



Yamana Gold Inc. is a Canadian-based gold producer with significant gold production, gold development stage properties, exploration properties, and land positions in Brazil, Argentina, Chile, Mexico and Colombia. Yamana plans to continue to build on this base through existing operating mine expansions, throughput increases, development of new mines, the advancement of its exploration properties and by targeting other gold consolidation opportunities in the Americas.

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Yamana at a Glance



Yamana's mission is to produce precious metals, create value for all stakeholders, uphold top health, safety and environmental standards and provide employees and communities with sustainable socio-economic development.

Yamana Gold Inc. is a Canadian-based publicly traded gold producer engaged in gold mining and related activities including exploration, extraction, processing and reclamation.

Yamana has significant properties involved in gold and other precious metals production, development, exploration and land positions throughout the Americas including Brazil, Chile, Argentina, Mexico and Colombia.

Yamana plans to continue to build on this base through existing operating mine expansions, throughput increases, development of new mines, the advancement of its exploration properties and by targeting other gold consolidation opportunities in the Americas.

At the end of 2009, Yamana had seven mines in commercial production (including a 12.5 percent indirect interest in the Alumbrera mine), three immediate development stage projects, intermediate development stage projects, additional value enhancing projects and a robust exploration portfolio.

Principal Products

The Company's principal product is gold, with the sale of gold accounting for the majority of revenues. There is a worldwide commodities market into which Yamana sells its precious metals and therefore the Company does not rely solely on one purchaser. Yamana sells its gold directly to large investment dealers at the spot market price.

The Company began producing gold-copper concentrate in 2007 at its Chapada mine, which has significantly added to the revenues and cash flows generated from its gold production. Yamana has contracts with a number of smelters, refineries and copper trading companies to sell its copper-gold concentrate.

Nature of Ownership

Yamana was continued under the *Canada Business Corporations Act* on February 7, 1995. Yamana is listed on the Toronto Stock Exchange (Symbol: YRI), the New York Stock Exchange (Symbol: AUY) and the London Stock Exchange (Symbol: YAU).

Stakeholders

Our stakeholders include shareholders, the investment community, employees, contractors, suppliers, local community members, regulators, and government and non-government organizations.

Stakeholder engagement is ongoing on a local and corporate level. Yamana is committed to effective stakeholder engagement which can take many different forms including investor presentations, community relations, meetings with local business groups and government officials, and employee conference calls. The reasonable expectations and interests of stakeholders are a key reference point for many decisions in the preparation of this report.

Changes During Reporting Period

June 2009: Yamana announced the sale of three non-core assets—San Andrés in Honduras and São Francisco and São Vicente in Brazil. This was part of a previously stated philosophy of focusing on core mines and properties.

During 2009, there were no other significant changes regarding the Company's size, structure, or ownership.

Message from the CEO



Dear Stakeholders,

Our objective in 2009 was to create greater consistency and reliability at our operations with sustainable precious metals production at low cash costs. We set forth to establish a sustainable production level of approximately 1.1 million gold equivalent ounces initially, which would represent an increase of 20 percent from 2008 levels, as we also undertook the construction of new mines and advanced additional projects that are expected to ultimately increase that sustainable production level over the next few years. As we prepare for our next wave of growth we maintain a strong strategic focus on corporate social responsibility.

We adhere to four key corporate commitments: sustainable production, stability of jurisdictions, disciplined growth and industry low cash costs. Of these, the most important

commitment we make is to sustainable production. It should be inherent that longer term reliability in and consistency of operations requires adherence to best practices and international standards for health and safety, environmental protection and maintenance of community relations. We recognize that sustainable production requires earning one's social license, committing to environmental responsibility and creating strong community relationships and support systems. We recognize that the creation of local livelihood both during mining and afterwards is an important business principle.

The manner in which we define and deal with sustainability, as an industry, is increasingly broadening. Energy management, water quality and availability, in addition to quality of life, are increasingly important issues when considering sustainability. We plan for these issues as part of our mine development and operations and incorporate them as embedded components. Amongst our efforts in supporting the communities in which we operate, we place priority on safety, health, environmental protection, community relations and local livelihood and we integrate these initiatives into our operations on a daily basis.

Yamana has an integrated management system for safety, health,

We recognize that sustainable production requires earning one's social license, committing to environmental responsibility and creating strong community relationships and support systems.

environment, community relations and social responsibility, which involves risk assessment, identification of all legal and contractual requirements, definition of company objectives and targets. The system also includes procedures to ensure that Yamana operates in compliance with its policies and management programs. This system was developed based on best practices and international standards: ISO 14001:2004 Environmental Management System, OHSAS 18001:1999 Occupational Health and Safety Management System, SA 8000 Social Accountability and the International Cyanide Management Code. Each operation is working towards successfully and fully implementing the Yamana Management System.

In 2009, two of our Brazilian operations—Jacobina and Chapada —received ISO 14001 certification for Environmental Management. Currently, five of our six wholly owned operating mines have this certification and we expect our sixth mine, Gualcamayo, which began production in 2009, to be certified in 2010. Our Fazenda Brasileiro mine received OHSAS 18001 certification for Occupational Health and Safety Management this year and our Minera Florida mine in Chile was previously certified. We are progressing with this certification at all our other operations in 2010 and 2011. Each operation using sodium cyanide must

comply with the requirements of the International Cyanide Management Code and is working towards obtaining full certification by 2011.

It is our goal to consistently reduce the consumption of all natural resources. Our consumption reduction efforts last year were successful, resulting in year-over-year reductions in energy, diesel and water consumption and solid waste generation. In 2010 and in the years to follow, we will strive for further reductions at each operation as we develop new environmental programs and implement innovative technologies.

We believe in the importance of providing a safe work environment for all employees and make every effort to meet a zero accident target by implementing rigorous training programs, enforcing strict policies and procedures and adhering to regulatory requirements for health and safety. This year we reduced our injury frequency and severity rates from the previous year, and we will continue to prudently devote resources to effect improvements in this regard.

Yamana operates in communities throughout the Americas. Whenever possible we work with local suppliers, hire local employees and seek to enhance the quality of life within local communities. We are committed to creating realistic sustainable economic development programs and work with

community representatives to gain insight into where to invest resources. In 2009, some of the community initiatives we undertook included flu and other vaccination clinics, the donation of medical diagnostics equipment to local hospitals, health education campaigns, entrepreneurial development programs, a local hospital renovation, the contribution of computers and supplies to community schools and the donation of machinery to resident farmers. This year's programs focused on employment and income generation and, in 2010, we will concentrate on enhancing education within these communities.

As a dominant intermediate mining company, we have a responsibility to all our stakeholders to build and adhere to strong sustainability programs. In the years to come, we plan to continue to invest time and resources to build upon and strengthen our existing program.

Peter Marrone

Chairman and Chief Executive Officer

Financial Highlights

Contributing Economic Value

\$2.6M	Direct Community Investments	In 2009, Yamana's operations contributed \$2.6 million to programs focused on improving the quality of life in the communities surrounding our operations.
\$612,843	Corporate Donations and Sponsorship	In addition to direct community investments Yamana made corporate contributions of \$612,843 in support of a variety of different organizations.
\$91.Ом	Support to Local Governments	Yamana pays taxes and royalties in the communities in which we operate. In 2009, Yamana paid a total of \$91 million to local governments.
\$29.4M	Shareholder Value	In 2009, Yamana paid a total of \$29.4 million in dividends to shareholders.

For additional information about our 2009 financial and operating performance, please see the 2009 Yamana Gold Annual Report available at www.yamana.com/Investors/FinancialCorporateReports.

We remain committed to sustainable production, cost containment and margin growth, which is reflected in our strong financial performance allowing us to deliver continued growth in revenues, adjusted earnings, mine operating earnings and cash flow.



*Note: All figures are from continuing operations. Mine operating earnings, adjusted earnings, cash flows from operations before changes in non-cash working capital, gross margins and cash costs per GEO are non-GAAP measures. Reconciliations of non-GAAP measures are located in section 6 of the MD&A.

2009 Highlights

- Total production from all mines of approximately 1.026 million gold equivalent ounces
- Industry low cash costs* of \$170 per gold equivalent ounce provided significant margin growth
- Record revenue, mine operating earnings, adjusted earnings and cash flow
- Declared commercial production at new mine Gualcamayo—production exceeded guidance by 20 percent and cash costs were significantly better than expected
- Made construction decisions on three development stage projects: C1 Santa Luz, Mercedes and Ernesto/Pau-a-Pique

Assets at a Glance

Producing Mines



Development Stage Projects Immediate

C1 Santa Luz	Mercedes	Ernesto/Pau-A-Pique
Brazil	Mexico	Brazil
Ownership 100%	Ownership	Ownership
Estimated production start 2012	Estimated production start	Estimated production start 2012

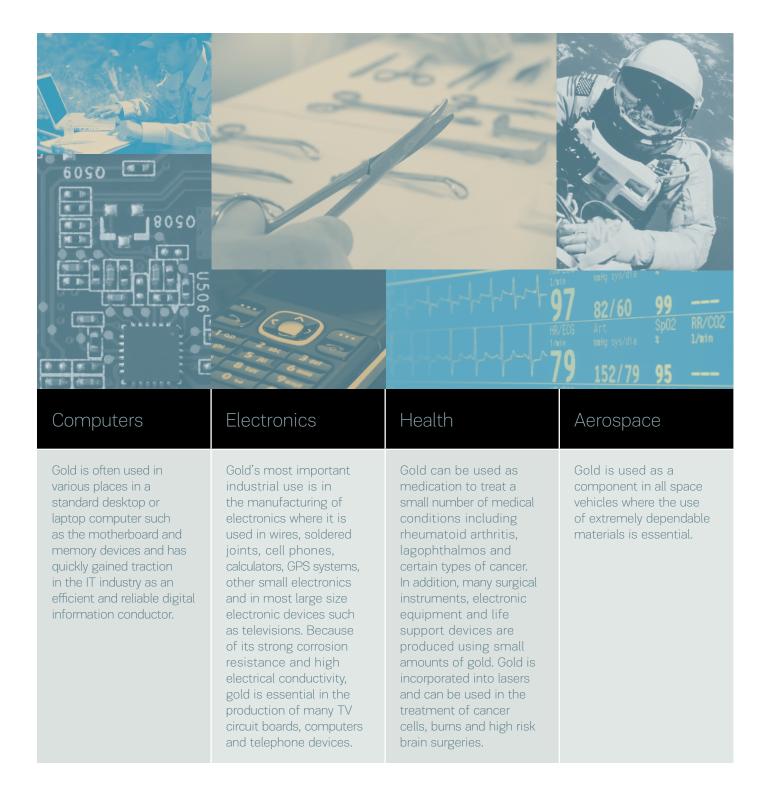


Intermediate Value Enhancing

QDD Lower West	Pilar	Caiamar	Agua Rica
Argentina			Argentina
Ownership	Ownership	Ownership	Ownership 100%
Feasibility study	Feasibility study	Mineral resource estimate 2010	Updating feasibility study

Gold and its Applications





The Mining Life Cycle

Yamana's long-term commitment to sustainability encompasses all aspects of the Mining Life Cycle, from exploration to decommissioning, focusing on operating in a socially and environmentally conscious manner for the betterment of local communities.



	OBJECTIVES	KEY ACTIVITIES	RESPONSIBILITIES
1 Exploration	Explore areas that indicate the occurrence of ore. Includes prospecting, sampling, mapping and diamond drilling which help to determine the existence of the mineral deposit and to quantify it.	Regional geologic mapping and detailing to select and define targets, data assessment, aerial and land geophysical surveys, geochemical sampling and probing.	Exploration team (geologists and technical geology personnel).
2 Feasibility & Development	Feasibility and development work is performed to determine the economic viability of a potential mine and opening up the mineral deposit in preparation for mining. Another important step is the arrangement of the financing required to build the mine. This step typically runs in parallel with the latter half of the feasibility and development stage.	Additional probing, metallurgical studies, geotechnical and environmental studies, engineering and risk assessment. In the event of positive results, the definition of a project for the mine, Environmental Impact Statement, Environmental Impact Assessment, public hearings and environmental licenses.	Multidisciplinary teams conduct mineral surveys, technical services and SHEC (Safety, Health, Environment and Community) initiatives. Specialized professionals including mining engineers, safety engineers, forestry engineers, biologists, ecologists, agronomists, archaeologists, geologists and community relations specialists are involved in this phase.
3 Construction & Commissioning	Develop the mine and the necessary infrastructure to begin operations.	Project engineering, risk assessment, opening of the mine, overburden and waste rock removal, office construction, electrical installations, construction of the processing plant, tailings dam and a water collection system, in addition to environmental licensing of the operation. Main objectives during the commissioning phase include equipment delivery and installation and operations training. The goal is to achieve the expected production in the shortest time frame possible.	Project teams include construction and operations with support from SHEC teams.
4 Production	Process raw materials and extract the ore.	Extraction of the ore and waste rock, grinding, milling, separation of gold and byproducts from other minerals, casting of gold ingots, filtration of copper concentrate and sales.	Production team including mine, plant, maintenance management, administrative management and support from occupational health and SHEC teams.
5 Decommissioning	Environmental restoration of the mining site.	Restoration of the mine site after mining activity has ceased. Reclamation of the slopes around the mine, dismantling of the industrial area, reclamation of the tailings dam, reforestation, environmental monitoring, equipment sales and reallocation of employees.	Operations, technical services and SHEC teams.



GRI supports a report model that fosters transparency and reliability, promoting balance among economic, social and environmental data—the tripod of sustainability. In addition, GRI facilitates accountability through organizations providing stakeholders with a universally applicable, comparable framework from which to understand disclosed information.

Yamana's 2009 Sustainability Report is the Company's second sustainability report to be published based on the Global Reporting Initiative (GRI), an international entity and large multi-stakeholder network of thousands of experts, in dozens of countries worldwide including companies, institutions and nongovernmental organizations.

This report adopts a format which is in adherence with the most recent version reviewed by GRI in 2006, the G3 version. Yamana has been publishing annual sustainability reports since 2006. Prior to 2008, Yamana's reports were based on the quantitative indicators of the Social Balance—the IBASE model (Brazilian Institution of Social and Economic Analysis and the Ethos Institute of Social Responsibility).

The last report was published in the second half of 2009 and contained data from the year ending December 31, 2008. No restatement of information provided in earlier reports was necessary.

The current report provides information on sustainability practices developed by Yamana for the year ending December 31, 2009 at the Company's operations in Brazil, Chile and Argentina. Yamana has addressed a full range of

economic, environmental and social indicators at all of its 100 percent-owned operations. This approach to reporting ensures an accurate portrayal of the Company's performance.

The content of the report was defined based on the GRI performance indicators selected and the themes considered relevant by the Company. Regarding the application levels considered by GRI, Yamana elected to follow the report criteria for the Application Level C. Since this reporting process is new, the Company concluded that it would be most effective to respond to a smaller number of performance indicators to ensure a more consistent level of reporting. Level C is compatible with the number of indicators addressed in this report.

The decision to adopt GRI's reporting standards reflects Yamana's ongoing commitment to sustainability.

The alphabetical index on pages 48 to 50 indicates which page each GRI indicator is addressed. This report was published in three languages: English, Portuguese and Spanish.

In addition to providing an overview of Yamana's social, economic and environmental initiatives, this report seeks to maintain an open dialogue with all Yamana stakeholders.

The GRI reporting framework documents used to develop this report can be found at www.globalreporting.org/Home.

Corporate Governance

Corporate Structure

The Board of Directors is responsible for the general supervision of Yamana's Corporate Governance and recognizes the importance of corporate governance to the effective management of the Company and the protection of its employees and shareholders.

The Company's approach to significant issues of corporate governance is designed with a view of ensuring that Yamana's business and affairs are effectively managed so as to enhance shareholder value.

The Company's corporate governance practices have been designed to be in compliance with applicable Canadian, United States and United Kingdom legal requirements and best practices. The Company continues to monitor developments in Canada, the United States, and the United Kingdom with a view to keeping its governance policies and practices current.

Yamana has corporate governance practices that comply with applicable standards of the stock exchanges on which it is listed.

Yamana's Board is comprised of eleven members including the chair. Nine out of eleven of Yamana's Board members are independent and/or non-executive members. Peter Marrone, chairman and chief executive officer, founded Yamana as president and chief executive officer in July 2003 and was appointed chairman of Yamana in May 2007.

Our stakeholders, including the investment community, shareholders, employees, contractors, suppliers, local community members and governments, are engaged through the Board's timely disclosure and confidentiality policy which ensures that Yamana and all persons to whom the policy applies meet obligations under the provisions of securities laws and stock exchange rules by establishing a process for the timely disclosure of all material information. Yamana has a corporate disclosure committee which is responsible for the implementation of this policy.

Committees of the Board

The Board has the following four standing committees:

Audit Committee

The Audit Committee provides assistance to the Board in fulfilling its financial reporting and control responsibilities to the shareholders of the Company and the investment community. The external auditors of the Company report directly to the Audit Committee.

Compensation Committee

The Compensation Committee, which is composed entirely of independent directors, among other things, may determine appropriate compensation for the Company's directors, officers and employees. Appropriate compensation is determined through periodic and annual reports from the Compensation Committee on the Company's overall compensation and benefits philosophies.

Corporate Governance and Nominating Committee

This committee is responsible for annually reviewing the Board's relationship with management to ensure that the Board is able to, and in fact does, function independently of management; develop and recommend to the Board for approval a long-term plan for Board composition that takes into consideration the independence of directors, competencies and skills for the Board as a whole; retirement dates, the appropriate size of the Board with a view to facilitate effective decision making and strategic direction of the Company; develop and implement a process to handle any director nominees who are recommended by security holders; periodically review the Board Manual by which the Board will operate and the terms of reference for the Board; and annually review the directors' compensation program and make any recommendations to the Board for approval.

Sustainability Committee

The Board also has a Sustainability Committee to assist in the oversight of sustainability, environmental, health and safety matters, including monitoring the implementation and management of the Company's policies, procedures and practices relating to sustainability, environmental, health and safety matters.

To view Yamana's Board and committee charters, ethics policy, corporate governance practices as well as how they compare to the NYSE standards, please visit www.yamana. com/Governance. More information can also be found in Yamana's 2009 Management Information Circular.

Corporate Codes and Ethics

The Board has adopted a Code of Business Conduct and Ethics (the "Code of Ethics") for its directors, officers and employees. The Board encourages and promotes an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations in all jurisdictions in which the Company conducts business; providing guidance to directors, officers and employees to help them recognize and deal with ethical issues; promoting a culture of open communication, honesty and accountability; and ensuring awareness of disciplinary action for violations of ethical business conduct.

Yamana's Code of Ethics has been in existence since 2006 and acts as a governing law to protect the rights of share-holders and employees. All Yamana employees are required to sign a term of commitment in which they acknowledge familiarity with the terms of the Code of Ethics.

Employees are also obligated to adhere to the Timely Disclosure and Confidentiality Policy and Insider Trading Policy. These policies incorporate the rules on trading and dealings in securities including applicable securities legislation and the rules of the Toronto Stock Exchange. The company completes its package of ethical guidelines and corporate governance with policies to protect employees from ethical misconduct, regardless of the position they hold.

Yamana has established a toll-free compliance hotline and website to allow for anonymous reporting of any suspected Code of Ethics violations, including concerns regarding accounting, internal controls over financial reporting or other auditing matters. Direct queries can also be made to the Chair of the Audit Committee.

Principles and Guidelines

The Code of Ethics has nine principles:

- 1. Conflicts of Interest—Employees, officers and directors of the Company shall avoid situations where their personal interest could conflict with, or even appear to conflict with, the interests of the Company and its shareholders. In the event that any potential conflict of interest arises involving an employee or an officer, the individual involved must immediately notify the Chief Executive Officer in writing and no further action may be taken unless by the Chief Executive Officer. In the event that any potential conflict of interest arises involving a director, the individual must immediately notify the Lead Director of the Board of Directors and the Chairman and Chief Executive Officer or, in the case of a conflict involving the Lead Director of the Board, the Chairman of the Corporate Governance Committee and the Chairman and Chief Executive Officer, in writing and no further action may be taken unless authorized by the Lead Director of the Board or the Chairman of the Corporation Governance Committee, as applicable, and the Chairman and Chief Executive Officer.
- 2. Dealing with Suppliers and Service Providers—All purchases of goods and services by the Company will be made exclusively on the basis of price, quality, service and suitability to the Company's needs. Employees, officers and directors are prohibited from accepting gifts of money or receiving any type of personal kickbacks, rebates or other "under-the-table" payments. Employees, officers and directors may accept unsolicited non-monetary gifts provided they are appropriate and customary client development gifts for the industry.
- 3. Dealing with Public Officials—No employee shall make any form of payment, direct or indirect, to any public official as inducement to procuring or keeping business or having a law or regulation enacted, defeated, or violated or obtaining a license or permit.
- 4. Equal Opportunity—There shall be no discrimination against any employee or applicant because of race, religion, color, sex, sexual orientation, age, national or ethnic origin, or physical handicap (unless demands of the position are prohibitive). The Company will maintain a work environment free of discriminatory practice of any kind.

- 5. Health, Safety and Environmental Protection—The Company is committed to managing and operating its assets in a manner that is protective of human health and safety and the environment. It is the Company's policy to comply, in all material respects, with applicable health, safety and environmental laws and regulations. It is the duty of each employee, officer and director to ensure compliance with the goal of protecting human health and safety and the environment and to report violations immediately in compliance with the Whistleblower Policy.
- 6. Use of Agents—Agents or other non-employees cannot be used to circumvent the law or to engage in practices that run contrary to this Code.
- 7. Compliance with Applicable Laws—The Company and its employees, officers and directors shall endeavour to comply with all applicable governmental laws, rules and regulations, including those relating to foreign corrupt practices. Employees, officers and directors operating outside of Canada have a special responsibility to know and obey the laws and regulations of countries where they act for the Company and to conduct themselves in accordance with local business practices. The Company recognizes that laws, regulations, business practices and customs vary throughout the world and that, in certain cases, may be different from laws, regulations, business practices and customs in Canada.

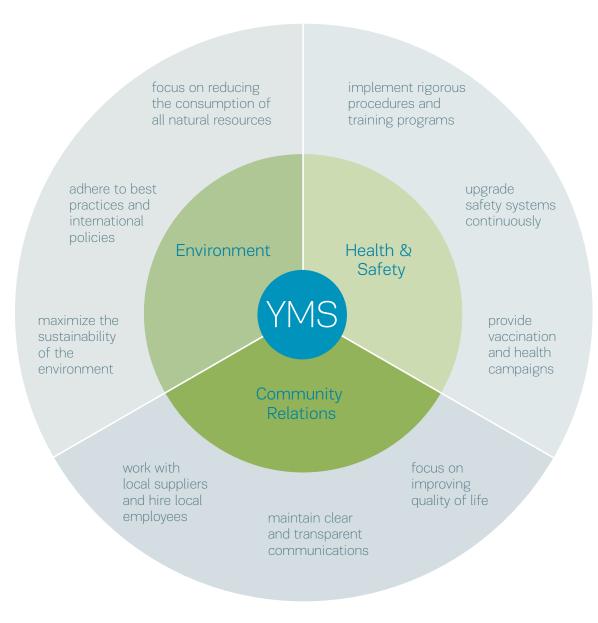
- 8. Accounting and Disclosure Policies—The Company and each of its subsidiaries will make and keep books, records and accounts, which in reasonable detail, accurately and fairly present the transaction and disposition of the assets of the Company.
 - The Company has an obligation to provide full, fair, accurate, timely and understandable disclosure in reports and documents that the Company files with or submits to securities regulators or other governmental entities and no director, officer or employee shall act in any manner that is contrary to such obligation.
 - It is an important element of good business practice for all employees, directors and officers to cause proper care to be taken to ensure that all books and records of the Company and audits are properly completed.
- 9. Discipline for Noncompliance with this Code— Violations of this Code by a director, officer or employee are grounds for disciplinary action. All directors, officers and employees must understand that it is a condition of employment and appointment that they comply with the provisions of the Code. The Code endeavours to codify good governance practices and, in addition, to any application of applicable laws. Violations of the Code must be reported in compliance with the Company's Whistleblower Policy.

The Safety, Health and Environmental Principles of Yamana

1	To employ best practices in our activities and products to mitigate environmental impacts and health and safety risks while adhering to applicable environmental, health and safety laws and legislation.
2	To continue to develop and use more efficient and safer technology that maximizes environmental protection.
3	To train, educate and motivate employees and contractors to execute their tasks and duties in a safe and environmentally responsible manner.
4	To foster a healthy and safe working environment—the responsibility of all employees.
5	To establish and continuously review environmental, health and safety objectives and goals, and to work and consult with stakeholders and communities to ensure we are meeting those objectives.
6	To make recommendations to our suppliers and contractors on environmental management, health and safety policies, and sustainability with the consideration and input of stakeholders.
7	To build and operate facilities according to applicable international standards for environmental management and compliance.

The Yamana Management System (YMS)

Since beginning operations in 2003, Yamana has been aware of the challenges and risks associated with mining. The Company's focus on the environment and health and safety of every employee at each of its operations motivated the creation of the Safety, Health, Environment and Community department (SHEC). The mission of the SHEC department is to define strategies for the company to increasingly reach operational efficiency, while maintaining excellence in SHEC performance.



In 2006, the SHEC department developed the Yamana Management System (YMS)—a corporate integrated management system for safety, health, environment and community relations which involves risk assessment, identification of all legal and contractual requirements, definition of company objectives and targets, and includes procedures to ensure that Yamana operates in compliance with its policies and management programs. This system was developed based on best practices and international standards—ISO 14001 Environmental Management System, OHSAS 18001 Occupational Health and Safety Management System, SA 8000 Social Accountability Standard and the International Cyanide Management Code. This system also helps to define corporate goals related to the reduction of natural resource consumption, zero accident targets and certifications.

As the Company continues to grow, it seeks a stronger strategic focus on safety, health, environment and community relations. To address this focus, the SHEC executive board and audit management was created in 2009 with the purpose of ensuring that all YMS goals and targets are achieved using the newly implemented internal and third-party audits to verify the level of compliance.

In 2009, the Company focused efforts on further implementing the Yamana Management System across all operations. Progress was made at all operations, demonstrating the Company's commitment to creating a safe and healthy workplace that respects the environment and the communities in which our operations are located.

The goal of 100 percent implementation is in place for all operations, development and exploration projects. As a result, Yamana has heavily invested in the training and organizational awareness of its employees in regard to the use of this system.

YMS Revitalization

To reinforce the substantial efforts made in implementing YMS, Yamana developed the YMS Revitalization Program to re-emphasize the Company's commitment to SHEC. The program, which was formed in 2008, was implemented in 2009 and featured a set day simultaneously at each operation to promote health, safety and respect for the environment.

Safety, Health, Environment and Community (SHEC) Committee

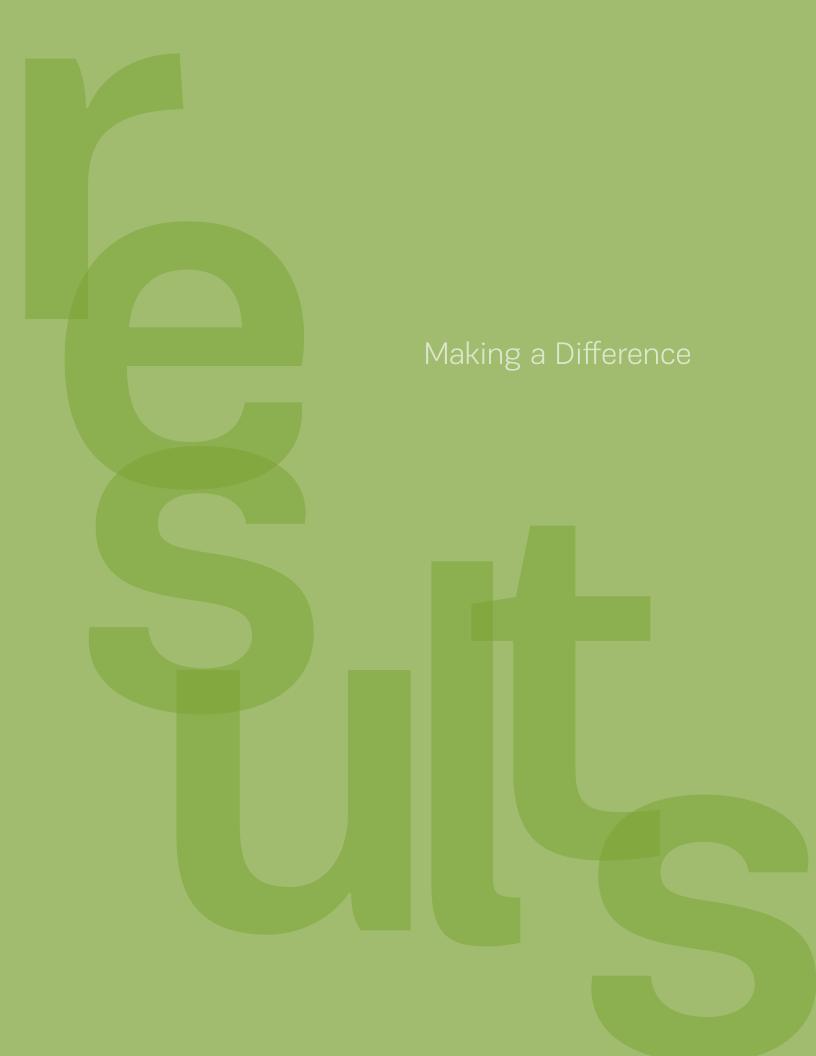
In 2009, Yamana established a SHEC Corporate Committee chaired by the Company's President, with participation from the CFO, country managers and operation teams. This committee meets once a month to discuss each operation's performance in relation to safety, health, environment, community relations and other operational practices. The goal of this committee is to measure the effectiveness and performance of our sustainability programs.

YMS Audit System

In mid-2009, the SHEC Corporate Audit System was created with the purpose of auditing the level of implementation and compliance with the Yamana SHEC Management System at each site. As part of this system, the Company has initiated bi-annual audits at all operations. Development stage projects will be included in the corporate audit program in the second quarter of 2010. Following each audit, action plans are generated and reviewed monthly by the SHEC Corporate audit manager. At the end of 2009, the first auditing cycle was completed and integrated company, wide with the involvement of level and integrated company, wide with the involvement of level.

At the end of 2009, the first auditing cycle was completed and integrated company-wide, with the involvement of key leaders. In addition, the audit system seeks to motivate and educate employees, promote the exchange of information and standardize best common SHEC practices. The follow-up audits and second cycle will start in the first half of 2010.

The benefit of having a specific audit system in place is that the suggested improvements from each action plan can be discussed internally, and solutions generated and synergized across all operations.



Our core focus is sustainability and longevity. This includes economic development, community relations, health and safety, and environmental compliance and awareness. In early 2009, Yamana was added to the Jantzi Social Index ("JSI"). Companies included in the JSI must pass a set of broadly based environmental, social and governance criteria. Inclusion in this index is a testament to the Company's social, environmental, health and safety management programs which are considered by JSI to be above average.

Direct community investments	In 2009, Yamana's operations contributed \$2.6 million to programs focused on community development and improving the quality of life in the communities surrounding our operations.
Corporate donations and sponsorship	In addition to direct community investments, Yamana made corporate contributions of \$612,843 in support of a variety of different organizations.
Support to local governments	Yamana pays taxes and royalties in the communities in which we operate. In 2009, Yamana paid a total of \$91 million to local governments.

Key Achievements by Mine

Chapada

El Peñón

Gualcamayo







Open Doors Program: hosted 15 community mine visits Integration Day services rendered: 20,062



Partnership Seminars Program: 10 community projects supported

· A Christmas play was performed in the communities surrounding the Chapada mine, attracting an audience of approximately 2,700 people and bringing the community together for a special holiday celebration



Open Doors Program: hosted 7 community mine visits

• In partnership with the province of Antofagasta, El Peñón hosted various activities as part of the province's "Taltal" anniversary. Festivities included a piano concert and an opera that was attended by an audience of approximately 15,000 people

Community



Open Doors Program: hosted 20 community mine visits



Partnership Seminars Program: 8 community projects supported

• Supported the Guandacol Indigenous Community Project as part of the first Partnership Seminar in Argentina. This project focused on employment and income generation by providing the recipients with a textile machine and the raw materials needed to produce various handmade items including clothing

Environment

- Received ISO 14001 certification for Environmental Management System
- A new waste management and recycling program was introduced improving the mine's environmental performance

Environment

- Focused on reducing energy and water consumption
- Improved and upgraded equipment, adopted new technologies and increased employee awareness through a solid waste management campaign
- · Implemented several water treatment and water quality control systems

Environment

- Installed an innovative sprinkler system to minimize dust at and around the mine
- Implemented the solid waste management system

Health & Safety



Safety Interactions performed: 13,152

• Implemented an internal IT program to record safety interactions

Health & Safety



Safety Interactions performed: 23,731

- Made progress towards obtaining certification of full compliance with the International Cyanide Management Code
- Implemented an emergency air rescue system and evacuation process
- Installed a speed monitoring system to enforce speed limits and safe driving

Health & Safety



Safety Interactions performed: 7,324

- Installed a speed monitoring system on the mine's roads to enforce speed limits and safe driving
- Opened a health club to improve the physical and mental well-being of employees

Jacobina

Minera Florida

Fazenda Brasileiro







Community



Open Doors Program: hosted 12 community mine visits Integration Day services rendered: 24,781



Partnership Seminars Program: 12 community projects supported

• Purchased equipment for a local hospital



Open Doors Program: hosted 6 community mine visits



Partnership Seminars Program: 4 community projects supported, benefiting approximately 840 members of the community in the areas of education, culture and sports

42,300



Open Doors Program: hosted 19 community mine visits Integration Day Services Rendered:



Partnership Seminars Program: 11 community projects supported

Environment

- Received ISO 14001 certification for Environmental Management System
- Received new tailings dam operating licence from the Bahia State **Environmental Agency**
- Inaugurated the Jacobina Environmental Complex which houses a solid waste segregation facility, seedling nursery, organic compost preparation station and sewage treatment plant

Environment

- Improved the Solid Waste Management Plan
- Focused on the reforestation of the Chilean Wine Palm—300,000 seedlings produced and planted

- Reduced hazardous waste generation by 50 tonnes compared to 2008
- Produced over 50,000 native tree seedlings used for land reclamation around the mine site

Health & Safety



Safety Interactions performed: 16,358

- Made progress towards obtaining certification of full compliance with the International Cyanide Management Code
- · Constructed safe rooms in the underground mines

Health & Safety



Safety Interactions performed: 6,545

• Made progress towards obtaining certification of full compliance with the International Cyanide Management Code

Health & Safety



Safety Interactions performed: 7,834

- Received OHSAS 18001 certification for Occupational Health and Safety Management
- Made progress towards obtaining certification of full compliance with the International Cyanide Management Code





Environment

Yamana's goal is to focus on continuous reduction in the consumption of all natural resources. Our consumption reduction efforts over the past year were successful resulting in impressive year-over-year reductions in total energy, water and diesel consumption and solid waste generation.

Key Achievements

ISO 14001 Certification	In 2009, two of Yamana's operating mines in Brazil—Chapada and Jacobina—obtained ISO 14001:2004 certification. As at the end of the year, only the Gualcamayo mine in Argentina has not completed the certification process as it began operations in 2009. In 2010, Gualcamayo is expected to implement the Yamana Management System with the goal of obtaining ISO 14001 certification.
Water and Tailings Dam Management System	The Water and Tailings Dam Management System was implemented at all operations to enforce the monitoring and monthly assessment of dam stability.
Jacobina Environmental Complex	The Jacobina Environmental Complex was constructed and consists of a solid waste segregation facility, seedling nursery, organic compost preparation station and sewage treatment plant.
Water Quality and Control	Various water treatment and quality control initiatives were implemented at El Peñón.
Solid Waste Management	The Solid Waste Management Plan at Minera Florida was successfully improved.

Renewable Energy Use In 2009, the consumption of total energy (diesel + electricity) was 38 percent renewable vs. 62 percent of non-renewable energy. Non-renewable energy increased slightly year-over-year due to the start-up of the Gualcamayo mine in Argentina. Excluding the addition of Gualcamayo, our other mines showed strong results, especially those in Brazil which use mostly hydraulic power that can be considered 100 percent renewable.

Environmental Performance

Electricity	Diesel	Solid Wastes	Water
Reduction from 2008	Reduction from 2008	Reduction from 2008	Reduction from 2008
↓13%	↓9%	↓11%	↓2%
Consumption—Energy/Ore Plant Feed (MWh/kton)	Consumption—Diesel/Total Mined (L/kton)	Generation—Waste/Total Mined (Kg/kton)	Consumption—Water/Ore Plant Feed (m ³ /kton)
08 16	08 605	08 104	08 1 360 09 353
In 2009, electricity consumption was 13 percent lower than in 2008, as a result of consumption reduction programs implemented at all Yamana operations.	Similar to electricity consumption, diesel consumption was reduced by 9 percent in 2009 due to reduction initiatives implemented at Yamana's operations. The main sources of energy used by Yamana are diesel—used for transportation, machinery and equipment—and electric power, used in processing plants, underground mines, workshops and offices.	Yamana's Solid Waste Management Program was designed to promote separation, storage and safe transportation and disposal of waste and was introduced at all operations in 2008. Through this program, solid waste is safely separated and stored in a temporary waste warehouse at the mine site before being collected by a qualified company to recycle, process or dispose of it adequately in licensed waste deposits. Most of the organic waste is transformed into fertilizer through a composting process and helps in the recovery process by fertilizing seedlings.	Water is an essential part of the mining process and therefore Yamana is constantly investing in the research of new technologies and processes to increase water recycling and reduce consumption. Each mine makes a significant effort to recycle water and, as a result, in 2009, approximately 81 percent of the water used in our mining process was recycled. The water consumed by the Company is generally sourced from rivers, reservoirs, wells or underground mines and is also accumulated from rainwater in the tailings dams.



Protecting Biodiversity

Each operation is committed to protecting the environment and has developed various initiatives to preserve biodiversity in surrounding areas. All operations are periodically monitored by specialized professionals starting from the project's feasibility stage.

Although Yamana does not operate in protected areas, Yamana has two mines adjacent to protected areas or areas that are rich in biodiversity: Jacobina in Brazil and Minera Florida in Chile. Potential risks or environmental impacts as a result of Yamana's operations are minimized with specific action plans and initiatives, such as air and water quality control and the rationalization of deforestation. At Yamana,

business and operational decisions are guided by the concern for our environment. Every project we work on has a direct connection with the environment, and every business decision incorporates and assesses Yamana's environmental impact in a specific region.

Yamana is committed to a public/private sector program called Biodiversity Preservation in Cantillana Chile and is focused on the reforestation of the Chilean Wine Palm which once covered the area. Since the beginning of the project, nearly 300,000 seedlings have been produced and planted. Yamana's goal is to plant an additional 700 hectares over the next 10 years.

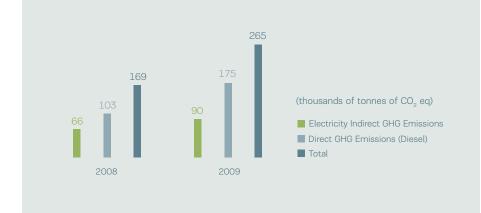
Development Based on Environmental Responsibility

Yamana's environmental policy is incorporated into all aspects of the mining process, from the exploration stage to decommissioning. The Company's environmental impact assessment, analysis and management of risks and environmental monitoring and control are all part of the Yamana Management System.

In 2009, three of the Company's development stage projects in Brazil—Pilar, Ernesto/Pau-a-Pique and C1 Santa Luz—underwent public hearings as part of the first phase of

obtaining their environmental licensing. The Environmental Agency responsible for licensing conducts these hearings to see if the surrounding community is supportive of potential new projects. Environmental and social impacts of the projects, which are identified by the monitoring process, risk analysis and specific studies conducted during the Environmental Impact Assessment were discussed in these public community meetings. In each case the communities were found to be supportive of the new projects.

Greenhouse Gas (GHG) Emissions



Yamana's Air Monitoring Program measures the amount of particles generated in the mining process and seeks to minimize it.

In 2009, greenhouse gas (GHG) emissions were 56 percent higher than in 2008, as a result of increased production and the start-up of new operations.

In 2010, Yamana will focus on improving its GHG emissions inventory and defining a program to mitigate GHG emissions.

Processes to Achieve Results

The Water and Tailings Dam Management System

The Water and Tailings Dam Management System was implemented at all operations in 2009. This system enforces the monitoring and monthly assessment of dam stability in addition to establishing operating procedures and implementing disclosure and information guidelines. To reduce health, safety and environmental risks the Company complies with international standards for dam safety.

Safety, Health, Environment and Community (SHEC) Database

In order to organize and exchange SHEC information between operations, Yamana developed the SHEC Internet Portal to help gather information regarding health, safety, the environment and communities.

Information is compiled from each operation on a monthly basis and allows for accurate SHEC data analysis.

International Cyanide Code

Cyanide has been used as a method of gold extraction since the 1890s and is currently used in over 90 percent of gold mines worldwide.

Beginning in September 2008, when Yamana became a signatory of the International Cyanide Management Code (ICMC), the Company's operations and development stage projects established strict operating controls to protect employees, the environment and local communities from the potential negative effects of cyanide.

As a signatory of the ICMC, an initiative that promotes the safe management of this substance in order to avoid contamination during transportation, unloading, storing and handling, Yamana's operating units were subject to an external audit to obtain certification of compliance with the code. Yamana has achieved the substantial compliance level. Yamana's objective is for all operations to obtain full compliance certification by 2011.

With Yamana's encouragement, all the Company's suppliers have also become signatories of the ICMC and obtained certifications for their production and transportation process.

By abiding by the ICMC's standards, all operations are focused on avoiding cyanide-related incidents and, in the rare event such an incident occurs, they are equipped to react promptly to ensure there is no damage to the environment, the health of our employees or to the local communities.

An example demonstrating the importance of complying with the ICMC is the installation of an emergency basin in the event of an overflow.

The Yamana Management System provides the necessary tools to prevent accidents and a guide to deal with them when they do occur. YMS also establishes operating procedures, regular equipment checks, and emergency protocols at each of the Company's operations. In the event of an emergency, Yamana follows best practices in crisis management and emergency response as part of YMS.





Health & Safety

Creating a safe work environment is the most important aspect of the commitment and pledge we make to each and every employee.

Safety

Yamana has rigorous procedures in place to manage health and safety protocols and continues to make investments to enhance safety at all operations. We strive to go beyond compliance and ensure the prevention of accidents at our sites through the implementation of best practices in health and safety management. The overall health and safety of our employees is vital to our success and we actively assign resources to effect improvements in this regard.

As part of the Yamana Management System, Yamana has created health and safety committees, risk management tools, safety inspections, safety interactions and daily safety dialogues with workers that help the Company to prevent accidents. All incidents, whether resulting in work leave or not, are registered by the Company.

Each mine has a SHEC committee comprised of the operation's management team. The committees receive input from the president of Internal Commission for Accident Prevention (CIPA) on how to improve health and safety programs. In addition to the creation of the SHEC Corporate Committees in

2009, the Company created the YMS Day, in which members of the committees spend a day at each mine to speak to employees promoting the importance of health, safety and environmental issues.

In 2009, Yamana enlisted a world-renowned consulting firm, SBVS Mining Engineering Inc., to conduct an inspection of each underground mine. The inspections helped to verify the efficiency of existing controls and procedures, enabling the creation of action plans and new initiatives to enhance the safety and rock mechanics of the underground mines. The Company plans to implement a new evaluation program in 2010 in which each mine will be evaluated on a quarterly basis.

Another initiative implemented this year was the establishment of an emergency assistance program at El Peñón. Aerial medical rescues using helicopters and expert medical teams will be used in the event of an emergency or serious accident at the mine.

Yamana Energy Lockout/Tagout System

The energy lockout/tagout system is an important safety standard used by Yamana's employees. This procedure is implemented across all operations and identifies high voltage energy circuits and their respective lockout point. Each employee has a personalized lock and tag to prevent the use of equipment during maintenance procedures and ensure safety when handling dangerous equipment.



Yamana's Safety Programs

Safety Interactions	This program encourages management to approach employees to reinforce safety measures. The objective is to gain each employee's commitment to conduct all operating activities safely. In 2009, Yamana conducted 99,852 safety interactions. Corrective action is enforced by each SHEC Committee when safety issues ensue resulting in significantly lower reported incident levels.
Daily Safety Dialogue	Prior to the start of a day's work, safety dialogues are conducted at all operations and cover specific topics related to health, safety and environmental guidelines.
Registration of Safety Occurrence	This program requires employees at all operations to register potentially dangerous situations with management. Each report is reviewed and solutions are implemented to avoid any future safety issues.
P.E.A.C.E.	P.E.A.C.E. is a safety tool that enables each employee to analyze a task in order to execute it safely, and it is an acronym for Think, Study, Analyze, Correct and Execute in Portuguese. This tool reinforces the five key actions employees should take when assessing a potential risky situation.



2009 Health Campaigns

Campaign	Total
Flu vaccination campaign	01
H1N1 information campaign	03
Tetanus vaccination campaign	03
Yellow fever vaccination campaign	02
Hepatitis B vaccination campaign	02
Measles and rubella vaccination campaign	02
Diabetes education and control	02
Arterial hypertension control	02
STD/AIDS prevention	04
Dengue fever education campaign	03
Body Mass Index (BMI) control	01
Anti-smoking campaign	02
Anti-alcoholism campaign	02
TOTAL	29

Health

In 2009, each operation conducted health campaigns to educate and raise awareness among employees and community members on issues such as STDs/AIDS, smoking, excessive alcohol consumption, blood pressure control, obesity, hepatitis, diabetes and the importance of a healthy diet. Flu vaccination clinics and Information Campaigns were also conducted at our operations. To help prevent the H1N1 flu, Information Campaigns were held. A total of 29 health campaigns were conducted in 2009.

In order to improve the quality of life for our employees, the Gualcamayo mine provides fitness centres to promote healthy living and exercise. This is especially important at operations which are far from urban centres. Last year, the Gualcamayo mine opened a health club to promote a balanced lifestyle amongst employees and a nutritionist provided a nutrition and exercise program for all interested employees. Health campaigns were also initiated at the mine and provided education on topics including diabetes, hypertension and obesity. As a result of these initiatives, at the end of the year Gualcamayo's employees had reduced the number of medical appointments related to hypertension and obesity by 40 percent.



Employee Training Programs

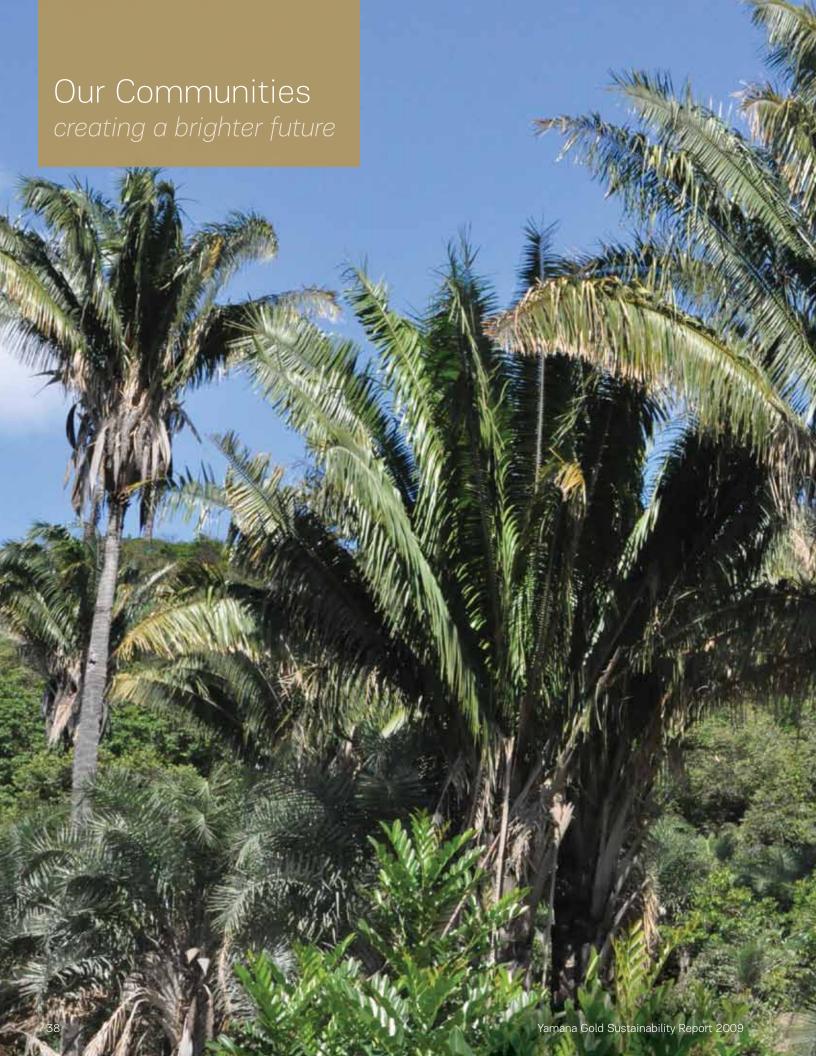
All Yamana direct employees and contractors receive equal training. When hiring contractors, the Company has established several guidelines to ensure these employees comply with all corporate policies and standards.

New employees receive a 24 to 30 hour mandatory introductory training course. The purpose of the course is to educate employees on the potential risks associated with mining and to provide job-specific training for each role. For example, employees involved in exploration are often required to drive 4x4 vehicles and, as part of their course, receive training and education on safe driving, which has helped to significantly reduce the number of vehicle-related accidents at our operations. The training courses are defined by each operation and include mandatory training guidelines based on YMS criteria and the requirements of local government and associations.

Health and Safety Performance

Health and safety continues to be a top priority at each of Yamana's operations. Yamana reports Lost Time Injury Frequency Rate (LTIFR) and Lost Time Injury Severity Rate (LTISR) at each mine and strives to meet a zero accident target. In 2009, the LTIFR decreased by 20 percent from the previous year and in 2010 the Company is working towards an additional decrease of 50 percent. Our LTISR also decreased year-over-year. There were two fatalities amongst Yamana's employees.

Each of the incidents was investigated by Senior Management and the Board of Directors was immediately notified. We continue to look for ways to improve our health and safety performance with the goal of providing a safe work environment for all employees.





Our Communities

Yamana takes an active interest in the well-being of the communities surrounding our operations. We share the same air and soil, work with local suppliers, hire local employees and build relationships in the regions in which we operate. Yamana provides various sustainable economic development programs within the communities surrounding our operations.

Key Achievements

Pediatric Ward Renovation and School Donation	At El Peñón, Yamana donated funds to renovate the pediatric ward of a local hospital and donated computers, games and other school materials to a school in Taltal benefiting approximately 18,396 community members.
Entrepreneur Support Program	In Brazil, Yamana commenced an entrepreneur support program in partnership with the SEBRAE (Small Entrepreneurs National Support Services) of each region. Through this program, the Company offered business courses and training to local entrepreneurs promoting economic stability and assisting 258 representatives of 71 social institutions. In 2010, the Company plans to implement this initiative in local communities in Argentina and Chile.
Beekeeper Co-operative Enterprise	At Minera Florida, Yamana provided the Alhué Beekeeper Co-operative Enterprise with financial support for the construction of a processing room for organic honey which employs 23 local families. This investment allowed the beekeepers to obtain quality certification for their organic honey thereby increasing their income. In addition, the new processing room can be rented out to other beekeepers, resulting in income for 200 other families within the community.

Before beginning a new project the Company meets with community leaders, government representatives and stakeholders to identify community expectations and needs. We listen to and value input from community members, embrace the rich local cultural and economic opportunities and, as a result, our community relations are incredibly strong.

Yamana Community Programs at a Glance:





Partnership Seminars



Open Doors Program



Partnership Seminars are conducted in the communities surrounding our mines. As part of this program, Yamana accepts proposals from local establishments to support education, environmental, cultural, economic, and health projects and provides 70 percent of project financing. This program allocates resources to the selected projects with the purpose of improving the quality of life and creating sustainability within the local communities.

In 2009, the third year of the program's existence, Yamana hosted 13 Partnerships Seminars and selected 66 community projects focused on employment and income generation benefiting 71,000 people in Brazil, Argentina and Chile.

Local communities are constantly monitored for feedback to help Yamana prioritize the proposed projects by determining which projects will be most beneficial to the community.

Partnership Seminar Highlights:

- As part of the first Partnership Seminar in Argentina, the Gualcamayo mine supported the Guandacol Indigenous Community Project which focused on employment and income generation. Recipients were provided with a textile machine and the raw materials needed to produce various handmade items, including clothing, which they are able to sell for a profit.
- At Minera Florida, four Partnership Seminars were supported, benefiting approximately 840 people in the areas of education, culture, sports and entertainment. Minera Florida is also working with the Chilean Neighborhood Association to construct a large community park which is expected to be completed in the second half of 2010.
- As part of the Partnership Seminar Program at the Jacobina mine in Brazil, financing and machinery were given to local farmers to enable them to process babassu coconuts. This created 50 direct employment opportunities and indirectly benefited 200 people.

This program aims to establish, in a clear and transparent manner, better communication between Yamana and the local communities. Employees and their families, students, mining association members and community representatives visit our mines to learn more about the Company's vision, values, safety procedures and environmental management programs.

The program commenced at Chapada and Jacobina in 2007 and was spread to all operations in 2008. In 2009, Yamana hosted 99 visits, introducing more than 2,000 people to mining and our operations.

During each mine visit, the local community is offered an information session where they are educated on the gold production process, the end buyers and uses of gold, environmental monitoring and initiatives, community relations and health and safety procedures at each mine.

Open Dialogue

The Yamana Management System (YMS) encourages each operation to maintain open communication channels with the local communities including all public agencies, research and education institutions, community associations, environmentalists, unions, local suppliers and businessmen. As part of YMS, Yamana selected a communications representative at each operation to facilitate dialogue with these organizations. The communications representative receives feedback from the community, conveys it internally and concentrates on maintaining open communication channels.

Social Perception Surveys

To ensure our initiatives are effective and support the future of each community, Yamana conducts community surveys to gather feedback and generate new ideas on how to better contribute to local cultural, health, educationa and business needs. In 2009, various social surveys were conducted at our operations in Brazil. After reviewing the results, a sustainability plan was developed for the next two years with an emphasis on income generation and economic development and a strong focus on education. In 2010, a follow-up survey will be conducted to determine the success of this plan to date. At the end of 2009, the social survey process began at Minera Florida and Gualcamayo. This process is expected to be completed at the beginning of 2010 and will help these mines to better plan their future sustainability initiatives.

Integration Program



Yamana believes it is important to establish culturebuilding initiatives within our local communities. Many of the communities surrounding our operations are in remote locations far from urban centres with limited access to cultural events.

To help create a brighter future, Yamana developed and implemented the Integration Program at each Brazilian operation in 2008. The Integration Program has four

modules with specific actions in health, environment, community and family. Within the program is a day called the Integration Day in which Yamana volunteers make a variety of services available to local communities in partnership with the government and private sector. Services and seminars offered are focused on improving the quality of life in surrounding communities. This program promotes and provides services focused on family, community, health and the environment. In order to plan activities for each Integration Day, Yamana solicits feedback from the local community in these four areas and develops a program based on the feedback received. In 2009, 2,288 opinion surveys were conducted within the local communities and, in its second year of existence, Yamana's Integration Day provided approximately 117,809 services to local communities, an increase of

The Integration Team at each operation is comprised of a SHEC leader and approximately ten employees from all different areas of the operation. Each team is responsible for planning the activities of their Integration Day.

As part of the environmental portion of the program, Yamana held "Environment Week" at all mine sites in Brazil in 2009. Community participants were able to join an ecological walk, visit the operations through the Open Doors Program and attend environmental education classes which covered topics including waste collection, recycling and decommissioning activities after mining has ceased. The Theatre Group called "Cleaning the Eye" presented a play entitled "The Odyssey of Nature" which used circus techniques and special effects to raise environmental awareness.

cultural events. Cultural Initiatives Supported in 2009:

Cultural Initiatives

- The El Peñón mine in Chile hosted a variety of cultural events in celebration of the province of Taltal's anniversary.
 Festivities included a piano concert and opera performance attended by an audience of approximately 15,000 people.
- In Brazil, through incentives from the Rouanet Law, a Brazilian law that encourages cultural investments, Yamana hosted theatre plays, a circus performance and movie screenings for an audience of more than 42,000 people.
- Yamana supported a travelling culture show that featured theatre plays, circus shows, evening concerts, dance festivals and educational activities for the teachers and students of public schools in seven municipalities of the Brazilian states of Bahia, Goiás and Mato Grosso. The show was attended by approximately 15,500 people, most of whom have never been to a movie theatre before.
- The Chapada mine in Brazil supported a theatre group which presented plays emphasizing environmental conservation. The plays were viewed by an audience of approximately 7,500 people.
- The communities surrounding the Jacobina, Fazenda Brasileiro and Chapada mines in addition to the C1 Santa Luz, Pilar and Ernesto/Pau-a-Pique development stage projects enjoyed Christmas plays attracting an audience of 18,500 people—a 78 percent increase from 2008.

100 percent from 2008.

Yamana's Employees the foundation for our success

Quality people are the foundation for Yamana's continued success. At every opportunity, we strive to create a safe environment that encourages innovation, manages change, and nurtures development—pillars to help Yamana succeed in our long-term social and business goals and objectives.

Yamana embraces diversity, creates an inclusive work environment and strives to improve the quality of life for our employees and surrounding communities. Yamana has a "Quality of Life" program that offers employees access to a variety of initiatives including seminars, counseling, exercise classes and vaccination programs, which exemplifies the investment we have made in our employees. This program has been extremely successful at our operations in Brazil and was implemented at our operations and development projects in Argentina, Chile and Mexico in 2009.

In 2006, Yamana created a human resources policy which includes guidelines detailing the Company's principles and values. A consistent theme among these guidelines is the importance of respect and equality for all employees.

Yamana seeks to attract talent through competitive compensation, benefits and the opportunity for career development and growth. In order to retain the best employees, our human resources department has invested in various professional development tools including Evaluation Based on Skills (EBS) and the Leadership Development Program (LDP).

EBS is the formal way in which the Company measures the performance of each employee based on their skill set. This evaluation is divided into four parts:

- 1. Self evaluation
- 2. Management evaluation
- 3. Peer feedback and preparation of the Individual Development Plan (IDP)
- 4. Implementation of IDP

LDP was implemented to promote specific training for employees in leadership positions. Within LDP, Yamana began the Leadership Development Module (LDM) with the purpose of improving and aligning the knowledge and management techniques of employees at all levels across operations. LDM focuses on enhancing communication skills, project management skills, corporate entrepreneurship and increasing employee confidence as well as highlighting studies focused on organizational routine, leadership behaviour, employee and labour union legislation and team building techniques. In 2009, over 230 employees in leadership positions participated in training programs focused on management. Key topics included planning, cost management, problem analysis and decision making. In addition, the Company offers various educational and incentive programs including annual training programs, language courses, and high school and higher education scholarships. The Company has agreements with a variety of educational institutions and offers educational aid to employees of all levels. In 2009, over 350 employees received educational assistance in Brazil, representing nearly 9 percent of total employees. The Gualcamayo mine in Argentina offers summer courses and an internship program in partnership with various universities and the Minera Florida mine in Chile offers employees financial assistance towards their children's education by providing \$300 per student.

In 2009, Yamana had approximately 3,800 direct employees and 5,500 contract employees, distributed among operations and corporate offices. Every two years the company conducts an Organizational Environment Survey, an important tool that allows employees to provide management with feedback regarding the perception of the company and potential areas of improvement. In 2009, Yamana's mission, vision and values were disseminated across all operations in order to standardize goals and motivate employees.

Yamana Employees Worldwide



Social Programs—Promoting Community Service

Yamana encourages employee involvement in community services and volunteer programs. Through the creation of committees, we monitor the needs of the communities surrounding our operations in order to design relevant social programs.

Warm Clothing Campaign	This program was created to provide clothing and other assistance to underprivileged members of our local communities during the cold winter months. In 2009, Yamana's employees collected and donated 5,770 items of clothing through the Warm Clothing Campaign.
Christmas Without Hunger	An annual drive during the holiday season to collect food, clothing and toys to distribute to families in need. This year, the Christmas Without Hunger Campaign collected over 10 tonnes of non-perishable food items, double the amount collected last year, helping hundreds of families in our local communities.
Responding to Needs	In addition, the Company encourages employees to get involved in or create other community service initiatives based on need. These initiatives have been increasingly successful and have benefited many members of the community. It is Yamana's goal to continue to double the amount of clothing, food and toys donated year after year.

Suppliers

incentives to development

By doing business with local suppliers, Yamana seeks to contribute to the economic, social and environmental development of the communities surrounding our operations.

Yamana's relationship with its suppliers is based on ethics and transparency. The Company's code of ethical conduct establishes guidelines that guarantee the terms of agreements between suppliers and the Company are met, specifically as they relate to health, safety and environmental standards, as well as local economic development.

In order to contribute to the social and economic growth of the regions where Yamana operates, we promote the economic development of local suppliers. In 2009, 91 percent of suppliers for Brazilian operations were based in Brazil, 99 percent of suppliers for Chilean operations were based in Chile and 86 percent of suppliers for Argentine operations were based in Argentina. Of the 91 percent of Brazilian suppliers, 20 percent were locally based contracts in municipalities surrounding our operations, representing a 5 percent increase when compared to 2008. Local purchases amounted to 18 percent of Chile's total purchases, and less than half a percent of Argentina's total purchases.

Every year we seek to increase the participation of local suppliers in the supply chain, barring challenges in the qualification process for specific services which require specialized standards be met. In such cases, when the provided service is long-term but not local, the Company's policy consists of suggesting that the contractor open a branch in

the city where such services are utilized, with the purpose of strengthening the local economy and creating opportunities for the region's workforce. In addition, the company requires contracted parties to provide benefits and safety, health and environmental policies that are compatible with the industry's best practices.

Environmental, social, health and safety clauses have been used in the Company's standard contracts since Yamana's inception, in accordance with international contracting standards and based on the YMS (Yamana Management System). In addition, contracts notably feature a specific clause which does not allow for the use of child labour at any stage of the process. These requirements ensure that the services provided meet Company standards, and also stimulates the adoption of best practices in human rights throughout the supply chain.

It is the responsibility of the contract manager, along with the Supply department, to ensure the fulfillment of these contractual clauses and, in the case of non-compliance, to apply penalties that range from a cautionary notice to corrective action, which may result in the suspension of the supplier's listing in Yamana's registry of suppliers. In 2009, there were no records of non-compliance identified by the company. (GRI HR2)



Recognition & Certifications

Jantzi Social Index (JSI)

In early 2009, Yamana was added to the Jantzi Social Index (JSI). Companies included in the JSI index must pass a set of broadly based environmental, social and governance criteria. Yamana's inclusion in this index is a testament to the company's environmental, health and safety management programs which are considered by JSI to be above average.

Minérios & Minerales Magazine Award

Minérios & Minerales magazine (a Brazilian publication) awarded Yamana's mines with various production awards. Chapada led the copper rankings, achieving first place with the highest annual production. The mine produced over 14 million tonnes, almost five million more than the runnerup. Jacobina was awarded third place amongst the largest gold mines followed by Fazenda Brasileiro in fifth place. This award was presented in 2009 for production in 2008.

Minérios & Minerales Magazine Ranking

In the *Minérios & Minerales* magazine overall ranking of run of mine production in Brazil, Chapada ranked 15th, Jacobina ranked 72nd and Fazenda Brasileiro was 93rd. In addition to run of mine, 200 mines were also ranked on other measures of which Yamana received recognition for its health, safety and environmental policies and programs, and for its sustainable economic development efforts.

ISO 14001, OSHAS 18001 and ICMC Certifications

Mine Site		ISO 14001	OHSAS 18001
Brazil	Chapada	Certified—2009	2010
	Fazenda Brasileiro	Certified—2005	Certified—2009
	Jacobina	Certified—2009	2010
Argentina	Gualcamayo	2010	2011
Chile	El Peñón	Certified—2007	2010
	Minera Florida	Certified—2007	Certified—2007

Compliance with International Standards

As part of the Yamana Management System, all operations are working towards ISO 14001 and OHSAS 18001 certifications. In 2009, our Brazilian operations, Jacobina and Chapada, received ISO 14001 certification for Environmental Management, and Fazenda Brasileiro obtained OHSAS 18001 certification for Occupational Health and Safety Management. The Gualcamayo mine in Argentina, which began operations in 2009, is working towards both certifications by 2011. All operations using sodium cyanide must comply with the requirements of the International Cyanide Management Code (ICMC) and are working towards obtaining full certification by 2011. Yamana also encourages its suppliers to comply with international policies and best practices. In 2009, our main supplier of sodium cyanide and its carriers in Brazil became signatories of the International Cyanide Management Code and obtained certification for their production and transportation processes.

GRI Performance Indicators

A minimum of 10 performance indicators, including at least one from each of social, economic, and environmental categories must be reported on as part of GRI's reporting criteria. Below are the following performance indicators Yamana has reported on:

Indicators	Description	Performance
Economic		
EC1.	Direct economic value generated and distributed.	Page 6
EC6.	Policies, practices, and proportion of spending on locally based suppliers at significant locations of operation.	Page 46
EC7.	Procedures for local hiring and proportion of senior management hired from the local community.	Yamana has a corporate Recruitment and Selection Policy under which all of the Company's hiring criteria is established. All employees are hired based on need and skill set. The hiring process is managed by the Human Resources department at each operation and corporate office. In 2009, the average was 85 percent for all positions.
EC8.	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	A total of approximately \$5.6 million was invested in infrastructure and community services in 2009.
Environmental		
EN1.	Materials used by weight or volume.	Yamana used 69,163,589 kg of direct and non-renewable materials including 9,336,360 kg of cyanide, 15,577,594 kg of ball mill, 23,084,899 kg of lime, 20,831,806 kg of explosives, 332,930 kg of xanthate and 1,201 units of tires.
EN2.	Percentage of materials used that are recycled input materials.	Recycled materials are not used in primary metal production process.
EN3.	Direct energy consumption by primary energy source.	Total direct energy consumed by Yamana in 2009 was 4,226,280 Gigajoules (Gj) including 2,124,999 Gj of diesel, 2,053,672 Gj of electricity and 47,608 Gj of biofuels (biodiesel). The electric power used in Brazil comes from the National Grid where production comes predominantly from hydroelectric plants.
EN8.	Total water consumption by source.	The water volume consumed by Yamana in 2009 was 14,496,985 m³ including 11,888,237 m³ from surface water and 2,608,748 m³ of groundwater.
EN10.	Percentage and total volume of water recycled and reused.	81 percent of the water used in the production process is recycled, with a total volume of 63,155,483 $\rm m^3.$
EN11.	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Yamana has two mines adjacent to protected areas or areas that are rich in biodiversity: Jacobina in Brazil and Minera Florida in Chile.
EN12.	Impact of mining activities on biodiversity in protected areas.	Potential risks or environmental impacts as a result of Yamana's operations are minimized with specific action plans and initiatives, such as air and water quality control and the rationalization of deforestation. At Yamana, business and operational decisions are guided by the concern for our environment. Every project we work on has a direct connection with the environment, and every business decision incorporates and assesses Yamana's environmental impact in a specific region.
EN16.	Total direct and indirect gas emissions by weight.	Total greenhouse gas emissions was 264,895 tons of CO ₂ , of which 174,565 tons related to direct emissions generated by the burning of fossil fuels (diesel) and another 90,330 tons related to electricity indirect emissions.
EN17.	Other relevant indirect emissions of greenhouse gases.	Yamana currently does not calculate the indirect emissions of greenhouse gases.
EN19.	Emissions of ozone-depleting substances by weight.	Yamana does not use or produce substances responsible for the emission of ozone-depleting gases.
EN22.	Total weight of waste by type and disposal method.	Waste generation decreased 11 percent year-over-year. In 2009, Yamana generated approximately 2,788 tons of hazardous waste, which was incinerated. Approximately 7,969 tons of non-hazardous waste was generated, approximately 4,441 tons of which was recycled and approximately 3,527 tons went to landfills.
EN28.	Monetary value of significant fines and total number of non- monetary sanctions for non-compliance with environmental laws and regulations.	Yamana received no material fines or non-monetary sanctions for environmental non-compliance in 2009.

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Indicators	Description	Performance	
Social: Labour Practices and Decent Work			
LA1.	Total workforce by employment type, employment contract, and region.	Yamana has approximately 9,300 employees, including approximately 3,800 direct employees and 5,500 contractors. For employment by region, see Page 44.	
LA2.	Total number and rate of employee turnover by age group, gender and region.	Yamana's voluntary turnover rate was approximately 2 percent in 2009.	
LA4.	Percentage of employees covered by collective bargaining agreements.	Yamana's direct operational employees are covered by collective labour agreements. All employees have the right to choose whether they want to belong to a union.	
LA6.	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	100 percent of Yamana's workers are represented by the Company's SHEC committees. See Page 34 for more details.	
LA7.	Rates of injury, occupational diseases, lost days and absenteeism.	Page 37	
LA10.	Average hours of training per year per employee by employee category. Training hours (including all professional training, paid study leave, external training partially or fully paid by the organization and training on specific themes such as safety and health).	In 2009, the Company had a total of 237,390 training hours. The average number of hours of training per full time employees was approximately 61 percent.	
Social: Human Rig	ghts		
HR4.	Total number of incidents of discrimination and actions taken.	There were no cases of discrimination.	
HR5.	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	All employees have the right to freedom of association and collective bargaining.	
Social: Society			
S01.	Nature, scope and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	Page 41	
S03.	Percentage of employees trained in organization's anti-corruption policies and procedures.	All Yamana employees are required to read and sign the Company's Code of Business Conduct and Ethics, which can be found on Page 17.	
S06.	Total value of financial contributions to political parties, politicians and/or related institutions by country.	Yamana does not make donations to political parties.	
GRI Mining & Met	tals Sector Supplement Reporting elements		
MM6.	Tailings and waste rock management.	The monitoring of the quality of surface and groundwater and of the stability of these deposits is performed periodically in order to ensure the physical, chemical and biological integrity of the areas of deposition or surroundings. The effective management of this is conducted by an independent consulting company, which establishes standardized systems at each operation, monitors guidelines and addresses operational non-compliance for the waste rock piles and tailing dams. This process began in October 2008, and was standardized for all Yamana's tailings dam facilities in 2009. In 2010, Yamana is implementing a management system to oversee the operation of waste rock dumps so as to prepare them for decommissioning after the useful life of the mine, thus minimizing costs and potential negative environmental impacts or accidents after decommissioning.	
MM10.	Number or percentage of decommissioning plans.	Page 2	

GRI Reporting Disclosure Index

Indicators	Description	Page		
Strategy and Analy	Strategy and Analysis			
1.1.	Statement from the most senior decision-maker of the organization.	4		
Company Profile				
2.1.	Name of the organization.	3		
2.2.	Primary brands, products, and/or services.	3		
2.3.	Operational structure of the organization.	3		
2.4.	Location of the organizations headquarters.	51		
2.5.	Countries of operation.	2		
2.6.	Nature of ownership.	3		
2.7.	Markets serviced.	3		
2.8.	Scale of organization.	2		
2.9.	Significant changes during the reporting period regarding size, structure, or ownership.	3		
2.10.	Awards received during the reporting period.	47		
Report Parameters				
3.1.	Reporting period for information provided.	15		
3.2.	Date of the most recent previous report.	15		
3.3.	Reporting cycle.	15		
3.4.	Contact point for questions regarding the report or its contents.	51		
3.5.	Process for defining report content.	15		
3.6.	Boundary of the report.	15		
3.7.	Limitations concerning the scope or the boundary of the report.	15		
3.8.	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	3		
3.9.	Data measurement techniques and calculation basis.	All data is based on recognized methodologies in the sector.		
3.10.	Explanation of the effect of any re-statements of information provided in earlier reports and the reason for such re-statement.	15		
3.11.	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	15		
3.12.	Table identifying the location of GRI Content Index.	15		
3.13.	Current policy and practice of independent verification for the report.	There will be no independent verification of the report.		
Governance, Comr	mitments, and Engagement			
4.1.	Governance structure of the organization.	16		
4.2.	Indicate whether the Chair of the highest governance body is also an executive officer.	16		
4.3.	Statement of the number of members of the highest governance body that are independent and/or non-executive members.	16		
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	17		
4.8.	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	17		
4.14.	List of stakeholder groups engaged by the organization.	3, 16		
4.15.	Basis for identification and selection of stakeholders with whom to engage.	3, 16		

This news release 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 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, 2009 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, 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 looking statements if circumstances or management's estimates, assumptions or opinions should change, except as required by applicable 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

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