

MEMORANDUM

To: All Option Members, Member Organizations and ROTs  
 From: Market Watch  
 Date: December 31, 2007  
 Subject: **Meridian Gold, Inc. (MDG) MERGER EFFECTIVE**

On Thursday, December 20, 2007, the shareholders of Meridian Gold, Inc. (MDG) voted to approve the proposed merger with Yamana Gold Inc. (AUY). Pursuant to the merger terms each MDG share will be converted into the right to receive 2.235 AUY common shares and \$7.00CDN Cash will **NOT** be paid in lieu of fractional AUY shares. Instead, fractional shares will be either rounded up or down (if it is greater or less than 0.5). **The merger will become automatically effective on Monday, December 31, 2007.**

*\*\*The foregoing is an unofficial summary of the terms of the Merger, prepared by the PHLX for the convenience of its members. PHLX accepts no responsibility for the accuracy or completeness of the summary. Members should refer to the proxy statement for the authoritative description of the merger terms and conditions.*

Pursuant to Options Clearing Corporation (OCC) By-Laws, all outstanding MDG options will be adjusted as follows:

**EFFECTIVE DATE:** **Wednesday, January 2, 2008**  
**SYMBOL(s):** **MDG becomes MWK**  
**STRIKE PRICE:** No Change  
**POS/EXERCISE LIMIT:** 750,000 contracts until April 2008 expiration; where the limits revert to 500,000 contracts  
 The limits will further reduce to 250,000 contracts following the July 2008 expiration  
**MULTIPLIER:** 100\*(eg., Premium of 1.00 = \$100)  
**NEW DELIVERABLE:** **1) 224 AUY common shares.**  
**2) \$700.00CDN (\$7.00CDN x 100)**

Meridian Gold, Inc. (MDG) (Before 1/2/2008) 100 shares MDG					Meridian Gold, Inc. (MWK) (Beginning 1/2/2008) (See New Deliverable Above)				
			Calls	Puts				Calls	Puts
MDG	JAN	20	AD	MD	MWK	JAN	20	AD	MD
MDG	JAN	22 1/2	AX	MX	MWK	JAN	22 1/2	AX	MX
MDG	JAN	25	AE	ME	MWK	JAN	25	AE	ME
MDG	JAN	30	AF	MF	MWK	JAN	30	AF	MF
MDG	JAN	35	AG	MG	MWK	JAN	35	AG	MG
MDG	JAN	40	AH	MH	MWK	JAN	40	AH	MH
MDG	JAN	45	AI	MI	MWK	JAN	45	AI	MI
MDG	FEB	25	BE	NE	MWK	FEB	25	BE	NE
MDG	FEB	30	BF	NF	MWK	FEB	30	BF	NF
MDG	FEB	35	BG	NG	MWK	FEB	35	BG	NG
MDG	FEB	40	BH	NH	MWK	FEB	40	BH	NH
MDG	FEB	45	BI	NI	MWK	FEB	45	BI	NI
MDG	APR	22 1/2	DX	PX	MWK	APR	22 1/2	DX	PX
MDG	APR	25	DE	PE	MWK	APR	25	DE	PE
MDG	APR	30	DF	PF	MWK	APR	30	DF	PF
MDG	APR	35	DG	PG	MWK	APR	35	DG	PG
MDG	APR	40	DH	PH	MWK	APR	40	DH	PH
MDG	APR	45	DI	PI	MWK	APR	45	DI	PI
MDG	APR	50	DJ	PJ	MWK	APR	50	DJ	PJ

Meridian Gold, Inc. (MDG)  
 (Before 1/2/2008)  
 100 shares MDG

			Calls	Puts
MDG	JUL	25	GE	SE
MDG	JUL	30	GF	SF
MDG	JUL	35	GG	SG
MDG	JUL	40	GH	SH
MDG	JUL	45	GI	SI
MDG	JUL	50	GJ	SJ

Meridian Gold, Inc. (MWK)  
 (Beginning 1/2/2008)  
 (See New Deliverable Above)

			Calls	Puts
MWK	JUL	25	GE	SE
MWK	JUL	30	GF	SF
MWK	JUL	35	GG	SG
MWK	JUL	40	GH	SH
MWK	JUL	45	GI	SI
MWK	JUL	50	GJ	SJ

Customers should be advised that all Good-til-Cancelled (GTC) orders not on AUTOM must be cancelled and re-entered prior to the effective date. GTC AUTOM orders will be deleted by PHLX Service Desk/AUTOM personnel.

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