

OUR JOURNEY CONTINUES...



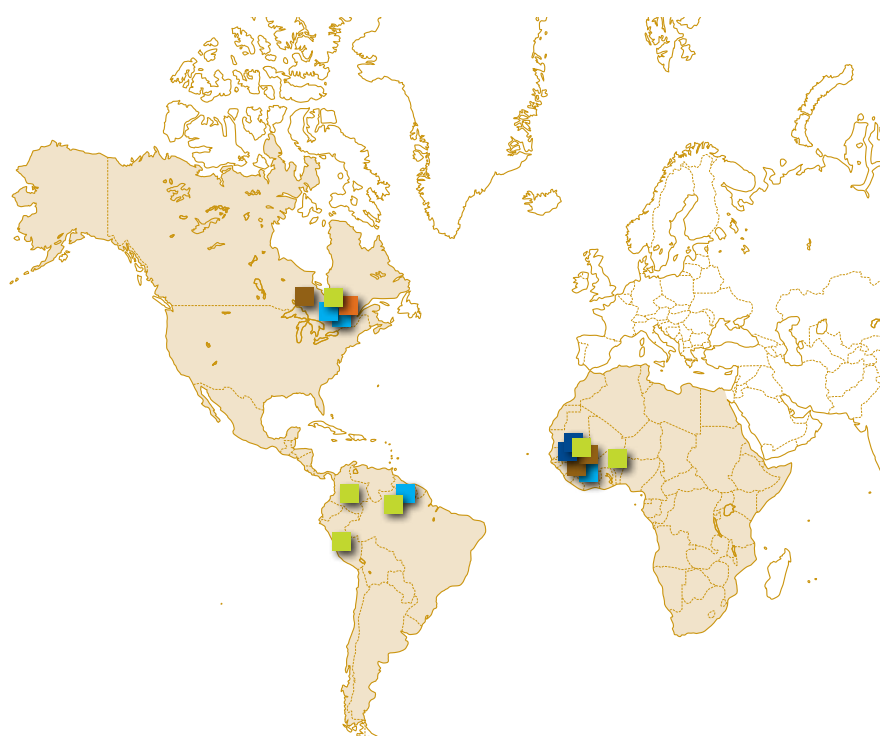
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IAMGOLD 2012 HEALTH, SAFETY AND SUSTAINABILITY REPORT



IAMGOLD Corporation is a leading mid-tier gold producer with six operating gold mines (including current joint ventures) on three continents. In the Canadian province of Quebec, the Company also operates Niobec Inc., one of the world's top three producers of niobium, and owns a rare earth element resource close to its niobium mine. IAMGOLD is well positioned for growth with a strong financial position and extensive management and operational expertise. To grow from this strong base, IAMGOLD will advance those projects from its pipeline of exploration and expansion projects that can deliver attractive rates of return. IAMGOLD's growth plans are strategically focused on certain regions in Canada and select countries in South America and Africa.

IAMGOLD is headquartered in Toronto, Ontario, Canada, and listed on the Toronto Stock Exchange under the symbol IMG and on the New York Stock Exchange under the symbol IAG.



■ Gold Mines

Essakane, Burkina Faso
Rosebel, Suriname
Mouska, Canada
Westwood, Canada

■ Niobium Mine

Niobec, Canada

■ Exploration Projects

Côte Gold, Canada
Boto, Senegal
Siribaya, Mali

■ Exploration Offices

Brazil, Burkina Faso, Canada,
Colombia, Mali, Peru, Senegal,
Suriname

■ Joint Ventures*

Sadiola, Mali
Yatela, Mali

* The health, safety and sustainability performance of our joint venture interests is covered in the AngloGold Ashanti Limited Sustainability Report at www.anglogold.com/Sustainability.

TOTAL ECONOMIC FOOTPRINT (2012)

Direct economic value generated

a) Revenue

\$ 1,670,000,000

Economic value distributed

b) Operating costs (including wages and benefits)

\$ (1,043,400,000)

c) Payments to providers of capital (equity shareholders)

\$ (97,700,000)

d) Payments to governments:

Income taxes

\$ (234,000,000)

Dividends paid to government

\$ (9,200,000)

Royalties

\$ (80,400,000)

VAT

\$ 0.00

e) Community investments

\$ (4,725,500)

Economic value retained

\$ 200,574,500

NOTE: Employee wages and benefits are included in Operating costs.

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All monetary amounts are expressed in U.S. dollars, unless otherwise stated.



MOVING TOWARDS ZERO HARM

Along any journey, it is as much our successes as it is our failures that determine our path and strengthen our resolve. Throughout our journey towards Zero Harm, we have taken pride in our successes but, more importantly, we continue to learn from our mistakes.

This is perhaps most evident in the lessons we have learned from an incident at our Niobec mine in Quebec. Over two years ago, a mechanic lost his foot trying to unjam an ore conveyor – a non-routine task. This incident played a key role in creating a culture shift not only at Niobec but across our organization.

With buy-in from the highest levels of IAMGOLD leadership, the Niobec team mandated that whenever an employee was unsure about how to do a specific task, no matter how big or small, work would be stopped completely to allow the team time to figure out how to do it right. As a result, in 2012, work stopped over 300 times, 240 Job Hazard Assessments were conducted and safety incidents declined by 64% from 2011. Despite the anticipated effect of stopping work 300 times, our production actually improved: operating cash flow at Niobec grew by \$3.8M, our niobium production went up by 331,000 kilograms and our ore recovery (the amount of niobium we recover for every tonne of rock mined) increased by 3.6%.

This type of experience confirms our belief that learning from our mistakes is simply good business and for IAMGOLD, it is truly emblematic of our Zero Harm journey – a collective experience of both successes and failures along the road to more sustainable and responsible mining.

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The Journey Continues



It has been six years since we launched our Zero Harm vision, committing IAMGOLD to maintain the highest standards in human health, minimize our impact on the environment and work in partnership with our host communities. This is no small commitment, and we recognize that achieving Zero Harm is as much a journey as it is an aspirational goal.

Along this journey, we have faced some challenges. Regrettably, we had a fatality this past year at our Ouagadougou exploration office in Burkina Faso. A gardener doing yard work fell into a pool and drowned. The incident was a harsh reminder of the hazards that are always present in the workplace. It prompted us to take corrective action at the Ouagadougou office and to review safety risks and controls for care and maintenance workers across IAMGOLD.

We have also faced challenges with the Phase I resettlement at our Essakane mine in Burkina Faso. Many of the newly built houses have required repairs. We spent \$1.8 million on home repairs in 2011 and 2012, and have committed another \$1.0 million for 2013. We are also addressing complaints related to croplands, water and sanitation. Resolving and proactively preventing these issues is not just the right thing to do, it is a business imperative.

I recognize environmental, social and safety issues as key business risks as well as opportunities. We manage these risks and opportunities closely through our HSS Management Framework, which has evolved over the past years with the introduction of more sophisticated systems, tools and standards as well as added rigour to the management of human rights and security.

This constant evolution of our practice has resulted in successes that I am proud of. Since launching Zero Harm, we have reduced the rate of Total Recordable Incidents (TRI) at our sites by 66% and we have received a number of awards and external recognition for our accomplishments in responsible mining. Among them, we were especially proud to be recognized in 2012 by the Mining Association of Canada with six Towards Sustainable Mining (TSM) performance awards. Our sites also achieved an overall Level A rating or higher across the TSM categories of crisis management planning, tailings management, and Aboriginal and community outreach.

Our belief in proactive stakeholder engagement and maximizing long-term benefits has begun to pay off. Take, for example, the community-led poultry project initiated at our Rosebel mine in Suriname three years ago. I was pleased to learn that in 2012 the project became

a self-sustaining business that supplies roughly 60% of the poultry our 1,949 employees consume on site. This is the type of collaborative, sustainable economic growth we work to facilitate across all of our operations, even at the exploration stages of development. It is my hope that our early engagement with local and Aboriginal communities at our Côte Gold exploration project in Canada will pave the way for constructive relationships as we advance through the permitting stages of the project.

We have come a long way, but we know there is more work to be done to achieve our vision. Fortunately, we also have some of the most passionate, committed and talented people with us on the road to Zero Harm. Our employees have embraced the Zero Harm journey and bring the vision to life each and every day in the workplace and in our communities. I extend to them my heartfelt thanks.

Sincerely,

A handwritten signature in black ink that reads "Steve Letwin".

Steve Letwin
President and Chief Executive Officer

ABOUT THIS REPORT

This is our sixth annual Health, Safety and Sustainability (HSS) Report, presenting the Company's health, safety and sustainability performance for the 2012 calendar year. More specifically, the report reviews the Company's:

- Four wholly or majority-owned gold mines
- Wholly owned niobium mine
- Exploration and development projects
- Properties being closed or already closed

Sustainability reports from our joint venture interests in Mali can be found at the AngloGold Ashanti website (www.anglogold.com/Sustainability).



GRI Reporting

For full details of IAMGOLD's 2012 HSS performance, please also see our 2012 Performance Data available on our website. Together, this report and the online Performance Data fulfill the requirements for level A reporting under the Global Reporting Initiative (GRI) G3 guidelines, as assessed internally by IAMGOLD.



Questions, Comments or Feedback

We invite your comments and questions about this report. Please contact:

Robert Carreau

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Governance Practices

IAMGOLD's Board of Directors is responsible for overseeing governance and HSS matters. The Board is assisted by its Nominating and Corporate Governance Committee and its HSS Committee. The HSS Committee oversees the development and implementation of HSS policies and best practices. It also ensures the Company's compliance with applicable laws and regulations in jurisdictions around the world.

Please see our 2013 Management Information Circular available on our website for additional information on IAMGOLD corporate governance practices, including:

- Board role, composition, independence, qualifications and evaluation
- Board committees and charters
- Executive compensation practices



2012 TARGETS AND ACHIEVEMENTS

 Did not achieve  Partially achieved  Achieved

	2012 Objectives and Targets	At a Glance	2012 Status
HEALTH AND SAFETY	Zero fatalities		One fatality at our exploration office in Burkina Faso, when a gardener drowned in a pool.
	No “significant” environmental or community incidents (Actual Levels 4, 5 or potential Level 5)		IAMGOLD rates the impact of safety, sustainability and community incidents on a scale of one to five with Level 5 being the most serious. A Level 5 incident can take decades to repair and may result in the loss of the Company’s social licence. A Level 4 incident is significant but can be remediated quickly with prompt action.
	10% reduction in the rate of incidents resulting in Days Away, Restricted or Transferred Duty (DART)* (target of 1.01)		While we missed our target by 0.08, ending the year at 1.09, there was a 3% reduction from 2011.
	10% reduction in Total Recordable Incident (TRI) rate** (target of 2.02)		Missed our target by 0.06, ending the year at 2.08 (7% reduction).
	Develop IAMGOLD strategy for industrial hygiene		Developing corporate standards based on industry best practices.
	Develop and pilot global set leading indicators according to industry best practices		Leading indicators focus on preventive measures aimed at reducing risks and injuries. In addition to their own indicators, all sites now track five leading indicators – schedule training, planned inspections, near misses, corrective action and positive “caught in the act” inspections.
COMMUNITY	Align our Human Rights Strategy with UN Guiding Principles and Voluntary Principles on Security and Human Rights		Our strategy is informed by third-party human rights assessments, which we’ve carried out at our international sites. These have served to identify the gaps in our current framework and are the basis of our strategy, which is designed in alignment with the UN Guiding Principles and the Voluntary Principles. The next step will be to fully implement this strategy across our international operations through training and systems design.
	Put processes in place to maximize return on community investments		IAMGOLD led a multi-company benchmarking study on community investment best practices with input from Canadian Business for Social Responsibility as well as other non-industry and industry stakeholders to lay the ground work for developing management tools in 2013.
	Develop youth capacity in Burkina Faso through the Plan Canada partnership		Of the 14 planned schools, 13 have been built or rehabilitated in support of vocational training; guidelines for national and regional institutions to support youth employment have been provided; and regional and national steering committees have been established. In addition, the Corporate Social Responsibility Discussion Group is operational and draws on key players in the region including NGOs, governments and other mining companies. For more information on this partnership, see page 18.
	Initiate the development of a long-term Aboriginal Engagement Strategy for our Côté Gold project in Northern Ontario		IAMGOLD has held meetings and communicated with the Mattagami and Flying Post First Nations, and initiated discussions with the Métis Nation of Ontario and the local community council office. We have organized open houses and meetings with Mattagami and Flying Post First Nations in their respective communities in order to seek input on the draft Project Description prior to its submission to the Canadian Environmental Assessment Agency. Further to this, we have an Exploration Agreement in place with the various Aboriginal groups through which we are committed to building out long-term community development programs.

2012 Objectives and Targets	At a Glance	2012 Status
Achieve a minimum Towards Sustainable Mining (TSM)*** Level A for tailings management across all sites	✓	This was achieved due to development and application of Operation, Maintenance and Surveillance (OMS) manuals for tailings facilities globally.
Identify opportunities to improve energy efficiency	✓	This year we conducted several studies at our international sites in order to identify opportunities to reduce energy use as well as integrate alternative energy into our operations. This is an area IAMGOLD can further explore and is essential both to our position on environmental stewardship and to our position of cost efficiency in the years ahead.
Initiate the development of a global Water Management Standard	✓	While we have mature water quality management systems and water recycling built into our operations wherever possible, we took steps this year to broaden the scope of our water management system to include significant water use reduction strategies. Studies were carried out at our different sites, from both an operational and a residential perspective, and the findings from these studies will inform our next steps on the water reduction front.
Maintain our Biodiversity Management Program	✓	Based on our global biodiversity assessments and subsequent action plans established in 2010, we continue to monitor our identified species at risk, ecosystem function indicators and ecosystem diversity indicators. We also continuously seek to find ways to mitigate impact through land reclamation and reforestation.

* DART (Days Away, Restricted or Transferred Duty) rate reflects injuries and illnesses resulting in days away, restricted duty or job transfer.

** TRI (Total Recordable Incident) rate reflects injuries and illnesses resulting in DART plus all medical cases excluding first aid.

*** TSM (Towards Sustainable Mining) refers to a set of mandatory protocols for responsible mining developed by the Mining Association of Canada (MAC) for its membership. As members of MAC, we adhere to the TSM protocols and standards.

2013 TARGETS

Implement Malaria Prevention Program in West Africa

Reduce DART rate by 10% from 2012 rates

Reduce TRI rate by 10% from 2012 rates

Add rigour to the Health and Wellness aspect of our Health and Safety practice

Officially join the Extractive Industries Transparency Initiative

Officially join the Voluntary Principles on Security and Human Rights

Improve tools and processes to enhance community investment decisions and impact measurement

Negotiate an Impact Benefit Agreement with our First Nations communities in Ontario

Develop a global Water Management Standard

Maximize identified opportunities to reduce energy use and improve efficiency

Align Security Strategy with UN Guiding Principles on use of force and firearms

HSS MANAGEMENT

IAMGOLD's Health, Safety and Sustainability (HSS) policies and frameworks are built on international best practices and are designed to translate our Zero Harm vision into actual and sustained performance.

At the highest level, we are guided by our vision, our Code of Business Conduct and Ethics, and our HSS policies. Our HSS Management Framework helps ensure that policies are uniformly implemented across all sites.



As we grow and learn, our management framework continues to evolve. In 2012, we added rigour to our management of security, human rights and business risks.

Leadership

HSS management starts with leadership at every level and is sustained by continuously building leadership capacity across the organization.

The Supervisory Leadership Development Program (SLDP) is helping drive the evolution of our culture by equipping front-line supervisors and managers to bring out the best in their teams and themselves – in other words, empower their employees. Over three years and nine modules, the program takes participants through a variety of technical and leadership theory and hands-on exercises. It is unique in that the content is being developed by our own supervisors and external learning experts to address current business needs as we move forward. Nearly 750 people have participated in the first three modules (which focus on the role of the supervisor, “mining 101” and supervisory skills). The feedback and impact on the organization have been extremely positive.

Leading by Example

To promote compliance with our Code of Business Conduct and Ethics, we are introducing a new e-learning course in four languages. The course includes questions and simulations to test knowledge. Employees must complete the course when they are first hired and once a year thereafter.

Human Rights and Security

In 2012, we developed the IAMGOLD Human Rights Strategy, which is based on the UN Guiding Principles on Business and Human Rights and the Voluntary Principles on Security and Human Rights. One of our first action items was to adopt a Human Rights Policy that explicitly recognizes the United Nations Declaration of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. The policy includes commitments to: integrate respect for human rights into all of the Company's operations, promote human rights to stakeholders, respect the rights and traditions of Indigenous peoples, and provide culturally sensitive training to employees on respecting human rights. The policy will be made available on our website in the Corporate Responsibility section.

We are conducting human rights risk assessments at each international site, starting with Rosebel in 2012 and

Essakane in 2013. At Essakane, we also embarked on a security-focused human rights audit to examine our progress and identify gaps relative to the UN Voluntary Principles on Security and Human Rights.

A number of actions were taken in the year to ensure the protection of our people, products, assets and reputation. We hired a corporate director of security and adopted a Corporate Security Policy, which provides a framework for security risk management, control measures, effective standards, policies and procedures, and the appropriate incident response at each site.

In keeping with our policy, and out of concern for our people, we removed IAMGOLD expatriates working at exploration projects in Mali and placed the sites on "care and maintenance" immediately following a military coup in March 2012. Only after conducting a full risk assessment of the region did we allow essential personnel to return to work under strict guidelines.

Risk Management

IAMGOLD executives are responsible for integrating risk management practices into their key business processes. In 2012, we strengthened our approach to risk management with the hiring of a corporate director of internal audit and risk management, and by undertaking a comprehensive risk assessment. The risk assessment involved interviews with management at the corporate and mine site levels to identify risks, mitigating activities, and opportunities for improved monitoring and management of key risks. From this, a company-wide risk register was developed, which identified HSS risks among the top risks for our business. The assessment has been presented to the Executive Leadership Team and the IAMGOLD Board of Directors, and will form the basis of ongoing risk reporting.

Going forward, we will enhance our enterprise risk management policy and framework, which will define the essential elements of an effective risk management process throughout the Company.

Voluntary Industry Participation

IAMGOLD has signed on to a number of international standards and working groups to ensure that we adhere to high standards of accountability, including the following:

Official participation	ISO 14001; Mining Association of Canada's Towards Sustainable Mining; Carbon Disclosure Project; Integrate Biodiversity Assessment Tool; London Benchmarking Group (LBG) Canada; Conflict-Free Gold Standard
Guiding frameworks	Global Reporting Initiative; Prospectors & Developers Association of Canada E3plus; UN Guiding Principles for Business and Human Rights; Voluntary Principles on Security and Human Rights; International Finance Corporation Performance Standards on Environmental and Social Sustainability
Organizational involvement	Devonshire Initiative (founding member); CDA Corporate Engagement Project

Implementation of the World Gold Council's Conflict-Free Gold Standard

As a member of the World Gold Council, in 2012 IAMGOLD was pleased to initiate efforts to ensure compliance with the Conflict-Free Gold Standard. The Standard is intended to act as an industry program that will provide a mechanism by which gold producers can assess and provide assurance that their gold has been extracted in a manner that does not cause, support or benefit unlawful armed conflict or contribute to serious human rights abuses or breaches in international law. IAMGOLD has committed to completing the implementation of the Standard at all gold mines operated by the Company by the end of 2013. Conformance with the Standard will be externally assured for reporting periods after 2013. For more information on the World Gold Council's Conflict-Free Gold Standard, please visit their website – www.gold.org.



HSS MANAGEMENT

Our Stakeholders

IAMGOLD's priority stakeholders include employees, hosts and neighbouring communities, Indigenous peoples, Aboriginal peoples in Canada, civil society organizations, suppliers, and local and national governments. At the corporate level, we also count our Board of Directors and investors among our priority groups.

We encourage our sites to take an inclusive approach to stakeholder identification, and to cast as wide a net as possible to include all who may be affected by our activities. The identification process is an ongoing exercise in which stakeholders are directly involved. We also encourage our sites to pay extra attention to vulnerable groups that may be excluded from traditional forms of engagement. This process is a balance of working within existing cultural and religious structures and ensuring appropriate and inclusive community representation.

In 2012, we held over 300 unique stakeholder meetings, including town halls, consultation committees, focus groups and individual discussions. While each site has the flexibility to design its own engagement program, guidance is provided through our Sustainability Framework and our Community Relations Handbook and Audit Tool.



Defining Report Content through Stakeholder Engagement

In preparing this report, we have focused on the HSS topics or issues that were identified through our engagement processes as being of greatest concern to our stakeholders, and that have the potential to affect the long-term success of our business.

Key Issues of 2012

Issue	Relevant Stakeholders	Our Response
Malaria in West Africa	Employees, community members, regional health institutions and NGOs	This year we sought to determine how we could improve our current approach to malaria prevention in West Africa. A gap analysis conducted by a third-party specialist helped us identify the need to broaden our prevention activities and address malaria as a regional development issue. This realization marks a turning point in our activities for the prevention of malaria at IAMGOLD and will be the basis of our revised West Africa strategy in 2013.
Security in Mali	Employees, community members, local and national governments	IAMGOLD expatriates working at exploration projects in Mali were evacuated following a military coup in March 2012. As areas in the south of the country (including the capital city and national airport) were deemed safe via international security authorities, essential personnel were permitted to return to those areas, under increased security measures.
Resettlement at Essakane	Community members, local governments, NGOs	Ongoing consultation and negotiation with over 20 communities have allowed us to both address concerns about the first phase of a resettlement and effectively plan for the second phase. More details on how we manage the resettlement at Essakane can be found on page 20.
Tailings management globally	Community members, NGOs, local governments	To mitigate our environmental footprint we adhere to internationally recognized best practices and standards as well as engaging in rigorous monitoring systems and communication with stakeholders on the issue of tailings. For more information on our tailings management research see page 31.
Human rights	Employees, community members, NGOs	In 2012 we developed our Human Rights Strategy and Global Policy, which will be approved in 2013. In rolling out the first phase of our strategy, we conducted human rights risk assessments at our Rosebel mine with another planned at our Essakane mine in 2013. The assessments will be the basis for training and awareness programs at our international sites. For more information see page 7.
Artisanal and Small Scale Mining (ASSM) in Suriname and Burkina Faso	Community members, employees, NGOs	We try to balance community and government perspectives on this issue with a focus on the direct risks to our business, the environment and individuals (particularly youth). We mitigate this risk through stakeholder engagement and negotiation with both ASSM and governments and have begun work on revising our site-specific strategies.
Health and safety globally	Employees, unions, governments, communities	The very nature of our business imposes some inherent dangers to human health and safety. Our comprehensive Health and Safety Framework ensures that we identify and mitigate such risks. An overview of our health and safety performance can be found on page 10.
Aboriginal engagement in Canada	Community members in northern Quebec and Ontario, governments, NGOs	With the purchase of the Côté Gold asset in northern Ontario, Aboriginal and Métis communities have joined our list of stakeholders and engaging with them has become a priority for IAMGOLD. Although our Côté Gold asset is in the pre-feasibility stage of development, our approach has been to engage early on in the process to build long-term relationships in order to maximize the benefits we can provide throughout the life of the mine.
Local employment globally	Employees, community members, governments	While we have a geographically diverse workforce, one of the most important issues to stakeholders across the organization is job creation. IAMGOLD makes local hiring a priority by offering training programs and outreach to recruit, retain and develop local talent. More specific information can be found on page 11 and within the site profiles throughout the report.

2012 PERFORMANCE OVERVIEW

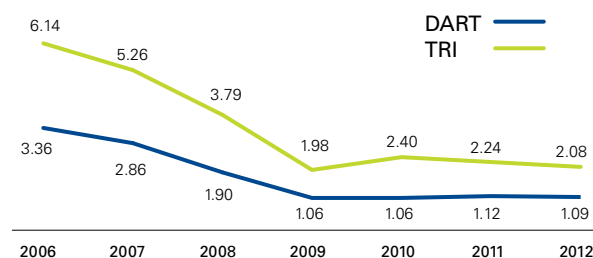
Health and Safety

With employee health and safety as a top priority, we have made good progress over the past six years, reducing our Total Recordable Incident (TRI) rate by 66%. We believe that our behavioural-based programs, such as the Mind Body Achievement (MBA) initiative, have had a significant impact.

The MBA program combines leadership certification, safety awareness training and fitness activity to achieve breakthrough results in health, safety and production. The program focuses on developing supervisory leadership skills, engaging employees in daily hazard recognition and improving fitness for work. It has been highly successful in creating a positive environment and driving personal accountability for health and safety at the IAMGOLD sites where it has been implemented.

Improvements in Days Away, Restricted or Transferred Duty (DART) due to illness and injuries and TRI continued in 2012, although we fell short of our 10% year-over-year reduction targets. The DART rate declined by 3% from the 2011 level and the TRI rate decreased by 7%.

DART and TRI Rate Progression (2006–2012)



What is a DART and why do we use it?

DART measures injuries that result in the employee not being fully capable of performing a job function, regardless of whether that employee is recovering at home, assigned to temporary restricted duty or transferred to a different job for the recovery. It serves as an effective tool for communicating and analyzing the frequency, severity and overall impact of all employee injuries.

The TRI rate reflects injuries and illnesses resulting in DART, plus all medical cases excluding first aid performed while on the job.

Significant Incident Reporting

Our Significant Incident Reporting (SIR) process is triggered following a serious or potentially serious incident. A “significant” incident is defined as one that results in actual days away from work and/or an actual or potential permanent, life-altering impact on an employee (which we call a “near miss”). SIRs require a full investigation, with the CEO or COO and site senior management reviewing causes and corrective actions.

A strong reporting culture is one indicator of a healthy and safe workplace. This type of data enables site management to identify strengths and weaknesses and to determine which areas to target for additional training and prevention activities.

SIRs Breakdown: Organizational Factors Contributing to Significant Failures (2012)



Our People

We invest in our employees and strive to provide dynamic career paths with growth opportunities. Empowering people is an essential part of IAMGOLD's mission and culture, and is captured in our brand position – *Empowering People, Extraordinary Performance*. Empowerment represents everything we do so that our employees have the ability, confidence and opportunity to undertake tasks successfully and to bring forward new ideas. This can range from training programs such as the Supervisory Leadership Development Program to site brand committees charged with engaging people and bringing our brand to life.



Training Hours per Employee (2012)

	Rosebel	Westwood	Mouska	Niobec	West Africa Exploration	South America Exploration	Essakane
Total Training Hours	70,224	23,212	16,987	40,615	2,309	5,828	56,872
Training Hours per Employee	48.0	51.0	89.0	88.0	11.5	48.5	11.5

Gender Diversity in Our Workforce (2012)

Composition	Mouska	Westwood	Niobec	Corporate	Essakane	Rosebel
Male	114	477	413	119	1,895	1,352
Female	6	47	51	99	230	134
Total	120	524	464	218	2,125	1,486
% Male	95%	91%	89%	55%	89%	91%
% Female	5%	9%	11%	45%	11%	9%



2012 PERFORMANCE OVERVIEW

Environment

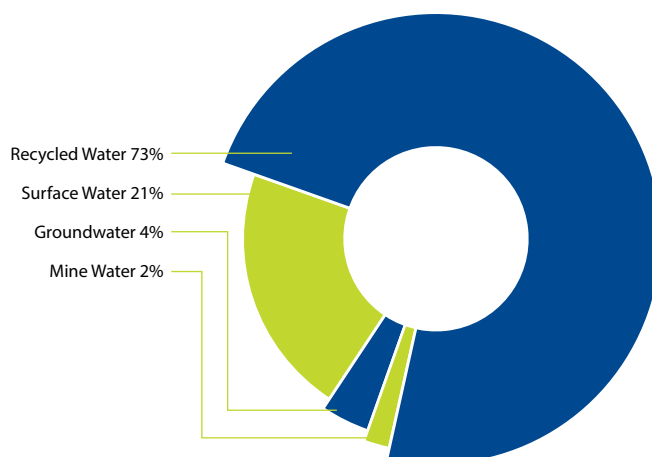
As a mining company, we are aware that our activities have an environmental impact. Our job is to constantly challenge ourselves to minimize, offset and eliminate those impacts. In 2012, we had zero environmental violations, fines and sanctions, largely due to constant environmental monitoring and mitigation strategies.

All IAMGOLD sites follow the Mining Association of Canada's Towards Sustainable Mining (TSM) standards and protocols for managing tailings and achieved level A or higher in this category. We are also at the forefront of research and innovation in tailings management. Learn more about our tailings management research projects on page 31 and about our innovative approach at our Westwood mine on page 25.

The percentage of recycled water used in our processes rose by 2% to represent 73% of our global water use and groundwater as a percentage of global water use dropped by 33%. Reducing groundwater use is a key priority for us because we want to avoid removing water from aquifers, where groundwater is drawn from, and this has the greatest impact on water quality in the long term.

	2010	2011	2012
Recycled Water	67.63%	70.52%	72.65%
Surface Water	19.80%	16.20%	20.84%
Groundwater	6.87%	6.49%	4.34%
Mine Water	5.71%	6.79%	2.17%

Water Use Breakdown (2012)



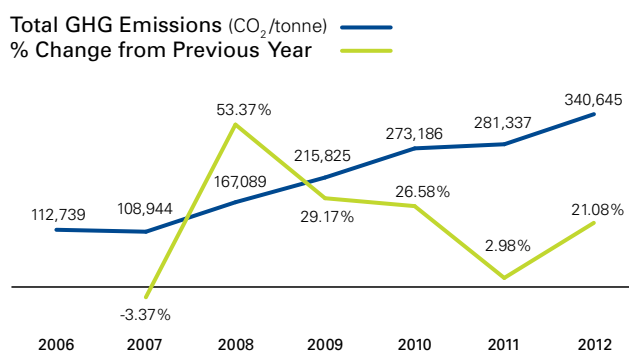
While we continue to pursue energy efficiency initiatives, total energy use and direct greenhouse gas (GHG) emissions rose by 16% and 22%, respectively, from 2011. The increases were due to production growth and increased hard-rock mining at Rosebel and Essakane, which requires increased energy to process. The Rosebel mine site has also become more spread out, resulting in an increased haulage distance and higher transportation emissions.

Despite increased hard-rock mining and subsequent increases in GHG emissions, GHG intensity has remained fairly flat across our global operations. This is the result of more energy efficient equipment and processes as well as the winding down of the Mouska mine in the Abitibi region. Increases at Niobec this year are primarily due to an increased need for underground heating, ventilation and haulage distances as we expand the number of galleries in the mine.

Energy represents a significant percentage of our operating costs, thus reducing energy consumption and associated GHG emissions is a key priority for our business. We've undertaken a number of studies to find solutions for reducing energy usage as well as to explore alternative energy sources.

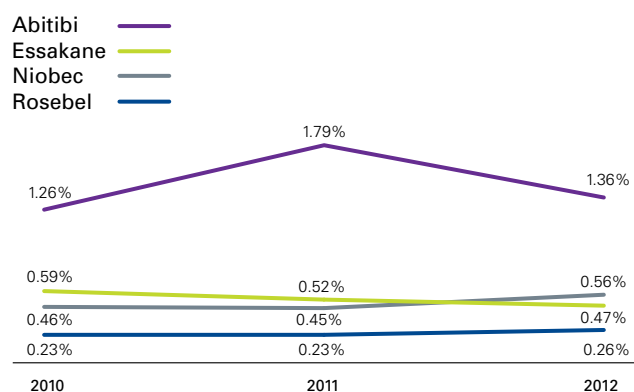


Greenhouse Gas Emissions (2006–2012)



GHG emissions have risen as a result of continued production growth and increased hard-rock mining at Rosebel and Essakane.

Greenhouse Gas Intensity (2010–2012) (CO₂/total tonnes mined)



2012 PERFORMANCE OVERVIEW

Social

Strong community relationships are at the heart of our corporate social responsibility. We strive to enrich the lives of the people living near our sites through projects and partnerships that deliver long-term social and economic benefits. When we talk about partnerships, we mean more than just supporting an organization or group financially; we mean active participation from both parties in support of a project, initiative or common objective.

In 2012, we had 86 partnerships with local organizations across our global operations.

Local Hiring and Procurement

We view local hiring and procurement as a win-win economic benefit to the regions in which we operate, and we try to hire and purchase locally wherever possible.

For example, our Quebec operations are located in a well-established mining region, so our employees tend to be recruited locally. However, at Rosebel and Essakane, it is very challenging to find skilled employees from the surrounding communities. In these locations, we have a strong mandate to promote local hiring and purchasing by contributing to the development of skills in the local community. Currently, we are involved in training programs ranging from basic literacy to the facilitation of small business ventures. Through these programs, we expect that local employees will, over time, replace most expatriate positions and that local supply chains will eventually meet the majority of our procurement needs.



Total and Percentage of Local/National Employees and Expatriates (2012)

	Essakane		Rosebel		Quebec	
	Total	%	Total	%	Total	%
Local	790	37.2%	134	9.0%	1,069	96.2%
National	1,177	55.4%	1,238	83.3%	39	3.5%
Expatriates	158	7.4%	114	7.7%	3	0.3%



National/Local Purchasing in Each Major Region of Operation (2011–2012)

Location	2012	2011
Saguenay, Canada	70%	100%
Burkina Faso	35%	46%
Abitibi, Canada	82%	74%
Suriname	53%	56%

For 2012, we count both national and local (community-level) procurement together; however, this will be revisited in 2013 to better reflect contracts at both the local and national levels.

Community Investment

Our investments in host communities are driven and defined by stakeholder engagement. This ensures that our investments reflect the concerns and priorities of the communities themselves. While we recognize that there are immediate and basic community needs that our community investments must address, we are also looking to improve our global investment program in order to become more strategic in our approach and to improve how we measure the impact of our investments.



Total Community Investment Dollars Spent in 2012

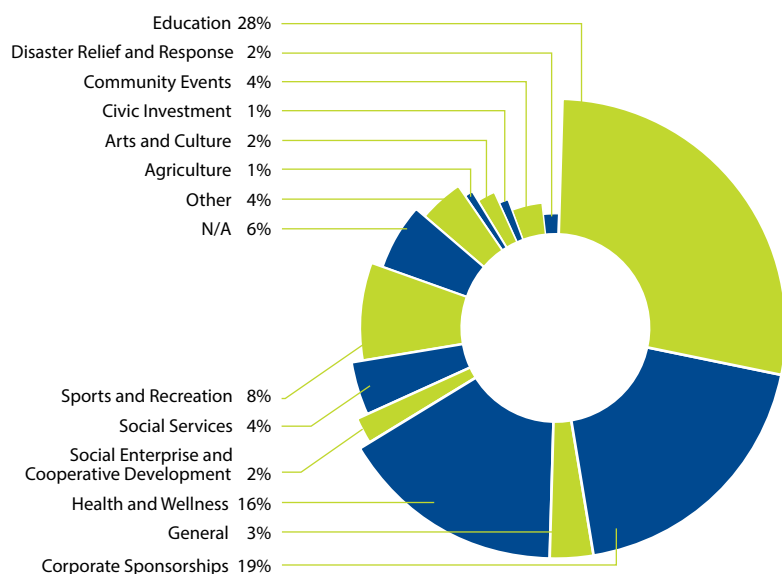
Mine Site	2012 Community Investment Contributions
Rosebel	\$ 312,401
Essakane	\$ 671,136
Niobec	\$ 353,195
Mouska/Westwood	\$ 375,580
Corporate Head Office (including Longueil Office)	\$ 2,392,301
Exploration	\$ 620,887
Total	\$ 4,725,500

Exploration Team Breakdown:

Burkina Faso	\$ 113,111
Colombia	\$ 56,596
Mali	\$ 97,570
Peru	\$ 118,858
Côte Gold (Ontario)	\$ 202,311
Senegal	\$ 16,663
Suriname	\$ 15,778

NOTE: As a part of our efforts to add transparency to our global community investment program, we undertook an external audit of our global community investments with the London Benchmarking Group – Canada (LBG) for 2012. We will continue these efforts in 2013.

Community Investment Breakdown by Theme (2012)





Essakane

Essakane is an open pit gold mine in northeastern Burkina Faso, West Africa, which has been in operation since 2010. We are the largest private sector employer in the country. Of our total employee base, 93% is Burkinabé.

KEY FACTS

Employees
2,125

Contractors
626

Wages and benefits
\$29,800,000

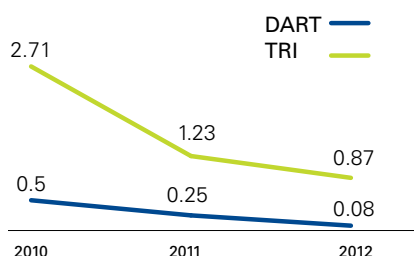
National/local purchasing
\$212,000,000

Community investments
\$671,136

National economic contribution*
\$328,456,673

* IAMGOLD's total contribution to Burkina Faso in terms of taxes, royalties, employee compensation and national purchasing.

Essakane – DART and TRI Performance (2010–2012)



Health and Safety Excellence

Despite the fact that many employees have had no previous industrial experience, our workforce at Essakane has demonstrated consistently strong safety performance since commencing operation, ending 2012 with a Days Away, Restricted or Transferred Duty (DART) rate of 0.08. This DART rate is exceptionally low compared to the approximate industry average of 0.47 Lost Time Incidents or LTIs. (LTIs only include incidents resulting in lost time, and exclude incidents resulting in modified duty.)

We attribute much of this success to constant focus and attention at Essakane on building a health and safety culture in the workplace. In 2012, the Mind Body Achievement (MBA) program was introduced to the site's 2,125 production employees, after having been rolled out to the project development group in 2011, which we believe helped reduce our DART and Total Recordable Incident (TRI) rates.

Malaria Prevention

Malaria is a serious health risk affecting our operations in West Africa. At the Essakane site, we have a Malaria Prevention Program, which includes prevention training, mosquito nets in the camp and regularly spraying buildings with an insecticide. Despite our efforts, the number of malaria cases has not declined and 1,322 local employees were treated in 2012. As a first step in improving our prevention efforts, we contracted a third-party expert to visit our site, conduct an analysis and provide leading malaria control and prevention recommendations.

As a result, a multi-faceted malaria control strategy to improve our prevention activities, not only on the mine site but also in the neighbouring communities where many of the malaria infections are occurring, will be implemented in 2013. The strategy will include community education programs, campaigns to reduce the community refuse

contributing to malaria transmission, spray protocols and distribution of long-lasting insecticide-treated bed nets.

Local Hiring and Procurement

We try to hire as many local people as possible for work at Essakane, and employed 1,967 Burkinabé in 2012, or 93% of our workforce. We have initiatives to increase these numbers as well as prepare Burkinabé talent to take over expatriate jobs. For entry level positions, we provide a variety of training programs at the site and in the community. Programs range from basic literacy (Burkina Faso has one of the highest illiteracy rates in the world) to technical skills development. For management and supervisory positions, we provide leadership and development training such as the Supervisory Leadership Development Program (SLDP), described on page 6.

In 2012, we spent approximately 56,872 hours training local workers. More than 4,954 people have attended courses at the training facility we opened in late 2011. The facility offers courses in literacy and languages, occupational health and safety, and supervision and leadership, as well as in driving, firefighting and computer skills.

While we recognize that local and national procurement can play a significant role in the economic development of Burkina Faso, it is often difficult for local entrepreneurs to meet our purchasing needs. We took specific actions in 2012 to promote local procurement, including:

- Distributing a directory of local and national companies to the various departments at Essakane in order to diversify the pool of entrepreneurs contacted to bid on contracts.
- Developing the terms of reference for hiring a provider to train local contractors so that they qualify for work at Essakane.
- Consulting with Essakane department heads to identify their procurement needs and how they might use local suppliers.

ESSAKANE

Plan Canada Partnership – how are we doing?

In 2011, we announced a groundbreaking five-year partnership with Plan Canada to contribute to youth and economic development in Burkina Faso.

The goal of the project is to improve the quality and relevance of pre-vocational education for at least 6,400 girls and boys identified as “kids at risk” aged 13–18 years. These are kids who have left the school system and do not have sufficient academic skills to enter the vocational stream. Plan Canada is leading this

project, supported by \$5.6 million in funding from the Canadian International Development Agency (CIDA) and a \$1.0 million contribution from IAMGOLD.

Among the key 2012 accomplishments, the focus areas for vocational training were identified through a market survey and 13 schools were renovated or newly constructed and equipped as training sites. The focus areas were identified as: masonry, plumbing, mechanics, metal construction, tailoring/fashion, carpentry/woodworking, hairstyling, leather craft, agriculture, forestry and animal husbandry.

Environmental Initiatives

Among the 2012 initiatives of the Essakane Energy Committee, a new system was installed to automate the ore grinding mill (or Semi-Autogenous Grinding Mill) and optimize hourly throughput. In the first three months of operation, the mill saved approximately 4.18 gigawatt hours of energy (worth \$1.0 million in savings), or 2,600 tonnes of CO₂-e emissions. The team also conducted a feasibility study for an energy management information system that would enable real-time energy tracking and identify options to reduce energy consumption.

4.18 gigawatt hours

of energy were saved in the first three months of operation

Another successful initiative at Essakane led by the project development group is the use of discarded water bottles for the insulation of buildings at the site. Recognizing that air in a container can be a good insulator, the team tested the use of empty 1.5-litre bottles in parts of a site building and found that bottle insulation was a cheaper and more effective noise barrier and insulator than the standard mineral wool. As a result, we are now putting empty bottles to good use in buildings across the site.



Artisanal and Small Scale Mining

Artisanal and Small Scale Mining (ASSM) is a significant issue in several of the jurisdictions in which we operate. These mining activities provide an important source of income for many local community members; however, they also pose uncontrolled environmental, safety and human health risks to communities and the miners themselves.

The area surrounding Essakane has a strong presence of ASSM. To ensure a principled and strategic approach to the issue, we have assembled an internal working group. As a first step, the group is conducting a baseline study of the areas within our exploration permits to better understand impacts. They have also started to identify potential partners, such as NGOs and academics with experience in this area, to help develop an appropriate strategy to help reduce the risks associated with ASSM.

Proactive Tailings Management

We follow the rigorous tailings management protocol established by the Towards Sustainable Mining (TSM) program at all IAMGOLD sites. Geotechnical inspections are conducted at least annually by external experts, and groundwater is regularly monitored to ensure that leaching has not occurred. When, in the course of water monitoring at Essakane in 2011, we detected trace elements of tailings effluent migrating offsite, we took immediate action. We advised government authorities and jointly decided to close a downstream community well as a precautionary measure. An alternate water source was provided and, in 2012, we identified a technical solution to the issue, which included drilling interceptor wells around the area. The problem has since been rectified and the situation continues to be monitored.



An alternate water source was provided and, in 2012, we identified a technical solution to the issue.

Community Communication Committee

In an effort to dialogue with the vast number of communities in the region of the mine site and disseminate information about Essakane, a broad-reaching Community Communication Committee was assembled in 2012. More than 100 representatives from over 20 communities attended the first meeting in June. Going forward, the committee will be essential for rapid and broad-scale communications in the region.





Resettlement at Essakane

Phase I Resettlement

In 2007, when it became clear that developing the Essakane mine would require the relocation of people living in the proposed mining area, we established a participatory and transparent resettlement process that adhered to the International Finance Corporation (IFC) Performance Standards.

This multi-year effort began with gathering data on a broad range of socio-economic and environmental issues, investigating local customs, traditions and needs, and considering impacts on livelihoods. On the basis of this research, we took decisive steps to restore and improve the livelihood and wellbeing of everyone affected. We provided the same surface area of croplands to anybody who lost land in the resettlement, in addition to giving them financial compensation for five years of production. We have improved and increased the number of water wells in the new villages and new homes were provided, with house designs agreed upon by the communities. Community members were also fully involved in planning the locations and layouts of public buildings. In addition, a committee of senior community representatives provided general oversight of the planning process and was available to resolve any deadlocked issues.

As a result of these efforts, 13,473 people from eight villages were resettled in the new Essakane town site and five small villages between 2009 and 2010.

The resettlement process was well executed and overwhelmingly supported by the community. However, as with any project of this size, issues have arisen that we are working to address:

- Close to 50% of the 2,098 newly constructed houses have required repairs. Shifting soils have caused some cracking, which we are fixing and further reinforcing with bracing, to ensure long-term stability. We spent \$1.8 million on home repairs in 2011 and 2012, and have committed another \$1.0 million for 2013 to ensure each house is properly addressed.

\$1.8 million

spent on home repairs in 2011 and 2012

- The replacement croplands were affected by a drought in 2011, making them less fertile. As a result, the Regional Director of Agriculture is assessing the lands in terms of surface and productivity. Our technical response will vary depending on the results of this assessment. We will be working with farmers to improve productivity year over year.
- Water supply has dropped in some communities, putting additional pressure on community resources. This could be attributed to a number of issues including community water management, increased population pressures and decreased rainfall. There have also been quality issues with two community wells. We have always ensured that

communities have had access to potable water, even if we have had to pipe it in. Along with building additional community wells we are addressing both the technical and social management issues to ensure that sustainable water supplies are available, which is a significant improvement from the pre-resettlement conditions.

- Community waste management at the Essakane community site has been lacking and presents a health risk. A revised sanitation strategy is being developed for the Essakane town site with NGO partners because initial programs have been unsuccessful.

In late 2012, IAMGOLD was approached by an NGO with various questions and concerns about our operation and our first resettlement process. Many of the issues we were already aware of; however, the dialogue led to a renewed focus on a handful of key priorities.

While both IAMGOLD and the organization maintain different perspectives on the situation, we have nevertheless engaged in a thorough dialogue with the NGO and community members to ensure that all issues are being addressed, without impediment of community rights.

We take the complexities involved in resettlement very seriously and have committed significant time and financial resources over the past three years on getting it right. We view this as an opportunity to improve the quality of life for the surrounding communities but we don't count the high financial costs of resettlement towards our total community investment spending because, to us, doing resettlement fairly, equitably and for the betterment of the community is simply a cost of doing business.

Phase II Resettlement

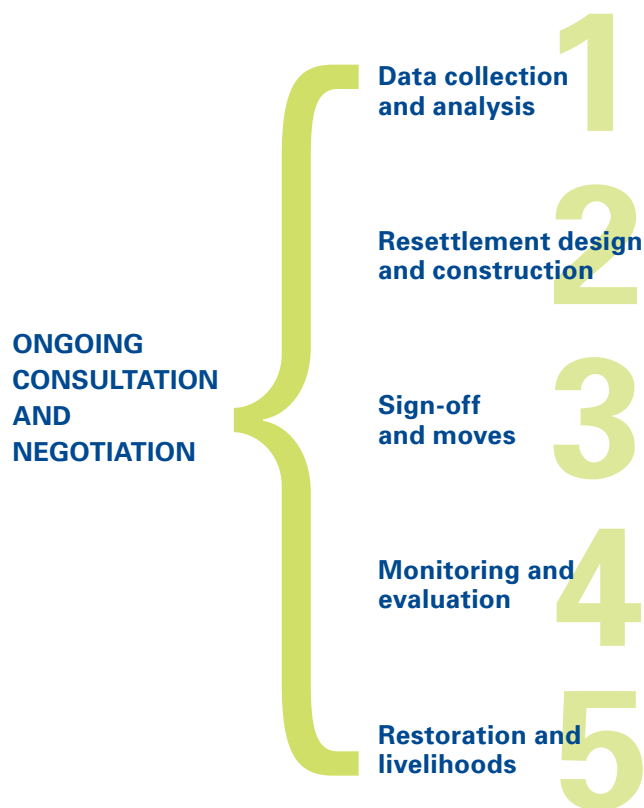
In order to continue operating the Essakane mine, we are planning to expand the extraction zones and are planning construction for 2014. By extending the mine life to 2025, the expansion will generate approximately 250B CFA (approximately \$49M US) in added revenue for the government of Burkina Faso, and create additional employment of between 600 and 700 temporary workers during construction.

Associated with the expansion will be a second phase of resettlement north of the existing pit and at a planned satellite pit east of the operations. The 18-month resettlement process will re-locate approximately 400 homes and 3,213 people as well as re-establish pasturage and other livelihoods, beginning in 2013.

We will follow a similar process as we did in Phase I with rigorous community dialogue and involvement, following the IFC Performance Standards guidelines on resettlement. We are once again collecting extensive socio-economic and environmental data, through detailed asset, croplands, noise and traffic surveys as well as socio-economic surveys for populations directly affected by the project and for indirect impacts of resettlement.

We began initial discussions with affected communities in 2012, conducting more than 60 stakeholder meetings. In this instance, most of the affected people are not actual residents of the area, but migrant workers who move into the area for five or six months of the year to take part in ASSM.

Resettlement Action Plan



Responding to the Food Crisis in the Sahel

In 2012, a food crisis struck Africa's Sahel region, affecting approximately 1.7 million people in Burkina Faso. This already dire situation was compounded by the influx of over 100,000 refugees fleeing political unrest in northern Mali.

Essakane responded by contributing 200 tonnes of cereal to the communities along with funding to support the creation of local grain banks. In addition, we've partnered with a local NGO to provide the equivalent of 800 tonnes of cereal in support of efforts to help these communities store needed grain to cover periods of shortage in the future and enable them to stabilize grain prices during shortfalls and crises.



Rosebel

Rosebel is an open pit gold mine located in the mineral rich Brokopondo district of northeastern Suriname, South America. The mine was recently recognized as the first international site in the history of Towards Sustainable Mining (TSM) performance reporting to achieve a Level AAA rating for its community engagement and development practices.

KEY FACTS

Employees
1,486

Contractors
463

Wages and benefits
\$45,787,494

National/local purchasing
\$179,103,999

Community investments
\$312,401

National economic contribution*
\$383,446,890

* IAMGOLD's total contribution to Suriname in terms of taxes, royalties, employee compensation and national purchasing.



Harnessing the Power of the Sun

At two newly built bunkhouses, we have installed solar water heating systems that are 100% self-supporting so that there is no need to draw electricity from the national grid. We are also partnering with a local foundation to provide Internet access to the 700 villagers of Nieuw Koffiekamp through a solar-powered Internet café. Once the community selected the location, the foundation provided the solar panels and computers, and IAMGOLD paid for the air conditioning, furniture and painting of the café.

Building Community Capacity

Rosebel is located in the remote interior of Suriname, where the Inequality-adjusted Human Development Index (IHDI) indicates that adults have a mean of 7.2 years of education and the local population struggles to find regular work. We are working with the community on capacity-building initiatives to strengthen the knowledge and skills of local people and help them generate stable income.

The Asigrón Agriculture project involves a group of farmers who supply organic fruits and vegetables to local residents and the mine. In operation since 2009, the group was challenged to maintain production throughout the year, particularly during the dry season. With support from IAMGOLD, they embarked on an improvement plan that involved sharing one large field consisting of individual plots (rather than having 30 plots scattered around the village), installing an irrigation system and shared infrastructure, and creating a nursery for seedlings. Since implementation, the field has provided stable income for 30 households.

The Nieuw Koffiekamp poultry project produces eggs for commercial sale. What started as a community development project has evolved into a self-sustaining business. To support the growth, IAMGOLD provided funding to expand the chicken coop tenfold, purchase a minivan to make deliveries, and install water tanks and a distribution system. We also signed a supply agreement to give the business a steady market for its products. Today, the business supplies Rosebel with 240 trays of eggs per week, meeting roughly 60% of our total need, at a price that is cost competitive and enables the business to earn a profit. We were thrilled to hand over the business to the community in 2012.

Public Consultation

As guests in Suriname, we know it is essential to be open and transparent about our activities. As we prepare to expand the Rosebel Tailings Storage Facility (TSF), we have conducted broad public consultation that meets or exceeds Suriname's national environmental legislation as well as the International Finance Corporation's Performance Standard guidelines for stakeholder engagement.

In 2012, we began the consultation process with local community members, conducting large group meetings, interviews and focus groups. At these sessions, we explained our

mining process, outlined our plans and the associated risks, and answered questions. During the focus groups, participants were asked to identify what they saw as the main advantages and disadvantages of the expansion. At subsequent consultations, we presented the results of this feedback, which will also be incorporated into our final impact assessment and submitted to the government of Suriname for approval in 2013.

Community Environmental Monitoring

In 2012, Rosebel invited members of the surrounding villages to participate in environmental inspections of the site as a means of building trust and improving community understanding of environmental matters. To kick off the process, we conducted a tour of our operations, explaining the various aspects of the process. Since then, two representatives from each village have joined the Rosebel team in quarterly inspections of essential environmental checkpoints. Findings are reported to the relevant departments and corrective actions are taken to resolve identified non-conformances.

Small Scale Mining

At Rosebel, we operate in the presence of small scale miners, under a protocol that allows them to operate on our concession, inside designated areas. However, when several miners ventured outside of the designated areas and entered our open pit during a blast in 2012, we were forced to call in the Surinamese police. The miners were removed and their equipment was impounded. The incident created tension between Rosebel and local miners, which has since been resolved. However, out of concern for safety, we will not allow miners into our active mining areas and industrialized zones. Towards the end of 2012, the Surinamese government prepared for the process of issuing mining concessions that are in line with the Mining Code for Artisanal and Small Scale Mining. These concessions will further reduce the potential for conflict between IAMGOLD and ASSMs. The process is ongoing and the first issuance is expected in the second quarter of 2013. As a precautionary measure, we are providing thorough human rights training to our security team in order to mitigate any potential human rights risks related to ASSM on IAMGOLD property. We also try to promote alternative livelihoods to small scale mining through capacity building programs, training and education.

A photograph of a male miner in profile, wearing a grey hard hat with a headlamp, safety glasses, and a green long-sleeved shirt. He is holding a small, light-colored object in his hands, examining it. The background shows a windowed structure, possibly part of a mine. Overlaid on the bottom right is a map of Quebec, Canada, with the Abitibi region highlighted in red.

Westwood / Mouska

The Mouska and Westwood gold mines are located in the Abitibi region of Quebec, Canada, just five kilometres apart.

KEY FACTS

Employees

644

Contractors

542

Wages and benefits

\$107,684,193

Regional purchasing

\$75,678,174

Community investments

\$375,580



Supporting Education

In support of education, IAMGOLD is one of the top donors to the Cégep de l'Abitibi-Témiscamingue, having committed to provide \$375,000 over five years. This donation contributes to local workforce development, which benefits the community as well as IAMGOLD, should Cégep students become future employees.

A Mainstay in the Community

IAMGOLD has been operating in the gold-rich Abitibi region of northwestern Quebec since 2006 when we acquired the Doyon and Mouska mines, as well as the Westwood development project. However, the region has been home to mining operations for more than 100 years, and mining remains the backbone of the economy.

While the Doyon and Mouska mines have reached the end of their mine lives, the Westwood mine is expected to provide another 19 years of gold production starting in 2013 – and ongoing employment for local residents.

In 2012, we were honoured to be recognized as Company of the Year by the Rouyn-Noranda Chamber of Commerce and Industry for our continued contributions to Abitibi's social and economic development. In particular, the award recognized us for our \$220 million investment in the Westwood mine over the past two years; the quality jobs provided to local people as well as the \$4 million spent on employee training; and community donations totaling \$547,562 in 2011 and \$375,580 in 2012 in the areas of health, education, culture, sports and youth.



Hitting the Road for a Good Cause

In its fourth year, the annual "Défis 117" continued to grow in popularity, attracting some 250 participants in 2012. This 105-kilometre road race along Route 117, the main link between Val-d'Or and Rouyn-Noranda, raises funds for pediatric care in the region. Our teams raised \$61,000 in 2012, twice their fundraising target.

Environmental Best Practices

Minimizing our environmental impact has been a priority in the design and building of the Westwood mine. We are making every attempt to leverage infrastructure at our nearby closed Doyon mine. In 2012, we received regulatory approval to use the former Doyon open pit to dispose of Westwood waste rock and tailings, rather than building a new tailings facility. Not only does this minimize the Westwood footprint, it also enables us to close the Doyon tailings area, which will prevent acid-rock drainage going forward. Our plan is to reclaim the area and return it to usable land using clean Westwood tailings as cover material. We are also refurbishing the Doyon mill so that it can be used to process Westwood ore, and we are moving the paste backfill plant closer to the Westwood shaft for its continued operation.

Our approach to tailings management at Westwood was recognized by the Mining Association of Canada with a 2012 Towards Sustainable Mining performance award.



Niobec

Niobec is an underground niobium mine in the Saguenay region of Quebec, Canada. It is North America's only source of pyrochlore, the primary niobium ore, and one of only three major producers of niobium in the world.



KEY FACTS

Employees

464

Contractors

40

Wages and benefits

\$48,816,349

Regional purchasing

\$70,564,927

Community investments

\$353,195



Grand Défi

At Niobec, we are investing in employee wellness through the Grand Défi, which roughly translates into the Big Corporate Challenge. The event involves physical activity, nutrition and a complete health check-up. It was a great hit with employees in 2012, attracting 325 participants. Together, they lost more than 3,500 kilograms and reduced their collective waist size by almost 14 metres.

Preparing for Expansion

In preparation for a proposed expansion of the Niobec operation, we implemented a communication plan that set the stage for increased dialogue and interaction with the community. Among our objectives, we wanted to identify and address any concerns related to our proposed activities, proactively engage the community in decision-making on key issues and increase our participation in community programs.

We held open houses and large community meetings to outline our plans and answer questions. We also established an environmental committee for addressing concerns such as dust and increased traffic. Mitigation measures will include positioning the new tailings facility further away from the community to avoid dust outfall and constructing an additional road to reduce traffic in the area. Overall, the reception to the proposed expansion has been positive, with community members generally welcoming the anticipated socio-economic benefits.

In preparation for this expansion, we have spent the past two years collecting environmental and social baseline data for the Environmental and Social Impact Assessment (ESIA). This information was used to assess the likely impact of the expansion and determine appropriate mitigation measures. All of these details were included in the ESIA, which was filed with provincial regulatory authorities in December 2012. Public hearings are expected to take place in 2013.

Water Management

In 2012, we commissioned a new pumping station in the Shipshaw River, which enables Niobec to draw 90% of the underground water needed for operations from the river as opposed to the municipal aquifer.

The project was also significant in that it helped improve the quality of Niobec's final effluent. Once the pumping station was optimized, the operation achieved 100% compliance in monthly final effluent toxicity tests.

41 92.906

Nb
Niobium

What Is Niobium?

Niobium is a chemical element with the symbol Nb. It is primarily used to produce high-quality steel. Niobium strengthens the steel, in addition to reducing its weight, enhancing flexibility, improving durability and reducing costs.

Although niobium represents a very small percentage of the total cost of steel, it adds tremendous value. For example, adding only \$9 worth of niobium to the manufacture of a vehicle reduces its weight by 100 kilograms and improves operating efficiency by 5%.



EXPLORATION

IAMGOLD conducts both near-mine and grassroots exploration around the world. Exploration is often the first contact we have with communities and plays a pivotal role in establishing good relations.



KEY FACTS

Employees
325

Exploration countries

Brazil, Burkina Faso, Canada, Colombia, Mali, Peru, Senegal, Suriname

Community investment across exploration offices

\$620,887

Community Engagement at Côté Gold

In April 2012, we acquired Trelawney Mining and Exploration Inc., a junior mining company whose primary asset was the Côté Gold advanced exploration project in northern Ontario. Once developed, Côté Gold is expected to be one of the biggest open pit gold mines in Canada.

From the beginning, we recognized our obligation to connect with the communities near the project. In fact, we began engaging with local and First Nation communities during the due diligence process leading up to our acquisition of the property. At initial meetings, we introduced ourselves and our current operations, outlined our plans, and addressed questions and concerns.

Through numerous formal and informal meetings, we have since built a strong foundation for dialogue and collaboration with the Mattagami and Flying Post First Nation groups. Both of these communities have their traditional territories within the project footprint and have self-identified as being impacted by our activities. An exploration agreement is in place with Mattagami First Nation and is being amended to include Flying Post First Nation.

Our meetings with First Nation communities cover a broad range of topics, including environmental management, employment opportunities, cultural awareness training for IAMGOLD employees and opportunities for the communities to participate in the development and operation of the Côté Gold project. We look forward to long and mutually beneficial relationships throughout the life of the project.

Environmental and Social Baseline Studies

Environmental and social baseline studies have been ongoing at Côté Gold since 2011. The studies gather data on wildlife, plants, and air and water quality in the project area. Using this information, we assess the environmental and social impacts of the project and incorporate mitigation measures and commitments into each stage of the mine plan. The details will be part of the Environmental and Social Impact Assessment for the project, which we plan to submit to the provincial and federal governments in 2013.

Laurentian University Research Chair

IAMGOLD has a reputation as an active supporter of learning through educational development. We understand that to succeed, we need to be leaders in learning.

In January 2013, we broke new ground with the launch of The IAMGOLD Research Chair in Open-Pit Mining at Laurentian University's Bharti School of Engineering in Sudbury (180 kilometres south of Côté Gold). The creation of this innovative program is significant in several ways: The Chair is the first of its kind in Canada; this is Laurentian's first research chair to be fully funded by the private sector; and our \$1.25 million donation is the largest we have ever made to a Canadian educational institution and our first major investment in Sudbury.

The new Research Chair will help the university develop cutting-edge knowledge for its mining engineering programs and augment its international reputation as a mining school. Meanwhile, the partnership gives IAMGOLD greater exposure to Laurentian's various mining-related programs and access to a pipeline of skilled people who will be needed by Côté Gold once the mine is up and running. About 90% of Côté Gold's 2012 summer students attended Laurentian. The program also gives IAMGOLD a leading role in the modernization of Canadian mining education.



Safety in the Field

In Brazil, our exploration team has made a significant effort to improve its safety performance, and their diligence is paying off. On October 24, 2012, the team achieved 1,000 days without a Days Away, Restricted or Transferred Duty (DART) incident. A primary focus has been on hazard identification. At weekly meetings, team members share safety hazards observed in the field and discuss appropriate controls or corrective actions. Through this process, employees have become much more attuned to safety risks and inclined to change risky behaviours. We also offered a defensive driving course for the sixth consecutive year. Driving is one of the greatest risks related to exploration activities in Brazil and the defensive driving course is considered to be our most important safety program.

Neglected Tropical Diseases in Mali

Mali has been fighting high-burden tropical diseases such as soil-transmitted helminths, lymphatic filariasis and trachoma with some success since 2007, primarily supported by the US Agency for International Development (USAID). When a military coup overthrew the democratically elected government in March 2012, USAID funding was suspended and a national mass drug administration to target 11 million at-risk people was scheduled to be cancelled. A consortium of mining companies including IAMGOLD stepped in to provide alternate bridge funding in order to support the national drug administration program. As a result, progress in preventing neglected tropical diseases continued despite the political instability in the country.

CLOSURE AND RECLAMATION

Although land disturbance is an unavoidable consequence of mining, our goal is to minimize our environmental footprint during operation and return the land to productive end-use for the community at the end of the mine life. All of our operations have progressive land reclamation and closure plans that are annually reviewed and regularly updated.



KEY FACTS

Closed properties under active management

3

Reportable environmental incidents

0

Progressive Land Reclamation

Our practice is to progressively reclaim any areas no longer needed for mining activities, rather than waiting until operations cease.

In 2012, a total area of 617.3 hectares (ha) was disturbed by activities at our operations, and a total area of 9.6 ha was reclaimed. Of the total area of land disturbed to the end of 2012 by our current operations (4,741.2 ha), approximately 442.85 ha, or 9.34%, has been progressively reclaimed.

At Essakane, our commitment to reclamation covers both our own impacts, as well as land around the villages that has been severely degraded by deforestation, animal grazing, drought and wind erosion. In 2012, we planted 41,972 native species of trees and shrubs, all of which were grown in our own tree nursery. Of the total, 30% were rare, endangered or protected species.

At Niobec, we are accelerating the progressive reclamation of certain areas. To date, we have reclaimed the original tailings pond and planted trees on the external slopes of the current tailings dam.

Dunraine Closed Property

In 2008, we formed a partnership with Quebec's Ministry of Natural Resources and Fauna. The Ministry is allowing us to use its Manitou tailings facility for the disposal of tailings deposited decades ago at our former Dunraine operation, near Val-d'Or, Quebec. The Ministry used the Dunraine tailings as well as neutralized tailings from other mines in the area to rehabilitate the Manitou site. Excavation, transport and deposition of the Dunraine tailings were completed in 2009. Afterwards, the remaining soil was sampled and levels were found to be within environmental limits.

From 2009 to 2011, the site was re-vegetated. We continue to monitor groundwater quality and expect to hand the site over to the Quebec government in the near future.

Tailings Research

Tailings are typically a mining operation's most significant environmental risk. Tailings are the fine waste rock that remains after separating the valuable minerals from the ore during mining and processing of mineral resources. They may contain trace quantities of metals found in the host ore, as well as added compounds used to extract the minerals. Tailings are piped into secure engineered impoundments, known as tailings impoundments, which are regulated by government standards and subject to regular audits and risk assessments. All IAMGOLD sites follow TSM's rigorous protocol for managing tailings and adhere to the Canadian Dam Association Guidelines for retention structures.

We are also at the forefront of research into new tailings management techniques:

- We have committed \$300,000 per year over seven years to the newly formed Research Institute on Mines and the Environment. The Institute is a partnership between the Université du Québec en Abitibi-Témiscamingue, École Polytechnique de Montréal and mining companies operating in Quebec. The goal is to develop original, practical, environmental solutions for each stage of the mine life cycle. Initial research themes are focused on mine site reclamation, waste rock tailings and backfill.
- In association with the Université du Québec en Abitibi-Témiscamingue, we are participating in research into the potential re-use of hydroxide sludge in mine reclamation. The project will test the best combination of sludge alone, or sludge mixed with acid-generating waste or other material, which will support vegetation growth while limiting air and water infiltration (the cause of acid-rock drainage). If successful, sludge would be used to reclaim a site rather than being buried. Experimental plots were built at the Doyon mine in 2012 to test the various mixtures.
- At Niobec, we have a partnership with the Université du Québec à Chicoutimi in which we are planting fast-growing trees in reclamation areas. The project involves planting three tree species on the pond's external dikes, testing three soil amendment strategies, monitoring the tree growth rate and monitoring the greenhouse gas (GHG) uptake and emission rates. Overall, the project will allow Niobec to improve and quicken the tailings pond re-vegetation process, with uptake of GHG to counterbalance the mine's GHG emissions.
- At Essakane, we have a pilot project underway with the Université Laval in Quebec to assess the possibility of performing re-vegetation directly on tailings to provide an impermeable, anti-erosion layer. The project involves testing the potential of different plant species to stabilize the soil and control erosion. If the approach is successful and approved by the government, it could be a cost-effective method for progressively rehabilitating land.

Land Reclamation

2012 Site Data	New Reclamation	Previous Reclamation	Disturbed and Unreclaimed	Total Land Newly Disturbed Within Period
Rosebel	1.6	70.05	2,503	435
Essakane	0	190.2	1,108.2	182.3
Niobec	8	38	194	0
Mouska-Doyon-Westwood	0	6	935	0
Dunraine	0	10	0	0
Yvan Vézina	0	56	1	0
Solbec	0	63	0	0
Total	9.6	433.25	4,741.2	617.3



CORPORATE INITIATIVES

We have a number of major corporate initiatives that support social and economic development in Canada and around the world.



Kumvana Program

IAMGOLD is proud to be the presenting partner of Engineers Without Borders (EWB) Canada's 2013 Kumvana Program. This innovative program aims to develop 10 to 15 young and dynamic African leaders per year, by providing multiple leadership development opportunities during a structured eight-month experience. For the first four months, the participants receive coaching support in their home country. They then travel to Canada for an intensive experience that combines the EWB National Conference, training programs and two work placements with Canadian organizations. Kumvana delegates return home with new skills, ideas, contacts, motivation and the required means to create change within their own organizations and communities in Africa.



RIGHT TOPLAY

Right To Play

In 2012, IAMGOLD became a national partner of Right To Play, which leverages the transformative power of sport and play to build essential skills in children and thereby drive social change in some of the most disadvantaged areas of the world.

As a national partner, we have contributed over \$325,000 to Right To Play programming. In 2012, we hosted our first annual Charity Golf Classic, which raised \$125,000 for the cause. We have also incorporated the values of Right To Play into our daily work environment, empowering employees as Right To Play all-star ambassadors and including Right To Play in our annual recognition and spirit-building events.



University of Toronto Research Program

We have pledged \$500,000 to the University of Toronto for research and education in plastic and reconstructive surgery. In addition to funding two post-doctoral fellowships, the money is supporting a burn-prevention program in Africa. The University of Toronto's Division of Plastic and Reconstructive Surgery is collaborating with the African Medical and Research Foundation, Kenya, on this initiative.

Weekend to End Women's Cancers

Over the last few years, employees from our Toronto corporate office have taken part in the Shoppers Drug Mart® Weekend to End Women's Cancers event. It is a two-day, 60-kilometre or one-day, 32-kilometre walk through the neighbourhoods of Toronto. The funds raised benefit the Campbell Family Institute at The Princess Margaret Hospital, a leader in the fight against all women's cancers, especially breast and gynecologic cancers. Together, the team and IAMGOLD helped raise over \$201,000 in 2012.

ZERO HARM – WHAT DRIVES US



Zero Harm is the vision that guides all operations and activities undertaken by IAMGOLD. It is our commitment to continually strive to reach the highest standards in human health and safety, minimize our impact on the environment, and work co-operatively with our host communities.

Zero Harm is both a goal and a journey, and to help meet our commitments, we rely on partnerships with our host countries, with the communities where we work and live, with civil society partners and, most importantly, with our employees.

If you have any questions regarding this report, please contact:

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