YAMANA GOLD INC.
Form F-10
February 18, 2015

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As filed with the Securities and Exchange Commission on February 17, 2015

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM F-10

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

Yamana Gold Inc.

(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)

Not Applicable
(I.R.S. Employee Identification No.)

Royal Bank Plaza, North Tower
200 Bay Street, Suite 2200
Toronto, Ontario
Canada M5J 2J3
(416) 815-0220
(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:

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200 Bay Street, Suite 2200
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Canada M5J 2J3
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Toronto, Ontario
Canada M5H 3C2
(416) 869-5300

(416) 504-0520

Approximate date of commencement of proposed sale to the public:

From time to time after the effective date of this Registration Statement.

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

A. o 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. ý At some future date (check the appropriate box below):

1. o pursuant to Rule 467(b) on ( ) at ( ) (designate a time not sooner than 7 calendar days after filing).
2. o pursuant to Rule 467(b) on ( ) at ( ) (designate a time 7 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. o 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. ý 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 are to be offered on a delayed or continuous basis pursuant to the home jurisdiction's shelf prospectus offering procedures, check the following box. ý

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be Registered	Proposed Maximum Offering Price Per Security[(1)]	Proposed Maximum Aggregate Offering Price[(1)]	Amount of registration fee
Common Shares	93,774,384 shares	US$3.96	US$371,346,560.64	US$43,150.47

(1) Based on the average of the high and low prices of the common shares of Yamana Gold Inc. on February 12, 2015 on the New York Stock Exchange, and estimated solely for the purpose of calculating the amount of the registration fee pursuant to Rule 457(c) under the Securities Act of 1933, as amended (the "**Securities Act**").

If as a result of stock splits, stock dividends or similar transactions, the number of securities purported to be registered on this Registration Statement changes, the provisions of Rule 416 shall apply to this Registration Statement.

PART I

INFORMATION REQUIRED TO BE DELIVERED TO OFFEREES OR PURCHASERS

A copy of this preliminary short form base shelf prospectus has been filed with the securities regulatory authority in Province of Ontario, but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary short form base shelf prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for this short form base shelf prospectus is obtained from the securities regulatory authorities.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. ***Information has been incorporated by reference in this short form base shelf prospectus from documents filed with securities commissions or similar regulatory authorities in Canada.*** *Copies of the documents incorporated herein by reference may be obtained on request without charge from the Senior Vice President, General Counsel and Corporate Secretary of Yamana Gold Inc. 200 Bay Street, Royal Bank Plaza, North Tower, Suite 2200, Toronto, Ontario M5J 2J3, telephone (416) 815-0220, and are also available electronically at www.sedar.com.*

This short form base shelf prospectus has been filed under legislation in the Province of Ontario that permits certain information about these securities to be determined after the prospectus has become final and that permits the omission of that information from this prospectus. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information, as applicable, within a specified period of time after agreeing to purchase any of these securities.

PRELIMINARY SHORT FORM BASE SHELF PROSPECTUS

New Issue February 17, 2015

YAMANA GOLD INC.

Up to 93,774,384 Common Shares

This short form prospectus is being filed by Yamana Gold Inc. ("**Yamana**", the "**Corporation**", "**we**" or "**us**") to qualify the distribution of up to 93,774,384 Common Shares (as defined herein) issuable under a dividend reinvestment plan approved and adopted by the board of directors of the Corporation (the "**Plan**"), which aggregate amount is equal to approximately 10% of the issued and outstanding Common Shares as of the date of this prospectus.

The board of directors of Yamana has approved and adopted the Plan to provide holders of common shares of the Corporation ("**Common Shares**") with a simple and convenient method to purchase additional Common Shares of the Corporation by reinvesting cash dividends (less any applicable withholding tax).

A Plan participant may obtain additional Common Shares by automatically reinvesting all or any portion of the cash dividends paid on Common Shares held by the Plan participant without paying any brokerage commissions, administrative costs or other service charges. Our dividends have historically been paid quarterly in respect of periods ended March 31, June 30, September 30 and December 31 on such dates as are determined by the Corporation's Board of Directors.

The Common Shares are listed on the Toronto Stock Exchange (the "**TSX**") under the symbol "YRI" and on the New York Stock Exchange (the "**NYSE**") under the symbol "AUY". On February 13, 2015, the closing price of the Common Shares on the TSX and the NYSE was $5.15 and US$4.13, respectively.

The Common Shares acquired by the Plan agent (the "**Agent**") under the Plan (defined herein as "**Plan Shares**" See "The Plan") will, at the sole option of the Corporation, either be Common Shares issued from the treasury of the Corporation (the "**Treasury Purchase Shares**") or be Common Shares acquired on the open market (the "**Market Purchase Shares**") through the facilities of the TSX, the NYSE, or any other stock exchange on which the Common Shares are then listed (each, a "**Listing Market**"), as applicable. The purchase price of Treasury Purchase Shares and Market Purchase Shares purchased by the Agent, on behalf of Plan participants, will be the volume weighted average price of the Common Shares traded on a Listing Market on the five (5) trading days preceding the Dividend Payment Date (as defined herein) (the "**Average Market Price**"), in accordance with the provisions of the Plan.

We cannot estimate anticipated proceeds from sales of Common Shares pursuant to the Plan, which will depend upon the extent of shareholder participation in the Plan, the market price of the Common Shares as of any Dividend Payment Date, and other factors.

The Common Shares to which this short form prospectus relates will be sold directly by the Corporation to the Plan Agent, other than in respect of Market Purchase Shares that will be purchased by the Agent on the open market. Accordingly, no underwriters, agents or dealers will be involved in these sales, and no underwriter, agent or dealer has been involved in the preparation of, or has performed a review of, the contents of this short form prospectus.

We urge you to carefully read the "Risk Factors" section in this short form prospectus, where we describe risks associated with the Plan and our business and operations, before you make your investment decision.

This offering is made by a foreign issuer that is permitted, under a multijurisdictional disclosure system adopted by the United States and Canada, to prepare this short form prospectus in accordance with Canadian disclosure requirements. Prospective investors in the United States should be aware that such requirements are different from those of the United States. Financial statements incorporated herein by reference have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"), and may be subject to Canadian auditing and auditor independence standards, and thus may not be comparable to financial statements of United States companies.

Prospective investors in the United States should be aware that the acquisition of the securities described herein may have tax consequences both in the United States and in Canada. Such consequences may not be described fully herein. Prospective investors should read the tax discussion in this prospectus, and we urge prospective investors to consult their own tax advisors regarding the application of tax laws to their particular situation.

The enforcement by investors of civil liabilities under the United States federal securities laws may be affected adversely by the fact that we are incorporated under the laws of Canada, that some of our officers and directors are residents of Canada, that some or all of the experts named in the registration statement are residents of Canada, and that a substantial portion of our assets and the assets of said persons are located outside the United States.

Richard Graff, John Begeman and Jane Sadowsky, each a director of the Corporation, reside outside of Canada. Although each of the aforementioned individuals have appointed Cassels Brock & Blackwell LLP, 2100 Scotia Plaza, 40 King Street West, Toronto, Ontario M5H 3C2, as his or her agent for service of process in Canada, purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against these individuals, even if such persons have appointed an agent for service of process.

Neither the Securities and Exchange Commission (the "SEC") nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offence.

Our head office is located at Royal Bank Plaza, North Tower, 200 Bay Street, Suite 2200, Toronto, Ontario, Canada M5J 2J3 and our telephone number is (416) 815-0220. Our registered office is located at 2100 Scotia Plaza, 40 King Street West, Toronto, Ontario, Canada M5H 3C2.

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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 Common Shares 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.

In this prospectus, "we", "us" and "our" refer to Yamana and its subsidiaries, but do not include Osisko Mining Corporation ("Osisko"), unless the context requires otherwise.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This short form prospectus contains or incorporates by reference "forward-looking statements" and "forward-looking information" within the meaning of applicable Canadian securities legislation and within the meaning of the United States Private Securities Litigation Reform Act of 1995. Forward-looking information includes, but is not limited to, information with respect to the Corporation's 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 the Corporation's expectations in connection with the use of proceeds from the Offering, production and exploration, development and expansion plans at the Corporation's projects discussed herein being met, the impact of proposed optimizations at the Corporation's projects, the impact of the proposed new mining law in Brazil, the new tax reform bill in Mexico, the amended federal income tax statute in Argentina and the new Chilean tax reform package, and 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 Mexican peso versus the United States dollar), interest rates, possible variations in ore grade or recovery rates, changes in the Corporation's hedging program, changes in accounting policies, changes in mineral resources and mineral reserves, risks related to non-core mine disposition, our expectations relating to the Osisko Acquisition (as defined herein), including with respect to anticipated benefits thereof and the magnitude of synergies therefrom, and the performance of the assets acquired from Osisko, and risks related to other acquisitions, changes in project parameters as plans continue to be refined, changes in project development, construction, production and commissioning time frames, the possibility of project cost overruns or unanticipated costs and expenses, potential impairment charges, higher prices for fuel, steel, power, labour 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 unanticipated weather changes, costs and timing of the development of new deposits, success of exploration activities, permitting timelines, environmental and governmental 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, risks relating to joint venture operations, title disputes or claims, limitations on insurance coverage and timing and possible outcome of pending and outstanding litigation and labour 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, in the Corporation's most recent annual information form and in the Corporation's most recent annual management's discussion and analysis filed with the securities regulatory authorities in all provinces of Canada and available under the Corporation's SEDAR profile at www.sedar.com and EDGAR at www.edgar.com. Although the Corporation has 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. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The Corporation undertakes 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 information contained herein is presented for the purpose of assisting investors in understanding the Corporation's expected financial and operational performance and results as at and for the periods ended on the dates presented in the Corporation's plans and objectives and may not be appropriate for other purposes.

CAUTIONARY NOTE TO UNITED STATES INVESTORS REGARDING PRESENTATION OF RESERVE AND MINERAL RESOURCE ESTIMATES

The disclosure incorporated by reference in this prospectus uses "Mineral Reserve" and "Mineral Resource" classification terms in accordance with reporting standards in Canada, and unless otherwise indicated, the Mineral Reserve and Mineral Resource estimates contained 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. These standards differ significantly from the mineral reserve disclosure requirements of the SEC set forth in Industry Guide 7 under the Securities Act ("**Industry Guide 7**"). Consequently, information regarding mineralization contained 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 SEC.

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 SEC 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 SEC's standards. Accordingly, Mineral Reserve estimates contained and incorporated by reference in this prospectus may not qualify as "reserves" under SEC 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" in accordance with the reporting standards in Canada. The SEC 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 SEC. 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 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" in this prospectus is economically or legally mineable. For the above reasons, information contained 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 SEC.

NON-GAAP FINANCIAL MEASURES

This prospectus includes and incorporates by reference certain non-GAAP financial measures, including "Co-product cash costs per gold equivalent ounce," "Co-product cash costs per pound of copper," "By-product cash costs per gold equivalent ounce," "Co-product all-in sustaining costs per GEO," "By-product all-in sustaining costs per GEO," "Adjusted Earnings or Loss" and "Adjusted Earnings or Loss per share" that are not recognized under, or prepared in accordance with, IFRS.

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. The data is 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.

We disclose "cash costs" because we understand that certain investors use this information to determine our ability to generate earnings and cash flows for use in investing and other activities. We believe that conventional measures of performance prepared in accordance with IFRS do not fully illustrate the ability of our operating mines to generate cash flows. Such measures, as determined under IFRS, are not necessarily indicative of operating profit or cash flows from operations.

Our business model is focused on the production and sale of precious metals (gold and silver), which accounts for a significant portion of our total revenue. The emphasis on precious metals requires us to provide investors with cash costs information that is relevant to their evaluation of our ability to generate earnings and cash flows for use in investing and other activities. Cash costs include mine site operating costs such as mining, processing, administration, royalties and production taxes, but are exclusive of amortization, reclamation, capital, development and exploration costs. Cash costs are computed on a co-product and a by-product basis.

In excess of 75% of our revenues are generated from sales of precious metals; therefore, cash costs are also calculated on a by-product basis in order to provide investors with a measure that focuses on our core business in mining and producing precious metals. Cash costs per gold equivalent ounce ("**GEO**") on a by-product basis is calculated by applying zinc and copper net revenue as a credit to the cost of gold production and as such the by-product GEO cash costs are impacted by realized zinc and copper prices. These costs are then divided by GEO produced. GEO are determined by converting silver production to its gold equivalent using relative gold/silver metal prices at an assumed ratio and adding the converted silver production expressed in gold ounces to the ounces of gold production. Cash costs on a co-product basis are computed by allocating operating cash costs to metals, mainly gold and copper, based on an estimated or assumed ratio. These costs are then divided by GEO produced and pounds of copper produced to arrive at the cash costs of production per GEO and per pound of copper, respectively. Production of zinc is not considered a core business of the Corporation; therefore, the net revenue of zinc is always treated as a credit to the costs of gold production. Cash costs per GEO and per pound of copper are calculated on a weighted average basis.

Effective 2013, we adopted an all-in sustaining costs measure, which seeks to represent total sustaining expenditures of producing GEO from current operations, including by-product and co-product cash costs, mine sustaining capital expenditures, corporate general and administrative expense excluding stock-based compensation, and exploration and evaluation expense. As such, all-in sustaining cost does not include capital expenditures attributable to projects or mine expansions, exploration and evaluation costs attributable to growth projects, income tax payments, financing costs and dividend payments, and this measure is therefore not representative of all of our cash expenditures. In addition, our calculation of all-in sustaining costs does not include depletion, depreciation and amortization expense as it does not reflect the impact of expenditures incurred in prior periods. This performance measure has no standard meaning and is intended to provide additional information and should not be considered in isolation or as a substitute for measures prepared in accordance with IFRS.

The measures of cash costs and all-in sustaining costs, along with revenue from sales, are considered to be key indicators of a company's ability to generate operating earnings and cash flow from its mining operations. This data is furnished to provide additional information and is a non-GAAP measure. It should not be considered in isolation as a substitute for measures of performance prepared in accordance with IFRS and is not necessarily indicative of operating costs, operating profit or cash flows presented under IFRS.

Silver production is treated as a gold equivalent. GEO calculations are based on an average historical silver to gold price ratio (50:1), which is used and presented for comparative purposes only. For a reconciliation of (i) by-product cash costs per GEO, (ii) co-product cash costs per GEO, (iii) co-product cash costs per pound of copper, (iv) all-in sustaining by-product costs per GEO, and (v) all-in sustaining co-product costs per GEO, please refer to our Annual Management's Discussion and Analysis, which is incorporated by reference in this prospectus.

We use the financial measures "Adjusted Earnings or Loss" and "Adjusted Earnings or Loss per share" to supplement information in our consolidated financial statements. We believe that in addition to conventional measures prepared in accordance with IFRS, we and certain investors and analysts use this information to evaluate our performance. The presentation of adjusted measures are not meant to be a substitute for net earnings or loss or net earnings or loss per share presented in accordance with IFRS, but rather should be evaluated in conjunction with such IFRS measures. Adjusted Earning or Loss and Adjusted Earnings or Loss per share are calculated as net earnings excluding (a) share-based payments and other compensation, (b) unrealized foreign exchange (gains) losses related to revaluation of deferred income tax asset and liability on non-monetary items, (c) unrealized foreign exchange (gains) losses related to other items, (d) unrealized (gains) losses on commodity derivatives, (e) impairment losses and reversals, (f) deferred income tax expense (recovery) on the translation of foreign currency inter-corporate debt, (g) mark-to-market (gains) losses on share-purchase warrants, (h) write-down of investments and other assets and (i) any other non-recurring adjustments. Non-recurring adjustments from unusual events or circumstances are reviewed from time to time based on materiality and the nature of the event or circumstance. Earnings adjustments for the comparative period reflect both continuing and discontinued operations.

The terms "Adjusted Earnings or Loss" and "Adjusted Earnings or Loss per share" do not have a standardized meaning prescribed by IFRS, and therefore our definitions are unlikely to be comparable to similar measures presented by other companies. Management believes that the presentation of Adjusted Earnings or Loss and Adjusted Earnings or Loss per share provide useful information to investors because they exclude non-cash and other charges and are a better indication of our profitability from operations. The items excluded from the computation of Adjusted Earnings or Loss and Adjusted Earnings or Loss per share, which are otherwise included in the determination of net earnings or loss and net earnings or loss per share prepared in accordance with IFRS, are items that we do not consider to be meaningful in evaluating our past financial performance or the future prospects and may hinder a comparison of our period-to-period profitability. Reconciliation of Adjusted Earnings to net earnings is provided in our Annual Management's Discussion and Analysis, which is incorporated by reference in this prospectus.

We also use other financial measures the presentation of which is not meant to be a substitute for other subtotals or totals presented in accordance with IFRS, but rather should be evaluated in conjunction with such IFRS measures. The following other financial measures are used:

Gross margin represents the amount of revenues in excess of cost of sales excluding depletion, depreciation and amortization.

Mine operating earnings represents the amount of revenues in excess of cost of sales.

Operating earnings represents the amount of earnings before net finance income/expense and income tax expense.

Cash flows from operating activities before changes in non-cash working capital excludes the non-cash movement from period-to-period in working capital items including trade and other receivables, other assets, inventories, trade and other payables.

The terms described above do not have a standardized meaning prescribed by IFRS, and therefore our definitions are unlikely to be comparable to similar measures presented by other companies. Our management believes that their presentation provides useful information to investors because gross margin excludes the non-cash operating cost item (i.e. depreciation, depletion and amortization), cash flows from operating activities before changes in non-cash working capital excludes the non-cash movement in working capital items, mine operating earnings excludes expenses not directly associated with commercial production and operating earnings excludes finance and tax related expenses and income/recoveries. These, in management's view, provide useful information regarding our cash flows from operating activities and are considered to be meaningful in evaluating our past financial performance or the future prospects.

FINANCIAL INFORMATION

We present our financial statements in U.S. dollars and such financial statements are prepared in accordance with IFRS. The financial statements of Osisko incorporated by reference in this prospectus are presented in Canadian dollars and have also been prepared in accordance with IFRS, and have been audited in accordance with Canadian generally accepted auditing standards, which differ in certain material respects from the auditing standards of the Public Company Accounting Oversight Board. Unless otherwise indicated, any other financial information included or incorporated by reference in this prospectus has been prepared in accordance with IFRS. In addition, unless otherwise indicated, all historical and pro forma financial information included or incorporated by reference in this prospectus is derived from financial statements 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.

CURRENCY PRESENTATION AND EXCHANGE RATE INFORMATION

This short form prospectus contains references to United States dollars and Canadian dollars. All dollar amounts referenced, unless otherwise indicated, are expressed in Canadian dollars. United States dollars are referred to as "United States dollars" or "US$".

The noon exchange rate on February 13, 2015, as reported by the Bank of Canada, for the conversion of Canadian dollars into United States dollars was $1.00 to US$0.8033 and for the conversion of United States dollars into Canadian dollars was US$1.00 to $1.2449.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this prospectus from documents filed with the securities commissions or similar authorities in each of the provinces of Canada and with the SEC in the United States. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Senior Vice President, General Counsel and Corporate Secretary of the Corporation at 200 Bay Street, Royal Bank Plaza, North Tower, Suite 2200, Toronto, Ontario M5J 2J3, telephone (416) 815-0220, and are also available electronically at www.sedar.com and www.sec.gov. The filings of the Corporation through SEDAR or EDGAR are not incorporated by reference in this prospectus except as specifically set out herein.

The following documents, filed by the Corporation with the securities commissions or similar authorities in each of the provinces of Canada and the SEC, are specifically incorporated by reference into, and form an integral part of, this prospectus:

(i) the annual information form (the "**Annual Information Form**") of the Corporation dated March 28, 2014, for the year ended December 31, 2013;

(ii) the audited consolidated financial statements of the Corporation as at and for the years ended December 31, 2014 and December 31, 2013, together with the report of the Independent Registered Public Accounting Firm thereon dated February 11, 2015, the notes thereto (the "**Annual Financial Statements**") and management's discussion and analysis relating thereto ("**Annual Management's Discussion and Analysis**");

(iii) the management information circular of the Corporation dated March 18, 2014, prepared in connection with the annual and special meeting of shareholders of the Corporation held on April 30, 2014;

(iv) the material change report of the Corporation dated February 13, 2015, prepared in connection with the announcement by the Corporation of the closing of its bought deal equity offering of 49,100,000 Common Shares (the "**February Offering**");

(v) the material change report of the Corporation dated January 19, 2015, prepared in connection with the announcement by the Corporation of its February Offering;

(vi)

the material change report of the Corporation dated January 6, 2015, prepared in connection with the announcement by the Corporation of its response to the announcement made by Samco Gold Limited relating to the receipt of the assessment of damages relating to the proceedings in the case of Ricardo Auriemma v. 0805346 B.C. Ltd. (formerly Northern Orion Resources Inc.) ("**Northern Orion**");

(vii)

the material change report of the Corporation dated June 25, 2014, prepared in connection with the announcement by the Corporation of the completion of a plan of arrangement (the "**Osisko Arrangement**") pursuant to which the Corporation and Agnico Eagle Mines Limited ("**Agnico**") jointly acquired (the "**Osisko Acquisition**") 100% of the issued and outstanding common shares of Osisko;

(viii)

the material change report of the Corporation dated April 25, 2014, prepared in connection with the announcement by the Corporation of the entering into of a new arrangement agreement among the Corporation, Agnico and Osisko (the "**Arrangement Agreement**") in connection with the joint acquisition by Agnico and the Corporation pursuant to the Osisko Arrangement;

(ix)

the material change report of the Corporation dated April 11, 2014, prepared in connection with the announcement by the Corporation of the Corporation's entering into an arrangement agreement with Osisko pursuant to which the Corporation was to acquire a 50% interest in Osisko's mining and exploration assets;

(x)

the press release dated February 11, 2015, prepared in connection with the announcement by the Corporation of its mineral reserves and mineral resources for the year ended December 31, 2014 ("**2014 R&R Press Release**");

(xi)

the press release dated December 10, 2014, prepared in connection with the announcement by the Corporation of an update on strategic initiatives relating to non-core assets, including Fazenda Brasileiro, C1 Santa Luz and Pilar, and its 100% owned Agua Rica project; and

(xii)

the business acquisition report (the "Osisko BAR") of the Corporation dated June 24, 2014, prepared in connection with the Osisko Acquisition.

Any document of the type referred to in Section 11.1 of Form 44-101F *Short Form Prospectus* or other disclosure documents required to be incorporated by reference into a prospectus filed under National Instrument 44-101 *Short Form Prospectus* Distributions that are filed by the Corporation with the securities commissions or similar regulatory authorities in Canada after the date of this prospectus shall be deemed to be incorporated by reference in this prospectus. In addition, any similar documents furnished on Form 6-K or filed on Form 40-F by the Corporation with the SEC after the date of this prospectus shall be deemed to be incorporated by reference into this prospectus, if and to the extent expressly provided for in such reports on Form 6-K or Form 40-F. The Corporation's periodic reports on Form 6-K and its annual reports on Form 40-F are available at the SEC's website at www.sec.gov.

Any statement contained in this prospectus or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded, for purposes of this prospectus, to the extent that a statement contained herein or in any other subsequently filed document that also is, or is deemed to be, incorporated by reference herein modifies, replaces or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other 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 purposes 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.

AVAILABLE INFORMATION

The Corporation files certain reports with, and furnishes other information to, the SEC and the provincial securities regulatory authorities in the provinces of Canada. Yamana's SEC file number is 1-31880. Under a multi-jurisdictional 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 US Securities Exchange Act of 1934, as amended (the "**Exchange Act**") prescribing the furnishing and content of proxy statements, and Yamana's 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 SEC are available, and our reports and other information filed or furnished in the future with or to the SEC will be available, from the SEC'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 SEC at the SEC's public reference room in Washington, D.C. (100 F Street N.E., Washington, D.C. 20549). Please call the SEC 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.

The Corporation has filed under the United States Securities Act of 1933, as amended (the "**Securities Act**") a registration statement on Form F-10 relating to the Plan. This prospectus forms a part of the registration statement. This prospectus does not contain all of the information included in the registration statement, certain portions of which have been omitted as permitted by the rules and regulations of the SEC. You are encouraged to refer to the registration statement and the exhibits that are incorporated by reference into it for further information about us and the Common Shares. Statements contained in this prospectus describing provisions of the Plan are not necessarily complete, and in each instance reference is made to the copy of the Plan which is included as an exhibit to the registration statement, and each such statement in this prospectus is qualified in all respects by such reference.

DOCUMENTS FILED AS PART OF THE REGISTRATION STATEMENT

The following documents have been filed with the SEC as part of the registration statement of which this prospectus is a part: (1) the Plan; (2) the documents listed as being incorporated by reference in this prospectus under the heading "Documents Incorporated by Reference"; (3) consents of auditors of Yamana and Osisko; (4) consents of qualified persons of Yamana; and (4) powers of attorney (included on the signature pages of the registration statement).

THE CORPORATION

Yamana was continued under the *Canada Business Corporations Act* by Articles of Continuance dated February 7, 1995. On February 7, 2001, pursuant to Articles of Amendment, the Corporation created and authorized the issuance of a maximum of 8,000,000 first preference shares, Series 1. On July 30, 2003, pursuant to Articles of Amendment, the name of the Corporation was changed from Yamana Resources Inc. to Yamana Gold Inc. On August 12, 2003, the authorized capital of the Corporation was altered by consolidating all of the then issued and outstanding Common Shares on the basis of one new common share for 27.86 existing Common Shares.

Summary Description of the Business

Yamana is a Canadian-based gold producer with significant gold production, gold development stage properties, exploration properties and land positions in Brazil, Chile, Argentina, Mexico and Canada. Yamana plans to continue to build on this base through existing operating mine expansions, throughput increases, development of new mines, advancement of its exploration properties and by targeting other gold consolidation opportunities with a primary focus in the Americas.

The Corporation's portfolio includes: (i) seven operating gold mines considered as core assets, including the Corporation's three material producing mines namely Chapada (copper/gold), El Peñón (gold/silver) and a 50% indirect interest in the Canadian Malartic Mine (gold/silver) as well as Mercedes (gold/silver), Gualcamayo, Jacobina and Minera Florida (gold/silver/zinc); (ii) a 12.5% indirect interest in the Alumbrera mine (copper/gold/molybdenum); (iii) various advanced and near development stage projects and exploration properties in Brazil, Chile, Argentina, Mexico and Canada; and (iv) Fazenda Brasileiro, Pilar and C1 Santa Luz, along with some related exploration concessions, which are held by the Corporation's subsidiary, Brio Gold Inc.

Recent Developments

Note Exchange Offer

On June 30, 2014, the Corporation issued US$500,000,000 aggregate principal amount of 4.95% Senior Notes due 2024 (the "**Initial Notes**") in a transaction that was exempt from registration under the U.S. 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. In connection with the issuance of the Initial Notes, the Corporation entered into a registration rights agreement, dated as of June 30, 2014, with the initial purchasers of the Initial Notes, providing for the issuance of new notes in exchange for a like aggregate principal amount of Initial Notes. Subsequently, in October 2014, the Corporation commenced an exchange offer which expired on November 20, 2014, pursuant to which new notes (the "**New Notes**") were issued in exchange for an equal aggregate principal amount of outstanding Initial Notes validly tendered and accepted in the exchange offer. The terms of the New Notes are substantially identical to the terms of the Initial Notes, except that, among other things, the New Notes are registered under the U.S. Securities Act, and do not contain restrictions on transfer.

In connection with the issuance of the Initial Notes, the Corporation entered into a trust indenture, dated as of June 30, 2014, as supplemented by the first supplemental indenture dated as of June 30, 2014 (collectively, the **"Indenture**"). Pursuant to the terms of the Indenture, the New Notes are unsecured, unsubordinated obligations of Yamana evidencing the same continuing indebtedness as the Initial Notes and will mature on July 15, 2024. The New Notes bear interest at the rate of 4.95% per annum from and including the most recent interest payment date to which interest has been paid or provided for, or if no interest has been paid or provided for, from June 30, 2014. Interest on the New Notes is payable semi-annually in arrears on January 15 and July 15 of each year, beginning on January 15, 2015, to the persons in whose names the New Notes are registered at the close of business on the preceding January 1 or July 1, as the case may be. For further details, readers are referred to the Indenture which is available under Yamana's SEDAR profile at www.sedar.com and on EDGAR at www.sec.gov. See "Material Contracts".

Board and Management Update

On September 2, 2014, the Corporation announced the appointment of two new directors to the board of directors, namely Christiane Bergevin and Jane Sadowsky. The Corporation also announced additions to its senior management team which reflect an important pivot in the focus of management and supplemented existing management. Daniel Racine was appointed Senior Vice President, Northern Operations, which better aligns the Corporation's technical and jurisdictional expertise with its property portfolio that now includes the Canadian Malartic Mine, Kirkland Lake and other Canadian exploration assets. Barry Murphy was appointed as Senior Vice President, Technical Services, which the Corporation believes increases the technical depth of its management as the Corporation continues to advance its development projects.

On April 16, 2014, the Ontario Securities Commission issued a management cease trade order against the Interim Chief Executive Officer and the Chief Financial Officer of Carpathian Gold Inc. ("**Carpathian**") in connection with Carpathian's failure to file its audited annual financial statements (and related management's discussion and analysis and certifications) for the period ended December 31, 2013. The management cease trade order was lifted on June 19, 2014 following the filing by Carpathian of the required documents. Patrick Mars and Dino Titaro, each a director of Yamana, are former directors of Carpathian but were directors of Carpathian during the period of the management cease trade order.

Strategic Initiatives Update

On September 10, 2014, the Corporation announced that, after careful and extensive review, and having allowed a sufficient period of time for optimization efforts, the optimal plan for its C1 Santa Luz Project would be to temporarily suspend ramp-up activities and put the project on care and maintenance while several identified alternative metallurgical processes are evaluated. The project is now on care and maintenance.

On October 6, 2014, the Corporation announced the entering into of a Memorandum of Understanding ("**MOU**") with the provincial Government of Catamarca, Argentina (the "**Catamarca Government**"), represented by the provincial mining company Catamarca Mineria y Energetica Sociedad del Estado, with respect to the creation of the Catamarca Mining District. The agreement sets the groundwork for the Corporation and the Catamarca Government to work together to consolidate important mining projects and prospective properties in the province, currently consisting of the Agua Rica property and the Cerro Atajo prospect.

On December 10, 2014, the Corporation provided an update on strategic initiatives relating to non-core assets, including Fazenda Brasileiro, the C1 Santa Luz Project and the Pilar Project, and its 100% owned Agua Rica project. See "Documents Incorporated by Reference".

Dividend Policy

In October 2014, the Corporation's board of directors amended the Corporation's dividend policy to set the quarterly dividends paid per Common Share at US$0.015 commencing in the fourth quarter of 2014. Payment of any future dividends will be at the discretion of the Corporation's board of directors after taking into account many factors, including the Corporation's operating results, financial condition, comparability of the dividend yield to peer group gold companies and current and anticipated cash needs.

Copper Hedge Program

Late in 2014, the Corporation entered into a hedging program for its 2015 copper production. The Corporation has hedged 73 million pounds of copper, approximately 60% of expected production from the Chapada Mine for 2015, at a price of US$3.00 per pound. This program is consistent with the Corporation's focus on cash flow as it will provide an increased level of certainty for cash flows given the current environment of increased volatility in metal prices.

Production Update

The Corporation confirms that production for 2014 was over 1.4 million GEO, consisting of approximately 1.2 million ounces of gold and 10.1 million ounces of silver, all of which was within expectations (silver production is treated as a gold equivalent at a ratio of 50:1). All-in sustaining cash costs (which Includes cash costs, sustaining capital, corporate general and administrative expense and exploration expenses see "Non-GAAP Measures") are expected to be at the lower end of previously provided guidance of between US$825 and US$875 per GEO.

Public Equity Offering

On February 3, 2015, the Corporation announced the closing of the February Offering. A total of 56,465,000 Common Shares were issued at a price of $5.30 per Common Share, for aggregate gross proceeds of $299,264,500, which includes the full exercise by the underwriters of the over-allotment option to purchase an additional 7,365,000 Common Shares. The net proceeds of the February Offering will be used to pay down amounts under the Corporation's revolving credit facility, in order to reduce the Corporation's debt position and further strengthen its balance sheet.

Cerro Moro Construction Decision

In February 2015, the Corporation announced that it would proceed with the construction of the Cerro Moro Project. The current plan indicates average annual production in the first three years of full production of 135,000 ounces of gold and 6.7 million ounces of silver. After various optimization studies, the Corporation decided to pursue a single-stage plant scenario with an increased capacity of 1,000 tonnes per day ("**tpd**"). The single stage plant construction provides the project with less project execution, inflation and timing risk by completing the project in a shorter time frame with the same work force. The 1,000 tpd of throughput is considered the optimal project size to maximize throughput and value. The current mine design focuses the highest grade production into the first years of the production to decease the time for project payback.

MINING PROPERTIES

Technical Information

Unless otherwise indicated, the estimated Mineral Reserves and Mineral Resources set forth herein have been calculated in accordance with the CIM Definition Standards On Mineral Resources and Mineral Reserves:

The term "***Mineral Resource***" means a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade or quality, continuity and other geological

characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Material of economic interest refers to diamonds, natural solid inorganic material, or natural solid fossilized organic material including base and precious metals, coal, and industrial minerals. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.

The term "***Inferred Mineral Resource***" means that part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. An Inferred Mineral Resource is based on limited information and sampling gathered through appropriate sampling techniques from locations such as outcrops, trenches, pits, workings and drill holes.

The term "***Indicated Mineral Resource***" means that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors (as defined below) in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation.

The term "***Measured Mineral Resource***" means that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing and is sufficient to confirm geological and grade or quality continuity between points of observation.

The term "***Mineral Reserve***" means the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at pre-feasibility or feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. Mineral Reserves are sub-divided in order of increasing confidence into Probable Mineral Reserves (as hereinafter defined) and Proven Mineral Reserves (as hereinafter defined). Mineral Reserves are inclusive of diluting material that will be mined in conjunction with the Mineral Reserves and delivered to the treatment plant or equivalent facility.

The term "***Probable Mineral Reserve***" means the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Mineral Reserve is lower than that applying to a Proven Mineral Reserve. Probable Mineral Reserve estimates must be demonstrated to be economic, at the time of reporting, by at least a pre-feasibility study.

The term "***Proven Mineral Reserve***" means the economically mineable part of a Measured Mineral Resource. A Proven Mineral Reserve implies a high degree of confidence in the Modifying Factors. Proven Mineral Reserve estimates must be demonstrated to be economic, at the time of reporting, by at least a pre-feasibility study.

The term "***Modifying Factors***" means considerations used to convert Mineral Resources to Mineral Reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.

Chapada Mine

Unless otherwise stated, the information, tables and figures that follow relating to the Chapada Mine are derived from, and in some instances are extracts from, the technical report entitled "Technical Report on the Chapada Mine, Brazil" dated July 31, 2014 (the "**Chapada Report**"), prepared by or under the supervision of Wayne W. Valliant, P.Geo. and Robert L. Michaud, P.Eng. (the "**Chapada Qualified Persons**"), of Roscoe Postle Associates Inc. ("**RPA**"). The technical information contained in this section of the prospectus has been reviewed and approved by the Chapada Qualified Persons, each of whom is a "qualified person" for the purpose of National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("**NI 43-101**"). See "Interests of Experts".

Portions of the following information are based on assumptions, qualifications and procedures which are not fully described herein. Reference should be made to the full text of the Chapada Report, which has been filed with certain Canadian securities regulatory authorities pursuant to NI 43-101 and is available for review on the Corporation's SEDAR profile at www.sedar.com.

Property Description and Location

The Chapada Mine is located in northern Goiás State, approximately 320 kilometres north of the state capital of Goiania and 270 kilometres northwest of the national capital of Brasilia. It is situated at latitude 14° 14' S, longitude 49° 22' W. Corpo Sul is situated at the southwest extremity of the Chapada deposit. The Suruca deposit is located six kilometres northeast of the Chapada Mine at approximately latitude 14° 11' S, longitude 49° 20' W.

The Chapada Mine is divided into 16 claims covering 18,921.37 hectares. The claims are held in the name of Mineração Maracá Indústria e Comércio S/A ("**Mineração Maracá**"), a 100% owned subsidiary of Yamana. The Chapada and Corpo Sul deposits are located on claim numbers 808.923/1974 and 808.931/1994 (mining licences) encompassing 3,572 hectares. The Suruca deposit is located on claim numbers 860.708/2009 and 860.595/2009 (exploration licences), totalling 845.75 hectares.

Yamana (via Mineração Maracá) holds all of the surface rights in the area of the Chapada Mine, which incorporates all of the proposed locations of buildings, fixed installations, waste dumps, and tailing disposal in the current mine plan. Yamana is of the opinion that it can acquire the right to dispose of waste rock and tailings on additional surface property, if and when required. The land ownership is registered with the Registrar of Real Estate in Mara Rosa, Goiás.

Other than statutory royalties which are paid to the Brazilian government based on commercial copper and gold production, RPA is not aware of any rights, agreements or encumbrances to which the Chapada Mine is subject, which would adversely affect the value of the property or Mineração Maracá's ownership interest. The environmental licensing process for Corpo Sul started in 2013 and the required licences were granted in 2014. No current environmental liabilities have been identified within the mine area. Ongoing items such as waste stockpiles, depleted heap leach piles, and tailings storage facilities will be rehabilitated during the mine life or at the time of mine closure. Yamana reports that no environmental permits are required at this stage of permitting for Suruca.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

Chapada Mine is located in northern Goiás State, approximately 320 kilometres north of the state capital of Goiania and 270 kilometres northwest of the national capital of Brasilia. Access to the project area from Brasilia is via BR-153 (Belem/Brasilia) to Campinorte (GO) and then via GO-465 (Campinorte/Santa Terezinha) west to Alto Horizonte. The town of Alto Horizonte lies between the Suruca and Chapada deposits. Chapada Airport, suitable for small aircraft with an 800 metres long airstrip, is located close to Alto Horizonte, approximately four kilometres northeast of the Mine. Suruca is located six kilometres northeast of the Chapada Mine.

The region has a tropical climate characterized by two well defined seasons; the rainy season from November to March and the dry season from April to October, with an annual average rainfall of 1,500 millimetres. The average annual temperature is approximately 22°C. Mining operations occur throughout the year.

The local economic activity is principally agro-pastoral, but there are some small scale mining activities related to gold in alluvium and quartz veins and for clay used to make bricks. The most important towns in the region are Uruaçu, Campinorte, Porangatu, Mara Rosa and Nova Iguaçu de Goiás. They all have good infrastructure to support exploration activities. The municipality of Alto Horizonte has a population of approximately 3,100 and the nearby towns (within 50 kilometres) as Campinorte has 9,700 Mara Rosa 10,400 and Uruaçu 33,300.

Electrical power is provided by the Brazilian National Grid. The power line (230 kilovolt) is 85 kilometres long and taps into the national grid near Itapaci in Goiás State. The Chapada Mine requires approximately 1,000 cubic metres per hour of water. Rio Dos Bois currently supplies approximately 750 cubic metres per hour, with mine drainage water, rainfall, and industrial drainage areas making up the difference.

The average elevation of the project area is approximately 300 metres above sea level. The topography is characterized by low rolling hills, with large contiguous flat areas. The vegetation is referred to as "cerrado", a tropical savannah eco-region which comprises a diverse variety of low tropical trees, shrubs, and native grasses, most of which have been cleared and serves as cattle grazing land for local landowners.

History

The Chapada deposit was discovered in 1973 by a Canadian company, INCO Ltda. ("**INCO**"), which followed up with geochemistry, geophysics, trenching, and initial drilling. There are few outcrops in the mine area due to laterite-saprolite cover. Consequently, deposit definition required extensive diamond drill exploration. Development drilling of the deposit occurred in several campaigns from 1976 through 1996 by INCO, Parsons-Eluma Projetos e Consultoria S/C ("**Parsons**"), a Brazilian copper company, Eluma Noranda, Santa Elina, and Santa Elina-Echo Bay ("**Echo Bay**"). Historical ownership and exploration activities are summarized in Table 1.

Table 1

Date	Owner	Activity
1973	INCO	Chapada discovery.
1975 - 1976		2,000 metres × 500 metres grid drilling program. Parsons acquires a 50% interest in the project.
1976 - 1979	INCO & Parsons	200 metres × 100 metres drill grid. A 92 metres deep shaft is completed with 255 metres of cross-cuts for exploration and metallurgical sampling.
1979		Mining concession No. 2394 covering 3,000 hectares is issued to Mineração Alonte by the Departamento Nacional da Producao Mineral.
1980 - 1981		Soil drilling completed in the plant, tailing ponds, and potential water dam areas.
1981	Parsons	Feasibility study completed.
1994 - 1995		A 4,500 metres drilling program re-evaluation of a near surface gold deposit. Preliminary feasibility study by Watts, Griffis and McOuat.
May 1994	SERCOR	Mineração Santa Elina Industria e Comercio S/A ("**SERCOR**") acquires the Chapada deposit through a subsidiary, Mineracao Maracá.
July 1994	SERCOR and Echo Bay	Echo Bay acquires an initial interest in Santa Elina by purchasing 5% of the outstanding shares from SERCOR.
Dec 1994		Santa Elina completes its initial public offering.
Sep 1995		Santa Elina and Echo Bay approve the Chapada project joint venture. Santa Elina issues about 3% of the outstanding shares to Echo Bay. Echo Bay receives the option to acquire 50% interest in the project.
May 1996		Santa Elina is privatized and SERCOR and Echo Bay become equal owners of the Corporation.
Dec 1996		Santa Elina completes an in-fill drilling program
Dec 1997		Independent Mining Consultants, Inc. reviews the Echo Bay model and completes a mine feasibility study.
Jan 1998		Kilborn Holdings Inc., (now SNC-Lavalin Group Inc.), completes the Chapada project bankable feasibility study.
Apr 2001		Construction licence issued.
May 2000	PINUS	PINUS acquires 100% of Mineração Maracá.
2003	Yamana	The property is purchased by Yamana.
2004		The feasibility study is completed.
2007		Commercial production starts.

In 2008, Yamana started a plant expansion to increase throughput from 16 million tons per annum to 22 million tons per annum.

From 2007 to the end of 2013, the Chapada Mine has produced 129 million tonnes grading 0.36 grams per tonne gold and 0.41% copper.

The Suruca deposit has been explored by various companies since the 1970s, as summarized in Table 2, and was exploited by garimpeiros in the 1980s. Yamana reports that garimpeiros produced approximately 200 kilograms of gold in that period.

Table 2

Date	Ownership
1980 - 1981	INCO/Eluma
1987 - 1988	Cominco
1993 - 1994	WMC
1996 - 1997	Santa Elina/Echo Bay
2008 to present	Yamana

Geological Setting

The Chapada area is located between the Amazonian craton to the northwest and the San Francisco craton to the southeast, within the north-northeast striking metavolcano-sedimentary Mara Rosa Magmatic Arc which is part of a large system of mobile belts that have a complex, multi-phased history of deformation.

The Chapada, Corpo Sul and Suruca deposits are located in the Eastern Belt of the Mara Rosa volcano sedimentary sequence. The Eastern Belt in the vicinity of the Chapada Mine comprises a thick package of amphibolites succeeded by volcanic and volcanoclastic rocks and overlying metasedimentary rocks. The metavolcanic-sedimentary units are intruded by metaplutonic rocks of dioritic to quartz-diorite composition. These intrusions are associated with magmatic fluids responsible for copper-gold and gold mineralization. The volcanics and sediments have been metamorphosed to biotite and amphibolite schist in the Chapada mineralized area.

In the immediate area of the Chapada deposit, the biotite and amphibolite schist units have been folded into a broad anticline with a north-easterly fold axis. The two limbs of the anticlinal structure dip to the northwest and southeast. There is a minor secondary synclinal fold of the major antiform so that the northeast and southwest ends are somewhat higher than the central zone of the structure in the middle of the deposit. This combination of folds gives the deposit a broad "saddle" shape.

The deposit has undergone hydrothermal alteration typical of a copper-gold porphyry system. Alteration styles include biotitization, sericitization, argillitization, and propylitization.

The bedrock schists are overlain by approximately 25 metres of saprolite material with a minor lateritic component near the top of the saprolite zone. Within that laterite component, there is a ferricrete zone at surface.

The Corpo Sul deposit is located immediately on-strike and two kilometres to the southwest of the Chapada open pit. It is interpreted as another intrusive Copper-Gold Porphyry center, less deformed than Chapada Mine, and associated with an intrusion of Quartz Porphyry Diorite/Tonalite (Potassic alteration), enveloped by a Feldspathic Biotite Schist (Potassic alteration) surrounded by sericite schists (Sericitic alteration). Corpo Sul has largely the same stratigraphic units found in Chapada, however at Corpo Sul the tuffs and lapilli tuffs are less deformed.

The area is covered by a 30 metre lateritic profile. The lateritic profile comprises an immature lateritic terrain that was subdivided from base to the top in: coarse saprolite, saprolite, mottled zone or argillic zone, lateritic duricrust and pisolitic soils (products of alteration of duricrust).

The Suruca deposit, north of the main Chapada pit, has geology that is grouped from base to top as: Amphibolite, Intermediate Metavolcanic rocks and Metasediments. There are several intrusions of quartz diorite porphyry that occur preferentially in the intermediate metavolcanic rocks and metasediments. Hydrothermal alteration overprints the lithologies and is characterized by inner and outer halos. The inner halo occurs in the intermediate rocks, metasediments and diorites with strong and pervasive sericitic alteration and the outer halo is characterized by propylitic alteration that occurs mainly in the amphibolites.

Mineralization

The primary copper-gold mineralization at Chapada is epigenetic. Copper is principally present as chalcopyrite with minor amounts of bornite. Fine grained gold is closely associated with the sulphide mineralization and was likely to be contemporaneous with the copper.

Copper mineralization occurs as finely disseminated crystals, elongated pods, lenses along foliation, crosscutting stringers, and coarse clots in occasional late stage quartz veins or pegmatites. The copper mineralization and grade are somewhat better in the central zone of the deposit along the anticline axis than in the surrounding anticlinal limbs; however, copper mineralization is pervasive over a broad area. Gold mineralization is more uneven spatially and may have been remobilized by post mineral low temperature alteration events.

The Corpo Sul mineralization includes oxide and sulphide ores. The oxide ore comprises approximately 7% of the deposit and is associated with the weathering surface. The width varies between 20 metres and 40 metres at an average grade of 0.26 grams per tonne gold and 0.35% copper. The oxide mineralization comprises soil, mottled zone, fine saprolite, and coarse saprolite. The sulphide ore represents the majority of the mineralization with widths from 25 metres to 300 metres at an average grade of 0.24 grams per tonne gold and 0.31% copper.

The gold at Suruca is related to folded quartz vein/veinlets with sericitic and biotite alteration, rather than high sulphide concentrations. The second generation of quartz veins/veinlets with sulphides (sphalerite + galena + pyrite), carbonates and epidote also host gold which is related to zinc.

Mineralization predominately pre-dates deformation hence the gold is associated with epithermal features and not structurally controlled.

Exploration

Yamana started exploration work in 2007 with diamond drilling mainly to the east of the pit to check for the extension of the mineralization potentially hosted in a synclinal structure.

In early 2008, consultant Richard Sillitoe defined a genetic model of mineralization with a typical porphyry copper-gold system (Cu-Au-Mo association) that underwent intense isoclinal folding and amphibolite facies metamorphism during continental collision at the end of the Neoproterozoic. However, original mineralogy may not have been profoundly changed, due to the stability of minerals like quartz, anhydrite, pyrite, chalcopyrite, magnetite and biotite under amphibolite facies conditions.

Yamana began exploration work at Suruca in 2008 with geological mapping, chip sampling and shallow drilling at Suruca South.

Drilling

Yamana commenced drilling the Chapada deposit in 2008. To the end of 2013, Yamana has drilled 344 holes for 73,891 metres (Table 3). Drilling has delineated the main deposit areas at a spacing of 100 metres by 50 metres, with a tighter 50 metres pattern in the central portion of the deposit.

Table 3

Year	No. Drill Holes	Metres
2008	30	5,126
2009	7	2,352
2010	18	4,373
2011	85	19,305
2012	131	28,568
2013	73	14,167
Total	**344**	**73,891**

The 2008 and 2009 drilling campaigns were concentrated in the region named "Near Mine" and in the south portion of the area. The 2010 and 2011 campaigns targeted the Near Mine and Corpo Sul areas. In 2013, Yamana drilled in the northeast section of Chapada Corpo Principal with the objective of delineating an Inferred Mineral Resource. In Corpo Sul, an infill drilling program was carried out in the southwest portion of the deposit on a 50 metres by 50 metres grid to upgrade Indicated to Measured Mineral Resources and on a 100 metres by 100 metres grid to convert Inferred to Indicated Mineral Resources.

The majority of holes were drilled at an azimuth of 130° and an 85° dip. Drill holes with inclination between 45° and 85° were surveyed every three metres downhole using a Deviflex electronic surveying instrument. No significant deviation issues were found.

To date, Yamana has drilled 186 holes for 37,899.16 metres at Suruca, as summarized in Table 4.

Table 4

Year	No. Drill Holes	Metres
2008	7	439.5
2009	21	6,457.8
2010	103	20,476.9
2011	55	10,524.96
Total	**186**	**37,899.16**

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* Includes 11 metallurgical holes for 1,014 metres

At Suruca in 2009, Yamana completed successful drilling to test a magnetic anomaly and the area of the garimpeiro workings. The 2010 drilling program focused on delineation of the Suruca deposit at 400 metres by 200 metres spacing followed by infill drilling at 200 metres by 200 metres spacing. An infill program of 100 metres by 100 metres spacing was completed in the north portion of deposit.

The majority of holes were drilled at an azimuth of 130° and a 60° dip; some holes were drilled at an azimuth of 310°. Drill holes with inclination between 45° and 85° were surveyed every three metres downhole using a Reflex Maxibor II or Devicom Deviflex electronic surveying instrument. In sub-vertical holes, a PeeWee or EZ-Shot instrument was used. All holes were surveyed and no significant deviation issues were found.

Sampling and Analysis

Yamana's samples are selected down the entire length of the drill hole core, sawn in half with an electric diamond bladed core saw, and sampled prior to logging. Half core samples are selected by a geology technician or trained sampler. The samples are then placed in a numbered plastic bag along with a paper sample tag, and tied closed with a piece of string. Sample weight is approximately 3.5 kilograms. Six to eight samples are placed in a larger plastic bag, loaded onto a truck owned and driven by a locally based transport company, and driven to the ALS Chemex laboratory sample preparation facility in Goiania, State of Goiás.

After sampling, the geologist completes a graphic log and logs the core in detail for lithology, structure, mineralization and alteration. Codes are assigned for the oxidation state, consistency and alteration including alteration halo, sulphides, silicification, biotite, sericite, epidote, amphibolite, garnet, carbonate, rhodochrosite, chlorite, and kyanite content. Angles of structures such as foliation and faults are recorded.

Approximately four samples from each alteration halo per drill hole are selected for density testwork by two different methods after sampling and logging. The first method used is the water displacement method, performed in the logging shed. The second method, which is gravimetric, is done in the laboratory using pulverized samples.

Sample preparation involves crushing and pulverization. Upon receipt of the samples, each sample is weighed and dried at 100°C for eight to 12 hours. The entire sample is then crushed to 90% passing <2 millimetres (10 mesh), split to 0.5 kilograms in a riffle splitter, and pulverised to 95% passing 150# (mesh). The samples are then split again to 50 grams using a rotating splitter/spatula. The crusher and pulveriser are cleaned between each sample. Each fraction retained is returned to Yamana.

All Yamana samples are analyzed for precious metals by fire assay with atomic absorption spectrometry ("**AAS**") or ICP finish and for copper by AAS by ALS Chemex, Lima, Peru and/or SGS Geosol, Belo Horizonte, Brazil.

Yamana conducts an industry-standard quality assurance/quality control ("**QA/QC**") program for its drill campaigns, which follows written protocols. Its QA/QC program consisted of the insertion of blanks and certified reference materials ("**CRMs**") into the sample stream and the running of duplicate field (quarter-core) samples. Later, pulp duplicate samples were re-assayed at a secondary facility.

RPA assessed Yamana's QA/QC program and found it to be industry-standard with a generally acceptable rate of insertion for CRMs and pulp duplicates. The results of the pulp duplicate assays showed good reproducibility with no discernible grade biases. The insertion of CRMs showed that laboratory results from SGS Geosol and ALS Chemex were acceptable with respect to precision and accuracy. The results from the insertion of blanks are also generally acceptable.

In 1996 Echo Bay became actively involved in the drilling and sampling program for the project. Samples taken by Santa Elina in 1996 were subject to a rigorous QA/QC program. IMC Mining ("**IMC**") was contracted to review the historical data. IMC's review included all historical QA/QC control files and historical data compared with re-assayed data from analytical laboratories in the United States. IMC concluded the historical data was appropriate for estimation of Mineral Resources.

IMC did a review of the Chapada assay database. IMC did not do any independent assaying, but did review considerable existing data. It was IMC's opinion that the database was of sufficient quality for a feasibility level study.

A total of 18 Suruca diamond drill holes from Mineração Alonte were re-analysed following Yamana's procedures. The new assay results were compatible with the historical results.

Based on our review, RPA is of the opinion that sampling, sample preparation, and analysis at Chapada are in keeping with industry standards and the assay results within the database are suitable for use in a Mineral Resource estimate.

Security of Samples

Samples are transported from the drill rig to Yamana's core storage facilities at the Chapada project exploration camp by the drilling contractor, where Yamana geological staff log and sample the core. The samples are transported to the independent sample preparation facility by a locally based transport company, after which the samples are sent for preparation in ALS Chemex in Goiania, Brazil and for analysis in Lima, Peru.

The analytical laboratory stores all pulps and coarse rejects for forty-five days and then transports them back to the Chapada project where all samples are stored in the core storage facility for the life of the project.

Based on our review, RPA is of the opinion that sample security procedures at the Chapada Mine are in keeping with industry standards.

Mineral Resources and Mineral Reserves

The methodology of estimating Mineral Resources by Yamana includes: (a) statistical analysis and variography of gold and copper values in the assay database; (b) construction of a block model using Datamine Studio 3 software; and (c) grade interpolation using a kriging or inverse distance cubed method. The Mineral Resource estimate is based on open pit mining scenarios and Chapada and Corpo Sul Mineral Resources are constrained by Whittle optimized pits which are based on a copper and gold net smelter return.

Validation of the block models by Yamana included: (a) on screen displays of plans and sections showing composite and block grades; (b) swath plots calculated over "slices" of each zone; (c) comparisons between composite and global block statistics cross validation (Chapada only); and (d) cross-validation.

RPA finds the estimation methods and classification criteria adopted by Yamana are reasonable and sufficient to support the Mineral Resources reported.

RPA reviewed the reported resources, production schedules, and factors for conversion from Mineral Resources to Mineral Reserves. Based on this review, it is RPA's opinion that the Measured and Indicated Mineral Resource within the final pit designs at Chapada can be classified as Proven and Probable Mineral Reserves.

Tables 5 and 6 summarize the Mineral Resource and Mineral Reserve estimates, respectively.

Table 5
Mineral Resource Estimate for the Chapada Mine (May 31, 2014)

	Tonnes	Au		Cu	
Category	**(000)**	**(g/t)**	**(000 oz)**	**(%)**	**(Mlb)**
CHAPADA					
Measured	22,636	0.21	155	0.17	84
Indicated	150,968	0.14	673	0.24	790
Measured + Indicated	**173,604**	0.15	**829**	**0.23**	**874**
Inferred	127,683	0.13	526	0.26	731
SURUCA					
Measured					
Indicated	82,161	0.48	1,276		
Measured + Indicated	**82,161**	**0.48**	**1,276**		
Inferred	27,553	0.44	386		

Notes:

1. CIM definitions were followed for Mineral Resources.

2. Mineral Resources for Chapada and Suruca have been reported separately as they are different deposits with different commodities.

3. For Chapada Corpo Principal and Corpo Sul, Mineral Resources are estimated at a cut-off grade of 0.3 grams per tonne gold for oxide and a variable net smelter return cut-off for sulphide depending on the haulage distance. The average net smelter return cut-off value is US$4.86 per tonne.

4. For Suruca, Mineral Resources are estimated at a cut-off grade of 0.2 grams per tonne gold for oxide and 0.3 grams per tonne for sulphide.

5. Mineral Resources are estimated using a long-term gold price of US$1,500 per ounce and a long-term copper price of US$3.50 per pound.

6. Mineral Resources at Chapada Corpo Principal and Corpo Sul are constrained by an optimized pit and the December 2013 topographic surface.

7. Mineral Resources are exclusive of Mineral Reserves.

8. Numbers may not add due to rounding.

Table 6
Mineral Reserve Estimate for the Chapada Mine (May 31, 2014)

Category	Tonnes (000)	Au (g/t)	Au (000 oz)	Cu (%)	Cu (Mlb)
CHAPADA					
Proven December 31, 2013	167,243	0.22	1,157	0.28	1,024
Probable December 31, 2013	253,700	0.20	1,643	0.29	1,625
Proven + Probable Dec 31, 2013	**420,943**	**0.21**	**2,801**	**0.29**	**2,649**
Production Jan-May 2014	**8,125**	**0.25**	**65**	**0.35**	**63**
Proven + Probable May 31, 2014	**412,818**	**0.21**	**2,736**	**0.28**	**2,586**
SURUCA					
Proven					
Probable	58,900	0.55	1,032		
Proven + Probable	**58,900**	**0.55**	**1,032**		

Notes:

1. CIM definitions were followed for Mineral Reserves.

2. Mineral Reserves for Chapada and Suruca have been reported separately as they are different deposits with different commodities.

3. Mineral Reserves are estimated at a variable cut-off net smelter return value depending on haulage distance. The average net smelter return cut-off value is US$4.86 per tonne. Chapada Corpo Principal and Corpo Sul Mineral Reserves are estimated using an average long-term gold price of US$950 per ounce and a long-term copper price of US$2.80 per pound.

4. Suruca Mineral Reserves are based on a gold price of US$900 resulting in an oxide cut-off grade of 0.2 grams per tonne gold and a sulphide cut-off grade of 0.3 grams per tonne gold.

5. Bulk density is 2.74-2.88 tonnes per cubic metre for rock, 1.49-1.85 tonnes per cubic metre for oxides, 2.12-2.35 tonnes per cubic metre for mixed.

6. Numbers may not add due to rounding.

Mining and Milling Operations

The Chapada Mine is a traditional open pit truck/shovel operation that has been in continuous operation since 2007. The Chapada open pit, which is currently being mined, has ultimate design dimensions of approximately 4.5 kilometres along strike, up to 1.2 kilometres wide, and 200 metres deep. Benches are 10 metres high, doubling to 20 metres towards the limit of the pit, except in upper benches, where the benches are 10 metres high in soil. Six operating phases have been designed to support the mine production from initial topography to the final pit geometry. An in-pit primary crusher was installed at the beginning of 2012, allowing a more flexible operation for ore blending to plant and reducing major truck fleet requirements.

The mine plan includes three open pit mining areas to be developed on the property. Current production is from the Chapada Corpo Principal and Corpo Sul open pits. The Corpo Sul open pit began production in 2014.

The processing plant is located at the northwest end of the Chapada Corpo Principal pit rim. The tailings storage facility is located to the northwest of the open pit, with the pond as close as 0.5 kilometres to the pit rim and the tailings dam being up to five kilometres to the northwest. Waste rock dumps are located to the south and southeast of the open pit. Limits of the waste rock dumps start just past the ultimate pit rim in order to minimize waste haulage distances.

The existing Chapada Mine treatment plant is designed to treat sulphide ore at a nominal rate of 60,000 tonnes per day ("**tpd**"). The process recoveries for copper and gold averaged approximately 80% and 59%, respectively, from June 2013 to May 2014. Run-of-mine ("**ROM**") material from the Suruca mineralization will be treated and incorporated into the system through two separate processes. The oxide ore will be

processed using conventional heap leaching technology, scheduled to start production in late 2016, and sulphide ore will be processed in the existing plant after some modifications.

Sulphide Ore

The first step for sulphide material occurs in the primary grinding circuit in two parallel crushing systems. Both systems perform the primary crushing with a P70 of five inches. The ore processed is then transported by conveyor belt to an intermediate stockpile. A feeder conveyor belt delivers the feed to the grinding circuit.

The grinding circuit is divided into four systems:

Reclaim Ore Ore taken from the crushed ore stockpile and delivered to the semi-autogenous grinding ("**SAG**") mill.

Primary Grinding and Pre-Classification SAG mill grinding and pre-classification using cyclones.

Pebble Crushing Transportation and crushing coarse pebbles screened from the SAG mill discharge.

Secondary Grinding and Classification Ball mill grinding and classification using cyclones.

The ore is then brought to the flotation process in pulp form with approximately 35% solids. There are two flotation cell lines, rougher and rougher/scavenger. Each cell line produces two concentrates. The tailings from the rougher/scavenger system are sent to the final tailings storage facility. The last step in the process is thickening and filtration. The thickening process reduces the ore concentrate moisture content to an average of 8%. This is discharged in the concentrate storage shed to be loaded and shipped to customers.

Total production in 2013 was 110,618 GEO and 130,240,000 pounds of copper.

Oxide Ore

Processing oxide from the Suruca deposit is scheduled to begin in late 2016. The crushing circuit consists of two MMD sizers in series and associated equipment. Material is pre-screened ahead of the MMD sizer and crusher product then combines with screen undersize and is conveyed to the crushed product stockpile. Crushed product is then fed to an agglomeration drum. Prior to the drum, cement is added in a controlled fashion and a weak cyanide solution (barren pond solution) is added in the agglomeration drum, and mixed to produce agglomerates which are conveyed and stacked.

The agglomerated material is stacked on pads which are approximately 100 metres wide and 620 metres long. A weak cyanide solution from the barren solution pond is then used to leach the gold from the stacked ore. The solution filters through the agglomerated ore with the gold inherent in the ore leached to produce a gold rich solution. The gold rich solution collects at the base of the pad and is collected in the pregnant solution pond.

Pregnant solution flows through four adsorption columns in series and flows by gravity from one adsorption column to the next. The total residence time in the adsorption columns is in the order of 25 minutes. After acid washing, the loaded carbon is washed and sent to the elution column to remove gold from the loaded carbon. The gold removed from the loaded carbon cools in a flash cell and then reports to the two electrowinning cells in parallel. Gold in solution is removed onto stainless steel cathodes. The stainless steel cathodes are rinsed off with a high pressure washer. The cathode sludge is then filtered, dried in an oven, transferred to the barring furnace and the gold is then poured into molds.

Markets

The principal product at Chapada is a copper concentrate with gold and silver, which is readily marketable on world markets.

Environmental Considerations

The Corporation has all of the necessary environmental permits to operate at Chapada including the main operating licence, which was obtained on November 20, 2006. It was renewed on September 29, 2008, and is renewed every few years according to the terms of the regulating body. Further licences will be obtained as required to carry out or expand operations at Chapada.

The licensing process for the development of Corpo Sul began in 2013. The open pit and waste dump licences, legal reserves relocation processes, and deforestation licences were granted in early 2014.

The permitting process for the Suruca deposit started with the preliminary licence granted in May 2012. The installation licence was applied for in 2013.

The mine life for the Chapada Mine (Chapada Corpo Principal, Corpo Sul and Suruca) is expected to be 17 years. The first version of the plan for mining closure including rehabilitation of the tailings storage facilities, mine sites, waste piles was submitted in 2008 and is revised on a regular basis.

Mine Life

RPA notes that the life-of-mine plan presented in the Chapada Report is based on production tonnes and grade and development requirements, as forecasted by Yamana. The plan, which only considers production from Mineral Reserves, spans a total effective mine life of 24 years.

Mercedes Mine

Unless otherwise stated, the information, tables and figures that follow relating to the Mercedes Mine are derived from, and in some instances are extracts from, the technical report entitled "Technical Report on the Mercedes Gold-Silver Mine, Sonora State, Mexico" dated February 25, 2014 and updated as of May 31, 2014 (the "**Mercedes Report**"), prepared by or under the supervision of R. Dennis Bergen, P. Eng., and Chester M. Moore, P. Eng. (the "**Mercedes Qualified Persons**"), of RPA. The technical information contained in this section of the prospectus has been reviewed and approved by the Mercedes Qualified Persons, each of whom is a "qualified person" for the purpose of NI 43-101. See "Interests of Experts".

Portions of the following information are based on assumptions, qualifications and procedures which are not fully described herein. Reference should be made to the full text of the Mercedes Report, which has been filed with certain Canadian securities regulatory authorities pursuant to NI 43-101 and is available for review on the Corporation's SEDAR profile at www.sedar.com.

Property Description and Location

The Mercedes Mine is located in the state of Sonora, northwest Mexico, within the Cucurpe municipality. The Mercedes Mine is located 250 kilometres northeast of Hermosillo, Sonora's capital city, and 300 kilometres south of Tucson, Arizona.

The Mercedes Mine consists of approximately 64,613 hectares of mineral concessions under lease from the government of Mexico. The area is covered by 40 mineral concessions, all of which have been titled as mining concessions, according to Mexican mining law. The titles are valid for 50 years from the date titled. All of the concessions are owned by Minera Meridian Minerales S. de R.L. de C.V., a subsidiary of Yamana, and remain in good standing with mining law obligations through twice-annual tax payments and required assessment work. The Mercedes Mine is not encumbered by any royalties, since all of the claims under contract were purchased with no future obligations. Other than items normally associated with mine closure, RPA is not aware of any existing environmental liabilities.

Accessibility, Climate, Physiography, Local Resources and Infrastructure

The Mercedes Mine is accessed using Highway 54 via Magdalena de Kino located approximately 180 kilometres from both Tucson, Arizona, and Hermosillo, Mexico. From Magdalena de Kino, access is gained to the property using Highway 15 for 67 kilometres, passing through the village of Cucurpe, to the Rancho Los Pinos entrance. The mine can be reached via an improved gravel road approximately 10 kilometres from the ranch entrance.

The Mercedes Mine is located in an area of moderate to rugged topography, with numerous arroyos and canyons incised through volcanic stratigraphy. The arroyos and canyons contain intermittent streams that ordinarily flow in response to rainfall events or for extended periods during rainy periods. Elevation in the property area ranges from 950 to 1,400 metres above sea level. Vegetation is typical of the high Sonora desert,

including mesquite, desert oak, grasses, and numerous species of cacti, junipers, and cottonwood trees. The climate in the area is typical of the high Sonora desert. The maximum recorded summer temperature is 41.6°C and the lowest recorded temperature is -15°C with freezing temperatures common at night between December and March. Rainfall is sparse outside of the monsoon season (which is variably mid-June to early October). Rain and rare snow occasionally fall between late January and February.

Magdalena de Kino is the closest commercial centre and has a population of about 23,000. It is a well-established community with a variety of services available, including a small airport, lodging, fuel and groceries, limited medical care, schools, and police. Cananea, Sonora, is a major Mexican mining centre located about 170 kilometres from the site.

Mercedes is currently mining three deposits and has all required infrastructure and permits necessary for a mining complex including:

Declines and series of ramp-connected levels

A 1,900 tpd crushing plant and mill

Tailings storage facility

Associated administrative building, laboratory, shops, and warehouse

Sufficient water supply using mine dewatering and purchased water rights

Power supply provided by a 65 kilometre, 115 kilovolt power line, from the town of Magdalena de Kino

History

The Mercedes district has been the focus of mining activities since at least the late 1880s. Exploration and development work was conducted in at least two or three distinct periods. The Mercedes, Tucabe, Saucito, Anita, Klondike, Rey de Oro, Reina, and Ponchena veins all were the focus of exploration and development work on a limited to moderate scale during the late 19th century and early 20th century.

The Tucabe vein was mined around the turn of the century. A cyanide mill was constructed on the site and the Tucabe vein was accessed through a series of tunnels and shafts, covering over 600 metres of strike and a vertical range of over 150 metres. The Mercedes vein was discovered in 1936. Anaconda Copper Company optioned the property in 1937 and spent two years exploring underground. The work included sinking a 50 metre shaft and excavating a series of tunnels and internal raises for sampling and reserve estimation. Little historical data is available for past mining activities at the Klondike mine. A cross section in the Anaconda file from the 1930s indicates that the Klondike mine was mined around 1900.

No precise production totals are available from historic mining operations. Given the scale of historic mining observed at Klondike, Rey de Oro, Tucabe or Saucito, and the known high grades in the exploited veins, a reasonable estimate of cumulative past district production is in the order of 150,000 tonnes and approximately 73,000 GEO.

The Mercedes Mine and Klondike mine areas were first examined by Meridian Gold Inc.'s ("**Meridian**") predecessor FMC Gold Company in 1993 as part of a regional exploration program in Mexico and the Mercedes district was re-visited in1999 as part of a program focusing on high grade low sulphidation vein systems. Meridian geologists completed surface and underground mapping and sampling by September of 2000. Five areas had historic mining activities and were the focus of the first phase of a reverse circulation ("**RC**") drilling program. Veins or stockwork zones were encountered in all five areas by drilling. Mercedes, Klondike, and Tucabe all had at least one drill intercept assaying greater than 10.0 grams of gold per tonne. Phase 2 RC drilling started in January 2001 focusing on the Klondike and Mercedes zones. This program was successful in discovering a narrow, vein-hosted mineralized zone at Mercedes and significant mineralization was also encountered at Klondike. The Meridian exploration program conducted in 2005 resulted in the discovery of the bonanza grade Corona de Oro shoot in the Mercedes vein. Meridian expanded drilling in 2006-2007, focusing on the Mercedes, Klondike, and Lupita veins.

Yamana acquired Mercedes when it completed the purchase of Meridian in September 2007. An aggressive drilling and development program was initiated to assess the potential of the project and bring it to a feasibility study stage. Drilling from 2009 to 2014 has focused on district exploration outside of the Mercedes-Klondike systems, resulting in the discovery of the Barrancas vein zone, the Diluvio zone at Lupita, and the expansion of the Rey de Oro vein system.

The first gold pour at Mercedes occurred in mid-November 2011 and the mine reached commercial production on February 1, 2012. Total production to the end of May 2014 has been 1,461,900 tonnes grading 5.90 grams per tonne gold and 75.30 grams per tonne silver for 277,500 ounces of gold and 3,539,100 ounces of silver.

Geological Setting

The geology of the Mercedes area is dominated by two northwest-trending arches, which have exposed older marine sediments and overlying interbedded volcaniclastic sediments and lithic to quartz crystal lithic tuff units. The arches are cut by numerous northwest-trending high angle structures. Some of these faults have been intruded by at least three stages of dikes and small stocks, ranging in composition from andesite to latite and rhyolite. Marginal to the northwest-trending arches, andesitic flows, and flow breccias (with local coeval andesite dikes) have been deposited and preserved in at least three west-northwest thickening basins. This andesite package, locally over 500 metres thick, and the contact zone with the underlying tuff host all known economic epithermal vein deposits in the district.

Post-mineral plagioclase-biotite latite porphyry dikes fill some of the same northwest-trending structures that host veins in the Mercedes/Barrancas corridor, venting to the surface in flow domes and extensive latite porphyry flows ranging from 10.0 to +190.0 metres thick. Dikes generally crosscut and destroy vein mineralization. The latite and all older units are overlain locally by more than 200 metres of post-mineral conglomerate and volcaniclastic units, as well as local intercalated ash tuff/ignimbrite, highly magnetic andesite flows and overlying bimodal rhyolite and basalt flows.

More than 16 kilometres of gold-silver-bearing epithermal low sulphidation veins have been identified within or marginal to the andesite-filled basins, which constitute the primary exploration target on the project. Major veins typically trend N30° 70°W at 60 to 90 degree dips following the major regional structural pattern. Other veins trend variably from east-west to north-south, or even northeast. Veins typically dip at greater than 60 degrees, but locally range as low as 25 degrees. The major exception in the district is the Lupita-Diluvio vein system, which is localized along a N70°E, 15 to 55 degrees northwest dipping listric fault zone. In contrast to other vein areas, almost all the stockwork, breccia, and vein-hosted gold-silver mineralization is hosted within older lithic tuff and volcaniclastic units below the andesite package.

Exploration

Yamana's exploration effort began with surface sampling in 1999. Mapping and sampling between 2005 and 2014 was subsequently extended to cover an area of approximately 235 square kilometres. A total of 3,703 surface rock samples, 129 soil samples, and 166 stream sediment samples have been collected for geochemical analyses through May 2014.

Surface mapping identified three major basins filled with andesitic volcanic rocks on the Mercedes property. The mapping also identified over 16 kilometres of low sulphidation epithermal veins on the project area.

Mineralization

A total of 16 principal low sulphidation epithermal vein/stockwork/breccia zones, have been identified on the Mercedes property. The majority of the veins are hosted within the andesite package, or locally at the fault contact between andesite and the underlying lithic tuff package. Only the Diluvio Zone at Lupita and the Anita veins contain significant ore grade mineralization hosted completely in the lower tuff package.

The mineralized zones display a combination of fissure vein, stockwork, and breccia morphologies that change rapidly on strike and dip. The zones range in width from less than 1.0 metre to composite

vein/stockwork/breccia zones up to 15.0 metres wide. In the Diluvio zone, gold-silver-bearing vein/stockwork zones locally attain thicknesses in excess of 100.0 metres. The length of individual veins varies from 100 metres to over 2.0 kilometres. Property-wide, gold-silver-bearing veins occur over a vertical range greater than 700 metres.

Mineralogical studies identified opaque minerals, including iron oxides, pyrite, gold, electrum, stibnite, and rare pyrargyrite, within a gangue of substantial chalcedony, quartz, and carbonate. In addition to hematite, manganese oxides are an important component in some ore zones, possibly remnant after dissolution of manganese carbonates. Due to the depth of oxidation, sulphides are rarely observed. Metallurgical studies have identified the presence of very small quantities of native gold, native silver, electrum, pyrargyrite, stibnite, galena, sphalerite, and chalcopyrite in heavy mineral concentrates. Copper minerals such as malachite and chrysocolla are most common as fracture fillings in breccias at Klondike, but rare specks are also seen in the Mercedes and Lupita-Diluvio veins.

Drilling

As of the end of May 2014, a total of 343,849 metres in 1,243 drill holes have been completed on the project.

Drill hole collars are marked up by survey prior to drill set-up and surveyed again after completion of the hole. A Reflex survey instrument is used to provide control information on the directional deviation (both azimuth and inclination) at 50 metre intervals in each hole.

Lithologic logging is done on drill core and geotechnical observations are made by company geologists, who collect all down-hole data including assay locations. All information is digitally recorded on paper forms or using logging software. This includes recording:

- Lithologic contacts
- Descriptive geology
- Recording of oxide and sulphide content
- Intensity of various alteration types
- Structural features, such as fracture and fault zones
- Core angles
- Core diameter
- Down hole inclination
- Core recovery record
- Rock quality designation measurements

Sampling and Analysis

Almost all 2000 to 2014 assaying of exploration core samples was done at the Bondar-Clegg (now ALS Chemex) laboratories (ISO 9001:2000 certified) in Vancouver, British Columbia. Due to extreme sample volumes, some sample preparation in 2011 was done by ALS Chemex at preparation facilities in Chihuahua, Zacatecas and Guadalajara, Mexico. Underground chip and channel samples are prepared and analyzed at the Mercedes Mine laboratory.

The procedures followed by ALS Chemex and the mine laboratory for sample preparation and assaying are detailed in the Mercedes Report.

Yamana uses certified reference materials (standards), blanks, sterile samples, and core duplicate samples with drill hole core sample submissions to monitor the precision, accuracy, and quality of the ALS Chemex laboratory process. The mine geology group uses certified reference materials (standards), blanks, and sterile samples as well as preparation duplicates to monitor the precision, accuracy, and quality of the mine laboratory

process. Protocols are in place for describing the frequency and type of QA/QC submission, the regularity of analysis of QA/QC results, failure limits, and procedures to be followed in case of failure, or for flagging failures in the QA/QC database.

Between 2008 and May 2014, Yamana inserted 2,140 standards, 1,380 blanks, 1,290 steriles, and 1,635 core duplicates into the sample stream. With the exception of some minor problems with the homogeneity of the standards and variances at low grades in the duplicate samples, all results were within acceptable ranges.

During 2013 (to November 20, 2013), 10,379 chip samples were dispatched by the mine geology group to the Mercedes laboratory located in the processing plant. A total of 424 standards, as well as 83 blanks and sterile samples, were inserted to cover all batches of samples on both day and night shifts. A total of 1,034 preparation duplicates were also submitted for analysis. When a standard analysis exceeds the three standard deviation limit, reanalysis is requested for the standard and two samples on each side of it in the batch. As a result of the re-analyses, the percent failure greater than three standard deviations for gold analyses was 8.96% and for silver was 8.40%.

During the period of December 12, 2013 to June 20, 2014, 8,041 chip samples were dispatched to the Mercedes laboratory located in the processing plant. A total of 367 standards, as well as 347 blanks and sterile samples, were inserted to cover all batches of samples on both day and night shifts. A total of 151 preparation duplicates and 419 sample duplicates were also submitted for analysis. RPA notes that the 2014 error rate for gold and silver assays is much improved compared to the 2013 results. The results of the analyses of the blanks and sterile samples were also acceptable and RPA considers the mine assays to be suitable for use in resource estimation.

Security of Samples

All core drilled between 2005 and 2014 was logged directly at the Mercedes camp. Samples were placed in plastic bags and sealed with bag ties. Batches of samples were then placed in grain sacks and sealed with bag ties or duct tape. Grain sacks were stored in a locked warehouse facility on site. Samples were collected on-site approximately once per week by drivers from ALS Chemex, who came from the Hermosillo preparation facility.

Each sample is assigned a unique sample number that allows it to be traced through the sampling and analytical procedures and for validation against the original sample site. The second half of split exploration core is stored on-site as a control sample, available for review and re-sampling if required.

As noted in the Mercedes Report, RPA is of the opinion that Yamana's sampling, sample preparation, analysis, and security at the Mercedes project meet industry standards.

Mineral Resources and Mineral Reserves

The methodology of estimating Mineral Resources by Yamana includes: (a) statistical analysis and variography of gold values in the assay database; (b) construction of a block model using Vulcan software; and (c) grade interpolation using a kriging or inverse distance method.

Validation of the block models by Yamana included: (a) on screen displays of plans and sections showing composite and block grades; (b) a nearest neighbour interpolation; and (c) drift analysis calculated over "slices" along the strike of each zone. For these analyses, the kriged mean grades were compared with the original sample mean grades.

Tables 7 and 8 summarize the Mineral Resource and Mineral Reserve estimates, respectively.

Table 7
Mineral Resource Estimate for the Mercedes Mine (May 31, 2014)

		Grade			Metal		
Classification	**Tonnes**	**Au (g/t)**	**Ag (g/t)**	**AuEq (g/t)**	**Au (oz)**	**Ag (oz)**	**AuEq (oz)**
Measured	172,600	4.62	49.17	4.97	25,700	272,900	27,600
Indicated	3,412,300	3.02	37.17	3.29	331,100	4,078,200	360,200
Total M+I	**3,584,900**	**3.10**	**37.75**	**3.37**	**356,700**	**4,351,100**	**387,800**
Inferred	3,310,000	3.9	36.0	4.2	410,000	3,840,000	441,300

Notes:

1. CIM definitions were followed for Mineral Resources.
2. Mineral Resources are estimated at a cut-off grade of 2.0 grams per tonne gold equivalent.
3. Gold equivalence based on 1.0 gram gold = 140.0 gram silver.
4. Mineral Resources are estimated using a long-term gold price of US$1,500 per ounce.
5. No minimum mining width was used.
6. Bulk density is 2.42 tonnes per cubic metre for ore and 2.44 tonnes per cubic metre for waste.
7. Mineral Resources are exclusive of Mineral Reserves.
8. Numbers may not add due to rounding.

Table 8
Mineral Reserve Estimate for the Mercedes Mine (May 31, 2014)

Category	**Tonnes (000)**	**Au (g/t)**	**Ag (g/t)**	**Au Oz (000)**	**Ag oz (000)**	**AuEq (g/t)**	**GEO (000)**
Proven UG	842	4.18	53.7	113	1,456	4.57	124
Probable UG	4,257	4.61	43.0	630	5,890	4.93	672
Probable OP	229	2.04	16.5	15	122	2.18	16
Sub-total Probable	4,486	4.50	41.6	649	6,002	4.79	691
Proven & Probable	**5,328**	**4.45**	**43.5**	**762**	**7,458**	**4.76**	**815**

Notes:

1.

CIM definitions were followed for Mineral Reserves.

2. Underground Mineral Reserves are estimated at a cut-off grade of 3.0 grams per tonne gold.

3. Open pit Mineral Reserves were estimated at a cut-off grade of 1.55 grams per tonne gold.

4. Mineral Reserves are estimated using an average gold price of US$950 per ounce and a silver price of US$18.00 per ounce.

5. A minimum mining width of 3.0 metres was used.

6. Bulk density varies from 2.25 tonnes per cubic metre to 2.46 tonnes per cubic metre depending on rock type and deposit and based on testwork.

7. Gold equivalence based on 1.0 gram gold = 140.0 gram silver.

8. Numbers may not add due to rounding.

9. GEO gold equivalent ounces.

Mining and Milling Operations

The Mercedes operation consists of underground mines, three of which are being developed or in production and one is in the planning stage, plus an open pit mine that is in the planning stage. Production is coming from the Mercedes and Klondike mines, the Barrancas mine is being developed, and the Diluvio and Rey de Oro mines are planned for future production.

The underground mines are all designed as ramp access mechanized mines. There are two underground mining methods in use. Where the rock quality is appropriate, the ore is mined by longhole open stoping with cemented paste backfill. This is expected to be applied to 70% of the deposit. For areas with poorer rock conditions, the mining method is mechanized cut and fill stoping.

The planned production rate is approximately 2,000 to 2,100 tpd. Ore from underground is hauled by dump truck to stockpiles near the portal. Ore from the Barrancas and Klondike mines is hauled to a common stockpile area near the jaw crusher.

The processing facilities at Mercedes are based on conventional milling with Merrill Crowe recovery of precious metals. ROM stockpiles ahead of the crusher are used to blend different grades of ore material. ROM ore discharges from the crusher dump hopper onto a vibrating grizzly feeder and thence directly to the jaw crusher. The jaw crusher product discharges onto the crusher discharge belt feeder and thence onto a transfer conveyor to the coarse ore storage bin. The coarsely crushed material is then passed through secondary and tertiary cone crushers. The product of the crushers is fed to the fine ore bin ahead of the grinding circuit. A single ball mill measuring 5.03 metres in diameter and 8.84 metres long, powered by a 3,430 kilowatt motor, performs all grinding in closed circuit with hydrocyclones. The grinding circuit reduces the crushed ore from 80 percent passing 12.5 millimetres ($^1/_2$ inch) to 80 percent passing 45 micrometres.

The undersized material combines with gravity concentrator tails. Combined slurry is pumped using variable speed horizontal centrifugal slurry pumps to five operating 254 millimetre hydrocyclones. A portion of the hydrocyclone underflow flows by gravity to the gravity concentration circuit. The remainder of the underflow reports back to the ball mill. Hydrocyclone overflow (final grinding circuit product) flows by gravity to the pre-leach thickener deaeration feed box.

Approximately 25% of the hydrocyclone underflow is directed to a 762 millimetre diameter bowl style gravity concentrator. Bowl concentrate is fed by gravity to a magnetic separator and shaking table circuit. Nonmagnetic concentrate material is further upgraded on a shaking table. The table middlings are re-circulated to the table while the table tails are pumped back to the ball mill circuit. The table concentrate is dried in an electric oven prior to smelting. The concentrate is smelted to produce a final doré product.

Flocculant and dilution water are added to a 16.4 metre diameter high rate thickener feed to aid in settling. Underflow from the pre-leach thickener is pumped at approximately 50 percent solids where it is cyanide leached in a series of four agitated leach tanks. The thickener overflow is pumped to the carbon column circuit. Slurry advances by gravity from leach tank to leach tank, exiting the last leach tank and reporting by gravity flow to a series of four high capacity 16.4 metre diameter counter-current-decantation ("**CCD**") thickeners for washing and solid liquid separation. CCD thickener underflow is advanced by pumping from thickener to thickener, exiting the last tank and reporting to the cyanide recovery thickener. CCD thickener overflow flows by gravity between CCD thickeners and will be pumped to the pre-leach thickener overflow tank.

The leach tailings are washed in CCD to remove soluble gold and silver prior to disposal. Slurry, at 60% solids, is advanced by pumping from thickener to thickener, exiting the last tank and reporting to the cyanide recovery thickener ahead of detoxification. Barren solution, used as wash water, is introduced into the final CCD thickener.

Gold and silver are recovered from pregnant solution by zinc precipitation of metal ions using zinc dust in a Merrill Crowe process. The process of recovering silver and gold by the Merrill Crowe process includes:

clarification and filtering of pregnant solution to remove suspended solids

deaeration of pregnant solution to reduce dissolved oxygen

precipitating gold and silver metal out by addition of zinc dust

filtering and drying of precipitate

The zinc precipitate and gravity concentrate are independently batch smelted in one of two retort furnaces. The metal, containing the gold and silver and minor impurities, is poured into bar molds.

Markets

The principal commodity at Mercedes is freely traded, at prices that are widely known so that prospects for sale of any production are virtually assured. Yamana used a gold price of US$950 per ounce for Mineral Reserve estimation.

Environmental Considerations

The Corporation has all of the necessary environmental permits to operate at Mercedes. The tailings are not considered as acid generating. Rehabilitation of the tailings facility and the remainder of the mining areas on site at the end of the mine life is estimated to cost approximately US$10.3 million.

Mine Life

The 2013 Mercedes life-of-mine plan shows total production of 845,000 ounces of gold and 8.4 million ounces of silver to the year 2021 based solely on Mineral Reserves. RPA considers the life-of-mine plan to be reasonable and generally consistent with the operating history. RPA concurs that the development of multiple independent feed sources provides the opportunity for increased production at Mercedes.

Canadian Malartic Mine

Unless otherwise stated, the information, tables and figures that follow relating to the Canadian Malartic Mine are derived from, and in some instances are extracts from, the technical report entitled "Technical Report on the Mineral Resource and Reserve Estimates for the Canadian Malartic Property" dated August 13, 2014, and effective June 16, 2014 (the "**Canadian Malartic Report**"), prepared by or under the supervision of Donald Gervais, P. Geo., Christian Roy, Eng., Alain Thibault, Eng., and Carl Pednault, Eng., each of Canadian Malartic General Partnership ("**Canadian Malartic GP**"), and Daniel Doucet, Eng., of Agnico (the "**Canadian Malartic Qualified Persons**"). The technical information contained in this section of the prospectus has been reviewed and approved by the Canadian Malartic Qualified Persons, each of whom is a "qualified person" for the purpose of NI 43-101. See "Interests of Experts".

Portions of the following information are based on assumptions, qualifications and procedures which are not fully described herein. Reference should be made to the full text of the Canadian Malartic Report, which has been filed with certain Canadian securities regulatory authorities pursuant to NI 43-101 and is available for review on the Corporation's SEDAR profile at www.sedar.com.

Property Description and Location

The Canadian Malartic Mine is located in the province of Québec, Canada, approximately 25 kilometres west of Val-d'Or and 80 kilometres east of Rouyn-Noranda. The property lies within the Municipality of Malartic. It is located on NTS map sheet 32 D/01 in the townships of Fournière, Malartic and Surimau. The approximate centre of the property is at latitude 48° 22'N and longitude 78° 23'W and the approximate UTM coordinates are 712825E and 5334750N, NAD 83, Zone 17.

The Canadian Malartic Mine consists of a contiguous block comprising one mining concession, five mining leases, and 208 mining claims covering an aggregate area of 8,735.9 hectares. The mining claims, mining leases and mining concession for the property are subject to terms under a number of agreements. Six mining titles have a suspended status. These claims are subject to a demand of modification of the mining lease.

Rights and Obligations Associated with Mining Titles

A claim ("**CL**" or "**MDC**") gives its holder the exclusive right to explore for such mineral substances on the land subject to the claim but does not entitle its holder to extract mineral substances, except for sampling and in

limited quantities. A claim has a term of two years, which is renewable for additional periods of two years, subject to performance of minimum exploration work on the claim and compliance with other requirements set forth by the Mining Act (the "**Act** "). Access to land that has been granted, alienated or leased by the Crown for non-mining purposes requires the permission of the current surface rights-holder. Additionally, claims that lie within town boundaries or lands identified as state reserves may be subject to further conditions and obligations concerning the work to be performed on the claim.

In order to mine mineral substances, the holder of a claim must obtain a mining lease. Mining leases are extraction (production) mining titles which give their holder the exclusive right to mine mineral substances. A mining lease is granted to the holder of one or several claims upon proof of the existence of indicators of the presence of a workable deposit on the area covered by such claims and compliance with other requirements prescribed by the Act. A mining lease has an initial term of 20 years but may be renewed for three additional periods of 10 years each. Under certain conditions, a mining lease may be renewed beyond the three statutory renewal periods.

A mining concession provides the owner with mining rights and some surface rights limited to those necessary for mining activities. There is no obligation or work requirement needed to maintain the concession other than the payment of an annual fee based on the size of the concession.

Expiration dates for the various mining titles of the Canadian Malartic Mine vary between December 3, 2015 and February 17, 2034. Incurred exploration expenditures on the Canadian Malartic Mine currently exceed the minimum expenditures required to maintain the claims in good standing.

Agreements and Encumbrances

Mining titles constituting the current Canadian Malartic Mine were acquired by Osisko in stages between 2004 and 2014. Many of the mining titles of the property were map-staked by Osisko or its appointed intermediaries and are not subject to any encumbrances. Others were purchased outright from independent parties, without royalties or other obligations.

Following the Osisko Acquisition by Agnico and Yamana, most of the mining titles are now subject to a 5% net smelter royalty ("**NSR**") payable to Osisko Gold Royalties Ltd. ("**Osisko Gold Royalties**"). Only the historical CHL Malartic property and the mining titles owned 15% by the Currie Mills estate and Paul Boyd are not subject to the 5% NSR payable to Osisko Gold Royalties.

Of the 208 mining titles constituting the Canadian Malartic Mine, 97 are also subject to agreements and presented in the following table:

Mining Titles	Agreements and Encumbrances
CL 3490181, CL 3490151, CL 3263051, CL 3263011, CL 3263012, CL 3263351, CL 3263002 (converted)	Mining rights registered to Canadian Malartic GP for an interest of 85%, the remaining 15% is held by the Currie Mill's estate.
	Titles purchased from Richmont Mines Inc. ("**Richmont**") for cash and shares.
	Titles are subject to a sliding 1% to 1.5% NSR payable to RG Exchangeco Inc. ("**RG Exchangeco**").
	The royalty rate is tied to the price of gold, with the higher rate taking effect if the gold price is greater than US$350 per ounce.

	Titles are subject to a 15% net profit interest amount is payable on a monthly basis to the Currie-Mills estate.
CM 226, CL 3941621, CL 3941633, CL 3941634, CL 3941635, CL 3950771, CL 3950772	Mining rights 100% owned by Canadian Malartic GP.
	Titles purchased from McWatters Mining Inc. ("**McWatters**") liquidating trustee in consideration of a cash payment.
	Titles are subject to a sliding 1% to 1.5% NSR payable to RG Exchangeco.
	The royalty rate is tied to the price of gold, with the higher rate taking effect if the gold price is greater than US$350 per ounce.

Mining Titles	Agreements and Encumbrances
CL 5144234, CL 5144235, CL 5144236, CL 5144237, CL 5144238, CL 5144239 (converted)	Mining rights 100% owned by Canadian Malartic GP.
	Titles acquired from Dianor Resources Inc. and subsidiary Threegold Resources Inc. for cash and shares.
	Titles are subject to a 2% NSR payable to Mike Lavoie.
	The entire royalty may be purchased back by Osisko for $2,000,000.
CDC 72271	
	Mining rights 100% owned by Canadian Malartic GP.
	Titles acquired from Golden Valley Mines Ltd. for cash consideration.
	Titles is subject to a 2% NSR payable to Abitibi Royalties Inc. ("**Abitibi Royalties**").
CDC 2000854, CDC 2000855, CDC 2000856, CDC 2000857, CDC 2000858, CDC 2000859, CDC 2001055	Mining rights 100% owned by Canadian Malartic GP.
	Titles acquired from Jack Stoch for cash consideration.
	Titles are subject to a 1.5% gross overriding metal royalty payable to Franco-Nevada Corporation.
CL 3887321, CL 3887331, CL 3924261, CL 3924271, CL 3924281	

	Mining rights 100% owned by Canadian Malartic GP.
	Titles purchased from Richmont for cash and shares.
	Titles are subject to a sliding 1% 1.5% NSR payable to RG Exchangeco.
	The royalty rate is tied to the price of gold, with the higher rate taking effect if the gold price is greater than US$350 per ounce.
CL 3665043, CL 3665044, CL 3665053, CL 3665201, CL 3665202, CL 3665211, CL 3718281, CL 3718282, CL 3718293, CL 5086943, CL 5086944, CL 5086945, CL 5098746 CL 5098747, BM 848, CLD P139010, CLD P139020, CLD P139030, CLD P139040, CLD P139050, CLD P139060, CLD P139070, CLD P139080, CLD P139090, CLD P139100, CLD P139110, CLD P139120, CLD P139130	Mining rights 100% owned by Canadian Malartic GP.
	Titles purchased from Richmont for cash and shares.
	A 2% NSR is payable to Richmont.
	A 2% NSR is payable to Globex Mining Inc. ("**Globex**") after 300,000 ounces of gold have been produced from the East Amphi Block of the East Amphi property.
CL 3351761, CL 3351762, CL 3351763, CL 3351764, CL 3351771, CL 3351772, CL 3351773, CL 3351774, CL 3351781, CL 3351782, CL 3351783, CL 3351784	Mining rights 100% owned by Canadian Malartic GP.
	Titles purchased from Richmont for cash and shares.
	A 2% NSR is payable to Richmont.

A 2% NSR is payable to Globex after 300,000 ounces of gold have been produced from the Fourax Block of the East Amphi property.

To the knowledge of the parties, for every ounce produced from the Fourax Block, a 3% NSR may be payable quarterly to Royal Oak Mines Inc. based on the prevailing price of gold.

Mining Titles	Agreements and Encumbrances
CDC 48540, CDC 48541, CDC 48542, CDC 48543, CDC 1106043, CL 5114367, CL 5114368, CL 5114369, CL 5114373, CL 5114374, CL 5114375, CL 5114376, CDC 1106031, CDC 1106032, CDC 1106033, CDC 1106034, CDC 1106035, CDC 1106036, CDC 1106037, CDC 1106038, CDC 1106039, CL 5182646, CL 5182647, CL 5182648	Mining rights 100% owned by Canadian Malartic GP.
	Titles purchased from Richmont for cash and shares.
	A 2% NSR is payable to Richmont.

Urban Perimeter

As far as exploration and mining activities are concerned, a part of the Canadian Malartic Mine is affected by regulations regarding the presence of an "Urban Perimeter". The restriction is one of "Exploration Prohibited" (see Bill 70, 2013, chapter 32, section 124 of the Act). According to Bill 70, any mineral substance forming part of the domain of the State and found in an urban perimeter shown on maps kept at the registrar's office, except mineral substances found in a territory subject to a mining right obtained before December 10, 2013, is withdrawn from prospecting, mining exploration and mining operations as of that date, until the territories provided for in section 304.1.1 of the Act are determined.

The Canadian Malartic Mine only includes mining rights obtained before December 10, 2013 and thus exploration is permitted on the mining rights overlapping the urban perimeter until mining-incompatible territories are determined by the regional county municipality. In the event that a claim overlaps a mining-incompatible territory, exploration will still be permitted on the overlapping claim, but renewal of such claim will only be permitted if work is performed on the claim during any term occurring after the determination of the mining-incompatible territory (section 61 of the Act). It is expected that the current urban perimeter in Malartic will be determined as a mining-incompatible territory by the regional county municipality.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

The northern part of the Canadian Malartic Mine can be accessed directly from Highway 117, a major east-west highway in northwestern Québec. A paved road running north-south from the town of Malartic towards Mourier Lake cuts through the central area of the Canadian Malartic Mine. The Canadian Malartic Mine is further accessible by a series of logging roads and trails. Malartic is also serviced by a rail-line which cuts through the middle of the town. The nearest large airport is located in Val-d'Or, about 25 kilometres east of Malartic.

The Canadian Malartic Mine is located in the southern portion of the town of Malartic. The town has a population of about 3,500 people and hosts a variety of commercial establishments, including motels, restaurants, service suppliers, retailers and a community health clinic, as well as elementary and high schools. The city of Val-d'Or, some 25 kilometres east of Malartic, hosts a large number of manufacturers and suppliers who serve the mining industry. Skilled workers are available from the areas within an approximate 25 kilometre radius of Malartic, specifically Cadillac to the west and Val-d'Or to the east, where a number of mines are still in operation.

The main infrastructure includes the administration/warehouse building, the mine office/truck shop building, the process plant, and the crushing plant. The workforce requirement is 658 employees to support the proposed mine nominal throughput rate of 55,000 tpd.

A buffer zone of 135 metres wide is developed along the northern limit of the open pit to mitigate the impacts of the mining activities on the citizens of Malartic. Inside this buffer zone, a landscaped ridge was built

mainly using rock and topsoil produced during pre-stripping work. The height of this landscaped ridge is 15 metres where the concentration of residents is higher and 5 to 6 metres in non-resident sectors.

The electrical power for the Canadian Malartic Mine is supplied from the existing Hydro-Québec 120kV Cadillac main substation. A 120 kilovolt electrical transmission line approximately 19 kilometres long was built. Power demand for the entire project is about 85.3 megawatts including all mill and mine support facilities and a long term contract is in place to deliver power to the mine.

The plant water systems consist of the process water system which is supplied principally from the plant thickener overflows, the fresh water system which is supplied from the old underground mine dewatering system, the reagent preparation water system, the gland water distribution system, and the reclaim water from form the Southeast Pond area. The Canadian Malartic Mine is also connected to the Malartic municipal sewage and potable water systems.

The fuel storage facilities have 250,000 litres of storage capacity and are located northeast of the truck shop.

Canadian Malartic GP continues to work with the Québec's Ministry of Transport and the town of Malartic on the deviation of Highway 117 to gain access to the higher grade Barnat deposit. It was anticipated that the final layout and the environmental impact study would be completed by the fourth quarter of 2014 and a request for public hearings will be made.

The Canadian Malartic Mine is situated in the Abitibi lowlands and is relatively flat, consisting of plains with a few small hills. The topography on the property has altitudes ranging from 310 metres above sea level to 360 metres above sea level. Most of the area is sparsely wooded with secondary growth black spruce, larch and birch as the dominant species. The central, east-central and west-central parts of the property are cut by a number of small streams, generally oriented east-west and connecting bogs or swampy areas. Overburden is characteristically a thin layer of till, typically only a few metres thick, with local surface development of organic-rich boggy material. Outcropping exposures of rock are rare to moderate, generally increasing towards the southern portion of the property and lithologies become harder and more resistant to erosion.

The following information on temperature and precipitation is based on data collected at the Val-d'Or meteorological station between 1970 and 2001, as reported by the Centre de Ressources en Impacts et Adaptation au Climat et à ses Changements. Data on wind velocity and direction are based on records from 1961 to 1991. Mean annual temperature for the Val-d'Or/Malartic area is 1.2 degrees Celsius, with average daily temperatures ranging from -17.2 degrees Celsius in January to 17.2 degrees Celsius in July. The average total annual precipitation is 914 millimetres, peaking in September (102 millimetres) and at a minimum in February (40.5 millimetres). Snow falls between October and May, with most occurring between November and March. Peak snowfall occurs in December, averaging 610 millimetres, equivalent to 54 millimetres of water. Winds are generally from the south or southwest from June through January, and from the north or northwest from February through May. Average wind velocities are in the order of 11 to 14 kilometres per hour.

History

Prior to Osisko (1923 - 2003)

Gold was first discovered in the Malartic area in 1923. Production at the Canadian Malartic Mine began in 1935 and continued uninterrupted until 1965. The deposit was mined mostly by underground long-hole stoping methods, making it the only underground bulk tonnage gold mine in Québec at the time. The Canadian Malartic success prompted additional exploration, discovery and development immediately to the east. The resulting

Malartic gold camp included four past-producing gold mines. Gold production statistics for the Canadian Malartic, Barnat/Sladen and East Malartic mines are presented in the following table:

	Canadian Malartic Mine	Barnat/Sladen Mine	East Malartic Mine	TOTAL
Years of production	1935 - 1965	1938 - 1970	1938 - 1983	
Ore milled (metric tonnes)	9,929,000	8,452,000	18,316,000	36,697,000
Au Grade (g/t)	3.77	4.73	5.19	4.70
Ag Grade (g/t)	2.47	1.17	1.27	1.57
Gold ounces	1,203,477	1,285,321	3,056,251	5,545,050
Silver ounces	788,485	317,934	747,869	1,854,288

Following the cessation of mining in 1983, the entire Malartic gold camp, covering the balance of the Canadian Malartic ground, as well as the past-producing Barnat/Sladen and East Malartic Mines, was acquired by Long Lac Exploration Ltd. From 1980 to 1988, Lac Minerals Ltd. ("**Lac Minerals**") explored the area of the Canadian Malartic deposit with the objective of defining a near-surface (less than 100 m deep) resource amenable to open pit mining. As Lac Minerals completed a feasibility study on the project, control of the property fell to Barrick Gold Corp. ("**Barrick**") in 1994 when it acquired Lac Minerals. Barrick's principal activity in the area was to process ore from its Bousquet mine at the East Malartic Mill, which lasted until 2002. Barrick sold all of its interests in the Malartic camp, including environmental and reclamation liabilities, to McWatters in February, 2003.

Osisko Period (2004 - June 16, 2014)

McWatters filed for bankruptcy protection in January 2004 and reached a settlement with its creditor in July 2004. In late October 2004, Osisko paid $80,000 to purchase a 100% interest in six claims and one mining concession covering the past-producing Canadian Malartic Mine. Osisko continued to acquire mining titles in stages between 2005 and 2014. Many of the mining titles of the property were map-staked by Osisko or its appointed intermediaries. Others were purchased outright from independent parties.

Seven years after the initial property acquisition, after over 750,000 metres of drilling and the filing of a positive feasibility study in November 2008, Osisko received government approval of the project in August 2009. The feasibility study was completed by December 2008, outlining Proven and Probable Mineral Reserves of 6.28 million ounces of gold (183.3 million tonnes @ 1.07 grams per tonne gold with a lower cut-off of 0.36 grams per tonne gold at US$775 per ounce). The study recommended a 55,000 tpd milling operation with strip ratio of 1.78 with a life-of-mine of 10 years for 5.4 million ounces recovered (85.9% recovery by whole-ore leach). Capital expenditures were estimated at US$790 million with operating expenditures at US$320 per ounce.

Construction of a 55,000 tpd mill complex, tailings impoundment area, five cubic metre polishing pond and road network was completed by February 2011 and the mill was commissioned in March 2011. A new reserve estimate was released in March 2011, outlining a Proven and Probable Mineral Reserve of 10.71 million ounces of gold (343.7 million tonnes @ 0.97 grams per tonne gold). The new reserve was calculated using a US$1,000 engineered pit shell at 0.30 grams per tonne gold lower cut-off. Approximately 40% of the increase in reserves, with respect to the January 2010 estimate, was due to the increase in gold price and the rest was due to the definition of additional resources along the eastern extension of the South Barnat deposit. This extension remains open to the east. Following a two-year construction period program, which necessitated an investment of approximately $1 billion, the mine reached commercial production on May 19, 2011. The first gold pour occurred in April 13, 2011.

As of January 1, 2013, the updated ore reserve estimates stood at 10.2 million ounces (312.2 million tonnes @ 1.01 grams per tonne gold) at the Canadian Malartic Mine. The new reserve base is calculated at US$1,475 per ounce of gold. On June 16, 2014, Agnico and Yamana completed the Osisko Acquisition, including the Canadian Malartic Mine. Agnico and Yamana jointly acquired 100% of the issued and outstanding common shares of Osisko.

The foregoing Mineral Reserve estimates are historical in nature and are included for illustrative purposes only. They have not been verified to determine their relevance or reliability, and should not be relied on. For additional details regarding the historical Mineral Reserve estimates, see section 6 of the Canadian Malartic Report.

For additional details regarding the current Mineral Resource and Mineral Reserve estimates for the Canadian Malartic Mine, see "Canadian Malartic Mine Mineral Resource Estimate" and "Canadian Malartic Mine Mineral Reserve Estimate".

Production History of Osisko (2011 - 2014)

Production statistics of the Canadian Malartic Mine from 2011 to March 31, 2014 are shown in following tables.

Canadian Malartic Mine Production

Year	Ore (metric tons)	Waste (metric tons)	Total Mined (metric tons)	Waste/Ore Ratio	Re-handling (metric tons)	Total Moved (metric tons)	Overburden (metric tons)
2011	9,095,754	26,177,486	35,273,240	2.88		35,273,240	5,144,832
2012	15,677,352	35,065,254	50,742,606	2.24	7,964,147	58,706,753	5,729,741
2013	17,024,120	41,409,871	58,433,991	2.43	6,850,626	65,284,617	3,118,012
Q1 2014	4,456,486	11,188,470	15,644,956	2.51	1,422,513	17,067,469	762,882
TOTAL	46,253,712	113,841,081	160,094,793	2.48	16,237,286	176,332,079	14,755,467

Gold and Silver Production Statistics of the Canadian Malartic Mine

Year	Ore Milled Metric Tonnes	Tonnes Milled By Operating Day	Grade Au (g/t)	Grade Ag (g/t)	Recovery Au (%)	Recovery Ag (%)	Gold Ounces Produced	Gold Ounces Sold	Silver Ounces Produced	Silver Ounces Sold
2011	8,502,323	33,474	0.83	0.70	87.7	59.7	200,138	175,000	114,130	96,400
2012	14,046,526	38,378	0.96	0.76	89.4	67.1	388,478	394,603	230,273	225,531
2013	17,024,120	52,350	0.92	1.04	88.9	70.5	475,277	464,991	422,619	393,545
Q1 2014	4,363,365	50,444	1.13	1.26	88.2	76.8	140,029	146,132	135,515	143,429
TOTAL	43,936,334	44,041	0.94	0.91	88.8	69.9	1,203,922	1,180,726	902,537	858,905

Geological Setting

The Canadian Malartic Mine straddles the southern margin of the eastern portion of the Abitibi Subprovince, an Archean greenstone belt situated in the southeastern part of the Superior Province of the Canadian Shield. The Abitibi Subprovince is limited to the north by gneisses and plutons of the Opatica Subprovince, and to the south by metasediments and intrusive rocks of the Pontiac Subprovince. The contact between the Pontiac Subprovince and the rocks of the Abitibi greenstone belt is characterized by a major fault corridor, the east-west trending Larder Lake-Cadillac Fault Zone ("**LLCFZ**"). This structure runs from Larder Lake, Ontario through Rouyn-Noranda, Cadillac, Malartic, Val-d'Or and Louvicourt, Québec, at which point it is truncated by the Grenville Front.

The regional stratigraphy of the southeastern Abitibi area is divided into groups of alternating volcanic and sedimentary rocks, generally oriented at N280° N330° and separated by fault zones. The main lithostratigraphic divisions in this region are, from south to north, the Pontiac Group of the Pontiac Subprovince and the Piché, Cadillac, Blake River, Kewagama and Malartic groups of the Abitibi Subprovince. The various lithological groups within the Abitibi Subprovince are metamorphosed to greenschist facies. Metamorphic grade increases toward the southern limit of the Abitibi belt, where rocks of the Piché Group and the northern part of the Pontiac Group have been metamorphosed to upper greenschist facies.

The majority of the Canadian Malartic Mine is underlain by metasedimentary units of the Pontiac Group, lying immediately south of the LLCFZ. The north-central portion of the property covers an approximately 9.5 kilometres section of the LLCFZ corridor and is underlain by mafic-ultramafic metavolcanic rocks of the

Piché Group cut by porphyritic and dioritic intrusions. The Cadillac Group covers the northern part of the property (north of the LLCFZ). It consists of greywacke containing lenses of conglomerate.

Mineralization

Surface drilling by Lac Minerals in the 1980s defined several near-surface mineralized zones now included in the Canadian Malartic deposit (the F, P, A, Wolfe and Gilbert zones), all expressions of a larger, continuous mineralized system located at depth around the old underground workings of the Canadian Malartic and Sladen mines. In addition to these, the Western Porphyry Zone occurs 1 kilometre northeast of the main Canadian Malartic deposit and the Gouldie mineralized zone occurs approximately 1.2 kilometres southeast of the main Canadian Malartic deposit, although the relationship between these zones and the main deposit is presently unknown.

Mineralization in the Canadian Malartic deposit occurs as a continuous shell of 1 to 5% disseminated pyrite associated with fine native gold and traces of chalcopyrite, sphalerite and tellurides. The gold resource is mostly hosted by altered clastic sediments of the Pontiac Group (70%) overlying an epizonal dioritic porphyry intrusion. A portion of the deposit also occurs in the upper portions of the porphyry body (30%).

The South Barnat deposit is located to the north and south of the old South Barnat and East Malartic mine workings, largely along the southern edge of the LLCFZ. The disseminated/stockwork gold mineralization at South Barnat is hosted both in potassic-altered, silicified greywackes of the Pontiac Group (south of the fault contact) and in potassic-altered porphyry dykes and schistose, carbonatized and biotitic ultramafic rocks (north of the fault contact).

Several mineralized zones have been documented within the LLCFZ (South Barnat, Buckshot, East Malartic, Jeffrey, Odyssey, East Amphi, Fourax), all of which are generally spatially associated with stockworks and disseminations within dioritic or felsic porphyritic intrusions.

Exploration

Following Osisko's decision to search for porphyry-gold type deposits, or at least their Archean analogs in the Superior craton, further research and compilation efforts were focused on target definition on the Québec side of the craton. This research immediately highlighted the site of the old Canadian Malartic Mine as a high priority target. Of particular interest in the compilation results was the fact that disseminated mineralization and/or the potassic alteration footprint at the site of the old Canadian Malartic Mine seem to cover a minimum surface area of two square kilometres, outlining what was evidently a large hydrothermal system that had never been drilled or evaluated as a deposit amenable to open pit, bulk tonnage mining methods. Given these favourable features, Osisko tagged this area in early 2004 as a probable porphyry gold system that constituted a high priority acquisition target.

An airborne geophysical survey comprising total field magnetics, radiometry and time-domain electromagnetics was also completed in 2006 in an attempt to define, for regional exploration purposes, an airborne geophysical signature associated with the deposit. No geophysical response was clear, and Osisko concentrated its exploration works only in drilling.

Drilling

Three distinct phases of historical drilling have occurred at the project. A total of 3,838 drillholes for 159,056 metres of drilling was completed during the first phase, from 1928 to 1963 by Canadian Malartic Mines Ltd. These drillholes were predominantly drilled from underground as grade control drilling. From 1987 to 1990, Lac Minerals completed 629 drillholes for 69,449 metres of drilling. These drillholes were drilled from surface and defined shallower resources (mostly less than 200 metres below surface). From 2005 to the end of January 2011, Osisko completed a total of 2,750 drillholes for 636,198 metres of NQ diamond drill core.

As of the end of January 2011, the drilling database contained data from 7,217 diamond drill holes, representing a total of 864,703 metres of core. The combined database was reviewed and validated prior to being finalized into an appropriate format for resource estimation. In 2011, Osisko completed a total of 182 drill holes for 35,441 metres of drilling on the Canadian Malartic Mine, in all categories, including 25 holes for

5,572 metres on the Canadian Malartic deposit, 50 holes for 10,383 metres on the South Barnat Zone and 25 holes for 2,961 metres on the Gouldie Zone. In 2012, Osisko completed a total of 35 drill holes for 6,281 metres of drilling on the Canadian Malartic Mine, in all categories, including 12 holes for 2,829 metres on the Canadian Malartic deposit and 23 holes for 3,452 metres on the South Barnat Zone. In 2013, Osisko did not complete any exploration drilling on the Canadian Malartic Mine.

Osisko has completed 106 drill holes for 24,882 metres of drilling on the Western Porphyry Zone and in the East Amphi area since 2011.

Sampling Approach and Methodology

Sampling of gold mineralization from the Canadian Malartic Mine has been essentially limited to the collection of samples of diamond drill core. A limited amount of surface sampling on the property was performed by independent consulting geologists during the summers of 2005 and 2007; these samples were submitted for assay using the same general protocol as that employed for core samples.

All samples are analyzed for gold by ALS Minerals in Val-d'Or, Québec, a laboratory which is certified ISO 9001:2000. Samples are analyzed by standard 50 gram fire assay with atomic absorption finish and any samples yielding greater than 10 grams per tonne gold are reanalyzed with a gravimetric finish. Density measurements are performed on one in twenty-five of the assayed samples.

All aspects of the sampling method and approach were reviewed by Micon International Limited during its site visit for the Canadian Malartic Report and by Belzile Solutions Inc. during its site visits for the Canadian Malartic Report. The QA/QC procedures for ensuring the security of core samples, the integrity of chain-of-custody for samples and the accuracy of laboratory analyses are in line with current industry practice.

Core Sampling, Security and Chain-of-Custody

Core samples collected at the drill site are stored in closed core boxes sealed with fibre tape and are delivered to the exploration offices at shift change. All core logging, sampling and storage takes place at the new regional exploration office located beside the Canadian Malartic Mine complex. The compound is surrounded by chain-link fence and monitored by closed-circuit video cameras. During the night and week-ends, the compound is monitored every hour by the Canadian Malartic Mine's security guards.

Following the logging and core marking procedures described above, the core passes to the sampling facility. At this point, the core is no longer handled by on-site geologists. Core sampling is performed by qualified technicians and quality control is maintained through regular verification by on-site geological technicians and the core shack supervisor.

Core is broken, as necessary, into manageable lengths. Pieces are removed from the box without disturbing the sample tags, cut in half lengthwise with a diamond saw, and then both halves are carefully repositioned in the box. When a complete hole has been processed in this manner, one half of the core is collected for assay while the other half remains in the core box for future reference.

The technician packs one half of the split core sample intervals into vinyl sample bags that are sequentially numbered to match the serial number sequences in the tag booklets used by the core-logging geologists. The blank portion of the triplicate sample tag is placed in the bag with the sample, while the portion marked with the sample interval is stapled into the bottom of the core box at the point where the sample interval begins. Sample bags are sealed with tamper-proof, serially numbered, yellow plastic security tags. The technician notes the beginning and end of the security tag sequence for a particular sampling run, and reports this to the quality/control geological technician so that the drill logs can be finalized.

Sealed sample bags are packed into sturdy plastic barrels with locking lids or in large weaved nylon shipping bags. When full, the barrels or shipping bags are sealed with tamper-proof, serially numbered, red plastic security tags. Barrels/bags are assigned sequential numbers which are matched against the security tags and loaded on sequentially numbered, plastic-wrapped wood pallets. This information is also forwarded to the core shack supervisor.

Aluminum tags embossed with the hole number, box number and box interval (from/to) are prepared and stapled onto the ends of each core box. Core boxes are then moved to permanent on-site storage in steel core racks. Rejects and pulps from the laboratory are sent back to the Canadian Malartic site and stored in large domed structures with limited access.

The core shack supervisor prepares the sample submission form for the assay laboratory. This form identifies the barrels/shipping bags by number and security tag number, as well as the sequence of samples packed in each. Couriers from ALS Minerals arrive once or twice per week at the core-processing facility to transport the pallets of sealed barrels/bags directly back to the laboratories. Once at the laboratory, a manager checks the barrel and security tag numbers against those that are on the submission form, and initializes each if the corresponding numbers are correct. Copies of these forms are then returned to the exploration offices for verification, and any discrepancy is investigated and corrected as necessary.

Based on the foregoing, independent consultants expressed the opinion that the logging and sampling protocols used at the Canadian Malartic Mine are conventional industry standard protocols conforming to generally regarded best practices.

Mineral Resource Estimate

The Canadian Malartic Mine Mineral Resource estimate includes the Canadian Malartic deposit, South Barnat deposit, Gouldie Zone, Jeffrey Zone and Western Porphyry Zone. Resource classification is based on the robustness of the various available data sources including:

Quality and reliability of drilling and sampling data

Presence of RC and/or production drilling

Distance between sample points (drilling density)

Confidence in the geological interpretation

Continuity of the geologic structures and continuity of the grade within these structures

Variogram models and their related ranges (first and second structures)

Statistics of the data population

Quality of assay data

Tonnage factor

Based on these criteria, resources have been classified according to the data search used to estimate each block and also on the type of data used for the estimate.

Measured Mineral Resources are limited to the blocks estimated in the first estimation pass and only within mineralized zones for which the recent drilling represents a high majority of the data (>65%). Additionally, all material within 20 metres of reach of either RC drilling or blast holes for the Canadian Malartic and Gouldie deposits was also classified as Measured.

Indicated resources correspond to the blocks estimated in the second estimation pass plus the blocks estimated in the first pass but not classified as Measured.

Inferred resources correspond to the blocks estimated in the third estimation pass. All blocks interpolated in the Western Porphyry Zone were reclassified as Inferred due to drill hole orientation with regard to the main trend of the ore zone. A better understanding of the geology is

necessary to convert these resources to Indicated and/or Measured categories in this zone.

The classification model has been reviewed on each level plan and some minor manual adjustments were made where needed. The ordinary kriging ("OK") model is the official model used for the reporting of the Mineral Resource estimates.

Global Resources (including stockpiles)

Based on economic parameters, it was calculated that the break-even cut-off grade for the Canadian Malartic Mine is variable and ranges from 0.277 grams per tonne to 0.349 grams per tonne using a gold price of US$1,300 per ounce.

At these cut-offs, the global Measured and Indicated Mineral Resource totals 314.2 million tonnes at a grade of 1.07 grams per tonne gold, representing 10.80 million ounces of gold. The Inferred Mineral Resources represent 46.5 million tonnes at 0.77 grams per tonne gold for 1.14 million ounces of gold.

The table below provides the resource estimation tabulation by category at the official cut-off grades for the OK model:

Canadian Malartic Project JUNE 2014 MINERAL RESOURCE ESTIMATE (GLOBAL RESOURCE)

Resource Class	Cut-off Grade (g/t Au)	Potential Material	Tonnes	Capped Au (g/t)	Contained Au (oz)
Measured	0.277 - 0.349	Global	56,802,700	0.98	1,786,098
Indicated	0.277 - 0.349	Global	254,928,200	1.09	8,974,593
Stockpiles (Classified as Measured)			2,485,100	0.51	40,747
Grand Total (Measured + Indicated)			**314,216,000**	**1.07**	**10,801,438**
Inferred	0.277 - 0.349	Global	46,469,300	0.77	1,144,544

* Due to rounding, number totals may not match exactly.

Cautionary notes:

Due to the uncertainty that may be attached to Inferred Mineral Resources it cannot be assumed that all or any part of an Inferred Mineral Resource will be upgraded to an Indicated or Measured Mineral Resource as a result of continued exploration. Also, note that the global resource is not constrained by an optimized pit shell. Therefore, it cannot be assumed that all of the global resource can be considered as potentially extractable by open-pit even though cut-offs presented here are based on open-pit potential.

This resource statement is exclusive of all material owned by a third party (Abitibi Royalties) via a mining option agreement and joint venture (30% of the CHL Malartic claims). Refer to section 24 of the Canadian Malartic Report for more details about this litigation.

In-Pit Resources (including stockpiles)

Based on economic parameters, a Whittle optimized pit shell was generated on Measured and Indicated Mineral Resources only (Canadian Malartic, South Barnat and Gouldie) and compared to the current pit design. Variations were judged non-significant and therefore the current pit design was used to constrain in-pit resources. A Whittle optimized pit shell was also prepared by the Canadian Malartic technical team for the Jeffrey Zone. No resource is currently declared as In-Pit for the Western Porphyry Zone.

As mentioned previously, the break-even cut-off grade for the Canadian Malartic Mine is variable and ranges from 0.277 grams per tonne to 0.349 grams per tonne using a gold price of US$1,300 per ounce.

At these cut-offs, the global in-pit Measured and Indicated Mineral Resource totals 250.8 million tonnes at a grade of 1.12 grams per tonne gold, representing 9.03 million ounces of gold. The in-pit Inferred Mineral Resource represents 6.3 million tonnes at 0.80 grams per tonne gold for 0.16 million ounces of gold.

The table below provides the resource estimation tabulation by category at the official cut-off grades for the OK model:

Canadian Malartic Project JUNE 2014 MINERAL RESOURCE ESTIMATE (IN PIT + STOCKPILE)

Resource Class	Cut-off Grade (g/t Au)	Potential Material	Tonnes	Capped Au (g/t)	Contained Au (oz)
Measured	0.277 - 0.349	Open Pit	51,770,200	0.99	1,648,184
Indicated	0.277 - 0.349	Open Pit	196,502,200	1.16	7,344,556
Stockpiles (Classified as Measured)			2,485,100	0.51	40,747
Grand Total (Measured + Indicated)			**250,757,400**	**1.12**	**9,033,487**
Inferred	0.277 - 0.349	Open Pit	6,342,400	0.80	162,246

* Due to rounding, number totals may not match exactly.

Cautionary notes:

Mineral Resources are not Mineral Reserves as they do not have demonstrated economic viability.

The quantity and grade of the reported Inferred Mineral Resources in this estimate are uncertain in nature. There has been insufficient exploration to define these resources as Indicated or Measured and it is uncertain whether further exploration would result in upgrading any of the Inferred Resource to an Indicated or Measured category.

The Mineral Resource is presented inclusive of Mineral Reserves, meaning that Mineral Reserves were not subtracted from the resources presented herein.

While the results are presented undiluted and in situ, the reported Mineral Resources are considered to have reasonable prospects for economic extraction.

The number of metric tons was rounded to the nearest hundred. Any discrepancies in the totals are due to rounding effects. Rounding followed the recommendations in NI 43-101.

Due to the uncertainty that may be attached to Inferred Mineral Resources it cannot be assumed that all or any part of an Inferred Mineral Resource will be upgraded to an Indicated or Measured Mineral Resource as a result of continued exploration. Also, note that the global resource is not constrained by an optimized pit shell. Therefore, it cannot be assumed that all of the global resource can be considered as potentially extractable by open-pit even though cut-offs presented here are based on open-pit potential.

This resource statement is exclusive of all material owned by a third party (Abitibi Royalties) via a mining option agreement and joint venture (30% of the CHL Malartic claims). Refer to section 24 of the Canadian Malartic Report for more details about this litigation.

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Based on economic parameters, a Whittle optimized pit shell was generated on Measured and Indicated Mineral Resources only (Canadian Malartic, South Barnat and Gouldie) and compared to the current pit design. Variations were judged non-significant and therefore the current pit design was used to constrain in-pit resources. A Whittle optimized pit shell was also prepared by the Canadian Malartic technical team for the Jeffrey Zone. No resource is currently declared as In-Pit for the Western Porphyry Zone.

As mentioned previously, the break-even cut-off grade for the Canadian Malartic Mine is variable and ranges from 0.277 grams per tonne to 0.349 grams per tonne using a gold price of US$1,300 per ounce.

At these cut-offs, the global in-pit Measured and Indicated Mineral Resource totals 250.8 million tonnes at a grade of 1.12 grams per tonne gold, representing 9.03 million ounces of gold. The in-pit Inferred Mineral Resource represents 6.3 million tonnes at 0.80 grams per tonne gold for 0.16 million ounces of gold.

The table below provides the resource estimation tabulation by category at the official cut-off grades for the OK model:

Canadian Malartic Project JUNE 2014 MINERAL RESOURCE ESTIMATE (IN PIT + STOCKPILE)

Resource Class	Cut-off Grade (g/t Au)	Potential Material	Tonnes	Capped Au (g/t)	Contained Au (oz)
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Grand Total (Measured + Indicated)			**250,757,400**	**1.12**	**9,033,487**
Inferred	0.277 - 0.349	Open Pit	6,342,400	0.80	162,246

* Due to rounding, number totals may not match exactly.

Cautionary notes:

Mineral Resources are not Mineral Reserves as they do not have demonstrated economic viability.

The quantity and grade of the reported Inferred Mineral Resources in this estimate are uncertain in nature. There has been insufficient exploration to define these resources as Indicated or Measured and it is uncertain whether further exploration would result in upgrading any of the Inferred Resource to an Indicated or Measured category.

The Mineral Resource is presented inclusive of Mineral Reserves, meaning that Mineral Reserves were not subtracted from the resources presented herein.

While the results are presented undiluted and in situ, the reported Mineral Resources are considered to have reasonable prospects for economic extraction.

The number of metric tons was rounded to the nearest hundred. Any discrepancies in the totals are due to rounding effects. Rounding followed the recommendations in NI 43-101.

Due to the uncertainty that may be attached to Inferred Mineral Resources it cannot be assumed that all or any part of an Inferred Mineral Resource will be upgraded to an Indicated or Measured Mineral Resource as a result of continued exploration. Also, note that the global resource is not constrained by an optimized pit shell. Therefore, it cannot be assumed that all of the global resource can be considered as potentially extractable by open-pit even though cut-offs presented here are based on open-pit potential.

This resource statement is exclusive of all material owned by a third party (Abitibi Royalties) via a mining option agreement and joint venture (30% of the CHL Malartic claims). Refer to section 24 of the Canadian Malartic Report for more details about this litigation.

Mineral Reserve Estimate

The Canadian Malartic Mine Mineral Reserve estimate includes open pit and stockpile reserves. Mineral Resources are converted to Mineral Reserves by applying mining cut-off grades, mining dilution, and mining recovery factors. Resource model blocks classified as Measured and Indicated are reported as Proven and Probable Reserves.

Detailed mining costs were estimated for all activities of the mining cycle. Drilling and blasting costs are different for certain zones of the pit given the requirements in some cases to limit noise and dust environmental nuisances. The mining costs vary from US$2.28 to US$4.69 per tonne mined. Processing costs used for the pit optimization and cut-off estimation amount to US$7.34 per tonne milled based on a milling rate of

55,000 tpd. The general and administrative costs for the pit optimization amount to US$2.12 per tonne milled based on actual annual expenses.

The ore outlines include a 1-metre dilution envelope around economic ore blocks and also enclose marginal material surrounded by economic mineralization. The dilution envelope and enclosed waste in most cases is mineralized, with an associated dilution grade. Dilution is estimated at 8.0%. Based on economic parameters, it was calculated that the break-even cut-off grade for the Canadian Malartic Mine is variable and ranges from 0.277 grams per tonne to 0.349 grams per tonne using a gold price of US$1,300 per ounce. The cut-off grade is variable depending on the applicable royalty rate. The total Proven and Probable Mineral Reserves as of June 15, 2014 are estimated at 263.2 million tonnes at 1.06 grams per tonne gold for 8,943,552 ounces. The majority of the reserve tonnage (78.1%) is in the Probable category. The Mineral Reserves include 2.5 million tonnes of stockpiled ore at an average grade of 0.51 grams per tonne gold for 40,747 ounces. The following table presents the Mineral Reserves by category:

Sector	Tonnes (M)	Grade (g/t)	Au (M oz)
Canadian Malartic			
Proven Reserves	38.0	0.82	1.06
Probable Reserves	136.6	1.04	4.56
Proven and Probable Reserves	174.6	0.99	5.56
Barnat			
Proven Reserves	11.6	1.37	0.51
Probable Reserves	67.0	1.23	2.65
Proven and Probable Reserves	78.6	1.25	3.16
Gouldie			
Proven Reserves	5.5	0.71	0.13
Probable Reserves	2.0	0.83	0.05
Proven and Probable Reserves	7.5	0.74	0.18
Stockpiles			
Proven Reserves	2.5	0.51	0.04
Probable Reserves			
Proven and Probable Reserves	2.5	0.51	0.04
Total			
Proven Reserves	57.6	0.91	1.69
Probable Reserves	205.6	1.10	7.26
Proven and Probable Reserves	263.2	1.06	8.94

Notes:
The reader should note that resources corresponding to the 70% interest in the CHL Malartic property have not been transferred to the Canadian Malartic GP. This 70% interest is held by Canadian Malartic Corporation (the successor to Osisko), as Abitibi Royalties claims that its right of first refusal has been triggered (refer to section 24 of the Canadian Malartic Report for more details about this litigation). These resources, representing 0.12 million ounces, may never be included in the mining plan by Canadian Malartic GP and thus cannot be considered as Mineral Reserves.

Sensitivity of the Proven and Probable Reserves to gold price has been estimated using Whittle pit shells and lower cut-off grades. The results of the sensitivity analysis are presented in following table. Sensitivity was calculated using the surface and Whittle pit shells of January 1, 2014.

Gold Price (US $)	Cut-off Grade (g/t)	Average Grade (g/t)	Ore Tonnage (Mt)	In-Situ Ounces (M)	Difference vs. $1300 (M oz)	Difference vs. $1300 (%)
1000	0.45	1.23	203.7	8.03	-1.30	-14.0%
1100	0.41	1.14	236.7	8.69	-0.64	-6.9%
1200	0.38	1.10	255.8	9.02	-0.31	-3.3%
1300	0.35	1.06	274.2	9.34	0.00	0.0%
1400	0.32	1.02	291.8	9.64	0.30	3.3%
1500	0.30	1.00	305.2	9.83	0.50	5.3%

There is good reconciliation between Mineral Reserves and actual production results, and the records maintained by Canadian Malartic allow thechanges in reconciliation to be studied over time. Based upon the reconciliation results, the Mineral Reserve estimation is reliable and can be used for mine planning in the short, medium and long term.

Mining Methods

The Canadian Malartic Mine is a large open pit operation comprising the Canadian Malartic, Barnat and Gouldie pits. In order to maximize productivity and limit the number of units operating in the pit, large scale equipment was selected for the mine operation. The primary loading tools are hydraulic excavators, with wheel loaders added as a secondary loading tool. The selected hydraulic excavator model is the O&K RH340-B with an operating weight of 567t fitted with a 28 cubic metre heavy-duty rock bucket. One Caterpillar 994F HL, two L-1850 front-end wheel loaders ("**FEL**") and one CAT6050 shovel complement the primary loading fleet. A fleet of Caterpillar 793F rigid trucks with 227t payloads provide a good pass-match with the O&K RH340-B shovels. The FEL is configured in a high-lift arrangement in order to clear the sideboard of the 227t class truck.

The production rate was approximately 52,000 tpd in 2013. The mine production schedule was developed to feed the mill at a nominal rate of 55,000 tpd. The main highlights of the pit design are the following:

- Total amount of 817.5 million tonnes mined from the pit
- 263.2 million tonnes milled @ 1.06 grams per tonne gold (average)
- In-situ gold content of 8.94 million ounces
- Mine life of 14 years.

Metallurgical Process

The process design criteria are based on a processing plant with 55,000 tpd capacity and a plant design utilization of 92%. At the time of the Canadian Malartic Report, the throughput is limited to about 50,000 tpd. A project study to increase average throughput to 55,000 tpd is under review. The basis for the plant design assumed a head grade of 1.2 grams per tonne gold and a gold recovery of 86%. The plant design was based on numerous tests that were conducted at various laboratories, including SGS located in Lakefield, Ontario.

Market

The gold produced at the Canadian Malartic Mine is refined to market delivery standards by the Royal Canadian Mint in Ottawa. The gold is sold to various banks at market prices. Canadian Malartic GP believes that, because of the availability of alternative refiners, no material adverse effect would result if Canadian Malartic GP lost the services of its refiner.

Environmental Conditions

The main components of the Canadian Malartic Mine (open pit mine, process plant, tailings facility and waste rock dump) are located within the urban and peri-urban perimeter of the town of Malartic. Before the construction of the mine, an environmental study area, covering approximately 24 square kilometres, was defined by taking into account the probable range of the project's impacts on the social, physical and biological environments as well as the area of influence of historical mining operations. Several components were identified as key subjects for study: fauna, water and sediments, climate and hydrology, ambient air quality, background noise and vibrations, vegetation and wetlands, soils, and net acid generation.

Impact and Site Monitoring

Since 2009, there have been 52 non-conformance blast notices, 46 non-conformance noise notices, 12 non-conformance notices for dust and air quality, 4 non-conformance notices for water quality (surface and final effluent) and 15 other non-conformance notices. In 2011, a detailed plan was developed by Osisko to manage hazardous materials, assess infrastructure safety, and monitor noise, vibrations, air quality, dust, atmospheric emissions, effluent quality, groundwater and surface water. Mitigations measures were put in place to improve the process and avoid any non-conformance. The mine's team of on-site environmental experts continuously monitor regulatory compliance in terms of approvals, permits, and observance of directives and requirements.

Waste Rock and Tailings Management

The original design of the waste rock pile was developed to accommodate approximately 326 million tonnes of mechanically placed waste rock requiring a total storage volume of approximately 161 Mm^3. Some aspects of the Canadian Malartic Mine have been modified since the mine tailings site and waste rock pile development plan was developed. Most notably, the Gouldie reserve was recently added to the operating sequence of the mine. The Gouldie reserve is located in the center of the initially planned footprint of the waste rock pile, making it necessary to revise the waste rock piling sequence in order to keep the Gouldie pit area available for mining. Taking into account certain basic assumptions, the current waste rock pile development sequence should accommodate a total of 59.2 Mm^3 (121.3 million tonnes). From May 2011 to June 2014, 50 million tonnes of tailings from the process plant were deposited on the footprint of the old tailings of the East Malartic mine and its settling pond. For the Canadian Malartic Mine operations, the former tailings and settling pond were divided using waste rock inclusions to form seven cells and a polishing pond. As of June