

# IAMGOLD Analyst & Investor Conference Call Côté Gold Project

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# IAMGOLD and Sumitomo Metal & Mining – Strategic Partnership

- Diversifies project risk around Côté Gold Project
- Allows for timely construction of Côté project
- Creates a partnership with Sumitomo - a well-funded, highly technical mine developer - for future projects and/or acquisitions
  - Both parties intend to establish a solid partnership in the development of future gold mining opportunities.
  - IAMGOLD and Sumitomo have a common interest in seeking future opportunities
  - Sumitomo has in-depth expertise in building and operating mines
  - Sumitomo's strong business development capability and access to capital will complement that of IAMGOLD's
  - IAMGOLD's global mining operations will benefit from Sumitomo's access to Japanese suppliers to the mining industry

# Côté Gold JV Agreement Valuation

|                                      | <u>Consensus</u>           | <u>J.V.</u>                |
|--------------------------------------|----------------------------|----------------------------|
| <b>Côté Gold Project</b>             | <b>\$141 M<sup>1</sup></b> | <b>\$650 M<sup>2</sup></b> |
| <b>per diluted share<sup>3</sup></b> | <b>\$0.31</b>              | <b>\$1.42</b>              |

<sup>1</sup> Source: Analyst Consensus

<sup>2</sup> Based on Sumitomo paying an aggregate \$195 million to IAMGOLD for a 30% undivided participating interest in IAMGOLD's ownership interest in the Côté Gold Project.

<sup>3</sup> As at March 31, 2017, IAMGOLD had 457.5 million diluted shares outstanding.

# Deal Structure

## JV Agreement Highlights:

- Sumitomo will acquire 30% interest in IAMGOLD's ownership of the Côté Gold Project for US\$195 million
  - US\$100M on closing
  - US\$95M due on the earlier of 18 months after closing or completion of the Feasibility Study
  - Each party will be responsible for funding its proportionate share of expenditures, including initial and sustaining capital expenditures
- UJV governance:
  - An Oversight Committee comprised of representatives from both parties, with virtually all operational decisions by majority vote (70/30 for Côté)
  - IMG will be the Operator overseeing both the development and operational stages

# Deal Summary

## About Sumitomo Metal Mining Co., Ltd.,

- Sumitomo Metal Mining Co., Ltd., is a Tokyo, Japan-based mining with \$7.3 billion in annual revenues<sup>1</sup> and market capitalization of approximately \$7.0 billion dollars<sup>2</sup>
- A global leader in the development and mining of non-ferrous metals
- Engages in mining, smelting, refining, semiconductor and advanced materials manufacturing, and other businesses in Japan and internationally under three business segments:
  - The Mineral Resources
  - The Smelting & Refining
  - Materials
- Buying new gold mine interests is a priority for the next three years.

### Sumitomo Metal Mining Co., Ltd's Mines and Smelters / Refineries



<sup>1</sup> Source: Bloomberg. For fiscal year ending March 31, 2017.

<sup>2</sup> Source: Bloomberg. As at June 5, 2017.





# Financial Highlights



# Financial Highlights

- The gross sale price to Sumitomo for 30% of Côté Gold is \$195M reflecting a total market value of \$650M (\$195M pro-rated to 100%)
- In 2012, IMG acquired Trelawney mining which owns a 92.5% interest in the Côté Gold Project, for a total acquisition cost of \$542.6M
- Current carrying value of Côté Gold is approximately \$159M<sup>1</sup> following an impairment loss of \$400M in 2015, due to declining gold price
- IFRS requires reversal of impairment loss, if market value is higher than carrying value. Reversal is limited to the previously recognized impairment loss of \$400M
- Impairment reversal of \$400M will increase the carrying value to \$559M and will be recorded in IMG's Consolidated Statements of Earnings as a gain
- There are no financial accounting tax implications associated with the impairment reversal and also no cash income tax costs associated with either the sale transaction or in entering into the joint venture agreement

<sup>1</sup> Carrying value is preliminary based on April 30, 2017 closing balances

**All amounts are in USD**



## Preliminary Calculation of Gain on Sale Before Transaction Costs

|   | \$Millions   |
|---|--------------|
| Proceeds from sale of 30% interest to SMM <sup>1</sup>          | \$195        |
| <i>Less:</i> Carrying value of 30% Côté net assets <sup>2</sup> | <u>(168)</u> |
| <b>Gain on sale before transaction costs <sup>3</sup></b>       | <b>\$27</b>  |

<sup>1</sup> \$100M cash to be received on closing date of the transaction and the remaining \$95M is receivable upon the earlier of a) 18 months following the closing date b) the date the Côté Project feasibility study is made available to the public

<sup>2</sup> 30% of total carrying value of \$559M after recording the \$400M impairment loss reversal\*. Carrying value is preliminary and is expected to be in the range of \$555M to \$565M

<sup>3</sup> To be recorded in IMG's Consolidated Statements of Earnings. The calculation of the gain on sale will vary based on the final carrying value and transaction costs

\*The reversal of impairment loss was effective on June 5, 2017, the day IMG and SMM signed the binding agreement

# Liquidity

|  | \$ Millions    |
|--|----------------|
| Cash, cash equivalents and restricted cash <sup>1</sup>      | \$660          |
| Gross proceeds from sale of 30% Cote net assets <sup>2</sup> | 195            |
| Available senior credit facility as at March 31, 2017        | <u>247</u>     |
| <b>Total Liquidity</b>                                       | <b>\$1,102</b> |

<sup>1</sup> Balance as at March 31, 2017. Calculated as follows:

- \$1,073M - cash and cash equivalents;
- (\$506M) - redemption of 6.75% Senior Unsecured Notes on April 3, 2017;
- \$93M - short-term restricted cash;
- \$660M – Total cash, cash equivalents and restricted cash

<sup>2</sup> Includes a \$95M receivable upon the earlier of a) 18 months following the closing date b) the date the Cote Project feasibility study is made available to the public





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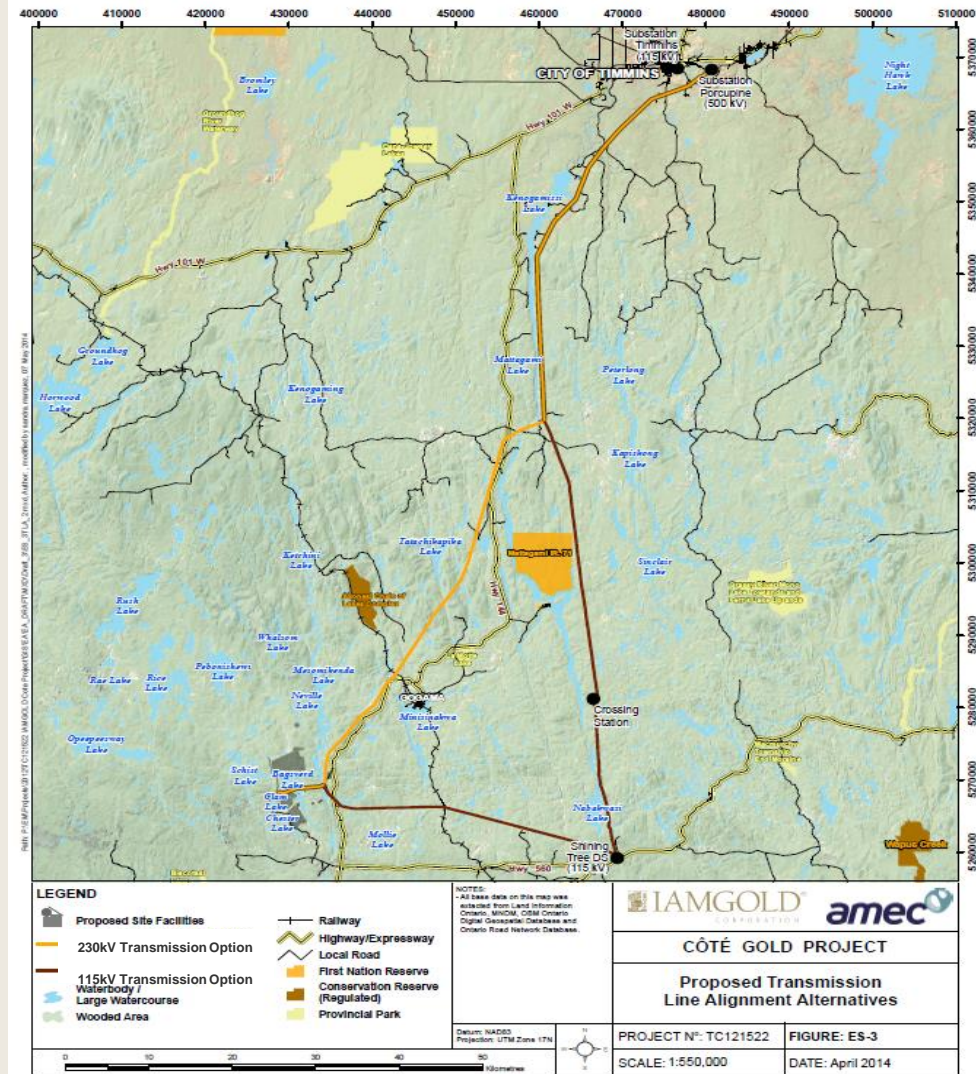
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Project Highlights



# Côte Gold Project Highlights

- One of Canada's largest undeveloped gold deposits
- Located in a prolific mining region six hours north of Toronto
- Strong partnerships with northern municipalities, local communities and indigenous community partners
- Positive PFS indicates potential for low-cost mine with a 17 year mine life
- Provincial and Federal Government have approved Environmental Assessment
- Exploration continuing on 500 sq. km. land package to develop and assess targets
- Full feasibility study expected in H2 2018



# Strong Project Economics at Côte Gold

|   | PFS                    | PEA         |
|---|------------------------|-------------|
| Gold Price Assumption for Economic Analysis | \$1,250/oz             | \$1,200/oz  |
| CDN/US exchange Assumption                  | 1.3                    | 1.35        |
| Nominal Mill Capacity                       | 32,000 tpd             | 29,000 tpd  |
| LOM Average Au Recovery                     | 91.8%                  | 91.9%       |
| LOM Average Annual Au Production            | 320,000 ozs            | 302,000 ozs |
| Mine Life                                   | 17 years               | 21 years    |
| AISC  | \$689/oz               | \$686/oz    |
| Initial Capital                             | \$1,047 M <sup>1</sup> | \$1,031 M   |
| Sustaining Capital and Closure              | \$457 M                | \$480 M     |
| After-tax NPV (5%)                          | \$703 M                | \$673 M     |
| IRR   | 14.0%                  | 12.9%       |
| Payback period (excluding construction)     | 4.5 years              | 5.2 years   |

<sup>1</sup> Excludes deferred initial capital attributable to equipment leasing of \$116M, net of down payments and leasing payments.

# Capital Costs - Côté Gold

| Capital Cost Estimate Summary          |                          |
|--|--------------------------|
| <b>Initial Capital</b>                 | \$M                      |
| Mine Site Prep and Infrastructure      | 29                       |
| Mine Equipment                         | 59                       |
| Electrical & Communications            | 31                       |
| Infrastructure                         | 104                      |
| Process Plant                          | 252                      |
| Tailings Management Facility Equipment | 24                       |
| Tailings & Water Management            | 47                       |
| Offsite Facilities                     | 25                       |
| Owner's Cost                           | 27                       |
| Indirects                              | 198                      |
| Contingency (20%)                      | 170                      |
| Mining Pre-production                  | 80                       |
|  | <b>1,047<sup>1</sup></b> |
| <b>Sustaining Capital</b>              |                          |
| Mining                                 | 74                       |
| Mine General Site Works                | 11                       |
| Tailings & Water Management            | 150                      |
| Tailings Indirects                     | 10                       |
| Capital Leases                         | 155 <sup>2</sup>         |
| Contingency                            | 19                       |
|  | <b>418</b>               |
| <b>Closure Costs</b>                   | <b>40</b>                |

<sup>1</sup> Total cost of capital leases (initial + sustaining) including financing costs, excluding down payments



# IAMGOLD Reserve & Resource Statement Revised

|   | Côté Gold Only |            |         |          | IAMGOLD Consolidated |            |         |          |
|---|----------------|------------|---------|----------|----------------------|------------|---------|----------|
|   | 2017           | Difference |         | 2016     | 2017                 | Difference |         | 2016     |
|   | Revised        | koz        | %       | Year End | Revised              | koz        | %       | Year End |
| Contained Gold (Attributable Basis - 000s oz) <sup>12</sup>                     |                |            |         |          |                      |            |         |          |
| Total proven and probable mineral reserves <sup>1, 3, 4, 5, 6, 7</sup>          | 3,837          | 3,837      | n/a     | 0        | 11,635               | 3,837      | 49.2%   | 7,798    |
| Total measured and indicated mineral resources <sup>1, 2, 7, 8, 9, 10, 11</sup> | 5,204          | (2,523)    | (32.7%) | 7,727    | 20,872               | (2,459)    | (10.5%) | 23,331   |
| Total inferred ounces <sup>1, 2, 7, 8, 9, 10, 11</sup>                          | 797            | (289)      | (26.6%) | 1,086    | 6,384                | 260        | 4.2%    | 6,124    |
| Contained Gold (100% Basis - 000s oz)   |                |            |         |          |                      |            |         |          |
| Total proven and probable mineral reserves <sup>1, 3, 4, 5, 6, 7</sup>          | 5,926          | 5,926      | n/a     | 0        | 16,746               | 5,926      | 54.8%   | 10,820   |
| Total measured and indicated mineral resources <sup>1, 2, 7, 8, 9, 10</sup>     | 8,037          | (317)      | (3.8%)  | 8,354    | 28,657               | (317)      | (1.1%)  | 28,974   |
| Total inferred ounces <sup>1, 2, 7, 8, 9, 10</sup>                              | 1,231          | 57         | 4.9%    | 1,174    | 7,507                | 57         | 0.8%    | 7,450    |

1. Reserves and Resources for all sites except Sadiola have been estimated in accordance with NI43-101; Reserves and Resources for Sadiola have been estimated in accordance with JORC code
2. Measured and indicated gold resources are inclusive of proven and probable reserves
3. 2016 Year End Reserves for all sites except Sadiola are estimated using a gold price of \$US 1,200/oz,
4. 2016 Year End Reserves for Sadiola are estimated using a gold price of \$US 1,100/oz;
5. 2017 Revised Reserves for Côté Gold are estimated using an economic model assuming a gold price of \$US 1,250/oz and based on a mine design originally done using a gold price of \$US 1,200/oz
6. 2017 Revised Reserves for all other entities other than Côté Gold are assumed unchanged from the 2016 Year End Reserves excluding depletion or additions
7. 2016 Year End Resources for all sites except Sadiola and Westwood are calculated using a gold price of \$1500/oz
8. 2016 Year End Resources for Sadiola are calculated using a gold price of \$1500/oz
9. 2016 Year End Resources for Westwood are calculated using a 6.0 g/t Au cut-off over a minimum width of 2 metres
10. 2017 Revised Resources for all other entities other than Côté Gold and Diakha-Siribaya are assumed unchanged from the 2016 Year End Reserves excluding depletion or additions
11. 2017 Revised Resources for Diakha-Siribaya are now included at 100% attribution since the acquisition of Merrex Gold completed in February 2017
12. Attribution for Côté Gold for 2016 is 92.5% and for 2017 Revised is 64.75% (92.5%\*70%).



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