
IAMGOLD
Annual Report 2007

I AM

Managing Producing Growing Discovering Responsible Accountable

IAMGOLD

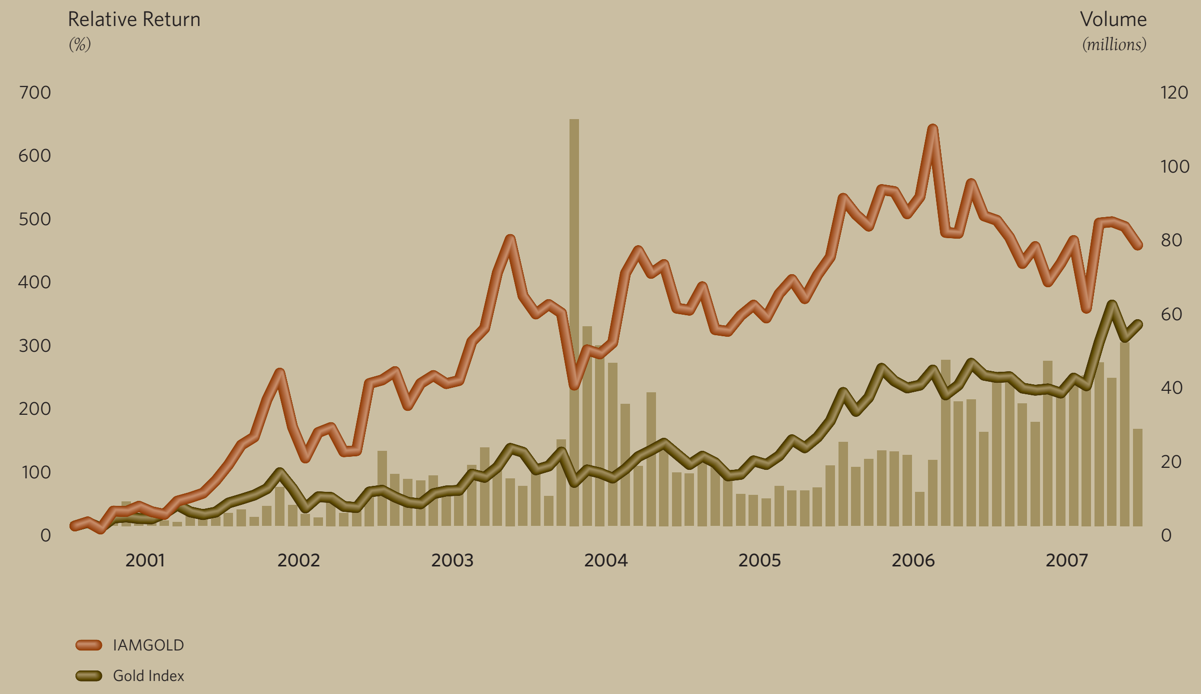
Highlights

($ millions except per share data)	2007	2006
Cash & bullion	$ 167.2	$ 173.4
Total assets	$ 2,195.6	$ 2,278.7
Adjusted net earnings	$ 57.6	$ 74.1
Net earnings	$ (42.1)	$ 72.5
Operating cash flow	$ 117.1	$ 75.2
Per share:		
Adjusted net earnings	$ 0.20	$ 0.39
Dividend	$ 0.06	$ 0.06
Gold production (ounces)	965,000	642,000
Cash cost per ounce	$ 423	$ 321
Average realized gold price	$ 693	$ 607

Adjusted net earnings and adjusted net earnings per share are non-GAAP measures and represent net earnings (loss) before impairment charges. Please refer to the Supplemental Information attached to the MD&A for reconciliation to GAAP.

Cash cost is a non-GAAP measure. Please refer to the Supplemental Information attached to the MD&A for reconciliation to GAAP.

All monetary amounts in this report are expressed in US dollars unless otherwise indicated.



IAMGOLD'S PURPOSE is to optimize shareholder value by aggressively searching Africa and the Americas, to discover quality gold reserves and develop and operate mining projects that follow the leading practices in safety, ethical, environmental and operational excellence.

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To Our Shareholders

We have a management team with extensive global experience, and a successful track record of developing projects in emerging countries.

2007 was a year of consolidation and rationalization of our operations and activities after the previous year's acquisitions of Gallery Gold Limited and Cambior Inc. Integration can have its challenges but throughout the process we remained focused on our goal of increasing long-term production and cash flow. We added additional expertise to our strong management team, to ensure the success of our operations and accommodate future growth. We have emerged as a much stronger company, ready to take on new opportunities.

Today, IAMGOLD is active in North and South America and Africa. We have nine mining operations in five countries, and ongoing projects in 12 countries. Four of our projects are at an advanced stage of development. We have a management team with extensive global experience, and a successful track record of developing projects in emerging countries.

In 2007 IAMGOLD's share of gold production reached 965,000 ounces, up 50% from the previous year, primarily as a result of the acquisition of the Rosebel and Doyon division operations in November 2006. Our costs – averaging $423 per ounce for the year – were slightly higher than forecasted, with higher fuel, labour and royalty costs taking their toll. However, our cost containment over the 12 months exceeded most of the other gold industry participants. We were within 1% of our forecasted costs by year end. Other producers were in excess of 8 – 10% of their cost forecasts.

2007 PERFORMANCE

- ✓ Complete the integration process following our 2006 acquisitions.
- ✗ Achieve attributable gold production of over one million ounces.

  Mid year, the Company revised its gold production forecast for 2007. This forecast of 965,000 ounces of production was achieved.
- ✗ Reduce operating costs to below $395.

  Higher fuel, labour and royalty costs affected the Company's ability to attain this goal. Our focus continues on containing costs.
- ✓ Bring the Quimsacocha, Camp Caiman, La Arena and Buckreef projects to the next stage of development.
- ✓ Prioritize exploration activities.
- ✓ Continue to practise high standards in the fields of health and safety, environmental responsibility and community relations.

  "IAMRESPONSIBLE," a key set of health, safety and sustainability policies to be implemented in every aspect of the Company's business, was launched in May 2007.
- ✓ Remain focused on our goal of increasing long-term production and cash flow.

2008 OBJECTIVES

- ☐ Meet or exceed our production and cost guidance of 920,000 ounces of production at cash costs between $455 and $470 per ounce.
- ☐ Complete the pre-feasibility study at Quimsacocha by June and establish a mineral development agreement by year end.
- ☐ Complete the Westwood advanced scoping study by the end of the third quarter.
- ☐ Demonstrate progress on all other key development and exploration projects.
- ☐ Acquire or discover a project capable of producing a minimum of 75,000 to 100,000 ounces per year and reducing our overall cost structure.
- ☐ Continue to practise high standards in the fields of health and safety, environmental responsibility and community relations.
- ☐ Achieve share price performance which is superior to our peers.

Our management team is the core of IAMGOLD's success. With the breadth of experience, innovative thinking and hard work that all of IAMGOLD's team brings to the table, we will deliver on our objectives.

We expect our share of gold production in 2008 to be in the order of 920,000 ounces, at cash costs of $455-$470 per ounce. Our costs continue to be affected by higher oil prices, by royalty costs associated with higher gold prices and by the strengthening of the Canadian dollar. We are benefiting from the increased gold price but not as much as some might expect. For every $100 increase in the price of an ounce of gold, our cash costs will increase by about $10 per ounce because of higher royalty costs and management fees.

Our 95% owned Rosebel mine in Surname is now our largest and most significant operation. In 2007 our share of gold production from Rosebel was 263,000 ounces, produced at a cash cost of $452 per ounce. We began a $26 million mill optimization program in mid-2007 that is due for completion in November 2008. In February 2008 we launched an $18.4 million mill expansion project that will increase gold production by approximately 10% and reduce direct cash costs by approximately $35 an ounce. It will begin impacting the operation in 2009.

Adjacent to the Doyon mine property in northwest Quebec, the Westwood project has continued to demonstrate progress. The existence of three mineralized zones was confirmed, each still open laterally and at depth. Inferred resources were increased by 128% to 3.3 million ounces of gold. We expect to complete an advanced scoping study on Westwood during the second half of 2008. Once this is complete, the focus will switch to completing a feasibility study. In 2009, we will make a decision to begin the shaft sinking in advance of the feasibility study.

Our Niobec mine in Quebec, while not a gold mine, is a high margin, long life asset and provides an important contribution to operating cash flow. Niobec provides approximately 10% of world niobium consumption, used in specialty steel alloys. In 2007 Niobec embarked on a shaft-deepening program, and began investigating the use of a paste backfill system that could double mine life. This work will be completed in the first half of 2008.

Our investment in exploration and development produced some very satisfactory results in 2007. In addition to our success with the Westwood project, we outlined measured and indicated resources containing one million ounces of gold at the Buckreef project in Tanzania, and a further 800,000 ounces in inferred resources. Regional exploration in Tanzania also produced some encouraging results. At Quimsacocha progress continued for the pre-feasibility study, to be completed in mid-2008.

One setback concerned our Camp Caiman project in French Guiana. The final permits necessary to begin construction of our proposed 125,000 ounces per year gold mine were not issued in November as expected. Instead, in January 2008 the French government advised that the President of France would not approve the final permits, although no technical, environmental or legal reasoning for the decision was given. Since then, we have been working to determine how best to address the concerns of the French government while protecting the interests of our shareholders.

A prime goal for 2008 is to increase our reserves and production through acquisitions and organic growth as well as reduce our cash costs at our existing operations.

In mid March 2008, we met with the President of France who acknowledged the significant investment in the project. In addition, he agreed to further dialogue regarding the interests in French Guiana and expressed his willingness to consider all reasonable alternatives for mining projects in the region. We have already begun to assess specific alternatives for advancing our interests in the region.

During 2007, as part of the rationalization of our various assets following the 2006 acquisitions, we completed the sale of our bauxite interests in Guyana, for $28.5 million and a third party debt reduction of $17.7 million. We also granted Cadiscor Resources Inc. an option to purchase the Sleeping Giant mine after we have finished mining and processing the current reserve, for a total consideration of up to C$7 million, and expect the option to be exercised late in 2008. In addition, we have initiated the process to divest the La Arena project in Peru.

We also reviewed our exploration interests, and renewed our commitment to this means of adding to shareholder value. We spent $46 million on exploration in 2007, and expect to spend $50 million in 2008 while focusing on nine countries in South America and Africa. We are resuming exploration around some of our mines and advanced projects, renewing our grassroots efforts in Peru and opening an exploration office in Mali.

At Quimsacocha after the pre-feasibility study is completed in mid-2008 we shall be working on a feasibility study that we expect to complete during 2009.

The advanced scoping study for the Westwood project should be finished in the second half of 2008. Our target schedule is to initiate the development on a new 2-kilometre deep shaft in 2009.

A scoping study for Buckreef will be completed in mid-year and will evaluate various process and development options.

Our original operations in Africa continue to make a steady contribution to our bottom line. At the Sadiola mine, work continues on the deep sulphide project. If the project goes ahead, it would likely extend the life of the operation by ten years. At the Tarkwa mine in Ghana, an expansion is to be completed in mid 2008 that will allow annual gold production to stay above 700,000 ounces (100% basis) until 2021.

As always, IAMGOLD will place special emphasis on its corporate responsibilities. Last year we unveiled our health, safety and sustainability policies, under an IAMRESPONSIBLE banner. Safety is the top priority at our operations and demonstrating a focus on sustainability will provide us with the social licence to operate.

A prime goal for 2008 is to increase our reserves and long term production through acquisition and discovery. We are also focused on cost reduction at existing operations as well as the impact on operating costs of corporate activity.

At the same time, many of our existing operations and advanced projects have the potential for increased resources and production.

Our cash position is enviable and we have minimal debt. Importantly, we have the financial strength to support our goals.

Since 2002, IAMGOLD has chosen to hold a significant portion of its cash in bullion. At the end of 2007, our holdings amounted to approximately 150,000 ounces, acquired at an average cost of $348 per ounce. Our return on investment, at a gold price of $850 per ounce, exceeds 140%.

At the end of 2007, we continued the tradition, announcing our seventh consecutive annual dividend paid at $0.06 per share.

On behalf of the Board of Directors, we thank our employees for their many contributions to the past year's accomplishments, and our shareholders for their continued support.

WILLIAM D. PUGLIESE
Chairman

JOSEPH F. CONWAY
President and Chief Executive Officer

March 31, 2008

IAM Producing

IAMGOLD's share of gold production from eight mining operations grew by 50% to a record 965,000 ounces in 2007.

Operations

South America

SURINAME ROSEBEL MINE

IAMGOLD interest 95%

Several of IAMGOLD's nine mining operations have potential for expansion.

IAMGOLD's largest operation is its 95%-owned Rosebel open pit gold mine located approximately 100 kilometres south of Paramaribo, the capital of Suriname. A 5% interest is held by the Republic of Suriname. The mine, which began commercial production in 2004, produced 276,000 ounces of gold in 2007. IAMGOLD's share was 263,000 ounces, produced at a cash cost of $452 per ounce. Attributable production in 2008 is expected to be 254,000 ounces.

A $26 million mill optimization program that began in July 2007 will be completed in November 2008. This program will allow mill throughput rates to be maintained as more hard rock is fed into the mill, as well as increase gold recoveries. In February 2008, IAMGOLD launched an $18.4 million mill expansion project that will increase annual life-of-mine production from approximately 275,000 ounces to 300,000-305,000 ounces, and reduce direct cash costs by approximately $35 per ounce. This project will begin impacting production and costs in 2009. The expansion will increase mill throughput from eight million tonnes to 8.9 million tonnes of ore per year, and provide the option of an additional 15%-25% increase should conditions be appropriate.

The Rosebel operation includes a processing plant, maintenance and warehouse facilities. Processing involves crushing and grinding, gravity separation that recovers about 30% of the gold and a carbon-in-leach plant to extract the remainder.

Seven deposits have been identified on the mine property to date, four of which, the East Pay Caro, Pay Caro, Royal Hill and Koolhoven, are currently being mined. In 2008, IAMGOLD plans to spend $9.8 million on near-mine exploration that will include drilling of known targets for resource delineation as well as infill drilling for resource conversion and reserve development. The focus of this program is to increase mine grade and convert resources into reserves.

OUR ROSEBEL TEAM is on target to complete a $26 million plant improvement project in 2008.

RENAUD ADAMS | *General Manager* | ROSEBEL

I AM Producing

North America

CANADA DOYON DIVISION

IAMGOLD interest 100%

Historic production from the Doyon division's Doyon and Mouska mines exceeds five million ounces.

The Doyon division consists of the adjacent Doyon and Mouska underground mines, located about 80 kilometres west of Val d'Or in northwestern Quebec. With over five million ounces of historic production to their credit, in 2007, these two mines produced 131,000 ounces at a cash cost of $528 per ounce of gold, while output in 2008 is forecast at 107,000 ounces.

The Doyon mine began as an open pit operation in 1980. Underground mining began in 1985 and replaced open pit mining entirely by 1989. The mine is serviced by both a 1,020-metre deep shaft and a ramp from surface for mobile equipment access. Production from the Mouska mine began in 1991. Lying four kilometres west of the Doyon property, Mouska is serviced by a 485-metre deep shaft and a 560-metre internal shaft located 1.2 kilometres east of the main shaft.

The Doyon plant uses the carbon-in-pulp process augmented by a small gravity circuit. A small copper flotation plant was installed in the mill in 2007, to process ore with increasing copper grades, averaging 0.3% copper, encountered in the lower levels of the Mouska mine.

In 2003 surface drilling discovered the Westwood deposit two kilometres east of the Doyon mine, below shallow workings developed in the 1930s. In 2004, a $25 million 5-year underground exploration project was initiated to explore both Doyon and Mouska properties at depth. The Westwood portion of the project began with the development of a 3,000-metre long exploration drift from the fourteenth level of the Doyon mine, 900 metres below surface, towards the eastern boundary of the Doyon property.

With 25,000 metres of drilling completed in 2007, the Westwood project has been returning very encouraging results. Already, an inferred resource of 3.3 million ounces of gold has been estimated above a depth of 1.5 kilometres, and the mineralized zones remain open laterally and at depth. An internal scoping study completed in 2007 suggests Westwood could produce 200,000 ounces of gold per year for approximately 15 years with initial production in 2012. The 2008 program will include completion of the exploration drift, further development and validation of existing resources, exploration beyond the current resource areas and completion of an advanced scoping study. Work on a new 2-kilometre deep shaft is expected to begin in 2009.

AT THE DOYON DIVISION a rigorous review of operations has helped keep costs in check.

LANGIS ST. PIERRE | *Mine Manager* | DOYON

CANADA SLEEPING GIANT MINE

IAMGOLD interest 100%

The Sleeping Giant underground mine is located in northwestern Quebec, 80 kilometres north of Amos. It produced 67,000 ounces of gold in 2007 at a cash cost of $358 per ounce, and is expected to produce 54,000 ounces in 2008.

IAMGOLD reached an agreement with Cadiscor Resources Inc. in October 2007 that gives Cadiscor the option to purchase the Sleeping Giant mine for total consideration of up to C$7.0 million after IAMGOLD has completed mining and processing the current reserves. Proven and probable reserves at the end of 2007 were estimated to be sufficient for mining operations and the processing of stockpiled ore to continue until late 2008 or early 2009.

The mine began operations in the late 1980s, was shut down in 1991 and re-opened in 1993 after additional reserves were delineated. It is developed by a 1,060-metre shaft. The 900 tonnes per day mill uses the carbon-in-leach process.

CANADA NIOBEC MINE

IAMGOLD interest 100%

The Niobec underground mine is located 225 miles north of Quebec City, near Chicoutimi in the province of Quebec. The mine is the only North American source of pyrochlore in operation, and one of only three major producers of niobium worldwide. Pyrochlore is the primary source of niobium, which is used in special steel alloys as well as in superconducting magnets, medical applications and jewelry.

The Niobec mine currently provides approximately 10% of world niobium supply. It produces a niobium pentoxide concentrate that is converted on site by an aluminothermic process into standard grade ferroniobium averaging 66% niobium. Production of concentrates began in 1976 and ferroniobium conversion started in 1994.

In 2007, as part of a $20.3 million capital program, a new hoist was installed and the headframe extended in preparation for a shaft-deepening program to be carried out in 2008. The shaft will be deepened from 1,806 metres to 2,682 metres. Niobec's milling capacity was increased to 4,800 tonnes per day in 2006. The mine's reserves are sufficient for 12 years of operation at currently planned mining rates. A study investigating a significant extension to the mine life is due for completion in 2008. The study is analyzing the feasibility of installing a paste backfill system that could effectively double mine reserve life by minimizing ore pillars with minimal additional development required.

Africa

BOTSWANA MUPANE MINE

IAMGOLD interest 100%

The Mupane open pit mine is located 30 kilometres southeast of Francistown in the Tati greenstone belt in eastern Botswana. It produced 86,000 ounces of gold at a cash cost of $548 per ounce in 2007, and is forecast to produce 100,000 ounces in 2008.

Mupane began production in 2004. Ore is mined from the main Tau pit and several smaller pits, and processed in a one million tonnes per year carbon-in-leach plant. A flotation circuit treats sulphides in the ore. An oxygen plant was installed in 2007 to increase throughput in the leach plant which had been limited because of the high oxygen demand of the sulphide ore.

To improve the project value and reduce production costs going forward, the mine cut-off grade has been increased and equipment upgrades have been completed. As well, a new mining contractor was hired in February 2008.

Reserves at Mupane are currently sufficient for mining to continue through 2008; stockpiles will be milled into 2009. The results of regional exploration have been disappointing and this program has been wound

OUR TRAINING PROGRAM for new miners has helped us improve productivity.

SLEEPING GIANT | *Mine Manager* | ERIC TREMBLAY down. However, two advanced projects are under study, at Molomolo and Signal Hill, which may provide additional ore for the Mupane mill in the current environment of higher gold prices. Higher gold prices may also result in an upgrade of resources in the Golden Eagle and 1E areas of the mine property.

MALI SADIOLA MINE

IAMGOLD interest 38%

The Sadiola open pit mine in western Mali resulted from an IAMGOLD discovery in the early 1990s, and was placed in production in 1997. Today IAMGOLD has a 38% interest, AngloGold Ashanti has a 38% interest and is the operator, the Republic of Mali holds 18% and International Finance Corporation, a member of the World Bank Group, holds 6%.

In 2007, Sadiola produced 370,000 ounces of gold, of which IAMGOLD's share amounted to 140,000 ounces at a cash cost of $401 per ounce. Production in 2008 is expected to be 447,000 ounces, with IAMGOLD's share amounting to 170,000 ounces.

The Sadiola deposit consists of two zones, an upper oxidized cap and a lower sulphide zone. Mining operations are carried out by a contractor, and ore is treated in a 5.2 million tonnes per year carbon-in-pulp processing plant. A gravity separation circuit was commissioned in December 2007 to increase gold recoveries and reduce reagent consumption. Work continues on the deep sulphide project, which is investigating the potential for mining hard sulphide mineralization below the main open pit.

If the deep sulphide project goes ahead, it is expected to extend operations for approximately ten years.

MALI YATELA MINE

IAMGOLD interest 40%

Located 25 kilometres north of the Sadiola operation in western Mali, the Yatela mine began production in 2001. IAMGOLD has a 40% indirect interest, as does AngloGold Ashanti, the operator, and the Republic of Mali owns 20%.

In 2007, Yatela produced 300,000 ounces of gold, of which IAMGOLD's share was 120,000 ounces at a cash cost of $217 per ounce. Production for 2008 is forecast to be 180,000 ounces, of which IAMGOLD's share will be 72,000 ounces.

Yatela is an open pit, heap leaching operation. Mining is carried out by the same contractor as at Sadiola. Heap leaching is carried out at a rate of approximately 2.9 million tonnes per year, and final gold recovery is completed at the Sadiola facilities. A $5.7 million pushback of the main pit began in 2006 and will provide access to 350,000 ounces of gold. Mining of heap-leachable ore is expected to cease in 2009, after which leaching and rinsing of the heaps will continue for some months.

GHANA TARKWA MINE

IAMGOLD interest 18.9%

The Tarkwa mine is located about 300 kilometres by road west of Accra, the capital of Ghana. IAMGOLD has an 18.9% interest in Tarkwa, while Gold Fields Limited has a 71.1% interest and is the operator, and the Republic of Ghana owns 10%.

Production from Tarkwa in 2007 amounted to 656,000 ounces of gold, of which IAMGOLD's share was 124,000 ounces at a cash cost of $395 per ounce. Output in 2008 is expected to be 670,000 ounces, of which IAMGOLD's share will be 127,000 ounces.

Tarkwa consists of open pit mining operations on the Tarkwa property and adjacent northern portion of the Teberebie property, as well as two heap leaching operations with a combined capacity of approximately 16 million tonnes per year and a carbon-in-leach plant with capacity of five million tonnes per year. The South (Teberebie) heap leach operation began production in 1992, and was

WE ARE WORKING HARD to increase plant efficiency and reduce our costs.

ANDY THOMSON | General Manager | MUPANE

acquired by Tarkwa in 2000. The North (Tarkwa) heap leach plant started up in 1998, and the CIL plant was commissioned in 2004. An expansion of the CIL plant's annual capacity to 12 million tonnes is expected to be completed by the end of 2008. The cost of the expansion has increased from initial estimates to $161 million because of foreign exchange exposures, cost escalation and minor scope changes. The North heap leach facility is also undergoing a $49 million expansion which is scheduled for completion in mid-2008.

The expansions will allow gold production to be maintained above 700,000 ounces per year until 2021, decrease the processing unit operating cost through economies of scale and ultimately add one million ounces of recovered gold over the life of the mine.

GHANA DAMANG MINE

IAMGOLD interest 18.9%

The Damang open pit operation is located 30 kilometres northeast of the Tarkwa mine in western Ghana. Partners in the operation are IAMGOLD (18.9%), Gold Fields Limited (71.1%) which is the operator, and the Republic of Ghana (10%).

In 2007, Damang produced 180,000 ounces of gold of which IAMGOLD's share was 34,000 ounces at a cash cost of $533 per ounce. Production in 2008 is forecast at 210,000 ounces, of which IAMGOLD's share will be 40,000 ounces.

Damang began production in 1997, and was acquired by IAMGOLD and Gold Fields in 2002. Mining is carried out in a number of open pits by a contractor and ore is treated in a conventional mill incorporating gravity concentration and carbon-in-leach recovery. Annual throughput varies from 3.3 million to 5.2 million tonnes, depending on the mix of fresh and weathered oxide ore being processed. In 2008 a seventh CIL tank will contribute to increased recoveries by allowing longer retention times. A cutback at the Damang main pit is expected to be complete in 2008-2009, which will allow for an increase in the supply of high grade fresh ore to the plant, and extend the mine life at least to 2011.

Exploration continues to investigate potential satellite deposits in the vicinity of the mine.

Reserve and resource information for all of IAMGOLD's mining operations is available on pages 119-121.

Current additions to the Tarkwa mine facilities in Ghana will allow annual gold production to be maintained above 700,000 ounces until 2021.

IAM Growing

IAMGOLD has four development properties that have the potential to add a total of 625,000 ounces to annual gold production.

Advanced Projects

South America

ECUADOR QUIMSACOCHA PROJECT

IAMGOLD interest 100%

IAMGOLD's growth platform includes four projects at an advanced stage of development, which together have the potential to add over 600,000 ounces of gold to the Company's annual production. All have potential for increased resources and expanded production.

A pre-feasibility study of the Quimsacocha project is scheduled for completion in June 2008. Drilling for metallurgical test work was completed early in January 2008. Additional in-fill drilling and further exploration drilling will be completed in 2008, with total spending for the year on this project estimated at over $11 million.

Quimsacocha is located 480 kilometres south of Quito and 40 kilometres southwest of the city of Cuenca in southern Ecuador. The property consists of four mining concessions covering approximately 10,000 hectares at elevations above 3,500 metres.

Exploration to date has identified an indicated resource estimated to contain 3.3 million ounces of gold in the main Quimsacocha deposit. In addition, the property hosts several other mineralized zones.

IAMGOLD spent $5.7 million on Quimsacocha in 2007. Over 14,000 metres of drilling in 60 holes was completed, including 9,700 metres on the Loma Tasqui and Rio Falso Sur deposits, which are located four kilometres to the southwest and two kilometres to the south of the Quimsacocha resource, respectively. A 100 line-kilometre induced polarization-resistivity survey defined two new anomalies at Loma Tasqui and enlarged the prospective target area at Rio Falso Sur. During the year, the Government of Ecuador initiated a review of significant exploration and mining concessions, including the Quimsacocha project. The objective of the review was to ensure that the project has met all of its required legal, social and environmental obligations thus far. Since the successful completion of the review, the Company has been actively engaged in discussions with stakeholders to advance the development of Quimsacocha.

Plans for 2008 include negotiations for a mineral development agreement, further definition and exploration drilling and detailed work on a feasibility study, scheduled for completion in 2009.

FRENCH GUIANA CAMP CAIMAN PROJECT

IAMGOLD interest 100%

In January 2008, the French Government issued a declaration on behalf of the President's Office advising that the President will not approve the final permits necessary to commence construction of the Camp Caiman project in French Guiana. No reasoning for the decision was provided in the declaration. In March 2008, an IAMGOLD delegation met with the President of France, at which time the President confirmed that his decision was not based on any technical, environmental or legal deficiency in the IAMGOLD permit applications, but rather on a decision to develop a new policy framework for resource development in French Guiana. The President agreed to consider alternative development proposals by the Company. The Company continues to explore options for developing and protecting its interests in French Guiana.

The Camp Caiman project is located about 45 kilometres southeast of Cayenne, the capital of French Guiana, which is an overseas department of France. The project involves a 30 square kilometre mining concession obtained in November 2004 for 25 years and two adjacent exploration permits, Trésor to the west and Patawa to the east, which cover a total of 41 square kilometres.

Throughout the permitting process, the Company fulfilled all legal, technical and environmental obligations required, including full and open public hearings and consultations. The project received a positive response from the relevant authorities, as well as a positive recommendation from the CODERST, a government-appointed committee designed to review such projects.

During 2007, while the permitting process was under way, the feasibility study completed in 2005 was updated, and cost estimates were adjusted. Following a lengthy hiatus, exploration was also resumed on the regional concessions.

IAMGOLD's plans for Camp Caiman include an open pit mine producing an average of 125,000 ounces of gold per year over seven years, with operating costs of $320 per ounce, and a net capital cost of $115 million. The feasibility study called for two open pits, the Scout pit, mostly saprolite, representing 35% of the probable reserves, and Pit 88, composed of saprolite and fresh rock in equal proportions, representing the remainder. Both deposits are open at depth, to the north in Pit 88 and to the west in the Scout pit. Processing will involve leaching and a carbon-in-pulp circuit. Construction would take 21 months after financing arrangements are completed and operating permits issued.

Over the last two years, most of the work at Camp Caiman has focused on applications for the various permits required to operate the mine. Public hearings were held in the first half of 2007. These were followed by a visit to French Guiana of a delegation representing environmental, labour, governmental and commercial interests to ensure the Camp Caiman project continues to meet or exceed the current standards for responsible mining practices, and resulted in a positive recommendation for the project.

North America

CANADA WESTWOOD PROJECT

IAMGOLD interest 100%

An internal scoping study completed in 2007 suggests that with a 2,800 tonnes per day processing facility the Westwood project could produce 200,000 ounces of gold per year for approximately 15 years, at a total operating cost averaging $360 per ounce. Production could start in 2012.

The Westwood deposit is located adjacent to IAMGOLD's Doyon mine property in northwestern Quebec, two kilometres east of the current mine workings. It was discovered by surface drilling in 2003, below shallow mine workings developed in the 1930s, and prompted the launch of a $25 million 5-year underground exploration

THE SUCCESS of our Westwood project is a credit to the persistence of our exploration teams.

BERTRAND POTVIN | *General Manager* | NW QUEBEC project in 2004 to explore both the Doyon and adjoining Mouska properties at depth. The Westwood portion of the project began with the development of a 3,000-metre long exploration drift from the fourteenth level of the Doyon mine, 900 metres below surface, towards the eastern boundary of the Doyon property.

With 25,000 metres of drilling completed in 2007, the Westwood project has been returning some very encouraging results. Already, an inferred resource containing 3.3 million ounces of gold has been estimated between surface and a depth of 1.5 kilometres. Three gold-bearing horizons have been identified: Westwood, North Corridor and Zone 2 Extension. All zones remain open laterally and at depth. Drilling in the latter part of 2007 intersected the Zone 2 Extension at a vertical depth of approximately 2.3 kilometres, which is 800 metres deeper than previous intersections of mineralization. Some interesting zinc values have been intercepted and will attract more drilling in the months ahead.

IAMGOLD plans to continue to accelerate the Westwood project schedule in 2008, completing an advanced scoping study in the second half of the year. The year's $13 million development program includes the completion of the exploration drift, further development and validation of the existing resources, and exploration beyond the current resource areas. Work on a new 2-kilometre deep shaft is expected to begin in 2009.

In 2007 and early 2008, the Warrenmac deposit was further delineated. Located above the Westwood horizons and slightly to the west, towards the Doyon mine, this zone is estimated to contain approximately 60,000 ounces of gold, with significant zinc credits. Although relatively small, its shallow depth, between 200 and 400 metres below surface, and position should enhance the development scenario for the Westwood project.

Africa

TANZANIA BUCKREEF PROJECT

IAMGOLD interest 75-80%

The Buckreef project consists of various prospecting and mining licences in north-central Tanzania, 150 kilometres southwest of the town of Mwanza on the southern shore of Lake Victoria. The properties cover approximately 40 kilometres of strike length in the eastern half of the Rwamagaza greenstone belt and include the former underground Buckreef mine (operated by the Tanzanian state in the 1980s) and the Busolwa-Buziba prospects, 20-25 kilometres east of the Buckreef mine.

IAMGOLD spent $8.7 million on Buckreef in 2007, primarily on a major drilling program. A new estimate of resources announced in July 2007 outlined measured and indicated resources containing one million ounces of gold, and an inferred resource contributing a further 800,000 ounces, representing a 9% increase compared to year-end 2006. Most of the resource increase is attributed to the Buziba area.

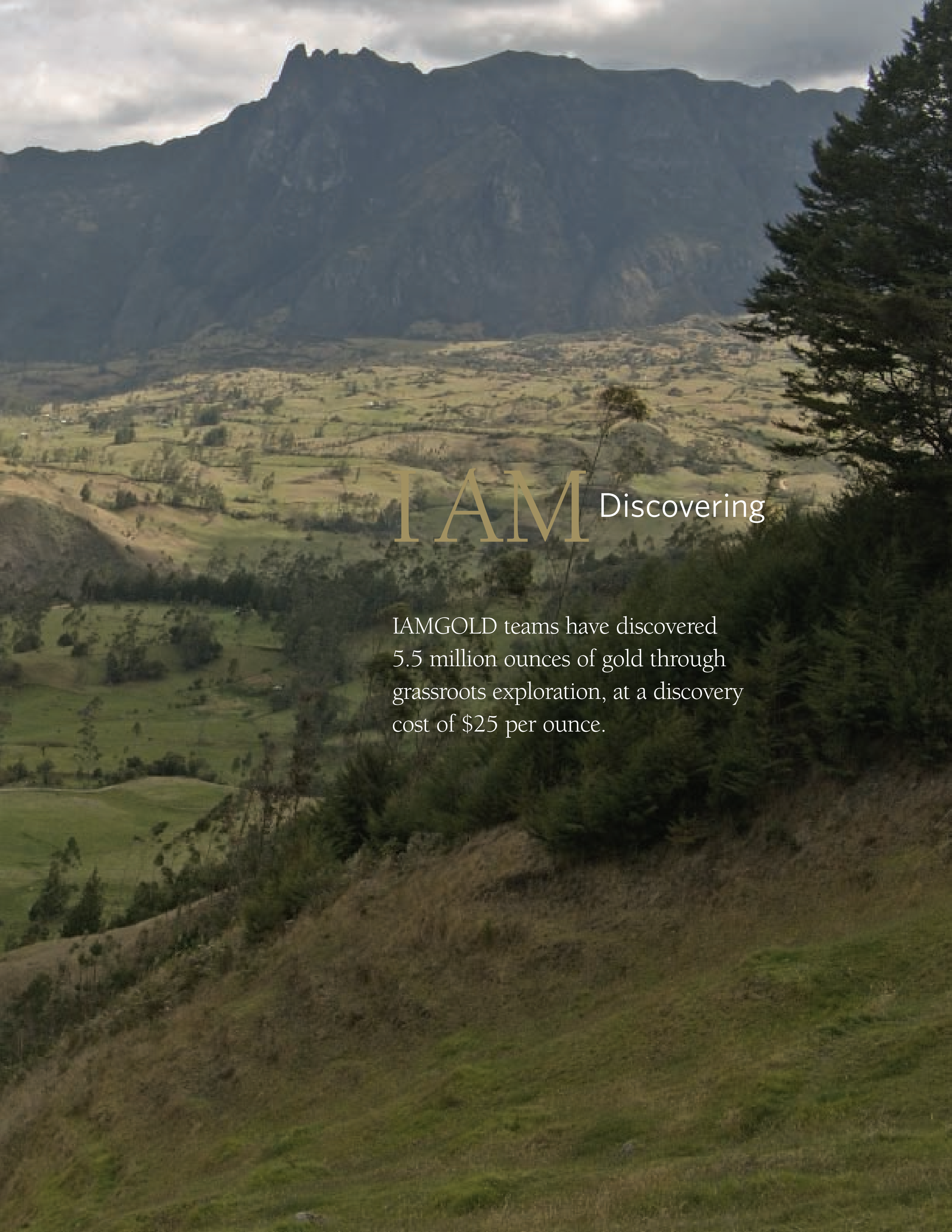
Early exploration at Buckreef focused on the known deposits and it is only recently that more systematic regional work has been undertaken. In 2007 IAMGOLD conducted a regional target assessment and aircore drilling of priority regional prospects as well as geophysical surveys. The aircore drilling resulted in the discovery and follow up of two new zones.

In 2008, a $9.8 million exploration program will advance efforts to add to the resources in the known zones as well as follow up on encouraging regional results. Work continues on an environmental impact assessment that is required for the next stage of development. Metallurgical testing is also planned to determine the optimal type of processing and the suitability of heap leaching for some mineralization. A comprehensive scoping study to evaluate process and development options should be completed in mid-year.

Project reserve and resource information is available on pages 119-121.

OUR REGIONAL PROGRAM in Tanzania has been producing some encouraging results.

TANZANIA | *Country Manager* | WILLIAM KAGARUKI



IAM Discovering

IAMGOLD teams have discovered 5.5 million ounces of gold through grassroots exploration, at a discovery cost of $25 per ounce.

Exploration

IAMGOLD's exploration programs are focused on adding shareholder value through the discovery and acquisition of additional resources. The Company is involved in all levels of exploration, from grassroots to project development, from greenfield programs to joint ventures. In 2007, following the acquisitions of Gallery Gold and Cambior in 2006, the Company integrated and rationalized its exploration interests, and spent $46 million on exploration. In 2008, IAMGOLD plans to spend $50 million, concentrating its efforts in nine countries in South America and Africa.

South America

Since its acquisitions in 2006, IAMGOLD has integrated and rationalized its exploration interests and is resuming exploration around some of its mines and advanced projects.

ECUADOR

With a pre-feasibility study on its 100%-held Quimsacocha project nearing completion, and work on a feasibility study scheduled to start in 2008, IAMGOLD is continuing to investigate other mineralized zones on the property. These include the Quimsacocha Oeste, Loma Tasqui and Rio Falso Sur areas.

In 2007, over 9,700 metres of drilling was completed on the Loma Tasqui and Rio Falso Sur deposits, located respectively four kilometres to the southwest and two kilometres to the south of the main Quimsacocha deposit. A 100 line-kilometre induced polarization-resistivity survey defined two new anomalies at Loma Tasqui and enlarged the prospective target area at Rio Falso Sur. Further work is planned in 2008.

SURINAME

IAMGOLD holds the rights to several large blocks of exploration concessions in Suriname. They are located in the vicinity of the Rosebel mine and in the Sarakreek-Tapanahony area, situated respectively in the north and central parts of the country's main greenstone belt. The Sarakreek region is one of Suriname's largest historic gold producing areas.

Exploration of the concessions is at an early stage. In the Rosebel area, soil sampling, trenching and 3,100 metres of drilling were carried out on various targets in 2007. Early in 2008 the property position was enlarged with the addition of the contiguous Charmagne project. In the Sarakreek area, field mapping, soil sampling and 3,300 metres of diamond drilling were completed in 2007, preliminary studies were carried out on the Tapanahony concession and mapping is under way on the

The Company is involved in all levels of exploration, from grassroots to project development, and from greenfield programs to joint ventures.

Tosso Creek concession. These programs will continue in 2008, with the addition of geochemical and geophysical surveys and trenching.

FRENCH GUIANA

In 2007, while the permitting process continued for its Camp Caiman project, IAMGOLD resumed its exploration program in French Guiana on six contiguous concessions located approximately 25-30 kilometres southwest of Camp Caiman. The $2 million program proposed for 2008 includes diamond drilling on priority targets to the west of the Camp Caiman property as well as further identification and refinement of other targets. With the notification from the French government in January 2008 that the final permits required to begin construction of the Camp Caiman project will not be approved, the exploration program is proceeding cautiously.

GUYANA

Mapping and channel sampling on the Eagle Mountain property in 2007 identified several areas with high grade gold values that will be further investigated in 2008, along with anomalous areas indicated by a geophysical survey. The 2008 program will also examine an area of significant molybdenum mineralization and determine its relationship to the gold mineralization. The Eagle Mountain property is located 200 kilometres southwest of Georgetown, the capital of Guyana, and 30 kilometres southwest of IAMGOLD's Omai gold mine, which ceased production in 2005.

PERU

Acquired as part of the Cambior merger, the La Arena project is a development stage gold and copper project located in northern Peru. Measured and indicated resources are estimated to contain two million ounces of gold and 1.1 billion pounds of copper. With other more immediate priorities and external interest expressed in La Arena, IAMGOLD decided to divest this project and initiated the sale process in 2007.

As a result of this decision, the focus of the Company's activities in Peru in 2007 switched from principally project development at La Arena to grassroots exploration. Early stage properties held were assessed and decisions made for continued work or to farm them out or sell them; and the generation of new projects began. The latter has involved the staking of several properties and the negotiation of option agreements on others.

WE SEE the Guiana Shield in northern South America as an important area for future growth.

MARIE-FRANCE BUGNON | *GM, Exploration* | GUIANA SHIELD

Exploration plans in 2008 include work on at least two of the newly staked properties. Detailed mapping and sampling, geophysical studies and preliminary diamond drilling are planned for the Huasmin property, located 600 kilometres northwest of Lima, and drilling will also be carried out on the Incapacha property, 420 kilometres southeast of Lima.

BRAZIL

Operating out of Belo Horizonte, the capital city of the state of Minas Gerais, IAMGOLD has several projects under way in Brazil.

The Minas Gerais project covers numerous seventeenth century surface gold workings. Preliminary drilling will be carried out in 2008 on a number of targets identified by recent fieldwork.

The Rio Grande do Sul project in southern Brazil includes the Camaqua and Vauthier blocks. The former hosts a former copper-gold mine and drilling has discovered gold mineralization below lead-zinc occurrences. The latter block is being evaluated for its potential and its precious and base metals commodity mix.

North America

CANADA

With its attention focused on the advancement of the Westwood project on the Doyon mine property in northwest Quebec, IAMGOLD is winding down its other exploration activities in Quebec. A small drilling program is planned in 2008 on the Gemini Turgeon project in the Casa-Berardi area, to test geophysical anomalies in a setting similar to that of the Doyon mine.

Africa

TANZANIA

In addition to the work it is carrying out on its advanced Buckreef project, IAMGOLD has interests in five projects at the grassroots exploration stage in Tanzania. These include the Majimoto project 250 kilometres northeast of the city of Mwanza on which a geological assessment will be completed in 2008.

SENEGAL

IAMGOLD's office in Dakar, the capital of Senegal, is the support base for West African generative work. Project generative work carried out in 2007 involved data gathering and investigations of possible joint ventures.

Randgold Resources has begun work on IAMGOLD's Bambadji property in southeast Senegal under a joint venture agreement. Randgold's Loulo mining complex is located directly east of the Bambadji property, in Mali.

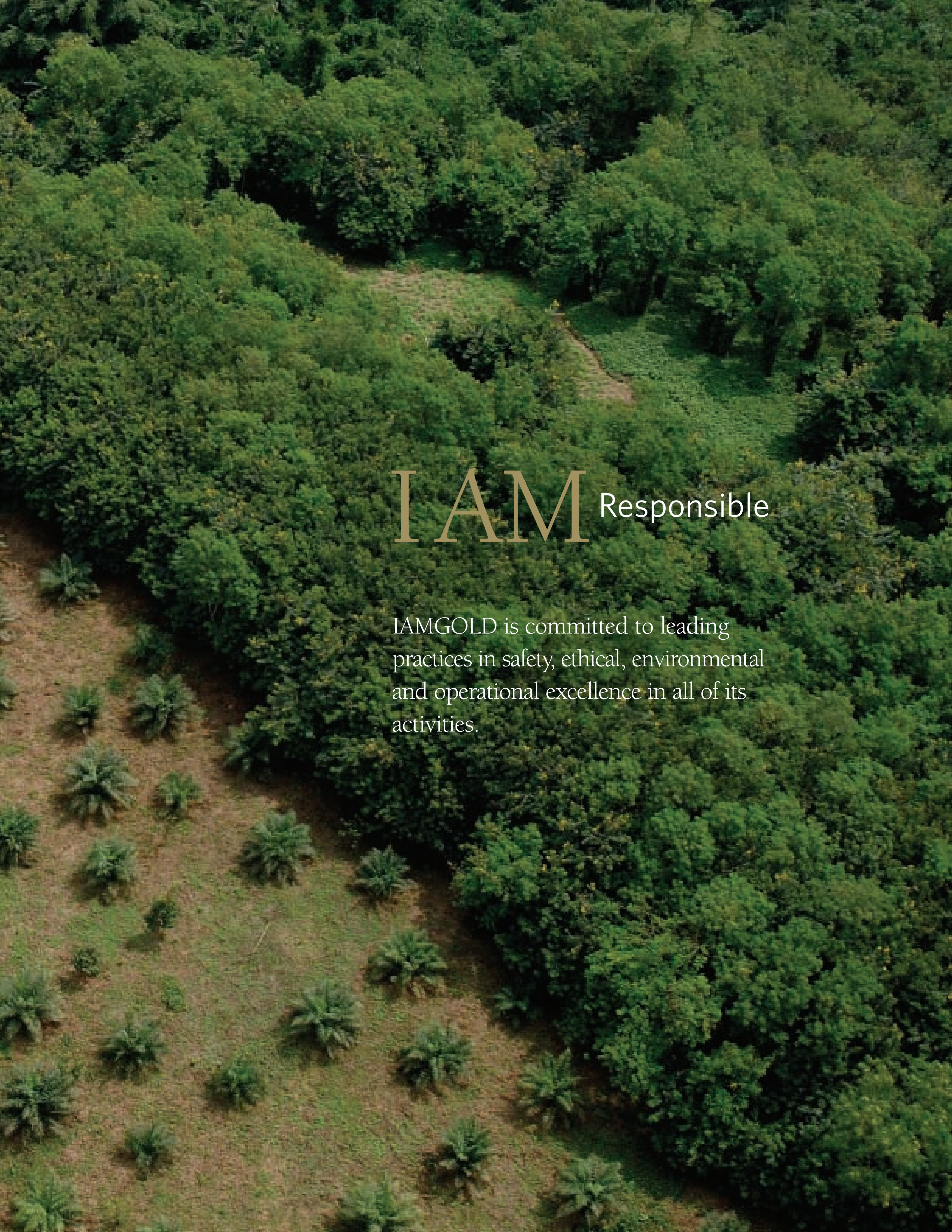
IAMGOLD's Daorala-Boto concession runs along the border with Mali and consists of the Daorala property to the north of Bambadji and the Boto property to the south, where all current exploration activities are concentrated. Drilling of the Boto 5 and Boto 4-6 anomalies was begun at the end of 2007 and will be continued in 2008.

MALI

Mali remains one of the more attractive countries in which to explore in terms of mining law and political stability as well as exploration potential. IAMGOLD is opening a new branch office in the country to monitor exploration activity around the Sadiola and Yatela mines and generate new exploration projects.

GRASSROOTS exploration is once again our focus in Peru.

PERU | *Exploration Manager* | Louis Gariépy



IAM Responsible

IAMGOLD is committed to leading practices in safety, ethical, environmental and operational excellence in all of its activities.

Social Responsibility

IAMGOLD's environmental, health, safety and community relations programs will be featured in the Company's first Annual Sustainability Report, to be published in mid-2008.

IAMGOLD's successes are rooted in effective partnerships. The first partnership was between the founding shareholders of the Company in 1990. Next came the partnerships with the host countries in West Africa where IAMGOLD first began exploration. Together with its partners, IAMGOLD has brought standards of operating safety, environmental responsibility and social sensitivity to areas without a prior history of modern mining or exploration.

More recently, IAMGOLD has continued to demonstrate a strong focus on environmental responsibility and social sensitivity, by developing innovative programs, forging new partnerships with stakeholders in local and regional communities and initiating sustainability projects from the outset of its exploration activities in, for example, Tanzania, Botswana and Suriname. In Ecuador, as was the case in Mali, IAMGOLD is committed to being a leader in developing not just a successful mine but also a larger mining industry that will benefit all stakeholders for years to come.

In its sustainability policy, IAMGOLD acknowledges that a commitment to sustainability and social responsibility by all employees and contractors is fundamental to the success of its business. Protection of the environment and community engagement are of paramount importance. These guiding principles will be applied through a commitment to:

- Establishing site operating standards that meet or exceed relevant laws and regulations, IAMGOLD's environmental and social impact statements, environmental and social management plans and closure plans, and international protocols of which IAMGOLD is a signatory.
- Requiring that all employees demonstrate leadership and commitment to continual improvement in environmental protection, community awareness and economic performance.
- Respecting human dignity and the rights of individuals and of the communities associated with the Company's operations.
- Integrating risk management into all facets of its business including maintaining emergency response plans to minimize or avoid the impacts of unforeseen events.
- Providing opportunities for communities associated with its operations to share in the benefits that flow from IAMGOLD's activities by developing long-term alternate economic and capacity building projects.
- Creating lasting relationships with communities built on mutual respect and trust in order to reach agreed objectives and shared involvement.
- Developing appropriately funded reclamation strategies for all operations from exploration properties through closure.
- Practising good corporate governance, transparency, fair dealing and reporting annually on performance.

I AM Accountable

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Management's Discussion & Analysis

The following Management's Discussion and Analysis ("MD&A"), dated March 27, 2008, should be read in conjunction with the Consolidated Financial Statements for December 31, 2007 and related notes thereto which appear elsewhere in this report. The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). All figures in this MD&A are expressed in US dollars, unless stated otherwise. Additional information on IAMGOLD Corporation can be found at www.sedar.com or www.sec.gov. IAMGOLD's securities trade on the Toronto, New York, and Botswana stock exchanges.

OVERVIEW

IAMGOLD Corporation ("IAMGOLD", "IMG", or the "Company") is an established gold mining and exploration company. During 2006, the Company acquired Gallery Gold Limited ("GGL") and Cambior Inc. ("Cambior") which were the main source of the Company's growth, and significantly contributed to the increases in revenues, costs, cash flows and, reserves and resources which are discussed in more detail within this MD&A. IAMGOLD's interests include eight operating gold mines, a niobium producer, a diamond royalty and exploration projects located throughout Africa and the Americas. The Company's advanced exploration and development projects include the Quimsacocha project in Ecuador, the Buckreef project in Tanzania, the Westwood project in Canada, and the Camp Caiman project in French Guiana.

HIGHLIGHTS

- Operating cash flow for 2007 of $117.1 million compared to $75.2 million in 2006.
- Annual revenues of $678.1 million, a 124% increase over 2006 of $303.3 million.
- Net loss for 2007 was $42.1 million or $0.14 per share. Excluding impairment charge for $99.6 million, net earnings ("Adjusted net earnings") for 2007 was $57.6 million or $0.20 per share.
- Achieved 965,000 ounces of gold production at an average cash cost of $423 per ounce.
- Strong cash and gold bullion position of $242.5 million, valuing gold bullion at market.
- Agreement completed to sell the Sleeping Giant mine on closure.
- Niobec revenues were $109.8 million for the year, and operating cash flow was $48.9 million.
- The addition of key senior personnel with international experience and proven track records in the mining industry.
- Implementation of numerous cost reduction and productivity initiatives throughout the organization:
  - Mill optimization and expansion programs at Rosebel
  - New copper flotation circuit at Doyon
  - Renegotiation of the mining contract and installation of a new mill motor and oxygen plant at Mupane
  - Installation of a gravity concentrator at Sadiola
  - Process improvements to increase metallurgical recovery and new hoist installation at Niobec
- Increased resources at Westwood along with a positive scoping study estimating annual production of 200,000 ounces for approximately 15 years beginning in 2012.
- 2007 annual exploration and development spending of $74.9 million, an increase of 165% over 2006.
- Labour agreements signed at Rosebel, Sleeping Giant, Mupane and Mouska mines.

Recent events:

• On January 31, 2008, the permits necessary to commence construction of the Camp Caiman exploration project in French Guiana were not granted. This was despite the fact that the Company fulfilled all of the technical, environmental and legal requirements. On March 13, 2008, IAMGOLD met with the President of France. The implementation of a new framework for mining in French Guiana is expected to be in place for mining in 2008. The President agreed to further dialogue regarding the Company's interests in the region and to consider all reasonable alternatives for mining projects which the Company may propose in the future. All existing exploration permits remain in effect. The Company continues to explore all development opportunities as well as available remedies.

The following table is provided to highlight IAMGOLD's percentage share of producing mines as it relates to how the Company's financial position and results of operations are included in mining operating segments.

			IAMGOLD Share		
	Operator	Segments	**2007**	2006	2005
Rosebel	IAMGOLD	Suriname	95%	95%(1)	-
Doyon Division	IAMGOLD	Canada	100%	100%(1)	-
Sleeping Giant	IAMGOLD	Canada	100%	100%(1)	-
Mupane	IAMGOLD	Botswana	100%	100%(2)	-
Niobec	IAMGOLD	Non-gold	100%	100%(1)	-
Joint Ventures:					
Sadiola	AngloGold Ashanti	Mali	38%	38%	38%
Yatela	AngloGold Ashanti	Mali	40%	40%	40%
Working Interests:					
Tarkwa	Gold Fields Limited	Ghana	18.9%	18.9%	18.9%
Damang	Gold Fields Limited	Ghana	18.9%	18.9%	18.9%

(1) For the period of November 8, 2006 to December 31, 2006 following the Cambior acquisition. Refer to the further acquisitions description.

(2) For the period of March 23, 2006 to December 31, 2006 following the GGL acquisition. Refer to the further acquisitions description.

SUMMARIZED FINANCIAL RESULTS

(in $000's except where noted)	**2007**	% Change	2006	% Change	2005
Financial Position					
Cash and cash equivalents, short-term deposits and gold bullion					
- at fair value	$ 242,458	11%	$ 218,345	59%	$ 137,496
- at cost	167,247	(4%)	173,376	57%	110,197
Financial Results					
Revenues	678,131	124%	303,345	134%	129,774
Mining costs	426,487	178%	153,325	96%	78,071
Depreciation, depletion and amortization	117,581	135%	50,084	89%	26,445
Earnings from mining operations	134,063	34%	99,936	296%	25,258
Earnings from working interests	25,392	(12%)	28,874	87%	15,467
Total earnings from operations and working interests(1)	159,455	24%	128,810	216%	40,725
Adjusted net earnings(2)	57,568	(22%)	74,063	261%	20,494
Impairment charges	(99,628)		(1,582)		-
Net earnings (loss)	(42,060)	(158%)	72,481	254%	20,494
Adjusted basic and diluted net earnings(2) per share	0.20	(49%)	0.39	179%	0.14
Basic and diluted net earnings (loss) per share	(0.14)	(136%)	0.39	179%	0.14
Cash flows					
Operating cash flow	117,129	56%	75,211	96%	38,298
Dividend declared per share (US$)	0.06		0.06		0.06
Production					
Average realized gold price ($/oz)	693	14%	607	36%	446
Gold produced (000 oz – IMG share)	965	50%	642	44%	446
Cash cost ($/oz – IMG share)(3)	423	32%	321	17%	274
Gold proven and probable reserves (000 oz contained – IMG share)(4)	7,975	(18%)	9,696	150%	3,871
Gold measured and indicated resources (000 oz contained – IMG share)	22,669	5%	21,519	94%	11,111
Gold inferred resources (000 oz contained – IMG share)	7,087	(28%)	9,880	131%	4,272

(1) Total earnings from operations and working interests is a non-GAAP measure. Please refer to consolidated statement of earnings for reconciliation to GAAP.

(2) Adjusted net earnings and adjusted net earnings per share are non-GAAP measures and represent net earnings (loss) before impairment charges. Please refer to the Supplemental Information attached to the MD&A for reconciliation to GAAP.

(3) Cash cost is a non-GAAP measure. Please refer to the Supplemental Information attached to the MD&A for reconciliation to GAAP.

(4) Refer to detailed information in the reserves and resources section of the IAMGOLD website.

IAMGOLD *Attributable Production and Costs*

The table below presents the production attributable to the Company's ownership in operating gold mines along with the weighted average cash cost of production.

	Production			Cash Cost[3]		
	2007 (000 oz)	2006 (000 oz)	2005 (000 oz)	**2007** $/oz	2006 $/oz	2005 $/oz
IMG Operator						
Rosebel (95%)	263	38[1]	-	452	415[1]	-
Doyon (100%)	131	23[1]	-	528	444[1]	-
Sleeping Giant (100%)	67	8[1]	-	358	433[1]	-
Mupane (100%)	86	65[2]	-	548	483[2]	-
	547	134	-	474	454	-
Joint venture and Working interests						
Sadiola (38%)	140	190	168	401	273	265
Yatela (40%)	120	141	98	217	224	265
Tarkwa (18.9%)	124	136	137	395	336	268
Damang (18.9%)	34	41	43	533	396	347
	418	508	446	357	286	274
Total	965	642	446	423	321	274

(1) For the period of November 8, 2006 to December 31, 2006 following the Cambior acquisition. Refer to further acquisitions description.

(2) For the period March 23, 2006 to December 31, 2006 following the GGL acquisition. Refer to further acquisitions description.

(3) Cash cost per ounce is a non-GAAP measure. Please refer to the Supplemental Information attached to the MD&A for reconciliation to GAAP.

Financial Results

Adjusted net earnings before impairment charges were $57.6 million or $0.20 per share, compared to adjusted net earnings of $74.1 million or $0.39 per share in 2006, and $20.5 million or $0.14 per share in 2005. Including impairment charges, the net loss for 2007 was $42.1 million or $0.14 per share compared to net earnings of $72.5 million or $0.39 per share in 2006. During 2007, impairment charges of $93.7 million in the value of the Mupane mine was recognized as a result of the decline in the cash flows expected to be generated over the life of the mine. In addition, during the fourth quarter, a $5.9 million impairment charge was also recorded relating to resource development costs incurred at the Doyon division which, to date, have been unsuccessful in increasing the division's resource profile.

Adjusted net earnings were 22% lower than in 2006 due to numerous cost pressures faced by the Company and throughout the mining industry. Industry-wide increases of mining costs related to costs of supplies, fuel, labour and the weakening of the US dollar. In 2007, the Company successfully completed the transition from non-operator to operator, and assumed the required costs to support its multi-national operations. Exploration expenditures increased to support future growth and maximize value from organic exploration activities.

The increase in net earnings in 2006 from 2005 was mainly a result of higher gold prices and both increased production at the Sadiola and Yatela mines in Mali and from the inclusion of results from the Cambior operations from November 8, 2006.

Operating cash flow for 2007 was $117.1 million compared to $75.2 million in 2006 and $38.3 million in 2005. The increase in operating cash flow is a result of higher gold prices and increased production following the inclusion of results from the Cambior operations from November 8, 2006.

IAMGOLD's policy has been to invest in gold bullion to increase shareholder value through the appreciation of gold. During 2007, the appreciation in the Company's holding of gold bullion equated to approximately $0.12 per share. The Company continues to maintain a strong balance sheet. Cash and cash equivalents, short-term deposits and gold bullion position totaled $242.5 million as at December 31, 2007 with gold bullion valued at market compared to $218.3 million at the end of 2006. For accounting purposes, gold bullion is valued at cost in the Company's consolidated balance sheet.

Revenues

IAMGOLD's consolidated mining revenues in 2007 were $678.1 million, 124% higher than the $303.3 million in 2006. The increase in 2007 compared to 2006 was attributable to the rise in the average realized gold price of $693 per ounce compared to $607 per ounce in 2006, increasing revenues by $67.4 million. The increase in attributable gold sales also increased revenues by $204.7 million. The additional contribution of the Niobec mine of $97.1 million as well as higher royalty revenues also generated higher revenues. The production increases in 2007 were a result of the full year impact of the acquisition of the Rosebel, Doyon, Sleeping Giant, Mupane and Niobec mines in 2006 partially offset by a decrease in Sadiola and Yatela mines. Revenues in 2006 were 134% higher than in 2005 mainly due to the acquisitions stated above, and the increase in the realized gold price from $446 per ounce in 2005 to $607 per ounce in 2006.

Mining Costs and Production

Mining costs were $426.5 million for 2007, an increase of $273.2 million compared to $153.3 million in 2006. The increase was mainly due to the inclusion of the GGL and Cambior operations for the full year in 2007. The Company faced cost increases on supplies, fuel and labour which added approximately $20.0 million to mining costs in 2007.

Consolidated production gold cash costs increased from $321 per ounce in 2006 to $423 per ounce in 2007, an increase of 32% and in line with market guidance from the third quarter. Please refer to the supplemental information attached to the MD&A for the summarized calculation and reconciliation to GAAP. In 2007, the gold mining industry experienced a challenging year facing cost pressures related to higher labour, fuel and maintenance costs. According to the GFMS's 2007 Gold Survey, a precious metal consultant, worldwide cash costs have increased 24% over the first nine months of 2007, and reached over $400 per ounce in the third quarter of 2007. The Company faced increases in 2007 mainly due to lower production in some mines and to higher cost of supplies, fuel and labour used in production. The increase in gold price was favorable to the mining industry in terms of higher revenues reported, but such a rise in gold price also had a $13 per ounce impact on royalty expenses which are included in mining costs. The weakening of the US dollar compared to the Canadian dollar also increased cash costs by approximately $7 per ounce.

Total attributable production reached 965,000 ounces in 2007, a 50% increase from 2006. The increase is mainly a result of additional production at the Company's operating gold mines; Rosebel, Doyon, Sleeping Giant, and Mupane, which were all acquired during 2006. The Company's joint ventures, Sadiola and Yatela and equity interests, Tarkwa and Damang, produced 18% less than in 2006, largely attributable to declines in grade and recovery, heavy rainfall, and other planned changes in production output.

The production of 965,000 ounces was in line with the revised guidance for the year but lower than the original guidance of 1,000,000 ounces. The primary reasons for the shortfall were the heavier than normal rainfall levels in Mali and Ghana, lowering recovery and total tonnage processed at the Sadiola mine, fewer tonnes stacked and processed at Tarkwa and equipment availability at the Mupane mine. This was partially offset by gains at the Sleeping Giant, Yatela and Rosebel mines.

With 2007 being the first full year for IAMGOLD being a mine operator, the following analysis separates the mines operated by IAMGOLD and the mines held through joint ventures and working interests.

Cash costs, at the mines operated by IAMGOLD, increased 4% from the 2006 level of $454 per ounce to $474 per ounce in 2007. The increase can be attributed to royalty expense of $15 per ounce and the weakening of the US dollar of approximately $10 per ounce, both of which are driven by market conditions. The Company also faced increases to cash costs due to the labour dispute at Rosebel in the first quarter of 2007, challenging ground conditions at Doyon and equipment availability at the Mupane facility, which has since been rectified. The cost pressures were partially mitigated by cost improvement programs throughout the Company's operations.

The Company is proceeding with the expansion of the mill and the mill optimization at Rosebel. This will have an estimated favourable impact of $35 per ounce on cash costs over the life of the mine. For more details, refer to the Rosebel mine analysis. At the Mupane mine, a review of the mining operations resulted in renegotiating the mining contract with the third party contractor which should reduce costs in 2008. In addition, a larger mill motor was commissioned in 2007, which should allow for increase throughput in the Mupane plant, and therefore increased efficiency. Significant efforts continue to contain and lower operating costs at the IAMGOLD operated sites.

The Company's joint ventures, Sadiola and Yatela, and working interests, Tarkwa and Damang, saw their cash costs increase from $286 per ounce in 2006 to $357 per ounce in 2007, representing a 25% increase during the year. These cost increases were mainly due to an 18% reduction in production in 2007 compared to 2006 and higher input costs discussed earlier. After taking the production reduction into account, the costs were controlled due to various improvement initiatives at each of the sites.

Depreciation, Depletion and Amortization

In 2007, depreciation, depletion and amortization of $117.6 million was 135% higher than in 2006 mainly as a result of production activities related to the acquisitions. Depreciation recorded in the first quarter of 2007 for Mupane and the first nine months of 2007 for the acquired Cambior mines reflected the preliminary purchase price allocation. The effect of the adjustments from the preliminary allocations on depreciation calculations was prospectively applied. Similarly, the impact of the impairment charge recorded for the Mupane mine at the end of the second quarter of 2007, on depreciation calculations was also prospectively applied. Depreciation, depletion and amortization recorded in the fourth quarter of 2007 of $38.1 million included the prospective application of the final purchase price equation from November 8, 2007 to December 31, 2007 and is a better representation of depreciation expense for future periods.

Reserves and Resources

Please refer to the Reserves and Resources section of the Company's website for more details. A summary of changes from 2006 follows.

At the end of 2007, proven and probable reserves were 165.6 million tonnes with an average grade of 1.5 g/t Au, indicating 8.0 million ounces, an 18% decrease from 2006, mainly as a result of a net decrease in attributable reserves at Sadiola and Tarkwa. Decreases in Rosebel reserves, for reasons noted above, were mostly offset by gains from the Company's remaining mines. Reserves were evaluated at $600 per ounce at the end of 2007.

Proven and probable reserves of niobium were 101,600 tonnes of niobium oxide, a 23% decrease compared to the end of 2006, mainly due to the production of the year and following an update on rock mechanic studies to evaluate the percentage of horizontal pillars that can be recovered. The technical study on the possible use of paste backfill at Niobec, to be completed during 2008, is expected to have a positive impact on the mining recovery of resources and therefore on future reserves.

At the end of 2007, measured and indicated resources were 562.7 tonnes with an average grade of 1.3 g/t Au, indicating 22.7 million ounces, a 5% increase over 2006. The increase is a result of the conversion of inferred resources to measured and indicated resources and an increase in the gold price assumption from $500 to $700. This was partially offset by general increases in cost assumptions at all mines, as well as pit design changes at Sadiola and Mupane. At Rosebel, marginal ore was eliminated from the mine plan to reduce the overall strip ratio.

Quarterly Financial Review

(in $000's except where noted)

2007	Q1	Q2	Q3	Q4	Total
Revenues	$ 146,358	$ 167,306	$ 170,221	$ 194,246	$ 678,131
Adjusted net earnings[1]	11,285	12,355	19,527	14,401	57,568
Net earnings (loss)	11,285	(81,370)	19,527	8,498	(42,060)
Adjusted basic and diluted adjusted net earnings per share[1]	0.04	0.04	0.07	0.05	0.20
Basic and diluted net earnings (loss) per share	0.04	(0.28)	0.07	0.03	(0.14)
Operating cash flow	16,652	14,062	29,788	56,627	117,129

2006	Q1	Q2	Q3	Q4	Total
Revenues	$ 44,481	$ 71,955	$ 65,659	$ 121,250	$ 303,345
Net earnings from continuing operations	19,851	29,838	13,425	9,274	72,388
Net earnings from discontinued operations	-	-	-	93	93
Adjusted net earnings[1]	19,851	29,838	13,625	10,749	74,063
Net earnings	19,851	29,838	13,425	9,367	72,481
Basic and diluted net earnings from continuing operations per share	0.13	0.17	0.08	0.04	0.39
Basic and diluted adjusted net earnings per share	0.13	0.17	0.08	0.04	0.39
Basic and diluted net earnings per share	0.13	0.17	0.08	0.04	0.39

(1) Adjusted net earnings and adjusted net earnings per share are non-GAAP measures. Please refer to the Supplemental Information for a reconciliation to GAAP.

During the fourth quarter of 2007, adjusted net earnings were $14.4 million or $0.05 per share, compared to adjusted net earnings of $10.7 million or $0.04 per share for the fourth quarter of 2006. Net earnings during the fourth quarter of 2007 were $8.5 million or $0.03 per share compared to $9.4 million or $0.04 per share during the fourth quarter of 2006. Results in the fourth quarter of 2007 were affected by higher operating costs at the mining operations primarily due to higher labour, fuel costs and maintenance costs, royalty payments, and foreign exchange rate movements and partially offset by stronger gold prices. Results were also positively impacted by the contribution of the Niobec mine.

Operating cash flow for the fourth quarter was $56.6 million compared to a cash outflow of $4.7 million in the fourth quarter of 2006. The increase is a result of higher earnings due to higher revenues partially offset by higher mining cost during the fourth quarter of 2007.

ACQUISITIONS

In 2006, IAMGOLD proceeded with the acquisition of Gallery Gold Limited ("GGL") and Cambior Inc. ("Cambior").

Gallery Gold Limited

On March 22, 2006, IAMGOLD acquired all of the issued and outstanding shares of GGL in exchange for the issuance of 26,221,468 common shares. At the time, GGL, through its subsidiaries, owned a 100% interest in the Mupane gold mine in Botswana and a controlling interest in the Buckreef project in Tanzania. The purchase price was $202.3 million, including the purchase of GGL common share options for $2.4 million and transaction costs of $2.5 million. The value was determined based on the average closing price on the Toronto Stock Exchange for the two days prior to and two days after the announcement on December 5, 2005, after market closed, and on an exchange ratio of one IAMGOLD share for each 22 GGL shares.

Cambior Inc.

On November 8, 2006, IAMGOLD acquired all of the issued and outstanding shares of Cambior, an international gold producer with operations, development projects and exploration activities throughout the Americas (Rosebel mine, Doyon Division, Sleeping Giant mine, Niobec mine, Westwood and Camp Caiman projects). As consideration for the transaction, the Company issued 116,258,765 common shares along with options and warrants exercisable for 10.8 million common shares of IAMGOLD. The purchase price was $1.1 billion, including transaction costs of $5.1 million. The value was determined based on the daily weighted average price on the Toronto Stock Exchange for the two days prior to, the day of, and the two days after the public announcement on September 14, 2006 before market opened, and an exchange ratio of 0.42 IAMGOLD share for each Cambior share.

Purchase Price Allocations – Final Fair Value

In 2007, independent specialists were retained to assist the Company in determining the final allocations of the fair values for GGL and Cambior. Business acquisitions are accounted for under the purchase method of accounting whereby, the purchase price is allocated to the assets acquired and the liabilities assumed based on fair value of the consideration paid at the closing date of acquisition. The fair value of the consideration paid is then allocated to the fair values of the identifiable assets and liabilities. The excess purchase price over the fair value of identifiable assets and liabilities acquired is goodwill. The determination of fair value requires management to make assumptions and estimates about the fair values. The assumptions and estimates generally require a high degree of judgement and include estimates of mineral reserves and resources acquired, future commodity prices, discount rates and foreign exchange rates. Changes in any of the assumptions of estimates used in determining the fair values could have an impact on the allocation of the fair value to balance sheet items and on future results.

The principal valuation methods for major classes of assets and liabilities were:

- Inventories – gold and niobium production inventories and ore stockpiles were valued at estimated selling prices less disposal costs, costs to complete and a reasonable profit allowance for the completing and selling effort.
- Plant and equipment – replacement cost or market value for current function and service potential, adjusted for physical, functional and economic obsolescence.
- Mining properties at producing sites (including proven and probable reserves and value beyond proven and probable reserves) – Multi-period excess earnings approach considering the prospective level of cash flows and fair value of other assets at each mine. A market approach by comparison to other publicly traded entities in similar lines of business with analysis of the market multiples of entities engaged in similar businesses was then used to corroborate the values derived.
- Development projects – discounted future cash flows considering the prospective level of cash flows from future operations and necessary capital expenditures, and/or based on a market approach as noted above.
- Exploration properties – appraised values considering costs incurred, earn-in agreements and comparable market transactions, where applicable.
- Long-term debt and derivative instruments – estimated fair values consistent with the methods disclosed under the Company's note disclosure on accounting policies.
- Asset retirement obligations – estimated fair values consistent with the methods disclosed under the Company's note disclosure on asset retirement obligations.

During 2007, the Company completed the final purchase price equation for the GGL and Cambior acquisitions and updated the calculations of amortization expense prospectively.

Revised allocations of the fair values of the consideration paid, for both transactions, to the fair values of the identifiable assets and liabilities on the respective closing dates are set out below.

Final Fair Value ($000's)	GGL	Cambior	Total
Assets acquired and liabilities assumed:			
Cash and cash equivalents	$ 971	$ 7,183	$ 8,154
Mining assets	123,874	787,486	911,360
Exploration and development	99,775	207,887	307,662
Other assets	20,472	114,393	134,865
Net assets held for sale	-	26,343	26,343
Goodwill	62,837	269,660	332,497
Other intangible assets	-	16,150	16,150
Current liabilities	(11,186)	(98,123)	(109,309)
Long-term debt	(16,589)	(33,716)	(50,305)
Forward sales liability and gold call option	(59,711)	(16,205)	(75,916)
Asset retirement obligations	(2,791)	(50,138)	(52,929)
Accrued benefit liabilities	-	(11,393)	(11,393)
Future income and mining tax liabilities	(15,323)	(107,766)	(123,089)
Non-controlling interest	-	(6,604)	(6,604)
	202,329	1,105,157	1,307,486
Consideration paid:			
Issue of 26,221,468 common shares of the Company	197,448	-	197,448
Issue of 116,258,765 common shares of the Company	-	1,062,605	1,062,605
Settlement of GGL common share options	2,402	-	2,402
Issue of 2,428,873 IAMGOLD equivalent options[a]	-	13,062	13,062
Issue of warrants equivalent to 8,400,000 IAMGOLD shares	-	24,403	24,403
Transaction costs	2,479	5,087	7,566
	202,329	1,105,157	1,307,486

(a) The equivalent options granted upon the acquisition of Cambior were valued at their fair value using the Black-Scholes option pricing model.

Outlook

	Projections 2007	Revised Projections 2007	Actual 2007	Projections 2008
Attributable share of gold production (000 oz)	1,000	970	965	920
Cash cost ($/oz)	395	410-420	423	455-470
Realized gold price ($/oz)	600	650	693	700
Oil ($/barrel)	66	66	71	90
Foreign exchange rate (C$/US$)	1.15	1.15	1.07	1.05

IAMGOLD's attributable share of gold production in 2008 from the actual operating mines is expected to be 920,000 ounces of gold at a cash cost between $455 and $470 per ounce, including royalties based on a gold price of $700 per ounce, a forecast of $90 per barrel of oil and a Canadian/US dollar exchange rate of 1.05.

Cash cost estimates are based on the assumptions noted above. Changes in these assumptions may have a material impact on cash costs, financial position, and overall results of operations. The sensitivity to a $100 per ounce rise in the gold price would increase royalty expenses included in cash costs by approximately $10 per ounce. Fuel is a key cost driver as it is used in production during extraction and processing of ore, and in some cases, to generate electric power for operations in whole or in part. Since fuel is produced by the refinement of crude oil, changes in the price of oil directly impact fuel costs. A $10 per barrel change in oil prices could cause a change in cash costs of approximately $6 per ounce. The Company operates three gold mines in Canada and therefore a change in the Canadian/US exchange rate by 10% would have an impact on cash costs of approximately $8 per ounce. The investment planned in 2008 at Rosebel will improve production and costs beginning in 2009.

The decrease in the 2008 estimated gold production compared to the actual production of 2007 is primarily due to a planned decrease at Rosebel, Doyon, Sleeping Giant, and Yatela partially offset by an increase at Mupane and Sadiola. Cash costs per ounce are expected to be higher mainly due to the increase in royalty expenses, higher expected oil prices and further cost pressures which are being seen throughout the mining industry, as well as lower production.

In the Company's niobium mine, demand for ferroniobium, a strengthening element used in the manufacturing of specialty steel alloys, continues to increase, supported by growth in China, high demand for pipeline steels, and favourable economic conditions. Demand is expected to remain strong for at least the next two years. Ferroniobium prices, like demand, have increased to record levels during 2007 and continue to rise.

Gross margin for 2008 is expected to be approximately $300.0 million compared to $277.0 million in 2007 and is dependent on market conditions for the price of gold and ferroniobium and input costs. The gross margin is a non-GAAP measure and represents total revenues and earnings from working interests less mining costs excluding depreciation, depletion and amortization. This is additional information which should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. In 2007, the Company incurred a net loss of $42.1 million.

The Company will continue to focus on increasing reserves and production organically and through acquisitions, as well as focusing on containing and reducing cash costs at existing operations.

Acquisition opportunities will focus on economic return, including the ability to decrease the Company's long-term cost structure. The criteria will also increase production by at least 75,000 ounces per annum, a demonstrated exploration upside, and a geographic fit with the Company's existing profile.

MARKET TRENDS

Gold Market

The performance of IAMGOLD's gold mines is closely related to the price of gold which is determined by the gold market. The gold market is characterized by substantial above-ground reserves that can affect the price should a portion of these reserves be brought to market. Factors mainly affecting the gold price are the US dollar, inflation expectations, oil prices, and interest rates.

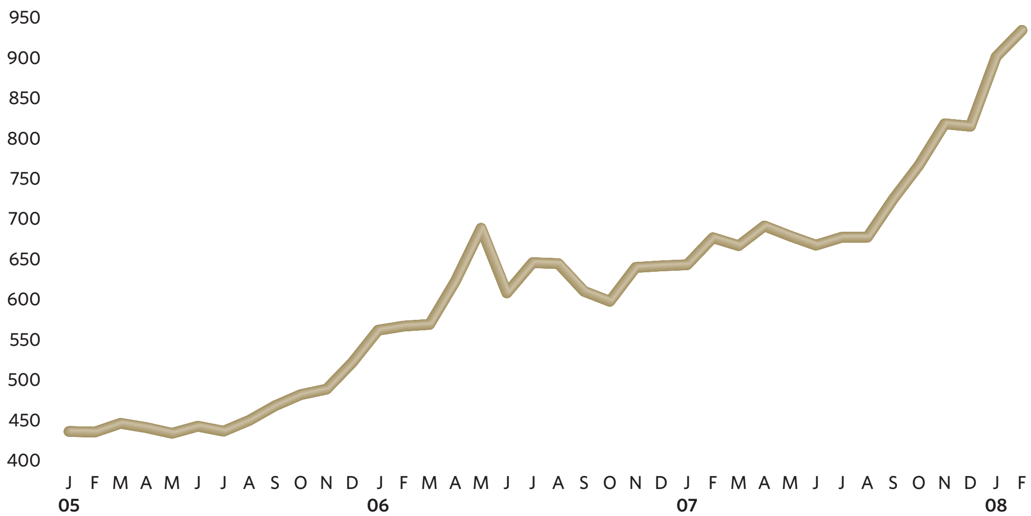
During 2007, the gold price displayed considerable volatility. Spot gold prices rose more than 30% in 2007, its largest annual gain since 1979. Gold price averaged $695 per ounce in 2007 but traded between $608 and $841 per ounce throughout the year compared to an average price of $604 per ounce in 2006. The closing price for 2007 was $834 per ounce.

Gold was impacted by record high oil prices, depreciation of the US dollar, credit market turmoil initiated by the collapse of the US sub-prime mortgage market, falling US interest rates and inflation worries. Continued political tensions in the Middle East also helped to increase its safe-haven appeal.

The jewellery demand suffered as a consequence of the high price, but has been more than offset by global investor demand for gold.

In the first quarter of 2008, gold reached a record level exceeding $1,000 per ounce. The following graph shows the monthly gold price movement over the past three years.

GOLD PRICE – LONDON PM FIX
(US$/oz)



Niobium Market

Niobium is a strengthening element used in the manufacture of specialty steel alloys. Small additions of niobium increase the strength and durability of steel used in pipelines, the automobile industry and construction.

IAMGOLD is one of three producers worldwide, and has held a market share between 10% and 15% over the past five years. The niobium market is led by a Brazilian producer whose operations can impact market conditions. The Company's competitiveness in certain markets is also impacted by tariffs and duties imposed by governments.

In 2007, demand continued to rise, supported by growth in China, high demand for pipeline steels, and favourable economic conditions. Demand is expected to remain strong for at least the next two years. The final product resulting from mining, concentration and conversion at Niobec is ferroniobium, an alloy containing iron and niobium. Ferroniobium prices, like demand, have increased to record levels during 2007 and continue to rise. Steady market growth has enabled production and sales to expand.

Currency

The Company's reporting currency is the US dollar. Movement of the Canadian dollar against the US dollar has a direct impact on the Company's Canadian mines and corporate costs. The Canadian dollar continued to strengthen during 2007 compared to the US dollar and reached 0.9913 as at December 31, 2007 with an average rate of 1.0748 in 2007 compared to 1.1341 in 2006 and 1.2116 in 2005.

Oil Price

Fuel is a key input to extract tonnage and in some cases, to wholly or partially power operations. Since fuel is produced by the refinement of crude oil, changes in the price of oil can have a direct impact on changes in fuel costs. The Company consumes approximately 0.6 million barrels of fuel across our mines every year. Oil prices averaged $72 per barrel in 2007 compared to $66 per barrel in 2006, an increase of 9%. Oil price closed at $96 per barrel at the end of 2007, an increase of 57% compared to the end of 2006. In the first quarter of 2008, the price per barrel reached over $100.

Results of Operations

Suriname – Rosebel Mine (IAMGOLD interest – 95%)

Summarized Results

100% Basis

	Q1	Q2	Q3	Q4	**2007**	% Change	2006[(a)]
Total operating material mined (000t)	7,205	8,167	10,518	10,073	35,963	568%	5,382
Strip ratio[(b)]	4.0	3.3	3.5	3.8	3.6	(5%)	3.8
Ore milled (000t)	1,522	1,949	2,076	1,958	7,505	540%	1,173
Head grade (g/t)	1.1	1.2	1.2	1.4	1.2	9%	1.1
Recovery (%)	90	93	93	93	93	1%	92
Gold production – 100% (000 oz)	48	71	75	82	276	590%	40
Gold production – 95% (000 oz)	46	69	71	77	263	590%	38
Gold sales – 100% (000 oz)	48	71	74	74	267	521%	43
Gold revenue ($/oz)[(c)]	652	660	668	819	705	13%	625
Cash cost ($/oz)[(d)]	505	466	458	403	452	9%	415

(a) For the period of November 8, 2006 to December 31, 2006, following the Cambior acquisition.

(b) Strip ratio is calculated as waste plus marginal ore divided by full grade ore.

(c) Gold revenue is calculated as gold sales divided by ounces of gold sold.

(d) Cash cost per ounce is a non-GAAP measure. Please refer to the Supplemental Information attached to the MD&A for reconciliation to GAAP.

Rosebel was acquired through the acquisition of Cambior on November 8, 2006. During 2007, the Rosebel mine produced 276,000 ounces compared to 40,000 ounces included in the Company's 2006 consolidated results. The production for 2007 was 8% lower from the full year production in 2006 of 300,000 ounces. The decrease is due to fewer tonnes milled as a result of the change in the zones mined resulting in an ore mix containing additional hard rock which also decreased grade and recovery in 2007 relative to the full year of 2006. Production was also affected by the labour interruption in the first quarter of 2007. Actual production in 2007 exceeded the forecast of 255,000 ounces by 8% due to higher tonnes mined and milled than expected.

Cash costs were $452 per ounce for 2007 compared to $415 per ounce for the two month period in 2006, an increase of 9%. Royalty expenses contributed a $16 per ounce increase resulting from the rise in gold prices and represented 26% of the overall increase in cash costs. The increase can also be attributed to the three week labour dispute in the first quarter of 2007, higher fuel prices, tire and maintenance costs. Notwithstanding an increase in 2007 compared to the two-month period in 2006, over the past three quarters of 2007 cash costs have declined by approximately 10% due to the resolution of the labour dispute and continuous review of the operation reducing costs and improving processes.

During the first quarter of 2007, the labour dispute was settled and the mine workers accepted a three year labour agreement.

Capital expenditures amounted to $39.3 million in 2007 and were related to plant equipment and capitalized local exploration within the Rosebel concession. A significant portion of the capital expenditures in the fourth quarter of 2007 was related to the expansion of the mill optimization approved in July 2007. Further mine engineering work is also ongoing for an expansion in mine production capacity through an increase in the size of the mining fleet.

For 2008, Rosebel's attributable production is expected to be 254,000 ounces. Rosebel capital expenditures should be $71.7 million for the expansion and optimization of the mill, replacement of some mining equipment, tailings dam expansion and, capitalized exploration and development.

On February 6, 2008, the Company announced an $18.4 million investment to expand the Rosebel mill. This expansion allows for an increase in the annual IAMGOLD attributable gold production from approximately 275,000 ounces per year to 300,000 to 305,000 ounces per year and a reduction in direct cash costs of approximately $35 per ounce over the life of mine. This is expected to increase the annual mill throughput from 8 million tonnes of ore to 8.9 million tonnes while adding sufficient operational flexibility to increase throughput by a further 15% to 25% should mine site and economic conditions support the use of the excess capacity. The mill expansion eliminates the need for stockpiles, and through the installation of extra leach tanks to increase residence time, will boost metallurgical recovery from 94% to 95%.

The $26.0 million Rosebel mill optimization, announced in July 2007, is expected to be completed in November 2008. This optimization will enable production rates to be maintained as more hard rock is fed into the mill. In 2008, $15.0 million remains to be spent on the optimization program in addition to the $18.4 million mill expansion investment mentioned above and to be completed by the end of 2008.

Concurrent with mill expansion, is the redesign of the existing mine plan which will eliminate marginal ore and reduce the life of mine strip ratio from 4.0 to 3.5 while maintaining the mine reserve grade at 1.2 gram per tonne. The lower strip ratio and the reduction of marginal material in the mine plan will reduce the current mine life by one year, but the significant increase in profitability will offset the potential loss of production. Other capitalized expenditures planned in 2008 will also be related to mine, tailings dam and exploration.

Canada – Doyon Division (IAMGOLD interest – 100%)

Summarized Results
100% Basis

	Q1	Q2	Q3	Q4	2007	% Change	2006[a]
Total operating material mined (000t)	162	166	148	167	643	530%	102
Ore milled (000t)	147	173	154	168	642	463%	114
Head grade (g/t)	6.7	6.5	6.6	6.6	6.6	(1%)	6.7
Recovery (%)	85	106	96	96	96	-	96
Gold production – 100% (000 oz)	31	34	32	34	131	470%	23
Gold sales – 100% (000 oz)	33	28	29	31	121	426%	23
Gold revenue ($/oz)[b]	655	664	692	792	701	11%	629
Cash cost ($/oz)[c]	509	533	541	529	528	19%	444

(a) For the period of November 8, 2006 to December 31, 2006, following the Cambior acquisition.

(b) Gold revenue is calculated as gold sales divided by ounces of gold sold.

(c) Cash cost per ounce is a non-GAAP measure. Please refer to the Supplemental Information attached to the MD&A for reconciliation to GAAP.

The Doyon division was acquired with the acquisition of Cambior on November 8, 2006. In 2007, the Doyon division produced 131,000 ounces of gold compared to the attributed production of 23,000 ounces included in the Company's consolidated results for 2006. The production for 2007 was 14% lower than the full year production in 2006 of 153,000 ounces. The reduction is primarily due to the maturity of the mines, challenging ground conditions, narrower ore zones, and hoisting approximately 20% less material in 2007 compared to 2006. Ounces produced in 2007 fell slightly short of the forecast of 140,000 ounces mainly due to lower grades than expected.

A new copper flotation circuit was commissioned at the Doyon mill and was fully operational during the second quarter of 2007 with metallurgical results exceeding expectations.

Cash costs were $528 per ounce for 2007 compared to $444 per ounce for the two-month period of ownership in 2006, an increase of 19%. The increase in cash costs for 2007 was due to lower production and poor ground conditions at the Doyon mine. Cash costs were also adversely affected by the weakening US dollar throughout 2007, increasing cash costs by approximately $33 per ounce, and the increase in the gold price, raising royalty costs by $5 per ounce.

Capital expenditures for the Doyon division in 2007 were $17.7 million, mainly related to the development and purchase of equipment for the Westwood project, with the remaining related to underground infrastructure. Capital expenditures were also related to capitalized resource development expenditures for which an impairment charge of $5.9 million was recorded, at the end of 2007, following unsuccessful results in increasing the division's resource profile.

For 2008, Doyon production is expected to be approximately 107,000 ounces as the mine reaches the end of production. Capitalized expenditures of $13.0 million for 2008 will be related to exploration and development of the Westwood project.

Westwood Project

The Westwood project is located 2.5 kilometres east of the Doyon mine within the Cadillac belt in the Abitibi region of northwest Quebec.

In 2007, over $3.7 million was spent on the project to advance the exploration drift and develop the resource. In June 2007, results from the underground exploration program were announced and confirmed the existence of three mineralized zones. The inferred resources identified totaled 14.1 million tonnes at an average grade of 7.3 g/t Au for 3.3 million ounces of gold.

According to the scoping study completed in September 2007, the project has the potential to produce 200,000 ounces of gold per year for approximately 15 years beginning in 2012. It confirmed the potential of the project to significantly contribute to the growth of the Company's long term production profile.

Exploration efforts will continue in 2008. In March 2008, the Company issued 928,962 flow-through shares for the amount of C$8.5 million which will have to be spent during the year. Current plan is to accelerate the project and $12.9 million of exploration costs have been budgeted for 2008. The work program includes the completion of the exploration drift and further development in the ore zone at the 850 metre level to check for grade and continuity. Exploration drilling will continue beyond the current resource area. Metallurgical, rock mechanic and hydrological studies are on-going. An advanced scoping study is expected to be completed for internal review by the end of 2008 and the shaft sinking is anticipated to begin in 2009.

Canada – Sleeping Giant Mine (IAMGOLD interest – 100%)

Summarized Results

100% Basis

	Q1	Q2	Q3	Q4	**2007**	% Change	2006[a]
Total operating material mined (000t)	45	44	37	44	170	710%	21
Ore milled (000t)	45	43	37	45	170	673%	22
Head grade (g/t)	12.0	13.1	12.1	12.8	12.5	13%	11.1
Recovery (%)	97	98	97	98	97	-	97
Gold production – 100% (000 oz)	17	18	14	18	67	738%	8
Gold sales – 100% (000 oz)	17	16	14	18	65	829%	7
Gold revenue ($/oz)[b]	655	666	692	789	702	12%	629
Cash cost ($/oz)[c]	330	298	386	418	358	(17%)	433

(a) For the period of November 8, 2006 to December 31, 2006, following the Cambior acquisition.

(b) Gold revenue is calculated as gold sales divided by ounces of gold sold.

(c) Cash cost per ounce is a non-GAAP measure. Please refer to the Supplemental Information attached to the MD&A for reconciliation to GAAP.

The Sleeping Giant mine was acquired with the acquisition of Cambior on November 8, 2006. Sleeping Giant produced 67,000 ounces of gold during 2007 compared to the attributed production of 8,000 ounces included in consolidated results for 2006. The production for 2007 was approximately 45% higher than the full year production of 46,000 ounces in 2006, due to improved productivity attributed to training programs, lower dilution in certain areas of the mine, better grade and improved sequencing of mining activities. The production for 2007 was 34% higher than forecast production of 50,000 ounces mainly due to higher grade and higher tonnes mined in 2007.

Cash costs were $358 per ounce in 2007 compared to $433 per ounce for the two-month period of ownership in 2006, a decrease of 17% due to higher production slightly offset by the weakening of the US dollar which increased costs by approximately $22 per ounce during 2007. Cash costs for 2007 were also lower than forecast of $380 per ounce for the same reasons.

Unionized employees of the Sleeping Giant mine voted in 2007 for the renewal of their collective agreements for a period of three years.

Capital expenditures were $0.2 million in 2007 due to the mine winding down operations. An agreement to sell this property at the end of production was signed in 2007.

For 2008, Sleeping Giant will wind down and production's forecasts are 54,000 ounces of gold. No capital expenditure is expected in 2008.

Agreement to Sell the Sleeping Giant Mine

On October 9, 2007, an option agreement has been signed with Cadiscor Resources Inc. ("Cadiscor"), granting them the right to purchase the Sleeping Giant mine after the completion of mining and processing, for total consideration of up to C$7.0 million.

As part of the agreement with Cadiscor, IAMGOLD will continue to mine and process reserves at Sleeping Giant until the end of its current reserve life at which time, Cadiscor will purchase the property and all the related infrastructure assets. Upon the formal closing of the agreement in December 2007, Cadiscor paid C$0.3 million in cash and issued to IAMGOLD 0.6 million common shares and 1.0 million common share purchase warrants, each warrant entitling IAMGOLD to purchase one common share at a price of C$1.00 until April 1, 2009. These shares and warrants were valued at $0.5 million. The total proceeds have been accounted for as an offset to mining assets until the sale is completed. Upon exercise of the option to purchase Sleeping Giant, expected late in 2008 but no later than April 1, 2009, Cadiscor will pay C$5.0 million in cash or Cadiscor common share equivalent less the maximum allowable discount permitted by the TSX Venture Exchange. IAMGOLD will also receive C$1.0 million in cash or Cadiscor common share equivalent after 300,000 tonnes of ore from any source are processed through the mill, and will retain a net smelter return royalty on future production from Sleeping Giant.

Botswana – Mupane Mine (IAMGOLD interest – 100%)

Summarized Results
100% Basis

	Q1	Q2	Q3	Q4	**2007**	% Change	2006[a]
Total operating material mined (000t)	2,075	2,424	1,588	1,393	7,480	22%	6,152
Strip ratio[b]	10.8	6.8	3.9	2.8	5.4	(27%)	7.4
Ore milled (000t)	183	233	238	255	909	32%	687
Head grade (g/t)	3.3	3.7	3.4	3.4	3.5	6%	3.3
Recovery (%)	86	87	86	84	85	(4%)	89
Gold production – 100% (000 oz)	17	24	22	23	86	32%	65
Gold sales – 100% (000 oz)	19	23	25	19	86	32%	65
Gold revenue ($/oz)[c]	606	617	635	621	621	4%	598
Cash cost ($/oz)[d]	650	499	591	482	548	13%	483

(a) For the period of March 23, 2006 to December 31, 2006, following the GGL acquisition.

(b) Strip ratio is calculated as waste plus marginal ore divided by full-grade ore.

(c) Gold revenue is calculated as gold sales divided by ounces of gold sold.

(d) Cash cost per ounce is a non-GAAP measure. Please refer to the Supplemental Information attached to the MD&A for reconciliation to GAAP.

The Mupane mine was acquired with the acquisition of GGL on March 23, 2006. Gold production for 2007 was 86,000 ounces of gold compared to the attributed gold production of 65,000 ounces included in consolidated results for 2006. The production for 2007 was 32% higher than the full year production of 2006. The production for 2007 was lower than forecast production of 100,000 ounces due to lower throughput in the plant resulting from problems with the SAG motor which have since been resolved. Production also decreased due to lower recovery.

Cash costs of $548 per ounce were higher than 2006 and forecast by 13% and 42% respectively due to lower production, higher mill consumables such as cyanide and grinding balls, fuel, tire and maintenance costs, and longer haulage distances. In addition, higher mining contract costs, related to fuel price increases, experienced with the third party contractor contributed to increased overall costs for 2007. During the third quarter of 2007, a review of the mining operations resulted in renegotiating the mining contract with the third party contractor, which will reduce the costs going forward. A larger mill motor was commissioned in the fourth quarter of 2007 allowing higher throughputs in the plant, which increased efficiency.

Capital expenditures in 2007 were $1.1 million, mainly for the purchase of a new oxygen plant and to raise the tailings dam.

Production is expected to increase in 2008 to 100,000 ounces of gold. Capital expenditures in 2008 are expected to be $1.2 million.

As at December 31, 2007, the remaining Mupane forward sales contracts acquired on acquisition of GGL were as follows:

Year	Forward Sales oz	Average Forward Price (US$)	Liability ($000)
2008	77,776	402	17,874
2009	43,888	407	10,472
Total	121,664	404	28,346

The Mupane forward sales contracts are accounted for as normal purchase and sales contracts whereby deliveries are recorded at their respective forward prices. On delivery of gold into the Mupane forward contracts, the related acquired liability is amortized and recorded into gold revenue. In 2007, 77,776 ounces of gold were delivered under forward sales contracts (2006 - 58,332 ounces) and 8,580 ounces were sold on a spot basis (2006 - 6,780 ounces).

Revenues were comprised of the following:

(in $000)	**2007**	2006[(a)]
Gold forward sales contracts	$ 31,293	$ 23,470
Gold spot sales	5,857	4,171
Gold forward sales liability amortization	16,439	11,322
Silver sales	225	-
	53,814	38,963

(a) For the period of March 23, 2006 to December 31, 2006.

As part of the due diligence process for the acquisition of GGL, the Company reviewed the Mupane Life of Mine Plan (LOM Plan) and the exploration programs in the Botswana area. The LOM Plan was determined to be reasonable and appropriate and that exploration potential for the area was considered to be good and increases to the resource base were considered likely. Exploration programs were continued by the Company upon acquisition of GGL. Exploration results were unsuccessful in achieving an increase to the mine's resource base. This resulted in a decision to significantly reduce the exploration program, including termination of the majority of the region's exploration personnel. Furthermore, the mine significantly diverged from the LOM Plan used during the initial valuation, with the largest variation occurring when the mine changed from softer oxide ore to harder primary sulphide ore. Operating costs had also risen substantially, mainly due to higher labour costs in Botswana, sharply rising consumables prices and higher mining costs. This under performance resulted in a full review of the mine operations and an update to the LOM Plan, which was completed during the second quarter of 2007. This review considered the exploration potential of the area, the current mineral resources, the projected operating costs, metallurgical performance and gold price. These served as inputs into pit optimizations to determine which resources could be economically mined and be considered as mineable mineral reserves. A mine schedule was developed and cash flows calculated. The carrying value exceeded the sum of undiscounted cash flows resulting in an impairment charge to the Mupane operations of $93.7 million.

The $93.7 million charge consisted of a reduction of goodwill of $32.8 million, a reduction of $8.0 million to other long-term assets (stockpiles) and a reduction of $52.9 million in the carrying value of the Mupane mine. Net estimated future cash flows from the Mupane mine were calculated, on an undiscounted basis, based on best estimates of future gold production, which were estimated using long-term gold prices from $550 to $700 per ounce, gold recovery of 87% to 91% depending on the rock type and pit source and expected continuation of operations to mid 2010 including the processing of stockpiled ore. Future expected operating costs, capital expenditures, and asset retirement obligations were based on the updated LOM plan. The fair value was calculated by discounting the estimated future net cash flows using a 5% interest rate, commensurate with the risk. Management's estimate of future cash flows is subject to risks and uncertainties, therefore changes could occur.

The decrease in estimated production did not have any impact on the accounting treatment for the Mupane forward sales contracts which are accounted for as normal purchase and sales contracts, whereby deliveries are recorded at their respective forward prices.

Mali – Sadiola Mine (IAMGOLD interest – 38%)

Summarized Results

	Q1	Q2	Q3	Q4	**2007**	% Change	2006	% Change	2005
Total operating material mined (000t)	2,887	2,942	1,795	2,834	10,458	17%	8,904	21%	7,344
Strip ratio[(a)]	4.6	3.1	4.1	3.5	3.7	12%	3.3	32%	2.5
Ore milled (000t)	391	398	373	418	1,580	(14%)	1,832	(4%)	1,910
Head grade (g/t)	3.6	4.0	3.8	3.5	3.7	(5%)	3.9	11%	3.5
Recovery (%)	78	79	75	80	78	(9%)	86	-	86
Gold production (000 oz)	31	34	35	40	140	(26%)	190	13%	168
Gold sales (000 oz)	34	35	35	40	144	(23%)	188	11%	169
Gold revenue ($/oz)[(b)]	652	666	681	800	704	16%	607	36%	446
Cash cost ($/oz)[(c)]	409	406	385	406	401	47%	273	3%	265

(a) Strip ratio is calculated as waste plus marginal ore divided by full-grade ore.

(b) Gold revenue is calculated as gold sales divided by ounces of gold sold.

(c) Cash cost per ounce is a non-GAAP measure. Please refer to the Supplemental Information attached to the MD&A for reconciliation to GAAP.

Gold attributable production for 2007 was 140,000 ounces, a decrease of 26% from the 190,000 ounces produced in 2006, and a 17% decrease from the 2007 forecast of 169,000 ounces. The decrease in production was due to a lower recovery as a result of processing more soft sulphide material which required a longer retention time, and was therefore processed at a reduced throughput in 2007. Gold production in 2006 was 13% higher than the 168,000 ounces produced in 2005, due to better equipment availability, a mild rainy season, and the processing of higher grades.

Cash costs were $401 per ounce, a 47% increase compared to the 2006 cash costs of $273 per ounce, and 11% higher than the $360 per ounce targeted for 2007. The increase is mainly attributable to the reduction in gold production as noted above and the processing of soft sulphide material which reduced recovery, increased retention time and required additional reagents, and the increase in operating tonnes mined due to higher strip rates. Cash costs in 2006 increased by 3% from $265 per ounce in 2005 mainly due to inflation consumable price in 2006.

The Company's attributable portion of capital expenditures of $5.8 million was mainly for drilling of the deep sulphide zone, additional pit dewatering infrastructure and installing a gravity concentrator in the mill circuit.

Dividend distributions were made during 2007, the Company's share being $8.6 million.

Attributable production is expected to increase in 2008 to 170,000 ounces of gold due to an increase in ore milled, head grade and recovery. The Company's attributable capitalized expenditures planned in 2008, of $3.3 million, will be mainly related to infrastructures and exploration.

Mali – Yatela Mine (IAMGOLD interest – 40%)

Summarized Results

	Q1	Q2	Q3	Q4	**2007**	% Change	2006	% Change	2005
Total operating material mined (000t)	351	312	599	1,254	2,516	(17%)	3,041	(47%)	5,754
Capitalized waste mined pit cutback (000t)	1,339	1,391	652	120	3,502	30%	2,699	100%	-
Strip ratio[(a)]	1.0	0.5	2.1	8.3	2.6	4%	2.5	(64%)	6.9
Ore crushed (000t)	287	337	259	349	1,232	(4%)	1,282	2%	1,259
Head grade (g/t)	3.3	5.0	2.3	2.5	3.3	(20%)	4.1	37%	3
Gold stacked (000 oz)	30	54	19	28	131	(21%)	165	36%	121
Gold production (000 oz)	35	33	30	22	120	(15%)	141	44%	98
Gold sales (000 oz)	36	32	31	22	121	(15%)	142	45%	98
Gold revenue ($/oz)[(b)]	651	666	679	796	688	14%	606	35%	449
Cash cost ($/oz)[(c)]	180	227	241	231	217	(3%)	224	(15%)	265

(a) Strip ratio is calculated as waste plus marginal ore divided by full-grade ore.

(b) Gold revenue is calculated as gold sales divided by ounces of gold sold.

(c) Cash cost per ounce is a non-GAAP measure. Please refer to the Supplemental Information attached to the MD&A for reconciliation to GAAP.

Gold attributable production for 2007 was 120,000 ounces, a decrease of 15% from 2006 and a 9% increase from the forecasted 110,000 ounces for 2007. The decrease in 2007 compared to 2006 is due to less tonnes being stacked due to increased hardness of the ore and lower stacked grade. In addition, an increase in the hardness of the crushed material, a decrease in head grade, and an abnormally heavy rainy season contributed to lower gold production in 2007. The increase compared to the 2007 forecast was a result of slightly higher tonnes being stacked. Gold produced in 2006 was 44% higher than in 2005 due to more tonnes stacked, higher grade and fewer rain-associated delays during the rainy season.

Cash costs in 2007 were $217 per ounce compared to $224 per ounce in 2006, a decrease of 3% mainly due to lower mining costs resulting from a reduction in reagent consumption. The lower operating tonnes are a result of more mining activity being focused on the pit cutback. As a result of the recent guidance under Canadian GAAP (see Changes in Canadian Accounting Policies), stripping costs associated with the pit cutback of the main pit, which will extend the life of the mine to 2010 rather than closing in 2007 as previously planned, are now being capitalized and prior deferred stripping balances are being amortized over the units of production to be exposed by that stripping. For ore accessed prior to the main body of ore, stripping costs based on the average stripping ratio of the cutback is charged to mining costs with remaining costs being capitalized. Amortization will be recorded based on units-of-production when the main body of ore is accessed, which is expected to be in the third quarter of 2008. The reduction of 37% from $335 per ounce forecasted for 2007 is mainly a result of the required change in accounting policy for stripping costs. Cash costs per ounce in 2006 were 15% lower than the $265 per ounce in 2005 as a result of higher gold production in 2006 and process improvements.

The Company's attributable portion of capital expenditures of $12.4 million was related to capitalized waste stripping and the construction of leach pads.

Dividend distributions were made during 2007, IAMGOLD's share being $32.0 million.

Attributable production is expected to decrease to 72,000 ounces of gold in 2008 due to lower head grade. The attributable portion of capitalized expenditures planned in 2008, of $10.4 million, will be mainly related to the pit cutback, construction of leach pads, and to exploration.

Ghana – Tarkwa Mine (IAMGOLD interest – 18.9%)

Summarized Results

	Q1	Q2	Q3	Q4	2007	% Change	2006	% Change	2005
Total operating material mined (000t)	4,567	4,128	4,053	4,313	17,061	1%	16,813	(1%)	16,911
Capitalized waste mined (000t)	864	1,262	1,188	1,459	4,773	114%	2,235	2383%	90
Strip ratio[a]	3.3	3.0	3.5	3.2	3.2	-	3.2	(3%)	3.3
Heap Leach:									
Ore crushed (000t)	827	796	738	788	3,149	(2%)	3,225	4%	3,109
Head grade (g/t)	1.0	1.0	1.0	1.0	1.0	(17%)	1.2	-	1.2
Gold stacked (000 oz)	27	27	24	26	104	(13%)	120	(1%)	121
Recovery (%)	73	73	74	71	73	(4%)	76	(3%)	78
Gold production (000 oz)	20	19	17	18	74	(15%)	87	(6%)	93
Mill:									
Ore milled (000t)	287	271	247	268	1,073	12%	962	10%	871
Head grade (g/t)	1.6	1.5	1.5	1.5	1.5	(12%)	1.7	-	1.7
Recovery (%)	97	97	98	98	97	-	97	(1%)	98
Gold production (000 oz)	13	13	12	12	50	2%	49	11%	44
Total gold production (000 oz)	33	32	29	30	124	(9%)	136	(1%)	137
Total gold sales (000 oz)	33	32	28	31	124	(9%)	136	(1%)	137
Gold revenue ($/oz)[b]	650	669	679	784	695	15%	602	36%	443
Cash cost ($/oz)[c]	375	329	433	452	395	18%	336	25%	268

(a) Strip ratio is calculated as waste plus marginal ore divided by full-grade ore.

(b) Gold revenue is calculated as gold sales, adjusted for hedge accounting, divided by ounces of gold sold.

(c) Cash cost per ounce is a non-GAAP measure. Please refer to the Supplemental Information attached to the MD&A for reconciliation to GAAP.

Total gold attributable production for 2007 was 124,000 ounces, a decrease of 9% from 2006 (decrease of 8% compared to the forecast) due to an unusually high seasonal rainfall which resulted in fewer tonnes stacked and a reduction in the stacked grade. Total gold produced in 2006 was essentially unchanged with a 1% decrease from 2005.

Cash costs per ounce were $395 compared to $336 in 2006 and $268 in 2005. The increase over 2006 and over the forecast for 2007 was a result of higher fuel, maintenance, cyanide, cement and power generation costs. Cash costs in 2006 were 25% higher than in 2005 as a result of higher mining fleet maintenance and rising fuel, cyanide and cement costs. Rising fuel costs in 2007 and 2006 included increased consumption of fuel due to the need to generate power as the government of Ghana began to require companies to reduce their power consumption from the Ghanaian power grid by up to 50%, beginning mid-2006.

The Company's attributable portion of capital expenditures of $32.0 million was for capitalized waste stripping, expansion of the CIL plant and the north heap leach expansion, which will continue in 2008.

In 2007, Tarkwa did not make any cash distributions. Future cash distributions are not expected until the completion of the expansion leave and the north heap leach facility, planned in 2008.

Attributable production is expected to increase to 127,000 ounces of gold in 2008.

Ghana – Damang Mine (IAMGOLD interest – 18.9%)

Summarized Results

	Q1	Q2	Q3	Q4	2007	% Change	2006	% Change	2005
Total operating material mined (000t)	826	876	914	1,105	3,721	(4%)	3,579	30%	2,750
Capitalized waste mined - Pit cut back (000t)	712	519	433	412	2,076	7%	1,934	189%	669
Strip ratio[(a)]	4.4	6.1	5.1	5.0	3.4	(24%)	4.5	2%	4.4
Ore milled (000t)	262	235	212	208	917	(9%)	1,006	3%	977
Head grade (g/t)	1.2	1.1	1.4	1.3	1.2	(14%)	1.4	(7%)	1.5
Recovery (%)	92	91	94	94	93	-	93	1%	92
Gold production & sales (000 oz)	9	7	9	9	34	(17%)	41	(5%)	43
Gold revenue ($/oz)[(b)]	649	669	679	789	696	16%	601	35%	445
Cash cost ($/oz)[(c)]	466	584	472	628	533	35%	396	14%	347

(a) Strip ratio is calculated as waste plus marginal ore divided by full-grade ore.

(b) Gold revenue is calculated as gold sales, adjusted for hedge accounting, divided by ounces of gold sold.

(c) Cash cost per ounce is a non-GAAP measure. Please refer to the Supplemental Information attached to the MD&A for reconciliation to GAAP.

Gold attributable production for 2007 was 34,000 ounces, a decrease of 17% from 2006 and 15% from forecast due to fewer tonnes milled and lower head grade. Mechanical problems with the primary crusher resulted in the tonnage reduction, while the decrease in head grade was caused by the reduction in higher grade fresh ore associated with completion of the Amoanda pit in 2006 and delays in accessing higher grade ore in the main Damang pit. An unusually high seasonal rainfall also resulted in fewer tonnes mined from some pits which also contributed to fewer ounces of gold produced. Gold produced in 2006 was 5% lower than 2005 due to lower head grade.

Cash costs were $533 per ounce compared to $396 per ounce in 2006 and $347 per ounce in 2005. The increase over 2006 and the forecast for 2007 was a result of higher fuel, maintenance, cyanide, consumable and on-site power generation costs, as well as lower production. Cash costs in 2006 were 14% higher than 2005 as a result of increased waste mined and on-site power generation costs. Rising fuel costs in 2007 and 2006 included increased consumption of fuel due to the need to generate power as the government of Ghana began to require companies to reduce their power consumption from the Ghanaian power grid by 50%, beginning mid-2006.

The Company's portion of capital expenditures of $6.2 million was related to the Damang pit cutback, raising the East tailings storage facility and the construction of a seventh CIL tank. Capitalized expenditures planned in 2008 will mainly relate to the Damang pit cutback and tailing storage facility.

In 2007, Damang did not make any cash distributions. Future cash distributions are not expected until the completion of the pit deepening planned in 2008.

Production is expected to increase to 40,000 ounces of gold in 2008 due to higher grade and lower expected strip ratio.

Niobec Mine (IAMGOLD interest – 100%)

The Niobec mine was acquired by IAMGOLD on November 8, 2006 through the acquisition of Cambior. Niobium revenues for 2007 were $107.8 million, an increase of 44% compared to forecast of $75.0 million. The increase in revenues is due to a 4% increase in volume and a 38% increase in the realized Niobium price. Niobium production increased by 3% to 4,300 tonnes compared to the full year of 2006.

Operating costs have increased by approximately 12% compared to the full year of 2006. The Company acquired Niobec with the purchase of Cambior and has been included in earnings as of November 8, 2006. The increase was mainly due to the strengthening of the Canadian dollar increasing costs by approximately 5%, and cost pressures on consumables and processing costs.

The Niobec mine contribution to operating cash flow was $48.9 million in 2007.

Capital expenditures totaling $20.4 million for 2007 were mainly attributed to investments in a new hoist and headframe extension, underground infrastructure, equipment and deferred development.

For 2008, the Niobec mine's production is expected to increase marginally, following improved metallurgical recovery, increased mill tonnage and tailing reprocessing, with slightly higher costs due to higher input costs. Revenues are forecasted at $123.0 million.

Capital expenditures planned for in 2008 of $22.9 million will include the shaft deepening program, a study regarding a paste backfill plant which has the potential to double the resources, processing improvements, and a scoping study on expansion. The paste backfill could extend the mine life beyond 20 years.

Royalty Interests

Revenues from royalty interests were $9.5 million in 2007 compared to $7.4 million in 2006 and $10.4 million in 2005. Royalty revenues are primarily derived from the Diavik royalty interest. The Diavik Diamond property is based in Yellowknife, Northwest Territories with an expected mine life in excess of 15 years. Minor amounts are also received from the Magistral mine in Mexico from production from the rinsing of the leach pads. Royalty revenues increased in 2007 compared to 2006 due to an increase of the diamond sales. The decrease in 2006 compared to 2005 because of the divestiture of most of the gold royalties.

On April 25, 2006, the majority of the Company's gold royalty interests were sold to Battle Mountain Gold Exploration Corp. ("BMGX") for consideration of $21.9 million consisting of cash, 12 million shares of BMGX and a $2.0 million convertible debenture. In accordance with the sale agreement, all royalty revenues accruing from the beginning of the year and attributable to the sold royalties were for the benefit of the purchaser. On completion of the sale, the book value of royalty interests was reduced by $7.8 million and goodwill by $12.9 million. The common shares and the debenture have been recorded in marketable securities included in other long-term assets, and were sold in 2007.

Exploration and Development

IAMGOLD's exploration team began 2007 with exploration projects in 12 countries within Africa and the Americas. The Company assumed programs as a result of the acquisitions of Cambior and GGL in 2006. Throughout the year, the exploration group refocused and prioritized its efforts, and rationalized the portfolio of projects and programs where warranted. Four offices were closed as a consequence, providing a more balanced and strategic fit for the Company. Moving forward into 2008, the Company is concentrating on nine countries within South America and Africa, including portions of the Guiana Shield of northern South America which it views as important areas for future growth.

The Company has a significant exploration and development program. In 2007, $74.9 million was spent on exploration and development compared to $28.2 million in 2006 and $11.3 million in 2005.

Exploration and development expenditures were as follows:

($000s)	**2007**	2006	2005
Capitalized exploration & development			
Operating mines – segment[1]			
Suriname	$ 9,770	$ 776	$ -
Canada[2]	11,354	505	-
Mali	2,058	827	973
Non-gold	75	81	-
	23,257	2,189	973
Exploration & development			
South America			
Ecuador-Quimsacocha	3,371	5,015	962
French Guiana-Camp Caiman	10,939	3	-
Peru-La Arena	3,156	491	-
Africa			
Tanzania-Buckreef	5,511	4,144	-
Botswana	202	1,149	-
	23,179	10,802	962
Total Capitalized	46,436	12,991	1,935
Expensed Exploration			
Operating mines – segment			
Canada	832	886	-
Botswana	552	278	-
Mali	1,482	221	369
Other	2,801	1,763	-
	5,667	3,148	369
Exploration & development			
South America	13,526	7,573	8,806
Africa	7,958	3,807	268
Canada	(229)	75	(73)
Australia	1,524	610	-
	22,779	12,065	9,001
Total Expensed	28,446	15,213	9,370
Total Capitalized & Expensed	74,882	28,204	11,305

(1) Exploration and development costs related to activity within a mine area are included in mines segments, where as exploration projects which are distinct from mines activities and not within mines areas are included in exploration and development expenditures. Capitalized and expensed exploration and development expenditures related to operating mines segment are discussed in the results of operations section of this MD&A.

(2) An impairment of $5.9 million was accounted for in 2007 in relation with capitalized resource development costs, incurred at the Doyon division which to date have been unsuccessful in increasing the division's resource profile.

Capitalized Development Projects

South America – Ecuador – Quimsacocha

Work in Ecuador was directed entirely at the Company's 100% owned Quimsacocha project, located 40 kilometres southwest of the city of Cuenca in southern Ecuador. Quimsacocha is an advanced exploration project with an identified indicated resource of 33 million tonnes at an average grade of 3.2 g/t Au, indicating 3.3 million ounces of gold. Drilling resumed on the main Quimsacocha resource area late in 2007 for purposes of metallurgical, geotechnical, and geohydrological test work. Twenty-four diamond drill holes totaling 4,310 metres were completed within the resource area during this campaign. Earlier in the year, two satellite target areas, Rio Falso Sur and Loma Tasqui, were drill tested with a total of 9,742 metres of diamond drilling in thirty-six holes. In November 2007, the Company agreed to relinquish 3,220 hectares of the Quimsacocha property position in cooperation with the Government's request to protect a regional watershed. The relinquished lands represented about 25% of the Quimsacocha concession block, and were located outside of the known resource area. Work is currently in progress on a scoping study, and a pre-feasibility study is planned for the end of the second quarter of 2008. Community relations and public consultation programs are on-going and well advanced.

South America – French Guiana – Camp Caiman Project

Camp Caiman is a development project, located about 45 kilometres southeast of Cayenne, the capital city of French Guiana. The Company holds a 30 kilometre square mining concession for the project, valid for a period of 25 years. The feasibility study for the project was completed in August 2005 and updated in 2007. The Camp Caiman deposit hosts approximately 1.1 million ounces of gold. Throughout the permitting process, the Company has fulfilled all legal, technical and environmental obligations required; including full and open public hearings and consultations. The project received a positive response from the relevant authorities, as well as a positive recommendation from the CODERST, a government appointed committee designed to review such projects. On January 31, 2008, the President of France announced that he would not grant the permits necessary to commence construction of the Camp Caiman project. This occurred despite the fact that the Company fulfilled all of the technical, environmental and legal requirements.

On March 13, 2008, IAMGOLD met the President of France. The President agreed to further dialogue with regard to the Company's interests in the region and to consider all reasonable alternatives for mining projects which the Company may propose in the future. All existing exploration permits remain in effect.

The project was acquired with the Cambior acquisition on November 8th, 2006. It was valued in accordance with GAAP requiring that the valuation to be based on the information known and knowable on that date. Based on information currently available the Company believes there is insufficient evidence to cause the Company to record an impairment. The Company will continue to monitor the situation.

South America – Peru – La Arena

In 2007, IAMGOLD announced its intention to divest the La Arena development project in northern Peru. This renewed project generative activities, and three new projects were added to the Peruvian portfolio during the year.

Africa – Tanzania

Work in Tanzania was directed almost entirely to exploration and evaluation of the Buckreef Project located in the Lake Victoria Goldfields of northern Tanzania and contains a measured and indicated resource of 15.9 million tonnes, at an average grade of 2.0 g/t Au, indicating 1 million ounces of gold. IAMGOLD controls 259 square kilometres at Buckreef, covering 40 kilometres of strike of the Rwamagaza Greenstone belt. The Company continued with exploration and development work on the known resources, and completed more than 325 RC drill holes totaling 32,700 metres, and 1,896 metres in 26 diamond drills in further evaluation and study of the known resources. In July 2007, the Company announced a revised resource estimate for the Buckreef Project that incorporated the results of 37,734 metres of RC drilling and 1,876 metres of diamond drilling that had been completed over the preceding 11 months. Portions of the belt have seen little modern exploration, and are considered highly prospective for early stage exploration. To aid in the regional evaluation, more than 41,800 metres of aircore drilling in 1,191 holes were completed in 2007 on ten regional targets. An internal review of project economics is ongoing and a related scoping document is currently being revised as more information is provided. The objective is to progress the project to pre-feasibility status once positive economics are established.

Follow-up exploration is planned for 2008 on two of the targets, together with additional early stage work. In addition to Buckreef, the Company holds four large concession blocks elsewhere in northern Tanzania, and a minority interest in the Nyakafuru Joint Venture with Resolute Mining Limited (Tanzania). The Nyakafuru project was sold in February 2008 for

$6.0 million in addition to a royalty of $10 per ounce for each additional resource ounce of gold attributable to IAMGOLD's interest that is discovered on the project, up to $3.75 million.

Africa – Botswana

IAMGOLD controls a large land package surrounding the Mupane mine operation and a total of 12,693 metres of RC drilling were completed on six targets excluding brownfields work carried out near the Mupane mine. The Company's exploration effort outside the Mupane lease area was discontinued at the year end, and the regional exploration office closed. The Company successfully completed the sale of three large concession blocks. At year-end, the Company was engaged in discussions with third parties concerning the possibility of additional exploration joint ventures.

Greenfields Exploration Expenses

South America – Brazil

Exploration was directed at several early stage exploration projects located principally in the southernmost State of Rio Grande do Sul, and in the historically important Minas Gerais mining district. Both projects will be drill tested in 2008. The Tocantins joint venture project, located in central Brazil, is jointly held by IAMGOLD (55%) and Anglogold Ashanti (45%). The joint venture lands are currently under option to joint venture with Australian-based Mundo Minerals Limited (Brazil).

South America – Guyana

The Company's field activities were directed principally at the Eagle Mountain Project, located about 200 kilometres south southwest of the coastal capital city of Georgetown. A diamond drill program was implemented on a large gold anomalous trend last drill tested in 1999 and that campaign will carry over into 2008.

South America – Suriname

IAMGOLD is engaged in a multi-year exploration effort on the Rosebel concession holdings. Numerous large soil geochemistry surveys are on-going to evaluate the concessions. Diamond drilling was completed on the Rosebel land position independent of the capitalized exploration and development drilling described previously under Rosebel mine.

The Sarakeek project is situated in Brokopondo province about 80 kilometres southeast of Rosebel Gold Mine, and 170 kilometres south of the capital of Paramaribo. IAMGOLD completed its earn-in obligations under an exploration option agreement, and holds an 87.5% interest in the project. The first drill test of the area was successfully carried out with the completion of a 3,370 metre diamond drilling program. The program is expected to continue into 2008 in conjunction with regional assessment of the 1,718 square kilometre project area.

South America – French Guiana

Limited field surveys were carried out on the Company's concessions located about 20-25 kilometres southwest of the Camp Caiman development project. The field work, in conjunction with compilation and re-interpretation of earlier exploration results, was done in anticipation of ramping up exploration programs in 2008.

Africa – Senegal

IAMGOLD maintains an exploration office in Dakar that serves as a regional exploration office for West Africa. The Bambadji project, located in eastern Senegal near the international border with Mali, was joint ventured to Randgold Resources Limited (Senegal). Elsewhere, the Company carried out a 10,680 metre RC and 2,389 metre diamond drill program on the Boto Project. The drill program will carry over into 2008.

North America – Canada – Quebec

The Val-d'Or regional exploration office was closed in mid-2007. The majority of the greenfields exploration portfolio was rationalized with the Company retaining a royalty or option for a future participation interest. Property positions were retained on the wholly owned Rouyn-Merger, Porcupine and Gemini-Turgeon projects located in the Abitibi region of northwest Quebec. The Company maintains an interest in numerous joint ventures and inactive royalty interests in Quebec. Future brownfield exploration in Quebec will be carried out from the Company's mine sites.

Australia – Perth Office

The Perth office was closed early in 2007, and all corporate and exploration functions relocated to the Company's corporate office in Toronto.

Outlook

IAMGOLD intends to search for new opportunities and pursue the discovery of new deposits in 2008. Total capitalized and expensed exploration and development budget for 2008 is $87.3 million and is summarized as follows:

$000	Capitalize	Expense	Total
Operating mines – segment	$ 32,800	$ 3,317	$ 36,117
Exploration and development projects	22,811	28,356	51,167
	55,611	31,673	87,284

Capitalized expenditures for operating mines and development projects include underground development and drilling at the Rosebel gold mine, the Doyon property including the Westwood project, and the Buckreef and Quimsacocha projects.

The budget for exploration and development projects is for programs and offices in nine countries of South America and Africa.

Financing for exploration expenditures is from internal cash resources and the Company also benefits from financial assistance from the Quebec government for some Quebec programs through the issuance of flow-through shares.

Assets Held for Sale

Bauxite

Cambior was a bauxite producer in Guyana since December 2004. In mid-2006, Cambior made the strategic decision to sell its Bauxite facilities. Following the acquisition of Cambior in November 2006, the process was continued. An agreement was reached on February 13, 2007 with Bosai Minerals Group Co. Ltd. ("Bosai") with an effective date of December 31, 2006 whereby Bosai purchased the bauxite assets in a transaction that included the assumption of $17.7 million of third party debt by Bosai. The net proceeds from the sale of $28.5 million were received on March 21, 2007, with the value being reflected in the purchase price allocation.

In 2006, assets and liabilities related to this sale were classified as assets and liabilities held for sale. The consolidated statement of earnings discloses the results of these operations separately as net earnings from discontinued operations, net of tax, totaling $0.1 million for the 54 day period from November 8, 2006 to December 31, 2006.

Corporate Administration

Corporate administration expenses in 2007 were $33.5 million (2006 - $18.1 million and 2005 - $9.2 million). The increase is primarily due to the acquisitions of GGL and Cambior in 2006 and represents a full year impact in 2007. Expenses in 2007 also included the impact of the weakening of the US dollar relative to the Canadian dollar, increasing costs by approximately $1.7 million. Expenses in 2007 include $2.9 million ($2.9 million in 2006 and $1.2 million in 2005) of non-cash charges related to stock-based compensation granted to employees.

Income and Mining Taxes

The Company is subject to income and mining taxes in the jurisdictions where it operates. The calculation of these taxes is based on profitability and may, in some cases, include minimum taxes such as tax on capital in Canada. It should be noted that taxes are calculated at the entity level and cumulated for consolidated financial reporting purposes. During 2007, income and mining taxes totaled $41.4 million compared to $24.8 million in 2006 and $1.7 million in 2005. The increase is mainly due to the Yatela mine which became taxable on July 1, 2006 upon expiration of a tax holiday, and to the acquisition of Cambior in November 2006 and, is partially offset by lower income tax at the Sadiola mine primarily due to lower earnings and the tax benefit on higher general and administration expenses at the head office. We have significant cumulative tax losses and unrecognized tax valuation allowances. The realization of these unrecorded tax benefits is subject to the generation of profit in the jurisdictions and/or corporations in which these losses were incurred.

On finalization of the purchase price equation for the Cambior acquisition, the Company recorded a future tax asset relating to the value of the tax losses acquired. During 2007, the Company utilized these tax losses to reduce otherwise taxable income. The utilization of these tax losses resulted in the recognition of a non-cash future tax expense and a reduction of the related tax asset with no cash taxes to be paid by the Company.

Cash Flow

Operating cash flow was $117.1 million for 2007 compared to $75.2 million and $38.3 million for 2006 and 2005 respectively. The increase in operating cash flow is a result of higher gold prices and increased production following the inclusion of results from the Cambior operations from November 8, 2006. The Niobec mine contribution to operating cash flow was $48.9 million. This increase is partially offset by the fact that no dividends were received in 2007 for Tarkwa and Damang.

Cash flow used in investing activities in 2007 was $115.3 million compared to cash flow from investing activities of $12.3 million in 2006 and cash flow used in investing activities of $14.2 million in 2005. The higher cash flow used in 2007 is mainly due to increases in mining and exploration activities resulting from the acquisitions. The increase in cash flow from investing activities for 2006 is mainly a result of loan repayments received from Tarkwa of $25.1 million ($10.5 million in 2005) and proceeds from the sale of royalties and marketable securities of $14.8 million in 2006.

Cash flow used in financing activities was $41.4 million in 2007 compared to $18.0 million in 2006 and $4.8 million in 2005. The 2007 figure was primarily attributable to $36.7 million in net debt repayments, and the payment of dividend, partially offset by issuance of common shares.

BALANCE SHEET

Liquidity and Capital Resources

Cash and cash equivalents, short-term deposit and bullion position totaled $242.5 million as at December 31, 2007 with bullion valued at the year end market price.

Working Capital

December 31,	**2007**	2006
Working Capital ($000's)	155,971	102,056
Current Ratio	1.9	1.5

Working capital increased by $53.9 million mainly due to increases in gold bullion, receivables and other current assets, and inventories and decreases in current portion of long-term debt.

Cash and Cash Equivalents, and Short-Term Deposits

December 31, ($000's)	**2007**	2006
Discretionary cash and cash equivalents, and short-term deposits	95,693	93,975
Joint venture cash	17,572	30,389
Total	113,265	124,364

Joint venture cash represents the Company's proportionate share of cash at the Sadiola and Yatela mines and forms part of the working capital at those operations.

Cash balances exclude the Company's proportionate share of cash balances held at the Tarkwa and Damang mines accounted for as working interest which totaled $5.1 million as at December 31, 2007 and $7.2 million as at December 31, 2006.

Long-Term Debt

Following the acquisition of Cambior on November 8, 2006, a credit facility consisting of a non-revolving term loan and a revolving credit facility was assumed. The term loan balance outstanding as at November 8, 2006 was $21.5 million. Subsequently, the Company made scheduled repayments of $3.5 million in 2006 and $14.0 million in 2007 for a balance outstanding of $4.0 million as at December 31, 2007. The non-revolving term loan was repaid in March 2008.

The revolving credit balance outstanding as at November 8, 2006 was $5.0 million. Subsequently, the Company borrowed an additional $9.0 million in 2006 mainly for use towards employer's contribution to the defined benefit pension plan, and $7.5 million in 2007. The balance outstanding was fully repaid in 2007. As at December 31, 2007, the $30.0 million revolving portion of the credit facility was not drawn upon except for $11.7 million in letters of credit issued to guarantee asset retirement obligations.

The Company's interests in the Doyon, Mouska, Sleeping Giant, Niobec and Rosebel mines have been pledged as security for the credit facility. The Company is also subject to various covenants, financial ratios and prepayments in the event of future financings.

The interest margin on this credit facility is calculated at LIBOR plus a premium of 1.50%-2.25%, with the premium being determined based on a ratio of net debt to EBITDA.

On acquisition of Mupane, the Company assumed a debt of $16.6 million which was repaid in June 2006. The Yatela debt of $6.9 million outstanding at the end of 2005, was repaid in 2006.

The Company is in the process of securing a new credit facility to replace the current facility.

Asset Retirement Obligations

IAMGOLD's mining activities are subject to various laws and regulations regarding the environmental restoration and closure provisions for which future costs are estimated. These provisions may be revised on the basis of amendments to such laws and regulations and the availability of new information such as changes in reserves corresponding to a change in the mine life, acquisition or construction of new mines. According to management's estimate, the cash flows provided by the Company's operations and expected from the sale of residual equipment will be sufficient to meet the payment obligations. As at December 31, 2007, the Company had $1.8 million in deposits restricted for settling its obligations as well as letters of credit in the amount of $11.7 million to guarantee asset retirement obligations.

In 2007, the Company reevaluated in detail the asset retirement obligation for each site particularly for the mines acquired in 2006. This revaluation resulted in increases of estimated amounts of cash flows required to settle these obligations. These changes were reflected in the purchase price equation.

At December 31, 2007, estimated undiscounted amounts of cash flows required to settle the obligations, expected timing of payments and the average credit-adjusted risk-free rate assumed in measuring the asset retirement obligations were as follows:

	Undiscounted amounts required	Expected timing of payments	Average credit-adjusted risk-free rate
Rosebel mine	$ 30,575	2008-2025	7.71%
Doyon mine	78,636	2021-2120	5.94%
Sleeping Giant mine	4,191	2009-2013	6.06%
Mupane mine	5,750	2008-2012	6.14%
Sadiola mine (38%)	11,061	2008-2015	6.30%
Yatela mine (40%)	8,514	2008-2015	5.88%
Niobec mine	2,535	2008-2025	6.63%
Omai mine	5,233	2008-2009	7.32%
Other mines	1,567	2008-2010	5.64% - 6.37%
	148,062		

The schedule of estimated future disbursements for rehabilitation and for security deposits is as follows:

($000's)	2008	2009	2010	2011	2012	2013 onwards	Total
Outlays/year	$ 8,123	$ 5,943	$ 2,216	$ 6,497	$ 12,984	$ 112,299	$ 148,062

At December 31, 2007, a liability of $85.3 million (2006 - $47.5 million), representing the discounted value of these obligations was accounted for in the Company's balance sheet.

Each of the Company's mines, except Mupane, are certified under ISO 14001 standard for environmental management.

Employee Future Benefits

On acquisition of Cambior, in 2006, the Company assumed several defined contribution and final-pay defined benefit pension plans, as well as other post-retirement benefit plans for its employees. Values of defined benefit plans are subject to estimates compiled by professional advisors based on market assumptions and in accordance with accepted practices. The accrued benefit assets/liabilities are subject to change as these assumptions are modified.

At December 31, 2007, the Company had a funded status surplus of $2.5 million for pension benefit plans and a deficit of $6.8 million for post-retirement benefit plans.

On December 31, 2006, the two final-pay defined benefit pension plans were terminated and replaced with a defined contribution plan, triggering a curtailment in both plans as at December 31, 2006. A settlement for the pension plan for designated employees occurred in 2007 and was reflected in the purchase price equation.

Shareholders' Equity

At the end of 2007, IAMGOLD announced an annual dividend payment of $0.06 per share totaling $17.6 million which was paid on January 11, 2008.

As at December 31, 2007, the Company had 293,763,672 shares issued and outstanding, 5,741,858 outstanding share options and 19,991,000 outstanding warrants. As at March 26, 2008, the number of shares issued and outstanding of the Company was 295,535,529. In addition, there were 19,991,000 warrants exercisable for 8,396,000 shares and 4,823,278 share options outstanding. The increase in the number of shares issued and outstanding is due to the issuance of flow-through shares and the exercise of options since December 31, 2007.

Gold Sales and Commitments

The Company's gold sales commitments assumed following the acquisition of Cambior were completely delivered in 2006 and 2007. These commitments were recognized on the balance sheet as they were treated as non-hedge instruments. The change in market value in 2007 was included in the statement of earnings as a non-hedge derivative loss totaling $2.1 million. On delivery of gold into the forward contracts, the related marked-to-market value was amortized into gold revenue.

As at December 31, 2007, the Mupane sales contracts totaling 121,664 ounces of gold at a price of $404 per ounce, are accounted for as normal purchase and sales contracts whereby deliveries are recorded at their respective forward prices. On delivery of gold into the forward contracts, the related acquired liability is amortized and recorded into gold revenue. During 2007, 77,776 ounces of gold (58,332 ounces in 2006) were delivered under these forward sales contracts.

	2007		2006	
December 31, (in $000)	Carrying Value	Fair Value	Carrying Value	Fair Value
Non-hedge derivatives (Cambior)	-	-	(16,409)	(16,409)
Normal sales contracts (Mupane)	(28,346)	(53,720)	(44,785)	(53,040)
	(28,346)	(53,720)	(61,194)	(69,449)

Gold Bullion

At December 31, 2007, the accumulated gold bullion balance was 154,954 ounces at an average cost of $348 per ounce for a total cost of $54.0 million. The market value of the bullion was $129.2 million using a December 31, 2007 gold price of $834 per ounce (as at December 31, 2006: 148,704 ounces of gold, cost of $49.0 million and market value of $94.0 million). In 2007, the increase in the number of ounces was due to the receipt of 6,250 ounces of gold related to gold receivable following a prior disposal of a project. Gold bullion is required to be held in the accounts of reputable and authorized counterparties, which includes Canadian Chartered Banks, refineries, metals dealers, and foreign banks as reviewed and approved by senior management on a continual basis.

	2007		2006	
December 31, (in $000)	Carrying Value	Fair Value	Carrying Value	Fair Value
Gold Bullion	$ 53,982	$ 129,193	$ 49,012	$ 93,981

Ounces of Gold Receivable

As at December 31, 2007, IAMGOLD had 18,750 ounces of gold receivable, valued at $15.4 million related to the prior disposal of a project (as at December 31, 2006: 25,000 ounces valued at $15.3 million). These ounces will be received in three equal quarterly deliveries starting March 31, 2008.

Non-controlling Interests

The non-controlling interest relates to the minority partners' interests in Rosebel Gold Mines N.V.

Contractual Obligations

Contractual obligations as at December 31, 2007, are presented in tabular form below. These will be met through available cash resources and operating cash flows.

(in $000's)	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
	Payments due by period				
Capital commitments	$ 11,131	$ 11,131	$ -	$ -	$ -
Purchase obligations	16,579	16,579	-	-	-
Operating leases	4,883	861	1,089	838	2,095
Long-term debt, including interest	10,796	4,773	5,579	423	21
Asset retirement obligations	148,062	8,123	8,159	19,481	112,299
Accrued benefit liabilities	7,193	611	1,234	1,349	3,999
Termination benefits	2,132	2,132	-	-	-
Total contractual obligations	200,776	44,210	16,061	22,091	118,414

Capital commitments relate to contractual commitments to complete facilities at some of IAMGOLD's mines. Purchase obligations relate to agreements to purchase goods or services that are enforceable and legally binding to the Company. Operating leases refer to total payment obligations related to operating lease agreements.

The asset retirement obligations indicated in the table above are the Company's attributable share of the estimated decommissioning and rehabilitation costs that will be incurred at the Company's mines. The timing of the expenditures is dependant upon the actual life of mine achieved.

Accrued benefit liabilities represent the estimated benefit payment for the next ten years. Termination benefits were accounted for Sleeping Giant mine in Canada which will be closing according to mine plans at the end of 2008 following the depletion of reserves and resources.

The Company also holds gold forward sales contracts that are described above. In addition, the Company has a comprehensive share option plan for its full-time employees, directors and self-employed consultants, and a share bonus plan as well as warrants. A summary of the status of these plans and warrants is disclosed in the notes to the Company's consolidated financial statements.

Production from mining operations is subject to third party royalties and management fees as described in the notes to the Company's consolidated financial statements.

Related Party Transactions

During 2006 and 2005, IAMGOLD obtained management services from companies controlled by a Company's director and significant shareholder of the Company in the amount of $0.4 million and $0.2 million respectively. These amounts are included in corporate administration. In 2007, there were no related party transactions.

Disclosure Controls and Procedures and Internal Controls

Disclosure Controls

Pursuant to regulations adopted by the US Securities and Exchange Commission (SEC), under the Sarbanes-Oxley Act of 2002 and those of the Canadian Securities Administrators, IAMGOLD's management evaluates the effectiveness of the design and operation of the Company's disclosure controls and procedures. This evaluation is done under the supervision of, and with the participation of, the President and Chief Executive Officer and the Chief Financial Officer.

As at the end of the period covered by this MD&A and accompanying financial statements, IAMGOLD's management has reviewed and evaluated the effectiveness of its disclosure controls and procedures were effective to consolidated subsidiaries and joint ventures would be made known to them by others within those entities, particularly during the period in which this report was being prepared.

Internal Controls Over Financial Reporting

Management of the Company, with the participation of the President and Chief Executive Officer and the Chief Financial Officer, are responsible for establishing and maintaining adequate internal control over financial reporting. The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purposes in accordance with generally accepted accounting principles ("GAAP").

As of December 31, 2007, management of the Company is responsible for evaluating the design of internal control over financial reporting. An evaluation was performed under the supervision of, and with the participation of the President and Chief Executive Officer and the Chief Financial Officer. Based on this assessment, management determined that the Company maintained effective design of internal control over financial reporting. During the quarter ended December 31, 2007, there were no charges in the Company's internal controls over financial reporting that have occurred that have materially affected, or are reasonably likely to materially affect the Company's internal control over financial reporting.

CRITICAL ACCOUNTING ESTIMATES

The Company's consolidated financial statements are prepared in conformity with Canadian generally accepted accounting principles ("GAAP"). The accounting policies for the purposes of Canadian GAAP are described in note 1 to the consolidated financial statements.

Preparation of the consolidated financial statements requires management to make estimates and assumptions. The Company considers the following estimates to be the most critical in understanding the uncertainties that could impact its results of operations, financial condition and cash flows.

Mineral Reserves and Mineral Resources

The unique feature of the mining industry is the need to replace mineral reserves to maintain metal production levels.

Mineral reserve and resource estimates have been estimated by the Company's technical personnel for each property in accordance with definitions and guidelines adopted by the Canadian Institute of Mining, Metallurgy, and Petroleum (CIM "Standards on Mineral Resources and Reserves"). A mineral reserve is a technical estimate of the amount of metal or mineral that can be economically extracted from a mineral deposit. Mineral reserve and resource estimates include numerous uncertainties and depend heavily on geological interpretations and statistical inferences drawn from drilling and other data. Reserve statements also require an estimate of the future price for the commodity in question and an estimate of the future cost of operations. The mineral reserve and resource estimates are subject to uncertainty and may be inaccurate. Results from drilling, testing and production, as well as material changes in metal prices subsequent to the date of an estimate, may justify revision of such estimates.

The key operating parameters to determine mineral reserves are summarized as follows. For more details, refer to the detailed presentation of reserves and resources included in the 2007 annual report and at IAMGOLD's website (www.iamgold.com).

	2007	2006	2005
Gold ($/oz)	600[(a)]	500-550	400
Copper ($/lb)	1.50	1.50	-
Niobium ($/kg Nb)	27.42	20.69	-
Cdn$ / US$	1.0500	1.2500	-

(a) $550 per ounce for Tarkwa and Damang, and $425 per ounce for Camp Caiman project as per feasibility study.

Actual production costs may be greater than estimated production costs due to many factors like increasing fuel costs or low production. Level of production may also be affected by different factors like weather or supply shortage. A decrease of $50 per ounce in the price of gold would decrease reserves by 8%, and an increase of the gold price to $650 per ounce would have a positive impact of 7% on reserves.

A number of accounting estimates, as described below, are formulated from the reserve estimate.

Working Interests, Royalty Interests, Mining Assets and, Exploration and Development

Costs of a mining property are capitalized when the Company believes it has mineral resources with the potential to be economically recoverable.

Depreciation, Amortization and Depletion

Depreciation, amortization and depletion of working and royalty interests and mining assets (other than equipment) is provided over the economic life of the mine or royalty interest on a units-of-production basis. Equipment at the mining operations is usually depreciated the same way unless its expected life is less than the life of the deposit where it will be amortized over its estimated useful life on a straight-line basis. The reserve and resource estimates for the operation in question are the prime determinants of the life of that mine. In estimating the units-of-production, the nature of the orebody and the method of mining the orebody are taken into account. In general, an orebody where the mineralization is reasonably well defined is amortized over its proven and probable mineral reserves. Changes in the estimate of mineral reserves will result in changes to the depreciation and amortization charges over the remaining life of the operation.

Amounts relating to values beyond proven and probable reserves (VBPP) are not amortized until resources are converted into reserves.

Impairment

The carrying amounts shown on the balance sheet for working and royalty interests, mining assets and, exploration and development are regularly tested for impairment of value. An impairment loss must be recognized if the carrying amount of a long-lived asset exceeds the sum of the undiscounted cash flows expected to result from its use and eventual disposition. In that event, the asset must be written down to its fair value and an impairment loss recorded in earnings. Net estimated future cash flows, on an undiscounted basis, from each long-lived asset are calculated based on proven and probable reserves as well as VBPP reserves, estimated realized metal prices, operating, capital and site restoration expenses and estimated future foreign exchange rates. The fair value is based on the present value of the estimated cash flows. Management's estimate of future cash flows is subject to risk and uncertainties. Therefore, it is reasonably possible that changes could occur which may affect the recoverability of the Company's long-lived assets.

Impairment of Goodwill

The carrying value of goodwill on the balance sheet is tested at least annually for impairment and when there is evidence of impairment. Fair values of reporting units are compared to the total carrying amount (including goodwill) of the respective reporting unit. If the total fair value exceeds the carrying value, goodwill is not considered to be impaired. If the total fair value is less than the carrying value, the fair values of the assets and liabilities within each reporting unit are estimated. The difference between the fair value of the identifiable assets and liabilities within the reporting unit and the fair value of the entire reporting unit represents the implied fair value of the goodwill of the reporting unit. When the carrying value of goodwill exceeds the implied fair value, the excess is charged to earnings in the period in which the impairment is determined. The fair value is based on the present value of the estimated cash flows. The Company's estimate of future cash flows is subject to risk and uncertainties. Therefore, it is reasonably possible that future impairment charges could occur.

Purchase Price Allocation

Business acquisitions are accounted for under the purchase method of accounting whereby, the purchase price is allocated to the assets acquired and the liabilities assumed based on fair value of the consideration paid at the closing date of acquisition. The fair value of the consideration paid is then allocated to the fair values of the identifiable assets and liabilities. The excess purchase price over the fair value of identifiable assets and liabilities acquired is goodwill. The determination of fair value requires management to make assumptions and estimates about future events. The Company also retains outside specialists to assist in determining the final allocations of the fair values for certain assets. The assumptions and estimates with respect to determining the fair value of assets acquired and liabilities assumed generally require a high degree of judgement, and include estimates of mineral reserves and resources acquired, future commodity prices, discount rates and foreign exchange rates. Changes in any of the assumptions or estimates used in determining the fair value of acquired assets and liabilities assumed could have an impact on the allocation of the fair value to balance sheets items and on future results.

Asset Retirement Obligations

The Company establishes estimates for future restoration costs following the depletion of ore reserves. These estimates are dependent on labour costs, known environmental impacts, the effectiveness of remedial and restoration measures, inflation rates and average credit-adjusted risk-free interest rates. The Company also estimates the timing of the outlays, which is subject to change depending on continued exploitation or newly discovered reserves. These estimates are made by personnel at the operations and are regularly reviewed and updated.

Income and Mining Taxes

At the close of each accounting period, future income and mining taxes are estimated. These taxes arise from the difference between the book and the tax basis of assets and liabilities. As mining is capital intensive with long-lived assets, these future tax provisions can be significant. Future income and mining taxes are provided at expected future rates for such tax. In addition, Canadian GAAP requires the calculated liability for future income and mining taxes to be translated to the Company's reporting currency of US dollars at current rates of exchange for each reporting period. There is no certainty that future income and mining tax rates and exchange rates will be consistent with current estimates. Changes in tax and exchange rates increase the volatility of the Company's earnings.

Employee Future Benefit Plans

The value of defined benefit plans are subject to estimates compiled by professional advisors based on market assumptions and in accordance with accepted practices. The accrued benefit assets/liabilities are subject to change as these assumptions are modified. Assumptions are mainly with respect to accrued benefit obligations' discount rate and rate of compensation increase, expected long-term rate of return on plan assets, assumed health care trend used to measure the expected cost covered by the plans, and the average remaining service period of active employees covered by the plans.

Litigation

The Company is subject to various litigation actions, whose outcome could have an impact on its valuation should it be required to make payments to the plaintiffs. In-house counsel and outside legal advisors assess the potential outcome of the litigation and we establish provisions for future disbursements required.

Stock-Based Compensation

The Company may grant options as part of employee remuneration or as part of consideration in the acquisition of assets. The Company utilizes the recognized Black-Scholes model to value these options. The model requires certain inputs that require management estimates.

CHANGES IN CANADIAN ACCOUNTING POLICIES

Financial Instruments, Comprehensive Income and Hedges

Effective January 1, 2007, IAMGOLD adopted the new Canadian Institute of Chartered Accountants ("CICA") accounting standards related to: Section 1530, "Comprehensive Income", Section 3855, "Financial Instruments – Recognition and Measurement", and Section 3865, "Hedges".

Section 3855 "Financial Instruments – Recognition and Measurement"

One of the basic principles of Section 3855 is that fair value is the most relevant measure for financial instruments.

Financial assets, which include trade and loans receivable and investments in debt and equity securities, must be classified into one of four categories:

• Held-to-maturity investments (measured at amortized cost);

• Loans and receivables (measured at amortized cost);

- Held for trading assets (measured at fair value with changes in fair value recognized in earnings immediately);
- Available-for-sale assets, including investments in equity securities, held-to-maturity investments that an entity elects to designate as being available for sale and any financial asset that does not fit into any other category (measured at fair value with changes in fair value accumulated in Other Comprehensive Income until the asset is sold, impaired or matured).

Financial liabilities, which include long-term debt and other similar instruments, must be accounted for at amortized cost, except for those classified as held for trading, which must be measured at fair value.

Section 1530 "Comprehensive Income"

According to Section 1530, Comprehensive Income is defined as net earnings/loss and other comprehensive income and represents all changes in equity during a period from transactions and events from non-owners sources. Accumulated other comprehensive income will include the cumulative translation adjustment account and unrealized gains/losses on financial assets which are classified as available-for-sale net of tax.

Impact

On January 1, 2007, these changes in accounting policies required the following adjustments:

($000)	Balance December 31, 2006	Adjustments	Balance January 1, **2007**
Assets			
Other long-term assets –			
Debenture receivable	$ 2,000	$ 280	$ 2,280
Marketable securities	9,379	1,365	10,744
Gold receivable	15,281	106	15,387
Liabilities			
Future income and mining tax liability	185,015	173	185,188
Shareholders' equity			
Retained earnings	108,932	306	109,238
Cumulative translation adjustment	(4,836)	4,836	-
Accumulated other comprehensive loss	-	(3,564)	(3,564)

Marketable securities and debenture receivable are classified as available-for-sale assets and are measured at fair value using the closing quoted market price. Unrealized gains or losses related to changes in market value as well as the related tax impact are accounted for in other comprehensive income (OCI) until the marketable security and debenture receivable are sold or impaired. When the assets are sold, impaired or matured, the accumulated change in OCI is reversed and the actual gain or loss on disposal is accounted for in the statement of earnings.

The Company also owns warrants included in marketable securities. These warrants were measured at fair value using the Black-Scholes pricing model. Unrealized gains or losses related to changes in market value are reported under "non-hedge derivative gain or loss" in the consolidated statement of earnings.

Gold receivable is considered a hybrid instrument composed of a receivable and an embedded derivative that must be accounted for separately. The receivable is accounted for as an interest bearing receivable, with accrued interest reported in earnings. The embedded derivative is marked-to-market at each balance sheet date based on the change in gold price with the variation charged to earnings under "non-hedge derivative gain or loss".

Long-term debt is accounted for at amortized cost, using the effective interest method which did not have any impact on its carrying value on the adoption date.

Adjustments to future income and mining tax liability reflect the tax impact of the previous adjustments.

During 2007, a decrease, net of income tax, in the fair value of marketable securities, debenture and warrants totaling $4.8 million was reflected in "accumulated other comprehensive loss" for $3.6 million (net of income tax) and in non-hedge derivative loss for $1.2 million. The debenture receivable and some marketable securities were sold during the year. Their respective unrealized losses net of income tax totaling $1.4 million were reversed to net earnings. An unrealized gain on translation of the net investment in self-sustaining foreign operations totaling $29.9 million for 2007 was classified under other comprehensive income. The increase of the gold receivable embedded derivatives totaling $3.9 million for 2007 was accounted for as a non-hedge derivative gain in the statement of earnings.

Stripping Costs

On March 2, 2006, the CICA issued EIC-160 – "Stripping Costs Incurred in the Production Phase of a Mining Operation" which requires that stripping costs be expensed unless the stripping activity can be shown to represent a betterment to the mineral property which requires such costs be capitalized. Retroactive treatment may be applied. However, if not applied on a retroactive basis, any existing balance sheet amount relating to stripping costs represents the opening balance for the year of initial year of application. Any capitalized stripping costs or any opening existing balance should be amortized over the reserves that directly benefit from the stripping activity on a units-of-production basis. The Company applied this accounting recommendation on a prospective basis, effective January 1, 2007.

There are capitalized stripping costs related to the Yatela mine for which a pit cutback of the main pit was approved in 2006. As a result, the life of Yatela will be extended to 2010 rather than closing in 2007 as previously planned. Amortization is based on the estimated additional reserves of the pit deepening using the units-of-production method.

Reconciliation of capitalized stripping costs in 2007 is as follows:

($000)	**2007**
Beginning balance	$ 9,459
Stripping costs capitalized	10,216
Amortization	(1,854)
Ending balance	17,821

FUTURE ACCOUNTING CHANGES

Financial instruments – disclosures and presentation:

The CICA issued new accounting standards: Section 3862 – Financial instruments – disclosures, and Section 3863 – Financial instruments – presentation, which will be effective for IAMGOLD on January 1, 2008. The new sections replace Section 3861 – Financial instruments – disclosure and presentation. Section 3862 require the disclosure of additional qualitative and quantitative information that enable users to evaluate the significance of financial instruments for the entity's financial position and performance and the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the balance sheet date, and how the entity manages those risks. Section 3863 establishes standards for presentation of financial instruments and non-financial derivatives and provides additional guidance for the classification of financial instruments, from the perspective of the issuer, between liabilities and equity, and the classification of related interest, dividends, losses and gains. The Company is assessing the impact of these sections and will adopt these standards commencing in the 2008 year.

Capital disclosures:

On December 1, 2006, the CICA issued the new accounting standard: Section 1535 – Capital disclosures which will be effective for IAMGOLD on January 1, 2008. Section 1535 specifies the disclosure of information that enables users of the Company's financial statements to evaluate the entity's objectives, policies and processes for managing capital such as qualitative information about its objectives, policies and processes for managing capital, summary quantitative data about what the entity manages as capital, whether the entity has complied with any capital requirements and, if it has not complied, the consequences of non-compliance. The Company is assessing the impact of this new section and will adopt these standards commencing in the 2008 year.

Inventories:

In June 2007, the CICA issued Section 3031 – Inventories which replaces Section 3030 and establishes standards for the measurement and disclosure of inventories. This section applies to fiscal years beginning on or after January 1, 2008. The main features of the new section are:

- Measurement at the lower of cost and net realizable value;
- Cost of items that are not ordinarily interchangeable, and goods and services produced and segregated for specific projects, assigned by using a specific identification of their individual costs;
- Consistent use of either first-in first-out or weighted average cost formula to measure the cost of other inventories;
- Reversal of previous write-downs to net realizable value when there is a subsequent increase in the value of inventories.

This new section also provides for additional disclosure. The Company is currently evaluating the effect that the adoption of Section 3031 will have on its consolidated results of operations and financial condition and will adopt these standards prospectively commencing in the 2008 year.

Goodwill and Intangible Assets

In February 2008, the CICA replaced Section 3062 by Section 3064 – Goodwill and intangible assets and adopted relevant parts of International Financial Reporting Standard IAD 38 – Intangible Assets. This section gives the definition of goodwill and intangible assets, and instruction for recognition and measurement. This section applies to fiscal years beginning on or after October 1, 2008. The Company is assessing the impact of this new section and will adopt these standards in 2009.

International Financial Reporting Standards

In January 2006, the AcSB adopted its strategic plan, which includes the decision to move financial reporting for Canadian publicly accountable enterprises to a single set of globally accepted high-quality standards, namely, International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). This document outlines the AcSB's implementation plan for incorporating IFRS into Canadian GAAP, including identifying key decisions that the AcSB will need to make as it implements the strategic plan for publicly accountable enterprises. The Company will follow the key events timeline proposed by the AcSB to obtain training and thorough knowledge of IFRS, finalize assessment of accounting policies with reference to IFRS and plan for convergence to be ready for the changeover planned in 2011.

RISKS AND UNCERTAINTIES

The Company is subject to various financial and operational risks that could have a significant impact on profitability and levels of operating cash flow, as described below. For a more comprehensive discussion of the risks faced by IAMGOLD, please refer to IAMGOLD's Annual Information Form filed with Canadian securities regulatory authorities at www.sedar.com, and filed under Form 40-F with the United States Securities Exchange Commission at www.sec.gov/edgar.shtml, which risks described in the Annual Information Form are incorporated by reference into this Management's Discussion & Analysis.

Financial Risks

Commodity Prices

Revenues depend on the market prices for the mine production. The gold market is highly volatile and is subject to various factors including political stability, general economic conditions, mine production, and intent of governments who own significant above-ground reserves.

The niobium marketplace is characterized by a dominant producer whose actions may affect the price. New entrants may affect the stability of the marketplace by engaging in a price discounting practice to gain initial market share.

Oil prices also affect costs, particularly at Rosebel due to the oil cost components of the power supply and fuel for the open-pit mining fleet.

All of the factors that determine commodity prices are beyond the Company's control. The Company does not take any particular measures to protect itself against fluctuations in the commodities market.

Currency

Metal sales are mainly transacted in US dollars. Movement in the Canadian dollar against the US dollar therefore has a direct impact on the Company's Canadian divisions and executive office cost base. International operations have exposure to currency however a significant portion of each international operation's cost base is denominated in US dollars. From time to time, the Company may enter into foreign exchange contracts to fix the exchange rate.

The Euro is the functional currency for the Company's activities in French Guiana. The capital and production cost of the Camp Caiman project can be impacted by a change in the Euro exchange rate.

Cash and Cash Equivalents, and Short-term Deposits

IAMGOLD treasury management objectives are to protect shareholders' value and ensure sufficient liquidity to meet its financial obligations.

Financing and Interest Rates

A portion of the Company's activities is directed to the search for and the development of new mineral deposits. There is a risk in obtaining financing as and when required for exploration and development. The Company is subject to movements in interests rates and the actual credit facility was negotiated with interest rates based on the LIBOR.

Taxation

Mining tax regimes in foreign jurisdictions are subject to change and may include fiscal stability guarantees.

Access to Capital Markets

To fund growth, the Company may depend on securing the necessary capital through loans or permanent capital. The availability of this capital is subject to general economic conditions and lender and investor interest in the Company and its projects. To ensure the availability of capital, IAMGOLD maintains a relationship with key financial participants and has an investor relations program to communicate with and inform institutional and retail investors, as well as other stakeholders.

Insurance

Where economically feasible and based on availability of coverage, a number of operational and financial risks are transferred to insurance companies. The availability of such insurance is dependent on the Company's past insurance loss and records and general market conditions. The Company utilizes the services of its insurance advisors and insurance underwriters to identify potential risks and mitigation measures.

Operational Risks

Mineral Reserves and Extractions

Reserves are statistical estimates of mineral content and ore based on limited information acquired through drilling and other sampling methods and require judgemental interpretations of geology. Successful extraction requires safe and efficient mining and processing. To minimize the risks, reserves are estimated in accordance with accepted guidelines and standards within the mining industry, quality control programs are established, and competent personnel are employed. The Company also employs experienced mining engineers and a trained workforce to extract the ore from deposits. Level of production may also be affected by weather or supply shortages.

Safety and Other Hazards

Mines may suffer rockbursts, groundfalls or slope failures and other natural or man-provoked incidents that could affect the mining of the ore. Mills and other infrastructure are industrial workplaces. To minimize risks in these areas, the Company provides training programs for employees and has joint management-worker committees to review work practices and environment.

Energy

Operations consume significant amounts of energy, and are dependent on suppliers to meet these energy needs. In some cases, no alternative source of energy is available.

Labour and Strikes

The Company is dependent on its workforce to extract and process minerals. A prolonged labour disruption at any of its material properties could have a material adverse impact on its operations as a whole. The Company has programs to recruit and train the necessary manpower for its operations, and endeavour to maintain good relations with its workforce in order to minimize the possibility of strikes, lockouts and other stoppages at its work sites.

Communities

Surrounding communities may affect the mining operations through the restriction of access of supplies and workforce to the mine site. Active community outreach and development programs are maintained to mitigate the risk of blockades or other restrictive measures by the communities.

Environmental Hazard

Various environmental incidents can have a significant impact on operations. To mitigate these risks, an ISO 14001-certified environmental management system that covers all aspects of the mining cycle is in place. In high-risk areas, such as the design and operation of tailings dams, the Company contracts independent review boards to oversee design and ongoing operating practices and has emergency plans to deal with any incidents.

Political Risk

Operations, particularly those located in emerging countries, are subject to a number of political risks. Political risk insurance is maintained for some jurisdictions.

Operations in Mali, Guyana and Suriname are governed by mineral agreements that establish the terms and conditions under which affairs are conducted. These agreements are subject to international arbitration and cover a number of items, including: duration of mining licenses/operating permits; right to export production; labour matters; right to hold funds in foreign bank accounts and foreign currencies; taxation rates; and right to repatriate capital and profits.

The Company maintains active communications programs with host governmental authorities and the Canadian government.

Legislation

The Company is subject to continuously evolving legislation in the areas of labour, environment, land titles, mining practices and taxation. New legislation may have a negative impact on operations. IAMGOLD is unable to predict what legislation or revisions may be proposed that might affect its business or when any such proposals, if enacted, might become effective. Such changes, however, could require increased capital and operating expenditures and could prevent or delay certain operations by the Company. The Company participates in a number of industry associations to monitor changing legislation and maintains a good dialogue with governmental authorities in that respect.

FORWARD-LOOKING STATEMENTS

Cautionary statement on Forward-Looking Information

Certain information included in this Management's Discussion and Analysis, including any information as to the Company's future financial or operating performance and other statements that express management's expectations or estimates of future performance, constitute "forward-looking statements". The words "expect", "will", "intend", "estimate" and similar expressions identify forward-looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The Company cautions the reader that such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual financial results, performance or achievements of IAMGOLD to be materially different from the Company's estimated future results, performance or achievements expressed or implied by those forward-looking statements and the forward-looking statements are not guarantees of future performance. These risks, uncertainties and other factors include, but are not limited to: changes in the worldwide price of gold, niobium, copper or certain other commodities (such as silver, fuel and electricity); changes in US dollar and other currencies, interest rates or gold lease rates; risks arising from holding derivative instruments; ability to successfully integrate acquired assets; legislative, political or economic developments in the jurisdictions in which the Company carries on business; operating or technical difficulties in connection with mining or development activities; employee relations; availability and increasing costs associated with mining inputs and labour; the speculative nature of exploration and development, including the risks of diminishing quantities or grades of reserves, adverse changes in the Company's credit rating, contests over title to properties, particularly title to undeveloped properties; and the risks involved in the exploration, development and mining business. IAMGOLD's ability to sustain or increase its present levels of gold production is dependent in part on the success of its projects. Risks and unknowns inherent in all projects, include: the accuracy of reserve estimates; metallurgical recoveries; capital and operating costs of such projects; and the future of the relevant minerals.

Projects have no operating history upon which to base estimates of future cash flow. The capital expenditures and time required to develop new mines or other projects are considerable and changes in costs or construction schedules can affect project economics. Actual costs and economic returns may differ materially from IAMGOLD's estimates or that IAMGOLD could fail to obtain the governmental approvals necessary for the operation of a project, in which case, the project may not proceed, either on its original timing, or at all.

These factors are discussed in greater detail in the Company's most recent Form 40-F/Annual Information Form on file with the US Securities and Exchange Commission and Canadian provincial securities regulatory authorities.

The Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise except as required by applicable law.

US Investors Should Note

The US Securities and Exchange Commission ("SEC") permits mining companies, in their filings with the SEC to disclose only those mineral deposits that a company can economically and legally extract or produce. The Company may use certain terms in its publications such as "measured", "indicated" and "inferred" "resources" that are prescribed by Canadian regulatory policy and guidelines but are prohibited by the SEC from use by US registered companies in their filings with the SEC.

Supplemental Information to the Management's Discussion & Analysis

NON-GAAP PERFORMANCE MEASURES

Adjusted Net Earnings

Adjusted net earnings and adjusted net earnings per share are non-GAAP financial measures and represents net earnings (loss) before impairment charges. Management believes that these measures better reflect the Company's performance for the current period and are a better indication of its expected performance in future periods. Adjusted net earnings and adjusted net earnings per share are intended to provide additional information, but do not have any standardized meaning prescribed by GAAP and should not be considered in isolation or a substitute for measures of performance prepared in accordance with GAAP. These measures are not necessarily indicative of net earnings (loss) or cash flows as determined under GAAP. The following table provides a reconciliation of adjusted net earnings to net earnings (loss) as per the consolidated statement of earnings.

($000)	**2007**	2006	2005
Adjusted net earnings	$ 57,568	$ 74,063	$ 20,494
Impairment charge – Mupane	(93,725)	-	-
Impairment charge – Doyon development costs	(5,903)	-	-
Impairment charge – Other	-	(1,582)	-
Net earnings (loss)	(42,060)	72,481	20,494

Cash Costs

The Company's MD&A often refers to cash costs per ounce, a non-GAAP performance measure in order to provide investors with information about the measure used by management to monitor performance. This information is used to assess how well the producing gold mines are performing compared to plan and prior period, and also to assess the overall effectiveness and efficiency of gold mining operations. "Cash cost" figures are calculated in accordance with a standard developed by The Gold Institute, which was a worldwide association of suppliers of gold and gold products and included leading North American gold producers. The Gold Institute ceased operations in 2002, but the standard is still an accepted standard of reporting cash costs of gold production in North America. Adoption of the standard is voluntary and the cost measures presented herein may not be comparable to other similarly titled measures of other companies. Costs include mine site operating costs such as mining, processing, administration, royalties and production taxes, but are exclusive of amortization, reclamation, capital, development and exploration costs. These costs are then divided by ounces of gold produced to arrive at the total cash costs per ounce. The measure, along with sales, is considered to be a key indicator of a company's ability to generate operating earnings and cash flow from its mining operations.

These gold cash costs differ from measures determined in accordance with GAAP. They are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. These measures are not necessarily indicative of net earnings or cash flow from operations as determined under GAAP.

The following table provides a reconciliation of total cash costs per ounce produced for gold mines to the mining costs, excluding depreciation, depletion and amortization as per the consolidated statement of earnings.

Year ended December 31, ($000)	Operating Gold Mines Rosebel	Doyon Division	Sleeping Giant	Mupane	Sadiola	Yatela	Total	Others[1]	Total[2]
2007									
Mining costs, excluding depreciation, depletion and amortization	124,762	67,761	24,650	49,554	59,279	29,787	355,793	70,694	426,487
Adjust for:									
By-product credit	(149)	(2,504)	(794)	(225)	(99)	(67)	(3,838)		
Stock movement	1,757	6,104	857	(1,199)	(1,382)	(304)	5,833		
Accretion expense	(1,208)	(1,645)	(950)	(506)	(272)	(261)	(4,842)		
Foreign exchange, interest and other	(446)	(437)	135	(686)	(1,195)	(3,004)	(5,633)		
Cost attributed to non-controlling interest	(6,236)	-	-	-	-	-	(6,236)		
	(6,282)	1,518	(752)	(2,616)	(2,948)	(3,636)	(14,716)		
Cash costs - operating mines	118,480	69,279	23,898	46,938	56,331	26,151	341,077		
Cash costs - working interests[3]							67,155		
Total cash costs including working interests							408,232		
Attributable gold production - operating mines (000 oz)	263	131	67	86	140	120	807		
Attributable gold production - working interests (000 oz)[3]							158		
Total attributable gold production (000 oz)							965		
Total cash costs ($/oz)	452	528	358	548	401	217	423		

(1) Non-gold, Exploration and development, and Corporate segments.

(2) As per consolidated statement of earnings

(3) Related to working interests: Tarkwa and Damang mines.

Year ended December 31, ($000)	Operating Gold Mines Rosebel	Doyon Division	Sleeping Giant	Mupane	Sadiola	Yatela	Total	Others[1]	Total[2]
2006									
Mining costs, excluding depreciation, depletion and amortization	20,290	10,787	3,528	30,998	49,925	29,560	145,088	8,237	153,325
Adjust for:									
By-product credit	(51)	(162)	(95)	-	-	-	(308)		
Stock movement	(3,084)	80	(110)	419	467	(226)	(2,454)		
Accretion expense	(22)	(214)	(24)	-	608	742	1,090		
Foreign exchange, interest and other	(530)	(90)	(47)	(184)	709	1,448	1,306		
Cost attributed to non-controlling interest	(830)	-	-	-	-	-	(830)		
	(4,517)	(386)	(276)	235	1,784	1,964	(1,196)		
Cash costs - operating mines	15,773	10,401	3,252	31,233	51,709	31,524	143,892		
Cash costs - working interests[3]							62,042		
Total cash costs including working interests							205,934		
Attributable gold production - operating mines (000 oz)	38	23	8	65	190	141	465		
Attributable gold production - working interests (000 oz)[3]							177		
Total attributable gold production (000 oz)							642		
Total cash costs ($/oz)	415	444	433	483	273	224	321		

(1) Non-gold, Exploration and development, and Corporate segments.

(2) As per consolidated statement of earnings

(3) Related to working interests: Tarkwa and Damang mines.

Year ended December 31, ($000)	Rosebel	Doyon Division	Sleeping Giant	Mupane	Sadiola	Yatela	Total	Others[1]	Total[2]
	Operating Gold Mines								
2005									
Mining costs, excluding depreciation, depletionand amortization	-	-	-	-	50,717	27,354	78,071	-	78,071
Adjust for:									
Stock movement	-	-	-	-	(153)	(81)	(234)		
Foreign exchange, interest and other	-	-	-	-	(6,042)	(1,156)	(7,198)		
	-	-	-	-	(6,195)	(1,237)	(7,432)		
Cash costs operating mines	-	-	-	-	44,522	26,117	70,639		
Cash costs - working interests[3]							51,789		
Total cash costs including working interests							122,428		
Attributable gold production - operating mines (000 oz)	-	-	-	-	168	98	266		
Attributable gold production - working interests (000 oz)[3]							180		
Total attributable gold production (000 oz)							446		
Total cash costs ($/oz)	-	-	-	-	265	265	274		

(1) Non-gold, Exploration and development, and Corporate segments.

(2) As per consolidated statement of earnings

(3) Related to working interests: Tarkwa and Damang mines.

Management's Responsibility for Financial Reporting

To the Shareholders and Directors of IAMGOLD Corporation

The accompanying consolidated financial statements of IAMGOLD Corporation, their presentation and the information contained in the annual report, including information determined by specialists, are the responsibility of the management of the Company. The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Canada. The financial information on the Company presented elsewhere in the annual report is consistent with that in the consolidated financial statements.

The integrity of the consolidated financial report process is the responsibility of management. Management maintains systems of internal controls designed to provide reasonable assurance that transactions are authorized, assets are safeguarded, and reliable financial information is produced. Management selects accounting principles and methods that are appropriate to the Company's circumstances, and makes certain determinations of amounts reported in which estimates or judgments are required.

The Board of Directors is responsible for ensuring that the management fulfills its responsibility for financial reporting. The Board carries out this responsibility principally through its Audit Committee which consists of outside directors. The Board of Directors has also designated the Chairman of the Audit Committee as the Company's financial expert. The Audit Committee meets periodically with management and the external auditors to discuss internal controls, auditing matters and financial reporting issues. The Audit Committee satisfies itself that each party is properly discharging its responsibilities; reviews the quarterly and annual consolidated financial statements and any reports by the external auditors; and recommends the appointment of the external auditors for review by the Board and approval by the shareholders.

The external auditors audit the consolidated financial statements annually on behalf of the shareholders. The external auditors have full and free access to management and the Audit Committee.

JOSEPH F. CONWAY
Chief Executive Officer

March 27, 2008

CAROL BANDUCCI
Chief Financial Officer

March 27, 2008

AUDITORS' REPORT

To the Shareholders of IAMGOLD Corporation

We have audited the consolidated balance sheets of IAMGOLD Corporation ("the Company") as at December 31, 2007 and 2006 and the consolidated statements of earnings, comprehensive income (loss), retained earnings and cash flows for each of the years in the three-year period ended December 31, 2007. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. With respect to the consolidated financial statements for the years ended December 31, 2007 and 2006, we also conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2007 and 2006 and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2007 in accordance with Canadian generally accepted accounting principles.

KPMG LLP

CHARTERED ACCOUNTANTS, LICENSED PUBLIC ACCOUNTANTS
Toronto, Canada

March 27, 2008

Consolidated Balance Sheets

At December 31 (Expressed in thousands of US dollars)	2007	2006
ASSETS		
Current Assets:		
Cash and cash equivalents (Note 6)	$ 113,265	$ 124,325
Short-term deposits	-	39
Gold bullion (market value $129,193; 2006: $93,981) (Note 7)	53,982	49,012
Receivables and other current assets	77,221	65,942
Inventories (Note 8)	89,230	61,325
Current assets held for sale (Note 4)	-	17,924
	333,698	318,567
Other long-term assets (Note 9)	88,416	83,844
Working interests (Note 10)	112,478	87,086
Royalty interests (Note 11)	34,835	39,786
Mining assets (Note 12)	1,023,961	1,050,664
Exploration and development (Note 13)	225,473	200,588
Goodwill (Note 14)	361,648	464,975
Other intangible assets (Note 15)	15,103	-
Long-term assets held for sale (Note 4)	-	33,166
	1,861,914	1,960,109
	2,195,612	2,278,676
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	127,672	119,741
Dividends payable	17,625	17,570
Current portion of long-term liabilities (Note 16)	32,430	69,960
Current liabilities relating to assets held for sale (Note 4)	-	9,240
	177,727	216,511
Long-term liabilities:		
Long-term debt (Note 17)	5,696	9,625
Future income and mining tax liability (Note 18)	157,956	185,015
Asset retirement obligations (Note 19)	77,506	39,933
Accrued benefit liability (Note 20)	6,360	6,321
Long-term portion of forward sales liability (Note 27)	10,472	28,346
Long-term liabilities relating to assets held for sale (Note 4)	-	15,862
	257,990	285,102
Non-controlling interest	8,579	3,712
Shareholders' equity:		
Common shares (Note 22)	1,633,119	1,625,994
Stock-based compensation	20,034	19,153
Warrants (Note 22)	24,391	24,403
Share purchase loans (Note 23)	-	(295)
Retained earnings	49,553	108,932
Accumulated other comprehensive income (loss) (Note 24)	24,219	(4,836)
	1,751,316	1,773,351
	2,195,612	2,278,676

Commitments and Contingencies (note 27)
Subsequent events (note 22 (h), 30)

See accompanying notes to the consolidated financial statements.

On behalf of the Board:

Bill Pugliese

WILLIAM D. PUGLIESE
Director

JOSEPH F. CONWAY
Director

Consolidated Statements of Earnings

Years ended December 31 *(Expressed in thousands of US dollars, except per share amounts)*	2007	2006	2005
Revenues	$ 678,131	$ 303,345	$ 129,774
Expenses:			
Mining costs, excluding depreciation, depletion and amortization	426,487	153,325	78,071
Depreciation, depletion and amortization	117,581	50,084	26,445
	544,068	203,409	104,516
	134,063	99,936	25,258
Earnings from working interests (Note 10)	25,392	28,874	15,467
	159,455	128,810	40,725
Other:			
Corporate administration	33,513	18,119	9,248
Exploration	28,446	15,213	9,370
Impairment charges (Note 5)	99,628	1,582	-
Interest expense	1,309	727	478
Foreign exchange	1,911	(55)	187
Non-hedge derivative loss (gain) (Note 27(b))	(549)	76	-
Investment income	(5,884)	(4,219)	(710)
	158,374	31,443	18,573
Non-controlling interest	1,764	210	-
	160,138	31,653	18,573
Earnings (loss) before income and mining taxes	(683)	97,157	22,152
Income and mining taxes (recovery): (Note 18)			
Current taxes	26,958	22,504	5,907
Future taxes	14,419	2,265	(4,249)
	41,377	24,769	1,658
Net earnings (loss) from continuing operations	(42,060)	72,388	20,494
Net earnings from discontinued operations, net of tax (Note 4)	-	93	-
Net earnings (loss)	(42,060)	72,481	20,494
Weighted average number of common shares outstanding (000's) (Note 22(g))			
Basic	293,284	186,485	146,650
Diluted	293,284	187,655	147,893
Basic and diluted net earnings (loss) from continuing operations per share	(0.14)	0.39	0.14
Basic and diluted net earnings (loss) per share	(0.14)	0.39	0.14

See accompanying notes to the consolidated financial statements.

Consolidated Statements of Comprehensive Income (Loss)

Years ended December 31
(Expressed in thousands of US dollars)

	2007	2006	2005
Net earnings (loss)	$ (42,060)	$ 72,481	$ 20,494
Other comprehensive income (loss), net of tax:			
Cumulative translation adjustment			
Unrealized gain on translating financial statements of net investment in self-sustaining foreign operations	29,883	(4,836)	-
Change in unrealized gains (losses) on available-for-sale financial assets			
Unrealized gains (losses) on available-for-sale financial assets	(3,544)	-	-
Reclassificaiton adjustment for gains and losses included in net earnings/loss	1,444	-	-
	(2,100)	-	-
Total other comprehensive income, net of tax (Note 24)	27,783	(4,836)	-
Comprehensive income (loss)	(14,277)	67,645	20,494

Consolidated Statements of Retained Earnings

Years ended December 31
(Expressed in thousands of US dollars)

	2007	2006	2005
Retained earnings, beginning of year	$ 108,932	$ 54,021	$ 42,397
Change in accounting policies, related to financial instruments (Note 2)	306	-	-
Restated balance, beginning of year	109,238	54,021	42,397
Net earnings (loss)	(42,060)	72,481	20,494
Dividends	(17,625)	(17,570)	(8,870)
Retained earnings, end of year	49,553	108,932	54,021

See accompanying notes to the consolidated financial statements.

Consolidated Statements of Cash Flows

Years ended December 31 (Expressed in thousands of US dollars)	2007	2006	2005
Operating activities:			
Net earnings (loss) from continuing operations	$ (42,060)	$ 72,388	$ 20,494
Disbursement to defined benefit plans	(2,285)	(7,168)	-
Items not affecting cash:			
Impairment charges	99,628	1,582	-
Earnings from working interests, net of dividends	(25,392)	(19,424)	(10,743)
Depreciation, depletion and amortization	117,581	50,084	26,445
Amortization of forward sales liabliilty	(34,935)	(11,322)	-
Future income and mining taxes	14,419	2,265	(4,249)
Stock-based compensation	2,855	3,016	1,237
Non-hedge derivative losses (gains)	(549)	76	-
Gain on sales of assets	(1,527)	(1,284)	-
Unrealized foreign exchange losses (gains)	2,735	(622)	585
Accretion expenses – asset retirement obligations, net of disbursements	8,002	609	127
Future benefit expense	340		
Non-controlling interest	1,764	210	-
Change in non-cash working capital	(23,447)	(15,119)	4,402
	117,129	75,211	38,298
Investing activities:			
Short-term deposits	39	4,897	(4,708)
Mining assets	(96,959)	(15,012)	(9,919)
Exploration and development	(23,179)	(10,802)	(962)
Long-term ore stockpiles	(9,586)	(11,219)	(9,484)
Other assets	(653)	(2,829)	(229)
Note receivable	-	4,475	2,136
Distributions received from working interests	-	25,100	10,457
Gold bullion royalties and gold receivable	-	3,718	(784)
Proceeds from sale of assets	15,251	14,849	-
Transaction costs and settlement of options, net of cash acquired from GGL and Cambior (Note 3)	(173)	(877)	(740)
	(115,260)	12,300	(14,233)
Financing activities:			
Proceeds from loan (Note 17)	7,500	9,031	-
Repayment of long-term debt (Note 17)	(36,694)	(26,350)	(3,960)
Issue of common shares, net of issue costs (Note 22 (a))	5,089	11,524	6,440
Share purchase loan (Note 23)	295	-	-
Dividends paid	(17,570)	(8,870)	(7,276)
Repurchase of call options	-	(3,363)	-
	(41,380)	(18,028)	(4,796)
Increase (decrease) in cash and cash equivalents from continuing operations	(39,511)	69,483	19,269
Increase (decrease) in cash and cash equivalents from discontinued operations (Note 4)	28,451	(1,579)	-
Net increase (decrease) in cash and cash equivalents	(11,060)	67,904	19,269
Cash and cash equivalents, beginning of year (Note 6)	124,325	56,421	37,152
Cash and cash equivalents, end of year (Note 6)	113,265	124,325	56,421
Supplemental cash flow information:			
Interest paid	1,400	665	78
Income and mining taxes paid	43,992	25,240	5,907

See accompanying notes to consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Tabular amounts in thousands of US Dollars except where otherwise indicated)

1. NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES:

IAMGOLD Corporation ("IAMGOLD" or "the Company") is engaged in the exploration, development and operation of gold mining properties and of a niobium mine. The consolidated financial statements of IAMGOLD are prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). Summarized below are those policies considered significant to the Company. Reference to the Company included herein means the Company and its consolidated subsidiaries and joint ventures.

(a) *Basis of consolidation:*

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. Interests in joint ventures are accounted for by the proportionate consolidation method. The Company applies the equity method of accounting for its working interests. All significant intercompany balances and transactions have been eliminated.

(b) *Use of estimates:*

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reported year. The most significant estimates relate to mineral reserves and resources, asset valuations, carrying values of working interests, royalty interests, mining assets, goodwill, depreciation and amortization rates, receivables, employee future benefit costs, fair value of derivative instruments and asset retirement obligations, future income and mining taxes and contingent liabilities. Actual results could be materially different from those estimates.

(c) *Foreign currency translation:*

The US dollar is the functional and reporting currency of the Company.

The functional currency of Canadian mining activities is the Canadian dollar. Assets and liabilities of Canadian mining activities are translated into US dollars at the exchange rate in effect at the balance sheet date and revenues and expenses are translated at the average rate in effect during the year. Within the Canadian operations, translation adjustments arising from changes in exchange rates are deferred and included in "cumulative translation adjustment" within accumulated other comprehensive income.

The US dollar is the functional currency for the Company's activities in Guyana, Suriname, Ecuador, Peru and Africa as all proceeds from the sale of production and a significant portion of disbursements are in US dollars.

The Euro is the functional currency for the Company's activities in French Guiana as the majority of disbursements are in Euro. Since activities are related to a development project, the temporal method is used to translate from the Euro to US dollars as follows: monetary items at the exchange rate in effect at the balance sheet date, non-monetary items at historical exchange rates, revenues and expenses at the average exchange rate in effect on the dates they occur and, depreciation and amortization at historical exchange rates as the assets to which it relates.

(d) *Cash and cash equivalents, Restricted cash, and Short-term deposits:*

Cash and cash equivalents and restricted cash are accounted for at cost.

Short-term deposits consist of investments in money market instruments with an original term of three months or more, but no longer than one year, are carried at fair value. Prior to January 1, 2007, they were carried at the lower of cost and fair value.

(e) *Gold bullion:*

Investments in gold bullion are valued at the lower of average cost and net realizable value.

(f) Receivables and accounts payable and accrued liabilities:

Receivables (excluding gold receivable), and accounts payable and accrued liabilities are recorded at amortized cost.

(g) Inventories:

Gold production inventory (gold doré and gold in process), niobium production inventory, and concentrate inventory (by-product), are valued at the lower of average production cost and net realizable value. Production costs include the cost of materials, labour, mine site overheads and depreciation to the applicable stage of processing. Ore stockpiles are segregated between current and long-term inventory.

Ore stockpiles are valued at the lower of cost and net realizable value. Costs are increased based on the current mining cost, and decreases are charged back to mining costs using the weighted average cost per tonne.

Mine supplies are costed on an average purchase cost basis with appropriate provisions for redundant and slow-moving items.

(h) Marketable securities:

Investments in marketable securities designated as available-for-sale are accounted for at their fair value which is determined based on the last quoted market price. Investments in equity instruments that do not have a quoted market price in an active market are measured at cost unless they are held for trading.

Changes in market value as well as the related tax impact are accounted for in other comprehensive income (OCI) until the marketable security is sold or other than temporarily impaired. When it is sold or other than temporarily impaired, the accumulated change in OCI is reversed and the actual gain or loss on disposal is accounted for in the statement of earnings. When there is a loss in the value of an investment in marketable securities that is determined to be other than a temporary decline, the cumulative loss that had been recognized in OCI is reversed from accumulated OCI and is recognized in earnings.

Warrants included in marketable securities are measured at fair value using the Black-Scholes pricing model. Unrealized gains or losses related to changes in fair value are reported under "non-hedge derivative gain or loss" in the consolidated statement of earnings.

Prior to January 1, 2007, investments in marketable securities were recorded at the lower of cost and net realizable value. Opening retained earnings has been restated to reflect the fair value of the marketable securities as at January 1, 2007 (Note 2).

(i) Gold receivable:

Gold receivable is considered a hybrid instrument composed of a receivable and an embedded derivative that must be accounted for separately. The receivable is accounted for as an interest bearing receivable, with accrued interest charged to earnings. The embedded derivative is marked-to-market at each balance sheet date based on the change in gold price with the variation charged to earnings under "non-hedge derivative gain or loss". Opening retained earnings has been restated to reflect the fair value of the embedded derivative as at January 1, 2007 (Note 2).

(j) Capital assets:

Corporate assets include the following categories of assets: Furniture and equipment, Computer equipment, Software, Scientific instruments and equipment, Vehicles, Land and Leasehold improvements. Depreciation is calculated based on estimated useful lives of the assets and in the case of leasehold improvements, over the remaining lease term determined at the time of acquisition.

(k) Working interests:

Working interests are accounted for using the equity method. Any fair value increment related to the original acquisition of the working interests is amortized on a units-of-production basis over the estimated economic life of the mine corresponding to the proven and probable reserves. Working interests include changes in the investment as a result of income or loss reported by the company in which IAMGOLD has invested. This change is accounted for in the statement of earnings as earnings from working interests (Note 1(y)). Cash received from the working interest is accounted for as a decrease of working interests in the balance sheet.

(l) Royalty interests:

The Company records its royalty interests at cost. Amortization of producing royalty interests is calculated using the units-of-production method with an estimated economic life of mine corresponding to the property's reserves and resources.

(m) Mining assets and Stripping costs:

Mining assets represent the capitalized expenditures related to the operation of mineral properties including plant and equipment. Upon commencement of commercial production, related capital expenditures for any given mining assets are amortized on a straight line basis or using the units-of-production method over the estimated economic life of the mine which refers to proven and probable reserves. If a property is abandoned or deemed economically unfeasible, the related project balances are written off.

Mining costs associated with stripping activities in an open pit mine are expensed unless the stripping activity can be shown to represent a betterment to the mineral property which requires such costs be capitalized. Any capitalized stripping costs or any opening existing balance is amortized over the reserves that directly benefit from the stripping activity on a units-of-production basis. The Company's accounting policy is applied in accordance with EIC-160.

(n) Exploration and development:

Exploration expenses incurred to the date of establishing that a property has mineral resources with the potential of being economically recoverable are charged against earnings. Development costs incurred subsequent to this date are capitalized until such time as the projects are brought into production or are deemed economically unfeasible. All administrative costs that do not directly relate to specific exploration and development activity are expensed as incurred. Interest costs are not capitalized until the decision to develop a property is made.

(o) Impairment of long-lived assets:

Long-lived assets subject to amortization are reviewed for impairment periodically or whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment loss must be recognized if the carrying amount of a long-lived asset exceeds the sum of the undiscounted cash flows expected to result from its use and eventual disposition. In that event, the asset must be written down to its fair value and an impairment loss recorded in earnings. Net estimated future cash flows, on an undiscounted basis, from each long-lived asset (mining assets-mine and mining project, working interests and royalty interests) are calculated based on anticipated future metal production (proven and probable reserves as well as value beyond proven and probable reserves), estimated realized metal prices, operating, capital and site restoration expenses and estimated future foreign exchange rates. The fair value is based on the present value of the estimated cash flows. Management's estimate of future cash flows is subject to risk and uncertainties. Therefore, it is reasonably possible that changes could occur which may affect the recoverability of the Company's long-lived assets and may have a material effect on the Company's results of operations and financial position.

(p) Goodwill:

Goodwill is tested for impairment at least annually or when there is evidence of potential impairment. The fair value of each reporting unit that includes goodwill is compared to the total carrying amount (including goodwill) of that reporting unit. If the fair value exceeds the carrying value, goodwill is not considered to be impaired. If the fair value is less than the carrying value, the fair values of the assets and liabilities within the reporting unit are estimated. The difference between the fair value of the identifiable assets and liabilities within the reporting unit and the fair value of the entire reporting unit represents the implied fair value of the goodwill of the reporting unit. When the carrying value of goodwill exceeds the implied fair value, the excess is charged to earnings in the period in which the impairment is determined.

(q) Other intangible assets:

Other intangible assets are related to the fair value of favorable supply contracts accounted for following the purchase of Cambior. Fair value was determined using a differential cost method based on the costs expected to be saved due to the favorable terms of the supplier contracts. Other intangible assets are amortized under the straight-line method based on the terms of each contract.

(r) Long-term debt:

Long-term debt is accounted for at amortized cost, using the effective interest method.

(s) Income and mining taxes:

The Company uses the asset and liability method of accounting for income taxes. Under this method, future income and mining tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future income and mining tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. A valuation allowance is recorded against any future income and mining tax asset if it is more likely than not that the asset will not be realized. The effect on future income and mining tax assets and liabilities of a change in tax rates is recognized in earnings in the year that includes the date of enactment or substantive enactment. Mining taxes represent Canadian provincial taxes levied on mining operations and are classified as income taxes since such taxes are based on a percentage of mining profits.

(t) Asset retirement obligations:

The Company recognizes, when the legal obligation is incurred, the fair value of an estimated liability for the future cost of restoring a mine site upon termination of the operation with a corresponding increase in the carrying value of the related long-lived asset. The Company amortizes the amount added to the asset using the depreciation method established for the related asset. An accretion expense in relation with the discounted liability over the remaining life of the mining properties is recorded in mining costs. The liability is adjusted at the end of each period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. Environmental and on-going site reclamation costs at operating mines are charged to operations in the period during which they occur.

(u) Employee future benefit plans:

The Company accrues its obligations under employee future benefit plans and the related costs, net of plan assets. The cost and accrued benefit obligations are actuarially determined using the projected benefit method prorated on service and management's best estimate of expected plan investment performance, salary escalation, retirement ages of employees and health care costs. For the purpose of calculating the expected return on plan assets, those assets are valued at fair value.

Actuarial gains/losses arise from the difference between actual long-term rate of return on plan assets for that period and the expected long-term rate of return of plan assets for that period or from changes in actuarial assumptions used to determine the accrued benefit obligation. The excess of the net actuarial gain (loss) over 10% of the greater of the accrued benefit obligation and the fair value of plan assets is amortized over the average remaining service period of active employees. The average remaining service periods are summarized in note 20.

The Company's contributions to defined contributions plans are expensed as incurred. No actuarial valuation is required to measure the liability or the cost.

(v) Commodity and foreign exchange contracts:

The forward sales contracts, assumed through the acquisition of Gallery Gold Limited, are accounted for as normal purchase and sales contracts whereby deliveries are recorded at their respective forward prices. On delivery of gold into the forward contracts, the related acquired liability is amortized and recorded into gold revenue.

The forward sales contracts and the foreign exchange contracts, assumed through the acquisition of Cambior, are accounted at their fair value on the balance sheet date. This market valuation is based on forward rates and considers the market price, rate of interest, gold lease rate and volatility. The fair value of these non-hedge derivative instruments is included on the balance sheet and the change in market value from the previous reporting period is included in the statement of earnings as a non-hedge derivative gain or loss. On delivery of gold into the forward contracts, the related marked-to-market value is amortized and recorded into gold revenue.

The Company, from time to time, may enter into transactions in order to manage exposure to price fluctuations in foreign exchange and commodities. The Company reviews each contract at the time it is entered into in determining the appropriate accounting treatment.

(w) Flow-through shares:

The Company recognizes future income tax liability for flow-through shares, and reduces the shareholders' equity, on the date that the tax credits associated with the expenditures are renounced, provided there is reasonable assurance that the expenditures will be made.

(x) Stock-based compensation plans:

The Company has three stock-based compensation plans, which are described in note 22 and costs are included in corporate administration expenses in the statement of earnings.

(i) Share options:

Compensation costs, measured at the grant date based on the fair value of the options and recognized over the related service period, are accounted for as an expense in the statement of earnings and credited to stock-based compensation within shareholders' equity. Consideration paid by employees when the options are exercised, as well as the fair value at the grant date of options exercised, is added to common shares.

(ii) Share bonus plan:

The Company expenses share bonuses granted to employees over the three-year or five-year vesting period and share bonuses to directors when they are issued.

(iii) Share purchase plan:

Prior to January 1, 2007, the Company expensed its contribution to the employees' share purchase plan when the shares were issued or issuable. Effective January 1, 2007, the Company initiated a new share purchase plan where the Company contributes towards the purchase of shares on the open market. The Company's contribution vests on December 31 of each year and is charged to earnings in the year of contribution.

(y) Revenue recognition:

Revenues include gold, silver, copper and niobium sales as well as royalty revenue.

Revenue from the sale of gold bullion and by-products (silver and copper concentrate) is recognized when the metal is delivered and title transfers to the counterparties to the transaction.

Revenue for the sale of niobium in the form of ferroniobium, is recognized when legal title (rights and obligations) to the ferroniobium is transferred to buyers depending on the terms of each specific contract. IAMGOLD has three types of contractual terms based on individual customer agreements. The first type of contract includes terms where title transfers once the product is shipped from the Company's facility. The second type of contract includes terms where title transfers once the product is delivered to the customer's location. The third type of contract includes terms where title transfers when the customer gets the product directly from the plant.

Royalty revenue is recognized when the Company has reasonable assurance with respect to measurement and collectability. The Company holds two types of royalties:

(i) Revenue based royalties such as Net Smelter Return ("NSR") or Gross Proceeds Royalties:

Revenue based royalties are based on the proceeds of production paid by a smelter, refinery or other customer to the miner and upon the sale or other disposition of minerals recovered from the property on which the royalty interest is held. The form, manner and timing of the receipt of any specific royalty payment by the Company are governed by the corresponding royalty agreement with the owner of the royalty property.

(ii) Profits based royalties such as Net Profits Interests ("NPI"):

A NPI is a royalty based on the profit after allowing for costs related to production. The expenditure that the operator deducts from revenues is defined in the relevant royalty agreements. Payments generally begin after pay-back of capital costs. The royalty holder is not responsible for providing capital nor covering operating losses or environmental liabilities. Revenue is recognized in accordance with the relevant agreement.

Earnings from working interests are calculated based on the Company's percentage ownership in each investee of profits or loss. Working interests are similar to a NPI except working interest holders have an ownership position and, to prevent ownership dilution, are liable for their share of capital and operating costs. The Company records its 18.9% interests in Gold Fields Ghana Limited and the Tarkwa mine ("Tarkwa") and in Abosso Goldfields Limited and the Damang mine ("Damang") as working interests.

(z) Earnings per share:

Basic earnings per share is calculated by dividing net earnings by the weighted average number of common shares outstanding during the year. The calculation of diluted earnings per share uses the treasury stock method which adjusts the weighted average number of shares for the dilutive effect of share options and warrants.

2. CHANGES IN ACCOUNTING POLICIES AND FUTURE ACCOUNTING POLICIES:

(a) Financial Instruments, Comprehensive Income and Hedges

Effective January 1, 2007, IAMGOLD adopted the new Canadian Institute of Chartered Accountants ("CICA") accounting standards related to: Section 1530, "Comprehensive Income", Section 3855, "Financial Instruments – Recognition and Measurement", and Section 3865, "Hedges".

Section 3855 "Financial Instruments – Recognition and Measurement"

One of the basic principles of "Section 3855" is that fair value is the most relevant measure for financial instruments. Financial assets must be classified into one of the four following categories:

- Held-to-maturity investments (measured at amortized cost);
- Loans and receivables (measured at amortized cost);
- Held for trading assets (measured at fair value with changes in fair value recognized in earnings immediately);
- Available-for-sale assets, including investments in equity securities, held-to-maturity investments that an entity elects to designate as being available for sale and any financial asset that does not fit into any other category (measured at fair value with changes in fair value accumulated in other comprehensive income until the asset is sold, impaired or matured).

Financial liabilities, which include long-term debt and other similar instruments, must be accounted for at amortized cost, except for those classified as held for trading, which must be measured at fair value.

Section 1530 "Comprehensive Income"

According to Section 1530, comprehensive income is defined as net earnings and other comprehensive income and represents all changes in equity during a period, from transactions and events from non-owners. Accumulated other comprehensive income will include the unrealized gains/losses on the translation of self-sustaining foreign operations and unrealized gains/losses on financial assets which are classified as available-for-sale.

Impact on the January 1, 2007 balance sheet:

On January 1, 2007, these changes in accounting policies required the following adjustments:

($000)	Opening Balance January 1, 2007	Adjustments	Revised Balance January 1, 2007
Assets			
Other long-term assets –			
Debenture receivable	$ 2,000	$ 280	$ 2,280
Marketable securities	9,379	1,365	10,744
Gold receivable	15,281	106	15,387
Liabilities			
Future income and mining tax liability	185,015	173	185,188
Shareholders' equity			
Retained earnings	108,932	306	109,238
Cumulative translation adjustment[1]	(4,836)	4,836	-
Accumulated other comprehensive loss	-	(3,564)	(3,564)

(1) Retroactively restated prior periods as presented.

Marketable securities and debenture receivable are classified as available-for-sale assets and are measured at fair value using the closing quoted market price. Unrealized gains or losses related to changes in market value as well as the related tax impact are accounted for in other comprehensive income (OCI) until the marketable security and debenture receivable are sold, impaired or mature. When the assets are sold, impaired or mature, the accumulated unrealized gain or loss in OCI is reversed and the actual gain or loss on disposal is accounted for in the statement of earnings.

The Company also owns warrants included in marketable securities. These warrants were measured at fair value using the Black-Scholes pricing model. Unrealized gains or losses related to changes in market value are reported under "non-hedge derivative gain or loss" in the consolidated statement of earnings.

Gold receivable is considered a hybrid instrument composed of a receivable and an embedded derivative that must be accounted for separately. The receivable is accounted for as an interest bearing receivable, with accrued interest reported. The embedded derivative is marked-to-market at each balance sheet date based on the change in gold price with the variation charged to earnings under "non-hedge derivative gain or loss".

Long-term debt is accounted for at amortized cost, using the effective interest method which did not have any impact on its carrying value on the adoption date.

Adjustments to future income and mining tax liability reflect the tax impact of the previous adjustments.

Reconciliation of capitalized stripping costs in 2007 is as follows:

(b) Future Accounting Changes

Financial instruments – disclosures and presentation:

The CICA issued new accounting standards: Section 3862 – Financial instruments – disclosures, and Section 3863 – Financial instruments – presentation which will be effective for IAMGOLD on January 1, 2008. The new sections replace Section 3861 – Financial instruments – disclosure and presentation. Section 3862 require the disclosure of additional qualitative and quantitative information that enable users to evaluate the significance of financial instruments for the entity's financial position and performance and the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the balance sheet date, and how the entity manages those risks. Section 3863 establishes standards for presentation of financial instruments and non-financial derivatives and provides additional guidance for the classification of financial instruments, from the perspective of the issuer, between liabilities and equity, and the classification of related interest, dividends, losses and gains. The Company is assessing the impact of these sections and will adopt these standards commencing in 2008.

Capital disclosures:

On December 1, 2006, the CICA issued the new accounting standard: Section 1535 – Capital disclosures which will be effective for IAMGOLD on January 1, 2008. Section 1535 specifies the disclosure of information that enables users of the Company's financial statements to evaluate the entity's objectives, policies and processes for managing capital such as qualitative information about its objectives, policies and processes for managing capital, summary quantitative data about what the entity manages as capital, whether the entity has complied with any capital requirements and, if it has not complied, the consequences of non-compliance. The Company is assessing the impact of this new section and will adopt these standards commencing in the 2008 year.

Inventories:

In June 2007, the CICA issued Section 3031-Inventories which replaces Section 3030 and establishes standards for the measurement and disclosure of inventories. This section applies to fiscal years beginning on or after January 1, 2008. The main features of the new section are:

- Measurement at the lower of cost and net realizable value;
- Cost of items that are not ordinarily interchangeable, and goods and services produced and segregated for specific projects, assigned by using a specific identification of their individual costs;
- Consistent use of either first-in first-out or weighted average cost formula to measure the cost of other inventories;
- Reversal of previous write-downs to net realizable value when there is a subsequent increase in the value of inventories.

This new section also provides for additional disclosure. The Company is currently evaluating the effect that the adoption of Section 3031 will have on its consolidated results of operations and financial condition and will adopt these standards prospectively commencing in the 2008 year.

Goodwill and intangible assets

In February 2008, the CICA replaced Section 3062 by Section 3064 – Goodwill and intangible assets and adopted relevant parts of International Financial Reporting Standard IAD 38 – Intangible Assets. This section gives the definition of goodwill and intangible assets, and instruction for recognition and measurement. This section applies to fiscal years beginning on or after October 1, 2008. The Company is assessing the impact of this new section and will adopt these standards in 2009.

International Financial Reporting Standards

In January 2006, the AcSB adopted its strategic plan, which includes the decision to move financial reporting for Canadian publicly accountable enterprises to a single set of globally accepted high-quality standards, namely, International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). This document outlines the AcSB's implementation plan for incorporating IFRS into Canadian GAAP, including identifying key decisions that the AcSB will need to make as it implements the strategic plan for publicly accountable enterprises. The Company will follow the key events timeline proposed by the AcSB to obtain training and thorough knowledge of IFRS, finalize assessment of accounting policies with reference to IFRS and plan for convergence to be ready for the changeover planned in 2011.

3. ACQUISITIONS:

In 2006, IAMGOLD completed the acquisition of Gallery Gold Limited ("GGL") and Cambior Inc. ("Cambior").

In 2007, independent specialists were retained to assist in determining the final allocations of certain fair values for GGL and Cambior. The valuation is based on known or knowable information available at the date of the acquisition. Business acquisitions are accounted for under the purchase method of accounting whereby, the purchase price is allocated to the assets acquired and the liabilities assumed based on fair value of the consideration paid at the closing date of acquisition. The fair value of the consideration paid is then allocated to the fair values of the identifiable assets and liabilities. The excess purchase price over the fair value of identifiable assets and liabilities acquired is goodwill. The determination of fair value requires management to make assumptions and estimates about the fair values. The assumptions and estimates generally require a high degree of judgment, and include estimates of mineral reserves and resources acquired, future commodity prices, discount rates and foreign exchange rates. Changes in any of the assumptions and estimates used in determining the fair values could have an impact on the allocation of the fair value to balance sheet items and on future results.

The principal valuation methods for major classes of assets and liabilities were:

- Inventories – gold and niobium production inventories and ore stockpile were valued at estimated selling prices less disposal costs, costs to complete and a reasonable profit allowance for the completing and selling effort.
- Plant and equipment – replacement cost or market value for current function and service potential, adjusted for physical, functional and economic obsolescence.
- Mining properties at producing sites (including proven and probable reserves and value beyond proven and probable reserves) – Multi-period excess earnings approach considering the prospective level of cash flows and fair value of other assets at each mine. A market approach by comparison to other publicly traded entities in similar lines of business with analysis of the market multiples of entities engaged in similar businesses was then used to corroborate the values derived.
- Development projects – discounted future cash flows considering the prospective level of cash flows from future operations and necessary capital expenditures, and/or based on a market approach as noted above.
- Exploration properties – appraised values considering costs incurred, earn-in agreements and comparable market transactions, where applicable.
- Long-term debt and derivative instruments – estimated fair values consistent with the methods disclosed under the Company's note disclosure on accounting policies for these items.
- Asset retirement obligations – estimated fair values consistent with the methods disclosed under the Company's note disclosure on asset retirement obligations.

Gallery Gold Limited:

On March 22, 2006, the Company acquired all of the issued and outstanding shares of GGL in exchange for the issuance of 26,221,468 common shares. GGL, through its subsidiaries, owns a 100% interest in the Mupane gold mine in Botswana and a controlling interest in the Buckreef project in Tanzania. The purchase price was $202,329,000, including the purchase of GGL common share options for $2,402,000 and acquisition expenses of $2,479,000. The value was determined based on the average closing price on the Toronto Stock Exchange for the two days prior to, the day of, and two days after the announcement on December 5, 2005, after market closed, and on an exchange ratio of one IAMGOLD share for each 22 GGL shares.

The purchase price allocation has been adjusted from that disclosed in 2006 as a result of the final analysis by outside specialists retained by the Company. Goodwill was related to exploration potential and is allocated to reporting units based on a pro-rata basis of each unit's fair value.

GGL's activities have been accounted for in IAMGOLD's results since the closing date of the transaction.

GGL	Preliminary Purchase Equation	Adjustments	Final Purchase Equation
Assets acquired:			
Cash and cash equivalents	$ 971	$ -	$ 971
Mining assets	135,668	(11,794)	123,874
Exploration and development	96,582	3,193	99,775
Other assets	18,873	1,599	20,472
Goodwill	72,405	(9,568)	62,837
	324,499	(16,570)	307,929
Liabilities assumed:			
Current liabilities	(11,186)	-	(11,186)
Long-term debt	(16,589)	-	(16,589)
Forward sales liability and gold call option	(59,711)	-	(59,711)
Asset retirement obligations	(2,506)	(285)	(2,791)
Future income and mining tax liabilities	(32,178)	16,855	(15,323)
	(122,170)	16,570	(105,600)
	202,329	-	202,329
Consideration paid:			
Issue of 26,221,468 common shares of the Company	197,448	-	197,448
Settlement of GGL common share options[a]	2,402	-	2,402
Transaction costs	2,479	-	2,479
	202,329	-	202,329

(a) The GGL common share options were valued using their intrinsic value and were repurchased immediately.

Cambior Inc.:

On November 8, 2006, the Company acquired all of the issued and outstanding shares of Cambior, an international gold and niobium producer with operations, development projects and exploration activities throughout the Americas (Rosebel mine, Doyon division, Sleeping Giant mine, Niobec mine, Westwood and Caiman projects). As consideration for the transaction, the Company issued 116,258,765 common shares along with options and warrants exercisable for 10,829,000 common shares of IAMGOLD. The purchase price was $1,105,157,000, including acquisition costs of $5,087,000. The value of shares and warrants was determined based on the daily weighted average price on the Toronto Stock Exchange for the two days prior to, the day of, and the two days after the public announcement on September 14, 2006, and an exchange ratio of 0.42 IAMGOLD share for each Cambior share.

The purchase price has been adjusted from that disclosed in 2006 as a result of the final analysis by outside specialists retained by the Company.

Cambior's activities have been accounted for in IAMGOLD's results since the closing date of the transaction.

Cambior	Preliminary Purchase Equation	Adjustments	Final Purchase Equation
Assets acquired:			
Cash and cash equivalents	$ 7,183	$ -	$ 7,183
Mining assets	784,601	2,885	787,486
Exploration and development	189,049	18,838	207,887
Other assets	99,807	14,585	114,392
Net assets held for sale	24,219	2,124	26,343
Goodwill	330,638	(60,977)	269,661
Other intangible assets	-	16,150	16,150
	1,435,497	(6,395)	1,429,102
Liabilities assumed:			
Current liabilities	(94,010)	(4,113)	(98,123)
Long-term debt	(33,716)	-	(33,716)
Forward sales liability and current option	(16,205)	-	(16,205)
Asset retirement obligations	(38,380)	(11,758)	(50,138)
Accrued benefit liabilities	(8,897)	(2,496)	(11,393)
Future income and mining tax liabilities	(135,827)	28,061	(107,766)
Non-controlling interest	(3,502)	(3,102)	(6,604)
	(330,537)	6,592	(323,945)
	1,104,960	197	1,105,157
Consideration paid:			
Issue of 116,258,765 common shares of the Company	1,062,605	-	1,062,605
Issue of 2,428,873 IAMGOLD equivalent options[a]	13,062	-	13,062
Issue of warrants equivalent to 8,400,000 IAMGOLD shares	24,403	-	24,403
Transaction costs	4,890	197	5,087
	1,104,960	197	1,105,157

(a) The equivalent options granted upon the acquisition of Cambior were valued at their fair value using the Black-Scholes option-pricing model taking into account the remaining expected life, a risk free interest rate of 4%, a volatility of 37% and a dividend yield of 0.7%.

4. ASSETS HELD FOR SALE

Bauxite Operations

On February 13, 2007, the Company announced that it had completed an agreement for the sale of its 70% equity interest in Omai Bauxite Mining Inc. ("OBMI") and its 100% equity interest in Omai Services Inc. ("OSI"). The effective date of the agreement was December 31, 2006. Assets and liabilities related to OBMI and OSI were classified as assets and liabilities held for sale and the statement of earnings separately presented the results from discontinued operations as well as the statement of cash flows, to separately disclose the operating, investing and financing portions of the cash flows attributable to discontinued operations. The fair value of OBMI and OSI of $26,343,000, as at November 8, 2006, was considered in the purchase equation of Cambior (note 3). The transaction was completed on March 21, 2007 with the receipt from the purchaser of $28,451,000 and the assumption of third party debt of $17,724,000.

Net earnings for discontinued operations from November 8, 2006 to December 31, 2006 were as follows:

	2006
Revenues	$ 6,359
Investment income	3
Mining costs	(6,312)
Corporate and administration	(115)
Financial expenses	(312)
Income and mining taxes	(14)
Non-controlling interest	484
Net earnings from discontinued operations, net of tax	93

The statement of cash flows discloses the total cash flow from (used in) discontinued operations summarized as follows:

	2007	2006
Operating activities	$ -	$ (1,897)
Financing activities	-	42
Investing activities	28,451	276
Increase (Decrease) in cash flows from discontinued operations	28,451	(1,579)

5. IMPAIRMENT CHARGES

Mupane Mine

During 2007, the Company continued exploration programs from GGL indicated that the exploration results were unsuccessful in achieving an increase to the mine's resource base. This resulted in a decision to significantly reduce the exploration program including the termination of the majority of the region's exploration personnel. Furthermore, the mine significantly diverged from the Life of Mine (LOM) Plan used during the initial valuation, with the largest variation occurring when the mine changed from softer oxide ore to harder primary sulphide ore. Operating costs had also risen substantially, mainly due to higher labour costs in Botswana, sharply rising consumables prices and higher mining costs. This under performance resulted in a full review of the mine operations and an update to the LOM Plan, which was completed during the second quarter of 2007. This review considered the exploration potential of the area, the current mineral resources, the projected operating costs, metallurgical performance and gold price. These served as inputs into pit optimizations to determine which resources could be economically mined and be considered as mineable mineral reserves. A mine schedule was developed and cash flows calculated, resulting in an impairment charge to the Mupane operations of $93,725,000.

This impairment charge consisted of a reduction of goodwill of $32,782,000, a reduction of $8,038,000 to other long-term assets (stockpiles) and a reduction of $52,905,000 in the carrying value of the Mupane mine. Net estimated future cash flows from the Mupane mine were calculated, on an undiscounted basis, based on best estimates of future gold production, which were estimated using long-term gold prices from $550 to $700 per ounce, increased cost estimates based on revised operating levels, gold recovery of 87% to 91% depending on the rock type and pit source and expected continuation of operations to mid 2010, including the processing of stockpiled ore. Future expected operating costs, capital expenditures, and asset retirement obligations were based on the updated life of mine plan. The fair value was calculated by discounting the estimated future net cash flows using a 5% interest rate, commensurate with the risk. Management's estimate of future cash flows is subject to risks and uncertainties, therefore future impairments could occur.

The decrease in estimated production did not have any impact on the accounting treatment for the Mupane forward sales contracts which were accounted for as normal purchase and sales contracts, whereby deliveries are recorded at their respective forward prices.

Doyon division – Exploration

The Company also recorded an impairment charge of $5,903,000 related to resource development costs incurred at the Doyon division which, to date, has been unsuccessful in increasing the division's resource profile.

6. CASH AND CASH EQUIVALENTS

At December 31	2007	2006
Cash	$ 93,215	$ 101,500
Cash equivalents: Short-term deposits with initial maturities of less than three months	20,050	22,825
Cash and cash equivalents	113,265	124,325

7. GOLD BULLION:

At December 31	2007	2006
Ounces held (oz)	154,954	148,704
Weighted average acquisition cost ($/oz)	348	330
Acquisition cost ($)	53,982	49,012
December 31 spot price for gold ($/oz)	834	632
December 31 market value ($)	129,193	93,981

8. INVENTORIES:

At December 31	2007	2006
Gold production inventory (Gold doré and Gold in process)	$ 20,004	$ 14,545
Niobium production inventory	7,644	6,455
Concentrate inventory	12	-
Ore stockpiles – current	20,640	2,648
Mine supplies	40,930	37,677
Inventories	89,230	61,325
Long-term ore stockpiles (Note 9)	53,128	44,483
	142,358	105,808

9. OTHER LONG-TERM ASSETS:

At December 31	2007	2006
Amounts due from the Government of Mali[a]	$ 19,888	$ 9,990
Debenture receivable[b]	-	2,000
Marketable securities	2,974	9,379
Long-term portion of gold receivable[c]	-	7,581
Restricted cash deposit per closure cost guarantees (Note 19)	1,790	1,179
Accrued benefit asset (Note 20)	3,163	3,040
Long-term ore stockpiles (Note 8)	53,128	44,483
Capital assets	6,294	5,669
Other assets	1,179	523
	88,416	83,844

(a) Amounts due from the Government of Mali represent fuel tax, value added tax and stamp duties receivable which are not expected to be repaid within one year. In addition, receivables and other current assets include an additional $10,221,000 (2006 – $18,447,000) relating to similar items.

(b) Upon the sale of a royalty portfolio interest on April 25, 2006, the Company received a debenture from a 100% owned subsidiary of Battle Mountain Gold Exploration Corp. ("BMGX") with a par value of $2,000,000, with a term of two years, an interest rate of 6%, convertible into common shares of BMGX at a rate of $0.50 per share (note 11). In 2007 interest received of $102,100 has been recognized in earnings (2006 – $61,000). The debenture receivable was sold in 2007 and a gain on disposal of assets totaling $200,000 was recorded.

(c) In December 2005, Cambior completed the sale of the Carlota copper project. As part of the consideration, the buyer was to deliver 50,000 ounces of gold to Cambior. As at December 31, 2006, 25,000 ounces of gold receivable were outstanding for an amount totaling $15,281,000, to be delivered in four equal quarterly deliveries. In December 2007, the Company received 6,250 ounces of gold valued at $795 per ounce, totaling $4,970,000, which were added to the gold bullion balance (note 7). As at December 31, 2007, there were 18,750 remaining ounces of gold receivable which will be received in three equal quarterly deliveries starting in March 2008 and are classified within receivables and other current assets amounting to $15,448,000.

As security regarding the gold deliveries, the buyer:

(i) pledged all shares of Cambior USA and of Carlota Copper Company ("CCC"), a wholly-owned subsidiary of Cambior USA and the direct owner of the Carlota copper project; and

(ii) granted first rank security interests in all moveables and immoveables of Cambior USA and of CCC, in IAMGOLD's favor, such first ranking being subject to existing royalties on Carlota and security interests to be granted in connection with project financing for Carlota, if and when applicable, which shall rank pari passu with IAMGOLD's security.

10. WORKING INTERESTS:

The Company holds an 18.9% working interest in Gold Fields Ghana Limited ("Tarkwa"), an unlisted Ghanaian company holding 100% of the Tarkwa gold mine in Ghana. The carrying value of this asset was recorded on the balance sheet on January 7, 2003 at its fair value of $42,742,000. This amount included a fair value increment of $4,617,000 which is amortized on a units-of-production basis over the life of the mine corresponding to the proven and probable reserves.

The Company also holds an 18.9% working interest in Abosso Goldfields Limited ("Damang"), an unlisted Ghanaian company holding 100% of the Damang gold mine in Ghana. The carrying value of this asset was recorded on the balance sheet on January 7, 2003 at its fair value of $15,298,000. This amount included a fair value increment of $6,261,000 which is amortized on a units-of-production basis over the life of the mine corresponding to the proven and probable reserves.

	Tarkwa	Damang	Total
Balance, December 31, 2005	$ 78,845	$ 13,917	$ 92,762
Earnings from working interests in 2006	23,466	5,408	28,874
Cash dividends received in 2006	(28,880)	(5,670)	(34,550)
Balance, December 31, 2006	73,431	13,655	87,086
Earnings from working interests in 2007	22,118	3,274	25,392
Balance, December 31, 2007	95,549	16,929	112,478

11. ROYALTY INTERESTS:

Investments in net royalty interests are:

	2007		
At December 31	Cost	Accumulated Amortization	Net Royalty Interest
Revenue producing royalties			
Diavik (a)	$ 49,446	$ 17,218	$ 32,228
Magistral (b)	3,109	502	2,607
	52,555	17,720	34,835

	2006		
At December 31	Cost	Accumulated Amortization	Net Royalty Interest
Revenue producing royalties			
Diavik (a)	$ 49,446	$ 12,267	$ 37,179
Magistral (b)	3,109	502	2,607
	52,555	12,769	39,786

On April 25, 2006, the Company closed a transaction with Battle Mountain Gold Exploration Corp. ("BMGX") whereby a portfolio of gold royalties was sold to BMGX. The portfolio included royalties on the Williams, el Limon, Don Mario and Joe Mann mines and the Dolores development project. Total consideration for the sale was $21,850,000, consisting of $13,850,000 in cash, 12 million common shares of BMGX valued at $6,000,000 and a $2,000,000 debenture of a 100% owned subsidiary of BMGX convertible into common shares of BMGX. The common shares and the debenture have been recorded in marketable securities included in other long-term assets, and were sold in 2007.

Goodwill of $12,954,000 attributable to the royalties sold was expensed in 2006, resulting in a net gain on the sale of the royalties, before and after tax of $1,111,000 and $694,000, respectively.

Revenue producing royalties:

(a) The Company owns a 1% gross proceeds royalty on certain claims in the Lac de Gras region of the Northwest Territories, including the Diavik lands controlled by Harry Winston Diamond Corporation (formerly Aber Diamond Corporation) and Diavik Diamond Mines Inc.

(b) The Company owns a sliding scale NSR royalty on mineral production from the Magistral gold property in Mexico owned by US Gold Corporation since June 2007 (Nevada Pacific Gold Ltd. prior to that date). The royalty rate is 3.5% until 380,000 ounces of gold has been produced and 1% thereafter. In July 2005, mine operations were suspended.

12. MINING ASSETS:

	Cost	Accumulated depreciation and depletion[1]	Net book value
At December 31, 2007			
Plant and equipment	$ 604,499	$ 384,228	$ 220,271
Mining property and deferred costs	1,546,392	754,762	791,630
Construction in progress	12,060	-	12,060
	2,162,951	1,138,990	1,023,961
At December 31, 2006			
Plant and equipment	$ 598,955	$ 407,602	$ 191,353
Mining property and deferred costs	1,466,067	608,417	857,650
Construction in progress	1,661	-	1,661
	2,066,683	1,016,019	1,050,664

(1) Includes impairment charge.

Mining assets are held through:

(a) Interest, acquired on November 8, 2006, in the Rosebel mine (95%) in Suriname, and Doyon division, and Sleeping Giant and Niobec mines (100%) in Canada.

(b) A 100% interest, acquired on March 22, 2006, in the Mupane gold mine in Botswana.

(c) A 38% interest in the Sadiola joint venture which holds a mining permit covering the Sadiola Concession. Other shareholders include AngloGold Limited ("AngloGold") (38%), the Government of Mali ("GOM") (18%) and International Financial Corporation ("IFC") (6%). The GOM interests in Sadiola and Yatela are free and carried interests.

(d) A 40% indirect interest in the Yatela joint venture which holds a mining permit and the exploration rights covering the Yatela Gold Concession. Other shareholders include AngloGold (40%) and the GOM (20%). The GOM interests in Yatela are free and carried interests.

13. EXPLORATION AND DEVELOPMENT:

Investments in exploration and development properties are:

At December 31	2007	2006
Ecuador – Quimsacocha	$ 9,348	$ 5,978
Tanzania – Buckreef	97,787	84,355
Tanzania – other	6,041	15,421
Botswana	5,602	750
French Guiana – Camp Caiman	78,987	68,409
Peru – La Arena	25,746	25,675
Peru – other	1,962	-
	225,473	200,588

14. GOODWILL:

At December 31	2007	2006
Goodwill, beginning of year	$ 464,975	$ 74,886
Goodwill acquired in 2006, adjusted in 2007 – GGL (Note 3)	(9,568)	72,405
Goodwill acquired in 2006, adjusted in 2007 – Cambior (Note 3)	(60,977)	330,638
Goodwill impairment – GGL (Note 5)	(32,782)	-
Goodwill related to royalties sold (Note 11)	-	(12,954)
Goodwill, end of year	361,648	464,975

15. OTHER INTANGIBLE ASSETS:

At December 31, 2007	Cost	Accumulated Amortization	Net book value
Favorable supplier contracts:			
Power contracts	$ 8,782	$ 450	$ 8,332
Equipment purchase contracts	7,368	597	6,771
	16,150	1,047	15,103

Amortization expense in 2007 amounted to $1,047,000.

16. CURRENT PORTION OF LONG-TERM LIABILITIES:

At December 31	2007	2006
Current portion of:		
Long-term debt (Note 17)	$ 4,533	$ 29,263
Asset retirement obligations (Note 19)	7,753	7,584
Accrued benefit liabilities (Note 20)	138	265
Forward sales liability (Note 27(a))	17,874	16,439
Fair value of non-hedge derivatives (Note 27(a))	-	16,409
Termination benefits (Note 21)	2,132	-
	32,430	69,960

17. LONG-TERM DEBT

	Total Dec.31 2007	Scheduled payments 2008	2009	2010	2011	2012+	Total Dec.31 2006
Credit facility[(a)]	$ 4,000	$ 4,000	$ -	$ -	$ -	$ -	$ 18,000
Credit facility–Revolving[(a)]	-	-	-	-	-	-	14,028
Other	2,301	533	878	466	378	46	3,046
	6,301	4,533	878	466	378	46	35,074
Non-recourse debt:							
Purchase price payable -Camp Caiman[(b)]	3,928	-	3,928	-	-	-	3,814
Total	10,229	4,533	4,806	466	378	46	38,888
Current portion	4,533	4,533	-	-	-	-	29,263
Long-term portion	5,696	-	4,806	466	378	46	9,625

(a) Credit facility

On acquisition of Cambior on November 8, 2006, the Company assumed a Credit facility consisting of a non-revolving term loan and a revolving credit facility. The term loan outstanding was $21,500,000. Subsequent to November 8, 2006, with respect to the term loan, the Company made scheduled repayments of $14,000,000 in 2007 and $3,500,000 in 2006 and on March 6, 2008, paid the term loan in full.

The revolving credit facility was for an aggregate limit of $30,000,000 and, as of November 8, 2006, had an outstanding balance of $5,000,000. Subsequent to November 8, 2006, the Company borrowed an additional $9,028,000 in 2006 mainly for use towards employer contributions to the defined benefit plan, and $7,500,000 in 2007. The outstanding balance was fully repaid in the first quarter of 2007. As at December 31, 2007, the $30,000,000 revolving portion of the credit facility was not drawn upon except for $11,713,000 in letters of credit issued to guarantee asset retirement obligations.

The interest margin on the credit facility above LIBOR varies according to the ratio of Total Net Senior Debt to EBITDA. Total Net Senior Debt is defined as the aggregate amount of the debt less cash and subordinated debt. EBITDA is defined as the consolidated net earnings before interest expense, depreciation, amortization expense and income tax expense. Committed facilities carry a weighted average standby fee of 0.30% per annum on the unutilized portion of the Credit facility. As at December 31, 2007, the effective interest rate was 8.25%.

The Credit facility is secured by the Company's interests in the Doyon, Mouska, Sleeping Giant, Niobec and Rosebel mines, and is subject to various covenants, financial ratios and prepayments in the event of future financings.

(b) Balance of purchase price payable for Camp Caiman project

On acquisition of Cambior on November 8, 2006, the Company assumed a liability of $3,802,000 relating to the balance of the purchase price for the Camp Caiman project, from Asarco Incorporated, by a wholly owned subsidiary of Asarco Guyane Française S.A.R.L. ("AGF"). The balance of the purchase price payable is interest-free and is payable within 120 days of the commencement of commercial production.

The purchase price payable is subject to prepayments in the case of a subsequent issuance of equity. The AGF (renamed CBJ Caiman S.A.S.) shares have been pledged as security against the future payments, and will be released upon the full reimbursement of the debt.

Interest:

Interest related to long-term debt was as follows:

Years ended December 31	2007	2006	2005
- Expensed	$ 1,309	$ 727	$ 478
- Capitalized	114	11	-
	1,423	738	478

18. INCOME AND MINING TAXES:

Income and mining tax expense differs from the amount that would have been computed by applying the combined federal and provincial statutory income tax rate of 36% in 2007, 2006 and 2005 to earnings before income taxes. The reasons for the differences are a result of the following:

Years ended December 31	2007	2006	2005
Earnings (loss) before income and mining taxes from continuing operations	$ (683)	$ 97,157	$ 22,152
Income tax provision calculated using statutory tax rates	(246)	35,074	8,001
Increase (reduction) in income taxes resulting from:			
Earnings not subject to taxation	(9,126)	(22,192)	(5,607)
Earnings in foreign jurisdictions subject to different tax rates	12,974	(74)	(79)
Resource allowance	(35)	(437)	(411)
Provincial mining taxes	1,907	345	-
Change in enacted corporate income tax rates	(3,676)	758	-
Losses not tax benefited	36,499	4,410	-
Amounts not deductible for tax purposes	5,759	6,569	479
Other	(2,679)	316	(725)
Total income and mining taxes	41,377	24,769	1,658

The provision for income and mining taxes is made up of the following components:

Years ended December 31	2007	2006	2005
Current:			
Foreign income tax	$ 26,958	$ 22,527	$ 5,720
Federal and provincial income tax	-	(23)	187
	26,958	22,504	5,907
Future:			
Foreign income tax	12,207	4,623	(1,694)
Federal and provincial income tax (recovery)	73	(2,703)	(2,555)
Provincial mining tax	2,139	345	-
	14,419	2,265	(4,249)
Total	41,377	24,769	1,658

The components that give rise to future tax liabilities are as follows:

At December 31	**2007**	2006
Future tax assets:		
Other assets	$ 17,789	$ 820
Exploration and development expenses	10,908	11,350
Share issue costs	416	14
Non-capital losses	72,606	129,680
Net capital losses	120	120
Mining assets	24,277	13,406
Corporate minimum tax credits	308	377
Asset retirement obligations	22,759	2,759
Accrued benefit liability	1,160	564
Long-term portion of forward sales liability	13,430	15,696
	163,773	174,786
Valuation allowance	(92,490)	(167,337)
Future tax asset after valuation allowance	71,283	7,449
Future tax liabilities:		
Mining assets	(185,561)	(154,091)
Exploration and development	(20,616)	(22,163)
Royalty interests	(15,192)	(16,210)
Intangibles	(6,120)	-
Other	(1,750)	-
	(229,239)	(192,464)
Net future tax liability	(157,956)	(185,015)

The Company has non-capital loss carry forwards for Canadian income tax purposes of $186,391,000 available to reduce taxable income on or prior to 2027. Approximately $4,582,000 of these non-capital loss carry forwards have not been tax benefited.

The Company has approximately $251,256,000 in cumulative Canadian exploration and cumulative Canadian development expenses and approximately $243,958,000 in mining assets capital cost allowance available indefinitely to reduce, subject to certain restrictions, taxable income in future years.

In 2007, governmental assistance in the form of the Québec resources tax credit reduced exploration expenses by an amount of $3,305,000 ($190,000 in 2006).

Losses carried forward as at December 31, 2007 will expire as follows:

	Canada	United States	Peru(1)	Guyana(2)	Botswana
2008	$ -	$ 2,781	$ -	$ -	$ -
2009	9,682	1,337	-	-	-
2010	4,714	1,634	-	-	-
2011	-	1,025	-	-	-
2012	-	1,280	-	-	-
2013-2027	171,995	3,174	-	-	-
Undetermined	-	-	3,644	-	-
Unlimited(2)	-	-	-	60,005	158,787
	186,391	11,231	3,644	60,005	158,787

(1) According to fiscal legislation in Peru, losses can be carried forward until the end of the fourth year following the first year in which a fiscal profit is realized (no fiscal profit has been realized to date).

(2) In accordance with the Mineral Agreement concluded with the government of the country.

The Company's French subsidiaries, CBJ-France and CBJ-Caiman, benefit from an income tax exemption plan for a term of ten years. Under those tax holiday plans, certain commitments made to the French Tax Administration must be met. The tax holidays are subject to re-assessment by the authorities.

19. ASSET RETIREMENT OBLIGATIONS

The Company's activities are subject to various laws and regulations regarding the environmental restoration and closure provisions for which the Company estimates future costs. These provisions may be revised on the basis of amendments to such laws and regulations and the availability of new information such as changes in reserves corresponding to a change in the mine life, acquisition or construction of new mines. The liability for asset retirement obligations has been considered in the annual impairment test process. As at December 31, 2007, the Company had $1,790,000 in deposits restricted (note 9) for settling its obligations as well as letters of credit in the amount of $11,713,000 to guarantee asset retirement obligations (Note 17).

In 2007, the Company reevaluated in detail the asset retirement obligation for each site particularly for the mines acquired in 2006. This revaluation resulted in increases of estimated amounts of cash flows required to settle these obligations. These changes were reflected in the purchase price equation.

At December 31, 2007, estimated undiscounted amounts of cash flows required to settle the obligations, expected timing of payments and the average credit-adjusted risk-free rate assumed in measuring the asset retirement obligations were as follows:

	Undiscounted amounts required	Expected timing of payments	Average credit-adjusted risk-free rate
Rosebel mine	$ 30,575	2008-2025	7.71%
Doyon mine	78,636	2021-2120	5.94%
Sleeping Giant mine	4,191	2009-2013	6.06%
Mupane mine	5,750	2008-2012	6.14%
Sadiola mine (38%)	11,061	2008-2015	6.30%
Yatela mine (40%)	8,514	2008-2015	5.88%
Niobec mine	2,535	2008-2025	6.63%
Omai mine	5,233	2008-2009	7.32%
Other mines	1,567	2008-2010	5.64% – 6.37%
	148,062		

The schedule of estimated future disbursements for rehabilitation and for security deposits is as follows:

2008	$ 8,123
2009	5,943
2010	2,216
2011	6,497
2012	12,984
2013 onwards	112,299
	148,062

The following table presents the reconciliation of the liability for asset retirement obligations:

At December 31	**2007**	2006
Balance, beginning of year	$ 47,517	$ 7,506
New obligations relating to the acquisition and revision of purchase price equation of GGL and Cambior (Note 3)	12,043	40,886
Revision in the estimated cash flows and timing of payments	11,619	(441)
Accretion expense	8,361	1,104
Disbursements	(359)	(495)
Foreign exchange variation	6,078	(1,043)
Balance, end of year	85,259	47,517
Less current portion (Note 16)	7,753	7,584
Long-term portion	77,506	39,933

20. EMPLOYEE FUTURE BENEFIT PLANS

On acquisition of Cambior, the Company assumed the employees' future benefit plans in which Cambior contributed to various defined contribution plans and final-pay defined benefit pension plans for its employees (for Designated employees and Senior management). On December 31, 2006, the Company terminated the two final-pay benefit pension plans and replaced them with a defined contribution plan, triggering a curtailment in both plans as at December 31, 2006. The most recent actuarial valuation was prepared as at January 1, 2006. The Company measures its accrued benefit obligations and the fair value of plan assets for accounting purposes as at December 31 of each year. Additional valuations were also done on November 8, 2006 (date of acquisition of Cambior).

Senior management of the acquired company specifically designated by their Board of Directors were participating in a supplementary executive retirement plan ("SERP"). The purpose of the SERP was to provide these employees with a pension equal to that which would otherwise be received if the defined benefit pension plan reflected the full amount of the base salary of such employees. Annual contributions were assessed by the Board of Directors based on Cambior's financial position and other factors. The SERP also provided for a clause regarding a change of control which gives additional benefits to selected directors. Following the acquisition of Cambior, on November 8, 2006, the majority of the selected directors left the Company and benefited from these benefits, impacting the calculation of the SERP obligations. This also resulted in a curtailment of the plan due to the significant reduction in the expected years of future service of active employees. The resulting termination benefit and gain on curtailment are disclosed in the summary of total costs recognized.

A settlement for the pension plan for designated employees occurred in 2007 and was reflected in the purchase price equation. The actuarial liability payable under the settlement was the sum of transfer values paid to some members and the premiums paid to insurers for the others.

In addition, accrued benefit liabilities relating to unfunded other post-retirement benefit plans offered to employees of Niobec which require no contribution from employees were assumed on acquisition of Cambior. The most recent actuarial valuations were prepared in 2004.

Total cash payments

Total cash payments for employee future benefits, consisting of cash contributed by the Company to its funded pension plans, cash payments directly to beneficiaries for its unfunded other benefit plans, and cash contributed to defined contribution plans were $5,328,000 in 2007 ($7,498,000 from November 8, 2006 to December 31, 2006).

Following the acquisition, the Company contributed the prescribed amount to the SERP.

Defined contribution plans

The total expense for the Company's defined contribution plans amounted to $3,169,000 in 2007 (2006 – $330,000).

Defined benefit plans

	Pension benefit plans		Post-retirement benefit plans	
	2007	2006	**2007**	2006
Accrued benefit obligations				
Balance, beginning of year	18,348	-	3,740	-
Balance and adjustment – date of acquisition	1,214	18,476	1,565	3,725
Current service cost	-	147	206	19
Interest expense	566	146	327	33
Actuarial loss	220	261	128	101
Benefits paid	(16,758)	(97)	(126)	(19)
Settlement	412	-	-	-
Foreign exchange variation	2,231	(585)	912	(119)
Balance, end of year	6,233	18,348	6,752	3,740
Plan assets				
Balance, beginning of year	20,365	-	-	-
Fair value, date of acquisition	(132)	13,307	-	-
Actual return on plan assets	353	527	-	-
Employer contributions	2,159	7,168	126	19
Benefits paid	(16,758)	(97)	(126)	(19)
Settlement	221	-	-	-
Foreign exchange variation	2,507	(540)	-	-
Fair value, end of year	8,715	20,365	-	-

At December 31	**2007**	2006
Pension plan asset category:	%	%
Debt securities	-	21
Money market	100	79
Total	100	100

Reconciliation of the funded status of the benefit plans to the amounts recorded in the financial statements is as follows:

	Pension benefit plans		Post-retirement benefit plans	
At December 31	**2007**	2006	**2007**	2006
Fair value of plan assets	$ 8,715	$ 20,365	$ -	$ -
Accrued benefit obligations	(6,233)	(18,348)	(6,752)	(3,740)
Funded status-(deficit)(1)	2,482	2,017	(6,752)	(3,740)
Unamortized net actuarial loss	681	(140)	254	99
Accrued benefit assets (liabilities)	3,163	1,877	(6,498)	(3,641)

(1) As at December 31, 2007, the remaining final-pay defined benefit pension plan did not show any deficit.

The total costs recognized for the Company's defined benefit plans are as follows:

	Pension benefit plans		Post-retirement benefit plans	
Years ended December 31	**2007**	2006(*)	**2007**	2006(*)
Current service cost	$ -	$ 147	$ 206	$ 19
Interest expense	566	146	327	33
Actual return on plan assets	(353)	(527)	-	-
Actuarial loss	220	261	128	101
Element of employee future benefit costs before adjustments to recognize the long-term nature of employee future benefit costs	433	27	661	153
Adjustments to recognize the long-term nature of employee future benefit costs:				
Difference between expected return and actual return on plan assets	(40)	403	-	-
Difference between actuarial loss and actuarial loss/gain on accrued benefit obligations	(220)	(261)	(128)	(101)
Gain on plan settlement	(191)	-	-	-
Defined benefit costs recognized	(18)	169	533	52

(*) November 8, 2006 to December 31, 2006.

The significant assumptions used to evaluate the Company's accrued benefit obligations and benefit costs are as follows (weighted-average):

	Pension benefit plans		Post-retirement benefit plans	
	2007	2006	**2007**	2006
	%	%	%	%
Accrued benefit obligations as of December 31:				
Discount rate	5.75	5.25	5.75	5.25
Rate of compensation increase	-	3.50	3.50	3.50
Benefit costs for the period ended December 31:				
Discount rate	5.25	5.50	5.25	5.50
Expected long-term rate of return on plan assets	2.00	4.90	-	-
Rate of compensation increase	-	3.50	-	-
Assumed health care trend rate for the next year used to measure the expected cost covered by the plans				
- first four years	-	-	10	10
- thereafter	-	-	5	5

	2007	2006
Average remaining service period of active employees covered by the:	Years	Years
- Defined pension benefit plan	-	14
- SERP	27	12
- Defined post-retirement benefit plan:		
- Manager and clerical employees at Niobec	14	14
- Unionized employees at Niobec	15	15

The estimated employer contributions for 2008 are $611,000. Estimated benefit payments for the next ten years are as follows:

2008	$ 611
2009	611
2010	623
2011	650
2012	699
2013 to 2017	3,999
	7,193

Sensitivity analysis:

Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. A one percentage point change in assumed health care cost trend rates would have the following effects for 2007:

	Increase	Decrease
Total service and interest costs	$ 97	$ (75)
Accrued benefit liabilities	1,121	(891)

21. TERMINATION BENEFITS

In 2007, termination contractual benefits were accounted for the Sleeping Giant mine in Canada which will be closing according to mine plans at the end of 2008 following the depletion of reserves and resources. Payable termination benefits total $2,132,000 and are classified in current portion of long-term liabilities.

22. SHARE CAPITAL:

(a) Authorized:

Unlimited first preference shares, issuable in series
Unlimited second preference shares, issuable in series
Unlimited common shares

Issued and outstanding common shares are as follows:

	Number of Shares	Amount
Issued and outstanding, December 31, 2004	145,761,646	$ 343,957
Exercise of options	1,834,658	8,296
Share purchase plan	31,600	211
Share bonus plan	20,223	142
Issued and outstanding, December 31, 2005	147,648,127	352,606
Shares issued on acquisition of GGL (Note 3)	26,221,468	197,448
Shares issued on acquisition of Cambior (Note 3)	116,258,765	1,062,605
Exercise of options	2,386,287	12,950
Share purchase plan	26,480	225
Share bonus plan	18,830	160
Issued and outstanding, December 31, 2006	292,559,957	1,625,994
Exercise of options	1,141,231	6,590
Share purchase plan	5,613	50
Share bonus plan	53,091	444
Warrants exercised	3,780	41
Issued and outstanding, December 31, 2007	293,763,672	1,633,119

(b) *Share options:*

The Company has a comprehensive share option plan for its full-time employees, directors and officers and self-employed consultants. The options vest over three and four years and expire no later than ten years from the grant date. As at December 31, 2007, the total number of shares reserved for the grants of share options was 20,261,806, of which an additional 4,000,000 and 7,011,806 options were added to the reserve on May 16, 2005 and May 19, 2007 respectively. The later addition is to be approved at the next annual general meeting. As of December 31, 2007, 13,057,367 shares remain in reserve. Options issued on the acquisition of Repadre Capital Corporation (in 2003), and Cambior (in 2006) are excluded from this reserve number.

A summary of the status of the Company's share option plan as of December 31, 2007, 2006 and 2005 and changes during the three years then ended is presented below. All exercise prices are denominated in Canadian dollars. The exchange rates at December 31, 2007, 2006, and 2005 were 0.9913, 1.1654 and 1.1630 respectively.

	2007		2006		2005	
	Options	Weighted average exercise Price ($C)	Options	Weighted average exercise price ($C)	Options	Weighted average exercise price ($C)
Outstanding, beginning of year	5,685,495	7.66	4,076,242	6.62	5,691,899	5.78
Granted	1,976,000	9.84	1,795,000	10.61	415,000	8.25
Assumed on acquisition of Cambior	-	-	2,428,873	5.42	-	-
Exercised	(1,141,231)	4.80	(2,386,287)	5.56	(1,834,658)	4.21
Forfeited	(778,406)	10.21	(228,333)	10.39	(195,999)	8.19
Outstanding, end of year	5,741,858	8.63	5,685,495	7.66	4,076,242	6.62
Exercisable, end of year	3,187,858	7.56	3,616,828	6.23	2,981,242	5.95

The following table summarizes information relating to share options outstanding at December 31, 2007:

	Options Outstanding			Options exercisable		
Range of Prices $C	Number outstanding	Weighted average remaining contractual life – years	Weighted average exercise Price $C	Weighted number exercisable	Weighted average remaining contractual life – years	Weighted average exercise Price $C
1.22 – 2.00	112,634	1.7	1.25	112,634	1.7	1.25
3.01 – 4.00	89,000	1.5	3.80	89,000	1.5	3.80
4.01 – 5.00	177,522	2.2	4.62	177,522	2.2	4.62
5.01 – 6.00	430,970	3.3	5.40	430,970	3.3	5.40
6.01 – 7.00	5,773	0.6	6.51	5,773	0.6	6.51
7.01 – 8.00	1,184,710	2.0	7.60	1,127,877	1.9	7.61
8.01 – 9.00	600,856	3.6	8.54	215,856	2.6	8.51
9.01 – 10.00	748,000	1.8	9.17	608,000	1.3	9.04
10.01 – 11.00	2,360,500	3.7	10.40	388,333	3.3	10.70
11.01 – 11.10	31,893	0.9	11.10	31,893	0.9	11.10
	5,741,858	2.9	8.63	3,187,858	2.2	7.56

The determination of the fair value of options is judgmental. The Company uses values calculated by the Black-Scholes option pricing model as a proxy for such fair value. Use of the Black-Scholes model has become the prevalent practice for estimating fair values of options. The Black-Scholes model, however, has some inherent weaknesses as it assumes that the options are tradable, have no vesting period and are transferable. Given these limitations, the values produced from the Black-Scholes model do not necessarily provide a reliable single measure of the fair value of the Company's share options.

The fair value of the options granted has been estimated at the grant date using the Black-Scholes option pricing model with the following assumptions. The weighted average expected life of these options is of four or eight years depending upon the life of the option. The estimated fair value of the options is expensed over the options' vesting period of three or four years.

	2007	2006	2005
Risk free interest rate	4%	5%	3%-5%
Volatility	37%	37%	37%
Dividend	1%	1%	1%

(c) Share bonus plan:

The Company has a share bonus plan for employees whereby a maximum of 600,000 common shares may be awarded. As of December 31, 2007, 507,856 shares remain in reserve.

Year ended December 31	2007	2006	2005
	Number	Number	Number
Outstanding, January 1	89,892	14,782	22,172
Granted	122,000	93,940	12,833
Issued	(53,091)	(18,830)	(20,223)
Forfeited	(21,000)	-	-
Outstanding, December 31	137,801	89,892	14,782

(d) Share purchase plan:

Up to December 31, 2006, the Company had a share purchase plan for employees whereby the Company matched the participants' contribution and shares were issued from treasury. The plan was activated in 2005 and was terminated on December 31, 2006.

On January 1, 2007, a new share purchase plan was implemented whereby the Company matches 75% of the first 5% of salary of employee contribution towards the purchase of shares on the open market. No shares are issued from treasury under the current purchase plan. The Company's contribution is considered vested at the end of the day, on December 31 of each year.

(e) Stock-based compensation:

The Company expenses the fair value of all stock-based compensation granted.

Years ended December 31	2007	2006	2005
Share options (b)	$ 2,195	$ 2,432	$ 960
Share bonus plan (c)	660	563	140
Share purchase plan (d)	-	107	136
	2,855	3,102	1,236

(f) *Warrants*

On acquisition of Cambior, 20,000,000 warrants were issued, exercisable for 8,400,000 shares at a price of C$8.93 each. In 2007, 9,000 warrants were exercised to acquire 3,780 shares. The remaining 19,991,000 warrants expire on August 12, 2008.

(g) *Earnings per share:*

Basic earnings per share is computed by dividing earnings available to common shareholders by the weighted average number of common shares outstanding for the year. Diluted earnings per share is similar to basic earnings per share, except that the denominator is increased to include the number of additional common shares that would have been outstanding if the dilutive potential common shares had been issued.

Basic earnings (loss) per share computation:

Years ended December 31	**2007**	2006	2005
Numerator:			
Net earnings (loss)	$ (42,060)	$ 72,481	$ 20,494
Denominator (000's):			
Weighted average common shares outstanding	293,284	186,485	146,650
Basic earnings (loss) per share	(0.14)	0.39	0.14

Diluted earnings (loss) per share computation:

Years ended December 31	**2007**	2006	2005
Numerator:			
Net earnings (loss)	$ (42,060)	$ 72,481	$ 20,494
Denominator (000's):			
Weighted average common shares outstanding	293,284	186,485	146,650
Dilutive effect of employee share options	-	993	1,243
Dilutive effect of warrants	-	177	-
Total average common shares outstanding	293,284	187,655	147,893
Diluted earnings (loss) per share	(0.14)	0.39	0.14

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

(000's)	**2007**	2006	2005
Share options	3,320	1,492	670
Warrants	8,396	-	-
	11,716	1,492	670

(h) *Flow-through common shares*

Flow-through common shares require the Company to incur an amount equivalent to the proceeds of the issue on prescribed resource expenditures in accordance with the applicable tax legislation. If the Company does not incur the committed resource expenditures, it will be required to indemnify the holders of the shares for any tax and other costs payable by them as a result of the Company not making the required resource expenditures. As at December 31, 2007 there was no remaining commitment with respect to unspent resource expenditures under flow-through common share agreements (Note 30).

In March 2008, the Company issued 928,962 flow-through shares for the Westwood project totaling C$8,500,000 which will have to be spent entirely in 2008.

23. SHARE PURCHASE LOANS:

The Company provided a non-interest bearing share purchase loan to an officer which was reimbursed in December 2007.

24. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

	Cumulative translation adjustment	Unrealized gain (loss) on debenture receivable	Unrealized gain (loss) on marketable securities	Income tax impact	Accumulated other comprehensive income (loss)
Balance as at December 31, 2006	$ (4,836)	$ -	$ -	$ -	$ (4,836)
Change in accounting policy for financial instruments (note 1)	-	280	1,165	(173)	1,272
Adjusted balance, beginning of period	(4,836)	280	1,165	(173)	(3,564)
Change in 2007	29,883	(280)	(2,074)	254	27,783
Balance as at December 31, 2007	25,047	-	(909)	81	24,219

25. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table presents the carrying amounts and estimated fair values of the Company's financial instruments and commodities:

	2007		2006	
At December 31	Carrying value	Fair Value	Carrying value	Fair value
Financial Assets				
Cash and cash equivalents(1)	$ 113,265	$ 113,265	$ 124,325	$ 124,325
Short-term deposits(1)	-	-	39	39
Receivables excluding gold receivable(2)	61,773	61,773	50,661	50,661
Marketable securities(3)	2,974	2,974	9,379	10,830
Debenture receivable(4)	-	-	2,000	2,280
Gold receivable(5)	15,448	15,404	15,281	15,120
Restricted cash and other(1)	1,790	1,790	1,179	1,179
Financial liabilities				
Accounts payable and accrued liabilities(2)	127,672	127,672	119,741	119,741
Long-term debt (including current portion)(6)	10,229	10,229	38,888	38,888
Gold forwards (Note 27 (a))(7)	28,346	53,720	61,194	69,449

(1) Recorded at cost.

(2) Recorded at amortized cost. The fair value of receivables excluding gold receivable and, accounts payable and accrued liabilities is equivalent to the carrying amount given the short maturity period.

(3) Recorded at fair value. The fair value of the marketable securities was based on the last quoted market price and on the Black-Scholes pricing model for options included in the Company's portfolio.

(4) Recorded at fair value. The fair value of the debenture receivable is based on the last quoted market price of the related shares.

(5) The contract is accounted for as an interest bearing receivable. The embedded derivative is marked-to-market based on the change in gold price between the inception date of the contract and the end of the period.

(6) Recorded at amortized cost. Since most of the long-term debt is variable rate debt, the fair value of the Company's long-term debt is equivalent to the carrying amount. Fair value is estimated using discounted cash flow analysis based on the Company's current borrowing rate for similar borrowing arrangements.

(7) The Company obtains a valuation from counterparty of its portfolio of gold and foreign exchange commitments. This valuation is based on forward rates considering the market price, rate of interest, gold lease rate and volatility.

26. RELATED PARTY TRANSACTIONS:

The related party transactions are included in corporate administration expenses, are in the normal course of operations, measured at the exchange amount between the parties and are summarized as follows:

Years ended December 31	2007	2006	2005
Management services obtained from companies controlled by a director and significant shareholder of the Company	$ -	$ 352	$ 185

27. COMMITMENT AND CONTINGENCIES:

(a) *Gold sales commitments*

On the acquisition of Cambior in 2006, the Company assumed gold sales commitments of 56,420 ounces to be delivered in 2007 at $350 per ounce. The estimated fair value was recognized on the balance sheet and these commitments were treated as non-hedge instruments. As at December 31, 2007, there was no remaining gold sales commitment. The change in market value during the year was included in the statement of earnings as a non-hedge derivative loss. On delivery of gold into the forward contracts, the related marked-to-market value was amortized and recorded into revenue.

As of December 31, 2007, the remaining outstanding forward sales contracts acquired on acquisition of GGL (Mupane) were as follows:

Year	Forward Sales (oz)	Average Forward Price ($/oz)	Liability ($000)
2008	77,776	402	17,874
2009	43,888	407	10,472
Total	121,664	404	28,346

The Mupane forward sales contracts are accounted for as normal purchase and sales contracts whereby deliveries are recorded at their respective forward prices. On delivery of gold into the forward contracts, the related acquired liability is amortized and recorded into gold revenue. During 2007, 77,776 ounces of gold were delivered under forward sales contracts (58,332 ounces in 2006).

	2007		2006	
At December 31	Carrying value	Fair Value	Carrying value	Fair value
Non-hedge derivatives (Cambior)	$ -	$ -	$ (16,409)	$ (16,409)
Normal sales contracts (Mupane)	(28,346)	(53,720)	(44,785)	(53,040)
	(28,346)	(53,720)	(61,194)	(69,449)

(b) *Non-hedge derivative gain (loss):*

Years ended December 31	2007	2006	2005
Change in the fair value of the non-hedge derivative instruments	$ (2,086)	$ (195)	$ -
Loss arising from the exercise of non-hedge derivatives	-	(17)	-
Gain resulting from the change in fair value of embedded and gold receivable	3,871	136	-
Unrealized loss from the change in fair values of warrants included in marketable securities	(1,236)	-	-
Non-hedge derivative gain (loss)	549	(76)	-

(c) *Credit Risk:*

In the normal course of business of non-gold operations, the Company performs ongoing credit reviews of its customers and evaluates the creditworthiness of all new customers. Except for the ounces of gold receivable, there is no existing single account receivable that represents a substantial risk for the Company. An allowance for doubtful accounts receivable is established while taking into account the specific credit risk related to customers, historical trends and the economic situation.

The credit risk related to the receipt of 18,750 ounces of gold relates to the profitability of the buyer and its ability to deliver the ounces of gold (see Note 9 c)).

(d) Royalty expenses:

Production from certain mining operations is subject to third party royalties (included in mining costs) based on various methods of calculation summarized as follows:

Years ended December 31	2007	2006	2005
Rosebel[1]	$ 19,850	$ 2,317	$ -
Doyon[2]	6,171	985	-
Mouska[3]	770	141	-
Sleeping Giant[4]	-	-	-
Mupane[5]	3,023	1,912	-
Sadiola[6]	6,102	6,850	4,512
Yatela[6]	5,008	5,198	2,729
Total included in mining costs	40,924	17,403	7,241

(1) 2% in-kind royalty per ounce of gold production and price participation of 6.5% on the amount exceeding a market price of $425 per ounce when applicable, using for each calendar quarter the average of the market prices determined by the London Bullion Market, P.M. Fix.

0.25% of all minerals produced at Rosebel payable to a charitable foundation for the purpose of promoting local development of natural resources within Suriname.

10% of the excess, if any, of the average quarterly market price above $300 per ounce for gold production from the soft and transitional rock portions and above $350 per ounce from the hard rock portion of the Rosebel property, after commencement of commercial production and up to a maximum of 7,000,000 ounces produced (5,808,000 remaining ounces at December 31, 2007)

(2) 24.75% of any excess of the annual average market price over $375 per ounce of gold produced (1,097,000 remaining ounces or $15,164,000 at December 31, 2007)

(3) Two royalties of 0.2% and 2.0% respectively of gold production

(4) 2% of gross operating profit for one and 15% of net operating profit for the other taking into consideration cumulative capital investment and restoration expenses.

(5) Royalty of 5% of revenues based on market prices at date of shipment.

(6) A royalty of 3% of revenue and a royalty of 3% of the net amount of sales less refining and treatment charges.

The Company is also subject to a royalty of 3% of the net amount of sales less refining and treatment charges related to its working interests (Tarkwa and Damang mines). These royalty expenses totaling $3,297,000 in 2007 ($3,203,000 in 2006 and $2,398,000 in 2005) are included in Earnings from working interests in the consolidated statement of earnings.

(e) Management fees:

Years ended December 31	2007	2006	2005
Joint ventures:			
Sadiola (1% of revenues)	$ 1,018	$ 1,143	$ 753
Yatela (1% of revenues)	835	858	441
Included in Mining Costs	1,853	2,001	1,194
Equity Interests:			
Tarkwa (2.5% of revenues)	2,157	2,051	1,516
Damang (fixed amount)	284	284	284
Included in Earnings from equity interests	2,441	2,335	1,800
Total Management Fees	4,294	4,336	2,994

(f) Operating Leases:

	Payments due by period				
	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
Operating leases	$ 4,883	$ 861	$ 1,089	$ 838	$ 2,095

Operating leases refer to total payment obligations related to operating lease agreements.

(g) Claims:

In October 2007 an audit claim for the years 2005 and 2006 was received from the Department of Taxation in Mali for the Sadiola and Yatela mines. The Company has not recorded a provision for potential claims for potential differences arising from these claims. The Company believes that the carrying amount of items owing from the Government of Mali are recoverable and no additional provisions are considered necessary.

The Company is subject to various claims, legal proceedings, potential claims and complaints arising in the normal course of business. The Company is also subject to the possibility of new income and mining tax assessments for some years. The Company does not believe that unfavorable decisions in any pending procedures or threat of procedures related to any future assessment or any amount it might be required to pay will entail a material adverse effect on the Company's financial condition.

(h) Agreement to sell the Sleeping Giant Mine:

On October 9, 2007, IAMGOLD announced that an option agreement has been signed with Cadiscor Resources Inc. ("Cadiscor") granting them the right to purchase the Sleeping Giant Mine after the completion of mining and processing for total consideration of up to C$7,000,000.

As part of the agreement with Cadiscor, IAMGOLD will continue to mine and process reserves at Sleeping Giant until the end of its current reserve life at which time, Cadiscor will purchase the property and all the related infrastructure assets. Upon the formal closing of the agreement in December 2007, Cadiscor paid C$300,000 in cash and issued to IAMGOLD 0.6 million common shares and 1.0 million common share purchase warrants, each warrant entitling IAMGOLD to purchase one common share at a price of C$1.00 until April 1, 2009. These shares and warrants were valued at $470,000. The total proceeds totaling $770,000 have been accounted for as an offset to mining assets until the sale is completed. Upon exercise of the option to purchase Sleeping Giant, expected late in 2008 but no later than April 1, 2009, Cadiscor will pay C$5,000,000 in cash or Cadiscor common share equivalent less the maximum allowable discount permitted by the TSX Venture Exchange. IAMGOLD will also receive C$1,000,000 in cash or Cadiscor common share equivalent after 300,000 tonnes of ore from any source are processed through the mill and will, retain a net smelter return royalty on future production from Sleeping Giant.

28. SEGMENTED INFORMATION:

The reportable segments in 2005 were Joint Venture and Working Interests, Royalties and Corporate. In 2006, as a result of the acquisitions of GGL and Cambior and the sale of the majority of the Company's gold royalties, the reportable segments have been revised. In 2007, the Guyana (Omai gold mine) activities were classified under Corporate. Comparative figures have been reclassified to conform to the new segments.

The Company's gold mine segment is divided into geographic segments, as follows:

Suriname: Rosebel Mine

Canada: Doyon division and Sleeping Giant mine

Botswana: Mupane mine

Mali: Joint venture in Sadiola (38%) and Yatela (40%)

Ghana: Equity interests in Tarkwa and Damang (18.9%)

The Company's segments also include non-gold activities (Niobec mine and royalty interests located in Canada), Exploration and development, and Corporate.

2007	Gold Mines Suriname	Canada	Botswana	Mali	Ghana	Total
Revenues	188,285	133,449	53,814	185,345	-	560,893
Earnings from working interests	-	-	-	-	25,392	25,392
Depreciation, depletion and amortization	31,407	24,581	22,230	14,320	-	92,538
Exploration expense	-	832	552	1,482	-	2,866
Impairment charges	-	5,489	93,725	-	-	99,214
Investment income	-	-	(564)	-	-	(564)
Income and mining taxes (recovery)	10,799	(340)	1,736	28,293	-	40,488
Net earnings (loss)	20,896	10,454	(114,548)	51,948	25,392	(5,858)
Expenditure for mining assets and capitalized exploration and development	39,332	17,909	1,146	18,104	-	76,491
Increase (decrease) to goodwill	(45,504)	1,551	(38,823)	-	-	(82,776)
Working interests, Royalty interests, Mining assets, Exploration and development and Intangible	360,189	217,316	41,424	65,737	112,478	797,144
Total assets	553,506	346,814	64,836	175,789	171,638	1,312,583

2007	Total Gold Mines	Non Gold	Exploration and Development	Corporate	Total
Revenues	560,893	117,238	-	-	678,131
Earnings from working interests	25,392	-	-	-	25,392
Depreciation, depletion and amortization	92,538	24,320	71	652	117,581
Exploration expenses	2,866	-	22,779	2,801	28,446
Impairment charges	99,214	-	-	414	99,628
Investment income	(564)	-	310	6,138	5,884
Interest expense	-	69	-	1,240	1,309
Income and mining taxes (recovery)	40,488	(1,385)	(971)	3,245	41,377
Net earnings (loss)	(5,858)	26,488	(24,338)	(38,352)	(42,060)
Expenditure for mining assets and capitalized exploration and development	76,491	20,453	23,179	-	120,123
Increase (decrease) to goodwill	(82,776)	-	(20,551)	-	(103,327)
Working interests, Royalty interests, Mining assets, Exploration and development and Other intangible assets	797,144	371,139	225,473	18,094	1,411,850
Total assets	1,312,583	395,412	303,032	184,585	2,195,612

	Gold Mines					
2006	Suriname	Canada	Botswana	Mali	Ghana	Total
Revenues	27,025	19,209	38,963	200,077	-	285,274
Earnings from working interests	-	-	-	-	28,874	28,874
Depreciation, depletion and amortization	4,220	2,106	12,344	24,268	-	42,938
Exploration expense	242	886	278	221	-	1,627
Interest expense	-	-	-	343	-	343
Income and mining taxes (recovery)	3,127	184	(1,736)	25,066	-	26,641
Net earnings (loss)	(1,065)	1,718	(2,921)	70,693	28,874	97,299
Expenditure for mining assets and capitalized exploration and development	5,878	1,762	1,525	4,866	-	14,031
Increase (decrease) to goodwill	182,959	89,854	38,823	-	-	311,636
Working interests, Royalty interests, Mining assets, Exploration and development and Other intangible assets	456,756	143,765	124,954	53,115	87,086	865,676
Total assets	664,343	247,831	192,586	159,571	146,246	1,410,577

2006	Total Gold Mines	Non Gold	Exploration and Development	Corporate	Total
Revenues	285,274	17,858	-	213	303,345
Earnings from working interests	28,874	-	-	-	28,874
Depreciation, depletion and amortization	42,938	6,730	-	416	50,084
Exploration expenses	1,627	-	11,824	1,762	15,213
Impairment charge	-	-	1,399	183	1,582
Investment income	-	-	128	4,091	4,219
Interest expense	343	16	-	368	727
Income and mining taxes (recovery)	26,641	(2,735)	-	863	24,769
Net earnings from discontinued operations, net of tax	-	93	-	-	93
Net earnings (loss)	97,299	6,220	(13,466)	(17,572)	72,481
Expenditure for mining assets and capitalized exploration and development	14,031	981	10,802	-	25,814
Increase (decrease) to goodwill	311,636	-	91,407	(12,954)	390,089
Working interests, Royalty interests, Mining assets, and Exploration and development	865,676	300,808	200,588	11,052	1,378,124
Total assets excluding assets held for sale	1,410,577	324,161	300,376	192,472	2,227,586
Assets held for sale	-	51,090	-	-	51,090
Total assets	1,410,577	375,251	300,376	192,472	2,278,676

	Gold Mines					
2005	Suriname	Canada	Botswana	Mali	Ghana	Total
Revenues	-	-	-	119,393	-	119,393
Earnings from working interests	-	-	-	-	15,467	15,467
Depreciation, depletion and amortization	-	-	-	20,605	-	20,605
Exploration expense	-	-	-	369	-	369
Interest expense	-	-	-	478	-	478
Income and mining taxes (recovery)	-	-	-	3,385	-	3,385
Net earnings (loss)	-	-	-	16,485	15,467	31,952
Expenditure for mining assets and capitalized exploration and development	-	-	-	9,919	-	9,919
Increase (decrease) to goodwill	-	-	-	-	-	-

2005	Total Gold Mines	Non Gold	Exploration and Development	Corporate	Total
Revenues	119,393	7,282	-	3,099	129,774
Earnings from working interests	15,467	-	-	-	15,467
Depreciation, depletion and amortization	20,605	3,857	-	1,983	26,445
Exploration expenses	369	-	9,001	-	9,370
Investment income	-	-	6	704	710
Interest expense	478	-	-	-	478
Income and mining taxes (recovery)	3,385	(1,752)	-	25	1,658
Net earnings (loss)	31,952	5,177	(9,054)	(7,581)	20,494
Expenditure for mining assets and capitalized exploration and development	9,919	-	962	-	10,881
Increase (decrease) to goodwill	-	-	-	-	-

29. JOINT VENTURES:

The following amounts represent the Company's proportionate interest in the joint ventures of the Sadiola mine (38%) and Yatela mine (40%).

In 2007, the Company's share of mining asset additions in the Company's joint ventures was $18,104,000, (2006 – $4,866,000; 2005 – $9,919,000).

The Company's share of cash in the joint ventures is not under the Company's direct control.

	2007	2006	2005
Current assets	$ 53,134	$ 69,112	$ 38,505
Long-term assets	122,655	90,459	102,007
	175,789	159,571	140,512
Current liabilities	37,252	33,638	15,867
Long-term liabilities	20,277	10,521	14,461
	57,529	44,159	30,328
Revenues	185,345	200,077	119,393
Expenses (including income taxes)	133,397	129,384	102,908
Net earnings	51,948	70,693	16,485
Cash flows from operating activities	54,386	95,362	30,226
Cash flows used in investing activities	(18,104)	(391)	(7,783)
Cash flows used in financing activities	-	(8,034)	(3,960)

30. SUBSEQUENT EVENTS:

Camp Caiman Project

Camp Caiman is a development project, located about 45 kilometres southeast of Cayenne, the capital city of French Guiana, an overseas department of France located on the northeastern coast of South America between Brazil and Suriname. IAMGOLD holds a 30 square kilometre mining concession for the project, valid for a period of 25 years. The feasibility study for the project was completed in August 2005 and updated in 2007. The Camp Caiman deposit is hosting approximately 1.1 million ounces of gold. Throughout the permitting process, the Company has fulfilled all legal technical and environmental obligations required; including full and open public hearings and consultations. The project received a positive response from the relevant authorities, as well as a positive recommendation from the CODERST, a government appointed committee designed to review such projects. On January 31, 2008, the President of France announced that he would not grant the permits necessary to commence construction of the Camp Caiman project.

On March 13, 2008, IAMGOLD met the President of France. At this meeting, IAMGOLD was provided with a copy of the official letter mandating the implementation of the new framework for mining in French Guiana, which is expected to be in place for mining in 2008. The President agreed to further dialogue with regards to the Company's interests in the region and to consider all reasonable alternatives for mining projects which the Company may propose in the future. All existing exploration permits remain in effect.

Nyakafuru Project Sold

A joint venture interest related to the Nyakafuru project in Tanzania was sold for $6,000,000 in February 2008. In addition a royalty of $10 per ounce for each additional gold resource ounce discovered above the current resource base, up to a maximum royalty payment of $3,750,000.

Flow-Through Shares

In March 2008, the Company issued 928,962 flow-through shares for the Westwood project totaling C$8,500,000.

31. COMPARATIVE FIGURES:

Certain 2006 and 2005 comparative figures have been reclassified to the financial statement presentation adopted in 2007.

Mineral Reserves

100% BASIS

December 31, 2007	PROVEN Tonnes (000)	PROVEN Au (g/t)	PROVEN Ounces Contained (000)	PROBABLE Tonnes (000)	PROBABLE Au (g/t)	PROBABLE Ounces Contained (000)
Rosebel	34,878	1.2	1,384	49,683	1.3	2,019
Doyon Division	426	9.6	131	78	8.0	20
Sleeping Giant	116	14.0	52	7	11.9	3
Mupane	2,982	2.4	226	200	3.2	21
Sadiola	4,715	2.8	418	6,159	3.1	619
Yatela	4,984	1.6	256	2,060	3.7	243
Tarkwa	147,400	1.3	6,154	152,200	1.2	6,054
Damang	6,488	2.0	414	23,249	1.4	1,038
Camp Caiman	-	-	-	12,285	2.8	1,114
Total Proven Reserves			9,035			
Total Probable Reserves						11,131
Total Proven and Probable Reserves						20,166

ATTRIBUTABLE RESERVES

December 31, 2007	PROVEN Tonnes (000)	PROVEN Au (g/t)	PROVEN Ounces Contained (000)	PROBABLE Tonnes (000)	PROBABLE Au (g/t)	PROBABLE Ounces Contained (000)
Rosebel 95%	33,134	1.2	1,315	47,199	1.3	1,918
Doyon Division 100%	426	9.6	131	78	8.0	20
Sleeping Giant 100%	116	14.0	52	7	11.9	3
Mupane 100%	2,982	2.4	226	200	3.2	21
Sadiola 38%	1,792	2.8	159	2,340	3.1	235
Yatela 40%	1,994	1.6	102	824	3.7	97
Tarkwa 18.9%	27,859	1.3	1,163	28,766	1.2	1,144
Damang 18.9%	1,226	2.0	78	4,394	1.4	196
Camp Caiman 100%	-	-	-	12,285	2.8	1,114
Total Proven Reserves			3,226			
Total Probable Reserves						4,748
Total Proven and Probable Reserves						7,974

Mineral Resources

(inclusive of mineral reserves)

100% BASIS

December 31, 2007	MEASURED Tonnes (000)	MEASURED Au (g/t)	MEASURED Ounces Contained (000)	INDICATED Tonnes (000)	INDICATED Au (g/t)	INDICATED Ounces Contained (000)	INFERRED Tonnes (000)	INFERRED Au (g/t)	INFERRED Ounces Contained (000)
Rosebel	113,465	1.1	4,166	144,005	1.0	4,553	1,789	1.5	83
Doyon Division	1,164	6.4	239	2,451	4.7	368	3,515	5.1	576
Sleeping Giant	116	14.0	52	7	11.9	3	-	-	-
Mupane	7,037	2.2	493	3,424	2.2	246	104	2.3	8
Sadiola	17,950	1.4	786	35,706	3.0	3,448	12,306	2.2	855
Yatela	5,359	1.8	302	2,509	3.5	283	2,635	3.0	258
Tarkwa	138,500	1.5	6,440	191,000	1.3	8,122	51,100	2.4	3,879
Damang	11,029	1.9	668	41,452	1.4	1,806	14,328	3.1	1,408
Camp Caiman	5,371	2.7	467	15,071	2.4	1,148	3,767	2.1	249
Buckreef	3,066	2.7	265	12,887	1.8	734	10,872	2.4	833
Quimsacocha	-	-	-	32,977	3.2	3,347	4,033	1.9	245
Tanzania others	-	-	-	7,657	2.2	534	16,135	1.6	827
La Arena	26,000	0.5	443	113,700	0.4	1,554	9,890	0.3	90
Westwood	-	-	-	-	-	-	14,097	7.3	3,313
Grand Duc	-	-	-	150	1.3	6	249	1.4	12
Total Measured Resources			14,321						
Total Indicated Resources						26,152			
Total Measured and indicated Resources						40,473			
Total Inferred Resources									12,636

ATTRIBUTABLE OUNCES

December 31, 2007	MEASURED Tonnes (000)	MEASURED Au (g/t)	MEASURED Ounces Contained (000)	INDICATED Tonnes (000)	INDICATED Au (g/t)	INDICATED Ounces Contained (000)	INFERRED Tonnes (000)	INFERRED Au (g/t)	INFERRED Ounces Contained (000)
Rosebel 95%	107,792	1.1	3,958	136,805	1.0	4,325	1,700	1.5	79
Doyon Division 100%	1,164	6.4	239	2,451	4.7	368	3,515	5.1	576
Sleeping Giant 100%	116	14.0	52	7	11.9	3	-	-	-
Mupane 100% (Golden Eagle 85%)	6,975	2.2	489	3,314	2.2	239	98	2.2	7
Sadiola 38%	6,821	1.4	299	13,568	3.0	1,310	4,676	2.2	325
Yatela 40%	2,144	1.8	121	1,004	3.5	113	1,054	3.0	103
Tarkwa 18.9%	26,177	1.5	1,217	36,099	1.3	1,535	9,658	2.4	733
Damang 18.9%	2,084	1.9	126	7,834	1.4	341	2,708	3.1	266
Camp Caiman 100%	5,371	2.7	467	15,071	2.4	1,148	3,767	2.1	249
Buckreef 75 to 80%	2,453	2.7	212	10,047	1.8	573	8,607	2.4	662
Quimsacocha 100%	-	-	-	32,977	3.2	3,347	4,033	1.9	245
Tanzania others 95%	-	-	-	2,603	2.2	182	7,215	1.8	427
La Arena 100%	26,000	0.5	443	113,700	0.4	1,554	9,890	0.3	90
Westwood 100%	-	-	-	-	-	-	14,097	7.3	3,313
Grand Duc 100%	-	-	-	150	1.3	6	249	1.4	12
Total Measured Resources			7,623						
Total Indicated Resources						15,044			
Total Measured and indicated Resources						22,667			
Total Inferred Resources									7,087

Mineral Resources and Reserves

(inclusive of mineral reserves)

December 31, 2007		Tonnes (000)	% Nb_2O_5	Tonnes Nb_2O_5 (000)
NIOBIUM OPERATION				
Niobec (100%)	Proven reserves	10,176	0.62	63.1
	Probable reserves	6,213	0.62	38.5
	Measured resources	10,176	0.62	63.1
	Indicated resources	8,573	0.63	54.0
	Inferred resources	15,310	0.63	96.5

December 31, 2007		Tons (000)	% Cu	Tons Cu (short)
COPPER PROJECT				
La Arena (100%)	Measured resources	26,000	0.16	45,849
	Indicated resources	113,700	0.39	493,413
	Inferred resources	9,890	0.33	35,534

Mineral resources ("resources") and mineral reserves ("reserves") have been calculated as at December 31, 2007 pursuant to Canadian securities regulatory requirements, specifically, the requirements of National Instrument 43-101 and the definitions of resources and reserves incorporated therein. Consistent with National Instrument 43-101, resources are divided into "inferred", "indicated" and "measured", based on the level of geological confidence in the mineralization, and reserves, into "probable" and "proven", upon at least a pre-feasibility study having been undertaken on the indicated and measured resources. Mineral resources that are not mineral reserves do not have demonstrated economic viability and are not guaranteed to have economic viability. Inferred resources are too speculative geologically to have any economic considerations applied to them that would allow a translation into reserves. Please note that United States securities regulatory requirements permit only the disclosure of those mineral deposits that can be economically and legally mined, similar to the Canadian use of the term reserves, and apply different standards to the determination of reserves. With respect to our disclosure pursuant to United States laws, investors are urged to consult our Annual Report on Form 40-F filed with the United States Securities and Exchange Commission.

The calculations and all other technical information provided in this Annual Report have been prepared under the supervision of Elzear Bezile, Manager, Mining Geology and, with respect to our Rosebel and Mupane mines, Francis Clouston, Manager, Project Evaluation. For information relating to gold price, exchange rates,cut-off grades, metallurgical recoveries and other key assumptions, parameters and methods used in the calculation of resources and reserves and data verification procedures used in collecting, compiling, interpreting and processing the data used to estimate resources and reserves, please see our most recent Annual Information Form/Form 40-F on file with Canadian securities regulatory authorities and the United States Securities and Exchange Commission.

Directors and Officers

DIRECTORS

William D. Pugliese[3]
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1. Member of the Audit Committee
2. Member of the Compensation Committee
3. Member of the Corporate Governance Committee
4. Member of the Environmental Health and Safety Committee

OFFICERS

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SHARES LISTED

The Toronto Stock Exchange
Symbol IMG

The New York Stock Exchange
Symbol IAG

The Botswana Stock Exchange
Symbol IAMGOLD

WARRANTS LISTED

The Toronto Stock Exchange
Symbol IMG.WT

COMPANY FILINGS

www.sedar.com
www.sec.gov

SHARES ISSUED

At December 31, 2007
Total outstanding: 294 million
Fully diluted: 308 million

TRADING PRICE

12 month trading range to December 31, 2007
TSX: C$6.92 – C$10.80
NYSE: $6.50 – $9.71

ANNUAL MEETING

Thursday, May 15th, 2008, 3:00pm
Toronto Board of Trade,
1 First Canadian Place
4th Floor, Rooms A to D
77 Adelaide Street West
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CORPORATE PROFILE

IAMGOLD is the top mid-tier gold producer, with annual production of close to one million ounces from eight different operations located in North America, South America and Africa. The Company also owns two non-gold assets that provide significant cash flow and five development projects that provide a strong platform for continual growth. IAMGOLD has built a team of professionals with the necessary technical expertise to explore, develop and operate existing gold assets and to pursue new opportunities to enhance shareholder value.

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