

2014 Third Quarter Results

October 30, 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.

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Peter Marrone
Chief Executive Officer

Portfolio Approach

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- Portfolio approach focused on Cornerstone assets contributing most significantly to production at lower costs
- Outperformance at certain assets able to offset challenges/ underperformance at another
- Seek internal and external opportunities to optimize assets and the portfolio
- Focus on measures that balance top and bottom line growth







Portfolio approach enhances returns to shareholders

Focus on Cornerstone Assets

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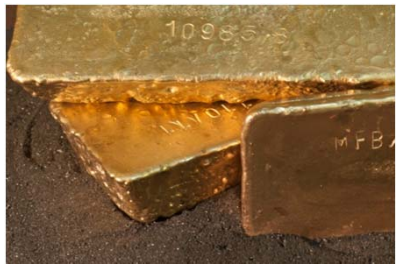
- Optimizing production
- Improving margins
- Mitigating costs
- Driving Cash Flow

	Under Performing	Performing	Over Performing
Chapada			✓
El Peñón		✓	
Gualcamayo			✓
Mercedes			✓
Canadian Malartic			✓
Minera Florida		✓	
Jacobina			✓









Focus on cornerstone assets delivered record quarterly production in Q3

Portfolio Realignment

Taking Action

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- We set out to deliver 4 development projects
  - Delivered on 2 projects – Mercedes and Pilar

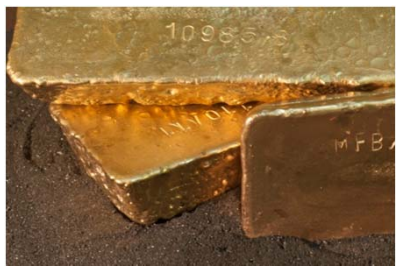
- Current status of the projects:
  - Pilar – focus on development of Maria Lazarus and decreasing costs, reduced production expectations with improved mine plan
  - C1 Santa Luz – preserved value via Care & Maintenance status, continue to explore a metallurgical solution
  - Ernesto/Pau-a-Pique – no opportunities

- Decisive action with underperforming assets
  - Carrying values now better reflect true value
  - Objective is to create value above current book value









Better positioned to enhance value going forward

Streamlined Management Structure

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- Aligning management structure with portfolio of assets
  - Promoted executives from within
  - Hired new technical expertise
- North and South operational units managed through offices in Santiago and Toronto
- Creating efficiencies, saving G&A and better positioned to manage opportunities and risks

Management structure better aligned to focus on cornerstone assets

Future Outlook

- Confidence in ability to deliver cash flow
- Confidence in ability to deliver growth in production in a prudent and responsible way
- Focus on cornerstone assets – most significant production at lower costs to generate cash flow
- Capital expenditures are declining and expected at lower levels going forward
- Ensure a strong and liquid balance sheet



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Charles Main
Chief Financial Officer

Delivering Financial Performance

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	Q3 2014
Revenue	$501.2M
Production (GEO)[1]	391,277
Sales (GEO)	340,985
Production Copper – Chapada (Mlbs)	38.0
Sales Copper – Chapada (Mlbs)	35.7
Adjusted Loss[2]	$12.5M
per share:	$0.01
Cash Flow[2,3,4]	$196.0M
per share:	$0.22

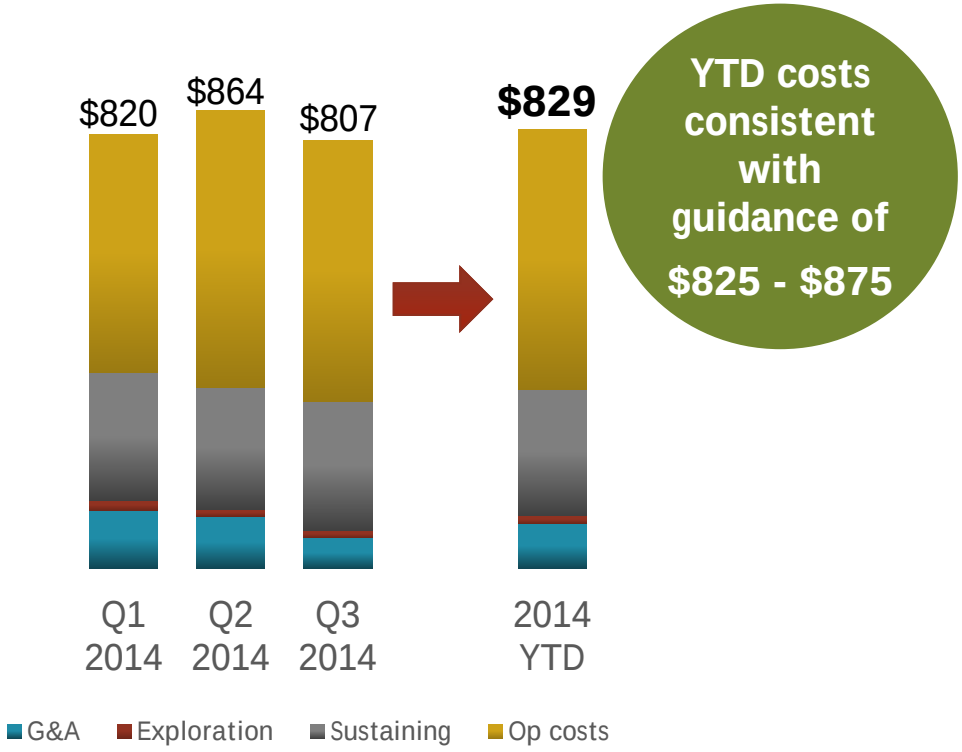
1. Production includes commissioning.
2. A non-GAAP measure. A reconciliation of non-GAAP measures can be found at www.yamana.com/Q32014 in accordance with previous Canadian GAAP for public entities.
3. Operating cash flow generated from operations before changes in non-cash working capital in accordance with Canadian GAAP for public entities.
4. Adjusted for certain one time items.

Lower AISC Cost Structure
Continued Improvement

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All-in Sustaining Cash Costs[1,2]

2014 Yamana Cost Trend



YTD costs consistent with guidance of $825 - $875

Key Assets[3] are Cost Leaders



Steady, low cost level of Key Assets

New cost structure sustainable, longer term initiatives underway

1. A non-GAAP measure. A reconciliation of can be found at www.yamana.com/Q32014 in accordance with previous Canadian GAAP for public entities.
2. Includes cash costs, sustaining capital, corporate general and administrative expense, and exploration expense.
3. Key Assets include: Chapada, El Peñón, Gualcamayo, Mercedes and Canadian Malaratic.

Robust Balance Sheet

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Cash & Available Credit	$804M
Cash & Cash Equivalents	$169M
DD&A	$141M
Corporate G&A	$25M
Exploration Expense	$5M
Capital Expenditure	$197M

16%
Decrease in G&A year-over-year

G&A and capital spending continue to decline

Impairment Review

Cleaning up the balance sheet

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- Accounting, non-cash impact
- Critical review was carried out in light of the operational challenges experienced at all three assets
- Potential upside remains above new carrying values
  - Continue to review all options, including new metallurgical plans and sale or disposition

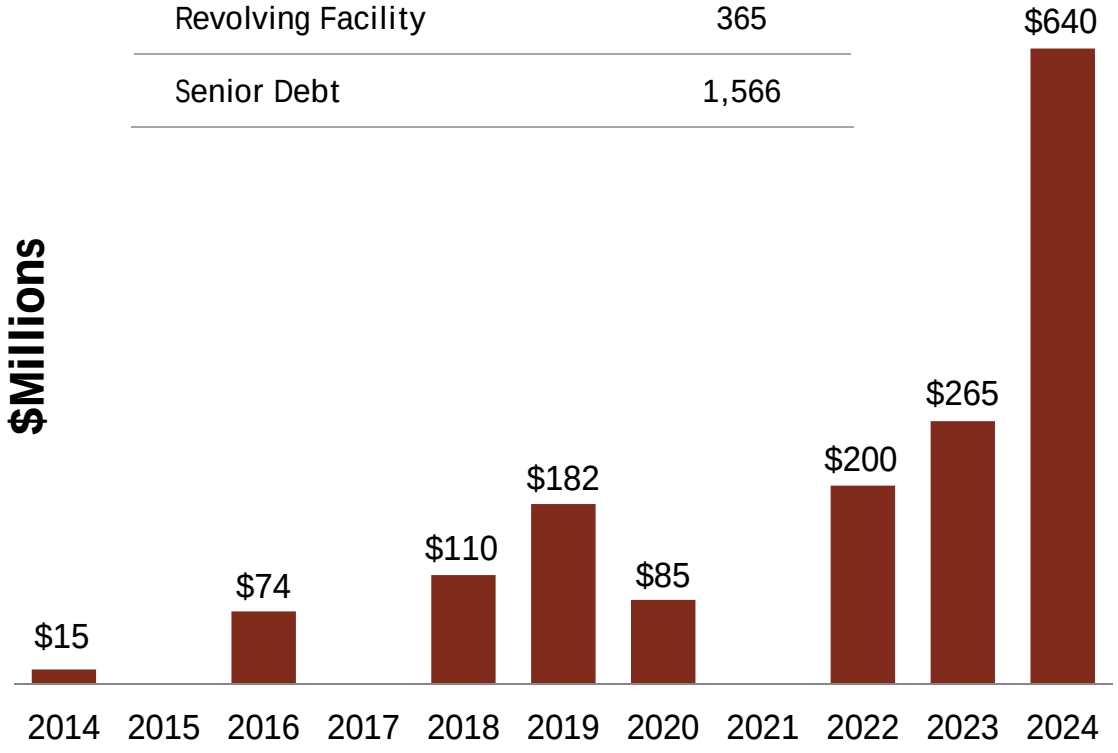
	After-tax Impairment	New Carrying Value
C1 Santa Luz	334	75
Ernesto/Pau-a-Pique	137	30
Pilar	164	350
Total	**635**	**455**

Non-cash impairment represents 6% of total asset book value

Scheduled Corporate Debt Repayments

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Debt Position	Balance ($millions)
Revolving Facility	365
Senior Debt	1,566



Long-term debt well positioned against tenure of assets

Majority of scheduled payments after 2021

Note: As of September 30, 2014. Repayment schedule does not include repayment of the revolver which will happen from time to time or assumed debt from Canadian Malartic Corporation as it is not guaranteed by the Company.
As is normal practice the Company will seek to roll over the credit facility prior to maturity in March 2019.

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Ludovico Costa
Chief Operating Officer

Gerardo Fernandez
SVP, Southern Operations

Daniel Racine
SVP, Northern Operations

Operations Overview

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Production	Q3 2014
GEO	391,277
Gold (ounces)	332,342
Silver (ounces)	2.9M
Copper (lbs Chapada)	38.0M

Costs per GEO	Q3 2014
	By-product
Cash Costs[1]	$492
All-in Sustaining Cash Costs ("AISC")[1,2]	$807

Q3 production 18% higher than Q2 – continued growth expected

1. A non-GAAP measure. A reconciliation of non-GAAP measures can be found at www.yamana.com/Q32014
2. Includes cash costs, sustaining capital, corporate general and administrative expense, and exploration expense.

Operations Snapshot

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Q3 2014	Production (GEO)	Cash Costs [1,2] (per GEO)
Chapada - Brazil		

• 15% higher copper production vs. Q2 2014
• Production expected to continue increasing:
  • Q4 first full quarter of contribution from higher grade Corpo Sul
  • Enhanced plant throughput going forward with completion of in-pit crusher in Q3
	30,522
	38.0M lbs Cu
		($1,292)
		$1.59lb[3]

1. Cash Costs on a by-product basis.
2. A non-GAAP measure. A reconciliation of non-GAAP measures can be found at www.yamana.com/Q32014
3. Copper cash costs on a co-product basis

Operations Snapshot

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Q3 2014	Production (GEO)	Cash Costs (1,2) (per GEO)
El Peñón - Chile • GEO production in line with Q2 2014 • Cost improvements achieved from new underground equipment now being used • Q4 silver grade expected to increase resulting in an overall increase in GEO production	117,102	$486
Gualcamayo - Argentina • 10% higher recovery rate vs. Q2 2014 from using lower stacking heights on the leach pads • Completed commissioning of the conveyor belt in September, which will reduce mining costs	43,060	$867

1. Cash Costs on a by-product basis.
2. A non-GAAP measure. A reconciliation of non-GAAP measures can be found at www.yamana.com/Q32014
3. Copper cash costs on a co-product basis

Operations Snapshot

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Q3 2014	Production (GEO)	Cash Costs (1,2) (per GEO)
Jacobina - Brazil		
• 12% higher production and 17% improvement in cost vs. Q2 2014 from higher throughput and feed grade • Mining higher grade areas will continue in Q4 • New life of mine plan completed which outlines a more consistent production of ~130,000 oz per year at higher grades	21,112	$981
Minera Florida - Chile		
• Production and costs continue to be improved year-over-year and quarter-over-quarter	30,596	$593

1. Cash Costs on a by-product basis.
2. A non-GAAP measure. A reconciliation of non-GAAP measures can be found at www.yamana.com/Q32014

Operations Snapshot

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Q3 2014	Production (GEO)	Cash Costs (1,2) (per GEO)
Mercedes – Mexico • 24% higher production vs. Q2 2014 due to higher gold grades • Mining of higher grades expected to continue in Q4 • Lupita ore expected to start contributing in H1 2015	30,532	$663
Canadian Malartic (50% Interest) – Canada • Increased average throughput in Q3 2014 to 52,115 tpd • Continued focus on throughput optimizations resulted in a mill record averaging over 58,000tpd in September • Several opportunities being studied to optimize the asset	64,761	$735

1. Cash Costs on a by-product basis.
2. A non-GAAP measure. A reconciliation of non-GAAP measures can be found at www.yamana.com/Q32014

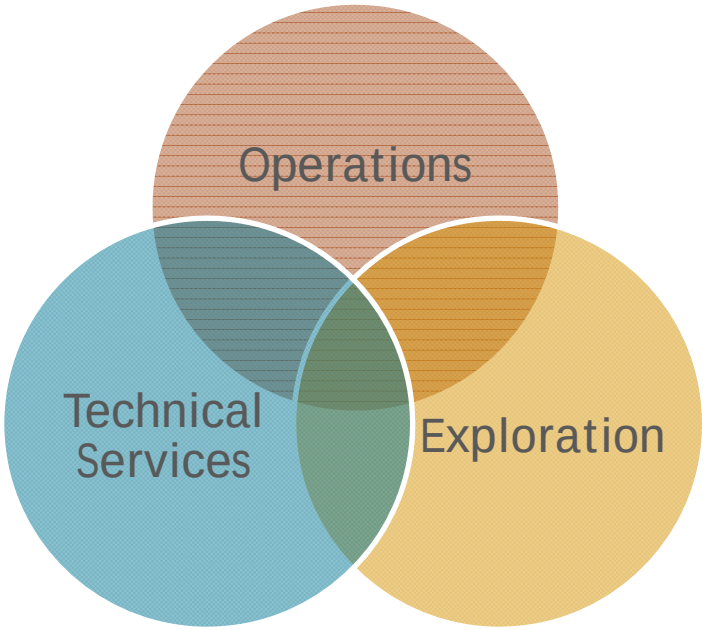
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Darcy Marud
EVP, Enterprise Strategy

Integrating Technical Disciplines

Strategic approach to value enhancement

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Achievements to date:

- Restructuring of Technical Services Department
  - Hiring of Barry Murphy as SVP Technical Services
  - Enhancement of governance to ensure integration of technical disciplines and cost controls
- Refocus LOM to be more predictable and reliable
- Oversight of the Canadian Malartic Partnership for Yamana

Upcoming opportunities:

- Oversee internal opportunities to provide best returns on capital
  - Cerro Moro, Gualcamayo, Chapada and C1 Santa Luz

Better positioned to unlock further value from portfolio

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Barry Murphy
SVP, Technical Services

Technical Services

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Cerro Moro

- Potential mine and processing methods being evaluated
- Planned construction decision later in the year

Gualcamayo

- Working with third-party consultants in assessing the economic viability of resource under the current QDD pit limit
- Preliminary Economic Assessment to be completed late 2015

C1 Santa Luz

- Various processing alternatives being explored
- Evaluation of alternative metallurgical recovery processes before the end of 2015

Other

- Overseeing value creating technical opportunities at Suyai and Agua Rica

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William Wulftange
SVP, Exploration

2014 Exploration Objectives

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- Focus on upgrading and conversion of significant 2013 Mineral Resource increases
- Discover new high quality ounces at select existing operations
- Do More with Less

$75M
Exploration Budget

Allocate to opportunities most quickly able to contribute to cash flow

2014 Exploration Update

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El Peñón	• Mineral reserves are expected to be replaced at or above reserve grade • Significant exploration opportunities continue to exist with discovery of new secondary structures
Minera Florida	• Mineral resources are expected to be upgraded and expanded with infill drilling intersections at or above reserve grade
Chapada	• Discovery of Santa Cruz combined with Corpo Sul and Suruca suggests potential of a system significantly larger than originally planned
Pilar	• Tightened drill spacing increasing certainty of the location of higher grade areas expected to support more efficient mining and reduced dilution
Mercedes	• Drilling at newly discovered GAP, along the Mercedes to Marianas structure, returning positive results
Gualcamayo	• Results at Rodado Southwest near current underground mining workings continue to support potential for large scale, bulk tonnage underground • Several intersections exceeding 100 metres
Cerro Moro	• Assay results continue to support modelled grades and widths in the resource model
Canadian Malartic & Kirkland Lake	• 2014 program expected to provide additional insight into best approach to unlock value at newest portfolio of exploration assets

Focus on ever more efficient exploration efforts delivering results

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Peter Marrone
Chief Executive Officer

Significant Increases in Production in Future Years

Future Production Growth

- Expect a new quarterly production record to be set in Q4
- Further production growth in 2015 and 2016

Focus on Cash Flow

Production growth is considered in conjunction with costs for the betterment of financial performance

