Shares Outstanding: 271,539,638

TORONTO, March 3, 2017 /CNW/ - Aquila Resources Inc. (TSX: AQA) ("Aquila"), a permitting-stage company advancing the zinc- and gold-rich Back Forty Project in Michigan's Upper Peninsula announced that it has filed its financial results for the fourth quarter and year ended December 31, 2016. All amounts, unless indicated, are reported in U.S. dollars.

Q4 2016 Highlights

- Received the final Nonferrous Metallic Mineral Mining Permit and the Michigan Air Use Permit to Install by the Michigan Department of Environmental Quality.
- Announced the final drill results of the Company's 2016 exploration program that included the discovery of a new mineralized zone at Back Forty.
- Received $1.875 million associated with the silver stream component of its financing agreement signed with Orion Mine Finance in March 2015. To date, the Company has received payments totaling $16.26 million as a result of successfully completing a series of milestones relating to the development of Back Forty.
- Progressed with the development of the Feasibility Study for Back Forty, including completion of the open pit mine design and infrastructure, completion of capital and operating cost expenditure estimates, commencement of plant optimization and preliminary assessment of an underground mine plan.
- As at December 31, 2016, Aquila had cash of $1.4 million and working capital of $0.6 million. This compares to cash of $3.3 million and working capital of $2.3 million at December 31, 2015. The working capital decline was due to funding of the Company's permitting activities and development of the Feasibility Study.

Highlights subsequent to Year End

- Closed a non-brokered private placement that resulted in gross proceeds of CDN$7.9 million. The Offering was over-subscribed with 36,017,725 units issued, with each unit priced at CDN$0.22 and consisting of one share and one-half of one common share purchase warrant.
- Announced the start of a 4,600 meter drill program designed to expand known resources at Back Forty and convert current inferred resources into measured and indicated categories.
- Named Ian Pritchard, a mining executive with more than 30 years of experience, to the Company's Board as an independent director. Mr. Pritchard was also named as Chair of the Company's Technical, Environmental, Health & Safety Committee.
- Appointed Bill Matheson, a mining executive with more than 30 years of operations and project management experience, as Director, Construction. The appointment strengthens the Company's management team.

"2016 was a year of considerable progress and achievement for Aquila as we continued to advance permitting activity at Back Forty with the receipt of two of four required permits," said Barry Hildred, CEO of Aquila Resources. "In the coming year, we expect to build on this momentum with the completion of our Feasibility study and finalization of the remaining permits for Back Forty. At the same time, we will work with our financial advisors to review strategic opportunities for the Company while continuing discussions with prospective partners to secure necessary capital for the project execution phase."

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.

Contact
Barry Hildred, CEO, Aquila Resources Inc., Tel: 647 943-5672, Email: bhildred@aquilaresources.com; Joe Racanelli, NATIONAL Equicom, Tel: 416 586-1943, Email: jracanelli@national.ca