

TORONTO, Sept. 2, 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 the Michigan Department of Environmental Quality ("MDEQ") has provided public notice on its Proposed Decision to issue a draft Nonferrous Metallic Mineral Mining Permit ("Mining Permit") to Aquila for its Back Forty Project. In addition to the proposed Mining Permit, Aquila has also received draft National Pollutant Discharge Elimination System ("NPDES") and Air Pollution Control permits.

"The MDEQ's proposed decision to approve our Mine Permit Application represents a significant milestone for our Back Forty Project," said Mr. Barry Hildred, President and CEO of Aquila Resources. "The draft Mining Permit is a significant step in allowing us to advance with the development of a mine that will bring economic benefit to the Upper Peninsula while adhering to high environmental standards. The MDEQ's proposed decision also underscores Michigan's commitment to responsible and sustainable resource development that benefits all stakeholders."

The MDEQ's draft Mining Permit as well as the NPDES Permit and Air Pollution Control Permit, will now be the subject of a public hearing to be administered by the MDEQ prior to issuance of final permits. The MDEQ is holding a 64 day consolidated public comment period, from September 1, 2016, through November 3, 2016, and a consolidated public hearing, on October 6, 2016.

The Mining Permit Application ("MPA") review process, proposed decision and permit are being completed in conformance with Part 632 of Michigan's Natural Resources and Environmental Protection Act which regulates nonferrous metallic mineral mining in the state of Michigan. In November 2015, Aquila filed an MPA with the MDEQ. The MDEQ held public meetings in January 2016 soliciting public comments on the application as part of their review of the MPA. In May 2016, the MDEQ issued to Aquila technical review comments on the MPA and the Company responded in June 2016.

Aquila continues to work with the MDEQ on the review of its Wetlands Permit for the Back Forty Project. The Wetlands permit is the last of four permits required to build and operate the Back Forty mine. On August 26, 2016, Aquila received correspondence from the MDEQ on its Wetlands permit application that includes comments from the Environmental Protection Agency and the U.S. Army Corps of Engineers. The agencies' comments are in accordance with established MDEQ administrative review procedures. Aquila is currently working on its response to the MDEQ.

#### Economic Impact of the Back Forty Mine:

According to a study completed by the Labovitz School of Business of the University of Minnesota Duluth, the Back Forty Mine is anticipated to generate a significant economic impact to the community, including but not limited to:

- \$20 million in total annual tax revenue for federal, state and local governments
- \$11.7 million in annual revenue for state and local governments to support local schools, hospitals, roads, etc.
- Approximately \$13 million in additional royalty based revenue to the State of Michigan
- The creation of ~250 good paying jobs directly and indirectly associated with the mine operation

#### Qualified Person

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 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.

SOURCE [Aquila Resources Inc.](#)

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