



AQUILA RESOURCES ANNOUNCES LETTER OF INTENT FOR SALE OF ITS BEND AND REEF PROPERTIES

TORONTO, ON – June 1, 2021 – Aquila Resources Inc. (TSX: AQA, OTCQB: AQARF) (“**Aquila**” or the “**Company**”) is pleased to announce that it has 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 (the “**TSX-V**”) concurrent with the closing of the Transaction. All dollar amounts are reported in Canadian dollars.

Total consideration of \$7,000,000 payable to Aquila will consist of:

- Cash consideration of \$3,000,000, of which \$1,000,000 will be advanced immediately as a deposit (the “**Deposit**”); and
- Shares in Newco with an estimated value on completion of the go-public transaction of \$4,000,000.

Guy Le Bel, President & CEO of Aquila, commented, “We are very pleased to have reached an agreement in principle to monetize our non-core Wisconsin assets. The Transaction provides Aquila with immediate cash without diluting Aquila shareholders. It also provides us with meaningful upside exposure to an exciting new exploration focused company with the resources to explore the Bend and Reef properties as Aquila focuses on the development of Back Forty.”

Completion of the Transaction is subject to certain conditions including, but not limited to, the completion of definitive documentation, completion of financing by Newco, listing of Newco on the TSX-V and receipt of all necessary third-party consents and approvals, including the approval of the TSX-V. In the event the Transaction does not close, Aquila will return the Deposit in shares of Aquila (subject to the receipt of all necessary approvals of the Toronto Stock Exchange) or in cash, depending on the circumstances.

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.

For further information, please contact:

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

David Carew, VP Corporate Development & Investor Relations
Tel: 647.943.5677
dcarew@aquilaresources.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, 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.