



For Immediate Release

Shares outstanding: 28,857,282

AUGEN ANNOUNCES \$ 3,000,000 NON-BROKERED PRIVATE PLACEMENT

(Toronto, Ontario – June 1, 2006) Augen Capital Corp. (TSX-V: AUG) (the "Company") is pleased to announce a non-brokered private placement to raise \$3 million, consisting of up to a total of ten million shares in the capital stock of the Company at a price of \$0.30 per unit. Each unit consists of one common share and one non-transferable common share purchase warrant (the "warrant"). Each warrant entitles the holder to purchase one additional common share (the "warrant share") in the Company at a price of \$0.35 per warrant share for a period of twelve months following the closing date. In the event the common shares of the Company trade at or above \$0.50 for a period of 22 consecutive trading days, the Company has the right to accelerate the expiry date of the term of the warrants. The warrants shall expire thirty (30) days following the date notice of acceleration by way of press release is given by the Company.

The transaction is subject to regulatory approval. All of the securities issued under this private placement will be subject to a four-month hold period. A finder's fee may be paid with respect to all or a portion of the units by way of cash or broker warrants.

The proceeds of the private placement will be used for the expansion of merchant banking activities and/or general working capital purposes. The securities to be issued under this agreement do not result in a change in control or a control voting block.

About Augen Capital

Based in Toronto, Augen is a merchant bank specializing in the financing of primarily early stage resource companies and is an industry leader in tax-advantaged flow-through investments in Canada's resource sector. Our *Managed Products* division earns fees related to the limited partnerships and mutual funds including setup, due diligence, and annual and performance fees. Our *Merchant Banking* division provides financing and strategic management support to resource investee companies and strives to maximize net gains realized on its core investment portfolio of emerging resource stocks. Augen has over \$30 million in assets under management, including its merchant banking investment portfolio, four resource flow-through limited partnerships, and its mutual funds.

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For more information on Augen Capital, visit our website at www.augenc.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.

This news release contains certain "Forward-Looking Statements" within the meaning of Section 21E of the United States Securities Exchange Act of 1934, as amended. All statements, other than statements of historical fact, included herein are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company's expectations are disclosed in the Company's documents filed from time to time with the British Columbia Securities Commission and the United States Securities & Exchange Commission.