



YAMANAGOLD

# Growth, Value and Vision

September, 2006



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# Cautionary Statement

*All monetary amounts in U.S. dollars unless otherwise stated*

*This presentation contains “forward-looking statements”, within the meaning of the United States Private Securities Litigation Reform Act of 1995 and similar Canadian legislation, concerning the business, operations and financial performance and condition of Yamana. Forward-looking statements include, but are not limited to, statements with respect to estimated production, synergies and financial impact of completed proposed acquisitions; the benefits of the acquisitions and the development potential of Yamana’s properties; the future price of gold and copper; the estimation of mineral reserves and resources; the realization of mineral reserve estimates; the timing and amount of estimated future production; costs of production; capital expenditures; success of exploration activities; permitting time lines and permitting, mining or processing issues; currency exchange rate fluctuations; government regulation of mining operations; environmental risks; unanticipated reclamation expenses; title disputes or claims; and limitations on insurance coverage. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved”. Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made, and they are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Yamana to be materially different from those expressed or implied by such forward-looking statements, including but not limited to risks related to: unexpected events during construction, expansion and start-up; variations in ore grade, tones mined, crushed or milled; variations in relative amounts of refractory, non-refractory and transition ores; delay or failure to receive board or government approvals; timing and availability of external financing on acceptable terms; the businesses of acquisitions not being integrated successfully or such integration proving more difficult, time consuming or costly than expected; not realizing on the anticipated benefits from the acquisitions or not realizing on such anticipated benefits within the expected time frame; risks related to international operations; actual results of current exploration activities; actual results of current reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of gold and copper; possible variations in ore reserves, grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; delays in the completion of development or construction activities, as well as those factors discussed in or referred to in the current annual Management’s Discussion and Analysis and current Annual Information Form of each of Yamana filed with the securities regulatory authorities in Canada and available at [www.sedar.com](http://www.sedar.com), and Yamana’s Annual Report on Form 40-F filed with the United States Securities and Exchange Commission. Although management of Yamana has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Yamana does not undertake to update any forward-looking statements that are incorporated by reference herein, except in accordance with applicable securities laws. Comparative market information is as of a date prior to the date of this presentation.*

# Overview

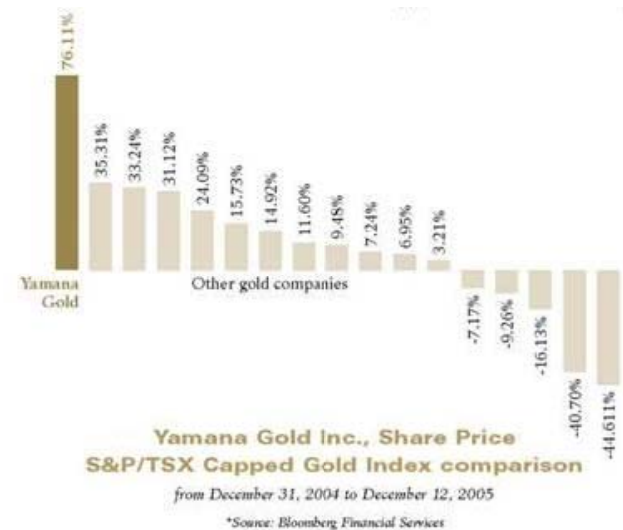
- **Yamana Gold Inc.** was created in 2003 to develop gold and gold copper properties in Brazil
- **Today**, we have developed these properties and we have advanced new projects
- **We have** also completed two corporate acquisitions and recently announced a third which is currently in progress
- **Extending** our profile further into Brazil and into new areas of Latin America, including Central America and Argentina
- **We have** five operating mines, one in construction, three development projects and a significant land position
- **We are** targeting gold production of one million ounces by 2008
- **We are** committed to exploration to increase that production level



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# Growth, Value and Vision

- **Track Record** – Rapidly growing intermediate gold company
- **Upside** – Significant operational, valuation and exploration upside
- **Production Profile** – Steadily increasing
- **Balance Sheet** – Demonstrated ability to finance the company into both the equity and debt capital markets with strong cash position
- **Experience** – Proven management in both corporate and operations
- **Assets** – Five producing gold mines, one mine under construction (soon to be completed) and three development stage properties
- **Positioning** – Leveraged to gold and no debt
- **Potential** – Large exploration portfolio in Brazil and Central America with significant budget to uncover value/non-core assets held in junior companies with significant equity investment
- **Commodity Markets** – Strong for both gold and copper



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# ***Our Strategic Vision***

- **Achieve** target production of one million ounces of gold per year by 2008
- **Complete** the acquisition of Viceroy Resources in early Q4 2006
- **Advance** C1 Santa Luz, Sao Vicente and Viceroy's Gualcamayo project to production and finalize the Jacobina expansion by 2008
- **Continue** aggressive exploration of our extensive exploration portfolio
- **Selectively pursue** potential acquisition targets that will further increase production on a sustainable basis well over one million ounces of gold per year



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# *Our Strategic Vision Continued*

- **Reduce** cash costs including by monetizing copper and applying by-product credits
- **Ensure** sustainable low cost operations with best practices for mining and environmental, health and safety compliance
- **Continued focus** on Latin America



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Viceroy  
Exploration Ltd.



## ***Yamana / Viceroy Combination***

**Announced August 16, 2006**



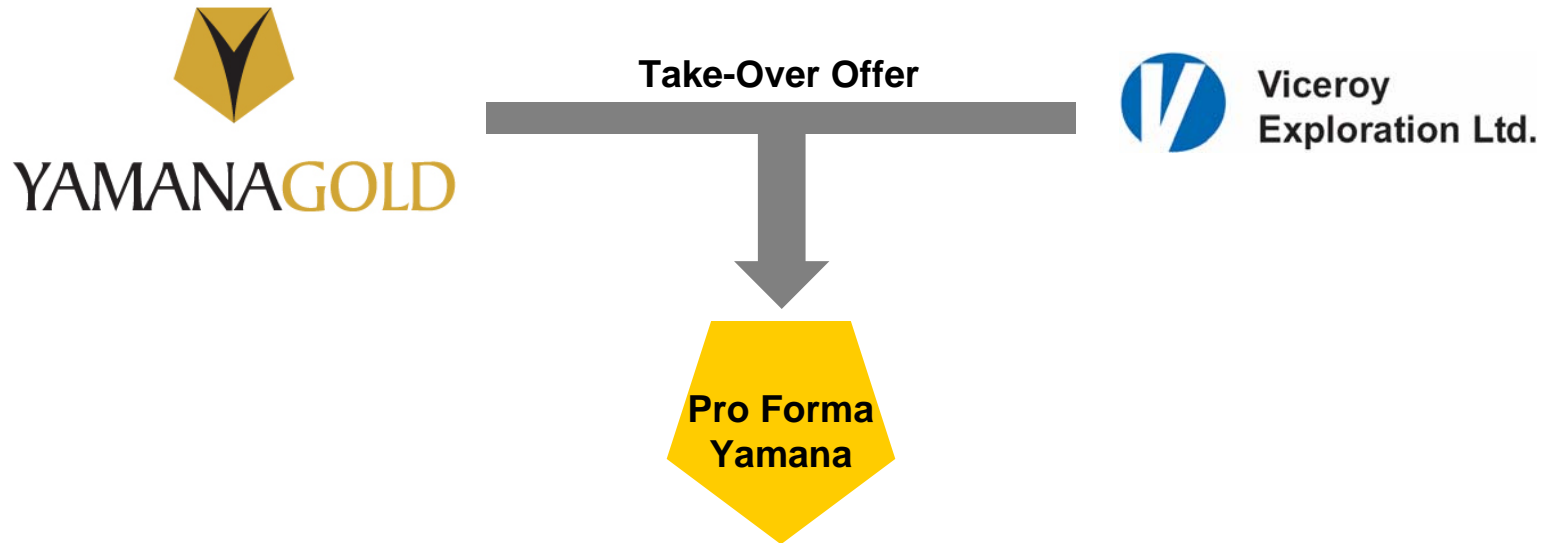
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# ***Yamana Gold / Viceroy Combination***

- **Adds** a world class development project and district
- **Deepens** Yamana's presence in Latin America
- **Projected** production of one million ounces of gold per year by 2008
- **Adds** long term, low cost gold production and potential from Gualcamayo
- **Leverages** both companies' operating experience
  - Provides operational and construction experience from Yamana
  - Adds exploration and operational depth from Viceroy, particularly in Argentina
- **Further** strengthens Yamana's position among the top intermediate global gold producing companies

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# Transaction Overview



- 0.97 Yamana shares per Viceroy share
- 27.0% premium<sup>(1)</sup> to Viceroy over 20-day volume-weighted average share price
- Offer expires 35 days following mailing with a minimum 66 2/3rds take-up required
- Termination fee of 3.25% of Viceroy's market capitalization on a fully-diluted basis
- Lock-ups in place with management and Board of Directors

<sup>(1)</sup> As at August 16, 2006. Source: Bloomberg.

# Transaction Rationale



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Viceroy  
Exploration Ltd.

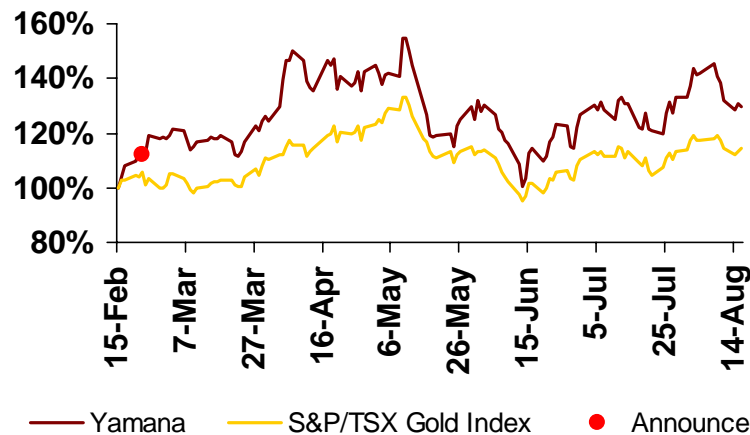
- **Adds** top quality resources and gold district to Yamana's long-term growth plan
- **Provides** future low-cost ounces with low capital costs
- **Materially** increases Yamana's growth profile among intermediate peers
- **Justifies** a higher valuation for Yamana: value bump from combination
- **Rounds** out Yamana's management with integration of Viceroy's "stand-alone" team in Argentina
- **Premium** received
- **Ability** to develop Gualcamayo while maintaining and accelerating exploration upside
- **Cash** from Yamana's balance sheet, cash flow and unused leverage to finance project construction
- **Facilitates** the development of Gualcamayo through Yamana's proven mine building, construction and operations expertise
- **Value** bump from combination
- **Increased** liquidity and attention of investment community

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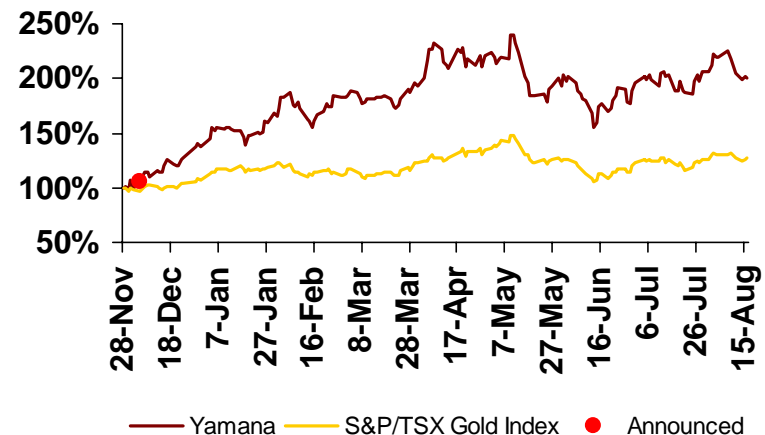
# Yamana - Success in Past Combinations



- Announced February 22, 2006 and completed April 5, 2006
- 0.6 Yamana shares per share of Desert Sun Mining
- Total return<sup>(1)</sup> to Desert Sun Mining shareholders to date of 35.5%



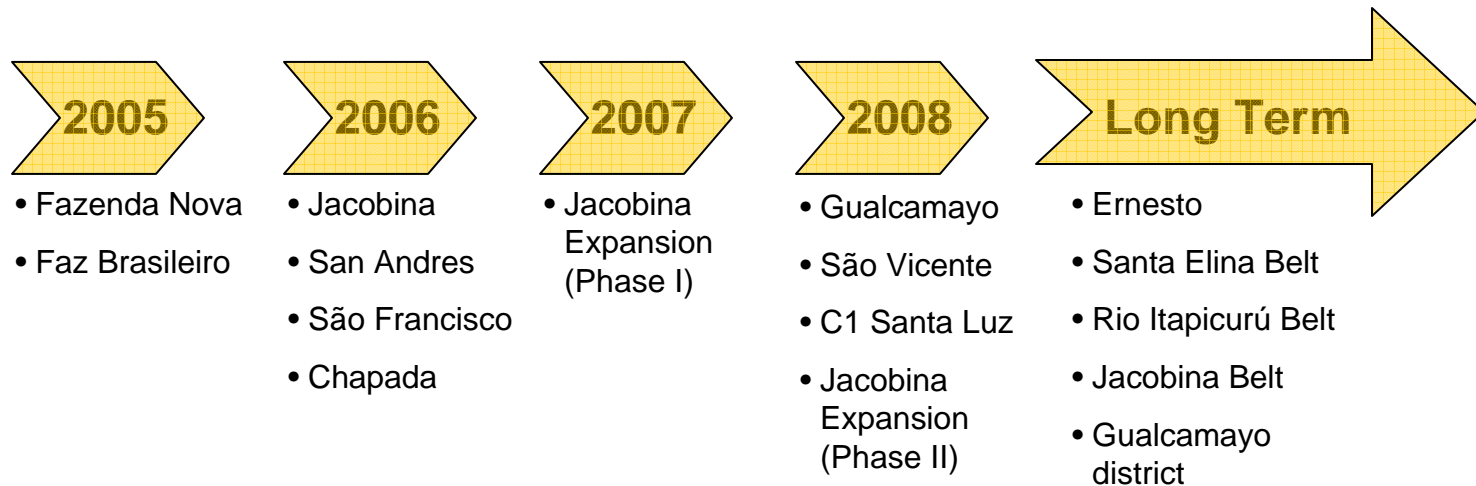
- Announced December 4, 2005 and completed February 28, 2006
- 0.12 Yamana shares per share of RNC Gold
- Total return<sup>(1)</sup> to RNC Gold shareholders to date of 110.0%



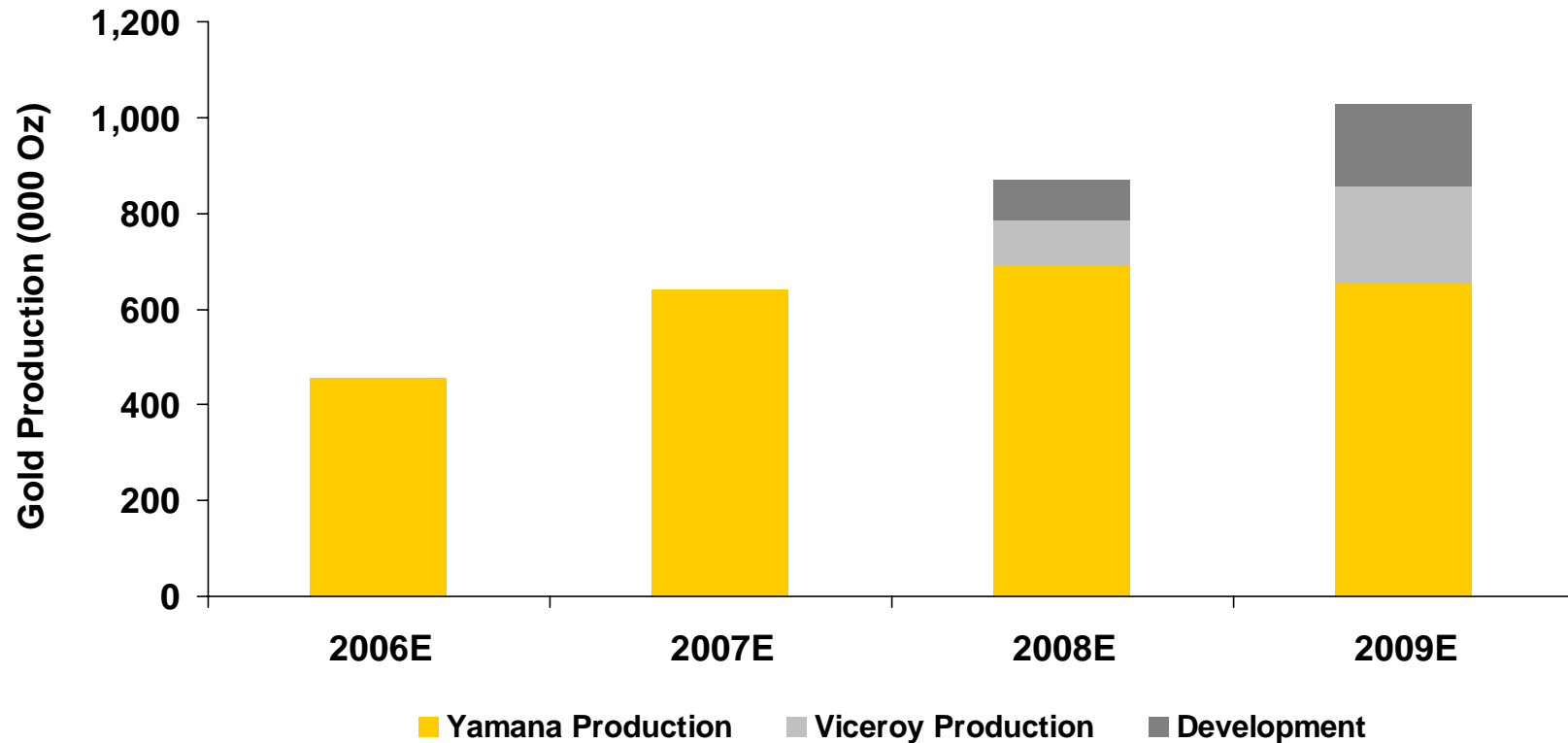
<sup>(1)</sup> Based on price prior to announcement of business combination with Yamana to August 16, 2006. Includes premium received on acquisition.

# Yamana - Continuing to Deliver

- **Proven** ability to add value by building, buying and exploring
- **Demonstrated** history of delivering on projects
- **Business** acumen to provide acquisition value to Yamana and partner shareholders
- **Competent** exploration team working on world-class gold belts continues to find ounces
- **Prudent** history of financing all projects and reducing cost of capital: copper and currency hedging, equity financings, warrant restructuring, debt repayment

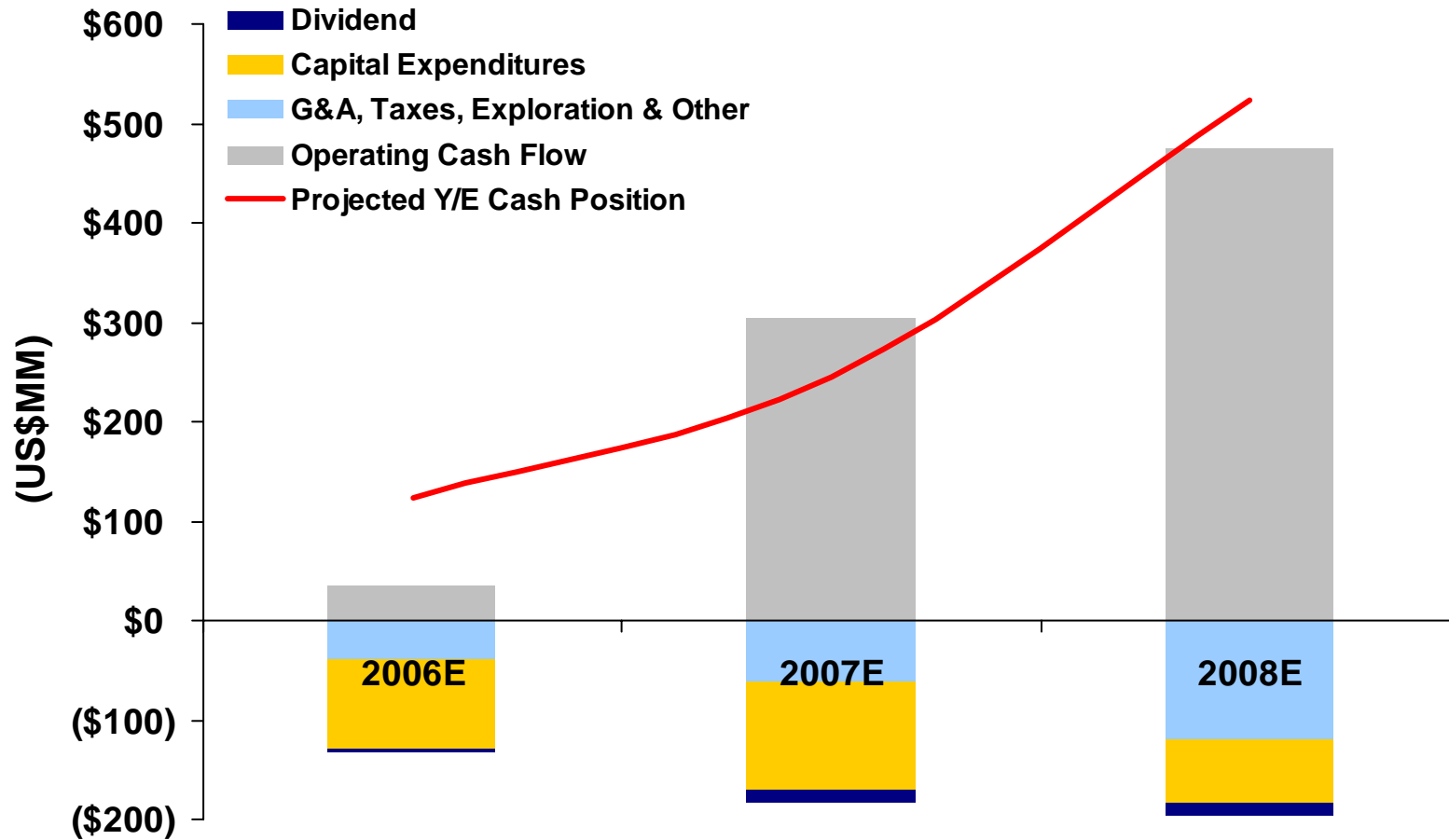


# Exceptional Production Growth Profile



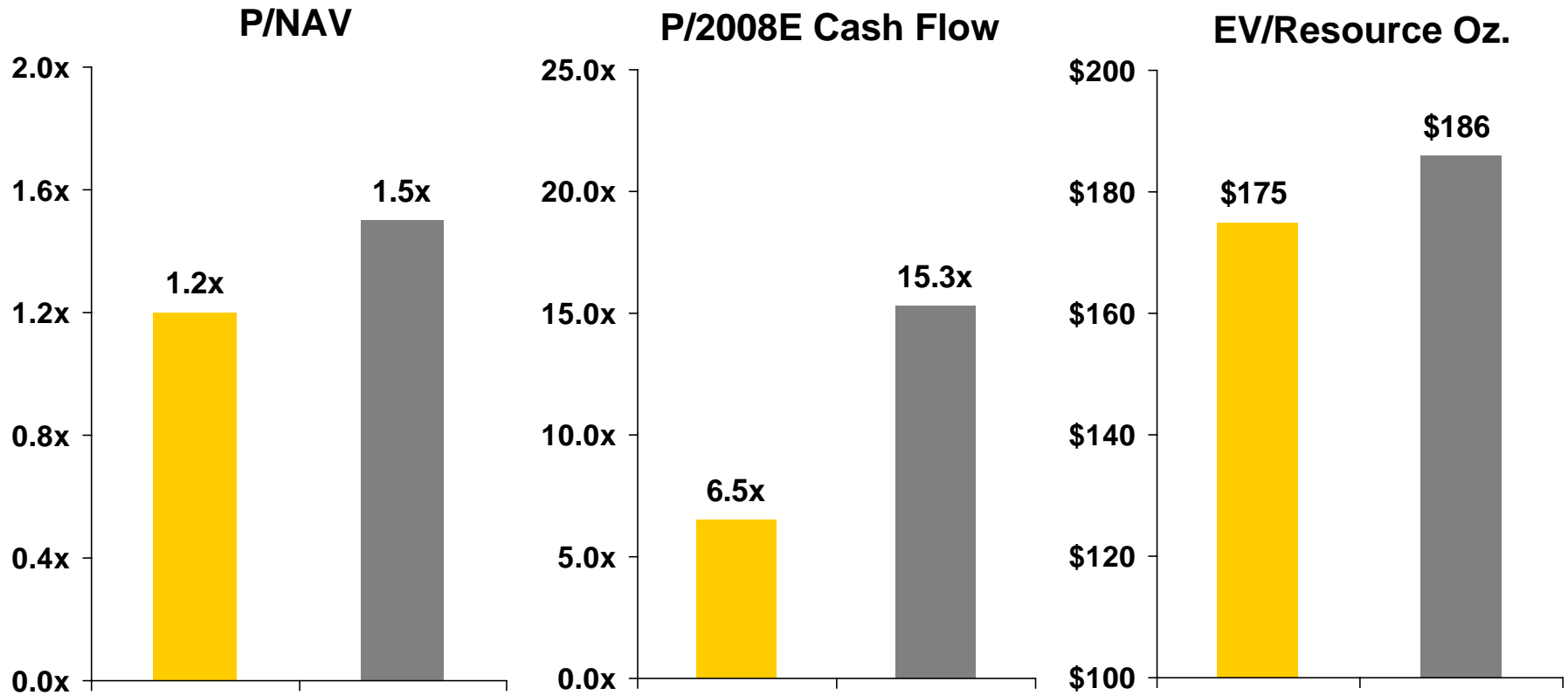
- Viceroy estimated production is subject to receipt of a positive feasibility study and construction of a mine at its Gualcamayo project.
- Includes completion of Chapada in 2006, expansion of Jacobina up to 230,000 ounces per year by late 2008 and development of São Vicente and C1 Santa Luz properties by mid 2008.

# Growing Cash Balances



- Assumes \$525/oz Au price for 06 & 07, \$450 for 08; \$2.00/lb Cu.
- 2006E shown on six-month basis.

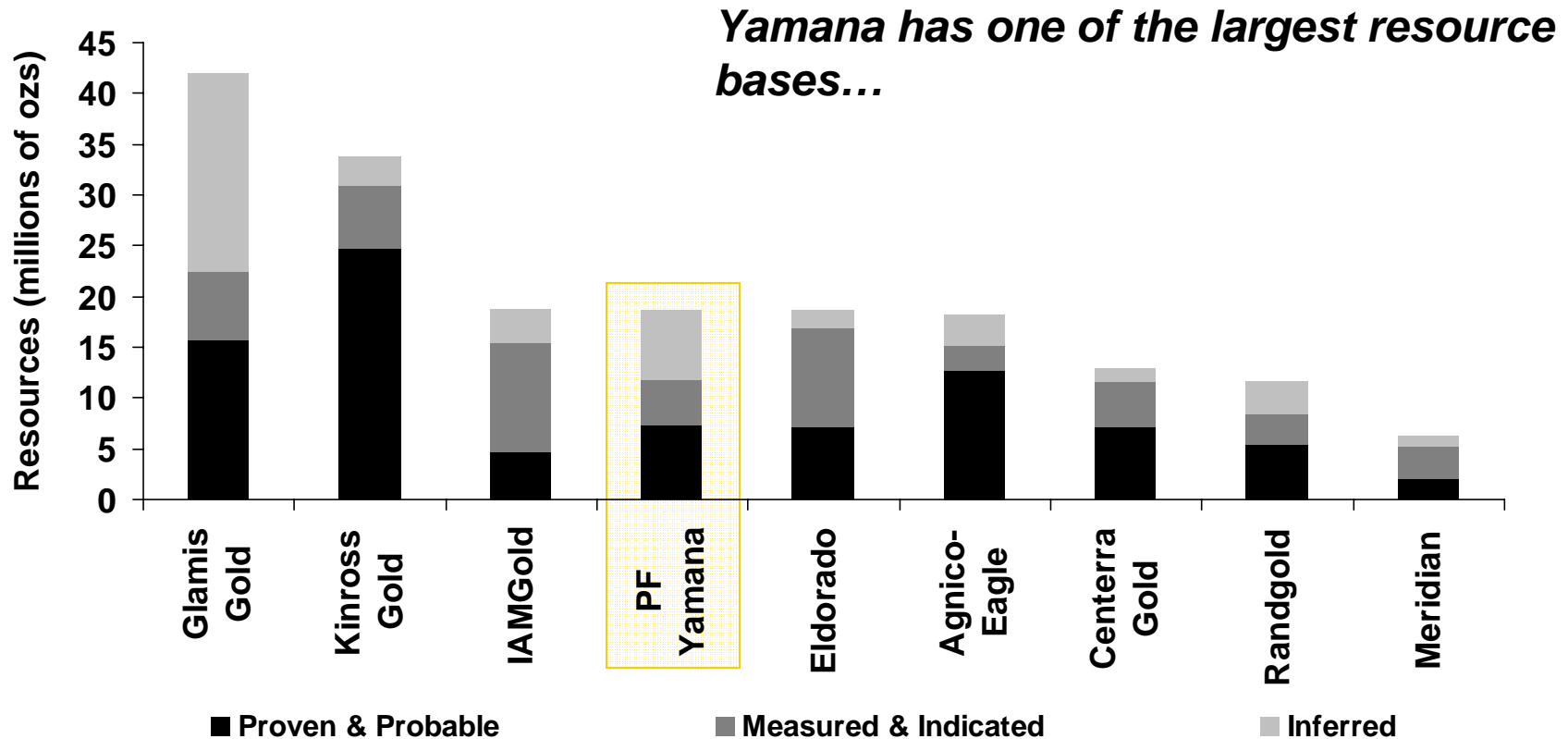
# Attractive Valuation



- Source: Various independent public research reports.
- Peer group includes Kinross Gold, Agnico-Eagle, Centerra, Glamis, IAMGold and Meridian (August 2006); Yamana P/NAV and P/CF do not include Viceroy acquisition.
- EV/Resources Oz.includes non-gold value

# Rising through the Intermediate Ranks

## Total Gold Resources

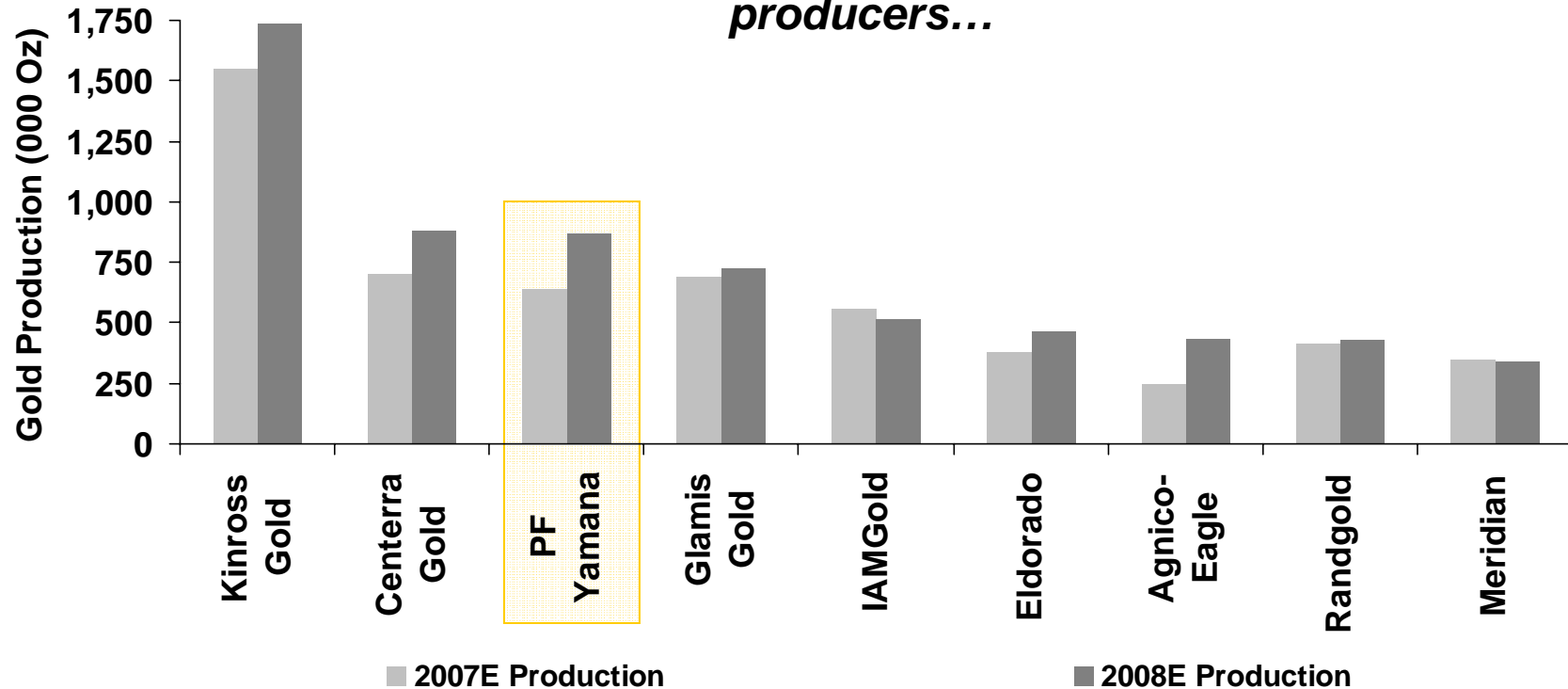


- Source: Company reports. Measured, indicated and inferred resources excludes proven and probable reserves.

# Rising through the Intermediate Ranks

## Gold Production

*Is one of the larger intermediate gold producers...*



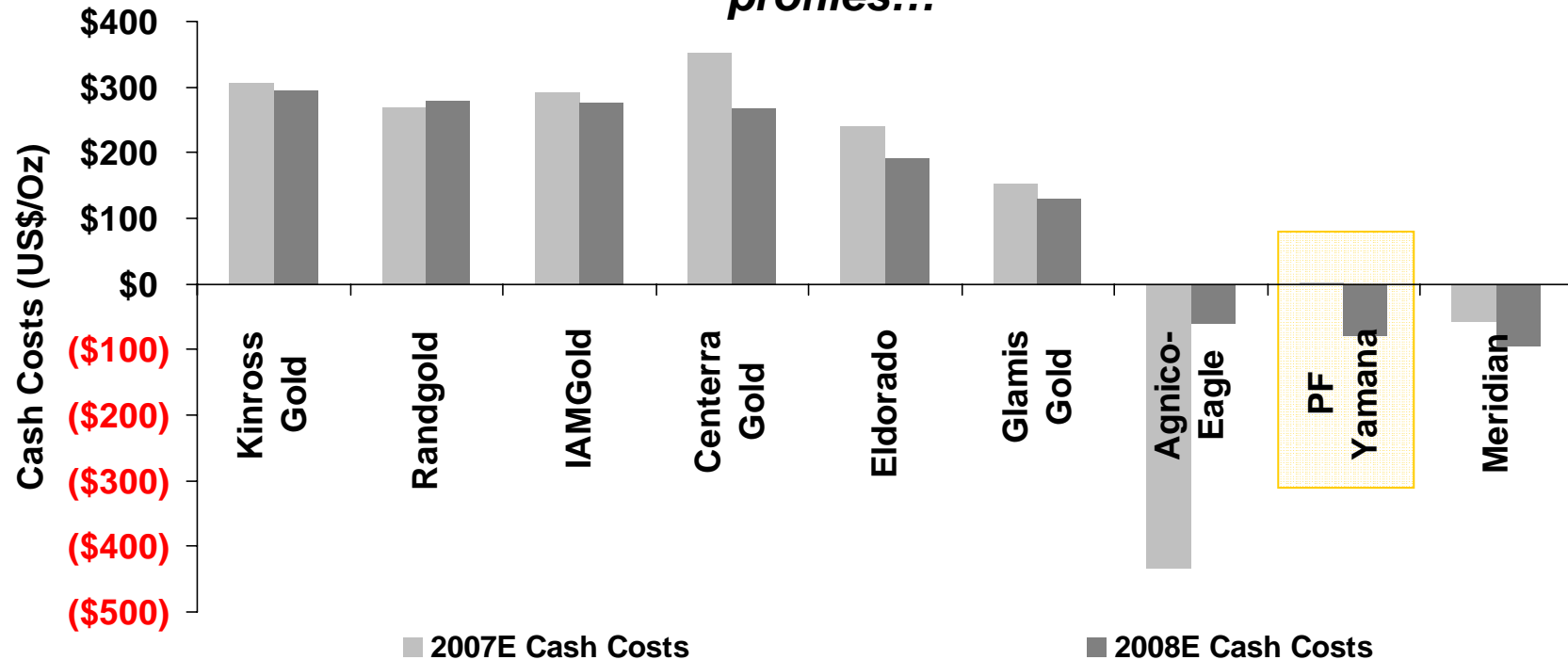
- Source: Various research reports.

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# Rising through the Intermediate Ranks

## Cash Costs

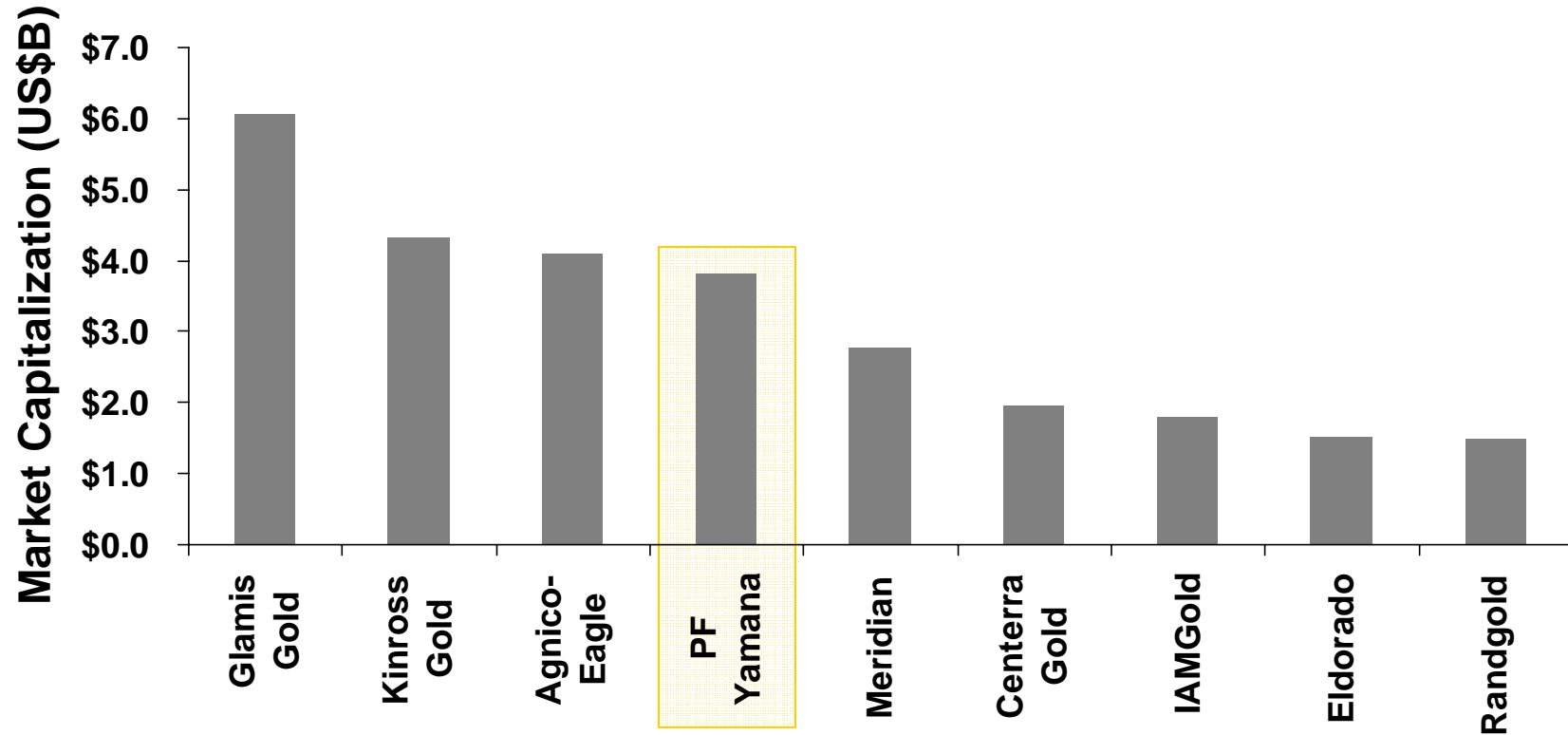
*And has one of the lowest cash cost profiles...*



• Source: Various research reports.

# *Rising through the Intermediate Ranks*

## Intermediate Gold Company Market Capitalization



- Source: Company reports and Bloomberg. Fully-diluted market capitalization. As at August 16, 2006.

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# *Overview of Pro Forma Yamana*

- **Pro Forma Yamana**

– Share Price (August 16, 2006)	TSX: C\$11.20 (AMEX: US\$10.05)
– Basic Shares	344 million
– Diluted Shares	380 million
– Market Capitalization (F.D.)	US\$3,811 million
– Cash	US\$216 million
– Cash-from-options	US\$234 million
– Debt	US\$0
– Enterprise value	US\$3,361 million

# Yamana – a World Class Latin American Producer



# Reserves & Resources Breakdown

Resources Summary	Measured		Indicated		Measured & Indicated			Inferred		
	tonnes (000s)	grade (g/t)	tonnes (000s)	grade (g/t)	tonnes (000s)	grade (g/t)	ounces (000s)	tonnes (000s)	grade (g/t)	ounces (000s)
Fazenda Brasileiro - UG (1)	1 158	3.140	2 722	2.990	3 880	3.030	378.1	780	4.280	107.4
Fazenda Brasileiro - OP (1)	249	2.420	937	1.550	1 185	1.730	66.1			
Fazenda Nova (1)			4 226	0.840	4 226	0.840	114.2	95	0.500	1.5
Sao Francisco (1)	24 398	0.600	55 574	0.660	79 971	0.640	1 651.5	60 495	0.450	879.1
Chapada (1)	25 200	0.300	396 200	0.220	421 400	0.220	3 045.5	250 870	0.150	1 226.0
Jacobina Project (3)	3 400	2.680	24 500	2.560	27 900	2.570	2 311.0	33 600	2.800	3 029.0
San Andres (2)			38 975	0.780	38 975	0.780	978.9	29 700	0.650	625.0
Sao Vicente (1)	20 786	0.580	16 228	0.520	37 015	0.560	660.5	5 658	0.610	111.0
C1 Santa Luz (1)			18 400	1.660	18 400	1.660	982.4	2 013	3.090	199.7
Ernesto (1)	160	5.260	682	5.230	842	5.240	141.8	483	4.600	71.4
Gualcamayo (4)	4 698	1.187	34 496	1.127	39 195	1.136	1 428.0	14 232	1.339	610.0
							11 758.0			6 860.1
<b>Copper</b>	tonnes (000s)	grade (%)	tonnes (000s)	grade (%)	tonnes (000s)	grade (%)	lbs. (Millions)	tonnes (000s)	grade (%)	lbs. (Millions)
Chapada	25 200	0.34%	396 200	0.30%	421 400	0.30%	2 809.3	250 870	0.25%	1 393.7

Reserves Summary	Proven		Probable		Proven & Probable		
	tonnes (000s)	grade (g/t)	tonnes (000s)	grade (g/t)	tonnes (000s)	grade (g/t)	ounces (000s)
Fazenda Brasileiro - UG (1)	1 100	3.100	969	2.490	2 069	2.817	187.4
Fazenda Brasileiro - OP (1)	249	2.420			249	2.420	19.3
Fazenda Nova (1)			3 330	0.862	3 330	0.862	92.3
Sao Francisco (1)	20 121	0.610	43 885	0.680	64 006	0.660	1 362.4
Chapada (1)	18 379	0.330	292 135	0.250	310 514	0.260	2 547.5
Jacobina Project (3)	3 065	2.208	18 517	2.173	21 580	2.180	1 510.0
San Andres (2)			17 339	0.860	17 339	0.860	477.1
Sao Vicente (1)	15 207	0.630	8 678	0.570	23 885	0.610	470.0
C1 Santa Luz (1)			9 200	1.880	9 200	1.880	556.0
							7 222.0
<b>Copper</b>	tonnes (000s)	grade (%)	tonnes (000s)	grade (%)	tonnes (000s)	grade (%)	lbs. (Millions)
Chapada	18 379	0.42%	292 135	0.34%	310 514	0.34%	2 349.7

(1) As of December 31, 2005; (2) As of December 31, 2004; (3) As of December 15, 2005; (4) As of December 8, 2004

- Mineral resources which are not mineral reserves do not have demonstrated economic viability. Readers should refer to the respective Annual Information Forms of Yamana, Viceroy and Desert Sun Mining Corp., each for the year ended December 31, 2005, and other continuous disclosure documents filed by each of Yamana and Viceroy since January 1, 2006 available at [www.sedar.com](http://www.sedar.com), for further information relating to the mineral resources and mineral reserves of Yamana and Viceroy.

# ***Mission Statement***

***Sustainable low cost production of more than 1 million ounces of gold maintaining best practices for mining and in relation to environmental, health and safety compliance.***



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# Disclaimer

## CAUTIONARY NOTE TO U.S. INVESTORS CONCERNING ESTIMATES OF MEASURED, INDICATED AND INFERRED RESOURCES

This news release uses the terms “Measured”, “Indicated” and “Inferred” Resources. United States investors are advised that while such terms are recognized and required by Canadian regulations, the United States Securities and Exchange Commission does not recognize them. “Inferred Mineral Resources” have a great amount of uncertainty as to their existence, and 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 other economic studies. United States investors are cautioned not to assume that all or any part of Measured or Indicated Mineral Resources will ever be converted into Mineral Reserves. United States investors are also cautioned not to assume that all or any part of an Inferred Mineral Resource exists, or is economically or legally mineable.

## CASH COSTS

“Total cash cost” figures for gold production are calculated in accordance with a standard developed by The Gold Institute, which was a worldwide association of suppliers of gold and gold products and included leading North American gold producers. The Gold Institute ceased operations in 2002, but the standard is the accepted standard of reporting cash costs of production in North America. Adoption of the standard is voluntary and the cost measures presented may not be comparable to other similarly titled measures of other companies. Total cash costs include mine site operating costs such as mining, processing, administration, royalties and production taxes, but are exclusive of amortization, reclamation, capital and exploration costs. Yamana has included in its total cash costs underground development costs. These costs are then divided by ounces produced to arrive at the cash operating costs of production. Total cash costs are then divided by ounces produced to arrive at the total cash costs of production. The measure, along with production, is considered to be a key indicator of a company’s ability to generate operating earnings and cash flow from its mining operations. This data is furnished to provide additional information and is a non-GAAP measure. It should not be considered in isolation as a substitute for measures of performance prepared in accordance with GAAP and is not necessarily indicative of operating costs presented under GAAP.