

**GOLDEN BAND RESOURCES INC.**  
**CONSOLIDATED BALANCE SHEET**  
**AS AT JULY 31, 2006**

	<b>July 31 2006</b>	<b>April 30 2006</b>
<b>ASSETS</b>		
<b>Current</b>		
Cash and equivalents (Note 13)	\$ 7,250,937	4,681,911
Accounts receivable	68,442	218,802
Prepaid expenses	13,405	51,834
	7,332,784	4,952,547
<b>Restricted Cash (Note 7)</b>	363,675	363,675
<b>Capital Assets (Note 4)</b>	620,644	589,200
<b>Surface and Mineral Leases (Note 4 &amp; 5)</b>	240,284	240,284
<b>Mineral properties and rights (Note 4 &amp; 6)</b>	2,594,126	2,594,126
<b>Deferred exploration costs (Note 4 &amp; 6)</b>	7,399,417	7,012,297
	\$ 18,550,930	\$ 15,752,129
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 140,441	\$ 36,458
<b>Long Term</b>		
Lease and property tax payable (Note 5)	229,000	229,000
Environmental reclamation payable (Note 7)	356,330	356,330
	725,771	621,788
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (Note 9)	22,331,930	19,456,321
Contributed surplus	925,565	852,065
Deficit	(5,432,336)	(5,178,045)
	17,825,159	15,130,341
	\$ 18,550,930	\$ 15,752,129

See accompanying notes

Approved by the Board:

signed:

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 Director Ronald Netolitzky

signed:

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 Director Klaus Lehnert-Thiel

**GOLDEN BAND RESOURCES INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT**  
**FOR THE QUARTER ENDED JULY 31, 2006**

	<b>July 31, 2006</b>	<b>July 31, 2005</b>
<b>Administration costs</b>		
Amortization	\$ 10,375	\$ 9,249
Environmental Analyses		1,065
Bank Interest	1,414	491
Investor communications	35,127	17,617
Filing fees	340	635
Insurance	26,530	
Office expense	9,868	4,690
Other costs	7,259	5,489
Premises rent	5,287	5,006
Professional fees	33,740	4,671
Consulting	24,347	4,945
Surface lease	38,486	
Stock compensation	73,500	318,781
Telephone and utilities	2,525	2,150
Travel and accommodation	13,379	
Wages and benefits	36,604	25,478
	<b>318,781</b>	<b>81,486</b>
Interest income	64,490	6,950
<b>Total costs for the quarter</b>	<b>254,291</b>	<b>74,536</b>
<b>Deficit, beginning of the quarter</b>	<b>(5,178,045)</b>	<b>(5,821,227)</b>
<b>Deficit, end of quarter</b>	<b>\$ (5,432,336)</b>	<b>\$ (4,621,951)</b>
<b>Basic loss per share (Note 3)</b>	<b>\$ (0.003)</b>	<b>\$ (0.001)</b>
<b>Weighted average number of shares outstanding</b>	<b>86,035,308</b>	<b>63,752,224</b>

**GOLDEN BAND RESOURCES INC.**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE QUARTER ENDED JULY 31, 2006**

	<u>July 31, 2006</u>	<u>July 31, 2005</u>
<b>Cash flows from (used in) operating activities</b>		
Net income (loss)	\$ (254,291)	\$ (74,536)
Items not involving cash		
Stock based compensation expense	73,500	
Amortization	10,375	9,249
	<u>(170,416)</u>	<u>(65,287)</u>
<b>Cash provided by (invested in) non-cash working capital</b>		
Decrease (increase) in accounts receivable	150,360	70,499
Decrease (increase) in prepaids	38,429	1,800
Increase (decrease) in accounts payable	103,983	(72,842)
	<u>122,356</u>	<u>(65,830)</u>
<b>Cash flows from (used in) financing activities</b>		
Issuance of share capital	2,875,609	
<b>Cash flows from (used in) investing activities</b>		
Mineral properties and rights		(20,000)
Deferred exploration expenses	(387,120)	(212,830)
Acquisition of capital assets	(41,819)	
	<u>(428,939)</u>	<u>(232,830)</u>
<b>Increase (decrease) in cash and cash equivalents</b>	2,569,026	(298,660)
Cash and cash equivalents, beginning of period	4,681,911	2,073,652
Cash and cash equivalents, end of period	<u>\$ 7,250,937</u>	<u>\$ 1,774,992</u>

## GOLDEN BAND RESOURCES INC.

### Notes to Consolidated Financial Statements For the Quarter Ended July 31, 2006 (Unaudited, prepared by management)

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#### 1. Going Concern

These financial statements have been prepared on a going-concern basis which assumes that the Company will be able to realize assets and discharge liabilities in the normal course of business for the foreseeable future. Accordingly, it does not give effect to adjustments, if any, which would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than a normal course of business and at amounts which may differ from those shown in the financial statements. The ability of the Company to continue as a going concern is dependent on its ability to obtain additional equity financing and achieve future profitable operations.

#### 2. Nature of Operations

The Company is in the process of exploring its mineral properties and has not yet determined whether these mineral properties contain economically recoverable reserves.

The recoverability of amounts shown for mineral properties and related deferred costs is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development, and future profitable production from the properties or proceeds from disposition.

Ownership in mineral interest may involve certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the possibly ambiguous conveyancing of the history of mineral interests. The Company has investigated ownership of its mineral interests and, to the best of its knowledge, such ownership interests are unambiguous and are in good standing.

#### 3. Change in Accounting Policies

During the year ended April 30, 2004, the Company received 150,000 shares of Jolu Development Corporation (JDC) for \$150,000 and accounted for the investment on a cost basis.

During September 2004, the Company issued 1,166,667 common shares of Golden Band Resources Inc. with a deemed value of \$0.30 per share to purchase the remaining 70% of the shares in JDC from CDG Investments Inc. in accordance with the property asset agreement.

The amount assigned to the assets and liabilities of Jolu Development Corporation upon acquisition were:

Assets:	
Cash	\$ 55,880
Term deposit	356,330
Gold mill	432,836
Surface and mining lease	<u>240,284</u>
	<u>1,085,330</u>
Liabilities:	
Lease and property taxes payable	229,000
Environment reclamation payable	<u>356,330</u>
	<u>585,330</u>
	<u>\$ 500,000</u>

Effective October 1, 2004, the financial statements have been prepared on a consolidated basis including the accounts of Golden Band Resources Inc. and its wholly owned subsidiary, Jolu Development Corporation.

#### 4. Significant Accounting Policies

##### (a) Consolidation

The consolidated financial statements include the accounts of Golden Band Resources Inc. and its wholly owned subsidiary, Jolu Development Corporation.

## GOLDEN BAND RESOURCES INC.

### Notes to Consolidated Financial Statements For the Quarter Ended July 31, 2006 (Unaudited, prepared by management)

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#### 4. Significant Accounting Policies -- continued

All significant inter-company transactions and balances have been eliminated.

##### (b) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of asset and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. Areas of significance requiring the use of management estimates relate to the determination of the recoverability of capitalized mineral exploration costs and the determination of future income tax assets and liabilities. Actual results may differ from those estimates.

##### (c) Mineral Properties, Leases, and Rights

The Company follows the accepted accounting practice of capitalizing acquisition, exploration, and development costs applicable to properties held. If the properties become productive, the costs will be amortized over the anticipated production of the property. If the property is abandoned, the applicable costs will be written off as the claims lapse.

Depletion of costs capitalized to properties will be recorded using the unit of production method based on estimated proven reserves as determined by independent engineers.

Management has determined each property or project to be a cost centre.

The costs capitalized represent those costs incurred to date and do not necessarily reflect present or future values.

From time to time, the Company acquires or disposes of properties pursuant to the terms of option agreements. Due to the fact that options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as resource property costs or recoveries when the payments are made or received.

##### (d) Property and Equipment

Property and equipment consists of office, computer, and exploration equipment within the Company, and a gold mill under care and maintenance within its wholly owned subsidiary.

The property and equipment is recorded at cost and the equipment is amortized on a straight-line basis over three years.

The gold mill will be amortized when the asset becomes productive, over the anticipated production life of the property.

##### (e) Cash Equivalents

Cash equivalents consist of highly liquid investments which are readily convertible into cash with maturities of three months or less when purchased.

##### (f) Income Taxes

Income taxes are accounted for using the assets and liability method pursuant to Section 3465 of the Handbook of the Canadian Institute of Chartered Accountants ("CICA"). Future taxes are recognized for the tax consequences of "temporary differences" by applying enacted or substantively enacted statutory tax rates applicable to future years to differences between the financial statement carrying amounts and tax basis of existing assets and liabilities. The effect on future taxes for a change in tax rates is recognized in income in the period that includes the date of enactment or substantive enactment. In addition, Section 3465 requires the recognition of future tax benefits to the extent that realization of such benefits is more likely than not.

Future income tax liabilities that may arise from these timing differences are recorded in the period they arise (see Note 4(i)).

## **GOLDEN BAND RESOURCES INC.**

### **Notes to Consolidated Financial Statements For the Quarter Ended July 31, 2006 (Unaudited, prepared by management)**

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#### **4. Significant Accounting Policies – continued**

##### **(g) Stock Option Plan**

The Company has a stock option plan that is described in Note 10.

Effective May 1, 2003, the Company adopted a new standard for the accounting for Stock-based and other stock-based payments as recommended by the Canadian Institute of Chartered Accountants (CICA 3870).

As permitted by CICA 3870, the Company has applied the new recommendation prospectively only to awards granted on or after May 1, 2003. For stock option awards granted and all direct awards of stock, the Company applies the fair value method. The fair value of stock options is determined by the Black-Scholes Option Pricing Model with assumptions for: weighted average risk-free interest rates; dividend yields; weighted-average volatility factors of the expected market price of the Company's Common Shares; and a weighted average expected life of the options. The fair value of direct awards of stocks is determined by the quoted market price of the Company's stock.

##### **(h) Basic and Diluted Loss Per Share**

Loss per share amounts have been calculated and presented in accordance with the new recommendation of the Canadian Institute of Chartered Accountants. The new standard has been applied on a retroactive basis and had no impact on the amounts previously reported.

Basic earnings per share are computed by dividing the loss for the year by the weighted average number of common shares outstanding during the year. Diluted earnings per share reflect the potential dilution that could occur if potentially dilutive securities were exercised or converted to Common Shares. The dilutive effect of options and warrants and their equivalent is computed by application of the treasury stock method and the effect of convertible securities by the "if converted" method. Fully diluted amounts are not presented when the effect of the computations are anti-dilutive due to the losses incurred. Accordingly, there is no difference in the amounts presented for basic and diluted loss per share.

##### **(i) Share Capital – Flow Through Shares**

The Company finances a portion of its exploration activities through the issue of flow-through shares.

The Company provides certain share subscribers with a flow-through component for tax incentives available on qualifying Canadian exploration expenditures. The Company renounces the qualifying expenditures upon issuance of the respective flow-through common shares and accordingly is not entitled to the related taxable income deductions for such expenditures.

The shares issued require that the Company make certain qualifying expenditures for tax purposes on or before December 31, 2006, the deduction of which flow through to the shareholders.

During the year the Company adopted, on a prospective basis, recommendations by the Emerging Issues Committee ("EIC") of the CICA relating to the recording of flow-through shares. EIC 146 stipulates that future income tax liabilities resulting from the renunciation of qualified mineral expenditures by the Company from the issuance of flow-through shares are recorded as a reduction in share capital. Any corresponding realization of future income tax benefits resulting in the utilization of prior year losses available to the Company not previously recorded, whereby the Company did not previously meet the criteria for recognition, are reflected as part of the Company's operating results during the year the expenses are renounced to the share subscribers.

##### **(j) Contributed Surplus**

The fair value of certain stock options and broker warrants have been valued using the Black-Scholes option-pricing model. The fair value on the grant of these securities is added to contributed surplus. Upon exercise, the corresponding amount of contributed surplus related to the security is removed from contributed surplus and added to share capital.

## GOLDEN BAND RESOURCES INC.

### Notes to Consolidated Financial Statements For the Quarter Ended July 31, 2006 (Unaudited, prepared by management)

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#### 5. Surface and Mining Leases

The Company's wholly owned subsidiary acquired the surface and mineral leases for the Jolu Mill from CDG Investments Inc. by assuming the liability to the Province of Saskatchewan for leases and property taxes outstanding in the amounts of \$229,000.

#### 6. Mineral Properties and Rights

Subject to compliance with Provincial Mineral Regulations, the Company holds the rights to explore for and to develop mineral resources on various Crown property dispositions. These rights are classified as mineral properties for financial statement purposes.

The Company has acquired certain mineral properties, interests and rights through direct ownership or under option, the costs of which are as follows:

Property	Property Costs	Deferred Exploration Costs	Total July 31 2006	Total April 30 2006
Greater Waddy Lake (SK)	\$ 2,236,907	\$ 6,144,040	\$ 8,380,947	\$ 8,012,207
Churchill River (SK)	357,218	534,776	891,994	881,479
Bingo (SK)		720,601	720,601	712,736
Iskut River (BC)	1		1	1
	<u>\$ 2,594,126</u>	<u>\$ 7,399,417</u>	<u>\$ 9,993,543</u>	<u>\$ 9,606,423</u>

#### Greater Waddy Lake, Churchill River and Bingo Project, Saskatchewan

In November 2002, the Company acquired approximately 37,000 hectares in the La Ronge area of Saskatchewan. This land package, which complemented the Company's existing holdings, has been reclassified into three project areas: Greater Waddy Lake, Churchill River, and Bingo. The total area held under disposition by the Company is now 70,568 hectares.

Golden Band is the operator and owns 100% interests in these projects except the Golden Heart deposit (on the Weedy Lake claim) where Golden Band currently holds a direct 49.9% interest. The Company has an option agreement with Tyler Resources Inc. for their 50.1% interest. Tyler has been notified by Golden Band that the Company is in a default position with regards to the option agreement and that it intends to renegotiate the agreement. Tyler has agreed that Golden Band will undertake a preliminary economic assessment (scoping) study which will serve as the basis for negotiations on the acquisition of Tyler's remaining equity in the Golden Heart deposit by Golden Band and that, in the meantime, Tyler will temporarily suspend the non-compliance provisions of the Weedy Lake option agreement.

#### Iskut River Joint Venture, British Columbia

The Company has had an interest (34.13% at December 1996) in ten claims (4,250 hectares) situated in the Liard Mining Division, B.C. since 1987. These claims have been inactive since 1996 and there are no plans at present to undertake work or expenditures on them. Exploration costs on these claims were written off in prior years. The claims are held in a joint venture with Barrick Gold Corp. (35%) who obtained their interest through a merger with Homestake (who had acquired their interest from Corona, who acquired it from Prime Resources). The remaining interest (30.87%) is held by American Bonanza Gold Corp., the successor to Asia Minerals Ltd. Golden Band is awaiting response from Barrick with respect to ongoing activity on the property.

#### 7. Environmental Reclamation Payable

In accordance with the Saskatchewan Mineral Industry Environment Protection Regulation, 1993, the Company's wholly owned subsidiary assumed the financial liability to cover all existing and future costs for decommissioning and reclamation of the lands leased under the surface lease.

## GOLDEN BAND RESOURCES INC.

### Notes to Consolidated Financial Statements For the Quarter Ended July 31, 2006 (Unaudited, prepared by management)

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#### 7. Environmental Reclamation Payable -- continued

Under the Jolu Mill Acquisition agreement, the vendor transferred \$329,500 to the Company and the Company provided \$26,830 from operations of prior years to fund the estimated \$356,330 environmental reclamation liability.

A term deposit of \$363,675 has been pledged as security to TD Canada Trust for their irrevocable letter of credit in favour of the Province of Saskatchewan. The letter of credit is to provide financial assurance for the decommissioning costs of the mill.

#### 8. Income Taxes

The Company has incurred expenditures on its mineral exploration properties which are identified as Canadian Exploration Expenses (CEE) and Canadian Development Expenses (CDE) for income tax purposes. The cumulative CEE and CDE expenditures and loss carryforwards may be used to reduce future years' taxable income earned by the Company.

In accordance with the adoption of new accounting recommendations relating to the issuance of flow-through shares during the year ended April 30, 2006 (refer to note 2(i)); the Company reduced \$219,670 from flow-through share proceeds assigned to share capital, and recognized as a future tax liability, an amount approximating the tax effect on the timing difference resulting from renouncing exploration expenditures using currently enacted tax rates and laws.

Concurrently during the year ended April 30, 2006, the Company recognized \$219,670 as a future income tax recovery from the utilization of available tax losses and CEE of prior periods to offset the future tax liability recognized above. The Company has not previously recognized tax benefits relating to losses of prior periods as the criteria for recognition has not been met. (Note 4(f)).

The exploration and development expenses totalling \$3,781,834 can be carried forward indefinitely. The non-capital loss totalling \$1,722,067 are carried forward for tax purposes and are available to reduce taxable income of future years. These losses expire as follows:

Year	Non-Capital Losses
2007	\$ 126,058
2008	80,626
2009	84,627
2010	256,480
2011	336,248
2012	457,067
2013	380,961
Total	\$1,722,067

#### 9. Share Capital

The common shares of the Company are entitled to one vote per share at meetings of the shareholders of the Company, and upon dissolution or any other distribution of assets, to receive pro rata such assets of the Company as are distributable to the holders of the Common Shares.

The Company is authorized to issue the following shares:

- Unlimited Common Shares without par value
- Unlimited Preferred Shares without par value

**GOLDEN BAND RESOURCES INC.**

**Notes to Consolidated Financial Statements  
For the Quarter Ended July 31, 2006  
(Unaudited, prepared by management)**

**9. Share Capital -- continued**

At July 31, 2006 the Company's issued share capital was as follows:

	July 31, 2006		April 30, 2006	
	Number of Shares	Amount	Number of Shares	Amount
<b>Common Shares</b>				
Balance beginning of period	79,174,208	\$19,456,321	63,752,224	\$14,169,013
Private placement	5,000,000	2,250,000	1,718,750	550,000
Private placement	1,111,100	499,995	3,773,585	1,000,000
Private placement			7,777,777	3,500,000
Agents fee	25,000	11,250	188,679	50,00
Exercise of options			935,000	337,050
Exercise of warrants	625,000	281,250	1,028,193	282,702
Exercise of agents' warrants	100,000	26,000		
Share issue costs		(192,886)		(212,774)
Flow-through shares (Note 8)				(219,670)
Balance end of period	86,035,308	\$22,331,930	79,174,208	\$19,456,321

**10. Share Capital Options and Warrants**

**Options**

The Company has established an incentive stock option plan pursuant to which options to purchase common shares may be granted to certain officers, directors, and employees of the Company, as well as persons providing ongoing services to the Company. The incentive stock options are a means of rewarding optionees for future services provided to the Company. They are not intended as a substitute for salaries or wages, or as a means of compensation for past services rendered. Exercise price of options equals the market price of the Company's stock on the date prior to the grant. Stock options are exercisable on the day of grant and are for a five-year term in accordance with TSX Venture Exchange policy.

A summary of the status of the Company incentive stock option plan as at July 31, 2006 is as follows:

	July 31, 2006		April 30, 2006	
	Number of Shares	Weighted Average Exercise Price	Number of Shares	Weighted Average Exercise Price
Outstanding, beginning of year	4,625,000	\$0.28	3,885,000	\$0.26
Granted	200,000	0.53	1,675,000	0.32
Expired				
Exercised	(100,000)	0.26	(935,000)	0.26
Outstanding, end of year	4,725,000	\$0.29	4,625,000	\$0.28

**Options Granted**

The Company has established a share option plan whereby options may be granted to directors, officers, employees, and consultants to purchase up to an aggregate of 6 million shares of the Company. Options

granted have an exercise price of not less than the market price on the last trading day prior to the date of grant of the common shares on the stock exchange on which the shares are traded. Options granted vest during the year of grant and expire five years from the date of the grant of options.

## GOLDEN BAND RESOURCES INC.

### Notes to Consolidated Financial Statements For the Quarter Ended July 31, 2006 (Unaudited, prepared by management)

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#### 10. Share Capital Options and Warrants – continued

A total of 200,000 options were granted during the period to consultants and employees.

The Company accounted for stock compensation expense of these options using the following assumptions: risk-free interest rate of 4.00%, dividend yield of 0.00%, volatility of 100%, and expected lives of 5 years. The fair value of these options is estimated at \$0.37 per option. The Company has recorded \$73,500 in stock based compensation expense on these 200,000 stock options during the period.

A summary of the status of the Company incentive stock option plan as at July 31, 2006 is as follows:

Number of Shares Under Option	Exercise Price	Expiry Date
350,000	\$0.25	May 24, 2007
260,000	0.25	December 3, 2007
2,240,000	0.26	February 3, 2009
1,100,100	0.32	September 29, 2010
575,000	0.32	January 16, 2011
50,000	0.60	May 8, 2011
150,000	0.50	June 5, 2011
<u>4,750,000</u>		

#### Warrants

The Company has completed private placements and property for shares agreements. The funds were raised by the Company by attaching Share Purchase Warrants to Common Shares sold, and issuing Share Purchase Warrants with property for shares agreements.

A summary of the status of the share purchase warrants is as follows:

Number of Warrants	Purchase Price	Expiry Date
757,603	\$0.27	August 23, 2006
1,775,000	0.45	December 03, 2006
7,777,777	0.65	April 7, 2008
350,000	0.53	May 18, 2008
25,000	0.65	May 18, 2008
5,000,000	0.65	May 18, 2008
1,111,100	0.65	May 18, 2008
<u>16,796,480</u>		

Commencing August 8, 2006, the date that is four months and one day after the closing date of the private placement, if the closing price of the Company's common shares is equal to or greater than \$0.90 for 15 consecutive trading days, and upon written notice to the holders of the warrants, the Company has the option to reduce the expiration date of the warrants to 25 business days from the date notice is provided by the Company to the warrant holders.

#### Loss Per Share

Basic loss per common share is computed by dividing net loss applicable to common shares by the weighted average number of common shares issued and outstanding for the relevant period. Diluted loss per common share is computed by dividing net loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding if potentially dilutive common shares had been issued. The calculation of loss per share amounts is based on the following:

## GOLDEN BAND RESOURCES INC.

### Notes to Consolidated Financial Statements For the Quarter Ended July 31, 2006 (Unaudited, prepared by management)

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#### 10. Share Capital Options and Warrants – continued

	July 31 2006	July 31 2005
Numerator:		
Gain (loss) applicable to common shares	\$ 254,291	\$ 74,536
Denominator:		
Weighted average common shares outstanding	86,035,308	63,752,224
<b>Basic and diluted gain (loss) per common share</b>	<b>\$ ( 0.003)</b>	<b>\$ ( 0.001)</b>

Excluded from the calculation of diluted loss per common share were the effects of outstanding options and warrants as the effect on basic loss per share would be anti-dilutive.

#### 11. Related Party Transactions

During the year the Company incurred charges from directors or companies sharing common directors as follows:

	July 31, 2006	July 31, 2005
Exploration expenditures	\$ 4,894	\$ 14,050
Consulting	12,925	
Travel	\$ 7,237	

#### 12. Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, and accounts payable. The fair value of these financial instruments approximate their carrying values, unless otherwise noted. The Company is not exposed to significant interest, currency, or credit risk arising from financial instruments.

#### 13. Comparative Figures

Certain 2005 comparative figures have been reclassified to conform to the financial statement presentation adopted for 2006.

#### 14. Subsequent Events

Subsequent to the end of the quarter, 757,603 warrants were exercised for proceeds of \$204,553.

Golden Band completed its continuance under the Business Corporations Act (Saskatchewan) effective July 4, 2006.

Golden Band acquired an additional 50.1% interest in the Golden Heart gold deposit from Tyler Resources Inc. ("Tyler"). Golden Band purchased Tyler's interest in the deposit and the underlying mineral disposition for \$1,000,000 in cash and 500,000 common share purchase warrants, with each warrant exercisable for one common share in Golden Band for a period of two years following the closing date at a price of \$0.55 per warrant share. Golden Band now holds a 100% interest in the Golden Heart gold deposit.

**GOLDEN BAND RESOURCES INC.**  
**SCHEDULE OF DEFERRED EXPLORATION COSTS**  
**FOR THE QUARTER ENDED JULY 31, 2006**

	Greater Waddy Lake	Churchill River	Bingo	Total
Assays and Analysis	\$ 8,460	\$ 5,683		\$ 14,143
Consulting	78,202	3,163	\$ 6,959	88,324
Drilling contractor	11,375			11,375
Heavy Equipment contractor	60,108			60,108
Wages and Benefits	104,953	1,620		106,573
Travel, camps, and accommodations	29,292		849	30,141
Supplies	52,819	49	57	52,925
Other	23,531			23,531
	<u>368,740</u>	<u>10,515</u>	<u>7,865</u>	<u>387,120</u>
Deficiency deposit refund				
Provincial Exploration grant				
	<u>368,740</u>	<u>10,515</u>	<u>7,865</u>	<u>387,120</u>
Balance April 30, 2006	<u>5,775,300</u>	<u>524,261</u>	<u>712,736</u>	<u>7,012,297</u>
Balance July 31, 2006	<u>\$ 6,144,040</u>	<u>\$ 534,776</u>	<u>\$ 720,601</u>	<u>\$ 7,399,417</u>



**Golden Band Resources Inc.**  
(An exploration stage company)  
**MANAGEMENT'S DISCUSSION & ANALYSIS**  
**Interim Period (First Quarter Ended July 31, 2006)**

Date prepared: September 5, 2006

This Management Discussion and Analysis ("MD&A") of the results of operations and the financial condition of Golden Band Resources Inc. ("Golden Band" or the "Company") supplements but does not form part of the unaudited Financial Statements and accompanying Notes of the Company for the quarter ended July 31, 2006 (first quarter). Consequently, the following discussion and analysis of the financial condition and results of operations for Golden Band Resources Inc. should be read in conjunction with the audited financial statements for the fiscal years ended April 30, 2006 and 2005, the unaudited financial statements for the quarter ended January 31, 2006, and the related notes.

Golden Band is a reporting issuer in British Columbia and Alberta and is a listed Tier 2 issuer on the TSX Venture Exchange, trading under the symbol "GBN". The Company is a venture issuer and is not required to file an Annual Information Form.

The Company prepares and files its financial reports in accordance with Canadian generally accepted accounting principles. The MD&A and the corresponding financial statements for the three-month period ended July 31, 2006 were prepared by management and have not been reviewed by the Company's external auditor.

The Audit Committee of the Board of Directors, appointed by the Board and consisting of one non-independent and two independent directors, has reviewed this document pursuant to its mandate and charter.

With respect to the timely disclosure by Golden Band of data and information in general, and specifically in the MD&A, materiality and material information is considered by the Company as something that would be likely to affect the Company's share price or influence an investor's decision whether or not to buy, sell, or hold shares once it becomes known to the public. This policy is in keeping with the Toronto Stock Exchange *Policy Statement on Timely Disclosure*<sup>1</sup> and the Toronto Stock Exchange *Policy Statement Disclosure Standards for Companies Engaged in Mineral Exploration, Development & Production*<sup>2</sup>. The Company undertakes no obligation to revise or update publicly any forward-looking statements for any reason.

Additional information can be found about Golden Band on the SEDAR website ([www.sedar.com](http://www.sedar.com)) and on the Company's website ([www.goldenbandresources.com](http://www.goldenbandresources.com)).

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<sup>1</sup> "Material information is any information relating to the business and affairs of a company that results in or would reasonably be expected to result in a significant change in the market price or value of any of the company's listed securities." <http://www.tse.com/en/pdf/PolicyStatementOnTimelyDisclosure.pdf>

<sup>2</sup> [http://www.tse.com/en/pdf/TSX\\_DisclosureStandardsMineralExploration.pdf](http://www.tse.com/en/pdf/TSX_DisclosureStandardsMineralExploration.pdf)

## **Overview**

### Vision Statement

To be Saskatchewan's next producing gold company by discovering and developing quality reserves in a profitable and socially responsible manner.

Golden Band is a Saskatchewan-based, exploration-stage, natural resource company focused on the long-term exploration and development of gold from its La Ronge Gold Belt properties in northern Saskatchewan. There is no commercial production from these properties at the present time and the Company continues to rely on the raising of capital to fund its ongoing operations. The Company's only revenue comes from interest on cash reserves. Golden Band has been active in Saskatchewan since 1994 and has been a publicly listed company since 1987.

Golden Band continues to advance towards its goal of re-establishing gold production in the La Ronge Gold Belt of northern Saskatchewan. The Company has assembled through staking and acquisition a land package in excess of 70,000 hectares, including eight known gold deposits, five former producing mines, and a licensed 400 tonnes per day gold mill and tailings facility. Golden Band's main objective is to advance this existing gold resource base towards commercial production. The Company's short-term plan is to bring the Bingo deposit and other high-grade gold deposits into production and process the ore at the company's 100%-owned Jolu mill.

Exploration work continues. During the 2006 summer season, drilling is occurring in the Upper Waddy Lake area. All of the Company's mineral dispositions are currently in good standing for a minimum of one year. At July 31, 2006, Golden Band had annual assessment work commitments of \$1,333,818 and excess assessment credits of \$8,563,262.

At the end of the first quarter (July 31, 2006), Golden Band's share capital was 86,035,308 issued and outstanding and 107,556,788 fully diluted.

For the quarter ended July 31, 2006, Golden Band's average trading price was \$0.486 per share (range \$0.38-0.66), on a total volume of 7,478,880 shares (the volume-weighted average price per share was \$0.525). Subsequent to the end of the reporting period (May 1-September 5, 2006), the average closing price was \$0.453 per share, on a volume of 1,485,810 shares.

## **Goals**

Golden Band's objective is to delineate sufficient ounces of higher-grade gold resources within trucking distance of the Company's Jolu mill. This would form a core resource to commence operations. It is anticipated that production could begin with a relatively low capital investment within a few months of a positive feasibility study and receipt of the necessary government approvals. A preliminary economic analysis (scoping study) is underway, the objective of which is to outline the production potential of Golden Band's deposits.

## **Strategy**

### Mission Statement

To maximize shareholder value through the continuing use of sound exploration and sustainable development practices and the maintaining of positive, long-term relationships with all stakeholders.

Golden Band's business is the exploration and development of gold in the La Ronge gold belt. The improvement in the gold price has re-focused the Company away from our initial objective of exploration aimed at increasing the resource base to one of achieving near-term gold

production. Under the lower gold price environment, additional resources were necessary to support a production decision. With current and anticipated higher gold prices, it is considered likely that the Company is approaching the threshold ounces required to consider production. The Company is also continuing to further consolidate properties in the La Ronge Gold Belt through acquisitions.

### **Industry Trends**

World gold production from mines in the first half of 2006 as compared to 2005 was 2% less in tonnage terms, while producers' simple cash margin (cash costs less the spot price of gold) have almost doubled despite a 10% rise in cash costs.<sup>3</sup> Overall worldwide production for 2006 is expected to be at the same level as 2005.

The HUI AMEX Gold Bugs index (a gold-stock index comprised of a basket of unhedged gold-producing companies) is 6.7 times higher than late-2001, and 2 times higher since August 2005. In comparison, the high-tech sector (NASDAQ index) – against which the junior mining sector suffered major losses in the equity markets in the late 1990's – is in a long-term sideways trend, with no net change in the past 12-months, versus a 400% increase for the HUI.

An index of 50 junior gold stocks has increased 2.6 times since 2003 and has doubled in the past year.<sup>4</sup>

### **Exploration Projects**

#### **Greater Waddy Lake, Churchill River and Bingo, Saskatchewan**

In November 2002, Golden Band acquired approximately 37,000 hectares in the La Ronge gold belt of Saskatchewan. This land package complemented the Company's existing holdings and has now been reclassified into three project areas: Greater Waddy Lake, Churchill River, and Bingo. The total area held under disposition by the Company is 70,568 hectares. Golden Band is the operator and owns 100% interests in all these projects. Subsequent to the end of the reporting period, Golden Band acquired the 51% of the Golden Heart deposit that it did not own.

#### **Iskut River Joint Venture, British Columbia**

The Company has, since 1987, had an interest (34.13%, at December 1996) in ten claims (4,250 hectares) situated in the Liard Mining Division, B.C. These claims, adjacent to the Snip gold deposit, have been inactive since 1996. There are no current plans to undertake work or expenditures on them. Exploration costs on these claims were written off in prior years. The claims are held in a joint venture with Barrick Gold Corp. (35%) who obtained their interest through a merger with Homestake Canada Inc. (who had acquired their interest from Corona Corp., who acquired it from Prime Resources Corp.). The remaining 30.87% interest is held by American Bonanza Gold Corp., the successor to Asia Minerals Ltd. (nee American Ore Ltd.). Golden Band has contacted Barrick regarding ongoing activity on the property.

### **Results of Operations**

#### **Selected Quarterly Information**

The principal focus of the Company is the continued exploration of its La Ronge gold properties. The Company's losses for the quarter ended July 31, 2006 were \$254,291. This decrease in loss of \$179,755 as compared to the same period in 2005 is due to an increase of \$17,510 in shareholder communication, \$26,530 in insurance that was not charged in the same period in

<sup>3</sup> World Gold Council, [http://www.gfms.co.uk/Press%20Releases/UP106\\_Mine\\_Production.pdf](http://www.gfms.co.uk/Press%20Releases/UP106_Mine_Production.pdf)

<sup>4</sup> GoldColony.com, <http://www.goldcolony.com/gcindhist-new-2005.asp>

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2005, an increase of \$5,178 in office costs, an increase of \$29,069 in professional fees, an increase of \$19,402 for consulting costs, an increase of \$13,379 for travel, an increase of \$11,126 in wages, a surface lease cost of \$38,486, and a decrease in stock compensation of \$245,281.

The operating losses are a reflection of the Company's status as non-revenue producing exploration company. As the Company has no main source of income, losses are expected to continue. Interest income for the quarter was \$64,335.

During the first quarter ended July 31, 2006, \$49,529 was expended on cash compensation, \$35,127 on investor relations/shareholders' communication, \$73,500 on stock compensation, and \$109,060 for all other related expenses net of interest income. This compares to \$31,441 for the first quarter of fiscal year 2005.

	<b>Three Months Ended July 31, 2006</b>	<b>Three Months Ended April 30, 2006</b>
Revenue (Interest)	\$ 64,335	\$ 48,174
Net Income (Loss)	\$ (254,291)	\$ (630,630)
Net Income (Loss) per Share	\$ (0.003)	\$ (0.008)
Total Assets	\$ 18,550,930	\$ 15,752,129
Working Capital	\$ 7,192,343	\$ 4,916,089

### **Summary of Quarterly Results**

The following financial data are derived from the financial statements of Golden Band as at and for the three-month periods ended on the dates indicated. The information should be read in conjunction with the Company's audited year-end and unaudited interim financial statements, and the accompanying Notes.

	<b>1<sup>st</sup> Quarter</b>			
<b>Fiscal Year 2007</b>	July 31, 2006			
Revenue (Interest)	\$ 64,335			
Net Loss	(254,291)			
Loss per Share	(0.003)			
Capitalized Exploration Expenditures	9,993,543			
Total Assets	\$18,550,930			
	<b>4<sup>th</sup> Quarter</b>	<b>3<sup>rd</sup> Quarter</b>	<b>2<sup>nd</sup> Quarter</b>	<b>1<sup>st</sup> Quarter</b>
<b>Fiscal Year 2006</b>	April 30, 2006	January 31, 2006	October 31, 2005	July 31, 2005
Revenue (Interest)	\$ 27,812	\$ 7,775	\$ 5,637	\$ 6,950
Net Loss	(108,879)	72,982	374,233	74,536
Loss per Share	(0.008)	(0.001)	(0.006)	(0.001)
Capitalized Exploration Expenditures	9,606,423	8,917,615	8,489,707	8,153,939
Total Assets	\$15,752,129	\$11,283,180	\$10,671,788	\$10,633,520
	<b>4th Quarter</b>	<b>3<sup>rd</sup> Quarter</b>	<b>2<sup>nd</sup> Quarter</b>	<b>1<sup>st</sup> Quarter</b>
<b>Fiscal Year 2005</b>	April 30, 2005	January 31, 2005	October 31, 2004	July 31, 2004
Revenue (Interest)	\$ 16,202	\$ 8,723	\$ 1,131	\$ 1,655
Net Loss	1,048,388	(463,917)	(163,596)	(108,556)
Loss per Share	(0.01)	(0.01)	(0.01)	(\$0.01)
Capitalized Exploration Expenditures	7,921,109	6,940,509	6,574,988	6,197,197
Total Assets	\$10,780,898	\$ 10,870,495	\$ 7,354,424	\$ 6,703,343

Equity financings to raise additional working capital do not occur at regular intervals. With all of the Company's operations being exploration-related, the bulk of the expenditures are made

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during the winter and summer field seasons (November to April and June to September, respectively). As such, there may be considerable overlap between fiscal quarters for the reporting of these exploration operations. The timing and level of expenditures from season to season and year to year will also typically vary considerably subject to the respective exploration programs and the level of work undertaken. In a typical year, the Company's general and administration costs average approximately \$15,000 per month for exploration-related operations and \$35,000 for non-exploration operations.

***Liquidity and Financial Resources***

As Golden Band is in the exploration stage and has no production or revenues from any of its exploration properties, the Company does not generate cash from operations. The Company's only income is from its cash and cash equivalents and therefore relies on equity funding for its continuing financial liquidity.

At July 31, 2006, Golden Band had current assets of \$7,332,784 including \$7,250,937 in cash and cash equivalents, substantially all of which is available as working capital. This compares to current assets of \$4,952,547, including \$4,681,911 in cash and cash equivalents, for the previous period.

Working capital at July 31, 2006 was \$7,192,343, as compared to \$4,916,089 at April 30, 2006.

Accounts payable and accrued liabilities at July 31, 2006 were \$140,441, as compared to \$36,458 at April 30, 2006.

The Company has sufficient funds to meet its operating needs and financial obligations for the ensuing year for exploration programs currently in progress. Additional funding will be required for completion of the planned Bingo underground exploration program and any major new exploration work.

Golden Band has been advised that it will receive approximately \$38,000 in financial assistance under the Saskatchewan Corporation Exploration Incentive Program. In prior years, Golden Band received \$69,253 (2004-5), \$70,255 (2003-4), and \$90,229 (2002-3).

Golden Band Resources has not paid any dividends since the date of its incorporation, and it is not anticipated that dividends will be declared in the short or medium term. The Company adopted no new accounting policies in the three months ended July 31, 2006.

**Disclosure of Management Compensation and Related Party Transactions**

Golden Band has five full-time employees, including one officer, and two persons who provide part-time bookkeeping and land and documentation management, both at standard industry rates. The Company officer, Rodney Orr, will receive total annual pre-tax compensation for calendar year 2006 of \$113,688 and 100,000 options, and received during the reporting period a pre-tax remuneration of \$29,166.67, with no other amounts owed or payable.

Two Directors, who are also officers of the Company, serve as part-time consultants to the Company, charging standard industry rates for their professional fees and no mark-up on other direct costs or third-party billings. For the current reporting period, Klaus Lehnert-Thiel, Director and Vice President Exploration, received \$6,270 (10.45 days) for corporate management and exploration-related services billed through Nordland Exploration Ltd. Ronald Netolitzky, Director, President and CEO, received \$10,800 (18 days) for corporate management and exploration-related services billed through Keewatin Consultants Inc. No other amounts are owed or are payable, either directly or indirectly to any Director or officer.

No arrangements relating to severance payments to be paid to Directors or officers were entered into during the reporting period. Golden Band's directors are not compensated for their actions or involvement with the Company as directors, other than by the granting of stock options under the Company's Stock Option Plan.

### Share Capital

#### Authorized Capital

The Company is authorized to issue the following shares:

- Unlimited number of common shares without par value.
- Unlimited number of preferred shares without par value.

#### Summary of Share Capital as at July 31, 2006

Issued and outstanding:	86,035,308
Warrants:	16,796,480
Options:	<u>4,725,000</u>
Fully Diluted:	<u>107,556,788</u>

At July 31, 2006 and, for comparison, April 30, 2006 and January 31, 2006, the Company's issued share capital was as follows:

Share Capital:	Quarter ended July 31, 2006		Quarter ended April 30, 2006		Quarter ended January 31, 2006	
	Number of Shares	\$ Amount	Number of Shares	\$ Amount	Number of Shares	\$ Amount
Balance beginning of period	79,174,208	\$19,456,321	66,564,167	\$14,779,120	64,119,121	\$14,255,883
Private placement	5,025,000	2,250,000	3,962,264	1,000,000	1,718,750	550,000
Private placement	1,111,100	499,995	7,777,777	3,500,000		
Exercise of options	100,000	26,000	870,000	222,200	65,000	16,250
Exercise of warrants	625,000	281,250			661,296	185,162
Agent's fee	25,000	11,250				
Share issue costs		(192,886)				(19,175)
Flow-Through Shares						(209,000)
Balance at end of period	86,305,308	\$22,331,930	79,174,208	\$19,456,321	66,564,167	\$14,779,120

Subsequent to the end of the quarter, the exercise of 757,603 warrants resulted in Golden Band's share capital becoming 86,792,911 issued and outstanding and 107,556,788 fully diluted.

At July 31, 2006, a total of 16,796,480-share purchase warrants enabling their holders to acquire common shares were outstanding, on the following terms:

Warrants Expiry Date	Exercise Price	Quantity	Proceeds
23-Aug-06	\$ 0.27	757,603	\$ 204,553
02-Dec-06	\$ 0.45	1,775,000	798,750
07-Apr-08*	\$ 0.65	7,777,777	5,055,555
18-May-08*	\$ 0.65	5,000,000	3,250,000
18-May-08	\$ 0.53	350,000	185,500
18-May-08	\$ 0.65	25,000	16,250
18-May-08*	\$ 0.65	1,111,100	722,215
	Totals=	16,796,480	\$10,047,323

\* Forced conversion applies when the share price is equal to or greater than \$0.90 for 15 consecutive trading days.

At July 31, 2006, there were outstanding warrants granted with a weighted average remaining contractual life of 1.52 years at a weighted average exercise price of \$0.598 per share for a total of 16,796,480 shares. If all outstanding warrants were exercised, the total cash proceeds would be \$10,047,323.

A total of 6,000,000 options are available under the Company's stock option plan. This is 6.97% of the issued shares (TSXV Policy 4.4 allows up to 20%). At July 31, 2006, the Company had reserved a total of 4,725,000 common shares (5.5% of the issued shares) related to director, employee, and consultant options, the details of which are as follows:

Options Expiry Date	Exercise Price	Quantity	Proceeds on Exercise	Holders
24-May-07	\$ 0.25	350,000 <sup>1</sup>	\$ 87,550	Directors
23-Dec-07	\$ 0.25	260,000 <sup>2</sup>	65,000	Directors
03-Feb-09	\$ 0.26	790,000	205,400	Directors & management
03-Feb-09	\$ 0.26	150,000	39,000	Ascenta Capita Partners Inc.
03-Feb-09	\$ 0.26	1,300,000 <sup>3</sup>	338,000	Directors & management
29-Sep-10	\$ 0.32	1,100,000 <sup>4</sup>	352,000	Directors, employees & consultants
16-Jan-11	\$ 0.32	575,000	184,000	Director & employees
8-May-11	\$ 0.60	50,000	30,000	Consultant
5-Jun-11	\$ 0.50	150,000	75,000	Consultant & employee
	Totals =	4,725,000	\$ 1,375,950	

<sup>1</sup> 250,000 expire on 7Dec06; <sup>2</sup> 100,000 expire on 7Dec06; <sup>3</sup> 100,000 expire on 7Dec06; <sup>4</sup> 50,000 expire on 7Dec06.

At July 31, 2006 and to the above-stated date of this report, the quoted price (average for the quarter of \$0.486; range \$0.38-0.66; volume weighted average \$0.525) of the Company's common shares on the TSX Venture Exchange has either approximately equalled or was above the exercise prices of the Company's granted outstanding stock options. If all outstanding options as at July 31, 2006 were exercised, a total 4,725,000 shares would be issued for cash proceeds of \$1,375,950. The weighted average remaining contractual life of these outstanding options is 2.24 years, at a weighted average price of \$0.291 per share.

### **Exploration and Other Activities**

#### **Greater Waddy Lake Project Area**

The main focus of the \$2 million program is the continued evaluation of the Birch Crossing discovery beyond the limits drilled last winter. It is planned to complete up to 3,000 m of drilling at Birch Crossing, subject to accessibility in swampy areas. Once this work is completed, a resource estimate for the Birch Crossing deposit will be commissioned by late fall.

#### **Churchill Project**

Four holes totalling 558 metres were completed 100%-owned Kruger Lake gold prospect. Sporadic, low grade gold mineralization was intersected in all holes, the best intercept amounting to 4.3 grams per tonne (gpt) Au over two metres. These results suggest a major mineralized structure has been identified. This prospect is open in all directions and additional diamond drilling is required to further evaluate this unusual but very prospective geological setting.

### ***Investor Relations Activities***

The Company continues to actively undertake marketing activities in conjunction with the consulting firm, Ascenta Capital Partners Inc. Ascenta's investor relations goals have been two-fold. The primary goal has been to raise investor awareness of the company in the brokerage and retail investor communities. The secondary goal Ascenta has is an on-going commitment to assist in maintaining an orderly market and to keep the company financed. Ascenta receives \$5,000 per month as fee for its services, and was granted 250,000 share options in February 2004.

### ***Outlook***

The ability of Golden Band to continue as a going concern is dependent on its ability to obtain additional equity financing and achieve future profitable operations. Since the Company does not expect to generate any revenue in the near future, funding requirements are expected to be satisfied through the sale of equity, debt securities or investment to meet ongoing needs.

Golden Band will continue to focus its efforts on the exploration and development of its La Ronge projects and properties. The Company will use its current resources as well as the net proceeds of future share issuances to achieve its goals. Any funds raised during the 2007 fiscal year (May 1, 2006 to April 30, 2007) will be used to continue exploration on the Company's properties and on general corporate purposes.

### **2006 Exploration**

#### Bingo and Churchill Project areas:

Golden Band's long-held plans are to advance near-term production from its high-grade Bingo deposit using the Company's Jolu mill. A tender for an underground exploration program on the Bingo deposit will be made as soon as is practical. This work would require at least one-year to complete. A consultant has been engaged to prepare the application to the province to construct and conduct the Bingo underground bulk sample program and for the re-starting of the Jolu mill and its tailings facility. Again in keeping with the Company's existing plans to supplement the feed for the Jolu mill from the Bingo deposit, Golden Band will continue to pursue other high-grade deposits within trucking distance of the mill both on its property and that are currently held by others. Deposits owned by Golden Band that are being considered as potential sources for higher-grade mill feed include the Komis, Tower East, EP, Memorial, and perhaps Birch Crossing. In preparation for the eventual re-start of gold production at the Company's 100%-owned Jolu mill, an engineering consultant has been hired to undertake a detailed assessment of the mill's operating equipment.

#### Greater Waddy Lake Project:

A revised scope of work will focus on the development of a lower-tonnage higher-grade option. This will consider incorporating additional historical deposits that the Company owns within the region (Niko, Kaslo, and Corner Lake), and the recently discovered and apparently higher-grade Birch Crossing deposit. Birch Crossing will require at least one further drill program to permit the calculation of a preliminary resource estimate. The other deposits have abundant historical drilling and will be updated to NI 43-101 resource status. All the deposits will be modelled at various cutoff grades and strip ratios to support flexible development approaches. Potentially excessive grade capping of high-grade assays may have had a significant effect on the metal content available present in the deposits and this aspect will also be the subject of a rigorous review by Golden Band. An environmental baseline study has been commissioned to update the existing data available in the Greater Waddy Lake-area and for the Jolu mill, and will include the Company's newly discovered Birch Crossing deposit and the route of a possible road

between the Greater Waddy-area and the Jolu mill. This work will start in the fall of 2006 and will require up to one-year to complete.

### ***Events Subsequent to July 31, 2006***

Subsequent to the end of the quarter, the exercise of 757,603 warrants and the issue of 500,000 warrants resulted in Golden Band's share capital becoming 86,792,911 issued and outstanding and 108,056,788 fully diluted.

Golden Band now holds a 100% interest in the Golden Heart gold deposit following the purchase of the 50.1% interest held by Tyler Resources Inc. ("Tyler"). Golden Heart's measured plus indicated mineral resources of 4,486,400 tonnes grading 1.80 grams per tonne (g/t) gold and inferred resources of 598,800 tonnes grading 1.66 g/t gold represent 259,900 ounces and 31,900 ounces respectively. Golden Band purchased Tyler's interest in the deposit and the underlying mineral disposition for \$1,000,000 in cash and 500,000 common share purchase warrants, with each warrant exercisable for one common share in Golden Band for a period of two years following the closing date at a price of \$0.55 per warrant share. The securities issued to Tyler are subject to a four-month hold period.

### ***Environmental and Social Responsibility***

In keeping with its good governance practices regarding environmental and social responsibility, Golden Band has the necessary licenses and permits for its activities operations. The Company has deposited funds totalling \$369,330 with the Saskatchewan Environment department as required by the department to cover clean-up and remediation of the Company's Jolu mill.

Senior management of the Company proactively participates in government / industry consultation and planning bodies. These include the Saskatchewan Mining Association (with two director's positions being held) and the Saskatchewan Mineral Exploration Government Advisory Committee (with the Industry co-chair position held). In this capacity, Golden Band has played a significant role in the development with government of new mineral exploration guidelines (best management practices). Golden Band's environmental practices have been included as an example in the Prospectors and Developers Association of Canada's (PDAC) Environmental Excellence in Exploration (E3) e-manual. This is an online resource for environmentally and socially responsible exploration practices and issues.

### ***Risks and Uncertainties***

Golden Band Resources is subject to the normal risks entailed in mineral exploration and development. These can involve a number of known and unknown risks, uncertainties, and other factors that may cause the actual results, performance, or achievements to be materially different from any expected future results, performance, or achievements. The discovery, development and acquisition of mineral properties are unpredictable events. Future metal prices, the success of exploration programs, and other property transactions can have a significant impact on capital requirements. In addition, risk factors that could affect the Company's future results, include, but are not limited to, competition, risk inherent in mineral exploration and development and policies including mineral tenure, trade laws and policies, receipt of permits and approvals from government authorities, and other operating and development risks.

While Golden Band has been successful in the past, there is no assurance that funding will be available under the terms that are satisfactory to management. The Company's activities have to date resulted in negative cash flow and significant losses. Funds available for operations may vary significantly from management's estimates due to changes that are outside the control of

management. Differences between actual exploration costs and management's estimates will occur, and these differences may be material. There is no assurance that future financial market conditions will result in sufficient funds being available to the Company to continue in the normal course of business.

Management believes that Golden Band's decision to focus all of its activities in Saskatchewan affords a high degree of security of mineral title and provides an overall business environment that is both conducive to and encouraging of mineral exploration and development.

### **Insurance Risk**

No assurance can be given that insurance to cover the risks to which Golden Band's activities are subject will be available at all or at commercially reasonable premiums. Golden Band currently maintains insurance within ranges of coverage that it believes to be consistent with industry practice for companies of a similar stage of development. Golden Band carries liability insurance with respect to its mineral exploration operations and environmental liability insurance for the tailings facility at the Jolu mill site. The payment of any uninsured liabilities would reduce the funds available to Golden Band. If Golden Band is unable to fully fund the cost of remedying an environmental problem, it might be required to suspend operations or enter into costly interim compliance measures pending completion of a permanent remedy.

### **Competition**

Competition exists for mineral deposits where Golden Band conducts its operations, some of which may be with large established mining companies with substantially greater financial and technical resources. As a result, Golden Band may be unable to acquire additional attractive mining claims or financing on terms it considers acceptable. Golden Band also competes with other companies in the recruitment and retention of qualified employees.

### **Dependence on Key Management and Employees**

Golden Band's development depends on the efforts of key members of management and employees. Loss of any of these people could have a material adverse effect on Golden Band. Golden Band does not have key man insurance with respect to any of its key employees.

### **Conflicts**

Certain of the directors of Golden Band also serve as directors of other companies involved in mineral resource exploration and development and, to the extent that such other companies may participate in areas in which the Company may be active, the possibility exists for such directors to be in a position of conflict. In accordance with the corporate laws of Saskatchewan, the directors are required to act honestly, in good faith, and in the best interests of Golden Band. In addition, such directors will declare and abstain from voting on any matter in which such directors may have a conflict of interest. At present, there are no such conflicts and the likelihood of any is unlikely given the companies and areas of interest that could potentially be involved.

### **Legal Proceedings**

The Company is not involved in any legal proceedings.

### **Cautionary Note Regarding Forward-Looking Statements**

Certain statements contained in the foregoing Management's Discussion and Analysis and elsewhere constitute forward-looking statements. From time to time, Golden Band also makes written or oral forward-looking statements within the meaning of certain securities laws, including

the "safe harbour" provisions of the Ontario Securities Act and the United States Private Securities Litigation Reform Act of 1995. Golden Band may make such statements in press releases, in other filings with Canadian regulators, in reports to shareholders, or in other communications. Information that is not historical fact is a forward-looking statement that involves risks, uncertainties, and other factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements.

These forward-looking statements include, among others, statements with respect to Golden Band's objectives, our medium and long-term goals, and strategies to achieve those objectives and goals, as well as statements with respect to our beliefs, plans, objectives, expectations, anticipations, estimates and intentions. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," and words and expressions of similar import are intended to identify forward-looking statements. In particular, statements regarding Golden Band's future operations, future exploration and development activities, or the anticipated results of Golden Band's preliminary economic assessment (scoping) studies or other development plans contain forward-looking statements.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that predictions, forecasts, projections, and other forward-looking statements will not be achieved. We caution readers not to place undue reliance on these statements as a number of important factors could cause the actual results to differ materially from the beliefs, plans, objectives, expectations, anticipations, estimates, and intentions expressed in such forward-looking statements. These factors include, but are not limited to, developments in world gold markets, changes in the gold price, risks relating to fluctuations in the Canadian dollar and other currencies relative to the US dollar, changes in exploration, development or mining plans due to exploration results, and changing budget priorities of Golden Band; the effects of competition in the markets in which Golden Band operates; the impact of changes in the laws and regulations regulating mineral exploration and development; judicial or regulatory judgments and legal proceedings; operational and infrastructure risks; and Golden Band's anticipation of and success in managing the foregoing risks.

Golden Band cautions that the foregoing list of factors that may affect future results is not exhaustive. When relying on our forward-looking statements to make decisions with respect to Golden Band, investors and others should carefully consider the foregoing factors and other uncertainties and potential events.

All forward-looking statements and information are based on Golden Band's current beliefs as well as assumptions made by and information currently available to Golden Band concerning anticipated financial performance, business prospects, strategies, regulatory developments, development plans, exploration, development and mining activities, and commitments. Although management considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks set forth above. Golden Band undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

**Management Discussion and Analysis**

for the quarter ended July 31, 2006

(Prepared September 5, 2006)

**Corporate Governance**

Management of the Company is responsible for the preparation and presentation of the financial statements and the accompanying notes, the MD&A, and other information contained in this report. Additionally, it is management's responsibility to ensure that the Company complies with the laws and regulations applicable to its activities. The Company's management is held accountable by the Board of Directors, each member of which is elected annually by the shareholders of the Company.

The Directors are responsible for reviewing and approving the financial statements and the MD&A. Responsibility for the review and approval of the company's financial statements and MD&A is delegated by the Directors to the Audit Committee. Golden Band's audit committee is constituted in accordance with Multilateral Instrument 51-110 *Audit Committees*.<sup>5</sup> Additionally, the Audit Committee pre-approves audit and non-audit services provided by the Company's external auditor. The auditor is appointed annually by the shareholders to conduct an audit of the financial statements in accordance with generally accepted auditing standards. The external auditor has complete access to the Audit Committee to discuss audit, financial reporting, and related matters resulting from the annual audit as well as assist the members of the Audit Committee in discharging their corporate governance responsibilities.

**Management's Responsibility for Financial Statements**

The information provided in this report, including the financial statements, is the responsibility of management. Management also has the responsibility for the maintenance of adequate accounting records and internal controls, prevention and detection of fraud and errors, safeguarding of assets, selection and application of suitable policies, and appropriate and timely disclosure of reliable financial information in the financial statements.

The preparation of the financial statements in accordance with Canadian generally accepted accounting principles is also the responsibility of management.

On behalf of the Board,

**Golden Band Resources Inc.**

signed: "*Ronald K. Netolitzky*"  
President, CEO, and Director

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<sup>5</sup> [http://www.albertasecurities.com/dms/1144/3140/9206\\_\\_1400058\\_v1\\_-\\_MI\\_52-110\\_-\\_PUB\\_JAN\\_16,\\_2004.pdf](http://www.albertasecurities.com/dms/1144/3140/9206__1400058_v1_-_MI_52-110_-_PUB_JAN_16,_2004.pdf)

### **General Disclaimer**

The Toronto Stock Exchange has not reviewed the information in this document and does not accept responsibility for the adequacy or accuracy of it.

Golden Band Resources Inc. ("Golden Band") has taken all reasonable care in producing and publishing information contained in this document. Material in this document may still contain technical or other inaccuracies, omissions, or typographical errors for which Golden Band assumes no responsibility. Golden Band does not warrant or make any representations regarding the use, validity, accuracy, timeliness, completeness, or reliability of any claims, statements, or information in this document. Under no circumstances, including, but not limited to, negligence, shall Golden Band be liable for any direct, indirect, special, incidental, consequential, or other damages, including but not limited to loss of profits, whether or not advised of the possibility of damage, arising from use, or inability to use, the material in this document. The information herein is not a substitute for independent professional advice before making any investment decisions. Furthermore, you may not modify or reproduce in any form, electronic or otherwise, any information in this document, except for personal use, unless you have obtained our express permission.

### **Cautionary Note to U.S. Investors**

This document may contain information about adjacent properties to those of Golden Band on which Golden Band has no right to explore or mine. The mining guidelines of the United States Securities and Exchange Commission (the "SEC") strictly prohibit information of this type in documents filed with the SEC. US investors are cautioned that mineral deposits on adjacent properties are not indicative of mineral deposits on Golden Band's properties. This document may contain forward-looking statements including but not limited to comments regarding the timing and content of upcoming work programs, geological interpretations, receipt of property titles, potential mineral recovery processes, etc. Forward-looking statements address future events and conditions and therefore involve inherent risks and uncertainties. Actual results may differ materially from those currently anticipated in such statements.

### **Cautionary Note to U.S. Investors Concerning Estimates of Measured, Indicated and Inferred Resources**

This document uses the terms "measured resources", "indicated resources", and "inferred resources". Please be advised that while these terms are recognized and required by Canadian regulations (under National Instrument 43-101 *Standards of Disclosure for Mineral Projects*; "NI 43-101"), the SEC does not recognize them. U.S. investors are cautioned not to assume that any part or all of the mineral deposits in these categories will ever be converted to reserves. In addition, "inferred resources" have a great amount of uncertainty as to their existence and economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of Feasibility or Pre-Feasibility Studies, or economic studies except for a Preliminary Assessment as defined under NI 43-101. U.S. investors are cautioned not to assume that part or all of an inferred resource exists, or is economically or legally mineable.

**Management Discussion and Analysis**

for the quarter ended July 31, 2006

(Prepared September 5, 2006)

**Corporate Directory**

**Directors**

Stuart Diamond<sup>1</sup>, *Philadelphia, PA, USA*

A. Robson Garden<sup>2</sup>, *Calgary, Alberta*

Robert Ingram<sup>3</sup>, *Edmonton, Alberta*

Klaus Lehnert-Thiel<sup>4</sup>, *Saskatoon, SK*

Ronald Netolitzky<sup>5</sup>, *Victoria, BC*

John Tosney<sup>6</sup>, *Saskatoon, SK*

<sup>1</sup> Audit Committee.

<sup>2</sup> Governance Committee (Chair),  
Compensation Committee.

<sup>3</sup> Audit Committee (Chair), Compensation  
Committee.

<sup>4</sup> Audit Committee.

<sup>5</sup> Governance Committee.

<sup>6</sup> Compensation Committee.

**Officers**

Ronald K. Netolitzky

*President and CEO*

Klaus Lehnert-Thiel, P.Eng., P.Geo.

*Vice President of Exploration*

Rodney G. Orr, P.Geo., MBA

*VP Operations, CFO, COO*

Danny R. Anderson,

*Corporate Secretary*

**Golden Band Resources Inc.**

Address: 108, 701 Cynthia Street,  
Saskatoon, Saskatchewan,  
Canada S7L 6B7

Telephone: 306.955.0787

Fax: 306.955.0788

Contact: Ronald Netolitzky, President and  
Director;

Rodney Orr, Vice President Operations

Website: www.goldenbandresources.com

Email: rodney.orr@goldenbandresources.com

**Share Capital** (as of July 31, 2006):

Authorized: Unlimited number of common shares  
without par value. Unlimited number of preferred  
shares without par value.

Issued and Outstanding: 86,035,308

Fully Diluted: 107,799,185

Governing Jurisdiction: Saskatchewan

Reporting Jurisdictions: BC, Alberta

CUSIP Number: 380932

Financial Year-End: April 30

Stock Exchange: TSX Venture

Stock Symbol: GBN

Short Form Prospectus Issuer: No

Subsidiaries: Jolu Development Corporation

**Advisors and Agents:**

Auditor:

**Twigg & Company**

Address: 650, 333 - 25 Street East,  
Saskatoon, SK, Canada S7K 0L4

Telephone: 306.244.0808

Bankers

**TD Canada Trust**

Address: 170 – 2nd Avenue,  
Saskatoon, SK, Canada S7K 1K5

Legal Counsel:

**DuMoulin Black LLP**

Address: 10<sup>th</sup> Floor - 595 Howe Street,  
Vancouver, BC, Canada V6C 2T5

Telephone: 604.687.1224

Legal Counsel:

**MacPherson Leslie & Tyerman LLP**

Address: 1500, 410 - 22nd Street East,  
Saskatoon, SK, Canada S7K 5T6

Telephone: 306.975.7100

Registrar and Transfer Agent:

**CIBC Mellon Trust Company**

Address: 1066 West Hastings Street, Suite 1600,  
Vancouver, BC, Canada V6E 3X1

Telephone: 604.688.4330

Investor Relations:

**Ascenta Capital Partners Inc.**

Address: 701, 1177 West Hastings Street,  
Vancouver, BC, Canada V6E 2K3

Inquiries: Rory Quinn

Telephone: 1.866.684.4209 or 604.628.5800

Fax: 604.628.5595

Email: info@goldenbandresources.com