

Aquila Resources Announces Amendments to Gold and Silver Streams With Osisko

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– Agreement Provides Immediate Funding of US\$2.5 Million –

[Aquila Resources Inc.](#) (TSX:AQA, OTCQB: AQARF) (“Aquila” or the “Company”) is pleased to announce that the Company and a subsidiary of [Osisko Gold Royalties Ltd.](#) (“Osisko”) have entered into definitive agreements to amend certain terms of the gold purchase agreement dated November 8, 2017 (the “Gold Stream”) and the amended and restated silver purchase agreement dated September 30, 2016 (the “Silver Stream”) in order to accelerate Aquila’s access to a portion of the outstanding funding under the Gold Stream and to provide additional flexibility.

Under the terms of the amendments, Osisko will immediately advance US\$2.5 million (excluding transaction costs) of the remaining deposit under the Gold Stream to Aquila. Osisko will advance an additional US\$7.5 million upon Aquila achieving certain corporate and project development milestones that are expected to be completed over the next 12 to 18 months. Osisko has also agreed to adjust certain milestone dates under the Gold Stream and Silver Stream to align the streams with the current project development timeline.

In exchange for Osisko agreeing to make the payments and milestone date changes described above, the remaining deposit available to Aquila under the Gold Stream will be reduced from US\$40 million to US\$35 million, of which US\$10 million is payable as described above, and the remaining US\$25 million will be payable pro rata with drawdowns under a senior construction facility for the Company’s Back Forty Project. The designated Gold Stream percentage remains unchanged at 18.5% until the delivery of 105,000 gold ounces to Osisko, upon which the stream will be reduced to 9.25%. Osisko will continue to pay 30% of the gold spot price on delivery, subject to a maximum payment of US\$600/oz. The Silver Stream will be amended to increase the designated silver stream percentage from 75% to 85% of the number of payable silver ounces produced from Back Forty with no change to the ongoing price of US\$4/oz.

“This transaction provides Aquila with the certainty of funding necessary to enable us to continue to advance the Back Forty Project towards construction,” said Barry Hildred, President and Chief Executive Officer of Aquila. “In addition to providing the Company with capital to continue building on recent positive permitting developments, the stream amendments also provide us with the flexibility to advance the Back Forty Project on a schedule that reflects anticipated permitting, engineering, and financing timelines. I want to thank Osisko for their continued support of Aquila and the Back Forty Project.”

Tax Update

The Company is also pleased to announce that the Canada Revenue Agency (“CRA”) has ruled in its favor regarding two Notices of Objection that Aquila filed in connection with re-assessments of certain of its input tax credits. As a result, the Company has received approximately US\$685,000 from the CRA, including interest. Together with the US\$2.5 million advance under the Gold Stream, the Company has received immediate funding of approximately US\$3,185,000 (excluding transaction costs).

Advisors and Counsel

With respect to the stream amendments, Scotiabank acted as exclusive financial advisor to Aquila and McCarthy Tétrault LLP acted as legal counsel to Aquila.

About Aquila

[Aquila Resources Inc.](#) (TSX: AQA, OTCQB: AQARF) is a development-stage company with strategic assets in the Great Lakes Region. Aquila's experienced management team is focused on advancing pre-construction activities for its 100%-owned gold and zinc-rich Back Forty Project in Michigan.

Aquila's flagship Back Forty Project is an open pit volcanogenic massive sulfide deposit with underground potential located along the mineral-rich Penokean Volcanic Belt in Michigan's Upper Peninsula. Back Forty contains approximately 1 million ounces of gold and 1.1 billion pounds of zinc in the Measured & Indicated Mineral Resource categories, with additional upside potential.

Aquila has two other exploration projects: Reef Gold Project located in Marathon County, Wisconsin and the Bend Project located in Taylor County, Wisconsin. Reef is a gold-copper property and Bend is a volcanogenic massive sulfide occurrence containing copper and gold. Additional disclosure of Aquila's financial statements, technical reports, material change reports, news releases and other information can be obtained at www.aquilaresources.com or on SEDAR at www.sedar.com.

Cautionary statement regarding forward-looking information

This press release contains certain forward-looking statements. 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". Forward-looking statements and information include, but are not limited to, statements with respect to the transactions contemplated under the Gold Stream and the Silver Stream and their terms and timing; and the advancement of the Company's Back Forty Project, including, but not limited to, anticipated permitting, engineering, and financing timelines. 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, including but not limited to: risks and uncertainties related to the availability of further advances of the remaining deposit under the Gold Stream; the availability of senior construction financing for the Back Forty Project; risks with respect to the COVID-19 pandemic; and other related risks and uncertainties, including, but not limited to, risks and uncertainties disclosed in Aquila's filings on its website at www.aquilaresources.com and on SEDAR at www.sedar.com. Aquila undertakes no 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.

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