



MEMO: 3059-07

**MEMORANDUM**

TO: All Option Members, Member Organizations & ROTs  
FROM: Market Watch  
DATE: December 21, 2007  
RE: **Upcoming change in the PHLX Gold/Silver Sector<sup>SM</sup> (XAU<sup>SM</sup>)**

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The Philadelphia Stock Exchange, Inc. (“PHLX”) has received notification that the acquisition of Meridian Gold Inc. (MDG) by Yamana Gold, Inc. (AUY), is expected to become effective on Monday, December 31, 2007. **Upon effectiveness of the merger, Meridian Gold Inc. (MDG) will be replaced by Silver Wheaton Corporation (SLW) in the XAU index.** The following changes are **ANTICIPATED** to occur in the XAU Index on Wednesday, January 2, 2008 (**the next business day FOLLOWING the effectiveness of the merger**):

**DELETION:**

**Meridian Gold Inc. (MDG)**

**ADDITION:**

**Outstanding Shares (000s):**

**Silver Wheaton Corporation (SLW)**

**222,607**

**Issue:**

**Outstanding Shares (000s):**

**Yamana Gold Inc. (AUY)**

**663,934**

**The revised XAU<sup>SM</sup> divisor and new AUY shares amount will be announced on a separate release after the close of business on the effective date of the merger (expected to occur on Monday, December 31, 2007).**

Questions concerning this release may be directed to Market Watch at 1-800-THE-PHLX, choice #2 or (215) 496-5380.