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AQUILA ANNOUNCES PROGRESS ON MINERAL RESOURCE AT BACK FORTY PROJECT

AQUILA RESOURCES INC. (TSX:AQA – Frankfurt:JM4A) (“Aquila” or the “Company”) is pleased to announce that an updated National Instrument 43-101 mineral resource estimate is underway at the Back Forty Project in the Upper Peninsula of Michigan. The target completion date for the updated resource estimate is by year-end of 2010.

The new resource will reflect over 11,000 meters of additional drilling completed during 2009 and 2010, including substantial gold-only mineralization, which was not included in the previous mineral resource, calculated in January of 2009 (the “2009 Resource Estimate”; see resource details below). The majority of the holes targeted additional mineralization within a conceptual pit shell which, based on the 2009 Resource Estimate, contained 5.9 million tonnes of 2.46 grams per tonne (g/t) gold, 33.1 g/t silver, 4.06% zinc, and 0.61% copper. The in-pit resource is expected to increase with the updated resource estimate. The Back Forty Deposit remains open at depth and other near deposit targets remain untested.

A work plan and budget for exploration and further drilling at the project to be funded under the HudBay/Aquila Subscription, Option and Joint Venture Agreement will be forthcoming, as will the results of the final 37 holes drilled in the recently completed program.

Aquila President and CEO, Thomas O. Quigley, commented, “Drilling has encountered significant amounts of gold, silver and zinc in our recent program and we look forward to the results of the new mineral resource at the Back Forty Project. We believe the deposit currently ranks in the top 10 percent of VMS deposits in the world in terms of precious metal content, and the recent high grade near-surface gold results could increase this profile significantly.”

Project Update and Recent Mine Permitting in Michigan

HudBay Minerals Inc. (“HudBay”) (TSX:HBM), the operator of the Back Forty Project, is proceeding with project development, working with Aquila personnel from the project headquarters in Stephenson, Michigan. Due to the need to include recent significant drill results in an updated resource, and in a subsequent feasibility study and mine plan, completion and submission of a mine permit application to the State of Michigan is now anticipated to occur in the fourth quarter of 2011.

Aquila also notes that Kennecott Minerals, a subsidiary of Rio Tinto PLC, has announced plans to move forward with construction at their Eagle nickel-copper deposit. The Eagle Project represents the first non-ferrous mineral project to be permitted in Michigan since new state legislation regulating non-ferrous mining was enacted in 2004.

About the Back Forty Project

The Back Forty Project is an advanced exploration stage project evaluating a zinc and gold rich volcanogenic massive sulfide hosting a National Instrument (NI) 43-101 compliant measured plus indicated mineral resource of 8.5 million tonnes of 2.13 g/t gold, 30.6 g/t silver, 5.61% zinc and 0.51% copper (Back Forty Project Mineral Resource Evaluation, SRK Consulting, Toronto, Canada, February 25, 2009 available at www.sedar.com). The Back Forty Project is currently operating under a Subscription, Option and Joint Venture Agreement with HudBay, whereby HudBay has the right to earn up to a 65% interest in the Back Forty Project by completing a feasibility study and submitting a mine permit application.

Thomas O. Quigley is the Qualified Person for Aquila as described in NI 43-101 and is responsible for the contents of this release.

More information about Aquila and the Back Forty Project, including updated drilling information, can be found on the Company's website at www.aquilaresources.com.

Aquila Resources Inc. (Toronto)
Robin Dunbar, CFO
Tel: 416-203-1404
Email: info@aquilaresourcesinc.com

Aquila Resources Inc. (U.S.)
Thomas O. Quigley, President
Tel: 906-753-9602
Email: tquigley@aquilaresources.com

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