



YAMANAGOLD

(TSX: YRI, NYSE: AUY, LSE: YAU)

**Corporate Summary
December, 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.

THE POSITIONING

Uniquely Positioned



- Mining friendly jurisdictions
- Strong operating platform

THE GROWTH

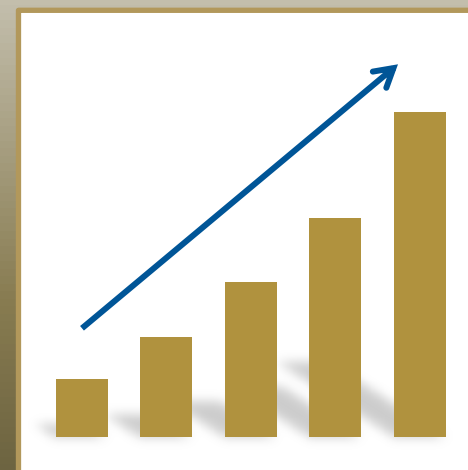
Executing on our Growth Plan



- 60% growth by 2014
- All 4 projects on track

THE RESULTS

Momentum is Building



- All financial metrics up sharply
- Strong leverage to gold price

A Clear Focus: Predictable Growth

2006-2007

2008-2009

2010+



Growth from multiple acquisitions

- tripled production to ~1M oz.

Integration of acquisitions

Focused on reliable, predictable organic growth

Building a Record of Setting and Meeting Objectives

Met or exceeded production and cost guidance

Continuing to deliver

Three major development projects

- Mercedes began operations ahead of schedule - November 2011

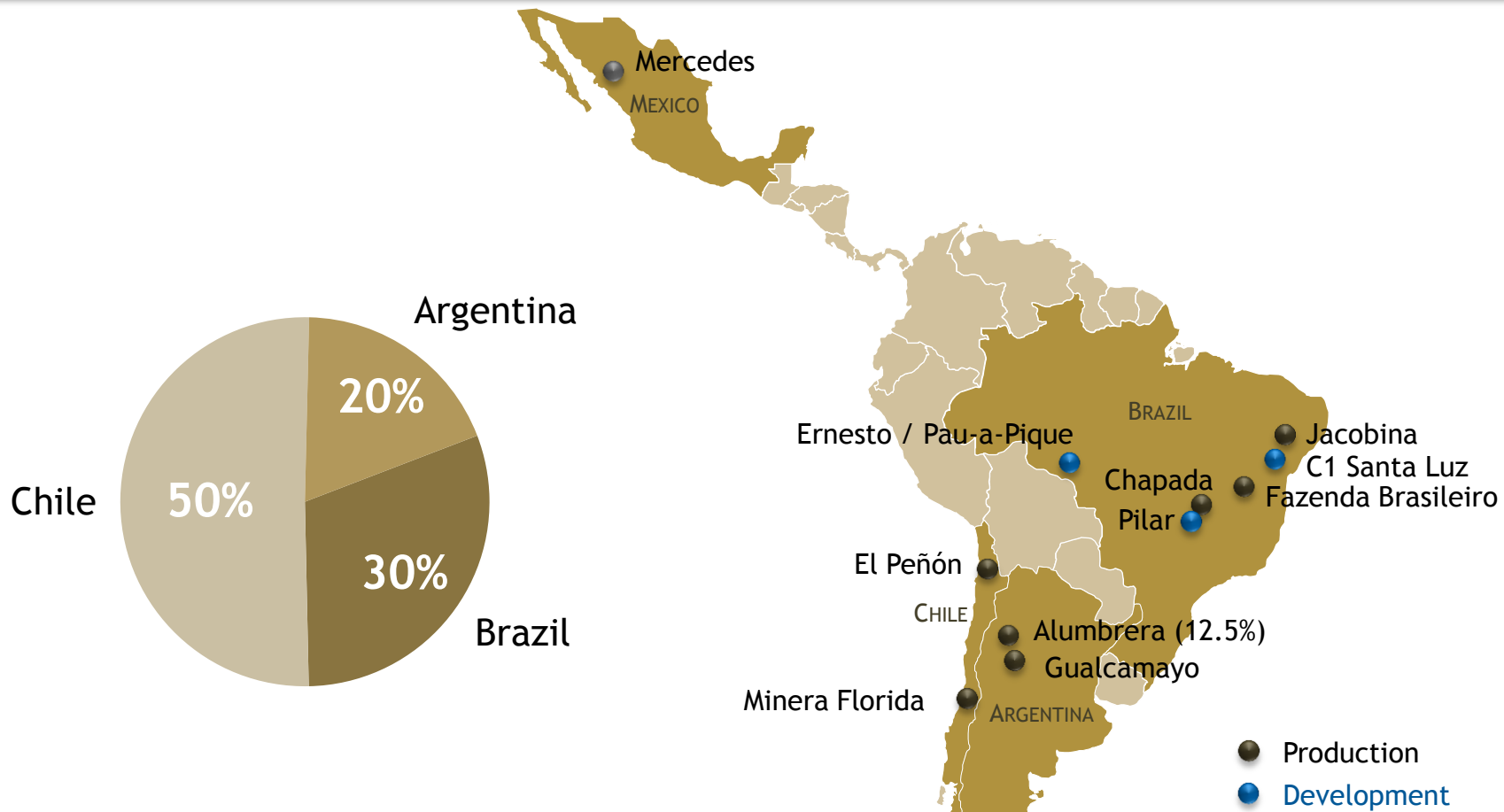
On schedule

Strategic focus on organic growth

Consistent



Well Positioned in Stable Jurisdictions



Seven operating mines

Note: Production contribution by country reflects 2011 estimates and does not include Mexican production which began mid November 2011

Strong Platform of Operating Mines

**2011E
Production ⁽¹⁾⁽²⁾
Cash Costs**

**Strategic
Mine Life**

Highlights

Mine

El Peñón – Chile



- 420-440,000 GEO
- \$410 - \$440

8+ yrs

- Continued growth in 2011
- YTD - 360,542 GEO @ \$395/GEO

Opportunity: Pampa Augusta Victoria

Chapada – Brazil



- 130-140,000 oz.
- \$300 - \$350

15+ yrs

- 38% higher than feasibility plan throughput level
- YTD - 101,033 ozs @ \$319/oz

Opportunity: Corpo Sul and Suruca

Gualcamayo – Argentina



- 150-170,000 oz.
- \$460 - \$500

9+ yrs

- Expected to increase to over 190,000 in 2013
- YTD - 118,172 ozs @ 447/oz

Opportunity: QDD Lower West


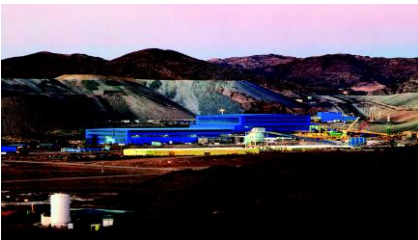
1. Cash costs are non-GAAP measures. Reconciliation of non-GAAP measures are available at www.yamana.com/q32011
 2. Silver production is treated as a gold equivalent based on a silver to gold ratio of 50:1

Strong Platform of Operating Mines

| Mine | 2011E Production ⁽¹⁾⁽²⁾ Cash Costs | Strategic Life | Highlights |
|--|--|-------------------|---|
| <p>Mercedes - Mexico</p>  | <ul style="list-style-type: none"> Commercial production Q2 2012 | 10+ yrs | <ul style="list-style-type: none"> Operations began Nov. 2011 - well ahead of schedule Expecting mineral reserve & resource increases Feb. 2012 <p>Opportunity: Increasing Throughput</p> |
| <p>Jacobina - Brazil</p>  | <ul style="list-style-type: none"> 120-135,000 oz. \$520 - \$570 | 15+ yrs | <ul style="list-style-type: none"> Reserves increased 8% in 2010 YTD - 89,692 ozs @ \$642/oz <p>Opportunity: Increasing Grades</p> |
| <p>Minera Florida - Chile</p>  | <ul style="list-style-type: none"> 115-130,000 GEO \$420 - \$450 | 10 yrs | <ul style="list-style-type: none"> Reprocessing of tailings will add 40,000 GEO per year for 5 years - starting 2012 YTD - 79,588 GEO @ \$557/GEO <p>Opportunity: Tailings Reprocessing</p> |

1. Cash costs are non-GAAP measures. Reconciliation of non-GAAP measures are available at www.yamana.com/q32011
 2. Silver production is treated as a gold equivalent based on a silver to gold ratio of 50:1

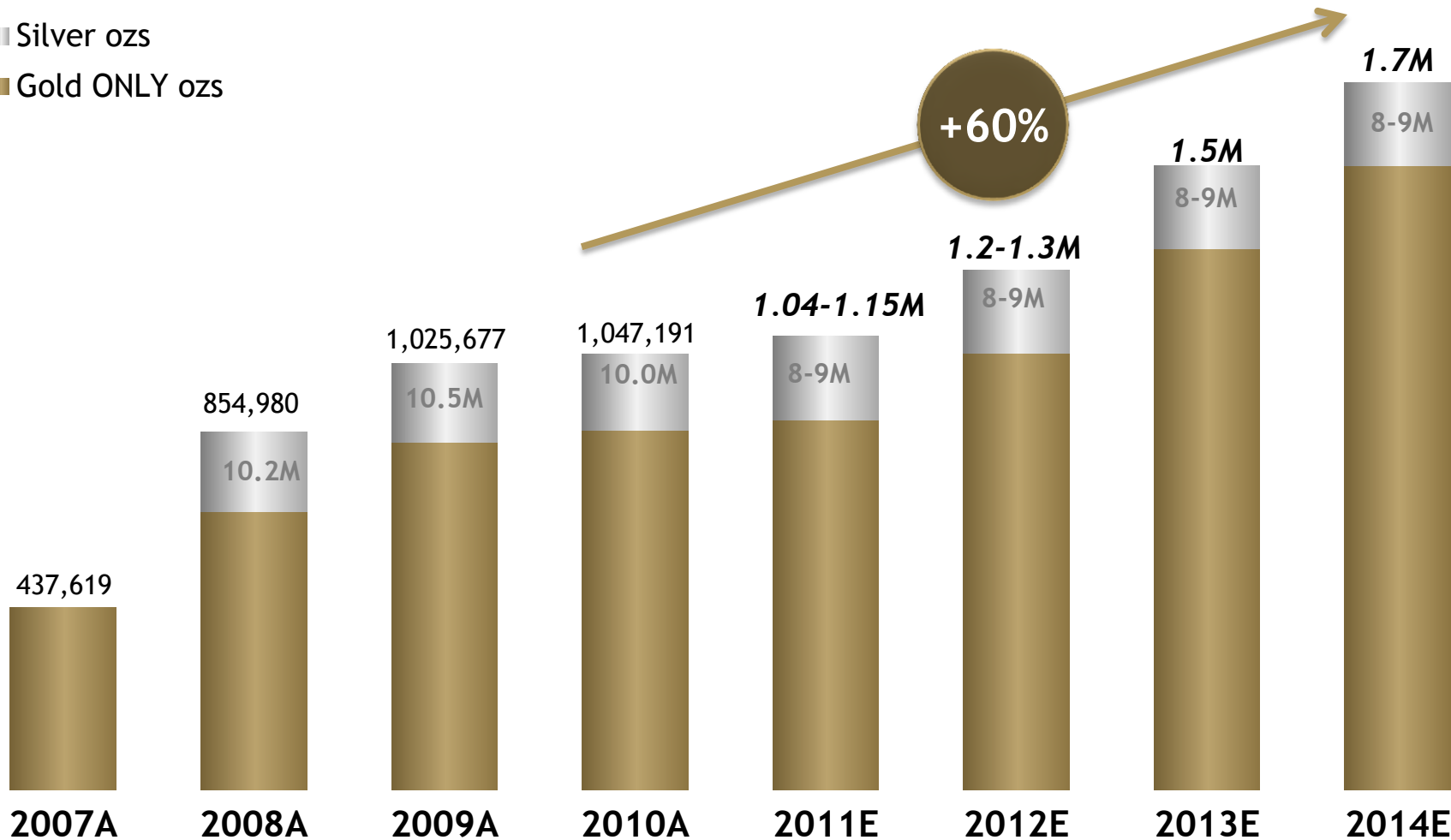
Strong Platform of Operating Mines

| Mine | 2011E Production ⁽¹⁾⁽²⁾ Cash Costs | Strategic Life | Highlights |
|---|--|-------------------|---|
| Fazenda Brasileiro – Brazil  | <ul style="list-style-type: none"> • 60-80,000 oz. • \$620 - \$650 | 4+ yrs | <ul style="list-style-type: none"> • New higher grade zones discovered in 2009 • YTD - 39,593 ozs @ \$946/oz <p>Opportunity: Resource Development</p> |
| Alumbrera – Argentina  | <ul style="list-style-type: none"> • YTD 36,757 oz. • (\$1,468) | | <ul style="list-style-type: none"> • 12.5% Ownership • Goldcorp and Xstrata partners |

1. Cash costs are non-GAAP measures. Reconciliation of non-GAAP measures are available at www.yamana.com/q32011
 2. Silver production is treated as a gold equivalent based on a silver to gold ratio of 50:1

Building on a Strong Track Record of Growing GEO Production

- Silver ozs
- Gold ONLY ozs



Approximately 20% of total GEO production is silver

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.

Our Goal by 2014: 60% Growth




Gold Equivalent Ounces



- Organic growth
- Fully funded
- Proven track record of building successful mines
- Mining friendly jurisdictions
- New mines to contribute 440-470,000 GEO per year.
 - Includes Mercedes which began operations in mid November 2011
- One expansion project to be completed by January 2012



All Projects Advancing On Schedule

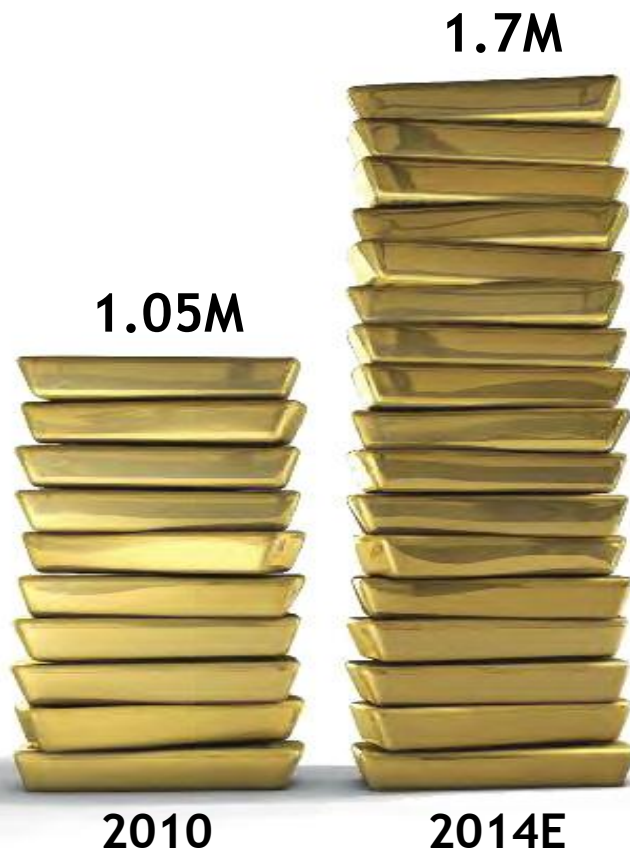
| | | | 2011 | 2012 | 2013 |
|---|--|---|--|------|--|
|  | <p>C1 Santa Luz Brazil</p> <p>100,000 oz.</p> | <p>Construction</p> <p>Commissioning & Ramp-up</p> <p>Commercial Production</p> | [Construction bar spanning 2011 and 2012] | | <p>[Commissioning & Ramp-up bar in 2013]</p> <p>[Commercial Production icon in 2013]</p> |
|  | <p>Ernesto/Pau-a-Pique Brazil</p> <p>100,000 oz.</p> | <p>Construction</p> <p>Commissioning & Ramp-up</p> <p>Commercial Production</p> | [Construction bar spanning 2011 and 2012] | | <p>[Commissioning & Ramp-up bar in 2013]</p> <p>[Commercial Production icon in 2013]</p> |
|  | <p>Pilar Brazil</p> <p>120,000 oz.</p> <p>Opportunity: Significant Resource Growth</p> | <p>Construction</p> <p>Commissioning & Ramp-up</p> <p>Commercial Production</p> | [Construction bar spanning late 2011 and 2012] | | <p>[Commissioning & Ramp-up bar in 2013]</p> <p>[Commercial Production icon in 2013]</p> |

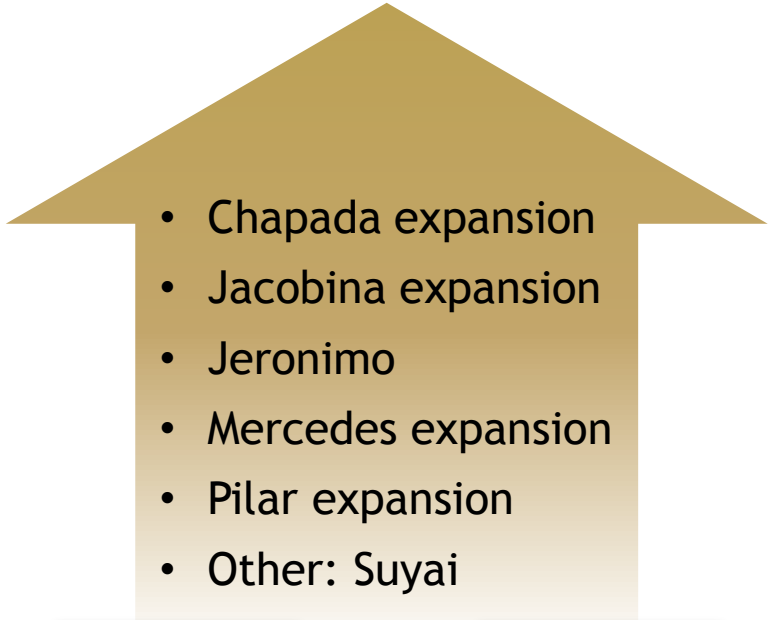
Three new mines are expected to add approximately 320,000 GEO annually

Mercedes began operations in November expected 120,000 - 130,000 GEO annually

Future Growth Beyond 2014

Gold Equivalent Ounces



- 
- Chapada expansion
 - Jacobina expansion
 - Jeronimo
 - Mercedes expansion
 - Pilar expansion
 - Other: Suyai

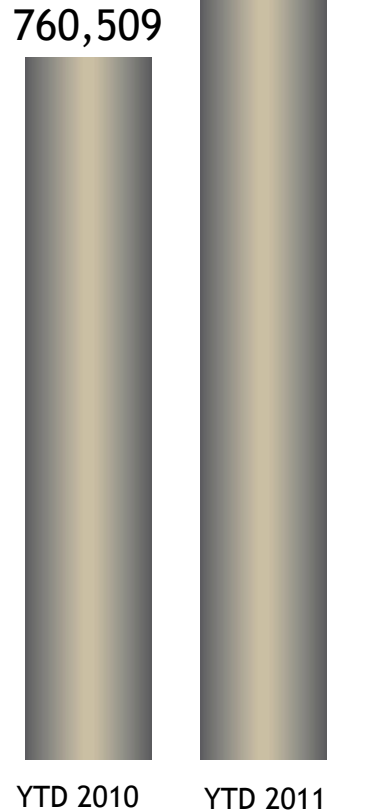


Production growth

Year to date production

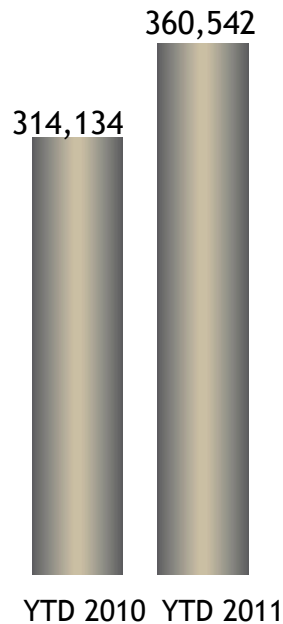
Total Production

+9%
YTD 2010/2011



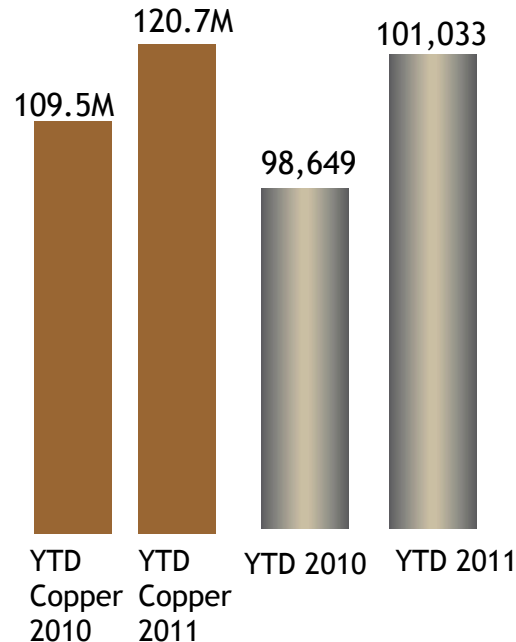
El Peñón

+15%
YTD 2010/2011



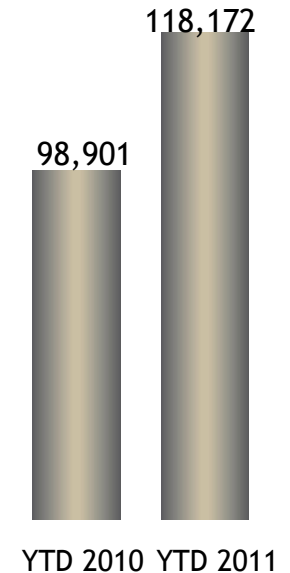
Chapada

+2% Au
+10% Cu
YTD 2010/2011



Gualcamayo

+19%
YTD 2010/2011



Delivering Consistency and Reliability in Q3

Cash Flow growth⁽¹⁾

↑ 57%

Earnings growth⁽²⁾

↑ 63%

Margin growth⁽³⁾

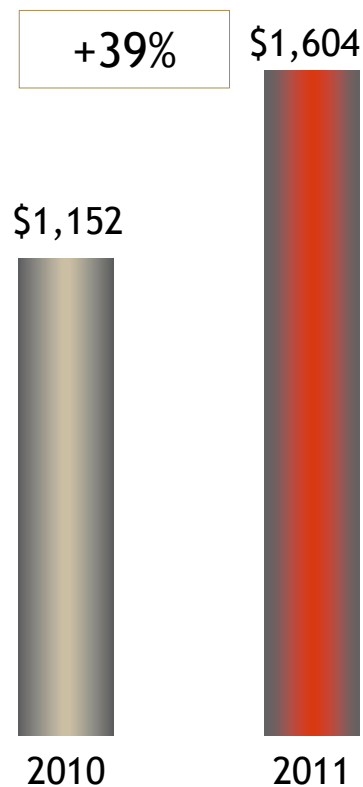
↑ 36%

Delivering on expectations

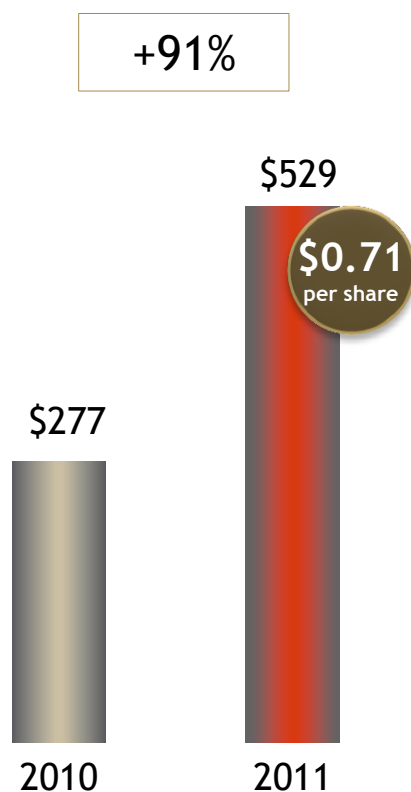
1. Cash flow from operations before changes in non-cash working capital. 2. Refers to a non GAAP measure. Reconciliation of non GAAP measures are available at www.yamana.com/q32011. 3. Cash margin is the difference between the average realized gold price less by-product cash costs per GEO.

YTD Financial Performance

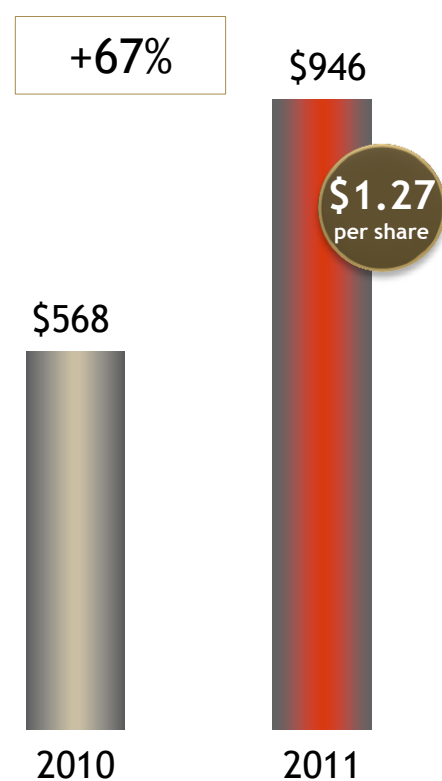
Revenue (in millions of US dollars)



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

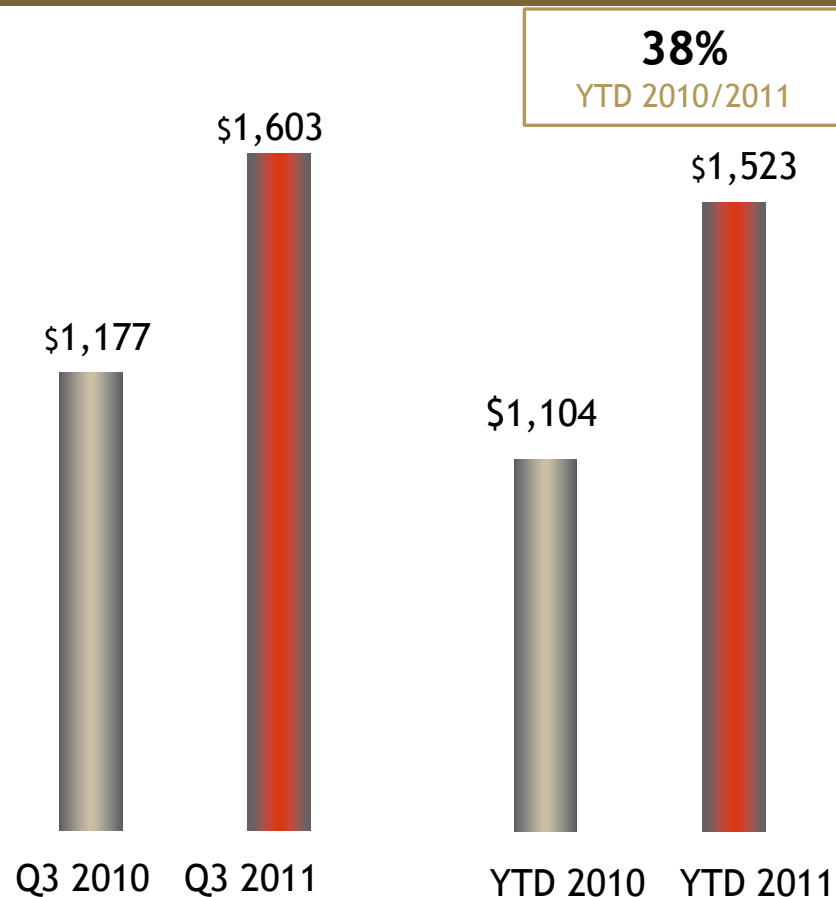
Cash Costs

| | |
|------------------|------|
| 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



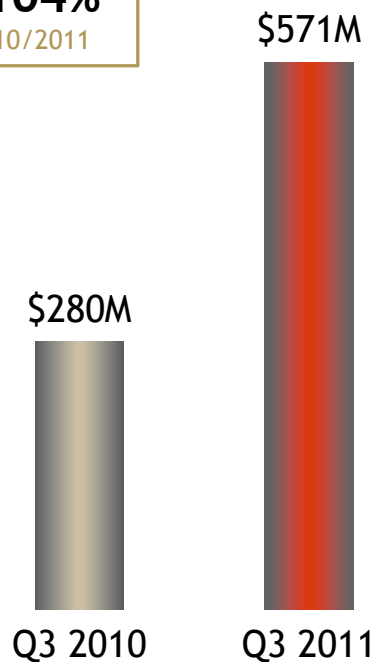
Providing greater leverage to gold

Financial status

Robust balance sheet

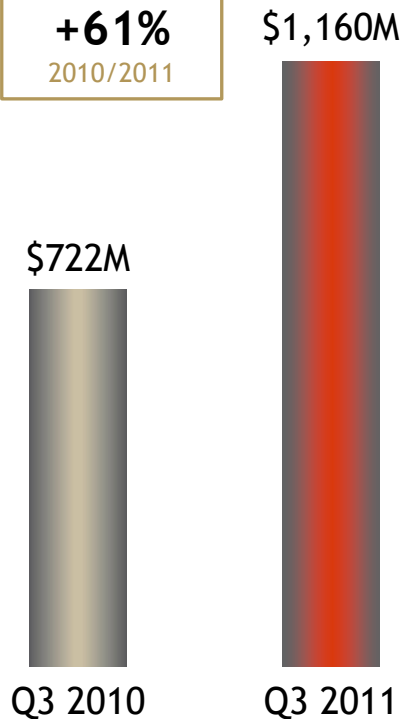
Cash & Cash Equivalents

+104%
2010/2011



Total Cash & Available Credit

+61%
2010/2011



- 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 Alumbraera of \$23.75M

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

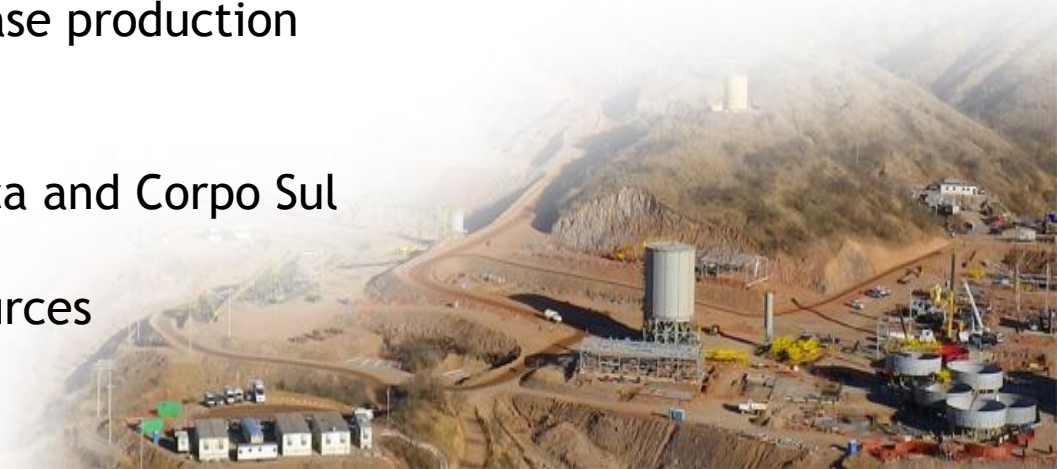
- Growing resource base to increase production

Chapada

- Production increases from Suruca and Corpo Sul

Mineral reserves and mineral resources

- Increases expected for 2011



Upcoming Milestones

Mercedes

- ✓ Commissioning and first gold pour by year end 2011
 - *achieved 6 weeks before year end*
- 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

Increase cash flow *per share*

Increase mineral reserves and resources
per share

Increase production *per share*





YAMANAGOLD

(TSX: YRI, NYSE: AUY, LSE: YAU)

1102 - 150 York Street
Toronto, Ontario
M5H 3S5

Lisa Doddridge
Vice President, Corporate Communications
and Investor Relations
(416) 945-7362
Email: lisa.doddridge@yamana.com

www.yamana.com