

True Value Proposition

European Gold Forum 2016
April 19 – 20, 2016

YAMANA GOLD

TSX: YRI | NYSE: AUY

Cautionary Note Regarding Forward-looking Statement

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS: This news release 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, the outcome of the legal matters involving the damages assessment and any related enforcement proceedings.. 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), the impact of inflation, 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 asset 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 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.

All amounts are expressed in United States dollars unless otherwise indicated.

High Quality Portfolio Poised For Value Accretion

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Three distinct, semi-autonomous divisions under common corporate oversight:

Northern Operations – Canadian Malartic and Mercedes

Southern Operations – Chapada, El Peñón, Gualcamayo, Minera Florida and Jacobina

Brio Gold – Pilar, Fazenda Brasileiro, C1 Santa Luz and Riacho dos Machados

- Cornerstone operations are three largest contributors to cash flow
- Cerro Moro is a high grade gold-silver project in development phase
- Exploration projects support long-term potential to create value

Delivered on production guidance in 2015 and well positioned for operational execution in 2016 and beyond

High Quality Portfolio Strategically Focused

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- Americas focused
- Quality mining jurisdictions
- Best asset portfolio in class
  - High quality organic growth assets at various development stages

Delivered on production guidance in 2015 and well positioned for operational execution in 2016 and beyond

Preliminary Results – Q1 2016 Tracking Well, Strong Start to Year

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	Q1 2016[1]	
Production		
Gold (ounces)	308,000	
Silver (ounces)	1.9M	
Copper (lbs Chapada)	26M	
Costs	Gold	Silver
Cash Costs[2] per ounce	$590	$7.44
All-in Sustaining Costs[2,3,4] per ounce	$811	$10.79
Co-Product Cash Costs per pound of copper (Chapada)	$1.54	

Production is expected to ramp up with planned quarter-over-quarter increases in production over the year

Costs were in line with expectations despite stronger local currencies, on average, than assumed in guidance

1. Subject to refinement for first quarter 2016 financial and operating results, scheduled for release on May 4, 2016.
2. A non-GAAP measure. A reconciliation of which can be found at www.yamana.com/Q42015.
3. Includes cash costs, sustaining capital, corporate general and administrative expense, and exploration expense.
4. On a by-product basis and includes some one time adjustments that resulted in higher costs when compared to co-product AISCs.

Q1 Costs In Line with Expectations

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- By-product gold cash cost of $590/oz. and AISC of $811/oz. are below Q1 budget
- By-product cash costs expected to improve significantly to below $500/oz. in H2:
  - Increase in gold production
  - More pronounced increase in copper production – planned H1 to H2 ratio of 45:55
  - Increase in grade at Gualcamayo, Chapada and El Peñón
  - Increase in recoveries at Chapada with announced modifications being implemented in Q2
- By-product AISC based on co-product AISC of $795/oz. less copper credits plus debit adjustments
  - One-time change in approach to intra-quarter quotational hedging period
  - Intra-quarter copper in concentrate quantity adjustment
  - One-time buildup of physical copper for delivery of copper relating to copper purchase agreement
- Costs in line with internal Q1 budget and expectations despite local currencies in Q1 being stronger, on average, than assumed in guidance

Operational Overview

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	2015		2016E		2017E	2018E
Production						
Gold (oz.)	1.28M		**1.26M - 1.34M[1]**		**1.38M[1]**	**1.46M[1]**
Silver (oz.)	9.0M		6.9M – 7.2M		6.39M	10.5M
Copper (lbs. Chapada)	131M		122 – 125M		122M	115M
Costs	Gold	Silver	Gold[1]	Silver		
Cash Costs[2] per ounce	$596	$7.12	**$535**	$6.20		
All-in Sustaining Costs[2,3] /oz.	$842	$10.81	**$805**	$10.20		
Co-Product Cash Costs/lbs. copper (Chapada)	$1.46		$1.32			

Poised to meet or exceed 2016 targets as a result of repositioning during 2015

Projecting stable production at lower by-product cash costs year-over-year

1. Updated on April 11, 2016 to include attributable May to December operational expectations from Riacho dos Machados.
2. A non-GAAP measure. A reconciliation of which can be found at www.yamana.com/Q42015.
3. Includes cash costs, sustaining capital, corporate general and administrative expense, and exploration expense.

Near and Medium Term Catalysts

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- Continue to track or exceed operational guidance
- Advance optimization and improvement opportunities at each operation
- Advance additional developments and create critical mass within Brio Gold division
  - Deliver full technical updates for C1 Santa Luz by mid-2016
  - Demonstrate strong and consistent operational performance at Brio Gold's three producing mines
  - Ramp up RDM to full capacity by end of 2016
  - Demonstrate ability of Brio Gold division to self-fund start-up of C1 Santa Luz into 2017
- Advance Cerro Moro toward start of production in 2018
- Deliver significant exploration successes at existing operations including Chapada (Sucupira, Formiga), Gualcamayo (new oxides, Deep Carbonates), Canadian Malartic (Odyssey)
- Strengthen mineral reserves and mineral resources compared to 2015
- Continue to strengthen balance sheet with targeted debt reduction of $300M between 2016 and 2017 (organic from cash flow)
- Shareholder alignment recognition

Improving Value of Brio Gold Division – Critical Mass

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- 2015 focus included improving quality of assets
  - Significant operational improvements at Fazenda Brasileiro and Pilar
  - Flowsheet modification identified and detailed metallurgical testwork completed at C1 Santa Luz
- With RDM, Brio Gold portfolio includes three producing mines and one development project
- Annual production profile at full capacity of approximately 250,000 oz. with AISC below $800/oz.
  - Focus on demonstrating ability to generate significant cash flow
  - C1 Santa Luz provides potential to add approximately 100,000 oz.
- Large and growing resource base with significant exploration potential
  - >1.4M oz. proven and probable mineral reserves
  - >2.4M oz. measured and indicated mineral resources
  - >3.4M oz. indicated mineral resources

Focused on improving production and value of the Brio Gold division

Brio Gold Division - Riacho dos Machados (RDM) – Adding Critical Mass

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- $48.5M acquisition of RDM
- Economic benefit began accruing to Brio Gold division effective March 31, 2016 with attributable production expected to begin in May 2016
- RPA technical report prepared in Dec. 2015
- May – Dec 2016 production expected to be 30,000 oz. at cash costs and AISC per oz. of $805 and $905

Summary of Operating Parameters[1]	
Current processing capacity (tpd)	7,500
Avg. annual gold production (oz.)	94,500
Total LOM gold production (oz.)	615,000
Mine life (years)	7
Avg. LOM cash costs (per oz.) [2]	$721
Avg. LOM AISC (per oz.) [2,3]	$781
Avg. recovery	90%
Avg. feed grade (g/t)	1.16

- $10M in capital planned over 2016 to expand water storage capacity and facilitate full operational capacity
- P&P Mineral Reserves [4] of 711k oz. with significant additional exploration upside

1. Assumes completion of planned expansion of processing capacity to 9,000 tpd in 2018 and BRL to USD FX rate of 4.0:1.
2. A non-GAAP measure. A reconciliation of which can be found at www.yamana.com/Q42015.
3. Includes cash costs, sustaining capital, corporate general and administrative expense, and exploration expense.
4. Proven and probable mineral reserves as at September 15, 2015 of 711,00 ounces contained in 18.9 million tonnes at 1.17 g/t.

Brio Gold Division – Financing RDM - Copper Purchase Agreement

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- Strategic alternative relating to RDM acquisition - increasing gold exposure by de-leveraging exposure to copper
- Total advance payments of approximately $60M (plus 400,000 warrants) will fully fund RDM acquisition and capital
- Effectively swapping 3M lbs. of annual copper production for 100k oz. of annual gold production which is highly accretive to cash flow
- High cash flow accretion and high NAV accretion to Brio Gold
- Cash flow from gold a multiple of foregone cash flow from copper for RDM LOM

Strategic financing to create critical mass and value in Brio Gold division

Significantly increasing potential future cash flow from gold

Keys to Delivering Value

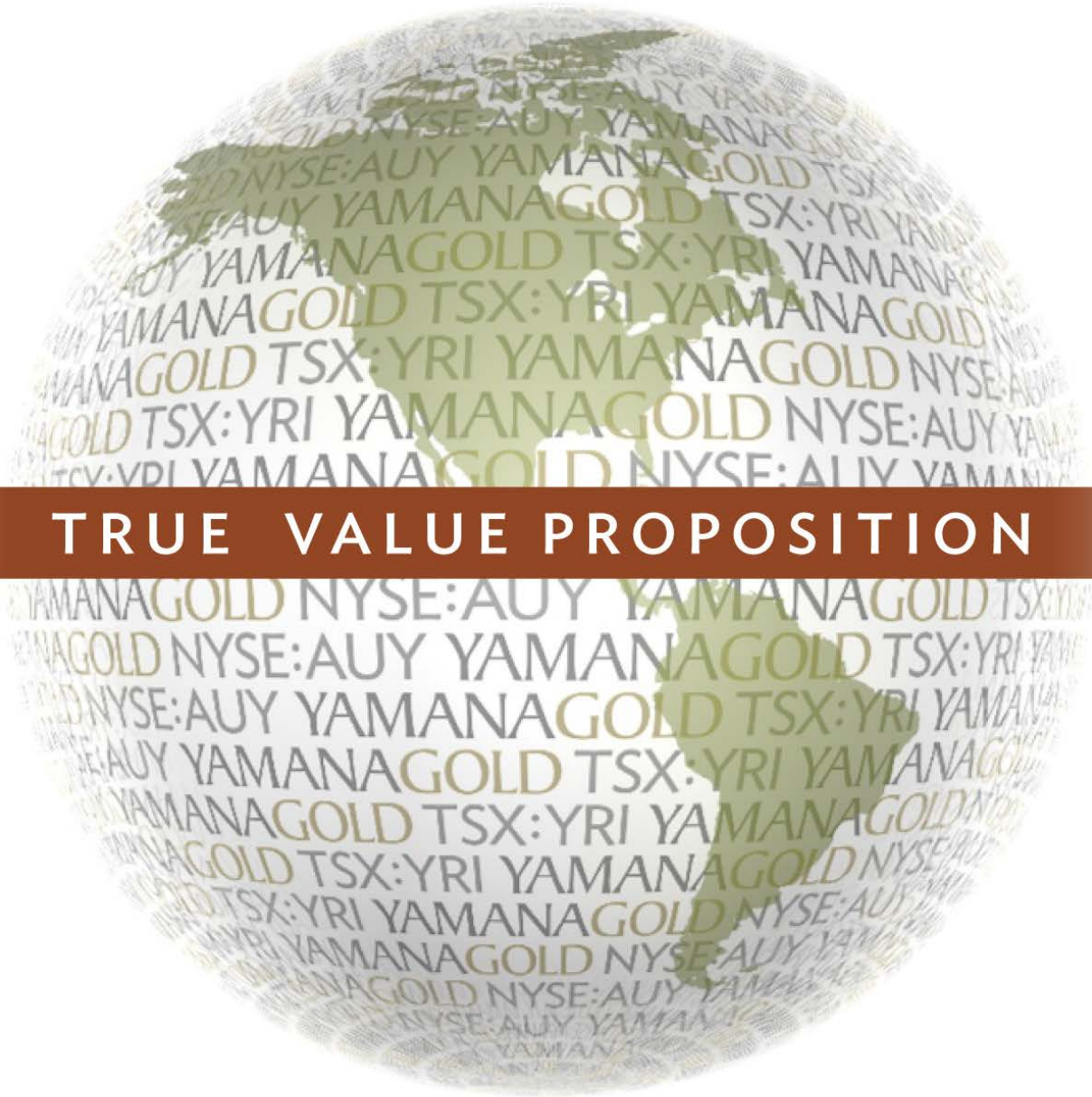
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Operational Performance

Leverage Improvements

Shareholder Alignment

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