



## NEWS RELEASE

### AUGUSTA TO RECEIVE US\$6 MILLION OF THIRD TRANCHE OF RED KITE LOAN FACILITY

**Toronto, Ontario, May 22, 2014** – **Augusta Resource Corporation (TSX and NYSE MKT: AZC)** (“Augusta” or the “Company”) is pleased to announce that RK Mine Finance Trust I (“Red Kite”) has waived the conditions precedent for US\$6 million of the third tranche of the Red Kite loan facility announced in November 2013. The conditions precedent for draw down of the third tranche, which totals US\$7.5 million includes, among other customary conditions precedent, the publication of Rosemont’s final Record of Decision (“ROD”) by the US Forest Service (“USFS”). Red Kite will now make available US\$6 million to Augusta for drawdown on June 2, 2014. The waiver conditions include a one-time fee of US\$175,000, which Red Kite will add to the loan balance.

The remaining US\$1.5 million amount of the third tranche remains subject to the conditions precedent, including the publication of Rosemont’s final ROD. The conditions precedent for the fourth tranche of US\$5 million include, among other customary conditions precedent, the issuance of the final Clean Water Act Section 404 Permit by the Army Corps of Engineers. All other terms of the loan remain unchanged.

*Gil Clausen, Augusta’s President and CEO, commented, “We are pleased to have the continued support of knowledgeable parties such as Red Kite who have a tremendous amount of experience in the mining industry and the processes involved in mine development. Their actions today demonstrate their confidence in our team and the project, and provides us the funding necessary to complete permitting and the value-maximizing process.”*

#### **About RK Mine Finance**

RK Mine Finance provides mining companies with project financing and metal off-take agreements for initiation or expansion of mine production and is part of the Red Kite Group. The Red Kite Group operates across the global metals industry from offices in Bermuda, Hong Kong, London, New York, Shanghai and Sydney. Investors in Red Kite funds include college endowments, foundations, family offices, pensions and other institutional investors. Further information on RK Mine Finance can be found at [www.rkminefinance.com](http://www.rkminefinance.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 would account for about 10% of U.S. copper output once in production (for details refer to [www.augustaresource.com](http://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. Augusta's shares are listed and posted for trading on the Toronto Stock Exchange and the NYSE MKT under the symbol AZC.

## **Investor Contact Information**

Letitia Cornacchia

Augusta Resource Corporation

Vice President, Investor Relations and Corporate Communications

Tel: (416) 860-6310

Email: [lcornacchia@augustaresource.com](mailto:lcornacchia@augustaresource.com)

## **Media Inquiries:**

Ian Hamilton

DFH Public Affairs

Tel: (416) 206-0118 x222 or (905) 399-6591

Email: [ian@dfhpublicaffairs.com](mailto:ian@dfhpublicaffairs.com)

## **Cautionary Statements Regarding Forward Looking Information**

Certain of the statements made and the information contained in this news release constitutes "forward-looking statements" under United States federal securities laws or "forward-looking information" under Canadian securities laws. These statements and information relate to future events and Augusta's future performance, business prospects or opportunities, including information concerning the unsolicited offer of HudBay and the strategic review process of Augusta, which are subject to certain risks, uncertainties and assumptions. Such forward-looking statements and forward-looking information include, but are not limited to statements concerning Augusta's plans at the Rosemont project, including the timing for obtaining final permits, construction and estimated production, expectations surrounding future financings and refinancings, capital and operating cash flow estimates, changes in market conditions, changes or disruptions in the securities markets and market fluctuations in the prices for Augusta's securities, the lack of any alternative transactions or the terms and conditions of any alternative transactions not being acceptable.

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 news release 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](http://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 news release, 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 news release 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.