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**CIRCULAR 129-16**  
October 26, 2016

**ANTICIPATED CONTRACT ADJUSTMENT**

**Yamana Gold Inc. (YRI)  
Spin-off**

**THE FOLLOWING INFORMATION IS PREPARED FOR THE CONVENIENCE OF CANADIAN DERIVATIVES CLEARING CORPORATION (CDCC) MEMBERS AND BOURSE DE MONTRÉAL INC. (THE BOURSE) APPROVED PARTICIPANTS. THIS DOCUMENT IS AN UNOFFICIAL SUMMARY OF CERTAIN TERMS OF THE AFOREMENTIONED ADJUSTMENT. CDCC AND THE BOURSE ACCEPT NO RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THE SUMMARY. CDCC MEMBERS AND BOURSE APPROVED PARTICIPANTS MUST ENSURE THEY HAVE REVIEWED THE DOCUMENTATION PUBLISHED BY THE ISSUERS INVOLVED IN THIS CORPORATE ACTION.**

The Bourse and CDCC wish to inform you that Yamana Gold Inc ("Yamana" or "the Company") is pleased to announce that its wholly owned subsidiary, Brio Gold Inc. ("Brio Gold"), has filed a preliminary prospectus with the securities regulatory authorities in each of the provinces and territories of Canada in connection with qualifying a secondary offering (the "Offering") of Brio Gold common shares held by Yamana (the "Brio Shares"), which will be transferred to purchasers through and subject to the exercise of purchase rights (the "Purchase Rights"). Yamana intends to distribute the Purchase Rights to its shareholders (the "Yamana Shareholders") as a dividend in-kind. The Purchase Rights shall provide Yamana Shareholders with an opportunity to purchase from Yamana a portion of its Brio Shares. The exercise price will be determined in the context of the market prior to the filing of a final prospectus. The effect of the Offering will be to spin-off Brio Gold as a standalone public company on the closing of the Offering (the "Spin-Off").

Yamana will maintain exposure to Brio Gold through a retained equity interest following completion of the Spin-Off. The Purchase Rights allow Yamana Shareholders who choose to exercise their Purchase Rights to have more direct exposure to Brio Gold, while allowing those Yamana Shareholders that do not exercise their Purchase Rights to benefit through the sale of the Purchase Rights and through exposure to Brio Gold via Yamana's retained interest.

**PLEASE ENSURE THAT ALL CLIENTS WHO HAVE EITHER LONG OR SHORT POSITIONS IN THIS OPTION CLASS ARE ADVISED OF THIS NOTICE.**

For further information, please contact Market Operations Department at (514) 871-7877. CDCC clearing members may contact the Corporate Operations Department.

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