



MEMO #: 1829-07

## MEMORANDUM

TO: All Members, Member Organizations, and ROTs

FROM: Market Watch

DATE: July 25, 2007

RE: **Meridian Gold Inc. (MDG)**  
*Offer to Purchase*

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Yamana Gold, Inc. (AUY) is offering to acquire all of the outstanding Common Shares of Meridian Gold Inc. (MDG). Meridian Gold Inc. (MDG) will receive 2.235 AUY Shares plus CDN \$3.15 in cash for every Common Share of Meridian Gold Inc. (MDG) being held, in accordance with the terms and subject to the conditions set forth in the Offer to Purchase, dated July 19, 2007, and in the related Letter of Transmittal, which together constitute the "Offer".

**There is a guarantee period of three (3) Toronto Stock Exchange Trading Days, in which shares not immediately available may be tendered under a "Notice of Guaranteed Delivery".**

**The Offer and withdrawal rights will expire at 8:00 p.m., Toronto Time, on Monday, August 27, 2007, unless extended.**

*The foregoing discussion is an unofficial summary of the terms of the offer, prepared by PHLX for the convenience of its members. PHLX accepts no responsibility for the accuracy or completeness of this summary. Members should refer to the offer to purchase for the authoritative description of the offer and all of its terms and conditions.*

### **SPECIAL RISKS**

Special risks exist for uncovered writers of MDG call options. If an uncovered call option writer is assigned on or before the tender offer expiration date, the writer may not be able to deliver MDG Common Stock by the option settlement date. The Options Clearing Corporation ("OCC") Article VI, Section 19 of the By-Laws describes steps, which may be taken in the event that there is a shortage of shares.

**Please note that MDG options will not be adjusted to reflect the expiration of the tender offer. Until a merger, consolidation or similar event occurs, MDG common stock will still exist, trade and be deliverable in settlement of option exercise.**

Questions regarding this release may be directed to Market Watch at 1-800-THE-PHLX, choice #2, or (215) 496-1508.