

**Aquila Resources USA, Inc.  
Back Forty Project  
Fact Sheet - August 25, 2016**

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- In 2002, Aquila Resources USA, Inc., Back Forty Project acquired eight Department of Natural Resources (DNR) metallic mineral leases of state-owned minerals beneath both private and state-owned surface lands in Menominee County, Lake Township, near the Menominee River.
- In 2004 Aquila added five additional leases for a total of 2,967 acres of sub-surface leased metallic minerals on public lands. Aquila has plans to develop the Back Forty Project surface mine operation on both publicly-owned and privately owned surface ownership in this location to develop a gold, zinc, copper and silver mine. (<http://www.aquilaresources.com/projects/back-forty-project/>)
- In 2011, Aquila Resources USA, Inc. Back Forty Project applied to the Department of Natural Resources (DNR) for a land exchange in Menominee County. The original exchange offered 268 acres of land for 209 acres of publicly owned surface acres beneath which Aquila held a lease of publicly owned metallic minerals. The proposed exchange was designed to combine with their intent to develop a mining operation on the site where they have held metallic mineral leases since 2002 and 2004. Aquila's 2011 land exchange request was denied because of concerns that the land offered to the DNR in the exchange proposal provided insufficient public access and outdoor recreation opportunities.
- In 2012, Aquila revised its land transaction application to include additional offered lands for a total of 435 acres that better aligned with existing public land ownership in Menominee County and offered additional public access and outdoor recreation opportunities. Following DNR review and preliminary approval by the DNR's Land Exchange Review Committee, the Back Forty Project was not immediately pursued further by Aquila.
- In 2015, Aquila contacted the DNR to revive the Back Forty Project and move ahead with a modified version of their 2012 exchange proposal. The 2015 modified proposal increased the desired publicly owned surface by 40 acres, for a total request of 249 acres of DNR surface ownership, while the land offered to the DNR by Aquila remained at 435 acres. The modified application was reviewed by the DNR, denied, and the land exchange proposal case was formally closed.
- In July of 2016 Aquila submitted a new Land Transaction Application in which they seek to address concerns previously raised by both the DNR and DEQ. The accompanying application and supporting documents reflect Aquila's new Land

Transaction Application which includes 290 acres of desired state owned surface land in exchange for 755 acres of privately owned land.

- The size of the proposed Back Forty mine operation in Menominee County including state-owned and privately owned lands would total 580 acres. The total surface area of the proposed open mine would cover 83 acres. The total anticipated mine life would be 16 years, including seven years for the open pit phase and nine years for the underground phase.
- Aquila is projecting \$150 million annually in new economic activity associated with the mine, if approved, once operations begin. Aquila is projecting the creation of 430 jobs for two years during mine construction and 259 jobs for mine operations for the life of the mine. The total annual tax revenue for local, state and federal governments combine for an estimated \$20 million. Royalty payments to the State of Michigan that will help fund outdoor recreation opportunities through the State Park Endowment Fund are estimated to be approximately \$13.6 million over the initial seven years.
- Aquila's proposed mine development for the Back Forty mine operation will be regulated by the Department of Environmental Quality (DEQ) under authority of Part 632 for non-ferrous metallic mining. The company has submitted their surface mine application to the DEQ. ([https://www.michigan.gov/deq/0,4561,7-135-3311\\_18442---,00.html](https://www.michigan.gov/deq/0,4561,7-135-3311_18442---,00.html))
- In May 2016, Aquila received permission from the DNR to continue their existing permit to perform exploration activities on the state-owned lands in order to confirm their preliminary findings and to begin planning for their future operation, if permitted. This permitted activity includes the completion of soil borings, installation of observation wells, and test pitting.
  - Each drill site will have a drill pad which measures approximately 40 feet by 40 feet. Drilling will be completed using a self contained track mounted rig. A support vehicle for resupply of water and drilling materials will also be used.
  - All borings and wells will be properly closed upon completion of exploration activities according to State of Michigan requirements. Test pits will be backfilled within one hour of their completion with native materials.
- The DNR will conduct a review of the new Land Transaction Application to compare the values of the natural and cultural resources and potential for public outdoor recreation between the desired state lands and offered private lands, including additional public access to the Menominee River and existing public land, recreation trail expansion, improved wildlife habitat, and timber management potential.

- This review process includes all of the land and resource managing Divisions of the DNR, Office of Minerals Management, the Resource Deputy Director, and ultimately the DNR Director for final decision. Aquila's new application and supporting information regarding the proposed exchange are available online at:

[http://www.michigan.gov/dnr/0,4570,7-153-10368\\_11797---,00.html](http://www.michigan.gov/dnr/0,4570,7-153-10368_11797---,00.html)

You may send public comments regarding this proposal to:

[DNR-AQUILA-Comments@michigan.gov](mailto:DNR-AQUILA-Comments@michigan.gov)

- Because Aquila holds an existing metallic mineral lease beneath publicly owned surface lands, the company's mining project is not dependent upon completion of the proposed land exchange. Aquila's current mineral lease provides the company the ability to fully develop a mine at the proposed location, contingent upon the company meeting the lease requirements and acquiring all necessary local, state and federal permits to mine.