

MINUTE ITEM

This Calendar Item No. C60 was approved as
Minute Item No. 60 by the California State Lands
Commission by a vote of 3 to 0 at its
06/28/07 meeting.

**CALENDAR ITEM
C60**

A 34

06/28/07

S 15

PRC 8742.2
S. Mulqueen

**CONSIDER APPROVAL OF AN ASSIGNMENT OF INTEREST
IN MINERAL PROSPECTING PERMIT NO. PRC 8742.2,
MONO COUNTY**

ASSIGNOR:

Enigma Resources LLC
Attn.: Mr. Anthony L. Eng
2221 South Lompa Lane
Carson City, NV 89701

ASSIGNEE:

Cougar Gold LLC
Attn.: Mr. Igor Levental
1700 Lincoln Street, Suite 2000
Denver, CO 80203

AREA, LAND TYPE, AND LOCATION:

Approximately 480 acres of land of which the State owns as School Lands with a 100 percent (100%) reserved mineral interest. The property is situated about 15 miles northeast of Bridgeport and includes the SW 1/4 and E 1/2 of section 16, T5N, R27E, MDBM, Mono County (see Exhibit A, attached hereto).

BACKGROUND:

On February 5, 2007, the California State Lands Commission (Commission) issued State Mineral Prospecting Permit No. PRC 8742.2 to Enigma Resources LLC (Enigma). The mineral prospecting permit is for precious metals and covers approximately 480 acres of privately owned land in which the State retains a 100 percent reserve mineral interest. On April 19, 2007, Enigma submitted a completed assignment form for conveying the mineral prospecting permit to Cougar Gold LLC.

Cougar is a Delaware limited-liability Company formed in 2006 as a wholly owned subsidiary of Electrum USA Ltd. Cougar owns property, leases land and

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has mineral claims within 18 major claim block areas in California and Nevada. Cougar has conducted extensive exploratory drilling on two of these claim block properties.

Enigma has completed various tasks involving research and field work under the existing prospecting permit. In December 2006, Anthony Eng of Enigma conducted in-depth research at the Sacramento office of the CSLC on existing data from the file of Deloro Minerals Ltd, who conducted mapping and sampling of the property in Mono County under Mineral Prospecting Permit No. PRC 8071.2 that expired on April 30, 2000. Preliminary findings from the research and field work has enabled Enigma to focus their efforts on a site that shows promise for a significant discovery of gold ore.

Field work has involved a site investigation of possible access routes for future exploration work using existing roads and jeep trails. Enigma now has the corners of the area involved under the prospecting permit marked with rock cairns. Several sites have been staked for further in-depth sampling.

On April 30, 2007, a representative of Cougar Gold, LLC met with managers of the adjacent land to discuss access for the proposed exploration activities. The adjacent land is owned by Barron Hilton and is known as the Flying M Ranch. Mr. Hilton also owns the parcel in which the State retains a 100 percent (100%) mineral interest. In mid-May, 2007, a draft agreement was prepared by Cougar addressing the issue of access for future exploration in the State's mineral interest. Cougar is awaiting response from Flying M Ranch regarding the draft access agreement. Cougar is making plans to conduct further exploration work on the property, pending Commission assignment of the mineral prospecting permit.

STATUTORY AND OTHER REFERENCES:

- A. Paragraph 26 of the Permit.
- B. Public Resources Code section: 6804

OTHER PERTINENT INFORMATION

- 1. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines [Title 14, California Code of Regulations, section 15060(c)(3)], the staff has determined that this activity is not subject to the provisions of the CEQA because it is not a "project" as defined by the CEQA and the State CEQA Guidelines.

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Authority: Public Resources Code section 21065 and Title 14, California Code of Regulations, sections 15060 (c)(3) and 15378.

2. Bilaterally executed Assignment forms have been received. Epithermal LLC, acting on behalf of Cougar Gold LLC has submitted the \$25 filing fee and \$3000 reimbursement agreement amount.

EXHIBIT:

- A. Location Map.

PERMIT STREAMLINING ACT DEADLINE:

N/A (Not a "development project" subject to the Act).

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

FIND THAT THE ACTIVITY IS NOT SUBJECT TO THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15060(c)(3) BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY PUBLIC RESOURCES CODE SECTION 21065 AND TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15378.

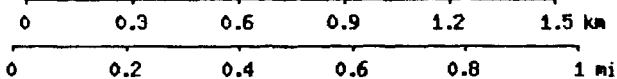
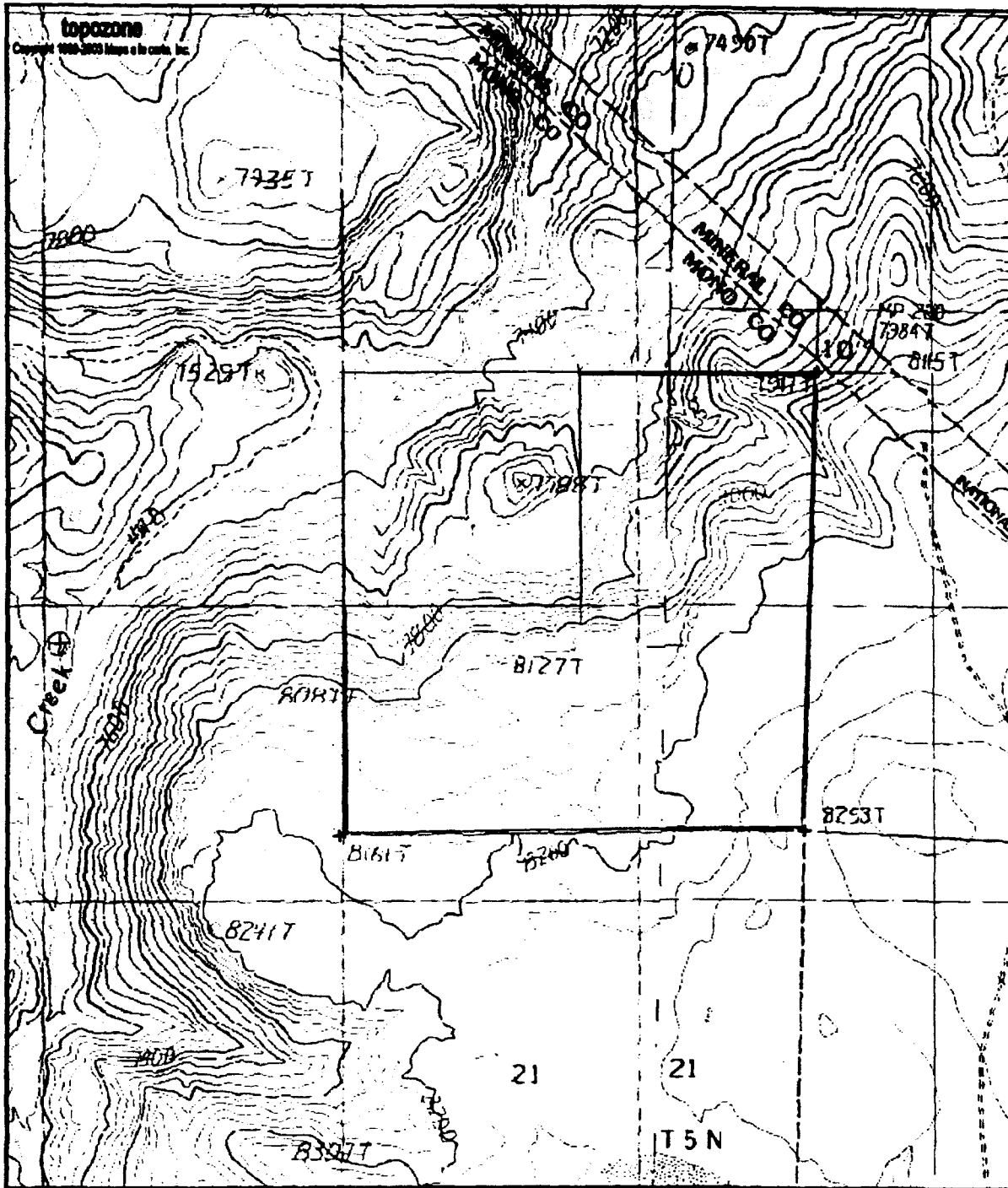
AUTHORIZATION:

CONSENT TO THE ASSIGNMENT OF ONE HUNDRED PERCENT INTEREST (100%) IN MINERAL PROSPECTING PERMIT NO. PRC 8742.2 FROM ENIGMA RESOURCES LLC TO COUGAR GOLD LLC, WITH THE ASSIGNEE TO BE BOUND BY ALL THE TERMS AND CONDITIONS OF THE PERMIT.

AUTHORIZE THE EXECUTIVE OFFICER OR HIS DESIGNEE TO EXECUTE ANY DOCUMENT NECESSARY TO IMPLEMENT THE COMMISSION'S DECISION.

EXHIBIT A

LOCATION MAP



UTM 11 324580E 4240028N (NAD27)

USGS DOME HILL (CA,NV) Quadrangle

Projection is UTM Zone 11 NAD83 Datum

