

ANNUAL INFORMATION FORM
(“AIF”)

of

AUGUSTA RESOURCE CORPORATION

(the “Issuer”)

**Suite 800 - 850 West Hastings Street
Vancouver, British Columbia
V6C 1E1**

Dated: March 9, 2001

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PRELIMINARY NOTES

Effective Date of Information

This AIF is dated March 9, 2001 and the information contained herein is current as of such date, other than certain financial information which is current as of December 31, 2000, being the date of the Issuer's most recently completed financial year end.

Incorporation of Other Information

This AIF will be supplemented by, and the following documentation is hereby incorporated by reference as part of this AIF: (a) audited financial statements for the fiscal year ended December 31, 2000, together with the auditors' report thereon; (b) Information Circular dated June 5, 2001 with respect to the Issuer's Annual General Meeting held on June 29, 2001; (c) all documents, including prospectuses, material change reports, and quarterly financial statements as filed with the B.C. Securities Commission (the "BC Commission"), the Alberta Securities Commission (the "Alberta Commission") and the Ontario Securities Commission (the "Ontario Commission") in accordance with the requirements of the *Securities Act* (B.C.) (the "BC Act"), the *Securities Act* (Alberta) (the "AB Act") and the *Securities Act* (Ontario) (the "Ontario Act"), respectively. See Item 9 for further particulars of obtaining copies of these documents, which will also be available for viewing on the website www.sedar.com.

All financial information in this AIF is prepared in accordance with accounting principles generally accepted in Canada ("Canadian GAAP"). The Issuer's fiscal year end is December 31.

Currency

All dollar amounts are expressed in Canadian dollars unless otherwise indicated.

Purpose

This AIF is prepared in accordance with Form 44-101F1 to National Instrument 44-101, for the limited purpose of providing relevant background material necessary for a proper understanding of the nature of the Issuer, its operations and prospects for the future.

ITEM 1: INCORPORATION

Incorporation or Organization of Issuer

The Issuer was incorporated on January 14, 1937 by Articles of Incorporation Letters Patent pursuant to the *Ontario Business Corporations Act*, under the name of Hol-Lac Gold Mines, Limited. On July 3, 1997 the Issuer changed its name to Augusta Resource Corporation. On June 28, 1999 the Issuer was continued under section 187 of the *Canada Business Corporations Act*.

The Issuer is an exchange issuer under the BC Act and the AB Act and, as such, is required to make filings on a continuous basis thereunder. Such material is available for inspection through the BC Commission and the Alberta Commission.

Subsidiaries

The Issuer has no subsidiaries.

Employees

The Issuer has no full-time or part-time employees.

ITEM 2: GENERAL DEVELOPMENT OF THE BUSINESS

Activities During Past Three Years

During the past three years the Issuer has been engaged in mineral exploration and development with interests in properties in Mexico and the United States. These properties were in the exploratory stages and were non-producing and did not generate any operating income or cash flows from operations. During the year ended December 31, 1999, notwithstanding the depressed market for junior resource companies, the Issuer was able to complete limited work programs on its properties. During the year ended December 31, 1999, the Issuer completed an 11 hole drill program on its Ocampo gold-silver property located in Chihuahua State, Mexico. The program confirmed the continuation and extension of the mineralization on two of the previously defined mineralized zones on that property. The Issuer experienced difficulty in raising financing for further work programs on the Ocampo property and upon re-negotiation of the Guadalupe y Clavo acquisition agreement, the Issuer decided not to proceed with the Ocampo property, and funds totalling \$402,543 were written off prior to the year ended December 31, 1999.

During the year ended December 31, 2000, the Issuer experienced mediocre exploration results, low commodity prices and the overall poor market conditions, which resulted in the inability by the Issuer to raise sufficient financing to maintain its properties. The Issuer was forced to write-off all of its mining assets and currently has no mining assets.

Significant Acquisitions and Significant Dispositions

During the year ended December 31, 2000, the Issuer disposed of the following significant properties:

(a) ***Blue Moon Property, California, U.S.A.***

On March 31, 1998 the Issuer acquired the Blue Moon Property from CyberCom Systems Inc. (“CyberCom”) (formerly Augusta Metals Incorporated), a company with certain common directors with the Issuer, for out-of-pocket expenditures incurred by CyberCom of \$139,045. The Issuer expended \$494,011 in exploration programs on the property during the year ended December 31, 1999.

Pursuant to an option agreement between the Issuer and Boliden Limited (“Boliden”) for the Blue Moon Property allowed the Issuer the right to earn up to a 70% working interest in the property, earning a 40% working interest by completing US\$4 million in work expenditures over four years. The firm commitment of US\$500,000 was not fully expended in the first year. In August 2000 a default notice relative to the remaining expenditures required to satisfy the firm commitment was received by the Issuer from Boliden. In April 2001 Boliden agreed to waive the US\$4245,841 balance owed on the US\$500,000 firm commitment including all interest thereto, whereby the liability was written off in 2000.

(b) ***Guadalupe y Calvo, Chihuahua, Mexico***

The option agreement between the Issuer and the property vendors for the Guadalupe y Calvo property, provided for the Issuer to acquire a 100% working interest in the property for 3,000,000 common shares of the Issuer and payments aggregating US\$690,000 by September 17, 2001, including all property taxes and related costs. A finder’s fee of 360,625 common shares of the Issuer was payable relative to the acquisition. The Issuer expended a total of \$141,018 in acquisition costs and \$151,278 in expenditures for exploration programs related to the property. The property was written off in 2000.

As at December 31, 2000 the Issuer had written off all its mining interests.

ITEM 3: NARRATIVE DESCRIPTION OF THE BUSINESS

The Issuer does not have any property interests as at the date of this AIF. Management of the Issuer is continuing its efforts to find a suitable business or project in the resource sector, and/or in other industries, for the Issuer.

ITEM 4: SELECTED FINANCIAL INFORMATION***Last Three Financial Years***

The following table sets forth selected audited financial information of the Issuer for the last three completed financial years:

Fiscal Year Ended December 31			
	2000 (\$)	1999 (\$)	1998 (\$)
Total Revenues	Nil	Nil	Nil
Profit (Loss)	(239,444)	(1,513,466)	(804,218)
Profit (Loss) per Share	(0.02)	(0.16)	(0.10)
Net Earnings (Loss)	(239,444)	(1,513,466)	(804,218)
Net Earnings (Loss) per Share	(0.02)	(0.16)	(0.10)
Net Earnings (Loss) per Share (fully diluted)	(0.02)	(0.13)	(0.09)
Total Assets	44,353	357,008	286,341
Dividend per Share	Nil	Nil	Nil ¹
Total Long Term Debt	22,200	22,200	539,882

1. Refer to Note 4 of the audited financial statements for the fiscal year ended December 31, 1999 regarding special dividend of 8,396,000 common shares of Swica Resource Corp. which was declared December 23, 1998.

Reference should be made to the financial statements of the Issuer for the fiscal year ended December 31, 2000, together with the auditors' report thereon incorporated by reference to this AIF.

Eight Quarters Preceding Most Recently Completed Financial Year

The following table sets forth selected unaudited financial information prepared by management of the Issuer for the eight quarters immediately preceding December 31, 2000:

	Year Ended December 31, 2000				Year Ended December 31, 1999			
	Dec. 31 (\$)	Sept. 30 (\$)	June 30 (\$)	Mar. 31 (\$)	Dec. 31 (\$)	Sept. 30 (\$)	June 30 (\$)	Mar. 31 (\$)
Total Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Profit (Loss)	(239,444)	(565,158)	(510,493)	(339,214)	(1,513,466)	(307,300)	(222,750)	(103,445)
Profit (Loss) per Share	(0.02)	(0.05)	(0.05)	(0.03)	(0.16)	(0.03)	(0.02)	(0.01)
Net Earnings (Loss)	(239,444)	(565,158)	(510,493)	(339,214)	(1,513,466)	(307,300)	(222,750)	(103,445)

	Year Ended December 31, 2000				Year Ended December 31, 1999			
Net Earnings (Loss) per Share	(0.02)	(0.05)	(0.05)	(0.03)	(0.16)	(0.03)	(0.02)	(0.01)

Dividends

The Issuer has not paid any dividends on its common shares and has no present intention of doing so, as it anticipates that all available funds will be utilized to finance exploration and development activities. Refer to notation 1 under the table under “Last Three Financial Years” above.

ITEM 5: MANAGEMENT’S DISCUSSION AND ANALYSIS

This discussion should be read in conjunction with the audited financial statements and related notes thereto of the Issuer which are incorporated by reference to this AIF.

Overview

The Issuer was engaged in mineral exploration and previously had mineral properties located in the United States and Mexico, which were written off in the 2000 and 1999 fiscal years. These properties were in the exploratory stages and were thus non-producing and consequently did not generate any operating income or cash flows from operations. During the year ended December 31, 2000, the Issuer experienced mediocre exploration results, low commodity prices and the overall poor market conditions, which resulted in the inability by the Issuer to raise sufficient financing to maintain its properties. The Issuer was forced to write-off all of its mining assets and currently has no assets.

The Issuer has financed its mining activities and operations primarily through subscriptions for equity capital. No assurances can be provided that its capital requirements can be satisfied in the long-term and such requirements are dependent upon its ability to obtain appropriate financing and conditions in the financial markets.

Capital Resources and Liquidity

To date, virtually all funding for the Issuer’s acquisitions of and expenditures on resource properties and ongoing operations has come from common share issuances.

During the fiscal year ended December 31, 2000, a total of 1,256,000 common shares were issued pursuant to private placement offerings, for total gross proceeds of \$596,000. Of these proceeds, \$550,000 was received in the year ended December 31, 1999 and \$46,000 was received in the year ended December 31, 2000.

Since the fiscal year ended December 31, 2000 no shares have been issued.

The Issuer issued share purchase warrants in connection with the above noted private placements: 780,000 of which would net the Issuer \$117,000 if fully exercised by January 14, 2002, and 476,000 of which would net the Issuer \$238,000 if fully exercised by September 27, 2002.

The Issuer currently has 455,000 incentive stock options outstanding that, if fully exercised, would net the Issuer \$68,250.

The Issuer is in the exploration stage on its mineral properties and therefore has no regular cash flow. The Issuer is, therefore, dependent on generating income from mining operations or raising funds by the issuance of shares in order to finance further acquisitions, undertake exploration and development of mineral properties and meet general and administrative expenses in the medium and long-terms. There can be no assurance that the Issuer will be successful in raising the required financing.

Year Ended December 31, 2000 as compared to the Year Ended December 31, 1999

During the fiscal year ended December 31, 2000, the Issuer (a) expended \$2,649 on exploration and development of its mineral properties, as compared to \$148,649 in fiscal 1999; (b) wrote off \$294,739 in mineral properties, as compared to \$1,137,710 in fiscal 1999; (c) had a deficit of \$3,104,484, as compared to \$2,865,040 in fiscal 1999; and (d) had a working capital deficiency of \$134,576, as compared to \$357,463 in fiscal 1999.

Year Ended December 31, 1999 as compared to the Year Ended December 31, 1998

During the fiscal year ended December 31, 1999, the Issuer (a) expended \$148,629 on exploration and development of its mineral properties, as compared to \$843,851 in fiscal 1998; (b) wrote off \$1,137,710 in mineral properties, as compared to \$715,896 in fiscal 1998; (c) had a deficit of \$2,865,040, as compared to \$1,310,199 in fiscal 1998; and (d) had a working capital deficiency of \$357,463, as compared to \$396,821 in fiscal 1998.

For further information, see the Issuer's audited financial statements for the year ended December 31, 2000 incorporated by reference to this AIF.

ITEM 6: MARKET FOR SECURITIES

The Issuer's common shares trade on the Canadian Venture Exchange under the trading symbol "YAU".

ITEM 7: DIRECTORS AND OFFICERS

As at the date of this AIF, the name, municipality of residence, position with, and principal business or occupation in which each director, officer and executive officer of the Issuer has been engaged during the immediately preceding five years are as follows:

Name and Municipality of Residence	Position	Principal Occupation
RICHARD W. WARKE West Vancouver, B.C. Director since February 1996	President and Director	President and Director of the Issuer; President and Director of CyberCom Systems Inc. and Augusta Corporation; Director of Swica Resource Corp.
DONALD B. CLARK Richmond, B.C. Director since February 1996	Director	Director of the Issuer, CyberCom Systems Inc. and Augusta Corporation, and President and Director of Swica Resource Corp.
TOM BENCIC St. Albert, Alberta Director since June 1996	Director	Engineer, Glenrose Hospital, Edmonton, Alberta and Director of CyberCom Systems Inc. and Swica Resource Corp.
ROBERT P. WARES Montreal, Quebec Director since April 1999	Director	Geologist; President of Osisko Exploration Ltee. and Director of Augusta Corporation
MICHAEL S. STEEVES Delta, B.C. Director since November 1999	Director	Director of Investor Relations of Coeur d'Alene Mines Corporation
PURNI PARIKH Burnaby, B.C. Not a Director.	Secretary	Administrator for Augusta Groups of Companies

The term of office for the Issuer's Directors, Officers and members of the audit committee expires at each annual general meeting. The Board of Directors after the annual general meeting will appoint the Issuer's officers and the audit committee, which is currently comprised of Donald B. Clark, Tom Bencic and Robert P. Wares.

As at the date of this AIF, the Issuer's directors and senior officers, as a group, held a total of 1,415,200 common shares, representing 10.72% of the 13,198,437 common shares of the Issuer issued and outstanding as at that date.

Corporate Cease Trade Orders or Bankruptcies

None of the directors, officers or promoters of the Issuer are, or have been within the past ten (10) years, a director, officer or promoter of other reporting companies which, during such individual's tenure, was the subject of a cease trade or similar order that denied that issuer access to any statutory exemptions for a period exceeding thirty (30) consecutive dates.

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.

Penalties or Sanctions

None of the directors, officers or promoters of the Issuer or shareholders holding more than 20% of the issued and outstanding shares of the Issuer have:

- (a) been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or
- (b) been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Personal Bankruptcies

None of the directors, officers or promoters of the Issuer, or shareholders holding 20% or more of the issued and outstanding shares of the Issuer have, within the past ten (10) years, been 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 issuer.

Conflicts of Interest

Insofar as certain directors of the Issuer also serve as director of other companies, it is possible that certain opportunities may be offered to both the Issuer and to such other companies, and further that those other companies may participate in the same opportunities in which the Issuer has an interest.

In exercising their powers and performing their functions, the directors are required to act honestly and in good faith and in the best interests of the Issuer, and to exercise the care, due diligence and skill of a reasonably prudent person.

Every director who is, in any way, directly or indirectly interested in a proposed contract or transaction with the Issuer, must disclose the nature and extent of his interest at a meeting of the directors. Every such director must account to the Issuer for any profit made as a consequence of the Issuer entering into or performing the proposed contract or transaction, unless he discloses his interest, and after his disclosure, the proposed contract or transaction is approved by the directors and he abstains from voting on the approval of the proposed contract or transaction.

ITEM 8: ADDITIONAL INFORMATION

Upon request made by any person to the Secretary of the Issuer, the Issuer shall provide to that person the following:

- (a) when the securities of the Issuer are in the course of a distribution pursuant to a short form prospectus or a preliminary short form prospectus has been filed in respect of a distribution of its securities:
 - (i) one copy of this AIF and if specifically requested, one copy of any document or the pertinent pages of such documents incorporated by reference herein;
 - (ii) one copy of the Issuer's comparative financial statements for its most recently completed financial year ended December 31, 2000, together with the accompanying report of the auditor and one copy of any interim financial statements of the Issuer subsequent to the financial statements for the most recently completed financial year;
 - (iii) one copy of the Information Circular of the Issuer in respect of its most recent annual meeting of the shareholders that involved the election of directors; and
 - (iv) one copy of any other documents that are incorporated by reference into the preliminary short form prospectus or short form prospectus;
- (b) at any other time, the Issuer may require the payment of a reasonable charge for the documents set out in (i), (ii), (iii) and (iv) above, if the request is made by a person who is not a security holder of the Issuer.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Issuer's securities, options to purchase securities and interests of insiders in material transactions, is contained in the Information Circular for any annual general meeting of the Issuer's shareholders that involves the election of directors. Furthermore, additional financial information is provided in the comparative audited financial statements for the Issuer's most recently completed fiscal year ended December 31, 2000.