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TORONTO, April 11, 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, today announced that it has completed comprehensive and integrated metallurgical test work that indicates improved recoveries and the potential for increased production of Back Forty's two primary metals, gold and zinc. Gold recoveries improved to 63%, up from 61%, and zinc recoveries improved to 93%, up from 91% when benchmarked against the Company's Preliminary Economic Assessment Study of June 2014 ("PEA").

"We are very encouraged by the positive results of our metallurgical test program," said Andrew Boushy, Vice President of Project Development. "Improved recoveries for gold and zinc clearly suggest the potential for improved metal production, and ultimately improved economics at Back Forty. We will be further quantifying and evaluating the impact of these results on Back Forty's project economics during the course of our work on the Feasibility Study, which is being developed in parallel with our permitting activities, both of which are expected to be completed before the end of 2016."

The metallurgical test work, which was conducted by SGS Canada Inc. ("SGS") in Lakefield, analyzed new representative samples that indicated that the mineral resource is an aggregate of four metallurgical zones, namely three sulfide zones (Main, Pinwheel and Tuff) and one oxide zone. Further test work performed on composite samples for each of these ore types revealed a gradient, with higher grade samples generally exhibiting improved recovery compared to lower grade samples. When new recovery equations were applied to the PEA mine plan, the impact in recovery ranged from 2% improvement for Zinc to a 15% improvement for silver. The full impact of the metallurgical test work against each of Back Forty's contained metals is illustrated in the table below.

Revised Recovery Summary

PEA		Revised Recovery		Var*
	Contained Recovered %		Contained Recovered %	Recovered
Au 000 oz 891	546	61.3% 891	564	63.3% 3.3%
Zn 000 lbs 939,200	855,623	91.1% 939,200	873,170	93.0% 2.1%
Ag 000 oz 10,624	5,108	48.1% 10,624	5,892	55.5% 15.4%
Pb 000 lbs 60,060	22,416	37.3% 60,060	24,685	41.1% 10.1%
Cu 000 lbs 92,978	74,715	80.4% 92,978	74,254	79.9% (0.6%)

*All estimates and calculations have been rounded for presentation purposes.

Test work also demonstrates that additional Au and Ag is recovered in zinc concentrate. Further work will be performed to determine whether the concentration of precious metals in zinc concentrate will meet the required payable threshold.

The positive results of the metallurgical test program provide the Company with the basis to finalize its process design, a key step in the development of the Back Forty Feasibility Study. Aquila expects to complete the Feasibility Study, including an updated resource and mine plan, by December 2016.

Aquila selected nearly 70 samples representing the variability of the four zones of the Back Forty deposit and submitted them to SGS for test work to both confirm previous results and provide ongoing support for the Feasibility Study. The samples were subjected to a variety of industry standard comminution tests (CWi, SMC, Bond ball mill, Ai) and these results will enable the selection, design and optimization of the crushing and grinding circuits during the current Feasibility Study. Lycopodium Minerals Canada Ltd. is currently designing the processing plant and provided input for the comminution test work.

Qualified Person

David Penswick, P.Eng, an independent mining consultant, who is a Qualified Person as defined under National Instrument 43-101, prepared and is responsible for the technical information as disclosed in this news release.

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. Information regarding data verification is provided in Aquila's annual information form dated March 30, 2016.

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 July 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 mineralized material 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.

SOURCE [Aquila Resources Inc.](#)

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