# ENHANCING YAMANA'S POSITION AS A DOMINANT INTERMEDIATE PRECIOUS METALS PRODUCER

## DEFINITIVE AGREEMENT TO SELL CHAPADA

April 15, 2019

YAMANAGOLD | 15 YEARS

# CAUTIONARY NOTE
# REGARDING FORWARD-LOOKING STATEMENTS

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS: This presentation contains or incorporates by reference “forward-looking statements” and “forward-looking information” under applicable Canadian securities legislation within the meaning of the United States Private Securities Litigation Reform Act of 1995. Forward-looking information includes, but is not limited to the Sale Transaction and timing of the closing of the Sale Transaction and the results on the Company’s operations as a result of the Sale Transaction, the timing of the development of the pyrite roaster, the repayment of debt, leverage rations, information with respect to the Company’s strategy, plans or future financial or operating performance, continued advancements at Chapada, Jacobina, Canadian Malartic, Cerro Moro, El Peñón, Minera Florida and Agua Rica, expected production and costs, future work and drilling programs, anticipated timing for the Chapada feasibility study and the pre-feasibility and feasibility studies for the Agua Rica / Alumbrera integrated project and the potential for future additions to mineral resources and mineral reserves. 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 receipt of certain regulatory approvals and consent in connection with the completion of the Sale Transaction, the satisfaction of closing conditions, the Company’s expectations in connection with the 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, changes in national and local government legislation, taxation, controls or regulations and/or changes in the administration or laws, policies and practices, 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, and the Argentine 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, risks related to asset disposition, risks related to metal purchase agreements, risks related to acquisitions, changes in project parameters as plans continue to be refined, changes in project development, construction, production and commissioning time frames, 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 timelines, government regulation and the risk of government expropriation or nationalization of mining operations, risks related to relying on local advisors and consultants in foreign jurisdictions, environmental risks, unanticipated reclamation expenses, risks relating to joint venture operations, title disputes or claims, limitations on insurance coverage and timing and possible outcome of pending and outstanding litigation and labour disputes, risks related to enforcing legal rights in foreign jurisdictions, as well as those risk factors discussed or referred to herein and in the Company's 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.

The Company has included certain non-GAAP financial measures and additional line items or subtotals, which the Company believes that together with measures determined in accordance with IFRS, provide investors with an improved ability to evaluate the underlying performance of the Company. Non-GAAP financial measures do not have any standardized meaning prescribed under IFRS, and therefore they may not be comparable to similar measures employed by other companies. The data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The non-GAAP financial measures included in this presentation include: Free cash flow, net debt to EBITDA, co-product cash costs per ounce of gold and silver produced, co-product cash costs per pound of copper produced, all-in sustaining co-product costs per ounce of gold and silver produced, all-in sustaining by-product costs per ounce of gold and silver produced and all-in sustaining co-product costs per pound of copper produced. Please refer to section 11 of the Company’s current annual Management’s Discussion and Analysis, which is filed on SEDAR and include a detailed discussion of the usefulness of the non-GAAP measures. The Company believes that in addition to conventional measures prepared in accordance with IFRS, the Company and certain investors and analysts use this information to evaluate the Company’s performance. In particular, management uses these measures for internal valuation for the period and to assist with planning and forecasting of future operations.

Qualified Persons

Scientific and technical information contained in this presentation has been reviewed and approved by Sébastien Bernier (Senior Director, Geology and Mineral Resources). Sébastien Bernier is an employee of Yamana Gold Inc. and a "Qualified Person" as defined by Canadian Securities Administrators' National Instrument 43-101 - Standards of Disclosure for Mineral Projects.

The information presented herein was approved by management of Yamana Gold on April 15, 2019.

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

# MANAGEMENT PRESENT ON THE CALL

**Peter Marrone**
Executive Chairman

**Daniel Racine**
President and Chief Executive Officer

**Jason LeBlanc**
Senior Vice President, Finance and Chief Financial Officer

**Gerardo Fernandez**
Senior Vice President, Corporate Development

# WHAT THE BOARD SET OUT TO DO
## STRATEGIC PLAN

- Embark on steps to reposition the Company by meaningfully reducing financial leverage.
- Significantly improve overall financial flexibility to deliver increased shareholder returns and for the pursuit of near-term value maximizing opportunities that are in the portfolio.
- Rebalance the portfolio with a greater concentration of precious metals while still maintaining copper exposure.
- Enhance Yamana's position as a dominant intermediate precious metals producer highlighted by balance sheet strength, a high quality portfolio including scale, scalability, a robust FCF[1] profile and a favorable jurisdictional focus.

**ROBUST BALANCE SHEET, HIGH QUALITY PORTFOLIO, INCREASED DIVIDEND**

1. A non-GAAP measure, additional line item or subtotal. A reconciliation of the IFRS measure to the non-GAAP measure can be found at www.yamana.com/Q42018. Free cash flow (FCF) defined as cash flow from operations less capex (including stockpile movements) and interest payments.

# ANNOUNCES AGREEMENT TO SELL THE CHAPADA MINE
## DELIVERING ON THE STRATEGIC PLAN

- Announces a definitive agreement to sell the wholly-owned Chapada copper-gold mine in Brazil to Lundin Mining Corporation (TSX:LUN).
- Total consideration of over $1.0 billion.
- Provides significant and immediate improvements to the Company's financial flexibility…
- For the optimization of capital across the portfolio, including for the pursuit of other high-return projects.
- For increased shareholder returns.

**SIGNIFICANT AND IMMEDIATE IMPROVEMENTS TO THE BALANCE SHEET**

1. A non-GAAP measure, additional line item or subtotal. A reconciliation of the IFRS measure to the non-GAAP measure can be found at www.yamana.com/Q42018. Free cash flow (FCF) defined as cash flow from operations less capex (including stockpile movements) and interest payments.

# TRANSACTION OVERVIEW
## IMMEDIATE, ADDITIONAL AND CONTINGENT PAYMENTS

- **Immediate consideration:** $800 million cash payable at closing.
- **Additional consideration:** up to $125 million based on the price of gold.
- **Contingent payment:** $100 million cash payment with the development of a pyrite roaster at Chapada.
- **Royalty:** a 2% net smelter return royalty on gold production from Suruca.

TOTAL CONSIDERATION OF OVER $1.0 BILLION

# TRANSACTION OVERVIEW
# VALUE AND OPTIONALITY

## ADDITIONAL CONSIDERATION

- Up to $125 million in additional payments based on the price of gold at levels of $1,350/oz, $1,400/oz, and $1,450/oz over the five-year period from the closing of the transaction.

## SURUCA[1]

- Gold-only project 7km NE of Chapada.
- Oxide zone forecast to produce 50k oz/year for first 5 years.
- Underlying sulphide zone contains 762k oz 2P[2] mineral reserves and 1,382k oz[2] M&I mineral resources and open for expansion.
- Production potential from the sulphide zone is projected to range between 120,000 and 150,000 oz/year.

## PYRITE ROASTER

- Advancing technical studies.
- Preliminary analyses show the potential for attractive returns driven by power generation, the production of sulphuric acid that would be saleable in Brazil, and metal recovery improvements for copper and gold.

**OPPORTUNITIES TO MONETIZE THE ADDITIONAL AND CONTINGENT PAYMENTS AS WELL AS THE SURUCA ROYALTY**

1. See Technical Report on the Chapada mine, Goias State, Brazil dated March21, 2018.
2. As of December 31, 2018, further details including tonnes and grade are presented in the Company's press release issued on February 14, 2019. Suruca sulphide 2P gold (43Mt @ 0.56 g/t), M&I gold (90Mt @ 0.54 g/t).

# TRANSACTION OVERVIEW
## ADDITIONAL DETAILS

- The Sale Transaction was the end result of a process that included direct discussions with several possible purchasers.
- The Board obtained separate opinions from two investment banks that the consideration to be received by Yamana in the transaction was fair from a financial point of view to Yamana(1).
- The Sale Transaction is subject to customary regulatory and third party approvals and is expected to close in the third quarter of 2019.
- Total consideration exceeds the current carrying value for Chapada. Consequently, the Company expects to report a significant after-tax gain on closing of the transaction.

**EXPECTED TO CLOSE IN THE THIRD QUARTER OF 2019**

(1) As of the date of such opinions. The opinions were based on and subject to the assumptions made, procedures followed, matters considered and limitations and qualifications on the review undertaken as more fully described in such opinions.

# STRATEGIC RATIONALE AND THE BENEFITS



## OVERVIEW

| | |
|---|---|
| **Immediate Leverage Reduction** | • Significant deleveraging benefits highlighted by a decline in ND/EBITDA[1,2] to 1.5x from 2.5x.<br>• Contingent payments provide opportunities for further reductions. |
| **Planned Debt Repayments** | • Repayment of the outstanding revolving credit facility.<br>• Followed by the repayment of near and medium-term fixed term debt maturities. |
| **Improved Financial Flexibility** | • Significant and immediate improvement in overall financial flexibility.<br>• Allowing for the pursuit of near-term value maximizing opportunities that are in the portfolio and increased shareholder returns. |
| **Multi-Year Outlook for FCF** | • Robust FCF and continued balance sheet improvements.<br>• ND/EBITDA[1,2] forecasted to decline to 1.0x at year-end 2021. |
| **Increased Shareholder Returns** | • Announcing an initial doubling of the annual dividend to $0.04/share.<br>• Further dividend increases being evaluated with FCF generation. |
| **Rebalanced Portfolio** | • Pro forma production platform comprised of five high quality mines in the Americas with an increased revenue contribution from precious metals.<br>• Maintaining significant long reserve-life copper exposure through Agua Rica. |

**A DOMINANT INTERMEDIATE PRECIOUS METALS PRODUCER**

1. A non-GAAP measure, additional line item or subtotal. A reconciliation of the IFRS measure to the non-GAAP measure can be found at www.yamana.com/Q42018. Net debt to trailing 12-months EBITDA. EBIITDA forecasts assume current metal prices and exchange rates.
2. See Cautionary Note Regarding Forward-Looking Information.

# STRATEGIC RATIONALE
# PRIORITIZING CAPITAL ALLOCATION

| In millions of $ | 2019E | 2020E | 2021E | 2022E | 2023E | 2024E | 2025E |
|---|---|---|---|---|---|---|---|
| **Yamana's Development Plan for Chapada - Capex Profile** | | | | | | | |
| Phase 1 Plant Optimization | $9 | | | | | | |
| Phase 2 Plant Expansion | | | $140 | | | | |
| Phase 3 Pit Wall Pushback – Sucupira | | | | | | $100 | |

**Based on Yamana's current 5-year outlook for Chapada:**

- Substantial capital is required just to maintain gold production.
- The capital and redirection of cash flows towards Chapada limits opportunities for increased shareholder returns…
- … while also limiting the Company's ability to allocate capital to other high-return, near-term projects in the portfolio.

**IMPROVED DISTRIBUTION OF CAPITAL ACROSS THE PORTFOLIO**

# FINANCIAL FLEXIBILITY
# INTERNAL GROWTH OPPORTUNITIES[1]

**Organic opportunities identified to grow higher-margin production by more than 150,000 gold-equivalent ounces**

## Jacobina

Two scenarios are being evaluated to expand production beyond 150,000 oz/year:

- ❑ Mill optimization to 6,500 tpd to achieve 165k to 170k oz/year;
- ❑ Increase in the plant capacity to 8,000 - 8,500 tpd, which would further significantly increase production.

## Cerro Moro

Aggressive drill program is planned for 2019 to test major structures.

- ❑ An increase in mineral reserves would unlock opportunities to expand the plant; and
- ❑ Support construction of a power line, which would benefit operating costs.

## Canadian Malartic (50%)

Evaluating underground opportunities for the Odyssey and East Malartic deposits.

- ❑ Preliminary studies show the potential to increase production by 150k oz/year (100% basis) with project costs and economics are under evaluation.

## Agua Rica

Integration agreement with Alumbrera reduces project complexity & environmental footprint.

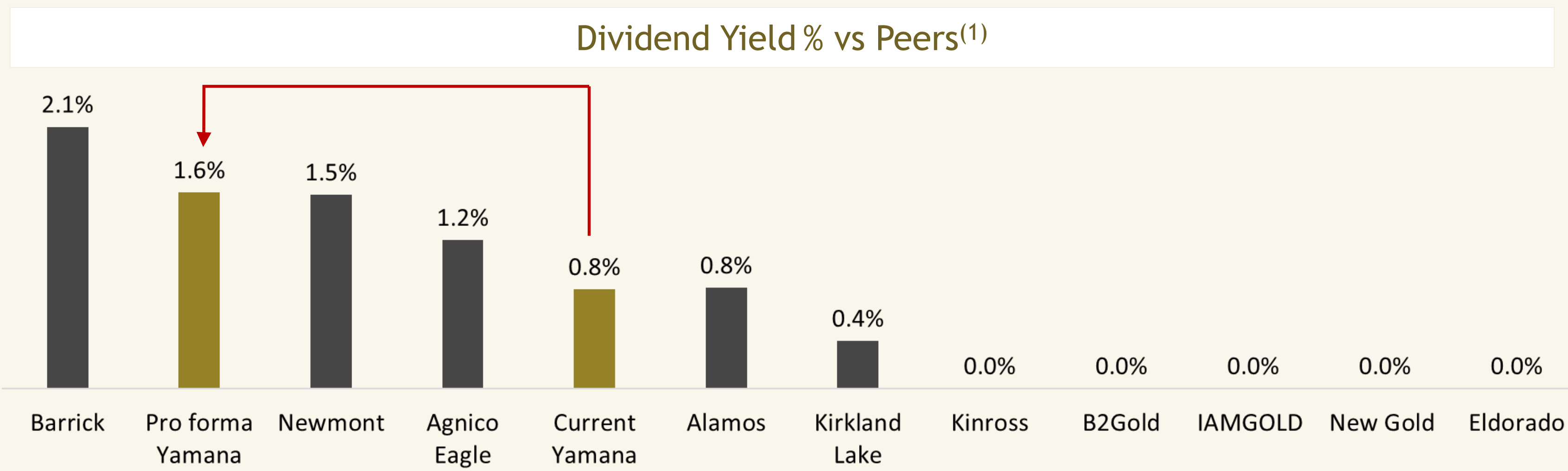
- ❑ Preliminary studies indicate avg production of 236,000 tonnes/year of Cu-equivalent metal[2] for the first 10 years of the 25-year mine life.

**Targeting after-tax returns on internal projects of >15%**

1. See Cautionary Note Regarding Forward-Looking Information.
2. *Copper equivalent metal includes copper with gold, molybdenum, and silver converted to copper-equivalent metal based on the following metal price assumptions: US$6,614/tonne for copper, US$1,250/oz for gold, US$24,250/tonne for molybdenum, and US$18/oz for silver.*

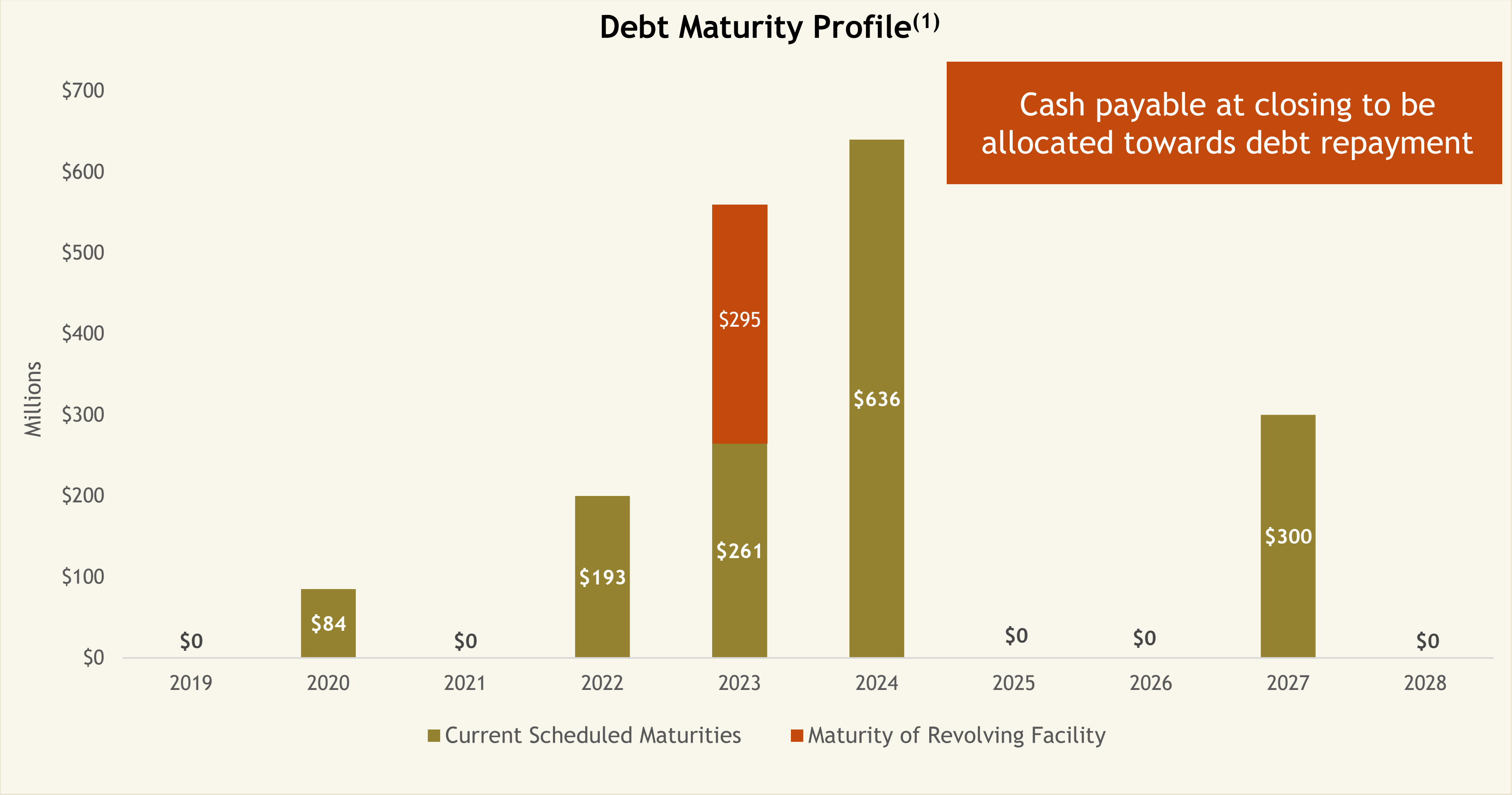
# FINANCIAL FLEXIBILITY
## ENHANCED SHAREHOLDER RETURNS THROUGH DIVIDEND

- Immediate doubling of the annual dividend to $0.04/share from the current $0.02/share, subject to completion of the Sale Transaction.
- Current dividend of $0.02/share yields 0.8%.
- Pro forma dividend of $0.04/share to yield 1.6%.
- Progressive dividend increases being evaluated as debt repaid from cash flow and through asset monetizations.




1. Source: FactSet as of April 12, 2019

# FINANCIAL FLEXIBILITY
# ACCELERATING DEBT REPAYMENTS

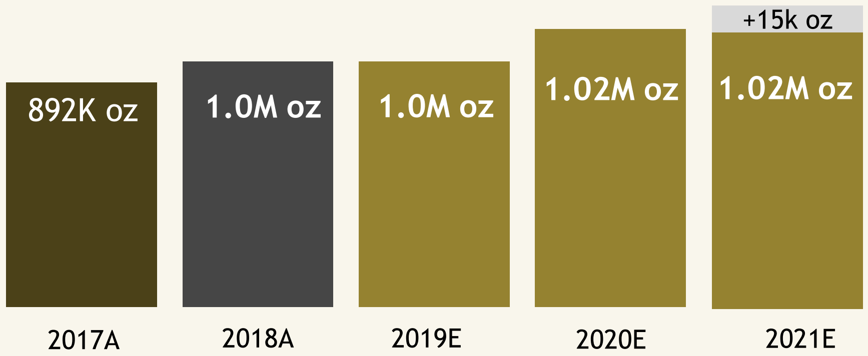



**EARLY RETIREMENT OF DEBT TO DELIVER ANNUALIZED INTEREST SAVINGS >$35M**

1. Maturity Profile as at December 31, 2018

# PRO FORMA OUTLOOK
# PRODUCTION, CAPEX AND LEVERAGE

## GEO Production Profile [1,3,5]



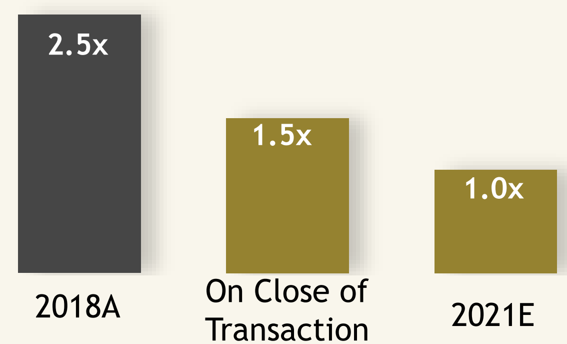

Additionally, opportunities at existing operations to increase production by 150k GEO/year (+15%)

## Pro Forma Capital Expenditures to Step Lower

*(assuming closing in the third quarter of 2019)*

- 2019 unit costs excluding Chapada expected to be within the previously provided cost ranges
- Sustaining capex to decrease by $15M to $20M
- Low-grade stockpiling costs to decrease by $25M to $33M
- Expansionary capex to decrease by $2M to $11M
- Corporate DD&A to decrease by $25M to $450M
- Annualized corporate exploration expenditures to increase by up to $20M/year through the guidance period

## Significantly Improved Balance Sheet ND/EBITDA Profile [4,5,6]




**Guidance for production and unit cost to be updated on closing of the Sale Transaction.**

1. Gold equivalent ounces ("GEO") include gold plus silver at a ratio of 79.6:1 and 82.5:1 for the full year 2018 and the 2019-2021 guidance period, respectively.
2. Excluding the Gualcamayo mine which was sold in 2018, includes pre-commercial production of 8,625 gold ounces from Cerro Moro. Includes pre-commercial production of 333,878 silver ounces from Cerro Moro.
3. A non-GAAP measure, additional line item or subtotal. A reconciliation of the IFRS measure to the non-GAAP measure can be found at www.yamana.com/Q42018.
4. See Cautionary Note Regarding Forward Looking Information.
5. Net debt to trailing 12-months EBITDA. EBIITDA forecasts assume current metal prices and exchange rates.
6. See Press Release from February 14, 2019, entitled "Yamana Gold Provides 2019-2021 Outlook" for guidance.

# UPCOMING FREE CASH FLOW GENERATION
# DELIVERING VALUE WITH DISCIPLINED CAPITAL ALLOCATION

**Free Cash Flow**

**Further Portfolio Optimization Opportunities**

- Asset monetizations with the objective of maximizing returns
- Future opportunities include the additional consideration for Chapada, interest in Agua Rica, interest in Leagold

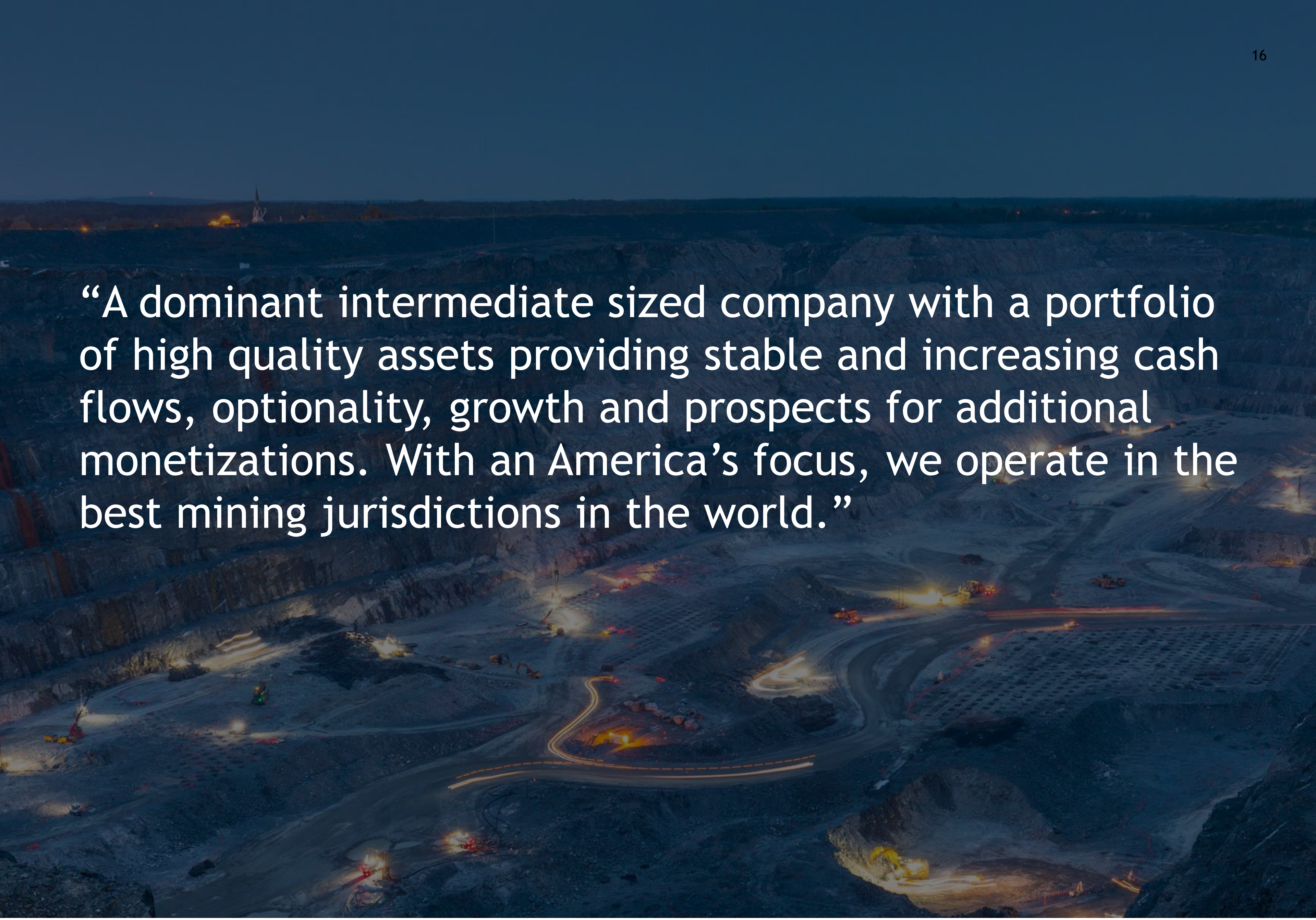
**Managing Leverage**

**Internal Investments**

**M&A**

**Returning Capital to Shareholders**

**FINANCIAL FLEXIBILITY IS A CORE VALUE AND OF STRATEGIC IMPORTANCE**


"A dominant intermediate sized company with a portfolio of high quality assets providing stable and increasing cash flows, optionality, growth and prospects for additional monetizations. With an America's focus, we operate in the best mining jurisdictions in the world."