing activities

	Notes	Three months ended June 30,		Six months ended June 30,	
		2016	2015	2016	2015
Disposal (acquisition) of investments		\$ 2.2	\$ 0.4	\$ (3.5)	\$ (0.4)
Proceeds from sale of marketable securities		—	—	—	14.4
Movement in restricted cash		(3.1)	(0.9)	(3.1)	(0.9)
Advances to related parties	26	(1.1)	(1.0)	(1.8)	(2.6)
Repayments from related parties	26	2.0	—	2.1	—
Other		0.1	0.8	0.7	0.7
		\$ 0.1	\$ (0.7)	\$ (5.6)	\$ 11.2

### (d) Other financing activities

	Three months ended June 30,		Six months ended June 30,	
	2016	2015	2016	2015
Repayment of finance lease liabilities	\$ (0.5)	\$ (2.0)	\$ (0.9)	\$ (3.7)
Dividends paid to non-controlling interests	(1.5)	(3.2)	(1.5)	(3.2)
Other finance costs	(0.1)	(2.0)	(2.3)	(2.6)
	\$ (2.1)	\$ (7.2)	\$ (4.7)	\$ (9.5)

## 25. COMMITMENTS

### (a) Commitments

	June 30, 2016	December 31, 2015
Purchase obligations	\$ 70.3	\$ 50.8
Capital expenditure obligations	41.4	11.3
Operating leases	5.3	1.7
	\$ 117.0	\$ 63.8

### Commitments – payments due by period

As at June 30, 2016	Payments due by period				
	Total	<1 yr	1-2 yrs	3-5 yrs	>5 yrs
Purchase obligations	\$ 70.3	\$ 67.8	\$ 1.9	\$ 0.6	\$ —
Capital expenditure obligations	41.4	41.4	—	—	—
Operating leases	5.3	1.2	1.8	1.8	0.5
	\$ 117.0	\$ 110.4	\$ 3.7	\$ 2.4	\$ 0.5

### (b) Finance lease commitments

As at June 30, 2016, the Company had finance lease liabilities with a present value of \$0.3 million (December 31, 2015 - \$1.1 million). These liabilities are due within one year.

## 26. RELATED PARTY TRANSACTIONS

The Company had the following related party transactions included in Receivables and other current assets in the Consolidated balance sheets:

The Company has non-interest bearing loan receivables from Sadiola and Yatela for certain services rendered. For the three and six months ended June 30, 2016, repayments of \$0.1 million and \$0.2 million, respectively, were received and no advances were made by the Company (three and six months ended June 30, 2015 - no advances or repayments). As at June 30, 2016, there was no outstanding loan balance (December 31, 2015 - \$0.2 million).

During the three and six months ended June 30, 2016, the Company made advances of \$0.2 million and \$0.9 million, respectively, to Sadiola related to previous purchase commitments for the sulphide project (three and six months ended June 30, 2015 - \$1.0 million and \$2.6 million, respectively). These advances were part of a loan agreement which bears interest at LIBOR plus 2% and are to be repaid on the earlier of December 31, 2016 and, at such time as Sadiola has sufficient free cash flow to do so. As at June 30, 2016, the carrying amount was \$41.2 million (December 31, 2015 - \$29.3 million), including accrued interest and dividend income.

The Company has a non-interest bearing loan receivable from Merrex for certain services rendered. For the three and six months ended June 30, 2016, repayments of \$1.9 million and \$1.9 million, respectively, were received and advances of \$0.9 million and \$0.9 million were made by the Company (three and six months ended June 30, 2015 - advances of \$0.4 million and \$0.8 million, respectively). As at June 30, 2016, there was a \$0.6 million loan balance outstanding (December 31, 2015 - \$nil).

## 27. SEGMENTED INFORMATION

The Company's gold mine segment is divided into the following geographic segments:

- Burkina Faso - Essakane mine;
- Suriname - Rosebel mine;
- Canada - Doyon division includes the Westwood mine and the Doyon mine, which is in closure; and
- Joint Ventures (Mali) - Sadiola mine (41%) and Yatela mine (40%).

The Company's non-gold segments are divided into the following:

- Exploration and evaluation; and
- Corporate - includes royalty interests located in Canada and investments in associates and joint ventures.

	June 30, 2016			December 31, 2015		
	Total non-current assets	Total assets	Total liabilities	Total non-current assets	Total assets	Total liabilities
Gold mines						
Burkina Faso	\$ 888.6	\$ 1,108.1	\$ 174.6	\$ 854.8	\$ 1,072.4	\$ 154.5
Suriname	519.5	653.6	203.4	529.3	637.3	195.2
Canada	655.0	745.4	135.0	628.6	718.3	128.5
Total gold mines	2,063.1	2,507.1	513.0	2,012.7	2,428.0	478.2
Exploration and evaluation	163.6	192.9	7.6	161.5	184.4	7.5
Corporate <sup>1</sup>	137.1	611.1	758.3	125.3	639.0	827.8
Total per consolidated financial statements	\$ 2,363.8	\$ 3,311.1	\$ 1,278.9	\$ 2,299.5	\$ 3,251.4	\$ 1,313.5
Joint ventures (Mali) <sup>2</sup>	\$ 108.6	\$ 167.1	\$ 152.6	\$ 111.5	\$ 161.0	\$ 140.4

<sup>1</sup> The carrying amount of the Investment in joint ventures is included in the corporate segment as non-current assets.

<sup>2</sup> The breakdown of the financial information for the joint ventures has been disclosed above as it is reviewed regularly by the Company's chief operating decision maker to assess performance of the Joint Ventures and to make resource allocation decisions.

Three months ended June 30, 2016

	Consolidated statement of earnings information							Net capital expenditures <sup>3</sup>
	Revenues	Cost of sales <sup>1</sup>	Depreciation expense	General and administrative <sup>2</sup>	Exploration	Other	Earnings (loss) from operations	
Gold mines								
Burkina Faso	\$ 116.9	\$ 66.5	\$ 23.2	\$ —	\$ —	\$ (0.1)	\$ 27.3	\$ 32.0
Suriname	94.4	59.0	26.3	—	0.7	0.2	8.2	21.0
Canada	21.1	20.5	11.6	—	—	(0.3)	(10.7)	26.8
Total gold mines excluding joint ventures	232.4	146.0	61.1	—	0.7	(0.2)	24.8	79.8
Exploration and evaluation <sup>4</sup>	—	—	0.1	0.2	7.4	0.1	(7.8)	0.5
Corporate <sup>5</sup>	0.1	(0.2)	1.1	9.2	—	1.0	(11.0)	—
Total per consolidated financial statements	232.5	145.8	62.3	9.4	8.1	0.9	6.0	80.3
Joint ventures (Mali) <sup>6</sup>	22.5	16.7	1.0	—	0.2	1.5	3.1	0.7
	\$ 255.0	\$ 162.5	\$ 63.3	\$ 9.4	\$ 8.3	\$ 2.4	\$ 9.1	\$ 81.0

1 Excludes depreciation expense.

2 Includes depreciation expense relating to Corporate and Exploration and evaluation assets.

3 Includes cash expenditures for Property, plant and equipment, Exploration and evaluation assets, finance lease payments and is net of proceeds from finance leases.

4 Closed site costs on Exploration and evaluation properties included in other operating costs.

5 Includes earnings from royalty interests.

6 Net earnings (loss) from Joint Ventures are included in a separate line in the Consolidated statements of earnings. The breakdown of the financial information has been disclosed above as it is reviewed regularly by the Company's chief operating decision maker to assess its performance and to make resource allocation decisions.

Three months ended June 30, 2015

	Consolidated statement of earnings information							Net capital expenditures <sup>3</sup>
	Revenues	Cost of sales <sup>1</sup>	Depreciation expense	General and administrative <sup>2</sup>	Exploration	Other	Earnings (loss) from operations	
Gold mines								
Burkina Faso	\$ 103.0	\$ 67.8	\$ 27.8	\$ —	\$ —	\$ 0.7	\$ 6.7	\$ 18.3
Suriname	91.6	65.7	22.6	—	1.0	0.5	1.8	16.8
Canada	31.8	27.9	15.1	—	—	(3.8)	(7.4)	17.2
Total gold mines excluding joint ventures	226.4	161.4	65.5	—	1.0	(2.6)	1.1	52.3
Exploration and evaluation <sup>4</sup>	—	—	0.1	0.1	7.0	0.1	(7.3)	1.9
Corporate <sup>5</sup>	0.1	1.0	0.8	10.0	—	1.1	(12.8)	0.2
Total per consolidated financial statements	226.5	162.4	66.4	10.1	8.0	(1.4)	(19.0)	54.4
Joint ventures (Mali) <sup>6</sup>	22.8	13.2	3.3	—	—	—	6.3	1.3
	\$ 249.3	\$ 175.6	\$ 69.7	\$ 10.1	\$ 8.0	\$ (1.4)	\$ (12.7)	\$ 55.7

1 Excludes depreciation expense.

2 Includes depreciation expense relating to Corporate and Exploration and evaluation assets.

3 Includes cash expenditures for Property, plant and equipment, Exploration and evaluation assets, finance lease payments and is net of proceeds from finance leases.

4 Closed site costs on Exploration and evaluation properties included in other operating costs.

5 Includes earnings from royalty interests.

6 Net earnings (loss) from Joint Ventures are included in a separate line in the Consolidated statements of earnings. The breakdown of the financial information has been disclosed above as it is reviewed regularly by the Company's chief operating decision maker to assess its performance and to make resource allocation decisions.

7 Refer to note 4.

Six months ended June 30, 2016

	Consolidated statement of earnings information							Net capital expenditures <sup>3</sup>
	Revenues	Cost of sales <sup>1</sup>	Depreciation expense	General and administrative <sup>2</sup>	Exploration	Other	Earnings (loss) from operations	
Gold mines								
Burkina Faso	\$ 231.6	\$ 139.2	\$ 46.5	\$ —	\$ —	\$ (0.1)	\$ 46.0	\$ 65.5
Suriname	177.2	116.0	51.2	—	1.6	3.4	5.0	33.6
Canada	43.0	42.6	23.8	—	—	3.3	(26.7)	48.2
Total gold mines excluding joint ventures	451.8	297.8	121.5	—	1.6	6.6	24.3	147.3
Exploration and evaluation <sup>4</sup>	—	—	0.1	0.2	12.5	0.2	(13.0)	2.3
Corporate <sup>5</sup>	0.4	(0.3)	2.2	18.6	—	1.5	(21.6)	0.7
Total per consolidated financial statements	452.2	297.5	123.8	18.8	14.1	8.3	(10.3)	150.3
Joint ventures (Mali) <sup>6</sup>	46.3	33.2	1.9	—	0.3	1.5	9.4	1.6
	\$ 498.5	\$ 330.7	\$ 125.7	\$ 18.8	\$ 14.4	\$ 9.8	\$ (0.9)	\$ 151.9

1 Excludes depreciation expense.

2 Includes depreciation expense relating to Corporate and Exploration and evaluation assets.

3 Includes cash expenditures for Property, plant and equipment, Exploration and evaluation assets, finance lease payments and is net of proceeds from finance leases.

4 Closed site costs on Exploration and evaluation properties included in other operating costs.

5 Includes earnings from royalty interests.

6 Net earnings (loss) from Joint Ventures are included in a separate line in the Consolidated statements of earnings. The breakdown of the financial information has been disclosed above as it is reviewed regularly by the Company's chief operating decision maker to assess its performance and to make resource allocation decisions.

Six months ended June 30, 2015

	Consolidated statement of earnings information							Net capital expenditures <sup>3</sup>
	Revenues	Cost of sales <sup>1</sup>	Depreciation expense	General and administrative <sup>2</sup>	Exploration	Other	Earnings (loss) from operations	
Gold mines								
Burkina Faso	\$ 213.3	\$ 139.0	\$ 55.5	\$ —	\$ —	\$ 0.7	\$ 18.1	\$ 33.6
Suriname	192.6	133.1	44.1	—	2.0	1.1	12.3	31.9
Canada	65.2	58.2	27.1	—	—	3.3	(23.4)	36.7
Total gold mines excluding joint ventures	471.1	330.3	126.7	—	2.0	5.1	7.0	102.2
Exploration and evaluation <sup>4</sup>	—	—	0.2	0.2	15.6	0.5	(16.5)	3.8
Corporate <sup>5</sup>	0.1	1.5	1.8	20.4	—	2.8	(26.4)	0.3
Total per consolidated financial statements	471.2	331.8	128.7	20.6	17.6	8.4	(35.9)	106.3
Joint ventures (Mali) <sup>6</sup>	48.2	31.8	7.0	—	—	—	9.4	3.0
Discontinued operations (Niobec) <sup>7</sup>	9.4	4.3	—	—	—	(0.2)	5.3	1.6
	\$ 528.8	\$ 367.9	\$ 135.7	\$ 20.6	\$ 17.6	\$ 8.2	\$ (21.2)	\$ 110.9

1 Excludes depreciation expense.

2 Includes depreciation expense relating to Corporate and Exploration and evaluation assets.

3 Includes cash expenditures for Property, plant and equipment, Exploration and evaluation assets, finance lease payments and is net of proceeds from finance leases.

4 Closed site costs on Exploration and evaluation properties included in other operating costs.

5 Includes earnings from royalty interests.

6 Net earnings (loss) from Joint Ventures are included in a separate line in the Consolidated statements of earnings. The breakdown of the financial information has been disclosed above as it is reviewed regularly by the Company's chief operating decision maker to assess its performance and to make resource allocation decisions.

7 Refer to note 4.





IAMGOLD Corporation  
401 Bay Street, Suite 3200, PO Box 153  
Toronto, Ontario, Canada M5H 2Y4  
Toll Free 1 888 IMG 9999  
[www.iamgold.com](http://www.iamgold.com)