

IAMGOLD CORPORATION
Response to OEB STAFF INTERROGATORIES

Interrogatory # 1

Ref: Exhibit B, Tab 1, Schedule 1
Exhibit B, Tab 2, Schedule 2
Exhibit B, Tab 2, Schedule 2

Preamble:

IAMGOLD has applied for leave to construct approximately 44 km 115 kV transmission line between Hydro One's Shining Tree JCT and the Cote Lake Mine as well as two 15/13.8 kV step-down transformers to serve the Cote Gold Mine (Project).

Hydro One will be required to re-conductor approximately 118 km of Hydro One's 115 kV T2R circuit from Timmins TS to Shining Tree JCT and modifications for additional system protection are required at the Timmins TS; at Shining Tree JCT, Hydro One will be installing a motorized disconnect switch which will serve to provide electrical isolation, and define a demarcation point, between Hydro One owned assets and those owned by IAMGOLD (HONI Project). HONI will be submitting a separate companion leave to construct application to the OEB in respect of the HONI Project.

Costs incurred for the HONI Project will be paid by IAMGOLD pursuant to a connection cost recovery agreement to be entered into as required by the Board's approved connection process and the Transmission System Code.

Questions:

- a) Has IAMGOLD considered whether the Project could provide service to other customers? Please elaborate.
- b) Has IAMGOLD discussed with HONI the option of HONI constructing, owning and operating the Project and IAMGOLD making any required capital contribution? Please elaborate.
- c) Please confirm whether the Project meets HONI standards or whether, if HONI were to acquire IAMGOLD's transmission assets at some point, upgrades would be required?

- d) Please confirm that IAMGOLD will pay Hydro One's costs for both its transmission line work and the work at Shining Tree JCT.

Please confirm that the connection cost recovery agreement is consistent with requirements in the Transmission System Code.

- e) Please comment on whether or not IAMGOLD would have concerns were the OEB to make approval of the current application contingent on the OEB granting leave to construct the HONI Project.

Response:

- a) IAMGOLD has not given detailed consideration to serving other entities with the proposed transmission line given the area in which it is located. IAMGOLD has not received any inquiry during this proceeding or as part of the environmental or other approval processes to provide service to a third party. Further, IAMGOLD notes that Hydro One has not identified any third party entities that would utilize capacity on its upstream facilities that would be included in the financial analysis.

The transmission line is being designed to service the Mine and will not have any significant capacity to serve additional customers.

- b) IAMGOLD had preliminary conversations with Hydro One regarding ownership of the transmission line during early discussions when the prior 230kV line from Timmins TS to the Mine was being considered. At that time, it was determined that it remained in IAMGOLD's interest to retain ownership of the transmission line.
- c) The Project will meet CSA standards, but will not be engineered to meet HONI standards. Upgrades would be required if HONI were to acquire the assets in the future. This decision was made to reduce the capital cost requirements for the transmission line.
- d) IAMGOLD will pay its share of the costs, as set out by the Transmission System Code, of the Hydro One Facilities both in the proposed transmission line and Shining Tree JCT. Contribution to any particular asset will be determined based upon the nature of the asset and the provisions in the Transmission System Code.

The Connection Cost Recovery Agreement will be consistent with Transmission System Code.

- e) IAMGOLD is not concerned if proceeding with construction of the transmission line under an approval of this Application was contingent upon approval of the HONI Project. From a practical perspective, the two projects are related. First, there is no adequate source of power for IAMGOLD without the HONI Project; and second, there is no need for the HONI Project without IAMGOLD. However, IAMGOLD

wishes to continue with planning, design and preliminary work while the Board considers the Hydro One leave to construct application.

Interrogatory # 2

Ref: Exhibit B, Tab 2, Schedule 2

Preamble:

IAMGOLD will construct and own a new 44 km circuit spanning between Shining Tree JCT and its customer owned substation, located at the Cote Lake Mine.

IAMGOLD has engaged industry experts such as AMEC Foster Wheeler and Wood PLC to provide engineering and technical advisory services. IAMGOLD will engage qualified construction companies to complete the construction and installation of the transmission line. Operation and maintenance of the line will likely be performed by third party experts specializing in that type of service.

Questions:

- a) What is IAMGOLD's experience in constructing and operating transmission infrastructure in Ontario or in other jurisdictions?
- b) What is the status of IAMGOLD's search for third party experts specializing operation and maintenance of electric facilities? Has a contract been entered into with one or more such experts? If so, please provide the name(s) of the expert(s).
- c) In the event that operation and maintenance of the line is not contracted to a third party expert(s) specializing in that type of service, how would IAMGOLD propose to manage this work? Please explain.

Response:

- a) IAMGOLD has no previous experience in constructing or operating transmission lines in Ontario. For this project, IAMGOLD will engage an experienced contractor to design and build the transmission line under the supervision of Wood as the EPCM service provider for the Cote Project. During the operations phase IAMGOLD expects to engage a licensed operator to operate and maintain the transmission line on behalf of IAMGOLD. IAMGOLD does operate several mines which are intense energy users. The consultants have been involved in prior lines such as those built by Detour Gold and DeBeers.

IAMGOLD currently operates a 36km transmission line in Suriname tied into the National Grid at Afobaka Power Station. IAMGOLD managed the engineering using the BBA. IAMGOLD constructed the line using local and expatriate linesman and trades.

IAMGOLD has completed the detailed engineering for a 154km 225kV transmission line in Mali. This transmission lines is not yet constructed.

- b) IAMGOLD has not yet entered into any contract with a third party service provider. IAMGOLD will request that bidders on the construction of the transmission line provide an optional price for operating and maintaining the facilities.

- c) IAMGOLD currently anticipates third party operation and maintenance to be available as there are multiple providers of such services, including Hydro One. However, in the event that such services are not available, IAMGOLD would utilize existing staff and recruit additional experienced professionals as needed to operate and maintain the transmission line. The transmission line is critical to the operation of the mine and it is in IAMGOLD's interest to ensure the line is properly operated and maintained.

Interrogatory # 3

Ref: Exhibit E, Tab 1, Schedule 1
Affidavit of Service¹

Preamble:

In its affidavit of service, IAMGOLD updated the title search along the route. The affidavit states “that [the] entire line, except for rail and road crossing whose owners were served, is on Crown lands and the only interest holders other than the Crown are the Applicant and Applicant related persons.” In particular, the proposed route crosses Highway 144 and an existing CNR railway line.

A land use permit will be required from the Ministry of Natural Resources (MNRF) and Forestry for areas where the Project crosses Crown Land.

Questions:

- a) Please confirm that no private land owners or claim holders are impacted by the Project.
- b) Please provide an update on negotiations for road and rail crossing permits.
- c) Please provide an update on the status of the land use permit from MNRF.

Response:

- a) No third party private landowners are impacted aside from the railway company. As noted in the evidence, no independent claim holders will be impacted. Claim holders related to IAMGOLD will be impacted as IAMGOLD and its co-developer, Sumitomo, have related entities with claims along the route.
- b) Rail and road negotiations have not occurred yet. These should be relatively straightforward overhead crossings and will only require a few months for processing when detailed design drawings are available. This is likely to occur in the early part of 2019.
- c) IAMGOLD has not initiated the formal land use permit process. IAMGOLD has had preliminary conversations with MNRF and will continue to work with MNRF regarding approval requirements of all parts of the transmission line.

Interrogatory # 4

Ref: Exhibit B, Tab 2, Schedule 4

Preamble:

Several requirements in the Final SIA are applicable to Hydro One for the incorporation of the Project rather than IAMGOLD.

Questions:

- a) Please provide a summary of any discussions between IAMGOLD and Hydro One regarding the implementation of these requirements?
- b) To the best of IAMGOLD's knowledge, are there any requirements that Hydro One is unable or unwilling to comply with?

RESPONSE:

- a) IAMGOLD, Wood and Hydro One have had extensive discussions regarding the Project since early 2017. Through these discussions, Hydro One have been made aware of the requirements from the SIA and have included these requirements in the overall project to upgrade the substation at Timmins and re-conductor the line to Shining Tree Junction. Hydro One also had input to the Final SIA through the CIA and PIA that they prepared.

IAMGOLD, Wood and Hydro One continue to have regular meeting to discuss the engineering, costing and scheduling of the of the projects that they are implementing to make the changes required by the SIA as well as the upgrade to the T2R line from Timmins substation to Shining Tree Junction.

- b) Through the meetings and discussions held between Hydro One, IAMGOLD and Wood, Hydro One have indicated that they will comply with the requirements.

Interrogatory # 5

Ref: Final Customer Impact Assessment (CIA)²

Preamble:

HONI issued a final CIA Report for the Project that concludes that the “Hydro One system and customers will not be adversely impacted by the connection of the Cote Lake Mine. It is recommended that area customers review the impact of the short circuit change on their facilities and take appropriate and timely action to address any safety/technical issues arising out of the changes which will result following incorporation of Cote Lake mining facility”.

Questions:

- a) Please provide evidence that IAMGOLD has advised affected customers to review the impact of the short circuit change on their facilities. If this has not been done, please explain why not.
- b) If there are impacts resulting from the short circuit change, would IAMGOLD be responsible for any costs?

Response:

- a) IAMGOLD understands the draft CIA was provided to the affected customers by HONI as part of their comment process. IAMGOLD carried out the service of the Notice, Application and evidence as required in the Letter of Direction.
- b) According to the CIA, the area customers that may be affected by the connection of the Cote Gold project include Hydro One, at the Timmins TS, Weston Lake DS and Shining Tree DS and Lake Shore Gold. Hydro One are aware of the project and have stated that there are no adverse impacts to their systems as a result of the short circuit level change.

There would be no adverse effects to the Lake Shore Gold systems as the short circuit levels will remain well within the limits described in the Transmission System Code. If costs were incurred, costs would be determined in accordance with the requirements of the Transmission System Code.