

Aquila Resources Announces Second Quarter 2021 Financial Results and Release of US\$2.4 Million Under Gold Stream

16.08.2021 | [Business Wire](#)

[Aquila Resources Inc.](#) (TSX: AQA, OTCQB: AQARF) ("Aquila" or the "Company") announces the filing of its financial results for the second quarter ended June 30, 2021. All amounts, unless indicated, are reported in US dollars

SECOND QUARTER HIGHLIGHTS

- As at June 30, 2021, Aquila had cash of \$0.9 million and negative working capital of \$2.1 million (current assets less current liabilities excluding a deposit received on a non-binding letter of intent discussed below). This compared to cash of \$1.8 million and negative working capital of \$0.8 million at December 31, 2020. The decrease in working capital is primarily due to permitting and legal activities at its Back Forty Project. The Company is actively evaluating financing and strategic alternatives and continues to take measures to preserve liquidity including cutting discretionary spending, reducing salaries for management, and working with service providers to manage and defer spend wherever possible.
- On April 28, 2021, the Michigan State Senate unanimously approved resolution SR0016: A resolution to express support for mining and the mining industry and encourage the Governor, state agencies, local governments, members of the public, and labor organizations to support mining by taking certain actions (the "Resolution"). The Resolution passed with bipartisan support.
- On June 1, 2021, Aquila announced that it had entered into a non-binding letter of intent (the "LOI") to sell its interest in the Bend and Reef exploration properties located in Wisconsin, USA to a private company ("Newco") (the "Transaction"). Subject to necessary approvals, Newco intends to list on the TSX Venture Exchange concurrent with the closing of the Transaction. Total consideration of C\$7 million payable to Aquila will consist of cash consideration of C\$3 million, of which C\$1 million has been advanced as a deposit, and shares in Newco with an estimated value on completion of the public offering of C\$4 million. Aquila and Newco are working towards the execution of definitive agreements.
- On May 26, 2021, Aquila announced the results of its Annual Meeting of Shareholders and confirmed that the six nominees listed in the management information circular were elected as directors of Aquila.

\$2.4M STREAM DEPOSIT

Aquila is also pleased to announce that a subsidiary of [Osisko Gold Royalties Ltd.](#) ("OGR") has agreed to immediately release \$2.4 million (the "Fourth Deposit") to the Company under the Amended and Restated Gold Purchase Agreement dated as of March 10, 2021 (the "Gold Stream"). The Fourth Deposit will be used for the continued advancement of the Back Forty Project Optimized Feasibility Study.

Guy Le Bel, President & CEO, commented, "This agreement demonstrates OGR's strong support for the Back Forty Project and enables Aquila to continue advancing the optimized Feasibility Study. I am pleased with the progress our team is making on the Feasibility Study, which will demonstrate reduced environmental impact and a longer mine life for the benefit of all stakeholders. In parallel, we are advancing the transaction to monetize our non-core assets in Wisconsin. At the same time, our team is actively evaluating additional strategic and financing alternatives to realize value for shareholders."

Under the Gold Stream, the Fourth Deposit was to be released once Aquila completed an equity financing of not less than \$6 million (the "Equity Financing Condition"). Pursuant to an agreement dated August 15, 2021, the Equity Financing Condition has been deferred and must now be satisfied as a condition to the release of the fifth deposit of \$5 million (the "Fifth Deposit"). The other conditions for the release of the Fifth Deposit remain the same, being the completion of the Back Forty Feasibility Study and the successful resolution of the permitting process with respect to permits required for the development or operation of the Back Forty Project. The final deposit of \$25 million continues to be payable pro rata with drawdowns under a senior

construction facility for the Back Forty Project. In connection with the waiver of the Equity Financing Condition, Aquila has granted OGR the right to nominate an individual to the Company's Board of Directors. OGR has not yet exercised this right.

OUTLOOK

- The Company will continue to advance its Back Forty Project in Michigan, where the main objectives are completing an optimized Feasibility Study (the "Feasibility Study") and securing the remaining permits required for construction and operations. The Feasibility Study will incorporate both the open pit and underground mine plans and will reflect Aquila's commitment to sustainability and responsible mining employing industry best practices.
- Aquila intends for the Feasibility Study to integrate feedback from the Michigan Department of Environment, Great Lakes & Energy ("EGLE") and the local community since the original permits were issued. By incorporating the underground mine plan and modifying the Project footprint, the Company expects to demonstrate substantially reduced surface impact, including wetlands impact, and a longer mine life for the benefit of all stakeholders.
- The Company will continue to work with EGLE to finalize the Back Forty groundwater model. Aquila is pleased with the significant progress made in this regard and continues to collect the required site-specific data.
- Following the completion of the Feasibility Study, Aquila will seek to permit the optimized Project design.
- The Company will continue to advance the Transaction to sell its Bend and Reef properties in Wisconsin.
- The Company will continue its efforts to secure additional financing and, in parallel, will evaluate various strategic alternatives to maximize shareholder value. As the Company is in active discussions with several parties, the Board of Directors has formed a Special Committee tasked with examining the strategic alternatives for the Company which include evaluating and implementing financing alternatives, considering possible joint venture and other strategic transactions, and assessing potential merger and acquisition proposals.

APPOINTMENT OF GUY LE BEL TO BOARD OF DIRECTORS

Aquila also announces today that Guy Le Bel, who has been President and CEO of the Company since February 1, 2021, has been appointed to the Board of Directors, effective immediately.

SELECTED FINANCIAL INFORMATION

The following table provides selected financial information that should be read in conjunction with the financial statements of the Company for the quarter ended June 30, 2021:

	Three months ended		Six Months Ended	
	June 30,		June 30,	
	2021	2020	2021	2020
Mineral property exploration expenses	\$517,623	(\$190,654)	\$1,037,330	\$521,506
Administrative expenses	536,979	845,826	1,245,301	1,650,053
Net finance charges	428,200	2,561,415	857,373	2,732,013
Loss from operations	\$1,482,802	\$3,216,587	\$3,140,004	\$4,903,572
(Gain) loss on foreign exchange	80,589	791,227	142,118	(193,007)
Loss (gain) on change in value of contingent consideration	32,074	15,692	(44,051)	236,605
Gain on change in fair value of warrant liability	(126)	117,990	(5,430)	(45,064)

Net and comprehensive loss for the period	\$1,595,339	\$4,141,496	\$3,232,641	\$4,902,106
Net loss per share - basic and diluted	0.00	0.01	0.01	0.03

ABOUT AQUILA

[Aquila Resources Inc.](#) (TSX: AQA, OTCQB: AQARF) is a development stage company focused on high grade polymetallic projects in the Upper Midwest, USA. Aquila's experienced management team is currently advancing pre-construction activities for its flagship 100% owned gold and zinc rich Back Forty Project in Michigan.

The Back Forty Project is a volcanogenic massive sulfide deposit with open pit and underground potential located along the mineral rich Penokean Volcanic Belt in Michigan's Upper Peninsula. Back Forty contains approximately 1.1 million ounces of gold and 1.2 billion pounds of zinc in the Measured & Indicated Mineral Resource classifications, with additional exploration upside. An optimized Feasibility Study for the Project is underway.

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 may contain 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". In particular, this news release contains forward-looking information pertaining to the following: the ability of the Company to close the Transaction on the terms outlined in the LOI or at all, the ability of Newco to list on the TSX-V, plans related to the Back Forty Project optimized feasibility study and permitting, the ability of the Company to complete a financing or strategic transaction, the ability of the Company to satisfy subsequent drawdown conditions under the Gold Stream, and other development plans and objectives. 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 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.

View source version on businesswire.com: <https://www.businesswire.com/news/home/20210816005168/en/>

Contact

Guy Le Bel, President & CEO, Director
 Tel: 450.582.6789
glabel@aquilaresources.com

David Carew, VP Corporate Development & IR

Tel: 647.943.5677
dcarew@aquilaresources.com

Dieser Artikel stammt von [Rohstoff-Welt.de](#)

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/393101--Aquila-Resources-Announces-Second-Quarter-2021-Financial-Results-and-Release-of-US2.4-Million-Under-Gold-3>

Für den Inhalt des Beitrages ist allein der Autor verantwortlich bzw. die aufgeführte Quelle. Bild- oder Filmrechte liegen beim Autor/Quelle bzw. bei der vom ihm benannten Quelle. Bei Übersetzungen können Fehler nicht ausgeschlossen werden. Der vertretene Standpunkt eines Autors spiegelt generell nicht die Meinung des Webseiten-Betreibers wieder. Mittels der Veröffentlichung will dieser lediglich ein pluralistisches Meinungsbild darstellen. Direkte oder indirekte Aussagen in einem Beitrag stellen keinerlei Aufforderung zum Kauf-/Verkauf von Wertpapieren dar. Wir wehren uns gegen jede Form von Hass, Diskriminierung und Verletzung der Menschenwürde. Beachten Sie bitte auch unsere [AGB/Disclaimer!](#)

Die Reproduktion, Modifikation oder Verwendung der Inhalte ganz oder teilweise ohne schriftliche Genehmigung ist untersagt!
Alle Angaben ohne Gewähr! Copyright © by Rohstoff-Welt.de -1999-2026. Es gelten unsere [AGB](#) und [Datenschutzrichtlinien](#).