YAMANA GOLD

ANNUAL MEETING 2016



Cautionary Note Regarding Forward-Looking Statement

YAMANAGOLD

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS: This news release contains "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 and applicable Canadian securities legislation. Except for statements of historical fact relating to the Company, information contained herein constitutes forward-looking statements, including any information as to the Company's strategy, plans or future financial or operating performance, the outcome of the legal matters involving the damages assessment and any related enforcement proceedings. Forward-looking statements are characterized by words such as "plan," "expect", "budget", "target", "project", "intend," "believe", "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may" or "will" occur. Forward-looking statements are based on the opinions, assumptions and estimates of management considered reasonable at the date the statements are made, and are inherently subject to a variety of risks and uncertainties and other known and unknown factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. These factors include the Company's expectations in connection with the expected production and exploration, development and expansion plans at the Company's projects discussed herein being met, the impact of proposed optimizations at the Company's projects, the impact of the proposed new mining law in Brazil and the impact of general business and economic conditions, global liquidity and credit availability on the timing of cash flows and the values of assets and liabilities based on projected future conditions, fluctuating metal prices (such as gold, copper, silver and zinc), currency exchange rates (such as the Brazilian Real, the Chilean Peso, the Argentine Peso, and the Mexican Peso versus the United States Dollar), the impact of inflation, possible variations in ore grade or recovery rates, changes in the Company's hedging program, changes in accounting policies, changes in mineral resources and mineral reserves, risk related to non-core asset dispositions, risks related to metal purchase agreements, risks related to acquisitions, changes in project parameters as plans continue to be refined, changes in project development, construction, production and commissioning time frames, risk related to joint venture operations, the possibility of project cost overruns or unanticipated costs and expenses, higher prices for fuel, steel, power, labour and other consumables contributing to higher costs and general risks of the mining industry, failure of plant, equipment or processes to operate as anticipated, unexpected changes in mine life, final pricing for concentrate sales, unanticipated results of future studies, seasonality and unanticipated weather changes, costs and timing of the development of new deposits, success of exploration activities, permitting time lines, government regulation and the risk of government expropriation or nationalization of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims, limitations on insurance coverage and timing and possible outcome of pending litigation and labour disputes, as well as those risk factors discussed or referred to in the Company's current and annual Management's Discussion and Analysis and the Annual Information Form filed with the securities regulatory authorities in all provinces of Canada and available at www.sedar.com, and the Company's Annual Report on Form 40-F filed with the United States Securities and Exchange Commission. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The Company undertakes no obligation to update forward-looking statements if circumstances or management's estimates, assumptions or opinions should change, except as required by applicable law. The reader is cautioned not to place undue reliance on forward-looking statements. The forward-looking information contained herein is presented for the purpose of assisting investors in understanding the Company's expected financial and operational performance and results as at and for the periods ended on the dates presented in the Company's plans and objectives and may not be appropriate for other purposes.

All amounts are expressed in United States dollars unless otherwise indicated

Metal Prices: Significant Upside From Both Gold & Silver

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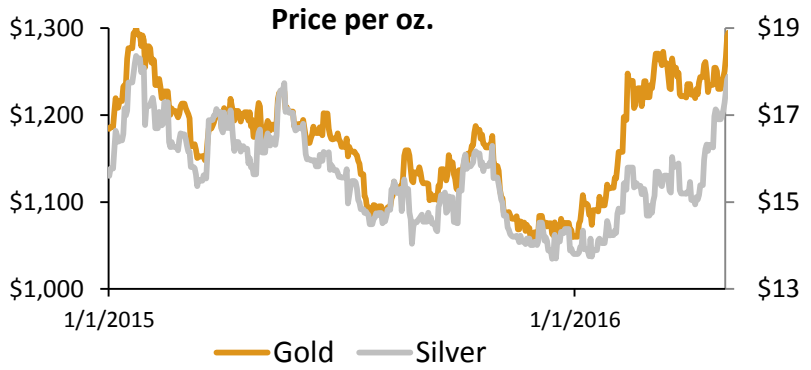
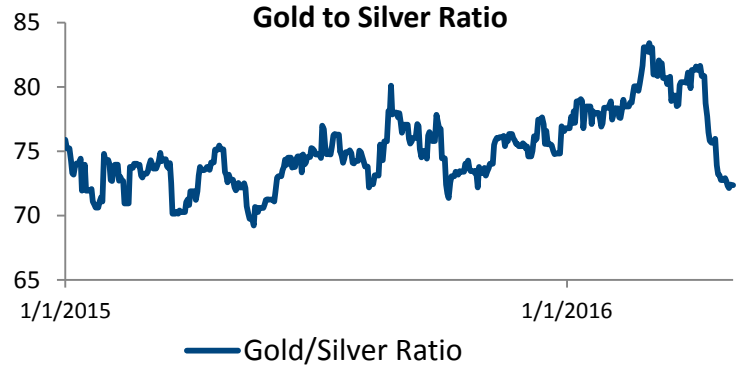
- Current environment is supportive for both gold and silver prices
- We believe gold price found a bottom and has significant opportunity for upside
- Current geopolitical and macroeconomic events include risk to worldwide economic growth, worldwide economic imbalances, inflation risk and increasing prevalence of low and negative interest rates
- Positive gold price movements are positive for our cash flow and will amplify cash flow multiplier of declining costs





Systemic challenges to global economy have historically supported **POSITIVE MOVEMENTS IN GOLD PRICE**

Metal Prices: Significant Upside From Both Gold & Silver

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- Current environment is also supportive for silver prices which typically have outpaced gold during commodity price reversals





Improving gold to silver ratio implies silver
WINDFALL ADDING TO GOLD

2015: Successful Repositioning and Transition Year

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- Streamlined Organizational Structure
- Improved Mine Plans
- Improved Balance Sheet
- Recalibrated Balance Sheet
- Recalibrated Mineral Reserves and Mineral Resources

In 2015 we focused on the entrenchment of **EFFICIENCIES AND COST MITIGATION**

We took several deliberate steps to move forward more **PRUDENTLY AND CONFIDENTLY** into 2016

Streamlined Organizational Structure

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- Enhanced management and management bench strength
  - Improved Health & Safety and Sustainable Development
  - Enhanced operational and tactical oversight
  - Built up technical services division, now managed from Toronto
- Created an EVP structure to harvest experience in exploration, business development and operations through common oversight
  - Demonstrated internal promotion and succession with thought-through succession plans
- Created three semi-autonomous operational divisions under common corporate oversight – Northern Operations, Southern Operations and Brio Gold (Central Operations)
  - Allows management to focus on highest impact operational efficiencies without overlooking smaller assets with significant leverage to gold price
- Further rationalized G&A and consolidated offices
  - Consolidation of offices included closure of São Paulo office
  - Projected 2016 cash G&A of $85M, down from a peak of approximately $123M

Better alignment to **PERFORMANCE**

Improved Mine Plans: Delivered Production Within Guidance Range

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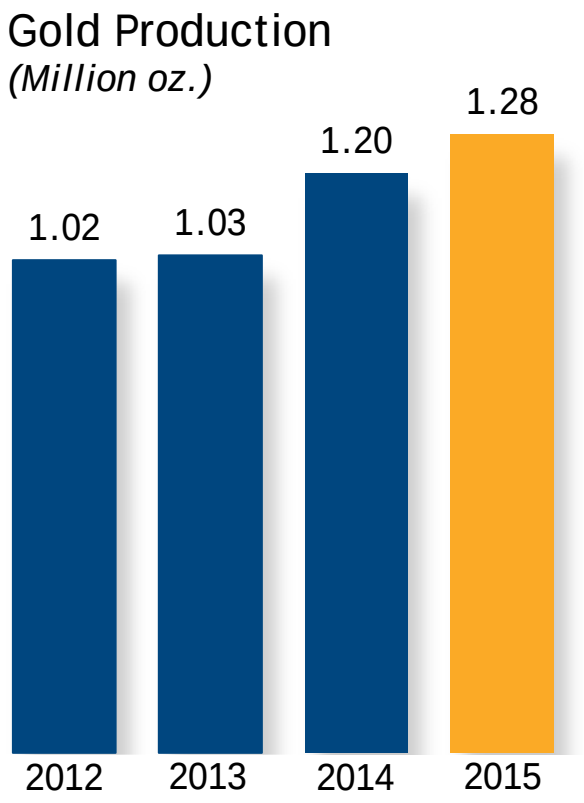
- Our objective remains delivering operational performance through production of higher quality ounces



- Delivered production within guidance range at approximately 1.28M oz. plus 9M oz. of silver and 131M lbs. of copper (above guidance)
- Delivered record annual gold production
- Record annual gold production at Canadian Malartic, Gualcamayo and Minera Florida
- Strong performance in production and cash flow from Chapada, El Peñón and Jacobina
- Strong production and cash flow from smaller mines – Pilar in particular

Increased confidence in **OPERATIONAL PERFORMANCE AND ACHIEVING TARGETS** with improved mineral resource models and mine plans

Improved Mine Plans: Delivered Production at Reasonable and Improving Costs

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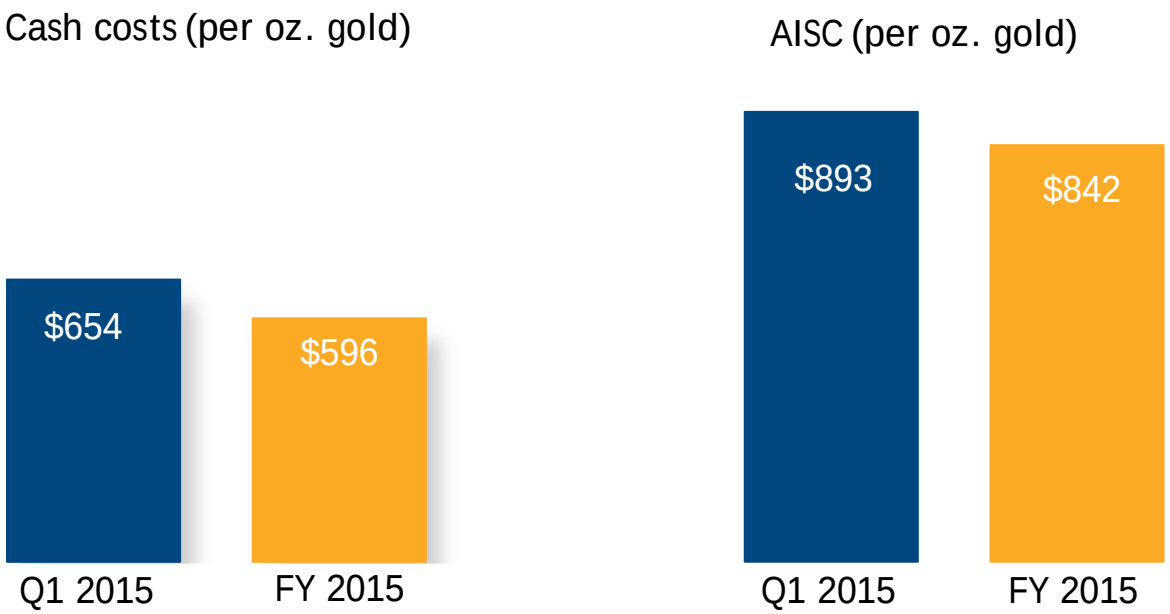
- Among the lowest AISC[1,2] in the industry, particularly true of our three cornerstone mines[3] which had average cash costs[1] of $555/oz. gold and AISC of $696/oz. gold



Positioned to continue trend of delivering production at **LOWER YEAR-OVER-YEAR AISC** in 2016

1. A non-GAAP measure. A reconciliation of which can be found at www.yamana.com/Q12016.
2. All-in sustaining cash costs (AISC) includes cash costs, sustaining capital, corporate general and administrative expense, and exploration expense.
3. Cornerstone mines are Chapada, El Peñón and Canadian Malartic.

Improved Balance Sheet: Net Debt Reduction

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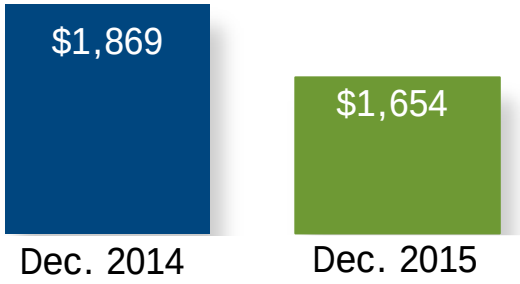
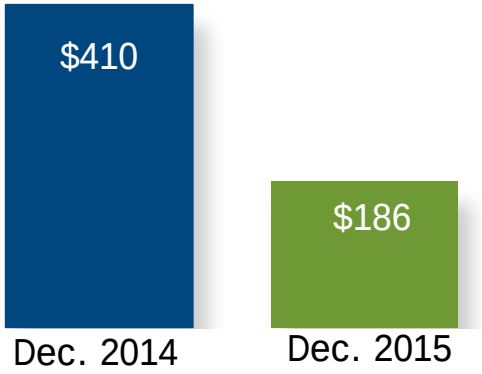
- Completed an equity financing and a metal purchase agreement during 2015
- Proceeds from these transactions contributed to a reduction in debt plus working capital position of $350M
- Continue to target a reduction in the balancing owing on our revolving credit facility to zero
- Balance owing on credit facility plus modest debt repayments scheduled over next two years demonstrate strength of our balance sheet
- Debt maturities are planned to match our portfolio
  - Development capex for Cerro Moro coincides with period of lower levels of debt maturities

Net Debt Position[(1)] (millions)



Balance on Revolving Credit Facility (millions)



1. Includes debt assumed from the acquisition of Canadian Malartic which is neither corporate nor guaranteed by Yamana. This is typically not included in Yamana's net debt calculation.

Improved Balance Sheet: Expected to Further Strengthen

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- Balance sheet and leverage ratios expected to further strengthen, particularly with RDM and Cerro Moro beginning to contribute to cash flow in 2017 and 2018, respectively
- 2015 Brio Gold initiative facilitated significant operational improvements across Brio Gold and the broader Yamana portfolio
- Value on offer for Brio Gold in 2015 did not represent a balance of reasonable value and expediency
- Suspended monetization and now focused on how Brio Gold contributes to internal value as compared to originally planned monetization efforts

Targeting **DEBT REDUCTION OF $300M** over the course of next few years and normalizing **NET DEBT TO EBITDA RATIO TO BETWEEN 1.5 TO 2.0** times

Recalibrated Balance Sheet

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- Recalibrated balance sheet to more fully reflect market realities and took impairment on several assets
- Year end 2015 impairment reflects change in long-term metal price assumption and assumptions reflecting the IFRS approach relative to Canadian GAAP when some of the now impaired assets were acquired
- Impairment largely driven by decline in value of exploration properties
  - Compared exploration concessions to the value of exploration companies, which have declined significantly
  - Concluded that the value of exploration concessions needed to reflect this reduction in market value
- Recalibration will improve DD&A by approximately $100M in 2016
- Under IFRS, required to evaluate book value from time to time and, if circumstances warrant, consider reversals

New book values better reflect market realities and continue to be **IN LINE WITH OR ABOVE CONSENSUS** net asset values .

Net book value of **$8.2 BILLION OR OVER $5.10 PER SHARE** does not reflect full potential of such mines as Chapada and Canadian Malartic

Recalibrated Mineral Reserves and Mineral Resources

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- Updated mineral reserves and mineral resources tie into improved mine plans and the resulting increase in operational predictability
- Mineral reserves decreased year-over-year with the largest decrease at Pilar and C1 Santa Luz
  - The decrease at these assets was the result of recategorization of mineral reserves to mineral resources
  - Expect a significant portion of these ounces to be upgraded during 2016

Significant mineral reserve inventory of **15.9M OZ. GOLD, 98M OZ. SILVER AND 3.1B LBS COPPER**

Gold inferred mineral resources **INCREASED BY 1.3M OZ.** to 15.2M oz.

- Large mineral reserve inventory complemented by significant mineral resource base
- Plan to build on mineral reserves by upgrading mineral resources, which is consistent with established history of mineral resource conversion
- Considerable exploration potential across the portfolio going forward
  - Cornerstone mines: Sucupira at Chapada, efforts at El Peñón and Odyssey at Canadian Malartic
  - Other mines: Jacobina's improving new discoveries, Gualcamayo's Deep Carbonates project and efforts at Minera Florida
  - Earlier stage projects in Canada: Kirkland Lake and Monument Bay

2015 Performance Summary

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Operational Performance	2015
Gold	
Production (oz.)	**1.275M**
Cash costs (/oz.)[1]	**$596**
Co-product cash costs (/oz.)[1]	**$662**
AISC (/oz.)[1,2]	**$842**
Co-product AISC (/oz.)[1,2]	**$868**
Silver	
Production (oz.)	**9.01M**
Co-product cash costs (/oz.)	**$8.28**
AISC (/oz.)	**$10.81**
Copper	
Production (oz.)	**131.0M**
Co-product cash costs (/lbs.)	**$1.46**

1. A non-GAAP measure. A reconciliation of which can be found at www.yamana.com/Q12016.
2. Includes cash costs, sustaining capital, corporate general and administrative expense and exploration expense.

2015 Financial Performance

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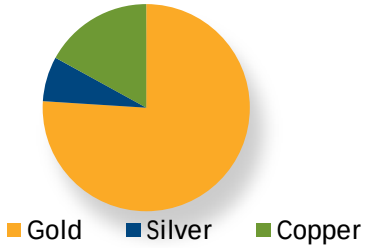
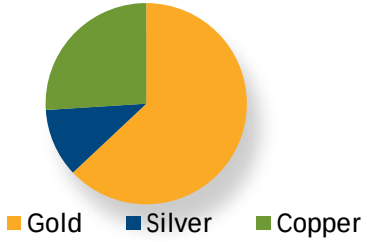
Financial Performance	2015
Revenue [1]	**$1.8B**
Avg. realized gold price per oz.	**$1,156**
Avg. realized silver price per oz.	**$15.71**
Avg. realized copper price per lbs.	**$2.68**
Cash flows from operating activities after net changes in working capital[1]	**$531.8M**
per share	**$0.57**
Adjusted cash flow from operating activities before net changes in working capital[1,2,3]	**$529.8M**
per share	**$0.57**
Net loss[1]	**$(2.1)B**
per share	**$(2.24)**
Adjusted loss[1,3]	**$(73.6)M**
per share	**$(0.08)**

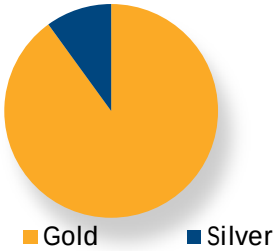
Approximate Revenue Contribution by Metal



Approximate Margin Contribution by Metal (Co-Product Basis)



Approximate Margin Contribution by Metal (By-Product Basis)



1. From continuing operations.
2. A non-GAAP measure. A reconciliation of which can be found at www.yamana.com/Q12016.
3. Adjusted cash flows normalize the impact of a metal purchase agreement and reorganization costs.

First Quarter Production

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	Q1 2016	Q1 2015	Change
Production			
Gold (oz.) (1)	**308,061**	299,108	*3%*
Silver (oz.)	**1.9M**	2.5M	*(22)%*
Copper (lbs.)	**25.9M**	26.8M	*(3)%*
Sales			
Gold (oz.)	**299,877**	296,167	*1%*
Silver (oz.)	**1.9M**	2.4M	*(23)%*
Chapada payable copper contained in concentrate (lbs.)	**22.7M**	26.7M	*(15)%*

Q1 gold, silver and copper production **MET OR EXCEEDED BUDGET** demonstrating continued operational execution

1. From continuing operations

Realized Metal Prices and Revenue

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	Q1 2016	Q1 2015	*Change*
Average realized gold price per oz.	**$1,189**	$1,217	*(2)%*
Average realized copper price per lbs.	**$2.25**	$2.89	*(22)%*
Average realized silver price per oz.	**$14.94**	$16.74	*(11)%*
Revenue[1]	**$430.3M**	$458.1M	*(6)%*

Lower year-over-year metal prices highlight the importance of **FOCUS ON COST COMPRESSION AND MARGINS**

1. From continuing operations attributable to Yamana equity holders.

Cost Improvements Continued into 2016

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	Q1 2016	Q1 2015	*Change*
Cash Costs[1] per gold oz.	**$590**	$651	*$(61)*
AISC[1,2] per gold oz.	**$804**	$889	*$(85)*

Applying the per ounce cost reduction in Q1 to Q1 ounces sold is equivalent to adding **CASH FLOW FROM AN ADDITIONAL MINE**

1. A non-GAAP measure. A reconciliation of which can be found at www.yamana.com/Q12016.
2. All-in sustaining cash costs (AISC) includes cash costs, sustaining capital, corporate general and administrative expense, and exploration expense.

Significant Financial Performance: Margin Expansion

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	Q1 2016	Q1 2015	*Change*
Gross Margin[1]	**$197.5M**	$176.0M	*12%*
Gross Margin as % of Revenue	**46%**	38%	*21%*
EBITDA Margin[2,3]	**$168.9M**	$115.5M	*46%*
EBITDA Margin[2] as % of Revenue	**39%**	25%	*56%*

Focus on cost compression resulted in **MARGIN EXPANSION** despite lower revenue and stronger local currencies

1. Gross margin excluding depletion, depreciation and amortization.
2. A non-GAAP measure. A reconciliation of which can be found at www.yamana.com/Q12016.
3. Calculated based on gross margin excluding depletion, depreciation and amortization after deducting general and administrative, exploration and evaluation and other expenses.

Significant Financial Performance: Cash Flow

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	Q1 2016	Q1 2015	*Change*
Cash flows from operating activities after net changes in working capital[1]	**$122.8M**	$14.4M	*$108.4M*
per share	**$0.13**	$0.02	*$0.11*
Cash flow from operating activities before net changes in working capital[1,2]	**$128.1M**	$96.0M	*$32.1M*
per share	**$0.14**	$0.11	*$0.03*

SIGNIFICANT IMPROVEMENTS IN CASH FLOW the result of continued focus on cost compression and margins

1. From continuing operations.
2. A non-GAAP measure. A reconciliation of can be found at www.yamana.com/Q12015 in accordance with previous Canadian GAAP for public entities.

Significant Financial Performance: Net Free Cash Flow

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	Q1 2016	Q1 2015	Change
Cash flows from operating activities after net changes in working capital[1]	**$122.8M**	$14.4M	*$108.4M*
Less: Non-discretionary items related to the current period			
Sustaining capital expenditures	**$(49.7)M**	$(50.1)M	*$0.4M*
Interest and finance expenses paid	**$(17.1)M**	$(18.5)M	*$1.4M*
Net Free Cash Flow[2]	**$56.0M**	$(54.2)M	*$110.2M*

- Net Free Cash Flow is calculated as cash flows from operating activities of continuing operations adjusted for non-discretionary expenditures from sustaining capital expenditures and interest and financing expenses paid related to the current period.

NET FREE CASH FLOW IS EXPECTED TO INCREASE over 2016, strengthening the balance sheet and reducing net debt

1. From continuing operations.
2. A non-GAAP measure. A reconciliation of can be found at www.yamana.com/Q12015 in accordance with previous Canadian GAAP for public entities.

Looking Forward: Well Positioned to Deliver Value

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- Steps taken in 2015 were part of a deliberate plan to position Yamana to deliver sustainable shareholder value beginning in 2016
- Positioning portfolio for further cost reductions in 2016 is a means to increase cash flow
  - Cost reductions can in effect be a cash flow multiplier in an increasing gold price environment
- Applying the expected per oz. cost reduction in 2016 to targeted production of approximately 1.3M oz. is equivalent to generating cash flow from an additional core mine
- Continue to focus on generating sufficient cash flow to sustain and grow our business in a prudent manner
- Positioned to deliver quality production in 2016 and production increases in 2017 and 2018

Poised to reduce costs and increase production resulting in **ROBUST CASH FLOW**

Looking Forward: Reiterating Production Guidance

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	2016E	2017E	2018E
Production			
Gold (oz.)	**1.26M – 1.34M**	**1.38M**	**1.46M**
Silver (oz.)	**6.9M – 7.2M**	**6.94M**	**10.45M**
Copper (lbs. Chapada)	**122 – 125M**	**122M**	**115M**

Projecting stable to increasing production at **LOWER BY-PRODUCT CASH COSTS** year-over-year

Poised to **MEET OR EXCEED 2016 PRODUCTION TARGETS** as a result of repositioning during 2015

MARGINS EXPECTED TO IMPROVE
as metal prices outpace costs

Strategic Developments: Advancing Opportunities – NAV Increases

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Brio Gold

- Strategic decision to focus on improving the quality of the operations
- Acquired RDM mine to be held within the Brio Gold division
- With RDM, Brio Gold portfolio includes three producing mines and one development project with production profile at full capacity of approximately 250,000 oz.
- C1 Santa Luz has the potential to add annual production of approximately 100,000 oz.
- Continuing to deliver operational execution and pursuing potential to create further value

Cerro Moro

- 2016 development is advancing faster than planned
- 2016 plan includes underground development, site construction and detailed engineering with planned expenditures of approximately $53M
- Objectives for underground development are mitigation of risks and start-up of production in Q2 2018
- Development successes in the Q1 include:
  - Completion of 120 metres of the 617 metres of underground development planned for 2016
  - Detailed engineering is now 65% complete - also ahead of schedule
  - Civil earthworks commenced in February

Exploration Program: Most Significant Results – NAV Increases

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Gualcamayo	▪ Discovery of new oxide ounces expected to significantly increase mineral resources
Monument Bay	▪ Significant diamond drilling planned for 2016 ▪ Looking to extend and recategorize mineral resources ▪ Expect to significantly increase mineral resources in 2016
C1 Santa Luz	▪ Completed planned program to define carbon enriched portion and oxide/sulfide contact ▪ Expect significant recategorization of mineral resources back to mineral reserves
Chapada	▪ Continuing with exploration and development at Sucupira to define a larger mineral resource and bring into production in 2018
Canadian Malartic	▪ Continuing to define north and south mineral bodies at Odyssey and have discovered two previously unknown structures

Additional **EXPLORATION SUCCESS AND POSITIVE RESULTS** delivered at **OTHER PROPERTIES** in the portfolio

High Quality Portfolio: Poised for Value Accretion

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- Americas focused
- Continue to focus on mining friendly jurisdictions with established protocols for mining
- Best asset portfolio in class
- High quality organic growth assets at various development stages
- High quality employees with a track record of dedication and commitment

Positioned to be an **INDUSTRY LEADER IN 2016** and going forward



Thank you