

Extractive Sector Transparency Measures Act - Annual Report

YAMANAGOLD

Reporting Entity Name	Yamana Gold Inc.					
Reporting Year	From	2018-01-01	To:	2018-12-31	Date submitted	2019-05-30
Reporting Entity ESTMA Identification Number	E314969	<input checked="" type="radio"/> Original Submission <input type="radio"/> Amended Report				
Other Subsidiaries Included (optional field)						
Not Consolidated	Excludes Canadian Malartic Corporation ("CMC") (ESTMA ID: E702970) as the entity is reporting its payments independently.					
Not Substituted						
Attestation Through Independent Audit						
<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 2019-05-29, 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 http://www.yamana.com/ESTMA2018.</i></p>						
Full Name of Director or Officer of Reporting Entity	Jason LeBlanc			Date	2019-05-29	
Position Title	Senior VP Finance and Chief Financial Officer					

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Reporting Entity Name	Yamana Gold Inc.				Currency of the Report	CAD
Reporting Entity ESTMA Identification Number	E314969					
Subsidiary Reporting Entities (if necessary)	Excludes Canadian Malartic Corporation ("CMC") (ESTMA ID: E702970) as the entity is reporting its payments independently.					

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	Provincial Government - Catamarca	Tesoreria Gral De La Provincia - Catamarca			142,000					142,000	Exploration license
Argentina	Provincial Government - San Juan	Gobierno De La Provincia De San Juan	2,329,000	4,403,000						6,732,000	Provincial royalties on sales and Gualcamayo fiduciary fund contributions
Argentina	Provincial Government - Santa Cruz	Ministerio de Economia y Obras publicas Santa Cruz		5,967,000	118,000					6,085,000	Royalties on Cerro Moro production started in 2018
Argentina	Provincial Government - Santa Cruz	Fideicomiso Proyecto Unirse PSC - BSC S.A.	1,276,000							1,276,000	Cerro Moro fiduciary fund contributions
Barbados	Federal Government	Barbados Revenue Authority	342,000							342,000	Income tax final payment for 2017 and installment for 2018
Brazil	Federal Government	Secretaria Da Receita Federal	179,598,000							179,598,000	Income tax payments for 2018; Settlement amounts for historical income tax assessments.
Brazil	Federal Government	Agencia Nacional De Mineraçao	7,247,000		718,000					7,965,000	Jacobina and Chapada CFEM-Royalty taxes and license fees - Agencia Nacional De Mineraçao formerly known as Departamento Nacional De Produçao Mineral
Brazil	Federal Government	Departamento Nacional De Produçao Mineral	6,922,000							6,922,000	Jacobina and Chapada Mine CFEM-Royalty taxes paid
Canada	Red Sucker Lake First Nations	Ishkonigan Inc.			206,000					206,000	Contributions to local community services (Manitoba)
Chile	Federal Government	Tesoreria General De La Republica	2,811,000		2,164,000					4,975,000	Royalty tax installments, income tax installments, and mining license fees
Chile	Municipal Government - Antofagasta	Tesorero Municipal De Antofagasta			782,000					782,000	Business license fees
Chile	Municipal Government - Santiago	Ilustre Municipalidad De Alhue			811,000					811,000	Business license fees
Chile	Municipal Government - Santiago	Tesorero Municipal De Las Condes			991,000					991,000	Business license fees

Additional Notes:

1] These schedules have been prepared in accordance with the financial reporting provisions in Sections 2, 3, 4, and 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").

2] 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, CAD/local currency: CAD 0.04614:1 Argentinian Peso, CAD 0.3547:1 Brazilian Real, CAD 0.00202:1 Chilean Peso, CAD 1.52956:1 Euro, CAD 1.29624:1 USD.

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Reporting Year	From:	2018-01-01	To:	2018-12-31		
Reporting Entity Name	Yamana Gold Inc.				Currency of the Report	CAD
Reporting Entity ESTMA Identification Number	E314969					
Subsidiary Reporting Entities (if necessary)	Excludes Canadian Malartic Corporation ("CMC") (ESTMA ID: E702970) as the entity is reporting its payments independently.					

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.)	2,356,000	4,403,000	103,000					6,862,000	Fiduciary fund contributions, provincial royalties on sales, and business license fees
Argentina	Agua Rica Project (Minera Agua Rica LLC)			148,000					148,000	Mine concession Government permit
Argentina	Cerro Moro Mine (Estelar Resources Ltda.)	1,290,000	5,967,000	116,000					7,373,000	Fiduciary fund contributions, royalty on sales started in 2018, and business license fees
Barbados	Regional Office Barbados (Yamana Gold Barbados Inc.)	342,000							342,000	Income tax final payment for 2017 and installment for 2018
Brazil	Regional Office Brazil (Yamana Desenvolvimento Mineral S.A.)	352,000							352,000	Income taxes paid
Brazil	Chapada Mine (Mineração Maraca Indústria e Comércio S.A.)	184,358,000		703,000					185,061,000	Income tax payments for 2018; Settlement amounts for historical income tax assessments.
Brazil	Jacobina Mine (Jacobina Mineração e Comércio Ltda.)	9,047,000		135,000					9,182,000	CFEM-Royalty, Income taxes, and mining license fees
Canada	Monument Bay Project (Yamana Gold Ontario Inc.)			224,000					224,000	Contributions to local community services (Manitoba)
Chile	El Peñon Mine (Minera Meridian Ltda.)	2,382,000		2,594,000					4,976,000	Royalty taxes and mining license fees
Chile	Minera Florida Mine (Minera Florida Ltda.)			1,036,000					1,036,000	Business license fees
Chile	Jerónimo Project (Agua de la Falda S.A.)			340,000					340,000	Business license fees
Chile	Regional Office Chile (Yamana Chile Servicios SPA)	412,000		942,000					1,354,000	Income tax installments and business license fees

Additional Notes:

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Independent Auditor's Report

To the Board of Directors of Yamana Gold Inc.

Opinion

We have audited the Schedule of Payments by Payee totaling \$216,827,000 and the Schedule of Payments by Project totaling \$217,250,000 of Yamana Gold Inc. (the "Company") for the year ended December 31, 2018 and notes to the schedules, including a summary of significant accounting policies (collectively referred to as the "schedules").

In our opinion, the accompanying schedules for the year ended December 31, 2018 are prepared, in all material respects, in accordance with the financial reporting provisions in Sections 2, 3, 4 and 9 of the Extractive Sector Transparency Measures Act (the "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").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Schedules* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the schedules in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the schedules, which describes the basis of accounting. The schedules are prepared to provide information to the Board of Directors of the Company to assist in meeting the requirements of the ESTMA. As a result, the schedules may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Schedules

Management is responsible for the preparation of the schedules in accordance with the Financial Reporting Framework, 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.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Schedules

Our objectives are to obtain reasonable assurance about whether the schedules are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these schedules.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the schedules, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the schedules. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Eric Leopold.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
May 29, 2019