

TORONTO, Jan. 6, 2016 /CNW/ - Aquila Resources Inc. (TSX: AQA) ("Aquila") today announced drill results from recent exploration activity at its flagship Back Forty project in Michigan's Upper Peninsula. Four drill holes, two testing extensions of the Back Forty deposit, and two testing a separate geophysical anomaly, were completed in late 2015. Drill holes LK-15-508 and LK-15-509, targeting expansion of the Back Forty resource along extensions of the Pinwheel massive sulfide horizon encountered high grade gold and silver mineralization overlying sections of zinc and copper rich massive sulfide.

"While our primary focus is to move forward with permitting and development of our existing mine plan at Back Forty, unlocking the project's long-term potential through new discoveries remains an important part of our strategy," said Barry Hildred, CEO of Aquila Resources. "We are very encouraged by the results of this recently completed drill program that will pave the way for further exploration work in 2016 and beyond."

Drill hole LK-15-508 intersected 9.18 g/t Au, 61.6 g/t Ag, and 1.51% Zn over 14.1 m, including 38.5 g/t Au, 231.8 g/t Ag over 2.85 m in sheared tuffaceous sediments, overlying 8.23 m of massive sulfide returning 0.71 g/t Au, 14.4 g/t Ag, and 2.48% Zn.

LK-15-509, drilled approximately 40 m west of LK-15-508, encountered two massive sulfide lenses. An upper lens 1.6 m thick of .62 g/t Au, 25.9 g/t Ag, and 4.25% Zn, and a lower lens of 10 m of .71 g/t Au, 35.7 g/t Ag, and 2.24% Zn.

The table below summarizes significant intercepts from LK-15-508 and LK-15-509.

DDH	From	To	Interval*	Au	Ag	Cu	Pb	Zn
	Meters	Meters	Meters	g/t	g/t	%	%	%
LK-15-508								
	107.2	121.3	14.1	9.18	61.6	0.12	0.20	1.51
Including	107.2	110.1	2.8	38.55	231.8	0.06	0.52	0.23
	110.1	118.3	8.2	0.71	14.5	0.16	0.13	2.48
Including	110.1	112.4	2.3	1.00	31.0	0.08	0.37	4.96
	118.3	121.3	3.0	4.53	29.2	0.06	0.06	0.07
DDH	From	To	Interval*	Au	Ag	Cu	Pb	Zn
LK-15-509	Meters	Meters	Meters	g/t	g/t	%	%	%
	136.5	138.1	1.6	0.62	25.9	0.08	0.11	4.25
	144.0	154.0	10.0	0.71	35.7	0.28	0.31	2.24
including	146.8	151.0	4.2	0.93	11.6	0.56	0.03	4.30

\*Both holes drilled vertically. Interval is drilled thickness. True thickness is estimated to be approximately 80% of drilled thickness.

These holes are step outs along the northeast extension of the Pinwheel massive sulfide proximal to the proposed Back Forty open pit as set forth in an updated Preliminary Economic Assessment filed in September 2014, and represent important extensions of potential underground mineralization adjacent to the open pit. LK-15-508 represents a step out of 50 meters from previously drilled hole LK-312 which intersected 9.5 m of 6.5 g/t Au and 55 g/t Ag. LK-15-509 was a 45 m meter step out from previously drilled LK-178PE which intersected 29.72 m of .64 g/t Au, 24 g/t Ag, and 9.5% Zn. The Pinwheel massive sulfide and associated gold zones remain open to the northeast, southwest and at depth, and will be targeted by additional exploration drilling in 2016.

Two additional drill holes, PHC-1 and PHC-2, targeting an airborne electromagnetic anomaly approximately one kilometer southeast of the Back Forty deposit encountered a 25 to 50 meter thick section of finely bedded, exhalative sediments with disseminated pyrrhotite, pyrite, and minor chalcopyrite and sphalerite, with anomalous zinc and copper. This prospective sedimentary package was hosted by altered fragmental felsic pyroclastic rocks cut by quartz feldspar porphyries, very similar to

the Back Forty host sequence, and may represent an extension of, or a similar horizon to, the Back Forty host rocks and mineralized horizons.

Downhole electromagnetic probing of PHC-01 and 02, and response modelling from these surveys have indicated the holes were just off the edge of, and on the edge of, a plunging conductive plate possibly indicating a thickening of sulfides below and along strike of the drill holes. Further geophysical exploration and drilling along this horizon is planned for 2016.

## Quality Assurance and Quality Control

Exploration core drilling was NQ size. The core was logged and mineralized intersections were marked for sampling and assaying by geologists either employed or contracted by [Aquila Resources Inc.](#) The marked intersections were sampled by Aquila employed geo-technicians. Samples were sawn in half using a diamond core saw and one-half of the core was placed in a sample bags and tagged with unique sample numbers, while the remaining half was returned to the core box for storage. Each bagged core sample was transported to Minerals Processing Corporation's (of which Aquila's V.P. Exploration is a part owner) sample prep lab in Carney, Michigan where it was dried, crushed and pulverized and a 250-gram sample was prepared and split, with one split for assaying at Bureau Veritas Mineral Laboratories USA &#8211; Inspectorate America Corporation, an ISO certified assaying/geochemistry facility in Inspectorate Labs in Sparks, Nevada. Strict sampling and QA/QC protocol are followed, including the insertion of standards and blanks in the sample stream on a regular basis. Sample intervals are typically 1.5 meters in length. Analytical methods for gold are fire assay with atomic absorption finish and gravimetric finish for samples greater than 3.0 g/t gold. All other elements are analyzed by ICP with silver overlimits (< 300 g/t) analyzed by fire assay/gravimetric finish and base metal over limits analyzed by AAS.

Assay integrity is monitored internally with a quality control program, which includes the use of assay sample standards, blanks, duplicates and repeats, and externally through national and international programs. This news release provides core lengths and estimates of drilled thickness. True widths are estimates. Where metal assays are provided for intersections they are either a single assay of a sample of the entire intersection length or a composite of assays calculated from interval weighted assays over the intersection length.

## Qualified Person

The scientific and technical information in this news release was reviewed and approved by Thomas O. Quigley, Vice President of Exploration and Senior Technical Advisor for the Back Forty Project. By virtue of his education, experience, and professional association, Mr. Quigley is considered a Qualified Person as defined under National Instrument 43-101.

## 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 tonnes 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.

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