


# Corporate Summary

February 2015

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.

# 2014 Highlights

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- Recorded annual production over 1.4 M GEO with a new quarterly record in Q4 of over 405,000 GEO
- Continued with efforts to mitigate costs with AISC of $807 /GEO
- Established a Canadian platform with our purchase and integration of a high quality Canadian portfolio, most notably a high quality mine in Quebec
- Made new exploration discoveries at our core mines
- Focus on primary portfolio and cornerstone assets
- Recognized where we struggled with certain development stage projects, accepted responsibility for our failures and began a process for remediation and reclamation of value
- Applied our lessons learned toward the plans for the development of our next project – Cerro Moro
- Streamlined our management, improved the quality of our people, departments and processes and reduced our overhead costs in the process







**Building confidence through continued stability of our cornerstone assets**

# The Year in Review

## *Cornerstone Assets*

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| | Early 2014 Guidance | Actual 2014 Production | |
|---|---|---|---|
| Chapada | 103,000 | 113,386 | ✓ |
| El Peñón | 448,000 | 452,120 | ✓ |
| Gualcamayo | 170,000 | 180,412 | ✓ |
| Mercedes | 129,000 | 113,174 | ● |
| Minera Florida | 114,000 | 119,582 | ✓ |
| Jacobina | 89,000 | 75,650 | ● |
| **Total** | **1,053,000** | **1,054,324** | ✓ |
| Canadian Malartic[3] | 260,000 | 267,735 | ✓ |

**2014 AISC[1,2] at Cornerstone Assets**
**$747/GEO**

Guided to and produced 134 Mlbs of copper at Chapada ✓

Nothing has changed for our Cornerstone assets, continue to perform as expected

1. A non-GAAP measure. A reconciliation of can be found at www.yamana.com/Q42014 in accordance with previous Canadian GAAP for public entities.
2. Includes cash costs, sustaining capital, corporate general and administrative expense, and exploration expense.
3. 2014 production attributable to Yamana for the period since acquisition on June 16, 2014 equal to 143,008 ounces.

# Operations Overview

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| Production | Q4 2014 | FY 2014 |
|---|---|---|
| GEO | 405,615 | 1.4M |
| Gold (ounces) | 352,574 | 1.2M |
| Silver (ounces) | 2.7M | 10.1M |
| Copper (lbs Chapada) | 35.0M | 133.5M |
| **Costs per GEO** | **Q4 2014** | **FY 2014** |
| | By-product | By-product |
| Cash Costs[1] | $484 | $482 |
| All-in Sustaining Cash Costs ("AISC")[1,2] | $774 | $807 |

**Achieved AISC below guidance range of $825 - $875/GEO**

1. A non-GAAP measure. A reconciliation of non-GAAP measures can be found at www.yamana.com/Q42014
2. Includes cash costs, sustaining capital, corporate general and administrative expense, and exploration expense.

# Operations Snapshot
## *Brazil*

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### Chapada

- Copper and GEO production 3% higher year-over-year as Corpo Sul began contributing
- In-pit crusher continued commissioning in Q4 – full benefits expected in 2015
- Optimization plan in progress mostly to improve recoveries and get the benefit from new discoveries

| Production (GEO) | |
|---|---|
| Q4 | 2014 |
| 30,737 GEO<br>35.0M lbs Cu | 113,386 GEO<br>133.5M lbs Cu |

| Cash Costs (1,2) | |
|---|---|
| Q4 | 2014 |
| ($1,150)/GEO<br>$1.57/lb | ($981)/GEO<br>$1.68/lb(3) |

### Jacobina

- Q4 and FY production above 2013 levels
- 13% increase in grade for FY
- Cash costs at lowest level of the year and 16% below Q4 2013
- Changed management oversight and improved development plan and quality assurance

| Production | |
|---|---|
| Q4 | 2014 |
| 20,909 oz. | 75,650 oz. |

| Cash Costs (1,2) (per oz.) | |
|---|---|
| Q4 | 2014 |
| $959 | $1,078 |

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/Q42014
3. Copper cash costs on a co-product basis

# Operations Snapshot
*Chile*

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## El Peñón

- Q4 production highest level of 2014 - increased 5% over Q3
- Q4 costs benefited from improved gold grades
- Continued with focus on new discoveries

| Production (GEO) | |
|---|---|
| Q4 | 2014 |
| 122,850 | 452,120 |

| Cash Costs [2] (per GEO) | |
|---|---|
| Q4 | 2014 |
| $482 | $488 |

## Minera Florida

- Record annual production
- Q4 production highest level of 2014 from higher gold grades and recoveries
- Cash costs decreased 17% year-over-year

| Production (GEO) | |
|---|---|
| Q4 | 2014 |
| 31,641 | 119,582 |

| Cash Costs [1,2] (per GEO) | |
|---|---|
| Q4 | 2014 |
| $609 | $617 |

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/Q42014

# Operations Snapshot
## *Argentina*

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### Gualcamayo

- Annual production increased 50% over 2013
- Q4 production increased 32% over Q4 2013
- QDDLW contributed to 63% higher gold grades for the year
- Continued with focus on new discoveries

| Production (oz.) | |
|---|---|
| Q4 | 2014 |
| 46,009 | 180,412 |

| Cash Costs [1] (per oz.) | |
|---|---|
| Q4 | 2014 |
| $886 | $796 |

1. A non-GAAP measure. A reconciliation of non-GAAP measures can be found at www.yamana.com/Q42014

# Operations Snapshot
## *Canada and Mexico*

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### Canadian Malartic (50%)

- Production increased 2% and costs decreased 7% over Q3 2014
- Mill processed record average of over 53,000 tpd during Q4
- Advancing plans for longer term throughput and production increases
- Continued with focus on new discoveries

| Production (oz.) | |
|---|---|
| Q4 | 2014[1] |
| 66,369 | 143,008 |

| Cash Costs [2] (per oz.) | |
|---|---|
| Q4 | 2014 |
| $684 | $702 |

### Mercedes

- Production improved 6% and costs improved 7% over Q3 2014
- Increased gold and silver recoveries the result of improvements to thickener tank

| Production (GEO) | |
|---|---|
| Q4 | 2014 |
| 32,512 | 113,174 |

| Cash Costs [2] (per GEO) | |
|---|---|
| Q4 | 2014 |
| $620 | $671 |

1. Production since acquisition on June 16, 2014.
2. A non-GAAP measure. A reconciliation of non-GAAP measures can be found at www.yamana.com/Q42014

# Operations Snapshot
## *Brio Gold*

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### Fazenda Brasiliero, Pilar and C1 Santa Luz

- Announced creation of 100% owned subsidiary with dedicated management
- Q4 production increased 10% over Q4 2013 and FY production increased 47% over 2013
- First full quarter of commercial production from Pilar
- Q4 grade and recoveries both increased ~36% over Q4 2013
- Q4 cash costs decreased 17% over Q4 2013
- CI Santa Luz –identified the optimal processing configuration and mining approach to reinitiate operations - Metallurgical test work campaign and drilling program being defined for 2015 for start-up in 2016

| Production (oz.) | |
|---|---|
| Q4 | 2014 |
| C1 Santa Luz – n/a<br>Fazenda Brasileiro – 19,712<br>Pilar – 18,757 | C1 Santa Luz – 20,385<br>Fazenda Brasileiro – 64,188<br>Pilar – 60,091 |

| Cash Costs [1] (per oz.) | |
|---|---|
| Q4 | 2014 |
| $671 | $798 |

1. A non-GAAP measure. A reconciliation of non-GAAP measures can be found at www.yamana.com/Q42014

# Cerro Moro

*Construction decision to go forward*

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- Project Highlights
  - Increase in throughput from 700tpd to 1000tpd
  - Single stage plant construction vs. prior two phase approach
  - Lower risk execution strategy
- Estimated Capital
  - Estimated total capital investment: $398M ($265M initial + $133M sustaining)
    - Increase due to throughput uplift (700tpd to 1000tpd)
    - In-country experience factored into project estimate
    - Increase in contingency provision & owners team
- LOM Production Profile
  - Average annual production of 102k oz gold and 5M oz silver with average annual production in the first three years of 135k oz gold and 6.7M oz Ag
  - LOM cash costs[1] of $380 - $400/oz gold and $5.35 - $5.50/oz silver
  - LOM AISC[1,2] of $547 - $557/oz gold and $7.60 - $7.80/oz silver
  - Increase mineral resources which will ultimately convert to mineable reserves

**Payback expected within 3 years**

1. A non-GAAP measure. A reconciliation of can be found at www.yamana.com/Q42014 in accordance with previous Canadian GAAP for public entities.
2. Includes cash costs, sustaining capital, corporate general and administrative expense, and exploration expense.

# Lower AISC Cost Structure
## *Continued Improvement*

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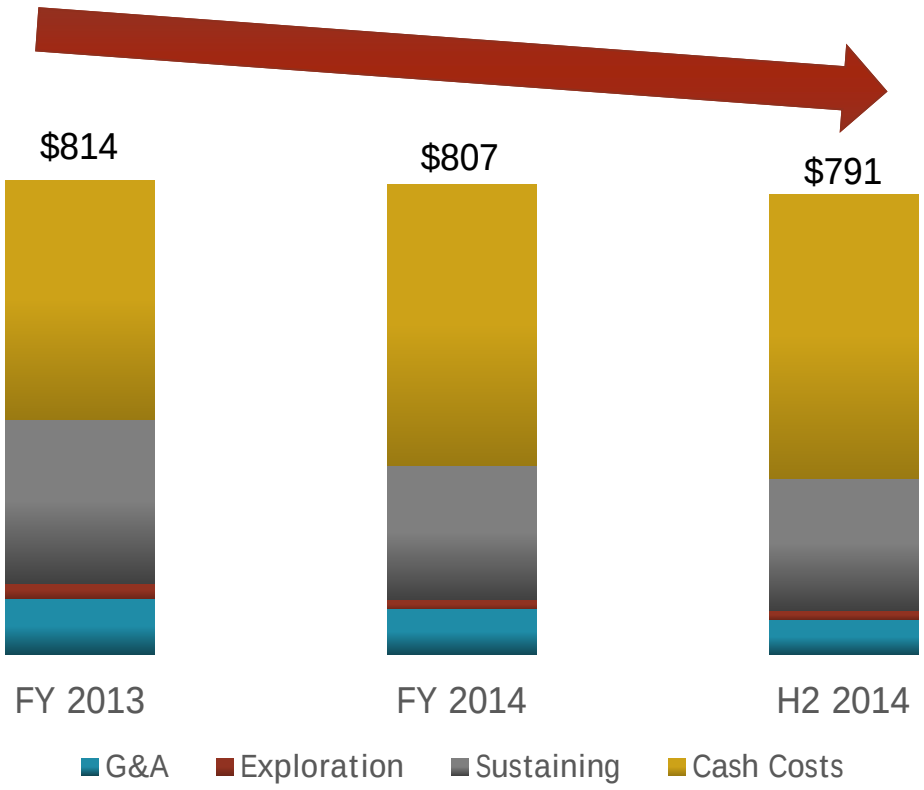
**All-in Sustaining Cash Costs**[1,2]

**Yamana Cost Trend**




**2014 AISC costs below guidance of $825 - $875**

**H2 2014 saw benefits of cost improvements**

1. A non-GAAP measure. A reconciliation of can be found at www.yamana.com/Q42014 in accordance with previous Canadian GAAP for public entities.
2. Includes cash costs, sustaining capital, corporate general and administrative expense, and exploration expense.

# Delivering Financial Performance

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| | Q4 2014 | FY 2014 |
|---|---|---|
| **Revenue** | $543 M | $1.8 B |
| Production (GEO)[1] | 405,615 | 1,400,562 |
| Sales (GEO) | 402,043 | 1,266,251 |
| Production Copper – Chapada (Mlbs) | 35.0 | 133.5 |
| Sales Copper – Chapada (Mlbs) | 33.8 | 123.5 |
| **Adjusted Earning/(Loss)[2]** | $(16.2) M | $41.5 M |
| per share: | $(0.02) | $0.05 |
| **Cash Flow[2,3,4]** | $ 176.7 M | $647.6M |
| per share: | $0.20 | $0.79 |

Certain impairments were taken in 2014 that were adjusted for earnings

1. Production includes commissioning.
2. A non-GAAP measure. A reconciliation of non-GAAP measures can be found at www.yamana.com/Q42014 in accordance with previous Canadian GAAP for public entities.
3. Operating cash flow generated from continuing operations before changes in non-cash working capital in accordance with Canadian GAAP for public entities.
4. Adjusted for certain one time items.

# Robust Balance Sheet

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| | |
|---|---|
| Cash & Available Credit | $781M |
| DD&A | $504M |
| Corporate G&A | $122M |
| Exploration Expense | $20M |
| Capital Expenditure | $662M |

**Equity raised after year-end adds further cash**

**31%**
Decrease in Capex year-over-year

**G&A and capital spending continue to decline**

# Production

*Three Year Outlook*

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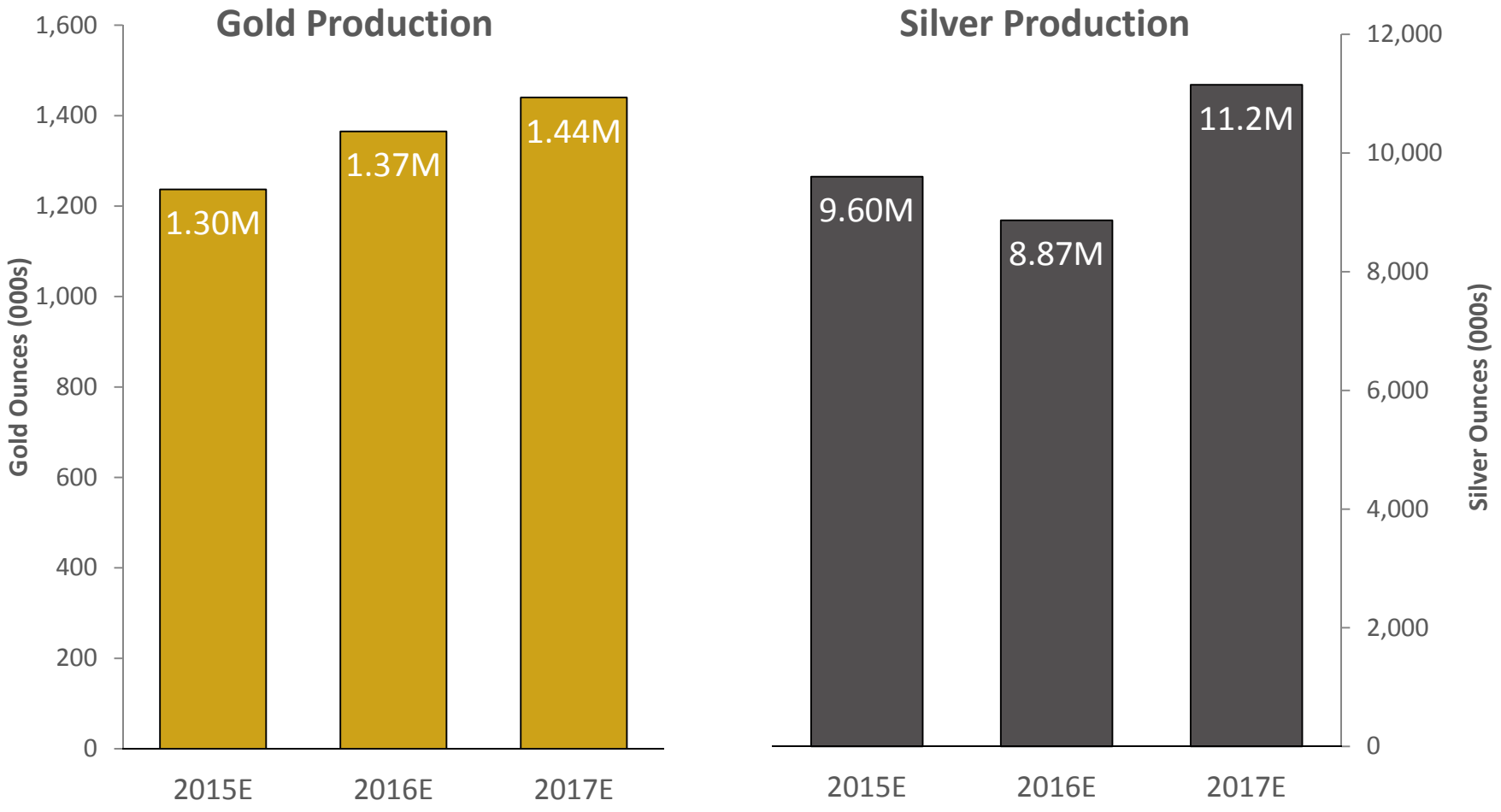


**2015 AISC expected to be $800 - $830/oz Au and $10.30 - $10.50/oz Ag**

# Other Guidance Components

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| 2015 Guidance | |
|---|---|
| All-In Sustaining Cash Costs (by-product) (1,2) | $800 - $830/oz Au |
| | $10.30 - $10.50/oz Ag |
| All-In Sustaining Cash Costs (co-product) (1,2) | $880 - $910/oz Au |
| | $11.10 - $11.30/oz Ag |
| Expansionary Capital | $90M - $140M |
| Exploration | $70M - $98M |
| General & Administrative Expenses | $120M |
| Depreciation, Depletion & Amortization | $570M |
| DD&A per Ounce | $395/oz Au |
| | $6/oz Ag |

1. A non-GAAP measure. A reconciliation of can be found at www.yamana.com/Q42014 in accordance with previous Canadian GAAP for public entities.
2. Includes cash costs, sustaining capital, corporate general and administrative expense, and exploration expense.

# Mineral Reserve and Resource Growth

## *Gold*

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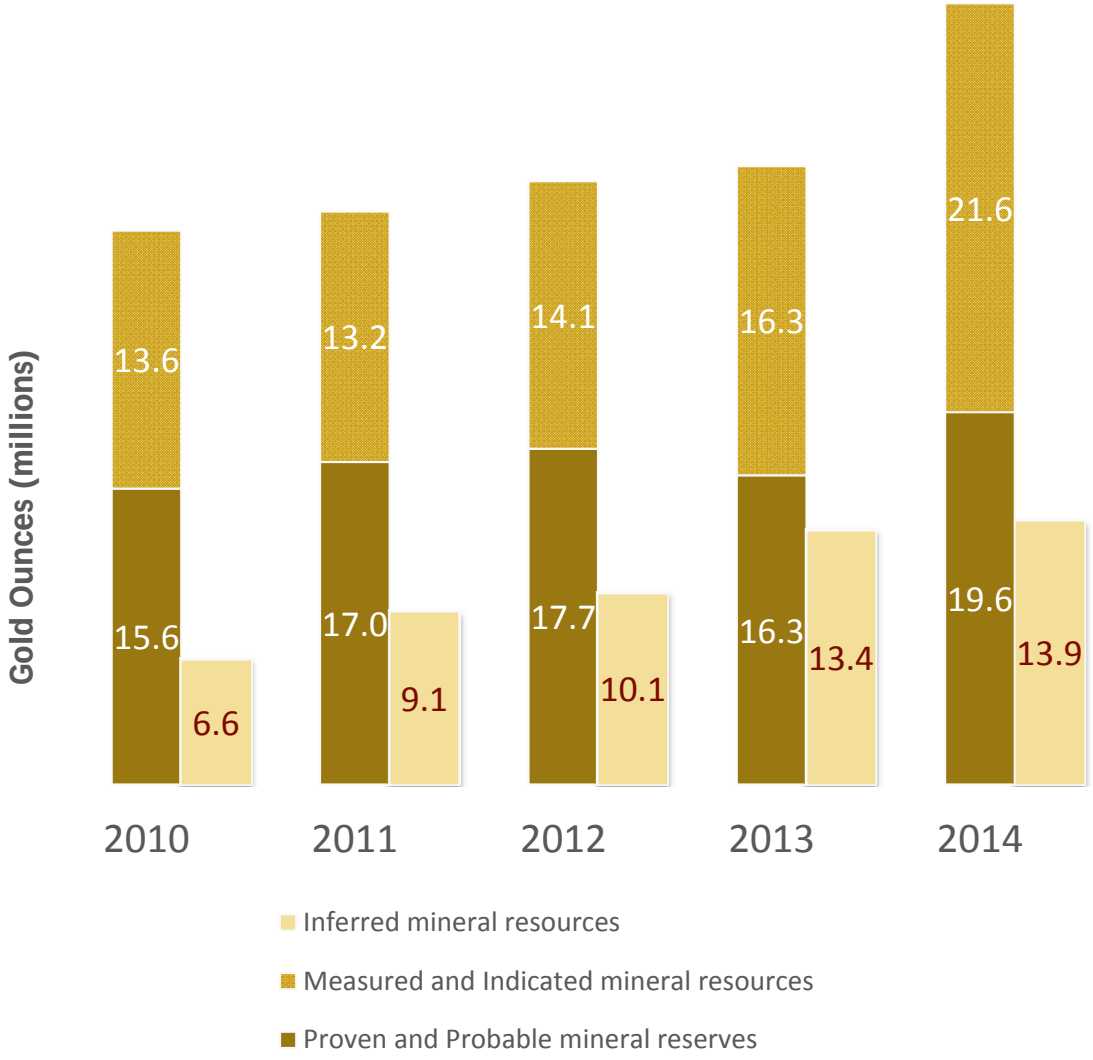


**Silver**

P&P Reserves – 110M oz
M&I Resources – 65M oz
Inferred Resources – 86M oz

**Copper**

P&P Reserves – 2.9B lbs
M&I Resources – 885M lbs
Inferred Resources – 358M lbs

**Gold M&I Resources grew 8% excluding assets acquired in 2014**

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