

YAMANAGOLD

Q2-09 Conference Call
August 5, 2009

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Cautionary statement

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS: *This news release contains or incorporates by reference "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 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 and the Chilean 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 the Company's corporate resources, risk related to non-core mine dispositions, 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 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 annual Management's Discussion and Analysis and Annual Information Form for the year ended December 31, 2008 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.*

OVERVIEW

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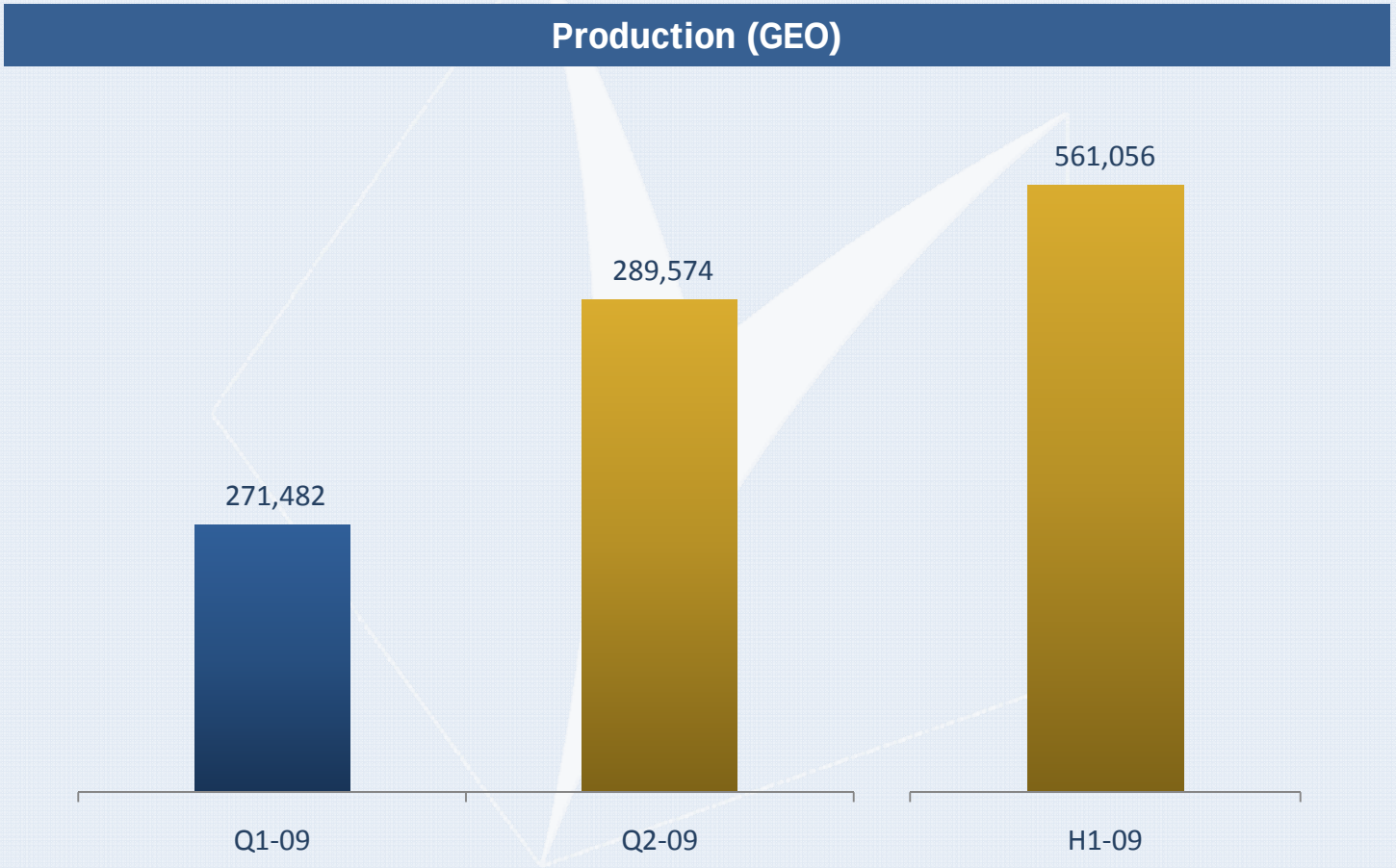
Overview

- Q2 production of 289,574 GEO and cash costs from ongoing operations of $213 per GEO
- Gualcamayo reaches commercial production with approximately 24,000 ounces of production in Q2
- Chapada continues to demonstrate quarter over quarter improvements
- El Penon grade improves 8% and production increases 9% from Q1 to 92,000 GEO
- Jacobina continues to show consistent performance
- Minera Florida production continues to ramp up increasing 19% from Q1
- Focused on core and principal mines with sale of non-core mines
- Announced construction decision for C1 Santa Luz , production targeted to begin late 2012
- Announced construction decision for Mercedes, production targeted to begin mid 2012
- Announced construction decision for the Minera Florida tailings reprocessing project, production targeted to begin early 2012
- Advanced Ernesto/Pau-a-Pique, with feasibility study expected by year end
- Acquired Caiamar, exploration concession in close proximity to Pilar
- Increased 2009 exploration budget by $10 million to $66 million

FINANCIAL PERFORMANCE

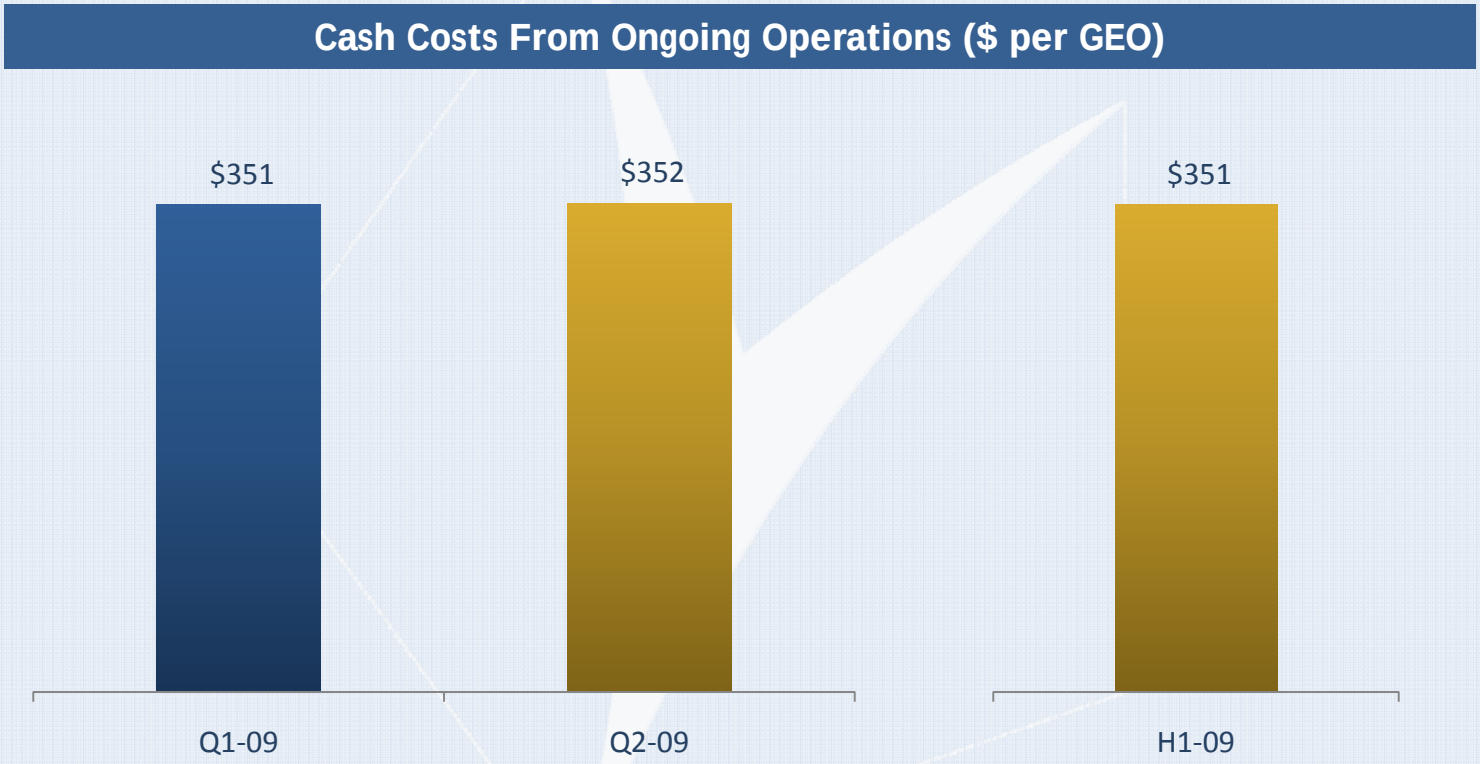
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Financial Performance
PRODUCTION GROWTH



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Financial Performance
CASH COSTS



Cash costs from non-core operations agreed to be sold were $563 per ounce in the second quarter including Sao Francisco at $645 per ounce

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Financial Performance
CASH COSTS COMPARISON

- Q2 2009 YRI co-product cash costs: (per GEO) $ 352

  Less by-product credit: $ (139)

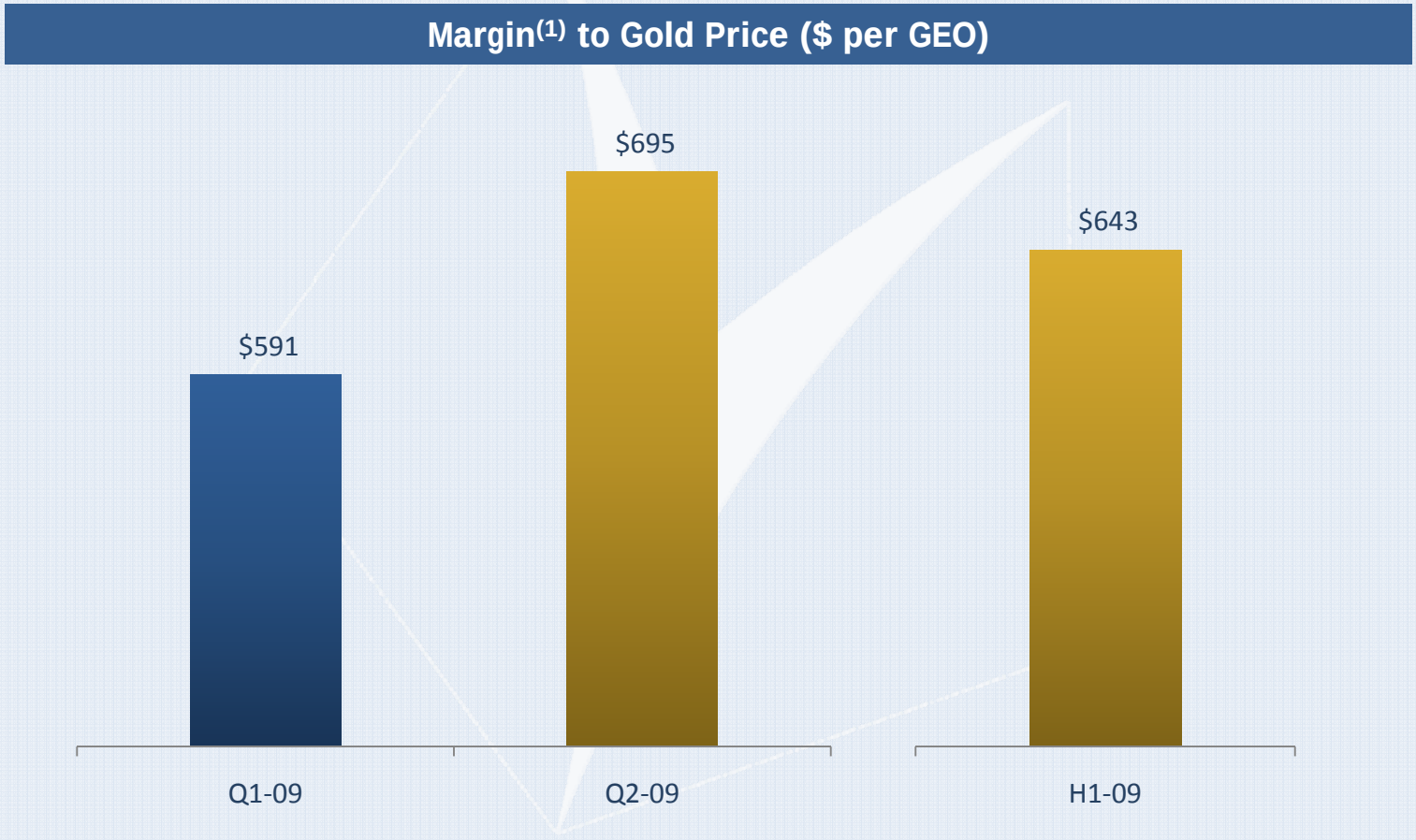
  By-product cash costs: **$ 213**

- Q2 2009 peer by-product cash costs (per GEO):
  - Average: $332
  - High: $360
  - Low: $310

1 Peers include Barrick, Goldcorp, Agnico-Eagle who have currently reported Q2 2009 results

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Financial Performance
MARGIN EXPANSION



1 Based on cash costs from ongoing operations

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Financial performance
FINANCIAL REVIEW

($M)	Q2-09	H1-09
Revenues	$269.8M	$514.0M
Mine operating earnings	$94.9M	$169.8M
Adjusted earnings	$95.8M	$160.1M
Net earnings	$9.6 M	$95.6M
Operating cash flow (1)	$117.9M	$196.0M

1. Before net changes in non-cash working capital

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Financial status

- Cash and cash equivalents approx. US$127 million
- Net debt approx. US$418M
- Total cash and undrawn credit available approx. US$346M
- More than $240M in cash, cash equivalents and shares from sale of non-core mines
- Strong balance sheet & robust cash flow

Positions us well for the balance of 2009 and thereafter

OPERATIONS

Operations
PRODUCTION AND COSTS

- Q2 operational performance:
  - Production of 289,574 GEO
  - Cash costs from ongoing operations of $352 per GEO
- Second half 2009 expectations
  - Production of approximately 640,000 GEO
  - Cash costs below $375 per GEO
- Review of core mines

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Operations
CHAPADA, BRAZIL

What we planned:	➢ Continued improvements in production and cash costs
What we have done:	➢ Production increased 5% and cash costs decreased $16 from Q1 ➢ Substantially completed 20M tpy expansion - expect completion in the third quarter of 2009 ➢ Increased size of SAG mill conveyors, revamped tailing line, and installed new pebble crusher and new stacker in the second quarter ➢ Yamana to evaluate merits of using existing plant for 22M tpy thereby not requiring further expansion

Consistent quarter over quarter improvements in production and costs
Increased 2009 production guidance

	Q1-09	Q2-09	H1-09
Gold production (oz)	38,552	**40,554**	**79,106**
Copper production (lbs)	35.0M	**35.6M**	**70.6M**
Co-product cash costs per oz of gold	$276	**$260**	**$268**
Co-product cash costs per lb of Cu	$0.93	**$0.91**	**$0.92**

2009 expected production increased to 150-165,000 ounces





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Operations
EL PENON, CHILE

What we planned:	➢ Grade consistent to 2008 levels
What we did not plan:	➢ Grade variation in Q1 2009, consistent with the historical operation of the mine
What we have done:	➢ Implemented detailed plan to improve operational and modeling procedures ➢ Additional infill drilling and development work ➢ New control technologies and personnel ➢ Acceleration of development work on new veins in the North Block ➢ Construction of a secondary crusher to further maximize potential of the mill ➢ Grade improved 8% and production increased 9% from Q1 ➢ Increase in plant capacity to over 4,000 tpd in process

Anticipate grade and throughput improvements to continue in the second half of 2009



	Q1-09	Q2-09	H1-09
Production (GEO)	84,351	**92,016**	**176,367**
Cash costs per GEO	$366	**$339**	**$352**

2009 production expected to approx. 405,000 GEO



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Operations
JACOBINA, BRAZIL

What we planned:	➢ Improving performance with development efforts in 2008
What we have done:	➢ Recovery continues to improve, with rates expected to reach 94% in the second half of 2009 ➢ Reconciliation of grade and block model ➢ Increased drilled reserves and infill drilling ➢ Increased mine development for higher grade areas ➢ Start up of CIL tanks in July to improve recovery ➢ Continuing Basal development to increase production after 2009

Second quarter production more than doubles from last year
Recovery rates are expected to reach 94% in the second half of the year

	Q1-09	Q2-09	H1-09
Production (oz)	27,078	**27,593**	**54,671**
Cash costs per ounce	$400	**$446**	**$423**

2009 production expected to be approx. 115-120,000 ounces





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Operations
GUALCAMAYO, ARGENTINA

What we planned:	➢ To declare commercial production mid-year ➢ AIM satellite deposit to contribute to 2009 production
What we did not plan:	➢ Ore from AIM impacting main QDD ore recovery ➢ Delay in conveyor system and primary crusher
What we have done:	➢ Declared commercial production mid-year ➢ Increased production to 24,347 in Q2-09 representing a 19% increase over Q1-09 ➢ Completed construction in less than 20 months ➢ Ore delivery system with integrated ore pass and primary crusher fully operational with no issues ➢ Focus on mining, processing and recovery efficiencies at QDD operations

Successfully completed commissioning with recoveries expected to progressively increase to levels of 76% to 80% into Q4



	Q1-09	Q2-09	H1-09
Pre-commercial production (oz)	20,483	24,347	44,830

2009 commercial production from mid-year expected to be approx. 75,000 ounces

2009 total production expected to be approx. 120,000 ounces

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Operations
MINERA FLORIDA, CHILE

What we planned:	➢ Complete expansion in Q1 with largest increase in production expected in Q2 and Q3
What we have done:	➢ Completed expansion in Q1 resulting in production increasing 19% in Q2 from Q1 ➢ Infill drilling and gallery improvements to support production expectations in Q3 and Q4 ➢ Advanced new plan to process historical tailings to add approx. 40,000 GEO per year for six years beginning in 2012.

Production increased substantially following completion of expansion in Q1



	Q1-09	Q2-09	H1-09
Production (GEO)	19,302	22,966	42,268
Cash costs per GEO	$358	$414	$389

2009 production expected to be more than 105,000 GEO



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Operations
FAZENDA BRASILEIRO, BRAZIL

What we planned:	➢ Consistent performance in line with expectations similar to the first quarter
What we did not plan:	➢ Lower production and grade compared to the first quarter
What we have done:	➢ Increased mine development work and drilled reserves ➢ Continue to complete underground production with open pit ore ➢ Focused on reducing cash costs and improving recovery ➢ Commenced tailings dam expansion in July

Fazenda Brasileiro grade expected to increase in the third quarter

	Q1-09	Q2-09	H1-09
Production (oz)	20,010	**18,404**	**38,414**
Cash costs per ounce	$361	**$397**	**$376**

2009 production expected to be approx. 85,000 oz



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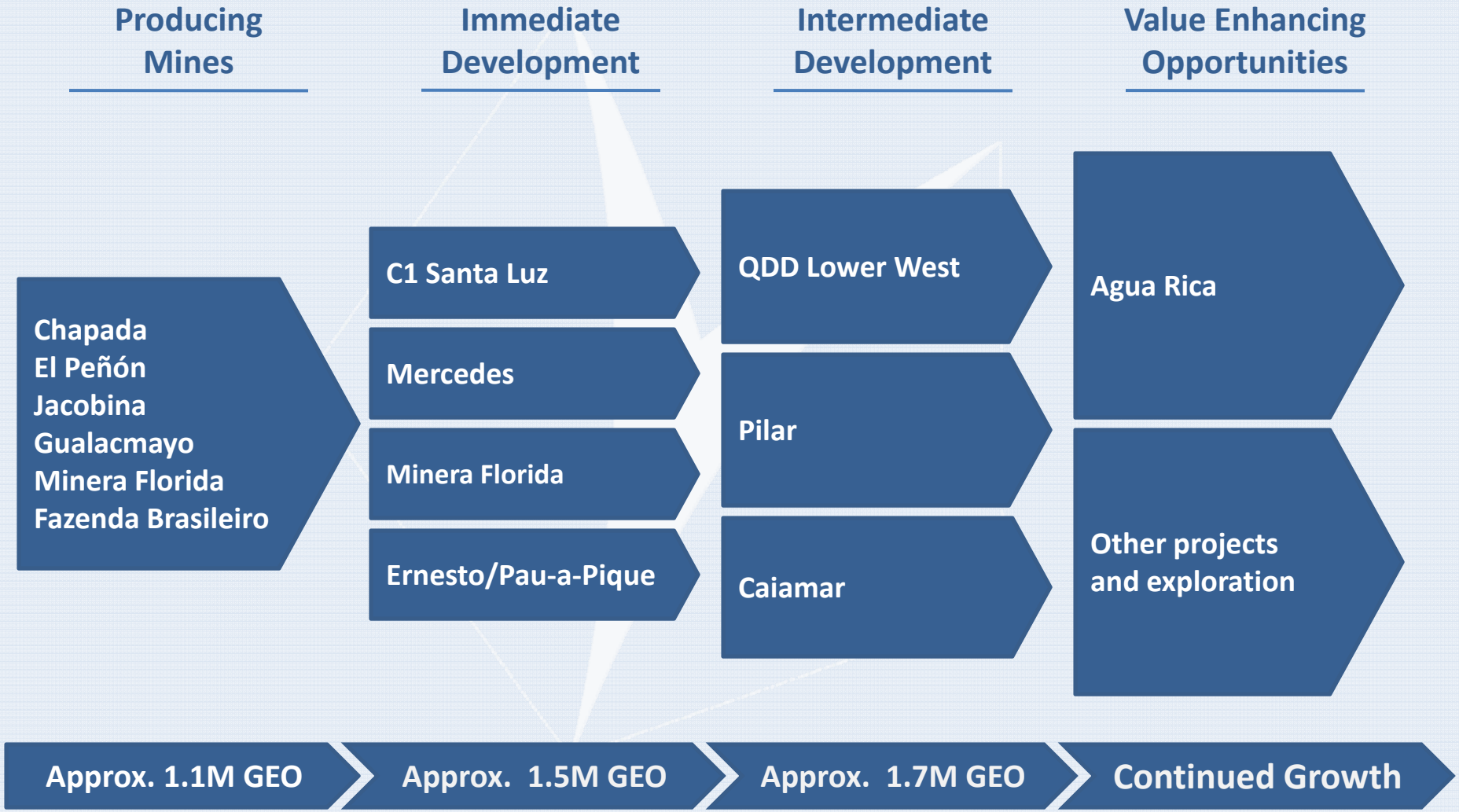
Operations
Further information

	Q1-09	Q2-09	H1-09
Chapada			
Ore processed (tonnes)	4,352,033	**4,302,440**	**8,654,473**
Gold Grade (g/t)	0.38	**0.42**	**0.40**
Copper Grade (%)	0.41	**0.43**	**0.42**
El Penon			
Ore processed (tonnes)	312,237	**306,503**	**618,740**
Gold Grade (g/t)	5.05	**5.44**	**5.24**
Silver grade (g/t)	239	**275**	**257**
Jacobina			
Ore processed (tonnes)	456,587	**491,215**	**947,805**
Gold Grade (g/t)	2.03	**1.90**	**1.96**
Minera Florida			
Ore mined (tonnes)	174,338	**178,860**	**353,198**
Gold Grade (g/t)	3.97	**4.06**	**4.02**
Fazenda Brasileiro			
Ore processed (tonnes)	285,156	**294,878**	**580,034**
Gold Grade (g/t)	2.36	**2.16**	**2.26**

DEVELOPMENT

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Production and development profile



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Development projects

Project	Status	Expected Initial Annual Contribution (GEO)	Expected start-date
C1 Santa Luz [1]	Construction decision made	130,000	Production targeted to begin in mid-2012
Mercedes	Construction decision made	120,000	Production targeted to begin late 2012
Pilar/Caiamar	Feasibility study underway	Over 100,000	Pending
Ernesto/Pau-a-pique	Scoping study completed	100,000	Pending
Minera Florida	Advanced plan to process historical tailings; construction decision made	40,000	Production targeted to begin in early 2012
QDD Lower West	Updated feasibility study expected fourth quarter of 2009	90,000	Pending

1. In the first two full years of production at C1 Santa Luz, average annual production is expected to exceed 130,000 ounces of gold, which would accelerate payback, and average 104,000 ounces of gold per year life of mine

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Development

C1 Santa Luz, Brazil

Stage in development:	➢ Delivered feasibility study results early 2008 ➢ Evaluated further for improved economics ➢ Made construction decision for development
Mineral reserves (P&P):	23.8 Mt grading 1.55 g/t gold containing 1.2 million ounces
Mineral resources (M&I) [1]:	45.82 Mt grading 1.56 g/t gold containing 2.5 million ounces
Average annual production:	Approximately 130,000 ounces first two years; 104,000 ounces LOM
Initial mine life :	Approximately 10 years
Average cash costs:	US$465 per ounce
Capex [2]:	Approximately $143 million
Economics:	After tax IRR[3] 27.9%
Expected permitting timing:	9 months
Expected construction timing:	26 months

- **Advanced C1 Santa Luz from a grassroots exploration prospect to an advanced development stage project**
- **Completed detailed engineering, revised open pit design, and additional metallurgical testwork**
- **Production expected to commence in mid-2012**

Yamana makes construction decision for C1 Santa Luz

1. Mineral resources include mineral reserves
2. Capex assumes a variance of ±10% and owner mining. Capex can be reduced using contractor mining. The majority of estimated capex will be in 2011 and 2012.
3. Assumes a gold price of US$900 per ounce

Development

Mercedes, Mexico

Stage in development:	➢ Update to February 2009 pre-feasibility study results provided July 2009 ➢ Made construction decision for development, permitting process in progress
Mineral reserves (P&P)	2.65 Mt grading 7.58 g/t AuEq containing 645,490 GEO
Mineral resources (M&I) [1]:	2.39 Mt grading 9.19 g/t AuEq containing 705,000 GEO
Average annual production:	Approximately 120,000 GEO
Mine life [2]:	Initial: approximately 6 years; Potential extension: approximately 9 years
Average Cash costs:	Approximately $264 per GEO
Capex:	Approximately $152 million
Economics:	Base[3]: After-tax IRR 22%; Extended mine life scenario[4]: 29%
Exploration program:	Increased exploration budget to $6.0 million
Pre-construction program:	➢ Main ramp excavation and complete ramp development for main stopes ➢ Complete main ventilation system and ore/waste pass for Corono de Oro ➢ Create an ore stockpile and underground infrastructure and services ➢ Detailed engineering and procurement
Expected timing of construction:	24 to 30 months

- **Advanced Mercedes from a grassroots exploration prospect to an advanced development stage project**
- **Permitting expected to be received and construction expected to begin mid 2010**
- **Production targeted to commence late 2012**

Yamana makes construction decision and increases exploration budget

1. Mineral resources include mineral reserves
2. An upside scenario adding three years to the original mine life based on current resources and recent exploration results
3. Assumes a gold price of US$814 per ounce and a silver price of US13 per ounce
4. Assumes a gold price of US$900 per ounce, a silver price of US$15 per ounce and the upside mine life scenario

Development

Ernesto/Pau-a-pique, Brazil

Stage in development:	Delivered scoping study results at feasibility level study February 2009
Mineral resources (Indicated):	3.95 Mt grading 4.67 g/t gold containing 593,000 ounces
Mineral resources (Inferred):	3.14 Mt grading 3.02 g/t gold containing 305,000 ounces
Average annual production	Approximately 100,000 ounces of gold
Initial mine life	Approximately 8 years
Average cash costs:	Approximately $356 per GEO
Capex:	Approximately $86 million
Economics:	After-tax IRR[(1)] 38%

- **Advanced Ernesto/Pau-a-pique from a grassroots exploration prospect to a development stage project**
- **Continue to progress exploration tunnel for grade continuity and to accelerate development work**
- **Feasibility study expected by year end**

Focus on infill drilling to upgrade inferred to indicated resources

1. Assumes a gold price of US$825 per ounce. Using a gold price of US$900 per ounce would result in an IRR of 44%.

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Development

Pilar, Brazil

Stage in development:	Delivered updated inferred resource estimate April 2009
Mineral resources (Inferred):	12.6 Mt grading 3.61 g/t gold containing 1.46 million ounces
Growth in mineral resources:	Substantial increase of 492,000 gold ounces, or 51%, and significant 48% improvement in grade
Exploration and development program:	➢ Currently progressing exploration ramp for grade continuity and to accelerate development work ➢ Production expected to exceed 100,000 ounces per ounce

➢ **Feasibility study expected Q1 2010**

Caiamar, Brazil

- Located approximately 38 kilometres from Pilar, just east of the Crixas Greenstone Belt
- Exploration budget of $3.4 million for 25,000 metres of drilling
- Caiamar and Pilar share similar geology and prospectivity
- Yamana believes combination of Caiamar and Pilar will meaningfully increase potential for increased resources and rapid advancement of project development

Total expected new production contributed from growth projects: approx. 490,000 GEO

1. Includes C1 Santa Luz, Mercedes, Ernesto/Pau-a-pique, Pilar and Minera Florida tailings recovery. This does not include expected production from Caiamar or QDD Lower West

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Internal growth

Agua Rica, Argentina

Stage in development:	Advanced exploration, delivered feasibility study October 2006
View on value [1]	$1.8 billion
Average annual production	Approximately 140,000 ounces of gold
Objective	Yamana continues to increase the value of Agua Rica; plans to pursue development either through integration or through JV partnership
Reserves and Resources [2]	➢ Proven and Probable Reserves: 5.8M oz of gold and 8.7B lbs of copper ➢ Measured and Indicated Resources: 1.7M oz of gold and 2.9B lbs of copper ➢ Inferred Resources: 2.5M oz of gold and 4.9B lbs of copper

- ➢ Received environmental license early 2009, continue with permitting process
- ➢ Compliance with conditions and sectoral permits approximately 18 months
  - ➢ First condition: receipt of water permit – status pending
- ➢ Updating components of feasibility study

1. Using a gold price of US$900 per oz, copper price of $2.25 per lb , a 7% discount rate and capex of $2.1 to $2.4 billion . Capex in the original feasibility study was $2.1 billion.
2. Using a gold price of US$425 per oz and copper price of US$1.10 per lb

EXPLORATION

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Exploration Budget

2009 exploration budget increased by US$10M to US$66 Million

Project	Original Budget	Increase	New Budget TOTAL
El Penon	$12.6M	+$2.7M	$15.3M
Minera Florida	$8.6M	+$2.4M	$11.0M
Mercedes	$4.5M	+$1.5M	$6.0M
Caiamar	-	+$3.4M	$3.4M
TOTAL	**$25.7M**	**$10.0M**	**$35.7M**

- Exploration program is focused on :
  - Advancing new 2009 discoveries to indicated resources for El Peñón, Minera Florida and Mercedes
  - Advancing the Pilar and Caiamar projects to the feasibility stage
  - Adding high margin, high quality ounces at mine and near-mine

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Exploration
H2 2009 PLAN

El Penon

- Continue exploration of areas adjacent to known deposits
- Focus on upgrading Inferred resources to Measured and Indicated
- Commence tunnel access to access Bonanza North from Bonanza for underground drilling and to infill known Bonanza resources

Minera Florida

- Additional infill drilling at Centenario and Polvorin for Inferred resource estimate
- Additional drilling at Membrillo and Arrayan for potential expansion

Mercedes

- Continue exploration and drilling at Barrancas and newly discovered Lupita vein zone areas

Caiamar

- Assess potential of deposit and evaluate regional potential
- Define ore bodies' geometry and grade

Committed to growth, sustainability, low cash costs and to remaining the dominant intermediate

Q&A






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End-notes

CAUTIONARY NOTE TO U.S. INVESTORS CONCERNING ESTIMATES OF MEASURED, INDICATED AND INFERRED RESOURCES

This presentation uses the terms "Measured", "Indicated" and "Inferred" Resources as defined in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects. United States readers are advised that while such terms are recognized and required by Canadian securities laws, the United States Securities and Exchange Commission does not recognize them. Under United States standards, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve calculation is made. United States readers are cautioned not to assume that all or any part of the mineral deposits in these categories will ever be converted into reserves. In addition, "Inferred Resources" have a great amount of uncertainty as to their existence, and as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Resource will ever be upgraded to a higher category. United States readers are also cautioned not to assume that all or any part of an Inferred Resource exists, or is economically or legally mineable.

NON-GAAP MEASURES

The Company believes that in addition to conventional measures prepared in accordance with Canadian GAAP, the Company and certain investors and analysts use certain other non-GAAP financial measures to evaluate the Company's performance including its ability to generate cash flow and profits from its operations. The Company has included certain non-GAAP measures including "cash cost per gold equivalent ounce", "Adjusted Earnings or Loss and Adjusted Earnings or Loss per share" and "cash flow from operations before changes in non-cash working capital" or "cash flow from operating activities before changes in non-cash working capital" to supplement its financial statements, which are presented in accordance with Canadian GAAP. Non-GAAP measures do not have any standardized meaning prescribed under Canadian GAAP, and therefore they may not be comparable to similar measures employed by other companies. The data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with Canadian GAAP.

The Company has also provided a reconciliation of cost of sales to co-product cash costs and adjusted earnings to net earnings in the Company's Management's Discussion and Analysis for the quarter ended June 30, 2009. For additional disclosure on the cautionary note regarding Non-GAAP measures, reference should be made to Section 6 of the Company's Management's Discussion and Analysis for the quarter ended June 30, 2009 available at www.sedar.com or on the Company's website at www.yamana.com.