

## **Golden Band Resources Receives Positive Pre-Feasibility Study on La Ronge Gold Project**

**Saskatoon, Saskatchewan, January 20, 2009** – Golden Band Resources Inc. (Golden Band or the Company; GBN: TSX-V) is pleased to announce today that an independent Pre-Feasibility Study (PFS) has been completed on the Company's La Ronge Gold Project (the Project) in northern Saskatchewan by P&E Mining Consultants Inc. (P&E). P&E has concluded that the operating plan for the four-year project described in the PFS is economically viable based on the open pit mining of the Komis and EP gold deposits, underground mining of the Bingo gold deposit, and using the Company's existing Jolu mill. This PFS follows the Company's positive Updated and Expanded Preliminary Economic Assessment (PEA; see news release of [February 26, 2008](#)) and the positive initial Preliminary Economic Assessment (Scoping Study; see news release of [April 19, 2007](#)).

Rodney Orr, Golden Band's President and CEO stated, "Golden Band is very pleased with the robust results of our Pre-Feasibility Study. With this, we are continuing to move aggressively towards the delivery of our business plan to achieve gold production in 2009. Our environmental permitting process is well advanced and we expect to commence construction once our permits are in place in late spring – all aimed for an expected start of gold production in late 2009.

The PFS is based only on Proven and Probable Mineral Reserves that define an initial four-year project life. The April 2008 PEA had included Inferred Mineral Resources that sustained an eight-year project but inferred category resources cannot be used at the pre-feasibility study stage. Our business plan will provide for definition drilling to move resource category material into the reserve category as the initial Project advances."

### **Pre-Feasibility Study Highlights**

- Proven Mineral Reserves totalling 80,000 tonnes @ 7.27 g/t gold for 18,700 gold ounces and total Probable Mineral Reserves of 682,000 tonnes @ 6.09 g/t gold for 133,600 gold ounces.
- Total production of 141,400 ounces of gold over a four-year total project life, including a pre-production period of four months.
- Robust project economics for a four-year project, underpinned by mining of the high-grade Bingo deposit; excellent accessibility to grid power, water, labour and provincial highways; and good existing infrastructure.
- Base Case Net Present Value (NPV) after taxes and royalties of \$8.5 million (using a 7% discount rate), for an Internal Rate of Return (IRR) of 24.9%.
- Pre-production capital cost of C\$26.0 million with a total capital cost of C\$32.1 million over the project life and a capital payback period of two years.

"This study provides a firm basis for Golden Band to continue moving towards a production decision. Although the Pre-Feasibility Study only represents the initial four years of the project, we remain committed to a longer-term plan for the La Ronge Gold belt. It is not unusual to have reserves for the initial commencement of production and also have a large pipeline of resources that will continue to be advanced for future production. This was demonstrated in the updated PEA presented in April 2008," stated Gary Haywood, VP Operations and COO.

The summary of the PFS base case (after taxes and depreciation) and a comparison to the updated

PEA (before taxes) are provided in Table 1. Please note that, as required under National Instrument 43-101 (NI 43-101), the PEA includes Inferred category mineral resources, while the PFS includes only reserve category ounces. It is for this reason that the PFS project is based on a four-year duration, while the PEA was based on an eight-year project. All currency amounts are in Canadian dollars except as otherwise indicated.

**Table 1: Comparison of 2009 PFS Base-Case and 2008 PEA Base Case  
Golden Band Resources: La Ronge Gold Project**

		<b>PFS Base Case</b> (Four Years) After Tax & Depreciation	<b>April 2008 PEA1</b> (Eight Years) Before Tax and Depreciation
Gold Price (by years)	US\$/ounce	Y1-Y2: \$825	Y1-Y4: \$680
		Y3-Y4: \$775	Y5-Y8: \$609
Exchange Rate	US\$:C\$	Y1-Y2: 0.85	0.91
		Y3-Y4: 0.90	
Internal Rate of Return (IRR)		24.9%	20.6%
Total Recovered Ounces Gold		141,400 2	303,400 3
Average Mine Recovered Grade	g/t gold	6.21	4.45
Net Present Value (NPV) @ 7% discount rate		\$8.5 million	\$11.1 million
Cash Flow (non-discounted)		\$14.4 million	\$23.1 million
Payback	years	2.0	1.9
Operating Cost	per ore tonne	\$111.87	\$67.20
	per ounce	US\$528	US\$427
Pre-Production Capital Cost		\$26.0 million	\$28.7 million
Total Capital Cost		\$32.1 million	\$51.5 million

1. PEA financial analysis on a pre-tax basis.
2. PFS includes only NI 43-101 Reserve Category gold.
3. PEA includes NI 43-101 Measured + Indicated and Inferred category gold.

All currency amounts are in Canadian dollars except as otherwise indicated.

The PFS is authored by P&E Mining Consultants Inc. of Brampton, Ontario with input from Wardrop Engineering Inc. of Saskatoon, Saskatchewan (Capital Cost Estimate Section, Geotechnical Section), and Clifton Associates Ltd. of Regina, Saskatchewan (Project Infrastructure and Capital Cost Estimate Section). The NI 43-101 PFS technical report will be filed by the Company on SEDAR ([www.sedar.com](http://www.sedar.com)) and Golden Band's website at ([www.goldenbandresources.com](http://www.goldenbandresources.com)) within 45 days of the date of this news release.

## Project Economics

The PFS base case is conservatively evaluated on a gold price of US\$825/oz (18-month trailing average as of November 30, 2008) for years one and two, and at US\$775/oz (the 24-month trailing average as of November 30, 2008) for years three and four. The US\$:C\$ exchange rate used in the updated study is 0.85 for years one and two and 0.90 for years three and four. All dollar amounts are Canadian dollars unless otherwise indicated.

The Project was evaluated in the PFS on an after-tax cash flow basis and generates a net cash flow of \$14.4 million after tax. This results in an after tax IRR of 24.9% and an after-tax NPV of \$8.5 million when using a 7% discount rate. In the base case scenario, the project has a payback period of 2.0 years. Table 2 shows the NPV of the PFS base case at various discount rates.

**Table 2: Pre-Feasibility Study Net Present Value at Various Discount Rates  
Golden Band Resources: La Ronge Gold Project**

Discount Rate	0%	5%	7%	10%
NPV	\$14.4M	\$10.0M	\$8.5M	\$6.5M

The pre-production capital expenditures of the project are estimated in the PFS at \$26.0 million. The total estimated life-of-mine capital expenditure for the project is \$32.1 million. This includes costs for the pre-stripping of open pit mines at Komis and EP; pre-production development work for the Bingo underground mine; increasing the Jolu mill's capacity from 500 tonnes per day (tpd) to 700 tpd; and construction of key infrastructure such as offices, workshops, 25kV grid power line to the Jolu mill, and a workforce accommodation facility at the Jolu mill site.

Based on the four-year project, the PFS estimates the total operating costs for the Project are calculated at \$111.87 per ore tonne processed or US\$528 per recovered ounce of gold. The higher costs for the four-year project in the PFS when compared to the eight-year project in the earlier PEA are the result of the project having a higher average pit strip ratio, higher average mining costs and a shorter mine life.

In addition to the PFS base case, P&E also calculated sensitivity scenarios to evaluate the La Ronge Gold Project's potential at gold prices and dollar exchange rates that reflect their potential volatility and upside potential. With all other economic and technical factors left unchanged, the first scenario assumes a constant gold price of US\$800 per ounce over the project life, the second uses US\$900 per ounce over the project life, and finally \$US1,000 per ounce over the project life. In all three cases, a further evaluation was carried at three exchange rates, being 0.80, 0.85 and 0.90.

**Table 3: Pre-Feasibility Study Price of Gold Scenarios  
Golden Band Resources: La Ronge Gold Project**

Exchange Rate	IRR	NPV				Payback Years
		@ 0%	@ 5%	@ 7%	@ 10%	
<b>Scenario 1: US\$800/oz</b>						
.80	34.2%	\$20.2M	\$15.0M	\$13.2M	\$10.8M	1.70

.85	23.0%	\$14.3M	\$9.7M	\$8.1M	\$6.1M	2.32
.90	11.7%	\$7.5M	\$3.7M	\$2.4M	\$0.8M	3.03
<b>Scenario 2: US\$900/oz</b>						
.80	58.9%	\$32.7M	\$26.0M	\$23.7M	\$20.7M	0.94
.85	45.7%	\$26.1M	\$20.2M	\$18.2M	\$15.5M	1.27
.90	34.3%	\$20.3M	\$15.0M	\$13.2M	\$10.9M	1.70
<b>Scenario 3: US\$1,000/oz</b>						
.80	81.6%	\$44.8M	\$36.6M	\$33.8M	\$30.0M	0.77
.85	68.4%	\$37.8M	\$30.5M	\$28.0M	\$24.6M	0.86
.90	56.1%	\$31.4M	\$24.8M	\$22.6M	\$19.6M	0.97

The \$8.5 million base case NPV, at a 7% discount rate, was evaluated for changes in the value of the following items: \$Cdn/\$US exchange rate; gold metal price; gold head grade; gold metallurgical recovery; operating costs; and capital costs.

This base case NPV is most sensitive to the \$Cdn/\$US exchange rate, followed by the price of gold and metallurgical recoveries. The following spider graph summarizes the results of this sensitivity analysis (Figure 1).

[Click here for Figure 1](#)

### Gold Resources and Reserves

Since the April 2008 PEA, the Bingo, Komis, and EP Measured and Indicated Resource category gold ounces have increased by 25% and the Inferred Resource category gold ounces have decreased by 62% through conversion from the Inferred Resource to Measured and Indicated Resource categories. This reduction in Inferred Resource category ounces reflects the successful drilling programs completed at the Bingo and EP deposits to upgrade resources to Measured and Indicated status which are then available to be converted into reserves (NI 43-101 does not permit Inferred Resources to be used in a pre-feasibility-level study).

An independent initial resource estimate of the Komis open pit resource was prepared by A.C.A. Howe International Limited (announced on April 6, 2005), while the initial Bingo underground and EP open pit resource estimates were prepared by GeoSim Services Inc. (announced on June 29, 2006, April 11, 2006 respectively).

Updates of the gold resource estimates at Bingo and EP were conducted by Golden Band and P&E respectively (announced in press releases on [November 5, 2008](#) and [December 4, 2008](#) respectively). Table 4 summarizes the gold resources that became the basis for the PFS reserve determination.

<b>Table 4: Classification of Gold Resource Estimates Golden Band Resources: La Ronge Gold Project</b>				
<b>Deposit</b>	<b>Resource Category</b>	<b>Tonnes</b>	<b>Gold (g/t)</b>	<b>Gold (oz)</b>

<b>Bingo 1</b>	Measured	33,000	12.19	12,900
	Indicated	116,000	14.56	54,200
	Measured + Indicated	149,000	14.04	67,100
	Inferred	42,000	14.75	20,000
<b>Komis</b>	Measured	53,000	4.35	7,400
	Indicated	563,000	4.34	78,600
	Measured + Indicated	616,000	4.34	86,000
	Inferred	16,000	3.33	1,700
<b>EP</b>	Indicated	102,000	3.81	12,500
<b>Total</b>	Measured	86,000	7.36	20,300
	Indicated	781,000	5.79	145,400
	Measured + Indicated	867,000	5.94	165,700
	Inferred	58,000	11.60	21,600

- The Bingo deposit resources do not include drilling results announced on November 26, 2008.

Note : Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.

The quantity and grade of reported inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these inferred resources as an indicated or measured mineral resource and it is uncertain if further exploration will result in upgrading them to an indicated or measured mineral resource category.

The mineral resources in this press release were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council December 11, 2005.

The gold reserves at Komis and EP were determined by P&E via Whittle 4X pit optimizations and subsequent open pit designs. The Bingo gold reserve was determined by P&E subsequent to an underground development and stoping design based on long-hole sublevel stoping and a small, shallow (15m) open pit mine design.

The following operational gold cut-off grades were established for the reserve determination in the PFS depending on the size and nature of the operation (Table 5). These operational cut-off grades differ marginally from the design cut-off grades applied in the resource definitions.

<b>Table 5: PFS Base Case Mining Factors Golden Band Resources: La Ronge Gold Project</b>				
	<b>Mine:</b>	<b>Bingo</b>	<b>Komis</b>	<b>EP</b>
		Underground	Open Pit	Open Pit

Mining Rate (ore & waste)	tpd	425	5,850	2,400
Milling Rate	tpd	350	520	452
Waste / Ore Ratio			10.6:1	17.6:1
Mining Cost / Tonne Ore <sup>1</sup>	\$/t	\$124.19	\$55.97	\$40.24
Ore Transportation to Mill Cost	\$/t	\$11.90	\$11.13	\$11.13
Milling Cost	\$/t	\$32.94	\$32.94	\$32.94
General & Administration	\$/t	\$3.95	\$5.44	\$4.34
Process Plant Recovery	%	95.9%	90.3%	97.3%
Gold Cut-Off Grade <sup>1</sup>	g/t Au	5.78	3.88	2.92
Operating Cut-Off Grade <sup>3</sup>	g/t Au	4.70	1.63	1.59

1 Includes sustaining capital and operating costs.

2 Blended from stockpile over a 3-year period.

3 Result includes mining, haulage, processing and G&A, and excludes sustaining capital.

Based on the design cut-off grades, P&E calculated the following reserve estimates by classification into proven and probable categories (Table 6).

Deposit	Classification	Tonnes	Gold (g/t)	Gold (oz)
<b>Bingo</b>	Proven	28,000	12.55	11,300
	Probable	99,000	14.96	47,600
	Proven & Probable	127,000	14.43	58,900
<b>Komis</b>	Proven	52,000	4.43	7,400
	Probable	532,000	4.50	77,000
	Proven & Probable	584,000	4.49	84,400
<b>EP</b>	Probable	51,000	5.51	9,000
<b>Total</b>	Proven	80,000	7.27	18,700
	Probable	682,000	6.09	133,600
	Proven & Probable	762,000	6.21	152,300

Note : The mineral reserves in this news release were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council, December 11, 2005.

## **Mining**

**Bingo deposit:** Underground and open pit mining of the Bingo gold deposit is planned. A small open pit will extract the top 15 metres of the deposit using a local contract mining service that has

supplied Golden Band with a quote based on the mine plan. The underground mining was evaluated using long-hole sublevel open stope mining with development on ore, and ore extraction with 3.5-tonne capacity loaders and 26-tonne capacity trucks through a decline access. Underground mining at Bingo is planned as a contract mining operation using an internationally experienced mining contractor that has supplied Golden Band with quotes based on the development and stoping plan. It is expected that the small open pit will be mined during the pre-production phase concurrent with underground pre-production development. Underground stoping is expected to be completed within 12 months of commencement of mining operations.

Komis and EP deposits: Mining of the Komis and EP gold deposits is planned as conventional drill and blast open pit operations using an 85-tonne class excavator in conjunction with a 4.6m<sup>3</sup> front-end loader, and a haulage fleet of up to three 54-tonne off-highway rear-dump trucks. Mining was evaluated on an owner-operator basis with contracted maintenance services and rental of the major pieces of mining equipment. The open pit mining costs were based on quotes received from an international equipment rental company. A three-month pre-production period is planned to remove overburden. In order to facilitate blending of EP ore over the life of the project, concurrent mining of the Komis and EP deposits will occur. It is anticipated that the ore production phase of the EP pit will be completed within 12 months of commencement of production and that the ore will be partially stockpiled at the EP site. The stockpiled EP ore will be transported to the Jolu gold mill, for process blending, over the three-year processing period.

Production from the Komis, EP, and Bingo mining operations is expected to deliver 762,000 tonnes of ore to the Company's Jolu mill facility over the life of the project.

### **Ore Transportation**

The Jolu gold mill and tailings management facility are centrally located 75 kilometres by provincial highway southwest of the Komis/EP deposits, and 51 kilometres northeast by highway of the Bingo deposit. Golden Band has received quotes from a local haulage contractor to provide ore transportation services based on the mine plan.

### **Ore Processing**

As part of the development plans, the existing 500 tpd Jolu gold mill will be refurbished and upgraded to process up to 700 tpd for the period of operation as indicated in the PFS. The mill's process flow sheet uses conventional crushing, grinding, gravity separation, and cyanide leaching with carbon in pulp to produce doré gold bars. Process improvements contained in the PFS include upgrades in the gravity circuit by installing an intensive leach reactor, upgrades in water and effluent treatment, and upgrades to plant process control and instrumentation.

The Jolu mill is expected to recover 141,400 gold ounces over the initial four-year life of the project described in the PFS. Average metallurgical recovery for gold is expected to be 93% based on the test work by SGS Lakefield Research Ltd and Knelson Gravity Solutions completed to date. The project benefits significantly from the high-grade Bingo deposit reserve-category ore that is processed in the first year of operation. Tailings from the milling process will initially be deposited in a newly constructed Jolu Above Ground Tailings Management Facility, with subsequent deposition in the Company's existing Mallard Tailings Management Facility (TMF). This two-phase tailings management plan is necessary due to the federal regulatory permitting requirements of the Mallard TMF that will extend beyond the provincial permitting period (see previous news release of

[June 24, 2008](#)).

## **Infrastructure**

The Project is located in the La Ronge Gold Belt, a historic gold mining region of northern Saskatchewan. All operating sites are located in close proximity to regional infrastructure including year-round provincial highway access, water, power, and communications. Included in the PFS is a proposal by SaskPower to supply 25kV grid power to the Jolu mill.

The Company has planned for the construction of a permanent camp facility at the Jolu site with contracted catering services. The mining operations are located close to existing communities and Golden Band has received a proposal and quotes from a recognized catering company to supply camp and catering services for the workforce.

## **Environmental and Social Aspects**

Golden Band has completed an environmental assessment of the potential environmental impacts in support of the Environmental Impact Statement (EIS) that has been submitted to the Saskatchewan Ministry of Environment and the Canadian Environmental Assessment Agency. The EIS is undergoing technical review as part of the harmonized Provincial and Federal Environmental Assessment process.

The Company has signed a Memorandum of Understanding (MoU) with the Lac La Ronge Indian Band (LLRIB or the Band) on whose traditional lands the project is located (see previous news release of [September 19, 2007](#)). Under the MoU, Golden Band has committed to work with the Band to establish a broad business relationship that will have mutual benefits. The Company has also signed a General Services Agreement with Kitsaki Management Limited Partnership to ensure that business and employment opportunities are available to the LLRIB members for Golden Band's exploration and development projects (see previous news release of [September 19, 2007](#)).

## **Conclusions and Recommendations**

P&E concludes in the PFS that Golden Band's La Ronge Gold Project operating plan, based on reserves for the Komis, EP and Bingo gold deposits, and using the Jolu mill, has a realistic potential for economic viability. Assuming the project can be brought into production by late 2009, the possibility for significantly higher economic returns above the base case scenario exists if current rising gold prices continue, particularly during the first two years of the project. The project's overall attractiveness is also supported by the significant amount of additional resources owned and/or controlled by Golden Band in the area and the central location of the Jolu mill as a potential regional milling centre. These additional resources could allow the extension of the project well beyond the pre-feasibility study's initial four-year project at a low additional cost.

The base case NPV is most sensitive to the \$Cdn/\$US exchange rate followed by the gold price and metallurgical recoveries.

Due to the complex nature of the project with operations in multiple sites, strict cost management and low-cost approaches are recommended by P&E that include owner-operation solutions, rental of capital equipment, and utilization of used equipment.

P&E has made several other recommendations in the PFS. Golden Band should develop its La Ronge Gold Project according to the mine production plan and schedule in the PFS. Continued exploration programs should maintain the focus on expanding the existing resources to develop potential mill feed beyond the initial four-year mine life of the project. The near-term focus for the Company should include a plan to expand the resources at the high-grade Bingo deposit and to continue to convert these resources into gold reserves. The ability of the Company to extend the life of mine at the Bingo deposit will have a significant positive effect on the overall economics of the La Ronge Gold Project. Exploration in areas within the existing or planned transportation routes such as the Jolu-Tower East haulage corridor is also highly recommended.

Eugene Puritch, P.Eng., Alfred Hayden, P.Eng., James Pearson, P.Eng., and Alexander Partsch, P.Eng., (all of P&E Mining Consultants Inc.); Ronald G. Simpson, P.Geo., (principal of Geosim Services Ltd.); Stan Kotowski, P.Eng. (Wardrop Engineering Inc.); and Wayne Clifton, P.Eng. (Clifton Associates Ltd.) are independent Qualified Persons responsible for the PFS. Mr. Puritch has reviewed and approved the contents of this news release.

Golden Band's development-related programs and pertinent disclosure of a development nature are prepared and/or designed and carried out under the supervision of Gary Haywood, P.Eng., Golden Band's VP of Operations and Chief Operating Officer, who serves as the Company's Qualified Person (QP) under the definitions of National Instrument 43-101. Frank Hrdy, P.Geo., Golden Band's VP Exploration who serves as the Qualified Person (QP) for Golden Band under the definitions of National Instrument 43-101 is responsible for the update of the resource estimate for the Bingo deposit.

Golden Band interprets the results of the PFS as a very encouraging step in its strategy to bring the La Ronge Gold Project to an early production start so as to benefit from the current high gold prices.

"Golden Band is highly encouraged with the results of the PFS and we fully intend to carry out the recommendations of the report. Our goal now is to establish the next gold mining operation in Saskatchewan", stated Rodney Orr. "We will continue to move forward on all fronts including the technical, financial and permitting requirements for our project, and fully expect that the conclusion of those requirements will see Golden Band Resources producing gold in 2009."

### **About Golden Band**

Golden Band Resources, already Saskatchewan's leading gold explorer, is now poised to also become a gold producer. Golden Band is a well-financed, Saskatchewan-based, publicly listed company (GBN: TSXV) whose focus is the long-term, systematic exploration and development of its 100%-owned La Ronge Gold Belt properties. Since 1994, Golden Band has assembled through staking and strategic acquisition a land package of more than 750 km<sup>2</sup>, including 10 known gold deposits, four former producing mines, and a licensed gold mill. Golden Band's key value drivers are the methodical and systematic targeting of primary to advanced-stage exploration while progressing along a parallel path to becoming a sustainable gold producer. The Company is aggressively pursuing its near-term goal for the development and production of its Bingo, Komis, and EP deposits with processing at the Jolu mill. Longer-term objectives include production from the Company's other deposits and the continuation of its highly successful exploration and acquisition strategy.

On behalf of the Board of Directors of Golden Band Resources Inc.,  
"Rodney G. Orr"  
Rodney G. Orr, P.Geo., President and CEO

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*Golden Band's exploration programs and pertinent disclosure of a scientific nature are prepared and/or designed and carried out under the supervision of Frank Hrdy, P.Geo., Golden Band's VP Exploration, who serves as the qualified person (QP) under the definitions of National Instrument 43-101. Golden Band's development-related programs and pertinent disclosure of a development nature are prepared and/or designed and carried out under the supervision of Gary Haywood, P.Eng., Golden Band's VP of Operations, who serves as the qualified person (QP) under the definitions of National Instrument 43-101.*

***Cautionary Statements on Forward-Looking Information:*** *The statements made in this News Release may contain certain forward-looking information. Actual results may differ materially from those currently anticipated in such statements. Certain risk factors may also materially affect the actual results achieved by the Company. Potential and current shareholders are cautioned not to place undue reliance on forward-looking information. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking information whether as a result of new information, future events, or other such factors that may affect this information, except as required by law.*

*The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.*