



For Immediate Release

Shares outstanding: 28,857,282

***Augen Announces \$1.0 Million In Net Earnings And \$0.04 EPS for Q1 2006***

(Toronto, Ontario – June 1, 2006) Augen Capital Corp. (the "Augen") (TSX-V: AUG) is pleased to announce consolidated financial results for the first quarter ending March 31, 2006.

- Consolidated income rose 343% to \$2.0 million for the quarter from \$0.4 million last year.
- Consolidated expenses were unchanged quarter over quarter at \$0.3 million.
- Consolidated net earnings for the quarter was \$1.0 million, up from \$0.1 million last year.
- Consolidated assets at March 31, 2006 amounted to \$5.4 million offset by \$0.3 million of current liabilities.

*Managed Products* income was \$1,253 thousand as compared to \$70 thousand in 2005. Annual fees related to managed products amounted to \$145 thousand, more than doubled, up 110% from \$69 thousand in the same quarter last year reflecting the increase in assets under administration resulting from the flow-through limited partnership offerings in 2004 and 2005 as well as strong market value appreciation in the limited partnership portfolios. *Managed Products* performance fees for the quarter were \$1,108 thousand and related to strong performance in the 2004 and 2005 limited partnerships, as compared to NIL for the same quarter ended 2005. Performance fees are recognized on an accrual basis and adjusted quarterly for fluctuations above or below performance thresholds and are only payable on the wind-up of the limited partnerships to the extent that performance thresholds have been met. The 2004 limited partnership was wound up on May 1, 2006 - performance fees were paid to the Company. No rollover or windup announcement has been made regarding the 2005 limited partnership.

*Merchant Banking* realized gains on the sale of securities in the merchant banking portfolio were \$632 thousand for the first quarter representing 39% of total earnings before taxes, as compared to \$370 thousand for the same quarter last year, reflecting Augen's continued commitment to support merchant banking opportunities as well as active trading of the merchant banking investment portfolio in a strong resource market.

Consolidated expenses are unchanged quarter over quarter reflecting cost containment measures undertaken to minimize ongoing expenses while continuing to build a strong management team to support future growth in the Company.

"Augen is pleased to report the strongest fiscal quarter net earnings since its inception. The exceptional investment performance in the limited partnerships and merchant banking portfolio has contributed over 93% to gross consolidated income. The Company continues to execute its mission of being "Financier of First Resort" for emerging resource companies", said J. David Mason, Chairman of Augen Capital Corp.

*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.

For further information please contact:

Ian C. Peres, Chief Financial Officer

Tel: (416) 777-2007

[investorrelations@augencc.com](mailto:investorrelations@augencc.com)

For more information on Augen Capital, visit our website at [www.augencc.com](http://www.augencc.com)

The company's public documents may be accessed at [www.sedar.com](http://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.