

TSX: YRI
NYSE: AUY

PRUDENT AND DISCIPLINED

Corporate Summary

October 2013

YAMANA GOLD

Cautionary Note Regarding Forward-looking Statements

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, 2012 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, 2012 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.

Business Philosophy – *Focus on Margins and Cash Flow*

Rising gold price environment – minimal risk of margin compression

OBJECTIVE: maintain and increase cash flows, maximize production

Marginal ounces most likely to contribute positively to cash flow

Volatile gold price environment – high risk of margin erosion

OBJECTIVE: contain costs and protect margins, focus on ensuring certainty and sustainability in generating cash flow before pursuing additional growth

Marginal ounces most at risk of eroding margins and cash flow

Production growth is important but not at the expense of cash flow

Company Overview 2012

Americas focused with 10 operations

- Seven operating mines and one JV (12.5%)
- One new operation transitioned to commercial production
- Three new operations in development



2012 Snapshot

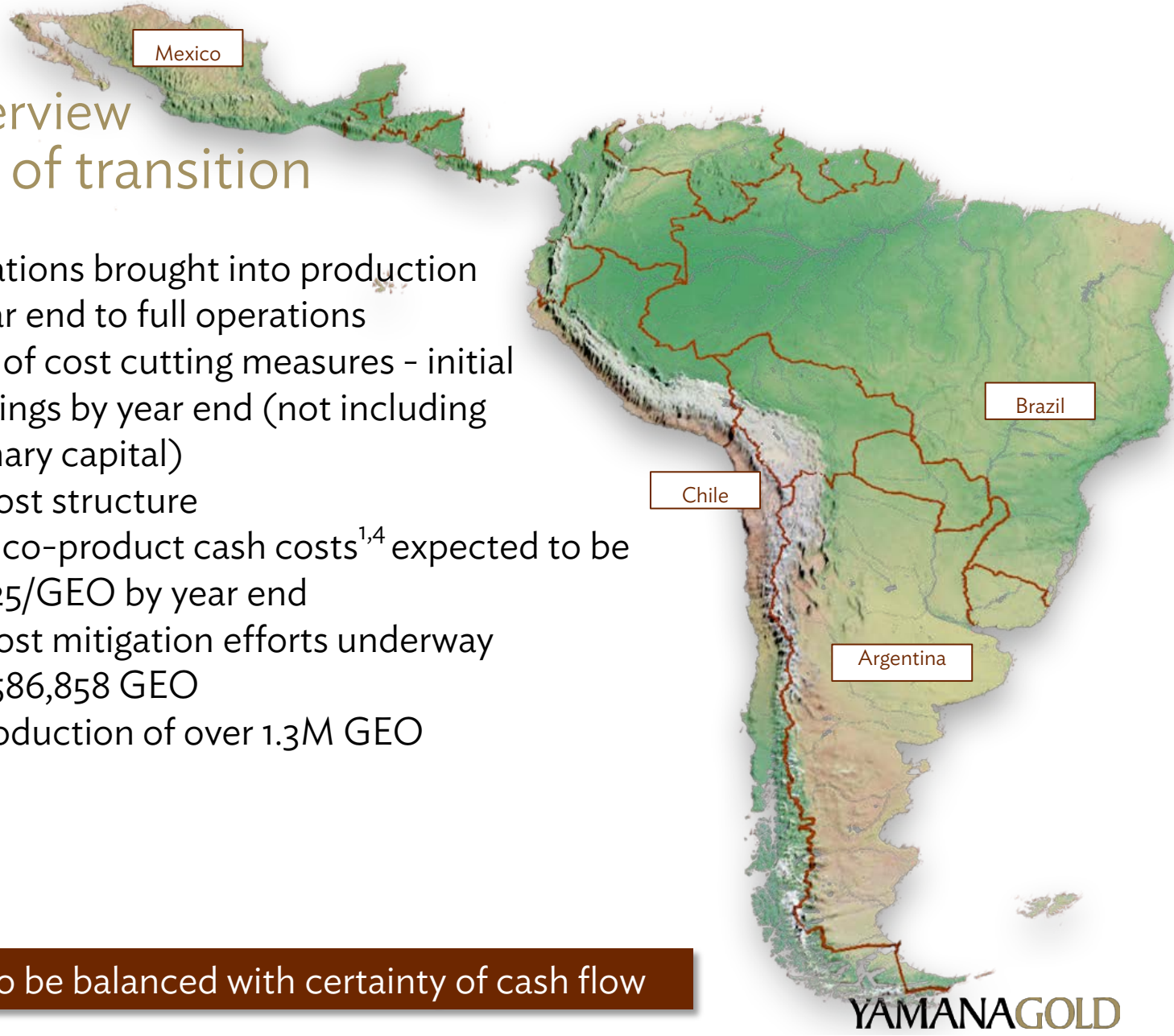
- Production of 1.2 M GEO
- By-product cash costs[1] of $230/GEO
- Cash flow[1,2] of over $1 B
- Exploration success lead to 6th consecutive increase to mineral reserves[3] using $950Au
- Proven and probable mineral reserves[3] of 19.3 M oz.
- Annual dividend increased to $0.26/share

*See final slide for notes 1, 2 and 3

YAMANAGOLD

Company Overview
2013 – A year of transition

- Three new operations brought into production
- Transition by year end to full operations
- Initiated a series of cost cutting measures - initial $115M savings by year end (not including expansionary capital)
- Adopted all-in cost structure
- All-in sustaining co-product cash costs[1,4] expected to be below $925/GEO by year end
- Further capital cost mitigation efforts underway
- H1 production: 586,858 GEO
  - Forecast production of over 1.3M GEO



Production growth to be balanced with certainty of cash flow

*See final slide for notes 1 and 4

YAMANAGOLD

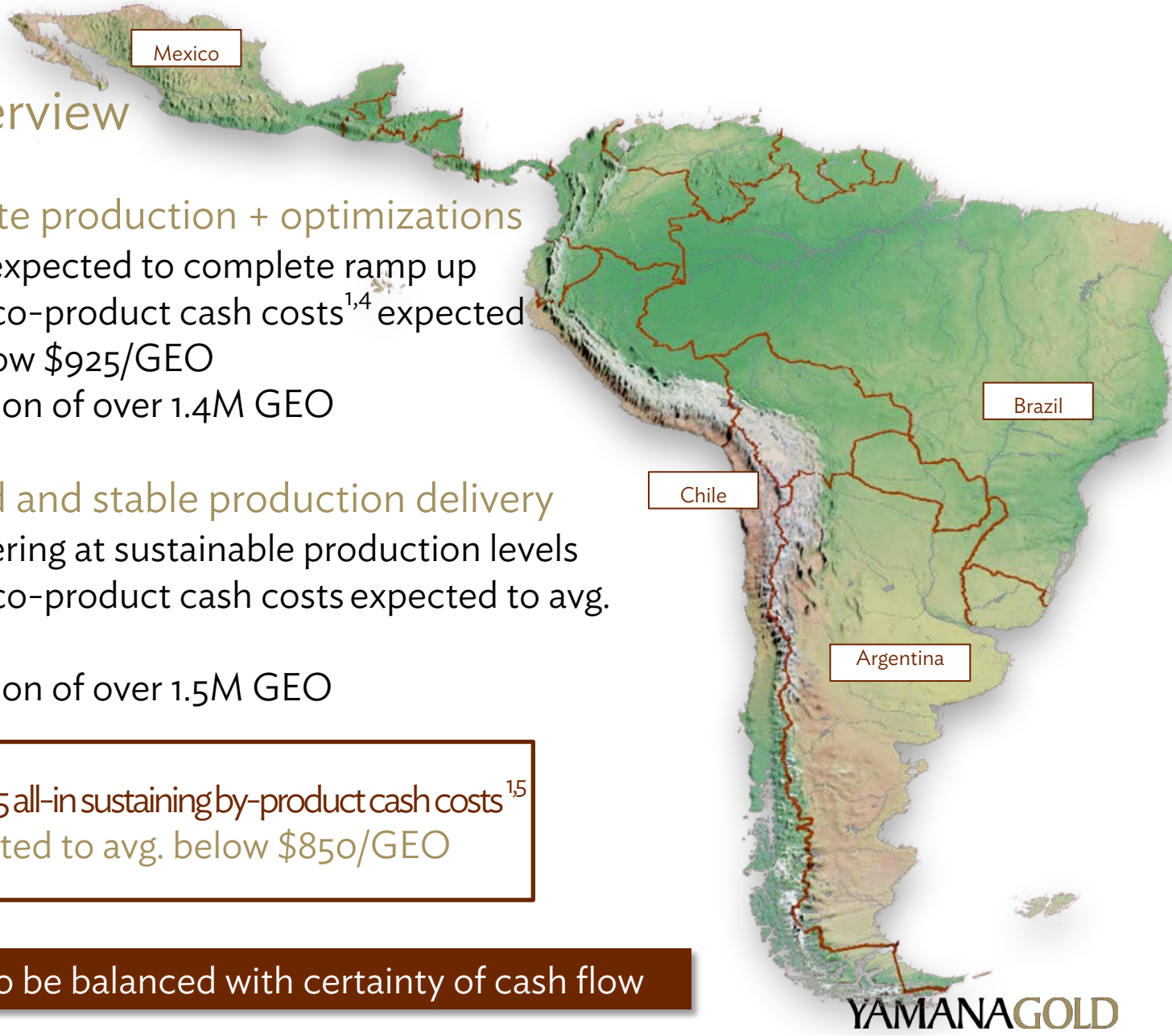
Company Overview

2014 – Steady state production + optimizations

- New operations expected to complete ramp up
- All-in sustaining co-product cash costs[1,4] expected to avg. below $925/GEO
- Forecast production of over 1.4M GEO

2015 - Established and stable production delivery

- All projects delivering at sustainable production levels
- All-in sustaining co-product cash costs expected to avg. $925/GEO
- Forecast production of over 1.5M GEO



2014 and 2015 all-in sustaining by-product cash costs[1,5]
Expected to avg. below $850/GEO

Production growth to be balanced with certainty of cash flow

*See final slide for notes 1, 4 and 5

YAMANAGOLD

Operations Overview

Chapada – Brazil

Open pit copper - gold mine

Cornerstone low cost operation with increasing production expected

2012 results – 128,171 GEO; Cash Cost[1] $333/GEO

– 150.6 M lbs Cu; Cash Cost $1.40/lb

2013 H1 results – 49,884 GEO; Cash Cost $441/GEO

– 57.5 M lbs Cu; Cash Cost $1.82/lb

El Peñón – Chile

Underground gold - silver mine

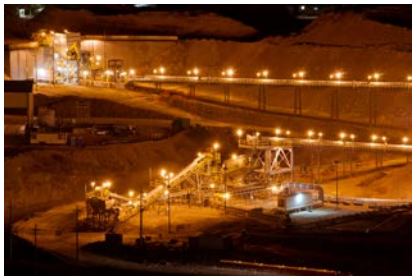
Cornerstone low cost operation with a track record of replacing ounces mined

2012 results – 462,496 GEO; Cash Cost $440/GEO

2013 H1 results – 242,826 GEO; Cash Cost $453/GEO









Operating as expected Operation in transition Operation under evaluation

YAMANAGOLD

*See final slide for note 1

Operations Overview

Mercedes – Mexico

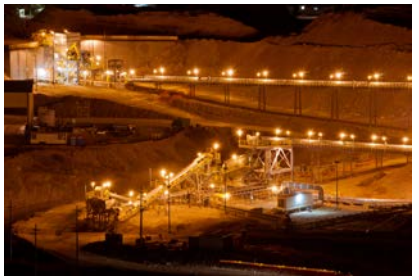
- Underground gold - silver mine
- Continues to exceed expectations in second year of operations
- 2012 results – 126,010 GEO; Cash Cost[1] $485/GEO
- 2013 H1 results – 75,801 GEO; Cash Cost $438/GEO

Minera Florida – Chile

- Underground gold - silver mine
- Retreatment of historic tailings increasing production
- 2012 results – 105,679 GEO; Cash Cost $797/GEO
- 2013 H1 results – 60,606 GEO; Cash Cost $819/GEO

Fazenda Brasileiro – Brazil

- Underground gold mine
- Proven track record of replacing mineral reserves
- 2012 results – 67,130 oz. Au; Cash Cost $872/oz.
- 2013 H1 results – 35,092 oz. Au; Cash Cost $848/oz.









YAMANAGOLD

*See final slide for note 1

Operations Overview

Gualcamayo – Argentina

- Open pit gold mine – underground in development (QDDLW, Rodado and new discoveries)
- Production increases expected as underground development progresses
- 2012 results – 147,310 oz. Au; Cash Cost[1] $536/oz.
- 2013 H1 results – 57,730 oz. Au; Cash Cost $669/oz.
- Production from QDDLW expected to begin in Q4 2013

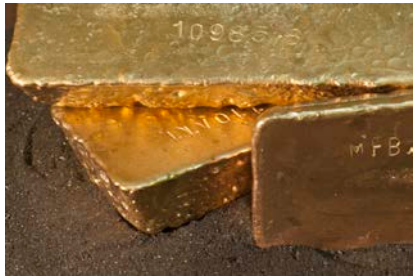
Jacobina – Brazil

- Complex of underground gold mines with a common plant
- 2012 results – 116,863 oz. Au; Cash Cost $747/oz.
- 2013 H1 results – 34,581 oz. Au; Cash Cost $1,273/oz.
- 2013 production expectations reduced to focus on development work in larger, higher grade areas leading to future sustainable production at higher levels and lower costs









YAMANAGOLD

*See final slide for note 1

Projects In Transition to Full Operations

C1 Santa Luz – Brazil

- Open pit gold mine
- Commissioning in process – transitioning to commercial production expected to be complete by year-end
- Mineral Reserves & Resources[3] – P&P 1.5 million oz. Au; M&I 678,000 oz. Au
- Estimated annual production over 100,000





Pilar – Brazil

- Underground gold mine
- Commissioning in process – transitioning to commercial production expected to be complete by year-end
- Mineral Reserves & Resources – P&P 1.4 million oz. Au; M&I 267,000 oz. Au
- Estimated annual production over 100,000



Ernesto/Pau-a-Pique – Brazil

- Open pit and underground gold mine
- Commissioning in process – transitioning to commercial production
- Mineral Reserves & Resources – P&P 791,000 oz. Au; M&I 141,000 oz. Au



YAMANAGOLD

*See final slide for note 3

The Plan for Operations Under Evaluation

Jacobina

- Production and costs below expectation for H1 2013
  - Insufficient development work leads to lower mined grades and recoveries

The Plan:

- Reduced production expectation for near term allowing for:
  - renewed focus on cost structure
  - enhanced focus on development work
  - reducing reliance on lower grade areas and stockpiles,
  - revising mineplan to ensure access higher grade areas more quickly
  - focus on previously discovered higher grade mineral resources
- Near term expected production in 2013/2014 - over 70,000 oz. (target over 80,000 oz.)
- Longer term strategy – over 130,000 oz.

Ernesto/Pau-a-Pique

- Production below expectation for H1 2013
  - Slower than expected ramp up, permit delay for underground due to changed plan, for underground mining, impact of delay/lower grade open pit on costs

The Plan:

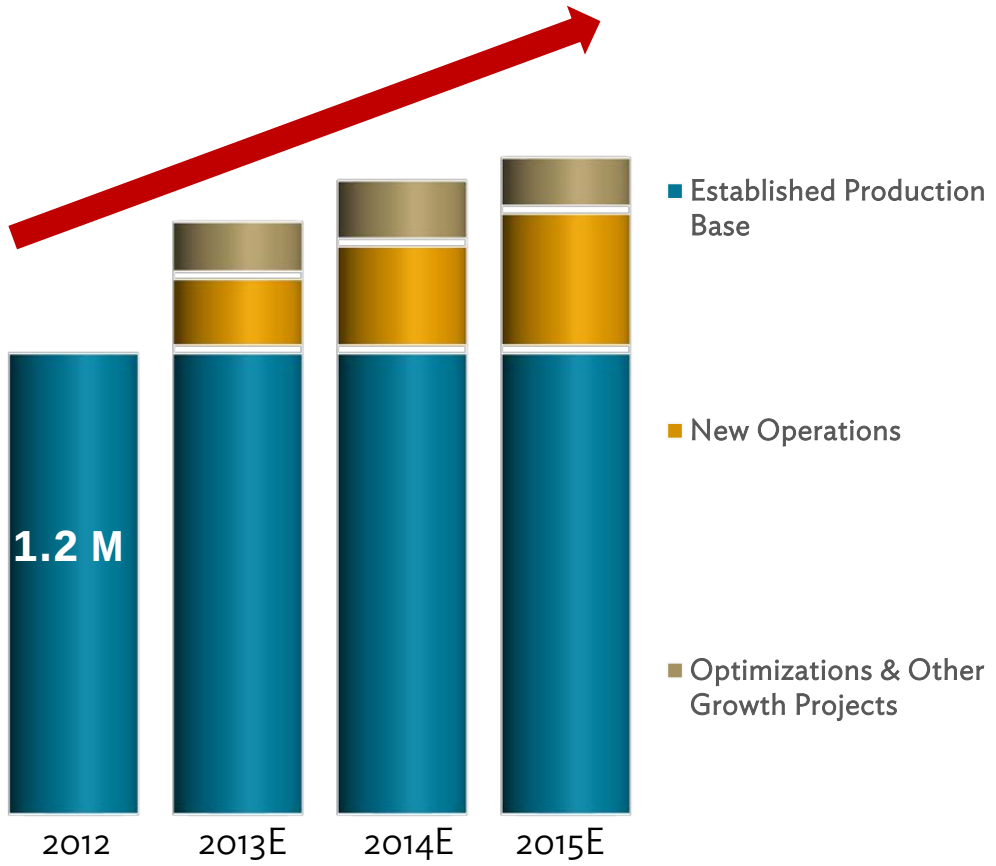
- Increased focus on growing open pit resources
- Evaluation of optimizations, enhancements and cost mitigation strategies given current environment
- Near term production expectation 2013 – 30,000 to 40,000 oz.
- Longer term strategy – approx. 60,000 - 70,000 oz.

Strategy aimed at
Improving and positively contributing to cash flow

Proactive strategy aimed at mitigating risks

YAMANAGOLD

Delivering Sustainable Volume Growth



Established production base of 1.2M GEO

+

New operations

+

Optimizations & Other

↓

Sustainable volume growth to over 1.5M oz. beginning 2015

↓

Opportunities for further growth

Pursuing growth only when enhancing cash flow generation

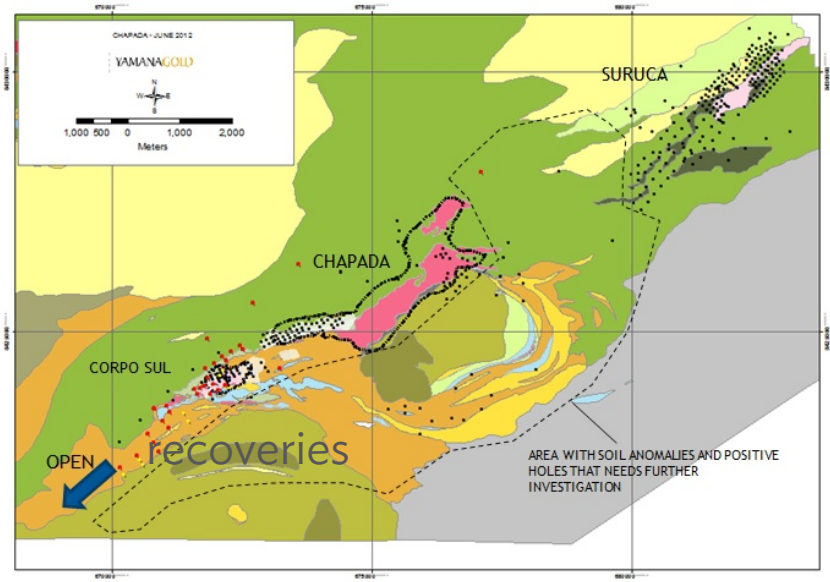
YAMANAGOLD

Opportunities for Further Growth

Chapada

- Corpo Sul
  - Higher grade gold / copper deposit located beside main pit
  - Continued exploration success indicates potential for significant resource growth
- Suruca
  - Gold only satellite deposit
  - Production expected in late 2014
- Arco Sul
  - New discovery made in late 2010
  - Potential to leverage existing Chapada infrastructure
- Other optimizations aimed at enhancing

New discoveries may lead to higher sustainable production levels



Targeting sustainable production of initially 130,000 oz gold up to 150,000 oz. gold and 130M lbs. copper

Containing costs to ensure sustainability of cash flow generation

YAMANAGOLD

Opportunities for Further Growth – New Operations

Gualcamayo – underground (QDDLW)

- Sulphide resources continue to increase supporting the evaluation of alternate processing
  - Rodado Extension – a deeper similar system with potential to develop into a significant deposit
  - Trade-off studies on alternate processing options for sulphides near completion

Production target of over 160,000 oz.

C1 Santa Luz

- Underground resource increasing
  - Evaluating concurrent underground mining with open-pit operation under evaluation

Production target of over 150,000 oz.

Pilar

- Maria Lazarus and Caiamar satellite deposits provide potential for sustainable production growth
  - Caiamar in development
  - Development of Maria Lazarus accelerated

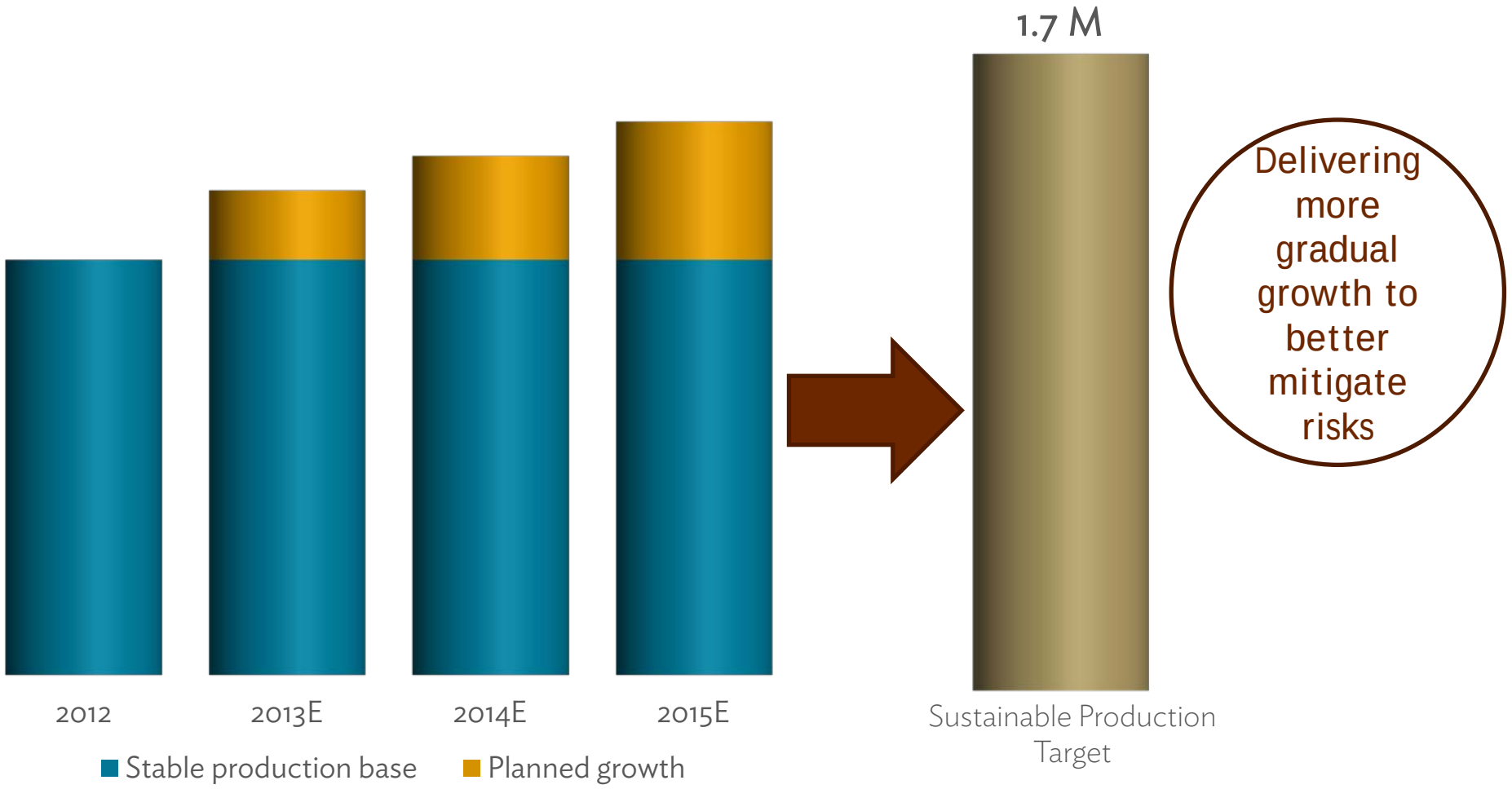
Production target of approximately 130,000 oz.

Production targets are not guidance, they represent opportunities for further growth

Focused on delivering further growth within lower cost structure

YAMANAGOLD

Updated Production Profile



Establishing lower cost structure then delivering further growth

YAMANAGOLD

New Development Pipeline

Cerro Moro, Argentina

- High grade gold / silver deposit - similar Mercedes and El Peñón
- Feasibility study initiated and expected completion in 2014
- Pre-development work initiated
  - Same approach to development used at Mercedes
- Production anticipated to begin in 2016
- Indicated mineral resources[3] – 1.95 M GEO – 4.16M tonnes @ 14.6 g/t AuEq; inferred mineral resource – 490,000 GEO – 3.60M tonnes @ 4.2g/t AuEq









Current Development and Production Plan

- Capital costs expected below $400M beginning late 2014
- Operating costs[1] expected below $450/oz.
- Throughput rate of approximately 1,000 tonnes/day
- Estimated annual production of 200,000 GEO

Discovery of Margarita vein adding significant potential

*See final slide for notes 1 and 3

YAMANAGOLD

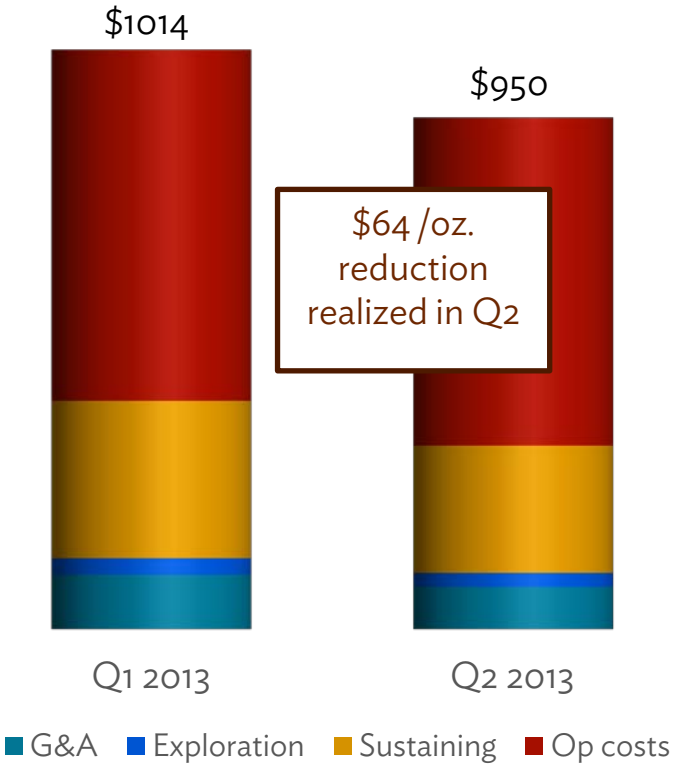
Continued Strategic Focus

- Working towards longer term objective of delivering 1.7M GEO of sustainable production
- Evaluating some operations to ensure overall cost structure
  -- **margin preservation and expansion**
- Remain in lowest quartile of the industry cost curve
- Mitigation of capital costs to maximize available cash

Containing costs and mitigating risks for enhanced value creation

2013, 2014 and 2015 All-in Sustaining Cash Costs[1]

$115M savings in all-in costs



$27M in 2013 Expansionary Capital Savings + $115M Savings in All-in Costs

Avg. cost structure for 2014 and 2015
$925/GEO co-product[4]
$850/GEO by-product[5]

Opportunities:

- Declining input costs
- Foreign exchange gains

2014 Capital expenditures expected to decline to below $250M

Proactive approach to pushing down costs

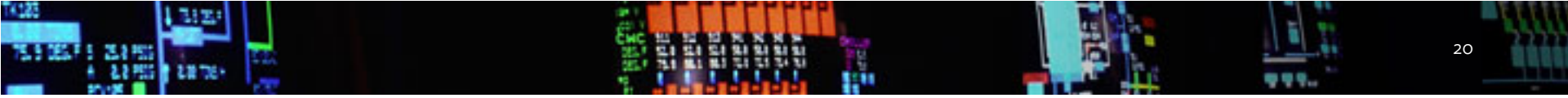
*See final slide for notes 1,4 and 5

YAMANAGOLD

Strategic Direction

- Employing defensive strategy to mitigate risk
- Minimize costs to maximize profitability and cash flow
- Ensuring the most efficient use of capital to create value
- Increase production profile

Focus:
Maximizing cash flow and free cash flow



YAMANAGOLD

200 Bay Street, Suite 2200
Toronto, Ontario
M5J 2J3
416-815-0220/1-888-809-0925

investor@yamana.com

www.yamana.com

Cautionary Note Regarding Mineral Reserves and Mineral Resources

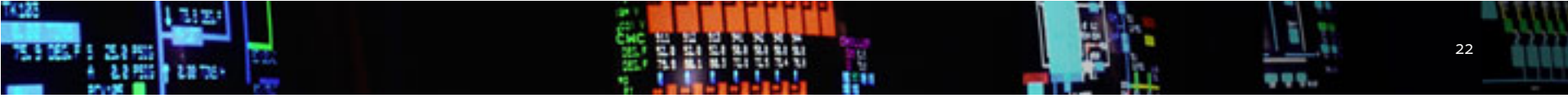
CAUTIONARY NOTE REGARDING MINERAL RESERVES AND MINERAL RESOURCES: Readers should refer to the Annual Information Form of the Company for the year ended December 31, 2012 and other continuous disclosure documents filed by the Company since January 1, 2013 available at www.sedar.com, for further information on mineral reserves and mineral resources, which is subject to the qualifications and notes set forth therein.

CAUTIONARY NOTE TO UNITED STATES INVESTORS CONCERNING ESTIMATES OF MINERAL RESERVES AND MINERAL RESOURCES

This Presentation has been prepared in accordance with the requirements of the securities laws in effect in Canada, which differ in certain material respects from the disclosure requirements of United States securities laws. The terms "mineral reserve", "proven mineral reserve" and "probable mineral reserve" are Canadian mining terms as defined in accordance with Canadian National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101") and the Canadian Institute of Mining, Metallurgy and Petroleum (the "CIM") - CIM Definition Standards on Mineral Resources and Mineral Reserves, adopted by the CIM Council, as amended. These definitions differ from the definitions in the disclosure requirements promulgated by the Securities and Exchange Commission (the "Commission") and contained in Industry Guide 7 ("Industry Guide 7"). Under Industry Guide 7 standards, a "final" or "bankable" feasibility study is required to report mineral reserves, the three-year historical average price is used in any mineral reserve or cash flow analysis to designate mineral reserves and the primary environmental analysis or report must be filed with the appropriate governmental authority.

In addition, the terms "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource" are defined in and required to be disclosed by NI 43-101. However, these terms are not defined terms under Industry Guide 7 and are not permitted to be used in reports and registration statements of United States companies filed with the Commission. Investors are cautioned not to assume that any part or all of the mineral deposits in these categories will ever be converted into mineral reserves. "Inferred mineral resources" have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies, except in rare cases. Investors are cautioned not to assume that all or any part of an inferred mineral resource exists or is economically or legally mineable. Disclosure of "contained ounces" in a mineral resource is permitted disclosure under Canadian regulations. In contrast, the Commission only permits U.S. companies to report mineralization that does not constitute "mineral reserves" by Commission standards as in place tonnage and grade without reference to unit measures.

Accordingly, information contained in this Presentation may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements under the United States federal securities laws and the rules and regulations of the Commission thereunder.



Endnotes

1. A non-GAAP measure. A reconciliation of can be found at www.yamana.com/Q22013 in accordance with previous Canadian GAAP for public entities.
2. Operating cash flow generated from operations before changes in non-cash working capital.
3. Refer to the Mineral reserves and Resources table available at www.yamana.com/2012 for further detail on Mineral Reserves and Resources discussed in this presentation.
4. Includes co-product cash costs, sustaining capital, corporate general and administrative expense, and exploration expense.
5. Includes by-product cash costs, sustaining capital, corporate general and administrative expense, and exploration expense.