Neal Hanna
<neal790@yahoo.com>
05/19/2008 06:33 PM

To: comments-southwestern-coronado@fs.fed.us
cc:
Subject: NEPA Coordinator Ms Andrea Campbell

ATTN: MS ANDREA CAMPBELL N.E.P.A. COORDINATOR I have been participating in the NEPA process ref Proposed Rosemont mine. The learning curve has been really steep for myself. I've been attempting to offer alternatives in the process and to miniumize questions all ready asked. I notiticed at the meeting in Elgin that mine officials were aware of our proposals and recomendations made, during the scoping process. I am asking for a list of the already proposed alternatives ,inorder to reduce duplication of effort by all parties. Thank you Sincerely Neal Hanna ,Hilton rch rd , POB 99 Vail, az. 85641 PS IF YOU HAVE ANY SUGGESTIONS I WOULD GREATLY APPRECIATE IT !

John & Pat Kugler
<jkugler@dakotacom .n et>
05/18/2008 02:51 PM

To: comments-southwestern-coronado@fs.fed.us
cc:
Subject: Proposed Rosemont Copper Project Environmental Impact Statement

Please see attached

John Kugler

520-455-9245 Public Comments for the Rosemont Copper Project Environmental Impact Statementjk.doc

Public Comments for the Rosemont Copper Project Environmental Impact Statement
May 17, 2008

1. The Forest Service should NOT revise the Forest Plan to accommodate mining
2. The 1872 Mining Law does NOT REQUIRE THE FOREST SERVICE TO REVISE THE PLAN TO ACCOMMODATE MINING
3. IF Augusta's Mining Plan Operation cannot meet the current standards and requirements of the Forest Plan, then the Forest Service MUST DENY THE PLAN.
4. The Forest Service should extend the time for citizen response for 60 days AFTER the complete MPO has been distributed to the public. Working groups must be implemented during this process and before the final public comment is complete.
5. Pima County, Arizona Department of Environmental Quality, and the Arizona State Office of Historic Preservation should be included as cooperating agencies, at a minimum in the EIS process.
6. The Forest Service should deny the Rosemont Mine for lack of water, if for no other reason. Augusta should not be allowed to deplete the water supply of residents or the Colorado River System.
7. The Forest Service should deny the Rosemont Mine, because of potential water pollution. The release of toxic heavy metals and other chemicals into ground and surface waters draining into local and Tucson area water supplies, and impacting nearby riparian areas such as Davidson Canyon. Rosemont Copper Project should not be allowed to contaminate the water supply of local citizens and wildlife.
8. Augusta wants to fill in Barrell, Wasp, McCleary, and Scholefield Canyons, YET CLAIMS NO IMPACT TO THE CIENEGA CREEK WATERSHED!! Any heavy rains during the monsoons, which occur yearly in that area, are potential disasters here for hazardous materials polluting the water system.
9. The Santa Rita Mountains and surrounding desert and grassland seas are globally recognized for the diversity of birds, reptiles, amphibians, bees and plants. The Forest Service should not allow Augusta to destroy this unique and sky island habitat.
10. Increased heavy truck traffic on local roads will increase highway accidents. Thereby causing more human injuries and fatalities on this narrow, winding road. Also there will be a probable increase of hazardous material trucking accidents and spills. This increase in truck traffic and accidents would overwhelm the law enforcement and medical coverage of the Santa Cruz County Sheriff's Department, Pima Sheriff's Department, Sonoita Elgin Fire District and other local fire departments.
11. The public uses Forest Service land (owned by 'we, the people') for recreation. Biking, hiking, hunting, camping, and bird watching, at a minimum, would be eliminated in this area if the Rosemont Copper Project were allowed to proceed. This recreation area loss would cause further impact on existing and dwindling recreational resources. The Forest Service should not allow this loss of natural habitat and recreational areas to take place.
12. The economy in this area is tourism and this far offsets the gain of Augusta's temporary 350 jobs. Plus the tourism profits stay in this region, help build this region, and are not sent out of the country.
13. Should the Forest Service allow this Augusta operation to go forth, what recourse do we, the citizens this State and Country, have?

John Kugler
PO Box 142
Sonoita, AZ 85637
jkugler@dakotacom.net

John & Pat Kugler
**<jkugler@dakotacom .n
et>**

05/18/2008 11:18 AM

To: comments-southwestern-coronado@fs.fed.us
cc:
Subject: Public Comments for the Proposed Rosemont Copper Project EIS

Public Comments for the Rosemont Copper Project Environmental Impact Statement.doc

Public Comments for the Rosemont Copper Project Environmental Impact Statement
May 16, 2008

1. The Forest Service should NOT revise the Forest Plan to accommodate mining
2. The 1872 Mining Law does NOT REQUIRE THE FOREST SERVICE TO REVISE THE PLAN TO ACCOMMODATE MINING
3. IF Augusta's Mining Plan Operation cannot meet the current standards and requirements of the Forest Plan, then the Forest Service MUST DENY THE PLAN.
4. The Forest Service should extend the time for citizen response for 60 days AFTER the complete MPO has been distributed to the public. Working groups must be implemented during this process and before the final public comment is complete.
5. Pima County, Arizona Department of Environmental Quality, and the Arizona State Office of Historic Preservation should be included as cooperating agencies, at a minimum in the EIS process.
6. The Forest Service should deny the Rosemont Mine for lack of water, if for no other reason. Augusta should not be allowed to deplete the water supply of residents.
7. The Forest Service should deny the Rosemont Mine because of potential water pollution. The release of toxic heavy metals and other chemicals into ground and surface waters draining into Tucson area water supplies, and impacting nearby riparian areas such as Davidson Canyon. Rosemont Copper Project should not be allowed to contaminate the water supply of local citizens and wildlife.
8. Augusta wants to fill in Barrell, Wasp, McCleary, and Scholefield Canyons, YET CLAIMS NO IMPACT TO THE CIENEGA CREEK WATERSHED!! Any heavy rains during the monsoons, which occur yearly in that area, are potential disasters here.
9. The Santa Rita Mountains and surrounding desert and grassland seas are globally recognized for the diversity of birds, reptiles, amphibians, bees and plants. The Forest Service should not allow Augusta to destroy this habitat.
10. Increased truck traffic on local roads will cause increased highway accidents, thereby causing more human fatalities on this narrow, winding road, as well as possible hazardous materials accidents. The Forest Service should not allow Augusta to increase accidents on Highway 83. Increased law enforcement and medical coverage would overwhelm Santa Cruz County Sheriff's Department and Sonoita Elgin Fire District.
11. The public uses Forest Service land (owned by 'we, the people') for recreation. Biking, hiking, hunting, camping, and bird watching, at a minimum, would be eliminated in this area if the Rosemont Copper Project is allowed. The Forest Service should not allow Augusta to take away this important recreational area.
12. The few jobs that Augusta claims (350) will more than likely last only for a short while, as mining jobs tend to do, but the loss to tourism would be monumental and could never be recovered if Augusta is allowed to mine this area.
13. Should the Forest Service allow this mine, what recourse do we, the citizens, have?

Louise Vista Michael
<vistamichael@gmail .c
om>

05/17/2008 09:26 AM

To: comments-southwestern-coronado@fs.fed.us
cc: coyotes@cox.net
Subject: Comments on proposed Rosemont Copper Project

L. Vista Michael

PO Box 806 Sonoita, AZ 85637 P 520.455.5975, F 520.455.5976

May 15, 2008

Rosemont Team Leader
USDA Forest Service
Coronado National Forest
300 West Congress Street
Tucson, AZ 85701

Comments on the Proposed Rosemont Copper Project

My concerns about the advisability of allowing the Rosemont Copper Project to proceed as it currently is presented are these:

1) Might the Mine's equipment, buildings and operation degrade the visual beauty of this natural resource and forever limit people's opportunity to enjoy and explore these canyons, mountains and valleys?

2) Might the increased traffic on Scenic Hwy 83 damage the road surface, increase the likelihood of accidents, increase air and noise pollution all along the Hwy and the areas adjacent to it?

3) Might the mine's ongoing operation obliterate and/or severely damage habitat for wildlife and birds?

4) Might there be carcinogenic effects on the land and water table from the extraction and processing of ores as well as the huge areas for tailings and left overs?

5) Why will the Rosemont Mine's plans to revegetate areas be successful when all of the examples extant in Arizona have not been successful and look horrible?

6) How much will the overall operation of this mine - the drilling, processing, lighting, traffic, fuels used -- increase green house gases?

7) Is there a reliable and verifiable long-term (20 to 30 years) analysis of the overall effect on land prices and the general well being of communities where hard rock mining occurs?

8) Is there a detailed and available geological study of the impact of this mine on the local land?

9) Is there a detailed and reliable analysis of the effects on the water availability for the general area once the mine is in operation?

Please keep me informed as my concerns and those expressed at the May 12, 2008 Elgin School meeting are addressed and answered.

Sincerely,

Vista Michael

cc: US Representative Gabrielle Giffords
Save the Scenic Santa Ritas
US Senator Jon Kyl
US Senator John McCain

Bob Doss
<bobdoss@cox .net>
05/17/2008 05:31 AM

To: comments-southwestern-coronado@fs.fed.us
cc:
Subject: Rosemont copper project

DEPARTMENT OF AGRICULTURE

Forest Service

Rosemont Copper Project, Coronado National Forest, Pima County, Arizona

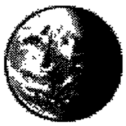
Attn: Jeanine A. Derby
Forest Supervisor

We would like to go on record expressing strong opposition to the proposed Rosemont Copper Project.
The desecration of this pristine land is akin to drilling for oil in Yellowstone Park. It is unthinkable
to allow massive destruction of this natural habitat to occur in this day and age.

An early morning drive on backroads from Hwy 83 over Gunsight Pass is almost a religious experience.
We have enjoyed this trail on numerous occasions and shutter at the thought of anyone digging an open pit
mine in the middle of such a undeveloped area . Just the thought borders on criminal. We hope those
empowered to protect these lands come to their senses before it is too late.

Respectfully,

Robert & Darillyn Doss
5131 S Paseo Gemelos
Green Valley, AZ 85614
(520) 399-3779



"woody woodman " <jakenaspen@msn .com >

05/16/2008 11:28 AM

To: <comments-southwestern-coronado@fs.fed.us>
cc:
Subject: NO..NO..NO

Oh and did I mention ...NO to the mine?
woody woodman, Tucson

"woody woodman "
<jakenaspen@msn .com
>

05/16/2008 11:24 AM

To: <comments-southwestern-coronado@fs.fed.us>
cc:
Subject: NO..NO..NO.

And, oh, did I mention NO ..to the mine?
Woody, Tucson.

Neal Hanna
<neal790@yahoo.com>
05/15/2008 07:29 PM

To: comments-southwestern-coronado@fs.fed.us
cc:
Subject: Inquiry of the scoping process / streamling

I have attended most of the meetings ref Proposed rosemont mine ,including the last on in Elgin, which went very good . Due to the nature of the Scoping process which is to avoid repetive Alternatives. During the meetings it became clear alot of ideas are heavily repeated. My question to you is it possible to make a list to obtain at least a synopsis of alternatives already submitted inorder to make the process more efficient and produce NEW alternatives rather than RERUNS ! This would be especially helpful for those of us who work full time and do not have a degree in mining or civil engineering. I would appreciate a reply on way or another. Sincerely Neal Hanna

"Gregory Lesoine "
<glesoine@verizon .net
>

05/15/2008 07:18 AM

To: <comments-southwestern-coronado@fs.fed.us>
cc:
Subject: AGAINST Proposed Rosemont Mine

Dear Sir or Madam,

Please do everything in your power to prevent the proposed Rosemont Mine in the Santa Rita mountains. The plan, as presented by the mining company, is completely out of scale with the targeted area. Route 83 cannot support the truck traffic and workers that will be using it 7 days a week, 365 days a year for the next 20 years. Moreover, it would be criminal to waste that much water - 9,000 gallons per minute! - on such a project. That is not sustainable under any definition. The public has no reason to believe anything that these mining companies say. Rosemont Copper even bought the domain name - save the scenic Santa Ritas - just to keep the organization bearing the same name from using it! That is flat out underhanded and unethical!

Thank you for your support in this matter,

Greg Lesoine
3112 West Avenida Cresta
Tucson, AZ 85745

Tam Scott
<bigfishscott@yahoo .com>
05/14/2008 11:31 AM

To: comments-southwestern-coronado@fs.fed.us
cc:
Subject: Rosemont copper Project EIS

Re: forthcoming EIS-cost/benefit analysis, suggest USFS afford strong weight to the unbelievable, ironic aspect of proposed project, to-wit: Potential strategic/valuable materials(copper etc.) to be extracted from OUR public lands, along with total desecration of this key natural/wild area (priceless recreational area, especially for Pima County residents) all by a Canadian corp.(which has yet to handle a hard rock mining project) for sale largely to China and other foreign countries. Isn't there SOMETHING wrong with this picture!!! Thanks for considering this observation along with the multitude of other amazing problems and complications of the project. VTY, Tam Scott

Pposedly@aol.com
05/13/2008 10:51 AM

To: comments-southwestern-coronado@fs.fed.us
cc:
Subject: Please stop Rosemont Mine.

Dear Rosemont Team Leader,

I am particularly concerned about the effect on the groundwater around Davidson Canyon and Cienega Creek. The sulfer dioxide resulting from the process has filled the Queen Mine and, of course leaches into the ground water. Water is and will be a shortage in this state. Please don't let them contaminate it.

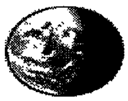
If you remember, the Duval Mine used so much ground water that the Tucson Basin which naturally flows out north with the Santa Rita was also draining south to the mines. Copper mines use a horrendous amount of water.

Instead of bringing on a new mine, now that it is cost effective, reopen the old mines claim copper that was not cost effective.

Let the beauty and dignity of the Santa Ritas remain.

If you haven't started the study yet, why is the heavy equipment moving in now!!!???? Let your study have an effect. Stop the activity until it is done.

Penny Posedly
207 W. Clarendon Avenue, #3H
Phoenix, Arizona 85013



Raymond White
<alecsb@mac.com>
05/13/2008 07:26 AM

To: comments-southwestern-coronado@fs.fed.us
cc:
Subject: proposed Rosemont Project

05/13/2008
I went to the Elgin Elementary School last night to listen to the folks who live in the area where the project will affect them deeply and the folks in the surrounding areas as well. It seems to me that the Rosemont open pit copper mine is a despicable and deplorable plan within the Coronado National Forest which belongs to the people of this country and of this state who depend on its' natural and unspoiled beauty. The US Forest service is a department of Agriculture and is here to protect our forests from being desecrated.
This project must not be allowed.
The location, the timing of it , in this day and age.... it is all wrong.
It will kill another vital area of Arizona.

Raymond White
P.O. Box 8010
Tumacacori, AZ 85640

"Barbara"
<bdarlin@earthlink .net>

05/12/2008 02:56 PM

To: <comments-southwestern-coronado@fs.fed.us>
cc: <Ccook520@aol.com>, "larry" <lraley@comcast.net>, "Bridget Berthiaume" <auntsnoopy@hotmail.com>, <Bruce_M@casinosun.com>, "David & Vi Brown" <brownpatchesk9@aol.com>, "'John E. '" <Pennerjem@aol.com>, "Johnnie Raley, JR." <jrraley@earthlink.net>, "Lee Olguin" <lolguin@us.ibm.com>, <lsegva@msn.com>, <ShannonModrak@aol.com>
Subject: ENVIRONMENTAL IMPACT STATEMENT from Rosemont Mine

ENVIRONMENTAL IMPACT STATEMENT

Regarding Rosemont Mine

HEALTH: Too many issues to discuss, but a part of each and every point against Rosemont/Augusta Resource Corporation...

WATER: *There is a* ***great potentiality*** *that toxic heavy metals and other chemicals leach into ground and surface waters draining into Tucson area water supplies, and impacting nearby riparian areas such as Davidson Canyon. This would also imperil important wildlife habitat and future drinking water sources for residential use. Right now, our private well produces a high quality of water, but that can change in an instant!* ***More health issues here ...****for us all!*

AIR: *Air quality in the National Forest and surrounding residential areas will be degraded by both dust, airborne particulates and truck exhaust associated with mine operations.* ***MORE health issues.***

NOISE: *Daily blasting is required to remove rock (or overburden) covering the ore body. The impact to nearby residences, wildlife and recreational users in our National Forest will be equivalent to daily sonic booms....****HEALTH again!***

LIGHT POLLUTION: *We no longer have the peaceful black skies our ancestors so enjoyed, due to the light wasted up into the night sky. It provides no useful lighting, wastes significant amounts energy, and threatens astronomical research. All of our observatories will suffer with another 24/7 mining operation! It is estimated by the International Dark Sky Association (IDA) that Astronomy, our observatories, contributes over 100 million dollars annually to the State's economy. Pima and Coconino Counties have previously declared that dark skies are a natural resource to be protected along with other natural resources, such as air and our water quality.* ***Dark Skies are also a significant component of the Sonoran Desert Conservation Plan*** *currently being developed to accommodate future growth while preserving the environmental features of Southern Arizona that are such a vital part in the quality of life in our area.* ***Economic Health!***

SCENIC VIEW: *Travelers along Scenic Hwy 83 are currently treated to a sweeping panoramic view of the Rosemont Valley at an overlook spot. The mine site dominates this view which currently consists of rolling hills of grasslands, dotted with oak trees and backed by a rugged ridge line. There is one Scenic outlook on "Scenic Hwy 83" and that would become a Mine Viewing turnout!* ***Mental health!***

TRAFFIC: *Mine traffic, including ore trucks and vehicles carrying heavy construction equipment and explosives for blasting, will share the narrow, winding Highway 83 with school* *buses, commuters, motorcyclists, bicyclists, and tourist traffic. Highway 83 is a precarious little two lane road in the first place, not designed for the type of traffic a 24/7 mining operation will entail. It will fall apart within weeks and guess who fixes it? Not Augusta, but us the taxpayers of Pima County!* ***Dangers to health not only for residential and recreational traffic, but our School Children, every single day of the school week x two!***

PROPERTY VALUES: *The areas south of the mine site have developed into high-end rural residential ranches and gorgeous homes. An open pit mine will severely impact the quality of life and reduce property values in those areas. We have worked long and hard, finally putting our life's savings and much time into our slice of heaven and for what??? To live next to, hear, see, be inconvenienced by, not just a mine, but an Out of Country group that will leave their damage behind when the price of copper falls, and then...we lose everything and they take their gains, and leave a disaster that will never heal!* ***Mental as well as financial health!***

RECREATION: *The Rosemont Valley is heavily used by mountain bikers, hikers, off-highway vehicles, bicyclists, hunters, camping families, beautiful trees and places for our children to run and know nature. Would you take YOUR family to camp and hike by an open pit mine? Already, the Rosemont crews are blocking access to our once heavily used beautify camping and recreational areas. Places we took our own Daughter to run free and explore in...the area will* ***NO LONGER be "Family Friendly"*** *on top of taking away a valuable asset to our State.* ***Economic & Mental health here!***

WILDLIFE AND WILDLIFE HABITAT:
The Santa Ritas are recognized for the biological values and are an Important Birding Area (IBA). In addition, the Sonoran Desert Conservation Plan lists part of the area around Rosemont as part of the ***Biological Core****. And what about our priority vulnerable species including two Endangered Species: the Lesser Long-nosed bat, & the Pima Pineapple Cactus? More species are known to occur there: Chiricahua Leopard Frog, listed as threatened, and the Yellow-billed Cuckoo also a candidate for listing. According to the AZ Game and Fish Department, also the Mexican Long-tongued Bat, Western Red Bat, Lowland Leopard Frog, the Giant Spotted Whiptail Lizard, Rufous-winged Sparrow and Bell's Vireo, are all in danger. The Mexican Spotted Owl may also occur there, based on its habitat requirements.* ***Health again...have we no respect for the wonderful creatures God has blessed us with?!?!?!***

ECONOMICS: The USDA Forest Service is a caretaker of our beautiful forest lands. ARE YOU LISTENING? We DON'T WANT tons of tailings (overburden) piled on our public lands! *You are supposed to be protecting our public lands, not selling us out. Shameful! A recent study by the* ***Sonoran Institute shows that a mine at Rosemont would have serious economic impacts to the surrounding communities. Mental, physical and financial HEALTH!***

The report found: *"...if the proposed Rosemont mine operations displaced only one percent of travel and tourism-related spending in the region, the economic loss would be greater than the entire annual payroll of the mine," Joe Marlow, senior economist with the Sonoran Institute. Most of the benefits would go to the Tucson area, while most of the* ***costs****, such as decreased tourism revenue,* ***would be borne by communities near the mine" and that means ME!***

Once again, Mental, physical and financial <u>HEALTH</u>!

Respectfully submitted, Barbara & Johnnie R. Raley, 15551 E. Adobe Mesa Place, Vail, AZ 85641 520-762-9115 (<u>bdarlin@earthlink.net</u>)

"Tom & Laura Matthew " <ocotillorim@earthlink .n et>

05/12/2008 12:47 PM
Please respond to ocotillorim

To: comments-southwestern-coronado@fs.fed.us
cc:
Subject: proposed rosemont copper project

To whom it may concern:

I am a 34 year pima county resident. I live just outside the Corona de Tucson area. I frequently use the rosemont junction area to ride quads and dirt bikes with my family as well as deer hunting in the fall, during both rifle and archery seasons. I have also gone dove and quail hunting in the area. If the proposed strip mine goes in, it would seriously affect the recreational opportunities for my family and I. The access to the area would be very limited or closed all together, not to mention the scenic damage that would last forever from the sonoita highway. I am also concerned about the amount of water used in strip mining, as well as the increased traffic that would be caused by mining vehicles.

For the above reasons I would like to go on record that I am steadfastly against the Forest Service granting permission for it's land to be used for any part of the proposed stripmine.

Tom Matthew
9743 East Ocotillo Rim Trail
Corona de Tucson, Az 85641
1-520-237-8682

"william unangst "
<mac1361@cox.net>
05/12/2008 11:08 AM

To: <comments-southwestern-coronado@fs.fed.us>
cc:
Subject: rosemont copper mine

sirs,
i don't know how the 1872 mining law pertains to this situation where the mine is on private land and there wanting to put there waste on land belonging to the people, but it could be compared to my neighbor throwing his waste and garbage on my property.

thank you
mac1361@cox.net

"Rosson, Kenneth, LTC, 152FS, DO" <kenneth.rosson@aztucs.ang.af.mil>
05/12/2008 10:37 AM

To: comments-southwestern-coronado@fs.fed.us
cc:
Subject: Rosemont Mining

To whom it may concern:

I live south of the proposed mine about 5 miles. I bought property in the beautiful Santa Ritas to raise my twin boys in the beauty and peacefulness of the Santa Ritas. I travel daily to work at the Arizona Air National Guard utilizing highway 83. I understand the necessity of mining but in this case, along an Arizona Scenic Highway and the beautiful scenic Santa Ritas, I feel this mine should be a last resort for the state of Arizona and the United States.

Our family is most concerned with water and the impact of the mine on our water. Our well is only 360 feet deep and produces 40 GPM, a wonderful well. What happens when the water goes away? What do we do? I don't know that anyone has the knowledge to predict the water issues, but obviously we could lose a substantial amount of water.

Our second concern is the traffic on Hwy 83. If the mine goes in, the mining company should be required to pay for Hwy 83 to be 4 lanes wide from I-10 to the mine exit. This is the ONLY solution for traffic. PRIOR to any mining activity, the road must be 4 lanes!

Other concerns:

-Noise! We are in a beautiful area and only hear nature.

-Dust! The only dust we have is made by nature.

-Traffic. Covered above.

-Tourist/Cyclist/Motorbikes/etc. We love having all of these folks in the town of Sonoita and using the area around us. Why do they have to put up with a big, ugly mine and its tailings?

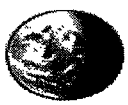
-Light pollution. At this time, as we drive home from our baseball games in Tucson, we see the lights of the exploration rigs polluting the beautiful Arizona night sky...go somewhere else for now.

The list can go on...our way of life, we have worked extremely hard for in 22 years of military service, may change forever. Something I do not wish to happen.

Thank you.

//SIGNED//

KENNETH ***"RAILER"*** ROSSON, LTC, AZANG
162nd Fighter Wing, OG/OSS
Work: 520-295-6704/DSN 844
Cell: 520-444-8553
Fax: 520-295-6293
E-mail: kenneth.rosson@aztucs.ang.af.mil



"EJ & Lori"
<ejlori@gmail.com>
05/12/2008 07:49 AM

To: <comments-southwestern-coronado@fs.fed.us>
cc:
Subject: Rosemont mine project

Hello;

I am familiar with the area around the proposed mine known as Rosement. I have relatives who live on Hilton Ranch Rd. My wife and I have visited them many times and we enjoy hiking and biking in the National Forest areas near them. We also enjoy birdwatching and are amazed at the number of species that use this area as a corridor for their migrations.

I became concerned when I was told that a huge mining project had been proposed for this area. I have seen other mining operations in Arizona over the years that I have been out there. I even worked for Magma Copper when I lived out there in the 70's. I know that these large operations have large impacts on everything in the area where they are placed. Not just impacts on wildlife, but also roads, water tables, air quality, increased noise levels from operations, and light pollution. All of these things have direct impacts on quality of life for all creatures both human and otherwise.

Since Forest Service land is in the immediate area of this proposed mine, there is no doubt that it will be affected by all of the things listed above. I have been told that Forest Service land may also serve as a tailings dump. If the mine operation results in the dumping of tailings on Forest Service land then it affects the multi use aspects of National Forest. How will this area remain multi use? In fact it is doubtful that a citizen like myself would ever be able to have access to the area once the operation is underway.

Here in Maryland where I live, we recently had a deal with a Wind Turbine Company that wanted to use about 400 acres of Maryland State Forest on a mountaintop in Western Maryland for the installation of a multi turbine wind farm. About half of the forested area would need to be cleared to make way. After some debate, our Governor decided against using State Forest for this purpose. The multi use designation had a lot to do with his decision. Although he, and most Marylanders need and want alternative energy sources, it was felt that the State should not foster these efforts to the extent of giving up vital State lands for this purpose.

I am very concerned with the change in Government from democracy to what I now see as Capitalism. Over the past 25 years the Government has made many changes that at first seemed to relieve Government interference with business; only to now see business coming back with it's new found freedom and taking from the Government. And they bring an army of lobbyists to help them achieve their goals. I see this as one of the biggest threats to our society, where the middle class is now paying corporate welfare for the benefit of the wealthy few. This Rosemont project should not be yet another example of this. It should be entirely on the backs of the corporation to finance all aspects of their operation. That is what free enterprise is all about.

I am asking the Forest service to take control of the use of the National land in the vicinity of the proposed mine. They must ensure that the citizens rights are respected and protected if this venture is approved. Once National land is sacrificed for these massive operations it will never be returned to its former magnificence. And slowly but surely as this abuse is justified we citizens lose our treasured lands, thus diminishing the quality of life that wild places give us.

Thank you for considering my comments.

E.J. Hornick
1723 Tower Rd
Aberdeen, Maryland 21001

Mark Coryell
<macmpa930@earthlink.net>
05/11/2008 08:01 PM

To: comments-southwestern-coronado@fs.fed.us
cc:
Subject: Santa Rita Copper Project

Friends

I would like to voice my opposition to the Santa Rita Copper Project. i am supporting the position of Save the Scenic Santa Rita mountains organization and the Sierra Club regarding this proposal. We need to protect the scenic beauty of Arizona and protect them from exploitation. Short term projects like this one will mar the enjoyment of Arizona for future generations

Mark A. Coryell
Ahwatukee Foothills, Arizona

"LYNNE BECRAFT "
<sonoita29@msn.com>
05/11/2008 04:47 PM

To: <comments-southwestern-coronado@fs.fed.us>
cc:
Subject: Rosemont Copper Mine

May 11, 2008

Our first comment on placing a copper mine in a scenic area of the Santa Rita Mts. is WHAT COULD YOU BE THINKING?

The mine is a spectacularly bad idea on several fronts.

1. Open pit mining is ugly anywhere. It will be a blot on a wilderness area that will never be healed. No mine that I know of has ever returned the land to any semblance of normal even when they have promised to do so. All of a sudden they go out of business or run out of money and can't afford to fix the mess they have made.

2. The habitat everywhere in Arizona is fragile and supports wildlife of all kinds. We prize every square inch of wilderness that we have. We can't afford to ruin any more of our land with mines or any other venture that sucks up water we don't have to spare, pollutes the land and the water that is left, and permanently alters the environment for the worse.

3. We don't care how much revenue the mines may bring in or how many jobs will be created.
The jobs are temporary, and the damage that the mine does will offset any financial advantage there may be. The mess that the mine leaves behind is hardly worth the temporary gain of some jobs or tax money.

4. The road into the mine is a scenic highway. It is a winding mountain road of two lanes. We have enough trouble getting up and down the mountain safely on that road. We use the road daily to go to Tucson. Trucks hauling ore and dangerous chemicals is beyond just a bad idea. And that concern doesn't even address the modifications that will have to be made to the road to support the truck traffic. Widening the road or modifying it in any substantial way would change another aspect of the habitat. We don't need it or want it.

We don't pay taxes to support the Forrest Service to have that agency turn around and make decisions that fly in the face of what preservation of wilderness areas is all about. In this case, mining in the Santa Ritas may be your idea of good land management, but it surely is not ours. It is a terrible idea. We would hope that in the future, should you come up with any more bright ideas on how to ruin a beautiful area such as Rosemont and its surroundings, that you put them away quietly before bringing them to the light of day.

Listen to the people of the area. It's the least you can do. And when we say listen, we mean put this plan in the garbage where it belongs.

Lynne and Daniel Becraft
P.O. Box 552
29 Apache Tr.
Sonoita, AZ 85637

"John Madocks "
<jmadocks@generalpla
sma.com>

05/10/2008 09:21 AM

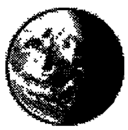
To: <comments-southwestern-coronado@fs.fed.us>
cc:
Subject: Rosemount Copper Project

Dear Forest Service,

I am against the building of a copper mine in the Santa Rita mountains. The Sonoita, Elgin, Patagonia valley is such a treasure. It one day will be the home to a thriving communities and a world class wine growing region. Entire sections of Arizona (Green Valley, Morenci, the San Pedro river valley) have been visually destroyed by copper mines - for ever! Please don't let this happen in the Santa Ritas.

Kind regards,

John Madocks
President
General Plasma, Inc.
(520)882-5100 x224



Neal Hanna
<neal790@yahoo.com>
05/09/2008 09:47 PM

To: comments-southwestern-coronado@fs.fed.us
cc: diane <dhanna5303@hughes.net>, Neal Hanna <neal790@yahoo.com>
Subject: N.E.P.A. Proposed Rosemont mine / Protection of ground water at the Open Pit mine site

To: Coronado National forest,
300 W. Congress St. Tucson Az. 85701.
comments-southwestern-coronado@fs.fed.us.
Team leader Rosemont copper project E.I.S.

From: Neal and Diane Hanna

SUBJECT: **NEPA COMMENTS/ DEWATERING OPENPIT , STABLIZING STATIC WATER LEVEL AND WATER SHED**

Date: May 6, 2008

I am residing on HILTON RCH. RD , down stream from the proposed Rosemont Open Pit mining operation, approximately 2.5 miles. Jaime Sturgess of Augusta advised me ,during the meeting in Tucson that Augusta will be good neighbors and I want to give Augusta another opportunity to do , just that!
The negative consequences of this operation are many and the one that I am addressing is the OPEN PIT dewatering process. In order to continue, the mining operation water must be removed as it arrives from the water table into the pit the once usable water becomes useless and toxic!. It is NECESSARY that the Augusta Corp be REQURIED to Dewater by using bore holes around the pit into sources of underground water, intercepting the clean water, BEFORE its arrival into open pit. The pumping from these site wells would require continual monitoring for quality. This intercepted water is used to recharge into suitable areas in order to stabilize the static level of our ground water. The technology has been in existence for some time in China, Germany, Czech., Russia AND THE U.S..
The recharge has been accomplished in ALL TYPES of aquifers,but only after extensive ground water mapping and flow modeling.

The untainted runoff from the water shed above and below the mine site MUST be preserved for the collection of clean non toxic water to be recharged into appropriate aquifers, man made or existing, this would minimize the water loss in an ARID LANDSCAPE. The refusal to stabilize static water levels will cause myself and our neighbors wells to go dry in short order and effect Tucson's ability to Grow and prosper for without water nothing can EXIST! If this cannot be adopted to stabilze water levels then the

NEPA Process has no choice but to deny the permit Due to the Impact it could have on the 100 + families who own property and reside on HILTON RCH. RD.

SINCERELY ,
NEAL AND DIANE HANNA

reference:
1.Mine Water and The Enviroment - June 1987 issue

2.I.M.W.A. symposium - May 31, 2007
Groundwater flow modeling applications in mining hydrogeology.

Patty Willis
<pwillispa@earthlink .net>

05/09/2008 06:35 AM

To: comments-southwestern-coronado@fs.fed.us
cc:
Subject: Stop the Rosemont Mine

We live near the mining area and ask you to please stop this project that will ruin the beauty and the water of our home. In seventy years, your praises will be sung for stopping this project that will ruin this land for future generations. It is time for us to think not of ourselves but of future generations.

Sincerely,

Patty Christiena Willis

jcraig@cals.arizona.edu
05/08/2008 12:28 PM

To: comments-southwestern-coronado@fs.fed.us
cc:
Subject: Rosemont Copper Project.

Attn: Team Leader, Rosemont Copper Project, Coronado National Forest

May 8, 2008

I am writing regarding the proposed open-pit mining operation in the Santa Rita Mountains, south of Tucson. I do not live near this area and I do not know anybody living near there. I am writing as an American. I understand that a representative from the U.S. Forest Service termed herself "radically neutral" in this matter. I believe the Augusta Resources/Rosemont Mine corporation has many and deep pockets to invoke the power to push this monstrous project through. As a representative of the interests of the citizens of America, the U.S. Forest Service should act as advocates for saving this unique area of our country and not be so "radically neutral." I understand this is a Canadian corporation, so perhaps it is unrealistic to expect them to feel any national pride in our natural treasures. They are seen as commodities. When one visits the webpage of August Resources and reads the local papers, the arrogance of this corporation is evident.

Most of the world was shocked when the Taliban destroyed the Great Buddha Statues in Bamiyan Province in Afghanistan. The destruction of the beautiful lands and wildlife habitat in the Santa Ritas is no less a tragedy. Simply because it is a treasure of natural creation doesn't make it any less precious or open to assault for private gain.

All Americans should understand what is intended for their U.S. Forest lands -unsightly tailings and poisoned earth. Any mining activity would be detrimental to the environment, but an open-pit operation is totally reprehensible. All anybody has to do is look at the other mining operations around this country to see what happens. It is not something one has to imagine, it is there in plain view. Promises are made in the beginning, but once this money-driven operation is rammed through, the behavior clearly focuses on profit; the earth, heritage, culture and values of other people be damned.

The scenery and environment of the west is not just "another pretty face." People from all over the world choose these areas as destinations, so this is an economic factor for many citizens of our state, as opposed to the profits for one private mining company. Visitors surely do not choose open-pit mines and all the accompanying industrial destruction to visit, re-visit and treasure. Again, I implore you to save and protect this national treasure from this outrage.

Thank you for your attention and consideration.

Sincerely,

Joanie Craig
2610 W. Camino Llano
Tucson, AZ 85742

dslaschiava@comcast.net

05/08/2008 11:17 AM

To: comments-southwestern-coronado@fs.fed.us (ROSEMONT MINE)
cc:
Subject: Tailing Ponds

Good Morning,

I have attended quite a few scoping meetings and was advised by Rosemont representatives that concentrated efforts would be made on behalf of the project to prevent any toxins from leaching out beyond the project area by means of walls erected around the project. I have since however learned that Rosemont will not be lining the tailing ponds which I find reprehensible as while the leachings will allegedly be prevented from all above ground areas - there will be no preventative measures implemented to prevent contamination of the ground water.

Please address this in your EIS statement as a major cause for concern. IT SHOULD BE A MANDATORY REQUIREMENT THAT THE TAILING PONDS BE LINED AS A PREVENTATIVE MEASURE TO ENSURE THAT THE GROUND WATER IS NOT CONTAMINATED BY TOXINS.

Sincerely,

Dona LaSchiava
4511 W. Rockwood Drive
Tucson, AZ 85741

Frances Epsen
<franepsen@comcast.net>

05/07/2008 09:31 PM

To: comments-southwestern-coronado@fs.fed.us
cc:
Subject: Rosemont MIne

Dear Sirs and Madams:

I am writing to oppose the Mine's approval for many reasons. Here are some:
1. The destruction of pristine land that can never be restored, and as a result the loss of recreation for people, the homes of many animals and the beauty that draws many tourists to park on the look out areas and photograph this wonderful splendor.

2. The loss of Tourism to the area, especially the town of Patagonia which depends heavily on Tourist dollars.

3. The depreciation of Real Estate values in the Sonoita/Patagonia area. I am a Realtor and I own an office there and I have already been told by prospective clients that they will not consider buying property there if the mine becomes a reality. So the houses that are now listed for sale have diminished chances of selling in this already difficult market that we're in.

4. Highway 83 is one of very few State Highways that are designated as scenic roads. It is already being stressed with the forced detours of overweight traffic traveling down I-10 that cannot cross the bridge at Marsh Station due to weakened infrastructure. When commuters need to get home and they fall behind one of these caravans with 4 police escorts, they lose time and add carbon to the atmosphere due to the idling of so many cars trying to climb the hills behind one of these behemoths. WHen I think of the mining trucks adding to this with their loads of ore, 24 hours a day, I find it a gross injustice. This Canadian company will profit and we the Arizona tax payers will have to pay for the constant repair to the roads. I also think we will see increased accidents as a result of this and the impatience of drivers to try to get around some of these. This is also a route for school buses who will also be delayed behind these mining trucks. If there is a health emergency to get to town, I see further complication.

5. The contamination of underground water is another source of great concern. Everyone in that mountainous community depends on private wells for their water. The mine could drain the aquifer and could possibly contaminate the water there. This would not be known for many years just as the wells around the Tucson aquifer were poisoned years ago and only when cases of cancer and other illnesses became so prevalent that they finally could make the connection back to the wells, did the Federal Govt. finally get involved. Are we willing to risk this with our citizens? Do you want future lawsuits?

6. The lights and noise and air factor are yet another objection. People have retired to these outlying communities in an effort to get away from the pollution of large cities. Many have poured their life's savings into buying a few acres and building their dream homes in order to breathe fresh air and hear the birds and see the night skies, only now to have it all plucked from them for the sake of profit.

Please do not allow the Augusta Mine to become a reality. Please do not sell out the citizens of Arizona. By the way, I lived in that area for 25 years and I still commute frequently due to my business. My opinions are from personal observation and experience.

Respectfully yours,

Frances M. Epsen
3944 E. Calle Cayo
Tucson, Az. 85718

e-mail: franepsen@comcast.net
PHone: 520-319-9900

[redacted]

Pat Penn
<penn@email.arizona.edu>
05/07/2008 09:30 PM

To: comments-southwestern-coronado@fs.fed.us
cc:
Subject: Proposed Santa Rita copper mine

Dear Forest Service,

I strongly oppose the mine in the Rosemont area for the following reasons:

1. Our family uses the area for recreation a lot, as do others. Its is a very diverse and easily accessible recreational area. We hike, geocache, 4WD and orienteer there. Our Tucson orienteering club has spent a lot of time and money to develop maps there. We used these to put on an international orienteering meet last February, which brought income to the area. This mine would wipe out at least half of our map.

2. I took a look at Augusta's (weak) financial statements (http://www.augustaresource.com/section.asp?pageid=6306) and related information. At the end of 2007 (http://www.augustaresource.com/upload/investor_info/Q42007FS_FINAL.pdf) they had $25 million in cash out of a balance sheet total of $95 million. The difference consist largely of land, mineral rights, and a large chunk of deferred development costs (i.e. money already spent that will be charged to P/L later). The value of these assets in times of stress would be much lower than $95 million, maybe 10% on the dollar.

It's a start-up, and they're spending their money like most start-ups, on permits and licensing, on PR, and on finding more money to go on. They seem to burn about $5-6 million per year.

The bottom line is that I can't find anything anywhere in the balance sheet, the notes or anywhere else on the website, that talks about a reserve for possible environmental liabilities, for restoration of land, etc. Maybe it's in their business plan somewhere – I don't know. Clearly they need to raise more money and include either a reserve of their own – which would be big; or buy insurance – if there is anybody willing to sell such an insurance in today's financial market.

History is full of mining ventures that go wrong. They weren't meant to, but the mine ran dry, or the metal prices dropped. The company goes bust and leaves any clean-up to the public. **So far, it doesn't look as if the Rosemont venture has enough financial strength to whether any storm.**

3. The ecological impact is likely to be great with a pit of 1,000 acres and a slag heap 700' tall.

4. The argument that the mine will make a favorable economic impact in the area, brining in jobs is fairly vacuous. The area is not economically depressed.

5. Lastly, the area is beautiful. There is no getting around the fact the the mine will ruin the wonderful scenery in this area.

Thank you for considering these comments.

Dr. Pat Penn

AUGUSTA
RESOURCE CORPORATION

Consolidated Financial Statements

December 31, 2007, 2006 and 2005

Directors' Report to Our Shareholders

Fellow Shareholders,
We are proud to report significant progress at the Rosemont Copper project this year, laying the groundwork for an even busier 2008 as we move towards construction in the latter half of 2009. After completing a positive bankable feasibility study and unveiling a significant piece of project financing, the company is now focusing on three main initiatives: assembling the permits required for construction; securing the remaining project financing components; and building a skilled operations team as we look to complete our detailed engineering and procurement milestones.

Delivering Results – Clearing the Path to Production

In the first quarter of 2007, we published an updated resource statement based on the results of the 20,000-meter infill drill program completed in 2006. The goal was to upgrade the sulfide copper-molybdenum resource while quantifying a new silver resource. In addition, Augusta conducted a re-assay program of historic drilling, which was combined with new drilling to quantify a surface oxide copper resource. Using a 0.2% cutoff, measured and indicated resources total 543 million tons at 0.50% copper, and inferred resources total 163 million tons at 0.43% copper. At the 0.2% cut-off used in 2006, measured and indicated resources increased 30% to 8.4 billion pounds of copper equivalent compared to 6.5 billion pounds, while inferred resources held at around 1.9 billion pounds of copper equivalent.

After publishing the updated resource statement, the Company was pleased to complete a positive bankable feasibility study in the third quarter of 2007. The NI 43-101 technical report was published by M3 Engineering & Technology Corporation of Tucson, Arizona, which forecast a net present value of $996 million at a 5% after-tax discount note, with a 21% internal rate of return and three-year payback period. Augusta has since commenced an exploration program geared towards increasing reserves and resources at Rosemont, specifically targeting a 50 to 100 million ton conversion of waste to ore from the northern part of the existing Rosemont open-pit mineable reserve. The program is also hoping to discover a potential 10 million tons of deeper high-grade ore for underground operation and identify additional higher-grade targets in a district-wide search for deeper mineralization.

Also in the third quarter, Augusta filed Rosemont's comprehensive plan of operations with the United States Forest Service, marking the completion of the first step in the permitting process. This detailed document outlines the plan to construct, operate and reclaim the Rosemont Copper mine, and delivers on our promise to build a mine that combines innovation, conservation and economic opportunity. The Company is now working on completing the public scoping process and supporting the development of the Environmental Impact Statement (EIS) as part of the National Environmental Policy Act process.

Meeting Financing Needs - Minimizing Equity Dilution

Augusta earned international recognition near the end of the second quarter of 2007 by completing a non-brokered private placement with renowned global conglomerate Sumitomo Corporation and US private investment firm Harbinger Capital Partners. The placement raised a total of C$37,519,394 at C$3.50 per share – a 35% premium to the trading price at the time. Upon completion of the transaction, Sumitomo held an 8.7% interest while Harbinger increased their existing position to 19.9%.

The Company was pleased to be able to deliver the first component of our project financing strategy in December 2007, when it signed a binding letter agreement and term sheet with Silver Wheaton. This translates into an upfront cash payment ranging in value from US$135 million to US$320 million for the sale of 45% to 90% of the silver produced during Rosemont's mine life. Augusta is required to elect the percentage of silver production sold on or before March 31, 2008, but in any event will satisfy approximately 16% to 38% of total capital requirements for the project by sacrificing only 2% to 5% of the total project revenue. In addition to finalizing such a favourable agreement with a market leader in the silver industry, this innovative transaction serves to greatly minimize any further equity dilution for our shareholders in conjunction with subsequent financing of the Rosemont Copper project.

Building a Team – Constructing a Mine

In an effort to meet our financing objectives, Augusta was pleased to appoint Raghunath Reddy as Vice-President, Finance in November 2007. Mr. Reddy has more than 25 years of experience in the development and financing of mining, power generation and infrastructure projects both domestically and internationally. Prior to joining Augusta, Mr. Reddy was Director of Finance with Washington Group International and has held similar positions with Peabody Mining Company and Morrison Knudsen Corporation. In addition to completing his Masters in Finance from the University of Texas at San Antonio, Mr. Reddy holds a Masters in Structural Engineering from the University of Florida and a Bachelor of Science in Civil Engineering from the Birla Institute of Technology in India.

Early in the first quarter of 2008, the Company appointed Rod Pace as Vice-President, Operations. Mr. Pace has more than 25 years experience in mine development and operations, working in a broad range of executive and management positions. He has successfully led the start up of six mining operations between 1999 and 2005, resulting in substantial revenue and margin increases in his role as Vice-President of North American Operations of Washington Group International. As we move towards construction in the latter half of 2009, the company will continue to acquire specialists with the requisite skills and experience necessary to help build, commission and run the Rosemont Copper mine.

This growing team will work together to meet the engineering and procurement milestones outlined in our project timeline. This process was initiated late in the year when Augusta signed an agreement valued at approximately $29 million with Polysius Corp., for the purchase and delivery of our long-lead SAG and ball mills. We successfully negotiated improved financing and delivery terms from those estimated in the bankable feasibility study, and completed a critical path milestone with an overall positive impact on our project schedule. The company is now looking to secure orders for other long lead equipment, and will soon award the Engineering Procurement Construction Management (EPCM) contract before commencing design engineering.

Committed to Success

The Augusta management team is committed to advancing Rosemont Copper as its cornerstone asset for growth in becoming a mid-tier copper producer within the next three years. In line with this strategy, the Company entered into a letter of intent with Ivana Ventures Inc. ("Ivana") in the second quarter of 2007. The agreement outlines the sale of Augusta's interest in the Mt. Hamilton, Shell and Monte Cristo properties, all of which are located in White Pine County, Nevada. In November Augusta completed the definitive sale agreement subject to regulatory approval. On February 29, 2008, with the final regulatory approval received, the transaction with Ivana closed.

Also in the second quarter ASARCO LLC filed a complaint against Augusta in the United States Bankruptcy Court for the Southern District of Texas, Corpus Christi Division, with regard to the Rosemont property. Augusta believes the complaint is without merit and that it will prevail in any litigation.

Augusta is proud to share our compelling story, continuing to participate in conferences and marketing tours that serve to increase our exposure to the market. Later in the year, our management team was pleased to host several institutional investors and research analysts at the Rosemont site. The Company also actively targeted the US retail investor group this year through radio, television and webcast forums. These marketing efforts resulted in coverage from three additional institutional research analysts.

As stated earlier, Augusta is focusing on three main objectives for 2008. For permitting, we look forward to finishing public scoping and submitting all state and federal permit applications as we prepare a draft Environmental Impact Statement. For financing, we plan to finalize the silver-backed financing agreement with Silver Wheaton and identify the remaining financial components of our strategy. For operations, we will award the EPCM contract in order to commence design engineering, and also intend to secure more orders for long lead equipment. In concert with these main objectives, we will continue new exploration work on the Rosemont property to expand the current open pit reserve and define new resources.

In closing, I'd like to thank our team of skilled employees, whose hard work and dedication is enabling us to fast-track this project. In addition, I'd like to acknowledge the tremendous support of our investors and partners. We look forward to an exciting year ahead as we set out to meet our 2008 objectives in preparation for construction next year.

On behalf of the Board,

/S/ Gil Clausen

Gil Clausen
President & Chief Executive Officer

February 29, 2008

The consolidated financial statements of Augusta Resource Corporation (the "Company") for the twelve months ended December 31, 2007 ("Financial Statements") have been prepared by management and have been audited by the Company's auditor. The Financial Statements should be read in conjunction with the Company's audited consolidated financial statements for the years ended December 31, 2006 and December 31, 2005 which are available at the SEDAR website at www.sedar.com.

Management Report

Management's Responsibility for Consolidated Financial Statements

The accompanying Consolidated Financial Statements of Augusta Resource Corporation (the "Company") are the responsibility of Management. The Consolidated Financial Statements have been prepared by Management in Canadian dollars in accordance with Canadian generally accepted accounting principles and include certain estimates that reflect Management's best judgments.

The Company's Board of Directors has approved the information contained in the Consolidated Financial Statements. The Board of Directors fulfills its responsibilities regarding the financial statements mainly through its Audit Committee, which has a written mandate that complies with the current requirements of Canadian securities legislation and the United States Sarbanes-Oxley Act of 2002 and complies with the Audit Committee requirements of the American Stock Exchange. The Audit Committee meets at least on a quarterly basis.

Management's Assessment of Internal Control over Financial Reporting

Management is also responsible for establishing and maintaining adequate internal control over the Company's financial reporting. The internal control system was designed to provide reasonable assurance to the Company's Management regarding the preparation and presentation of the Consolidate Financial Statements.

Internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management has assessed the effectiveness of the Company's internal control over financial reporting as at December 31, 2007. In making its assessment, Management has used the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") framework in *Internal Control–Integrated Framework* to evaluate the effectiveness of the Company's internal control over financial reporting. Based on our evaluation, Management has concluded that the Company's internal control over financial reporting was effective as at that date.

Ernst & Young LLP, an independent firm of chartered accountants, was appointed by a vote of shareholders at the Company's last annual meeting to audit and provide independent opinions on both the Consolidated Financial Statements and the Company's internal control over financial reporting as at December 31, 2007, as stated in their Auditor's Report. Ernst & Young LLP has provided such opinions.

"Bruce Nicol"

Bruce Nicol
Chief Financial Officer

"Gil Clausen"

Gil Clausen
President & Chief Executive Officer

ERNST & YOUNG

Ernst & Young LLP
Chartered Accountants

Phone: (604) 891-8200
Fax: (604) 643-5422

Pacific Centre
700 West Georgia Street
P.O. Box 10101
Vancouver, BC V7Y 1C7

Report of Independent Registered Chartered Accountants

To the Shareholders of Augusta Resource Corporation

We have audited the consolidated balance sheets of Augusta Resource Corporation as at December 31, 2007 and 2006 and the consolidated statements of shareholders' equity, operations and deficit and cash flows for the three years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

With respect to the consolidated financial statements for the year ended December 31, 2007 we conducted our audits in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States). With respect to the consolidated financial statements for the years ended December 31, 2006 and 2005, we conducted our audit in accordance with Canadian generally accepted auditing standards. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2007 and 2006 and the results of its operations and its cash flows in each of the threes years ended December 31, 2007 in accordance with Canadian generally accepted accounting principles.

We have also audited in accordance with standards of Public Accounting Oversight Board (United States), the effectiveness of the Company's internal control over financial reporting as of December 31, 2007, based on criteria established in *Internal Control-Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our reported dated February 29, 2008 expressed an unqualified opinion thereon.

February 29, 2008
Vancouver, B.C.
Chartered Accountants

Ernst & Young LLP
Independent Registered

ERNST & YOUNG

Ernst & Young LLP
Chartered Accountants

Pacific Centre
700 West Georgia Street
P.O. Box 10101
Vancouver, BC V7Y 1C7

Phone: (604) 891-8200
Fax: (604) 643-5422

Report of Independent Registered Chartered Accountants

TO THE BOARD OF DIRECTORS AND SHAREHOLDERS OF AUGUSTA RESOURCE CORPORATION

We have audited the internal control over financial reporting of Augusta Resource Corporation and subsidiaries (the "Company") as of December 31, 2007, based on the criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2007, based on the COSO criteria

We have also audited, in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements as of and for the year ended December 31, 2007 of the Company and our report dated February 29, 2008 expressed an unqualified opinion on those financial statements.

February 29, 2008
Vancouver, B.C.

Ernst & Young LLP
Independent Registered
Chartered Accountants

AUGUSTA RESOURCE CORPORATION
CONSOLIDATED BALANCE SHEETS
As at December 31, 2007 and 2006

	Notes	December 31 2007	December 31 2006
ASSETS			
CURRENT			
Cash and cash equivalents		$ 25,586,997	$ 9,650,980
Accounts receivable	(11)	530,066	370,270
Prepaid expenses		82,882	151,062
Assets of discontinued operations	(3)	6,884,516	7,709,754
		33,084,461	17,882,066
CAPITAL ASSETS	(4)	4,566,078	167,357
MINERAL PROPERTIES AND DEFERRED DEVELOPMENT	(5)		
Land and mineral properties		28,798,566	25,017,429
Deferred development		28,247,858	15,471,679
		57,046,424	40,489,108
		$ 94,696,963	$ 58,538,531
LIABILITIES			
CURRENT			
Accounts payable and accrued liabilities	(11)	$ 1,981,702	$ 1,449,413
Current portion of notes and advances	(6)	397,824	23,288
Liabilities of discontinued operations	(3)	1,801,788	4,227,465
		4,181,314	5,700,166
LONG-TERM			
Notes, advances and other	(6)	1,831,921	9,200
		6,013,235	5,709,366
SHAREHOLDERS' EQUITY			
Share capital	(8)	103,581,579	60,332,348
Contributed surplus	(8)	15,375,095	14,764,927
Deficit		(30,272,946)	(22,268,110)
		88,683,728	52,829,165
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		$ 94,696,963	$ 58,538,531

Commitments (Note 14)

On Behalf of the Board of Directors

/S/ Richard W. Warke

Richard W. Warke – Director

/S/ Gil Clausen

Gil Clausen - Director

See accompanying Notes to the Consolidated Financial Statements

AUGUSTA RESOURCE CORPORATION
STATEMENT OF SHAREHOLDERS' EQUITY
For the Years Ended December 31, 2007, 2006 and 2005

Statements of Shareholders' Equity	Common Shares Without Par Value Shares	Common Shares Without Par Value Amount	Subscriptions Received	Contributed Surplus	Deficit Accumulated During Exploration stage	Total Shareholders' Equity
Balance, December 31, 2004	19,764,555	$ 4,611,331	$ 1,050,000	$ 104,500	$ (4,991,105)	$ 774,726
Issued for convertible debenture issuer bonus	363,363	1,019,233	-	-	-	1,019,233
Issued for property acquisition	4,100,000	885,000	-	-	-	885,000
Issued for cash	8,998,500	8,370,551	(1,050,000)	-	-	7,320,551
Issued for fractional rounding	9	-	-	-	-	-
Exercise of options	445,833	75,873	-	(24,623)	-	51,250
Exercise of warrants	4,342,333	1,435,260	-	(309,344)	-	1,125,916
Issued for convertible debenture repayment	1,500,000	2,040,000	-	-	-	2,040,000
Stock-based compensation expense	-	-	-	1,039,794	-	1,039,794
Share issue costs	-	-	-	-	(1,373,691)	(1,373,691)
Fair value of warrants issued on private placements	-	-	-	2,722,199	-	2,722,199
Fair value of warrants issued on debt negotiations	-	-	-	288,938	-	288,938
Fair value of warrants issued on debt issuance	-	-	-	247,769	-	247,769
Fair value of warrants issued on share issuance	-	-	-	213,631	-	213,631
Fair value of equity component of convertible debenture	-	-	-	1,478,083	-	1,478,083
Fair value of warrants issued on property acquisition	-	-	-	465,163	-	465,163
Net loss and comprehensive loss	-	-	-	-	(5,337,837)	(5,337,837)
Balance, December 31, 2005	39,514,593	18,437,248	-	6,226,110	(11,702,633)	12,960,725
Exercise of options	195,667	53,020	-	(15,920)	-	37,100
Exercise of warrants	9,828,807	4,430,223	-	(842,464)	-	3,587,759
Stock-based compensation expense	-	-	-	1,679,534	-	1,679,534
Share issue costs	-	-	-	-	(3,905,886)	(3,905,886)
Issued for special warrants	23,210,000	37,411,857	-	-	-	37,411,857
Fair value of warrants issued on private placements	-	-	-	6,687,143	-	6,687,143
Fair value of warrants issued on share issuance	-	-	-	1,030,524	-	1,030,524
Net loss and comprehensive loss	-	-	-	-	(6,659,591)	(6,659,591)
Balance, December 31, 2006	72,749,067	60,332,348	-	14,764,927	(22,268,110)	52,829,165
Issued shares for cash	10,719,827	37,519,394	-	-	-	37,519,394
Exercise of options	74,167	37,205	-	(6,055)		31,150
Exercise of warrants	5,045,000	5,692,632	-	(1,143,492)		4,549,140
Stock-based compensation expense	-	-	-	1,759,715	-	1,759,715
Share issue expense	-	-	-		(25,000)	(25,000)
Net loss and comprehensive loss	-	-	-	-	(7,979,836)	(7,979,836)
Balance, December 31, 2007	88,588,061	$ 103,581,579	$ -	$ 15,375,095	$ (30,272,946)	$ 88,683,728

See accompanying Notes to the Consolidated Financial Statements

AUGUSTA RESOURCE CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT
For the Years Ended December 31, 2007, 2006 and 2005

	Notes	2007	2006	2005
		Year ending December 31		
EXPENSES				
Salaries,benefits and bonuses		$ 1,910,154	$ 1,790,615	$ 585,418
Stock based compensation	(8[d])	1,759,715	1,679,534	1,039,794
Legal fees		889,864	112,413	16,883
Exploration expense		317,279	-	-
Travel		306,579	303,402	74,672
Investor relations		279,493	230,157	69,308
Consulting and communication		258,377	118,252	53,379
Other expenses (net)		239,085	215,268	(8,847)
Filing and regulatory		191,279	234,730	109,561
Office and sundry		133,979	28,184	197,081
Insurance		117,662	80,254	-
Accounting and audit		83,335	159,352	20,000
Directors fees		61,519	22,807	-
Rent		51,159	65,661	53,670
Amortization		34,678	8,053	-
Recruitment fees		33,477	37,275	45,174
Fiscal and advisory services		27,007	31,402	33,497
Administration	(11)	-	17,500	30,000
Write-off of mining assets		-	309,550	251,501
Loss from operations		(6,694,641)	(5,444,409)	(2,571,091)
Interest and other income		793,464	631,509	57,433
Debt issuance costs	(7)	-	(272,796)	(325,628)
Loss on repayment of debenture		-	-	(390,000)
Foreign exchange (loss) gain		(231,176)	63,795	23,643
Interest and finance charges		(176,822)	(801,338)	(1,996,415)
LOSS FROM CONTINUING OPERATIONS		(6,309,175)	(5,823,239)	(5,202,058)
Loss from discontinued operations, net of tax	(3)	(1,670,661)	(836,352)	(135,779)
NET LOSS AND COMPREHENSIVE LOSS		(7,979,836)	(6,659,591)	(5,337,837)
Deficit, beginning of the period		(22,268,110)	(11,702,633)	(4,991,105)
Share issue costs		(25,000)	(3,905,886)	(1,373,691)
DEFICIT, END OF PERIOD		$ (30,272,946)	$ (22,268,110)	$ (11,702,633)
BASIC & DILUTED LOSS PER SHARE				
Continuing operations		$ (0.077)	$ (0.098)	$ (0.161)
Discontinued operations		$ (0.020)	$ (0.014)	$ (0.004)
Net loss		$ (0.098)	$ (0.112)	$ (0.165)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING		81,795,564	59,219,428	32,282,246

See accompanying Notes to the Consolidated Financial Statements

AUGUSTA RESOURCE CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2007, 2006 and 2005

	Notes	2007	2006	2005
		Year ending December 31		
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING:				
OPERATING				
Loss from continuing operations		$ (6,309,175)	$ (5,823,239)	$ (5,202,058)
Items not affecting cash:				
Stock based compensation	(8[d])	1,759,715	1,679,534	1,039,794
Discount interest on debt		-	795,968	1,701,348
Amortization		34,678	-	-
Debt issuance costs	(7)	-	272,796	325,628
Foreign exchange loss (gain)		231,176	(63,795)	(23,643)
Loss on repayment of debenture		-	-	390,000
Write-off of mining assets		-	309,550	251,501
Gain on settlement of debt		-	-	(8,847)
		(4,283,606)	(2,829,186)	(1,526,277)
Net changes in non-cash working capital items:	(9)	557,901	(281,910)	(119,895)
Net cash flows used in operating activities		(3,725,705)	(3,111,096)	(1,646,172)
FINANCING				
Issuance of common shares	(8[c])	37,550,544	3,624,859	11,219,916
Issuance of common shares - warrants exercised		4,549,140	-	-
Issuance of special warrants	(8[c])	-	44,099,000	-
Share issue costs		(25,000)	(2,875,362)	(1,221,777)
Issuance of convertible debt security		-	-	6,000,000
Repayment of convertible debt security		-	(3,000,000)	(1,350,000)
Repayment of notes and advances		-	-	(14,949)
Net cash flows from financing activities		42,074,684	41,848,497	14,633,190
INVESTING				
Investment in mineral properties, net of related payables	(5)	(1,195,480)	(16,683,262)	(8,466,847)
Deferred development , net of related payables	(5)	(13,026,037)	(12,130,289)	(2,458,356)
Investment in capital assets	(4)	(4,433,399)	(167,357)	-
Net cash flows used in investing activities		(18,654,916)	(28,980,908)	(10,925,203)
Net cash flows used in discontinued operations	(3)	(3,271,100)	(2,361,793)	(809,116)
Effect of exchange rate change on cash and cash equivalents in U.S. dollars		(486,946)	9,233	4,549
NET CASH INFLOW		15,936,017	7,403,933	1,257,248
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD		9,650,980	2,247,047	989,799
CASH AND CASH EQUIVALENTS, END OF PERIOD		$ 25,586,997	$ 9,650,980	$ 2,247,047
SUPPLEMENTAL INFORMATION	(10)			
Interest Paid		$ 24,658	$ 135,000	$ 273,389
Interest Received		$ 453,353	$ 345,973	$ 40,817

See accompanying Notes to the Consolidated Financial Statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2007, 2006 AND 2005

1. NATURE OF BUSINESS AND BASIS OF PRESENTATION

Augusta Resource Corporation (the "Company") was continued under the Canadian Business Corporations Act. The Company has interests in various mining assets at the exploration and development stage. The realization of the Company's investment in mineral properties is dependent upon various factors, including the ability to obtain the necessary financing to complete the exploration and development of the properties, future profitable operations, or, alternatively, upon disposal of the investment at amounts sufficient to recover capitalized expenditures. The Company is considered to be a development stage enterprise as it has yet to generate revenue from operations.

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). The Company incurred a loss of $7,979,836 for the year ended at December 31, 2007 (2006 - $6,659,591; 2005 - $5,337,837) and has an accumulated deficit of $30,272,946 as at December 31, 2007. The losses have been funded primarily by the issuance of equity. Management plans to raise additional capital to finance expected mine development however its ability to do so is uncertain and the timing of any additional financing cannot be predicted at this time.

As the Company is listed on the American Stock Exchange ("AMEX") reconciliation from Canadian to United States ("US") GAAP is required (Note 17).

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Canadian GAAP

These consolidated financial statements have been prepared in accordance with GAAP.

(b) Basis of consolidation

These consolidated financial statements include the accounts of the following:

The Company's wholly owned subsidiary, Rosemont Copper Company (formerly Augusta Resource (Arizona) Corporation), an Arizona corporation, holds the Rosemont property and its wholly owned subsidiaries Sanrita Properties LLC., and Dawson Properties LLC. The Company's wholly owned subsidiary DHI Minerals Ltd. ("DHI Minerals"), a British Columbia corporation, and its wholly owned subsidiary, DHI Minerals (U.S.) Ltd. ("DHI Minerals U.S.") a Nevada corporation, which holds the Mount Hamilton, Shell and Monte Cristo properties. In November 2007, the Company completed a definitive agreement for the sale of its interest in DHI Minerals, subject to regulatory approval (Note 3).

The inter-company transactions and balances have been eliminated on consolidation.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Cash and cash equivalents

Cash consists of deposits in banks and guaranteed investment certificates with an original maturity of three months or less.

(d) Capital assets

Capital assets are carried at cost, less accumulated depreciation. Depreciation of capital assets that have been placed into service is calculated on a straight line basis over the following terms:

Buildings	10 years
Computer Software	3 years
Computer Hardware	5 years
Furniture & Equipment	5 years

(e) Mineral properties and deferred development costs

Mineral properties and deferred development costs are comprised of undivided interests in properties and option agreements to acquire properties and deferred exploration and development expenses on properties in the exploration and development stages. They are recorded at acquisition cost or at a reduced carrying value amount if effected by a permanent impairment of value. Mining properties, related deferred exploration and development expenses and options to acquire undivided interests in mining properties are amortized only as these properties are put into production or written off if they are abandoned.

During the normal course of its business, the Company enters into agreements or option agreements to acquire undivided interests in mining properties, which are normally acquired in exchange for exploration and development expenses to be incurred according to different schedules, issuance of shares and payments subject to feasibility studies. In addition, royalties will be paid on commercial operations of certain mining properties. In the event the agreement to acquire property is an option agreement, failure to make all payments in accordance with the agreement will result in forfeiture of the property.

The Company is in the process of exploring and developing its various properties. The Company reviews the carrying values of deferred mineral property acquisition and exploration and development expenditures regularly with a view to assessing whether there has been any impairment in value, and whenever events or changes in circumstances indicate that the carrying value may not be recoverable. In the event that the estimated undiscounted cash flows expected from its use or eventual disposition is determined to be insufficient to recover the carrying value of any property, the carrying value will be written down to the estimated fair value.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Reclamation and closure costs

The Company recognizes liabilities for statutory, contractual or legal obligations associated with the retirement of property, plant and equipment, when those obligations result from the acquisition, construction, development or normal operations of the assets. Initially, a liability for an asset retirement obligation is recognized at its fair value in the period in which it is incurred. Upon initial recognition of the liability, the corresponding asset retirement cost is added to the carrying amount of that asset and the cost is amortized as an expense over the economic life of the related asset. Following the initial recognition of the asset retirement obligation, the carrying amount of the liability is increased for the passage of time and adjusted for changes to the amount or timing of the underlying cash flows needed to settle the obligation.

The present value of the reclamation liabilities may be subject to change based on management's current estimates, changes in remediation technology or changes to the applicable laws and regulations by regulatory authorities, which affects the ultimate cost of remediation and reclamation.

As at December 31, 2007 and 2006 the Company did not have any asset retirement obligations.

(g) Share issue costs

Share issue costs are recorded as an increase in the deficit in the year in which they are incurred.

(h) Loss per share

Basic net loss per share is computed using the weighted average number of common share equivalents outstanding during the year. The Company uses the treasury stock method for the calculation of diluted loss per share.

(i) Foreign currencies

The Company's functional and reporting currency is the Canadian dollar. Transactions undertaken in foreign currencies are translated into Canadian dollars at exchange rates prevailing at the time the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are translated into equivalent Canadian dollars at the exchange rates in effect at the balance sheet date with any resulting gain or loss being recognized in the consolidated statement of operations and deficit. The effect of fluctuations in exchange rates between the dates of transactions and of settlements is reflected in the statement of operations.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Foreign currencies (continued)

The financial statements of DHI Minerals U.S. and Rosemont Copper Company are translated into Canadian dollars using the temporal method for integrated operations, as follows:

- monetary assets and liabilities using the exchange rate in effect at the balance sheet date;
- non-monetary assets and liabilities are translated at historical exchange rates, unless the item is carried at fair market value, in which case the item will be translated at the exchange rate in effect at the balance sheet date;
- revenue and expense items at approximate exchange rates prevailing at the time the transactions occurred;
- depreciation or amortization of assets translated at historical exchange rates should be translated at the same exchange rates as the assets to which they relate;
- translation gains and losses on monetary items or non-monetary items carried at market are included in the current year statement of operations and deficit.

(j) Stock-based compensation plans

The fair value method of accounting is used for stock-based awards. Under this method, the compensation cost of options are estimated at fair value at the grant date and charged to earnings over the vesting period, with the offsetting credit recorded as an increase in contributed surplus. If the stock options are exercised, the proceeds are credited to share capital and the fair value at the date of grant is reclassified from contributed surplus to share capital. For options subject to graded vesting, the Company calculates the fair value of the award as if it was one single award with one expected life and amortizes the calculated expense for the entire award on a straight-line basis over the vesting period of the award.

(k) Income taxes

Income taxes are provided for in accordance with the liability method. Under the liability method of accounting for income taxes, future tax assets and liabilities are determined based on differences between the financial reporting and tax bases of assets and liabilities and are measured using the substantively enacted tax rates and laws that will be in effect when the differences are expected to reverse.

(l) Debt financing costs

Costs incurred during the process of obtaining debt financing are deferred. These costs are amortized into operations over the life of the related debt instrument. Effective in 2007, costs are recorded as a reduction of the corresponding debt and amortized to interest expense using the effective interest rate.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Use of estimates

These consolidated financial statements have been prepared in accordance with GAAP which require management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts expensed during the reporting year. Actual results may differ from those estimates.

(n) Comparative figures

Certain comparative figures have been reclassified to conform to the basis of presentation adopted in the current period. Refer to Note 3, Discontinued Operations.

(o) Financial instruments – recognition and measurements

The Company classifies all financial instruments as either held-to-maturity, available-for-sale, held for trading or loans and receivables. Financial assets held to maturity, loans and receivables and financial liabilities other than those held for trading, are measured at amortized cost. Available-for-sale instruments are measured at fair value with unrealized gains and losses recognized in other comprehensive income. Instruments classified as held for trading are measured at fair value with unrealized gains and losses recognized on the statement of income.

(p) Comprehensive income

Comprehensive income is the change in shareholders' equity during a period from transactions and other events and circumstances from non-owner sources. The Company reports a consolidated statement of comprehensive income and a new category, accumulated other comprehensive income, has been added to the shareholders' equity section of the consolidated balance sheet. The components of this new category will include unrealized gains and losses on financial assets classified as available-for-sale and the effective portion of cashflow hedges.

(q) Recent accounting pronouncements

The CICA has issued three new standards, which may affect the financial disclosures and results of operations of the Company for interim and annual periods beginning January 1, 2008. The company will adopt the requirements commencing in the interim period ended March 31, 2008 and is considering the impact this will have on the Company's financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Recent accounting pronouncements (continued)

Section 1535 – Capital Disclosures

This Section establishes standards for disclosing information about a company's capital and how it is managed. Under this standard the Company will be required to disclose the following, based on the information provided internally to the Company's key management personnel:

(i) qualitative information about its objectives, policies and processes for managing capital;
(ii) summary quantitative data about what it manages as capital;
(iii) whether during the period it complied with externally imposed capital requirements to which it is subject; and
(iv) when the Company has not complied with such externally imposed capital requirements, the consequences of such non-compliance.

Section 3031- Inventories

This Section prescribes the accounting treatment for inventories and provides guidance on the determination of costs and its subsequent recognition as an expense, including any write-down to net realizable value. It also provides guidance on the cost formulas that are used to assign costs to inventories.

Section 3862 & 3863-Financial Instruments – Disclosures and Presentation

These new standards replace Section 3861, Financial Instruments – Disclosure and Presentation, revising and enhancing disclosure requirements, and carrying forward unchanged the presentation requirements. Section 3862 requires entities to provide disclosure of quantitative and qualitative information in their financial statements that enable users to evaluate (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the balance sheet date, and management's objectives, policies and procedures for managing such risks. Entities will be required to disclose the measurement basis or bases used, and the criteria used to determine classification for different types of instruments.

The Section requires specific disclosures to be made, including the criteria for:
(i) designating financial assets and liabilities as held for trading;
(ii) designating financial assets as available-for-sale; and
(iii) determining when impairment is recorded against the related financial asset or when an allowance account is used.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Recent accounting pronouncements (continued)

Convergence with International Financial Reporting Standards (IFRS)

In 2006, Canada's Accounting Standards Board ratified a strategic plan that will result in Canadian GAAP, as used by public companies, being evolved and converged with International Financial Reporting Standards (IFRS) over a transitional period to be complete by 2011. The Company will be required to report using the converged standards effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. Canadian GAAP will be converged with IFRS through a combination of two methods: as current joint-convergence projects of the United States' Financial Accounting Standards Board and the International Accounting Standards Board are agreed upon, they will be adopted by Canada's Accounting Standards Board and may be introduced in Canada before the complete changeover to IFRS; and standards not subject to a joint-convergence project will be exposed in an omnibus manner for introduction at the time of the complete changeover to IFRS. Also the United States' Financial Accounting Standards Board and the International Accounting Standards Board have completed a joint-project on business combinations and non-controlling interests. As the International Accounting Standards Board currently, and expectedly, has projects underway that should result in new pronouncements that continue to evolve IFRS, and as this Canadian convergence initiative is in an early stage as of the date of these consolidated financial statements, it is premature to currently assess the impact of the Canadian initiative on the Company

3. DISCONTINUED OPERATIONS

On May 1, 2007, the Company entered into a Letter of Intent ("LOI") with Ivana Ventures Inc. ("Ivana") respecting the sale of the Company's interest in the Mount Hamilton, Shell and Monte Cristo properties. Following the completion of a definitive sale agreement in November 2007, the Company reclassified the consolidated results of DHI Minerals to discontinued operations. As at December 31, 2007, included in current assets (net of the impairment recorded at year end), is $6,884,516 (2006 - $7,709,754) related to discontinued operations and included in current liabilities is $1,801,788 (2006 - $4,227,465) related to discontinued operations. For the period ending December 31, 2007 the contribution from discontinued operations was a loss of $1,670,661 (2006 - $836,352; 2005 - $135,779). On February 29, 2008, with final regulatory approvals received, the transaction with Ivana closed.

In accordance with the definitive agreement the consideration for the sale is US $6,625,000 in cash, and warrants exercisable to purchase up to 3,000,000 shares of Ivana for eighteen months after closing at the price of $0.50 per share. The cash portion of the purchase price will be payable in installments over five years, with US$1,625,000 payable on closing and an additional US$1,000,000 payable each 12 months thereafter. The fair value of the compensation received was calculated to be approximately $5.1 million comprised of the cash payments, discounted at an annual interest rate of 15%, totaling $4.3 million, plus the fair value of the warrants calculated to be $0.8 million. The warrant value was determined using the Black-Scholes option pricing model using the following assumptions: expected life 1.5 years; annualized volatility 113%; a risk free rate of 3.25% and no dividends.

3. DISCONTINUED OPERATIONS (continued)

The shares of the subsidiaries will be pledged to the Company as its sole recourse for non-payment of any portion of the purchase price. As the fair value of the compensation noted above is less than the net book value of the assets being sold, at the 2007-year end, the Company recorded, net of tax of $400,000, an asset impairment totaling $1,200,000.

Cash flow from discontinued operations:	2007	2006	2005
Operating activities	$ (740,190)	$ (359,600)	$ (46,274)
Financing activities	(1,601,851)	(1,165,421)	11,049
Investing activities	(926,262)	(836,010)	(774,087)
Effect of exchange rate changes on cash	(2,797)	(762)	196
Net cash flows used in discontinued operations	$ (3,271,100)	$ (2,361,793)	$ (809,116)

4. CAPITAL ASSETS

	December 31, 2007			December 31, 2006		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Land	$ 2,749,506	$ -	$ 2,749,506	$ -	$ -	$ -
Water rights [1]	1,566,400	-	1,566,400	-	-	-
Buildings	127,326	9,549	117,777	108,463	-	108,463
Furniture and Equipment	87,522	12,411	75,111	24,924	11,595	13,329
Computer Software	46,442	18,475	27,967	37,113	5,426	31,687
Computer Hardware	44,717	15,400	29,317	4,911	136	4,775
	$ 4,621,913	$ 55,835	$ 4,566,078	$ 175,411	$ 17,157	$ 167,357

[1] Water rights payments relate primarily to the purchase of water from Central Arizona Project ("CAP"), water delivered from CAP is pumped into the local aquifer providing access to the resource at a later date. The Company has received tradable water storage certificates for this water inventory.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2007, 2006 AND 2005

5. MINERAL PROPERTIES AND DEFERRED DEVELOPMENT

Mineral Properties and Deferred Development	Mineral Properties Cost December 31 2007	Mineral Properties Cost December 31 2006	Deferred Development Expenses December 31 2007	Deferred Development Expenses December 31 2006
Rosemont, Sanrita and Dawson properties	$ 28,798,566	$ 25,017,429	$ 28,247,858	$ 15,471,679

	2007	2006
Mineral properties:		
Balance, beginning of period	$ 25,017,429	$ 8,586,847
Acquisition costs	3,781,137	16,701,817
Lone Mountain cost adjustment	-	(24,993)
Write-offs	-	(246,242)
Balance, December 31, 2007 and 2006	28,798,566	25,017,429
Deferred development:		
Balance, beginning of period	15,471,679	2,880,228
Work program expenditures [1]	12,776,179	12,654,759
Write-offs	-	(63,308)
Balance, December 31, 2007 and 2006	28,247,858	15,471,679
Total Mineral Properties and Deferred Development	$ 57,046,424	$ 40,489,108

(1) Includes geological, engineering and environmental work programs designed to advance the development of the mineral properties.

Rosemont Property, Arizona

On June 1, 2005, the Company announced that it had entered into an option agreement to purchase 100% of the Rosemont Ranch property in Pima County, Arizona. The property is approximately 50km southeast of Tucson, situated near a number of large porphyry type producing copper mines operated by Freeport-McMoRan Copper & Gold Inc. and ASARCO LLC ("ASARCO").

The agreement provided the Company with the right to purchase a 100% working interest in the property (which includes patented and unpatented claims, fee land and surface grazing rights that in aggregate total approximately 14,880 acres (6,026 hectares)), subject to a 3% Net Smelter Royalty ("NSR"). The agreement required cash payments of US$20.8 million payable over a three-year period. After making the first payment of $8.3 million (US$6.7 million) in 2006, on March 31, 2007 the Company exercised its option to purchase all of the Rosemont property with a payment of $16.1 million (US$13.7 million). Augusta now owns a 100% interest in the Rosemont property subject to the 3% NSR noted above. The purchase price of $24.4 million has been determined based on the fair value of the consideration provided and has been allocated to the Rosemont property and mineral rights acquired.

5. MINERAL PROPERTIES AND DEFERRED DEVELOPMENT (continued)

In addition to the Rosemont purchase price of $24.4 million, legal and other costs associated with the purchase totaled approximately $50,000. Also, in 2006 and 2007 additional land was acquired totaling approximately $550,000 and $3,780,000 respectively. To December 31, 2007 total expenditures capitalized to mineral properties were $28.8 million (2006 - $25.0 million).

During 2007, $12.8 million (2006 - $12.7 million) was incurred on engineering, geological and environmental programs designed to advance the development of the Rosemont property. To December 31, 2007, expenditures related to deferred development totaled $28.2 million (2006 – 15.5 million).

Properties in White Pine County, Nevada

In November 2007, the Company completed a definitive agreement for the sale of its interest in DHI Minerals, subject to regulatory approval. DHI Minerals' wholly owned subsidiary DHI Minerals U.S. holds the ownership/option interests in these properties. As a result of the pending sale, these assets have been reclassified as discontinued operations (Note 3).

Mount Hamilton property

On December 2, 2004, the Company announced the signing of an agreement to acquire a 100% interest in the Mount Hamilton property. The Company purchased the Mount Hamilton property by purchasing 100% of the shares of DHI Minerals, which owns 100% of DHI Minerals U.S., holder of the property. The terms of the acquisition included the payment of US$3,000,000 payable in cash over two years (Net present value of $3,103,438, based on an annual discount rate of 15%), 3,750,000 common shares at US$0.16 ($0.19) per share (with a fair market value at the date of the transaction of $720,000) and 3,750,000 warrants to purchase common shares with an exercise price of US$0.16 ($0.19) per share for a period of two years. The fair value of the warrants calculated using the Black-Scholes option-pricing model at the date of the transaction was $465,163.

Under the terms of the acquisition the Company assumed the underlying NSR and minimum advance royalty payments, payable prior to commercial production of US$100,000 per annum commencing on November 19, 2006 and continuing until November 19, 2010 when the annual payment amount increases to US$300,000 per annum. Upon commencement of commercial production, a base rate of 3% NSR is payable, subject to an increase whenever the price of gold is greater than US $400 per ounce. The NSR shall increase by one half of one percent for each US $50 increment to a maximum of 8% NSR.

Effective May 6, 2005, the Company acquired 100% of the outstanding common shares of DHI Minerals. The entire purchase consideration was allocated to the mineral property acquired, including a deferred taxation provision of $2,200,000.

5. MINERAL PROPERTIES AND DEFERRED DEVELOPMENT (continued)

Properties in White Pine County, Nevada

Mount Hamilton (continued)

Purchase price:	
$3,000,000 USD (cash)	$ 3,103,438
3,750,000 common shares at $0.16 USD ($0.19 CDN)	720,000
3,750,000 warrants for common shares at $0.16 USD	465,163
300,000 common shares issued for a finder's fee	49,000
Future income tax liability	2,200,000
	$ 6,537,601

Additional amounts capitalized in 2005, 2006 and 2007 include the advance royalty payments of approximately US$100,000 per annum ($325,301) plus during 2006 an additional $37,156 of professional fees. As at the end of 2007, mineral property expenditures totaled $6,900,058.

To December 31, 2007 cumulative exploration and development costs totaling $413,697 were capitalized and include expenditures on geological and engineering studies designed to advance the development of the property.

Shell property

In January 2005, the Company announced the signing of agreements to acquire the Shell property. Formal agreements were entered into effective March 20, 2006. The Shell Deposit, located near the Mount Hamilton property, was subject to past exploration programs, with results indicating that the property hosted molybdenum and gold mineralization. The Company is acquiring a 100% working interest, subject to an underlying NSR ranging from 0.5% - 4.5%, for a cash payment of US$120,000, and annual advance royalty payments commencing at US$80,000 on first anniversary increasing by US$20,000 per year until production commences. Through December 31, 2007 a total of $334,422 ($US 300,000) has been capitalized.

Monte Cristo property

In January 2007, the Company entered into an option agreement to acquire the Monte Cristo property in White Pine County, Nevada, adjacent to the Mount Hamilton and Shell properties. The agreement requires an annual payment of US$25,000 so long as the option is unexercised to acquire the property for US$240,000 (with any annual payments credited against the purchase price) plus the granting of a 1.5% NSR which royalty is subject to a buyout for US$450,000 at any time prior to February 1, 2013. As at December 31, 2007, $29,535 (US$25,000) had been capitalized.

Cumulative expenditures totaling $804,296, on engineering and geological work programs at the Shell and Monte Cristo properties, have been capitalized to December 31, 2007.

5. MINERAL PROPERTIES AND DEFERRED DEVELOPMENT (continued)

Lone Mountain property, New Mexico

On March 1, 2005, the Company announced the signing of an agreement to acquire the Lone Mountain property in New Mexico. The agreement provided for the acquisition of a 100% working interest, subject to an underlying NSR ranging from 2.0% - 3.0%, minimum exploration commitments of US $4,850,000, US $500,000 to be completed in a reasonable time frame when the surface access is agreed, and payments of US $1,000,000 cash and 325,000 common shares over a 3 year period. The agreement took effect on May 11, 2006. The Company paid US$100,000 and issued 50,000 common shares (FMV - $120,000) to date. The shares were valued at $2.40 per share, which was the fair value at the time the agreement was entered into. The total amount capitalized to mining properties at December 31, 2005 was $271,236.

On May 15, 2006 the Company announced that after completing a detailed geological assessment that it had elected not to pursue its option to purchase the Lone Mountain property. In the second quarter of 2006 net capitalized amounts totaling $309,550 were written off.

Properties in the Coronation Diamond District, Nunavut, Canada

In 2003, the Company entered into property option agreements to acquire working interests of 10% and 20% in 4 properties located in the Coronation Diamond District in Nunavut, Canada which required the Company to pay cash amounts totaling $231,573 and the issuance of 116,670 common shares. Subsequent to the initial transactions further amounts were paid to acquire additional working interests.

As at December 31, 2005, the Company had paid $469,705 acquiring working interests in six properties, incurred $215,949 in relation to deferred exploration expenditures related to these properties, issued 33,334 shares at fair market value at the date of the transaction of $0.11 per share and 58,335 shares at $0.28 per share, and accrued an amount of $55,000 included in accounts payable, which was agreed to be settled by the issuance of shares of the Company subject to regulatory approval. An assessment of the carrying value in 2004 resulted in the write-down of $296,799 in mining properties and $212,355 in deferred development expenses. At December 31, 2005, the Company wrote off the remaining costs, $247,907 in mineral properties and $3,594 in deferred development expenses.

6. LONG TERM NOTES AND ADVANCES

	December 31 2007	December 31 2006
Notes and advances	$ 32,488	$ 32,488
Long term notes	2,197,257	-
	2,229,745	32,488
Less: Current portion	(397,824)	(23,288)
Total long term notes and advances	$ 1,831,921	$ 9,200

On February 20, 2007 the Company entered into an agreement for the purchase of a 53 acre parcel of land located 15 kilometers south of Tucson. The property will be used for a water well field, pump station, and as a possible water recharge location. The purchase agreement required an immediate cash payment of US$988,031 ($1,149,969) as well as the assumption of a promissory note, bearing interest at 8%, for US$2,223,720 ($2,601,308). The promissory note, which is secured by a trust deed on the property, requires 5 equal payments for principal and interest of US$556,945 on the February 20 anniversary date. At December 31, 2007 the Canadian equivalent obligation was $2,197,257 of which $374,537 is current.

Other notes and advances do not provide for specific terms of repayment and are unsecured.

7. CONVERTIBLE DEBENTURE

On June 1, 2005, in connection with the Rosemont acquisition, the Company issued a convertible debenture for $6,000,000. The debenture had a one-year term, with half due within six-months, and was convertible at the option of the borrower into 2,181,818 common shares of the Company at a price of $2.75 per share. The convertible debenture carried an interest rate of 9% annually and the Company had the option to repay the convertible debenture on the specified repayment dates in cash or stock. The convertible debenture was issued with 363,363 common shares of the Company to the lender at a fair market value at the date of the transaction of $2.805 per common share (after a discount of 15% to reflect a hold period expiring on October 2, 2005).

In accordance with CICA Handbook Section 3860, and following the fair value approach, the Company allocated the proceeds as follows:

Common shares	$1,019,233
Convertible debenture	
Equity component	1,478,083
Debt component	3,502,684
	$6,000,000

The difference between the debt allocation of $3,502,684 and the repayment amount of $6,000,000 is interest expense, which is accrued over the term of the debenture. Through June 1, 2006, all of the interest expense amounting to $2,497,316 had been accrued and paid.

7. CONVERTIBLE DEBENTURE (continued)

On November 17, 2005 the Company renegotiated the terms of its convertible debenture to allow for repayment in the form of cash and stock, as opposed to cash or stock. As consideration, the Company agreed to issue 750,000 warrants with an exercise price of $1.44 expiring in one year, for which regulatory approval was received on March 15, 2006. The fair value of the warrants issued was $288,938, which was allocated to debt ($203,193) and equity ($85,745).

On December 1, 2005, the Company retired $3,000,000 of the convertible debenture plus interest of $270,000 through payment of $1,620,000 in cash and the issuance of 1,500,000 common shares at a price of $1.10 per share. As the shares were issued at a discount of 15% to the market value in accordance with the terms of the convertible debenture agreement, a loss on repayment of the convertible debenture of $390,000 occurred which was recorded in the statement of operations.

In connection with the issuance of the convertible debenture and common shares, the Company also paid a fee in the amount of 6% cash and 218,181 warrants. The fair value of the warrants of $247,769 was allocated to debt ($144,643) and equity ($103,126). Each warrant is exercisable to acquire one common share at $2.75 per warrant for a period of one year, which expired on June 14, 2006. The warrants had a hold period expiring on October 15, 2005.

The remaining debenture was retired on June 1, 2006 with the payment of $3 million cash.

8. SHARE CAPITAL

(a) **Authorized:** Unlimited number of common shares without par value.

(b) **Issued:** Changes in the Company's share capital were as follows:

	Number of Shares		Amount
Common shares, Balance at December 31, 2004	19,764,555	$	4,611,331
Issued to convertible debenture holder	363,363		1,019,233
Issued to convertible debenture repayment	1,500,000		2,040,000
Issued for property acquisitions	4,100,000		885,000
Issued for cash	8,998,500		8,370,551
Issued for fractional rounding due to share consolidation	9		-
Issued for options exercised	445,833		75,873
Issued for warrants exercised	4,342,333		1,435,260
Common shares, Balance at December 31, 2005	39,514,593	$	18,437,248
Issued for warrants exercised	9,828,807		4,430,223
Issued for options exercised	195,667		53,020
Issued for special warrants exercised	23,210,000		37,411,857
Common shares, Balance at December 31, 2006	72,749,067	$	60,332,348
Issued for cash	10,719,827		37,519,394
Issued for warrants exercised	5,045,000		5,692,632
Issued for options exercised	74,167		37,205
Common shares, Balance at December 31, 2007	88,588,061	$	103,581,579

8. SHARE CAPITAL (continued)

(c) Private Placement

On June 19, 2007 the Company closed a non-brokered private placement of 10,719,827 common shares at $3.50 per share for total gross proceeds of $37,519,394. Sumitomo Corporation and Sumitomo Corporation of America subscribed for the placement of 7,600,000 common shares and two funds managed by US private investment firm Harbinger Capital Partners subscribed for 3,119,827 common shares.

On March 17, 2006 the Company closed a brokered private placement of 23,210,000 Special Warrants with gross proceeds of $44,099,000. Each Special Warrant is convertible, without payment of additional consideration, into a unit consisting of one common share (23,210,000 shares) and one-half transferable common share purchase warrant (11,605,000 warrants). Each whole warrant entitles the holder to acquire, at any time within two years, one common share of the Company at a price of $4.10 expiring on March 17, 2008. Fair value of the Special Warrants is $6,687,143. The fair value of the warrants was calculated using the Black-Scholes option pricing model for warrant valuation, assuming an average volatility of 87% on the underlying shares, a risk free interest rate of 4.00%, a two year term to expiry and no annual dividends.

In consideration for their services, the agents received a cash commission equal to 6% of the gross proceeds, totaling $2,645,940 from the offering and 1,392,600 agent's warrants exercisable into common shares which is equal to 6% of the number of Special Warrants sold. Each agent's warrant will entitle the holder to acquire one common share of the Company at a price of $4.10 expiring March 17, 2008. Fair value of the agent's warrants is $1,030,524 and has been accounted for as a share issue cost. The fair value of the warrants was calculated using the Black-Scholes option pricing model for warrant valuation, assuming an average volatility of 87% on the underlying shares, a risk free interest rate of 4.00%, a two year term to expiry and no annual dividends.

The Company filed and obtained a receipt for a short form prospectus, which qualifies the distribution of the common shares and warrants underlying the Special Warrants effective April 28, 2006.

(d) Options

The Company has a stock option plan providing for the issuance of options that shall not at any time exceed 10% of the total number of issued and outstanding common shares of the Company as at the date of grant of the options. The Company may grant options to directors, officers, employees, consultants and other personnel of the Company or any of its subsidiaries. The exercise price of each option cannot be lower than the market price of the shares at the date of grant of the option being the last per share closing price of common shares on the Toronto Stock Exchange before the date of grant. The options vest ratably over periods of up to three/four years and may expire within 5 years but no later than 10 years from the date of grant as determined by the Board of Directors.

8. SHARE CAPITAL (continued)

(d) Options (continued)

On December 31, 2007, certain directors and officers of the Company held 5,455,000 stock options, and certain employees of the Company held 432,000 stock options to purchase common shares of the Company. The following table summarizes the status of the Company's stock option plans as at December 31, 2007:

	2007	
	Number of Shares	Average Exercise Price
Outstanding at beginning of year	4,801,167	$ 1.76
Granted	1,185,000	$ 2.31
Exercised	(74,167)	$ 0.42
Forfeited	(25,000)	$ 1.78
Outstanding at end of period	5,887,000	$ 1.89
Options exercisable at December 31, 2007	2,779,498	$ 1.76

The fair value of stock compensation was determined using the Black-Scholes option-pricing model. Under this method the expected term assumption takes into consideration assumed rates of employee turnover as well as expectations of when options would be exercised and represents the estimated average length of time stock options remain outstanding before they are exercised or forfeited. The expected volatility assumptions have been developed taking the historical Canadian dollar share price. The risk-free rate is based on the Bank of Canada rate for zero interest bonds in effect at the time of the grant that corresponds to the expected term of the option.

	2007	2006	2005
Valuation assumptions			
Expected term (years)	3	3	3 - 4
Expected volatility	67 - 69%	99 - 108%	49 - 82%
Weighted average volatility	69%	103%	72%
Expected dividend yield	-	-	-
Risk-free interest rate	3.58 - 3.93%	4.09 - 4.14%	3.17 - 4.21%
Weighted average risk-free rate	3.86%	4.12%	4.07%

8. SHARE CAPITAL (continued)

(d) Options (continued)

The following table summarizes stock options outstanding at December 31, 2007:

	Options Outstanding and Exercisable				
Exercise Prices	Number Outstanding at December 31, 2007	Weighted Average Remaining Contractual Life	Weighted Average Exercise Prices	Number Exercisable at December 31, 2007	Weighted Average Exercise Prices
$ 0.10	102,000	1.8 Years	$ 0.10	102,000	$ 0.10
$ 2.05	450,000	2.2 Years	$ 2.05	450,000	$ 2.05
$ 1.96	125,000	2.2 Years	$ 1.96	125,000	$ 1.96
$ 2.30	100,000	2.4 Years	$ 2.30	100,000	$ 2.30
$ 1.56	2,035,000	2.6 Years	$ 1.56	1,142,500	$ 1.56
$ 1.55	150,000	2.7 Years	$ 1.55	150,000	$ 1.55
$ 2.07	816,000	3.2 Years	$ 2.07	271,998	$ 2.07
$ 2.20	539,000	3.3 Years	$ 2.20	313,000	$ 2.20
$ 1.78	335,000	3.5 Years	$ 1.78	108,333	$ 1.78
$ 1.90	50,000	3.6 Years	$ 1.90	16,667	$ 1.90
$ 2.12	1,035,000	4.1 Years	$ 2.12	-	$ 2.12
$ 3.61	150,000	4.9 Years	$ 3.61	-	$ 3.61
	5,887,000	3.1 Years	$ 1.89	2,779,498	$ 1.76

(e) Warrants

The following table summarizes information about warrants outstanding at December 31, 2007. Each warrant is exercisable into one common share.

Currency	Exercise Price	Expiry Dates	Outstanding at December 31, 2006	Issued	Exercised	Expired	Outstanding at December 31, 2007
USD	$ 0.16	May 6, 2007	3,750,000	-	3,750,000	-	-
CDN	$ 3.00	June 29, 2007	2,200,000	-	1,295,000	905,000	-
CDN	$ 4.10	March 17, 2008	12,997,600	-	-	-	12,997,600
			18,947,600	-	5,045,000	905,000	12,997,600

9. CHANGES IN NON-CASH WORKING CAPITAL ITEMS

The following table summarizes the changes in non-cash working capital items:

	2007	2006	2005
Net changes in non-cash working capital items:			
Accounts receivable	$ (158,762)	$ (341,800)	$ 4,509
Prepaid items	85,301	(120,645)	3,855
Accounts payable & accrued liabilities	631,362	180,535	(128,259)
	$ 557,901	$ (281,910)	$ (119,895)

10. SUPPLEMENTAL CASH FLOW INFORMATION ON NON-CASH TRANSACTIONS

	2007	2006	2005
Purchase of property for promissory note	$ 2,601,308	$ -	$ -
Special warrants converted into common shares	$ -	$ 37,411,857	$ -
Warrants issued as share issue expenses	$ -	$ 1,030,524	$ 213,631
Repayment of convertible debt security with shares	$ -	$ -	$ 1,650,000
Acquistion of mining property	$ -	$ -	$ 120,000

11. RELATED PARTY TRANSACTIONS

During the year ending December 31, 2007, the Company incurred expenses of $Nil (2006 - $17,500; 2005 - $30,000) for administrative services provided by a company in which a director of the Company has a 25% interest.

At December 31, 2007, $195,674 (2006 - $26,888) of accounts receivable was due from related companies, which share office space, administrative services and certain common directors with the Company. Also, included in accounts receivable at December 31, 2007 is an amount of $70,686 (2006 - $42,043) due from a company in which a director of the Company has a 25% interest. At December 31, 2007, $64,000 (2006 - $76,250) is due to the Vice President Administration of the Company for accrued salaries.

All related party transactions are recorded at the exchange value.

12. FINANCIAL INSTRUMENTS

The carrying values of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities and notes, advances and other as reflected in the balance sheet approximate their fair values. The Company has no significant concentrations of credit risk.

13. INCOME TAXES

The provision for income taxes reported differs from the amount computed by applying the cumulative Canadian Federal and Provincial Income tax rates to the loss before the tax provision due to the following:

	2007	2006	2005
Net loss from continuing operations	$ 6,309,175	$ 5,823,239	$ 5,202,058
Statutory tax rate	34.12%	34.12%	34.87%
Recovery of income taxes computed at Standard rates	(2,152,691)	(1,986,889)	(1,813,958)
Permanent differences	761,490	758,873	502,016
Tax losses not recognized in the period that the benefit arose	1,391,201	1,228,016	1,311,942
	$ -	$ -	$ -

As of December 31, 2007, the Company has loss carry forwards of approximately $8,958,000 and US loss carry forwards of approximately $2,865,000 available to reduce future years' income for tax purposes. The tax loss carry forwards expire at various times between 2008 and 2027.

Future income taxes result primarily from temporary differences in the recognition of certain revenue and expense items from financial and income tax reporting purposes. Significant components of the Company's future tax assets and liabilities as at December 31, 2007, 2006 and 2005 are as follows:

Future income tax assets:	2007	2006	2005
Non-capital losses and other future tax deductions	$ 5,043,000	$ 4,577,000	$ 910,000
Mineral properties,deferred development and capital assets	79,000	-	827,000
	5,122,000	4,577,000	1,737,000
Valuation allowance for future income tax assets	(5,122,000)	(4,577,000)	(1,737,000)
Net future income tax assets (liabilities)	$ -	$ -	$ -

As the criteria for recognizing future income tax assets have not been met due to uncertainty of realization, a valuation allowance of 100% has been recorded for prior years.

14. COMMITMENTS

On December 19, 2007 the Company announced that it had signed an agreement valued at approximately US$29 million with Polysius Corp. for the purchase and delivery of a SAG and two ball mills needed for the construction of the Rosemont Copper mine. The payments are spread out over two and a half year period starting in January 2008. Payments required in 2008 total US$10.1 million, 2009 US$11.6 million and 2010 US$7.2 million. This mill order helps ensure that mine development occurs on a timely basis.

On December 20, 2007 the Company announced that it had entered into a binding letter agreement and term sheet with Silver Wheaton Corp. ("Silver Wheaton") to sell between 45% and 90% of the silver production from the Rosemont property. Subject to the finalization of the transaction, including tax considerations, Silver Wheaton will pay an upfront cash payment ranging from US$135 million to US$320 million. The upfront payment will be used to fund construction of the mine as milestones are achieved. Augusta will provide a completion guarantee with certain minimum production criteria by a certain date. The Company must decide on the amount of silver to be included in the sale agreement by March 31, 2008. The transaction is subject to (a) the Company receiving all necessary permits to construct and operate a mine in accordance with the 2007 Rosemont Feasibility Study, (b) the Company having entered into committed arrangements for sufficient additional financing to construct and operate the mine, and (c) execution by the parties of definitive agreements on or before June 30, 2008 as well as receipt of any required regulatory approvals and third-party consents.

Other Commitments

The Company leases building premises recorded as operating leases. The terms of the leases extend through to June 30, 2009. The future minimum lease payments are as follows:

Year		
2008	$	100,860
2009		42,800
Total	$	143,660

15. CONTINGENT LIABILITIES

On August 24, 2007 the Company announced that it was served a complaint by ASARCO in the United States Bankruptcy Court for the Southern District of Texas, Corpus Christi Division, with regard to the Rosemont property. Augusta believes the complaint is without merit.

Augusta acquired the Rosemont property from a group of real estate developers from Tucson in good faith after arm's-length negotiations. The local real estate developers previously had purchased the property from ASARCO Incorporated.

This complaint was one of hundreds that ASARCO filed against numerous companies in an attempt to overturn various transactions it had entered into prior to declaring bankruptcy. In this complaint, ASARCO primarily alleges that the initial purchasers failed to pay "reasonably equivalent value" for the Rosemont property in 2004, at a time when ASARCO alleges it was "hopelessly insolvent," and that Augusta later bought the property with knowledge of the voidability of the prior sale.

15. CONTINGENT LIABILITIES (continued)

ASARCO filed for bankruptcy in August 2005.

Augusta believes that it has solid grounds to defeat any ASARCO challenge to its ownership, and it is defending the matter vigorously. The suit should have no impact on current plans for operations at the Rosemont Copper project. The permitting process, mine site work, and design initiatives will continue on schedule.

16. SEGMENTED INFORMATION

The Company operates in one industry. As at December 31, 2007, the Company's long-lived assets were in Canada, $19,000 (2006 - $24,800) and in the United States, $61,593,500 (2006 - $40,631,600).

17. DIFFERENCES BETWEEN UNITED STATES AND CANADIAN GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

These consolidated financial statements are prepared in accordance with Canadian GAAP, which differ in certain material respects from US GAAP. Material differences between Canadian GAAP and US GAAP and their effect on the Company's consolidated financial statements are summarized in the tables below.

	December 31, 2007		
Balance Sheets	Total Assets	Total Liabilities	Shareholders' Equity
Reported under Canadian GAAP	$ 94,696,963	$ 6,013,235	$ 88,683,728
Mineral property expenditures (a)	(24,970,097)	-	(24,970,097)
Assets of discontinued operations (a)	(1,214,176)	-	(1,214,176)
Capitalized interest (e)	59,000	-	59,000
Warrants (b)	-	-	-
Reported under US GAAP	$ 68,571,690	$ 6,013,235	$ 62,558,455

	December 31, 2006		
Balance Sheets	Total Assets	Total Liabilities	Shareholders' Equity
Reported under Canadian GAAP	$ 58,538,531	$ 5,709,366	$ 52,829,165
Mineral property expenditures (a)	(15,471,679)	-	(15,471,679)
Assets of discontinued operations (a)	(567,104)	-	(567,104)
Warrants (b)	-	8,671,729	(8,671,729)
Reported under US GAAP	$ 42,499,748	$ 14,381,095	$ 28,118,653

17. DIFFERENCES BETWEEN UNITED STATES AND CANADIAN GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (continued)

Statements of Operations	Cumulative from dormancy (1985) to December 31, 2007	2007	2006	2005
Net loss reported under Canadian GAAP	$ (24,762,551)	$ (7,979,836)	$ (6,659,591)	$ (5,337,837)
Operating loss from discontinued operations	(1,442,792)	(470,661)	(836,352)	(135,779)
Loss on disposition of discontinued operations, net of tax	(1,200,000)	(1,200,000)	-	-
Net Loss from discontinued operations under Canadian GAAP	(2,642,792)	(1,670,661)	(836,352)	(135,779)
Net loss from continuting operations reported under Canadian GAAP	(22,119,759)	(6,309,175)	(5,823,239)	(5,202,058)
Mineral property expenditures (a)	(24,970,097)	(9,498,418)	(12,436,119)	(3,015,775)
Warrants (b)	(8,320,697)	(114,131)	(4,096,284)	(4,110,282)
Capitalized interest (e)	59,000	59,000	-	-
Accretion expense on debenture (c)	299,125	-	-	-
Debt issue costs (c)	(252,147)	-	(134,835)	(117,312)
Interest and finance charges (c)	1,477,790	-	497,035	980,755
Net loss from continuing operations reported under US GAAP	(53,826,785)	(15,862,724)	(21,993,442)	(11,464,672)
Net Loss from discontinued operations under Canadian GAAP	(2,642,792)	(1,670,661)	(836,352)	(135,779)
Assets discontinued operations (a)	(1,214,176)	(647,072)	(567,104)	-
Net loss from discontinued operations reported under US GAAP	(3,856,968)	(2,317,733)	(1,403,456)	(135,779)
Net loss reported under US GAAP	$ (57,683,753)	$ (18,180,457)	$ (23,396,898)	$ (11,600,451)
Basic and fully diluted loss from continuing operations per share under US GAAP		$ (0.19)	$ (0.37)	$ (0.36)
Basic and fully diluted loss from discontinued operations per share under US GAAP		$ (0.03)	$ (0.02)	$ (0.00)
Basic and fully diluted loss per share under US GAAP		$ (0.22)	$ (0.40)	$ (0.36)
Weighted average number of common shares outstanding under both Canadian GAAP and US GAAP		81,795,564	59,219,428	32,282,246
Comprehensive loss				
Net loss under US GAAP	(57,683,753)	$ (18,180,457)	$ (23,396,898)	$ (11,600,451)
Other comprehensive income (e)	-	-	-	-
Comprehensive loss	$ (57,683,753)	$ (18,180,457)	$ (23,396,898)	$ (11,600,451)

Statements of Cash Flows	Cumulative from dormancy (1985) to December 31, 2007	December 31 2007	2006	2005
Operating activities				
Operating activities under Canadian GAAP	$ (9,578,858)	$ (3,725,705)	$ (3,111,096)	$ (1,646,172)
Mineral property expenditures (a)	(26,316,597)	(10,419,555)	(12,130,289)	(2,458,356)
Operating activities under US GAAP	$ (35,895,455)	$ (14,145,260)	$ (15,241,385)	$ (4,104,528)
Investing activities				
Investing activities under Canadian GAAP	$ (62,370,046)	$ (18,654,916)	$ (28,980,908)	(10,925,203)
Mineral property expenditures (a)	26,316,597	10,419,555	12,130,289	2,458,356
Investing activities under US GAAP	$ (36,053,449)	$ (8,235,361)	$ (16,850,619)	$ (8,466,847)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2007, 2006 AND 2005

17. DIFFERENCES BETWEEN UNITED STATES AND CANADIAN GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (continued)

December 31, 2007

Statements of Shareholders' Equity	Common Shares	Contributed Surplus	Deficit	Accumulated Other Comprehensive Loss	Total
Reported under Canadian GAAP	$ 103,581,579	$ 15,375,095	$ (30,272,946)	$ -	$ 88,683,728
Mineral property expenditures (a)	-	-	(24,970,097)	-	(24,970,097)
Assets of discontinued operations (a)	-	-	(1,214,176)	-	(1,214,176)
Warrants (b)	8,785,860	(465,163)	(8,320,697)	-	-
Convertible debenture (c)	-	(1,478,083)	1,478,083	-	-
Share issue costs (d)	(5,130,207)	-	5,130,207	-	-
Capitalized interest (e)	-	-	59,000	-	59,000
Accretion expense on debenture (c)	(299,125)	-	299,125	-	-
Reported under US GAAP	$ 106,938,107	$ 13,431,849	$ (57,811,501)	$ -	$ 62,558,455

December 31, 2006

Statements of Shareholders' Equity	Common Shares	Contributed Surplus	Deficit	Accumulated Other Comprehensive Loss	Total
Reported under Canadian GAAP	$ 60,332,348	$ 14,764,927	$ (22,268,110)	$ -	$ 52,829,165
Mineral property expenditures (a)	-	-	(15,471,679)	-	(15,471,679)
Assets of discontinued operations (a)			(567,104)		(567,104)
Warrants (b)	-	(465,163)	(8,206,566)	-	(8,671,729)
Convertible debenture (c)	-	(1,478,083)	1,478,083	-	-
Share issue costs (d)	(5,105,207)	-	5,105,207	-	-
Accretion expense on debenture (c)	(299,125)	-	299,125	-	-
Reported under US GAAP	$ 54,928,016	$ 12,821,681	$ (39,631,044)	$ -	$ 28,118,653

December 31, 2005

Statements of Shareholders' Equity	Common Shares	(restated) Contributed Surplus	(restated) Deficit	Accumulated Other Comprehensive Loss	Total
Reported under Canadian GAAP	$ 18,437,248	$ 6,226,110	$ (11,702,633)	$ -	$ 12,960,725
Mineral property expenditures (a)	-	-	(3,035,560)	-	(3,035,560)
Warrants (b)	-	(465,163)	(4,110,282)	-	(4,575,445)
Convertible debenture (c)	-	(1,478,083)	1,115,883	-	(362,200)
Share issue costs (d)	(1,199,321)	-	1,199,321	-	-
Accretion expense on debenture (c)	(299,125)	-	299,125	-	-
Reported under US GAAP	$ 16,938,802	$ 4,282,864	$ (16,234,146)	$ -	$ 4,987,520

17. DIFFERENCES BETWEEN UNITED STATES AND CANADIAN GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (continued)

a) Mineral Property Expenditures

Canadian GAAP allows exploration and development costs to be capitalized during the search for a commercially mineable body of ore. The Company has incurred exploration and development expenses that were added to the carrying value of mineral properties as it is anticipated that there is a continuing benefit of such expenditures. Under US GAAP exploration expenditures can only be deferred subsequent to the establishment of proven and probable reserves. On August 28, 2007 the Company announced the results of the bankable feasibility study for the Rosemont project and the approval by the Board of Directors of mine development. As a result, commencing with this approval, the Company is reporting proven and probable reserves and for US GAAP purposes has commenced capitalization of development expenditures. In the final four months of 2007 the Company spent $3,277,761 on deferred development at the property.

Under Canadian GAAP, investment in mining exploration expenditures, net of related payables, during year ended December 31, 2007 of $10,419,555 are classified as investing activities (2006 – $12,130,289; 2005 - $2,458,356) on the consolidated statements of cash flows, whereas under US GAAP, these expenditures would have been classified as operating activities.

b) US Dollar Share Purchase Warrants

Under Canadian GAAP share purchase warrants are accounted for as equity. Under US GAAP, as required by the Financial Accounting Standards Board ("FASB") Statement 133 "Accounting for Derivative Instruments and Hedging Activities, as amended, and EITF 01-6 "The meaning of Indexed to a Company's Own Stock", share purchase warrants denominated in a currency that is not the functional currency of the Company are accounted for as a liability, with the change in fair value recorded through the statement of operations. A loss (gain) would be recorded when the fair value of the share purchase warrants increases (decreases). The fair value of the warrants was calculated using the Black-Scholes option pricing model assuming an average volatility of 122% on the underlying shares, a risk free interest rate of 3.83%, a four year term to expiry and no annual dividends. Based on the initial fair value determination in May 2005 on issuance, the 3,750,000 share purchase warrants denominated in US dollars were recorded as a liability of $465,163. The warrant fair value at December 31, 2006 was calculated using the Black Scholes option pricing model using the following assumptions: expected term (years) of 0.33 (2005 – 1.33) expected volatility of 24% (2005 – 163%), expected dividend yield of 0% (2005 – 0%) and risk free rate of 3.95% (2005 – 3.81%).

As at December 31, 2005 and December 31, 2006 the liability's fair value determination was $4,575,445 and $8,671,729, respectively. The change in fair value of $4,110,282 and $4,096,284 was recorded in the statement of operations for the 2005 and 2006 respective years. The significant increase in fair values reflects the improvement in the Company's share price over the corresponding periods.

17. DIFFERENCES BETWEEN UNITED STATES AND CANADIAN GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (continued)

b) US Dollar Share Purchase Warrants (continued)

In May 2007, the 3,750,000 warrants were exercised for proceeds of US$600,000 ($664,140). As the fair value of the warrants on the date of exercise was $8,785,860 an additional provision of $114,131 is required for 2007 as a charge to earnings. Upon exercise of the warrants the additional amount accrued was reclassified to share capital.

c) Convertible Debentures

Under Canadian GAAP the convertible debenture issued on June 1, 2005 (Note 7) has been accounted for in accordance with HB 3860, which requires the bifurcation of the convertible debenture between its equity and debt components whereas under US GAAP there would be no requirement to bifurcate the instrument according to Accounting Principles Board Opinion 14, "Accounting for Convertible Debt and Debt Issued with Stock Purchase Warrants". Therefore, under US GAAP the value attributed to the equity component of $1,478,083 (included in contributed surplus) would be considered debt. To December 31, 2005 this GAAP difference has had the effect under US GAAP of decreasing interest and financing expense by $980,755, increasing debt issue costs by $117,312 and decreasing share issue costs by $252,440. These adjustments reduced the deficit by $1,115,883. Other balance sheet adjustments as at December 31, 2005 include an increase in the convertible debenture of $497,035 and an increase in the deferred debt issuance costs of $134,835. In 2006 this difference had the effect of decreasing interest and financing expense by $497,035 and increasing the debt issue costs by $134,835. These adjustments reduced the deficit by $362,200. As at December 31, 2006 the only balance sheet effect was within Shareholders' Equity with a $1,478,083 reduction of contributed surplus and an offsetting reduction of the deficit.

In addition, during 1999, a convertible debenture issued by the Company was bifurcated with an equity allocation of $299,125. This accounting would have increased both share capital and the loss recorded for the year. Under US GAAP this equity adjustment must be reversed.

d) Share Issue Costs

Under Canadian GAAP share issue costs are added to the deficit. Under US GAAP share issue costs are netted against share capital.

e) Capitalized Interest

With the capitalization of further mine development costs, following the August 2007 approval by the Board of Directors of the advancement of the Rosemont project, US GAAP requires the capitalization of interest costs on outstanding debt. For the four month period following the release of the bankable feasibility study, interest amounting to $59,000 was capitalized. Canadian GAAP doesn't require the capitalization of interest.

17. DIFFERENCES BETWEEN UNITED STATES AND CANADIAN GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (continued)

(f) Future Income Tax Benefits

A future income tax benefit has not been recognized for the additional losses recognized under US GAAP as the Company does not have a profitable operating mine and therefore is not more likely than not to recognize the benefit of the losses. A valuation allowance has been established which fully offsets the future tax benefits.

In July 2006 the Financial Accounting Standards Board issued FIN 48 – Accounting for Uncertainty in Income Taxes. This standard is effective for fiscal years beginning after December 15, 2006. FIN 48 clarifies the accounting for uncertainty in income taxes recognized in the Company's financial statements in accordance with FASB Statement No. 109 - Accounting for Income Taxes. This Interpretation prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return.

(g) Recent Accounting Pronouncements in the United States

In 2007, FASB issued SFAS 157 – Fair Value Measurements and FASB 159 – Fair Value Option for Financial Assets and Liabilities. Statement SFAS 157 defines fair value, establishes a framework for measuring fair value and expands disclosures currently required by other accounting standards. Statement SFAS 159 permits entities to choose to measure many financial instruments and certain other items at fair value. The standards are effective for fiscal years beginning after November 15, 2007.

The Company does not believe that these standards will have any material affect on the Company's financial statements, but has determined that financial statement note disclosure will be increased.

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Gil Clausen
W. Durand Eppler
Christopher M.H. Jennings
Michael A. Steeves
Robert P. Wares
Richard W. Warke (Chairman)

OFFICERS

Donald B. Clark ~ Vice President Administration
Mike Clarke ~ Vice President Exploration
Gil Clausen ~ President and Chief Executive Officer
Lance Newman ~ Vice President Project Development
Bruce Nicol ~ Senior Vice President and Chief Financial Officer
Rod Pace ~ Vice President Operations
Purni Parikh ~ Corporate Secretary
Raghunath Reddy ~ Vice President Finance
James Sturgess ~ Vice President Projects and Environment
Richard Warke ~ Vice President Corporate Development

REGISTRAR AND TRANSFER AGENT

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SOLICITORS

Fasken Martineau
2900 – 550 Burrard Street
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SHARES LISTED

Toronto Stock Exchange
American Stock Exchange
Trading Symbol ~ AZC
Frankfurt Stock Exchange
Trading Symbol – A5R

"Marcy Tigerman "
<mtigerman@cox .net>
05/05/2008 07:28 PM

To: <comments-southwestern-coronado@fs.fed.us>
cc:
Subject: Rosemont Mine

I am writing in support of stopping the proposed Rosemont Mine. My overarching reason is the loss of habitat, open space and the end of the scenic route 83 as we know it. I have ridden horseback patrol for the Forest Service concentrating my time in Rosemont Junction. There are many uses for this beautiful country and mining should not be one of them.
I don't believe that Augusta Resources have complied with information on how mining would affect critical ground water reserves. Sure there will be jobs for people but I believe that cleaner technology could also provide jobs for the residents of southeastern AZ. The long term effects of waste, tailings, toxic by products, the destruction of more precious open space, critical habitat pales into insignificance compared to the profits for Augusta and jobs for our citizens. Certainly we can do better. The mine will scar our desert forever.
Please do the homework, please keep hands off Rosemont.
Marcy Tigerman

"Barbara"
<bdarlin@earthlink .net>
05/05/2008 04:12 PM

To: "International Dark-Sky Association" <ida@darksky.org>
cc:
Subject: Rosemont /Davidson Canyon/Cal-Portland and Seel mines???

I have been to your web-site, and being a VERY concerned citizen who also happens to be a land owner 3 miles north of Rosemont Ranch, and live on the Davidson wash, I am very distressed about all the light pollution (just to mention one form of pollution) that will come with 4 mines within miles of my home. What can I do? How can I be of assistance to your efforts to preserve our beautiful dark skies and the health of the major Arizona Industry, Astronomy which contributes over 100 million dollars annually to the State's economy?

Pima and Coconino Counties have previously declared that dark skies are a natural resource to be protected along with other natural resources, such as air and our water quality. Dark Skies are also a significant component of the Sonoran Desert Conservation Plan currently being developed to accommodate future growth while preserving the environmental features of Southern Arizona that are such a vital part in the quality of life in our area.

Please give me some guidance. I am open for suggestions on how to best help in this cause!

Respectfully,

Barbara J. Raley
15551 E. Adobe Mesa Place

Vail, AZ 85641
520-762-9115
bdarlin@earthlink.net

"Wayne Tomasi "
<wayne.tomasi@gmail.
com>

05/04/2008 05:38 PM

To: comments-southwestern-coronado@fs.fed.us
cc:
Subject: Rosemont Copper Mine

USDA Forest Service
Coronado National Forest
300 West Congress Street
Tucson, Arizona 85701

4 May 2008

Dear Sir or Madam,

I was somewhat disillusioned and very disappointed after attending the Open House Forum on 23 April 2008 at the Elgin Elementary School concerning the proposed Rosemont Copper Project Mine Plan of Operation. At the Open House, too many questions were left either unanswered or insufficiently answered. I believe many of these questions could have been more completely addressed had an environmental impact study been completed beforehand. It seems odd to me that the Open House Forums are being held before completing the necessary studies.

It also seems peculiar to me that the National Forest Service is advocating construction of the mine. The Coronado National Forest is owned by the constituents of the United States of America – the National Forest Service is simply the agency assigned the duty of administering the use of the land and I do not believe exploitation is (or should be) one of their goals. The thought of the National Forest Service approving construction of a mine against the will of the people most directly and adversely affected by it, is absurd. As the name implies, the Forest Service is charged with the task of servicing forest lands, not foreign investment companies or foreign countries.

The key player in the proposed mine seems to be Augusta Resource Corporation, which is headquartered in Vancouver, British Columbia, and specializes in mining exploration and development. Since they are an investment company, they have the most to gain from constructing the mine and virtually nothing to lose. The Tucson NBC affiliate television station recently reported that Augusta Resource Corporation has already sold $150 million in silver futures from the proposed mine. This seems a bit premature since the forums were only recently completed and, according to the Coronado National Forest Service spokesperson present at the Elgin Forum, there is still a rather lengthy process that must be completed before the National Forest Service will render its final decision.

At the Elgin forum, I heard several people ask a ranking Rosemont Mining Company employee where the ore from the mine was going and their response was that it really did not matter as it had nothing to do with the mine or its operation. However, it does matter to some of us. The thought of a foreign investment company exploiting our country's natural resources is appalling, especially if the final destination for the minerals extracted from the mine is another foreign country.

There are several additional issues pertaining to the proposed Rosemont Copper Project Mine Plan that I would like to address: water, traffic and housing, pollution, and scenery.

Water – The proposed mine site is very near Tucson, which is already water challenged.

Extracting 5000 to 8000 acre-feet of water from an already water depressed water table is ludicrous. I don't think it takes a hydrological engineer to determine the water table will suffer severe consequences, which means the people of Tucson as well as the residents of Sonoita, Elgin, Canelo, and Patagonia will also suffer. Santa Cruz County, which shares a common watershed with the proposed mine site, is considering a referendum that will require land owners to prove a 100-year supply of water before being issued a building permit. It doesn't sound like there is enough water available for both the people in the area and the mine and apparently the National Forest Service thinks the mine is more important than the people.

Traffic and Housing – It is estimated that the mine will employ 500 full time employees. Where will they come from? The residents of the Sonoita/Elgin area are comprised primarily of three types of people: 1) ranchers whose families in many cases have lived in the area for generations, 2) college educated professionals who are either retired or already have good jobs in Tucson, Sierra Vista, or Fort Huachuca, and 3) highly motivated and very successful contractors, who are intelligent, self-educated individuals. I doubt very seriously that any of these people are interested in employment at the mine. Consequently, where will the employees come from, where will they live, and how will they travel to and from the mine? Since there is very little housing available in the Sonoita/Elgin area affordable to people making $59,000 per year; either low-income high-density housing would have to be built in the area or the employees would have to commute from Tucson. If adequate housing were constructed in Sonoita, what would happen to the residents and the facilities after the mine closes in 20 years? State Route 83 was not built for high-density traffic and 500 employees would certainly produce significant traffic. In addition, there would be 40 or more large ore-laden trucks traveling from the mine each day and then returning later the same day. Can you imagine the traffic dilemma this will produce on the highway?

Pollution – There are several active open-pit copper mines in Arizona and numerous others that are now closed. The dust produced from the massive earth-moving equipment and transport trucks necessary to operate an open pit mine is enormous. The debris, when combined with the prevailing winds prevalent in the area, would surely produce a perpetual dust bowl. How do the mine operators or the National Forest Service plan to control the air quality? In addition, the acid used in the leach fields characteristically found around copper mining activities could result in immediate health concerns for those living nearby and create an environmental hazard lasting for centuries.

Scenery – The Rosemont Mine would cover a vast area along the east side of the Rosemont Mountain Range totally destroying the splendid view and certainly adversely affecting the local habitat. The mine extends east to within a half mile of State Route 83, and a large portion of the proposed mine site is at a lower elevation than the road and will, therefore, be clearly visible from the highway. From the maps presented at the Elgin Forum, it appears that most (if not all) of the actual open pit will be on private land and most (if not all) of the tailings would be dumped on public National Forest land. It don't think it is appropriate for our federal forests to be used as a dumping grounds for private waste materials. In addition, State Route 83 is designated a scenic highway; however, I suppose it could be reclassified as not-so-scenic (or even ugly) after construction begins since I doubt that very many people will consider the tailings from an open-pit copper mine particularly scenic? The Rosemont Mine contingency showed an interesting time-lapse projection at the Elgin Forum depicting the evolution of the mine site over the next 20 to 25 years. The final slide showed an unscathed landscape except for the open pit itself. The grass in the area will probably reclaim itself within a few years: however, I fail to see how the slow-growing oak and mesquite trees will miraculously reappear and reach full growth within five years of the mine shutting down.

It seems rather obvious to everyone who will be directly affected by the mine that the people involved in the initial planning have their own agenda and are concerned primarily with their personal selfish interests. Apparently the Rosemont Mine and Coronado National Forest management teams believe they are dealing with a group of complacent and illiterate locals, which is rather insulting in itself. They have certainly neglected to take the needs, concerns, and well-being of the people living in the area into consideration.

Respectfully Submitted,

Wayne F. and Cheryl F. Tomasi
HC1 Box 35
107 Blue Sky Lane
Elgin, Arizona 85611
520-455-9278
wayne.tomasi@gmail.com

Dave and Dorene Daiss
P.O. Box 775
Sonoita, Arizona 85637
60 Blue Sky Lane
Elgin, Arizona 85611
520-455-9300

Glenn Coburn
<glenncoburn@juno .co
m>
05/04/2008 12:25 PM

To: comments-southwestern-coronado@fs.fed.us
cc:
Subject: Proposed Open Pit Mine - Santa Rita Mountains

Hello Forest Service............
I am contacting you regarding my STRONG OPPOSITION to the proposed Canadian Corporations
plans to open an open pit mine in the pristine Santa Rita Mountains of Arizona. This mine would not
only defile our environment and scenic beauty BUT would require massive amounts of water which
would be used to process the copper. This would be tragic both from an environmental standpoint and
the depletion of my water supply. This would be a disgrace and an abandonment by the U.S. Forest Service's
duty to protect the forest and protect the people who depend on this area and its water, to let this project go forward.
Regards,

Glenn Coburn - Realtor
Tierra Antigua Realty
(520) 203-4028 / (520) 762-9350
Email: glenncoburn@juno.com
web site: www.glenncoburn.com

"Lois O'Brien " <lbobrien@cox .net>

05/03/2008 04:27 PM

To: <comments-southwestern-coronado@fs.fed.us>
cc:
Subject: Rosemont-thank you for listening.

May 3, 2008

Dear Forest Service:

I am very much opposed to the Rosemont Mine, for two reasons. The first is, water. The second is US government and Forest Service reimbursement.

The Green Valley aquifer has been dropping 2 feet a year for several years they say. Rosemont plans to bring in Colorado River Water, but I haven't seen any measurements comparing what they would bring in that way with what they would use. Also, the lakes supplying the river are running low, and there is no guarantee that they will refill, and that the combined SanPedro and Colorado River water would continue to support Green Valley and Sahuarita and Tubac and Amato, after having passed more upstream users. I would hate to see people driven from their homes by lack of water, but this could happen even without the mine. With it, it would be much faster.

Is there any way to shut down the mine if this should start to occur? In California the oldest user of water has water rights. Is that so here?

If not, then I am adamantly opposed to the mine. Unless they bring in water from the ocean, and desalinate it if necessary for mining operations. The oceans are supposed to rise with global warming, not fall. So that supply wouldn't be exhausted, and after the mine closes after 20 years, the desalination plant and or transport pipe or canal could be used for homeowners, who surely will not be able to afford such a thing on their own. Not Pima county, not Tucson, not Green Valley, not Sahuarita, not even Arizona could afford such an expense now. Whether the mine could, they would have to decide.

I don't like the habitat destruction, but copper isn't found everywhere in the world, and it seems to be the best material for many projects. So without the water problem, I would reluctantly approve, IF the royalties paid for removal of the copper were sufficient to aid the US and Forest Service budgets. I read once that lumbering companies paid pennies on the dollar to the government compared to what they paid private land owners. I fear this may be true also for minerals. I forgot to ask that when I attended your meeting. If all of the money goes to Canadian countries, and the copper is sent to China for smelting, and while there presumably manufactured into tubing and wire, does the US even get pennies per pound? I wish I had asked about this at the meeting. Royalties for the mineral rights? Or were they sold with the land?

Fair is fair. Rosemont is likely to take both water and copper from the region, damaging the life of residents and taking an asset from the American people as a whole. Jobs are not enough to replace this danger. Unless the water is obtained elsewhere and the possible allotment of CAP water for the San Pedro Basin not used, and the US government receives a fair amount, comparable to private lands, for any land used to remove the copper, it should not happen.

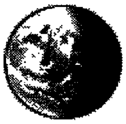
Sincerely,

Lois B. O'Brien, Ph. D., Entomology

lbobrien@cox.net

2313 W. Calle Balaustre,

Green Valley, AZ, 85614 Please add me to the mailing list.



Chad
<azepicriderandrunner@gmail.com>
05/02/2008 12:41 PM

To: comments-southwestern-coronado@fs.fed.us
cc:
Subject: Santa Ritas

To whom it may concern,

I am 100% against the idea of mining in the Rosemont area. The area has some pristine wildlife, along with the Arizona Trail running past the mine. I have frequented this trail near Box Canyon on a yearly basis; it would be a shame to have such a pristine area be wrecked from another mine that will eventually close down. My grandfathers, uncle, father, stepfather, and brothers all worked for Magma, which was bought out by BHP. I come from a family of miners. BHP, as you know, closed their doors at the plight of the workers and town of San Manuel. Will you let this happen again?

Chad

Nathan Ballantyne <wnb@email.arizona.edu>

05/02/2008 09:16 AM

To: comments-southwestern-coronado@fs.fed.us
cc:
Subject: Rosemont Copper Project

To Whom It May Concern:

I will, in this brief note, to voice my fears about the development of lands for mining operations in the Santa Ritas.

Since moving to Tucson in 2005, I have spent many weekends hiking and mountain biking in the Santa Ritas. Southern Arizona has become my home due in large part to the natural resources. I have invited friends and family to visit the area, and everyone who visits hopes to return soon. The public land that is at risk must be kept available for the public. The scenic area that would be compromised by mining must be retained for generations to come. It would be short-sighted -- and all too human, it seems to me -- for the mining project to go ahead. We can do better.

The biodiversity that is characteristic of the sky islands in the National Forest deserves special notice. My research indicates that Augusta is untried in the mining industry. But the record of mining in Arizona and elsewhere should guide our expectations: we can expect the loss of biodiversity -- and air, water, and noise pollution.

I wish to emphasize the importance of protecting the species in the area that are known to be vulnerable. The Arizona Fish & Game Dept. reports that the following vulnerable species have range in the Rosemont Ranch: Bell's Vireo, Mexican Long-tongued Bat, Western Red Bat, Lowland Leopard Frog, Rufous-winged Sparrow, and the Giant Spotted Whiptail Lizard. These creatures must be protected and I trust the ultimate decision will reflect the value of the biodiversity.

Thank you for reading this brief note. I look forward to more public discussion about the Rosemont project and research into the impact of the proposed mine.

Sincerely,
Nathan Ballantyne

Department of Philosophy
University of Arizona

"Greg Money"
<gmoney@vailaz.com>
05/01/2008 11:04 AM

To: <comments-southwestern-coronado@fs.fed.us>
cc:
Subject: ATTN: Rosemont Team Leader

I was riding my Dual Sport in Rosemont 4/19 at the posted 15 MPH Forest Service Map Road,w
hen low and behold 3 Red Well drilling trucks come around a blind corner exceeding the posted
15 MPH Speed limit and I had to escape being run over by driving into the trees.It seems to me
all Augusta subs want to do to me is make me a hood ornament on their truck!And they claim
they will obey the traffic laws in our neighborhood and National Park?If we are not allowed to
use the area
The Forest Service needs to change the maps for our safety!
No reason my safety should be in jeopardy during the approval process!
When the area is on National Forest Service Map as an approved OHV area.
This is a National Forest a National Treasure
For my family to use and enjoy, if it is lost where am I to go, and is this what the people that
deemed it a National Forest had in mind?

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