

**GOLD PRODUCTION ABOVE TARGET, COSTS DOWN
STRONG EBITDA FROM BRASILEIRO
UPDATE ON FURTHER DEVELOPMENT PROJECTS**

Yamana Gold Inc. (YRI - TSX) provides an update on operations at its Fazenda Brasileiro mine and Sao Francisco/Sao Vicente project and on other corporate developments.

Fazenda Brasileiro Production

Production at the Fazenda Brasileiro mine has increased significantly from completion of the acquisition of the mine and assumption of operations on August 16, 2003 through to October 31, 2003. In that period, Fazenda Brasileiro has produced 21,950 ounces gold at an average total cash cost of US\$218 per ounce. Total cash costs are well below forecast cash costs of US\$225 to the end of October. Monthly production is as follows.

<u>Month</u>	<u>Ounces</u>
August (13 Days)	3,723
September	8,927
October	<u>9,300</u>
TOTAL	21,950

Annual production at Fazenda Brasileiro is well on track to exceed 100,000 ounces gold as previously announced. Improvements in production and decreases in cash costs per ounce gold are primarily attributable to improved efficiencies and development of underground workings, rationalization of services, operational improvements and contractor reductions.

Recent operational improvements include Yamana's agreement with the local union and employees to operate on a three shift, eight hours per shift basis rather than four shift, six hours per shift basis. Yamana has also further reduced its overall workforce at Fazenda Brasileiro with the elimination of 190 contractors positions and reassignment of 90 of those contractors as employees (for a net workforce reduction of 100 persons). These operational improvements and cost reduction programs have not yet been reflected in the cash costs per ounce reported above, however will be realized in future periods.

Cash costs per ounce gold are expected to be at historical levels of below US\$200 per ounce by Yamana's fiscal year end of February 28.

Yamana has included in its total cash costs underground development costs. Yamana has been accelerating underground development in order to maintain

improved production levels in future periods. At the present time underground development at Fazenda Brasileiro is in excess of 100,000 tonnes of ore drilled and ready for production from three stopes. Underground development is expected to increase to 180,000 tonnes by the end of the year.

Resources at Fazenda Brasileiro remain at levels that are expected to provide a mine life of at least four years before the benefits of continued drilling are realized. Yamana has undertaken an extensive drilling campaign in areas surrounding the underground workings and in satellite deposits in an effort to further increase resources, upgrade resources into reserves and extend the life of mine.

Fazenda Brasileiro Drilling

Since assuming the Fazenda Brasileiro operations on August 16, Yamana has drilled 16,208 meters (200 holes) of infill drilling and 3,717 meters (11 holes) of deeper drilling. Drilling has been focused on the F and G underground orebodies, which are adjacent to the mine, the CE and E-east underground orebodies, which are at or near the level of existing mine workings, and the E-deep zone, which lies beneath the existing mine workings (**a long-section map is posted on Yamana's website for the location of these drilling areas**).

The infill drilling, designed to upgrade the current probable into proven reserves mainly at the G and CE areas, has been successful in replacing ore reserves mined during this period. Of significance is that more than 70 per cent of the 200 infill holes completed to date have been mineralized, hitting at least 1 meter of 1.5 g/t gold, which is the ore cutoff grade used in the mine. Drilling results include 3 meters of 3.03 g/t gold to 14 meters of 6.68 g/t gold and significantly higher grades of 1 meter of 36.95 g/t gold. While further drilling in these areas is planned, these results support the view that reserves and resources in these zones will be upgraded and the mine life based on reserves at the time of purchase of the mine will be extended. Results of the 20 most significant holes are summarized in Table 1.

A further 11 deeper drill holes have been completed to date including holes drilled from the surface as well as from underground workings. Surface holes have targeted the deep extension of the F and G areas. The underground drilling has targeted the E-east and E-deep zones. Assay results have been returned for 8 of the 11 holes and 5 of these intersected significant gold in the F and G areas. Results from these 5 holes include 4 meters of 6.32 g/t gold and 3 meters of 5.19 g/t gold. These 5 holes are summarized in Table 2. These results provide support that the F and G orebodies are larger than originally contemplated and are likely to add to the mine's underground resources. Yamana plans to drill

6,000 additional meters over the next four months with the intention of extending the mine's underground resources to depth and towards the east.

Table 1 - SIGNIFICANT INFILL DRILLING RESULTS, FAZENDA BRASILEIRO MINE

<i>Hole nb.</i>	<i>From m</i>	<i>To m</i>	<i>Width m</i>	<i>Gold g/t</i>	<i>Ore Body</i>	<i>Section</i>
FS-10428	43.80	46.80	3.00	3.62	ER2	91225 E
FS-10492	8.00	12.00	4.00	7.57	ER2	91225 E
FS-10502	14.80	17.80	3.00	13.02	ER2	91275 E
	61.00	63.00	2.00	4.87		
FS-10513	14.90	17.90	3.00	11.65	ER2	91275 E
FS-10146	19.00	22.00	3.00	5.26	F53	88400 E
FS-10348	16.10	19.10	3.00	3.34	F53	88425 E
	23.60	26.60	3.00	8.74		
FS-10349	18.60	23.60	5.00	4.69	F53	88425 E
FS-10351	33.10	39.10	6.00	3.97	F53	88425 E
FS-10378	49.30	52.30	3.00	3.03	F53	88350 E
FS-10382	5.00	16.00	11.00	6.39	F53	88375 E
	4.00	16.00	12.00	5.97		88375 E
FS-10458	14.80	17.80	3.00	4.13	F53	88275 E
FS-10353	43.35	44.35	1.00	7.45	G50	87700 E
	51.35	53.35	2.00	6.13		
FS-10356	103.15	107.15	4.00	5.19	G50	87700 E
	117.15	131.15	14.00	6.68		
	72.15	77.15	5.00	3.65		
	68.15	69.15	1.00	36.95		
FS-10357	35.60	36.60	1.00	11.30	G50	87700 E
	59.60	67.60	8.00	9.96		
FS-10359	77.00	80.00	3.00	3.92	G50	87700 E
	103.00	107.00	4.00	5.90		
FS-10360	20.50	23.50	3.00	4.28	G50	87700 E
FS-10362	21.80	23.80	2.00	4.25	G50	87700 E
	40.80	43.80	3.00	3.35		
FS-10363	26.00	28.00	2.00	5.65	G50	87700 E
	44.00	47.00	3.00	3.67		
FS-10365	76.00	77.00	1.00	30.80	G50	87675 E
	81.00	87.00	6.00	4.05		
FS-10368	63.90	64.90	1.00	57.20	G50	87675 E
	75.90	80.90	5.00	3.16		

Table 2 - SIGNIFICANT DEEPER DRILLING RESULTS, FAZENDA BRASILEIRO MINE

<i>Hole nb.</i>	<i>From m</i>	<i>To m</i>	<i>Width m</i>	<i>Gold g/t</i>	<i>Ore Body</i>	<i>Section</i>
FB-2090	318.70	322.70	4.00	6.32	F	88725 E
FB-2091	346.00	351.00	5.00	2.23	F	88675 E
FB-2101	338.85	339.85	1.00	1.68	F	88825 E
	343.85	345.85	2.00	4.68		
FB-2092	255.00	256.00	1.00	3.95	G	87725 E
	264.00	267.00	3.00	5.09		
	270.00	271.00	1.00	3.84		
FB-2098	253.65	256.65	3.00	4.47	G	87675 E
	262.65	265.65	3.00	5.19		

Itapicuru Regional Exploration

Yamana has also begun an exploration program on its exploration concessions in the western Itapicuru Greenstone Belt which it acquired with the purchase of the Fazenda Brasileiro mine. Initial efforts have focused on Serra Branca located 30 km north of the Fazenda Brasileiro mine. The target, 7km long by 2 km wide, is geologically similar to the mine area, having the same lithologic, metamorphic and structural patterns and is marked by anomalous gold counts and arsenic in soil. A drilling program is planned next year to test this large target.

Sao Francisco/Sao Vicente Mine Plan Update

Yamana has revised its proposed mine plan for the combined São Francisco / São Vicente open pit heap leach project with proposed production beginning at São Francisco rather than São Vicente. The original mine plan contemplated production at São Vicente beginning in 2005 to mine out its existing reserve over a three year period with production at São Francisco beginning in 2006 for an initial 7 year mine life. The company now proposes to start production at São Francisco in 2005 followed by São Vicente in 2006 to improve operational efficiencies. Sao Francisco is the larger of the two projects and the current drilling program is intended to increase its reserves. Construction at São Vicente would coincide with the proposed increase in mine fleet at São Francisco in 2006 with a portion of the fleet used for the push-back in São Vicente. Under this proposed plan, production from the combined project would remain over 830,000 ounces gold for the initial 7 year mine life. Average total cash costs over the life of mine for the combined project and capital expenditure are not expected to increase from estimates in the original plan.

The revised plan would significantly increase total gold production from all operations of the company in 2006 and 2007 including production from Fazenda Brasileiro, Fazenda Nova which is planned to be in production by mid-2004 and the Chapada copper-gold project which is planned to be in production by 2007.

The revised plan would also permit any future ore from the higher grade deeper zones at São Francisco to be processed with the infrastructure that would be built at São Francisco. Yamana previously announced that it had undertaken 15,000 meters of drilling at Sao Francisco and a bulk sample designed to increase reserves for the planned open pit operation and to upgrade the inferred resources in the higher grade deeper zones to reserves. Drilling will begin this month. Prior to this drilling campaign, 19 deep drill holes had been completed with results ranging from 14 meters of 1.86 g/t gold to 8 meters of 10 g/t gold with exceptional grades of 20 meters of 23 g/t gold and 14 meters of 58 g/t gold.

The selection of a contractor to provide an update to the feasibility study for the São Francisco project is now underway. The revised production plan will be evaluated as part of the planned update to the feasibility study. Drilling at São Francisco to increase reserves and evaluate the deeper zone is expected to be completed immediately prior to the production decision at Sao Francisco/Sao Vicente planned for mid-2004.

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From August 16 through to October 31 Fazenda Brasileiro has generated US\$3.5 million EBITDA for Yamana. Overall, Yamana has working capital of over US\$15 million.

Yamana is a Canadian gold producer with significant gold production, gold and copper-gold development stage properties and exploration properties and land positions in all major mineral areas in Brazil. Yamana expects to produce gold at intermediate company production levels by 2006 in addition to significant copper production by 2007. Yamana also holds gold exploration properties in Argentina subject to earn-in by Peruvian gold producers Buenaventura and Hochschild. Company management plans to build on this base by targeting other gold consolidation opportunities in Brazil and elsewhere in Latin America.

For details of the most recent estimate of resources please see the Annual Information Form of Yamana dated October 7, 2003 available at www.sedar.com.

Sampling and assay protocols relating to drilling results at Fazenda Brasileiro are consistent with those described in reports prepared for Yamana under National Instrument 43-101 relating to Fazenda Brasileiro which are available at www.sedar.com.

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