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TORONTO, March 30, 2016 /CNW/ - Aquila Resources Inc. (TSX: AQA) ("Aquila"), a development-stage company advancing the gold- and zinc-rich Back Forty Project in Michigan's Upper Peninsula, announced that it has filed its financial results for its fourth quarter and fiscal year ended December 31, 2015. All amounts, unless indicated, are reported in U.S. dollars.

Q4 Highlights

- Aquila submitted a Mine Permit Application for its flagship Back Forty project with the Michigan Department of Environmental Quality ("MDEQ"). The Mine Permit Application was subsequently deemed to be administratively complete by the MDEQ.
- Received \$3.0 million associated with the silver stream component of its multi-level financing agreement with Orion Mine Finance that was signed in March 2015. To date, Aquila has received silver stream payments totaling \$12.35 million.
- Named Edward Munden as interim Chairman of the Company's Board of Directors.
- Completed an exploration drilling program at Back Forty. The drill program included four holes, two of which tested a separate geophysical anomaly and two that tested an extension of the deposit which returned 2.8 metres of 38.5 g/t of gold and 231.8 g/t of silver overlying zinc and copper rich massive sulphides.
- As at December 31, 2015, Aquila had cash of \$3.3 million and working capital of \$1.5 million. These compare to cash of \$461,175 and a working capital deficit of \$1.4 million at December 31, 2014.

Full Year 2015 Highlights

- Closed a multi-level financing transaction with Orion Mine Finance that consisted of a \$17.25-million silver stream and a \$3.5 million private placement for a total funding of \$20.75 million.
- Concurrent with the transaction, Aquila repurchased the existing royalties associated with the Back Forty project for cash consideration of \$5.0 million.
- Strengthened the management team by appointing Stephanie Malec as Chief Financial Officer and Andrew Boushy as Vice President of Project Development.
- Added Andrew Dunn and Kevin Drover to the Company's Board of Directors.
- Repaid \$736,552 worth of debentures that had reached maturity.
- Commissioned the University of Minnesota to complete a study examining the economic impact and benefits that development of Back Forty will have on Michigan's Upper Peninsula and Menominee County in particular.

Highlights Subsequent to Year end

- Commenced a Feasibility Study on Back Forty, which is expected to be completed before the end of 2016. Aquila awarded the Feasibility Study's development to Lycopodium Minerals Canada, who will be supported by a group of globally-recognized experts and specialist engineering companies.
- Appointed Cliff Nelson, a mining industry executive with 35 years of operational, metallurgical and mine management experience, as Vice President of US Operations as Vice President of U.S. Operations. Mr. Nelson is responsible for Aquila's day-to-day activities in Michigan's Upper Peninsula and is based in Stephenson, in close proximity to the Company's flagship Back Forty project.

Outlook

"Aquila's progress in 2015 was considerable," said Barry Hildred, CEO of Aquila Resources. "Among our key milestones was our \$20.75 million financing transaction with Orion, the completion of our Back Forty mine permit application with the MDEQ, the strengthening of our management team and exploration activities that produced encouraging results."

Mr. Hildred added, "We have sustained this momentum into 2016 with the start our Feasibility Study, metallurgical test work aimed at improving metal recoveries at Back Forty and, more significantly, through ongoing interactions with various levels of government, assorted regulatory agencies and various community stakeholders in support of our permitting submission. We anticipate that the MDEQ will render a decision on our mine permit application before the end of the year. Combined with the completion of our Feasibility Study, we believe that 2016 will be filled with a number of significant catalysts."

Aquila's Management Discussion and Analysis and Financial Statements for the fiscal year 2015 are available on the Company's website, www.aquilaresources.com, and via the Company's SEDAR profile.

About Aquila Resources

[Aquila Resources Inc.](#) (TSX: AQA) is a development-stage company with strategic assets in the Great Lakes Region. The company's experienced management team is currently focused on advancing permitting activities for its 100%-owned gold- and zinc-rich Back Forty Project in Michigan.

Aquila's flagship Back Forty Project is a volcanogenic massive sulfide (VMS) deposit located along the mineral-rich Penokean

Volcanic Belt in Michigan's Upper Peninsula. In its updated Preliminary Economic Assessment filed in September 2014, Back Forty demonstrated strong economics with a pre-tax NPV of \$282 million (\$210.8 million after-tax) and a pre-tax IRR of 38.8% (32% after-tax) based on mining 16.1M tonnes of measured, indicated, and inferred resources over the 16-year life of mine, of which 12.5M tonne will be open-pit and 3.6M tonnes will be underground.

This press release contains certain forward-looking statements within the meaning of applicable Canadian securities legislation. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" and similar expressions suggesting future outcomes or statements regarding an outlook.

Forward-looking statements relate to any matters that are not historical facts and statements of our beliefs, intentions and expectations about developments, results and events which will or may occur in the future, without limitation, statement with respect to: (i) the economic analysis contained in the PEA;(ii) the development plan of the PEA and results thereof; (iii) capital expenditure programs; (iv) the quality or quantity of the mineral resources subject to estimates by Aquila; and (v) work plans to be conducted by Aquila.

These and other forward-looking statements and information are subject to various known and unknown risks and uncertainties, many of which are beyond the ability of Aquila to control or predict, that may cause their actual results, performance or achievements to be materially different from those expressed or implied thereby, and are developed based on assumptions about such risks, uncertainties and other factors set out herein. Aquila expressly disclaims any obligation to update forward-looking information except as required by applicable law. Such forward-looking information represents Aquila's best judgment based on information currently available. No forward-looking statement can be guaranteed and actual future results may vary materially. Accordingly, readers are advised not to place undue reliance on forward-looking statements or information. Furthermore, mineral resources that are not mineral reserves do not have demonstrated economic viability.

SOURCE [Aquila Resources Inc.](#)

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