BC FORM 53-901F

This is the form of a material change report required under section 85 (1) of the *Securities Act* and section 151 of the *Securities Rules*.

Item 1: Reporting Issuer

Augusta Resource Corporation (the "Corporation")
#800 - 850 West Hastings Street
Vancouver, B.C. V6C 1E1

Item 2: Date of Material Change

January 17, 2002

Item 3: Press Release

The press release was issued in Vancouver, B.C., on January 17, 2002.

Item 4: Summary of Material Change

The Corporation is pleased to announce major property acquisitions in the Coronation Diamond District of Nunavut, N.W.T. The Corporation has entered into agreements with 4763 NWT Ltd. ("4763") to acquire a 20% working interest ("WI") in 6 properties totaling approximately 600,000 acres and a 10% WI in 1 property (JR) containing 133,000 acres, located near the recent diamond discoveries (See map attached). 4763 has optioned a 70% WI in each of the 7 properties to various junior mineral exploration companies ("Primary Optionees"), which earn their interests by completing work expenditures over a 3-4 year period. Therefore, the Corporation will, in effect, have a carried interest in each property pending the Primary Optionees earning their 70% WI.

The Corporation, with its previously announced BH Property acquisition, now has exposure to approximately 900,000 acres in the Coronation Diamond District. Management's approach is to gain an interest in large tracts of prospective land and give shareholders the greatest chance of exposure to any potential new discoveries.

The terms under the 7 separate agreements call for cash payments aggregating $366,000 of which $183,000 is payable on signing and $183,000 four months after receipt of regulatory approval, and share issuances aggregating 650,000 shares of which 325,000 shares to be issued on receipt of regulatory approval and 325,000 shares to be issued on the first year anniversary of receipt of regulatory approval. The Corporation has also agreed to cover 4763 for work expenditures as to its 10% WI (5% in the property in which the Corporation can acquire a 10% WI) for an amount up to the work expenditure completed by the Primary Optionees on each of the 7 properties, to earn their 70% WI.

In the Coronation area the four most encouraging kimberlite pipes to date are the Anuri, Potentilla, Artemisia, and Knife. With the results from Ashton Mining's Artemesia and Potentilla kimberlite pipes, these confirm the emergence of a new diamond district in the north Slave craton region of Nunavut. The Potentilla and Artemisia pipes compare favourably with the early results from the Lac de Gras areas where several economic diamond deposits have been discovered.

The acquisition agreements are subject to regulatory approval.

Item 5: Full Description of Material Change

Please refer to the attached press release for a full description of the material change.

Item 6: Reliance on section 85 (2) of the Act

This report is not confidential.

Item 7: Omitted Information

No information has been omitted in this regard.

Item 8: Senior Officers

Richard W. Warke, President – (604) 687-1717

Item 9: Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

DATED at Vancouver, B.C., this 17th day of January, 2002.

/s/ "Richard W. Warke"

Name: Richard W. Warke
Title: President

A U G U S T A
RESOURCE CORPORATION

NEWS RELEASE

"Major Property Acquisition in Coronation Diamond District"

January 17, 2002 **YAU**:CDNX

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ON BEHALF OF THE BOARD OF DIRECTORS

/s/ Richard Warke

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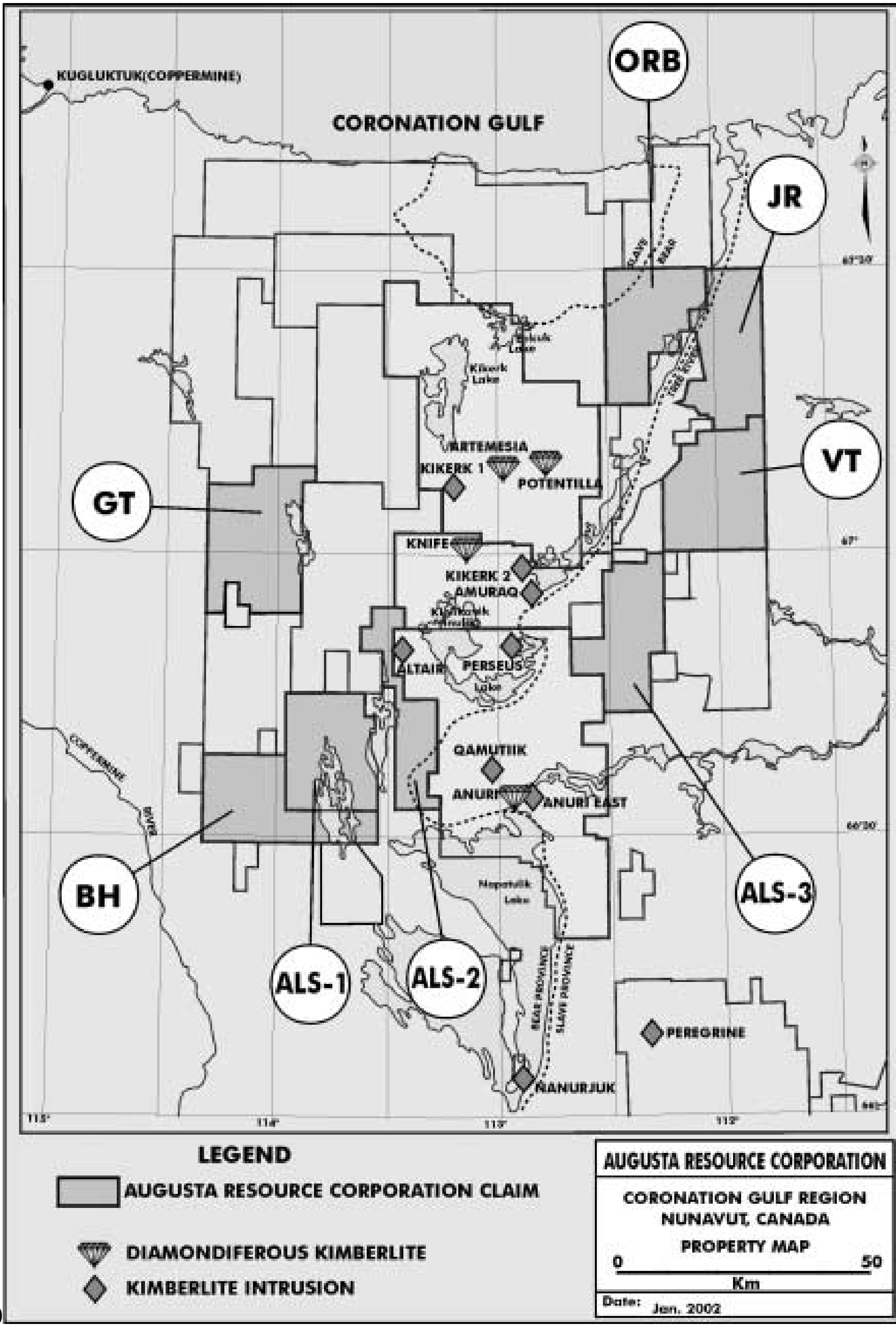
Richard W. Warke
President


KUGLUKTUK(COPPERMINE)
CORONATION GULF
ORB
JR
VT
GT
BH
ALS-1
ALS-2
ALS-3
Kikerk Lake
ARTEMESIA
KIKERK 1
POTENTILLA
KNIFE
KIKERK 2
AMURAQ
ALTAIR
PERSEUS
QAMUTIIK
ANURI
ANURI EAST
PEREGRINE
NANURJUK
BEAR PROVINCE
SLAVE PROVINCE
LEGEND
AUGUSTA RESOURCE CORPORATION CLAIM
DIAMONDIFEROUS KIMBERLITE
KIMBERLITE INTRUSION
AUGUSTA RESOURCE CORPORATION
CORONATION GULF REGION
NUNAVUT, CANADA
PROPERTY MAP
0
50
Km
Date: Jan. 2002