

Golden Band



RESOURCES INC

Community Consultations

Grandmother's Bay

Thursday July 17, 2008

12 Noon

Golden Band Resources Inc:

- Gary Haywood, Vice-President, Operations % COO
- Richard Snider, Environment, Health & Safety Manager

Kitsaki Management L.P.:

- Russell Roberts, CEO

SRK Consulting:

- Don Hovdebo, Principal Consultant

Saskatchewan Ministry of Environment (MOE):

- Malcolm Ross, Project Manager, Environmental Assessment Branch

Recorder:

- Gill Gracie, Aurora Communications Ltd.

Public: 13

Blessing: Elder John Paul McKenzie

MOE Presentation: Malcolm Ross

PowerPoint Presentation

Golden Band Presentation: Gary Haywood/Richard Snider.

PowerPoint Presentation with handout.

Russell Roberts. We have a General Services Agreement with Golden Band. We've done some work with them already on the underground exploration, between Kitsaki and Procon.

As it develops we'll be looking at other opportunities that might include catering, trucking; we have been doing environmental services with Golden Band for the last

couple of years through Canada North. Generally, since the beginning of the project, we've been quite supportive of the project. We've done a lot of work for them and we hope to be around for a while. We've been working in cooperation with Golden Band. During the presentation they made reference to some of the glitches that we had with regards to the environmental process. Through that whole thing, Lac La Ronge Indian Band and Kitsaki were with them, pleading our case and making sure that all impacts from anybody's decision regarding the project, whether it's DFO or the province, that we were considered as part of the process. We've been very supportive of Golden Band; we expect that relationship to continue, and we're quite sure that it will. You probably have a lot of questions. I think it's important to get a full understanding of what this whole project is about. I can be around to answer any questions in regards to business development activities we expect to see within the next four years once production starts, and the preparation that it takes to get top the production stage.

Questions/Comments

Initially when we talked about the length of the project, you talked about various deposits that are going to be mined. Have Tower and Birch Crossing been taken off for now?

G. Haywood: When we embarked on the process of environmental assessment, the initial thought was to get the project up and running the quickest way possible, and that was by keeping it in the provincial assessment realm. That was one of the reasons we did the amendment. We took Tower East and Birch Crossing out of the project proposal because we knew they would require federal approval and that would just lengthen the process. We didn't want the startup of our project delayed at all because of a federal process for a couple of operations that were five or six years out. The idea was to shorten the time to get the project going. As it turned out, DFO has pushed our project timing back probably about six months – at this stage that's what we believe. We're hoping that we can still progress and move forward by making sure provincial and federal processes are dovetailed.

It's one of the reasons why we're proposing the above-ground tailings management facility. We're hoping to get the project up and running by using the temporary facility first, so we don't have to wait for the DFO to fully license the Mallard TMF – that could be a two-year wait. For Golden Band and for other interested parties, that was unacceptable. In fact, Golden Band would have a difficult time staying afloat for the next two years trying to fund a company without any income.

Will the training for process operator and miners take place any time soon? Hopefully it will work out not to hire from the outside.

G. Haywood: At the start, with Russell, we identified all the positions that we would require. Golden Band was a partner in the Career Quest application (The ASEP program). We will hire some people fully trained.

We recognize there is a labour shortage throughout the industry, but in our view we have a great resource of people in the north, there's lots of unemployment, and we will do what we can in partnership with the ASEP program to secure whatever training we can. I

would like to have access to as much of those funds as possible, probably as much as Cameco or AREVA or anyone else to train people. I know we are not going to be able to hire 100 fully trained people for our operations – that would be an unrealistic expectation.

Russell Roberts: A little more information on the ASEP program: they have the office in La Ronge. It's called the Northern Career Quest. That program is a \$30 million training program that started this year. \$15 is coming from the feds, about \$8 million will be allocated from the province, and the remainder of the funds are going to be industry in-kind contributions. The idea is to train 750 people over the next five years, ranging anywhere from heavy equipment operators to mill operators, trades positions, to cooks, chefs - it's quite a wide-ranging program.

A good portion of the identified training programs that are needed come from exactly what's happening here. The program is industry driven. If there are going to be jobs available in the next five years what are they? We identified the training programs, who was going to deliver them. Those training positions go into real jobs when they're done. We don't want to train just for the sake of training; once you're trained, you've got a job. Our commitment from industry is to be part of that process through a five-year period. During that period, whether it's an unskilled, semi-skilled or highly-skilled position – some of the apprenticeship programs, for example, will take four or five years to get trained – we still see that as a big part of what we'll be doing at Golden Band. The contractors will have that same commitment – Kitsaki Procon was doing the underground mining, and if we're successful at receiving some contracts for operating the mill – these are the types of things that will be required as part of our training plan. We hope to maximize that training program. It's there, it's starting this year, and we hope to get as many Band members as we can, and ultimately people from northern Saskatchewan, trained so they can take these jobs.

Process operator training is only being held in one place, and that's on the west side, in Meadow Lake right now, and that's probably where we would have to go to get trained. A lot of people around this community don't have Grade 11 or 12 so they can't go and take that training. What it all boils down to, there'll be two or three people from here that will be labourers at the mine. and that's all. Why not train them at Seabee mine like we did before? Can we get people from this community into a mine over there close to home?

R. Roberts: We will try our best to maximize that. What's different here is that the Lac La Ronge Indian Band and Kitsaki will be responsible for delivering training programs. A primary goal will be to get as many as we can of our band members employed, not just talk about it. We want to make sure they're trained and that they have a good-paying job at the end of the process. We're certainly going to try our best.

Is there going to be an agreement in place between the Band and the developer, such as an Impact Benefit Agreement or something similar to that, that would encourage the people's involvement? Getting local people involved in the whole process, being that it is traditional land? Will there be an agreement in place between the First Nation and Golden Band that resembles an Impact Benefit Agreement?

G. Haywood: We're required to do an economic benefit analysis as part of the environmental impact assessment. Some of the things we've talked about with Kitsaki are not having a camp at Bingo – why not have a facility here that would house our workforce? We can't get everyone locally, and there will probably be a percentage of people from outside, so let's house them here in a facility and at the end of the project that facility stays with the community. That's one of the things we're looking at. (Councillor) Leon (Charles) has already showed me the site he's picked out. We're looking at the same for Brabant; instead of putting a camp facility at the site, we'd leave it in Brabant. When the mines are finishing up in four years, that facility stays for the communities. We're looking at every opportunity or initiative. If people have ideas on things like that we'd like to hear about it. I think that makes a lot of sense. That makes a whole lot more sense than us trying to put a camp on site for a couple of years of operations, then uproot it and move it somewhere else so there's nothing left behind for the community.

R. Roberts: We had a discussion with regard to the actual Impact Benefits Agreement. Myself and the CEO for Golden Band are in the process of developing a fairly substantial version of an IBA – I'd like to consider that it's better.

It's called a Participation Agreement. It will identify those types of projects, but it will look at everything generally – business development activities, what is the impact on traditional users, what are some agreements we can put in place with regards to culturally sensitive sites, what is going to be the true impact – we're putting that all together into one large agreement. It's going to be a fairly intense negotiation – there's a lot to consider under an IBA or a participation agreement, but we've started that process. We've listed the categories – that's an exercise between Lac La Ronge Indian Band and chief and council, because from my perspective it's more than just business, it's everything, how it's going to impact everybody. We will have something negotiated with chief and council and the Kitsaki board of directors and have something presented back to the company for consideration. .

G. Haywood: We will establish some La Ronge Indian Band/Golden Band committees as well on things like environment, employment, and training.

Our leadership is always happy to take the short-term benefits, but what are the long-term benefits? (Part inaudible). At what point are you going to be consulting traditional people – traditional ecological knowledge is widely recognized in the area where mines tend to develop. In establishing environmental baselines, was there any consultation with traditional ecological knowledge? Of elders, who know the movements of the animals? Is that going to take place at some point?

Don Hovdebo: Now the company knows the general areas, the first step is, is there anything of significance or importance there? They have asked Richard (Snider) and I to sit down with a group you will choose amongst yourselves, to look at the impacts of these sites and what we have in the baseline, and get a clearer understanding of the importance of the sites in the area.

I noticed on the map you had some baselines established. I for one do a lot of subsistence harvesting in that area and I notice some differences. I trap in that area

and I have not been consulted once in the entire process. I noticed moose feeding areas that have been abandoned. There was one area that had abundant lynx before this development started, and it has disappeared. No one came and questioned me on that.

R. Roberts: This is the biggest reason why Golden Band is here and why Kitsaki is going to be part of it. That has to happen more regularly. The Participation Agreement speaks directly to that – the consultation with the trappers’ association, with local groups, community consultations, whatever the impact is going to be, that’s what gets assessed and put into an agreement. We make sure everybody benefits from this agreement., that if you’re going to be impacted that there’s some sort of negotiation or method that will address that. All that will be addressed as best we can in the Participation Agreement.

Don Hovdebo: I’ve found in other situations I’ve worked in that there’s also a great opportunity to use traditional knowledge to tweak the design of things.

Why not make traditional knowledge part of the monitoring process. It’s only practical, since it’s traditional land, that we be involved in the whole process. There’s going to be quite a bit of manipulation within the watershed itself. There’s going to be a lot of movement of water. That’s going to bring opportunity for formation of metal mercury in some areas. Is there going to be some kind of environmental parameter? The majority diet of the people here is fish, and if there’s going to be mercury there will have to be strict monitoring and guidelines.

R. Snider: The discharge figures are right here. We have to monitor the discharge from our site, both upstream and downstream. For Bingo, we’re pulling water from Pond Lake and discharging back into Upper Pond Creek. There’s no net deficit or gain to that drainage area. Testing shows mercury is not present in the rock, and not predicted in any of our effluent. The mercury (in Cell C) was used in the milling process in the past. As part of purchasing the properties, we’ve taken on that liability. We know we need to do something about those mercury tailings. We also know that downstream of the TMF, in Yew Lake, that mercury levels are elevated in fish. Our first thought is no fishing in that lake, certainly for employees, but we’ll work with the province to see what other measures are required.

G. Haywood: Another important point about the mercury is that in our proposal, we would like to do that as soon as we could. However, one of the implications of DFO calling the Mallard TMF fish habitat is that we’re not allowed to touch that without going through the licensing and permitting process. That’s a concern to us in that it’s going to have to sit there and we cannot do anything about it. It’s a concern, and it’s one of the reasons we’re so opposed to the DFO calling it fish habitat. Saskatchewan Environment is of the same view.

This is a bright spot in this community – we have a very high rate of unemployment. It’s something that we look forward to and hopefully we can make it as positive as we possibly can. Thank you for that.

For us to get the first chance at jobs, would there be training available at the sites?

G. Haywood: I would think so. We will sit down with Kitsaki and figure out exactly how to do that. I don’t really understand how the funding works, but my intent is to try and grab as much of that funding as we can so we can help finance the training, so that those

dollars flow back into communities impacted by operations. We need to work with Kitsaki to help us with that. Russell understands the skills the people have better than we do; we know what we want, but we rely on Kitsaki to help us.

R. Roberts: That's one of the positive things. We (Lac La Ronge Indian Band and Kitsaki) haven't had the opportunity before to be this directly involved in how the training is going to be done. This is a really good opportunity for us to really change some things so that we maximize opportunities. We've done the work for the underground exploration program, we'll be negotiating with Golden Band for ongoing development, and we hope to be the contractor, because I think we're committed to finding ways that we maximize training opportunities for our band members and all our northern partners. That's a commitment that Kitsaki and the La Ronge Band have. We'll certainly try to access as many of those training dollars as possible. We expect that with Kitsaki-Procon we can handle a lot of that delivery

We can talk about training dollars, but then you have to talk about who's actually going to do the training? Who are the institutions – are they partnerships between institutions, is it partnerships between industry who can actually deliver the training – that's the type of plan, in detail, we're going to submit. There are provincial requirements too: you have to submit a training plan, it has to be approved between us and Golden Band and then be submitted back to Northern Career Quest. That's how the process works.

As we look at these other mining companies, Cameco, AREVA – they have not come to La Ronge Band and set up an agreement with them, but Golden Band has a service agreement. So we're involved with this project and we're helping set it up, I believe. We have a say in what's going on. They've given us that opportunity, which is a positive thing. The other big companies haven't sat down with us or set up a service agreement. This is a big step for us, and hopefully we'll have the workforce out there, have the commitment, and we can also provide, through Golden Band and Kitsaki, the training for our people so we can maximize our benefit.

G. Haywood: Absolutely, that's the intent. The more people we can employ in the north is less people I have to fly up here from the south. That's a benefit to me, and also to you. I was noticing today as I drove around town, it's good to see the young people out there cutting brush. What I see there tells me you have people here who are involved in the community.

About housing and accommodations at the camp: are they going to be staying one week in, two weeks in, or what?

G. Haywood: I haven't settled on a roster yet. I've looked at different ways, and I'm leaning towards two weeks in, one week out. One of the reasons I haven't decided: that may not be the best for local people. I don't know what is best. As we get closer to getting this into production, we will come back and talk to you about what works best, especially if we have a very high local content. In this area, or Brabant, what does work best for people? Two and one may work best for someone in PA; it may not work for someone living in Grandmother's Bay. But if you have 50 different people working 50 different rosters, that doesn't work well either, so we have to find a good balance.

Some of the agreements that I've looked at in my studies are scheduled around traditional activities – fall and spring harvest and so on, giving people time off to go fishing or hunting. That type of schedule could be looked at.

G. Haywood: We looked at that when I was at Cameco – job sharing for certain times of the year. Not everyone does that either. All those are possibilities that we can talk about.

You said you would reprocess the Cell C tailings. Is there any gold there?

G. Haywood: Small amounts. It would not only be a benefit to the environment, but we will hopefully pay for the recovery of that with any gold we get out of it. We know that back in 70s when they processed the ore, that using mercury amalgam was a very inefficient process compared to the processes we have today. Technology has improved much the same as with everything else. Technology now compared to the 70s is vastly different. We can be much more efficient in recovering gold.

How long before you get regulatory approval to mine the ore bodies?

G. Haywood: At this stage we don't think we will have all the permits until spring of 2009, so we're looking at that being our start date for pre-production development at Bingo, pre-stripping of the open pits and starting the refurbishment of the mill, Our best estimate for producing gold would be August-September of next year.

Closing prayer.