

# 2012 Third Quarter Results

November 14, 2012



# Management Participants

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**STEVE LETWIN** President & CEO

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**GORD STOTHART** EVP & Chief Operating Officer

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**CAROL BANDUCCI** EVP & Chief Financial Officer

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**CRAIG MACDOUGALL** SVP, Exploration

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**JEFFERY SNOW** SVP, General Counsel

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**BOB TAIT** VP, Investor Relations

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# Cautionary Statement

*This presentation contains forward-looking statements. All statements, other than of historical fact, that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future (including, without limitation, statements regarding expected, estimated or planned gold and niobium production, cash costs, margin expansion, capital expenditures and exploration expenditures and statements regarding the estimation of mineral resources, exploration results, potential mineralization, potential mineral resources and mineral reserves) are forward-looking statements. Forward-looking statements are generally identifiable by use of the words "may", "will", "should", "continue", "expect", "anticipate", "outlook", "guidance", "estimate", "believe", "intend", "plan" or "project" or the negative of these words or other variations on these words or comparable terminology. Forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond the Company's ability to control or predict, that may cause the actual results of the Company to differ materially from those discussed in the forward-looking statements. Factors that could cause actual results or events to differ materially from current expectations include, among other things, without limitation: changes in the global prices for gold, niobium, copper, silver or certain other commodities (such as diesel, aluminum and electricity); changes in U.S. dollar and other currency exchange rates, interest rates or gold lease rates; risks arising from holding derivative instruments; the level of liquidity and capital resources; access to capital markets, financing and interest rates; mining tax regimes; ability to successfully integrate acquired assets; legislative, political or economic developments in the jurisdictions in which the Company carries on business; operating or technical difficulties in connection with mining or development activities; laws and regulations governing the protection of the environment; employee relations; availability and increasing costs associated with mining inputs and labour; the speculative nature of exploration and development, including the risks of diminishing quantities or grades of reserves; adverse changes in the Company's credit rating; contests over title to properties, particularly title to undeveloped properties; and the risks involved in the exploration, development and mining business. With respect to development projects, IAMGOLD's ability to sustain or increase its present levels of gold production is dependent in part on the success of its projects. Risks and unknowns inherent in all projects include the inaccuracy of estimated reserves and resources, metallurgical recoveries, capital and operating costs of such projects, and the future prices for the relevant minerals. Development projects have no operating history upon which to base estimates of future cash flows. The capital expenditures and time required to develop new mines or other projects are considerable, and changes in costs or construction schedules can affect project economics. Actual costs and economic returns may differ materially from IAMGOLD's estimates or IAMGOLD could fail to obtain the governmental approvals necessary for the operation of a project; in either case, the project may not proceed, either on its original timing or at all.*

*The United States Securities and Exchange Commission (the "SEC") permits mining companies, in their filings with the SEC, to disclose only those mineral deposits that a company can economically and legally extract or produce. We use certain terms in this presentation, such as "mineral resources", that the SEC guidelines strictly prohibit us from including in our filings with the SEC. U.S. investors are urged to consider closely the disclosure in the IAMGOLD Annual Report on Form 40-F. A copy of the most recent Form 40-F is available to shareholders, free of charge, upon written request addressed to the Investor Relations Department.*

*Total Resources includes all categories of resources unless indicated otherwise.*

*All currency numbers are in US\$ unless otherwise stated.*



# Introduction



IAMGOLD owned /operated mines performing well



Underperformance at joint ventures impacting consolidated production and cash costs



Full year production expected to be at lower end of guidance and cash costs  $\pm$  3% of higher end of guidance



Consolidated earnings impacted by lower gold sales attributed to lower production and timing of shipments



# Highlights

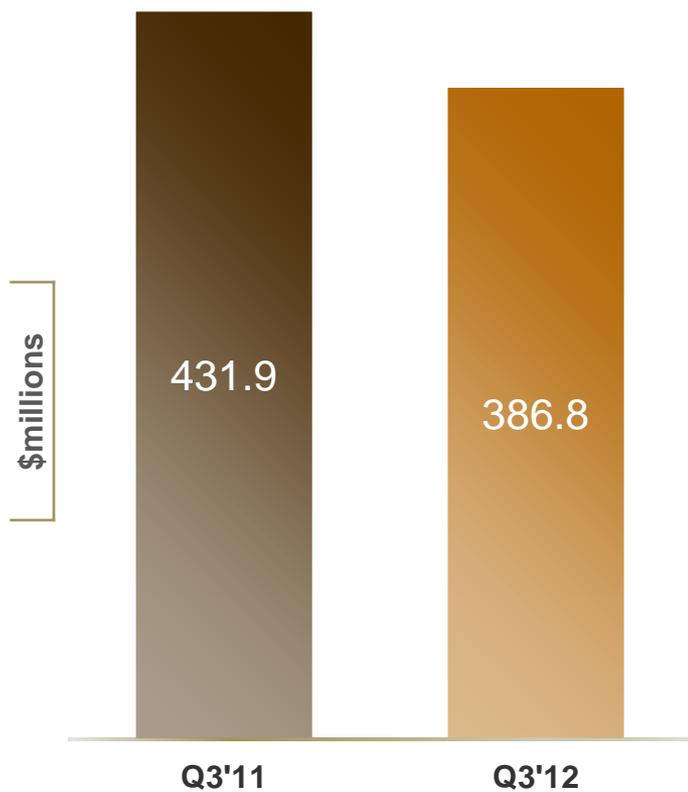
- **Côte Gold Resource Update (Oct 4, 2012)**
  - › 274% increase in indicated resource and substantial increase in total ounces
- **Disposal of Quimsacocha in process**
- **Suriname**
  - › Progress towards definitive agreement, including attractive Power Price Agreement to support expansion related incremental production
- **Burkina Faso**
  - › Favourable fiscal terms related to expansion; reduction in import duties from 7.5% to 2.5%
- **Mali**
  - › Negotiations with Power Authority essentially completed
  - › Connection to national grid will reduce power costs by 50%
  - › Further delays expected with Sadiola sulphide project
- **CAPEX**
  - › Reducing 2012 guidance to \$750 - \$780 million
  - › Reducing 2013 forecast



# Revenues

## Q3 revenues down 10%:

- Lower gold sales volume
  - produced 17,000 fewer ounces
  - timing of shipments accounted for 12,000 fewer ounces sold
- Partially offset by higher Niobium revenue



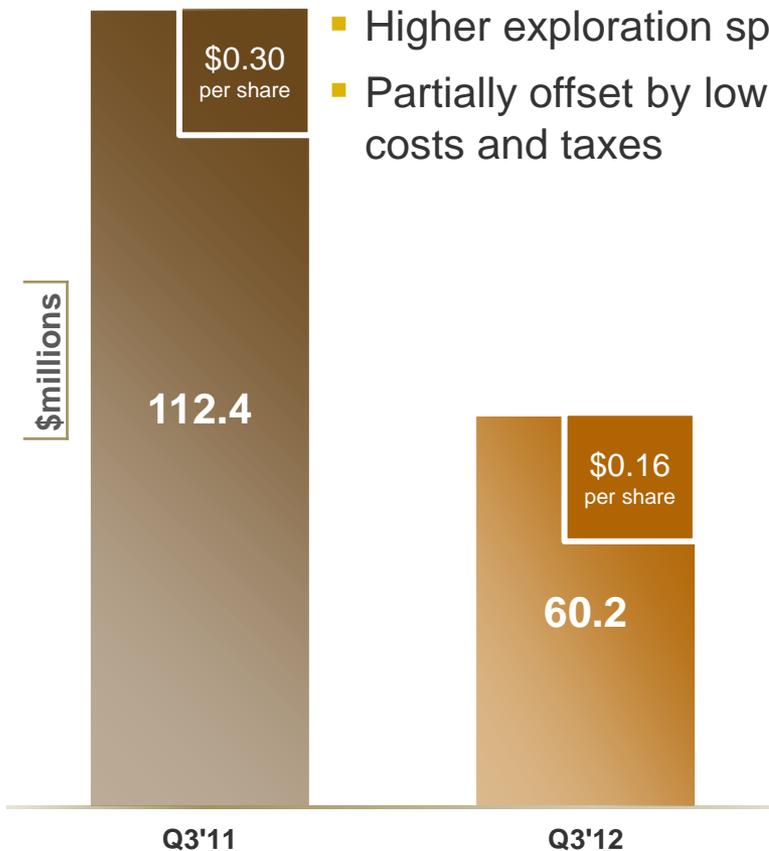
Gold	Q3'11	Change	Q3'12
<b>Price</b> (\$/oz)	\$1,675	-%	\$1,670
<b>Gold Sales*</b> (000 oz)	217	(13%)	188

\*Attributable sales from continuing operations (excluding discontinued operations)



# Adjusted Net Earnings\*

- Lower gold sales
- Higher exploration spending
- Partially offset by lower mining costs and taxes

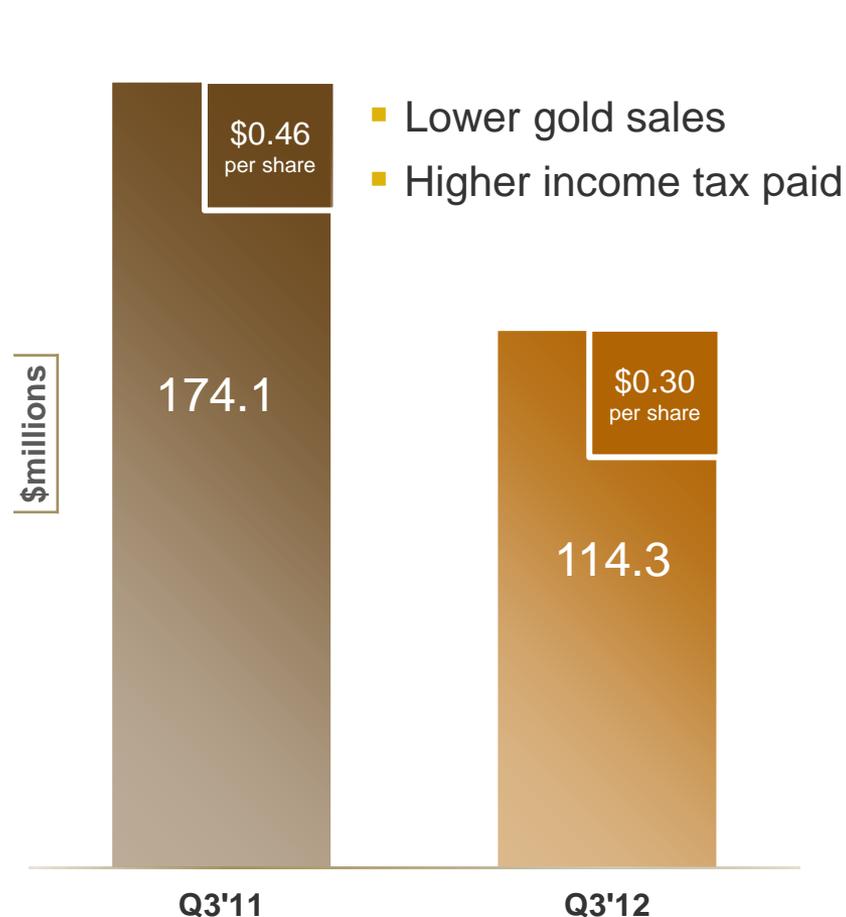


\*Amounts represent results from continuing operations attributable to equity holders of IAMGOLD

(in \$millions, except for per share amount)	Q3'11	Q3'12
<b>Net earnings from continuing operations attributable to equity holders</b>	<b>50.0</b>	<b>78.0</b>
Foreign exchange loss	11.9	2.5
Unrealized derivative loss / (gain)	23.3	(17.5)
Gain on sale of marketable securities	(7.2)	(7.2)
Impairment of marketable securities	-	1.2
Loss on sales of assets	0.1	0.9
Changes in estimates of asset retirement obligations at closed sites	12.3	-
Tax impact of adjusted items	22.0	2.3
<b>Adjusted net earnings from continuing operations attributable to equity holders</b>	<b>112.4</b>	<b>60.2</b>
<b>Adjusted net earnings from continuing operations attributable to equity holders per share (\$/sh)</b>	<b>0.30</b>	<b>0.16</b>



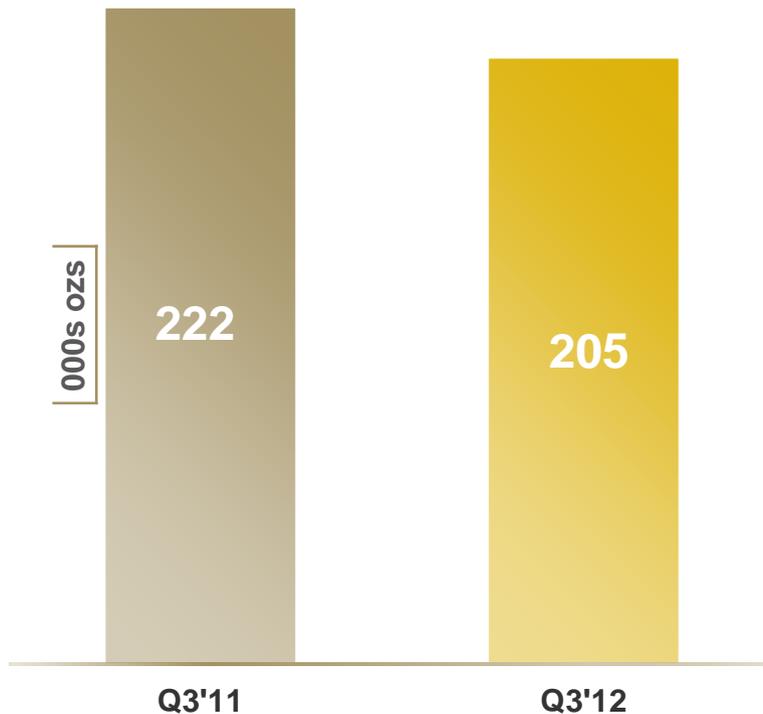
# Operating Cash Flow Before Changes in Working Capital



(in \$millions, except for per share amount)	Q3'11	Q3'12
Cash flow generated from continuing operating activities per the unaudited consolidated interim financial statements	174.5	97.6
Adjusting items from non-cash working capital items and long-term ore stockpiles		
▪ Receivables and other assets	5.0	6.2
▪ Inventories and long-term ore stockpiles	21.0	32.0
▪ Accounts payable and accrued liabilities	(26.4)	(21.5)
<b>Operating cash flow from continuing operations before changes in working capital</b>	<b>174.1</b>	<b>114.3</b>
<b>Basic operating cash flow from continuing operations before changes in working capital per share (\$/sh)</b>	<b>0.46</b>	<b>0.30</b>



# Attributable Gold Production\*



\*From continuing operations

## IAMGOLD Operated Sites

**Rosebel** – up 1,000 ozs

- › Higher recoveries reflecting upgraded gravity circuit

**Essakane** – down 9,000 ozs

- › Lower recoveries and processing of lower grade ore, partially offset by higher throughput

**Mouska** – down 5,000 ozs

- › Site continues to stockpile ore which will be processed in the refurbished mill in 2013

## Joint Ventures

**Sadiola** – down 4,000 ozs

- › Lower grades, lower throughput

**Yatela** – no change



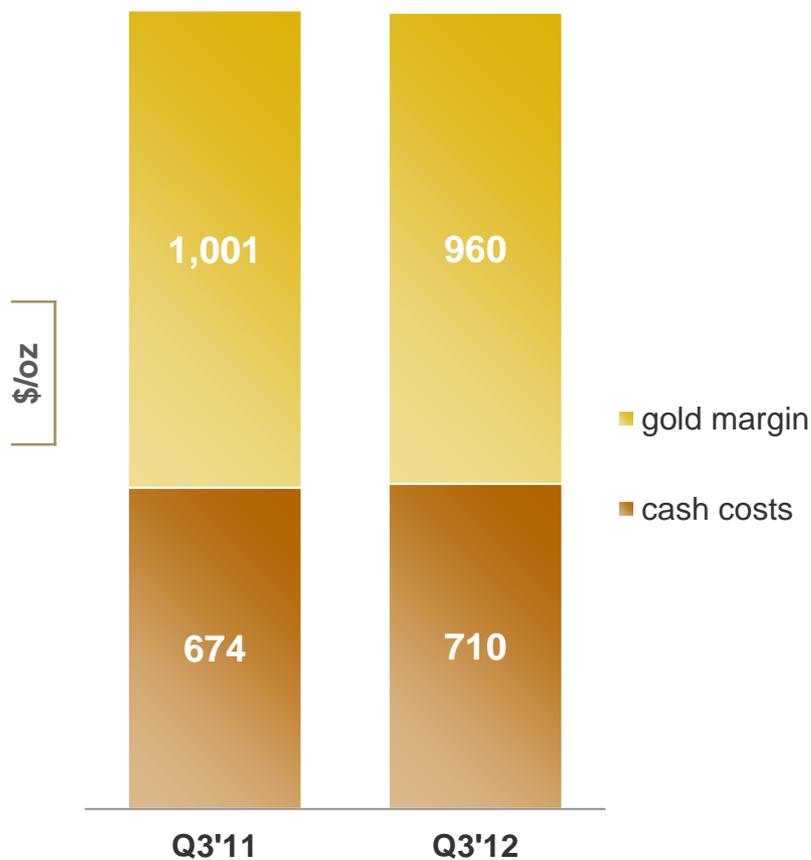
# Total Cash Costs\*

\$/oz	Q3'11	Q3'12	Variance
At all producing gold mines	674	710	5%
IMG operated mines (excluding Sadiola & Yatela)	602	644	7%

\*From continuing operations and includes royalties



# Gold Margin



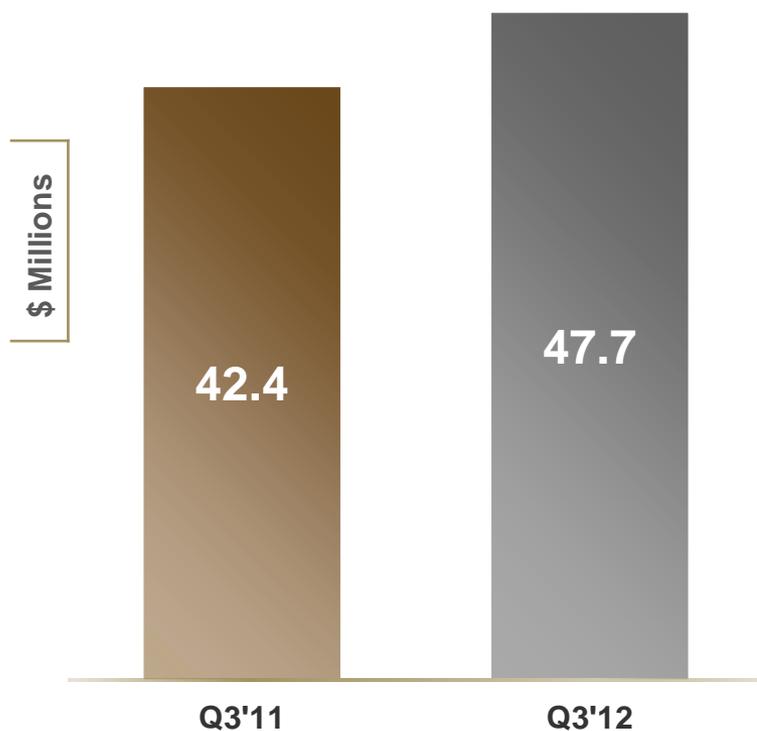
Gold Operating Results*	Q3'11	Q3'12
Gold production (000 oz)	222	205
Realized price (\$/oz)	1,675	1,670
Cash cost (\$/oz)	674	710
Gold margin (\$/oz)	1,001	960

\*From continuing operations



# Niobium Revenue

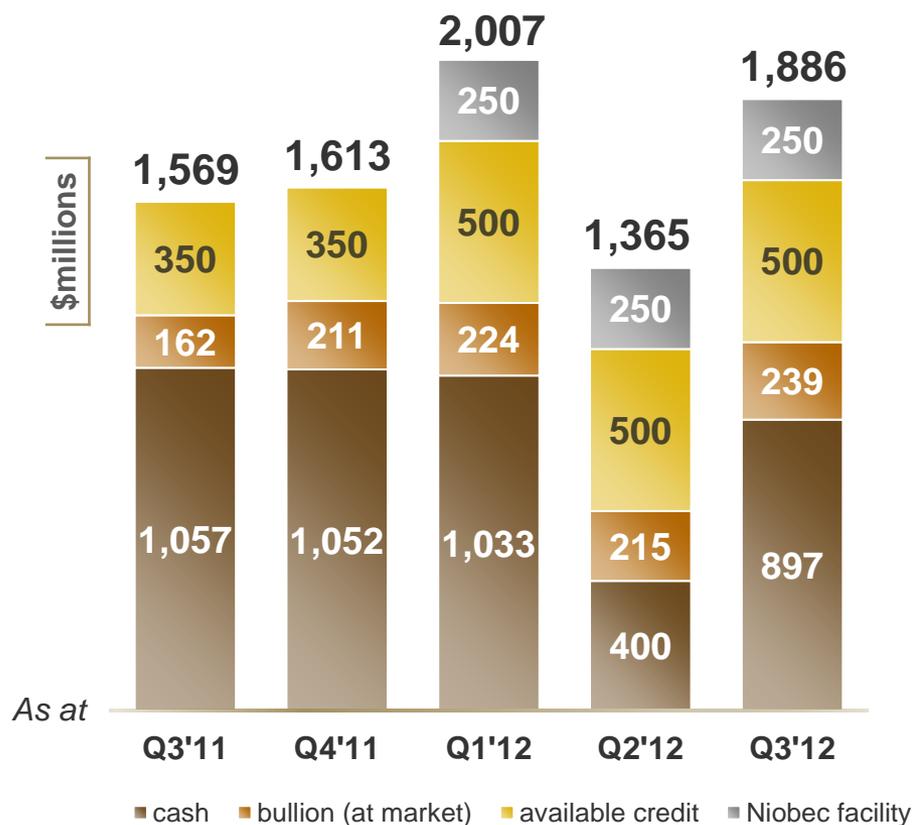
- Higher niobium prices and sales volume



	Q3'11	Q3'12
<b>Niobium production</b> (Mkg Nb)	1.2	<b>1.2</b>
<b>Niobium sales</b> (Mkg Nb)	1.0	<b>1.2</b>
<b>Operating margin</b> (\$/kg)	14	<b>16</b>



# Strong Liquidity



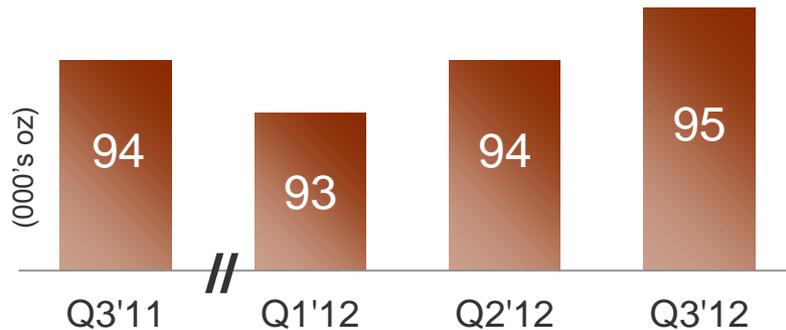
\$millions	June 30, 2012	Sept. 30, 2012
Cash & cash equivalents	\$400	*\$897
Gold bullion at market	\$215	\$239
Unused credit facility	\$500	\$500
Unused Niobec facility	\$250	\$250
<b>Total</b>	<b>\$1,365</b>	<b>\$1,886</b>

\*Includes \$650M debt issue



# Rosebel

## Gold Production



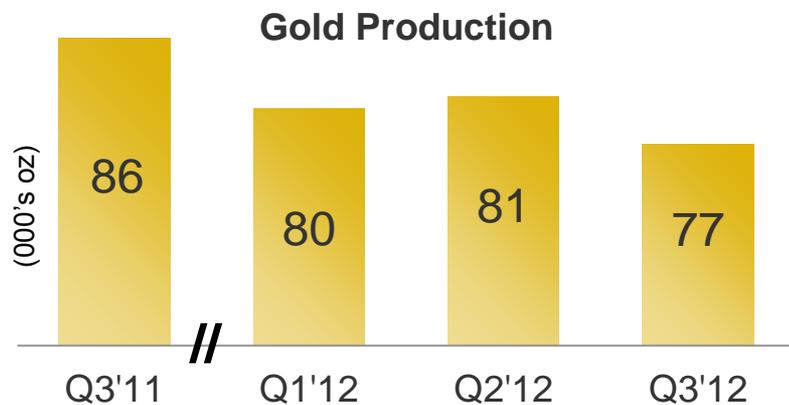
## Q3'12 vs Q3'11

- › Improving recoveries with expanded gravity circuit
- › Partially offset by lower throughput
- › Higher costs due to increase in tonnage minded and increased proportion of hard rock

## Outlook

- › Expect throughput improvement with temporary pre-crusher, larger pebble crusher and 3<sup>rd</sup> ball mill in Q1'13
- › Completion of feasibility study in Q1'13 providing greater detail on expansion project
- › Definitive agreement with Government of Suriname on next phase of expansion (satellite resources)

# Essakane



## Q3'12 vs Q3'11

- › Lower recoveries and lower grades
- › Partially offset by increase in ore milled
- › Higher costs due to lower grades and higher strip ratio
- › Signed labour contract providing for a 5% increase over each of the next 3 years

## Outlook

- › Permits granted and favourable fiscal terms
- › Completion of expanded plant to double hard rock processing by end of 2013
- › Plant commissioning 2014



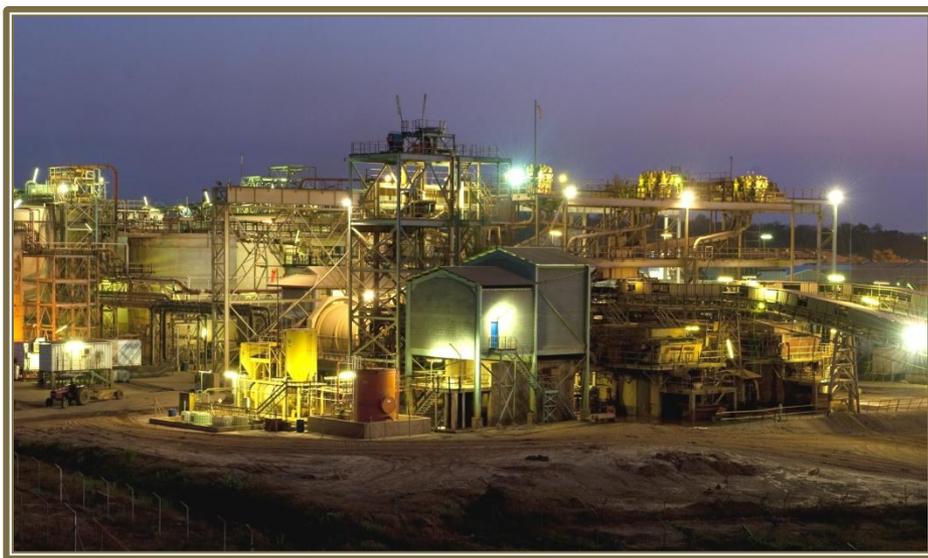
# Sadiola

## Gold Production



## Q3'12 vs Q3'11

- › Lower throughput and lower grades
- › Higher cash costs with lower production and increase in hard rock processing



## OUTLOOK

- › Enhances gravity circuit improving recoveries
- › Negotiated agreement with Power Authority
- › Sulphides project waiting AngloGold approval
- › Ready to begin pre-stripping in 2013



# Niobec

## Niobium Production



## Q3'12 vs Q3'11

- › Increased throughput
- › Lower grades
- › High labour costs



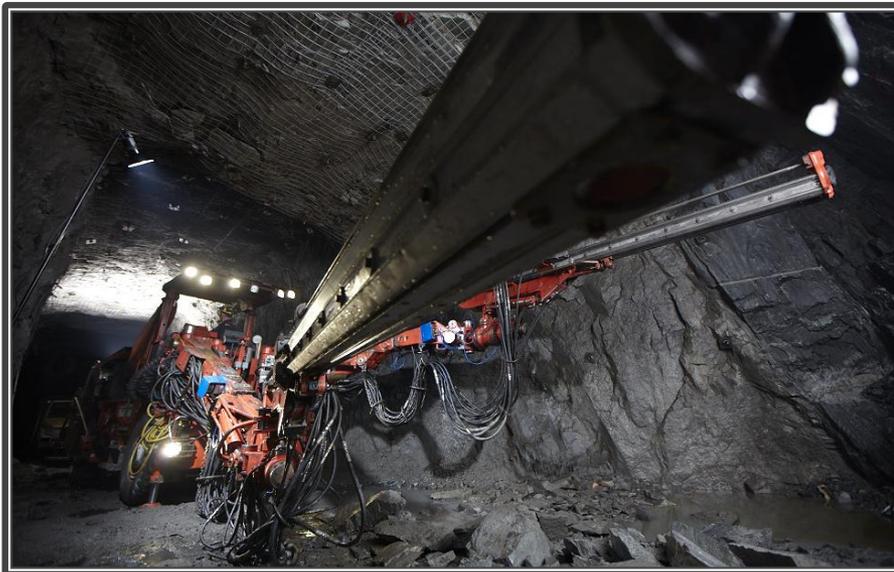
## Outlook

- › Complete feasibility study Q3'13
- › Finalize permitting 2014

# Westwood Development

## Q1 2013

- › **Production start-up with slower than anticipated ramp up**



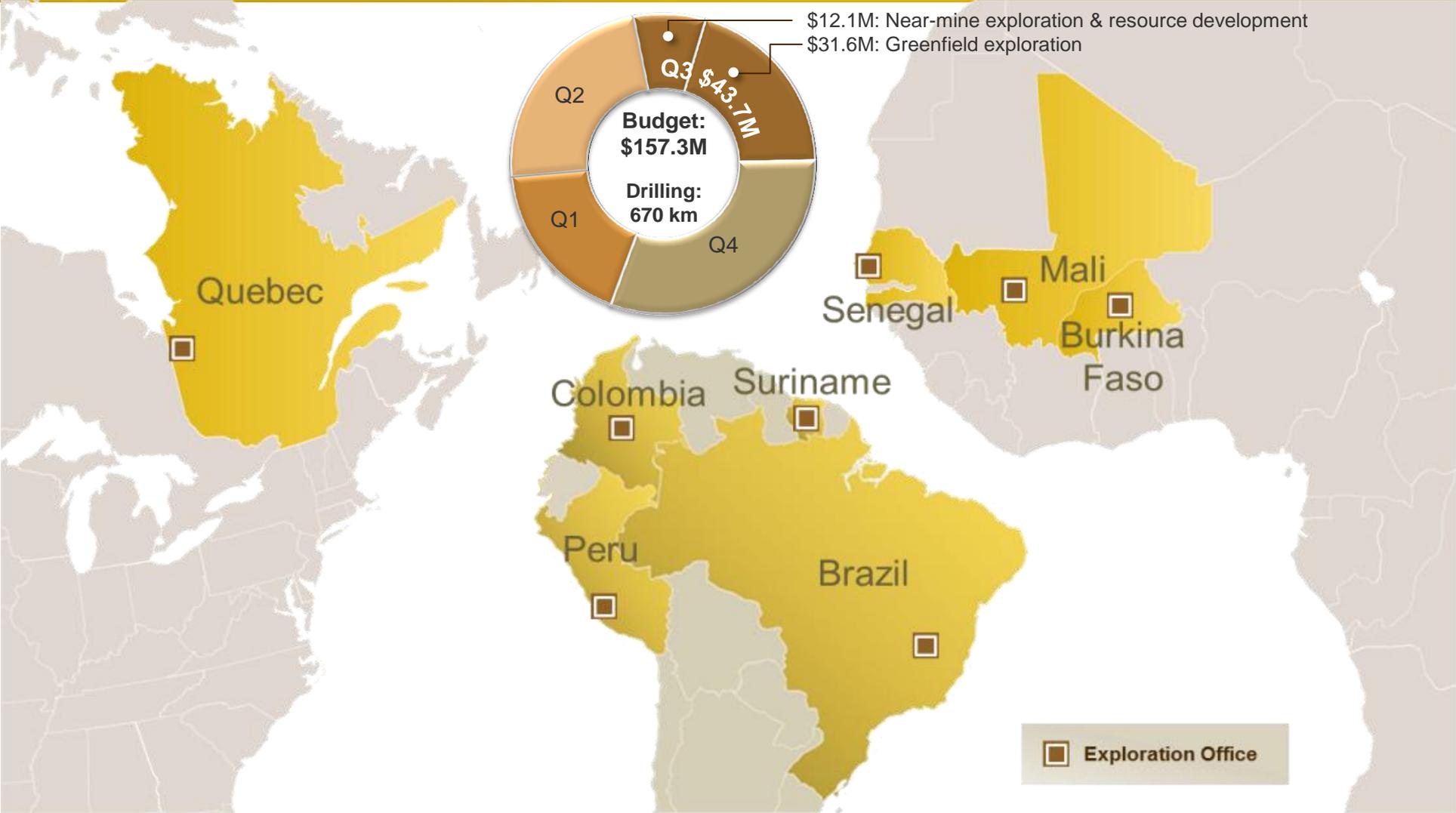
## Q3'12 vs Q3'11

- › Shaft sunk to 1,817 metres
- › Underground development totaling 9,800 metres of lateral and vertical excavation
- › Infill delineation and resource expansion drilling continues
- › Wastewater treatment plant operational
- › Sewage and potable network complete
- › Union ratified 6 year labour contract effective Dec 1, 2011

## Q4 2012

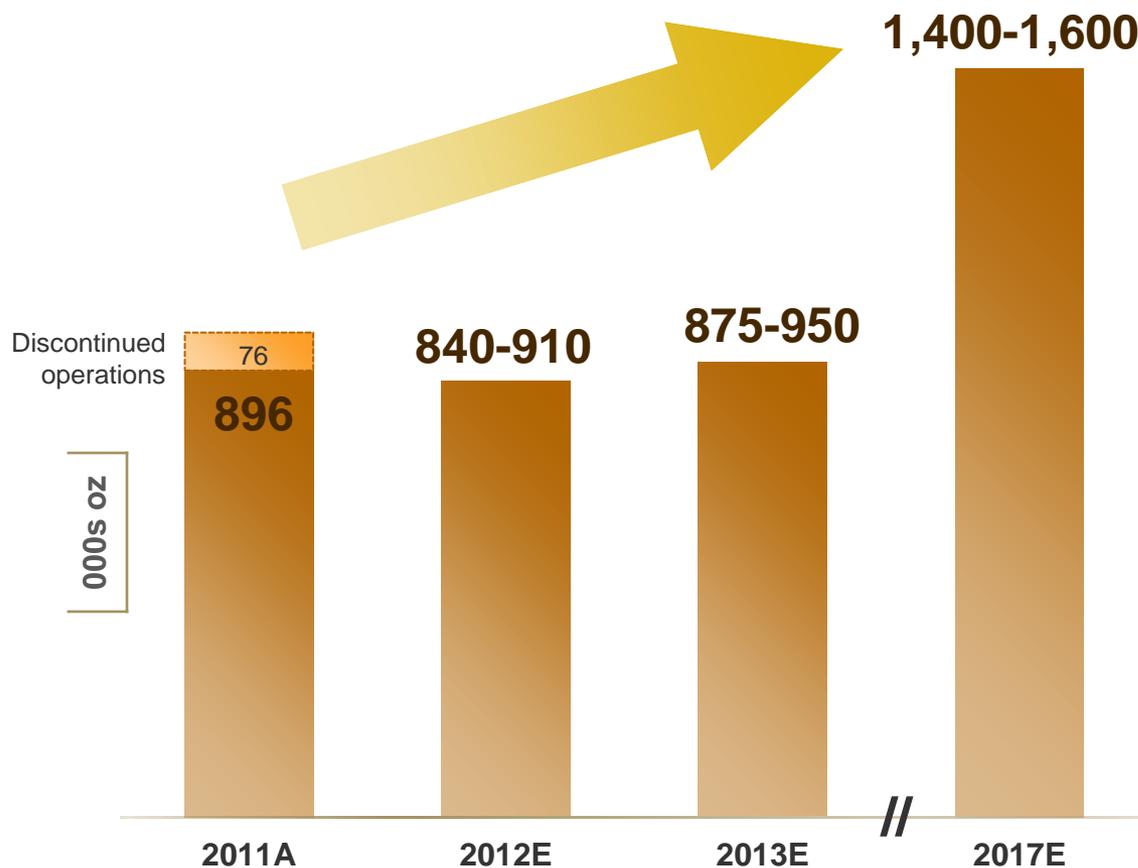
- › Complete construction of paste backfill plant
- › Complete refurbishment of Doyon Mill
- › Sink shaft to 1,954 metres
- › Complete 15,000 metres of vertical and lateral development
- › Complete infill and step-out drilling program.

# 2012 Exploration Program



# Future Gold Production Profile

(attributable to IAMGOLD)



- › Westwood begins production in 2013
- › Impact of Brownfield expansion begins 2014 - 2015
- › Côte Gold begins production 2017





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