

# 2002 BCSECCOM 139

## Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Relief granted from the requirement in National Instrument 43-101 to have a qualified person inspect the property that is the subject of a technical report – access to the property is not possible due to seasonal lack of daylight

## Applicable British Columbia Provisions

National Instrument 43-101 *Standards of Disclosure for Mineral Projects*, ss. 6.2 and 9.1

IN THE MATTER OF THE SECURITIES LEGISLATION OF BRITISH COLUMBIA, ALBERTA  
AND ONTARIO

AND

IN THE MATTER OF THE MUTUAL RELIANCE REVIEW SYSTEM FOR EXEMPTIVE RELIEF  
APPLICATIONS

AND

IN THE MATTER OF AUGUSTA RESOURCE CORPORATION

MRRS DECISION DOCUMENT

[para 1]

WHEREAS the local securities regulatory authority or regulator (the “Decision Maker”) in each of British Columbia, Alberta and Ontario (the “Jurisdictions”) has received an application from Augusta Resource Corporation (the “Filer”) for a decision under the securities legislation of the Jurisdictions (the “Legislation”) that the requirement contained in the Legislation that at least one qualified person preparing or supervising the preparation of a technical report inspect the property that is the subject of the technical report (the “Personal Inspection Requirement”) will not apply to the Filer in respect of technical reports to be prepared in connection with the Filer’s public offering of securities;

[para 2]

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the “System”) the British Columbia Securities Commission is the principal regulator for this application;

[para 3]

AND WHEREAS the Filer has represented to the Decision Makers that:

1. the Filer is a corporation governed by the *Canada Business Corporations Act* with its head office located in British Columbia;
2. the Filer is a reporting issuer under the Legislation of each Jurisdiction and is not in default of any requirements of the Legislation;
3. the authorized capital of the Filer consists of 100,000,000 common shares without par value, of which 13,198,437 common shares were outstanding as at December 21, 2001;
4. the Filer’s common shares are listed on the Canadian Venture Exchange, Inc. (the “CDNX”);

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5. the Filer has entered into an option agreement dated January 4, 2002 (the "BH Agreement") with 4763 NWT Ltd. to acquire a 70% interest in the BH property (the "BH Property") located in the Bear Province of the Slave Craton region of Nunavut;

6. the Filer has also entered into eight separate option agreements dated January 15, 2002 (collectively the "Eight Properties Agreements") with 4763 NWT Ltd. to acquire a 20% working interest in the ALS-1, ALS-3, GT, TH, VT, JR and HK properties (the "Eight Properties"), located in the Bear Province of the Slave Craton region of Nunavut;

7. the BH Property and the Eight Properties will be material properties of the Filer;

8. the BH Property and the Eight Properties have not had any exploration work performed on them and no resource has been defined to date;

9. the Filer is having a technical report (the "BH Report") prepared relating to the BH Property and a technical report (the "Eight Properties Report") prepared relating to the Eight Properties and has retained Robert F. Brown, a qualified person as defined in National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101"), to prepare the BH Report and Eight Properties Report;

10. the only access to the BH Property and the Eight Properties is by fixed wing aircraft or helicopter; due to the seasonal lack of daylight since the Filer acquired the options on the BH Property and Eight Properties, air transportation to the properties is not possible so the qualified person is unable to complete a personal inspection of the BH Property and Eight Properties;

11. the Filer intends to make an offering (the "Offering") of its securities to the public in British Columbia through the facilities of the CDNX under a short form offering document (the "Offering Document");

12. the Offering Document will describe the mineral project on the BH Property and the Eight Properties based on the information contained in the BH Report and the Eight Properties Report; and

13. the Filer intends to use a portion of the proceeds from the Offering to perform work on the BH Property and the Eight Properties as required to exercise the options under the BH Agreement and the Eight Properties Agreements;

[para 4]

AND WHEREAS under the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

[para 5]

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

[para 6]

THE DECISION of the Decision Makers under the Legislation is that the Filer is exempt from the Personal Inspection Requirement in respect of the BH Report and Eight Properties Report for use in connection with the Offering provided that the Offering Document, the BH Report and the Eight Properties Report include a statement that a personal inspection has not been conducted by the qualified person, as defined in NI 43-101, and the reasons why a personal inspection was not conducted.

[para 7]

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DATED February 11, 2002.

Brenda Leong  
Director