



NEWS RELEASE

Augusta Provides Permitting Update on its Rosemont Copper Project

Denver, CO, January 23, 2012 – **Augusta Resource Corporation (TSX/NYSE Amex: AZC)** (“Augusta”) is pleased to announce the completion of the public hearings on the draft EIS and to provide an update on the permitting process for its Rosemont Copper project.

USFS Environmental Impact Statement

The final public hearing on the Rosemont draft EIS was held on January 14, with a public comment submission deadline scheduled for January 18, 2012. The USFS Coronado National Forest has extended this comment submission period for the draft EIS from January 18, 2012 to January 31, 2012 due to a technical problem when their email server went down on January 18, 2012. The Coronado National Forest’s email inbox had rejected comments during the last hours available for submission of public comments. The Company supports this time extension to ensure that all comments can be received without technical difficulty. Work by the USFS continues unabated to analyze and answer comments as received. Augusta sees no material impact on the project’s schedule from this two week extension.

ACOE 404 Permit

The U.S. Army Corps of Engineers (ACOE) completed their 45-day public comment period for the draft Clean Water Act 404 permit on January 19, 2012. As part of the comment process, the U.S. Environmental Protection Agency (EPA), as an advisory agency, has submitted a letter to the ACOE identifying the Rosemont permit as a candidate for review by the EPA and ACOE headquarters. The letter was expected and typical of projects of this magnitude. The full environmental impact statement (EIS) of the Rosemont Copper project, under the lead of the U.S. Forest Service (USFS), includes extensive analysis and reviews conducted and completed by technical experts and the numerous Federal and State agencies that address the impact items listed in the EPA letter successfully and adequately.

The EPA letter to the ACOE identifies those subject areas that the EPA wishes to review in detail with the ACOE. The Rosemont team will continue to work with the ACOE and EPA team to ensure that the EPA’s questions are answered fully and that the project meets the Clean Water Act compliance standards. Although the EPA plays an important advisory role in the 404 permit application process, the agency does not actually issue a permit during this process, the permitting role is reserved for the ACOE.

Other Permits

The Arizona State Line Siting Committee issued its Certificate of Environmental Compatibility (CEC) to the Tucson Electric Power Company on December 19, 2011. The CEC specifies the selected route for the transmission line to the Rosemont Copper project, which runs parallel to the project’s water pipeline.

In addition, the ADEQ held a public hearing on January 5, 2012 and will complete their public comment period for the draft Aquifer Protection Permit on February 3, 2012.

“We continue with our efforts to keep the Rosemont project on track and we are pleased with our progress as well as the tremendous support Rosemont has received from the public, local community groups, state trade and labor associations and the business community,” commented Gil Clausen, Augusta’s President and CEO. “The Rosemont Copper team has designed a modern, low impact mine. They have worked with the various agencies to ensure that our project complies with all legal requirements and that the permitting process progresses in a timely manner. We remain focused on that commitment and in keeping to our schedule to commence project construction in the third quarter of 2012.”

For a complete list of permits already received please visit Augusta’s website (www.augustaresource.com).

About Augusta

Augusta is a base metals company focused on advancing the Rosemont Copper deposit near Tucson, Arizona. Rosemont hosts a large copper/molybdenum reserve that may account for about 10% of US copper output once in production in 2014 (for details refer to www.augustaresource.com). The exceptional experience and strength of Augusta’s management team, combined with the developed infrastructure and robust economics of the Rosemont project, propels Augusta to becoming a solid mid-tier copper producer. The Company trades on the Toronto Stock Exchange and the NYSE Amex under the symbol AZC.

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Forward-looking statements or information are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements or information, including, without limitation, risks and uncertainties relating to: history of losses; requirements for additional capital; dilution; loss of its material properties; interest rates increase; global economy; no history of production; speculative nature of exploration activities; periodic interruptions to exploration, development and mining activities; environmental hazards and liability; industrial accidents; failure of processing and mining equipment; labour disputes; supply problems; commodity price fluctuations; uncertainty of production and cost estimates; the interpretation of drill results and the estimation of mineral resources and reserves; legal and regulatory proceedings and community actions; title matters; regulatory restrictions; permitting and licensing; volatility of the market price of Common

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