



For Immediate Release

Shares outstanding 32,400,614

Augen Announces New Merchant Banking Developments

(Toronto, Ontario – October 26, 2006) Augen Capital Corp. ("Augen") (TSX-V: AUG) is pleased to report the following developments in its merchant banking division:

Augen has established Augen Gold Corp. ("AGC"), a private company, to acquire a large claim group in the Swayze Greenstone belt between Sudbury and Timmins. The claim group consists of approximately 63 patented and 119 staked claims covering 7,280 acres in a largely contiguous block covering a significant portion of 6 townships (the claims and includes, on the patented claims, the mining rights to the Jerome Mine. The latter has historically measured resources of gold (non NI-43-101 compliant) in addition to silver and molybdenum values. Gold occurrences are ubiquitous through-out the length of the property and a thorough exploration program has never been undertaken outside of the former producing Jerome mine area. Augen raised \$2.75 million by way of private placement to fund the purchase of the claims and provide interim working capital. Augen currently owns 27.2% of the issued shares of AGC which represents a core holding in the merchant banking portfolio.

Augen has also established Polar Bear Exploration Inc. ("PBE"), a private company, to acquire an extensive number of claims in the Hudson Bay/James Bay area of northern Ontario, south east of the coastal town of Pewanuck and south west of Polar Bear Provincial Park. Twenty-five claim groups (the "Property") have been staked in PBE and Augen currently owns 76% of PBE with the balance owned by a private prospecting group. PBE has utilized the services of Terraquest Ltd. and Scott Hogg and Associates, geophysical services, and now has well defined drill targets based on magnetic anomalies over an area of approximately 80 km x 30 km. Targets are nickel, copper, and precious metals in a volcanic sulphide formation as well as a separate trend that may contain diamonds in kimberlitic intrusives.

The business of Energy Fuels Inc (TSX-V: EFR) ("EFI"), formerly Volcanic Metals Exploration with Augen as controlling shareholder has been restructured into a uranium development and production company. Augen successfully recruited George E.L. Glasier, a recognized uranium expert as President & CEO in January 2006. Certain changes have been effected to management and the board of Augen and EFI. J. David Mason, Chairman of Augen, has stepped down as Chairman and Director of EFI to concentrate full time on his roles as Chairman and Managing Director of Augen. J. Birks Bovaird, has stepped down as a Director of Augen and will continue as director in EFI. Michael Skutezky, former Secretary & Group General Counsel of Augen, has stepped down and will continue as Secretary & Group General Counsel in EFI. Ian C. Peres, CFO of Augen, continues as CFO and Director of EFI to represent Augen's interest in the company, and assist in the transition. Augen continues to hold a significant position in EFI and will continue to support the company going forward in this exciting initiative.

About Augen Capital

Based in Toronto, Augen is a merchant bank specializing in the financing of early-stage resource companies and is an industry leader in tax-advantaged flow-through investments in Canada's resource sectors. The Company has over \$45 million in assets under management, including a core portfolio of emerging resource stocks, three Resource Flow-Through Limited Partnerships, and its mutual fund, Augen Resource Strategy Fund. Through a distribution force of national MFDA and IDA firms, Augen offers high-income and high net worth individuals resource flow-through tax sheltering, together with exposure to mineral, oil and gas exploration companies that are selected to potentially outperform the market. Investors in Augen, the public company, benefit from positions in over 150 emerging resource companies and merchant banking revenues derived from early stage financings.

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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.

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.