

True Value Proposition

Annual General Meeting

April 29, 2015

YAMANA GOLD

TSX: YRI | NYSE: AUY

Cautionary Note Regarding Forward-looking Statement

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS: This presentation 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. 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), 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 mine dispositions, 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 for the year ended December 31st, 2014 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 for the year ended December 31st, 2014 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.

Please note that "GEO" means gold equivalent ounces throughout this presentation.

Silver production is treated as a gold equivalent converted at a ratio of 50:1.

All amounts are expressed in United States dollars unless otherwise indicated.

Unprecedented Events and Changes in a Twelve Year Period

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We celebrate our twelfth anniversary this summer

Over twelve years we have….

- Experienced dramatic and unprecedented increases in gold price
- Experienced an equally dramatic and unprecedented decline in gold price from previous highs
- Our industry suffered unprecedented volatility and uncertainty in the last several years due to a decline in gold prices and systemic challenges

Mining

Long Term Nature

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Mining is a long term business…. decisions in a particular year may not have their expected positive impact for some time

- Enhancing and protecting a mining enterprise requires decisions that have impact short, intermediate and long term
- Sometimes short term impacts may be at odds with longer term impacts
- We have seen this before in that twelve year period and last year was not an exception

2014

was a year of continued volatility and challenges for the gold industry and for us in that industry

We had our own challenges with several development stage projects

…although we delivered strong operational results from our producing mines

We transformed our Company in 2014

We believe this will deliver value into the future

Share Value over the Long Term

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- 2014 was a difficult year for us in relation to share price and shareholder returns
- What counts ultimately is per share value in the long term and its proxy which is share price
- Our share price suffered in the second half of 2014 although even with that, the return since inception to year end is 500 percent
- We have generated an impressive return since inception of 700 percent at mid-2014, roughly on the eleventh anniversary of the Company



So…in 2014

while we felt the impact on our share price, we delivered strong operational results from our producing mines

We began adjustments to development stage projects that had challenged us

We transformed our Company

And this is what we did

2014 – A Transformative Year

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- We streamlined our organizational structure and made management more efficient
- We continued with cost containment and balancing production with costs
- We took actions to secure longer term sustainability and potential increases in cash flow
- We suspended operations placing cash flow at risk, improved certain other operations and segregated our portfolio between stronger and less strong contributors
- We established a Canadian platform with the addition of a world class mine and improved operating profile and mitigated jurisdictional risk
- We advanced a world class project to a construction decision

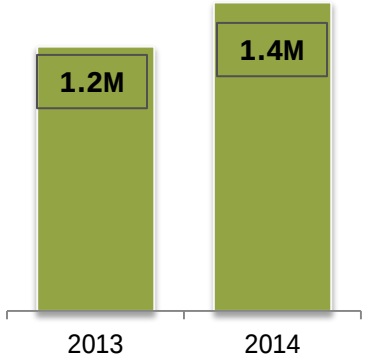


Record Production and Low Cost Structure

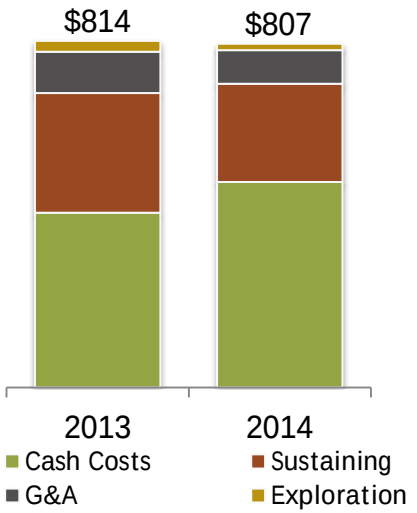
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- We achieved record annual production of 1.4 million gold equivalent ounces representing a 17 percent increase from 2013
- We experienced sequential quarter-over-quarter growth
- We experienced record quarterly production in the fourth quarter of 405,000 gold equivalent ounces
- We achieved all-in sustaining costs[1,2] below our guidance range at $807 per gold equivalent ounce
- Our cornerstone assets achieved all-in sustaining costs below our average with all-in sustaining costs of $747 per gold equivalent ounce
- We achieved impressive all-in sustaining costs in the second half of approximately $790 per gold equivalent ounce

Gold Equivalent Ounce Production



All-in Sustaining Costs[1,2] Per Gold Equivalent Ounce



We Maintained Our Ongoing Commitment to Health & Safety

- We delivered our operational results while we continued to emphasize the importance of health and safety
- We decreased our Lost Time Injury Rate to approximately 25% below target
- Our cost initiatives were based on efficiencies and not at the expense of health and safety



Focus on Primary Portfolio

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Production from our Cornerstone Assets

- We sharpened our focus on our primary portfolio of cornerstone assets
- These assets contribute most meaningfully to production and cash flow
- We applied management time to these assets to realize the greatest benefit
- Our total production from our primary portfolio was in line with expectations
- We met or exceeded overall expectations at our cornerstone assets
- Our costs were below our average and among best in the industry

	Early 2014 Guidance	Actual 2014 Production	
Chapada (GEO)	103,000	113,386	✓
El Peñón (GEO)	448,000	452,120	✓
Gualcamayo (oz)	170,000	180,412	✓
Mercedes (GEO)	129,000	113,174	●
Minera Florida (GEO)	114,000	119,582	✓
Jacobina (oz)	89,000	75,650	●
Total (GEO)	**1,053,000**	**1,054,324**	✓
Chapada Copper	134M lbs	134M lbs	✓

$747 per gold equivalent ounce

All-in sustaining costs[1,2] at Cornerstone Assets

Our cornerstone assets remain intact, continue to perform and deliver the best value

While Delivering on Operations We Established a Canadian Presence

- We established a Canadian platform which
  - Fit with our criteria of high quality operations and in an established mining jurisdictions
  - Mitigated the risk of entering a new region by partnering with an established operator
- Future upside exists through exploration opportunities and will have the platform for additional opportunities
- This provided us with another significant cornerstone asset in Canadian Malartic
  - Canadian Malartic produced a record 535,000 ounces in 2014
  - Potential to produce 600,000+ ounces (100% basis) per year at costs in line with current cost structure

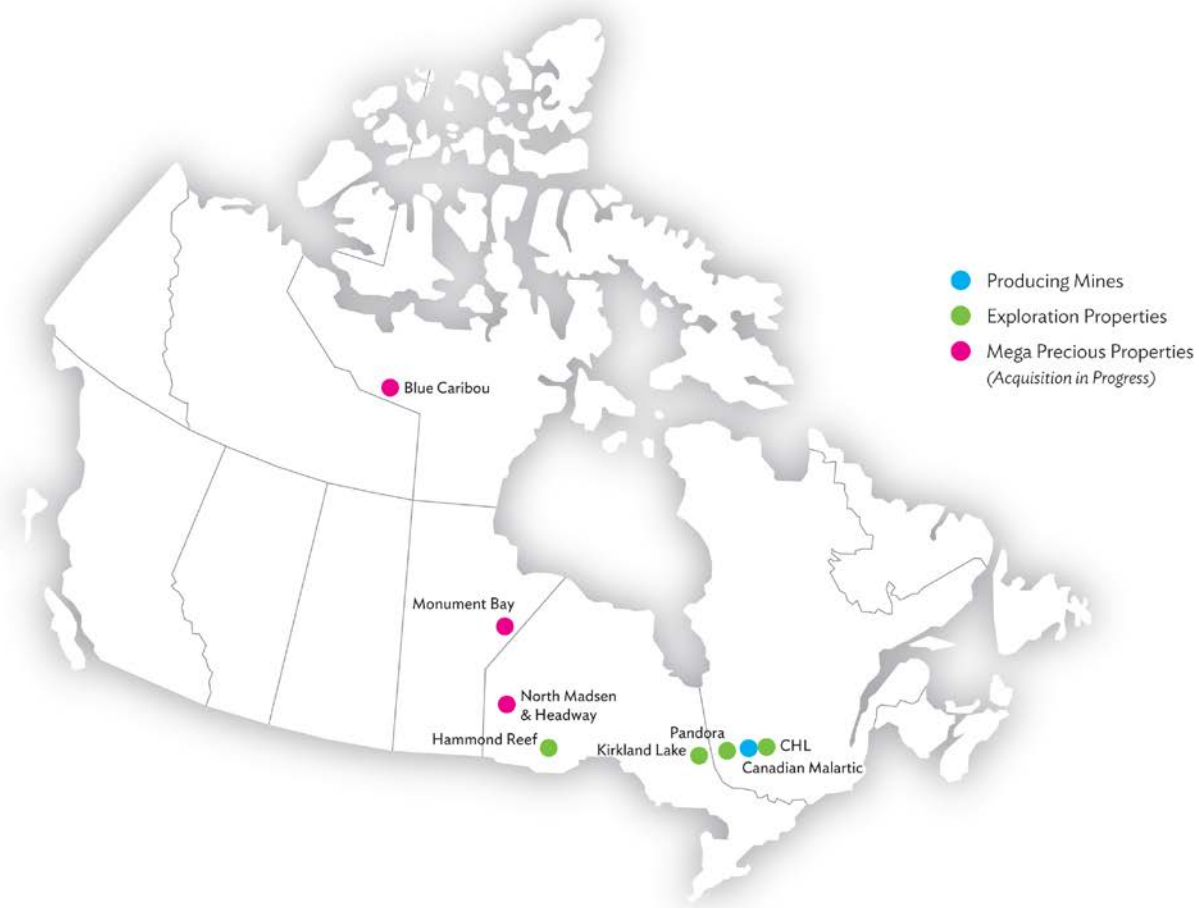
+600koz
FUTURE POTENTIAL

Another cornerstone operation in a world-class mining jurisdiction



Expanding our Canadian Presence

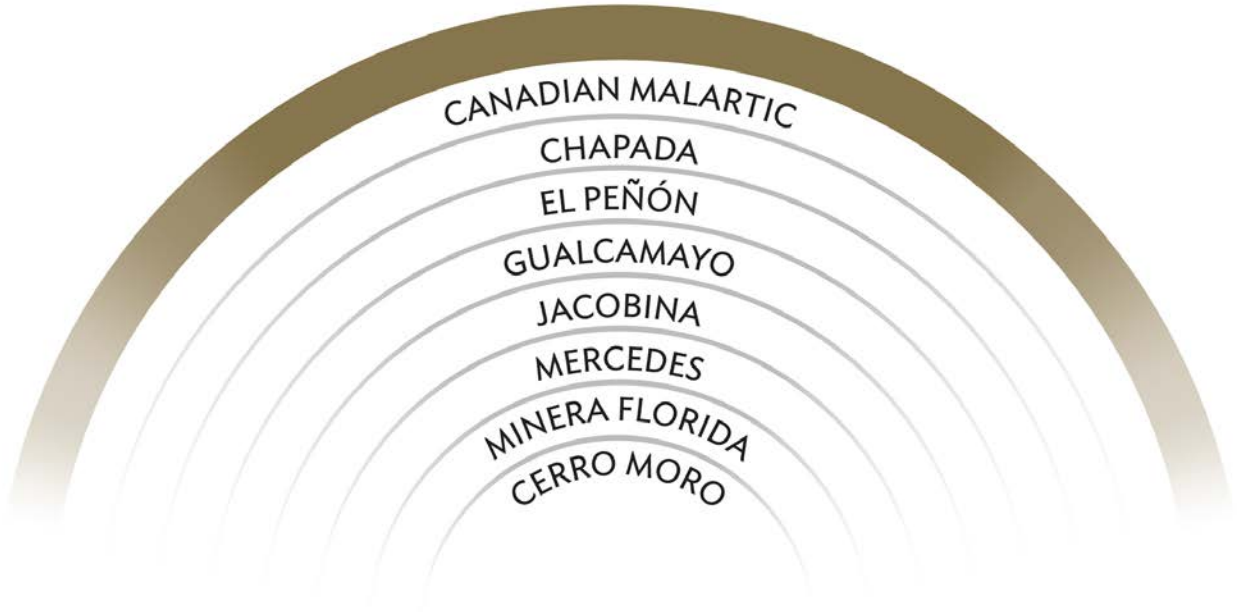
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Focus on Quality Ounces

How one should look at Yamana

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Our primary portfolio is in five of the best mining jurisdictions in the world and the seven mines and one project in that portfolio deliver quality production, low costs and exploration opportunities

We Sharpened Our Focus

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On our Primary Portfolio of Operations – including Canadian Malartic

- Our primary portfolio of operations contribute most meaningfully to production and cash flow, and where applying management's attention would realize the greatest benefit
- We achieved record production in 2014 mostly from mines in that primary portfolio
- We did this with only one-half year of Canadian Malartic

	2014 Production
Canadian Malartic (oz)	143,008[3]
Chapada (GEO)	113,386
El Peñón (GEO)	452,120
Gualcamayo (oz)	180,412
Mercedes (GEO)	113,174
Minera Florida (GEO)	119,582
Jacobina (oz)	75,650
Other Assets	203,230
Total (GEO)	**1,400,562**

Our focus on our primary portfolio delivers the best value

We Further Sharpened Our Focus

On our Primary Portfolio of Operations - Flagships

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- In that portfolio, our flagship assets of Canadian Malartic, Chapada and El Peñón constitute a top-tier gold mining enterprise
- These flagship assets contribute most significantly to production and cash flow
- Our cash costs at flagship assets were approximately $520 per gold equivalent ounce in 2014
- Exploration and improvement initiatives at these assets continue to support the potential for additional value creation

	2014 Production
Canadian Malartic (oz)	143,008[3]
Chapada (GEO)	113,386
El Peñón (GEO)	452,120
Flagship Assets Total (GEO)	**708,514**
Gualcamayo (oz)	180,412
Mercedes (GEO)	113,174
Minera Florida (GEO)	119,582
Jacobina (oz)	75,650
Other Assets	203,230
Total (GEO)	**1,400,562**

Our flagship assets deliver significant value that continues to be enhanced

In 2014 ...

We did not meet expectations at certain development stage assets

We evaluated our mistakes and began a program of remediation and reclamation of value

This is what we did

The Creation of Brio Gold

Recapturing Value for Yamana Shareholders

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- We stabilized our efforts refocusing on operational improvements at Pilar and placed C1 Santa Luz on care and maintenance to protect our mineral inventory while we evaluated a new recovery plan
- We formed a new division to hold the Fazenda Brasileiro and Pilar mines and the C1 Santa Luz project
- This formed as part of plan to separate primary and secondary portfolios
- These mines provide a stable production base while evaluation of enhancement options continue
- A dedicated management team was selected to lead operational and optimization efforts with oversight provided by Yamana
- Our plan is to take Brio Gold public in Q3 2015 with C1 Santa Luz expected to resume commissioning in mid-2016 once an evaluation of its plant is completed in mid-2015

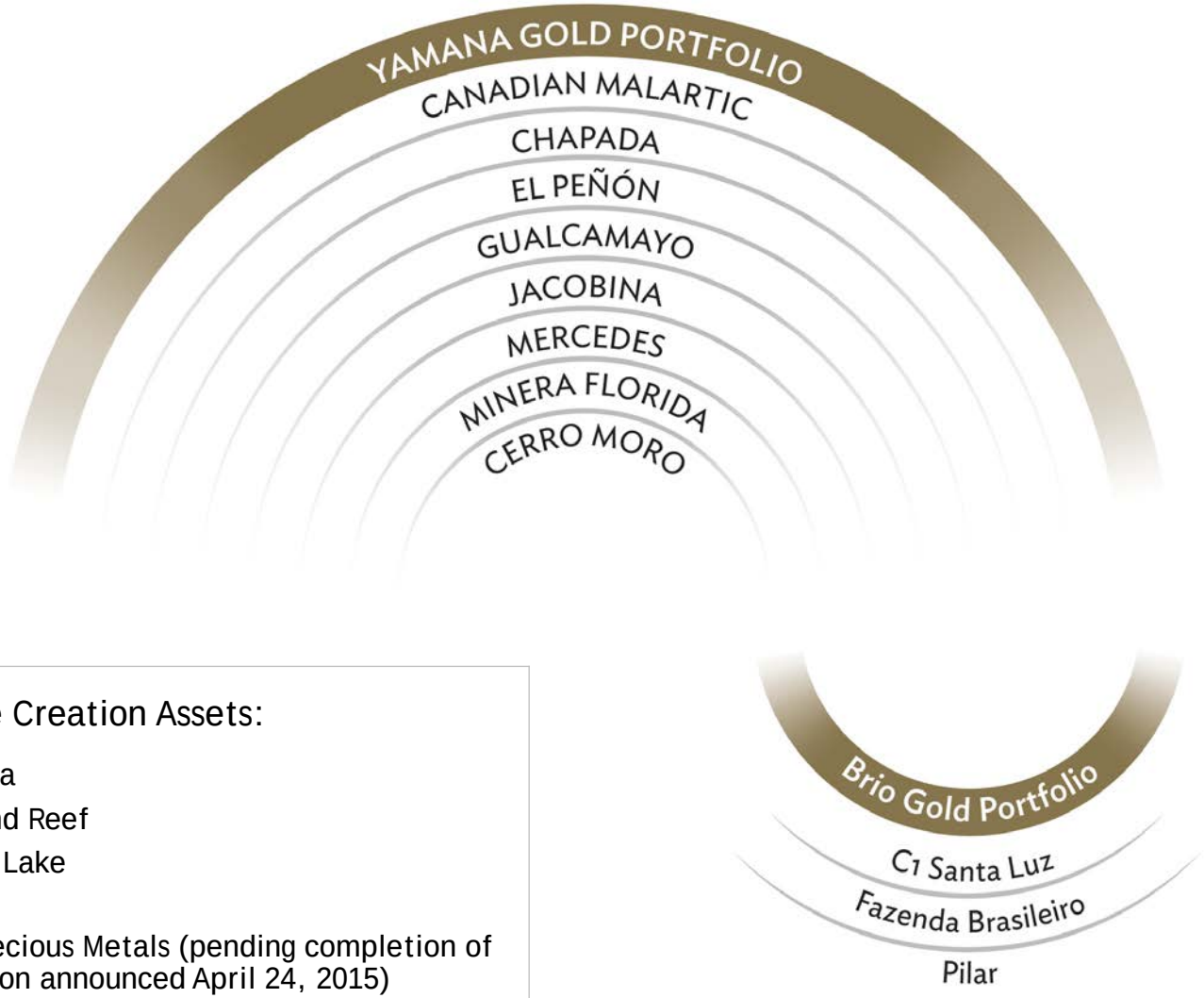
230koz
2017 PRODUCTION FORECAST

Innovative approach to reclaim value that allows management to remain focused on cornerstone assets

Focus on Quality Ounces

How one looks at Yamana

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Other Value Creation Assets:

- Agua Rica
- Hammond Reef
- Kirkland Lake
- Pandora
- Mega Precious Metals (pending completion of acquisition announced April 24, 2015)

In 2014, we streamlined Management

While reducing overhead costs

- We integrated our technical services, exploration, and operations capabilities and we strengthened our technical services group
- We provided more autonomy to the operations and eliminated redundancies and bureaucracy at regional offices
- We reorganized operational oversight into North and South divisions
  - We migrated oversight of projects to where we have the best core competencies rather than based on jurisdictional expertise thereby improving our efficiency
- We reduced our overhead costs
  - Additional benefits of this rationalization will become evident in 2015 and future years
- We added two new, high caliber directors as part of diversification effort
- And most recently, we further strengthened our management effort by filling the role of health, safety and sustainability with the addition of a new Senior Vice President in that role, based out of our Toronto office

10%
DECREASE IN G&A
YEAR-OVER-YEAR

Streamlined management better reflects our portfolio



Project Pipeline

Cerro Moro Construction Decision

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We delivered an updated feasibility study on Cerro Moro, although we deferred a construction decision until we completed a rigorous and more diligent process of detailed engineering and pre-development assessment of grade and rock conditions, all of this under the direction of, and with oversight by, our improved technical services group.





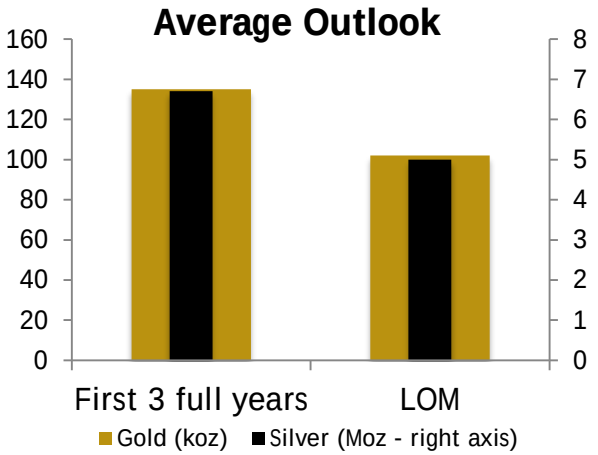

The approach to development at Cerro Moro applies lessons learned from other projects

Project Pipeline

Cerro Moro Project Parameters

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- In first three years of full production we expect average annual production of 135,000 ounces of gold and 6.7 million ounces of silver.
- Over the life-of-mine, based on current reserves, Cerro Moro should average annual production in excess of 100,000 ounces of gold and 5 million ounces of silver at all-in sustaining costs below our current corporate average
- This is a lower risk project with high-grade and modest throughput of 1,000 tpd
- Estimated total capital investment is $398M with
  - $265M of initial capital
  - $133M of sustaining capital



Life-of-Mine All-in Sustaining Costs[1,2]

$547 - $557 per ounce of gold

$7.60 - $7.80 per ounce of silver

3 Years

Expected Payback

The approach to development at Cerro Moro applies lessons learned from other projects

Focused Exploration Program With Important New Discoveries

- 2014 Highlights include:
  - At Chapada: we discovered the Santa Cruz and Sucupira targets that are close to existing mine infrastructure and operations
  - At El Peñón: we discovered the large, high grade Ventura vein that is near existing mine facilities and is returning results above current reserve grades
  - At Gualcamayo: we focused on expanding the Rodado Southwest mineral body that is near current underground mine workings. A Preliminary Economic Assessment is underway for completion in 2015
  - In our Quebec and Ontario portfolio: We identified Pandora as one of our most prospective exploration properties in Canada

$74M
EXPLORATION SPEND IN 2014

Our focus on cornerstone assets is also applied to our exploration efforts



Growth in the Mineral Resource Base

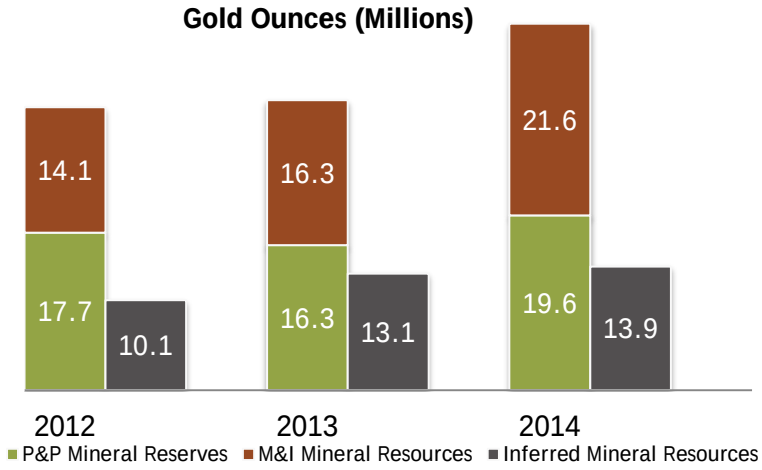
Gold Mineral Reserves & Resources

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- 2014 exploration program aimed to expand and upgrade resource base
- We increased M&I mineral resources 32 percent, including 8 percent increase at existing assets
- At mines that depleted reserves we increased resources at comparable or greater significance
- Our reserve grade remained consistent with historical levels at 0.78 grams per tonne
- And our entry into Canada includes a significant resource base with the potential for exploration to expand further

Gold price volatility has resulted in under spending on exploration across the industry

Increased exploration budget for 2015 expected to build on established history of exploration success with potential to unlock value across the portfolio

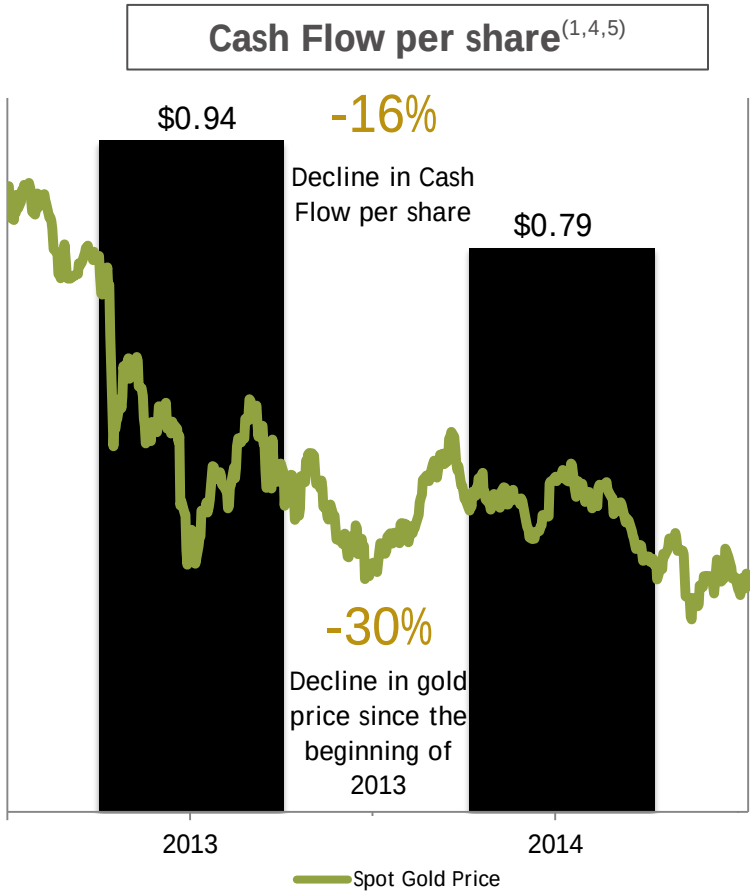


Exploration continues to expand resource base with opportunities for further value creation

Focus on Generating Cash Flow

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- Cash flow generation is critical to success: a 30 percent decline in gold price **DID NOT** reduce our cash flow to that level
- We generated more total cash flow than comparable companies our size or larger
- Our ratio of cash flow to revenue remains strong and better than those comparable companies implying our financial efficiency: the higher the ratio, the better
- Our cash flow multiple is significantly lower than peers implying far more opportunity for upside in our share price
- Returning to more comparable multiple supports the potential upside in our share price



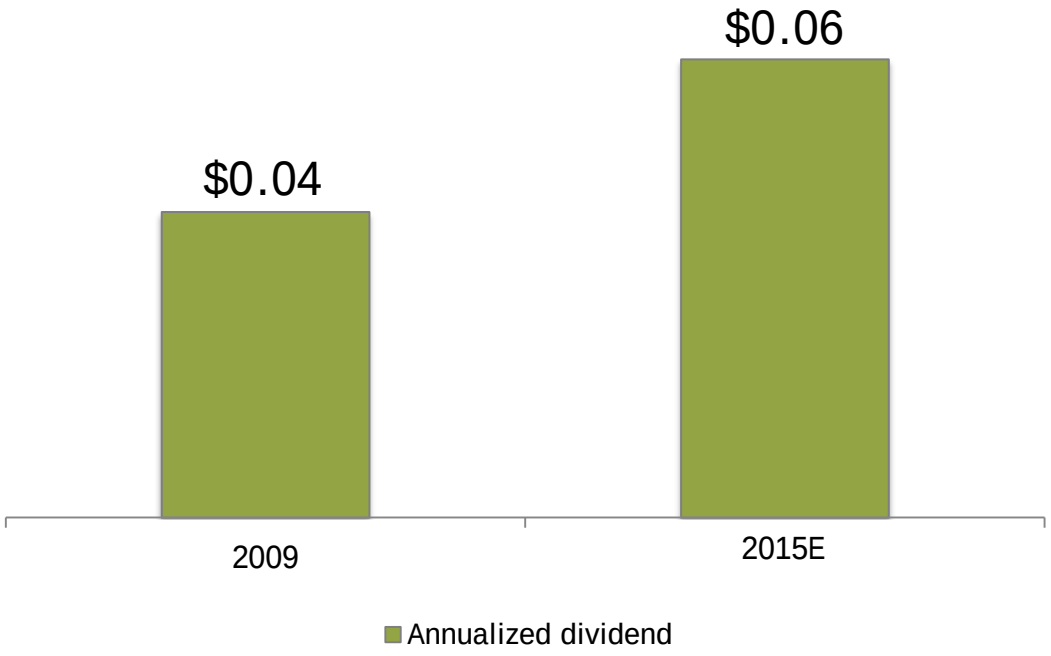
Generating sustainable levels of cash flow despite gold price decline

Dividend Policy

Communicating our Philosophy More Effectively

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- We are committed to returning capital to shareholders as part of overall growth and capital allocation strategy
- We recognize a duty of care to long-term shareholders
- We will not compromise long-term value creation in order to satisfy short-term market pressures
- We have adapted to a changing environment and kept our long-term growth strategy intact



50%

Increase in annualized dividend since 2009

Dividend policy supports sustainable long-term growth

2015 Expectations

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- We expect gold production to increase 8% to 1.3 million ounces of gold, 9.6 million ounces of silver and 120 million pounds of copper 2015
- We expect All-in Sustaining Costs to be maintained at the low 2014 level over this period

	Q1 2015	
Production		
Gold (ounces)	304,874	
Silver (ounces)	2.5M	
Copper (lbs Chapada)	26.8M	
Costs	Gold	Silver
Cash Costs[1] per ounce	$654	$7.10
All-in Sustaining Costs[1,2] per ounce	$893	$10.45

We are on target to meet 2015 expectations

Objectives for 2015

Applying Lessons Learned

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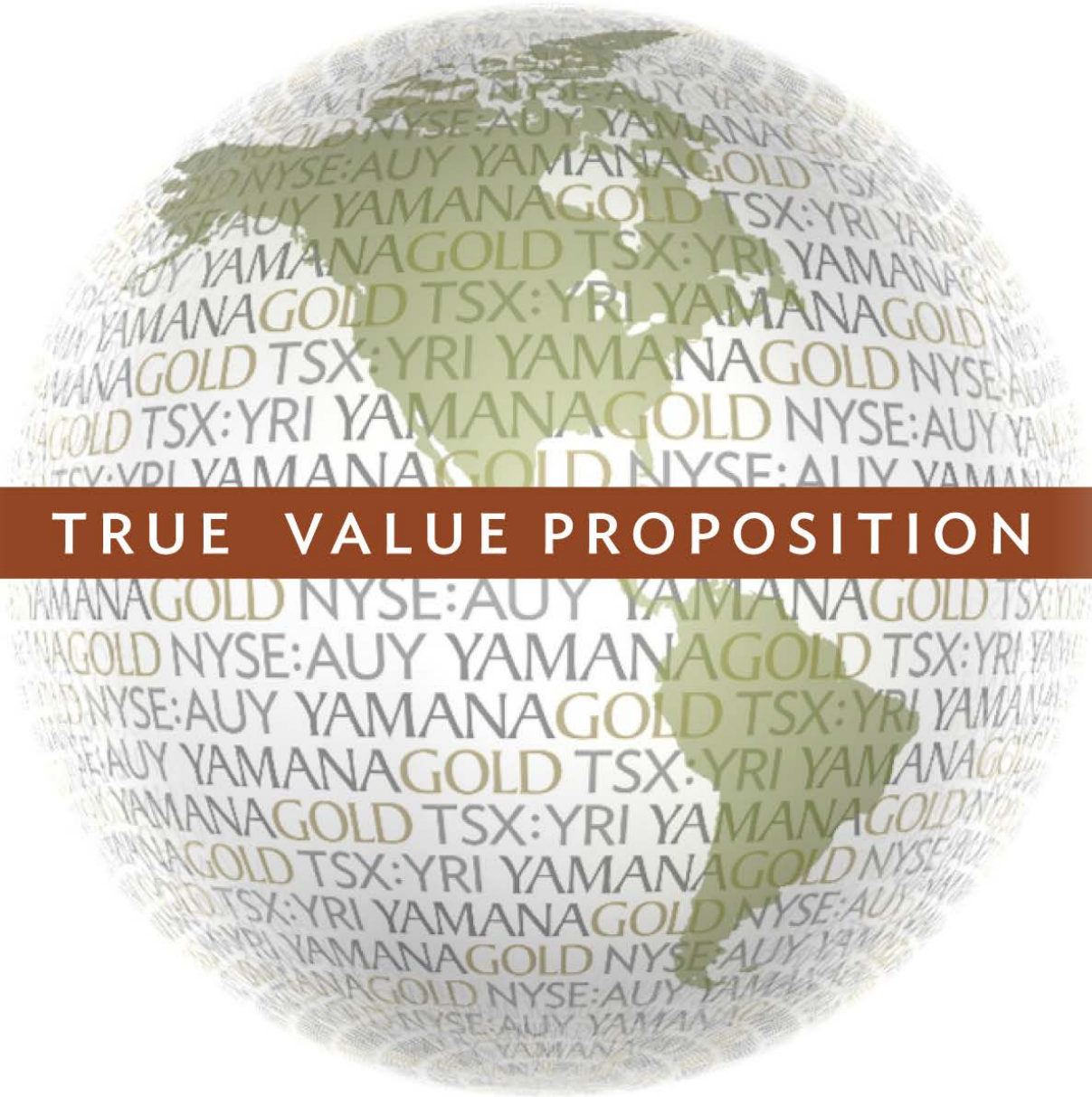
- Increase production to 1.3 million gold ounces with stable silver and copper production
- Achieve All-in sustaining costs between $800 and $830 per ounce of gold
- Deliver strong financial results and significant cash flow
- Advance formal construction at Cerro Moro
- Realize value from other valuable assets including Agua Rica
- Continue process of building quality mineral resources and converting resources to reserves
- Reduce total capital expenditures

In Conclusion

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In the midst of considerable industry volatility and uncertainty in 2014, facing our own challenges with certain development stage projects, we streamlined our operations, focused on cornerstone assets, created an organizational construct to more efficiently manage our assets, developed a plan to re-capture value from those challenged development staged projects, advanced a high-quality project to a construction decision, advanced our efforts at other exploration and near-development stage projects, reduced our costs and generated impressive cash flow. That cash flow will drive our share value and return us to our historically impressive shareholder returns.

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TRUE VALUE PROPOSITION

Endnotes

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1. A non-GAAP measure. A reconciliation of can be found at www.yamana.com/Q12015 in accordance with previous Canadian GAAP for public entities.
2. Includes cash costs, sustaining capital, corporate general and administrative expense, and exploration expense.
3. 2014 production attributable to Yamana for the period since acquisition on June 16, 2014 equal to 143,008 ounces.
4. Operating cash flow generated from continuing operations before changes in non-cash working capital in accordance with Canadian GAAP for public entities.
5. Adjusted for certain one time items
6. Refer to the Mineral reserves and Resources table available at http://www.yamana.com/English/portfolio/reserves-and-resources/default.aspx for further detail on Mineral Reserves and Resources discussed in this presentation.