- Provides Update on Back Forty Permitting and Progress of Feasibility Study -

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TORONTO, Nov. 10, 2016 /CNW/ - Aquila Resources Inc. (TSX: AQA) ("Aquila"), a development-stage company advancing the zinc- and gold-rich Back Forty Project in Michigan's Upper Peninsula, provided a update on its recent progress and announced that it has filed its financial results for its third quarter ended September 30, 2016. All amounts, unless indicated, are reported in U.S. dollars.

CEO Commentary:

"Our third quarter was marked by significant progress as measured by our receipt of three draft mining permits for Back Forty, the discovery of a new mineral zone and the advancement of our Feasibility Study," said Mr. Barry Hildred, President and CEO of Aquila Resources Inc. "We expect to carry this considerable momentum into 2017."

Mr. Hildred added, "In the near term, our primary focus will be on completing our permitting activities. Based on preliminary feedback from the Michigan Department of Environmental Quality ("MDEQ") and other government agencies, we expect to submit a new Wetlands Protection Permit within the next 60 days. With the public notice period for the three draft permits now closed, we anticipate that the MDEQ will issue these final permits imminently. Given the significance of these pending developments and the need to optimize our mine plan accordingly, we have made the decision to defer publishing our Feasibility Study to the second quarter of 2017. In the interim, we will continue to optimize our mine plan while looking to incorporate earlier development of the underground resource."

Q3 2016 Highlights:

- Received public notice from the Michigan Department of Environmental Quality ("MDEQ") of its Proposed Decision to issue a draft Nonferrous Metallic Mineral Mining Permit for the Company's Back Forty Project. The public notice and commentary period has since closed, effective November 3, 2016.
- Received draft National Pollutant Discharge Elimination and Air Pollution Control permits from the MDEQ.
- 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. The Company expects assay results for the remaining holes in the coming months.
- Received $1.875 million associated with the silver stream component of the Company's multi-level financing agreement signed with Orion Mine Finance in March 2015. To date, the Company has received silver stream payments totaling $14.225 million.
- Advanced work on the Feasibility Study for Back Forty. Progress included: completion of processing plant design; updating the mineral resource model; start of capital and operating expenditure estimates for the process plant and mine plan; and continued with confirmatory metallurgical test work.
- As at September 30, 2016 Aquila had cash of $1.5 million and working capital of $0.9 million. This compares to cash of $3.3 million and working capital of $2.3 million at December 31, 2015. The working capital decline is due to funding for the Company's feasibility study and increased overhead costs primarily relating to permitting activities.

Aquila's Management Discussion and Analysis and Financial Statements for the third quarter 2016 ended September 30, 2016 are available on the Company's website, www.aquilaresources.com, and via the Company's SEDAR profile.

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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