

Golden Band Enters \$20 Million Cost Plus Contract and Loan Agreement

18.06.2013 | [CNW](#)

SASKATOON, June 18, 2013 /CNW/ - [Golden Band Resources Inc.](#) ("Golden Band" or the "Company") (TSXV: GBN; OTCQX: GBRIF) announces that it has entered into a short-term cost plus contract (the "Cost Plus Contract") with Procon Mining and Tunnelling Ltd. ("Procon Mining" or the "Contractor") whereby the Contractor will provide pre-production and mine rehabilitation services for the Company's La Ronge gold projects. The Cost Plus Contract has a guaranteed maximum price of \$20 million and will temporarily supersede the existing general services agreement between the Company and the Kitsaki/Procon Joint Venture (see news release of February 11, 2010) until such time as mining operations are back at full capacity. The contract price includes the cost of work (the "Cost") plus a Contractor's fee of up to 8% of Cost for general and administrative expenses and up to 7% of Cost for the Contractor's profit.

In connection with the Cost Plus Contract, Procon Resources Inc. ("PRI"), a private company related to the Contractor, has agreed to grant the Company a \$20 million non-revolving credit facility (the "Facility"). Advances under the Facility will be used by the Company to pay invoices for work performed by the Contractor under the Cost Plus Contract. The Facility has a term of five years and will be available to be drawn until August 31, 2013 or such later date as agreed to by PRI and the Company (the "Availability Period"). The Facility is subject to interest at a rate of 10% per annum payable monthly, as well as a stand-by fee equal to prime plus 1.25% per annum on any portion of funds not advanced up to and including the last day of the Availability Period, also payable monthly. Equal quarterly repayments of the outstanding principal amounts will commence on December 1, 2013 and continue for the term of the Facility.

The terms of the Credit Agreement require the Company to grant a security interest to PRI which will charge the Company's assets as collateral for the Credit Agreement. PRI is already the first secured creditor of the Company, having taken an assignment of the term loan originally granted by Waterton Global Value L.P. to the Company on August 3, 2012 and the related security package consisting of a first ranking charge over all assets of the Company (see news release of February 26, 2013).

PRI is a non-arm's length party within the meaning of the policies of the TSX Venture Exchange as PRI (or certain of its affiliates or associates) and the Company have certain directors and officers in common. As such, the TSX Venture Exchange deemed the Facility to be a related party transaction. Related party transactions are generally subject to the formal valuation and minority approval requirements set out in Multilateral Instrument 61-101 of the Ontario Securities Commission, unless an exemption is available. However, borrowing money from, or entering into a credit facility with, a related party is not a type of transaction that requires a formal valuation and therefore the formal valuation requirements do not apply. Further, an exemption from the minority approval requirement is available under subsection 5.7(f) of that instrument. Under subsection 5.7(f) of that instrument, a loan, or the creation of a credit facility, that is obtained by the issuer from a related party on reasonable commercial terms that are not less advantageous to the issuer than if the loan or credit facility were obtained from a person dealing at arm's length with the issuer and the loan, or each advance under the credit facility, if not convertible, directly or indirectly, into equity or voting securities of the issuer or repayable as to principal or interest in equity or voting securities.

The transactions have been approved by the board of directors of Golden Band. Each of the directors who is also an officer or director of PRI (or any of its affiliates or associates) declared a conflict of interest and abstained from voting.

About Golden Band

[Golden Band Resources Inc.](#) is a gold producer operating in the La Ronge gold belt in northern Saskatchewan and is listed on the TSX Venture Exchange in Canada under the symbol GBN and traded in the United States on the OTCQX under the symbol GBRIF. The Company has two producing mines, Roy Lloyd and Komis. Commercial production was declared on April 1, 2011. On February 26, 2013, the Company announced a temporary halt of mining at the Komis deposit to free up equipment and personnel for the construction of road access to the Golden Heart deposit. Operations at the Company's Roy Lloyd mine continue and Jolu Mill operations will be suspended until mill capacity can be improved. The Company has been actively exploring the La Ronge Gold Belt since 1994 and has assembled a land package of 870 km², including 13 known gold deposits and four former producing mines, being Jolu, Decade, Star Lake and

Komis. The Company plans to undertake aggressive drill programs throughout the La Ronge Gold Project with the goal of significantly expanding the existing NI 43-101 gold resources that have been identified to date.

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

"Paul Saxton"
Paul Saxton, Chairman and CEO

Contact: (306) 385-7144

Caution Regarding Forward-Looking Information and Statements

This news release includes certain forward-looking statements or information. All statements other than statements of historical fact included in this release, including, without limitation, statements regarding the restructuring of operations, estimates of production, costs of production, the sufficiency and availability of capital and financing and other future plans, objectives or expectations of Golden Band Resources Inc. (Company) are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company's plans or expectations include risks relating to the actual results of operations, current exploration activities, fluctuating gold prices, possibility of equipment breakdowns and delays, cost overruns, general economic, market or business conditions, regulatory changes, timeliness of government or regulatory approvals and other risks detailed herein and from time to time in the filings made by the Company. The Company makes all reasonable efforts to update its corporate information on a timely basis.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

For further information:

[Golden Band Resources Inc.](#)
Jim Gee, Business Services Manager
Office: 306 955 0787
Email: info@goldenbandresources.com
www.goldenbandresources.com

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Die URL für diesen Artikel lautet:

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