



Augen Capital Demands Resignation of Augen Gold Director

Toronto, Ontario – January 6, 2009: Augen Capital Corp. (Augen Capital) (TSX-V: AUG) announced today that it has demanded the resignation of Joe Leeder from the Board of Directors of Augen Gold Corporation (Augen Gold) (TSX-V: AUJ).

Augen Capital is the largest shareholder of Augen Gold and has submitted a proposal that would allow Augen Gold to complete a debt-for-shares conversion that would repay \$1.1 million owed to Augen Capital, while conserving cash for the benefit of all shareholders.

Mr. Leeder is Chief Financial Officer of Envoy Capital Group Inc. (“Envoy”) which is a significant shareholder of Augen Gold. He has repeatedly rejected the terms of the debt-for-shares conversion during negotiations over several months. On January 3, 2009, the Chief Executive Officer of Envoy e-mailed David Mason, the Chairman and CEO of Augen Capital attacking both the conversion and Mr. Mason personally.

Augen Capital has demanded Mr. Leeder’s resignation because it believes that, as a Director of Augen Gold, Mr. Leeder is acting of behalf of Envoy rather than fulfilling his fiduciary duty to Augen Gold.

The full text of the letter to Mr. Leeder from Augen Capital’s legal counsel, Stikeman Elliott LLP, follows:

BY E-MAIL

January 6, 2009

Mr. Joe Leeder
Director
Augen Gold Corp.
The Exchange Tower, Suite 720
130 King Street West
Toronto, ON M5X 1A6

Dear Mr. Leeder:

Re: Augen Gold Corp. (the “Augen Gold”)

On behalf of Augen Capital Corp. (“**Augen**”), we are writing in response to e-mail correspondence received by David Mason on Saturday, January 3, 2009 from Geoffrey Genovese of Envoy Capital Group Inc. (“**Envoy**”). We understand that you are Chief Financial Officer as well as Vice President of Mergers and Acquisitions of Envoy.

As you know, Augen has requisitioned a special meeting of Augen Gold shareholders to consider, among other things, a proposed debt for share conversion of an amount owing to Augen. Such a conversion, Augen believes, is in the best interests of all Augen Gold shareholders, since it would conserve their company’s cash.

Your employer, Envoy, is attempting to obstruct and exploit this democratic process for its own financial gain.

Envoy is not “fighting on behalf of all the shareholders” as Mr. Genovese claims. Rather, based on the correspondence from him, Envoy’s real objective is to coerce Augen into buying out Envoy’s interest at the expense of the other Augen Gold shareholders. Envoy has engaged legal counsel to “oppose the conversion” and has even been soliciting several of the other large shareholders of Augen Gold for support, without issuing a proxy circular.

Envoy’s e-mail raises the possibility of a “long messy legal battle or a costly shareholder vote.” This is clearly a threat to waste Augen Gold’s limited resources in order to oppose Augen and to seek to remove Augen’s nominee, David Mason, from the board. We remind you that Augen remains the largest shareholder of Augen Gold.

Envoy wants to dump their Augen Gold shares. Mr. Genovese concludes his e-mail with an alternative to a proxy contest as follows: "Perhaps another solution is [for] Augen Capital [to] buy us out of our position. If this is an avenue you would like to pursue please contact me."

Consistent with the position taken by your employer's correspondence, you have opposed the debt for share conversion, which would see Augen acquire additional Augen Gold shares at more than three times the current market price. Shareholder approval is being sought to do so through an open and transparent process to help Augen Gold move forward. The contrast with your employer's methods is striking.

Envoy's e-mail was unsolicited and improper. It is also a personal attack on Augen's nominee on the Augen Gold board, David Mason, and contains threats and scurrilous accusations against him.

In light of Mr. Genovese's e-mail, it is apparent to Augen that, as a member of the board of Augen Gold as well as an employee of Envoy, you have been acting only in Envoy's interest, in breach of your fiduciary duty. You have not acted in good faith with a view to the best interests of Augen Gold.

On behalf of Augen, we demand your immediate resignation as a director of Augen Gold.

Yours truly,

Darin R. Renton

DRR:ajs

c.c.: James Stephenson

Text of the letter ends.

About Augen Capital

Augen Capital Corp. ("Augen") (TSX-V: AUG) is a Toronto-based public merchant bank specializing in the financing of and investment in emerging resource companies. Augen manages a merchant banking hard dollar portfolio of emerging resource stocks including private companies and is an industry performance leader in tax-advantaged flow-through investments in Canada's resource sector having raised over \$80 million in flow-through limited partnership assets since inception. Augen holds over one hundred gold, base metals and uranium exploration and development public and private companies with direct holdings in its merchant banking portfolio and consulting assets in flow-through limited partnerships.

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For further information please contact:

Investors

J. David Mason
President and Chief Executive Officer
Augen Capital
Tel: 416-479-3300
Toll-free: 888-442-8436

Media

John Lute
Lute & Company
416 929 5883

investorrelations@augencc.com

For more information on Augen Capital, visit our website at www.augencc.com
The Company's public documents may be accessed at www.sedar.com