

A BALANCED APPROACH

Denver Gold Forum

September, 2014

YAMANAGOLD

TSX: YRI | NYSE: AUY

Cautionary Note Regarding Forward-looking Statements

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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, 2013 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, 2013 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
– *A Balanced Approach*

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Strategic Direction

- Growth – top line and bottom line
- Capital and cost discipline
- Maximizing investment and returns
- Risk and reward
- Value creation
- Cash distributions to shareholders

Focus on Cash Flow

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

Corporate Update
First Half 2014

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Management/Board Initiatives

- Updates to management
- Board of Director appointments

Operational Initiatives

- Delivered updated Cerro Moro Feasibility Study
- Completed acquisition of Osisko
- Leveraging internal expertise to optimize underperforming assets

30% quarter over quarter production increase at key assets

Financial Initiatives

- Obtained 2 investment grade ratings and a BB+ with positive outlook
- Issued $500 million senior debt
  - Proceeds repaid term loan used to finance cash portion of acquisition
  - Tenure and interest rate better reflect capacity of our asset

Broadening and diversifying expertise throughout the organization

Focus on Cornerstone Operations

Building for the Future

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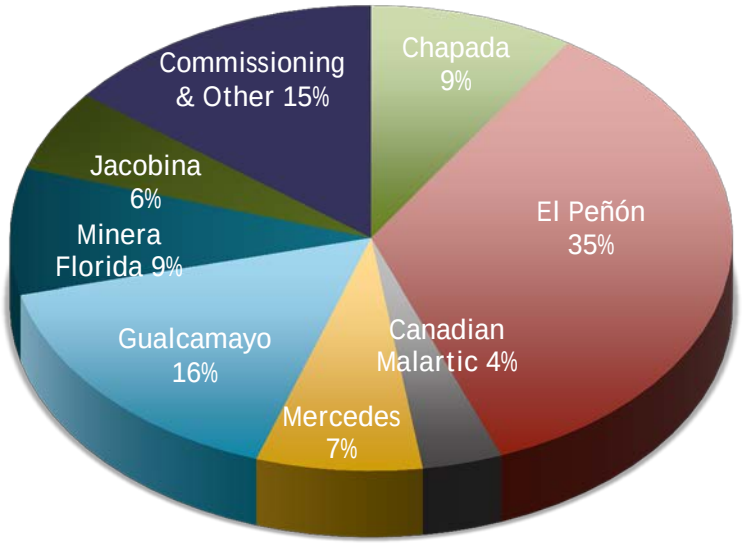
Cerro Moro **Jacobina** **Minera Florida** **Canadian Malartic** **Gualcamayo** **Mercedes** **Chapada** **El Peñón**	• Management focus on cornerstone operations consistent with balanced approach to growth • Cornerstone operations will continue to contribute most significantly to production and cash flow • Optimizations, expansions and cost reductions drive increased returns
Other Producing Mines	• Mines make modest contribution to production and cash flow • Focus on enhancing returns including operational improvements
Significant Value Assets (Dormant)	• Not currently contributing to production or cash flow • Focus on generating above average returns throughout project development cycle • Develop in whole or partially, monetize, or other strategic alternatives to increase cash returns on invested capital

Cornerstones of cash flow generating assets form production base

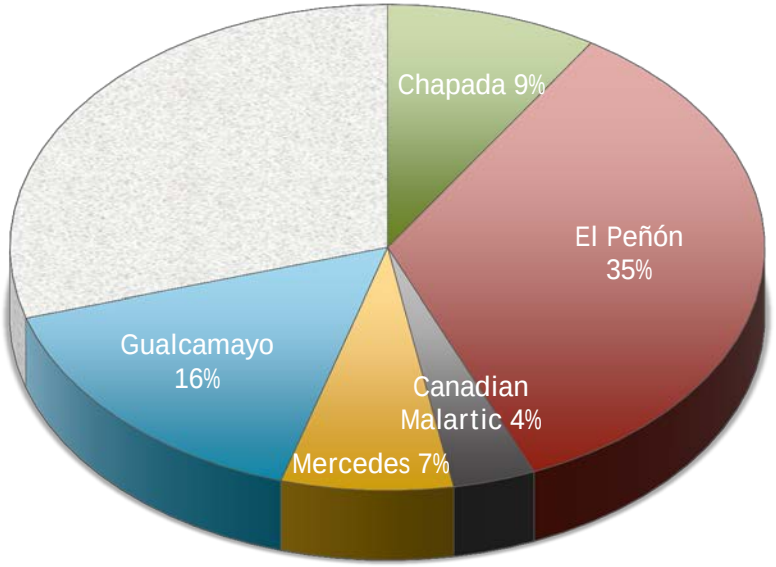
Consistent Performance from Cornerstone Operations

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Q2 Production By Asset



Q2 Key Asset Production



Cornerstone Operations

- Contributed 85% of production

- Contributed 71% of total production
- 30% production increase from Q1 2014
- Canadian Malartic production contribution to increase

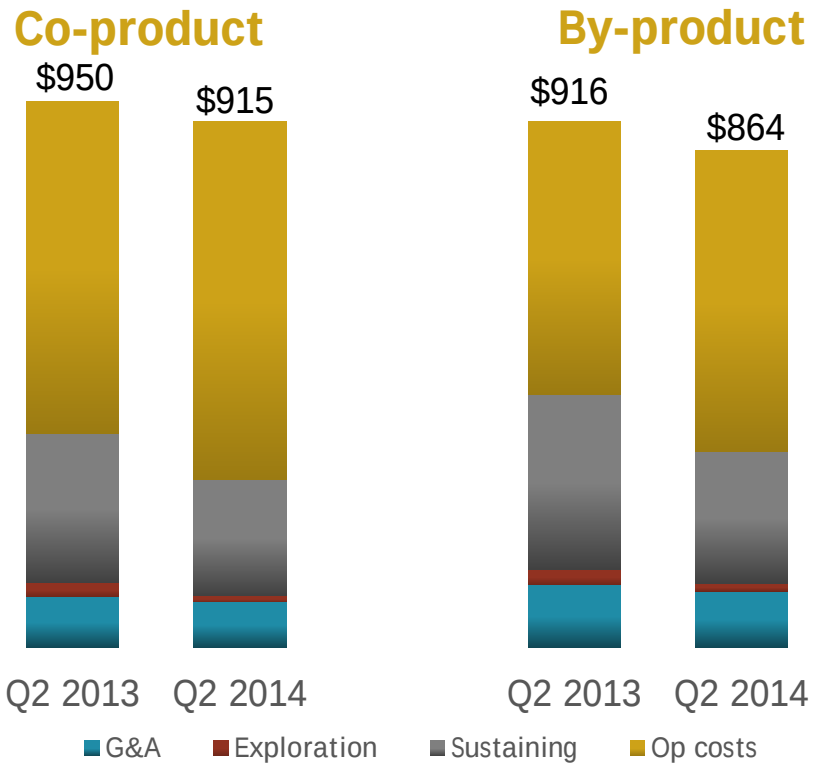
Cornerstone operations contribute most to production and cash flow

Lower AISC Cost Structure
Continued Improvement

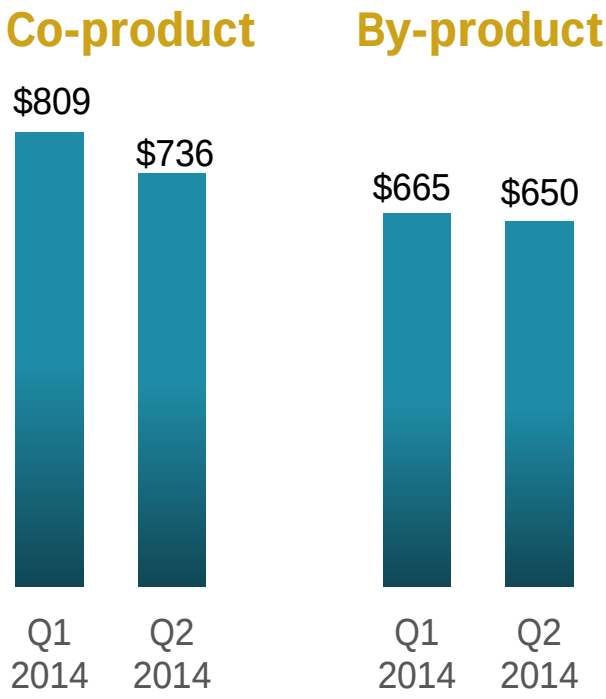
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All-in Sustaining Cash Costs[1,2]

Year-over-Year Reductions



Key Assets: Quarter-over-Quarter



New cost structure sustainable, longer term initiatives underway

1. A non-GAAP measure. A reconciliation of can be found at www.yamana.com/Q22014 in accordance with previous Canadian GAAP for public entities.
2. Includes cash costs, sustaining capital, corporate general and administrative expense, and exploration expense.

Cash Flow Generating Capacity Increasing

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Operating Cash Flow (1,2)



- Generated cash flow above baseline established in 2013
- Key assets continue to generate majority of cash flow
- Canadian Malartic expected to make significant contribution in H2

Continued focus on cash flow expected to deliver value for shareholders

1. Cash flows from operating activities before changes in non-cash working capital.
2. A non-GAAP measure. A reconciliation of can be found at www.yamana.com/Q22014 in accordance with previous Canadian GAAP for public entities.
3. Adjusted for certain one time costs related to the acquisition of Osisko Mining Corporation.

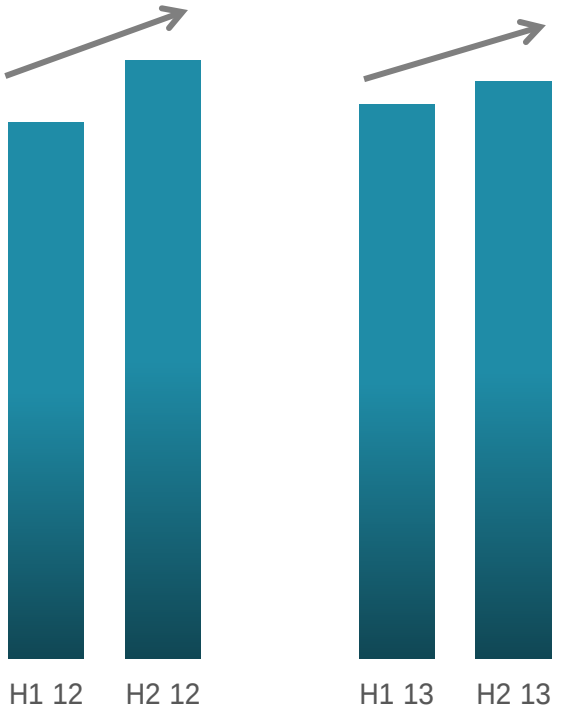
2014 Production Growth

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Established trend of production

Production growth accelerates in the second half

- Over 20% increase in production Q2 v Q1
  - 30% increase at key assets
- Production within budget expectation

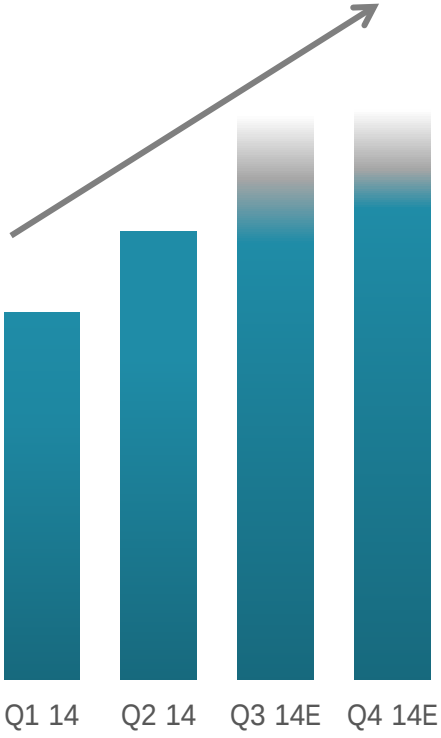


2014 production expectation: > 1.42M GEO

2014 AISC/GEO:

By-product $825 - $875

Co-product $900 - $950



Stronger second half production with quarter over quarter growth

Strategic Decisions

Other Assets

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Objective:

- Balancing top and bottom line growth and generating cash flow
- Identify opportunities to further enhance returns including operational improvements

Current focus:

- Increase or enhance returns on certain non-core assets with lower returns

Evaluating a range of options:

- Continue with current plans
  - Optimize over time
- Focus all effort on value enhancement
  - Operational improvements
  - Care & Maintenance
- Monetization through sale
  - 100%, partnership, stream secondary metals
- Full shut down

Internal and external opportunities evaluated using several metrics: NPV, IRR, CROIC

Strategic approach to value enhancement

Second Half Expectations
Core Assets

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Chapada

- Production expected to continue increasing
  - Enhanced throughput and further improvements expected
  - Start up of processing higher grade ore from Corpo Sul
  - Completion of in-pit crusher installation

El Peñón

- Greater flexibility as ore feed and feed grade expected to increase
- Improved productivity and reduced costs expected with scheduled replacement of equipment complete
- Avg. quarterly production for H2 expected in line with Q2

Gualcamayo

- Expansion of ADR plant planned for H2 to improve recoveries
- Commissioning of the conveyor system
- Completion of the sulphide study

Quarter-over-quarter production growth and cost containment to continue

Second Half Expectations
Core Assets

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Canadian Malartic

- Detailed optimization plan by end of Q3
- Exploration update and plan by end of Q3



Mercedes

- Gold and silver grades expected to return to higher levels in Q3

Jacobina

- Long range plan for production increases
- Significant grade increases expected in Q4



Minera Florida

- New long term plan incorporating recent positive exploration results



Cerro Moro

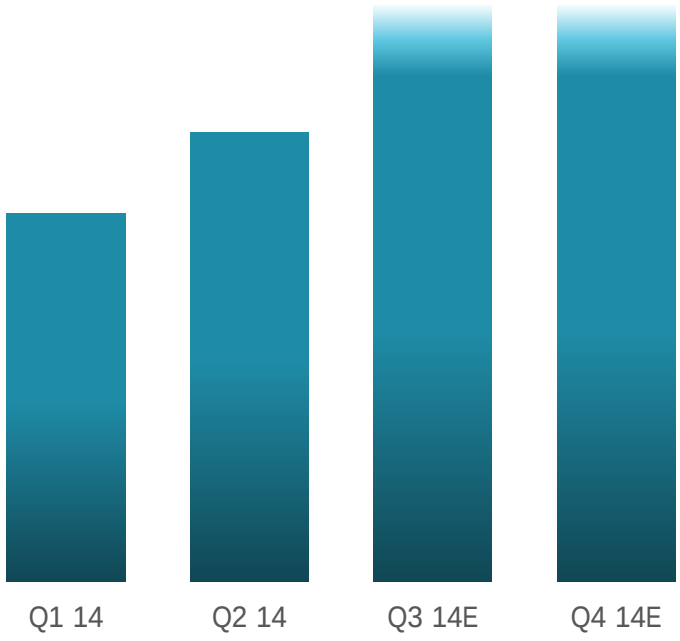
- Progressing detailed engineering
- Construction decision by year end

Quarter-over-quarter production growth and cost containment to continue

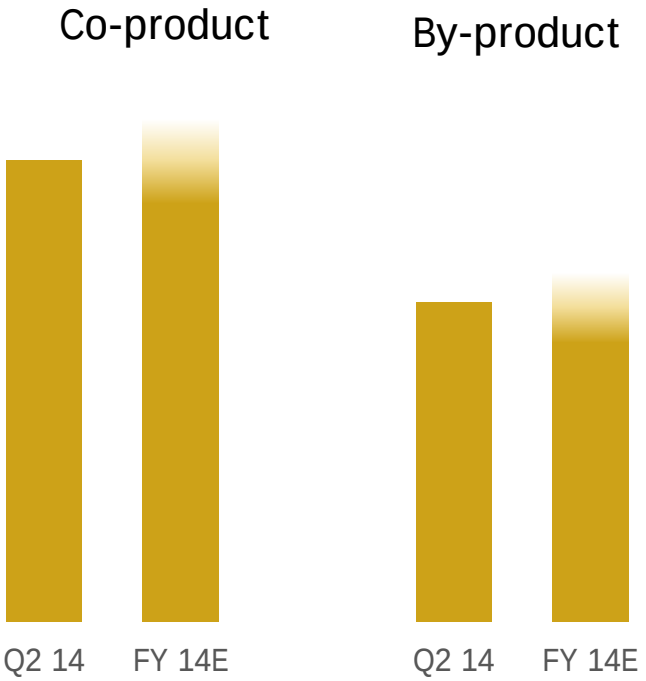
Continued Operational Performance

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2014 Production
> 1.42M GEO



2014 AISC(1,2)/GEO:
Co-product$900-$950
By-product $825-$875



Focus continues to be on balancing top and bottom line growth

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2. Includes cash costs, sustaining capital, corporate general and administrative expense, and exploration expense.

A Balanced Approach

"The integration of Canadian Malartic into our portfolio and the expected continued performance from our cornerstone operations has us well positioned to deliver significant value to shareholders as we maximize cash flow and ultimately free cash flow."

- Peter Marrone

