

True Value Proposition

Denver Gold Forum

September 20-23, 2015

YAMANA GOLD

TSX: YRI | NYSE: AUY

Cautionary Note Regarding Forward-looking Statement

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Value Chain

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Strategy

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- Focus on Core
  - Best opportunities for quality production, lower costs and sustainable and increasing cash flow
  - Opportunities for operational efficiencies and improvements
- Monetize Non-Core
  - Assets with considerable value that do not fit with core
  - Find creative ways to realize value
- Improve Balance Sheet
  - G&A, capital and operating cost reductions
  - Ongoing debt reduction initiatives
- Advance Production Growth Opportunities
  - Methodically improving production, then advancing production growth opportunities

Plan

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- Higher Quality Management
  - Significant increase in operational expertise
  - Elimination of redundancies
  - More streamlined structure
- Asset Quality
  - Evaluated our portfolio to determine core assets
  - Improve models, life of mine plans, production and cost estimates
- Operational Efficiencies
  - Driven by more focused management
  - Primary focus on core assets
  - Cost cutting initiatives (G&A and operational) underway

Execution

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- Identified Core Assets
  - 7 producing mines and one high quality project: core mines include three cornerstone mines Chapada, Canadian Malartic, and El Peñón
  - Quality production with significant optimization and/or exploration opportunities
- Strengthened and streamlined management
  - Promoted internally where possible and recruited externally to bolster other areas
  - Streamlined structure to reflect management expertise and experience
- Advanced operational efficiencies
  - Improved exploration efforts, life of mine plans and production forecasting
- Created Brio Gold division to improve quality of certain non-core assets and advance value creation objective
- Reduced debt, overhead costs and improved balance sheet

Execution – *First Half 2015 Overview*

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- Tracking to FY production guidance - expectation of ~15% increase over H1
  - Biggest improvements expected from Jacobina and Mercedes
  - Canadian Malartic and Chapada expected to perform even better in second half despite strong first half
- Demonstrated low cost structure of core assets
- Reductions in G&A of $20 million on annualized basis
  - Further decreases expected
- Continuing to advance Cerro Moro in a prudent manner
- Ongoing Exploration successes and advance other development projects
- Demonstrated ability to generate cash flow in low metal price environment
- Reduction in debt with manageable debt obligations
- Significant advancement of the Brio Gold initiative
  - Operational improvements at Pilar and Fazenda Brasileiro
  - New process flowsheet defined and metallurgical testing returning positive results

Value Drivers

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Operations Overview

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	H1 2015	
Production		
Gold (ounces)	603,692	
Silver (ounces)	4.9M	
Copper (lbs Chapada)	60.5	
Costs	Gold	Silver
Cash Costs[1,2] per ounce	$629	$6.85
Co-Product Cash Costs[1] per ounce	$699	$7.99
All-in Sustaining Costs[1,2,3] per ounce	$895	$10.58
Co-Product All-in Sustaining Costs[1,2] per ounce	$922	$11.16
Co-Product Cash Costs per pound of copper (Chapada)	$1.57	

1. A non-GAAP measure. A reconciliation of which can be found at www.yamana.com/Q22015
2. Net of by-product copper credits
3. Includes cash costs, sustaining capital, corporate general and administrative expense, and exploration expense.

Significant Growth Expected in Second Half
An Established Trend

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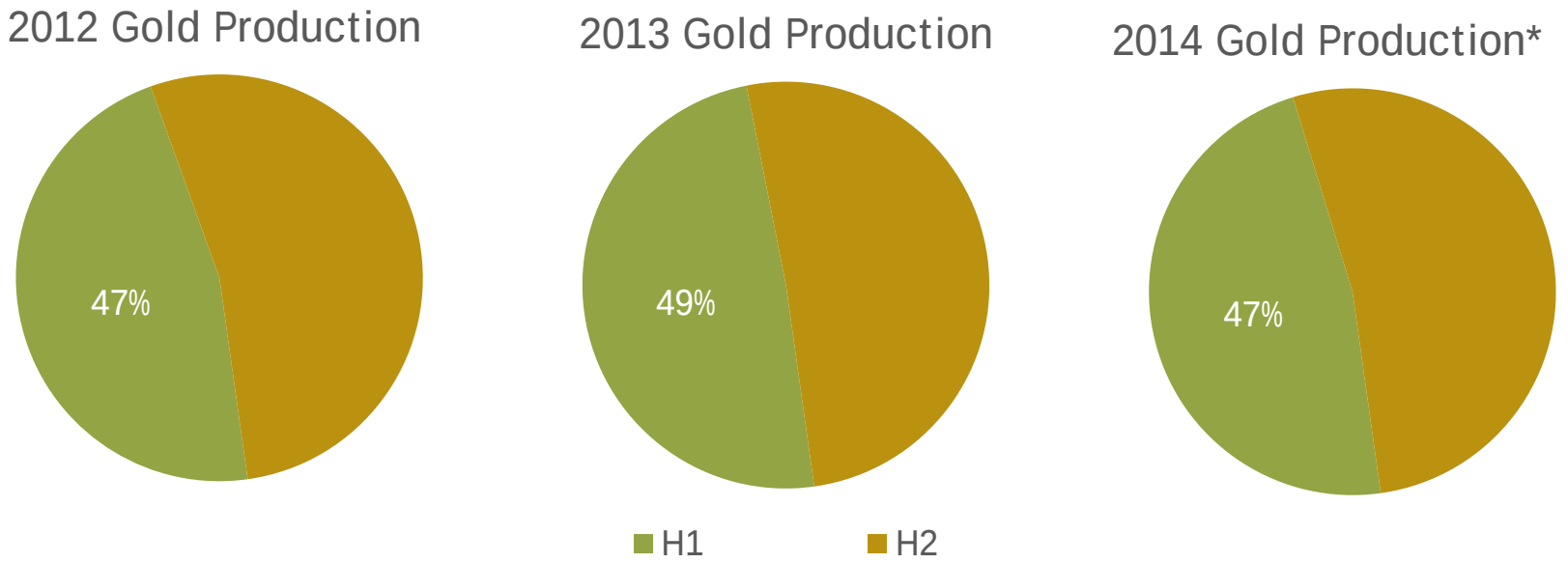

H1 2015 – 47% of full year guidance

- Stronger second half is a consistent characteristic of portfolio
- Second half production is expected to increase ~15% in 2015
- Largest jump is expected in the fourth quarter

2015 expected to continue an established trend

* 2014 Production excludes contribution from Canadian Malartic which was acquired on June 16, 2014.

Stable AISC Cost Structure
Maintaining Low Cost Levels

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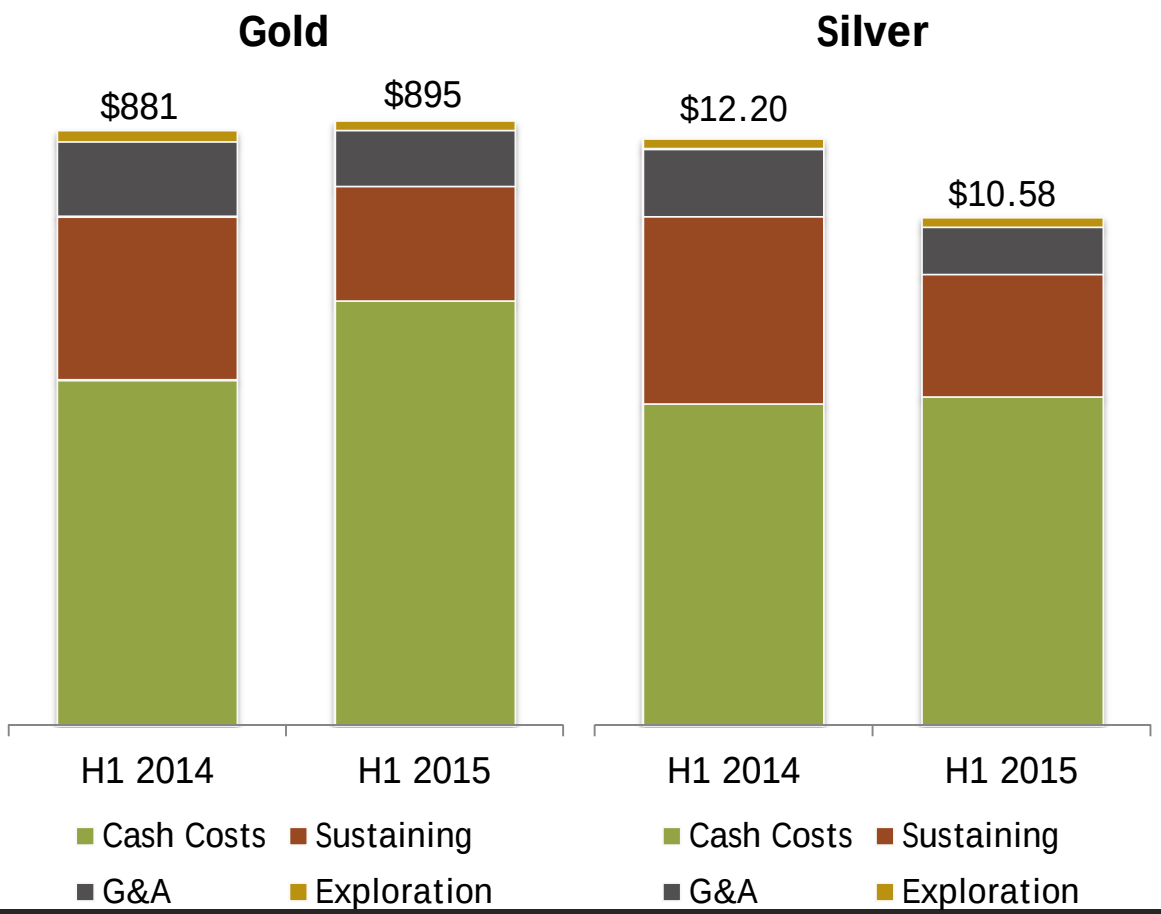
All-in Sustaining Costs[1,2]



Cash costs impacted by lower grades at some mines and lower by-product credits due to decrease in realized copper price

H1 2015 AISC at core assets[3]:
$776/gold oz.

G&A cost structure continues to decline

1. A non-GAAP measure. A reconciliation of which can be found at www.yamana.com/Q22015
2. Includes by-product cash costs, sustaining capital, corporate general and administrative expense, and exploration expense.
3. Core assets include Chapada, El Peñón, Canadian Malartic, Gualcamayo, Mercedes, Minera Florida and Jacobina.

Improving Cash Flow Generation

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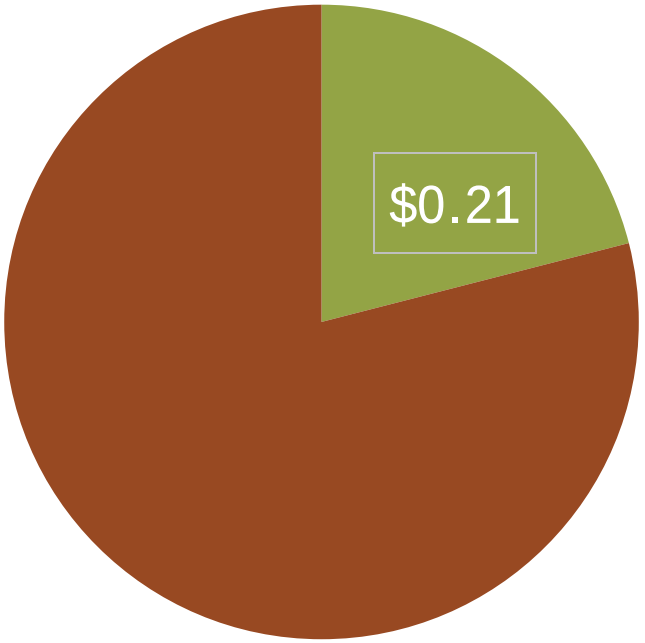
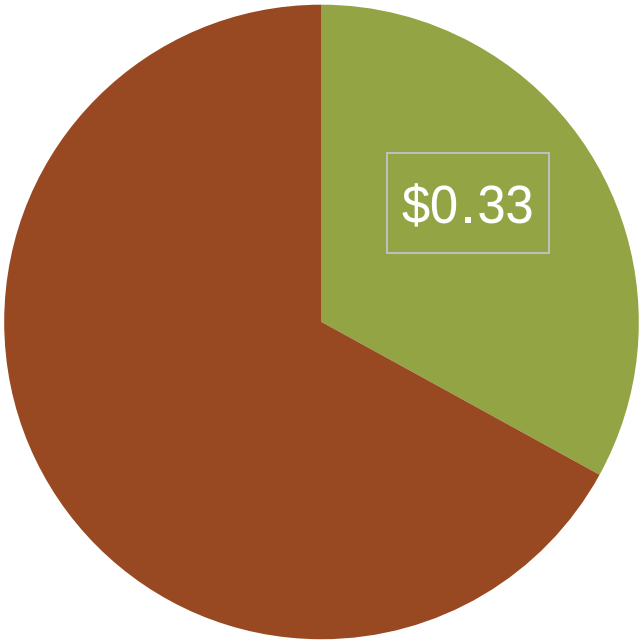
Cash flow[1] generated per dollar of revenue



Q1 2015



Q2 2015

Continued focus on cash flow generation

1. Operating cash flow before changes in non-cash working capital. A non-GAAP measure. A reconciliation of which can be found at www.yamana.com/Q22015.

Stable Balance Sheet
-as of June 30, 2015

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Cash	$119M
Available Credit	$740M
Net Debt[(1)]	$1,740M
DD&A – H1 2015	$262M
Corporate G&A – H1 2015	$62M
Exploration Expense – H1 2015	$9M
Capital Expenditure – H1 2015	$178M

-10%
Decrease in G&A year-over-year

-46%
Decrease in capital expenditure year-over-year

Significant achievements to date on cost containment

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

Revolving Credit Facility

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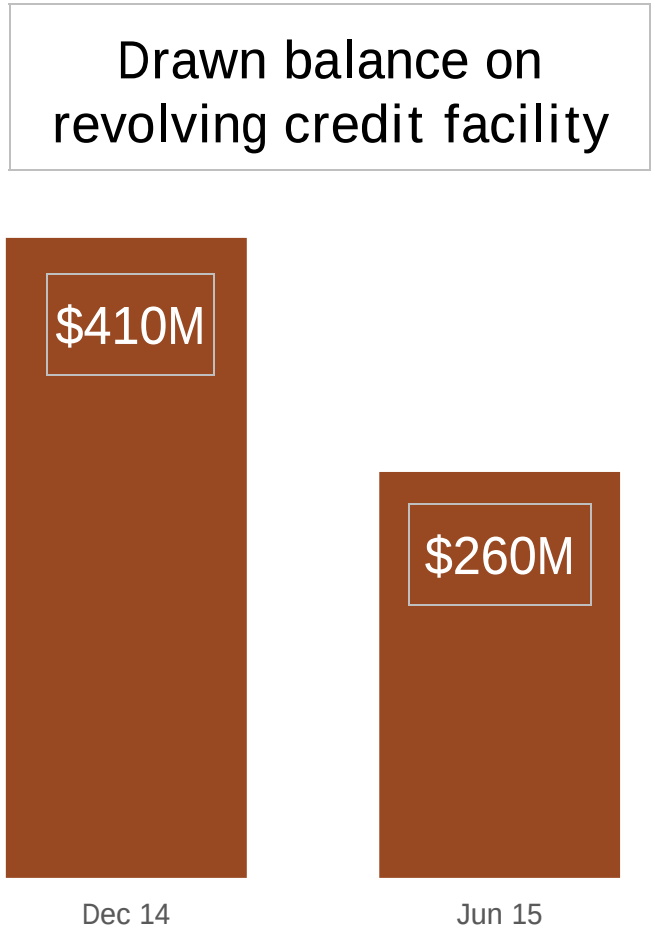

- Significant decrease in the revolver balance during the first six months with a small increase in net debt during Q2
- Plan has been implemented to meet strategic objective of reducing balance owing to zero
- Net debt is expected to remain flat in H2
- Benefits of EBITDA enhancement program will be applied to debt repayment

Very Manageable Debt Repayment Schedule

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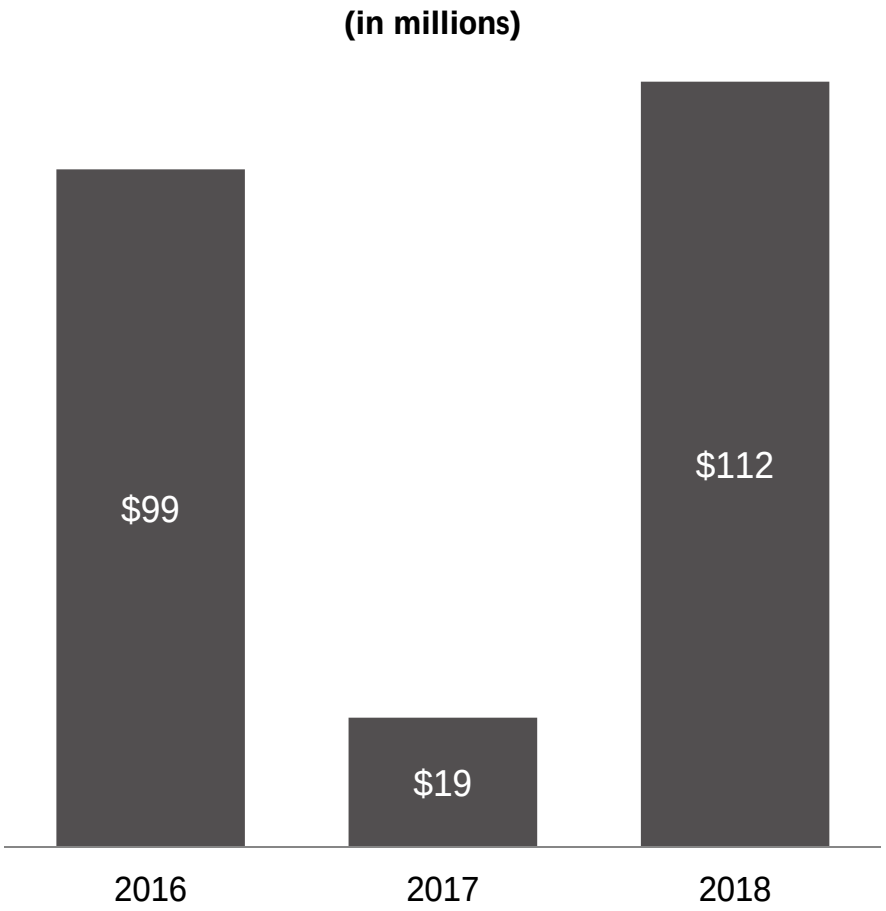

Significant balance sheet flexibility due to modest debt repayments over short-term

$118M in principal repayments required over the next two years

Note: As of June 30, 2015. Includes corporate debt and debt assumed from the 50% interest in Canadian Malartic which is neither corporate nor guaranteed by Yamana.

Exploration Highlights

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Chapada	• Drilling at Sucupira has intersected intervals which continue to support the extension of the high grade gold and copper core • The Sucupira target remains open to the southwest and at depth
Jacobina	• Infill drilling has returned results of mineable width intercepts at or above reserve grade • Results are being integrated in support of further improving geological modelling and mining predictability • Development of these higher grade zones planned to start in Q3
Fazenda Brasileiro	• Discovery of a prospective new area named E388 with widths and grades above current mine averages • Located at a shallow depth (350m) and adjacent to a main haulage ramp • Results are similar in thickness and grade to those that were seen in the early years of the mine life

What To Expect In H2

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- Continuing increase in production over H1
- Continuing improvement in costs over H1
- Continuing stability and increase in cash flow
  - assuming current metal prices
- Continuing review of core and non-core assets
- Improving core assets and delivering value from non-core assets
- Continuing generation of cash and reduction of debt

Low Valuation Relative to Peers

Per $1000 investment[1]

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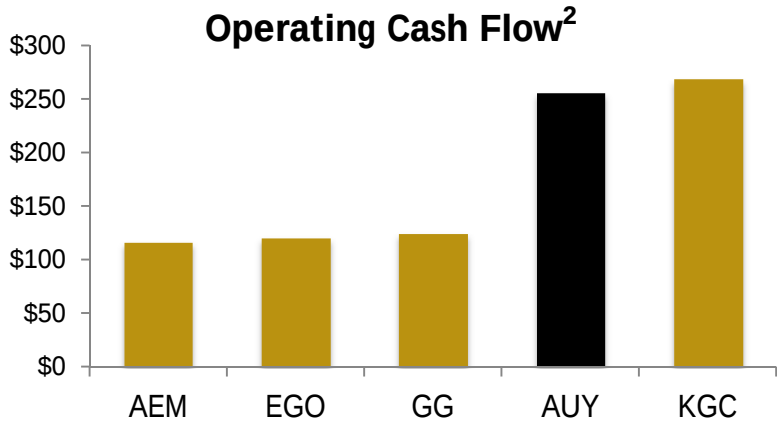

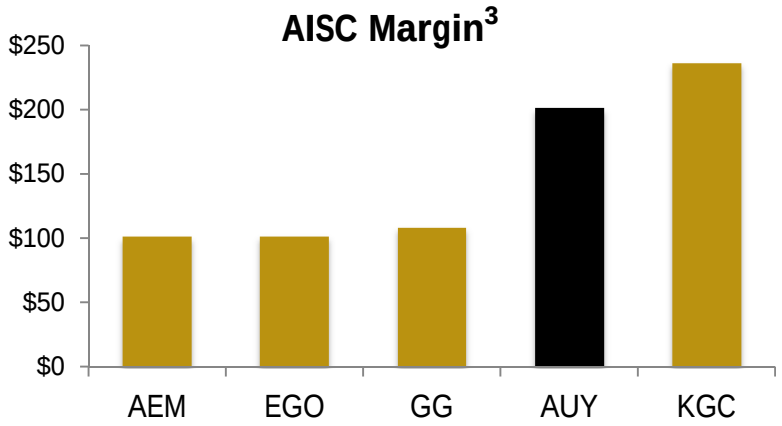

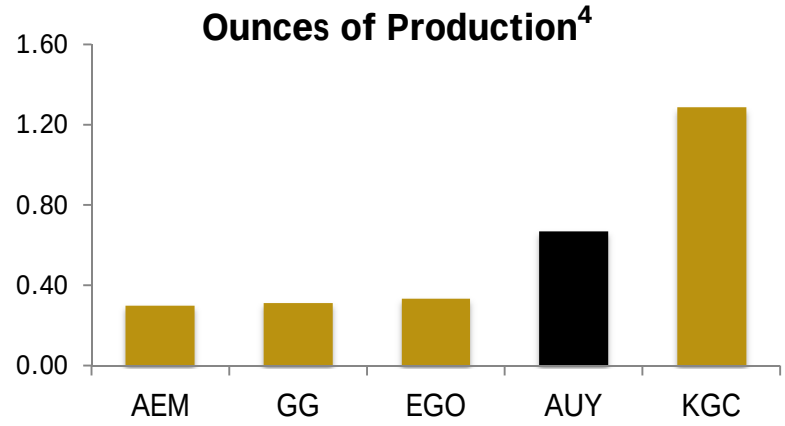

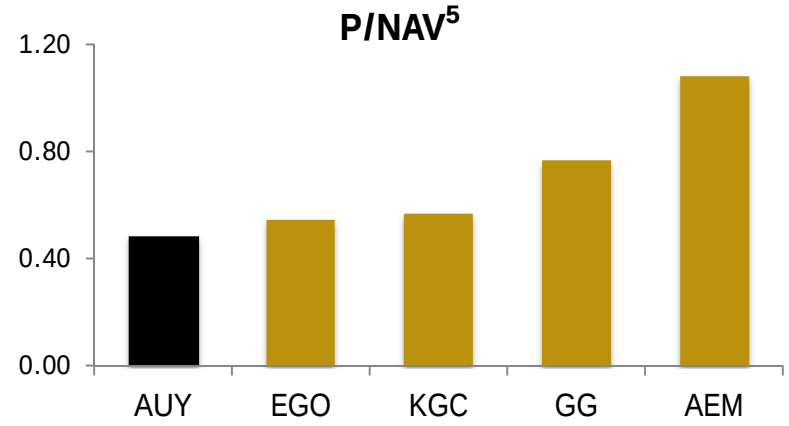

Quality and potential of portfolio support significant value proposition

1. As of August 31, 2015 based on closing prices on NYSE
2. Annualized Q2 operating cash flow before changes in non-cash working capital and in the case of Yamana, adjusted for interest expense for comparability to peers.
3. Calculated from Q2 reported production, AISC and realized prices and then annualized.
4. Ounces of gold production in Q2 annualized.
5. Net Asset Values based on Analyst consensus provided by Bloomberg.

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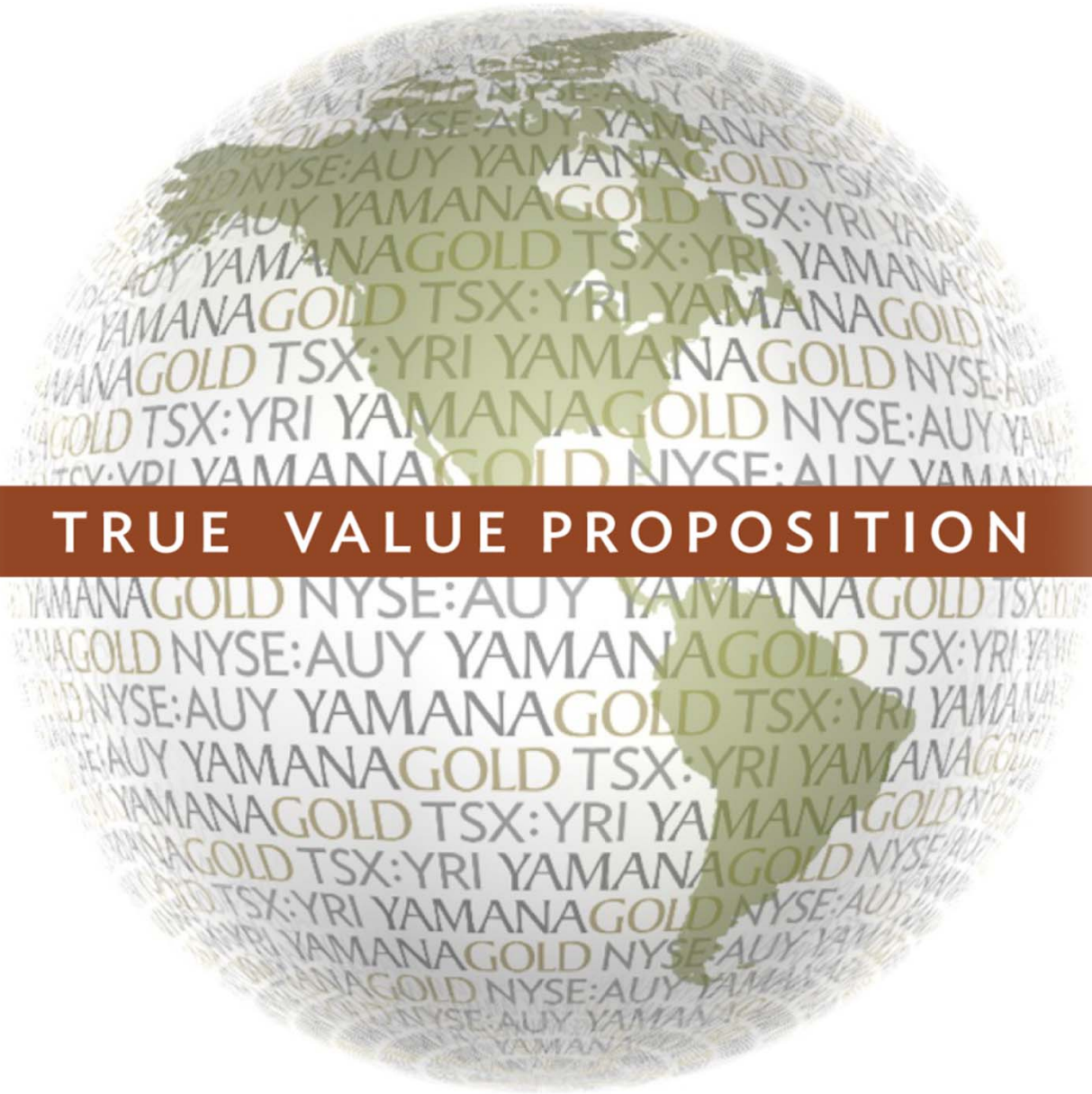

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