

# Golden Band enters into credit accommodation agreement

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SASKATOON, SK, June 20, 2013 /CNW/ - [Golden Band Resources Inc.](#) ("Golden Band" or the "Company") (TSXV: GBN; OTCQX: GBRIF) announces that it has entered into a credit accommodation agreement (the "Credit Accommodation Agreement") with the Kitsaki/Procon Joint Venture (the "JV") whereby the JV has agreed to defer payment in the amount of \$23 million, in respect of goods and services provided to Golden Band up to and including February 28, 2013, until April 1, 2016 at which time monthly repayments of \$958,333 will become payable. Effective March 1, 2013, interest will accrue at a rate of 10% per annum payable monthly.

The terms of the Credit Accommodation Agreement require the Company to grant a security interest to the JV which will charge the Company's assets as collateral for the Credit Accommodation Agreement; however, such collateral will be subordinate to the interest of Procon Resources Inc.

The JV is a non-arm's length party within the meaning of the policies of the TSX Venture Exchange as the JV (or certain of its affiliates or associates) and the Company have certain directors in common. As such, the TSX Venture Exchange deemed this transaction to be a related party transactions. 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.

This transaction has been approved by the board of directors of Golden Band. Each of the directors who is also a director of the JV (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 km<sup>2</sup>, 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](mailto:info@goldenbandresources.com)

[www.goldenbandresources.com](http://www.goldenbandresources.com)

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