

MEMORANDUM

To: All Option Members, Member Organizations and ROTs

From: Market Watch

Date: October 15, 2007

Subject: Northern Orion Resources, Inc. (NTO) Merger With Yamana Gold Inc (AUY) **EFFECTIVE**

On August 22, 2007, the shareholders of Northern Orion Resources, Inc. (NTO) approved the proposed merger with Yamana Gold Inc (AUY). Pursuant to the merger terms each NTO share will be converted into the right to receive 0.543 AUY common shares. Cash will be paid in lieu of fractional shares. **The merger became effective on Monday, October 15, 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 NTO options will be adjusted as follows:

EFFECTIVE DATE: Option changes will become effective on **Tuesday, October 16, 2007**

SYMBOL(s): NTO becomes **DAO**

STRIKE PRICE: No Change

POS/EXERCISE LIMIT: 500,000 contracts until April 2008 expiration; where the limits revert to 250,000 contracts

MULTIPLIER: 100*(eg., Premium of 1.00 = \$100)

NEW DELIVERABLE: **1) 54 Yamana Gold Inc (AUY) common shares.**
2) Cash in lieu of 0.3 fractional AUY shares.

Northern Orion Resources, Inc. (NTO) (Before 10/16/2007) 100 shares NTO					Northern Orion Resources, Inc. (DAO) (Beginning 10/16/2007) (See New Deliverable Above)				
			Calls	Puts				Calls	Puts
NTO	OCT	2 1/2	JZ	VZ	DAO	OCT	2 1/2	JZ	VZ
NTO	OCT	5	JA	VA	DAO	OCT	5	JA	VA
NTO	OCT	7 1/2	JU	VU	DAO	OCT	7 1/2	JU	VU
NTO	OCT	10	JB	VB	DAO	OCT	10	JB	VB
NTO	NOV	2 1/2	KZ	WZ	DAO	NOV	2 1/2	KZ	WZ
NTO	NOV	5	KA	WA	DAO	NOV	5	KA	WA
NTO	NOV	7 1/2	KU	WU	DAO	NOV	7 1/2	KU	WU
NTO	NOV	10	KB	WB	DAO	NOV	10	KB	WB
NTO	JAN	2 1/2	AZ	MZ	DAO	JAN	2 1/2	AZ	MZ
NTO	JAN	5	AA	MA	DAO	JAN	5	AA	MA
NTO	JAN	7 1/2	AU	MU	DAO	JAN	7 1/2	AU	MU
NTO	JAN	10	AB	MB	DAO	JAN	10	AB	MB
NTO	APR	2 1/2	DZ	PZ	DAO	APR	2 1/2	DZ	PZ
NTO	APR	5	DA	PA	DAO	APR	5	DA	PA
NTO	APR	7 1/2	DU	PU	DAO	APR	7 1/2	DU	PU
NTO	APR	10	DB	PB	DAO	APR	10	DB	PB

Customers should be advised that all Good-till-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.