



For Immediate Release
December 17, 2007
Toronto, Ontario

TSX: AQA
Frankfurt Exchange: JM4A
Shares Outstanding: 70,109,478

MICHIGAN GRANTS MINE PERMIT

AQUILA RESOURCES INC. (TSX: AQA – Frankfurt: JM4A) (“Aquila” or the “Company”) today commented on the favorable impact of a mine permit issued to Kennecott Eagle Minerals Company (Rio Tinto) for its Eagle Project located in the Upper Peninsula of Michigan. The decision by the State of Michigan’s Department of Environmental Quality (MDEQ) is the first issued under the new Part 632 legislation which governs the regulation and permitting of surface and underground non-ferrous metallic mines in the state. Part 632 legislation was unanimously passed by the Michigan legislature in 2004. Aquila’s Back Forty Project is also located in the Upper Peninsula of Michigan.

Aquila’s President, Tom Quigley, stated, “Aquila applauds the MDEQ for its comprehensive review and scientific analysis of the Eagle Project mine plan, including addressing public comments. This process, as required by Part 632 as well as other laws, enabled the State to reach technically and legally appropriate decisions to grant the mine permit. The process and decision issued last week, demonstrate the state’s ability and sets precedence that would be used to evaluate future mine plans such as for Aquila’s Back Forty Project.”

Back Forty Baseline Studies

Part 632 provides a modern framework for environmentally sound development of a mineral resource such as the Back Forty Project, and Aquila Resources, in conjunction with its qualified consultants, have initiated baseline environmental monitoring of water, wetlands, air, plants, animals, and fisheries in the Back Forty Project area as a precedent to applying for a mining permit under the statute. Through its baseline environmental work Aquila continues to strive to achieve the high levels of scientific standards required by Part 632.

About Aquila

Aquila Resources Inc. is actively advancing the Back Forty Project located in Menominee County, Michigan. The Back Forty Project is focused on a volcanogenic massive sulfide deposit containing significant quantities of zinc, copper, gold and silver with a measured and indicated resource of 6.6 million tonnes and an inferred resource of an additional 1.75 million tonnes. Since this resource was calculated in April of 2007, an additional 107 holes totalling more than 20,000 meters have been drilled, and these results will be incorporated into an updated 43-101

compliant resource to be completed in 2008. SRK Consulting has been selected to perform the resource update, and preliminary modelling and other evaluations of the new Back Forty resource, including metallurgical studies and preliminary mine designing, have begun.

The updated resource, along with metallurgical test results and mine design, will form the basis for a preliminary economic assessment - also anticipated to be completed in 2008. In anticipation of these advanced studies, Aquila is increasing its interaction with the local community with stepped up public relations and outreach. It is the company's goal to inform and educate the local community about potential developments at the project, and to listen and consider community concerns and questions.

Additional information about Aquila and the Back Forty Project are available on the company's website at www.aquilaresources.com.

Tom Quigley, P.Geo., and President of Aquila is the Qualified Person as described in National Instrument 43-101 for the Back Forty Project and is responsible for the content of this press release.

For more information about Aquila Resources Inc. please contact:

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: 218-733-1452
Email: toquigley@qwest.net

Renmark Financial Communications, Inc.
Christine Stewart
Tel: 514-939-3989
Email: cstewart@renmarkfinancial.com

First Canadian Capital Corp.
Dan Boase
Tel: 416-742-5600
Email: request@firstcanadiancapital.com

The Toronto Stock Exchange has not reviewed and does not accept responsibility for the contents of this release.

Certain information regarding the Company contained herein may constitute forward-looking statements under applicable securities laws. Such statements are subject to known or unknown risks and uncertainties that may cause actual results to differ materially from those anticipated or implied in the forward-looking statements. The securities being offered have not and will not be registered in the United States under the United States Securities Act of 1933, as amended (the "1933 Act") or any state securities laws, and may not be offered or sold within the United States or to or for the account of benefit of U.S. persons absent U.S. registration or an applicable exemption from U.S. registration requirements. This news release does not constitute an offer to sell or a solicitation of an offer to purchase securities in the United States.