



A BALANCED APPROACH

2014 Second Quarter Results

July 31, 2014

YAMANAGOLD

TSX: YRI | NYSE: AUY

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, 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.

- Peter Marrone - Chief Executive Officer
- Ludovico Costa - Chief Operating Officer
- Daniel Racine - SVP, Canadian Operations and Mine
Planning & Development
- Charles Main - Chief Financial Officer
- Darcy Marud - EVP, Enterprise Strategy

Peter Marrone
Chief Executive Officer

Business Philosophy

- *A Balanced Approach*

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Strategic Direction

- Growth - top line and bottom line
- Capital and cost discipline
- Maximizing investment and returns
- Risk and reward
- Value creation
- Cash distributions to shareholders

Focus
on Cash
Flow

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

Operational Realignment

First Half 2014

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Rebalancing the portfolio

- Reduce and contain costs
- Focus on core operations

Updates to Management

- Appointed Darcy Marud as EVP, Enterprise Strategy
- Appointed Daniel Racine as SVP, Canadian Operations and Mine Planning and Development
- Appointed Barry Murphy as SVP, Technical Services

Operational Initiatives

- Delivered updated Cerro Moro Feasibility Study
- Completed Osisko transaction
- Leveraging internal expertise to optimize underperforming assets

Streamlining South American management

Financial Realignment

First Half 2014

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- Obtained 2 investment grade ratings and a BB+ with positive outlook
- Issued \$500 million senior debt
 - Proceeds repaid term loan used to finance cash portion of acquisition
 - Tenure and interest rate better reflect capacity of our assets

Improved balance sheet and increased flexibility

Focus on Cornerstone Operations

Building for the Future

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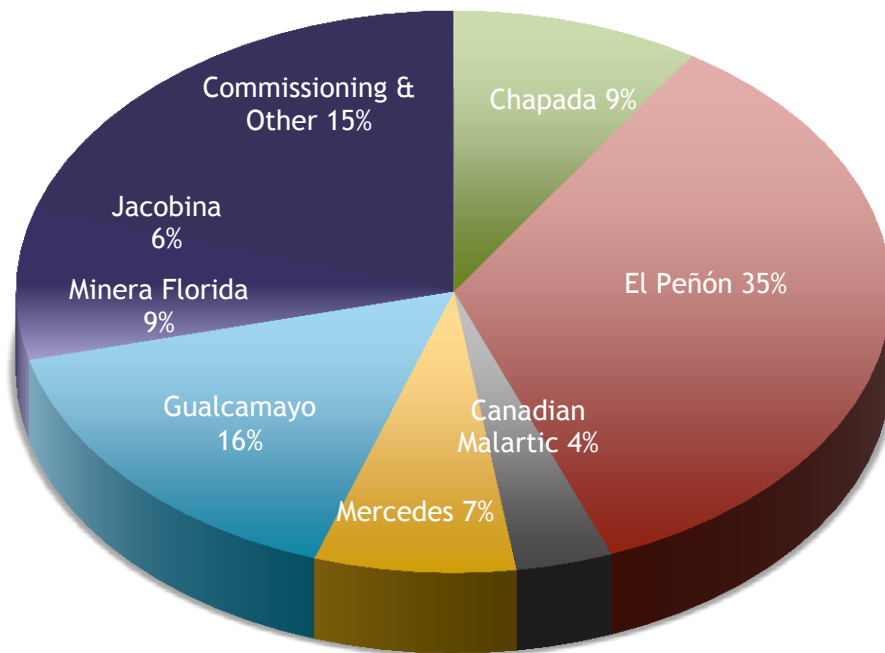
Cerro Moro Jacobina Minera Florida Canadian Malartic Gualcamayo Mercedes Chapada El Peñón	<ul style="list-style-type: none">• Management focus on cornerstone operations consistent with balanced approach to growth• Cornerstone operations will continue to contribute most significantly to production and cash flow• Optimizations, expansions and cost reductions drive increased returns
Other Producing Mines	<ul style="list-style-type: none">• Mines make modest contribution to production and cash flow• Focus on enhancing returns including operational improvements
Significant Value Assets (Dormant)	<ul style="list-style-type: none">• Not currently contributing to production or cash flow• Focus on generating above average returns throughout project development cycle• Develop in whole or partially, monetize, or other strategic alternatives to increase cash returns on invested capital

Cornerstones of cash flow generating assets form production base

Consistent Performance from Cornerstone Operations

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Q2 Production By Asset



Cornerstone Operations

- Contributed 85% of production

Key Assets ⁽¹⁾

- Contributed 71% of production
- 30% production increase from Q1 2014
- Canadian Malartic production contribution to increase

Cornerstone operations contribute most to production and cash flow

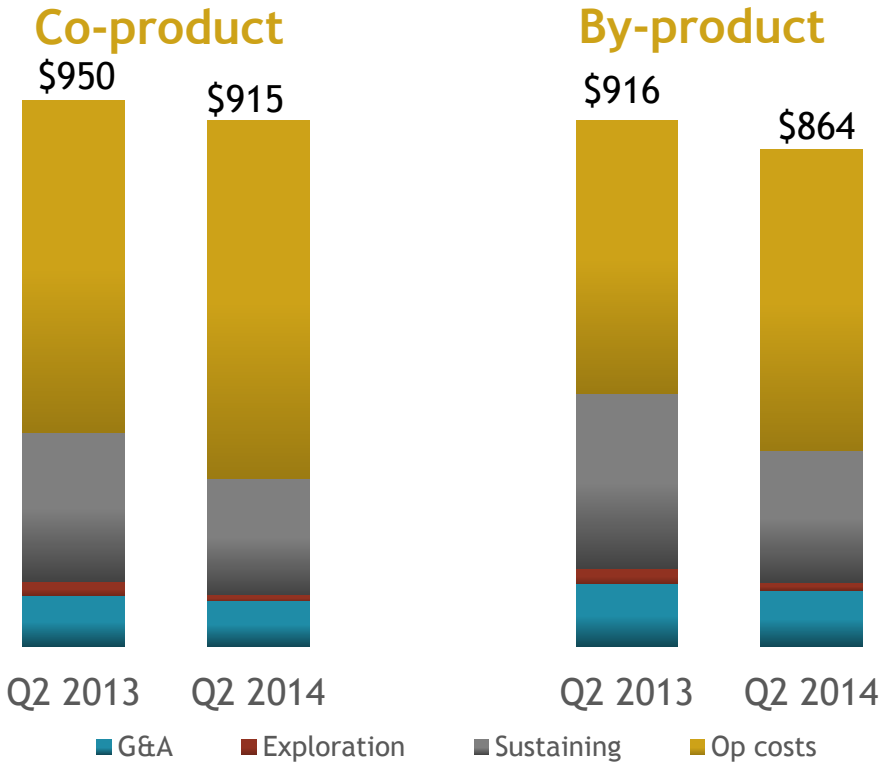
1. Key assets include Chapada, El Peñón, Mercedes, Gualcamayo and Canadian Malartic.

Lower AISC Cost Structure

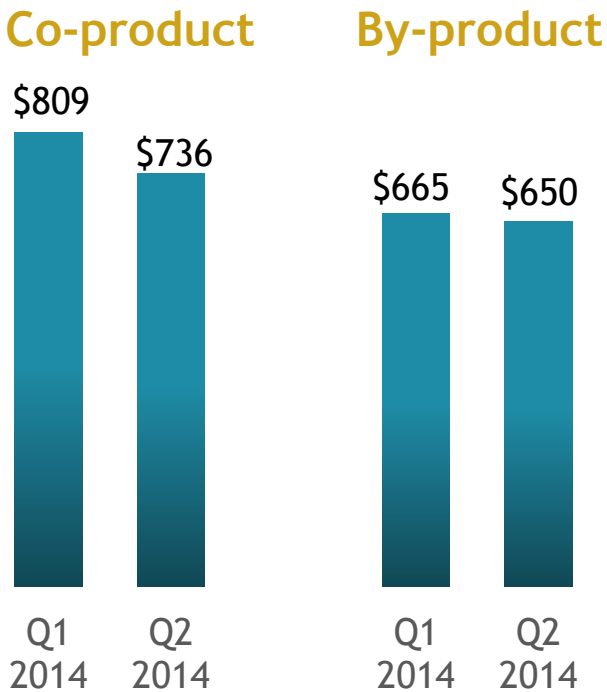
Continued Improvement

All-in Sustaining Cash Costs^(1,2)

Year-over-Year Reductions



Key Assets: Quarter-over-Quarter



New cost structure sustainable, longer term initiatives underway

1. A non-GAAP measure. A reconciliation of can be found at www.yamana.com/Q22014 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.

Cash Flow Generating Capacity Increasing

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Operating Cash Flow ^(1,2)



- Generated cash flow above baseline established in 2013
- Key assets continue to generate majority of cash flow
- Canadian Malartic expected to make significant contribution in H2

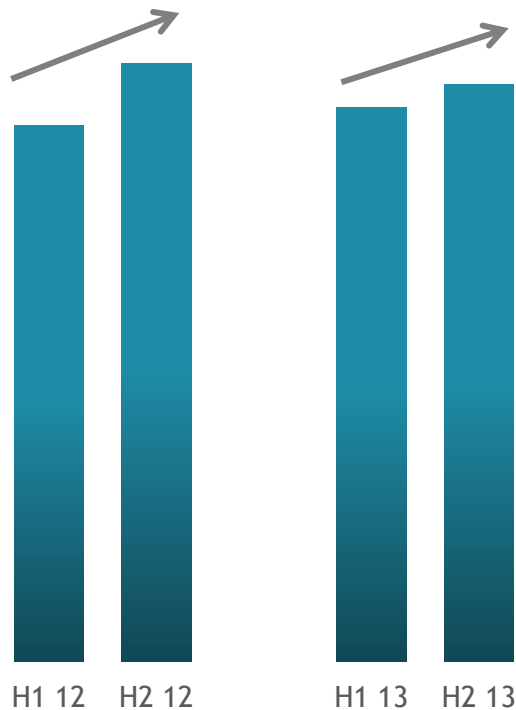
Continued focus on cash flow expected to deliver value for shareholders

1. Cash flows from operating activities before changes in non-cash working capital.
2. A non-GAAP measure. A reconciliation of can be found at www.yamana.com/Q22014 in accordance with previous Canadian GAAP for public entities.
3. Adjusted for certain one time costs related to the acquisition of Osisko Mining Corporation.

2014 Production Growth

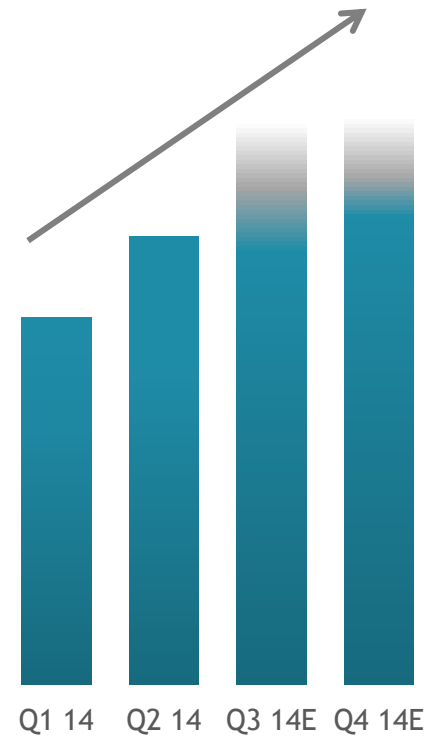
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Established trend of production
Production growth accelerates in the
second half



Production
growth to
continue
throughout
2014

- Over 20% increase in production Q2 v Q1
 - 30% increase at key assets
- Production within budget expectation



Stronger second half production with quarter over quarter growth

Ludovico Costa
Chief Operating Officer

Production	Q2 2014	
GEO	331,765	
Gold (ounces)	284,366	
Silver (ounces)	2.4M	
Copper (lbs Chapada)	33.0M	
Costs per GEO	Q2 2014	
	By-product	Co-product
Cash Costs ⁽¹⁾	\$523	\$622
All-in Sustaining Cash Costs (“AISC”) ^(1,2)	\$864	\$915

Q2 production 22% higher than Q1 - continued growth expected

1. A non-GAAP measure. A reconciliation of non-GAAP measures can be found at www.yamana.com/Q22014
2. Includes cash costs, sustaining capital, corporate general and administrative expense, and exploration expense.

Operations Snapshot

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Q2 2014	Production (GEO)	Cash Costs ^(1,2) (per GEO)
Chapada - Brazil <ul style="list-style-type: none"> 40% higher for gold and 20% higher copper production vs. Q1 2014 as a result of planned higher grades 	30,418 33.0M lbs Cu	\$395 \$1.75lb
El Peñón - Chile <ul style="list-style-type: none"> 21% higher production vs. Q1 2014 as a result of 18% increase in feed grades 	116,003	\$460
Gualcamayo - Argentina <ul style="list-style-type: none"> 37% higher production vs. Q1, 2014 as a result of 11% increase in planned higher grades mainly resulting from QDDLW 	52,863	\$700
Mercedes - Mexico <ul style="list-style-type: none"> Lower grade sequence of the mine as expected 	24,671	\$763
Canadian Malartic (50% Interest) - Canada⁽³⁾	11,878	\$614

1. Cash Costs on a co-product basis.

2. A non-GAAP measure. A reconciliation of non-GAAP measures can be found at www.yamana.com/Q22014

3. For the period since acquisition – June 16, 2014 to June 30, 2014.

Operations Snapshot

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Q2 2014	Production (GEO)	Cash Costs ^(1,2) (per GEO)
Minera Florida - Chile <ul style="list-style-type: none"> Production and costs continue to be improved year-over-year 	29,031	\$638
Jacobina - Brazil <ul style="list-style-type: none"> 26% increase in production vs. Q1 2014 	18,776	\$1,188
Other Producing Mines <i>(represents less than 10% of production)</i> <ul style="list-style-type: none"> 19% higher production vs. Q1 2014 	27,250	\$889
Commissioning Mines	20,876	

Chapada

- Production expected to continue increasing
 - Higher grade Corpo Sul expected to contribute by year end
- Enhanced throughput and further improvements expected
 - Acquisition of new drill rigs
 - Completion of in-pit crusher installation in Q3

El Peñón

- Greater flexibility as ore feed and feed grade expected to increase
- Improved productivity and reduced costs expected with scheduled replacement of equipment complete
- Avg. quarterly production for H2 expected in line with Q2

Gualcamayo

- Expansion of ADR plant planned for H2 to improve recoveries

Mercedes

- Gold and silver grades are expected to return to higher levels in Q3

Quarter-over-quarter production growth and cost containment to continue

Daniel Racine
SVP, Canadian Operations
and Mine Planning & Development

Integration Committee

- Overseeing integration of all assets in acquired portfolio
- Sub-committee structure for various disciplines
- Establishing partnership with local and other stakeholders at the various properties
- Updates on exploration portfolio expected later this year

Operating Committee

- Focused on Canadian Malartic
- Equal Yamana and Agnico representation
- Ensuring successful continuity of operations



Canadian Malartic Mine

Newest Cornerstone Operation

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2014 Expectations

- Production 510,000 - 530,000 oz.
- By-product cash costs approximately \$695/oz.
 - Includes new 5% NSR
- 2014 capital expected to be C\$169M

Evaluating optimization opportunities

- Current crushing and grinding constraints
- Additional ore stockpiles to increase daily throughput
- Costs savings
- Drilling and blasting techniques
- Mine plan
- Updated technical report expected by end of August
- Details on optimization plan by end of Q3
- Updated guidance in early 2015

Another significant cornerstone asset

Charles Main
Chief Financial Officer

Delivering Financial Performance

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	Q2 2014
Revenue	\$450.8M
Production (GEO) ⁽¹⁾	331,765
Production Copper - Chapada (Mlbs)	33.0
Adjusted Earnings⁽²⁾	\$43.3M
per share:	\$0.05
Cash Flow^(2,3,4)	\$177.2M
per share:	\$0.23

1. Production includes commissioning.

2. A non-GAAP measure. A reconciliation of non-GAAP measures can be found at www.yamana.com/Q22014 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 costs related to the acquisition of Osisko Mining Corporation.

Robust Balance Sheet

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Cash & Available Credit	\$885M
Cash & Cash Equivalents	\$174M
DD&A	\$123M
Corporate G&A	\$37M
Exploration Expense	\$4M
Capital Expenditure	\$194M

Expenses continuing at lower levels established in 2013

Continues to be manageable at new level

Changes in the Quarter

Net Debt
position of
\$1.82B as of
end of Q2

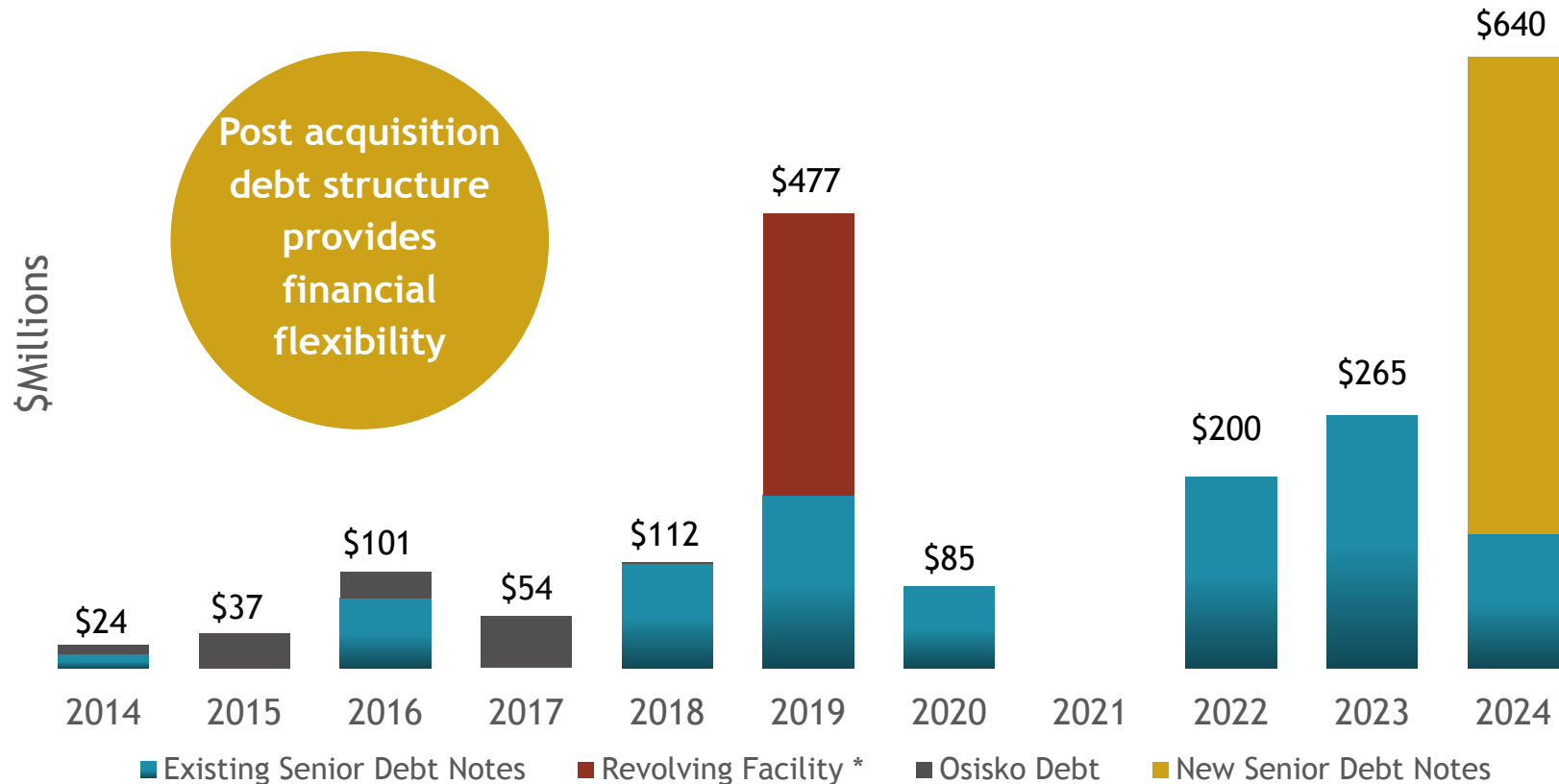
- During the quarter \$500M was drawn under a two-year unsecured senior term facility. This was repaid in full during the quarter with the proceeds of new \$500M senior debt notes.
- Debt assumed on acquisition of 50% of Osisko includes:
 - US\$58.2M in loans maturing 2015 - 2017
 - US\$35.1M convertible debentures maturing 2017
 - US\$35.3M in finance lease maturing 2017

Net debt position manageable at \$1.82B

Scheduled Debt Repayments

Continue to be manageable

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Majority of debt maturities occur after 2018

Note: As of June 30, 2014. Assumes no rollover or refinancing.

* Assumes full repayment of revolving facility at term.

Darcy Marud
EVP, Enterprise Strategy

Strategic approach to value enhancement

Objective:

- Balancing top and bottom line growth and generating cash flow
- Identify opportunities to further enhance returns

Current focus:

- Increase or enhance returns on certain non-core assets with lower returns

Evaluating a range of options:

- Continue with current plans
 - Optimize over time
- Focus all effort on value enhancement
 - Operational improvements
 - Care & Maintenance
- Monetization through sale
 - 100%, partnership, stream secondary metals
- Full shut down

Integration driving value enhancement

Integrated approach to operations and projects to further enhance value

- Cerro Moro
 - Elimination of uncertainties - similar approach as Mercedes
 - Detailed engineering commenced - M3
 - On schedule for construction decision by year end
- Agua Rica
 - Consolidating technical and feasibility level work
 - High level of stakeholder engagement to enhance project value and elevate project jurisdiction
 - Evaluating other strategic alliances
- Suyai
 - New concept that complies with current legislation
 - Permitting process continues
 - Long term stakeholder and public engagement positively changing opinions

Peter Marrone
Chief Executive Officer

A Balanced Approach

“The integration of Canadian Malartic into our portfolio and the expected continued performance from our cornerstone operations has us well positioned to deliver significant value to shareholders as we maximize cash flow and ultimately free cash flow.”

- Peter Marrone

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