Monarch Warrant Indenture dated September 17, 2020

Post Acquisition of Monarch Gold by Yamana Gold

The previously announced plan of arrangement under the Canada Business Corporations Act (the “Arrangement”) involving Monarch Gold Corporation (“Monarch”) and Yamana Gold Inc. (“Yamana”) took effect at 12:01 a.m. on January 21, 2021 (the “Effective Time”). Pursuant to the Arrangement, among other things, (i) Monarch transferred certain of its assets and liabilities to a newly incorporated company, Monarch Mining Corporation (“New Monarch”); and, immediately thereafter (ii) Yamana acquired all of the issued and outstanding common shares of Monarch (the “Monarch Shares”) in exchange for 0.0376 of a common share of Yamana (each whole share, a “Yamana Share”), $0.192 in cash from Yamana (the “Cash Consideration”) and 0.20 of a common share of New Monarch (each whole share, a “New Monarch Share”) for each Monarch Share so exchanged.

In connection with the Arrangement, the Monarch warrants (the “Monarch Warrants”) issued pursuant to the warrant indenture dated September 17, 2020 have been adjusted in accordance with their terms as reflected in the amended and restated warrant indenture dated January 21, 2021 (the “Warrant Indenture”) among Monarch, Yamana, New Monarch and Computershare Trust Company of Canada (the “Warrant Agent”).

In accordance with the terms of the Warrant Indenture, as of the Effective Time, instead of receiving one Monarch Share upon the exercise of each Monarch Warrant, holders of Monarch Warrants are now entitled to receive the following upon the exercise of each Monarch Warrant: (i) 0.0376 of a Yamana Share; and (ii) 0.20 of a New Monarch Share, after accounting for a set-off of the Cash Consideration against the portion of the exercise price payable to Yamana.

The adjusted exercise price for each Monarch Warrant is $0.408 (the “Aggregate Exercise Price”), subject to adjustment in accordance with the terms of the Warrant Indenture. The Aggregate Exercise Price will be allocated between Yamana and New Monarch as follows: (i) $0.311 (the “Yamana Exercise Price”) payable to Yamana for each Monarch Warrant exercised and (ii) $0.097 (the “New Monarch Exercise Price”) payable to New Monarch for each Monarch Warrant exercised.

To exercise Monarch Warrants a holder must provide the following to the Warrant Agent:

a) a validly completed and executed Exercise Form for the number of Monarch Warrants being exercised in the form attached as Schedule “B” to the Warrant Indenture, a copy of which is available under Monarch’s SEDAR profile at www.sedar.com and attached;

b) payment by certified cheque, bank draft or money order payable to or to the order of Yamana for the aggregate Yamana Exercise Price for the number of Monarch Warrants being exercised; and

c) payment by certified cheque, bank draft or money order payable to or to the order of New Monarch for the aggregate New Monarch Exercise Price for the number of Monarch Warrants being exercised.

No fractional Yamana Shares or New Monarch Shares will be issuable on the exercise of Monarch Warrants. If upon exercise of a Monarch Warrant a holder is entitled to a fraction of a Yamana Share or New Monarch Share, as applicable, the number of such Yamana Shares and

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New Monarch Shares, as applicable, will, without additional compensation, be rounded down to the nearest whole number of Yamana Shares and New Monarch Shares, respectively.

**Warrant Agent Contact Information:**

Computershare Trust Company of Canada, at 1-800-564-6253 or via email at corporateactions@computershare.com.
SCHEDULE “B”

EXERCISE FORM

TO: MONARCH GOLD CORPORATION
AND TO: YAMANA GOLD INC.
AND TO: MONARCH MINING CORPORATION
AND TO: COMPUTERSHARE TRUST COMPANY OF CANADA

The undersigned holder of the Warrants evidenced by this Warrant Certificate hereby exercises ____________ (A) Warrants, each Warrant entitling the holder thereof to acquire (i) 0.0376 of a Yamana Share and (ii) 0.2 of a New Monarch Share.

Exercise Price Payable:

__________________________________________________
((A) multiplied by $0.408 (the “Aggregate Exercise Price”), subject to adjustment)

Subject to adjustment, the Aggregate Exercise Price is comprised of (i) the Yamana Exercise Price payable to Yamana, being $0.3110 for each 0.0376 of a Yamana Share and (ii) the New Monarch Exercise Price payable to New Monarch, being $0.0970 for each 0.2 of a New Monarch Share.

The undersigned hereby exercises the right of such holder to be issued, and hereby subscribes for, the Share Consideration that is issuable pursuant to the exercise of such Warrants on the terms specified in such Warrant Certificate and in the Warrant Indenture.

The undersigned hereby acknowledges that the undersigned is aware that the Yamana Shares and New Monarch Shares received on exercise may be subject to restrictions on resale under applicable securities legislation.

Any capitalized term in this Warrant Certificate that is not otherwise defined herein, shall have the meaning ascribed thereto in the Warrant Indenture.

The undersigned represents, warrants and certifies as follows (one (only) of the following must be checked):

☐ (A) the undersigned holder at the time of exercise of the Warrants (i) is not in the United States, (ii) is not a U.S. Person, (iii) is not exercising the Warrants for the account or benefit of a U.S. Person or a person in the United States, (iv) did not execute or deliver this exercise form in the United States and (v) delivery of the underlying Warrant Shares will not be to an address in the United States; OR
(B) the undersigned holder (a) is the original U.S. purchaser who purchased the Warrants pursuant to the Corporation’s unit offering who delivered the Certificate of U.S. Purchaser attached to the subscription agreement in connection with its purchase of units, (b) is exercising the Warrants for its own account or for the account of a disclosed principal that was named in the subscription agreement pursuant to which it purchased such units, and (c) is, and such disclosed principal, if any, is an institutional "accredited investor" as defined in Rule 501(a)(1),(2),(3) or (7) of Regulation D under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”) at the time of exercise of these Warrants and the representations and warranties of the holder made in the original subscription agreement including the Certificate of U.S. Purchaser remain true and correct as of the date of exercise of these Warrants; OR

(C) if the undersigned holder is (i) a holder in the United States, (ii) a U.S. Person, (iii) a person exercising for the account or benefit of a U.S. Person, (iv) executing or delivering this exercise form in the United States or (v) requesting delivery of the underlying Common Shares in the United States, the undersigned holder has delivered to the Corporation and the Corporation’s transfer agent (a) a completed and executed U.S. Purchaser Letter in substantially the form attached to the Warrant Indenture as Schedule “D” or (b) an opinion of counsel (which will not be sufficient unless it is in form and substance reasonably satisfactory to the Corporation and Warrant Agent) or such other evidence reasonably satisfactory to the Corporation and Warrant Agent to the effect that with respect to the Common Shares to be delivered upon exercise of the Warrants, the issuance of such securities has been registered under the U.S. Securities Act and applicable state securities laws, or an exemption from such registration requirements is available.

The undersigned hereby irrevocably directs that the said Yamana Shares and New Monarch Shares be issued, registered and delivered as follows:

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<th>Name(s) in Full and Social Insurance Number(s) (if applicable)</th>
<th>Address(es)</th>
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Please print full name in which certificates representing the Yamana Shares and New Monarch Shares are to be issued. If any Yamana Shares and New Monarch Shares are to be issued to a person or persons other than the registered holder, the registered holder must pay to the Warrant Agent all eligible transfer taxes or other government charges, if any, and the Form of Transfer must be duly executed.

Once completed and executed, this Exercise Form must be mailed or delivered to Computershare Trust Company of Canada, c/o General Manager, Corporate Trust Montreal, 100 University Ave, 8th Floor, Toronto, Ontario, M5J 2Y1.

DATED this ____day of _____, 20__.  

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)

Witness ) (Signature of Warrantholder, to be the same 
) as
} appears on the face of this Warrant 
} Certificate)

______________________________  
Name of Registered Warrantholder

☐ Please check if the certificates representing the Yamana Shares and New Monarch Shares are to be delivered at the office where this Warrant Certificate is surrendered, failing which such certificates will be mailed to the address set out above. Certificates will be delivered or mailed as soon as practicable after the surrender of this Warrant Certificate to the Warrant Agent.