

# Extractive Sector Transparency Measures Act - Annual Report

YAMANAGOLD

<b>Reporting Entity Name</b>	Yamana Gold Inc.					
<b>Reporting Year</b>	<b>From</b>	1/1/2017	<b>To:</b>	12/31/2017	<b>Date submitted</b>	5/30/2018
<b>Reporting Entity ESTMA Identification Number</b>	E314969	<input checked="" type="radio"/> Original Submission <input type="radio"/> Amended Report				
<b>Other Subsidiaries Included</b> (optional field)						
<b>Not Consolidated</b>						
<b>Not Substituted</b>						
<b>Attestation Through Independent Audit</b>						
<p><i>In accordance with the requirements of the ESTMA, and in particular section 9 thereof, I attest that I engaged an independent auditor to undertake an audit of the ESTMA report for the entity(ies) and reporting year listed above. Such an audit was conducted in accordance with the Technical Reporting Specifications issued by Natural Resources Canada for independent attestation of ESTMA reports.</i></p> <p><i>The auditor expressed an unmodified opinion, dated 2018-05-29, on the ESTMA Report for the entity(ies) and period listed above.</i></p> <p><i>The independent auditor's report can be found at <a href="http://www.yamana.com/ESTMA2017">http://www.yamana.com/ESTMA2017</a>.</i></p>						
<b>Full Name of Director or Officer of Reporting Entity</b>	Jason LeBlanc			<b>Date</b>	5/29/2018	
<b>Position Title</b>	Senior VP Finance and Chief Financial Officer					

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<b>Reporting Entity Name</b>	Yamana Gold Inc.				<b>Currency of the Report</b>	CAD
<b>Reporting Entity ESTMA Identification Number</b>	E314969					
<b>Subsidiary Reporting Entities (if necessary)</b>						

### Payments by Payee

Country	Payee Name	Departments, Agency, etc... within Payee that Received Payments	Taxes	Royalties	Fees	Production Entitlements	Bonuses	Dividends	Infrastructure Improvement Payments	Total Amount paid to Payee	Notes
Argentina	Federal Government	Corte Suprema De Justicia De La Nación Argentina			1,213,000					1,213,000	Judicial fees associated with legal proceedings and matters
Argentina	Provincial Government - Catamarca	Tesoreria Gral De La Provincia - Catamarca			294,000					294,000	Exploration license
Argentina	Provincial Government - San Juan	Gobierno De La Provincia De San Juan	3,608,000	7,379,000	119,000					11,106,000	Includes provincial royalty on sales, Gualcamayo mine taxes, and business licenses
Argentina	Provincial Government - Santa Cruz	Ministerior de Economia y Obras publicas Santa Cruz			424,000					424,000	Exploration licenses, and road maintenance fees
Argentina	Municipal Government - Puerto Deseado	Municipalidad de Puerto Deseado							194,000	194,000	Infrastrucutre agreement with local ministry
Barbados	Federal Government	Barbados Revenue Authority	106,000							106,000	
Brazil	Municipal Government – Bahia	Various			107,000					107,000	Business licenses
Brazil	Federal Government	Secretaria Da Receita Federal	136,970,000							136,970,000	Income tax payments associated with the Jacobina and Chapada Mines. US\$76.7M relates to the participation in a program to settle all significant outstanding tax assessments for Chapada. See Additional Note 2.
Brazil	Government Associated Agency- Bahia	Departamento Nacional De Produção Mineral	1,243,000							1,243,000	Jacobina Mine taxes paid
Brazil	Government Associated Agency- Goiás	Departamento Nacional De Produção Mineral	4,996,000		572,000					5,568,000	Chapada Mine taxes paid
Brazil	Public Community (Foreign) - Goiás	Fundo Estadual Do Meio Ambiente			316,000					316,000	Environmental fees
Brazil	Government Associated Agency - Mato Grosso	Departamento Nacional De Produção Mineral	7,473,000		101,000					7,574,000	Chapada and Jacobina mine taxes and license fees
Canada -Manitoba	Red Sucker Lake First Nations	Ishkonigan Inc.			130,000					130,000	Support for local community services
Chile	Federal Government	Tesoreria General De La Republica	17,586,000		2,355,000					19,941,000	Tax payment based on sales, mining license and property taxes
Chile	Municipal Government - Antofagasta	Tesorero Municipal De Antofagasta			730,000					730,000	Business licenses
Chile	Municipal Government - Santiago	Ilustre Municipalidad De Alhue			748,000					748,000	Business licenses
Chile	Municipal Government - Santiago	Tesorero Municipal De Las Condes			697,000					697,000	Business licenses
Netherlands	Federal Government	Dutch Tax Authorities	2,489,000							2,489,000	

**Additional Notes:**

1) All payments made in a foreign currency are reported into Canadian dollars using the average rate for the year. The average rates for the year used for the preparation of the report were as follows, in relation to Canadian: Argentinian Peso 12.8:1, Brazilian Real 2.5:1, Chilean Peso 500:1, Euro 0.68:1, United States Dollar 0.77:1.

2) In the third quarter of 2017, the Company elected to participate in a program to settle all significant outstanding income tax assessments in Brazil and all income tax assessments relating to the Company's Chapada mine. On October 25, 2017 the program was formally enacted into law and the Company paid US\$76.7 million in the year ended December 31, 2017. The Company has elected to proceed with the lump sum payment option to settle the taxes each year.

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<b>Reporting Entity ESTMA Identification Number</b>	E314969	
<b>Subsidiary Reporting Entities (if necessary)</b>		

### Payments by Project

Country	Project Name	Taxes	Royalties	Fees	Production Entitlements	Bonuses	Dividends	Infrastructure Improvement Payments	Total Amount paid by Project	Notes
Argentina	Gualcamayo Mine (Minas Argentina S.A.)	3,627,000	7,379,000	308,000					11,314,000	Gualcamayo mine taxes, royalty on sales and business licenses
Argentina	Agua Rica Project (Minera Agua Rica LLC)			1,507,000					1,507,000	Judicial fees associated with legal proceedings and matters and exploration fees -Catamarca
Argentina	Cerro Moro Mine (Estelar Resources Ltda.)			375,000				194,000	569,000	Exploration license fees, road maintenance fees and local infrastructure
Barbados	Regional Office Barbados (Yamana Gold (Barbados) Inc.)	106,000							106,000	
Brazil	Regional Offices Brazil (Mineracao Fazenda Brasileiro S.A., Yamana Desenvolvimento Mineral S.A., Serra Da Borda Mineração e Metalurgia S.A.)	9,776,000		105,000					9,881,000	Federal taxes & business licenses
Brazil	Chapada Mine (Mineração Maraca Indústria e Comércio S.A.)	133,129,000		939,000					134,068,000	US\$76.7M relates to the participation in a program to settle all significant outstanding tax assessments for Chapada. See Additional Note 2.
Brazil	Jacobina Mine (Jacobina Mineração e Comércio Ltda.)	7,863,000		115,000					7,978,000	Federal taxes and mining license fees
Canada -Manitoba	Monument Bay Project (Yamana Gold Ontario Inc.)			133,000					133,000	Support for local community services
United States of America	Beartrack Reclamation Property (Meridian Beartrack Company)			171,000					171,000	
Chile	El Peñon Mine (Minera Meridian Ltda.)	14,836,000		2,672,000					17,508,000	Federal taxes and mining license fees
Chile	Minera Florida Mine (Minera Florida Ltda.)	1,211,000		911,000					2,122,000	
Chile	Jerónimo Project (Agua de la Falda S.A.)			326,000					326,000	
Chile	Regional Office Chile (Yamana Chile Servicios SPA)	1,472,000		622,000					2,094,000	
Netherlands	Regional Office Netherlands (Yamana International Holding Cooperative U.A.)	2,489,000							2,489,000	

**Additional Notes:**

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## Independent Auditor's Report

To the Directors of Yamana Gold Inc., and  
The Minister of Natural Resources Canada

We have audited the accompanying Schedule of Payments by Payee totaling \$189,850,000 and the Schedule of Payments by Project totaling \$190,266,000, including related notes, of Yamana Gold Inc. (the "Company") for the year ended December 31, 2017 (together "the Schedules"). The Schedules have been prepared by management in accordance with the financial reporting provisions in Section 9 of the Extractive Sector Transparency Measures Act ("ESTMA"), Section 2.3 of the ESTMA – Technical Reporting Specifications and Sections 3.1 to 3.6 of the ESTMA – Guidance (collectively, the "Financial Reporting Framework").

### Management's Responsibility for the Schedules

Management is responsible for the preparation of the Schedules in accordance with the Financial Reporting Framework referred to above, and for such internal control as management determines is necessary to enable the preparation of the Schedules that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these Schedules based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Schedules. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the Schedules, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation of the Schedules in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

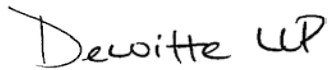
**Opinion**

In our opinion, the Schedule of Payments by Payee amounting to \$189,850,000 and the Schedule of Payments by Project amounting to \$190,266,000 of the Company for the year ended December 31, 2017 are prepared, in all material respects, in accordance with the financial reporting framework referred to above.

**Basis of Accounting and Restriction on Use**

Without modifying our opinion, we note that the Schedules are prepared to provide information to the Directors of Yamana Gold Inc. and the Minister of Natural Resources Canada for the purposes of satisfying requirements for the Company to provide an annual report in compliance with the Extractive Sector Transparency Measures Act. As a result, the Schedules may not be suitable for another purpose.

Our report is intended solely for the Directors of Yamana Gold Inc. and the Minister of Natural Resources Canada and should not be used by parties other than the Directors of the Company and the Minister of Natural Resources Canada.

A handwritten signature in black ink that reads "Dewitte LLP". The signature is written in a cursive, slightly slanted style.

Chartered Professional Accountants  
Licensed Public Accountants  
May 29, 2018