



For Immediate Release

Shares outstanding: 35,915,615

AUGEN CAPITAL announces Q1 2007 results and Stock Option Grant

(Toronto, Ontario – May 31, 2007) Augen Capital Corp. (“Augen” or the “Company”) (TSX-V: AUG) is pleased to announce its interim consolidated financial results for the first quarter March 31, 2007. The highlights are as follows:

- Income for the quarter was \$0.7 million from \$0.8 million in 2006;
- Net loss for the quarter was \$0.5 million as compared to net income of \$0.4 million in 2006, representing \$0.01 loss per share as compared to earnings of \$0.01 per share;
- Assets increased 56% to \$16.1 million at March 31, 2007 from \$10.3 million at December 31, 2006.

Consolidated income for the *Merchant Banking* segment was \$0.2 million for the quarter as compared to \$0.7 million in 2006. The decrease is primarily due to a reduction in realized gains on the merchant banking portfolio during the quarter.

The Augen Limited Partnership (“LP2007”) flow-through offering was setup one quarter earlier in Q1 2007 as compared to the Augen Limited Partnership 2006 flow-through offering setup in Q2 2006. The LP2007 setup fee income of \$355 thousand was received on the first close, offset by setup fee expenses of \$355 thousand, both reported during the quarter, as compared to \$nil in 2006.

An unrealized loss of \$261 thousand was reported to reflect the Q1 2007 change in fair value of the *Merchant Banking* investment portfolio due to the adoption of CICA Handbook accounting policies during the quarter. Stock-based compensation for both segments amounted to \$294 thousand and relate to the granting of stock options during the quarter, as compared to \$24 thousand in 2006.

“Augen’s greater focus on the expansion of the merchant banking portfolio continued in the first quarter. Realized gains were less when compared to the same quarter last year but the merchant banking portfolio continues to have substantial unrealized gains which will positively impact cash flow as the investment positions are strategically disposed in due course. The Managed Products segment completed the final close of the LP2007 offering of \$12 million in the second quarter, making it the most successful limited partnership offering in Augen’s history, and this, despite the weaker demand for flow through product in the first half of the year,” said J. David Mason, Chairman of Augen.

The interim consolidated financial statements for the quarter ended March 31, 2007 are available at www.augenc.com or at www.sedar.com. Attached below are extracts from the interim consolidated financial statements for the quarter ended March 31, 2007:

Consolidated Statements of Earnings and Comprehensive Income

<i>For the three months ended March 31,</i>	2007 \$	2006 \$
Income	667,207	841,649
Unrealized gain (loss) on investments held for trading	(260,768)	-
Expenses	1,020,654	315,105
Earnings (loss) before income taxes and amortization	(614,215)	526,544
Amortization	2,970	3,107
Earnings (loss) before income taxes	(617,185)	523,437
Income taxes		
Current	(44,460)	-
Future	(42,455)	77,706
	(86,915)	77,706
Earnings (loss) before non-controlling interest	(530,270)	445,731
Non-controlling interest	-	106,903
Net earnings (loss) and comprehensive income (loss)	(530,270)	338,828
Earnings (loss) per share - basic and diluted	(0.01)	0.01

Consolidated Balance Sheets

<i>As at,</i>	March 31, 2007 \$	December 31, 2006 \$
ASSETS		
Current assets		
Cash and equivalents	6,107,151	3,833,786
Prepaid expenses and deposits	27,957	54,000
Receivables	66,990	1,436,347
Due from related parties	628,917	1,615,538
	6,831,015	6,939,671
Investments	8,636,802	2,659,709
Mineral properties and deferred costs	520,316	509,044
Property, plant and equipment, net	53,172	46,284
Future income taxes	-	52,414
Goodwill	62,014	62,014
Total assets	16,103,319	10,269,136

Further to the press release on May 17, 2007, the Company announces that it has granted today 500,000 stock options to Michael G Fowler, exercisable at \$0.46 over a term of five years, and vesting equally over a three year period. The stock option grant is subject to shareholder approval of proposed amendments to the Company's stock option plan at the next annual general meeting. The stock option grant is also subject to TSX Venture approval and a four month hold period.

About Augen Capital

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 \$53 million in flow-through limited partnership assets since inception. Augen manages a core portfolio of emerging resource stocks, resource flow-through limited partnerships, and its mutual fund, Augen Resource Strategy Fund.

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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.