

# OFFER TO ACQUIRE AUGEN GOLD CORP.

## July 11, 2011



**TSX.V : TRR**

**Experience. Competence. Results.**

Focused on Archean Gold Deposits in Ontario

[www.trelawneymining.com](http://www.trelawneymining.com)

# Disclaimer

This presentation contains only summary information about the Offer and does not constitute an offer to purchase any securities. Complete information about the Offer will be available by referring to the offer to purchase and take-over bid circular to be filed with Canadian securities regulators. Certain statements contained in this presentation concerning Trelawney's objectives, goals, strategies, intentions, plans, beliefs, expectations and estimates, and the business, operations, financial performance and condition of Augen are forward-looking statements. The words "believe", "expect", "intend", "may", "anticipate", "will", "would" and similar expressions and the negative of such expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. These forward-looking statements are not based on historical facts, but rather on current expectations, assumptions and projections about future events. While Trelawney considers these factors and assumptions to be reasonable based on information currently available, they may be proven to be incorrect. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to, the Offer not being commenced; any of the terms and conditions of the Offer not being satisfied; general economic conditions; dependence on key personnel; and variations in required capital expenditures. Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements.



# Transaction Overview

Offer Price	<ul style="list-style-type: none"> <li>▪ 0.066 Trelawney common shares per Augen common share</li> <li>▪ C\$0.32 per Augen common share<sup>(1)</sup></li> <li>▪ Values Augen at approximately C\$55 million<sup>(2)</sup></li> </ul>
Premium	<ul style="list-style-type: none"> <li>▪ 39.9% premium to Augen's 20-day VWAP as at July 8, 2011</li> </ul>
Lock-Up	<ul style="list-style-type: none"> <li>▪ A group of Augen shareholders representing an aggregate of 42% of the issued and outstanding Augen Shares have entered into lock-up agreements in support of Trelawney's Offer</li> <li>▪ Shareholder group includes Libra Advisors LLC, Sprott Asset Management LP, Augen Capital Corp., Mineralfields 2010-V Inc., Pathway Multiseries Fund LP, Sheldon Inwentash, Lynn Factor and Dr. Andrew Budning</li> </ul>
Structure	<ul style="list-style-type: none"> <li>▪ Take-over bid</li> </ul>
Timing	<ul style="list-style-type: none"> <li>▪ Will request a shareholders list from Augen today</li> <li>▪ Offer and take-over bid circular will be mailed to Augen shareholders as soon as practical upon receipt of shareholder list</li> <li>▪ Offer will remain open for at least 50 days</li> </ul>
Conditions	<ul style="list-style-type: none"> <li>▪ Minimum tender threshold of 66<math>\frac{2}{3}</math>%, calculated on a fully diluted basis</li> <li>▪ Receipt of all necessary regulatory approvals</li> <li>▪ Absence of any material adverse changes</li> <li>▪ No untrue statements or omissions in Augen's public disclosure</li> <li>▪ No legal or other impediments</li> </ul>

(1) Based on Trelawney's closing share price of on July 8, 2011

(2) On a fully diluted basis



# Compelling Offer for Augen Shareholders

- Share exchange provides Augen shareholders ongoing participation in the promising Côté Lake gold deposit
- Offer provides Augen shareholders with an immediate and significant premium for their shares
- Benefit from increased financial resources, improved liquidity and enhanced capital markets profile
- Provides access to Trelawney's proven, shareholder focused management team



# Value Creation for All Shareholders

- Logical combination – creates a large, contiguous gold camp in a prospective region
- Additional land package simplifies project design for Côté Lake, maximizing the value of the deposit for shareholders
- Acquisition will allow for a single, centralized exploration program targeting the most prospective areas in the region



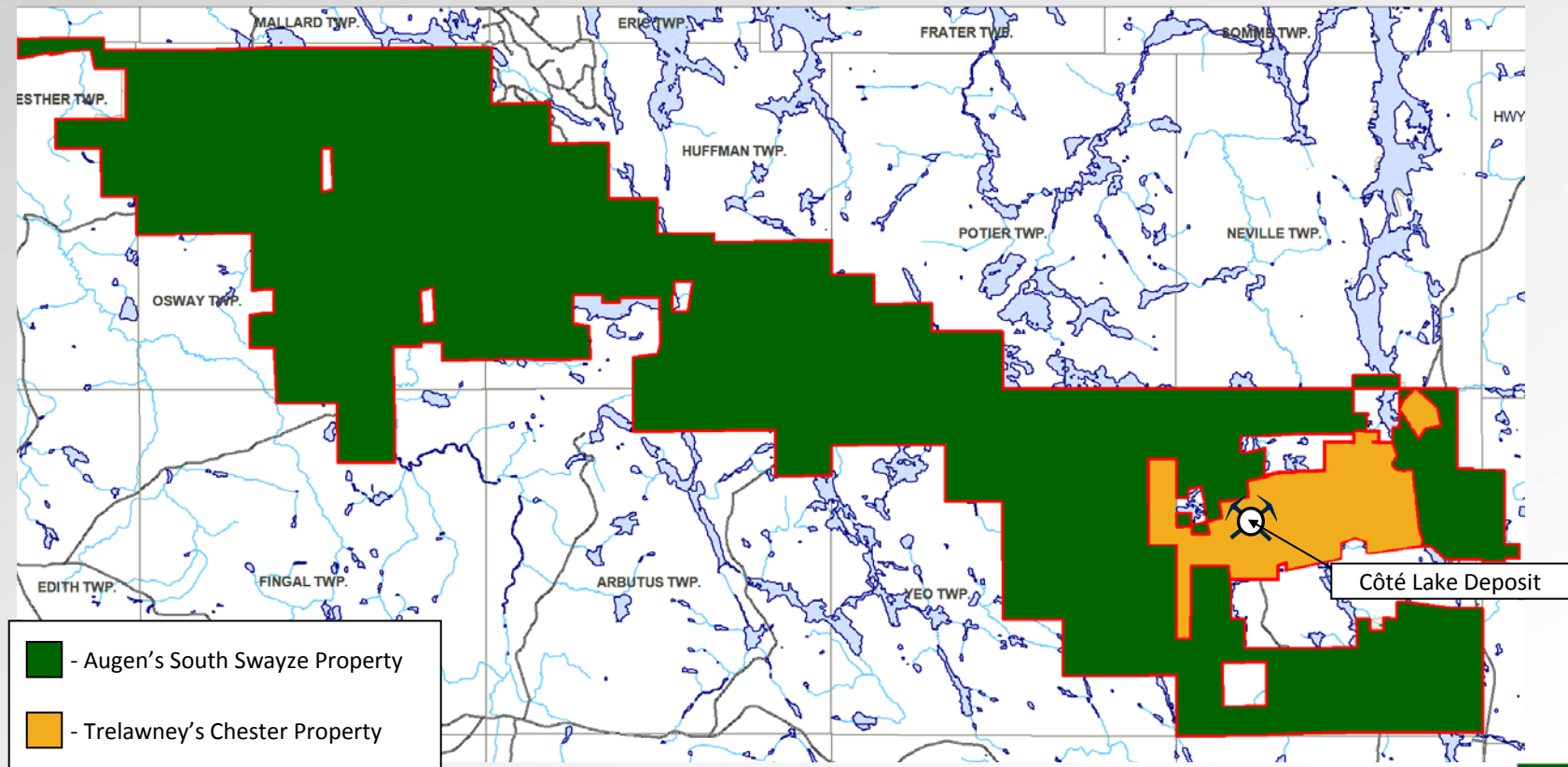
## Exposure to Côté Lake Deposit

- Augen shareholders will continue benefit from increases in value associated with the development of Côté Lake
- Côté Lake – Project Highlights:
  - **NI 43-101 compliant** inferred resource of **4.2Mozs**
  - Resource covers **only 700 m strike**; widths to 300 m, depths to 500 m
  - YTD 2011 drilling: 300 m of step-outs **has extended mineralization to 1,000 m**
  - IP Anomaly – **large potential for expansion**



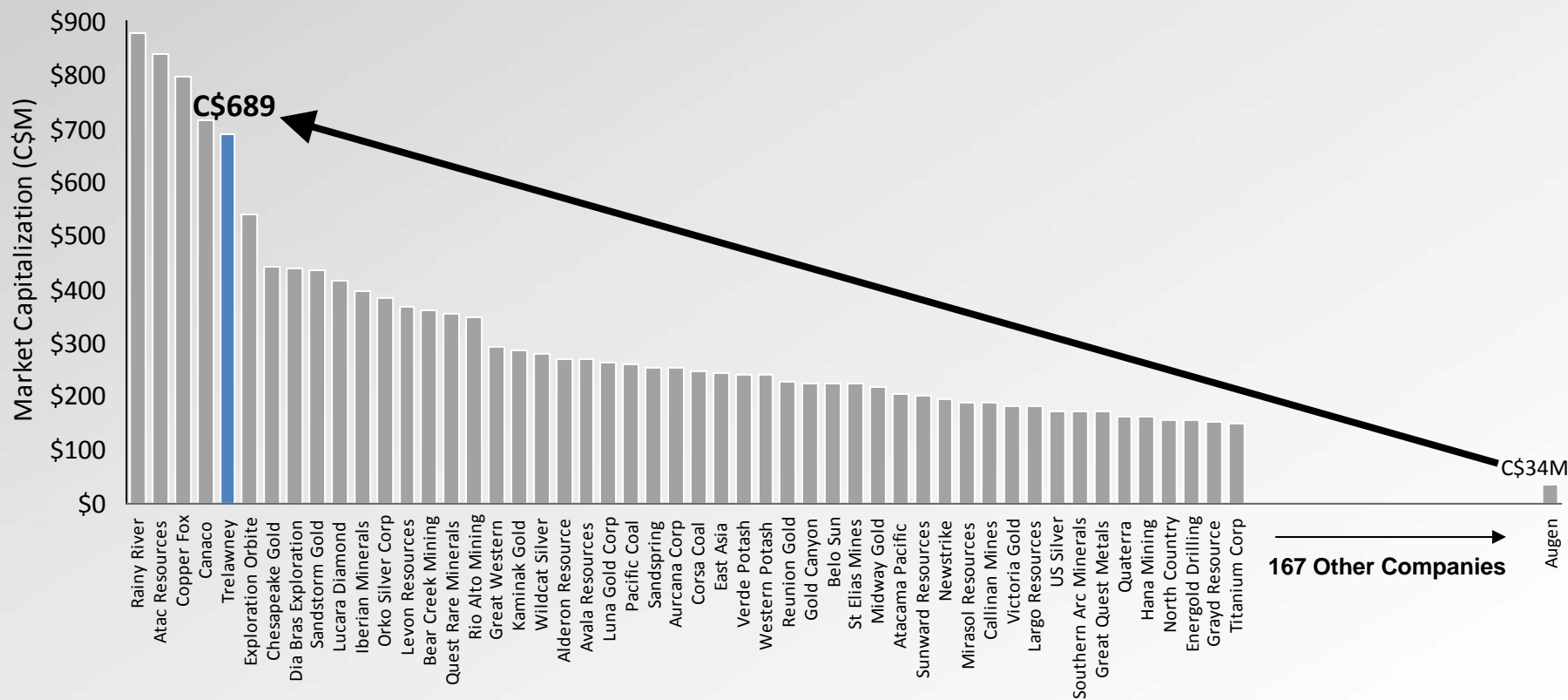
# Logical Combination

- Creates a large, contiguous gold camp in a prospective region



# Enhanced Liquidity and Capital Markets Profile

## TSXV Listed Mining Companies



Source: Bloomberg, as at July 8, 2011



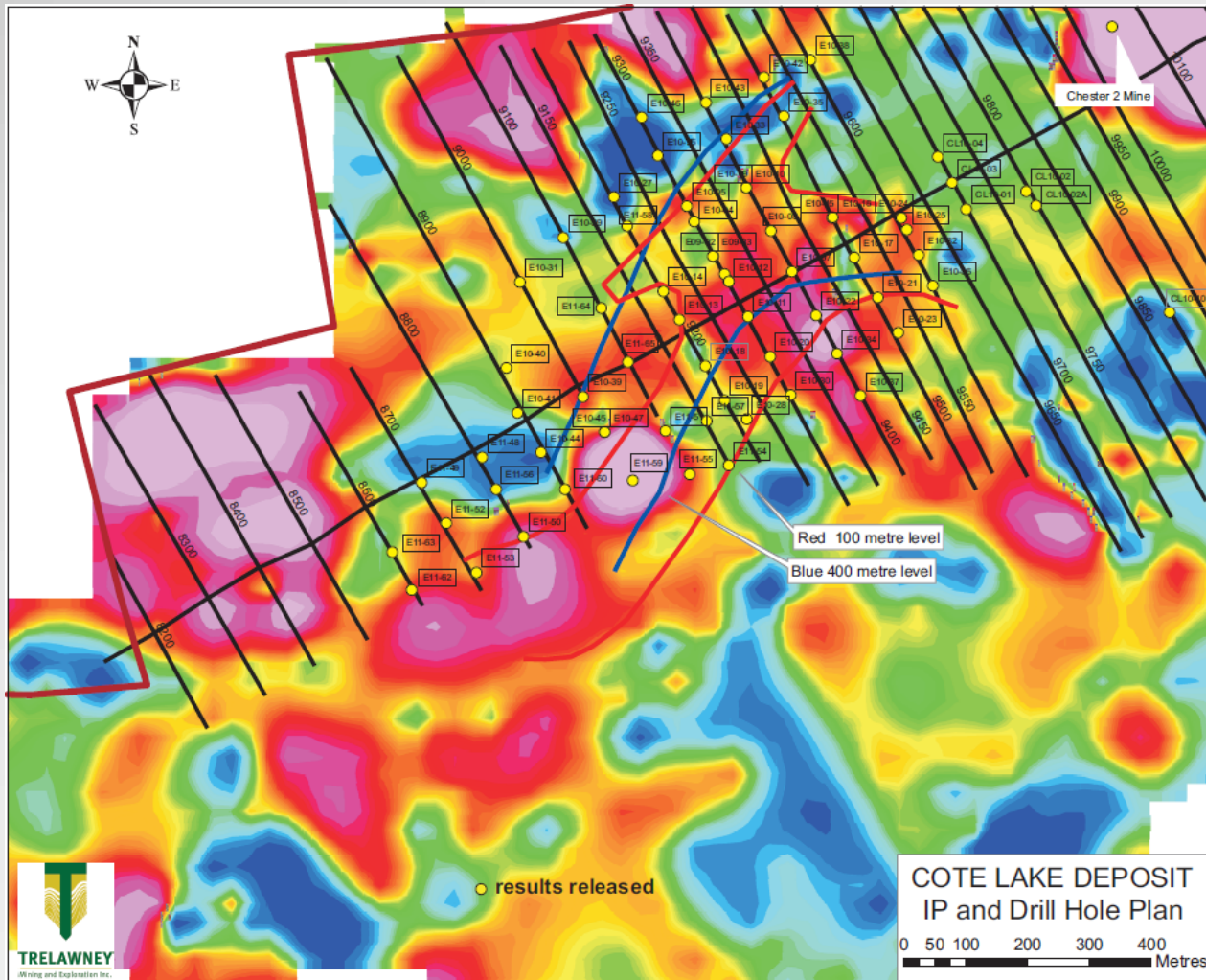
# Trelawney's Strategic Vision

- Trelawney has built a record of success through the exploration and development of its project portfolio in Ontario
- Trelawney will continue to leverage its development and operational expertise within the region to further increase shareholder value
- Transaction is consistent with Trelawney's strategy, which creates a large, contiguous gold camp in a prospective region





# Côte Lake – IP Anomaly & Drill Plan Map



# Transaction Summary

- Share-for-share offer to acquire all outstanding Augen shares
  - 0.066 Trelawney common shares per Augen common share
  - C\$0.32 per Augen common share
  - Represents a significant premium
- Logical combination – creates a large, contiguous gold camp in a prospective region
- Augen shareholders continue to participate in future upside potential of Côté Lake
- Leverages Trelawney's financial strength, improved liquidity, larger capital markets profile and proven management team



# Questions

## Information Agent Contact Information

Laurel Hill Advisory Group

North American Toll-Free: 1-877-452-7184

Banks, Brokers or Collect Calls: 416-304-0211

Email: [assistance@laurelhill.com](mailto:assistance@laurelhill.com)

