

2002 BCSECCOM 444

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 – property inspection not possible during the winter

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

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 properties that are the subject of the technical reports (the “Personal Inspection Requirement”) will not apply to the Filer in respect of the technical reports to be prepared in connection with the Filer’s public offering of securities;

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;

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

2002 BCSECCOM 444

1. the Filer is a corporation governed by the *Canada Business Corporations Act* with its head office 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 14,402,157 common shares were issued and outstanding as at April 5, 2002;
4. the Filer's common shares are listed on the TSX Venture Exchange (the "TSX Venture");
5. the Filer has entered into option agreements dated between January 15, 2002 and March 13, 2002 and anticipates entering into a further option agreement prior to June 15, 2002 (the "Agreements") to acquire interests in a number of mining properties (the "Properties") located in the Coronation Gulf Diamond Area in Western Nunavut and central-west Northwest Territories, Canada;
6. the Properties may be material properties of the Filer;
7. the Properties have not had any exploration work performed on them and no resource has been defined to date;
8. the Filer has had or is having a number of technical reports (the "Reports") prepared relating to the 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 Reports in accordance with NI 43-101;
9. the Filer intends to raise up to an aggregate \$2,000,000 through a private placement of its securities and an offering of its securities to the public in British Columbia through the facilities of the TSX Venture (the "Offering") under a short form offering document (the "Offering Document");
10. the Offering Document will describe the mineral projects on the Properties based on the information contained in the Reports;
11. due to snow cover and frozen winter conditions on the Properties since the Filer entered into the Agreements, a site inspection is not possible before the Offering Document is filed; and

2002 BCSECCOM 444

12. the Filer intends to use a portion of the proceeds from the Offering to perform work on the Properties as required to exercise the options under the Agreements;

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

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;

THE DECISION of the Decision Makers under the Legislation is that the Filer is exempt from the Personal Inspection Requirement in respect of the Reports for use in connection with the Offering, provided that the Offering Document is accepted by the TSX Venture before June 30, 2002, and the Offering Document and such Reports include a statement that a personal inspection has not been conducted by the qualified person, as defined in NI 43-101, the reasons why a personal inspection was not conducted, and that relief was granted from the Personal Inspection Requirement by the Jurisdictions.

DATED May 30, 2002

Brenda Leong
Director