YAMANAGOLD

# Denver Gold Forum
# September 2016



# 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, including the Company's mission, vision and corporate strategies, the Company's enumerated tactical priorities, the Company being poised for value accretion with a strong Americas focus on mining friendly jurisdictions, the Company being on track to meet 2016 guidance, the Company's expectation of higher metal production in H2 2016 and decreased costs, the Company's strategic developments in relation to Cerro Moro and C1 Santa Luz, the further optionality within its portfolio and the Company's exploration program expectations. 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, the success of the senior management reorganization, 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.

The Company uses certain non-GAAP performance measures in this presentation. Non-GAAP measures do not have a standardized meaning prescribed by IFRS, and therefore the Company's definitions are unlikely to be comparable to similar measures presented by other companies. The Company believes that in addition to conventional measures prepared in accordance with IFRS, the Company and certain investors and analysts use this information to evaluate the Company's performance. In particular, management uses these measures for internal valuation for the period and to assist with planning and forecasting of future operations. The presentation of non-GAAAP measures is not meant to be a substitute for the information presented in accordance with IFRS, but rather should be evaluated in conjunction with such IFRS measures. A reconciliation of IFRS to non-GAAP measures can be found at www.yamana.com/Q22016.

The term "EBITDA" does not have a standardized meaning prescribed by IFRS, and therefore the Company's definitions are unlikely to be comparable to similar measures presented by other companies. The Company believes that in addition to conventional measures prepared in accordance with IFRS, the Company and certain investors and analysts use this information to evaluate the Company's performance. In particular, management uses these measures for internal valuation for the period and to assist with planning and forecasting of future operations. The presentation of EBITDA and EBITDA Margin is not meant to be a substitute for the information presented in accordance with IFRS, but rather should be evaluated in conjunction with such IFRS measures.

The information presented herein was approved by management of Yamana on September 7, 2016.

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

# Mission, Vision and Corporate Strategy

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**Our Mission:** To Mine Precious Metals Profitably and Responsibly

**Our Vision:** To be the Recognized Leader in Precious Metals Mining

**Corporate Strategy:** A Recognized Americas Focused Growth Company

• Exposure to world-class mining jurisdictions • Portfolio approach to asset management and operational execution • Organic growth supplemented with strategic acquisitions • Focus on cash flow optimization

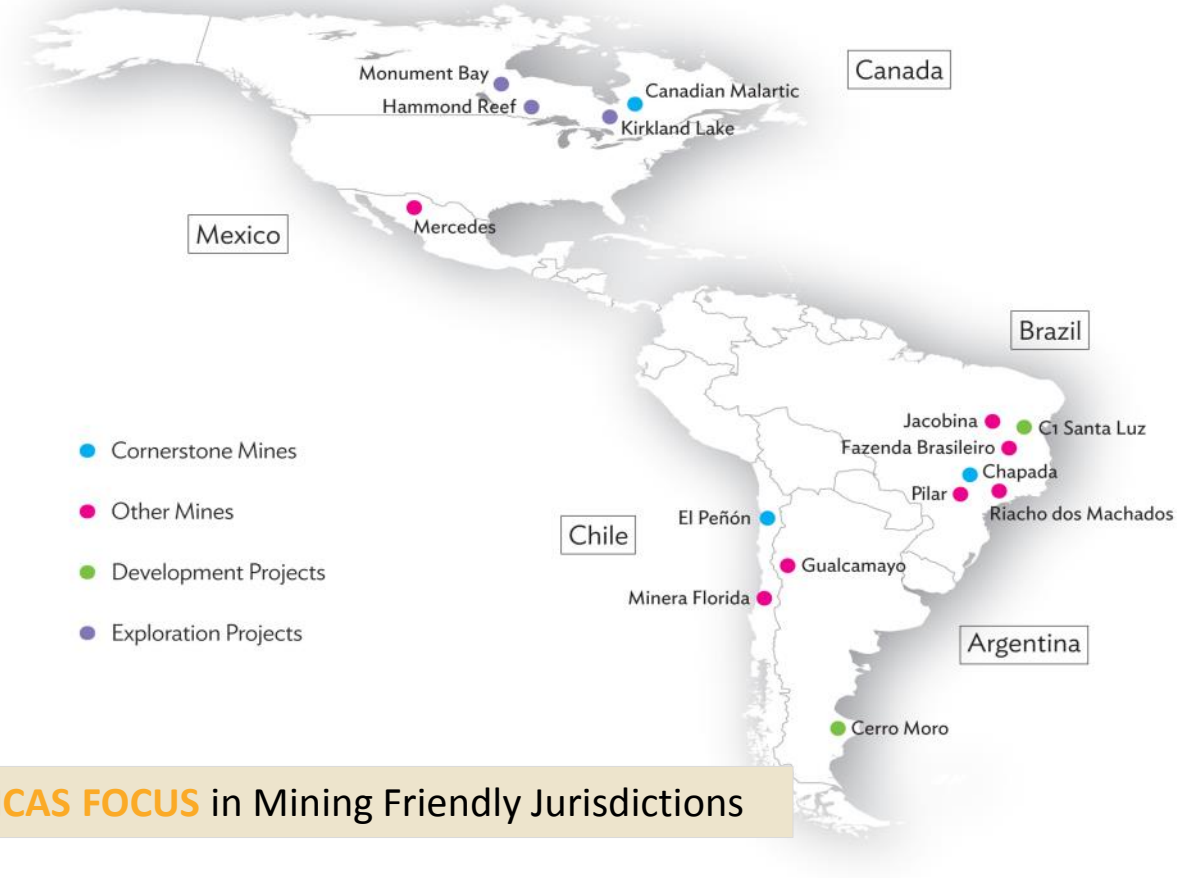
**Tactical priorities include the following:**

• Operational execution • Quality management suited to asset portfolio • Management of assets and balance sheet • Transparency

# High Quality Portfolio: Poised for Value Accretion

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**BEST ASSET PORTFOLIO IN CLASS**




**STRONG AMERICAS FOCUS** in Mining Friendly Jurisdictions




## 2016 Key Themes

- On track to meet consolidated gold and silver production guidance
- On track to meet revised cost guidance
- On track with all development stage projects
- On track for margin and cash flow increases
- Advancing NAV increase opportunities

# 2016 First Half Performance and FY Outlook

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| | H1 2016 |
|---|---|
| **Gold** | |
| Production (oz.) | **621,146** |
| Cash costs (/oz.)[1] | **$627** |
| Co-product cash costs (/oz.)[1] | **$652** |
| AISC (/oz.)[1] | **$884** |
| Co-product AISC (/oz.)[1] | **$868** |
| **Silver** | |
| Production (oz.) | **3.72M** |
| Co-product cash costs (/oz.) | **$8.09** |
| AISC (/oz.) | **$11.45** |
| **Copper** | |
| Production (lbs.) | **49.0M** |
| Co-product cash costs (/lbs.) | **$1.66** |

- Operational performance was in line with expectations in first half
- Well positioned to deliver on consolidated gold and silver production guidance for 2016
- Second half production for all metals is expected to be higher than first half
- Continue to focus on cost control in light of stronger than expected local currencies
- First half cash costs and AISC were impacted by timing of planned capital spending and foreign exchange rate movements

Poised to **INCREASE PRODUCTION AND DECREASE COSTS** for remainder of 2016

1. A non-GAAP measure. A reconciliation of the IFRS measure to this non-GAAP measure can be found at www.yamana.com/Q22016.

# Mine Production: Underpinned by Three Cornerstone Mines

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- **Chapada***
  - H1 Production: 38,338 oz. gold; and 49.0M lbs copper
  - FY Guidance: 106k oz. gold; and 110M lbs copper
- **El Peñón***
  - H1 Production: 110,570 oz. gold; and 3.1M oz. silver
  - FY Guidance: 235k-250k oz. gold; and 5.8M - 6.0M oz. silver
- **Canadian Malartic***
  - H1 Production: 146,115 oz. gold
  - FY Guidance: 280k – 290k oz. gold

***Three cornerstone mines provide ~50% OF GOLD PRODUCTION and ~65% OF EBITDA(1)**

- **Gualcamayo**
  - H1 Production: 76,867 oz. gold
  - FY Guidance: 150k – 165k oz. gold
- **Jacobina**
  - H1 Production: 58,972 oz. gold
  - FY Guidance: 110k – 115k oz. gold
- **Minera Florida**
  - H1 Production: 49,923 oz. gold; and 247,036 oz. silver
  - FY Guidance: 110k – 115k oz. gold; and 500k – 530k oz. silver
- **Pilar**
  - H1 Production: 44,654 oz. gold
  - FY Guidance: 85k – 90k oz. gold
- **Fazenda Brasileiro**
  - H1 Production: 35,397 oz. gold
  - FY Guidance: 63k – 68k oz. gold
- **RDM**
  - H1 Production: 13,058 oz. gold (April 29 – June 30)
  - FY Guidance: 30k oz. gold (May – Dec.)

1. A non-GAAP measure. A reconciliation of the IFRS measure to this non-GAAP measure can be found at www.yamana.com/Q22016.

# Development Pipeline

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| Advanced Exploration | Pre-Feasibility/ Feasibility | Development |
|---|---|---|
| Monument Bay | Agua Rica | Cerro Moro |
| Upper Beaver | Suyai | C1 Santa Luz |
| Don Sixto | Jeronimo | |
| La Pepa | | |

**SIGNIFICANT EXPLORATION SUCCESS at mine sites allows for mineralization to advance more quickly to add to the production profile**

# Strategic Developments: Cerro Moro & C1 Santa Luz

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## Cerro Moro:

- Project is ahead of schedule in three main areas (underground development, detailed engineering and process plant construction)
- Objective of the early underground development is to fully understand the mining risks and thereby eliminate the risks to start-up in Q2 2018
- Planned ramp-up timeline increases confidence in various systems critical to successful project execution (construction management, safety, procurement and cost control systems)

## C1 Santa Luz:

- Decision made to advance to execution phase of recommissioning
- Comprehensive geological analysis and metallurgical testwork confirmed a larger mineral resource and recoveries in line with 2015 PEA[(1)]
- Modest capital requirement with planned start-up of production in 2018
- Open pit operation is expected to contribute avg. annual production of 114,000 oz. gold over first seven years of an initial 10 year mine life
- Exploration potential with an underground mineral resource and nearby shallow satellite deposits

Exploration program has the potential to **CREATE SIGNIFICANT VALUE**

**Project offers AFTER-TAX NPV (5%) AND IRR OF $268M AND 71%, respectively**

1. Refer to Yamana's July 28, 2016 press release for additional details, including details of the financial and technical analyses.

# Hidden Value: Further Optionality Within Portfolio

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- Agua Rica is a large-scale copper, gold, silver and molybdenum deposit
- "Dormant" assets provide significant optionality not currently valued
  - Suyai: potential for 150k oz. of annual production; current work includes updating pre-feasibility study to current costs and prices, and internal review by discipline; Indicated Mineral Resource of 2.3M oz. contained in 4.7M tonnes at 15 g/t[(2)]
  - Don Sixto: significant exploration potential with historic PEA and subsequent studies on file
  - Jeronimo: brownfield project with historical production and existing infrastructure in place; total P&P Mineral Reserves of 1.1M oz contained in 8.7M tonnes at 3.87 g/t (57%)[(2)]
  - La Pepa: brownfield project with higher grade zone near surface that provides mine plan optionality; Total M&I Mineral Resource of 2.8M oz. contained in 149M tonnes at 0.57 g/t[(2)]
- Preliminary analysis of modelled and valued "ounces" by street shows less than 50% of Yamana's total mineral resource base is given value

1. Refer to Yamana's February 10, 2014 press release.
2. Refer to the complete Mineral Reserves & Mineral Resources tables in Yamana's *2015 Annual Report*. Numbers may not add due to rounding.

# Exploration Program: Most Significant Results

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| | |
|---|---|
| **Chapada** | ▪ Currently gold and copper mineralization has been identified along a 15km trend from Santa Cruz in the southwest through the Chapada mine complex to Suruca in the northeast<br>▪ Drilling at Sucupira is supporting Mineral Resource growth with results returning some of the highest gold and copper intersections discovered on the Chapada property<br>▪ District exploration is developing the Mineral Resource potential at the newly discovered Formiga deposit and testing other highly prospective targets<br>▪ Delineation and Mineral Resource expansion drilling at Suruca is supporting a path towards production for the near surface oxide gold deposit |
| **Canadian Malartic** | ▪ The Odyssey deposit represents an entirely new mineralized structure<br>▪ Multiple intercepts support typical North zone mineralization in the range of 15m true width with a grade of 2.0 g/t gold (1)<br>▪ An Inferred Mineral Resource for the North zone is expected by year-end |
| **Jacobina** | ▪ Delineation and infill drilling returning results at or above reserve grade across potentially mineable widths<br>▪ Average grades and widths of four mineral reefs at Canavieiras Sul exceed expectations with average grades in excess of 6.0 g/t gold across drill intercepts of approximately 3m(2)<br>▪ Drilling indicates new mineral zones continue to depth beneath the João Belo open pit, which will be evaluated for mineral resource categorization |

1. Refer to Yamana's July 28, 2016 press release for additional details, including detailed drill results.
2. Refer to Yamana's September 6, 2016 press release for additional details, including detailed drill results.

# Exploration Program: Most Significant Results (cont.)

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| | |
|---|---|
| **Gualcamayo** | ▪ Surface exploration is returning positive results that support the long term outlook for the property<br>▪ Potential to extend mine life by increasing the oxide Mineral Resource that is amenable to the current heap leach process<br>▪ Infill drilling at the Las Vacas deposit, 2 km northwest of the QDD Main pit, has returned positive results that support Mineral Resource growth and remains open along strike<br>▪ Exploration drilling, at the Cerro Condor and Potenciales targets located on the flanks of the QDD Main pit wall, discovered gold mineralization thought to be extensions of the ore mined from the QDD Main pit<br>▪ These new deposits have the potential to be brought into the near-term production profile |
| **Minera Florida** | ▪ Focus has shifted from infill to Mineral Resource discovery and growth<br>▪ Drill results to-date confirm extensions to depth and along strike of the Lorena, Lissette and Tribuna veins within the core mine<br>▪ District exploration continues to identify and develop through surface geologic mapping and geochemical sampling, numerous auriferous quartz veins that suggest the potential for long term Mineral Resource and Mineral Reserve growth |
| **Monument Bay** | ▪ Results from the winter drilling program focused on developing continuity of the high grade mineral shoots and successfully intersected significant gold mineralization on the projected trends in 20 of 27 holes drilled<br>▪ The fall drilling program will focus on further definition drilling and testing down-plunge extensions of high-grade zones |

# Looking Forward: 2016 Production and Co-Product Cash Cost Guidance

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| | 2016E[1] | | |
|---|---|---|---|
| | Production | Co-Product Cash Costs [2] | Co-Product AISC [2] |
| Gold | 1.26M – 1.34M oz. | $635 - $675/oz. | $880 - $920/oz. |
| Silver | 6.9M – 7.2M oz. | $8.50 - $9.00/oz. | $12.00 - $12.50/oz. |
| Copper | +110M lbs. | $1.55 - $1.75/lbs. | $1.95 - $2.15/lbs. |

Poised to **INCREASE PRODUCTION AND DECREASE COSTS** for remainder of 2016

1. Does not factor in the sale of Mercedes, expected to close on September 30, 2016.
2. A non-GAAP measure. A reconciliation of the IFRS measure to this non-GAAP measure can be found at www.yamana.com/Q22016.

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

investor@yamana.com

**www.yamana.com**