

YAMANA GOLD INC.
Form F-10
March 29, 2018

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As filed with the Securities and Exchange Commission on March 29, 2018

Registration No. 333-

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
WASHINGTON, D.C. 20549

FORM F-10 and FORM F-4

**REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933**

Form F-10

Form F-4

Yamana Gold Inc.

(FOR CO-REGISTRANTS, PLEASE SEE TABLE OF
CO-REGISTRANTS ON THE FOLLOWING PAGE)

(FOR CO-REGISTRANTS, PLEASE SEE TABLE OF
CO-REGISTRANTS ON THE FOLLOWING PAGE)

(Exact Name of Registrant as Specified in its Charter)

Canada
(Province or other jurisdiction
of incorporation or organization)

1041
(Primary Standard Industrial
Classification Code Number)
Royal Bank Plaza, North Tower
200 Bay Street, Suite 2200
Toronto, Ontario
Canada M5J 2J3
(416) 815-0220

Not Applicable
(I.R.S. Employer
Identification Number)

(Address, including postal code, and telephone number, including area code, of Registrant's principal executive offices)

Meridian Gold Company
4635 Longley Lane
Unit 110-4A
Reno, Nevada 89502
(775) 850-3700

(Name, Address (Including Zip Code) and Telephone Number (Including Area Code) of Agent for Service in the United States)

Copies to:

Sofia Tsakos
Yamana Gold Inc.

Adam M. Givertz
Paul, Weiss, Rifkind, Wharton &

Andrea FitzGerald
Cassels Brock & Blackwell LLP

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200 Bay Street
Suite 2200
Toronto, Ontario
Canada M5J 2J3
(416) 815-0220

Garrison LLP
77 King Street West
Suite 3100
Toronto, Ontario
Canada M5K 1J3
(416) 504-0520

40 King Street West
Suite 2100
Toronto, Ontario
Canada M5H 3C2
(416) 869-5300

Approximate date of commencement of proposed sale of the securities to the public:
as soon as practicable after this registration statement becomes effective.

Form F-10
Province of Ontario, Canada

(Principal Jurisdiction Regulating this Form F-10 Offering)

It is proposed that this filing shall become effective (check appropriate box):

- A. upon filing with the Commission, pursuant to Rule 467(a) (if in connection with an offering being made contemporaneously in the United States and Canada).
- B. at some future date (check appropriate box below):
1. Pursuant to Rule 467(b) on () at () (designate a time not sooner than seven calendar days after filing).
2. Pursuant to Rule 467(b) on () at () (designate a time seven calendar days or sooner after filing) because the securities regulatory authority in the review jurisdiction has issued a receipt or notification of clearance on ().
3. Pursuant to Rule 467(b) as soon as practicable after notification of the Commission by the registrant or the Canadian securities regulatory authority of the review jurisdiction that a receipt or notification of clearance has been issued with respect hereto.
4. After the filing of the next amendment to this form (if preliminary material is being filed).

If any of the securities being registered on this Form F-10 are to be offered on a delayed or continuous basis pursuant to the home jurisdiction's shelf prospectus offering procedures, check the following box.

Form F-4

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933.

Emerging growth company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act.

CALCULATION OF REGISTRATION FEE

| Title of Each Class of Securities to be Registered | Amount to be Registered ⁽¹⁾ | Proposed Maximum Offering Price Per Unit ⁽²⁾ | Proposed Maximum Aggregate Offering Price ⁽²⁾ | Amount of Registration Fee |
|---|--|---|--|----------------------------|
| 4.625% Senior Notes due 2027 of Yamana Gold Inc. ("Yamana") | \$300,000,000 | 100% | \$300,000,000 | \$37,350 |
| Guarantees ⁽³⁾ | N/A | N/A | N/A | N/A |

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| | | | |
|--------------|----------------------|----------------------|-----------------|
| Total | \$300,000,000 | \$300,000,000 | \$37,350 |
|--------------|----------------------|----------------------|-----------------|

- (1) The notes being registered are offered in exchange for 4.625% Senior Notes due 2027, previously sold in a transaction exempt from registration under the Securities Act of 1933, as amended.
 - (2) Estimated solely for the purpose of calculating the amount of the registration fee pursuant to Rule 457 under the Securities Act of 1933, as amended.
 - (3) Certain subsidiaries of Yamana will guarantee the payment of principal of, and premium (if any) and interest on, the debt securities registered hereby. Pursuant to Rule 457(n) under the Securities Act of 1933, as amended, no additional filing fee is being paid in respect of the guarantors.
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The Registrants hereby amend this registration statement on such date or dates as may be necessary to delay its effective date until the Registrants shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

TABLE OF ADDITIONAL REGISTRANTS

Form F-4

| Exact Name of Co-Registrant as Specified in its Charter | I.R.S. Employer Identification No. | State or Other Jurisdiction of Incorporation or Organization |
|--|---|---|
| Mineracao Maraca Industria e Comercio S.A. | N/A | Brazil |
| Jacobina Mineracao e Comercio Ltda. | N/A | Brazil |
| Minera Meridian Limitada | N/A | Chile |
| Yamana Chile Rentista de Capitales Mobiliarios Limitada | N/A | Chile |
| Minera Florida Limitada | N/A | Chile |
| Yamana Argentina Holdings B.V. | N/A | Netherlands |
| Yamana Malartic Canada Inc. | N/A | Ontario, Canada |

Address, including Zip Code, and Telephone Number, including Area Code, of each Co-Registrant's Principal Executive Offices: c/o Yamana Gold Inc., 200 Bay Street, Suite 2200, Toronto, Ontario, Canada M5J 2J3, (416) 815-0220.

Name, Address, including Zip Code, and Telephone Number, including Area Code, of each Co-Registrant's Agent for Service: Meridian Gold Company, 4635 Longley Lane, Unit 110-4A, Reno, Nevada 89502, (775) 850-3700.

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PART 1

**INFORMATION REQUIRED TO BE DELIVERED
TO OFFEREES OR PURCHASERS**

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Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be exchanged prior to the time the registration statement becomes effective. This prospectus shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state.

Subject to completion, dated March 29, 2018

PRELIMINARY SHORT FORM PROSPECTUS

New Issue

Yamana Gold Inc.

Offer to exchange all outstanding 4.625% Senior Notes due 2027 and related guarantees issued on December 4, 2017 for up to \$300,000,000 aggregate principal amount of registered 4.625% Senior Notes due 2027 and related guarantees

The Initial Notes:

\$300,000,000 aggregate principal amount of 4.625% Senior Notes due 2027 (the "Initial Notes") were originally issued by Yamana Gold Inc. ("Yamana" or the "Company") on December 4, 2017 in a transaction that was exempt from registration under the United States Securities Act of 1933, as amended (the "Securities Act"), and resold to qualified institutional buyers in reliance on Rule 144A and non-U.S. persons outside the United States in reliance on Regulation S.

The New Notes:

The terms of the new 2027 notes (the "New Notes") are substantially identical to the terms of the Initial Notes, except that the New Notes will be registered under the Securities Act, will not contain restrictions on transfer or certain provisions relating to additional interest, will bear different CUSIP numbers from the Initial Notes and will not entitle their holders to registration rights. The New Notes will evidence the same continuing indebtedness as the Initial Notes. We refer to the Initial Notes and the New Notes together as the "Notes".

All dollar amounts in this prospectus are in United States dollars, unless otherwise indicated. See "Exchange Rate Information".

See "Risk Factors" beginning on page 6 for a discussion of certain risks that you should consider in connection with an investment in the New Notes.

Exchange Offer:

Our offer to exchange Initial Notes for New Notes will be open until 5:00 p.m., New York City time, on _____, 2018, unless we extend the offer.

New Notes will be issued in exchange for an equal aggregate principal amount of outstanding Initial Notes validly tendered and accepted in the exchange offer. The exchange offer is not conditioned upon any minimum principal amount of Initial Notes being tendered for exchange. However, the obligation to accept the Initial Notes for exchange pursuant to the exchange offer is subject to certain customary conditions set forth herein. See "Exchange Offer Terms of the Exchange Offer Conditions."

There is no market through which these securities may be sold and holders may not be able to resell securities purchased under the short form prospectus. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities and the extent of issuer regulation. See "Risk Factors".

Yamana is permitted, under a multijurisdictional disclosure system adopted by the United States and Canada, to prepare this prospectus in accordance with Canadian disclosure requirements, which are different than those of the United States. Prospective investors in the Notes should be aware that such requirements are different from those of the United States. Financial statements included or incorporated herein have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and thus may not be comparable to financial statements of United States companies.

Owning and disposing the Notes may subject you to tax consequences in the United States and Canada. You should read the tax discussion in this prospectus. This prospectus may not describe the tax consequences of a holder's particular situation. We urge holders

to consult their own tax advisors regarding the application of tax laws to their particular situation.

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We are a corporation existing under the laws of Canada. Our head office is located at 200 Bay Street, Royal Bank Plaza, North Tower, Suite 2200, Toronto, Ontario M5J 2J3 and our registered office is located at 2100 Scotia Plaza, 40 King Street West, Toronto, Ontario M5H 3C2. A majority of our assets are located outside of the United States. In addition most of our directors and officers named in this prospectus and the documents incorporated by reference herein are resident outside of the United States. As a result, it may be difficult for United States investors to effect service of process within the United States upon those directors or officers who are not residents of the United States, or to realize in the United States upon judgments of courts of the United States.

NEITHER THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE "COMMISSION") NOR ANY STATE SECURITIES COMMISSION NOR ANY OTHER SECURITIES REGULATORY AUTHORITY HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

No proceeds will be raised pursuant to this exchange offer and all expenses in connection with the preparation and filing of this prospectus will be paid by Yamana from its general corporate funds.

No underwriter is being used in connection with this exchange offer or has been involved in the preparation of this prospectus or has performed any review of the contents of this prospectus.

The earnings coverage ratio in respect of Yamana's indebtedness for the 12-month period ended December 31, 2017 is less than one-to-one. See "*Earnings Coverage*."

Prospective investors should be aware that, during the period of the exchange offer, the registrant or its affiliates, directly or indirectly, may bid for or make purchases of Notes to be distributed or to be exchanged, or certain related debt securities, as permitted by applicable laws or regulations of Canada, or its provinces or territories.

Each broker-dealer that receives New Notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of those New Notes. The letter of transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of New Notes received in exchange for Initial Notes where those Initial Notes were acquired as a result of market-making activities or other trading activities. To the extent any such broker-dealer participates in the exchange offer, we have agreed that for a period of up to 180 days we will use commercially reasonable efforts to make this prospectus, as amended or supplemented, available to such broker-dealer for use in connection with any such resale. See "Plan of Distribution."

This prospectus incorporates by reference documents that contain important business and financial information about us that is not included in or delivered with this prospectus. These documents are available without charge to security holders upon written or oral request to the Senior Vice President, General Counsel and Corporate Secretary of Yamana at Yamana Gold Inc., 200 Bay Street, Suite 2200, Toronto, Ontario, Canada M5J 2J3, (416) 815-0220 and are also available electronically on SEDAR (as defined below) at www.sedar.com and on EDGAR (as defined below) at www.sec.gov. To obtain timely delivery, holders of the Initial Notes must request these documents no later than five business days before the expiration date. Unless extended, the expiration date is _____, 2018.

The date of this prospectus is _____, 2018.

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IMPORTANT NOTICE ABOUT INFORMATION IN THIS PROSPECTUS

We are responsible for the information contained in this prospectus or incorporated by reference in this prospectus. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not making an offer to sell the New Notes in any jurisdiction where the offer or sale is not permitted. You should assume that the information contained in this prospectus or in any document incorporated or deemed to be incorporated by reference in this prospectus is accurate only as of the respective date of the document in which such document appears.

The New Notes have not been and will not be qualified for public distribution under the securities laws of any province or territory of Canada. The New Notes are not being offered for sale and may not be offered or sold, directly or indirectly, in Canada or to any resident thereof except in accordance with the securities laws of the provinces and territories of Canada.

Yamana presents its financial statements in U.S. dollars and such financial statements are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("*IFRS*"). Unless otherwise indicated, any other financial information included or incorporated by reference in this prospectus has been prepared in accordance with IFRS. IFRS differs in certain material respects from United States generally accepted accounting principles ("*U.S. GAAP*"). As a result, certain financial information included or incorporated by reference in this prospectus may not be comparable to financial information prepared by other United States companies. This prospectus does not include any explanation of the principal differences or any reconciliation between IFRS and U.S. GAAP.

References to "\$" in this prospectus are to U.S. dollars and references to "C\$" in this prospectus are to Canadian dollars unless otherwise indicated. See "Exchange Rate Information".

In this prospectus, "we", "us" and "our" refer to Yamana and its subsidiaries.

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INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The following documents, filed with the securities commissions or similar regulatory authorities in each of the provinces of Canada and filed with or furnished to the Commission are specifically incorporated by reference in this prospectus:

- (a) The annual information form of Yamana, dated as of March 28, 2018, for the year ended December 31, 2017 (the "*Yamana AIF*").
- (b) The management's discussion and analysis of operations and financial condition of Yamana for the year ended December 31, 2017 ("*Management's Discussion and Analysis*").
- (c) The audited annual financial statements of Yamana as at and for the years ended December 31, 2017 and 2016.
- (d) The management information circular of Yamana dated March 28, 2017, in connection with the annual meeting of Yamana's shareholders held on May 4, 2017.

Any annual information form, annual financial statements (including the auditors' report thereon), interim financial statements, Management's Discussion and Analysis, material change report (excluding any confidential material change reports), business acquisition report or information circular or amendments thereto that we file with any securities commission or similar regulatory authority in Canada after the date of this prospectus and prior to the termination of the offering of the New Notes will be incorporated by reference in this prospectus and will automatically update and supersede information included or incorporated by reference in this prospectus. In addition, all documents we file with or furnish to the Commission pursuant to Section 13(a), 13(c), 14 or 15(d) of the United States Securities Exchange Act of 1934, as amended (the "*Exchange Act*"), subsequent to the date of this prospectus and prior to the termination of the offering of the New Notes to which this prospectus relates shall be deemed to be incorporated by reference into this prospectus and the registration statement of which the prospectus forms a part from the date of filing or furnishing of such documents (in the case of any Report on Form 6-K, if and to the extent expressly set forth in such report).

Any statement contained in a document incorporated or deemed to be incorporated by reference herein or contained in this prospectus shall be deemed to be modified or superseded for purposes of this prospectus to the extent any statement contained herein or in any subsequently filed or furnished document which is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed to constitute a part hereof except as so modified or superseded. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purpose that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

WHERE YOU CAN FIND MORE INFORMATION

We will provide to each person, including any beneficial owner, to whom this prospectus is delivered, without charge, upon written or oral request to the Senior Vice President, General Counsel and Corporate Secretary of Yamana at Yamana Gold Inc., 200 Bay Street, Suite 2200, Toronto, Ontario, Canada M5J 2J3, (416) 815-0220, copies of the documents incorporated by reference in this prospectus. Except as otherwise indicated in this prospectus, we do not incorporate by reference into this prospectus any of the information on, or accessible through, our website or any of the websites listed below.

We file certain reports with, and furnish other information to, the Commission and the provincial securities regulatory authorities of Canada. Yamana's Commission file number is 1-31880. Under a multijurisdictional disclosure system adopted by the United States and Canada, such reports and other information may be prepared in accordance with the disclosure requirements of the Canadian securities regulatory authorities, which requirements are different from those of the United States. As a foreign private issuer, Yamana is exempt from the rules under the Exchange Act prescribing the furnishing and content of proxy statements, and Yamana's

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officers and directors are exempt from the reporting and short swing profit recovery provisions contained in Section 16 of the Exchange Act. Our reports and other information filed with or furnished to the Commission are available, and our reports and other information filed or furnished in the future with or to the Commission will be available, from the Commission's Electronic Document Gathering and Retrieval System (www.sec.gov), which is commonly known by the acronym "EDGAR", as well as from commercial document retrieval services. You may also read (and by paying a fee, copy) any document we file with or furnish to the Commission at the Commission's public reference room in Washington, D.C. (100 F Street N.E., Washington, D.C. 20549). Please call the Commission at 1-800-SEC-0330 for more information on the public reference room. Our Canadian filings are available on the System for Electronic Document Analysis and Retrieval ("*SEDAR*") at www.sedar.com.

We have filed with the Commission under the Securities Act a registration statement on Form F-10/F-4 relating to the securities being offered hereunder and of which this prospectus forms a part. This prospectus does not contain all the information set forth in such registration statement, certain items of which are contained in the exhibits to the registration statement as permitted or required by the rules and regulations of the Commission. Items of information omitted from this prospectus but contained in the registration statement will be available on the Commission's website at www.sec.gov.

MARKET AND INDUSTRY DATA

Our statements with respect to our position in our markets and our market share are based on revenues and reflect our belief based on industry data and our knowledge of our markets. Certain industry data and other statistical information included or incorporated by reference in this prospectus are based on independent industry publications, government publications, reports by market research firms or other published independent sources. Some data included or incorporated by reference in this prospectus is also based on our good faith estimates, which are derived from our review of internal surveys, as well as independent sources. Industry surveys, publications, consultant surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable.

NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus includes "forward looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 and "forward looking information" under applicable Canadian Securities legislation. Except for statements of historical fact relating to us, information included and incorporated by reference herein constitutes forward-looking statements, including, but not limited to, any information as to our 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 our expectations in connection with the impact of general domestic and foreign business, economic and political 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, the Argentine peso and the Canadian dollar versus the U.S. dollar), interest rates, possible variations in ore grade or recovery rates, changes in our hedging program, changes in accounting policies, changes in Mineral Resources (as defined herein) and Mineral Reserves (as defined herein), risks related to acquisitions and/or dispositions, changes in project parameters as plans continue to be refined, changes in project development, construction, production and commissioning time frames, risks related to joint venture operations, the possibility of project cost overruns or unanticipated costs and expenses, potential impairment charges, higher prices for fuel, steel, power, labor and other consumables contributing to higher costs and general risks of the mining industry, including but not limited to, 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

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unanticipated weather changes, costs and timing of the development of new deposits, success of exploration activities, permitting timelines, environmental and government regulation and the risk of government expropriation or nationalization of mining operations, risks related to relying on local advisors and consultants in foreign jurisdictions, environmental risks, unanticipated reclamation expenses, title disputes or claims, limitations on insurance coverage and timing and possible outcome of pending and outstanding litigation and labor disputes, risks related to enforcing legal rights in foreign jurisdictions, vulnerability of information systems, as well as those risk factors discussed or referred to herein and in our annual Management's Discussion and Analysis and the Yamana AIF incorporated by reference herein.

Although we have attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. Forward-looking statements may prove to be inaccurate, as actual results and future events could differ materially from those anticipated in such statements. We undertake no obligation to update forward-looking statements if circumstances or management's estimates, assumptions or opinions should change, except as required by applicable law.

The reader is cautioned not to place undue reliance on forward-looking statements. The forward-looking statements included and or incorporated by reference herein are presented for the purpose of assisting investors in understanding our expected financial and operational performance and results as at and for the periods ended on the dates presented in our plans and objectives and may not be appropriate for other purposes.

We caution you that the above list of cautionary statements is not exhaustive. These and other factors could cause actual results to differ materially from our expectations expressed in the forward-looking statements included and incorporated by reference in this prospectus, and further details and descriptions of these and other factors are disclosed in this prospectus, including under the section "Risk Factors". Each of these forward looking statements speaks only as of the date such statements were made.

NOTICE REGARDING PRESENTATION OF MINERAL RESERVE AND MINERAL RESOURCE ESTIMATES

Mineral Resource (each as defined herein) classification terms in accordance with reporting standards in Canada, and unless otherwise indicated, the Mineral Reserve and Mineral Resource estimates included and incorporated by reference in this prospectus are prepared in accordance with Canadian National Instrument 43-101 *Standards of Disclosure for Mineral Projects ("NI 43-101")*. NI 43-101 establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. Unless otherwise indicated, all reserve and resource estimates included and incorporated by reference in this prospectus have been prepared in accordance with NI 43-101. These standards differ significantly from the mineral reserve disclosure requirements of the Commission set forth in Industry Guide 7 under the Securities Act ("*Industry Guide 7*"). Consequently, information regarding mineralization included and incorporated by reference in this prospectus is not comparable to similar information that would generally be disclosed by U.S. companies in accordance with the rules of the Commission.

In particular, Industry Guide 7 applies different standards in order to classify mineralization as a reserve. As a result, the definitions of proven and probable reserves used in NI 43-101 differ from the definitions used in Industry Guide 7. Under Commission standards, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. Among other things, all necessary permits would be required to be in hand or the issuance must be imminent in order to classify mineralized material as reserves under the Commission's standards. Accordingly, Mineral Reserve estimates included and incorporated by reference in this prospectus may not qualify as "reserves" under Commission standards.

In addition, this prospectus and the documents incorporated by reference in this prospectus use the terms "Mineral Resource," "Measured Mineral Resources," "Indicated Mineral Resources" and "Inferred Mineral Resources" to comply with the reporting standards in Canada. The Commission does not recognize mineral resources and U.S. companies are generally not permitted to disclose mineral resources of any category in documents they file with the Commission. Investors are specifically cautioned not to assume that any part or all of the mineral deposits in these categories will ever be converted into mineral reserves as defined in NI 43-101

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or Industry Guide 7. Further, "Inferred Resources" have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically. Therefore, investors are also cautioned not to assume that all or any part of an inferred resource exists. It cannot be assumed that all or any part of "Measured Mineral Resources," "Indicated Mineral Resources," or "Inferred Mineral Resources" will ever be upgraded to a higher category. Investors are cautioned not to assume that any part of the reported "Measured Mineral Resources," "Indicated Mineral Resources," or "Inferred Mineral Resources" included and incorporated by reference in this prospectus is economically or legally mineable. For the above reasons, information included and incorporated by reference in this prospectus containing descriptions of our Mineral Reserve and Mineral Resource estimates is not comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements of the Commission.

NON-GAAP FINANCIAL MEASURES

This prospectus includes and incorporates by reference certain non-GAAP financial measures, to supplement our consolidated financial statements, which are presented in accordance with IFRS, including the following:

cash costs per ounce of gold produced, per ounce of silver produced and per pound of copper produced on a co-product and by-product basis;

all-in sustaining costs per ounce of gold produced, per ounce of silver produced and per pound of copper produced on a co-product and by-product basis;

adjusted earnings or loss, and earnings or loss per share, from continuing operations;

adjusted operating cash flows;

net free cash flow;

net debt; and

average realized price per ounce of gold sold, per ounce of silver sold and per pound of copper sold.

We believe that these measures, together with measures determined in accordance with IFRS, provide investors with an improved ability to evaluate our underlying performance. Non-GAAP measures do not have any standardized meaning prescribed under IFRS, and therefore they may not be comparable to similar measures employed by other companies. Such measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. Please refer to our Management's Discussion and Analysis, incorporated by reference into this prospectus, for a description of such non-GAAP measures and a reconciliation of such non-GAAP measures to their most directly comparable measures reported under IFRS.

EXCHANGE RATE INFORMATION

The average daily exchange rate on March 28, 2018, as reported by the Bank of Canada for the conversion of United States dollars into Canadian dollars was \$1.00 equals C\$1.2902.

ENFORCEABILITY OF CERTAIN CIVIL LIABILITIES

We are a corporation continued and existing under the laws of Canada, and all of our guarantors are organized under the laws of various jurisdictions outside the United States. Certain of our directors and officers, as well as certain of the experts named in this prospectus, are

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residents of jurisdictions other than the United States, and a substantial portion of our and their respective assets are located outside the United States. We and the guarantors have agreed, in accordance with the terms of the indenture under which the New Notes will be issued, to accept service of process in any suit, action or proceeding with respect to the indenture or the New Notes brought in any federal or state court located in the Borough of Manhattan, in the City of New York, by an agent designated for such purpose, and to submit to the jurisdiction of such courts in connection with such suits, actions or proceedings. However, it may be difficult for holders of the New Notes to effect service within the United States upon directors, officers and experts who are not residents of the United States or to realize in

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the United States upon judgments of courts of the United States predicated upon civil liability under U.S. federal or state securities laws or other laws of the United States. We have been advised by our Canadian counsel, Cassels Brock & Blackwell LLP, that, subject to certain limitations, a judgment of a United States court predicated solely upon civil liability under United States federal securities laws may be enforceable in Canada if the United States court in which the judgment was obtained has a basis for jurisdiction in the matter that would be recognized by a Canadian court for the same purposes. We have also been advised by Cassels Brock & Blackwell LLP, that there is substantial doubt whether an action could be brought in Canada in the first instance on the basis of liability predicated solely upon United States federal securities laws. Additionally, there is doubt as to the enforceability in each guarantor's jurisdiction of organization (other than Canada) against us, the guarantors or against our directors, officers and experts who are not residents of the United States, in original actions or in actions for enforcement of judgments of courts of the United States, of liabilities predicated solely upon U.S. federal or state securities laws.

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PROSPECTUS SUMMARY

The following is a summary of some of the information included or incorporated by reference in this prospectus. It may not contain all the information that is important to you. To understand this offering fully, you should carefully read the entire prospectus and the documents incorporated by reference herein, including the risk factors beginning on page 6.

Company Overview

We are a Canadian-based gold producer with significant gold production, gold development stage properties, exploration properties, and land positions throughout the Americas. Our portfolio includes six operating gold mines, one development stage project currently under construction and various advanced and near development stage projects and exploration properties in Canada, Brazil, Chile, and Argentina.

Production from our mines (including our 50% interest in Canadian Malartic (as defined below)) for the year ended December 31, 2017 was 977,316 ounces of gold, 5,004,761 ounces of silver and 127.3 million pounds of copper at a total cost of sales per gold ounce, silver ounce and copper pound sold of \$1,023, \$13.63 and \$1.73, respectively, and all-in sustaining co-product cost ("AISC") per gold ounce, silver ounce and Chapada copper pound produced of \$916, \$13.48 and \$1.74, respectively. These results exclude production attributable to Brio Gold Inc. ("Brio Gold").

As of December 31, 2017, we had proven and probable Mineral Reserves totaling approximately 13 million ounces of gold, 67.9 million ounces of silver, 3.6 billion pounds of copper and 114 million pounds of zinc, including our 50% interest in Canadian Malartic, and exclusive of Mineral Reserves attributable to (i) Brio Gold and (ii) our Agua Rica Project in Argentina ("Agua Rica"). For the year ended December 31, 2017, we generated revenue of \$1,803.8 million.

Our common shares are listed on the Toronto Stock Exchange under the symbol "YRI" and the New York Stock Exchange under the symbol "AUY." As of March 28, 2018, we had a market capitalization of approximately \$3.31 billion. As of December 31, 2017, we had \$129.6 million in cash and cash equivalents (excluding Brio Gold), \$970 million of available credit and \$1.79 billion of total debt (excluding Brio Gold).

The principal executive office of each of the registrants is c/o Yamana Gold Inc., 200 Bay Street, Suite 2200, Toronto, Ontario, Canada M5J 2J3, (416) 815-0220.

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Summary of Terms of the Exchange Offer

We are offering to exchange \$300,000,000 aggregate principal amount of Initial Notes for a like aggregate principal amount of our New Notes, evidencing the same continuing indebtedness as the Initial Notes. In order to exchange your Initial Notes, you must properly tender them and we must accept your tender. We will exchange all outstanding Initial Notes that are validly tendered and not validly withdrawn.

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| Exchange Offer: | We will exchange your Initial Notes for a like aggregate principal amount of our New Notes. |
| Expiration Date: | The "expiration date" for the exchange offer is 5:00 p.m., New York City time, on, 2018, unless we extend it, in which case "expiration date" means the latest date and time to which the exchange offer is extended. |
| Interest on the New Notes: | The New Notes will accrue interest at a rate of 4.625% per annum from and including the last interest payment date on which interest has been paid on the Initial Notes. No additional interest will be paid on Initial Notes tendered and accepted for exchange. |
| Conditions to the Exchange Offer: | The exchange offer is subject to certain customary conditions, which we may waive. See "Exchange Offer Terms of the Exchange Offer Conditions". |
| Procedures for Tendering Initial Notes: | If you wish to accept the exchange offer, you must submit the required documentation and effect a tender of Initial Notes pursuant to the procedures for book-entry transfer (or other applicable procedures), all in accordance with the instructions described in this prospectus and in the letter of transmittal. See "Exchange Offer Terms of the Exchange Offer Procedures for Tendering," "Exchange Offer Terms of the Exchange Offer Book-Entry Transfer," "Exchange Offer Terms of the Exchange Offer Exchanging Book-Entry Notes" and "Exchange Offer Terms of the Exchange Offer Guaranteed Delivery Procedures." |
| Guaranteed Delivery Procedures: | If you wish to tender your Initial Notes, but cannot properly do so prior to the expiration date, you may tender your Initial Notes in accordance with the guaranteed delivery procedures described in "Exchange Offer Terms of the Exchange Offer Guaranteed Delivery Procedures." |
| Withdrawal Rights: | Tenders of Initial Notes may be withdrawn at any time prior to 5:00 p.m., New York City time, on the expiration date. To withdraw a tender of Initial Notes, a written or facsimile transmission notice of withdrawal must be received by the exchange agent at its address set forth in the letter of transmittal prior to 5:00 p.m., New York City time, on the expiration date. |
| Acceptance of Initial Notes and Delivery of New Notes: | Subject to certain conditions, any and all Initial Notes that are validly tendered in the exchange offer prior to 5:00 p.m., New York City time, on the expiration date will be accepted for exchange. The New Notes issued pursuant to the exchange offer will be delivered promptly following the expiration date. See "Exchange Offer Terms of the Exchange Offer." |
| U.S. Federal and Canadian Federal Income Tax Considerations: | The exchange of the Initial Notes for the New Notes will not constitute a taxable exchange for U.S. federal or Canadian federal income tax purposes. See "U.S. Federal Income Tax Considerations" and "Canadian Federal Income Tax Considerations." |
| Exchange Agent: | Citibank, N.A. is serving as the exchange agent. |

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Summary of Terms of the New Notes:

The terms of the New Notes are substantially identical to the terms of the Initial Notes except that the New Notes:

will be registered under the Securities Act, and therefore will not contain restrictions on transfer;

will not contain certain provisions relating to additional interest;

will bear a different CUSIP number from the Initial Notes; and

will not entitle their holders to registration rights.

It may be possible for you to resell the New Notes issued in the exchange offer without compliance with the registration or prospectus delivery provisions of the Securities Act if:

you are acquiring the New Notes in the ordinary course of your business;

you are not a broker-dealer that acquired the Initial Notes from us or in market-making transactions or other trading activities;

you are not participating, do not intend to participate and have no arrangement or understanding with any person to participate in the distribution of the New Notes issued to you; and

you are not an affiliate, under Rule 405 of the Securities Act, of us. If you are a broker-dealer and receive New Notes for your own account in exchange for Initial Notes that you acquired as a result of market-making activities or other trading activities, you must acknowledge that you will deliver this prospectus in connection with any resale of the New Notes. See "Plan of Distribution."

If you do not participate in this exchange offer:

subject to certain limited exceptions, you will not necessarily be able to require us to register your Initial Notes under the Securities Act;

you will not be able to resell, offer to resell or otherwise transfer your Initial Notes unless they are registered under the Securities Act or unless you resell, offer to resell or otherwise transfer them under an exemption from the registration requirements of, or in a transaction not subject to, registration under the Securities Act; and

the trading market for your Initial Notes will become more limited to the extent other holders of Initial Notes participate in the exchange

Resale of New Notes:

Consequences of Failure to Exchange Initial Notes:

offer.

See "Exchange Offer Terms of the Exchange Offer Consequences of Failure to Exchange" and "Exchange Offer Terms of the Exchange Offer Acceptance of Initial Notes for Exchange; Delivery of New Notes."

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Summary of Terms of the New Notes

The summary below describes the principal terms of the New Notes. Some of the terms and conditions described below are subject to important limitations and exceptions. The "Description of the Notes and Guarantees" section of this prospectus contains a more detailed description of the terms and conditions of the New Notes.

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| Issuer: | Yamana Gold Inc. |
| Notes Offered: | \$300,000,000 aggregate principal amount of 4.625% senior notes due 2027. |
| Maturity: | The New Notes will mature on December 15, 2027. |
| Interest Payment Dates: | The New Notes will accrue interest from December 4, 2017, at a rate of 4.625% per annum. Interest on the New Notes will be paid on June 15 and December 15 of each year, beginning June 15, 2018. All payments on the New Notes will be made in U.S. dollars. |
| Guarantees: | <p>The New Notes will be guaranteed on a senior basis by each of our subsidiaries that is a guarantor under our Credit Agreement (as defined herein).</p> <p>Under certain circumstances, guarantors may be released from their guarantees without the consent of the holders of New Notes. See "Description of the Notes Note Guarantees Release of Guarantees."</p> |
| Ranking: | The New Notes will be our and each guarantor's senior obligations and will rank equally with all of our and each guarantor's other senior unsubordinated indebtedness from time to time outstanding. The New Notes will be structurally subordinated to all indebtedness and other liabilities of our subsidiaries that are not guarantors and will be effectively subordinated to our and the guarantors' secured indebtedness and other secured liabilities to the extent of the assets securing such indebtedness and other liabilities. |
| Optional Redemption: | Prior to September 15, 2027 (the date that is three months prior to the maturity date of the New Notes), we may, at our option, redeem the New Notes, in whole or in part, at the make whole redemption price described in this prospectus. On or after September 15, 2027 (the date that is three months prior to the maturity date of the New Notes), we may, at our option, redeem the New Notes, in whole or in part, at a price equal to 100% of the principal amount of the New Notes to be redeemed, plus accrued interest thereon to, but not including, the date of redemption. See "Description of the Notes Optional Redemption." |
| Change of Control: | We will be required to make an offer to repurchase the New Notes at a price equal to 101% of the aggregate principal amount repurchased plus accrued and unpaid interest to, but not including, the date of repurchase upon the occurrence of a Change of Control Repurchase Event (as defined herein), as described under "Description of the Notes Change of Control Repurchase Event" in this prospectus. |

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| Additional Amounts: | All payments made by us, a guarantor or on our or their behalf under or with respect to the New Notes or the guarantees will be made free and clear of, and without withholding or deduction for or on account of, any Taxes (as defined herein) imposed or levied by or on behalf of the Relevant Taxing Jurisdictions (as defined herein), unless we or the guarantors are required to withhold or deduct Taxes by law or by the interpretation or administration thereof by the Relevant Taxing Jurisdictions. If any amount for or on account of such Taxes is required by any Relevant Taxing Jurisdiction to be withheld or deducted from any payment made under or with respect to the New Notes or a guarantee, we will, subject to certain exceptions, pay to each holder of New Notes as additional interest such Additional Amounts (as defined herein) as may be necessary so that the net amount received by each such holder after such withholding or deduction (and after deducting any Taxes on such Additional Amounts) will not be less than the amount such holder would have received if such Taxes had not been required to be withheld or deducted. See "Description of the Notes Payment of Additional Amounts." |
| Tax Redemption: | We may redeem the New Notes, in whole but not in part, upon notice in the event of certain changes in the tax laws (or any regulations or rulings promulgated thereunder) of a Relevant Taxing Jurisdiction, or the interpretation or administration thereof, at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest to, but not including, the date fixed for redemption. See "Description of the Notes Tax Redemption." |
| Sinking Fund: | None. |
| Use of Proceeds: | We will not receive any proceeds from the exchange offer. |
| Certain Covenants: | <p>The indenture pursuant to which the New Notes will be issued contains certain covenants that, among other things:</p> <p>limit the ability of Yamana and its restricted subsidiaries to create liens; and</p> <p>restrict our ability to amalgamate or merge with a third party or transfer all or substantially all of our assets. These covenants are subject to important exceptions and qualifications which are described under the caption "Description of the Notes Certain Covenants."</p> |
| Form: | The New Notes will be represented by one or more fully registered global notes deposited in book-entry form with, or on behalf of, The Depository Trust Company, and registered in the name of its nominee. See "Description of the Notes and Guarantees Book-Entry Procedures for the Global Notes." |
| Governing Law: | The indenture pursuant to which the New Notes are issued is, and the New Notes and the related guarantees will be, governed by, and construed in accordance with, the laws of the State of New York. |
| Risk Factors: | You should carefully consider the information set forth in the section titled "Risk Factors" as well as the other information included in this prospectus and the documents incorporated by reference herein before deciding whether to purchase the New Notes. |

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RISK FACTORS

In deciding whether to exchange Initial Notes for New Notes, you should carefully consider the risks described below, the risk factors incorporated by reference into this prospectus and all of the information included and incorporated by reference in this prospectus. The risks and uncertainties described below are not the only risks and uncertainties that we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations. If any of the adverse consequences described in those risks actually occurs, our business, results of operations, cash flows and financial position would suffer. The risks discussed below also include forward-looking statements, and our actual results may differ substantially from those discussed in these forward-looking statements. See "Cautionary Note Regarding Forward-Looking Information."

Risks Related to Our Business

Changes in the market price of gold, copper and silver, which in the past have fluctuated widely, may affect our results of operations, cash flows and financial position.

Our profitability and long-term viability depend, in large part, upon the market price of metals that may be produced from our properties, primarily gold, copper and silver. Market price fluctuations of these commodities could adversely affect the profitability of our operations and lead to impairments and write downs of mineral properties. Metal prices fluctuate widely and are affected by numerous factors beyond our control, including:

global and regional supply and demand for industrial products containing metals generally;

changes in global or regional investment or consumption patterns;

increased production due to new mine developments and improved mining and production methods;

decreased production due to mine closures;

interest rates and interest rate expectation;

expectations with respect to the rate of inflation or deflation;

fluctuations in the value of the U.S. dollar and other currencies;

availability and costs of metal substitutes;

global or regional political or economic conditions; and

sales by central banks, holders, speculators and other producers of metals in response to any of the above factors.

There can be no assurance that metal prices will remain at current levels or that such prices will improve. A decrease in the market prices could adversely affect the profitability of our existing mines and projects as well as our ability to finance the exploration and development of additional properties, which would have a material adverse effect on our results of operations, cash flows and financial position. A decline in metal prices may require us to write-down our Mineral Reserve and Mineral Resource estimates by removing ores from Mineral Reserves that would not be economically processed at lower metal prices and revise our life-of-mine plans, which could result in material write-downs of our

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investments in mining properties. Any of these factors could result in a material adverse effect on our results of operations, cash flows and financial position. Further, if revenue from metal sales declines, we may experience liquidity difficulties. Our cash flow from mining operations may be insufficient to meet our operating needs, and as a result we could be forced to discontinue production and could lose our interest in, or be forced to sell, some or all of our properties.

In addition to adversely affecting our Mineral Reserve and Mineral Resource estimates and our results of operations, cash flows and financial position, declining metal prices can impact operations by requiring a reassessment of the feasibility of a particular project. Even if a project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays and/or may interrupt operations until the reassessment can be completed, which may have a material adverse effect on our results of operations, cash flows and financial position. In addition, lower metal prices may require us to reduce funds available for exploration, with the result that the depleted reserves may not be replaced.

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We are exposed to exploration, development and operating risks, due to the high degree of risk involved in mining operations and these factors may adversely affect our results of operations, cash flows and financial position.

Mining operations are inherently dangerous and generally involve a high degree of risk. Yamana's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of gold, copper and silver, including, without limitation, unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding, pit wall failure and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, personal injury or loss of life, damage to property and environmental damage, all of which may result in possible legal liability. Although we expect that adequate precautions to minimize risk will be taken, mining operations are subject to hazards such as fire, rock falls, geomechanical issues, equipment failure or failure of retaining dams around tailings disposal areas which may result in environmental pollution and consequent liability. The occurrence of any of these events could result in a prolonged interruption of our operations that would have a material adverse effect on our business, financial condition, results of operations and prospects.

The exploration for and development of mineral deposits involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish Mineral Reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration or development programs planned by Yamana will result in a profitable commercial mining operation. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices that are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in Yamana not receiving an adequate return on invested capital.

There is no certainty that the expenditures made by Yamana towards the search and evaluation of mineral deposits will result in discoveries or development of commercial quantities of ore.

The mining business is inherently dangerous and subject to conditions or events beyond our control, which could have a material adverse effect on us.

Mining, like many other extractive natural resource industries, is subject to potential risks and liabilities due to accidents that could result in serious injury or death and/or material damage to the environment and Company assets. The impact of such accidents could affect the profitability of our operations, cause an interruption to our operations, lead to a loss of licenses, affect the reputation of the Company and its ability to obtain further licenses, damage community relations and reduce the perceived appeal of the Company as an employer.

Our operations are subject to significant environmental and governmental regulations, which could significantly limit development and cause potential delays in production.

All phases of the Company's operations are subject to environmental and safety regulations in the various jurisdictions in which it operates. These regulations mandate, among other things, worker safety, water quality, water management, land reclamation, waste disposal (including the generation, transportation, storage and disposal of hazardous waste), mine development and protection of endangered and other special status species. Failure to comply with applicable health, safety and environmental laws and regulations could result in injunctions, fines, suspension or cancellation of permits and approvals and could include other penalties. Health, safety and environmental legislation is evolving in a manner that will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that the Company has been or will at all times be in full compliance with all environmental laws and regulations or hold, and be in full compliance with, all required environmental and health and safety

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permits. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations, including the Company, may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. The potential costs and delays associated with compliance with such laws, regulations and permits could prevent the Company from proceeding with the development of a project or the operation or further development of a mine, and any non-compliance therewith may adversely affect the Company's business, financial condition and results of operations.

Government environmental approvals and permits are currently, or may in the future be, required in connection with the Company's operations. To the extent such approvals are required and not obtained, the Company may be curtailed or prohibited from proceeding with planned exploration or development of mineral properties.

The Company may also be held financially responsible for remediation of contamination at current or former sites, or at third party sites. The Company could also be held responsible for exposure to hazardous substances. The costs associated with such instances and liabilities could be significant.

In certain jurisdictions, the Company may be required to submit, for government approval, a reclamation plan for each of its mining/project sites. The reclamation plan establishes the Company's obligation to reclaim property after minerals have been mined from the sites. In some jurisdictions, bonds or other forms of financial assurances are required as security to ensure performance of the required reclamation activities. The Company may incur significant reclamation costs which may materially exceed the provisions the Company has made for such reclamation. In addition, the potential for additional regulatory requirements relating to reclamation or additional reclamation activities may have a material adverse effect on the Company's financial condition, liquidity or results of operations. When a previously unrecognized reclamation liability becomes known or a previously estimated cost is increased, the amount of that liability or additional cost may be expensed, which may materially reduce net income in that period.

The extraction process for gold and metals can produce tailings, which are the sand like materials which remain from the extraction process. Tailings are stored in engineered facilities which are designed, constructed, operated and closed in conformance with local requirements and best practices. Should a breach of these facilities occur due to extreme weather, seismic event, or other incident, the Company could suffer a material financial impact on its operations and financial condition.

Production at certain of the Company's mines involves the use of cyanide, which is a toxic material if not handled properly. Should cyanide leak or otherwise be discharged from the containment system, the Company could suffer a material impact on its business, financial condition and results of operations. The Company became a signatory to the International Cyanide Management Code in September 2008 to ensure the safe transport and use of cyanide in the production of gold. Conformance with this code is verified by independent audits, and the Company's operations are in full compliance with this code.

The Company actively engages with local communities to provide timely information about the operations and participates in a variety of activities to contribute to the wellbeing of local communities. Health, safety, environmental or other incidents, real or perceived, could cause community unrest that manifest into protests, road blockages or other civil disobedience activities that could materially disrupt our operations.

The mineral exploration activities of the Company are subject to various laws governing prospecting, development, production, taxes, labor standards and occupational health, mine safety, toxic substances and other matters. Although the Company believes that its exploration activities are currently carried out in accordance with all applicable rules and regulations, new rules and regulations may be enacted or existing rules and regulations may be applied in a manner that could limit or curtail production or development of the Company's properties. Amendments to current laws and regulations governing the operations and activities of the Company or more stringent implementation thereof could have a material adverse effect on the Company's business, financial condition and results of operations. See " Our international operations are subject to political, economic, social and geographic risks of doing business in foreign countries."

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Among the other environmental risks that we have identified across all of our operations are general water management (which includes cyanide management), tailings management, closure and a range of climate-change related risks. For more details regarding our management approach to each of these areas see the Yamana AIF under the heading "Description of the Business Environment and Communities."

Our business is sensitive to nature and climate conditions.

The Company and the mining industry are facing continued geotechnical challenges, which could adversely impact the Company's production and profitability. Unanticipated adverse geotechnical and hydrological conditions, such as landslides, droughts, pit wall failures and rock fragility, may occur in the future and such events may not be detected in advance. Geotechnical instabilities and adverse climatic conditions can be difficult to predict and are often affected by risks and hazards outside of the Company's control, such as severe weather and considerable rainfall, which may lead to periodic floods, mudslides, wall instability and seismic activity, which may result in slippage of material.

Geotechnical failures could result in limited or restricted access to mine sites, suspension of operations, government investigations, increased monitoring costs, remediation costs, loss of ore and other impacts, which could cause one or more of the Company's projects to be less profitable than currently anticipated and could result in a material adverse effect on the Company's results of operations and financial position.

We are exposed to counterparty, credit, liquidity and interest rate risks that could have an adverse effect on our results of operations, cash flows and financial position and if we are unable to successfully access financing, we may not be able to continue our exploration and development activities.

The Company is exposed to various counterparty risks including, but not limited to: (i) financial institutions that hold the Company's cash and short term investments; (ii) companies that have payables to the Company, including concentrate and bullion customers; (iii) providers of its risk management services (including hedging arrangements); (iv) shipping service providers that move the Company's material; (v) the Company's insurance providers; and (vi) the Company's lenders. The Company seeks to limit counterparty risk by entering into business arrangements with high credit-quality counterparties, limiting the amount of exposure to each counterparty and monitoring the financial condition of counterparties. For cash, cash equivalents and accounts receivable, credit risk is represented by the carrying amount on the balance sheet. For derivatives, the Company assumes no credit risk when the fair value of the instruments is negative. When the fair value of the instruments is positive, this is a reasonable measure of credit risk. The Company is also exposed to liquidity risks in meeting its operating and capital expenditure requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. Under the terms of the Company's trading agreements, counterparties cannot require the Company to immediately settle outstanding derivatives except upon the occurrence of customary events of default. The Company mitigates liquidity risk through the implementation of its capital management policy by spreading the maturity dates of derivatives over time, managing its capital expenditures and operation cash flows, and by maintaining adequate lines of credit. The Company is exposed to interest rate risk on its variable rate debt and enters into interest rate swap agreements to hedge this risk. These factors may impact the ability of the Company to obtain loans and other credit facilities and refinance existing facilities in the future and, if obtained, on terms favorable to the Company. Such failures to obtain loans and other credit facilities could require us to take measures to conserve cash and could adversely affect our access to the liquidity needed for the business in the longer term.

The exploration and development of the Company's properties, including continuing exploration and development projects, and the construction of mining facilities and commencement of mining operations may require substantial additional financing. Failure to obtain sufficient financing will result in a delay or indefinite postponement of exploration, development or production on any or all of the Company's properties or even a loss of a property interest. Additional financing may not be available when needed, or if available, the terms of such financing might not be favorable to the Company. Failure to raise capital when needed would have a material adverse effect on the Company's business, financial condition and results of operations.

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The construction and start-up of new mines is subject to a numbers of factors and the Company may not be able to successfully complete new construction projects.

The success of construction projects and the start-up of new mines by the Company is subject to a number of factors including the availability and performance of engineering and construction contractors, mining contractors, suppliers and consultants, the receipt of required governmental approvals and permits in connection with the construction of mining facilities and the conduct of mining operations (including environmental permits), the successful completion and operation of ore passes, the adsorption/desorption/recovery plants and conveyors to move ore, among other operational elements. Any delay in the performance of any one or more of the contractors, suppliers, consultants or other persons on which the Company is dependent in connection with its construction activities, a delay in or failure to receive the required governmental approvals and permits in a timely manner or on reasonable terms, or a delay in or failure in connection with the completion and successful operation of the operational elements in connection with new mines could delay or prevent the construction and start-up of new mines as planned. There can be no assurance that current or future construction and start-up plans implemented by the Company will be successful, that the Company will be able to obtain sufficient funds to finance construction and start-up activities, that personnel and equipment will be available in a timely manner or on reasonable terms to successfully complete construction projects, that the Company will be able to obtain all necessary governmental approvals and permits or that the completion of the construction, the start-up costs and the ongoing operating costs associated with the development of new mines will not be significantly higher than anticipated by the Company. Any of the foregoing factors could adversely impact the operations and financial condition of the Company.

Some of the Company's projects have no operating history upon which to base estimates of future cash flow. For example, we have previously provided an indication of production and cost expectations for the Cerro Moro Mine project. However, definitive production levels will be determined once final mine plans have been developed. The capital expenditures and time required to develop new mines or other projects are considerable and changes in costs or construction schedules can affect project economics. Thus, it is possible that actual costs may change significantly and economic returns may differ materially from the Company's estimates.

Commercial viability of a new mine or development project is predicated on many factors. Mineral Reserves and Mineral Resources projected by feasibility studies and technical assessments performed on the projects may not be realized, and the level of future metal prices needed to ensure commercial viability may not materialize. Consequently, there is a risk that start-up of new mine and development projects may be subject to write-down and/or closure as they may not be commercially viable.

Any uncertainty and inability in the estimation, recalculation or replacement of Mineral Reserves and Mineral Resources could materially affect our results of operations, cash flows and financial position.

To extend the lives of its mines and projects, ensure the continued operation of the business and realize its growth strategy, it is essential that the Company continues to realize its existing identified Mineral Reserves, convert Mineral Resources into Mineral Reserves, increase its Mineral Resource base by adding new Mineral Resources from areas of identified mineralized potential, and/or undertake successful exploration or acquire new Mineral Resources.

No assurance can be given that the anticipated tonnages and grades in respect of Mineral Reserves and Mineral Resources included and incorporated by reference in this prospectus will be achieved, that the indicated level of recovery will be realized or that Mineral Reserves will be mined or processed profitably. Actual Mineral Reserves may not conform to geological, metallurgical or other expectations, and the volume and grade of ore recovered may differ from estimated levels. There are numerous uncertainties inherent in estimating Mineral Reserves and Mineral Resources, including many factors beyond the Company's control. Such estimation is a subjective process, and the accuracy of any Mineral Reserve or Mineral Resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. Short-term operating factors relating to the Mineral Reserves, such as the need for orderly development of the ore bodies or the processing of new or different ore grades, may cause the mining operation to be unprofitable in any particular accounting period. In addition, there can be no assurance that gold recoveries in small scale laboratory tests will be duplicated in larger scale tests under on-site conditions or

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during production. Lower market prices, increased production costs, reduced recovery rates and other factors may result in a revision of our Mineral Reserve estimates from time to time or may render the Company's Mineral Reserves uneconomic to exploit. Mineral Reserve data is not indicative of future results of operations. If the Company's actual Mineral Reserves and Mineral Resources are less than current estimates or if the Company fails to develop its Mineral Resource base through the realization of identified mineralized potential, its results of operations or financial condition may be materially and adversely affected. Evaluation of Mineral Reserves and Mineral Resources occurs from time to time and they may change depending on further geological interpretation, drilling results and metal prices. The category of Inferred Mineral Resource is often the least reliable Mineral Resource category and is subject to the most variability. The Company regularly evaluates its Mineral Resources and it often determines the merits of increasing the reliability of its overall Mineral Resources.

Given that mines have limited lives based on proven Mineral Reserves and probable Mineral Reserves, the Company must continually replace and expand its Mineral Reserves at its mines. The life-of-mine estimates included and incorporated by reference in this prospectus may not be correct. The Company's ability to maintain or increase its annual production will be dependent in part on its ability to bring new mines into production and to expand Mineral Reserves at existing mines.

Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. Due to the uncertainty which may attach to Inferred Mineral Resources, there is no assurance that Inferred Mineral Resources will be upgraded to proven Mineral Reserves and probable Mineral Reserves as a result of continued exploration.

We are exposed to the volatile changes in the prices of commodities consumed.

The profitability of the Company's operations will be dependent upon the cost and availability of commodities which are consumed or otherwise used in connection with the Company's operations and projects, including, but not limited to, diesel, fuel, natural gas, electricity, steel, concrete and cyanide. Commodity prices fluctuate widely and are affected by numerous factors beyond the control of the Company. Further, as many of the Company's mines are in remote locations and energy is generally a limited resource, the Company faces the risk that there may not be sufficient energy available to carry out mining activities efficiently or that certain sources of energy may not be available.

We are subject to a variety of risks associated with our joint venture and partnership agreements, which could result in a material adverse effect on our future, growth, results of operations, cash flows and financial position.

Yamana holds an indirect 12.5% interest in the Alumbra Mine, the other 37.5% and 50% interests being held by Goldcorp Inc. and Glencore plc, respectively. The Company accounts for this investment under the equity method of accounting. The Company's interest in the Alumbra Mine is subject to the risks normally associated with the conduct of joint ventures. These risks may include, but are not limited to: disagreement with joint venture partners on how to develop and operate mines efficiently; inability of joint venture partners to meet their obligations to the joint venture or third parties; or litigation arising between joint venture partners regarding joint venture matters. The existence or occurrence of one or more of the foregoing circumstances and events, for example, could have a material adverse impact on Company's profitability, future cash flows, earnings, results of operations and financial condition.

In particular, the Company has formed a 50/50 partnership (the "Canadian Malartic GP") with Agnico Eagle Mines Limited ("Agnico Eagle") in connection with the acquisition of Canadian Malartic. There are a variety of general risks associated with the Canadian Malartic GP, particularly because Yamana is not the sole operator. These risks include, but are not limited to:

disagreement with Agnico Eagle about how to develop, operate or finance a project;

that Agnico Eagle may at any time have economic or business interests or goals that are, or become, inconsistent with the Company's business interests or goals;

that Agnico Eagle may not comply with the Canadian Malartic GP's partnership agreement;

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the possibility that Agnico Eagle may become bankrupt;

that Agnico Eagle may be in a position to take action contrary to the Company's instructions, requests, policies, objectives or interests;

possible litigation with Agnico Eagle about Canadian Malartic GP matters; and

the possibility that the Company may not be able to sell its interest in the Canadian Malartic GP if the Company desires to exit the Canadian Malartic GP.

These risks could result in legal liability or affect the Company's ability to develop or operate the Canadian Malartic GP's projects, either of which could have a material adverse effect on the Company's future growth, results of operations, cash flows and financial position.

As of the date hereof, the Company currently owns approximately 53.6% of the outstanding common shares of Brio Gold. The value of this interest is subject to volatility in the share price of Brio Gold's common shares. There can be no assurance that an active trading market for such shares is sustainable and the trading price of such shares could be subject to wide fluctuations in response to various factors beyond the Company's control, including quarterly variations in Brio Gold's results of operations, changes in earnings (if any), estimates by analysts, conditions in the industries in which Brio Gold operates and macroeconomic developments in North America, Brazil and globally, currency fluctuations and market perceptions of the attractiveness of particular industries. In recent years, equity markets, as they relate to commodity producers, have experienced extreme price and volume fluctuations. These fluctuations have at times had a substantial effect on the market price and capitalization of individual companies, often unrelated to the operating performance of specific companies. Such market fluctuations could adversely affect the market price of the Company's interest in Brio Gold and the value the Company could realize on such interest.

Also, while the Company is a party to an investor rights agreement with Brio Gold and currently has one nominee on Brio Gold's board of directors and a representative on Brio Gold's advisory board, it does not have significant control over Brio Gold. Accordingly, the interests of the Company, as a majority shareholder of Brio Gold, may not be the same as those of Brio Gold's other shareholders, and conflicts of interest may arise from time to time that may be resolved in a manner detrimental to the Company. In addition, decisions made by the directors and/or management of Brio Gold may cause Brio Gold to undertake strategies or courses of action that may not be consistent with the Company's short or long term objectives.

Mining is dependent on adequate infrastructure.

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants that affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations, financial condition and results of operations.

We rely on a number of licenses, permits and approvals from various governmental authorities, any loss of which could have a material adverse effect on our business.

The Company's operations are subject to receiving and maintaining permits from appropriate governmental authorities. There is no assurance that delays will not occur in connection with obtaining all necessary renewals of permits for our existing operations, additional permits for any possible future changes to operations, or additional permits associated with new legislation. Prior to any development on any of its properties, the Company must receive permits from appropriate governmental authorities. There can be no assurance that the Company will continue to hold all permits necessary to develop or continue operating at any particular property. Any of these factors could have a material adverse effect on our results of operations and financial position.

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Our insurance does not cover all potential losses, liabilities and damage related to our business and certain risks are uninsured or uninsurable.

Yamana's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labor disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, catastrophic equipment failures or unavailability of materials and equipment, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to the Company's properties or the properties of others, delays in mining, monetary losses and possible legal liability.

Yamana's insurance will not cover all the potential risks associated with the Company's operations. Even if available, Yamana may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production (such as underground coverage) is not generally available to Yamana or to other companies in the mining industry on acceptable terms. Yamana might also become subject to liability for pollution or other hazards that may not be insured against or that Yamana may elect not to insure against because of premium costs or other reasons. Losses from these events could cause Yamana to incur significant costs that could have a material adverse effect upon its financial performance and results of operations. Should the Company be unable to fully fund the cost of remedying an environmental problem, the Company might be required to suspend operations or enter into interim compliance measures pending completion of the required remedy, which may have a material adverse effect. We may suffer a material adverse effect on our business, results of operations, cash flows and financial position if we incur a material loss related to any significant event that is not covered, or adequately covered, by our insurance policies.

Our international operations are subject to political, economic, social and geographic risks of doing business in foreign countries.

The Company holds mining and exploration properties in Canada, Brazil, Argentina and Chile, exposing it to the socioeconomic conditions as well as the laws governing the mining industry in those countries. Inherent risks with conducting foreign operations include, but are not limited to: high rates of inflation; military repression; war or civil war; social and labor unrest; organized crime; hostage taking; terrorism; violent crime; extreme fluctuations in currency exchange rates; expropriation and nationalization; renegotiation or nullification of existing concessions, licenses, permits and contracts; illegal mining; changes in taxation policies; restrictions on foreign exchange and repatriation; and changing political norms, currency controls and governmental regulations that favor or require the Company to award contracts in, employ citizens of, or purchase supplies from, a particular jurisdiction.

Changes, if any, in mining or investment policies or shifts in political attitude in any of the jurisdictions in which the Company operates may adversely affect the Company's operations or profitability. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, importation of parts and supplies, income and other taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety.

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests. In addition, changes in government laws and regulations, including taxation, royalties, the repatriation of profits, restrictions on production, export controls, changes in taxation policies, environmental and ecological compliance, expropriation of property and shifts in the political stability of the country, could adversely affect the Company's exploration, development and production initiatives in these countries.

On December 29, 2017, the Argentinian government enacted a tax reform package. The new law includes a reduction in the corporate tax rate from 35% to 30% over the next two years and to 25% thereafter. To offset this reduction, a proposed new dividend withholding tax at a rate of 7% for the first two years and a 13% rate

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going forward was introduced. The dividend withholding tax can be reduced under a bilateral treaty. In addition, the Argentinean government implemented a new federal Mining Accord that establishes guidelines applicable to new mining projects in respect of taxation and royalties, and other areas of mining operations including environmental matters and mine closure plans.

On December 18, 2017, the Brazilian government enacted changes to the royalty tax rates for mining companies. The law includes an increase in the royalty tax rate from 1% to 1.5% for gold, with no change to the rate for copper. In addition, the rate will apply to gross revenue without deductions. The change in royalty rates is not expected to have a material effect on net earnings and cash flows from the Company's operations in Brazil.

In November 2016, the Quebec government enacted changes to the income tax rate as proposed in the 2016 provincial budget. Beginning with the year ended December 31, 2017, the provincial rate is decreasing by 0.1% over the next four years with the current rate decreasing from 11.9% to 11.5% in 2020.

The Company continues to monitor developments and policies in all the jurisdictions in which it operates and the potential impact such developments and policies may have on its operations; however they cannot be accurately predicted and could have an adverse effect on the Company's operations or profitability.

We are subject to anti-corruption laws, and non-compliance with such laws could subject us to criminal and civil liability and harm our business.

The Company is subject to various anti-corruption and anti-bribery laws and regulations, including but not limited to the Canadian Corruption of Foreign Public Officials Act, the U.S. Foreign Corrupt Practices Act of 1977, the Extractive Sector Transparency Measure Act ("ESTMA"), as well as similar laws in the countries in which we conduct business. In general, these laws prohibit a company and its employees and intermediaries from bribing or making other prohibited payments to foreign officials or other persons to obtain or retain business or gain some other business advantage. ESTMA, which became effective June 1, 2015, requires public disclosure of payments to governments by mining and oil and gas companies engaged in the commercial development of oil, gas and minerals that are either publicly listed in Canada or with business or assets in Canada. Mandatory annual reporting is required for extractive companies with respect to payments made to foreign and domestic governments at all levels, including entities established by two or more governments.

In recent years, there has been a general increase in both the frequency of enforcement and the severity of penalties under such anti-corruption and anti-bribery laws, resulting in greater scrutiny and punishment of companies found in violation of such laws. Failure to comply with the applicable legislation and other similar foreign laws could expose the Company and its senior management to civil and/or criminal penalties, other sanctions and remedial measures, legal expenses and reputational damage, all of which could materially and adversely affect the Company's business, financial condition and results of operations, as well as have an adverse effect on the market price of the Company's common shares. The Company has instituted policies that apply to all employees, consultants, contractors and other agents designed to facilitate compliance with such requirements, including a code of business conduct and ethics, an anti-bribery and anti-corruption policy and a whistleblower policy as well as mandatory training. However, there can be no assurance or guarantee that such efforts have been and will be completely effective in ensuring the Company's compliance, and the compliance of its employees, consultants, contractors and other agents, with all applicable anti-corruption and anti-bribery laws.

Any changes or increases in the Company's production costs may impact its profitability and could materially affect our results of operations, cash flows and financial position.

Changes in the Company's production costs could have a major impact on its profitability. Its main production expenses are personnel and contractor costs, materials and energy. Changes in costs of the Company's mining and processing operations could occur as a result of unforeseen events, including international and local economic and political events, a change in commodity prices, increased costs (including oil, steel and diesel) and scarcity of labor, and could result in changes in profitability or Mineral Reserve estimates. Many of these factors may be beyond the Company's control.

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The Company relies on third party suppliers for a number of raw materials. Any material increase in the cost of raw materials, or the inability by the Company to source third party suppliers for the supply of its raw materials, could have a material adverse effect on the Company's results of operations or financial condition.

The Company prepares estimates of future cash costs and capital costs for its operations and projects. There is no assurance that actual costs will not exceed such estimates. Exceeding cost estimates could have an adverse impact on the Company's future results of operations or financial condition.

Title, mineral rights or surface rights to our properties could be challenged, and, if successful, such challenges could have a material adverse effect on our production, results of operations, cash flows and financial position.

The acquisition and maintenance of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral concessions may be disputed. Title insurance is generally not available for mineral properties and our ability to ensure that we have obtained secure mine tenure may be severely constrained. There is no guarantee that title to any of our properties will not be challenged or impaired. Third parties may have valid claims underlying portions of the Company's interests, including prior unregistered liens, agreements, transfers or claims, including native land claims, and title may be affected by, among other things, undetected defects. If these challenges are successful, this could have an adverse effect on the development of our properties as well as our results of operations, cash flows and financial position. In addition, the Company may be unable to operate its properties as permitted or to enforce its rights with respect to its properties.

Our mining concession may be terminated in certain circumstances.

The Company's mining concessions may be terminated in certain circumstances. Under the laws of the jurisdictions where the Company's operations, development projects and prospects are located, mineral resources belong to the state and governmental concessions are required to explore for, and exploit, mineral reserves. The Company holds mining, exploration and other related concessions in each of the jurisdictions where it is operating and where it is carrying on development projects and prospects. The concessions held by the Company in respect of its operations, development projects and prospects may be terminated under certain circumstances, including where minimum production levels are not achieved by the Company (or a corresponding penalty is not paid), if certain fees are not paid or if environmental and safety standards are not met. Termination of any one or more of the Company's mining, exploration or other concessions could have a material adverse effect on the Company's financial condition or results of operations.

We may be unable to compete successfully with other mining companies.

The mining industry is intensely competitive in all of its phases and the Company competes with many companies possessing greater financial and technical resources than itself. Competition in the precious metals mining industry is primarily for: mineral rich properties that can be developed and produced economically; the technical expertise to find, develop, and operate such properties; the labor to operate the properties; and the capital for the purpose of funding such properties. Many competitors not only explore for and mine precious metals, but conduct refining and marketing operations on a global basis. Such competition may result in the Company being unable to acquire desired properties, to recruit or retain qualified employees or to acquire the capital necessary to fund its operations and develop its properties. Existing or future competition in the mining industry could materially adversely affect the Company's prospects for mineral exploration and success in the future.

Currency fluctuations may adversely affect the Company's capital costs and operational costs.

Currency fluctuations may affect the Company's capital costs and the costs that the Company incurs at its operations. Gold is sold throughout the world based principally on a U.S. dollar price, but a portion of the Company's operating and capital expenses are incurred in Brazilian reais, Argentine pesos, Chilean pesos, Canadian dollars and, to a lesser extent, the Euro. The appreciation of foreign currencies, particularly the Brazilian real and the Chilean peso, against the U.S. dollar would increase the costs of gold production at such mining operations, which could materially and adversely affect the Company's earnings and financial condition.

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The Company has hedged only a portion of its Brazilian real risks, and none of the other currencies in which it functions, and is therefore exposed to currency fluctuation risks.

Additionally, the Mega Precious assets and Canadian Malartic are located in Canada and the costs associated with such assets are primarily denominated in Canadian dollars. However, revenue generated from the sale of gold and silver from such assets is in U.S. dollars and some of the costs associated with such assets are denominated in currencies other than the Canadian dollar. Any appreciation of the Canadian dollar vis-à-vis these currencies could have a material adverse effect on the Company's business, financial condition and results of operations.

Differences between management's assumptions and market conditions, including write-downs and impairments, could have a material effect in the future on the Company's financial position and results of operation.

Mineral interests are the most significant assets of the Company and represent capitalized expenditures related to the development and construction of mining properties and related property, plant and equipment and the value assigned to exploration potential on acquisition. The costs associated with mining properties are separately allocated to exploration potential, Mineral Reserves and Mineral Resources and include acquired interests in production, development and exploration-stage properties representing the fair value at the time they were acquired. The values of such mineral properties are primarily driven by the nature and amount of material interests believed to be contained or potentially contained in properties to which they relate.

The Company reviews and evaluates its mining interests and any associated or allocated goodwill for impairment at least annually or when events or changes in circumstances indicate that the related carrying amounts may not be recoverable. An impairment is considered to exist if the recoverable value of the asset is less than the carrying amount of the asset. An impairment loss is measured and recorded to the net recoverable value of the asset. The recoverable value of the asset is the higher of: (i) value in use (being the net present value of total expected future cash flows); and (ii) fair value less costs to sell.

The Company also assesses at the end of each reporting period whether there is any indication that an impairment loss recognized in prior periods for an asset other than goodwill may no longer exist or may have decreased. If any such indication exists, the Company estimates the recoverable amount and considers the reversal of the impairment loss recognized in prior periods for all assets other than goodwill. An impairment loss recognized for goodwill is not reversed in a subsequent period.

Fair value is the value obtained from an active market or binding sale agreement. Where neither exists, fair value is based on the best information available to reflect the amount the Company could receive for the asset in an arm's length transaction. This is often estimated using discounted cash flow techniques. For value in use, recent cost levels are considered, together with expected changes in costs that are compatible with the current condition of the business and which meet the requirements of International Accounting Standards 36 in a discounted cash flow model. Where a recoverable amount is assessed using discounted cash flow techniques, the resulting estimates are based on detailed mine and/or production plans. Assumptions underlying fair value estimates are subject to significant risks and uncertainties. Where third-party pricing services are used, the valuation techniques and assumptions used by the pricing services are reviewed by the Company to ensure compliance with the accounting policies and internal control over financial reporting of the Company. Future cash flows are estimated based on expected future production, commodity prices, operating costs and capital costs. There are numerous uncertainties inherent in estimating Mineral Reserves and Mineral Resources. Differences between management's assumptions and market conditions could have a material effect in the future on the Company's financial position and results of operation.

The assumptions used in the valuation of work-in process inventories by the Company include estimates of metal contained in the ore stacked on leach pads, assumptions of the amount of metal stacked that is expected to be recovered from the leach pads, estimates of metal contained in ore stock piles, assumptions of the amount of metal that will be crushed for concentrate, estimates of metal-in-circuit, estimated costs of completion to final product to be incurred and an assumption of the gold, silver and copper price expected to be realized when the gold, silver and copper is recovered. The recoverable values of assets are highly dependent on several factors including metal prices and the prevailing cost environment, and the recoverable values of some properties are more sensitive to metal prices than others. If these estimates or assumptions prove to be inaccurate, the

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Company could be required to write-down the recorded value of its work-in-process inventories to net realizable value, which would reduce the Company's earnings and working capital. Net realizable value is determined as the difference between costs to complete production into a saleable form and the estimated future precious metal prices based on prevailing and long-term metal prices. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of changed economic circumstances, the amount of write-down is reversed up to the lower of the new net realizable value or the original cost.

Although management makes its best estimates, it is possible that material changes could occur which may adversely affect management's estimate of the net cash flows expected to be generated from its properties. Any impairment estimates, which are based on applicable key assumptions and sensitivity analysis, are based on management's best knowledge of the amounts, events or actions at such time, and the actual future outcomes may differ from any estimates that are provided by the Company. Any impairment charges on the Company's mineral projects could adversely affect its results of operations.

We may be subject to litigation that could have an adverse effect on our business.

All industries, including the mining industry, are subject to legal claims, with and without merit. The Company is currently involved in litigation and may become involved in legal disputes in the future. Defense and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding may have a material adverse effect on the Company's financial position or results of operations.

In 2004, a former director of Northern Orion Resources Inc. ("Northern Orion," now named 0805346 B.C. Ltd.) commenced proceedings in Argentina against Northern Orion claiming damages in the amount of \$177.0 million for alleged breaches of agreements entered into with the plaintiff. The plaintiff alleged that the agreements entitled him to a pre-emptive right to participate in acquisitions by Northern Orion in Argentina and claimed damages in connection with the acquisition by Northern Orion of its 12.5% equity interest in the Alumbra Mine. On August 22, 2008, the National Commercial Court No. 13 of the City of Buenos Aires issued a first-instance judgment rejecting the claim. The plaintiff appealed this judgment to the National Commercial Appeals Court. On May 22, 2013, the appellate court overturned the first-instance decision. The appellate court determined that the plaintiff was entitled to make 50% of Northern Orion's investment in the Alumbra acquisition, although weighted the chance of the plaintiff's 50% participation at 15%. The matter was remanded to the first-instance court to determine the value. The parties have undergone two valuations over the last several years, both of which have been subsequently annulled. The most recent annulled award suggested a valuation of \$54.2 million, well in excess of the amount Northern Orion considered reflective of the claim. In August, 2017, Northern Orion entered into a confidential settlement agreement pursuant to which this matter was definitively and finally settled in consideration of an amount to be paid in installments over a number of years. The total amount payable pursuant to the settlement is substantially below the amount awarded in the last valuation proceeding which, under Argentinian law, the Company successfully sought to annul. At the option of the Company, all or any portion of the amount can be paid in common shares of the Company.

In December 2012, the Company received assessments from the Brazilian federal tax authorities disallowing certain deductions relating to financial instruments used to finance Brazilian operations for the years 2007 to 2012. The Company believes that these financial instruments were issued on commercial terms permitted under applicable laws and is appealing these assessments. 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 Chapada Mine. This commercial resolution creates immediate financial certainty during a time of political volatility and economic reform in the country.

On October 25, 2017, the program was formally enacted into law and the Company paid \$76.7 million during the year ended December 31, 2017. The final program created an option to either pay one lump sum of approximately \$68 million in the first quarter of 2018, or a total of approximately \$100 million plus interest in installments over twelve years. The Company elected to proceed with the lump sum payment option, and, on January 30, 2018 made such payment.

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On August 2, 2016, Canadian Malartic General Partnership, a general partnership jointly owned by the Company and Agnico Eagle Mines Limited (the "Partnership"), was served with a class action lawsuit with respect to allegations involving the Canadian Malartic mine. The complaint is in respect of "neighbourhood annoyances" arising from dust, noise, vibrations and blasts at the mine. The plaintiffs are seeking damages in an unspecified amount as well as punitive damages in the amount of \$20 million. The class action was certified in May 2017. In November 2017, a declaratory judgment was issued allowing the Partnership to settle individually with class members for 2017. The plaintiffs have since announced that they intend to file an application for leave to appeal this declaratory judgment. On December 11, 2017, hearings were completed in respect of certain preliminary matters, including the Partnership's application for partial dismissal of the class action. The Company and the Partnership will take all necessary steps to defend themselves from this lawsuit.

On August 15, 2016, the Partnership received notice of an application for injunction relating to the Canadian Malartic mine, which had been filed under the Environment Quality Act (Quebec). A hearing related to an interlocutory injunction was completed on March 17, 2017 and a decision of the Superior Court of Quebec dismissed the injunction. An application for permanent injunction is currently pending. The Company and the Partnership have reviewed the injunction request, consider the request without merit and will take all reasonable steps to defend against this injunction. These measures include a motion for the dismissal of the application for injunction, which has been filed and will be heard at a date to be determined. While at this time the potential impacts of the injunction cannot be definitively determined, the Company expects that if the injunction were to be granted, there would be a negative impact on the operations of the Canadian Malartic mine, which could include a reduction in production.

On June 1, 2017, the Partnership was served with an application for judicial review to obtain the annulment of a governmental decree. The Partnership is an impleaded party in the proceedings. The applicant seeks to obtain the annulment of a decree authorizing the expansion of the Canadian Malartic mine. The Company and the Partnership have reviewed the application for judicial review, consider the application without merit and will take all reasonable steps to defend against this application. The hearing on the merits is scheduled to take place in October 2018. While the Company believes it is highly unlikely that the annulment will be granted, the Company expects that if the annulment were to be granted, there would be a negative impact on the operations of the Canadian Malartic mine, which could include a reduction in anticipated future production.

See "Legal Proceedings and Regulatory Actions" in the Yamana AIF.

The Company may use certain derivative products, which could have an adverse effect on our results of operations, cash flows and financial position.

From time to time, the Company may use certain derivative products as hedging instruments and to manage the risks associated with changes in gold prices, silver prices, copper prices, interest rates, foreign currency exchange rates and energy prices. The use of derivative instruments involves certain inherent risks including, among other things: (i) credit risk – the risk of default on amounts owing to the Company by the counterparties with which the Company has entered into transactions; (ii) market liquidity risk – risk that the Company has entered into a derivative position that cannot be closed out quickly, by either liquidating such derivative instrument or by establishing an offsetting position; and (iii) unrealized mark-to-market risk – the risk that, in respect of certain derivative products, an adverse change in market prices for commodities, currencies or interest rates will result in the Company incurring an unrealized mark-to-market loss in respect of such derivative products.

We may be unsuccessful in integrating businesses and assets we acquire in the future.

From time to time, the Company examines opportunities to acquire additional mining assets and businesses. Any acquisition that the Company may choose to complete may be of a significant size, may change the scale of the Company's business and operations, and may expose the Company to new geographic, political, operating, financial and geological risks. The Company's success in its acquisition activities depends on its ability to identify suitable acquisition candidates, negotiate acceptable terms for any such acquisition, and integrate the acquired operations successfully with those of the Company. Any acquisitions would be accompanied by risks. For example, there may be a significant change in commodity prices after the Company has committed to complete

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the transaction and established the purchase price or exchange ratio; a material ore body may prove to be below expectations; the Company may have difficulty integrating and assimilating the operations and personnel of any acquired companies, realizing anticipated synergies and maximizing the financial and strategic position of the combined enterprise, and maintaining uniform standards, policies and controls across the organization; the integration of the acquired business or assets may disrupt the Company's ongoing business and its relationships with employees, customers, suppliers and contractors; and the acquired business or assets may have unknown liabilities which may be significant. In the event that the Company chooses to raise debt capital to finance any such acquisition, the Company's leverage will be increased. If the Company chooses to use equity as consideration for such acquisition, existing shareholders may experience dilution. Alternatively, the Company may choose to finance any such acquisition with its existing resources. There can be no assurance that the Company would be successful in overcoming these risks or any other problems encountered in connection with such acquisitions.

Amendments to Mining Laws and Regulations could have a material adverse effect on the Company's business, financial condition and results of operations.

The mineral exploration activities of the Company are subject to various laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substances and other matters. Mining and exploration activities are also subject to various laws and regulations relating to the protection of the environment. Although the Company believes that its exploration activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner that could limit or curtail production or development of the Company's properties. Amendments to current laws and regulations governing the operations and activities of the Company or more stringent implementation thereof could have a material adverse effect on the Company's business, financial condition and results of operations.

Our operations may be adversely affected if we are unable to maintain positive community relations.

The Company's relationships with the communities in which it operates and other stakeholders are critical to ensure the future success of its existing operations and the construction and development of its projects. There is an increasing level of public concern relating to the perceived effect of mining activities on the environment and on communities impacted by such activities. Publicity adverse to the Company, its operations or extractive industries generally, could have an adverse effect on the Company and may impact relationships with the communities in which Yamana operates and other stakeholders. While the Company is committed to operating in a socially responsible manner, there can be no assurance that its efforts in this respect will mitigate this potential risk.

The Canadian Malartic Mine, in which the Company holds a 50% interest, is located adjacent to the community of Malartic. The Partnership continues to work with the Quebec Ministry of Transport and the town of Malartic on the deviation of Quebec provincial highway No. 117 to gain access to the higher grade Barnat and Jeffrey deposits. The final layout and an environmental impact assessment were completed at the end of January 2015. The Quebec Bureau d'audiences publiques sur l'environnement ("BAPE") issued its report on the Canadian Malartic pit extension on October 5, 2016. The BAPE report concluded that the project is acceptable and provided several recommendations intended to enhance social acceptability. The Québec government issued the decrees authorizing both the pit extension and deviation of highway 117 on April 12, 2017.

In addition, on August 2, 2016, Canadian Malartic GP, the operator of the Canadian Malartic mine, was served with a class action lawsuit with respect to allegations involving the Canadian Malartic mine. See "Legal Proceedings and Regulatory Actions". Since the spring of 2015, the Partnership has been working collaboratively with the community of Malartic and its citizens to develop a "Good Neighbour Guide" that addresses the allegations contained in the lawsuit. Implementation of the Good Neighbour Guide, which includes a compensation program and an acquisition program, began on September 1, 2016. Under the compensation program, a large portion of the residents of Malartic agreed to settle their claims in consideration of the compensation offered (96% for the retroactive period from July 1, 2013 to June 30, 2016 and 92% for the period from July 1, 2016 to December 31, 2016). Compensation for the year 2017 will be paid in the first quarter of

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2018, except in the southern sector of Malartic, where the compensation program has been suspended until final judgment is rendered with respect to the right to individually settle, after the certification of the class action, with residents who are class action members. A total of 31 residences were also acquired in the southern sector of Malartic under the acquisition program of the Good Neighbour Guide, which was also suspended in December 2017 for the same reason.

The Company's other projects, including exploration projects, may also be impacted by relations with various community stakeholders, and the Company's ability to develop related mining assets may still be affected by unforeseen outcomes from such community relations.

Our operations would be adversely affected if we fail to maintain satisfactory labor relations.

Production at our mining operations is dependent upon the efforts of the Company's employees and the Company's operations would be adversely affected if it fails to maintain satisfactory labor relations. In addition, relations between the Company and its employees may be affected by changes in the scheme of labor relations that may be introduced by the relevant governmental authorities in whose jurisdictions the Company carries on business. For example, during the first quarter of 2017 there was a temporary suspension of operations associated with the strike of one of our unions, before collective bargaining negotiations were resumed and concluded. Changes in such legislation or in the relationship between the Company and its employees may have a material adverse effect on the Company's business, results of operations and financial condition.

Limitations on the Company's ability to transfer cash or assets between it and its subsidiaries, including foreign subsidiaries, would restrict the Company's ability to fund its operations.

The Company is a holding company that conducts operations through subsidiaries, including foreign subsidiaries. Accordingly, any limitation on the transfer of cash or other assets between the parent corporation and such entities, or among such entities, could restrict the Company's ability to fund its operations efficiently. Any such limitations, or the perception that such limitations may exist now or in the future, could have an adverse impact on the Company's valuation and stock price.

We rely on our local counsel and advisors in foreign jurisdictions.

The Company holds mining and exploration properties in Brazil, Argentina and Chile, in addition to Canada. The legal and regulatory requirements in these countries with respect to conducting mineral exploration and mining activities, banking system and controls, as well as local business culture and practices are different from those in Canada and the United States. The officers and directors of the Company must rely, to a great extent, on the Company's local legal counsel and local consultants retained by the Company in order to keep abreast of material legal, regulatory and governmental developments as they pertain to and affect the Company's business operations, and to assist the Company with its governmental relations. The Company must rely, to some extent, on those members of management and the Company's board of directors who have previous experience working and conducting business in these countries in order to enhance its understanding of and appreciation for the local business culture and practices. The Company also relies on the advice of local experts and professionals in connection with current and new regulations that develop in respect of banking, financing, labor, litigation and tax matters in these countries. Any developments or changes in such legal, regulatory or governmental requirements or in local business practices are beyond the control of the Company. The impact of any such changes may adversely affect the business of the Company.

We depend on key management personnel and may not be able to attract and retain qualified personnel in the future.

The Company is dependent upon a number of key management personnel. The loss of the services of one or more of such key management personnel could have a material adverse effect on the Company. The Company's ability to manage its operating, development, exploration and financing activities will depend in large part on the efforts of these individuals. The Company faces intense competition for qualified personnel, and there can be no assurance that the Company will be able to attract and retain such personnel. The loss of the services of one or more key employees or the failure to attract and retain new personnel could have a

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material adverse effect on the Company's ability to manage and expand the Company's business. The Company has entered into employment agreements with certain of its key executives.

Our directors and officers may have interests that conflict with our interests.

Certain of the directors and officers of the Company also serve as directors and/or officers of other companies involved in natural resource exploration and development and, consequently, there exists the possibility for such directors and officers to be in a position of conflict. There can be no assurance that any decision made by any of such directors and officers involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Company and its shareholders. In the event that our directors and officers are subject to conflicts of interest, there may be a material adverse effect on our business.

We may fail to maintain the effectiveness of internal control over financial reporting.

Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Disclosure controls and procedures are designed to ensure that the information required to be disclosed by the Company in reports filed with securities regulatory agencies is recorded, processed, summarized and reported on a timely basis and is accumulated and communicated to the Company's management, as appropriate, to allow timely decisions regarding required decisions. The Company has invested resources to document and analyze its system of disclosure controls and its internal control over financial reporting. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation. Our failure to satisfy the requirements of applicable Canadian securities laws on an ongoing, timely basis could result in the loss of investor confidence in the reliability of our financial statements, which in turn could harm our business and negatively impact the trading price of the New Notes. In addition, any failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm our operating results or cause us to fail to meet our reporting obligations.

Any of these factors could have a material adverse effect on our results of operations, cash flows and financial position.

Failures of information systems and failure to protect against information security threats may have an adverse impact on the Company's reputation and results of operations.

The Company has entered into agreements with third parties for hardware, software, telecommunications and other information technology ("IT") services in connection with the Company's operations. The Company's operations depend, in part, on how well the Company and its suppliers protect networks, equipment, IT systems and software against damage from a number of threats, including, but not limited to, cable cuts, damage to physical plants, natural disasters, terrorism, fire, power loss, hacking, computer viruses, vandalism and theft. The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenditures to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Company's reputation and results of operations.

Although to date the Company has not experienced any material losses relating to cyber attacks or other information security breaches, there can be no assurance that it will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Any of these factors could have a material adverse effect on the Company's results of operations, cash flows and financial position.

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Risks Related to the New Notes and our Indebtedness

Higher levels of indebtedness and increased debt service obligations will effectively reduce the amount of funds available for other business purposes and may adversely affect us.

We have a significant amount of indebtedness. As of December 31, 2017, we had approximately \$1.86 billion of indebtedness outstanding. We may also incur additional long-term debt and working capital lines of credit to meet future financing needs, which would increase our total debt.

Interest costs related to the New Notes will be substantial and our increased level of indebtedness could reduce funds available for acquisitions, capital expenditures or other business purposes, impact our ratings, restrict our financial and operating flexibility or create competitive disadvantages compared to other companies with lower debt levels.

Our ability to make payments of principal and interest on our indebtedness, including the New Notes, depends upon our future performance, which will be subject to general economic conditions and financial, business and other factors affecting our consolidated operations, many of which are beyond our control. If we are unable to generate sufficient cash flow from operations in the future to service our debt and meet our other cash requirements, we may be required, among other things:

to seek additional financing in the debt or equity markets;

to refinance or restructure all or a portion of our indebtedness, including the New Notes;

to sell selected assets or businesses; or

to reduce or delay planned capital or operating expenditures.

Such measures might not be sufficient to enable us to service our debt, including the New Notes, and meet our other cash requirements. In addition, any such financing, refinancing or sale of assets might not be available at all or on economically favorable terms.

Enforcing your rights as a holder of the New Notes or under the guarantees across multiple jurisdictions may be difficult.

The New Notes will be issued by Yamana, which is incorporated under the federal laws of Canada, and guaranteed by the guarantors, which are incorporated in various jurisdictions, including Canada, Chile, Brazil and the Netherlands. In the event of bankruptcy, insolvency or a similar event, proceedings could be initiated in any of these jurisdictions and in the jurisdiction of organization of a future guarantor of the New Notes. Your rights under the New Notes and the guarantors' guarantees will thus be subject to the laws of several jurisdictions, and you may not be able to effectively enforce your rights in multiple bankruptcy, insolvency and other similar proceedings. Moreover, such multi-jurisdictional proceedings are typically complex and costly for creditors and often result in substantial uncertainty and delay in the enforcement of creditors' rights. In addition, the bankruptcy, insolvency, administrative and other laws of the respective guarantors' jurisdictions of incorporation may be materially different or in conflict. Courts of certain jurisdictions outside of the United States, including the jurisdictions in which the guarantors are incorporated, may also not enforce the guarantees until the guarantees are registered in such jurisdictions or other formalities are completed, which registrations and/or other formalities may not be completed upon closing of the exchange offer.

The New Notes will be structurally subordinated to the liabilities of non-guarantor subsidiaries and joint ventures.

Some, but not all, of our subsidiaries will guarantee the New Notes. Our joint ventures will not guarantee the New Notes. Generally, holders of indebtedness of, and trade creditors of, non-guarantor subsidiaries and joint ventures, including lenders under bank financing agreements, are entitled to payments of their claims from the assets of such subsidiaries and joint ventures before these assets are made available for distribution to Yamana or any guarantor, as direct or indirect shareholder.

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Accordingly, in the event that any of the non-guarantor subsidiaries or joint venture entities becomes insolvent, liquidates or otherwise reorganizes:

the creditors of Yamana or the guarantors (including the holders of the New Notes) will have no right to proceed against such subsidiary's or joint venture entities' assets; and

creditors of such non-guarantor subsidiary or joint venture, including trade creditors, will generally be entitled to payment in full from the sale or other disposal of the assets of such subsidiary or joint venture before Yamana or any guarantor, as a direct or indirect shareholder, will be entitled to receive any distributions from such subsidiary or joint venture.

Our subsidiaries that are not guarantors of the New Notes generated approximately \$403.0 million of revenue for the year ended December 31, 2017. As of December 31, 2017, our non-guarantor subsidiaries had approximately \$1,245.5 million of indebtedness and other liabilities including \$587.8 million of deferred income tax liabilities, all of which would have been structurally senior to the New Notes and the guarantees.

Changes in interest rates may cause the value of the New Notes to decline.

Prevailing interest rates will affect the market price or value of the New Notes. The market price or value of the New Notes may decline as prevailing interest rates for comparable debt instruments rise, and increase as prevailing interest rates for comparable debt instruments decline.

Credit ratings may change, adversely affecting the market value of the New Notes and our cost of capital.

There is no assurance that the credit ratings assigned to the New Notes or Yamana will remain in effect for any given period of time or that any such rating will not be revised or withdrawn entirely by a rating agency. Real or anticipated changes in credit ratings assigned to the New Notes will generally affect the market price of the New Notes. In addition, real or anticipated changes in our credit ratings may also affect the cost at which we can access the capital markets.

Upon a change of control triggering event, we may not be able to repurchase all of the New Notes, which would result in a default under the indenture in respect of the New Notes.

Upon the occurrence of a change of control triggering event, we will be required to offer to repurchase the New Notes at a price of 101% of the aggregate principal amount of the New Notes repurchased plus accrued and unpaid interest. For more information, see "Description of the Notes - Change of Control Repurchase Event." However, we may not have sufficient funds to repurchase the New Notes. In addition, our ability to repurchase New Notes may be limited by law or the terms of other agreements relating to our indebtedness. The failure to make such repurchase would result in a default under the indenture governing the New Notes. A change of control may also require us to make an offer to repurchase certain of our other indebtedness and may give rise to a default under our Credit Agreement and our existing notes. We may not have sufficient funds to repurchase all of the affected indebtedness and repay the amounts owing under our Credit Agreement and our existing notes.

The limited covenants in the indenture governing the New Notes do not and the terms of the New Notes will not provide protection against significant events that could adversely impact your investment in the New Notes.

The indenture governing the New Notes does not:

require us to maintain any financial ratios or specific levels of net worth, revenues, income, cash flow or liquidity and, accordingly, does not protect holders of the New Notes in the event that we experience significant adverse changes in our financial condition or results of operations;

restrict our subsidiaries' ability to issue securities or otherwise incur indebtedness that would be senior to our equity interests in our subsidiaries;

restrict our ability to repurchase or prepay our securities; or

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restrict our or our subsidiaries' ability to make investments or to pay dividends or make other payments in respect of our common shares or other securities ranking junior to the New Notes.

Furthermore, the definition of "Change of Control Repurchase Event" in the indenture governing the New Notes contains only limited protections. We and our subsidiaries could engage in many types of transactions, such as certain acquisitions, refinancings or recapitalizations, that could substantially affect our capital structure and the value of the New Notes. The indenture also permits us and our subsidiaries to incur additional indebtedness, including secured indebtedness, that could effectively rank senior to the New Notes, and to engage in sale-leaseback arrangements, subject to certain limits.

As a result of the foregoing, when evaluating the terms of the New Notes, you should be aware that the terms of the indenture do not and the New Notes will not restrict our ability to engage in, or otherwise be a party to, a variety of corporate transactions, circumstances and events that could have an adverse impact on your investment in the New Notes.

The New Notes are unsecured.

The New Notes are unsecured. While the indenture governing the New Notes does contain some restrictions on our ability to incur secured indebtedness, the amount of secured indebtedness that we can incur could be substantial. Holders of any secured indebtedness will have claims that are prior to your claims as holders of the New Notes, to the extent of the value of the assets securing such indebtedness, in the event of any bankruptcy, liquidation or similar proceeding involving us.

Fraudulent transfer laws may permit a court to void the guarantees, and, if that occurs, you may not receive any payments on the New Notes or in respect of such