

AUGUSTA

REJECT the HudBay Offer

FEBRUARY 2014



FORWARD LOOKING INFORMATION

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Forward-looking statements or information is frequently, but not always, characterized by words such as "will", "plan", "expect", "project", "intend", "believe", "anticipate", "budget", "forecast", "schedule", "estimate" and similar expressions, or statements that certain events or conditions "may", "should", "could", "might" or "will" occur. The forward-looking statements or information contained in this presentation is based on the reasonable expectations and beliefs of management and involves numerous assumptions, known and unknown risks and uncertainties, both general and specific to Augusta and the industry in which the Company operates. Such assumptions, risks and uncertainties include, but are not limited to Augusta's history of losses, requirements for additional capital, dilution, loss of material properties, interest rate increases, 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 and tenure matters, regulatory restrictions, permitting and licensing, volatility of the market price of the Company's common shares, insurance, competition, hedging activities, currency fluctuations, loss of key employees, as well as those factors disclosed in Augusta's documents filed from time to time with the securities regulators in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick and Newfoundland and Labrador. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results, performance or achievements of the Company, or industry results, may vary materially from those described in this presentation. For further details, reference is made to the risk factors discussed or referred to in Augusta's annual and interim management's discussion and analyses and Annual Information Form on file with the Canadian securities regulatory authorities and available under Augusta's issuer profile on SEDAR at www.sedar.com.

Although Augusta has attempted to identify important factors that could cause actual actions, events, results, performance or achievements to differ materially from those described in the forward-looking statements or information contained in this presentation, there may be other factors that cause actions, events, results, performance or achievements not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements or information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Such forward-looking statements and information are made or given as at the date of this presentation and Augusta disclaims any intention or obligation to update or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, except as required under applicable securities law. The reader is cautioned not to place undue reliance on forward-looking statements or information.

**ALL DOLLARS ARE IN CANADIAN DOLLARS UNLESS OTHERWISE NOTED, ALL TONS ARE IN SHORT TONS
ALL METRICS RELATING TO ROSEMONT ARE PRESENTED ON A 100% BASIS**

Augusta has quoted from publicly available analyst reports in this document. These analysts have not consented to the inclusion of all or any portion of their reports in this document. None of the firms employing such analyses were advisors to Augusta or HudBay in connection with the HudBay Offer as at the date of such analysts' reports.

MINERAL RESOURCE AND TECHNICAL INFORMATION

Information in this presentation and disclosure documents of Augusta that are filed with Canadian securities regulatory authorities concerning mineral properties have been prepared in accordance with the requirements of securities laws in effect in Canada, which differ from the requirements of United States securities laws.

Without limiting the foregoing, these documents use the terms "mineral reserve", "mineral resource", "measured mineral resource", "indicated mineral resources" and "inferred mineral resource". Shareholders in the United States are advised that, while such terms are recognized and required by Canadian securities laws, the U.S. Securities and Exchange Commission (the "SEC") does not recognize them. Under United States standards, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. United States investors are cautioned not to assume that all or any part of measured or indicated resources will ever be converted into reserves. Further, inferred resources have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically. It cannot be assumed that all or any part of the inferred resources will ever be upgraded to a higher resource category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies, except in rare cases. Therefore, United States investors are also cautioned not to assume that all or any part of the inferred resources exist, or that they can be mined legally or economically. Disclosure of contained ounces is permitted disclosure under Canadian regulations; however, the SEC normally only permits issuers to report resources as in place tonnage and grade without reference to unit measures. Accordingly, information concerning descriptions of mineralization and resources contained in these documents may not be comparable to information made public by United States companies subject to the reporting and disclosure requirements of the SEC.

National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101") is a rule developed by the Canadian Securities Administrators, which has established standards for public disclosure an issuer makes of scientific and technical information concerning mineral projects. Unless otherwise indicated, all resource and technical information of Augusta contained in this Directors' Circular or contained in documents referenced in this Directors' Circular have been prepared in accordance with NI 43-101 and the Canadian Institute of Mining, Metallurgy and Petroleum Classification System.

THE HUDBAY OFFER IS A LOW BALL BID

REJECT THE HUDBAY OFFER AND DO NOT TENDER YOUR COMMON SHARES

HudBay's motivations could not be more transparent; they are attempting to swoop in at the last minute and deprive Augusta's Shareholders of the value they have been waiting to unlock for many years.

We are confident that you will conclude that the HudBay Offer is a LOW BALL BID that does not come close to providing full and fair value for Augusta.

Directors, Officers and Shareholders of Augusta holding over 33% of the Common Shares (on a fully diluted basis) have advised Augusta that they will NOT TENDER to the HudBay Offer

REJECT the HudBay Offer and DO NOT TENDER your Common Shares

REASONS TO REJECT HUDBAY'S UNSOLICITED OFFER

REJECT THE HUDBAY OFFER AND DO NOT TENDER YOUR COMMON SHARES

1. THE HUDBAY OFFER FAILS TO RECOGNIZE THE STRATEGIC VALUE OF AUGUSTA'S ROSEMONT PROJECT
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5. THE MARKET VIEWS THE HUDBAY OFFER AS INADEQUATE
6. AUGUSTA SHAREHOLDERS ARE NOT BEING ADEQUATELY COMPENSATED FOR THE RISKS AND UNCERTAINTIES INHERENT IN THE HUDBAY SHARES
7. HUDBAY'S TRACK RECORD OF UNDERPERFORMANCE
8. SCOTIABANK AND TD SECURITIES HAVE PROVIDED OPINIONS STATING THE CONSIDERATION OFFERED BY HUDBAY IS INADEQUATE FROM A FINANCIAL POINT OF VIEW
9. DIRECTORS, OFFICERS AND SHAREHOLDERS OF AUGUSTA HOLDING OVER 33% OF THE COMMON SHARES (ON A FULLY DILUTED BASIS) HAVE ADVISED AUGUSTA THAT THEY WILL NOT TENDER TO THE HUDBAY OFFER
10. THE BOARD OF DIRECTORS IS AGGRESSIVELY PURSUING VALUE-MAXIMIZING ALTERNATIVES

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AUGUSTA'S WORLD CLASS ROSEMONT COPPER PROJECT



REJECT the HudBay Offer and DO NOT TENDER your Common Shares

ROSEMONT IS A WORLD CLASS COPPER PROJECT



Arizona

- Considered to be one of the best undeveloped copper projects in the world: significant size, attractive operating and capital costs and location in the U.S.
- Excellent, established local infrastructure: power, water, roadways, rail lines, skilled and experienced labour
- Stable mining laws and regulatory regime

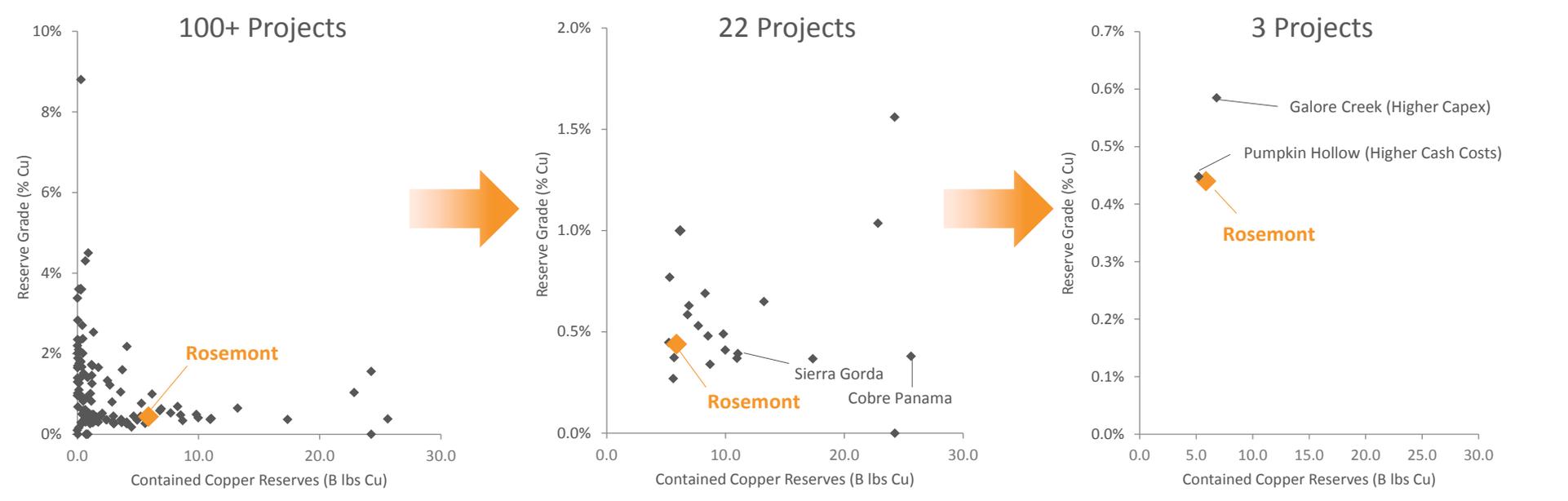


REJECT the HudBay Offer and DO NOT TENDER your Common Shares

SCARCITY OF LARGE SCALE CONSTRUCTION-READY COPPER ASSETS

- Over 100 copper development projects with reserves worldwide, but a lack of world class assets
- Only 22 large projects with a reserve base of at least 5 billion lbs of copper
- Only 3 projects not already majority owned by a producer or government entity
- Rosemont is the most attractive construction-ready copper development opportunity

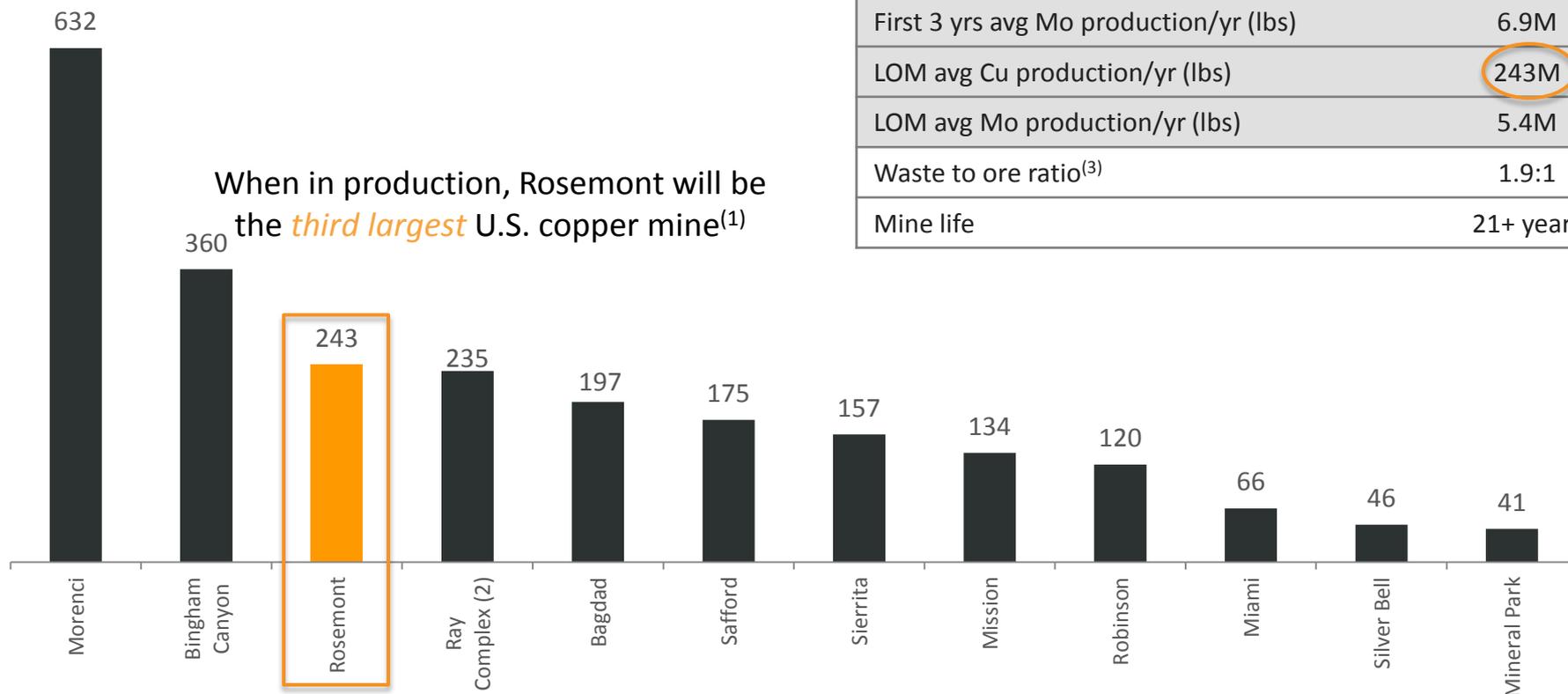
Development Projects with Cu Reserves **Over 5 Billion lbs Contained Cu Reserves** **Not Majority-Owned by a Producer**



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ROSEMONT HAS SIGNIFICANT SCALE

2012A U.S. Copper Production By Mine (Mlbs)



First 3 yrs avg Cu production/yr (lbs)	255M
First 3 yrs avg Mo production/yr (lbs)	6.9M
LOM avg Cu production/yr (lbs)	243M
LOM avg Mo production/yr (lbs)	5.4M
Waste to ore ratio ⁽³⁾	1.9:1
Mine life	21+ years

1. Production plan is based on the 2012 mineral reserve which is confined by a pit shell based on US\$1.88/lb Cu. Based on Rosemont 2012 Feasibility Study Update

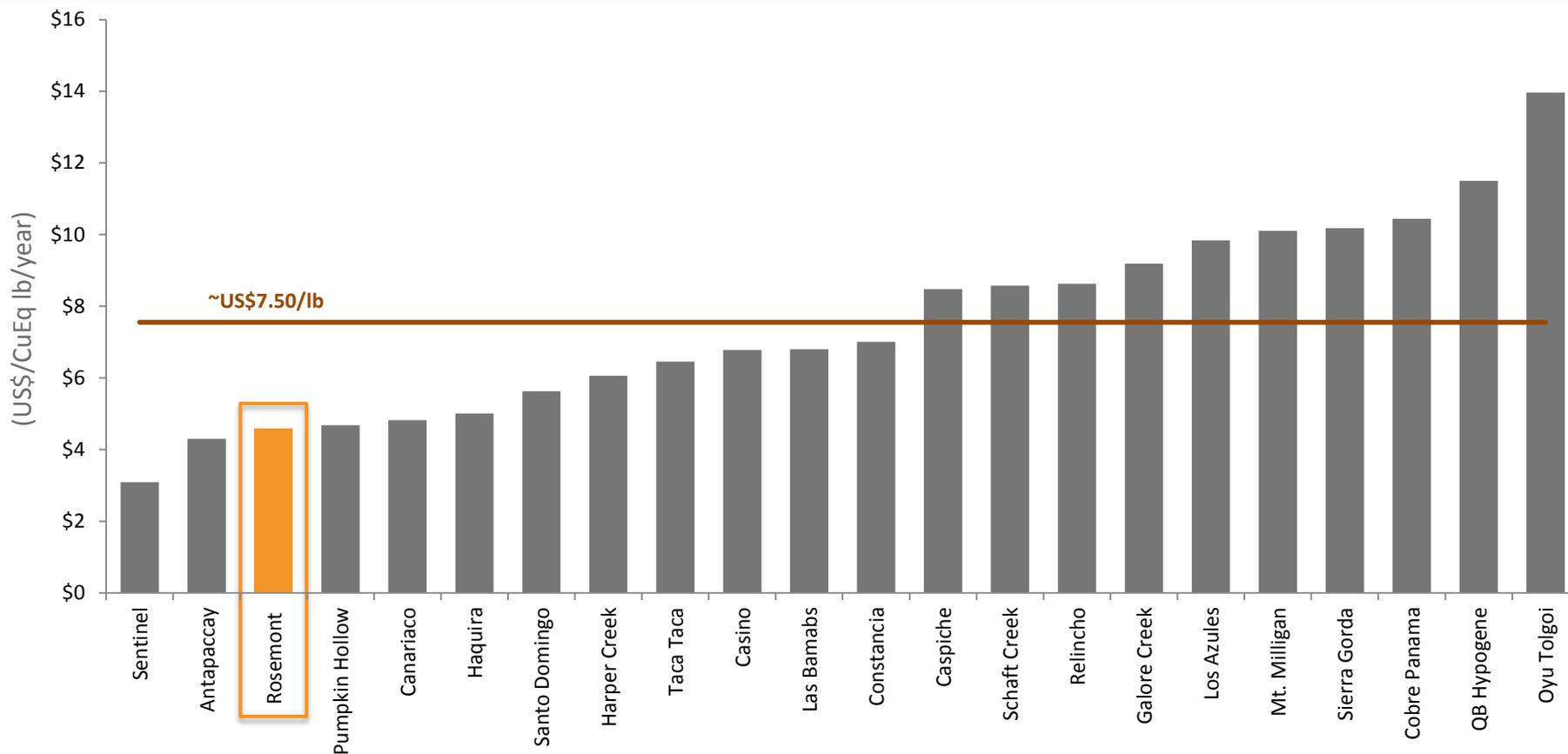
2. Does not include smelter throughput

3. Waste includes oxide material. If oxide minerals are excluded from waste, the waste to ore ratio would be 1.7:1

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ROSEMONT HAS LOW CAPITAL INTENSITY

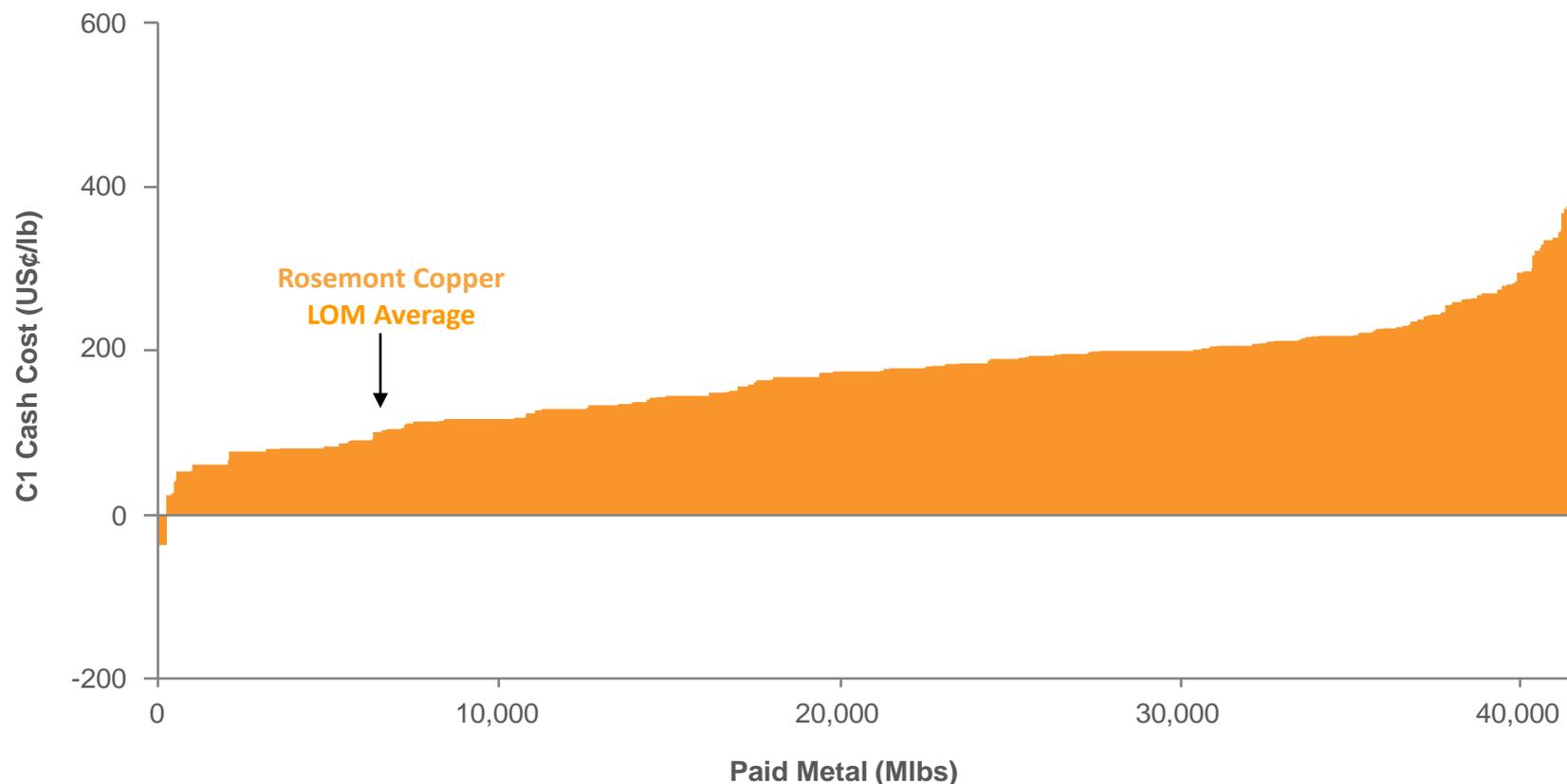
One of the Lowest Cost Mines to Build Relative to Annual Production



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ROSEMONT IS LOW COST

Copper Industry C1 Cash Cost Curve (2018E)⁽¹⁾



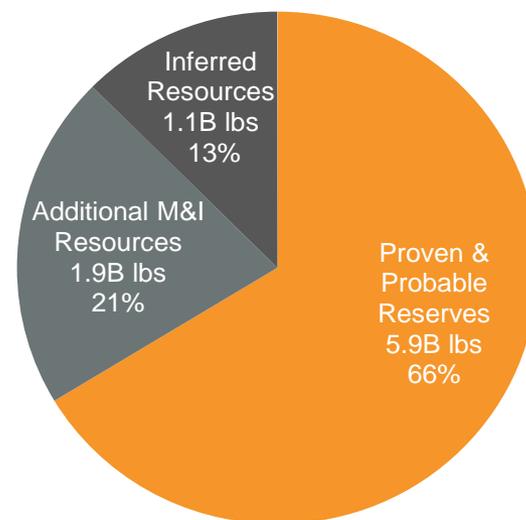
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1. Augusta plotted on copper C1 cash cost (2018E) based on Rosemont life of mine average cash costs net of by-products including impact of Silver Wheaton (100% of payable silver and gold to be produced)
 SOURCE: Wood Mackenzie, Rosemont 2012 Feasibility Study

ROSEMONT OFFERS EXPANSION POTENTIAL

- Current mill design capacity of 75,000 tons of ore per day with planned expansion to 90,000 tons per day
- Proven and probable reserves of approximately 5.9 billion lbs of copper
- Mine plan only reflects P&P reserves; 1.9 billion lbs of additional M&I copper resources and 1.1 billion lbs of additional inferred copper resources, if upgraded, could significantly increase throughput and mine life
- Exploration Upside
 - Completed three-phase geophysical survey exploration program
 - Identified multiple IP anomalies in close proximity to the Rosemont pit which are worthy of exploration

Augusta Copper Resource



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REASONS TO REJECT HUSBAY'S UNSOLICITED OFFER

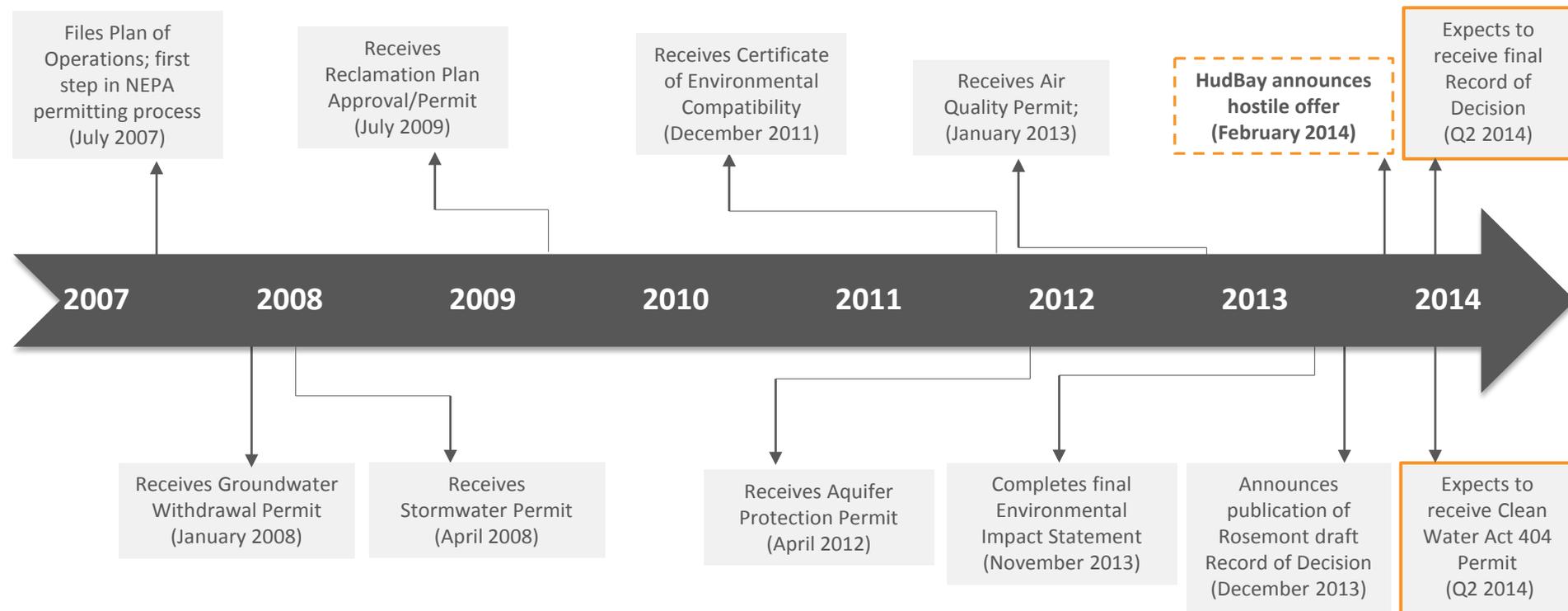
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HUDBAY OFFER IS HIGHLY OPPORTUNISTIC

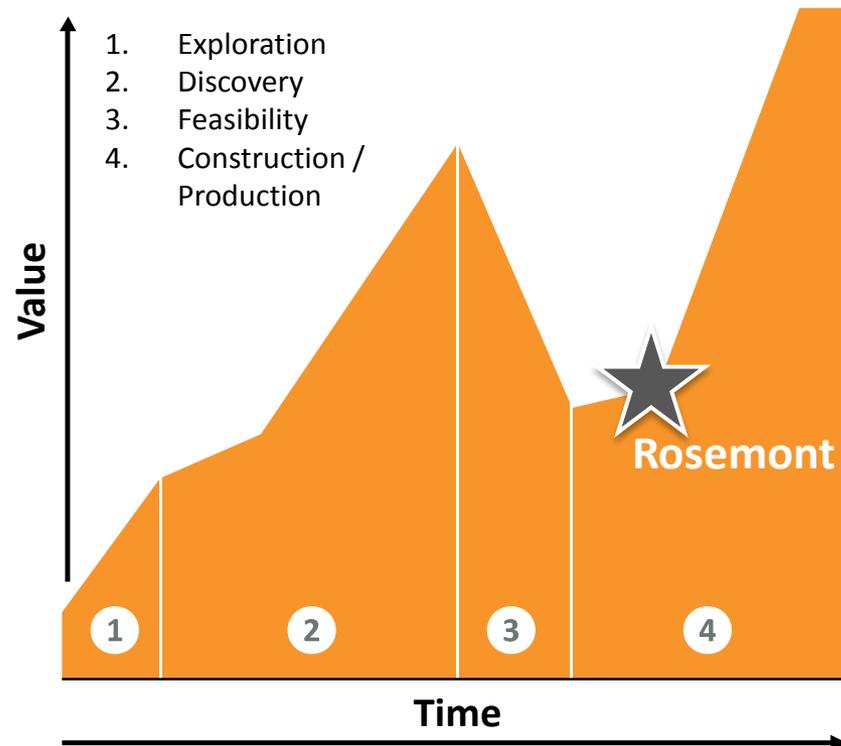
- The HudBay Offer is currently scheduled to expire on March 19th, just weeks before the expected receipt of final permits



REJECT the HudBay Offer and DO NOT TENDER your Common Shares

AUGUSTA'S VALUE IS AT A TIPPING POINT

Mining Development Cycle and Valuation Implications⁽¹⁾



REJECT the HudBay Offer and DO NOT TENDER your Common Shares

- Rosemont has been substantially de-risked and is on the verge of key value creation milestones
- Project is construction ready; HudBay's Offer validates imminent permitting
 - **"... I just want to say that Augusta has actually done an exemplary job... So there's really nothing that we would change in terms of Augusta's approach on the permitting."** – David Garofalo, President and CEO of HudBay (February 10, 2014)
- Financing plan on track to be fully executed mid-2014
 - Completed streaming agreement with Silver Wheaton in 2010 (US\$230M)
 - Completed joint venture agreement with LGI & KORES in 2010 (US\$106M remaining)
 - Arranging project debt financing (US\$890M)⁽²⁾
 - Mandate letter signed with syndicate of 12 banks

1. Based on "Lassonde Curve" published in *The Gold Book* by Pierre Lassonde in 1990

2. Excluding additional financing costs such as interest during construction, upfront fees and cost overrun facility

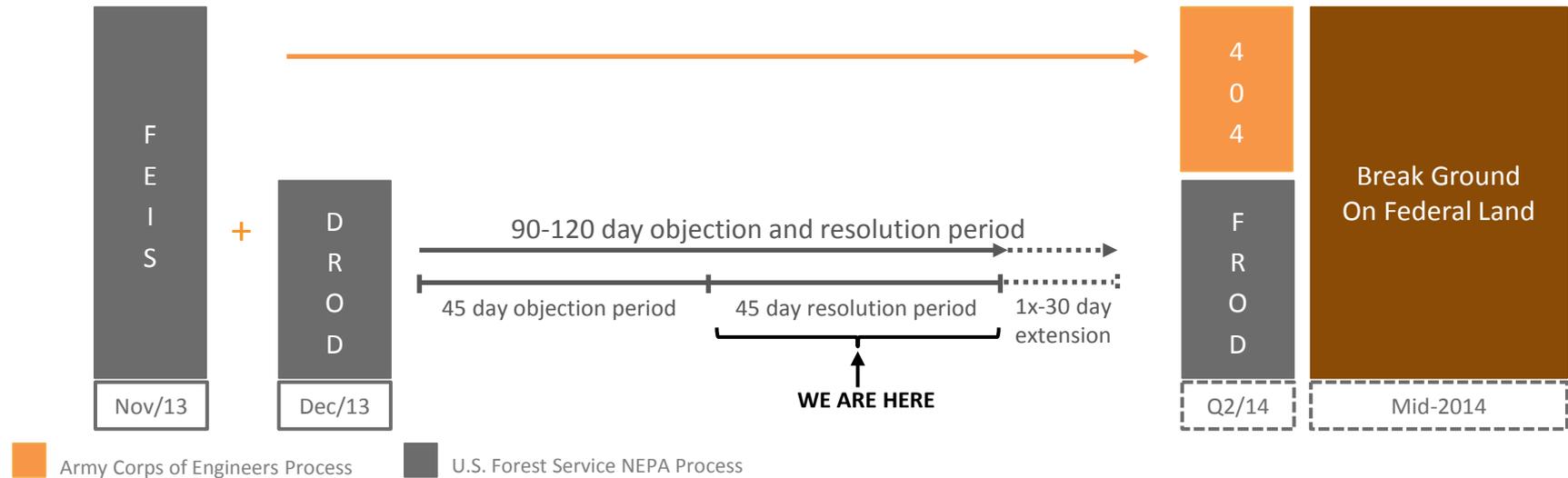
MAJOR PERMITTING NEAR COMPLETION CONSTRUCTION TO COMMENCE IN MID-2014



- Rosemont's draft Record of Decision and final Environmental Impact Statement have been published by the U.S. Forest Service
- Augusta expects Rosemont to receive both the final Record of Decision and the Clean Water Act 404 Permit in Q2 2014
 - U.S. Army Corps of Engineers issues over 60,000 permit actions a year

“My decision allows Rosemont Copper to develop its mineral resource while requiring a wide array of mitigation and monitoring steps that will minimize or avoid impacts on [National Forest Service] lands to the extent practicable”

- Jim Upchurch, Forest Supervisor, Coronado National Forest⁽¹⁾



NOTE: DROD = Draft Record of Decision; FROD = Final Record of Decision; 404 = Clean Water Act 404 Permit, FEIS = Final Environmental Impact Statement

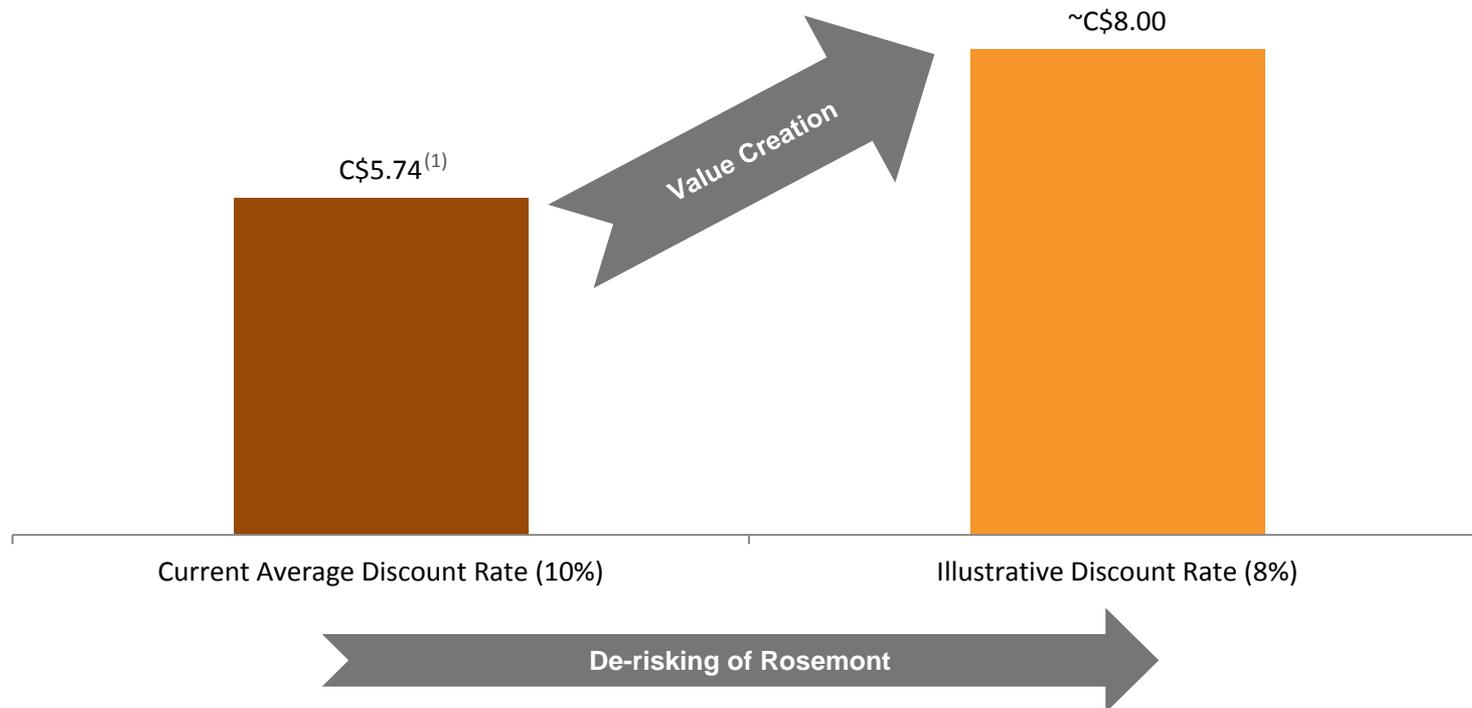
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1. As stated in the Draft Record of Decision

AS ROSEMONT MOVES TO PRODUCTION SUBSTANTIAL VALUE WILL BE CREATED

- De-risking the Rosemont Project will be a catalyst for an upward revaluation, which Augusta expects will substantially increase NAV per Common Share

Illustrative Discount Rate Impact on Street NAV Per Share



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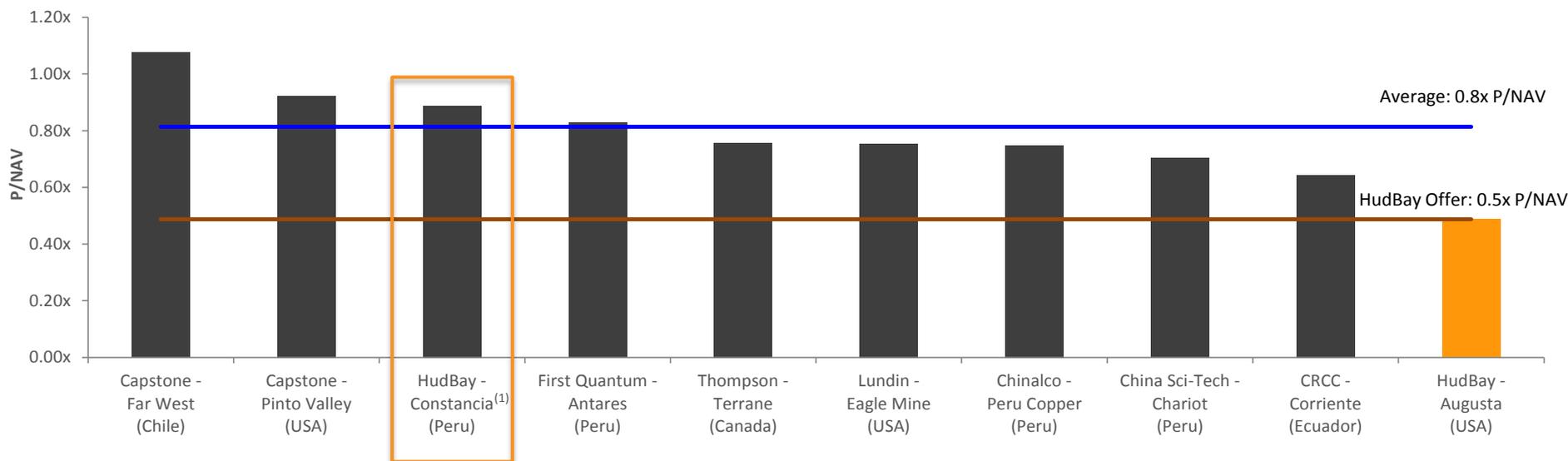
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PRECEDENT TRANSACTIONS SUPPORT SIGNIFICANTLY HIGHER VALUES

- The HudBay Offer represents a significant discount to Price/Net Asset Value ("P/NAV") multiples paid for comparable base metal transactions
- The HudBay Offer implies a P/NAV of 0.5x based on consensus estimates by research analysts, as compared to average precedent multiples of 0.8x for comparable base metal transactions
- HudBay paid a P/NAV of ~0.9x when it acquired the Constancia project in 2010 and Augusta believes that the Rosemont project is clearly superior to the Constancia project
- Several precedents are earlier stage and located in riskier jurisdictions



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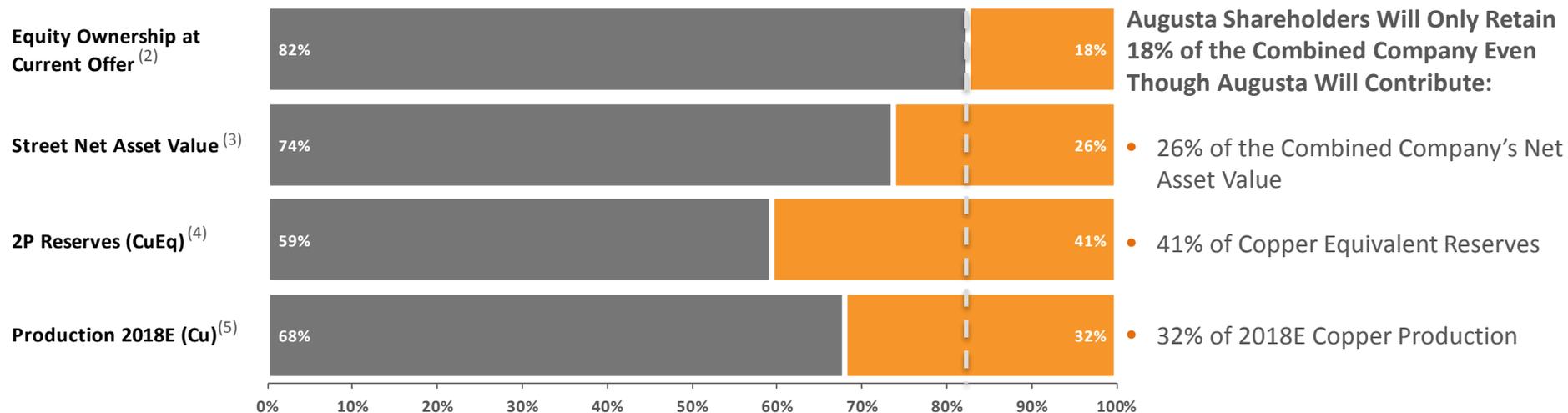
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A COMBINATION OF HUDBAY AND AUGUSTA WOULD BE DILUTIVE TO AUGUSTA SHAREHOLDERS



- Augusta's Shareholders currently have the benefit of 100% exposure to the world-class Rosemont Project
- If the HudBay Offer is successful, Augusta's Shareholders will only have 18% exposure to the Rosemont Project through their ownership of HudBay Shares
- Augusta's assets would contribute disproportionately to HudBay

Contribution Analysis⁽¹⁾



1. Excludes Augusta shares held by HudBay
2. Based on HudBay Offer and the closing price of Augusta Shares on the TSX on February 21, 2014
3. Based on average Street estimates
4. Reserves are calculated taking into account adjustments from the various respective Silver Wheaton precious metal streams
5. Based on average Street estimates for 2018E HudBay copper production and Augusta's LOM average copper production

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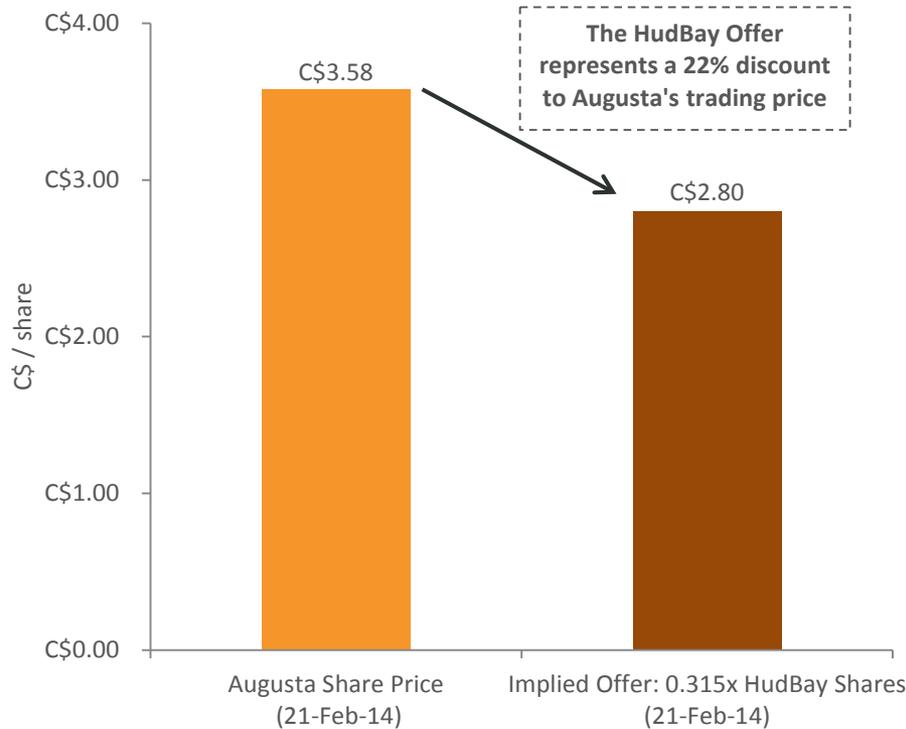
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THE MARKET HAS INDICATED THAT THE HUDBAY OFFER SIGNIFICANTLY UNDERVALUES AUGUSTA

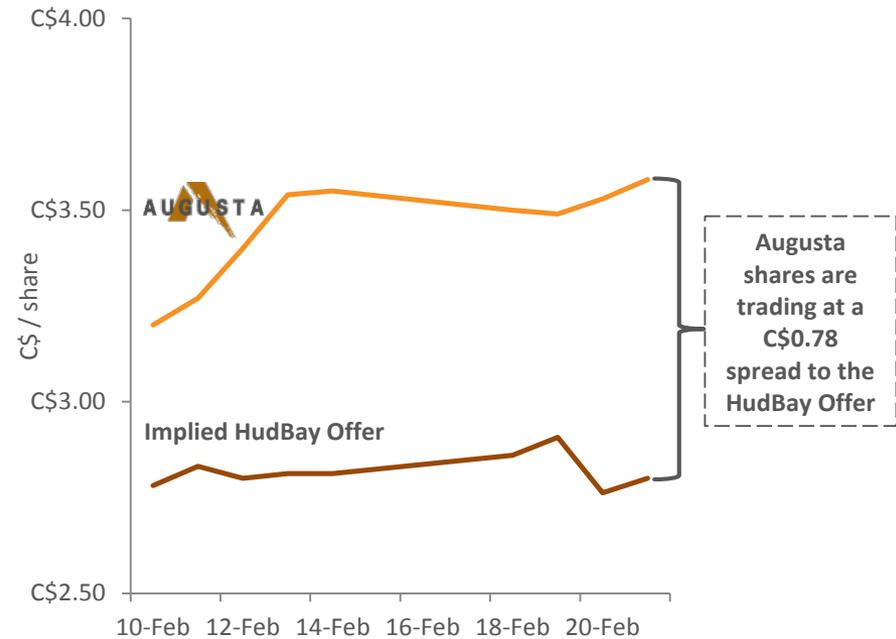


- The HudBay Offer is a 22% **DISCOUNT** to the Augusta Common Share price⁽¹⁾

Augusta Price vs. Implied HudBay Offer



Augusta Price vs. Implied HudBay Offer Over Time



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1. Based on the closing price of Augusta Shares on the TSX on February 21, 2014 of C\$3.58 per Augusta Share while the implied value of the HudBay Offer of C\$2.80 per Augusta Share (based on the closing price of the HudBay shares on the TSX on the same date)

SOURCE: S&P Capital IQ

ANALYSTS SUPPORT HIGHER VALUES AND EXPECT SHAREHOLDERS TO REJECT THE OFFER



Analyst Commentary

"The HBM offer undervalues AZC; we would REJECT it and wait for a higher bid or allow AZC to build the Rosemont project."

- CIBC World Markets -

"We believe that shareholders who have been in Augusta for the long-term, and have held on throughout the lengthy stage of permitting the project, would be giving up significant value by accepting this offer."

- Jennings Capital -

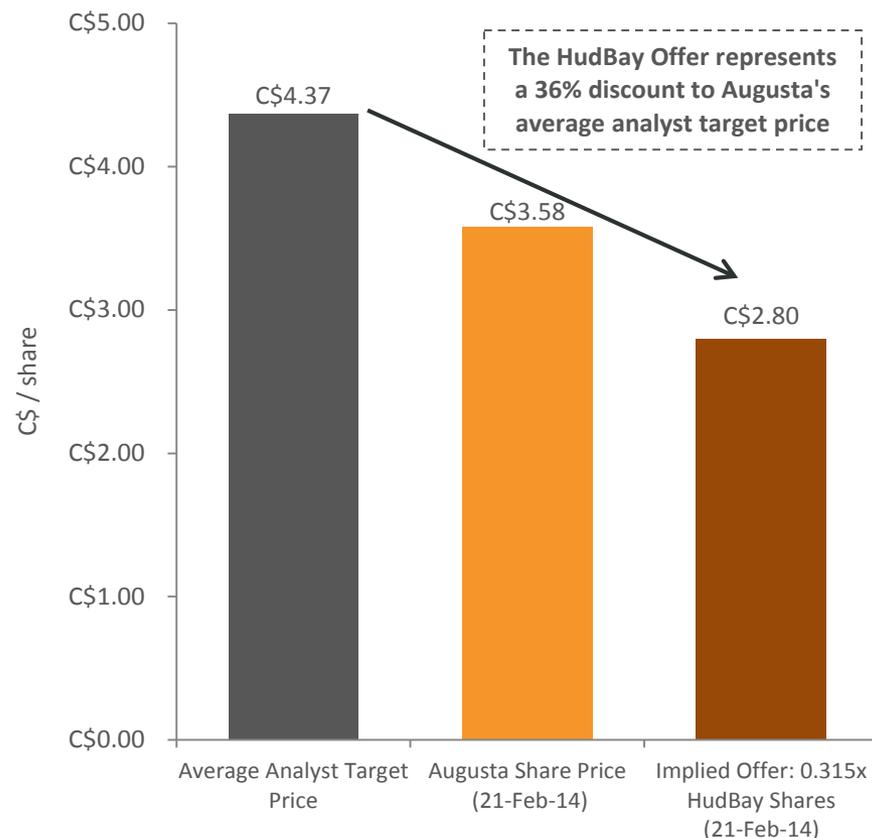
"...Rosemont remains one of the world's best undeveloped copper assets. We view the probability of a higher bid from [HudBay] and/or the emergence of a white knight as very high."

- Scotiabank -

"We believe that Hudbay's offer has little chance of success at its current valuation"

- TD -

Average Analyst Target Price vs. HudBay Offer



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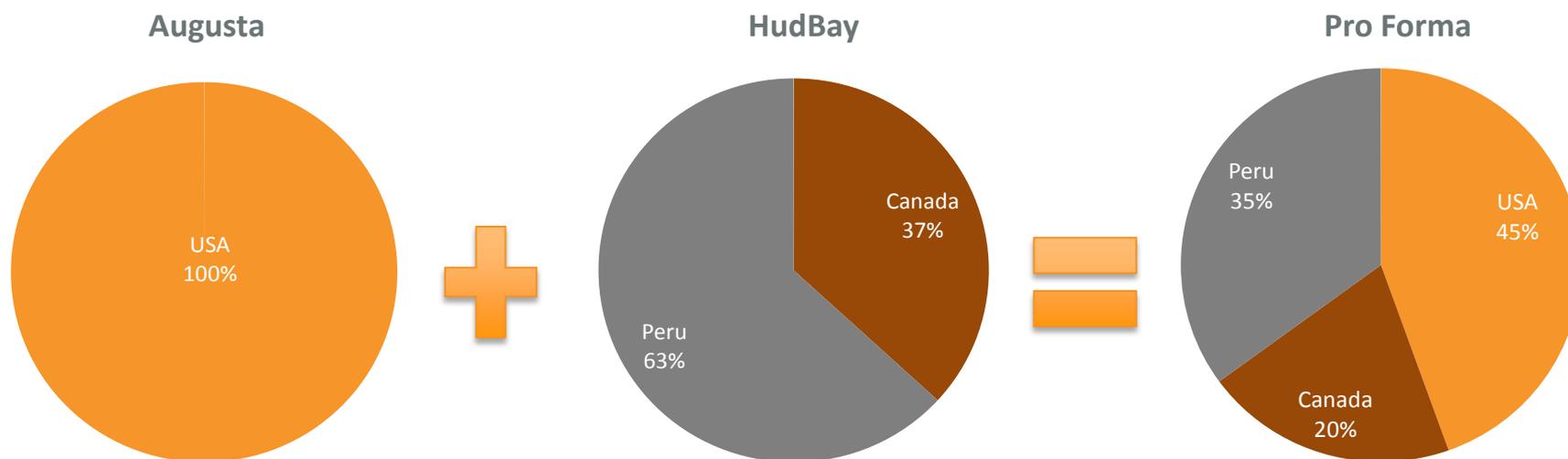
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HUDBAY SHARES CARRY GREATER GEOPOLITICAL RISK

- HudBay’s business carries substantially greater geopolitical risk than Augusta’s business
- Augusta’s 100% exposure to assets in the United States is a key differentiator
- 63% of HudBay’s copper equivalent reserves are located in Peru
- Peruvian operations increase exposure to political risk, including civil unrest

Reserves by Country⁽¹⁾



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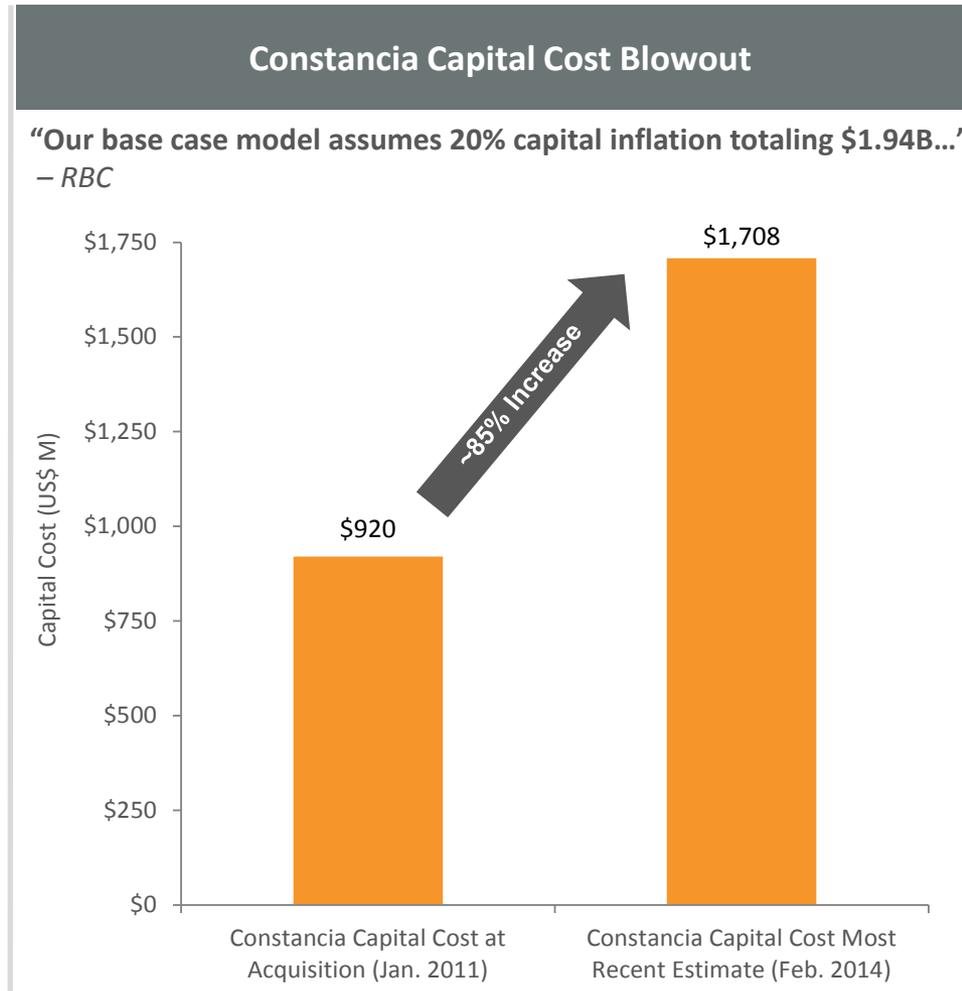
1. Copper equivalents calculated based on US\$3.00/lb Cu, US\$1.00/lb Zn, US\$0.95/lb Pb, US\$1,269/oz Au, US\$21.33/oz Ag and US\$11.20/lb Mo (adjusted for HudBay and Augusta stream agreements)
 SOURCE: HudBay public filings

HUDBAY'S DEVELOPMENT PROJECTS AND CORE COMPETENCIES INTRODUCE ADDITIONAL RISK



- The Constancia project remains a risky investment
 - Construction throughout 2014; commercial production not until Q2-2015
 - Currently ~US\$0.8 billion over the initial budget (~85% increase)⁽¹⁾
- HudBay's experience is in underground development
 - Constancia project is its first large scale open pit
- HudBay is preoccupied as 3 out of 4 of HudBay's assets are in ramp up or construction phases
 - Limited capacity to advance Rosemont on the same timeline as Augusta; will reduce project NAV

“Hudbay's B3 corporate family rating is driven by its small scale, concentration of near term activity in one underground copper and zinc mine in Canada and sizeable execution risks... The negative outlook reflects Moody's concern that budgeted costs and/or timing to complete Constancia may slip”
 – Moody's



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1. Based on Constancia development capital expenditure estimate at time of Norsemont acquisition announcement
 SOURCE: HudBay and Norsemont Mining Inc. public disclosure

HUDBAY'S PROPOSED FINANCING PLAN AT RISK?

HudBay's Plan for Constancia

"...And finally, we can fund our current near-term pipeline of projects, including Constancia, from existing cash flow and available liquidity." – *(January 10, 2011)* – David Garofalo, President and CEO of HudBay

Subsequent
Financings

- Silver Wheaton Stream (US\$750M, August 2012)
- Bonds (US\$500M, September 2012)
- Bonds (US\$153M, June 2013)
- Caterpillar Financial Equipment Financing (US\$130M, June 2013)
- Silver Wheaton Stream (US\$135M, November 2013)
- Bonds (US\$100M, December 2013)
- Equity Financing (US\$155M⁽¹⁾, January 2014)
- Proposed offtake debt facility (US\$150M)

= **TOTAL: US\$2.1 Billion**

HudBay's Plan for Rosemont

"Hudbay is expected to have the capacity to internally fund the construction of Rosemont and realize the full value potential of the combined project pipeline." – *(February 10, 2014)* – David Garofalo, President and CEO of HudBay

Future
Required
Financings



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REASONS TO REJECT HUSBAY'S UNSOLICITED OFFER

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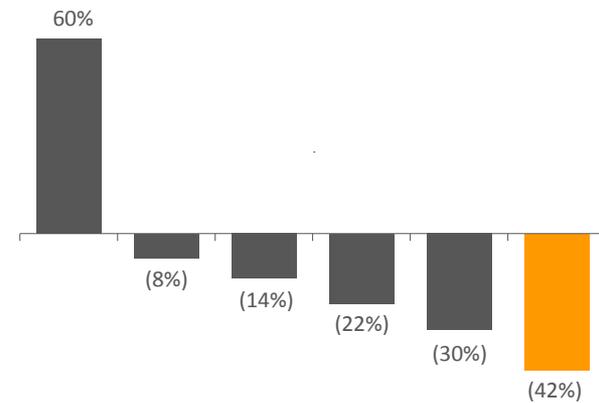
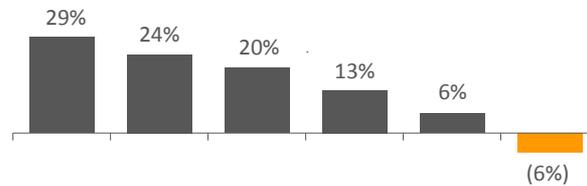
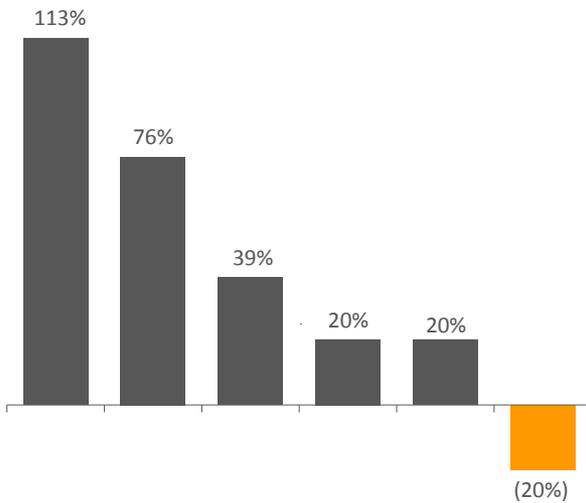


Total Shareholder Returns

Since Appointment of Garofalo as CEO
(June 21, 2010)⁽¹⁾

Last Twelve Months

Last Three Years



Imperial Metals First Quantum Lundin Nevsun Capstone HudBay

Imperial Metals Capstone Nevsun First Quantum Lundin HudBay

Imperial Metals First Quantum Nevsun Lundin Capstone HudBay

REJECT the HudBay Offer and DO NOT TENDER your Common Shares

1. Based on prior day pricing before CEO appointment announcement
SOURCE: Bloomberg, based on total shareholder return

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The logo for Augusta, featuring the word "AUGUSTA" in white capital letters with a stylized orange and white mountain peak graphic above the letter 'A'.

AUGUSTA

A large yellow Caterpillar 7495 wheel loader is shown in a mining operation, dumping material into the bed of a yellow Caterpillar 301 haul truck. The background features a vast, arid landscape with rolling hills under a clear blue sky.

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