

TORONTO, Sept. 27, 2016 /CNW/ - Aquila Resources Inc. (TSX: AQA) ("Aquila"), a development-stage company announced today it has discovered a new mineralized zone at its gold- and zinc-rich Back Forty Project in Michigan's Upper Peninsula and provided preliminary drill results from the discovery holes. A total of ten drill holes were completed with the goal of testing extensions of known mineralization and geophysical targets in proximity to the known resource at Back Forty. Assay results for two of the ten holes have been received.

"We are very encouraged by initial assay results that suggest potential mineable widths and grades of massive sulfide at a considerable distance from the resource we are currently developing at Back Forty," said Barry Hildred Aquila's CEO. "The results provide the potential to add to the resource base and mine life at Back Forty."

Highlights:

- Drill hole LK-16-515 intersected a new lens of zinc-rich massive sulfide grading 4.9% zinc (Zn), 0.97g/t gold (Au), and 13 g/t silver (Ag) over 8.43 meters*;
- Gold mineralization was also encountered in the hole directly above the massive sulfide consisting of 2.78 meters* of 4.63 g/t Au and 39.28 g/t Ag giving a total thickness of gold and zinc mineralization of 11.21 meters*;
- Drill hole LK-16-516 returned 13.02 meters* of 4.92% Zn, 0.81 g/t Au, and 23.6 g/t Ag in similar massive and semi massive sulfides; and
- Assays are pending for a third undercut below LK-16-516.

Drill Results Summary

Drill hole LK-16-515 was designed to test a gravity anomaly along the southwest trend of the Pinwheel zone and intersected a new lens of zinc-rich massive sulfide grading 4.9% Zn, 0.97g/t Au, and 13 g/t Ag over 8.43 meters*. Gold mineralization was also encountered in the hole directly above the massive sulfide consisting of 2.87 meters* of 4.63 g/t Au and 39.28 g/t Ag giving a total thickness of gold and zinc mineralization of 11.21 meters* (see table below for overall composited grades).

LK-16-515 also encountered an additional zone of gold mineralization at 25 meters and a deeper zone of zinc, lead, and silver mineralization at a depth of 156.5 meters in siliceous, tuffaceous sediments.

LK-16-516 was a follow up, undercut of LK-16-515 and intercepted the massive sulfide horizon approximately 25m below the LK-16-515 intercept. The massive and semi massive sulfide in LK-16-516 returned 13.02 meters* of 4.92% Zn, 0.81 g/t Au, and 23.6 g/t Ag in similar massive and semi massive sulfides.

Assays are pending for a third undercut below LK-16-516, as well as other holes targeting other geophysical anomalies and extensions of the Pinwheel zone to the northeast.

The table below summarizes significant intercepts from LK-16-515 and LK-16-516.

DDH	From	To	Interval*	Au	Ag	Cu	Pb	Zn
LK-16-515	Meters	Meters	Meters	g/t	g/t	%	%	%
	25.00	27.50	2.50	2.94	6.87	0.03	0.03	0.01
	63.00	74.21	11.21	1.88	19.52	0.18	0.15	3.97
including	63.00	65.78	2.78	4.63	39.28	0.17	0.37	1.14
including	65.78	74.21	8.43	0.97	13.00	0.18	0.08	4.90
including	72.34	74.21	1.87	0.45	8.32	0.11	0.06	9.73
	156.50	161.00	4.50	0.29	37.28	0.01	0.61	2.07

DDH	From	To	Interval*	Au	Ag	Cu	Pb	Zn
LK-16-516	Meters	Meters	Meters	g/t	g/t	%	%	%
	76.18	89.20	13.02	0.81	23.64	0.08	0.42	4.92
including	77.5	86.85	9.35	0.84	10.70	0.09	0.10	6.70
including	80	86.85	6.85	0.80	11.92	0.08	0.11	7.72
including	83.15	86.85	3.70	0.60	10.71	0.06	0.11	9.79

*Interval is drilled thickness. True thickness is estimated to be approximately 80% of drilled thickness.

The new zone of massive sulfides encountered in this drilling is 150 meters from the last intercept of Pinwheel massive sulfides to the northeast, and 500 meters from resources included in the current Back Forty mine plan, and is associated with a gravity and conductive trend that extends an additional 600 meters to the southwest.

The deeper zinc mineralization encountered in LK-16-515 is associated with a thick section of tuffaceous sediments, and the geochemistry of the host rhyolites on either side of the sediment package indicate this horizon may be the equivalent of the Main Zone massive sulfide to the northeast. Both zones remain open along strike, and down and up dip, and down hole and surface pulse EM surveys are planned to help interpret extensions and trends to target in the next drilling phase.

Quality Assurance and Quality Control

Exploration core drilling was NQ3 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 bag 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 ISO /IEC 17025 Certified sample prep lab (of which Aquila's V.P. Exploration is a part owner) 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 – Inspectorate America Corporation, an ISO certified assaying/geochemistry facility 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 over limits (> 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

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 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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