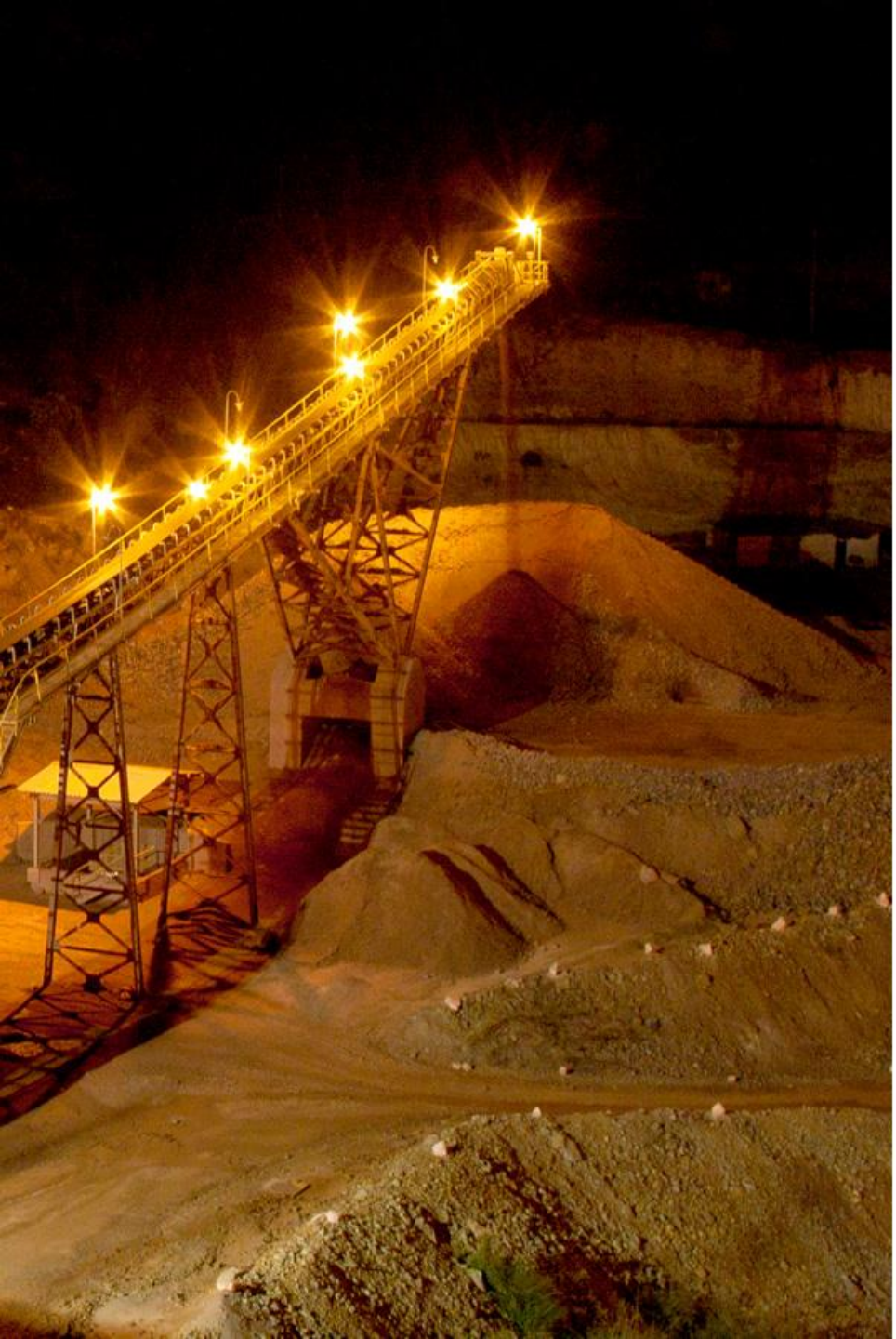


YAMANAGOLD

2011 Third Quarter Results Webcast Presentation

November 3, 2011

Cautionary Statement

YAMANAGOLD

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 projects and exploration programs discussed herein being met, 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 and the Argentine 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 mineral 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, 2010 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.

Peter Marrone
Chief Executive Officer



Agenda

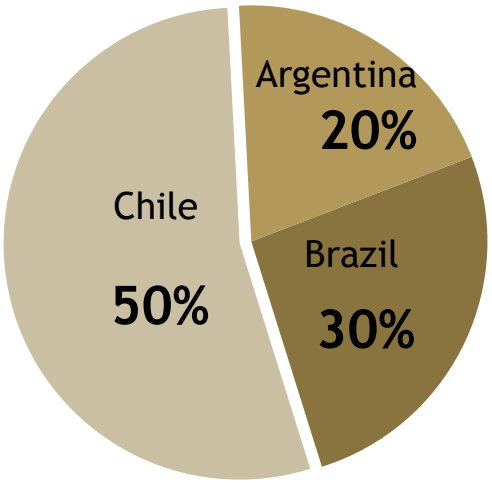
- Overview
  Peter Marrone – Chief Executive Officer
- Operational highlights
  Ludovico Costa – Chief Operating Officer
- Financial highlights
  Charles Main - Chief Financial Officer
- What's ahead
  Peter Marrone – Chief Executive Officer



Overview



Strategic Geographic Focus



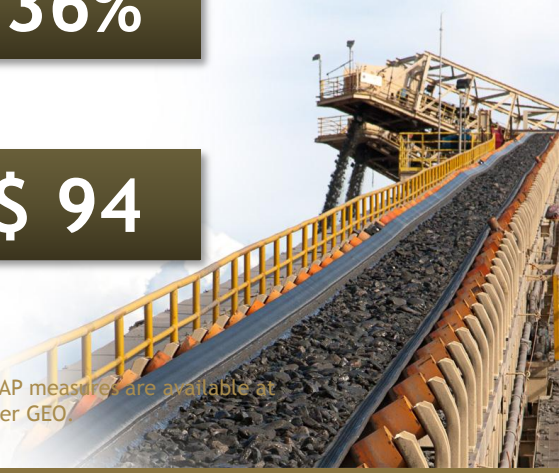


Six operating mines

Delivering Consistency and Reliability in Q3

Production growth	↑ 4%
Cash Flow growth[1]	↑ 57%
Earnings growth[2]	↑ 63%
Margin growth[3]	↑ 36%
Continued cost containment by-product cost per ounce[4]	$ 94

Delivering on expectations



1. Cash flow from operations before changes in non-cash working capital. 2. Refers to a non GAAP measure. Reconciliation of non GAAP measures are available at www.yamana.com/q32011. 3. Cash margin is the difference between the average realized gold price less by-product cash costs per GEO.
4. Cash costs refer to a non GAAP measure. Reconciliation of non GAAP measures are available at www.yamana.com/q32011

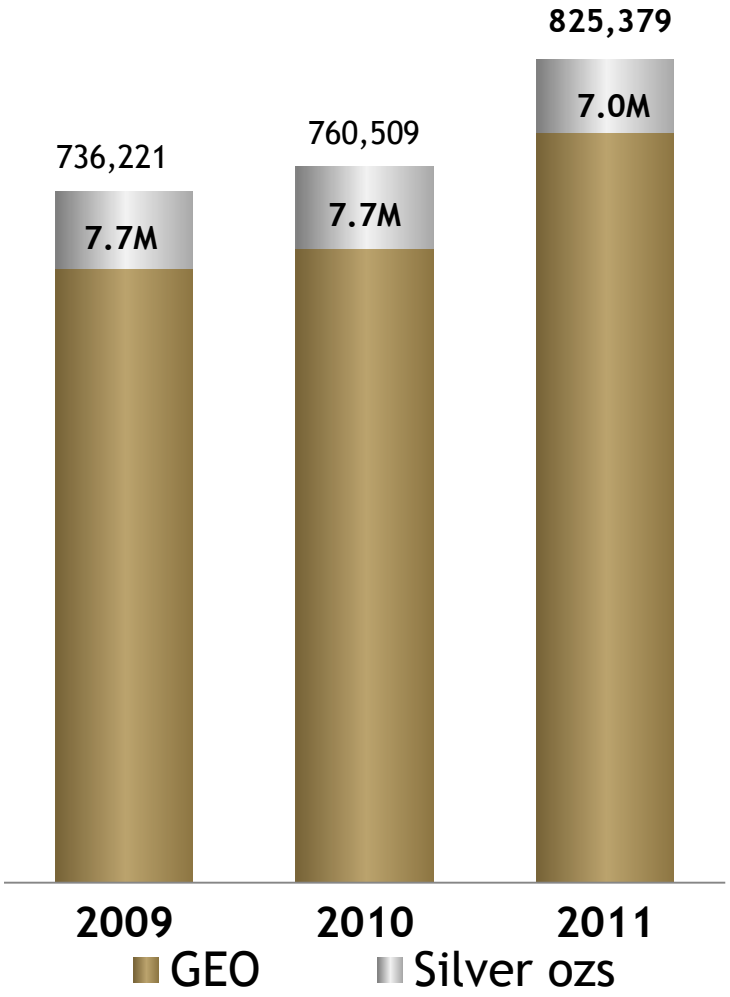
Production Summary

Q3 Production

Total Production	**279,274 GEO**
Gold Production	230,986 oz
Silver Production	2.4M oz
Copper Production Chapada	41.4M lbs

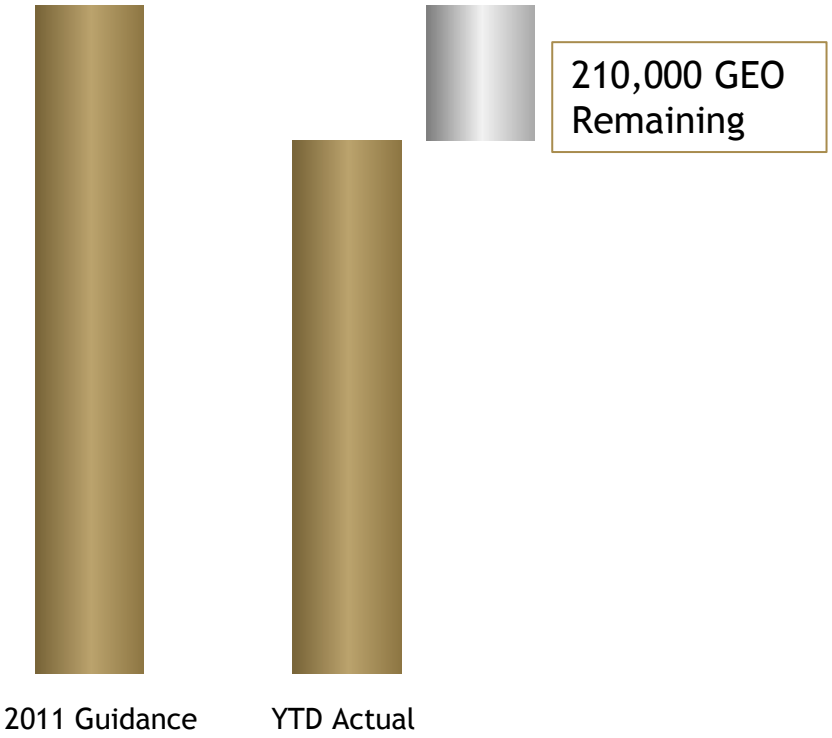


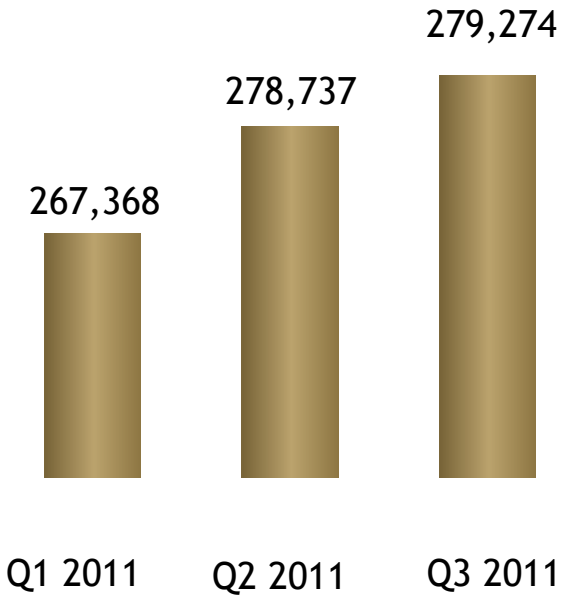
Cumulative Production Growth



Production Target Within Reach

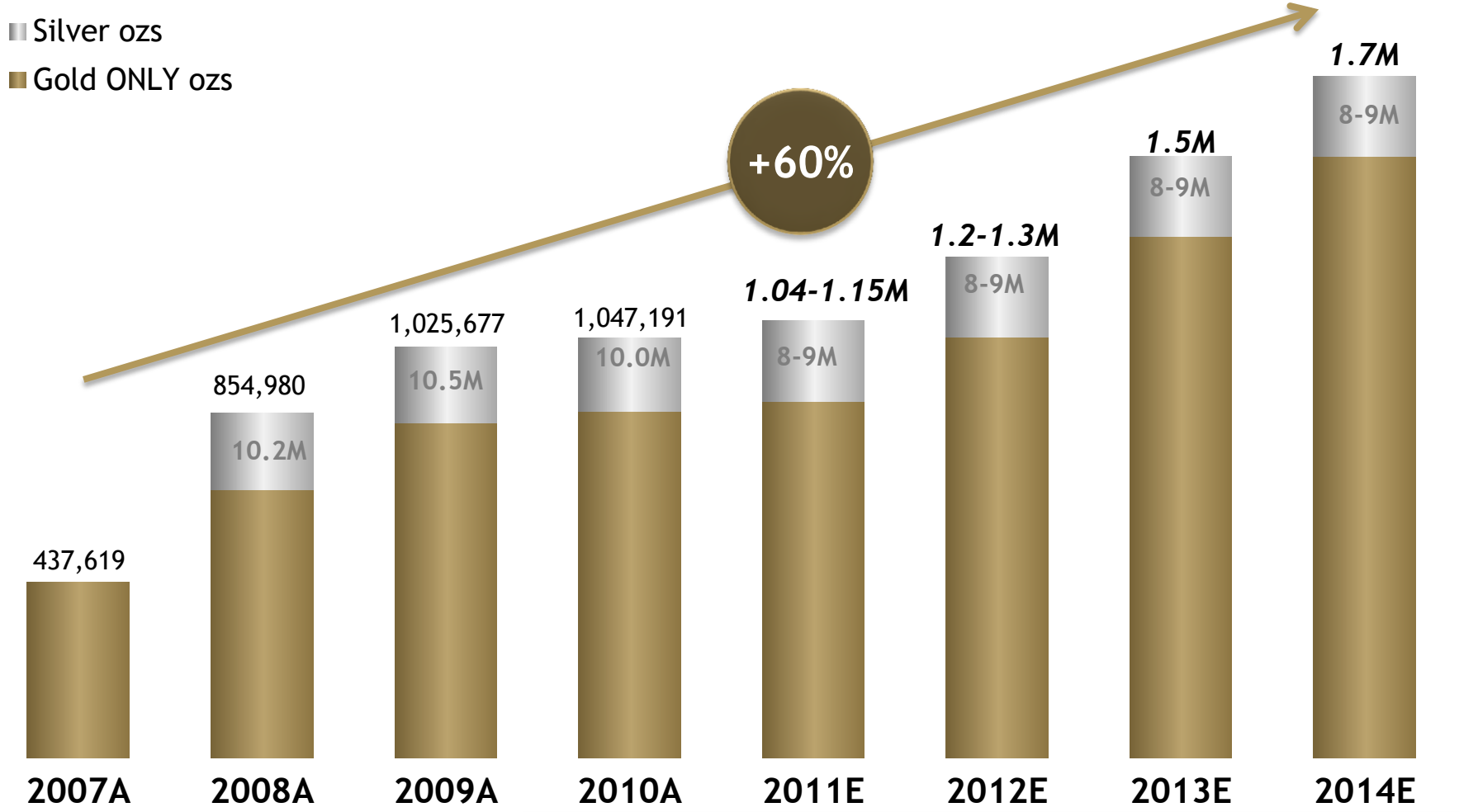
Guidance – Actual = Remaining





Well Positioned to Deliver

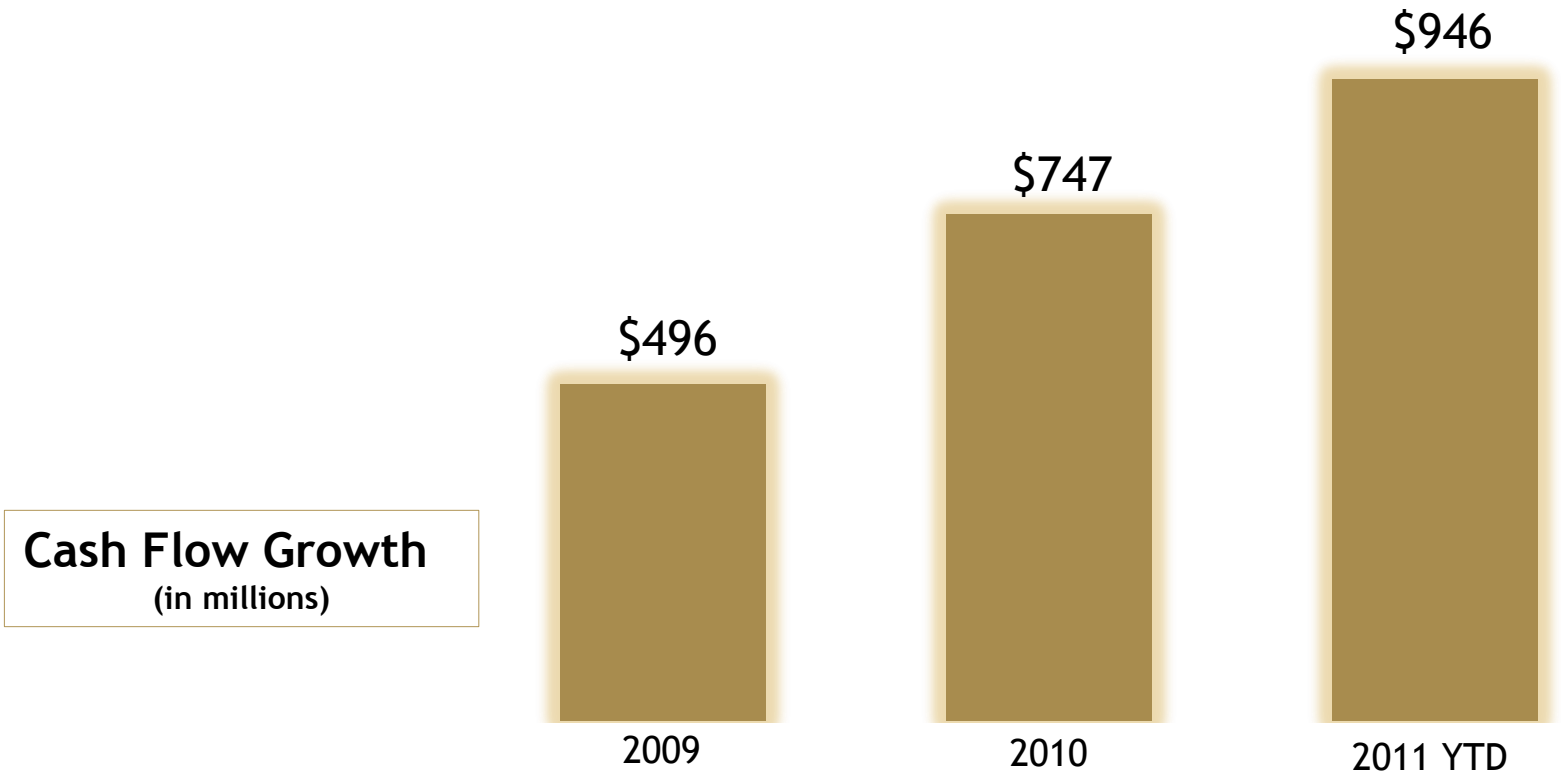
Building on a Strong Track Record of Growing GEO Production



Note: Silver production is treated as a gold equivalent based on a silver to gold ratio of 55:1 in 2008 – 2010, and 50:1 thereafter.

Cash Flow Focus

- Gold Production
- Gold Production Growth
- Mineral Resources Growth
- Cash Flow Growth



Operations Review

Ludovico Costa
Chief Operating Officer



Flagship Operations - Brazil

	Production Ounces	Cash Costs		
Chapada			Ore Processed	5,075,556 tonnes
	36,075	$329/oz	Grade	0.33 g/t
			Recovery	66.0%
	Copper			
	41.4 M lbs	$1.45/lb	Grade	0.42 %
			Recovery	87.5%
Jacobina			Ore Processed	559,207 tonnes
	31,567	$654/oz	Grade	1.89 g/t
			Recovery	92.9%
Total:[1]	**81,977**	**($484)/oz***		

1. Includes production from Chapada, Jacobina and Fazenda Brasileiro.
* By-product costs

Flagship Operations - Chile

Mine	Production GEO	Cash Costs		
El Peñón				
	120,627	$407/GEO	Ore Processed Grade Recovery	367,503 tonnes 6.77 g/t 93.6%
Minera Florida				
	26,577	$588/GEO	Ore Processed Grade Recovery	242,670 tonnes 3.45 g/t 84.0%
Total:	**147,204**	**$440/GEO**		

Flagship Operations - Argentina

Mine	Production Ounces	Cash Costs		
Gualcamayo				
	37,381	$442/oz	Ore Processed Grade Recovery	1,844,293 tonnes 0.94 g/t 67.7%
Q3 Total Production:	**279,274**	**$94/GEO***		

* By-product Costs

Development Projects Advancing



Mercedes (Mexico)

- Annual Production 120,000 GEO
- Start up – 2011 year end

- **94% to full completion**
- **Power line completed**
- **Commenced commissioning activities**



Ernesto/Pau-a-Pique (Brazil)

- Annual Production 100,000 ozs
- Start up – Late 2012

- **55% complete**
- **Work continues on mine development, detailed engineering, civil and electro-mechanical work**



C1 Santa Luz (Brazil)

- Annual Production 100,000 ozs
- Start up – Late 2012

- **49% complete**
- **Completion of the foundation for SAG mill**
- **Work continues on earthworks and civil works**



Pilar (Brazil)

- Annual Production 120,000 ozs
- Start-up Mid-2013

- **Remains on schedule**
- **work continues on earthworks and detailed engineering**

All Projects Advancing On Schedule



Mercedes
Mexico

120,000 GEO

Construction
Commissioning & Ramp-up
Commercial Production



C1 Santa Luz
Brazil

100,000 oz.

Construction
Commissioning & Ramp-up
Commercial Production



Ernesto/Pau-a-Pique
Brazil

100,000 oz.

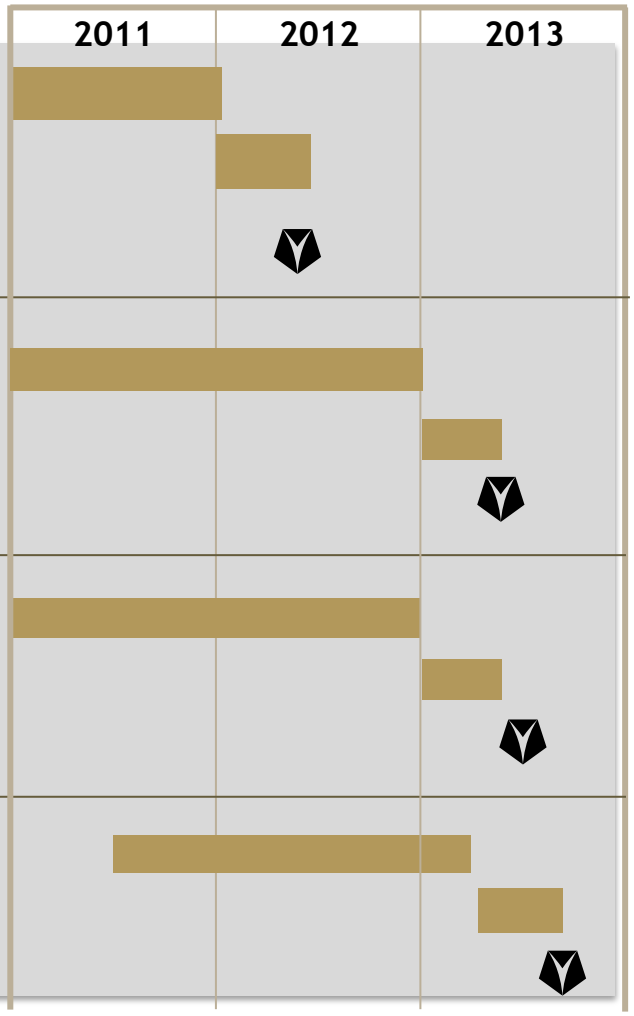
Construction
Commissioning & Ramp-up
Commercial Production



Pilar
Brazil

120,000 oz.

Construction
Commissioning & Ramp-up
Commercial Production



Four new mines are expected to add approximately 440,000 GEO annually

Enhancing Value Through Expansion

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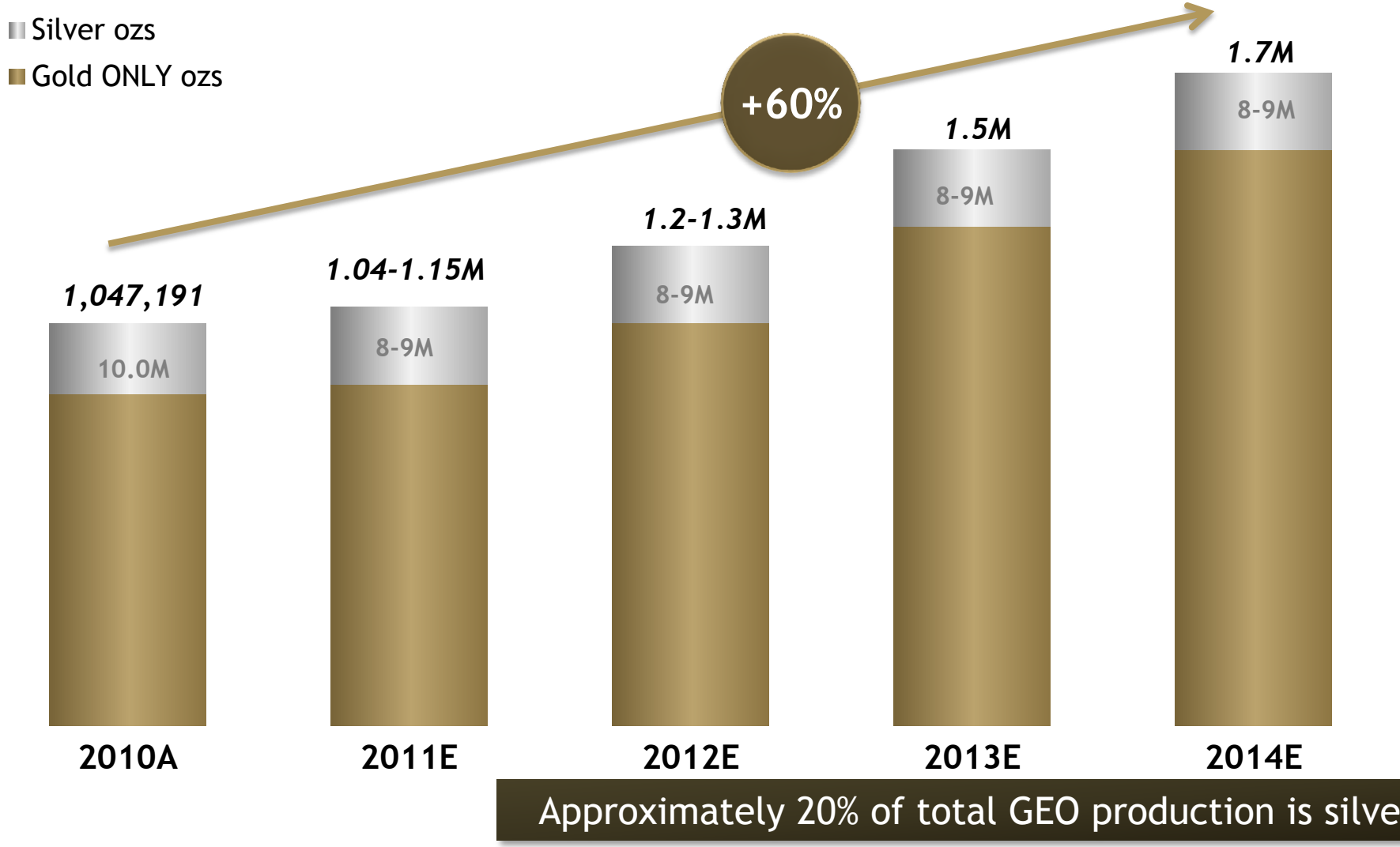
Gualcamayo
- QDDLW

Minera Florida
- Expansion – tailings dam reprocessing to start up in January 2012



Building on a Strong Track Record of Growing GEO Production



Note: Silver production is treated as a gold equivalent based on a silver to gold ratio of 55:1 in 2008 – 2010, and 50:1 thereafter.

Financial Review

Chuck Main
Chief Financial Officer



Q3 Financial Performance

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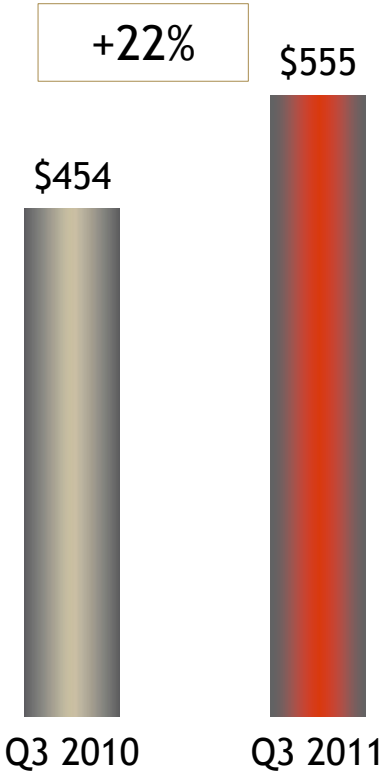
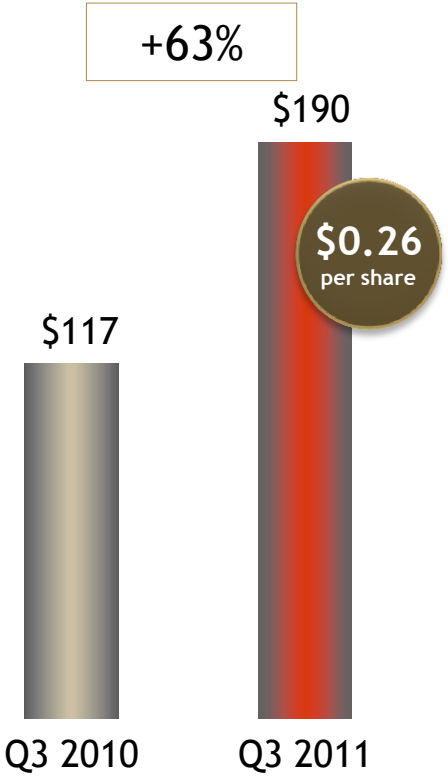
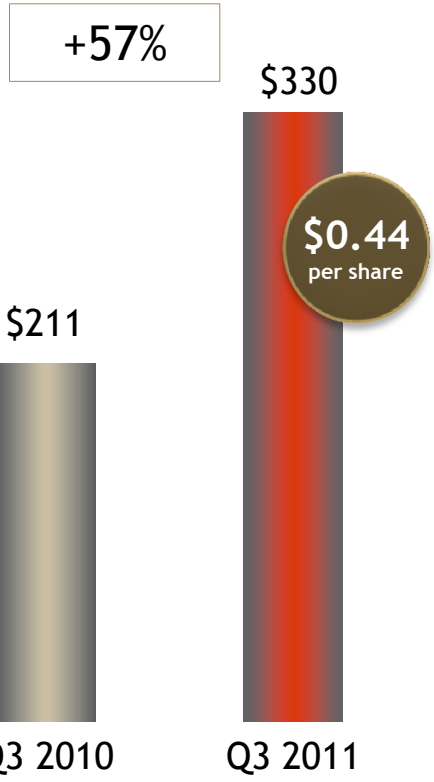
Revenue
(in millions of US dollars)



Adjusted Earnings
(in millions of US dollars)



Operating Cash Flow
(in millions of US dollars)



Delivering consistent financial results quarter over quarter

YTD Financial Performance

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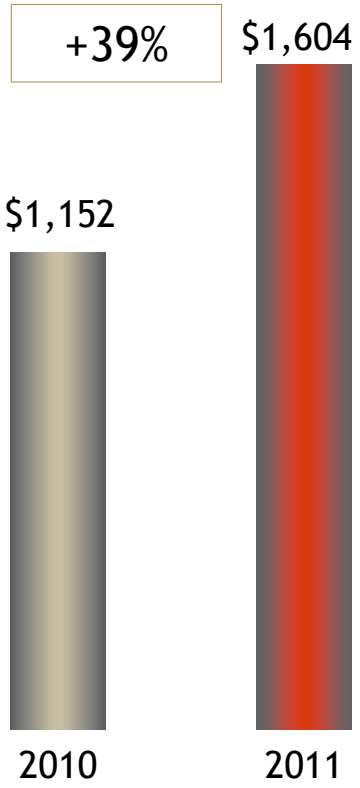
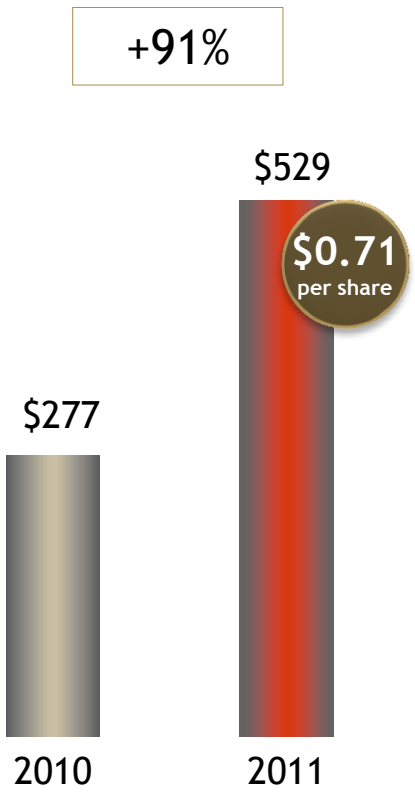
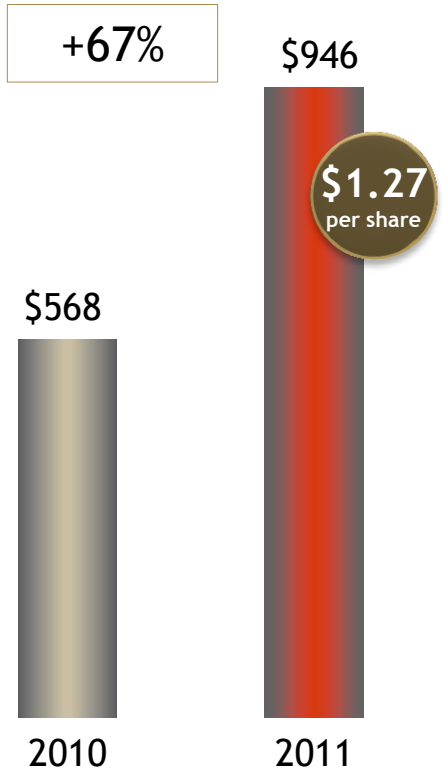
Revenue
(in millions of US dollars)



Adjusted Earnings
(in millions of US dollars)



Operating Cash Flow
(in millions of US dollars)



Delivering consistent financial results quarter over quarter

Containing Costs – Expanding Margins

Cash Costs

By-Product Costs

Q3 2011	$94
YTD	$ 9

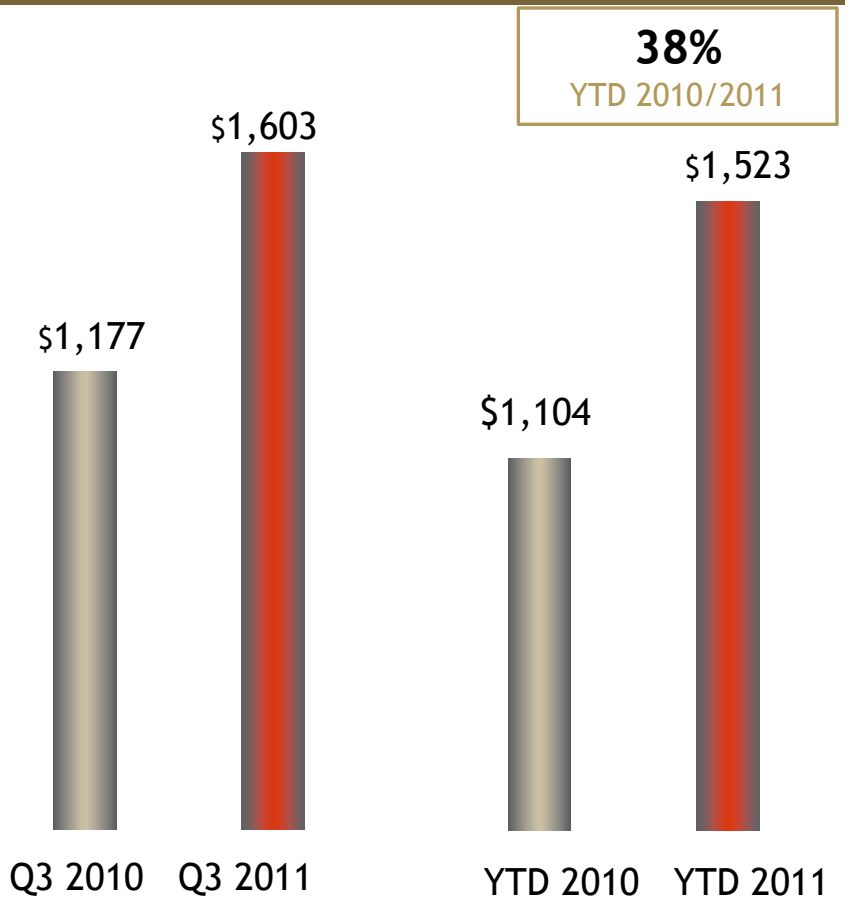
Co-Product Costs

Q3 2011	$468
YTD	$456

YTD Average Realized Prices

Q3 2011	$1,697
Gold	$1,532

Cash Margin



Providing greater leverage to gold

Financial status
Robust balance sheet

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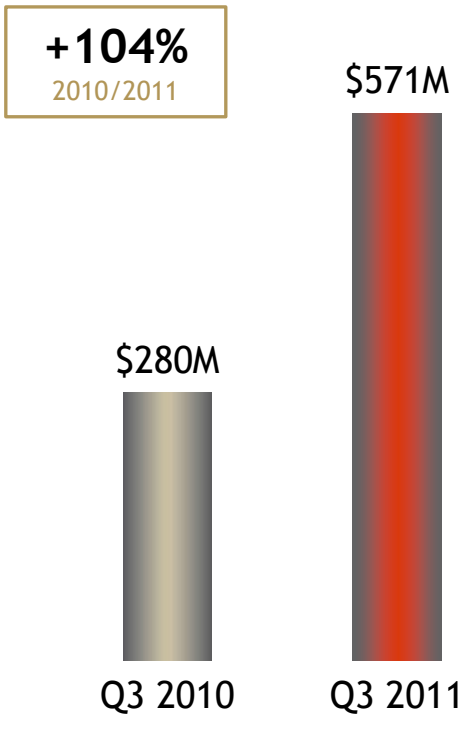
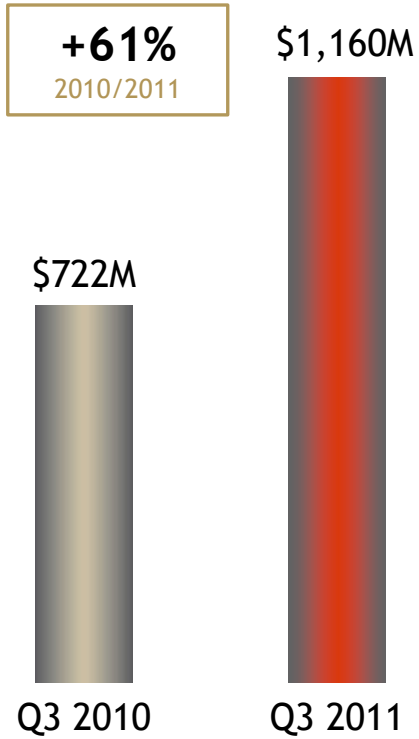
Cash & Cash Equivalents



Total Cash & Available Credit



- Available cash increased YTD* by: $264M
- Available cash and credit increased YTD by: $366M
- Total debt paid YTD: $55M
- Fully funded with increasing cash and no net debt

	Q3 2011
Cash & Cash Equivalents*	$594M
Debt	$431M
Capital Expenditures	$231M
Exploration Expense	$8M
Corporate G&A	$27M
Finance Expense	$36M
DD&A	$94M
Available Cash & Credit	$1,160M

* includes cash position reported as of September 30, 2011 and subsequent dividend payment received from Alumbrera of $23.75M

What's Ahead

Peter Marrone
Chief Executive Officer



Other Value Enhancing Opportunities

Gualcamayo
- QDDLW mineral resources increase
- Feasibility update for milling

Jacobina
- Increased reserve grade translating into expanded production

El Peñón
- New discoveries increasing grade, providing more flexibility for mining and extending mine life

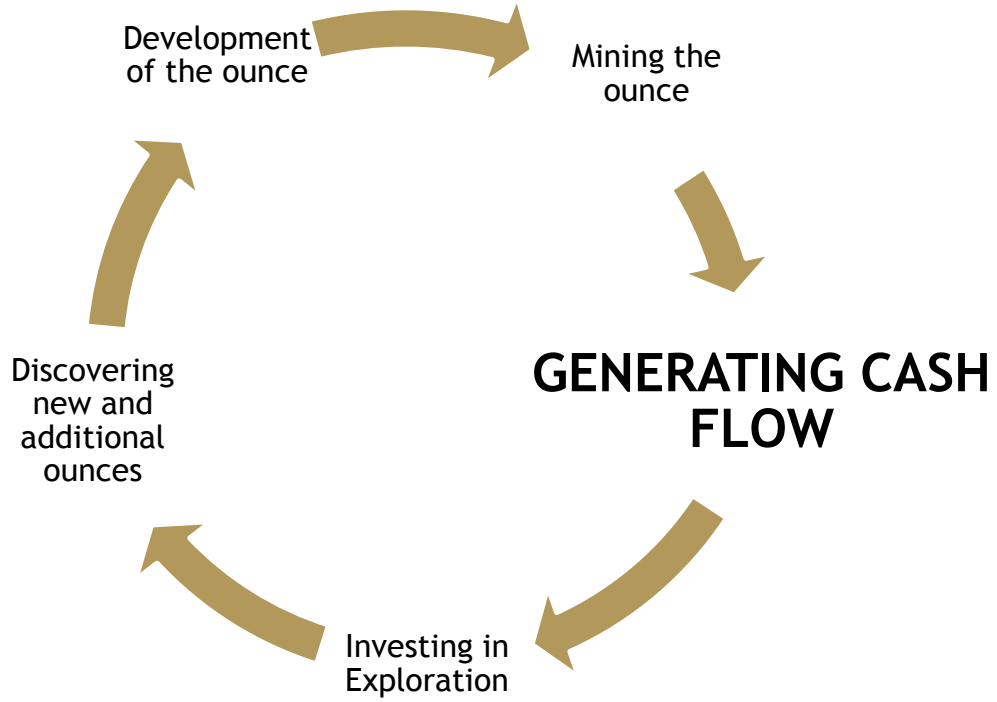
Mercedes / Pilar
- Growing resource base to increase production

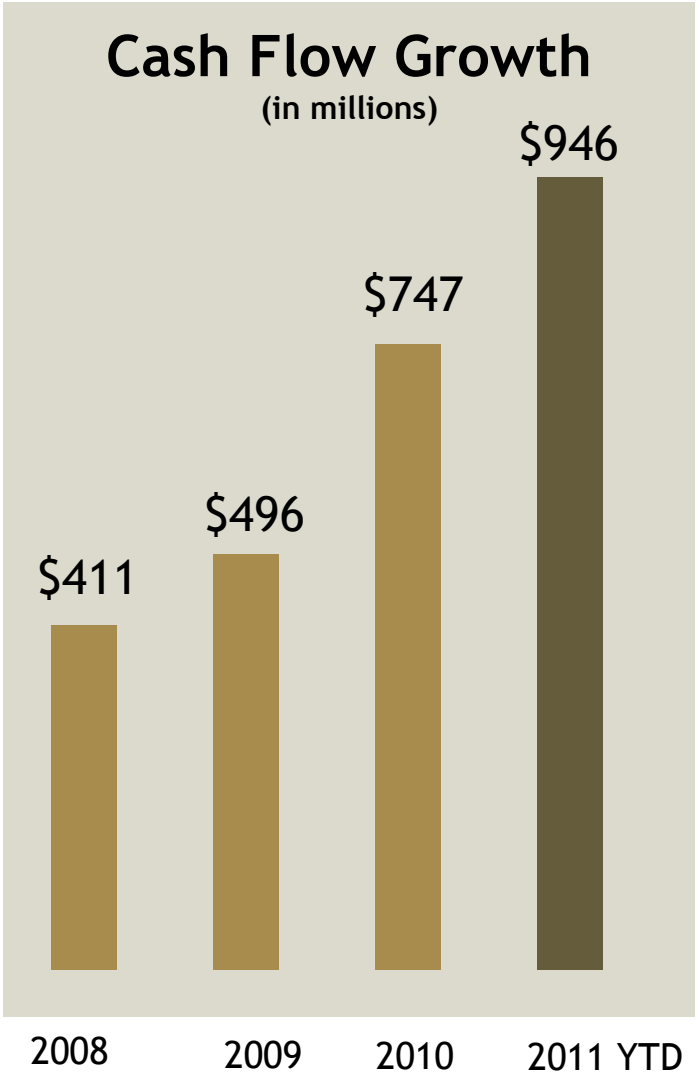
Chapada
- Production increases from Suruca and Corpo Sul

Mineral reserves and mineral resources
- Increases expected for 2011



Strategic Focus - Cash Flow Generation





Upcoming Milestones

Mercedes
- Commissioning and first gold pour by year end 2011
- Commercial production to be achieved before mid 2012

Jeronimo
- Feasibility Study expected in February 2012

Mineral Reserves and Mineral Resources Update
- Significant increases expected - February 2012

Chapada
- Suruca Feasibility Study in January 2012
- Updated mine plan incorporating Corpo Sul and Suruca in February 2012

Pilar
- Updated mine plan incorporating the resource increase expected in February 2012



Questions & Answers

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