

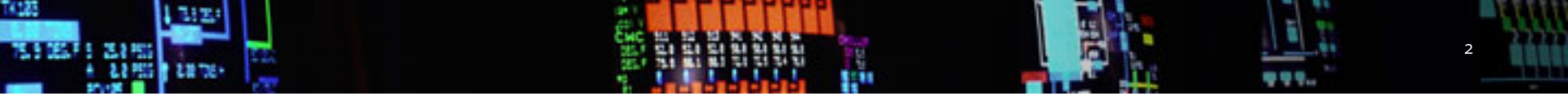
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PRUDENT AND DISCIPLINED

TD Securities 2014 Mining Conference

January 2014

YAMANA GOLD



Cautionary Note Regarding Forward-looking Statements

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, 2012 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, 2012 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 – *Focus on Margins and Cash Flow*

Rising gold price environment – minimal risk of margin compression

OBJECTIVE: maintain and increase cash flows, maximize production

Marginal ounces most likely to contribute positively to cash flow

Volatile gold price environment – high risk of margin erosion

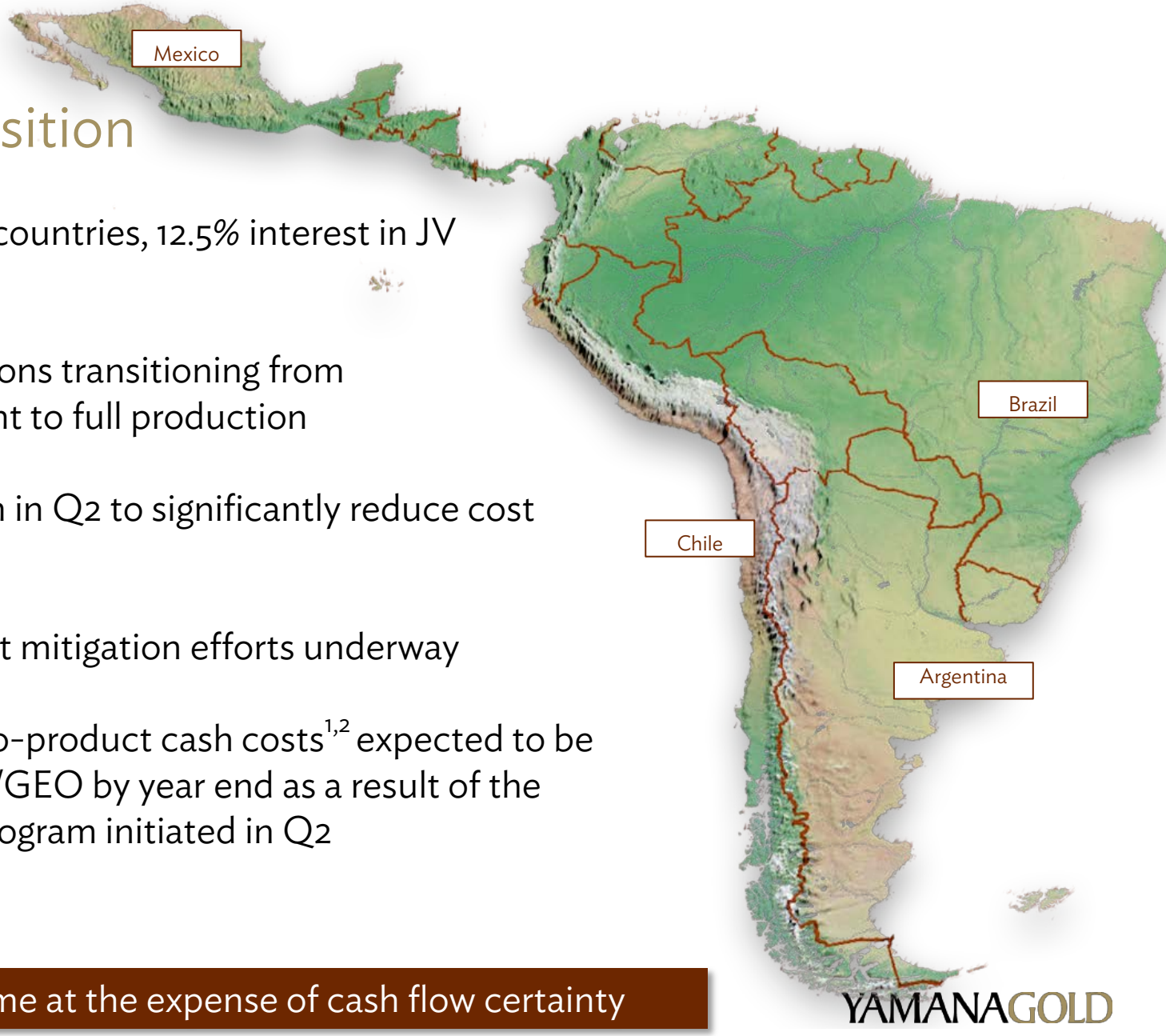
OBJECTIVE: contain costs and protect margins, focus on ensuring certainty and sustainability in generating cash flow before pursuing additional growth

Marginal ounces most at risk of eroding margins and cash flow

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

2013
A year of transition

- 10 operations in 4 countries, 12.5% interest in JV asset
- Three new operations transitioning from development to full production
- Initiated a program in Q2 to significantly reduce cost structure
- Further capital cost mitigation efforts underway
- All-in sustaining co-product cash costs[1,2] expected to be below $925/GEO by year end as a result of the program initiated in Q2



Growth will not come at the expense of cash flow certainty

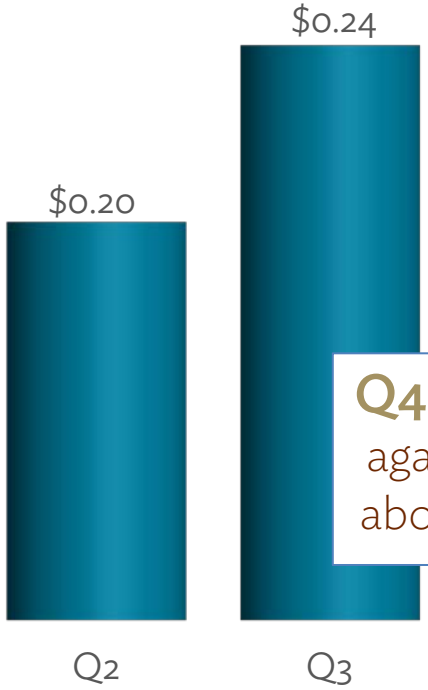
*See final slide for notes 1 and 2.

Cost Containment and Margin Preservation

2013 Spot Gold Price



2013 Cash flow[1,3] per share



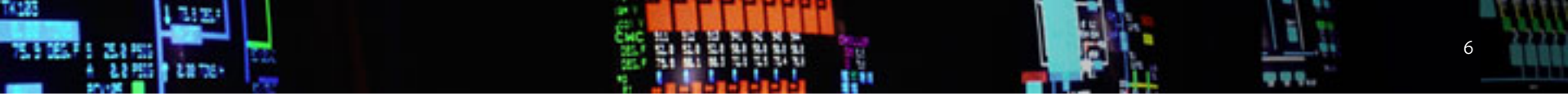
After adjusting to new environment cash flow trend is positive and normalizing

Q4 Cash Flow again expected above Q2 levels

Proactive approach to pushing down costs

*See final slide for note 1 and 3.

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Operations Performing as Expected

Chapada – Brazil

Open pit copper - gold mine

Cornerstone low cost operation with increasing production expected

El Peñón – Chile

Underground gold - silver mine

Cornerstone low cost operation with a track record of replacing ounces mined

Mercedes – Mexico

Underground gold - silver mine

Continues to exceed expectations in second year of operations

Minera Florida – Chile

Underground gold - silver mine

Retreatment of historic tailings increasing production

Fazenda Brasileiro – Brazil

Underground gold mine

Proven track record of replacing mineral reserves

Gualcamayo – Argentina

Open pit gold mine – underground development complete (QDDLW, Rodado and new discoveries)

Production increases expected – Phase III transition complete and contribution from underground

Sulphide processing study expected by end of 2014

Jacobina – Brazil

Complex of underground gold mines with a common plant
Production expectation revised early in 2013, mine is sustainable at these levels until the development of higher grade areas is complete
Costs and production improved throughout year – expected to continue
Focusing on underground development of higher grade areas

Operations in Commissioning

Ernesto/Pau-a-Pique – Brazil

- New mine plan derived in 2013 now being implemented
- Ramp-up progressing

C1 Santa Luz – Brazil

- Open pit gold mine
- Start-up slightly delayed
- Ramp-up progressing

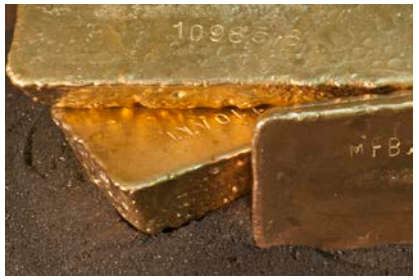
Pilar – Brazil

- Underground gold mine
- Caiamar expected to contribute to production by year-end
- Maria Lazarus in development
- Ramp-up progressing







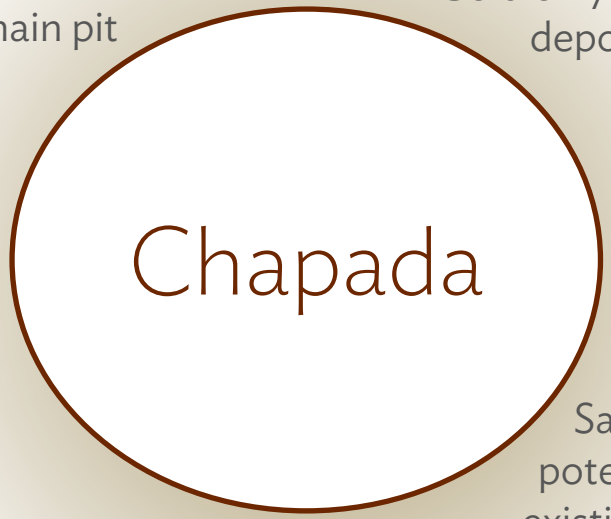


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Prudent Growth – A Case Study

Corpo Sul
High grade gold/copper deposit beside main pit

Suruca
Gold only satellite deposit



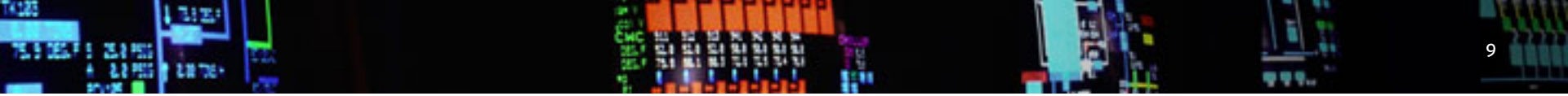
Processing efficiencies
- Vertimill
- In-pit crusher

Arco Sul
Satelite site with potential to leverage existing infrastructure, add to production levels

Sustainable production target
Minimum 130,000 oz
and
130 M lbs of copper

Employing defensive strategy to better deliver value

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Further Opportunities

Gualcamayo – underground (QDDLW)

- Sulphide resources continue to increase supporting the evaluation of alternate processing
  - Rodado Extension – a deeper similar system with potential to develop into a significant deposit
  - Trade-off studies on alternate processing options for sulphides near completion
    - Study expected to be competed in 2014

Jacobina

- Revised mineplan with reduced production expectation for better reliability implemented early in 2013
  - Continued optimization and cost mitigation

Pilar

- Maria Lazarus and Caiamar satellite deposits provide potential for sustainable production growth
  - Caiamar in development
  - Development of Maria Lazarus accelerated

C1 Santa Luz

- Underground resource increasing
  - Evaluating concurrent underground mining with open pit operation under evaluation

Exploration success continues to ensure potential growth

New Development Pipeline

Cerro Moro

High grade gold / silver deposit
similar Mercedes and El Peñón

- Feasibility study initiated and expected completion in 2014
- Pre-development work initiated
  - Same approach used at Mercedes
- Production anticipated to begin in 2016

Indicated mineral resources[4]
1.95 M GEO - 4.16M tonnes @ 14.6 g/t AuEq;
Inferred mineral resources[4]
490,000 GEO – 3.60M tonnes @ 4.2g/t AuEq

Development Plan for Smaller Scale Operation

- Capital costs expected - approx. $150M
- Operating costs[1] expected - below $450/oz.
- Throughput rate expected - below 750 tpd
- Production expected - approx. 150,000 GEO

Suyai

High grade gold / silver deposit
similar Mercedes and El Peñón

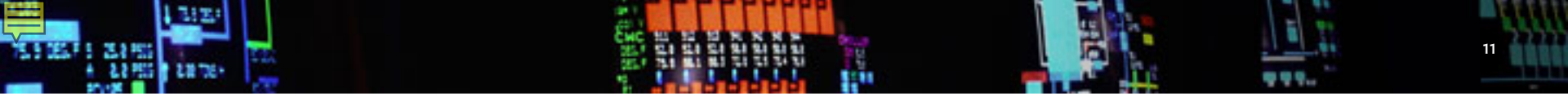
Indicated mineral resources
2.4 M GEO – 4.7M tonnes @ 15.5 g/t AuEq;
Inferred mineral resources
285,500 GEO – 0.9M tonnes @ 10.3 g/t AuEq

Current plan being evaluated

- Underground operation
- Capital costs expected - approx. $350M
- Expecting to produce a gold-only concentrate
- Concentrate processing potentially off-site or direct sale of concentrate
- Throughput rate expected – approx. 1,000 tpd
- Production expected – approx. 150,000 GEO

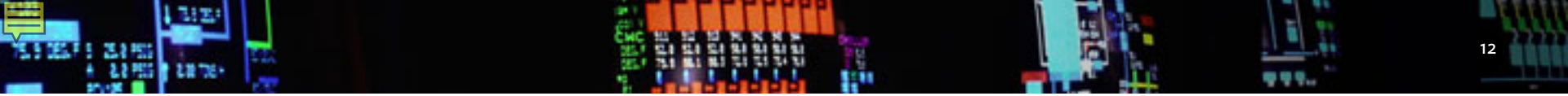
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*See final slide for notes 1 and 4.



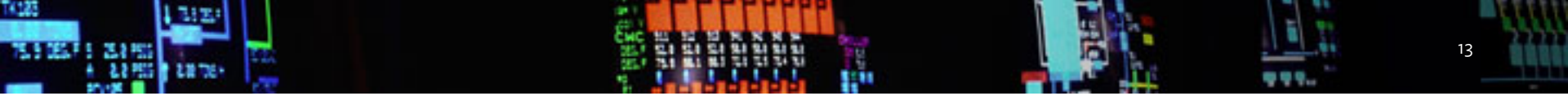
Over the next few years we will deliver:

- 1.5 – 1.7 million GEOs of annual production
- AISC (co-product) below $925 / GEO
- Management of capital costs and spending
- Focus on CASH FLOW



Strategic Direction

Reflecting a balance of
contained costs and increasing production
toward cash flow sustainability and
cash flow growth

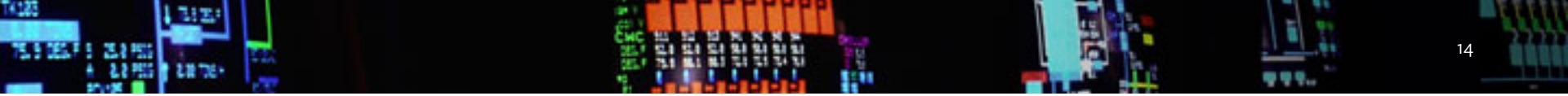


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Cautionary Note Regarding Mineral Reserves and Mineral Resources

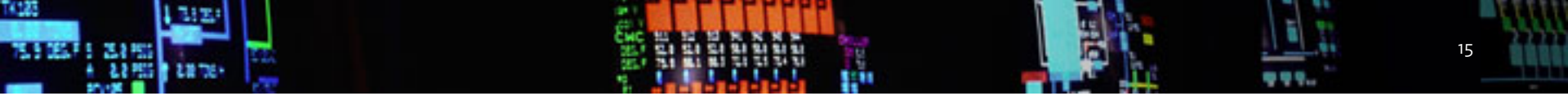
CAUTIONARY NOTE REGARDING MINERAL RESERVES AND MINERAL RESOURCES: Readers should refer to the Annual Information Form of the Company for the year ended December 31, 2012 and other continuous disclosure documents filed by the Company since January 1, 2013 available at www.sedar.com, for further information on mineral reserves and mineral resources, which is subject to the qualifications and notes set forth therein.

CAUTIONARY NOTE TO UNITED STATES INVESTORS CONCERNING ESTIMATES OF MINERAL RESERVES AND MINERAL RESOURCES

This Presentation has been prepared in accordance with the requirements of the securities laws in effect in Canada, which differ in certain material respects from the disclosure requirements of United States securities laws. The terms "mineral reserve", "proven mineral reserve" and "probable mineral reserve" are Canadian mining terms as defined in accordance with Canadian National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101") and the Canadian Institute of Mining, Metallurgy and Petroleum (the "CIM") - CIM Definition Standards on Mineral Resources and Mineral Reserves, adopted by the CIM Council, as amended. These definitions differ from the definitions in the disclosure requirements promulgated by the Securities and Exchange Commission (the "Commission") and contained in Industry Guide 7 ("Industry Guide 7"). Under Industry Guide 7 standards, a "final" or "bankable" feasibility study is required to report mineral reserves, the three-year historical average price is used in any mineral reserve or cash flow analysis to designate mineral reserves and the primary environmental analysis or report must be filed with the appropriate governmental authority.

In addition, the terms "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource" are defined in and required to be disclosed by NI 43-101. However, these terms are not defined terms under Industry Guide 7 and are not permitted to be used in reports and registration statements of United States companies filed with the Commission. Investors are cautioned not to assume that any part or all of the mineral deposits in these categories will ever be converted into mineral reserves. "Inferred mineral resources" have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies, except in rare cases. Investors are cautioned not to assume that all or any part of an inferred mineral resource exists or is economically or legally mineable. Disclosure of "contained ounces" in a mineral resource is permitted disclosure under Canadian regulations. In contrast, the Commission only permits U.S. companies to report mineralization that does not constitute "mineral reserves" by Commission standards as in place tonnage and grade without reference to unit measures.

Accordingly, information contained in this Presentation may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements under the United States federal securities laws and the rules and regulations of the Commission thereunder.



Endnotes

1. A non-GAAP measure. A reconciliation of can be found at www.yamana.com/Q32013 in accordance with previous Canadian GAAP for public entities.
2. Includes co-product cash costs, sustaining capital, corporate general and administrative expense, and exploration expense.
3. Operating cash flow generated from operations before changes in non-cash working capital.
4. Refer to the Mineral reserves and Resources table available at www.yamana.com/2012 for further detail on Mineral Reserves and Resources discussed in this presentation.