



MEMO: 2494-07

MEMORANDUM

TO: All Option Members, Member Organizations & ROTs

FROM: Market Watch

DATE: October 10, 2007

RE: **Upcoming change in the PHLX Gold/Silver SectorSM (XAUSM)**

The Philadelphia Stock Exchange, Inc. ("PHLX") has received notification that the tender offer by Yamana Gold, Inc. (AUY) to purchase all the outstanding shares of Meridian Gold Inc. (MDG) will expire on Friday, October 12, 2007, unless otherwise extended. The expiration of this offer will be followed by a short-form merger. As a result of the merger, the following changes will occur in the XAU Index on **a date to be announced**.

DELETION:

Meridian Gold Inc. (MDG)

ADDITION:

No additions will be made at this time

Issue:

Yamana Gold Inc. (AUY)

Outstanding Shares (000s):

The revised XAUSM divisor and new AUY shares amount will be announced on a separate release following the consummation of the merger (not the tender offer).

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