



IAMGOLD<sup>®</sup>  
CORPORATION

# A Story of Transformation

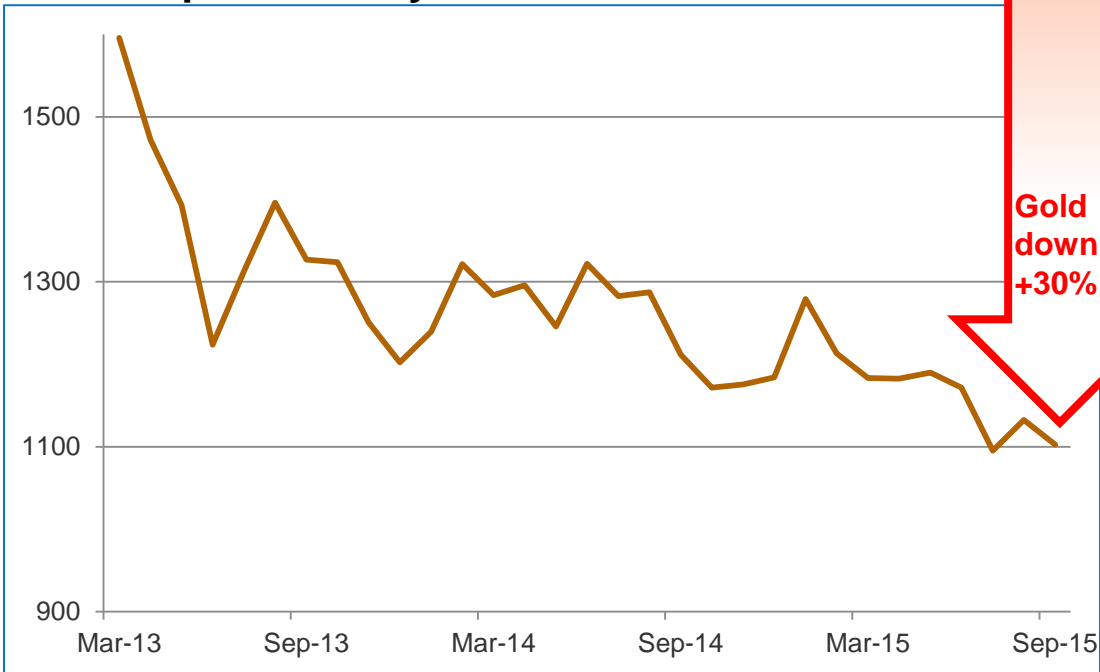
ROSEBEL GOLD MINES

SURESH KALATHIL , GENERAL MANAGER

Empowering People,  
Extraordinary Performance

# Gold price 2013-2015: closure of Rosebel mine expected in 2018

## Gold price three year low



### ■ Rosebel @ \$1,100/oz

- › 3.5 operating years remaining as of Jan 1, 2016 – closure expected by 2019
- › Significant mine staff reductions would be required in each operating year

### ■ Rosebel @ \$1,000/oz

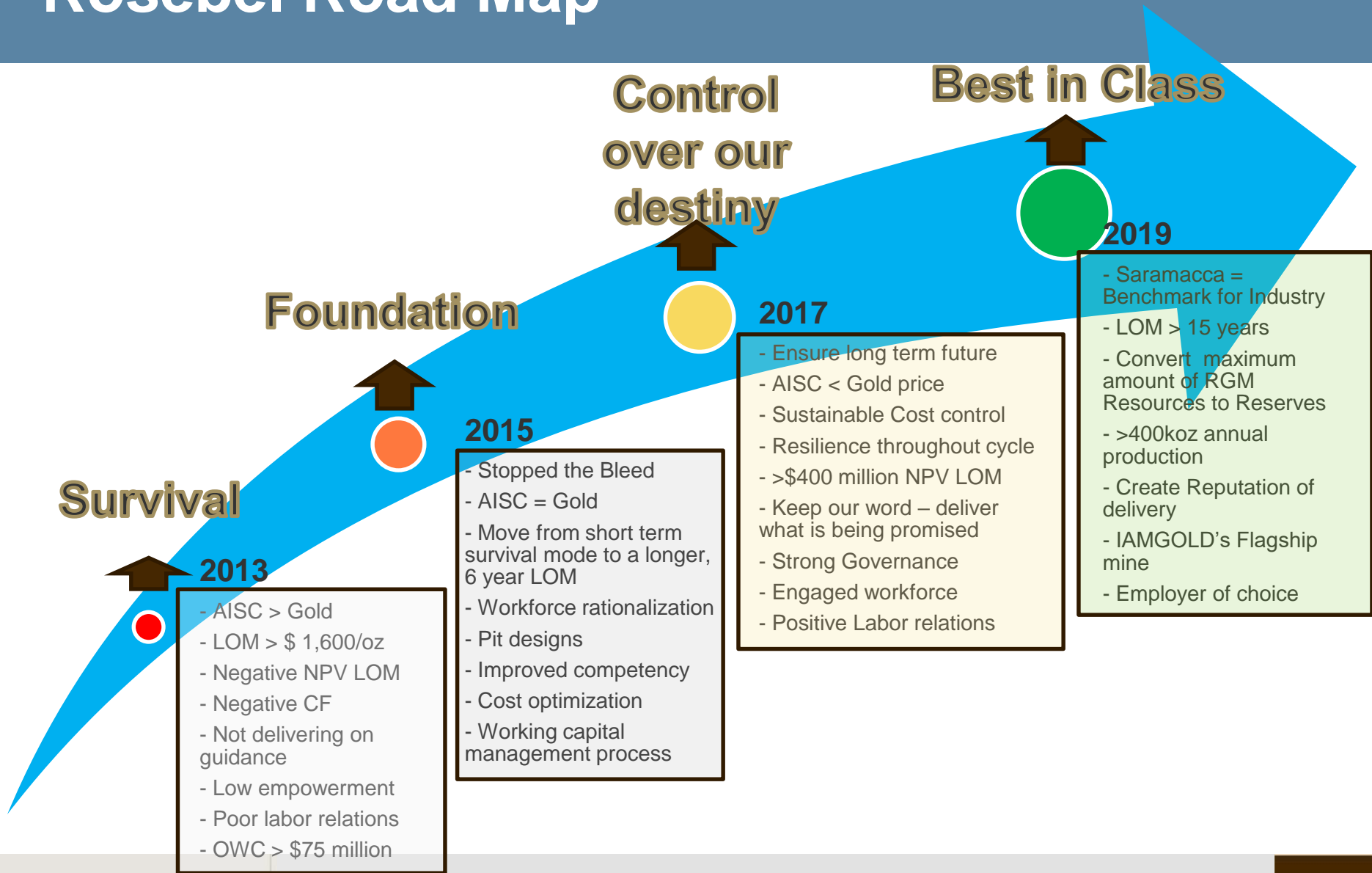
- › 2.5 operating years remaining as of Jan 1, 2016 – closure expected by 2018
- › Significant mine staff reductions would be required in each operating year

### ■ The economic basis of the mine was simply not sustainable at these prices

## Our response:

Focus on cash returns, operational optimization, cost control and productivity increase to improving cash returns, costs evaluation for entire value chain, reduce operational risks, reduced investment

# Rosebel Road Map



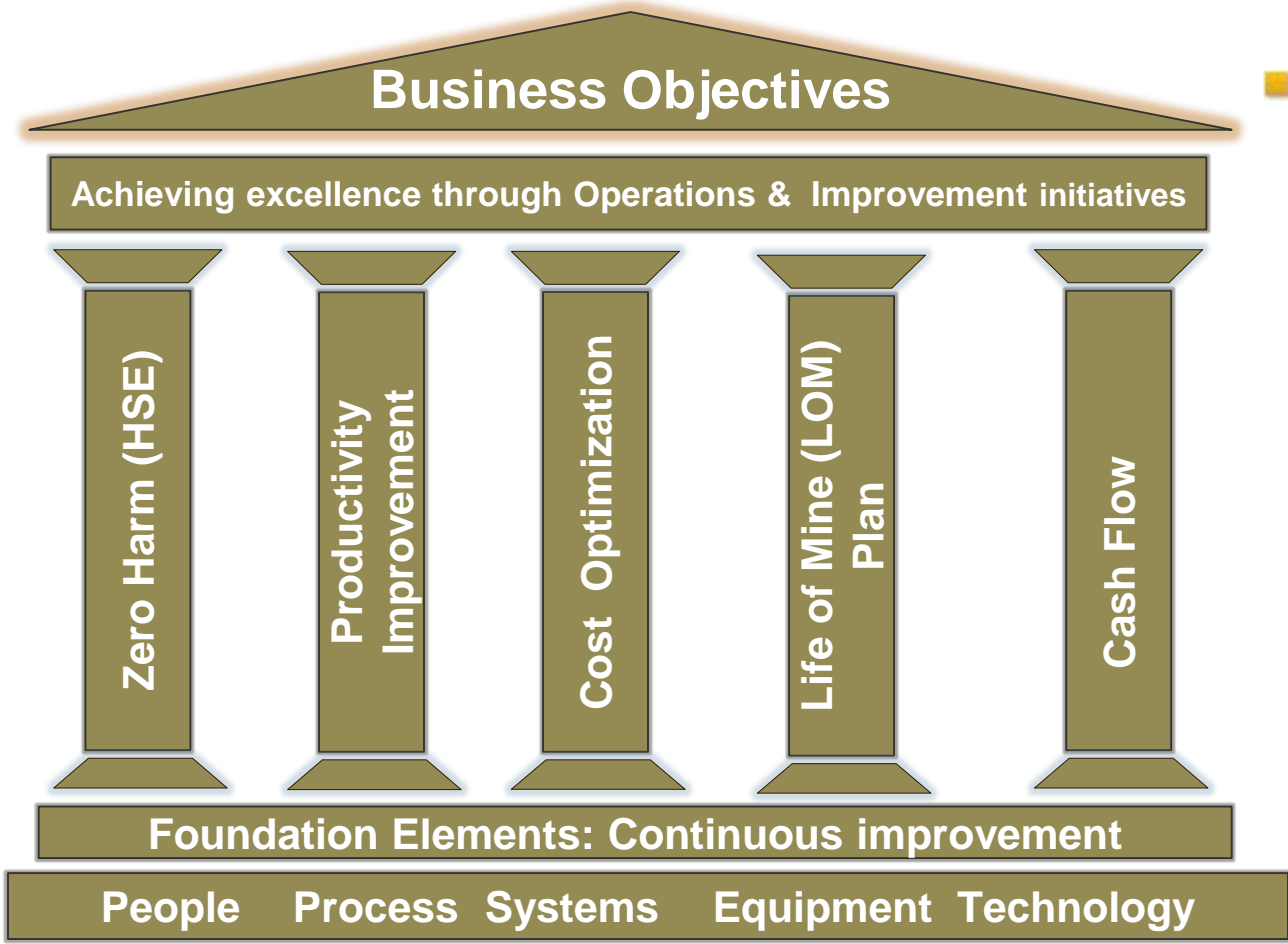
- AISC > Gold
- LOM > \$ 1,600/oz
- Negative NPV LOM
- Negative CF
- Not delivering on guidance
- Low empowerment
- Poor labor relations
- OWC > \$75 million

- Stopped the Bleed
- AISC = Gold
- Move from short term survival mode to a longer, 6 year LOM
- Workforce rationalization
- Pit designs
- Improved competency
- Cost optimization
- Working capital management process

- Ensure long term future
- AISC < Gold price
- Sustainable Cost control
- Resilience throughout cycle
- >\$400 million NPV LOM
- Keep our word – deliver what is being promised
- Strong Governance
- Engaged workforce
- Positive Labor relations

- Saramacca = Benchmark for Industry
- LOM > 15 years
- Convert maximum amount of RGM Resources to Reserves
- >400koz annual production
- Create Reputation of delivery
- IAMGOLD's Flagship mine
- Employer of choice

# Foundation of Rosebel Strategy



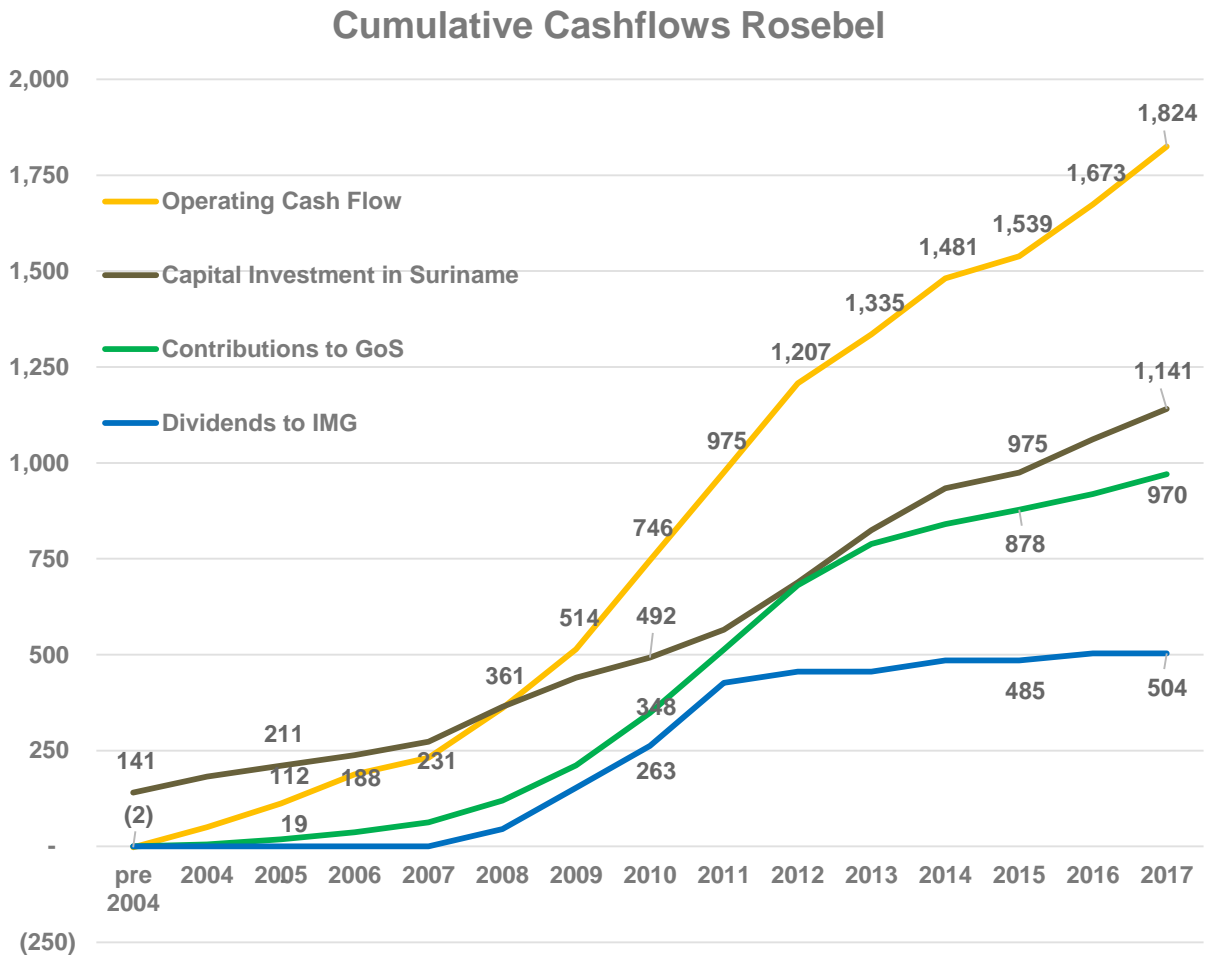
- Improving Operating efficiency and reducing unit Operating cost through optimization of key value drivers

- › Zero Harm (HSE)
- › Productivity Improvement
- › Cost Optimization
- › Life of Mine
- › Cash Flow



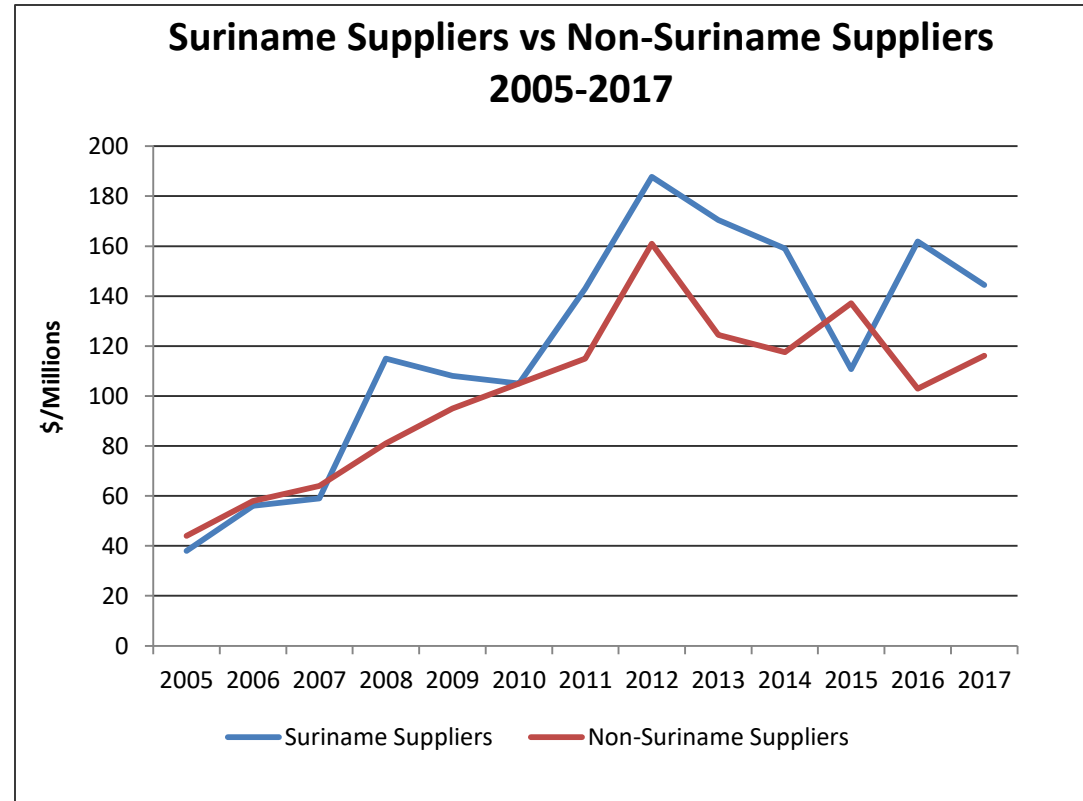
# Economic Value for Rep. of Suriname: 2004 – 2017

- Total Operating Cashflow approaching \$2,000 million
- Total Capital Investment in Suriname >\$1,000 million
- Contributions to Government of Suriname approaching \$1,000 million
- Dividends to IAMGOLD: \$504 million



# Local Content

- Continued focus to maximize local purchasing
- Total spent in 2017:  
\$260.6 million
  - Suriname Suppliers:  
\$144.5 million ~ 55%
  - Non-Suriname Suppliers:  
\$116.1 million ~ 45%
- Local expenditures are including power costs
- Power costs 2017:  
\$29 Million (PPA1 and PPA2)



# Accomplishments since 2013

- **Reduce like-for-like AISC from > \$1,500 to < \$950/oz**
- **Create foundation for long-term Rosebel future**
  - Debottlenecking of the plant to improve hard rock throughput
  - Productivity improvements through Business Excellence
  - Improved cost structure
  - Workforce rationalization
  - Fundamental improvement in Labor relations
    - No strikes, Reduced absenteeism, Share successes through Performance based pay
  - Strict Capital Management
  - Increase Reserves by 80% and extend LOM till 2028
  - 300% increase in NPV LOM since 2014
- **Issuance of Saramacca Concession – and Brokolonko Concession**
- **Empowerment and talent development; Strong focus on Surinamese workforce**

# ROSEBEL's 2017 Highlights

- 80% increase in Reserves resulting from improved cost structure extending Mine Life to 2028.
- Highest % of Hard and Transition rock on record (83%, of the total ore feed in 2017)
- Lowest \$ t/ mined in five years
- Lowest G&A costs in five years
- Lowest Sustaining Capital spent since 2010

## Results in:

- **AISC well below \$ 950/oz, first time in five years**

# 2018 Production and Cost Guidance

## Full Year Guidance <sup>1</sup>

Essakane (000s oz.)	380 – 395
Rosebel (000s oz.)	295 – 310
Westwood (000s oz.)	125 – 135

<b>Total owner-operated production (000s oz.)</b>	<b>800 – 840</b>
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Joint ventures (000s oz.)	50 – 60
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<b>Total attributable production (000s oz.)</b>	<b>850 – 900</b>
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<b>Cost of sales <sup>2</sup> (\$/oz.)</b>	<b>\$765 – \$815</b>
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<b>Total cash costs <sup>3,4</sup> – owner-operator (\$/oz.)</b>	<b>\$750 – \$800</b>
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<b>Total cash costs <sup>3,5</sup> (\$/oz.)</b>	<b>\$750 – \$800</b>
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<b>All-in sustaining costs <sup>3,4</sup> – owner-operator (\$/oz.)</b>	<b>\$990 – \$1,070</b>
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<b>All-in sustaining costs <sup>3,5</sup> (\$/oz.)</b>	<b>\$990 – \$1,070</b>
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### Notes:

1. Guidance for 2018 is based on the following assumptions: Average gold price per ounce of \$1,250; Average crude oil price per barrel of \$54; U.S. dollar value of the Euro of \$1.18; and Canadian dollar value of the U.S. dollar of \$1.26.
2. Cost of sales, excluding depreciation, is on an attributable ounce sold basis (excluding the non-controlling interest of 10% at Essakane and 5% at Rosebel) and does not include the Joint Ventures which are accounted for on an equity basis.
3. Non-GAAP measure.
4. Consists of Rosebel, Essakane, Westwood on an attributable basis.
5. Consists of Rosebel, Essakane, Westwood, and the Sadiola joint venture on an attributable basis.

## RGM Supply Chain Department - Vision and Mission statement

### Vision & Mission Statement:

*To be : Zero harm, highly competent and motivated department, continuously innovating to deliver right products and services at right time of right quality and at right price in a manner that reflects our principles of transparency, fairness, honesty, integrity and respect.*

# Key Objectives - 2018

## Zero Harm

- Review & Audit critical controls
- Review & Audit JHAs, Maintenance schedules and plans, operating practices (internal & external stake holders)
- Zero tolerance to unsafe acts and behaviors – consequence management

## Improve Efficiency & Service Levels

- Assign Accountability & Disciplines across – RACI Matrix with zero tolerance to deviations
- Automated, Digitalized and simplified (interconnected and intelligent) processes
- Reduce repetitiveness and eliminate waste from the processes (improve cycle times)
- Effective & prompt communication – Clear line of communication (internal & external stake holders)

## Cost Optimization

- New projects / opportunities for cost savings and production improvement initiatives
- Market Intelligence, Industry best practices and benchmarking with global standards
- Good procurement practice with due regard to sustainability, ethical purchasing standards and whole life costing
- Stake holders participation in cost optimization projects for RGM

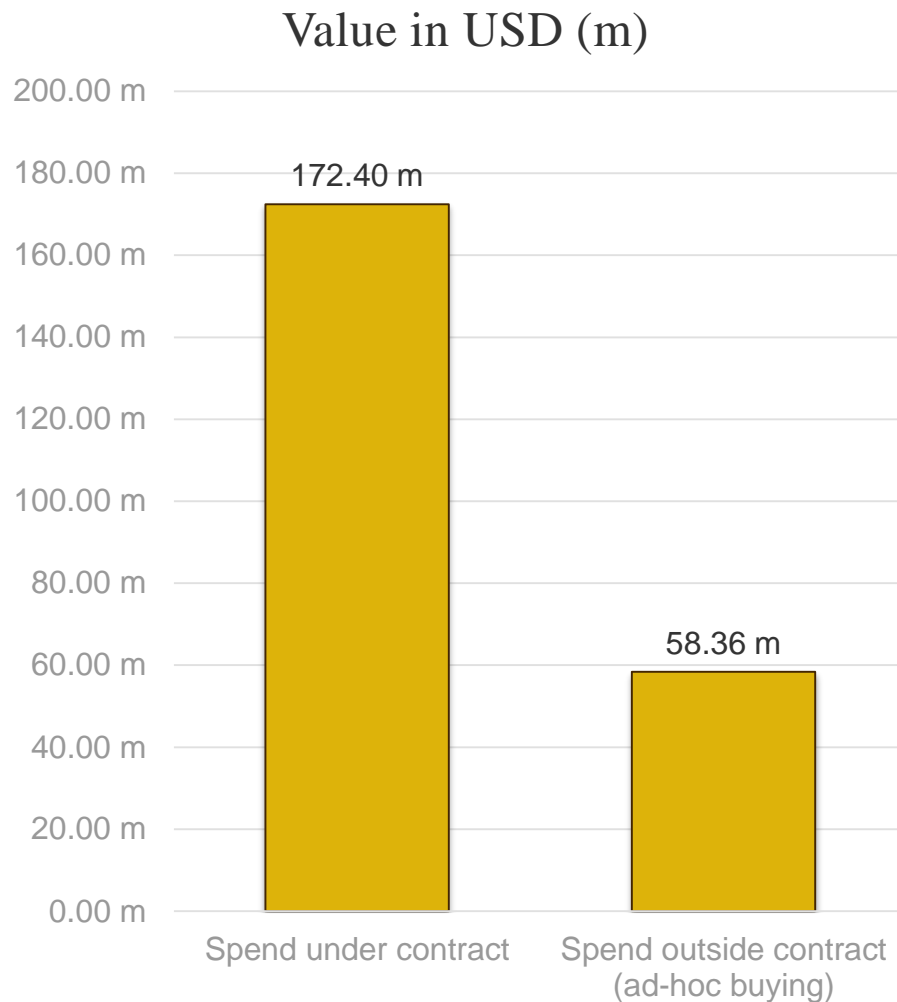
## Strong Governance

- Maximize written agreements and contracts
- Maximize system driven agreements (blanket agreements)
- Vendor Management (Pre-screening, KPIs and TCO based agreements, Periodic Reviews of performance, Documented evaluations and awards)
- Transparency in process through documents and audit trails

# CATEGORY MANAGEMENT - 2018

## FOCAL POINTS

- All Major spends under long term Agreements
- Measurable KPIs to be included in contracts
- Periodic monitoring of contractor's performances including but not limited to HSE
- Month end reports from all key suppliers and contractors
- Cost saving and other efficiency related projects from all major contractors
- Annual procurement plans for major recurring services for mills and mine maintenance
- Revised and improved standard terms and conditions in Purchase orders and agreements
- Blanket agreements in Oracle system



# TERMS AND CONDITIONS – PO & AGREEMENTS

RGM Procurement contains certain standard terms and conditions which are attached as an annexure to the Purchase Orders and forms an integral part of all issued Orders to the supplier. This presentation serves as a reminder to be aware of those conditions and abide by the same.

## Salient Features :

- Quantity, Delivery Dates, Prices and Specifications in the PO & Agreement are critical commitments which are agreed upon by confirming the same by Supplier.
- Do **not** ship out parts or execute services if Purchase Order is not received or it does not match the quotations / offer
- In case of monthly services (such as labor, equipment hire, food supplies contracts), ensure the following every month, before submitting invoice:
  - time sheet / work completion act is signed with end users (RGM) indicating correct value
  - addition of line in the PO is confirmed by Procurement specialist
- All deliveries (for goods) needs to be accompanied by a **Commercial invoice and packing list**, clearly showing RGM Purchase order number in both documents.
- Invoice could also be raised on a monthly basis (for multiple deliveries in a month) provided the rule of one invoice against one PO is followed and it indicates PO number, correct price and quantities as per the PO, and all relevant packing lists and delivery notes (SBL) references
- Each Box delivered should have its own packing list (two copies – one pasted on the box and one inside the box) indicating information as above

# TERMS AND CONDITIONS – PO & AGREEMENT

## Salient Features :

- ❑ Unless specified otherwise in the PO, Supplier will supply the Goods and/or Services to Company at the delivery point identified on the PO (“Delivery Point”) in accordance with the INCOTERM 2010 set forth on the PO
- ❑ Risk of loss of the Goods shall **not** pass to Company upon delivery at the Delivery Point but upon receipts at final destination i.e., RGM site warehouse in Suriname. All Goods and/or Services shall be received subject to Company’s inspection and approval.
- ❑ Supplier shall provide robust packaging of Goods / Materials to prevent their damage or deterioration in transit to their destination or as indicated in the PO. The packaging should be sufficient to withstand, without limitation, rough roads and handling, exposure to extreme temperatures, salt and precipitation during transit and storage.
- ❑ Package size and weight shall take into consideration, where appropriate, the remoteness of the final destination of the Goods, and possibility of absence of heavy handling facilities at all points in transit. Any damage in transit due to inappropriate packaging will be brought to Supplier’s attention within a reasonable time upon its arrival at final destination.
- ❑ If the Supplier fails to supply the Goods and/or Services by the Delivery Date, the Supplier shall, in place of actual damages, pay to Company liquidated damages of one percent (1%) of the PO value per week of delay beginning on the first day the delivery is late with a maximum of ten percent (10%) of the PO value.

# INVOICING & PAYMENT

- Unless specified otherwise in the Contract Agreement, Supplier shall invoice Company upon completion of the rendered Services.

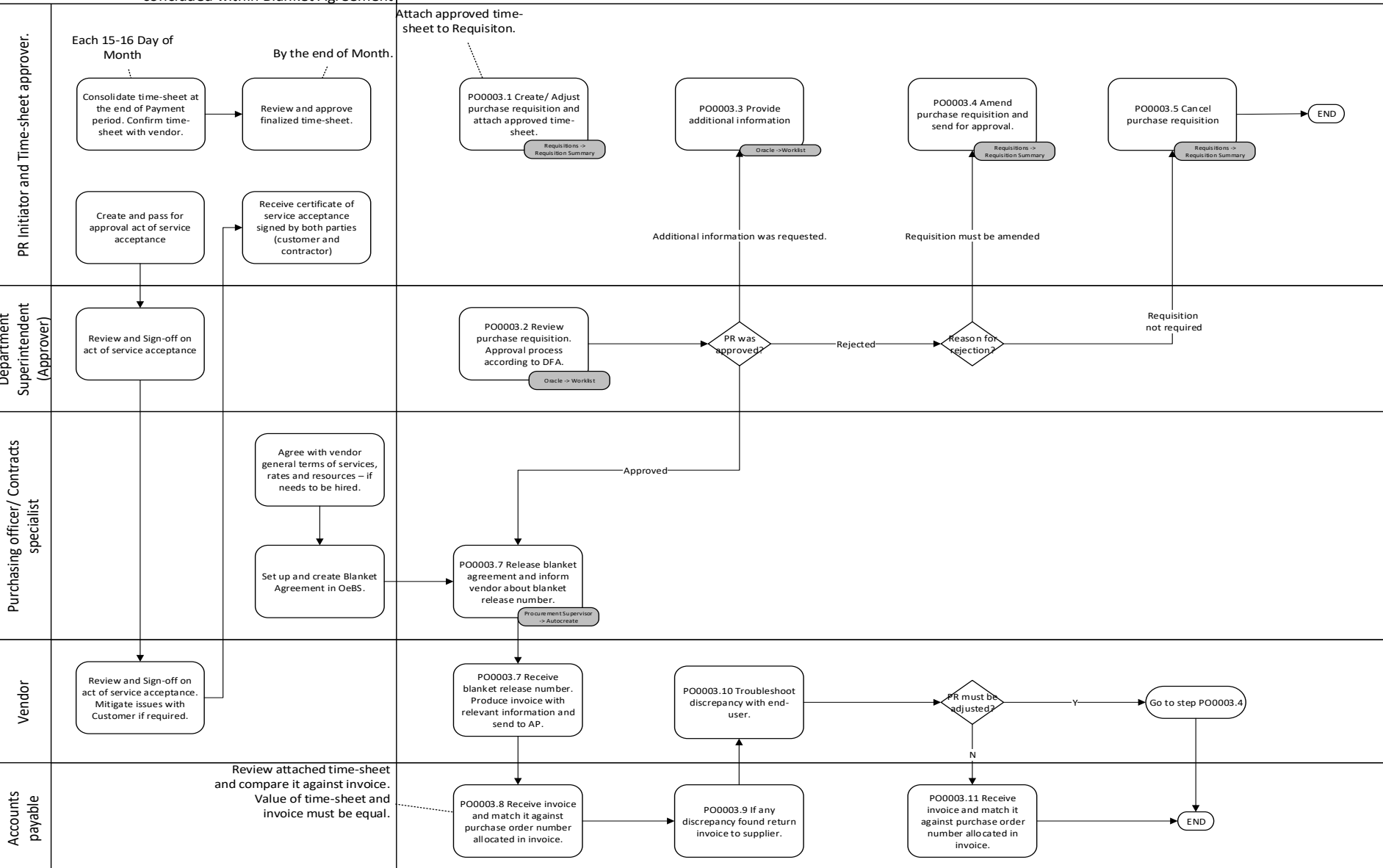
All Invoices for supply services needs to be send by Email to **rosebel\_accounts\_payable@iamgold.com** containing the following information on it, if not this Document will be rejected and deemed not received.

1. Supplier's Name & information (address, Registration number)
  2. Invoice number & Date
  3. **Purchase Order (PO) number**
  4. **Corresponding Line number in the PO against invoice line number**
  5. Addressed to **ROSEBEL GOLD MINES N.V.** (Not IAMGOLD)
  6. Currency (SRD, USD, EURO, CAD etc.)
  7. Supplier's contact details
  8. Complete Bank and account information
  9. **Approved time sheet / Act of completion duly signed by end user (RGM representative) as applicable**
- Monthly updated statement from all major suppliers / contractors showing clearly invoice numbers and corresponding PO numbers for all pending invoices

# BLANKET AGREEMENT PROCESS FLOWS

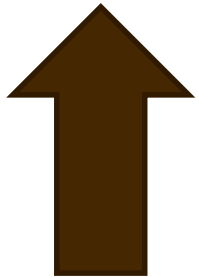
## Purchase Requisition Creation – PO0003.

Time-sheet preparation/ General services acceptance concluded within Blanket Agreement Contractor payment process

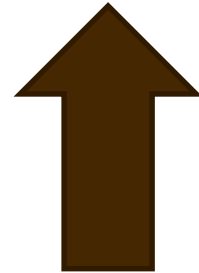


# Escalation Process – SCM Department

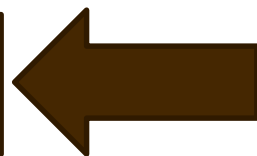
GENERAL  
MANAGER  
(SURESH KALATHIL)



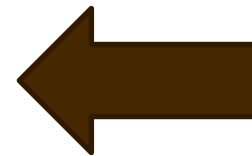
SCM MANAGER  
(RITESH AGARWAL)



SUPERINTENDENT –  
P&L (MADI MARAT)



PROCUREMENT  
SUPERVISOR /  
SENIOR CATEGORY  
SPECIALIST



BUYERS / CATEGORY  
SPECIALIST

- Strictly following the escalation process
- Tolerance to reasonable timelines for resolving issues
- Mutual respect and understanding
- Zero tolerance to threats and unreasonable requests to resolve via other channels
- Monthly face to face meetings with Supply Chain
- Monthly invoicing & accounts statement resolutions

Questions ?

**THANKS**