

State of Wisconsin  
DEPARTMENT OF NATURAL RESOURCES  
101 S. Webster Street  
Box 7921  
Madison WI 53707-7921

Scott Walker, Governor  
Cathy Stepp, Secretary  
Telephone 608-266-2621  
FAX 608-267-3579  
TTY Access via relay - 711



March 15, 2011

License # 40001

Thomas O. Quigley, President  
Aquila Resources USA, Inc.  
E807 Gerue St.  
Stephenson, MI 49887

SUBJECT: Metallic Mineral Exploration License

Dear Mr. Quigley,

In accordance with ch. NR 130.06 Wis. Adm. Code, the Department is hereby issuing a license to Aquila Resources USA, Inc. (# 40001) for the purpose of conducting metallic mineral exploration in the State of Wisconsin. The complete application form was submitted on February 3, 2011 and the exploration bond was received on March 14, 2011. A copy of the license is attached to this letter.

Please note that the license is good for the date of issuance until June 30, 2011. The license may be renewed in accordance with ch. NR 130.07 Wis. Adm. Code by submission of the appropriate documentation and a \$150.00 processing fee at any time prior to the termination date. The renewal will be good for one year.

I have also included a copy of our DRAFT guidance document outlining the metallic mineral exploration permitting process. While the document has not gotten final approval, it is mostly complete and I hope it will prove useful.

If you have any questions regarding this letter or the license, please contact me at (608) 267-3538.

Sincerely,

Philip Fauble, P.G.  
Mining Program Coordinator  
Wisconsin Department of Natural Resources

Cc: Ed Lynch - WA/5  
Jill Schoen - WCR, Eau Claire S.C.



**STATE OF WISCONSIN  
DEPARTMENT OF NATURAL RESOURCES  
METALLIC MINERAL EXPLORATION LICENSE**

**AUTHORIZED CONTACT:**

THOMAS O QUIGLEY, PRESIDENT/CEO  
AQUILA RESOURCES USA INC  
E807 GERUE ST  
STEPHENSON, MI 49887

LICENSE NO: 40001  
TYPE OF FACILITY: Metallic Mineral Exploration  
EFFECTIVE DATE: March 14, 2011  
DATE OF EXPIRATION: June 30, 2011

LICENSEE: AQUILA RESOURCES USA INC  
NAME OF LICENSEE: AQUILA RESOURCES USA INC  
LOCATION OF LICENSEE:  
E807 GERUE ST STEPHENSON  
STATE OF MICHIGAN

This license authorizes the licensee to conduct metallic mineral exploration in the State of Wisconsin during the term hereof except as modified by the Department. This license is subject to and conditioned upon compliance with the provisions of Section 293, Wisconsin Statutes and Chapter NR 130, Wisconsin Administrative Code. This license may be renewed annually by submission to the Department of the information required in ch. NR 130.07 Wis. Adm. Code prior to the date of expiration.

State of Wisconsin  
 Department of Natural Resources  
 Waste and Materials Management  
 PO Box 7921  
 Madison WI 53707-7921  
 dnr.wi.gov

**Metallic Mineral Exploration License Application**

Form 2700-005 (R 12/10)

- Original Application  
 Renewal Application

For License Period Expiring June 30, 20



**Notice:** Use of this form is required by the DNR pursuant to Chapter 293, Wis. Stats., and Chapter NR 130, Wis. Adm. Code. Personal information collected will be used for administrative purposes and may be provided to requesters to the extent required by Wisconsin's Open Records Law [ss. 19.31-19.39, Wis. Stats.].

**Instructions:** Please submit two completed copies of this application to the above address.

**General Information**

|  |                    |                          |   |  |
|--|--------------------|--------------------------|---|--|
| Applicant Name<br><i>Aquila Resources USA Inc.</i> |                    |                          | Applicant is: (select one)                  |  |
| Address<br><i>E 807 Gerue Street</i>               |                    |                          | <input type="radio"/> Applicant             | <input type="radio"/> Partnership            |
| City<br><i>Stephenson</i>                          | State<br><i>MI</i> | ZIP Code<br><i>49887</i> | <input type="radio"/> Sole Proprietorship   | <input checked="" type="radio"/> Corporation |
|  |                    |                          | <input type="radio"/> Other - Explain _____ |  |

Is applicant a  Division or  Subsidiary of another corporation?  Yes  No

If yes, Parent Corporation Name *Aquila Resources Inc.*

|  |                        |                    |                            |
|--|------------------------|--------------------|----------------------------|
| Address<br><i>65 Queen Street West Suite 530</i> | City<br><i>Toronto</i> | State<br><i>ON</i> | ZIP Code<br><i>M5H 2M5</i> |
|--|------------------------|--------------------|----------------------------|

If applicant is a corporation, is it incorporated under Wisconsin law?  Yes  No

If applicant is incorporated outside Wisconsin, does it hold a valid certificate of authority to do business in Wisconsin issued by the Secretary of State?  Yes  No

**Financial Responsibility**

- Attach one copy each of the applicant's and parent company's (where applicable) most recent annual report and most recent Form 10-K as filed with the Securities and Exchange Commission. If these are not available, attach a report of the applicant's current assets and liabilities and other necessary data to establish that the applicant is competent to conduct exploration in a manner consistent with the requirements of Chapter 293, Wis. Stats.
- Attach a bond payable to the Department of Natural Resources in the amount of \$5,000 or another amount specified by the Department conditioned on faithful performance of the provisions of Chapter NR 130, Wis. Adm. Code and Chapter 293, Wis. Stats. The bond shall comply with all provisions enumerated in s. NR 130.05(2)(b), Wis. Adm. Code.
- Attach a certificate of insurance certifying that the applicant has in force a liability insurance policy issued by an insurance company authorized to do business in this state covering all exploration of the applicant in this state and affording personal injury and property damage protection in a total amount deemed adequate by the Department but not less than \$50,000.

**Fee**

Attached is a check or money order in the amount of:  \$300 for original application  \$150 for renewal application made payable to the Department of Natural Resources to cover the annual license fee.

**Applicant's Statement**

(Must be signed by the individual applicant; by all partners if a partnership; by a corporation officer if a corporation; or by a responsible official if other than the above.)

I/We hereby certify that the foregoing statements are true to the best of my/our knowledge and belief.

I/We hereby execute the foregoing application as officer(s) of the *Aquila Resources USA Inc.* by its authority. Corporation Name

|  |                               |   |
|--|-------------------------------|---|
| Signature of Applicant<br><i>[Signature]</i> | Date Signed<br><i>1/24/11</i> | Title<br><i>Asst. Corporate Secretary</i> |
| Signature of Applicant                       | Date Signed                   | Title                                     |