

Golden Band Resources Inc. Announces \$20 Million Senior Secured Financing Package

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SASKATOON, May 10, 2012 - [Golden Band Resources Inc.](#) ("Golden Band" or the "Company") (TSXV: GBN; OTCQX: GBRIF) is pleased to announce that it has received a bridge loan (the "Bridge Loan") of \$5,500,000 from Waterton Global Value, L.P. ("Waterton"). The net proceeds from the Bridge Loan are to be used by Golden Band for working capital purposes.

The Bridge Loan is secured by a first ranking charge over all assets of the Company and must be repaid in full by the Company on the earlier of the date that is 3 years after the date hereof and the date on which the parties enter into a term debt facility (the "Term Debt Facility"). Interest is payable monthly at a rate of 6% per annum for a period of 6 months and 15% thereafter.

As a condition of entering into the Bridge Loan, the Company has paid to Waterton a \$110,000 structuring fee, has issued to Waterton an aggregate of 2,000,000 common share purchase warrants (the "Bridge Warrants") and has entered into a gold and silver supply agreement whereby the Company will sell its gold production to Waterton until the later of May 9, 2015 and the date on which the Company has sold at least 100,000 ounces of gold to Waterton at market rates in effect on the date of sale.

Each Bridge Warrant is exercisable into one common share in the capital of the Company (a "Common Share") for a term ending on the earlier of the date that the Bridge Loan is repaid and three (3) years from the date hereof, provided that the number of Bridge Warrants shall be reduced or cancelled on a pro rata basis if the Bridge Loan is reduced or repaid in full in the first year before the Bridge Warrants expire, all in accordance with and subject to the policies of the TSX Venture Exchange. The exercise price of the Bridge Warrants is \$0.24 per Common Share.

The Bridge Warrants and the Common Shares issuable upon exercise of the Bridge Warrants are subject to a hold period of four months and one day from the date hereof.

The Term Debt Facility is expected to be in the amount of \$20,000,000. Negotiations in respect of the Term Debt Facility are ongoing.

Robson Garden, President and CEO of Golden Band commented, "This Term Debt Facility provides funding for development of the Komis mine, which is expected to commence production in the middle of this year as well as for the construction of the Mallard tailings facility at the Jolu mill. It will also provide working capital to fund a deficit that we have been carrying since the commencement of commercial production in April, 2011. While our first year of production has been a success, it has been a challenge to operate with the deficit. Eliminating it will allow us the flexibility to manage the operations in a more efficient and effective manner."

Cheryl Brandon, Portfolio Manager at Waterton Global, stated "We look forward to building a strong relationship with Golden Band's management team as the company continues to expand production in the La Ronge Gold Belt. The Waterton Global facility provides the required capital to implement the company's production growth strategy and further expand future open-pit mining operations in the region. As a producing gold and silver mining company, Golden Band is well positioned to benefit from strong commodities markets."

This news release does not constitute an offer to sell or a solicitation of an offer to buy the securities in the United States. The securities offered have not been and will not be registered under the U.S. Securities Act of 1933 (the "Act") and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of such Act.

About Golden Band

[Golden Band Resources Inc.](#), already Saskatchewan's leading gold explorer, is now also its newest gold producer. Golden Band is a Saskatchewan-based, publicly listed company (TSXV: GBN; OTCQX: GBRIF) 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 870 km², including 12 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 of being a sustainable gold producer. The Company is aggressively pursuing its near-term goal of commercial production of its Bingo, Komis, and EP deposits with processing at the 100%-owned Jolu mill. The Company's objective is the annual production of at least 75,000 ounces of gold over a ten-year project life. Other longer-term objectives include the continuation of its highly successful exploration and acquisition strategies.

On behalf of the Board of Directors of Golden Band Resources Inc.,

"Rob Garden"
A. Robson Garden, QC,
President and CEO

Caution Regarding Forward-Looking Information and Statements

This document includes statements and information about the Company's expectations for the future. When Golden Band's strategy, plans, and future financial and operating performance, or other things that have not yet taken place, are discussed, the Company is making statements considered to be forward-looking information or forward-looking statements under Canadian and United States securities laws. Such forward-looking information and statements in this document are referred to as "forward-looking information".

Generally, forward-looking information can be identified by the use of forward-looking terminology such as, for example, "plans", "expects" or "does not expect", "is expected", "budget", "goal", "target", "project", "potential", "strategy", "outlook", "scheduled", "predicts", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate" or "believes", and similar expressions, or the negative connotation thereof or variations of such words and phrases or statements that certain actions, events or results, "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative connotation thereof.

Readers are cautioned that the forward-looking information in this document represents Golden Band's current views and can change significantly. Forward-looking information contained in this document is based on certain material assumptions, including, but not limited to:

- geological and other conditions that may affect exploration, development, and the amenability for mining;
- the Company's ability to comply with current and future environmental, safety and other regulatory requirements, and to obtain and maintain required regulatory approvals; and,
- the Company's operations not being significantly disrupted as a result of political instability, nationalization, terrorism, sabotage, blockades, breakdown, natural disasters, governmental or political actions, litigation or arbitration proceedings, or other development or operating risks.

Readers are cautioned that such assumptions are not exhaustive and may prove to be incorrect. Although the Company believes that the assumptions on which the forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking statements because Golden Band can give no assurance that they will prove to be correct.

Actual results and events may be significantly different from those currently expected due to a number of material risks. These include, but are not limited to:

- the Company's inability to enforce its legal rights, or its being subject to litigation or arbitration that has an adverse effect on the Company;
- defects in title to the Company's properties;
- unexpected or challenging geological, hydrological, or mining conditions;
- environmental, safety and regulatory risks, including increased regulatory burdens or delays;
- the Company's inability to obtain or maintain necessary permits or approvals from government authorities or other third parties;
- changes to government regulations or policies, including, but not limited to, tax and trade laws and policies;
- natural phenomena, including, but not limited to, inclement weather, fire, and flooding; and,
- operational disruption of the Company due to problems and other developments and operating risks.

In addition, Golden Band's annual and interim MD&A, which are available on SEDAR at www.sedar.com, include a discussion of other material risks that could cause actual results to differ significantly from the Company's current expectations.

Forward-looking information is designed to help the reader understand management's current views of the Company's near and longer-term prospects, and it may not be appropriate for other purposes. The

forward-looking information contained in this document is made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

The forward-looking information is expressly qualified by these cautionary statements.

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For further information:

Mark J. Thiel, CA, VP Finance and CFO
Golden Band Resources Inc.
Phone: 306 385 7128
Fax: 306 955 0788
Email: mark.thiel@goldenbandresources.com

Investor Relations:
Raju Wani: 403 240 0555
Tony Perri: 604 682 6852
Email: info@goldenbandresources.com
www.goldenbandresources.com

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