YAMANA GOLD INC
Form 6-K
November 16, 2005

FORM 6-K

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Report of Foreign Private Issuer

Pursuant to Rule 13a-16 or 15d-16
of the Securities Exchange Act of 1934

For the month of November 2005
Commission File Number 001-31880

Yamana Gold Inc.
(Translation of registrant's name into English)

150 York Street
Suite 1902
Toronto, Ontario M5H 3S5
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F	....[ ].....	Form 40-F	....[X]....

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ____

Note: Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ____

Note: Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K if submitted to furnish a report or other document that the registrant foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant's "home country"), or under the rules of the home country exchange on which the registrant's securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant's security holders, and, if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes ....[ ].... No ....[X]....

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-________

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

YAMANA GOLD INC.

Date: November 15, 2005

/s/ Charles Main

Name: Charles Main
Title: CFO

Yamana Gold Inc.
Consolidated Balance Sheet
As at the periods ended
(In thousands of US dollars prepared by management and unaudited)

		September 30, 2005		December 30, 2004
Assets				
Current				
Cash and cash equivalents	**$**	**107,790**	$	87,054
Accounts receivable		**161**		1,177
Inventory *(Note 3)*		**8,485**		5,862
Advances and deposits		**4,214**		2,068
Income tax recoverable		**1,363**		-
		122,013		96,161
Capital				
Property, plant and equipment *(Note 4)*		**25,077**		18,315
Assets under construction *(Note 5)*		**92,748**		12,085
Mineral properties *(Note 6)*		**61,511**		43,292
		179,336		73,692
Other				
Restricted cash *(Note 7)*		**30,815**		-
Other assets *(Note 8)*		**11,464**		5,797
Future income tax assets		**1,578**		1,456
	$	**345,206**	$	177,106
Liabilities				
Current				
Accounts payable and accrued liabilities	**$**	**16,525**	$	7,225
Long Term				
Notes payable *(Note 9)*		**104,121**		-
Asset retirement obligation *(Note 10)*		**5,874**		4,972
Future income tax liabilities		**8,562**		4,600
		135,082		16,797

Shareholders' Equity				
Capital stock				
Authorized				
Unlimited number of first preference shares without par value issuable in series				
Unlimited number of common shares without par value				
Issued and outstanding				
165,338,348 common shares (December 31, 2004- 122,286,716 common shares) *(Note 11 i)*		**205,483**		147,407
Share purchase warrants *(Note 12)*		**3,740**		10,864
Contributed surplus *(Note 11 ii)*		**4,676**		1,775
(Deficit) retained earnings		**(3,775)**		263
		210,124		160,309
	$	**345,206**	$	177,106

The accompanying notes are an integral part of the financial statements.

Approved by the Board

SIGNATURE	SIGNATURE
/s/ **Peter Marrone**	/s/ **Victor H. Bradley**
Director	Director

Yamana Gold Inc.
Consolidated Statements of Operations and Retained Earnings
For the periods ended
(In thousands of US dollars pepared by management and unaudited)

	September 30, 2005 *(Three months)*	September 30, 2004 (Three months)	**September 30, 2005 (Nine months)**	September 30, 2004 (Ten months)
Sales	**$ 10,749**	$ 8,827	**$ 29,383**	$ 32,446
Cost of sales	**(7,453)**	(4,670)	**(20,952)**	(17,433)
Depreciation, amortization and depletion	**(1,732)**	(1,293)	**(4,570)**	(4,337)
Accretion of asset retirement obligation *(Note 10)*	**(94)**	(80)	**(258)**	(353)
Mine operating earnings	**1,470**	2,784	**3,603**	10,323
Expenses				
General and administrative	**(2,243)**	(1,552)	**(6,314)**	(5,222)
Foreign exchange gain	**4,728**	1,387	**3,426**	666
Stock-based compensation *(Note 13)*	**(304)**	(1,316)	**(2,303)**	(2,418)
Operating earnings (loss)	**3,651**	1,303	**(1,588)**	3,349
Investment and other business income	**1,041**	(51)	**1,419**	716
Earnings (loss) before income taxes	**4,692**	1,252	**(169)**	4,065
Income tax recovery (expense) *(Note 14)*				
Current income tax recovery (expense)	**532**	(379)	**(28)**	(1,355)
Future income tax recovery(expense)	**(1,978)**	(867)	**(3,841)**	(92)
	(1,446)	(1,246)	**(3,869)**	(1,447)
Net earnings (loss)	**3,246**	6	**(4,038)**	2,618
(Deficit) retained earnings, beginning of period	**(7,021)**	(547)	**263**	(3,159)
Deficit, end of period	**$ (3,775)**	$ (541)	**$ (3,775)**	$ (541)
Basic and diluted earnings (loss) per share	**$ 0.02**	$ 0.00	**$ (0.03)**	$ 0.03
Weighted average number of shares outstanding (in thousands)	**144,069**	95,817	**129,654**	94,660

The accompanying notes are an integral part of the financial statements.

Note:
In the opinion of management of Yamana, all adjustments of a normal recurring nature have been included in these financial statements to provide a fair statement of results for the periods presented. The results of those periods are not necessarily indicative of the results for the full year.

Yamana Gold Inc.
Consolidated Statements of Cash Flow
For the Periods Ended
(In thousands of US dollars prepared by management and unaudited)

	September 30, 2005 *(Three months)*	September 30, 2004 *(Three months)*	**September 30, 2005 *(Nine Months)***	September 30, 2004 *(Ten months)*
Operating Activities				
Net earnings (loss) for the period	**$ 3,246**	$ 6	**$ (4,038)**	$ 2,618
Asset retirement obligations realized *(Note 10)*	**(77)**	(43)	**(201)**	(155)
Items not involving cash				
Services paid in common shares(adjustment)	**-**	-	**-**	(566)
Depreciation, amortization and depletion	**1,732**	1,293	**4,570**	4,337
Stock-based compensation*(Note 13)*	**304**	1,316	**2,303**	2,418
Future income taxes*(Note 14)*	**1,978**	867	**3,841**	92
Foreign exchange loss	**(556)**	350	**-**	36
Other	**(254)**	15	**924**	834
	6,467	3,884	**7,657**	9,967
Net change in non-cash working capital *(Note 15 ii)*	**(3,024)**	(868)	**(2,629)**	(1,601)
	3,443	3,016	**5,028**	8,366
Financing Activities				
Issue of common shares and warrants for cash (net of issue costs)	**48,561**	-	**50,177**	20,142
Deferred financing charges	**(1,352)**	-	**(3,533)**	-
Proceeds from notes payable	**-**	-	**100,000**	-
Interest expense on convertible notes (adjustment)	**-**	-	**-**	37
	47,209	-	**146,644**	20,179
Investing Activities				
Expenditures on mineral properties	**(6,085)**	(2,714)	**(16,352)**	(9,628)
Acquisition of property, plant and equipment	**(1,924)**	(2,135)	**(4,187)**	(2,654)
Expenditures on assets under construction	**(42,986)**	(1,040)	**(78,183)**	(6,405)
Decrease (increase) in restricted cash	**69,523**	-	**(30,815)**	-
Business acquisition of Fazenda Brasileiro	**-**	-	**-**	(933)
Other	**446**	(819)	**(1,399)**	(1,219)
	18,974	(6,708)	**(130,936)**	(20,839)

Increase (decrease) in cash and cash equivalents		**69,626**		(3,692)		**20,736**		7,706
Cash and cash equivalents, beginning of Period		**38,164**		27,658		**87,054**		16,260
Cash and cash equivalents, end of period	**$**	**107,790**	$	23,966	**$**	**107,790**	$	23,966
Cash and cash equivalents are comprised of the following								
Cash	**$**	**16,397**	$	2,574	**$**	**16,397**	$	2,574
Bank term deposits		**91,393**		21,392		**91,393**		21,392
	$	**107,790**	$	23,966	**$**	**107,790**	$	23,966

Supplementary cash flow information (Note 15 i).

The accompanying notes are an integral part of the financial statements.

Yamana Gold Inc.
Notes to the Consolidated Financial Statements
For the three month and nine month periods ended September 30, 2005
(with comparatives as at December 31, 2004 and for the three month and ten month periods ended September 30, 2004)
(Tabular amounts in thousands of US dollars, prepared by management and unaudited)

1. Basis of presentation

The accompanying consolidated interim financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP") for the preparation of interim financial statements and include the assets, liabilities and operations of the Company and its wholly-owned subsidiaries. These consolidated interim financial statements do not contain all the information required by generally accepted accounting principles for annual financial statements and therefore should be read in conjunction with the most recent annual financial statements of the Company. These interim consolidated financial statements follow the same accounting policies and methods of their application as the most recent annual financial statements.

2. Change in year end

The Company changed its year end from February 28/29 to December 31. As such, the third quarter for fiscal December 31, 2005 is for the three month period ended September 30, 2005 with comparative figures as at December 31, 2004 and for the three month period ended September 30, 2004. Below is a summary of the quarterly periods for the current fiscal year and comparative periods:

	For the Period Ending	***Comparative Period Ending***	
Q1	March 31, 2005	February 29, 2004	
Q2	June 30, 2005	June 30, 2004	*(i)*
Q3	September 30, 2005	September 30, 2004	*(ii)*
Q4	December 31, 2005	December 31, 2004	*(iii)*

(i) Four month period; seven months year-to-date
(ii) Three month period; ten months year-to-date
(iii) Three month period; ten months year-to-date

3. Inventory

	September 30, 2005	December 31, 2004
Metal in circuit and gold in process	**$ 2,462**	$ 2,729
Product inventories	**3,291**	996
Materials and supplies	**2,732**	2,137
	$ 8,485	$ 5,862

4. Property, plant and equipment

	September 30, 2005			December 31, 2004
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	**$ 1,147**	**$ -**	**$ 1,147**	$ 1,053
Buildings	**12,088**	**2,588**	**9,500**	6,439
Machinery and Equipment	**13,606**	**2,797**	**10,809**	7,306
Vehicles	**2,500**	**642**	**1,858**	2,134
Furniture and office equipment	**1,608**	**356**	**1,252**	958
Computer equipment and software	**677**	**166**	**511**	425
	$ 31,626	**$ 6,549**	**$ 25,077**	$ 18,315

5. Assets under construction

	September 30, 2005	December 31, 2004
Fazenda Nova *(i)*	**$ -**	$ 6,949
São Francisco	**48,580**	1,915
Chapada *(ii)*	**44,168**	3,221
	$ 92,748	$ 12,085

Construction and preproduction revenues will be transferred to property, plant and equipment and mineral properties for each property upon commencement of commercial production.

(i) The Fazenda Nova Mine commenced commercial production effective May 1, 2005.

(ii) Net interest capitalized during the period was $2.2 million (December 31, 2004 - $Nil).

6. Mineral properties

		September 30, 2005		December 31, 2004
Fazenda Brasileiro *(i)*	**$**	**22,003**	$	13,158
Santa Elina *(ii)*		**19,258**		13,319
Chapada		**14,480**		11,523
Argentine properties *(iii)*		**5,168**		5,036
Other		**602**		256
	$	**61,511**		43,292

(i) Fazenda Brasileiro
Balance is net of accumulated amortization in the amount of $4.4 million (December 31, 2004 - $2.8 million).

(ii) Santa Elina
alance is net of accumulated amortization in the amount of $1.5 million (December 31, 2004 - $0.7 million).

(iii) Argentine properties
The Company received a third party offer to purchase the Argentine properties for consideration comprised of a combination of cash proceeds and an equity interest in the capital of the purchaser.
In the event the transaction closes, the purchaser will pay Yamana $350,000 and deliver 8.0 million common shares in the capital of the purchaser and 4.0 million common share purchase warrants of the purchaser and provide additional consideration in late 2006. The Company does not expect to record a significant gain or loss upon the conclusion of this transaction, which is still subject to the completion of due diligence and documentation.

7. Restricted cash

Restricted cash consists of funds held in escrow advanced under the loan facility for the development and construction of the Chapada copper-gold project and interest earned on those funds. During the period, $70 million of the total loan proceeds of $100 million were released from escrow and the remaining $30 million was released subsequent to the period end. Interest earned on the balance held in escrow is credited to assets under construction.

8. Other assets

		September 30, 2005		December 31, 2004
Deferred financing charges *(i)*	**$**	**8,724**	$	5,191
Deferred equity issue costs *(ii)*		**198**		-
Long term tax credits *(iii)*		**1,924**		-
Other		**618**		606
	$	**11,464**	$	5,797

(i) Deferred financing charges relate to a $100 million debt financing for the development of the Chapada copper-gold project. Financing charges are amortized over the life of the loan as of the funding date April 29, 2005. Amortization is capitalized to property development costs. Balance is net of accumulated amortization of $613,000 (December 31, 2004 - $Nil).

(ii) Deferred equity issue costs consist of expenses relating to the closing of a public offering on October 5, 2005 resulting in the issuance of 26 million common shares. These costs will be netted against the proceeds from the equity financing.

(iii) Long-term tax credits consist of Brazilian sales taxes which may be recoverable against other taxes payable.

9. Notes payable

The notes payable consist of $100 million for the development and construction of the Chapada copper-gold project plus accrued interest of $4.1 million of which $1.5 million has been capitalized to the loan balance. The Company drew down the full $100 million under the loan facility on April 29, 2005. The secured notes are for a term of six years and bear interest at an annual rate of 12.45%. Principal is repayable upon maturity of the notes. The Company has elected to defer interest payments for the first two years. The loan proceeds were held in an escrow account for the benefit of the Company pending perfection and registration of security. During the period, $70 million of the loan proceeds were released from escrow and subsequent to the period end, the remaining $30 million was released and the Company paid accrued interest and financing fees in the amount of $2.1 million.

10. Asset retirement obligation

The asset retirement obligation relating to reclamation and closure costs relates primarily to the Fazenda Brasileiro Mine, the São Vicente project and the Fazenda Nova Mine and is calculated as the net present value of estimated future cash flows required to satisfy the obligation at a discount rate of 7%. Reclamation and closure costs of the mines and projects are incurred in Brazilian Reais thus subject to translation gains and losses from one reporting period to the next in accordance with the Company's accounting policy for foreign currency translation of monetary items.

The following is an analysis of the asset retirement obligation:

	September 30, 2005 *(9 months)*	December 31, 2004 *(12 months)*
Opening balance	**$ 4,972**	$ 4,943
Accretion incurred in the current period	**258**	364
Liabilities accrued (reduction)	**-**	(429)
Foreign exchange loss and other	**845**	331
Expenditures during the current period	**(201)**	(237)
	$ 5,874	$ 4,972

11. Capital stock

(*i*) Common shares issued and outstanding:

	Number of Common Shares	Amount
Balance as at December 31, 2004	**122,287**	**$** 147,407
Exercise of options and share appreciation rights *(1)*	**1,281**	1,972
Shares issued pursuant to an early exercise of publicly traded warrants net of costs *(2)*	**41,286**	55,938
Shares issued pursuant to an exchange of publicly traded warrants *(2)*	**476**	131
Shares issued on the exercise of warrants	**8**	35
Balance as at September 30, 2005	**165,338**	**$** 205,483

(1) The Company issued 1.3 million shares to optionees on the exercise of their share options and appreciation rights for cash proceeds of $1.6 million. Previously recognized compensation expense in the amount of $0.3 million on options exercised during the period was charged to share capital with a corresponding decrease to contributed surplus.

(2) As of July 29, 2005, the Company effected an amendment of the terms of its 40,567,656 publicly traded warrants, each of which were exercisable at C$1.50 per common share and expiring July 31, 2008, that entitled warrant holders to receive an additional 0.0356 of a common share upon the exercise of their warrants during a 30-day voluntary early exercise period that expired August 29, 2005. An aggregate of 41,285,875 common shares were issued for net proceeds of $48.5 million pursuant to the early exercise of the warrants. An additional 476,198 common shares were issued pursuant to the automatic exchange of the remaining 701,021 warrants subsequent to closing of the early exercise period, without payment of the exercise price or any additional consideration.

(ii) **Contributed surplus**

		September 30, 2005 *(9 months)*		December 31, 2004 *(10 months)*
Balance as at beginning of period	**$**	**1,775**	$	633
Transfer of stock based compensation on the exercise of stock option and share appreciation rights		(324)		(25)
Expired warrants		**927**		-
Stock based compensation on options granted		**2,298**		1,167
Balance as at end of period	**$**	**4,676**	$	1,775

12. Share purchase warrants

As at September 30, 2005 there were 5.3 million (December 31, 2004 - 43.4 million) share purchase warrants outstanding with an average exercise price of Cdn$4.43 (December 31, 2004 - Cdn$1.78) and an average outstanding life of 4.12 years (December 31, 2004 - 3.65 years).

As of July 29, 2005, the Company effected an amendment of the terms of its 40,567,656 publicly traded warrants, each of which were exercisable at C$1.50 per common share and expiring July 31, 2008, that entitled warrant holders to receive an additional 0.0356 of a common share upon the exercise of their warrants during a 30-day voluntary early exercise period that expired August 29, 2005. A total of 39,866,635 warrants were exercised during the exercise period. Upon the expiry of the voluntary exercise period, the remaining 701,021 warrants were exchanged, without payment of the exercise price or any additional consideration, for 476,198 common shares.

13. Stock options

The following is a summary of the issued stock options to acquire common shares under the Company's Share Incentive Plan as at the period end and the changes thereof during the period:

	September 30, 2005 ***(9 months)***			December 31, 2004 *(10 months)*		
	Number of Options		Weighted Average Exercise Price (Cdn$)	Number of Options		Weighted Average Exercise Price (Cdn$)
Outstanding, beginning of period	**6,660**	**$**	**2.04**	5,453	$	1.73
Issued	**2,785**		**3.78**	1,250		3.38
Exercised	**(1,485)**		**1.97**	(41)		2.25
Expired and cancelled	**(6)**		**2.93**	(2)		2.93
Outstanding, end of period	**7,954**	**$**	**2.67**	6,660	$	2.04
Exercisable	**7,954**	**$**	**2.67**	6,535	$	2.03

The Company has expensed the value of share purchase options granted to employees during the nine month period ended September 30, 2005 as compensation expense in the amount of $2.3 million with a corresponding increase in contributed surplus. The share purchase options were recorded using the fair value based method of accounting which was estimated at the time of grant using the Black-Scholes option pricing model with the following assumptions:

	September 30, 2005 ***(9 months)***	September 30, 2004 *(10 months)*
Dividend yield	**0%**	0%
Expected volatility	**34%**	35%-40%
Risk-free interest rate	**3.4%**	3.5%
Expected life	**3 years**	3 years
Forfeitures	**Nil**	Nil

14. Income taxes

The following table reconciles income taxes calculated at statutory rates with the income tax expense in the period end consolidated financial statements:

	Period ended		Fiscal year-to-date	
	September 30, 2005 *(3 months)*	September 30, 2004 *(3 months)*	**September 30, 2005** *(9 months)*	September 30, 2004 *(10 months)*
Earnings (loss) before income taxes	**$ 4,692**	$ 1,252	**$ (169)**	$ 4,065
Statutory rate	**36.12%**	38.00%	**36.12%**	38.00%
Expected income tax expense (recovery)	**$ 1,695**	$ 476	**$ (61)**	$ 1,545
Effect of lower effective tax rates in foreign jurisdictions				