

Golden Band active on several Saskatchewan projects

by Leonard Melman



The Province of Saskatchewan has become one of Canada's most favourable mining areas, both in terms of the geological potential and the cooperativeness of provincial authorities, and one Canadian junior, Saskatoon-based **Golden Band Resources Inc.** [GBN-TSXV], is working diligently to take advantage of the situation. Since 1994, they have acquired a land package of more than 750 square kilometres, including 10 known gold deposits, four former producing mines and a licensed gold mill.

With this combination of assets, Golden Band is moving aggressively to transform itself into a producing miner before year-end 2009, with the capacity to steadily increase reserves and extend their productive mine life by conducting active exploration and development of their vast holdings.

A group of mining journalists, analysts and geologists visited their projects this past mid-September and the trip also included witnessing an impressive ceremony noting the signing of a memorandum of understanding (MOU) between the company and the Lac La Ronge Indian Band. Also, a business agreement between Procon Mining and Tunnelling Ltd., contractors at the project, and Kitsaki Management Limited Partnership, which



TOP: The permitted 350 mill per day Jolu mill will be upgraded to 750 tonnes per day. BOTTOM: Rodney Orr, president/CEO of Golden Band Resources and Tammy Cook-Searson, chief of the Lac La Ronge First Nations Band, sign the memorandum of understanding. Photo by Leonard Melman.

provides for-profit development for the Lac La Ronge Indian Band, was formalized. The MOU and business agreement serve to identify and detail the goal of furthering the advancement and exploration of Golden Band's projects in ways that would be mutually beneficial to all parties.

The company's properties are located in the Lac La Ronge Gold Belt of north-central Saskatchewan and extend throughout most of its 100-kilometre length. The primary focus of the company is on three regions including the Waddy Lake Area Project which is comprised of several gold depos-

its near the north end of the belt including the Golden Heart, Tower East, Memorial, EP and Komis; plus the Birch Crossing gold deposit directly to the south of Waddy Lake and the highly prospective Bingo deposit, which is located near the south end of Golden Band's properties.

One of Golden Band's most important assets is the Jolu mill, located about midway between the Waddy Lake area and the Bingo Project. The mill is fully permitted as is the accompanying tailings pond. It has been well-maintained since closure about 10 years ago and was designed to process 350 tonnes per day (tpd). The present mine plan calls for the mill's capacity to be expanded to 750 tpd, with eventual growth to approximately 2,000 tpd. In a recent press release, Gary Haywood, company VP Operations and COO, commented on the excellent condition of the mill and noted that, "...for a plant that has not operated for 10 years, it is in very good shape. This is very encouraging for Golden Band as this critical asset will cost substantially less to get to operational status as compared to building a new plant."

A positive preliminary economic assessment (PEA) was completed this past April. This study concluded that the operating plan, based initially on recovery from the Komis, EP and Bingo areas, had a high probability of economic viability and could be brought into production in less than one year from receiving the final go-ahead.

The PEA, as originally developed, calls for a four-year mining plan with feed from these three sources into the Jolu mill at the rate of 700 tpd, with the potential for significant extension beyond that time frame if exploration efforts at nearby properties result in the realization of additional resource development. Estimated pre-production capital cost expenditures are \$17.1 million for the lease purchase of surface mining equipment, refurbishing of the Jolu mill and surface infrastructure installations. Estimated pay-back time is 2.2 years.

NI 43-101 compliant resource estimates include Komis where total resources amounted to 1,006,000 tonnes containing

128,000 in-situ ounces of gold and Bingo, with total resources estimated at 159,400 tonnes containing 66,100 ounces of gold. No formal resource estimate at EP has been completed to date, however, 16 short vertical holes were drilled at EP during the summer 2006 program and an analysis of assay results from these holes provided encouraging results with returns as high as 316 grams gold/tonne over 1.4 metres and 271 grams/tonne over 2.6 metres.

The PEA plan calls for Komis and EP to be developed as open pits and the Bingo Project to be developed as an underground mining operation. Bingo would be expected to provide high-grade ore as a 'sweetener' to the mix, EP to provide near-surface medium grade ore and Komis to provide bulk tonnage of low-cost, low-grade ore.

In addition, the company announced this past August that it plans to expand the original PEA by adding the Tower East gold deposit, updating resources at Bingo, EP and Tower East based on the latest winter and summer drill results, revise the mine plan for Bingo to include a small, starter pit and to develop alternative operating models for open pits at Komis, EP and Tower East.

THE BINGO PROJECT

Golden Band recently completed an intensive, 45-hole drill program, covering some 3,400 metres at Bingo with the objective of infilling available drill-indicated information as well as upgrading existing inferred resources to the indicated category from surface to 100-metres in depth. Assay results from this drilling have been delayed due to a backlog of sampling at Accurassay Laboratories of Thunder Bay, Ontario, but are expected by mid-October.

The Bingo deposit was originally discovered in 1992 and exploration efforts by previous and present owners resulted in a total of 14,341 metres of drilling over 112 holes, including 52 drill holes completed by Golden Band since 2002. Bingo is situated on the eastern margin of the Bernaski Bay pluton which is made up of intrusive granites, granodiorites and diorites and is

in contact with intermediate to mafic volcanics. Mineralization at Bingo is hosted by quartz-rich shear zones within intermediate volcanic rocks.

The most important development of the Bingo deposit is to be accomplished via the construction of a decline ramp (sloping tunnel), performed by the joint venture between Kitsaki and Procon, to 75 metres below surface, scheduled for completion by February, 2008. The decline would then serve as access to explore 130 metres of development along the ore body and the resultant intensive sampling program will be conducted to gain essential geological information with which to fully assess the Bingo deposit. A second phase of the underground development is planned to extend the decline to 350 metres and to establish a second level at a depth of 125 metres, with a goal of establishing continuity of the ore body at both levels. Approval for the decline was received from Saskatchewan Environment in July, 2007.

Mobilization of the underground crew has now commenced and infrastructure work such as access road improvement and brush clearing is now underway. Surface construction of offices, workshops and water handling facilities will follow immediately thereafter.

THE KOMIS PROJECT

Gold was originally discovered in the Waddy Lake region in 1947 and intensive exploration in that area during the bull market of the 1970s resulted in the discovery of Komis. Intensive exploration began with the collaring of a portal in 1993, leading to underground exploration and test mining which was completed in 1994. The Komis Mine went into production in February, 1996 and continued until February, 1997. During that year, about 120,000 tonnes of ore were processed at the Jolu mill and 26,859 ounces of gold were recovered for an average of 0.2 ounces recovery per tonne.

The Komis deposit is situated in the La Ronge Domain and gold mineralization at Komis is similar to that found elsewhere in the Domain, as well as in the Archaen

Terranes of Canada and Australia. Deposits of this type are variously known as shear zone-hosted, mesothermal or lode gold deposits. Gold mineralization at Komis occurs primarily in andesite and granodiorite/tonalite dykes. The mine plan calls for Komis to be developed via open pit mining.

THE EP & BIRCH CROSSING PROJECTS

EP is located just 200 metres east of Komis and the company drilled 16 short vertical holes totaling 475 metres during summer 2006. All holes returned encouraging gold values including the spectacular results noted earlier. The company believes that further drilling will be able to significantly increase the tonnage at EP, which is also designed to operate as an open pit mine.

Golden Band has also been working to develop the Birch Crossing deposit, originally discovered in 2003. Fifty drill holes were completed at Birch Crossing with 45 of them showing gold mineralization with the mineralized area covering at least 200 meters east-west and 200 metres north-south and remains open in all directions and to depth.

Other areas in the Waddy Lake Area which are scheduled for additional exploration include Oven Lake, Charlie's Eye and Phantom Zone.

Golden Band is led by an experienced and knowledgeable management team including Rodney Orr, president/CEO; Ronald K. Netolinsky, chairman, Gary Haywood, VP operations/COO and Gary Leland, CFO. ■