



For Immediate Release

Shares outstanding: 36,170,615

AUGEN reports Q2 2007 results

(Toronto, Ontario – August 24, 2007) Augen Capital Corp. ("Augen") (TSX-V: AUG) is pleased to announce its interim consolidated financial results for the second quarter ended June 30, 2007. The highlights are as follows:

- Income for the quarter increased to \$1.8 million from \$1.6 million for the same quarter in 2006;
- Net realized gain (loss) on the sale of MB investments rose 47% to \$1.3 million, offset by unrealized loss of \$1.7 million reflecting the unrealized fluctuations in the fair value of the *Merchant Banking* portfolio;
- Expenses for the quarter declined to \$0.8 million from \$1.0 million for the same quarter in 2006;
- Fair value of Assets increased 44% to \$14.9 million at June 30, 2007 from \$10.3 million at December 31, 2006.

The 2007 adoption of CICA Handbook Section 3855, which now requires the reporting of unrealized fluctuations in the fair value of the *Merchant Banking* ("MB") investment portfolio, has resulted in greater volatility in the net earnings of Augen since Q1 2007. The newly adopted accounting standards provide insight into the current fair value of the MB investment portfolio but do not necessarily provide an accurate indication of the ultimate realized gain or loss, which will be different. This is the first year in which unrealized fluctuations in the MB investment portfolio have been recorded.

The Q2 2007 net earnings, before unrealized loss on MB investments of \$1.7 million as described above, were \$1.5 million or \$0.04 per share, reflecting a sharp increase in earnings as compared to \$0.5 million or \$0.02 per share in Q2 2006. Net realized gain (loss) on the sale of MB investments rose 44% to \$1.3 million for the quarter as compared to \$0.9 million in 2006, reflecting strong performance and active trading of the MB investment portfolio. Net loss for the quarter was \$0.3 million as compared to net income of \$0.5 million in 2006, representing \$0.01 loss per share as compared to earnings of \$0.02 per share.

Unrealized loss on MB investments was \$1.7 million for the quarter which reflects the unrealized decline in the fair value of the MB investment portfolio during the quarter. There is no comparative in 2006 due to the prospective application of CICA Handbook Section 3855. The fair value of liabilities, previously reported in the amount of \$0.9 million in Q1 2007 and charged directly to retained earnings as a transitional adjustment under CICA Handbook Section 3855, was adjusted to \$0.5 million during the quarter by way of a charge to the Statement of Earnings and Comprehensive Income. The corresponding future taxes were also adjusted during the current quarter.

The Augen Limited Partnership 2007 offering had its second and final close on April 30, 2007 raising a total of \$12 million, making it the most successful flow-through offering in Augen's history, despite the weaker demand for flow through product in the first half of the year. Setup fee income has been reported during the quarter and the increase in assets will result in recurring *Managed Products* advisory fees over the life of the partnership.

"We are pleased to report the results for Q2, 2007. Quarter over quarter results prior to unrealized losses are strong and up over last year. Unrealized gains in the merchant banking portfolio, reported in retained earnings in Q1, 2007, continue to be substantial despite downward fluctuations during this quarter but are expected to result in cash flow in future quarters", said J. David Mason, Chairman of Augen.

The interim consolidated financial statements for the quarter ended June 30, 2007 are available at www.augencc.com or at www.sedar.com. Attached below are extracts from the interim consolidated financial statements for the quarter ended June 30, 2007:

Consolidated Statements of Earnings and Comprehensive Income

<i>For the periods ended June 30,</i>	Three Months 2007 \$	2006 \$	Six Months 2007 \$	2006 \$
Income	1,815,410	1,648,760	2,482,617	2,490,409
Expenses	766,306	1,006,029	1,786,960	1,321,134
Earnings (loss) before undernoted items	1,049,104	642,731	695,657	1,169,275
Unrealized loss on investments held for trading	1,747,072	-	2,007,840	-
Adjustment to fair value of liabilities	(439,981)	-	(439,981)	-
Amortization	3,639	3,107	6,609	6,214
Earnings (loss) before income taxes	(261,626)	639,624	(878,811)	1,163,061
Income taxes				
Current	139,904	-	95,444	-
Future	(152,115)	85,989	(194,570)	163,695
	(12,211)	85,989	(99,126)	163,695
Earnings (loss) before non-controlling interest	(249,415)	553,635	(779,685)	999,366
Non-controlling interest	-	32,343	-	139,246
Net earnings (loss) and comprehensive income (loss)	(249,415)	521,292	(779,685)	860,120
Earnings (loss) per share - basic and diluted	(0.01)	0.02	(0.02)	0.03

Consolidated Balance Sheets

<i>As at,</i>	June 30, 2007 \$	December 31, 2006 \$
ASSETS		
Current assets		
Cash and equivalents	5,214,997	3,833,786
Prepaid expenses and deposits	18,362	54,000
Receivables	44,893	1,436,347
Due from related parties	274,009	1,615,538
Income taxes receivable	447,815	-
	6,000,076	6,939,671
Investments	8,130,841	2,659,709
Mineral properties and deferred costs	534,561	509,044
Property, plant and equipment, net	52,831	46,284
Future income taxes	-	52,414
Goodwill	62,014	62,014
Total assets	14,780,323	10,269,136

Augen Capital is a Toronto-based merchant bank which finances early stage resource companies. Augen is an industry leader in tax-advantaged flow-through investments in Canada's resource sectors having raised over \$58 million in flow-through limited partnership assets since inception. Augen manages a core portfolio of emerging resource stocks, two resource flow-through Limited Partnerships, and its mutual fund, Augen Resource Strategy Fund.

Augen has holds over 100 gold, base metals and uranium exploration and development public companies directly in its merchant banking portfolio and, indirectly, through fees earned on its structured products.

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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

The TSX Venture has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.