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TORONTO, Dec. 29, 2016 /CNW/ - Aquila Resources Inc. (TSX: AQA) ("Aquila"), announced today that it has received two final permits from the Michigan Department of Environmental Quality for its zinc- and gold-rich Back Forty Project. The final Nonferrous Metallic Mineral Mining ("Mining Permit") and Michigan Air Use Permit to Install were issued by the Department of Environmental Quality in Michigan following a public comment period that ended November 3rd, 2016.

"This milestone is a fitting end to a year where we made considerable progress at Back Forty that included the discovery of a new mineral zone, improvements in our metal recoveries and the strengthening of our local team," said Barry Hildred, CEO of Aquila Resources. "We would like to commend the State of Michigan for its efforts in completing the permitting process in a rigorous and transparent manner. We believe that their decision to grant final permits reflects Michigan's commitment to responsible and sustainable resource development that benefits all stakeholders."

The Mine Permit Application ("MPA") included Aquila's plan for mining, management of tailings and waste rock, reclamation, monitoring, contingency plan and plan for financial assurance. The MPA also contained a detailed Environmental Impact Assessment supported by over two years of baseline studies on environmental and cultural resources. The MPA review process and permit decisions were 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.

Two additional necessary permits, National Pollution Elimination System (NPDES) permit and a permit for wetland impacts are under consideration.

In 2017, Aquila will focus on completion of its Feasibility study, finalization of two remaining permits, expanding its owner's team and closing on financing that will fund the project through to commercial production. Aquila also has plans to do additional exploration targeting a new mineralized zone as well as better defining the underground resource.

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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