

COMPLAINT AND REQUEST FOR INVESTIGATION OF:

ROSEMONT COPPER COMPANY

Filed March 29, 2012

by

Save the Scenic Santa Ritas Association, Inc.

**Save the Scenic Santa Ritas is a volunteer-based Non-Profit Corporation
and is a 501(c)(3) tax-exempt organization under the I.R.S. Code.**

**VINCE RABAGO, ESQ.
VINCE RABAGO LAW OFFICE PLC
500 N. Tucson Blvd., Ste 100
Tucson, AZ 85716**

**Vince@VinceRabagoLaw.com
(520) 955-9038 (Office)
(888) 371-4071 (Fax)**

www.VinceRabagoLaw.com

TABLE OF CONTENTS

I. OVERVIEW OF COMPLAINT.

A. INTRODUCTION.

B. ARIZONA CORPORATE LAW AND FILING REQUIREMENTS.

C. ROSEMONT COPPER COMPANY HAS REPEATEDLY DECEIVED THE ARIZONA CORPORATION COMMISSION AND THE PUBLIC SINCE THE INCEPTION OF THE COMPANY.

D. ROSEMONT COPPER COMPANY HAS MISLED STATE AUTHORITIES AND THESE ACTIONS UNDERMINE PUBLIC CONFIDENCE IN THE COMPANY.

E. ADDITIONAL POTENTIALLY RELEVANT INFORMATION.

II. CONCLUSION.

APPENDIX TABLE OF CONTENTS

VOLUME I

Appendix A, News article titled, “Top executives at West Coast Forest ousted – Plywood plant put into bankruptcy,” *The Globe and Mail*, dated August 4, 1995.

Appendix B, Augusta Metals Incorporated, Management Information Circular, dated June 9, 2000, signed by Ricard W. Warke and Donald B. Clark and others.

Appendix C, Augusta Resource Corporation, Annual Information Form, June 7, 2002

Appendix D, Augusta Resource Corporation, Annual Information Form, July 16, 2003.

Appendix E, Sargold Resource Corporation (Canada), Information Circular, dated May 9, 2005, for the general annual and special shareholder meeting on June 23, 2005.

Appendix F, Augusta Resource Corporation (Canada), Information Circular, dated May 16, 2005, for the general annual and special shareholder meeting on June 15, 2005.

Appendix G, “History On the Block in Sale of Mill's Assets,” *The Canadian Press*, Toronto, Ontario, news article dated June 10, 1996.

Appendix H, “B.C. Workers Become Mill Owners,” *Comment Magazine*, Cardus, article dated October 1, 1990.

Appendix I, Official Reports of Debates of the Legislative Assembly of the British Columbia Parliament (1990), noting 4 million dollar loan to West Coast Plywood.

Appendix J, “Entrepreneur Warke Gets His Plywood Business,” *Financial Post*, Toronto, Canada, news article dated June 19, 1993, mentioning Richard W. Warke's involvement.

Appendix K, three news articles describing history of West Coast Plywood and/or involvement of Richard W. Warke: “Plywood Mill Revived,” *The Province*, Vancouver, B.C., Canada, news article dated June 10, 1993; “Equity Injunction to revive West Coast Plywood plant,” *The Vancouver Sun*, Vancouver, B.C., Canada, article dated June 11, 1993; “Logging Operations Sold,” *The Globe and Mail*, Toronto, Canada, news article dated February 12, 1994.

Appendix L, “Mill Workers Fight Tax Ruling,” *Toronto Star*, Toronto, Ontario, news article dated March 17, 1997.

APPENDIX TABLE OF CONTENTS - CONTINUED

VOLUME II

Appendix M, Articles of Incorporation and Certificate of Disclosure for Augusta Resource (Arizona) Corporation, filed with the Arizona Corporation Commission on April 8, 2005.

Appendix N, Change of name from Augusta Resource (Arizona) Corporation to Rosemont Copper Company, filed with Arizona Corporation Commission, dated July 30, 2007.

Appendix O, Annual Report and Certificate of Disclosure for Augusta Resource (Arizona) Corporation, filed with the Arizona Corp. Commission on April 27, 2006.

Appendix P, Annual Report and Certificate of Disclosure for Augusta Resource (Arizona) Corporation, filed with the Arizona Corp. Commission on April 17, 2007.

Appendix Q, Annual Report and Certificate of Disclosure for Rosemont Copper Company, filed with the Arizona Corporation Commission on June 4, 2008.

Appendix R, Annual Report and Certificate of Disclosure for Rosemont Copper Company, filed with the Arizona Corporation Commission on March 6, 2009.

Appendix S, Annual Report and Certificate of Disclosure for Rosemont Copper Company, filed with the Arizona Corporation Commission on April 8, 2010.

Appendix T, Annual Report and Certificate of Disclosure for Rosemont Copper Company, filed with the Arizona Corporation Commission on June 30, 2011.

Appendix U, Securities Disclosure Violation Complaint filed by Save the Scenic Santa Ritas Association with the Securities and Exchange Commission, December 20, 2011.

Appendix V, 1989 British Columbia Securities Commission insider trading disclosure violation settlement agreement with Richard W. Warke, effective November 28, 1989.

Appendix W, Personal Bankruptcy proposal re: Richard W. Warke, filed 9/21/1993.

Appendix X, Federal Register publication of voluntary Issuer Delisting by Conversion Industries, approved by the Securities and Exchange Commission, dated March 15, 1995.

Appendix Y, Schedule 14A Proxy Statement of CVD Financial Corporation, 8/15/1996.

Appendix Z, Miscellaneous Arizona Statutes regarding incorporation, disclosure, and reporting.

I. OVERVIEW OF COMPLAINT.

This Complaint is being filed with the Arizona Corporation Commission and other law enforcement agencies regarding Rosemont Copper Company, an Arizona Corporation (also called “Rosemont Copper”). The Complaint and supporting documents establish a lengthy pattern of Rosemont Copper making affirmative misrepresentations to the Arizona Corporation Commission in official corporate filings since the inception of the company. This calls into question the existence of Rosemont Copper as a valid Arizona company, potentially subjecting the company to administrative dissolution proceedings by state authorities, as well as raising the specter of potential felony criminal prosecution if the relevant parties knowingly filed false documents.

A. INTRODUCTION.

Upon information and belief, Rosemont Copper Company, and certain senior management, have engaged in a long pattern of deception to Arizona authorities and the public that began with its original incorporation paperwork in 2005, and which has continued in required annual corporate filings with the Arizona Corporation Commission (“ACC”) every year thereafter to the present.

Specifically, public filings with the Arizona Corporation Commission indicate that Rosemont Copper has affirmatively lied to state authorities for seven consecutive years by misrepresenting that no director of the company had been a director or officer of another company placed in bankruptcy, in direct violation of Arizona law and required disclosure forms. Public information and Canadian regulatory records indicate that two of Rosemont Copper's directors—Donald B. Clark and Richard W. Warke—served as officers of West Coast Plywood Company Ltd. that was placed into bankruptcy in Canada on July 27, 1995, on the same day these officers left the company.

Rosemont Copper concealed the corporate bankruptcy involving two of its directors when it filed incorporation papers with Arizona Corporation Commission in April 2005, and thereafter, even while two other Canadian companies with ties to Warke and Clark did disclose the same corporate bankruptcy to Canadian securities regulators in May 2005.

Rosemont Copper has misrepresented this fact by affirmatively denying a question on each and every Arizona Corporation Commission annual report disclosure form since 2005 that *requires* officers and directors of an Arizona Corporation to disclose *any* previous corporate bankruptcies.

Rosemont Copper is a wholly-owned subsidiary of Vancouver, British Columbia-based Augusta Resource Corporation, a publicly traded company in the United States and Canada. Richard W. Warke is Chairman of Augusta Resource Corporation, and Donald B. Clark is a board member.

As a result of these fundamental misrepresentations to the Arizona Corporation Commission, the very incorporation of Rosemont Copper, its credibility, and the underlying validity of its authorized existence and standing as an Arizona corporate entity is called into question.

In addition, such misrepresentations, if done knowingly, constitute potential felony criminal offenses in the State of Arizona. Even if the conduct does not rise to the level of criminal prosecution, the Arizona Corporation Commission has the authority to investigate and commence official proceedings to administratively dissolve Rosemont Copper Company.

Save the Scenic Santa Rita's Association (SSSR), is a volunteer-based, 501(c)(3) non-profit incorporated in Arizona. SSSR's mission is to protect the Santa Rita and Patagonia Mountains in southern Arizona from environmental degradation caused by mining and mineral exploration activities. Our current activities are centered on the proposed Rosemont Copper mine in the Santa Rita Mountains. Rosemont Copper Company is known to SSSR as the only reported asset of Augusta Resource Corporation. As of October, 2010, the efforts of Save the Scenic Santa Ritas in opposing the proposed Rosemont mine have been endorsed by more than 95 groups, organizations, and businesses in the area, collectively representing over 80,000 individuals.

The relevant public records and publicly available information supporting the Complaint are submitted as appendices in support of this request for investigation and prosecution, if warranted, based on Rosemont Copper's deception.

Additional Potentially Relevant Information

On December 20, 2011, Save the Scenic Santa Ritas filed securities law non-disclosure complaints with the U.S. Securities and Exchange Commission and the British Columbia Securities Commission in Canada. The complaints were filed after a thorough review of public information revealed a longstanding, widespread apparent pattern of not disclosing statutorily required information to securities regulators about the background of certain directors of Augusta Resource, including Mr. Warke and Mr. Clark.

Notably, these same Rosemont Copper officers and directors were subject to a securities registration "cease-trade" order issued by from Canadian securities regulators in British Columbia, Canada. One of these directors is under an order from British Columbia securities regulatory authorities in Canada to be truthful in all future filings, in connection with signing an insider trading disclosure settlement agreement.

The persistent pattern of nondisclosure of material information involving Mr. Warke and Mr. Clark extends beyond Augusta Resource to similar conduct by other publicly-traded companies that these directors are, or were involved with, for more than a decade. The SEC complaint is provided as background information in the event that the ACC may deem such conduct relevant.

B. ARIZONA INCORPORATION AND ANNUAL CORPORATE FILING REQUIREMENTS.

Arizona law requires those parties seeking to incorporate and obtain status as a domestic Arizona corporation comply with certain filing requirements, including filing and publishing Articles of Incorporation and also filing a Certificate of Disclosure that makes certain inquiries as to proposed officers, directors, trustees, and major shareholders. *See* A.R.S. § 10-202.

Arizona law and the official disclosure form (certificate of disclosure) that is required to be filed with the Arizona Corporation Commission with a company's articles of incorporation, and then filed every year thereafter with the annual corporation report, asks the company to disclose, among a number of other things, whether any officer, director, trustee or significant shareholder owning a specified percentage of shares had served in such a capacity in any corporation placed in bankruptcy. *See* A.R.S. § 10-202(D) and (F); A.R.S. § 10-1622(A)(8); *see* Appendix Z.

If a company commits fraud or misrepresents its background to the Arizona Corporation Commission, the filing of false documents with the Corporation Commission constitutes a felony offense under Arizona law for any party who knowingly files false information with the Commission. *See* A.R.S. § 10-1632(A) (“A person who knowingly ... signs any articles, statement, report, application or other document filed with the commission that is known to the person as false in any material respect is guilty of a class 4 felony); also A.R.S. § 1623(F) (requiring disclosure of two or more corporate bankruptcies) and *State v. Jones*, 222 Ariz. 555, fn. 8, 218 P.3d 1012 (2009) (A.R.S. § 1623(F) provides that a “person who makes a false statement in connection with law requiring notification to Corporation Commission of a corporate bankruptcy is guilty of a Class 5 felony”).

The knowing filing of a false report to the Arizona Corporation Commission is a felony crime, even if the oath subscribed was not an oath made under penalty of perjury. *State v. Betts*, 71 Ariz. 362, 227 P.2d 749 (1951) (case where the president of a mining corporation was criminally charged with the filing of false financial reports with the Arizona Corporation Commission). *See generally*, Appendix Z. In *Betts*, the Court noted that the Legislature has enacted a similar statute providing a criminal offense based on false filings “[i]n order to prevent frauds from being perpetrated upon the public...” *State v. Betts*, 71 Ariz. 362, 364, 227 P.2d 749.

Aside from potential criminal prosecution of responsible knowing parties who filed false statements, the Arizona Corporation Commission has statutory authority to commence administrative proceedings to revoke a corporation’s status as a legal corporate entity under Arizona law based on such fraud or illegal conduct. *See* A.R.S. § 10-1420 (grounds for dissolution); A.R.S. § 10-1420(8) (“Any officer or other representative of the corporation has made any misrepresentation of a material matter in any application, report or other document submitted by the corporation ... [under] this title.”).

The purpose of disclosing required information to the Arizona Corporation Commission is that so Arizona authorities can determine whether a company is suitable to be given the privilege of becoming recognized with the legal status of a domestic Arizona corporation. The records are also provided, among other things, in order to provide authorities and the public with information about the officers and directors of a company. Arizona corporate disclosure statutes, including the law requiring corporations to file an annual report, are designed, in part, to enable anyone seeking information concerning a corporation to obtain such information through public records. *State v. Betts*, 71 Ariz. 362, 227 P.2d 749.

C. ROSEMONT COPPER COMPANY HAS REPEATEDLY DECEIVED ARIZONA CORPORATION COMMISSION AUTHORITIES AND THE PUBLIC SINCE THE INCEPTION OF THE COMPANY.

Augusta Resource Corporation is a Canadian junior mining exploration company that has never operated an actual mine, but is engaged in efforts to develop an open pit copper mine in southern Arizona through its U.S. subsidiary, Rosemont Copper Company.

On June 4, 1993, Richard W. Warke became an officer and director of West Coast Plywood Company Ltd., a Vancouver, British Columbia company. On August 15, 1994, Donald B. Clark became a director and Chief Executive Officer of West Coast Plywood. Eventually, due to alleged mismanagement, West Coast Plywood was placed in bankruptcy on July 27, 1995. Canadian securities' filings and news reports indicate Donald B. Clark and Richard W. Warke were forced to leave West Coast Plywood on the same day. See Appendix A, "Top executives at West Coast Forest ousted – Plywood plant put into bankruptcy," *The Globe and Mail*, news article dated August 4, 1995; see also Appendix B, C, D, E and F.

West Coast Plywood was a high-profile company that represented over "50 years of British Columbia industrial history," including "one of the largest plywood mills in Canada." Appendix G, "History On the Block in Sale of Mill's Assets," *The Canadian Press*, Toronto, Ontario, news article dated June 10, 1996. Media reports indicate that over 300 mill workers had previously invested substantial personal funds or obtained loans (up to \$22,000 per share) to save the company in prior years. See Appendix H and N. The company had also previously received approximately 4 million dollars in Canadian government loans in prior years, as reflected in debates in the British Columbia parliament. Appendix I.

In 1993, Richard W. Warke had assumed control of West Coast Plywood through his role as President of West Coast Products, Inc. Appendix J, "Entrepreneur Warke Gets His Plywood Business," *Financial Post*, Toronto, Canada, news article dated June 19, 1993; see also background news articles in Appendix K. Due to the corporate bankruptcy of West Coast Plywood in 1995, the mill workers "lost their livelihoods," and were later pursued by authorities for taxes based on the losses from their investment from trying to save the company.

Appendix L, “Mill Workers Fight Tax Ruling,” *Toronto Star*, Toronto, Ontario, news article dated March 17, 1997.

According to media reports, the robust, or perhaps excessive, promotion of the West Coast Plywood company by Richard W. Warke was thereafter followed by an apparent investor rebellion over the financial condition of the company that forced Richard W. Warke to resign as president of West Coast Forest Products Inc., which controlled 58 percent of West Coast Plywood's stock. See Appendix A, “Top executives at West Coast Forest ousted – Plywood plant put into bankruptcy,” *The Globe and Mail*, news article dated August 4, 1995.

Richard W. Warke's management of West Coast Forest also “suffered because of an untenable, 'incestuous situation' in which the then-existing management of the company controlled the board of directors,” according to the new management of West Coast Forest in media reports. See Appendix A.

Donald B. Clark and Richard W. Warke were forced out of their executive positions with West Coast Plywood on the same date that West Coast Plywood filed for bankruptcy. Appendix A.

On April 8, 2005, Donald B. Clark and Richard W. Warke formed an Arizona corporation – initially called Augusta Resource (Arizona) Corporation – to further their development plan to establish an open pit copper mine in the Santa Rita mountains of Southern Arizona. Appendix I. One month later, the West Coast Plywood corporate bankruptcy was disclosed by Augusta Resource Corporation (the Canadian parent company of Rosemont Copper), and by Sargold Resource Corporation, specifically in relation to Donald B. Clark and Richard W. Warke, in these companies' own securities filings with Canadian stock regulators. Appendix E and F.

Augusta Resource (Arizona) Corporation later changed its name to Rosemont Copper Company in 2007. Appendix N. For ease of reference, the company will be called Rosemont Copper.

At the time of incorporation in Arizona, the only listed directors of Rosemont Copper were Donald B. Clark and Richard W. Warke. Appendix M.

The original incorporator of Augusta Resource (Arizona) Corporation was a partner of the Fennemore Craig law firm, who signed as a vice-president of FC Services Inc., an affiliated incorporation entity. The certificate of disclosure included an attachment indicating that this incorporator was providing a client service and helped incorporate numerous companies, and could not say whether one or more had gone into bankruptcy, but that she served merely in the capacity of incorporator as a service. Appendix M.

Despite the “No” box being checked in response to a question regarding other corporate bankruptcies on the disclosure form that accompanied the incorporation papers dated April 8, 2005, less than 40 days later two other Canadian companies with ties to Donald B. Clark and

Richard W. Warke disclosed the West Coast Plywood bankruptcy to Canadian regulators on two separate occasions in May 2005. Appendix M and Appendix E and F.

Significantly, the following year, it was Donald B. Clark who signed the required Annual Corporate Report on April 27, 2006 that is filed with the Arizona Corporation Commission. Such documents, submitted and signed electronically, are signed under penalty of law. Appendix K. Different Rosemont Copper officers other than Mr. Clark signed Rosemont Copper's Arizona Corporation Commission annual report filings between 2007 and 2011.

The 2006 Annual Corporate Report that Rosemont Copper filed with the Arizona Corporation Commission falsely represented—again—that no officer, director, trustee, etc. had served in any such capacity in any company that had been placed in bankruptcy. This was misrepresented despite the fact that both Donald B. Clark and Richard W. Warke had served on the board of the West Coast Plywood company that was placed into bankruptcy on July 27, 1995 (and these officers were apparently also forced out of the company). The box “No” was checked on the Certificate of Disclosure and the form was signed by Donald B. Clark. Appendix O.

Donald B. Clark (and Richard W. Warke) obviously knew about the corporate bankruptcy of West Coast Plywood. Clark was a director and the Chief Executive Officer (CEO). As noted, the corporate bankruptcy was high profile and received substantial coverage in the largest national newspaper in Canada, which named both Clark and Warke, and the bankruptcy also received news coverage in other newspapers in Canada well into 1997. Additionally, three other companies where Clark and Warke served on the board of directors did report this corporate bankruptcy to Canadian regulators on at least 5 separate occasions – both before and after the incorporation of Rosemont Copper – from at least June 2000 through May 2005. Indeed, the information was reported to Canadian authorities on May 16, 2005, less than one year before Donald B. Clark signed Rosemont Copper's 2006 annual report for the ACC. *See* Appendices A, B, C, D, E and F.

Rosemont Copper's affirmative falsehood ignoring the West Coast Plywood bankruptcy was repeated again and again in annual reports to the Arizona Corporation Commission in 2007, 2008, 2009, 2010, and 2011. *See* Appendices P, Q, R, S and T. Beginning in 2010, Mr. Clark was no longer listed as a director or officer of Rosemont Copper, however, Mr. Warke is still a director and Rosemont continues to deny any corporate bankruptcy or disclose the West Coast Plywood bankruptcy.

Arizona law and the official Arizona Corporation Commission disclosure form (certificate of disclosure) that was required to be filed with the Arizona Corporation Commission asked the company to disclose, among other things, whether any officer, director, trustee had served in such a capacity in any corporation which had been placed in bankruptcy.

The official ACC form contains a box for “yes” and a box for “no,” but if the answer is yes

then additional information about the prior corporate bankruptcy is required.

Thus, when submitting its original incorporation paperwork, Rosemont Copper affirmatively checked the “No” answer box to the following question on the ACC disclosure form in 2005:

C. Has any person serving as officer, director, trustee or incorporator of the corporation served in any such capacity or held or controlled over 20% of the issued and outstanding common shares, or 20% of any other proprietary, beneficial or membership interest in **any other corporation which has been placed in bankruptcy**, receivership or had its charter revoked, or administratively or judicially dissolved by any state or jurisdiction?

Appendix M (emphasis added).

The certificate of disclosure form filed with the company's Annual Report filed with the ACC in 2006, 2007, and 2008 similarly answered “No” to the following question:

B) Has any person serving as an officer, director, trustee or incorporator of the corporation served in any such capacity OR held or controlled over 20% of the issued and outstanding common shares, or 20% of any other proprietary, beneficial or membership interest in any corporation which has been placed in bankruptcy, receivership or had its charter revoked, or administratively or judicially dissolved by any state or jurisdiction?

See Appendices O, P, and Q.

Similarly, the same false answer was given in 2009, 2010, and 2011, misrepresenting that no director served in any such capacity of any other corporation on the bankruptcy of such other corporation.¹ *See* Appendices R, S and T.

The misrepresentation in the original incorporation and thereafter have misled Arizona authorities and the public about Rosemont Copper and the background of important Rosemont Copper directors and provided inaccurate information since the beginning of Rosemont Copper.

This made it impossible for the Arizona Corporation Commission to properly evaluate Rosemont Copper's application for incorporation, and possibly misled the Commission into providing Arizona domestic corporation status in the form and manner requested with the concealment of information about these corporate directors.

¹ Beginning in 2009, 2010, and 2011, the standard ACC form was worded only slightly differently, in an apparent effort by the ACC to utilize the specific language of the Arizona statute, and stated: B. Has any person who is currently an officer, director, trustee, incorporator, or who, in a For-profit corporation, controls or holds over 20% of the issued and outstanding common shares, or 20% of any other proprietary, beneficial or membership interest in the corporation, served in any such capacity or held a 20% interest in any other corporation on the bankruptcy or receivership of that other corporation?

In turn, the misrepresentations and concealment may have helped sanitize the background of the directors of Rosemont Copper for state authorities and for potential investors at a time when Augusta Resource laid the foundation for attracting hundreds of millions of dollars in investment capital and forming a management team for the company.

On the other hand, at least three Canadian companies – Augusta Metals Corporation, Sargold Resource Corporation and Augusta Resource Corporation – have disclosed the West Coast Plywood bankruptcy and the role of Mr. Warke and Mr. Clark in corporate filings with Canadian regulators submitted between 2000 and 2005. In short, this corporate bankruptcy was disclosed to Canadian authorities by other companies including Rosemont Copper's parent company, but it was concealed from Arizona authorities by Rosemont Copper.

1. On June 9, 2000, Augusta Metals Corporation, a company for which Richard W. Warke served as Chairman, reported the West Coast Plywood corporate bankruptcy involving officers and directors Donald B. Clark and Richard W. Warke in a Management Information Circular filed with Canadian securities regulators. It was reported as follows:

During the five years preceding the date of this Circular, **no director, officer, promoter or other member of management** of Augusta or CyberCom is, or within the past five years, has been, a director, officer or promoter of any issuer in British Columbia that, **while that person was acting in that capacity** was the subject of a cease trade or similar order or an order that denied the issuer access to any statutory exemptions for a period exceeding 30 consecutive days or **was declared bankrupt or made a voluntary assignment in bankruptcy**, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person, **except that West Coast Forest Products Ltd.'s 58% owned subsidiary, West Coast Plywood Company Ltd. ("Plywood"), made a voluntary assignment in bankruptcy July 27, 1995 due to recurring losses. Richard W. Warke was an officer and director of Plywood from June 4, 1993 until July 27, 1995. Donald B. Clark was Chief Executive Officer and a director of Plywood from August 15, 1994 to July 27, 1995. Richard W. Warke was President and a director of West Coast Forest Products Ltd. from 1989 to June 19, 1995 and Chief Executive Officer until August 3, 1995. Donald B. Clark was Vice-President, Finance of West Coast Forest Products Ltd. from August 15, 1994 to July 31, 1995 and a director from August 15, 1994 to June 19, 1995. R. Stuart Angus was a director and Secretary of West Coast Forest Products Ltd. from August of 1993 to June 19, 1995. Since July 27, 1995, all matters with respect to the bankruptcy of Plywood have been the responsibility of the trustee, Coopers & Lybrand Limited.**

See Appendix B at page 41 (emphasis added).

2. On June 7, 2002, Augusta Resource Corporation disclosed the West Coast Plywood corporate bankruptcy involving officers Donald B. Clark and Richard W. Warke in its 2001 Annual Information Form filed with Canadian securities regulators. It was reported as follows:

None of the directors, officers or promoters are, or have been within the past ten (10) years, **directors, officers or promoters of other issuers which were declared bankrupt** or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement, or compromise with any creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that issuer, **other than Richard Warke and Donald Clark with respect to the following matters:**

- 2973090 Canada Inc., a Quebec based company, filed a motion with the Quebec Court dated August 18, 1997 to petition Augusta Metals Incorporated (now known as CyberCom Systems Inc.) into bankruptcy. The case was heard November 5, 1997. The Court rendered judgment January 19, 1998, dismissing the plaintiff's petition motion with costs; and
- **West Coast Forest Product Ltd.'s ("WCFP") 58% owned subsidiary, West Coast Plywood Company Ltd. ("Plywood"), made a voluntary assignment in bankruptcy on July 27, 1995 due to recurring losses. Donald Clark was C.E.O. and a director of Plywood from August 15, 1994 to July 27, 1995, was Vice-President, Finance of WCFP from August 15, 1994 to July 31, 1995, and was a director from May 1993 to June 19, 1995. Richard Warke was an officer and a director of Plywood from June 4, 1993 until July 27, 1995, was President and a director of WCFP from 1989 to June 19, 1995, and was C.E.O. of WCFP until August 3, 1995. Since July 27, 1995, all matters with respect to the bankruptcy of Plywood have been the responsibility of the trustee, Coopers & Lybrand Limited.**

Appendix C at pages 25-26 (Emphasis added).

3. On July 16, 2003, Augusta Resource Corporation disclosed the West Coast Plywood corporate bankruptcy involving officers Donald B. Clark and Richard W. Warke in its 2002 Annual Information Form filed with Canadian securities regulators. It was reported as follows:

None of the directors, officers or promoters are, or have been within the past ten (10) years, **directors, officers or promoters of other issuers which were declared bankrupt** or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement, or compromise with any creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that issuer, **other than Richard Warke and Donald Clark with respect to the following matters:**

- 2973090 Canada Inc., a Quebec based company, filed a motion with the Quebec Court dated August 18, 1997 to petition Augusta Metals Incorporated (now known as CyberCom Systems Inc.) into bankruptcy. The case was heard November 5, 1997. The Court rendered judgment January 19, 1998, dismissing the plaintiff's petition motion with costs; and

- **West Coast Forest Product Ltd.'s ("WCFP") 58% owned subsidiary, West Coast Plywood Company Ltd. ("Plywood"), made a voluntary assignment in bankruptcy on July 27, 1995 due to recurring losses. Donald Clark was C.E.O. and a director of Plywood from August 15, 1994 to July 27, 1995, was Vice-President, Finance of WCFP from August 15, 1994 to July 31, 1995, and was a director from May 1993 to June 19, 1995. Richard Warke was an officer and a director of Plywood from June 4, 1993 until July 27, 1995, was President and a director of WCFP from 1989 to June 19, 1995, and was C.E.O. of WCFP until August 3, 1995. Since July 27, 1995, all matters with respect to the bankruptcy of Plywood have been the responsibility of the trustee, Coopers & Lybrand Limited.**

Appendix D at pages 26-27 (Emphasis added).

4. On May 9, 2005, Sargold Resource Corporation, a Canadian-based, publicly-traded company where Richard W. Warke and Donald B. Clark served on the board of directors, disclosed the West Coast Plywood corporate bankruptcy involving officers Donald B. Clark and Richard W. Warke in 2005 Management Information Circular filed with Canadian securities regulators. It was reported as follows:

To the best of management's knowledge, no proposed director is, or has been in the last ten years, a director or executive officer of an issuer that, while that person was acting in that capacity: (a) was the subject of a cease trade order or similar order or an order that denied the issuer access to any exemptions under Canadian securities legislation, for a period of more than thirty (30) consecutive days; (b) was subject to an event that resulted, after that person ceased to be a director or executive officer, in the issuer being the subject of a cease trade or similar order or an order that denied the issuer access to any exemption under Canadian securities legislation, for a period of more than thirty (30) consecutive days; or (c) or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets except as follows:

Cybercom Systems Inc. ("Cybercom") was issued a cease trade order on October 23, 2002 due to failure to file comparative annual financial statements and quarterly report for the period ended January 31, 2002. Cybercom's failure to filing the above resulted from its inability to pay filing fees associating with such filing

due to a lack of funding. Also, 2973090 Canada Inc., a Quebec based company, filed a motion with the Quebec Court dated August 18, 1997 to petition Augusta Metals Incorporated (now known as CyberCom Systems Inc.) into bankruptcy. The case was heard November 5, 1997. The Court rendered judgment January 19, 1998, dismissing the plaintiff's petition motion with costs. Cybercom is currently inactive and remains under cease trade order. Richard Warke and Donald Clark were at the time of the occurrences indicated above and currently are either a director, officer or both of Cybercom.

West Coast Forest Products Ltd.'s ("WCFP") 58% owned subsidiary, West Coast Plywood Company Ltd. ("Plywood"), made a voluntary assignment in bankruptcy July 27, 1995 due to recurring losses. Donald Clark was Chief Executive Officer and a director of Plywood from August 15, 1994 to July 27, 1995. Richard Warke was an officer and director of Plywood from June 4, 1993 until July 27, 1995. Richard Warke was President and Director of WCFP from 1989 to June 19, 1995 and Chief Executive Officer until August 3, 1995. Donald Clark was Vice-President, Finance of WCFP from August 15, 1994 to July 31, 1995 and a director from May 1993 to June 19, 1995. Since July 27, 1995, all matters with respect to the bankruptcy of Plywood have been the responsibility of the trustee, Coopers & Lybrand Limited.

Appendix E at page 5 (Emphasis added).

5. On May 16, 2005, Augusta Resource Corporation disclosed the West Coast Plywood corporate bankruptcy involving officers Donald B. Clark and Richard W. Warke in 2005 Management Information Circular filed with Canadian securities regulators. It was reported as follows:

To the best of management's knowledge, no proposed director is, or has been in the last ten years, a director or executive officer of an issuer that, while that person was acting in that capacity: (a) was the subject of a cease trade order or similar order or an order that denied the issuer access to any exemptions under Canadian securities legislation, for a period of more than thirty (30) consecutive days; (b) was subject to an event that resulted, after that person ceased to be a director or executive officer, in the issuer being the subject of a cease trade or similar order or an order that denied the issuer access to any exemption under Canadian securities legislation, for a period of more than thirty (30) consecutive days; or (c) or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets except as follows:

Cybercom Systems Inc. (“Cybercom”) was issued a cease trade order on October 23, 2002 due to failure to file comparative annual financial statements and quarterly report for the period ended January 31, 2002. Cybercom’s failure to filing the above resulted from its inability to pay filing fees associating with such filing due to a lack of funding. Also, 2973090 Canada Inc., a Quebec based company filed a motion with the Quebec Court dated August 18, 1997 to petition Augusta Metals Incorporated (now known as CyberCom Systems Inc.) into bankruptcy. The case was heard November 5, 1997. The Court rendered judgment January 19, 1998, dismissing the plaintiff’s petition motion with costs. Cybercom is currently inactive and remains under cease trade order. Richard Warke and Donald Clark were at the time of the occurrences indicated above and currently are either a director, officer or both of Cybercom.

West Coast Forest Products Ltd.’s (“WCFP”) 58% owned subsidiary, West Coast Plywood Company Ltd. (“Plywood”), made a voluntary assignment in bankruptcy July 27, 1995 due to recurring losses. Donald Clark was Chief Executive Officer and a director of Plywood from August 15, 1994 to July 27, 1995. Richard Warke was an officer and director of Plywood from June 4, 1993 until July 27, 1995. Richard Warke was President and Director of WCFP from 1989 to June 19, 1995 and Chief Executive Officer until August 3, 1995. Donald Clark was Vice-President, Finance of WCFP from August 15, 1994 to July 31, 1995 and a director from May 1993 to June 19, 1995. Since July 27, 1995, all matters with respect to the bankruptcy of Plywood have been the responsibility of the trustee, Coopers & Lybrand Limited.

Appendix F at page 5 (Emphasis added).

Thus, the corporate bankruptcy of West Coast Plywood Company was disclosed to Canadian authorities by other companies as a result of Mr. Richard W. Warke and Mr. Donald B. Clark being on their board of directors, but it was concealed from Arizona by Rosemont Copper.

D. ROSEMONT COPPER COMPANY HAS MISLED STATE AUTHORITIES AND THESE ACTIONS UNDERMINE PUBLIC CONFIDENCE IN THE COMPANY.

These misrepresentations to Arizona authorities raise legitimate questions that undermine public confidence in Rosemont Copper and these directors, and raises serious questions about the accuracy and truthfulness of the Company’s legally required representations, as well as all of the company's promises. Under the circumstances, it is reasonable for investors and the public to ask – and for regulators to investigate and determine – what else has the company lied about?

It is our belief and opinion that the affirmative misrepresentations presented here, cast serious doubt about Rosemont Copper's veracity and the accuracy of its data, promises and proposed plans for a major open pit copper mine to be operated on private holdings and U.S. Forest Service land in southern Arizona.

Rosemont Copper Company has engaged in an extensive public relations campaign to gain public support for a copper mine. Among other things, the public relations campaign includes Rosemont Copper Company's television advertisements, including one stating: "we promise to be good corporate citizens." (Aired on television in southern Arizona on about 11/23/2011.)

However, Rosemont Copper's failure to be a good corporate citizen is indisputably reflected in its repeated deception over the last seven years to the Arizona Corporation Commission – and the Arizona public in general – in its original and annual corporate filings. This misconduct requires the Arizona Corporation Commission and appropriate authorities to investigate and determine whether administrative dissolution and criminal prosecution is warranted under the circumstances. An investigation is necessary to determine whether and what, if any, violations of Arizona law have been committed, and what legal action may be required.

E. ADDITIONAL POTENTIALLY RELEVANT INFORMATION

Though not the subject of legally required reporting requirements to the Arizona Corporation Commission, it bears repeating the fact that Richard W. Warke reached a prior insider trading disclosure settlement agreement in 1989, which has never been properly disclosed to U.S. Securities regulators (as noted in the December 20, 2011, Complaints filed by Save the Scenic Santa with U.S. and Canadian securities regulators). *See* Appendix U and V. This is despite the fact that Mr. Warke's 1989 settlement agreement and his name continue to appear on the British Columbia Securities Commission website under the heading: "Disciplined Persons". (See the website at http://www.bcsc.bc.ca/disciplined_person.asp?id=1742) (accessed March 23, 2012.)

According to the British Columbia Securities Commission's website, hearing decisions and settlements are part of the Commission's public record of its regulatory activities. Significantly, the British Columbia Securities Commission website states:

"As the government agency responsible for protecting investors and the integrity of the securities markets, we consider it important to make this type of information readily available. For due diligence purposes, we also consider it essential that the list remain complete. This is why we identify all persons that have been subject to sanctions, no matter how serious and whether or not the sanctions have expired."
(<http://www.bcsc.bc.ca/disciplined.asp>)

Thus, the British Columbia Securities Commission states that it is *essential* to disclose Mr. Warke's settlement agreement under its "Disciplined Persons" warning on its website for *due diligence purposes*. We believe any settlement agreement involving an alleged "insider trading"

disclosure violation by the chairman of a publicly traded company, and requiring him to be truthful in future filings, would be important material information to a reasonable investor.

Similarly, Mr. Richard W. Warke has not disclosed a personal bankruptcy to U.S. Securities regulators in a number of corporate filings, including certain filings related to Rosemont Copper's parent company Augusta Resource Corporation. Appendix W.

Finally, although there are many other instances of non-disclosure of material and/or required information to British Columbia or U.S. regulators, it may be significant to the ACC that Donald B. Clark also served on the board of a company that was delisted from the American Stock Exchange under an apparent cloud. In that area, Augusta Resource Corporation has not disclosed to U.S. and Canadian regulators that the American Stock Exchange announced on Oct. 11, 1994 that it was delisting Conversion Industries, Inc. The AMEX formally delisted the company on November 23, 1994. Donald B. Clark was president and chief operating officer from January 1990 until August 1994. Mr. Clark resigned as a director of Conversion Industries on Oct. 23, 1994. See Appendix X and Y.

II. CONCLUSION

In light of our mission to protect the Santa Rita mountains, and given the efforts of Rosemont Copper to place an open pit mine in the Santa Rita's while promising to be "good corporate citizens," we are greatly concerned about Rosemont Copper's repeated deception to Arizona authorities and what it says about the quality of this company and the promises and representations it is making with respect to the proposed Rosemont Copper Mine. The public should be very concerned.

The supporting public records and publicly available information reveal that Rosemont Copper has repeatedly deceived Arizona authorities with false filings misrepresenting the corporate bankruptcy background of two key corporate directors.

Consequently, Save the Scenic Santa Ritas submits this Complaint and Request for Investigation calling upon the Arizona Corporation Commission and law enforcement authorities to investigate and determine whether – and what – law enforcement action is warranted by Rosemont Copper's false filings in Arizona, which could range from possible administrative corporate dissolution up to and including criminal prosecution.

Date: March 29, 2012

By:



VINCE RABAGO, ESQ.
VINCE RABAGO LAW OFFICE PLC
www.VinceRabagoLaw.com