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## ARKANSAS SECURITIES DEPARTMENT

August 10, 2011

Ms. Michele A. Kulerman  
Skadden, Arps, Slate, Meagher & Flom, LLP  
1440 New York Avenue, N.W.  
Washington, D.C. 20005-2111

Re: Trelawney Mining and Exploration Inc.  
No-Action 11-NA-0005

Dear Ms. Kulerman:

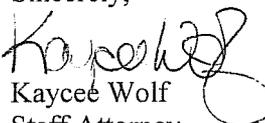
The Arkansas Securities Department ("Department") has received your request dated August 1, 2011, regarding Trelawney Mining and Exploration Inc. ("Trelawney"). The Request seeks confirmation that the Staff of the Department ("Staff") will not recommend that the Arkansas Securities Commissioner take enforcement action against Trelawney for violations of the Arkansas Securities Act ("Act"), with respect to the proposed transactions described in the Request. I have attached a copy of the Request to avoid reciting or summarizing the facts that you have presented.

Based upon the opinions and representations set forth in the Request, the Staff will not recommend enforcement action under Ark. Code Ann. § 23-42-501 should the transactions proposed take place as set forth in the Request.

Please note that the Staff's position is based solely upon the representations in the Request and applies only to the transactions and facts as represented. Different facts or circumstances might, and often would, require a different response. The Staff only expresses its position as to the recommendation of formal enforcement action and does not purport to be a legal opinion or formal conclusion.

We also direct your attention to the anti-fraud provisions of the Act and Rules of the Arkansas Securities Commissioner ("Rules") that remain applicable to the transaction. Responsibility for compliance with the Act and Rules rests with the participants in the transactions described in the Request.

If you should have any questions or need additional information, please do not hesitate to contact me.

Sincerely,  
  
Kaycee Wolf  
Staff Attorney

Enclosure

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CONFIDENTIAL

July 29, 2011

VIA OVERNIGHT DELIVERY

Ms. Felicia C. West  
Securities Registration Supervisor  
Heritage West Building  
201 East Markham, Suite 300  
Little Rock, AR 72201-1692

**Re: Trelawney Mining and Exploration Inc.  
Request for No-Action: Offer to Purchase**

Dear Ms. West:

Pursuant to our telephone conversation, we are writing this letter: (a) to notify the Securities Department (the "Department") of the proposed issuance of securities to the public pursuant to an offer to purchase securities, as more particularly described below, and (b) to claim the exemption from the provisions requiring registration pursuant to Rule 504.01(A)(12)(h) of the Securities Act, or (c) in the alternative, to request a no-action letter by the Department indicating that no enforcement action will be taken to require registration of the offered securities in the State. Our firm is acting as counsel to Trelawney Mining and Exploration Inc., a corporation existing under the Laws of the Province of Ontario ("Trelawney" or the "Company"), in its offer to purchase (the "Offer") all of the outstanding common shares of Augen Gold Corp. ("Augen"), together with the associated rights (the "SRP Rights") issued under the shareholder rights plan (the "Shareholder Rights Plan") of Augen (together, the "Augen Shares"). The Company currently owns approximately 45% of the outstanding Augen common shares.

In the Offer, the Company proposes to exchange 0.066 of a common share in the capital of the Company (one whole such common share, a "Trelawney Share") for each Augen Share (the "Offer Consideration"), subject to adjustment for fractional shares. Each holder of Augen Shares may accept the Offer with respect to the Trelawney Share exchange by executing a Letter of Acceptance (the "Letter") and returning such Letter. The closing price of the Augen Shares on July 8, 2011, was \$0.27. The Trelawney Shares are listed for trading on the TSX Venture Exchange (the "TSXV"). The closing price of the Trelawney Shares on July 8, 2011, was \$4.87. Upon acceptance of the Offer and tender of Augen Shares, depositing holders of Augen Shares will not be obliged to pay brokerage fees or commissions if they accept the Offer by depositing their Augen Shares directly with Equity Financial Trust Company as the Depositary. The Company has engaged RBC Dominion Securities Inc., a member company of RBC Capital Markets, as Dealer Manager for the Offer to solicit acceptances of the Offer.

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**Facts:** The Company, a Canadian mineral exploration and development company based in Toronto, Canada, is a Canadian reporting issuer that is permitted, under a multi-jurisdictional disclosure system adopted by the United States and Canada (the "MJDS"), to prepare the Offer to Purchase and Circular to be sent to holders of Augen Shares in connection with the Offer in accordance with the disclosure requirements of Canada. The Offer is being made for the securities of a Canadian "foreign private issuer," as such term is defined in Rule 3b-4 under the U.S. Securities Exchange Act of 1934, as amended (the "U.S. Exchange Act"), that does not have securities registered under Section 12 of the U.S. Exchange Act. Accordingly, the Offer is not subject to Section 14(d) of the U.S. Exchange Act, or Regulation 14D thereunder. The Offer is being conducted in accordance with Section 14(e) of the U.S. Exchange Act and Regulation 14E thereunder as applicable to a tender offer (i) in which less than 40% of the class of securities outstanding that is subject to the tender offer is held by U.S. holders and (ii) that is conducted under the MJDS and cross-border tender offer rules that permit the Company, a Canadian foreign private issuer, to prepare the Offer to Purchase and Circular in accordance with the disclosure requirements of Canadian provincial and federal law. In connection with the Offer, the Company has filed with the United States Securities and Exchange Commission (the "SEC") a Registration Statement on Form F-80 (the "Registration Statement") and other documents and information. Pursuant to Section V(D) of the Form F-80 instructions, the Company is exempt from filing a Tender Offer Statement on Schedule TO. The Company is a reporting issuer or equivalent in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador and files its continuous disclosure documents and other documents with the securities regulatory authorities of those provinces.

Augen is a mineral exploration company focused upon building shareholder value by confirming an historic resource and expanding that resource with the aim of becoming a producing gold company. Augen's business includes the exploration of staked and patented mining claims in the Southern Swayze Greenstone Belt. Augen's registered and head office address is located at 360 Bay Street, Suite 500, Toronto, ON M5H 2V6. Augen is a reporting issuer or equivalent in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador and files its continuous disclosure documents and other documents with the Securities Regulatory Authorities of those provinces. The Augen Shares are listed for trading on the TSXV.

**The Transaction:** As of the three month period ended March 31, 2011, there were 127,691,347 Augen Shares issued and outstanding. The Offer is made only for Augen Shares (including the associated SRP Rights) and is not made for any options, warrants, convertible securities or other rights (other than SRP Rights) to acquire Augen Shares.<sup>1</sup> The Company is offering to purchase all of the outstanding Augen

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<sup>1</sup> As of March 31, 2011, (i) 6,850,000 Augen Shares were issuable pursuant to options and (ii) 38,416,993 Augen Shares were issuable upon the exercise of warrants. Any holder of options, warrants, convertible securities or other rights (other than SRP Rights) to acquire Augen Shares who wishes to accept the Offer in respect of the Augen Shares issuable upon exercise, exchange or conversion thereof can fully exercise, exchange or convert such options, warrants, convertible securities or other rights to acquire Augen Shares in order to obtain certificates representing Augen Shares that may be deposited in accordance with the terms of the Offer. Any such exercise, exchange or conversion must be completed sufficiently in advance of the expiry time of the Offer, as disclosed in the Offer.

Ms. Felicia C. West  
July 29, 2011  
Page 3

Shares directly from the holders of Augen Shares; therefore, according to applicable Canadian law, no vote is required of Augen's board of directors or any of Augen's shareholders to complete the Offer. If Augen Shareholders (inside and outside the U.S.) holding not less than 90% of the issued and outstanding Augen Shares (other than Augen Shares held on the date of the Offer by or on behalf of Trelawney, or an "affiliate" or "associate" (as such term is defined in the Business Corporations Act (Ontario)(the "OBCA")) of Trelawney) accept the Offer, the Company is entitled, pursuant to Section 180 of the OBCA, to acquire the remainder of the Augen Shares for the same price and on the same terms as applied to Augen Shares acquired under the Offer. After consummation of the Offer, the Company expects to own a sufficient number of Augen Shares so that it will become a majority-owned subsidiary of the Company. If the Company does not acquire 90% or more of the Augen Shares pursuant to the Offer, it may propose to acquire all of the Augen Shares not deposited under the Offer in a subsequent acquisition transaction in accordance with applicable Canadian law and subject to approval of at least 66<sup>2</sup>/<sub>3</sub>% of the votes cast by holders of the outstanding Augen Shares at a meeting duly called and held for the purpose of approving a subsequent acquisition transaction. Canadian Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*, would in effect also require that, unless exempted, in addition to any other required security holder approval, in order to complete a business combination, going private transaction or related party transaction, as applicable, the approval of a majority of the votes cast by "minority" holders of affected securities be obtained unless an exemption is available or discretionary relief is granted.

**Request for No-Action:** In a merger or other type of reorganization, 504.01(A)(12)(h) exempts from registration an act or transaction incident to a vote by shareholders. The Offer by the Company of Trelawney Shares for outstanding Augen Shares is subject to approval by a certain percentage of Augen Shareholders by tender of their Letter subject to the Offer, the issuance of Trelawney Shares in exchange for Augen Shares is subject to a controlling corporate statute under Canadian laws, and approval of Trelawney Shareholders may be required prior to any issuance of Trelawney Shares. It is our interpretation of Section 504.01(A)(12)(h) that the Offer is an act incident to approval or consent by shareholders for the issuance of securities of another corporation pursuant to applicable Canadian corporate law and accordingly, the exemption from registration pursuant to such section is available for the Offer and issuance of Trelawney Shares. Alternatively, the registration of such Trelawney Shares and the registration of the officers, directors and employees of the Company as agents in connection with the Offer is not necessary for the protection of the Augen Shareholders as the exchange has the same effect as a transaction contemplated by such Section.

The Registration Statement was filed with the SEC on July 13, 2011, and became effective immediately upon its filing. No comments were received from the SEC. The Offer is initiated in Canada and in the various U.S. jurisdictions and remains open for acceptance from holders of Augen Shares until September 1, 2011. According to a current geographical analysis report, there appear to be no holders of Augen Shares "of record" in the State and only one (1) holder in New York. Please note, however, that the report may not indicate whether any shares which are held in "street name" are owned beneficially by residents in this State.

We respectfully request expedited review and confirmation that, on the basis of our representations and the facts presented, the Department will take no enforcement action if the Company issues Trelawney Shares in exchange for Augen Shares pursuant to the Offer described herein. In addition, we ask for

Ms. Felicia C. West  
July 29, 2011  
Page 4

confirmation that no enforcement action will be taken with respect to any officer, director or other employee of the Company. Based on the foregoing, we and our client would sincerely appreciate the cooperation of the Department in this regard.

In connection with this request, we enclose a copy of the Offer to Purchase and Circular. We have enclosed a duplicate copy of this letter, and request that you date-stamp and return it in the business reply envelope.

Should you have any questions or require additional information concerning this filing, please do not hesitate to call me.

Respectfully submitted,



Michele A. Kulerman

Enclosures

cc: Trelawney Mining and Exploration Inc. (w/enclosures)  
Ryan J. Dzierniejko, Esq. (w/enclosures)  
Sarah K. Ward, Esq. (w/enclosures)

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