

Golden Band plan gets positive response

By Joanne Paulson
SP Business Editor

Golden Band Resources Inc.'s four-year operating plan for gold mining near La Ronge has received a positive review from an independent mining consultancy firm.

P&E Mining Consultants Inc. has provided a pre-feasibility study to Golden Band, stating the company's project plan is economically viable, Golden Band reported Tuesday.

The viability assessment is based on open pit mining of the Komis and EP gold deposits, underground mining of the Bingo gold deposit and the use of the company's existing Jolu mill.

Golden Band previously completed a preliminary economic assessment, announced in February 2008, and an earlier scoping study.

"This is really the third step now in that whole continuum," said Rodney Orr, president and CEO of Golden Band, in an interview.

"Each one has been building incrementally on a really solid foundation."

The study said Golden Band can expect to spend \$26 million to put

the three mines and the mill into production, an amount it would recoup within two years. P&E expects the project to make a 25 per cent return on investment.

"We can't control the external factors like the price of gold or what materials cost," said Orr. "But we have a really sound project, and are now able to demonstrate that not only in technical terms . . . but in the financial evaluation of that, with real numbers saying what it would cost to achieve production. With a less than two-year payback and a really solid financial evaluation, it ties it all together very nicely."

With the positive study behind it, Golden Band will "move aggressively" toward achieving gold production late this year.

Orr said the company's environmental permitting process is well advanced and Golden Band hopes to start construction as soon as permits are in place, possibly in late spring.

The study found proven mineral reserves on the Golden Band property are 80,000 tonnes containing 7.27 grams per tonne of gold, for 18,700 ounces. Probable reserves add 682,000 tonnes at 6.09 grams

per tonne, for 133,600 gold ounces.

The study also noted the economics of the project are supported by the high-grade Bingo deposit and good accessibility to water, labour, provincial highways and existing infrastructure. The Jolu mill was built for a previous mining operation in the late 1980s.

"The fact that we have the mill already is huge," said Orr. "If we had to start over today, it's probably \$45 million and four or five years to complete. It's a huge leg up to see a near-term startup here."

The less technical parts are also falling in place, said Orr.

"That's a huge part of what anybody needs, is that licence to operate from the province, and then the social licence to operate. With all the relationship building we've had with Lac La Ronge Indian band and Kitsaki Management and ourselves, that's an excellent basis to move forward as well."

Golden Band will now push forward to raise the financing needed to refurbish the mill and get the mines operational.

The company will also contribute to cleaning up mercury contamina-

tion connected with a small mine that operated between 1973 and 1975, called the Decade mine. The mine's old tailings facility, Mallard Lake, was likely the source of mercury contaminating the Yew and Long Lakes downstream.

Golden Band knew nothing about the mercury until it started the environmental assessment process in 2006-07.

"It has no direct bearing or impact on our plans here except to help fix a situation we've inherited," said Orr.

Greg Adilman, environmental project officer for Saskatchewan's Environment Ministry, said the mercury issue is still being evaluated. The ministry must determine the best way to manage the mercury contamination in Yew Lake. The tailings facility itself has already been contained, he said.

Further testing will be done in the lakes, but for now, the department has advised members of the surrounding community against eating the fish out of either lake. While the level of mercury in the lake water is not high, it is higher than normal in the fish and some of the lake sediment.