Form 51-102F3
Material Change Report

Item 1 Name and Address of Company

Augusta Resource Corporation
400 - 837 West Hastings Street
Vancouver, BC, V6C 3N6

Item 2 Date of Material Change

December 20, 2007

Item 3 News Release

The news release was disseminated on December 20, 2007 by CCN Matthews.

Item 4 Summary of Material Change

Vancouver, British Columbia, December 20, 2007 - Augusta Resource Corporation (TSX/AMEX: AZC) ("Augusta" or the "Company") announced that it has signed a binding letter agreement and term sheet with Silver Wheaton Corp. ("Silver Wheaton") to sell between 45%-90% of the silver to be produced by the company's Rosemont Copper Project ("Rosemont").

Item 5 Full Description of Material Change

Augusta Resource Corporation announced that it has signed a binding letter agreement and term sheet with Silver Wheaton Corp. ("Silver Wheaton") to sell between 45%-90% of the silver to be produced by the company's Rosemont Copper Project ("Rosemont"). Augusta will elect the percentage of silver production sold on or before March 31, 2008.

Subject to the finalization of the structure of the transaction, including tax considerations, Silver Wheaton will pay an upfront cash payment ranging in value from US$135 million to US$320 million to acquire from 45% to 90% of the payable silver produced during the mine life. The upfront payment will be made 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.

"We are extremely pleased to finalize a transaction with Silver Wheaton, they have demonstrated they are a market leader in the silver industry with their innovative approach." said Gil Clausen, President and CEO of Augusta. "This financing will satisfy approximately 16-38% of our total capital requirements for the project, for only 2-5% of the total project revenue. We have now taken a very large step forward to minimize any further equity dilution for our shareholders in conjunction with subsequent financing of the Rosemont project."

The transaction is subject to (a) Augusta receiving all necessary permits to construct and operate a mine in accordance with our 2007 Rosemont Feasibility Study, (b) Augusta 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.

Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

This report is not being filed on a confidential basis in reliance on subsection 7.1(2) or (3) of National Instrument 51-102.

Item 7 Omitted Information

None.

Item 8 Executive Officer

Gil Clausen, President and CEO or Bruce Nicol, Chief Financial Officer

Item 9 Date of Report

December 20, 2007