

-Warrant exercise results in US\$2.56 million in proceeds for Aquila-

- Companies agree to amend silver stream agreement -

Shares Outstanding: 220,960,374

TORONTO, June 1, 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 today that Orion Mine Finance ("Orion") has exercised 13,461,539 warrants exercisable at US\$0.19 per Aquila common share, representing US\$2,557,692 in gross proceeds to the Company. After giving effect to the transaction, Aquila now has 234,421,913 shares outstanding of which Orion owns 44,412,616 shares or 18.9%.

Aquila also announced that it has agreed to amend its silver stream agreement with Orion. The parties have agreed to reduce the amount of the deposit payable by Orion under the silver stream agreement by US\$625,000. To date, Aquila has received US\$12,350,000 in deposit payments under the silver stream agreement, leaving the total amount outstanding, after giving effect to the amendment, to \$4,275,000.

As previously disclosed, Aquila and Orion close a multi-level financing arrangement on March 31, 2015 that included a private placement and silver purchase agreement for total funding of US\$20.75 million.

Aquila will use the proceeds raised through the warrant exercise to fund working capital requirements as it completes its feasibility study and permitting activities at its Back Forty Project with the Michigan Department of Environmental Quality.

#### 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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