



**Consolidated Financial Statements**  
**April 30, 2008**

## MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of Golden Band Resources Inc. are the responsibility of management and have been approved by the Board of Directors.

Management has prepared the consolidated financial statements in accordance with Canadian generally accepted accounting principles. The consolidated financial statements reflect management's best estimates and judgments based on information currently available.

The management of the Company has developed and maintains a system of internal accounting controls in order to ensure the integrity and objectivity of the data in the consolidated financial statements. Management believes the internal accounting controls provide reasonable assurance that financial records are reliable and form a proper basis for the preparation of the consolidated financial statements and that assets are properly accounted for and safeguarded.

The Board of Directors carries out its responsibility for the consolidated financial statements principally through its audit committee. The audit committee is responsible for overseeing management's performance of its financial reporting responsibilities. The audit committee reviewed the Company's annual consolidated financial statements and annual report, and recommended their approval to the Board of Directors. The shareholders' auditors have full access to the audit committee, with and without management being present.

The shareholders' auditors, Twigg & Company, Chartered Accountants, in accordance with Canadian generally accepted auditing standards, have examined these consolidated financial statements and their independent professional opinion on the fairness of the consolidated financial statements is attached.



Gary Leland, CA  
VP of Finance and Administration,  
Chief Financial Officer & Corporate Secretary



Rodney G. Orr, P. Geo  
President &  
Chief Executive Officer

Saskatoon, Canada  
July 8, 2008

**TWIGG & COMPANY**  
CHARTERED ACCOUNTANTS

J.S. TWIGG *B.Comm., C.A.*

L.D. SAFINUK *B. Comm., C.A*

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**AUDITORS' REPORT**

**TO THE SHAREHOLDERS OF  
GOLDEN BAND RESOURCES INC.**

We have audited the consolidated balance sheet of Golden Band Resources Inc. as at April 30, 2008 and April 30, 2007, the consolidated statements of operations and comprehensive loss (income), shareholders' equity, and cash flows and the schedule of deferred exploration costs for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 2008 and April 30, 2007 and the results of its operations and cash flows and the schedule of deferred exploration costs for the years then ended in accordance with Canadian generally accepted accounting principles.

**SASKATOON, SASKATCHEWAN**  
July 8, 2008

**"TWIGG & COMPANY"**  
CHARTERED ACCOUNTANTS

**GOLDEN BAND RESOURCES INC.**  
**CONSOLIDATED BALANCE SHEET**  
**AS AT APRIL 30, 2008**

	<b>2008</b>	<b>2007</b>
<b>ASSETS</b>		
<b>Current</b>		
Cash and equivalents (Note 3(e))	\$ 5,497,317	\$ 7,841,866
Accounts receivable	371,769	193,268
Prepaid expenses	244,185	11,218
	\$ 6,113,271	\$ 8,046,352
Restricted cash (Note 8)	387,040	374,585
Property and equipment (Note 3(d) & 5)	1,846,834	677,297
Surface and mining leases (Note 6)	240,284	240,284
Mineral properties and rights (Note 3(c) & 7)	4,135,564	3,911,564
Deferred exploration costs (Schedule)	20,637,342	9,736,867
	\$ 33,360,335	\$ 22,986,949
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 2,132,051	\$ 92,323
<b>Long Term</b>		
Lease and property tax payable (Note 6)	229,000	229,000
Environmental reclamation payable (Note 8)	356,330	356,330
Future income tax liability (Note 9)	1,644,541	-
	\$ 4,361,922	\$ 677,653
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (Note 10)	34,061,080	26,043,955
Contributed surplus (Note 3(j))	1,085,254	785,542
Accumulated other comprehensive income (loss) (Note 4)	-	-
Deficit	(6,147,921)	(4,520,201)
	\$ 28,998,413	\$ 22,309,296
	\$ 33,360,335	\$ 22,986,949

Commitments (Note 13)

See accompanying notes to consolidated financial statements.

Approved by the Board:

Ronald Netolitzky

Director

Robert Ingram

Director

**GOLDEN BAND RESOURCES INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS (INCOME)**  
**FOR THE YEAR ENDED APRIL 30, 2008**

	<b>2008</b>	<b>2007</b>
<b>Administration costs</b>		
Wages and benefits	\$ 907,737	\$ 183,749
Consulting	818,036	176,188
Stock compensation	332,162	89,312
Investor communications	311,721	147,421
Amortization	193,216	79,743
Office expenses	170,949	57,940
Professional fees	154,496	174,227
Other costs	107,555	35,914
Property taxes	88,831	-
Travel and accommodation	77,150	52,597
Premises rent	68,363	34,268
Filing fees	50,649	14,217
Insurance	43,968	45,892
Surface lease	38,516	38,486
Telephone and utilities	28,192	17,569
Bank interest	9,805	6,003
Environmental analyses	5,884	2,318
	<b>\$ 3,407,230</b>	<b>\$ 1,155,844</b>
Interest and other income	315,676	296,625
Loss on sale of assets	-	(2,852)
<b>Loss before income taxes</b>	<b>\$ 3,091,554</b>	<b>\$ 862,071</b>
Future income tax recovery (Note 3(f) & 9)	1,463,834	1,519,915
Other comprehensive income (Note 4)	-	-
<b>Net and comprehensive loss (income)</b>	<b>\$ 1,627,720</b>	<b>\$ (657,844)</b>
<b>Basic and diluted earnings (loss) per share</b> Note 3(h) & 11)	<b>\$ (0.02)</b>	<b>\$ 0.01</b>

See accompanying notes to consolidated financial statements.

**GOLDEN BAND RESOURCES INC.  
CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY  
FOR THE YEAR ENDED APRIL 30, 2008**

	<b>2008</b>	<b>2007</b>
<b>Share Capital (Note 10)</b>		
Balance, beginning of year	\$ 26,043,955	\$ 19,456,321
Issued for property	224,000	160,000
Private placements, net of issue costs	10,821,550	6,964,066
Exercise of stock options	47,500	310,015
Flow-through renunciation	(3,108,375)	(1,519,915)
Exercise of warrants		517,633
Fair value allocations on options exercised	32,450	155,835
Balance, end of year	\$ 34,061,080	\$ 26,043,955
<b>Contributed Surplus (Note 3(j))</b>		
Balance, beginning of year	\$ 785,542	\$ 852,065
Stock compensation	332,162	89,312
Fair value allocations on options exercised	(32,450)	(155,835)
Balance, end of year	\$ 1,085,254	\$ 785,542
<b>Deficit</b>		
Balance, beginning of year	\$ (4,520,201)	\$ (5,178,045)
Net earnings (loss)	(1,627,720)	657,844
Balance, end of year	\$ (6,147,921)	\$ (4,520,201)
<b>Accumulated Other Comprehensive Income</b>		
Balance, beginning of year	-	-
Transition adjustment (Note 4)	-	-
Balance, end of year	-	-
<b>Total Shareholders' Equity</b>	<b>\$ 28,998,413</b>	<b>\$ 22,309,296</b>

See accompanying notes to consolidated financial statements.

**GOLDEN BAND RESOURCES INC.  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED APRIL 30, 2008**

	<b>2008</b>	<b>2007</b>
<b>Cash flows from (used in) operating activities</b>		
Net income (loss) for the year	\$ (1,627,720)	\$ 657,844
Items not involving cash		
Stock based compensation expense	332,162	89,312
Amortization	193,216	79,743
Future income tax recovery	(1,463,834)	(1,519,915)
	(2,566,176)	(693,016)
Change in non-cash working capital items		
Decrease (increase) in accounts receivable	(178,501)	25,534
Decrease (increase) in prepaid expenses	(232,967)	40,616
Increase (decrease) in accounts payable	2,039,728	55,865
	(937,916)	(571,001)
<b>Cash flows from (used in) financing activities</b>		
Issuance of share capital, net of issue costs	10,869,050	7,791,714
Restricted cash	(12,455)	(10,910)
	10,856,595	7,780,804
<b>Cash flows from (used in) investing activities</b>		
Mineral properties and rights	-	(1,157,438)
Deferred exploration expenses	(10,900,475)	(2,724,570)
Acquisition of capital assets	(1,362,753)	(167,840)
	(12,263,228)	(4,049,848)
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(2,344,549)</b>	<b>3,159,955</b>
Cash and cash equivalents, beginning of year	7,841,866	4,681,911
Cash and cash equivalents, end of year	\$ 5,497,317	\$ 7,841,866
<b>Supplementary Information</b>		
Shares issued for acquisition of property	\$ 224,000	\$ 160,000

# **GOLDEN BAND RESOURCES INC.**

## **Notes to Consolidated Financial Statements April 30, 2008**

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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 debt or equity financing and achieve future profitable operations.

### **2. Nature of Operations**

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, future profitable production from the properties, or proceeds from disposition.

Ownership in mineral interests 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. 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.

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 assets 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.

# **GOLDEN BAND RESOURCES INC.**

## **Notes to Consolidated Financial Statements April 30, 2008**

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

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 3(b) & 9).

### **(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.

# GOLDEN BAND RESOURCES INC.

## Notes to Consolidated Financial Statements April 30, 2008

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

Basic earnings (loss) per share are computed by dividing the earnings (loss) for the year by the weighted average number of common shares outstanding during the year. Diluted earnings (loss) 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.

### **(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, 2008, the deduction of which flow through to the shareholders.

The Company has adopted 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 as they vest. Upon exercise, the corresponding amount of contributed surplus related to the security is removed from contributed surplus and added to share capital.

## **4. Accounting Standards**

### **(a) Changes in Accounting Policies**

Effective May 1, 2007 the Company adopted, on a prospective basis, the following new accounting standards issued by the Canadian Institute of Chartered Accountants (CICA):

#### *Accounting changes – (Section 1506)*

This standard allows for voluntary changes in accounting policy only when such changes enhance the relevance and reliability of the financial statements and the comparability of those financial statements over time and with the financial statements of other entities. The standard requires changes in accounting policy to be applied retrospectively unless doing so is impracticable, requires prior period errors to be corrected retrospectively and calls for enhanced disclosures about the effects of changes in accounting policies, estimates and errors on the financial statements.

# GOLDEN BAND RESOURCES INC.

## Notes to Consolidated Financial Statements April 30, 2008

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### (a) Changes in Accounting Policies (continued)

Any impact that the adoption of Section 1506 will have on our results of operations and financial condition will depend on the nature of future accounting changes. Its adoption has had no impact on these consolidated financial statements.

#### *Comprehensive Income – (Section 1530)*

Comprehensive income is the change in shareholders' equity during a period from transactions and other events from non-owner sources. This standard requires that certain gains and losses which would otherwise be recorded as part of net earnings be presented in "other comprehensive income" until it is considered appropriate to recognize them into net earnings. This standard requires the presentation of comprehensive income, and its components in a separate financial statement that is displayed with the same prominence as other financial statements.

#### *Equity – (Section 3251)*

This Section establishes standards for the presentation of changes in equity that arise as a result of the adoption of comprehensive income, financial instruments – recognition and measurement, and hedges (*Section 1530, 3855, and 3865*). It establishes standards for the presentation of accumulated other comprehensive income, which is comprised of all components of other comprehensive income.

#### *Financial Instruments – Recognition and Measurements (Section 3855)*

This standard prescribes when a financial asset, financial liability or non-financial derivative is to be recognized on the balance sheet and at what amount, requiring fair value or cost-based measures under different circumstances.

Under *Section 3855*, financial instruments must be initially classified into one of the following balance sheet categories (including derivatives):

Held-for-trading financial assets and liabilities that are initially measured at fair value and where subsequent changes in fair value are recognized in the consolidated statements of operations;

Available-for-sale financial assets that are initially measured at fair value and where subsequent changes in fair value are recognized in other comprehensive income until the instrument is derecognized or impaired at which time the amounts would be recorded in net earnings; or

Held-to-maturity investments, loans and receivables, or other financial liabilities – all of which are initially measured at cost and where subsequent changes in cost are amortized utilizing the effective interest rate method.

In accordance with this new standard, we classified our financial instruments as follows:

- Cash, cash equivalents, and restricted cash for asset retirement obligations and for reclamation bonds were classified as held-for-trading and accordingly carried at their fair values;
- Accounts receivable were classified as loans and receivables, and accordingly carried at their amortized costs;
- Accounts payable and accrued liabilities and long-term debt were classified as other financial liabilities and are currently carried at their amortized cost.

The classification of our financial instruments as at May 1, 2007 and their subsequent changes to April 30, 2008 have resulted in no material gains or losses that require separate presentation in other comprehensive income or recognition in earnings (loss).

# GOLDEN BAND RESOURCES INC.

## Notes to Consolidated Financial Statements April 30, 2008

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### (a) Changes in Accounting Policies (continued)

Transaction costs that are directly attributable to the issuance of financial assets or liabilities are accounted for as part of the carrying value at inception, and are recognized over the term of the assets or liabilities using the effective interest method.

#### *Financial Instruments – Disclosure and Presentation (Section 3861)*

This section establishes disclosure and presentation standards for financial instruments and non-financial derivatives, and identifies relevant information to be disclosed. Disclosures need not be provided on a comparative basis for period prior to the adoption date of these new standards.

#### *Hedging – (Section 3865)*

This standard specifies the circumstances under which hedge accounting is permissible and how hedge accounting may be performed. The Company currently does not have any hedges.

### (b) Future Changes in Accounting Policies

#### *Capital Disclosures (Section 1535)*

Effective May 1, 2008, the Company will adopt the new Canadian standard, CICA Handbook Section 1535, *Capital Disclosures*. This section establishes both qualitative and quantitative standards for disclosing information that enables users to evaluate the Company's objectives, policies, and processes for managing capital. This standard is not expected to have a material impact on the financial disclosures.

#### *Financial Instruments – Disclosure and Presentation (Section 3862 and Section 3863)*

Effective May 1, 2008, the Company will adopt two new Canadian standards, CICA Handbook Section 3862, *Financial Instruments – Disclosures* and CICA Handbook Section 3863, *Financial Instruments – Presentation*. These standards replace CICA Handbook Section 3861, *Financial Instruments – Disclosure and Presentation*. This section establishes standards that enhance the users' ability to evaluate the significance of financial instruments to the Company, and the nature and extent of risks, and the management of these risks. This standard is not expected to have a material impact on the consolidated financial statements.

#### *Inventories (Section 3031)*

Effective May 1, 2008, the Company will adopt the new Canadian standard, CICA Handbook Section 3031, *Inventories*. This section supersedes Handbook Section 3030, *Inventories*, and aligns with that of International Financial Reporting Standard IAS 2, *Inventories*.

This section introduces significant changes relating to the measurement and disclosure of inventory. The measurement changes include: the requirement for inventory to be measured at the lower of cost and net realizable value, the allocation of fixed overhead based on normal capacity, the use of specific identification of individual cost for items not ordinarily interchangeable or goods or services produced and segregated for specific projects, the requirement to use the first-in-first-out (FIFO) or weighted average cost formulas and to consistently apply those formulas to inventories similar in nature and use, and the recognition of reversal of any previous write-down of inventories arising from an increase in net realizable value. Changes in disclosure requirements include accounting policies, carrying amounts, amounts recognized as an expense, write downs and reversal of write downs and carrying amounts pledged as security for liabilities.

# GOLDEN BAND RESOURCES INC.

## Notes to Consolidated Financial Statements April 30, 2008

### 5. Property and Equipment

Property and equipment consists of the following:

	2008		2007	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Leasehold improvements	\$ 12,500	4,167	8,333	\$ -
Office equipment	71,149	42,186	28,963	19,616
Computer equipment	199,868	111,781	88,087	52,408
Field equipment	286,304	155,324	130,980	42,437
Automotive	109,260	36,420	72,840	-
Gold mill and equipment	562,836	-	562,836	562,836
Assets under construction	954,795	-	954,795	-
	<u>\$2,196,712</u>	<u>349,878</u>	<u>1,846,834</u>	<u>\$677,297</u>

The gold mill and equipment and assets under construction will be amortized when the assets become productive over the anticipated production life of the property.

The Company has capitalized \$36,795 (2007 – nil) as assets under capital lease. Amortization expense related to assets under capital lease is \$12,265 (2007 – nil).

### 6. 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 amount of \$229,000.

### 7. Mineral Properties and Rights

Subject to compliance with the Provincial Mineral Disposition 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 Costs	Deferred Exploration Costs	Total 2008	Total 2007
Greater Waddy Lake (SK)	\$ 3,254,345	10,165,056	13,419,401	\$ 11,624,161
Churchill River (SK)	357,218	539,959	897,177	893,434
Bingo (SK)	-	8,681,004	8,681,004	828,177
Iskut River (BC)	1	-	1	1
Greywacke (SK)	524,000	335,672	859,672	302,658
Decade (SK)	-	321,143	321,143	-
RKN (SK)	-	414,238	414,238	-
Birch Crossing (SK)	-	180,270	180,270	-
	<u>\$ 4,135,564</u>	<u>20,637,342</u>	<u>24,772,906</u>	<u>\$ 13,648,431</u>

# **GOLDEN BAND RESOURCES INC.**

## **Notes to Consolidated Financial Statements April 30, 2008**

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### **Greater Waddy Lake, Churchill River, Bingo Project, and Greywacke, 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 six project areas: Greater Waddy Lake, Churchill River, Bingo, Decade, RKN and Birch Crossing. The total area held under disposition by the Company is now 75,105 hectares. Golden Band is the operator and owns 100% interests in these projects.

During August, 2006 the Company acquired the 50.1% interest held by Tyler Resources Inc. in the Golden Heart gold deposit. The Company purchased the interest for \$1,000,000 cash and 500,000 common share purchase warrants exercisable for one common share for a period of two years at a price of \$0.55 per warrant share.

During 2006, the Company acquired three contiguous claims totaling 319 hectares of the Greywacke gold deposit for \$40,000 cash and 150,000 shares of the Company on closing and 150,000 shares of the Company on the first anniversary of closing.

Also during 2006, the Company acquired a 49% interest in the Greywacke gold deposit consisting of ten additional claims totaling 4,276 hectares. The Company acquired the 49% interest for \$100,000 cash and 250,000 shares of the Company on closing and 250,000 shares of the Company on the first anniversary of closing. Fifty-one percent of the property was previously optioned to Masuparia Gold Corporation whom were to spend \$850,000 on exploration of the property.

In 2008, the company issued the additional 400,000 shares pursuant to the Greywacke acquisition agreements.

### **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.

## **8. 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.

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 \$387,040 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.

# GOLDEN BAND RESOURCES INC.

## Notes to Consolidated Financial Statements April 30, 2008

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### 9. 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 (refer to note 3(i)); the Company reduced flow through share capital by \$3,108,375 (2007 - \$1,519,915) and recognized the \$3,108,375 as a future tax liability; this amount approximates the tax effect on the timing difference resulting from renouncing exploration expenditures using currently enacted tax rates and laws.

Concurrently the Company recognized \$1,463,834 (2007 - \$1,519,915) 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. (Note 3(i)).

The exploration and development expenses totaling \$5,694,984 can be carried forward indefinitely. The non-capital loss totaling \$5,304,307 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
2009	84,627
2010	256,480
2014	419,084
2015	494,525
2026	438,680
2027	690,165
2028	2,920,746
Total	\$5,304,307

The detail of the future income tax liability is as follows:

Balance, April 30, 2007	-
Renunciation of flow through expenditures (Note 10)	\$ 3,108,375
Tax benefits recognized	(1,463,834)
Balance, April 30, 2008	\$ 1,644,541

# GOLDEN BAND RESOURCES INC.

## Notes to Consolidated Financial Statements April 30, 2008

### 9. Income Taxes (continued)

The effective income tax rate differs from the statutory rate as follows:

	2008	2007
Loss before income taxes	\$3,091,554	\$ 862,071
Income tax rate	34.4%	36.6%
Expected tax recovery	1,063,500	315,520
Non-deductible items	(187,000)	(63,000)
Permanent differences	129,000	
Effect of rate change	(429,666)	
Tax benefits recognized	888,000	1,267,395
Future income tax recovery	\$1,463,834	\$1,519,915

### 10. 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:

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

At April 30, 2008 the Company's issued share capital was as follows:

	2008		2007	
	Number of Shares	Amount	Number of Shares	Amount
Balance, beginning of year	98,319,464	\$ 26,043,955	79,174,208	\$ 19,456,321
Issued for property (Note 7)	400,000	224,000	400,000	160,000
Private placement	2,750,000	1,512,500	5,000,000	2,250,000
Private placement	20,000,000	10,000,000	1,111,100	499,995
Private placement			9,890,553	4,700,735
Agents fee			25,000	11,250
Exercise of options	175,000	47,500	1,225,000	310,015
Exercise of warrants			1,393,603	491,633
Exercise of agents' warrants			100,000	26,000
Contributed surplus (Note 3 (j))		32,450		155,835
Share issue costs		(690,950)		(497,914)
Flow-through shares		(3,108,375)		(1,519,915)
Balance, end of year	121,644,464	\$ 34,061,080	98,319,464	\$ 26,043,955

# GOLDEN BAND RESOURCES INC.

## Notes to Consolidated Financial Statements April 30, 2008

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### 10. Share Capital (continued)

During the year, share capital was reduced by \$3,108,375, the amount of tax liability related to the renunciation of exploration costs, on the flow through share issuances. In accordance with generally accepted accounting principles, the recovery of deferred taxes is recognized as income.

On September 28, 2007, the Company completed a non-brokered private placement of 2,750,000 common shares at a price of \$0.55 per Unit for total gross proceeds of \$1,512,500. Each Unit consists of one flow through common share and one non-flow through warrant. Each warrant entitles the holder to purchase an additional non-flow through common share for a period of 24 months at a price of \$0.65 per share for the first 12 months and \$0.75 per share for the second 12 months.

On December 24, 2007, the Company completed a non-brokered private placement of 20,000,000 common shares at \$0.50 per share to raise gross proceeds of \$10,000,000. The proceeds of the sale of the flow-through shares are being used to fund exploration work on the Company's La Ronge gold belt projects.

In 2008, the Company issued 400,000 common shares valued at \$224,000 pursuant to the Greywacke property acquisition agreements. 150,000 common shares were issued for three contiguous claims totaling 319 hectares of the Greywacke gold deposit. 250,000 common shares were issued for the 49% interest in the Greywacke gold deposit. (Note 7)

### 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. The exercise price of the options equals the market price of the Company's stock on the date prior to the grant. Options granted vest at 25% upon TSX approval and 12.5% per quarter thereafter. Stock options are for a five-year term in accordance with Company policy.

A summary of the status of the Company incentive stock option plan as at April 30, 2008 is as follows:

	2008		2007	
	Number of Shares	Weighted Average Exercise Price	Number of Shares	Weighted Average Exercise Price
Outstanding, beginning of year	4,275,000	\$0.32	4,600,000	\$0.28
Granted	3,227,500	\$0.46	1,225,000	0.41
Expired	(75,000)	\$0.40	(225,000)	0.38
Exercised	(175,000)	\$0.27	(1,325,000)	0.26
Outstanding, end of year	7,252,500	\$0.38	4,275,000	\$0.32

# GOLDEN BAND RESOURCES INC.

## Notes to Consolidated Financial Statements April 30, 2008

### Options Granted

A total of 3,227,500 (2007 – 1,225,000) options were granted during the year to directors, consultants, and employees as follows:

	2008	2007
Directors	600,000	600,000
Consultants	40,000	250,000
Employees	2,587,500	375,000
	3,227,500	1,225,000

The Company accounted for stock compensation expense of these options using the following weighted average assumptions: as vested, risk-free interest rate of 3.82%, dividend yield of 0.00%, volatility of 69.1%, and expected lives of 5 years. The Company has recorded \$332,162 (2007 – \$89,312) in stock based compensation expense on 1,583,960 (2007 - 435,417) stock options that vested during the year.

A summary of outstanding Company incentive stock options as at April 30, 2008 is as follows:

Exercise Price per Share	Outstanding			Exercisable		
	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Life in Years	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Life in Years
\$0.25 - \$0.34	3,125,000	\$0.29	1.73	3,093,750	\$0.29	1.71
\$0.35 - \$0.44	1,840,000	\$0.41	4.04	1,056,875	\$0.41	3.80
\$0.45 - \$0.54	2,187,500	\$0.47	4.51	582,498	\$0.47	4.51
\$0.55 - \$0.64	100,000	\$0.56	4.01	37,500	\$0.56	4.01
	7,252,500	\$0.38	3.19	4,770,623	\$0.34	2.53

### 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:

	2008		2007	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding, beginning of year	15,531,722	\$0.64	10,935,380	\$0.44
Granted	2,970,000	\$0.65	7,753,945	0.64
Expired	(7,777,777)	\$0.65	(3,157,603)	0.41
Exercised	-	-	-	-
Outstanding, end of year	10,723,945	\$0.64	15,531,722	\$0.64

# GOLDEN BAND RESOURCES INC.

## Notes to Consolidated Financial Statements April 30, 2008

### Warrants (continued)

A summary of the outstanding share purchase warrants as at April 30, 2008 is as follows:

Number of Warrants	Exercise Price	Expiry date
5,000,000	\$0.65	May 18, 2008
364,000	0.53	May 18, 2008
1,111,100	0.65	May 18, 2008
500,000	0.55	August 29, 2008
778,845	0.65	December 22, 2008
220,000	0.55	September 28, 2008
2,750,000	0.65	September 28, 2009
10,723,945	\$0.64	

If the closing price of the Company's common shares is equal to or greater than \$0.90 for 15 consecutive trading days upon written notice to the holders of the warrants, the Company has the option to reduce the expiration date of the warrants to 30 days from the date notice is provided by the Company to the warrant holders. This option is applicable to all outstanding warrants other than the 500,000 warrants expiring August 29, 2008.

### 11. Earnings per Share

Basic earnings (loss) per common share is computed by dividing net earnings (loss) applicable to common shares by the weighted average number of common shares issued and outstanding for the relevant period. Diluted earnings (loss) per common share is computed by dividing net earnings (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 earnings (loss) per share amounts is based on the following:

	2008	2007
<b>Basic earnings (loss) per share</b>		
Net earnings (loss)	\$ (1,627,720)	\$ 657,844
Weighted average common shares outstanding	107,150,407	90,354,399
<b>Basic earnings (loss) per share</b>	<b>(\$0.02)</b>	<b>\$0.01</b>
<b>Diluted earnings (loss) per share</b>		
Net earnings (loss)	\$ (1,627,720)	\$ 657,844
Weighted average common shares outstanding	107,150,407	90,354,399
Dilutive effects of stock options	-	1,477,414
Weighted average common shares outstanding, assuming dilution	107,150,407	91,831,813
<b>Diluted earnings (loss) per share</b>	<b>(\$0.02)</b>	<b>\$0.01</b>

# GOLDEN BAND RESOURCES INC.

## Notes to Consolidated Financial Statements April 30, 2008

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### 11. Earnings per Share (continued)

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. Certain other options and warrants were excluded from the diluted earnings per share calculation as the exercise price was greater than the average market price for the year.

### 12. Related Party Transactions

During the year the Company incurred charges from directors as follows:

	2008	2007
Exploration expenditures	\$ 1,872	\$ 42,254
Consulting	54,770	26,116
Stock compensation	88,537	89,312
Travel	15,121	13,491
	<hr/>	<hr/>
	\$ 160,300	\$ 171,173

### 13. Commitments

#### Flow Through Expenditures

In 2007 and 2008 the Company issued flow through shares totaling \$15,512,274 resulting in an obligation to, and has committed to spend the proceeds on exploration and development. As at April 30, 2008 the Company had spent \$13,253,333 of the flow through share proceeds on exploration and development, leaving a remaining balance of \$2,258,941 to be spent by December 31, 2008.

#### Lease Obligation

In 2008 the Company entered into various operating lease agreements for office space, storage facilities and office equipment. The future lease payments are as follows:

2009	\$84,187
2010	49,161
2011	21,553
2012	3,036
2013	2,277

### 14. Comparative Figures

Certain 2007 comparative figures have been reclassified to conform to the financial statement presentation adopted for 2008.

# GOLDEN BAND RESOURCES INC.

## Schedule of Deferred Exploration Costs For the year ended April 30, 2008

	Greater Waddy Lake	Churchill River	Bingo	Greywacke	Decade	RKN	Birch Crossing	Total
Assays and Analysis	\$ 138,284	\$ -	\$ 54,898	\$ 2,874	\$ 35,755	\$ 18,668	\$ 26,770	\$ 277,249
Consulting	301,703	-	76,693	43,384	-	337	-	422,117
Geological	4,849	-	-	-	300	-	-	5,149
Drilling contractor	326,829	-	365,216	224,020	216,322	362,249	139,489	1,634,125
Heavy equipment contractor	253,594	-	300,980	5,549	-	-	-	560,123
Wages & Benefits	452,235	3,383	256,824	17,620	11,914	26,232	14,011	782,219
Travel, camps & accommodations	132,020	330	68,081	19,834	16,820	3,499	-	240,584
Supplies	175,549	-	75,838	13,792	38,800	954	-	304,933
Underground development	-	-	6,635,945	-	-	-	-	6,635,945
Other	55,177	30	18,352	5,941	1,232	2,299	-	83,031
Recoveries	(45,000)	-	-	-	-	-	-	(45,000)
	\$ 1,795,240	\$ 3,743	\$7,852,827	\$333,014	\$321,143	\$414,238	\$180,270	\$10,900,475
Balance, April 30, 2007	\$ 8,369,816	\$536,216	\$ 828,177	\$ 2,658	\$ -	\$ -	\$ -	\$ 9,736,867
Balance, April 30, 2008	\$10,165,056	\$539,959	\$8,681,004	\$335,672	\$321,143	\$414,238	\$180,270	\$20,637,342



**Management's Discussion and Analysis  
For the year ended April 30, 2008**

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**Golden Band Resources Inc.**  
**(An exploration stage company)**  
**MANAGEMENT'S DISCUSSION & ANALYSIS**  
**Fiscal Year Ended April 30, 2008**

Date prepared: July 18, 2008

**PREFACE**

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"), prepared as of July 18, 2008 supplements but does not form part of the audited consolidated Financial Statements and accompanying Notes of the Company for the fiscal year ended April 30, 2008.

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, 2008 and 2007.

Golden Band is a reporting issuer in British Columbia and Alberta and is a listed Tier 1 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 continued its operations from British Columbia to Saskatchewan on July 7, 2006.

The Company prepares and files its financial reports in accordance with Canadian generally accepted accounting principles (GAAP<sup>1</sup>). The MD&A and the consolidated financial statements for the year ended April 30, 2008 were prepared by management and have been reviewed by the Company's independent external auditor. The Audit Committee of the Board of Directors, appointed by the Board and consisting of three independent directors, has reviewed this document pursuant to its mandate and charter.

The Audit Committee meets with management and the independent auditors to review any significant accounting, internal control, and auditing matters, and to review and finalize the annual financial statements of the Company along with the independent auditors' report prior to the submission of the financial statements to the Board of Directors for final approval.

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>2</sup> and the Toronto Stock Exchange *Policy Statement Disclosure Standards for Companies Engaged in Mineral Exploration, Development & Production*<sup>3</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> "Canadian GAAP" means generally accepted accounting principles as set out in the Handbook of the Canadian Institute of Chartered Accountants, as amended from time to time. <http://strategis.ic.gc.ca/epic/internet/incd-dgc.nsf/en/cs02689e.html>

<sup>2</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>3</sup> [http://www.tse.com/en/pdf/TSX\\_DisclosureStandardsMineralExploration.pdf](http://www.tse.com/en/pdf/TSX_DisclosureStandardsMineralExploration.pdf)

## CORPORATE PROFILE

### 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. 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 750 km<sup>2</sup>, including ten known gold deposits, four former producing mines, and a provincially licensed 400 tonnes / 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, Komis and EP gold deposits into production and process the ore at the Company's 100%-owned Jolu mill.

### **Current Year Highlights**

- **Bingo Project** – 1,100 meters of underground development, including decline access and exploration drifts, was completed in June 2008. Exploration drifting was conducted on the 1325m Level (67.5m vertical depth) and on the 1295m Level (90 m vertical depth) and totalled 316.8m of advance. Golden Band has stockpiled approximately 7,600 tonnes of gold mineralized material that will be used as ore feed for the Jolu Mill once the La Ronge Gold Project receives permitting approvals (see June 19, 2008 press release).

The estimated average gold grade from 23 exploration development rounds (out of a total of 118) taken on the 1325m Level averages 12.26 g/t gold based on a minimum width of 1.8m and using only those assays that represent the Bingo mineralized zone (see June 19, 2008 press release).

- **Decade Mine Project** – The former Decade mine is 275 metres from the Jolu mill. It saw limited production in the 1970s and while the Jolu mine was in production in the 1990s. The winter 2008 program at the former Decade mine consisted of 19 diamond-drill holes totalling 1,321 m. The objective was to test a shallow, high-grade gold zone just north of the former Decade mine workings, and to extend along-strike the gold mineralized zone (Decade Zone) tested initially during the 2007 fall program. Encouraging results were obtained from this program which indicates that a near-surface gold resource could be available for near-term production (see March 11, 2008 press release).
- **Birch Crossing Project** – The objectives of the 2008 winter program were to test for the on-strike and depth extensions of several gold zones and to increase the confidence in known gold mineralization for the purpose of upgrading confidence in the resource. Eleven diamond drillholes were completed totalling 1,663.65 m and numerous high-grade gold zones were intersected (see June 9, 2008 press release).
- **Kaslo Gold Prospect** – Six drillholes totalling 523.6 m were completed during the winter 2008 program, four of which intersected high-grade gold zones. These results confirm

the presence of Red Cube style gold mineralization similar to that found at the adjacent Birch Crossing and Niko deposits (see June 9, 2008 press release).

- **6/6 SGH Anomaly (RKN Zone)** – Eight drillholes totalling 2,086.6 m were completed during the 2008 winter program with the objective of following-up the very strong soil gas hydrocarbon (SGH) anomaly obtained from sampling done adjacent to the Golden Heart gold deposit in the summer of 2007. A new gold zone was discovered and was named the RKN Zone (see June 26, 2008 press release).
- **Greywacke Project** - The operator of this program Masuparia Gold Corp. (Golden Band owns 49% of the Greywacke Deposit) completed nineteen drill holes totalling 3000.73 m during the 2008 winter program. The drill program was primarily to clarify the configuration and continuity of the gold mineralization within the North Zone, identify depth and lateral extensions, and infill information gaps within the Zone in order to refine the resource model. Additionally, the program tested the economic potential of the South Zone. Most of the drillholes intersected significant gold mineralization with highlights of 17.31 g/t gold over 5.33 m and 5.05 g/t gold over 21.5 m (see May 21, 2008 and June 16, 2008 press releases by Masuparia Gold Corp.).
- **Preliminary Economic Assessment (PEA)** - The study's independent authors consider that Golden Band's expanded La Ronge Gold Project operating plan has a realistic potential for economic viability based on the potentially mineable portions of the resource estimates of the Komis, EP, Tower East, Birch Crossing, and Bingo gold deposits, and using the Company's Jolu mill (see February 26, 2008 press release).

Table 1: Golden Band's NI-43-101 Compliant Resources

**Summary of Measured + Indicated, and Inferred Mineral Resources for Golden Band Owned Gold Deposits (NI 43-101 compliant)**

Deposit	Grade Capping	cut off g/t Au	tonnes	grade	resources	cut off	tonnes	grade	resources	
				g/t Au	ounces Au	g/t Au		g/t Au	ounces Au	
			<b>Measured + Indicated Resources</b>				<b>Inferred Resources</b>			
Komis	o/p	cut to 70 g/t Au	1.0	990,000	3.81	121,300	1.0	94,000	2.98	9,000
Tower East	op	cut to 15 g/t Au	1.0	5,019,080	1.858	299,835	1.0	902,020	1.516	43,965
Golden Heart	o/p	cut to 24 g/t Au	1.0	4,486,400	1.80	259,900	1.0	598,800	1.66	31,900
Memorial	o/p	cut to 30 g/t Au	1.0	288,400	2.83	26,220	1.0	90,900	2.49	7,272
EP	o/p	cut to 77 g/t Au	1.0	22,700	7.18	5,240	1.0	62,600	3.84	7,729
Birch Crossing		cut to 120 g/t Au					2.0	536,300	5.11	88,100
Greywacke	u/g		5.0	90,160	8.4	24,353	5.0	28,420	7.29	6,664
Bingo	u/g	cut to 70 g/t Au	5.0	97,109	14.11	44,056	5.0	136,560	14.025	61,577

	<b>Measured + Indicated Resources</b>			<b>Inferred Resources</b>		
<b>Total</b>	10,993,849		780,904		2,449,600	256,207

Note: Golden Band owns 49% of the resource at Greywacke and this is accounted for in the above table.

## GOALS AND STRATEGY

Golden Band's near-term goals call for development and production initially from the Bingo, Komis, EP, Birch Crossing and Tower East gold deposits with processing at the Company's 100%-owned Jolu mill – a project that received a positive Preliminary Economic Assessment (scoping study) on April 19, 2007 and an Updated and Expanded Preliminary Economic Assessment on February 26, 2008. Longer-term objectives include production from the Company's other deposits and the continuation of its highly successful strategy of exploration and acquisition.

### 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.

### **Goals**

Golden Band's short-term plan is to advance development of three gold deposits, Bingo, Komis and EP, to enable processing of the ore at the re-commissioned Jolu mill and Tailings Management Facility.

Under existing provincial permits for the Jolu mill, the company is able to proceed with refurbishment of the mill infrastructure. A portion of this work including access road upgrade, heating systems and overhead crane certification, is expected to be completed in 2008 in readiness for full refurbishment planned to commence in March 2009. All pre-development work associated with the mining of the Bingo, Komis and EP deposits will require approvals upon completion of the Environmental Impact Assessment. Pre-production development is not expected to commence until the spring of 2009, once the permits and licenses are approved for the construction of the new mines and an Above Ground Tailings Management Facility at the Jolu site. Dependent upon the Company receiving timely approvals, the earliest expected gold production date is late 2009.

Golden Band's long term production plan is to produce 70,000 oz of gold on an annual basis at a cash cost of \$429/oz. The Company will assess the viability of an additional Jolu mill expansion capacity to 1,000 tpd to maximize throughput. It is the Company's intention to focus gold exploration at the Bingo deposit and near-mill targets such as the Decade and Jolu deposits, to ensure that high grade ore feed for the mill is available in the long term.

### **Strategy**

Golden Band Resources, already Saskatchewan's leading gold explorer, is now poised to also become a gold producer. Golden Band is a well-financed, Saskatchewan-based, publicly listed company (GBN:TSXV) whose focus is the long-term, systematic exploration and development of its 100%-owned La Ronge Gold Belt properties. Since 1994, Golden Band has assembled through staking and strategic acquisition a land package of more than 750 km<sup>2</sup>, including ten known gold deposits, four former producing mines, and a licensed gold mill.

Golden Band's key value drivers are the methodical and systematic targeting of primary to advanced-stage exploration while progressing along a parallel path to becoming a sustainable gold producer. The Company is aggressively pursuing its near-term goal for the development and production of its 100%-owned Bingo, Komis, and EP deposits with processing at the 100%-

owned Jolu mill – a project that received a positive expanded Preliminary Economic Assessment (scoping study) on February 26, 2008. Longer-term objectives include production from the Company's other deposits and the continuation of its highly successful exploration and acquisition strategy.

At the present time, global investment markets are extremely volatile, financing has become more difficult even for major corporations and social instability in many parts of the world is an increasing concern. In this environment Golden Band has a number of very significant advantages including advanced exploration opportunities, development projects with a high internal rate of return and a short capital payback, strong management as well as operations in a politically and socially stable environment.

### ***Investor Relations***

The Company continues to actively undertake marketing activities in conjunction with the consulting firm, Motivia Communications Inc. Motivia'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 Motivia has is an on-going commitment to assist in maintaining an orderly market and to keep the company financed. Motivia receives \$5,500 per month as fee for its services, and was granted 40,000 share options in 2008.

### ***Community Relations***

In September 2007, the Lac La Ronge Indian Band (LLRIB) and Golden Band signed a Memorandum of Understanding. This document outlines the intentions and relationships of a broader, mutually beneficial, partnership and sets out forward-thinking, strategic, understandings and intentions on the establishment of relationships that will help further the advancement of exploration and mining by Golden Band in ways that are mutually beneficial. Under the agreement signed in La Ronge, Saskatchewan, a number of activities required for Golden Band's planned development and gold mining projects will be made available to Kitsaki Management LP, the economic development agency of the LLRIB, for the provision of services. These include underground and surface mining and construction, catering, transportation, and environmental services. Kitsaki Mining Limited Partnership and Procon Mining & Tunnelling Ltd. have created the Kitsaki/Procon Joint Venture for the purpose of providing such services to Golden Band.

Community information meetings were held in October 2007 and July 2008 in six communities (La Ronge, Sucker River, Brabant, Grandmother's Bay, Stanley Mission, and Missinipe) that may be impacted by Golden Band's exploration and development activities. Transcripts of these meetings are available on the Company's website.

### ***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. 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 a good example in the Prospectors and Developers Association of Canada's (PDAC) Environmental Excellence in Exploration (E3) e-manual.

In July 2007, the Company submitted a Project Proposal to the Saskatchewan Ministry of Environment describing the Jolu Central Mill Gold Project. In February 2008, the proposal was amended to describe mining operations over a four-year period at five gold deposits, including Komis, EP, Bingo Decade and Jolu – and milling the ore at the re-commissioned Jolu mill and Tailings Management Facility. The Company has been advised that an Environmental Assessment is required, and that a federal Screening level assessment is to be conducted by Fisheries and Oceans Canada (DFO) under a joint federal/provincial process. The Company will be required to submit an Environmental Impact Statement for the project.

### ***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>4</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.

## **KEY RESOURCES AND COMPETENCIES**

### ***Management***

#### **Rodney Orr, MBA, P.Geo. President & CEO**

Rod Orr has been a part of Golden Band's senior management team since early 2004 and, as Vice President Operations and COO, handled the day-to-day operations of the company. In 2007, Rod took on the role of President and CEO and has committed himself to the coordination and management of the company's activities towards becoming Saskatchewan's next producing gold company.

A geologist, Rod is an active member of the Saskatchewan mining industry and brings more

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<sup>4</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)

than 30 years of mining experience with him. Prior to his work at Golden Band, he held such positions as Vice President Exploration and later Executive Vice President of Mindoro Resources and Senior Geologist for Uranerz Exploration and Mining Ltd. in Saskatoon where he managed major foreign and domestic exploration programs for uranium, gold, and diamonds.

**Gary Haywood:** *VP of Operations, COO*

Gary Haywood was most recently General Manager of Cameco's McArthur River Mine, the world's largest, high-grade uranium deposit. At Golden Band, he will be responsible for all aspects of development, mining, and milling operations. A graduate of the Western Australian School of Mines, Gary is a professional mining engineer with over 20 years open pit and underground experience in Australia and Canada. In addition to a degree in mining engineering, Gary also has a Diploma in Business (Frontline Management) and has completed the Western Australian School of Mines Mining Executive Development Program.

Prior to joining Cameco in 2004, Mr. Haywood was Mining Manager at Sons of Gwalia Ltd.'s Southern Cross gold mine and Resident Mine Manager at their Leonora gold mine in Western Australia. Gary has Saskatchewan gold mining experience as Mine Superintendent at Cameco's Contact Lake Gold Mine. Gary is registered as a Professional Engineer with the Association of Professional Engineers and Geoscientists of Saskatchewan and is a member of the Canadian Institute of Mining, Metallurgy and Petroleum

**Gary Leland:** *VP of Finance, CFO, Corporate Secretary*

Gary Leland was educated at the University of Saskatchewan (Bachelor of Commerce) and obtained his Chartered Accountancy designation in 1982. Gary has broad experience in industry, as an entrepreneur, and in public practice. For the past eleven years, he was VP of Finance and Human Resources for Saskatoon-based Standard Machine. Prior to that Gary owned his own business, and was a partner with Coopers and Lybrand in Saskatoon; Coopers having previously acquired the CA firm that Gary was a founding partner of.

**Frank Hrdy:** M.Sc. Geology, MBA, P.Geo.  
Vice President Exploration

Frank Hrdy uses his experience with mine geology and sampling from exploration through to production in his role as the Vice President of Exploration. He works with the Golden Band exploration and development teams to use his practical working knowledge of geology, mining, and geostatistics in order to construct resource models for both surface and underground gold mines.

Frank has worked at several successful gold mines in Saskatchewan, Manitoba, and Ontario where his duties included supervising daily geological activities, evaluating and reporting mine resources, and designing exploration programs to increase the gold resource base. Frank's experience includes Placer Dome's Campbell Gold Mine, where he was the Qualified Person for calculating and reporting the gold resource, and Wescan Goldfields Inc. where he was the Exploration Manager.

Frank graduated with a M.Sc. degree from the University of Saskatchewan, where he wrote his thesis on the formation of gold deposits in Saskatchewan. Frank obtained his MBA at the University of Victoria.

## Directors

**Ronald K. Netolitzky:** M.Sc. Geology  
**Chairman of the Board**

Ron has been a dedicated part of the Golden Band team since 1993 and spent more than four years as the President and CEO. In early 2007, Ron moved from this position to Chairman of the Board where he maintains a vital role in assisting the company's senior management team in plotting the course along the path to production. Ron works closely with both the senior management team and the board in regards to the corporate strategies, plans and goals.

Ron Netolitzky was the first to recognize the gold potential of the La Ronge Gold Belt. In the late 1970s, Ron initiated the acquisition of a large land package comprised of a prospecting permit and claim blocks (about 200,000 hectares) covering most of the prospective area north of the Churchill River (similar to the area presently held by Golden Band).

Ron was later to be instrumental in the discovery of the Snip, Eskay Creek and the Brewery Creek gold deposits in BC and Yukon, earning him the Prospector of the Year Award in 1990 from the Prospectors and Developers Association of Canada. Most recently, his Viceroy Exploration was acquired by Yamana Gold Inc. for its Gualcamayo gold deposit.

**Klaus Lehnert-Thiel:** P.Eng., P.Geo., Ph.D. Geology  
**Director**

Dr. Lehnert-Thiel spent his first summer in the La Ronge Gold Belt at Waddy Lake as an Austrian exchange student in 1966. After settling permanently in Saskatchewan in 1969, he was employed by contracting and consulting firms and active in uranium, base metal and gold exploration. In 1974, he joined Uranerz Exploration and Mining Limited and was on the Key Lake discovery team. He subsequently became responsible for Uranerz's Canada-wide exploration efforts. In 1986, Uranerz ventured into exploration for gold (the Star Lake and Contact Lake mines with Cameco Corporation) and diamonds. Uranerz's gold exploration resulted in the discovery of the Bingo deposit during the 1991/92 field seasons. Klaus led the team that made the original kimberlite and diamond discovery at Fort à la Corne in 1988-1989. This project is still the subject of advanced evaluation by De Beers et al.

Klaus is a highly-regarded expert and serves as a consultant to the uranium and gold exploration industry. He is a director of Golden Band and, since 1993, has been responsible for all of its exploration programs in Saskatchewan. During this period he has developed an in-field gold grain recovery methodology which has been central to Golden Band's continued--and successful--exploration efforts.

Klaus' achievements as an explorationist were recognized in 2006 by the Saskatchewan Geological Society when he was placed on the society's Saskatchewan Honour Roll. This award is awarded annually to geoscientists who have made significant contributions to geoscience in the province.

**Robson Garden:** QC  
**Director**

Mr. Garden, of Calgary and formerly Saskatoon, is a senior partner with the law firm of MacPherson, Leslie and Tyerman, a firm with offices in Regina, Saskatoon, and Calgary. Rob Garden has more than 30 years' experience in his primary areas of practice: labour and employment law, administrative law, and natural resources law.

Mr. Garden has acted as corporate secretary to several corporations and mining joint ventures in Saskatchewan. He has specialized in labour relation matters but has also worked extensively in the Saskatchewan mining industry having served as general counsel in Saskatoon for Uranerz Exploration and Mining Limited, a major German mining corporation. For many years, Rob has acted as the Secretary of the Key Lake Joint Venture Management Committee and since the mid-1980's, has served as Secretary of the Cigar Lake Joint Venture Management Committee.

Rob is a regular speaker at conferences and seminars on various labour and employment law topics in Alberta, Saskatchewan, Ontario and British Columbia. He has lectured at the University of Saskatchewan College of Commerce, College of Law, and College of Arts and Science. Mr. Garden is a member of the Alberta and Saskatchewan Bars. In recognition of his abilities as an advocate and negotiator, Rob was appointed Queen's Counsel in 1992.

**Robert G. Ingram: C.A.**  
Director

Mr. Ingram is involved with a number of resource companies, including CDG Investments Inc., the successor to Golden Rule Resources. Other business interests include commercial real estate and construction. A Chartered Accountant, Bob is a partner in Ingram & Company, and makes his home in Edmonton.

**Stuart Diamond: JD, MBA**  
Director

Mr. Diamond is president of Global Strategy Group, which advises companies and governments on negotiating foreign investment and devising strategies, structures, and marketing to compete effectively on an international scale: essentially the skills of planning and persuasion. In June, 2005, Mr. Diamond became Chairman and CEO of Four Star Airlines of St. Thomas, in which he is a 50% owner.

Stuart Diamond has taught and advised on negotiation and cultural diversity to corporate and government leaders in more than 40 countries. He has taught at the business schools of Columbia, NYU, USC, UCal/Berkeley, and at Oxford and Penn Law School, where he is an Adjunct Professor. His course on negotiation is highly rated, including in the Wharton Executive Program, where he has taught extensively. Stuart holds an M.B.A. with honors from Wharton Business School and a law degree from Harvard Law School.

**John Tosney: M.Sc., P.Eng.**  
Director

Mr. Tosney has had close involvement in many Saskatchewan gold projects, being involved in feasibility studies, environmental assessments, licensing, construction, operations, and early decommissioning at the Star Lake, Jasper, and Contact Lake mines.

John Tosney's career in mining engineering has contributed to the development of Saskatchewan's mining industry for the past 24 years. Mr. Tosney's leadership skills and

technical expertise have taken him from Saskatchewan Mining Development Corporation (1981) to senior management positions with Cameco Corporation, President of Cigar Lake Mining Corporation, and Executive Vice President of COGEMA Resources Inc. (Areva Group). Nearing retirement, Mr. Tosney currently serves as Executive Advisor at Areva.

In addition to his engineering expertise, John has also for many years played a leading role as an industry representative on many committees dealing with development issues in northern Saskatchewan. In recognition of his career, John received the 2005 Outstanding Achievement Award by the Association of Professional Engineers and Geoscientists of Saskatchewan.

Mr. Tosney holds a B.Sc. (Hons.) in Mining Engineering from Nottingham University and an M.Sc. in Management Studies from Durham University. Prior to his arrival in Saskatchewan in 1981, he had 17-years experience in the mining industry in eastern Canada.

### ***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 interest on its cash and cash equivalents and therefore relies on equity funding for its continuing financial liquidity.

At April 30, 2008, Golden Band had current assets of \$6,113,271 including \$5,497,317 in cash and cash equivalents. This compares to current assets of \$8,046,352, including \$7,841,866 in cash and cash equivalents in 2007.

Working capital at April 30, 2008 was \$3,981,220 as compared to \$7,954,029 at April 30, 2007.

### ***Resource Properties***

In November 2002, Golden Band acquired approximately 370 km<sup>2</sup> 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 751.05 km<sup>2</sup>. Golden Band is the operator and owns 100% interests in all these projects except for a 49% interest in the Greywacke gold deposit.

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

### ***La Ronge Gold Project, Saskatchewan***

In February 2008, the Company completed an expanded scoping study (Preliminary Economic Assessment) for the La Ronge Gold Project. This study described an 8-year project for mining operations at the Bingo, Komis, EP, Birch Crossing and Tower East gold deposits, and milling of ores at the refurbished Jolu mill and Tailings Management Facility. The mill would also require a production capacity expansion from the nameplate 450 tonnes per day (tpd) to 700 tpd. The

scoping study is available for download from either the Company website ([www.goldenbandresources.com](http://www.goldenbandresources.com)) or on the SEDAR website ([www.sedar.com](http://www.sedar.com)).

The Company has completed the detailed design and engineering for the Jolu mill and TMF refurbishment and expansion. This was undertaken by Wardrop Engineering of Saskatoon, SK and has provided the Company with construction work packages including necessary drawing and equipment specifications to tender the work. In conjunction with the work, metallurgical testwork was completed by SGS Minerals Services of Lakefield, ON and Knelson Research and Technology of Langley, BC.

In July 2007 the Company submitted a Project Proposal to Saskatchewan Ministry of Environment for the Jolu Central Mill Gold Project involving the re-commissioning of the Jolu mill and Tailings Management Facility and using them as a central facility to process ores mined from the Bingo, EP, Komis, Birch Crossing and Tower East gold deposits. In an amended proposal submitted in February 2008, the proposal changed the set of ore deposits to be mined to describe a four year operation. The Bingo, Decade and Jolu deposits would be mined using underground methods, while the Komis and EP deposits would be mined using open-pit deposits.

Golden Band was advised by the province that an Environmental Assessment would be required, and has subsequently received the Project Specific Guidelines to assist the Company with the conduct of an Environmental Impact assessment and the preparation of the Environmental Impact Statement (EIS). The Company has conducted the necessary baseline environmental surveys and community consultations required for the environmental assessment. In June 2008, the Company was advised by Fisheries and Oceans Canada (DFO) that a screening level federal assessment of the Tailings Management Facility would be required as part of the Environmental Assessment, and would be undertaken as a joint federal/provincial process. The Company expects to submit the EIS by the end of August 2008 and that the necessary licenses and approvals would be obtained in the spring of 2009. The TMF will be required to be listed under Schedule 2 of the Metal Mining Effluent Regulations (MMER) and this licensing process is expected to be completed 12 months later in the spring of 2010.

#### *Bingo Deposit Project, Saskatchewan*

An updated mineral resource estimate that incorporates drill results from 2007 was completed by the Company and conforms to National Instrument 43-101 (NI 43-101) standards for the reporting of mineral resources. The Bingo deposits estimated to contain an Indicated Mineral Resource of 97,109 tonnes grading 14.11 grams per tonne (g/t) gold at a cut-off of 5 g/t gold over a minimum width of 2.0 metres (vs. a 1.3 m width in the initial estimate). An additional 136,560 tonnes averaging 14.03 g/t gold is classified as an Inferred Resource (see January 8, 2008 press release for a more detailed account of the parameters used for this estimate).

Underground development of exploration drifts on the 1325 m Level (67.5 m below surface) and 1295 m Level (90 m below surface) to extract a bulk sample of the gold mineralization that exists at Bingo is now complete. Approximately 1,100 m of decline access and exploration drifts were developed and approximately 7,600 tonnes of gold mineralized material was placed on surface storage pads. The intent of this underground exploration initiative was to establish that both vertical and horizontal continuity of the gold mineralization exists and that the grade of mineralization conforms to the resource estimation. Vertical and horizontal continuity of the gold mineralization does exist on and between the developments on the 1325 m Level and on the

1295 m Level and based on the assay results received to date (approximately 50%) the grade display continuity as well.

This deposit is being advanced for near-term development, as described in the Preliminary Economic Assessment.

#### Greywacke Project, Saskatchewan

The Greywacke gold deposit is located approximately 90 kilometres north of La Ronge and is accessible by a trail extending 11 kilometres from Highway 102. This is situated between the Company's Bingo deposit and its 100%-owned Jolu gold mill. Golden Band believes that there is a good potential that the Greywacke deposit could, in future, contribute higher-grade mill feed to the Jolu mill as part of its plans to start gold production from a number of deposits in the Belt using the Jolu mill. The operator of this program (Masuparia Gold Corp) completed nineteen drill holes totalling 3001 meters during the 2008 winter program. The drill program was primarily to clarify the configuration and continuity of the gold mineralization within the North Zone, identify depth and lateral extensions, and infill information gaps within the Zone in order to refine the resource model. Additionally, the program tested the economic potential of the South Zone. Most of the drillholes intersected significant gold mineralization with highlights of 17.31 g/t Au over 5.33 m and 5.05 g/t Au over 21.5 m (see May 21, 2008 and June 16, 2008 press releases by Masuparia Gold Corp.). Golden Band holds 49% of the Greywacke deposit (10 claims) and 100% of three additional claims, with the balance of the interest in the Greywacke property owned by Masuparia Gold Corp. The project will be run as a joint venture, with the majority partner as Operator.

#### Churchill Project, Saskatchewan

No activities were undertaken during the reporting period.

#### Iskut River Joint Venture, British Columbia

No activities were undertaken during the reporting period. 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%). Golden Band has contacted Barrick and is awaiting a response with respect to ongoing activity on the property.

## **RESULTS OF OPERATIONS**

### ***Summary of Exploration and Development Activities***

#### **Highlights**

- Decade gold deposit – confirmed the continuation of high grade gold mineralized zones below the existing mine workings that are still open along strike and to depth. This is a new addition to the company's mineral inventory.
- Birch Crossing gold deposit – numerous high-grade gold intersections were realized.
- Kaslo gold deposit – four of the six holes drilled intersected significant high-grade gold.
- RKN Zone – a new, high-grade gold zone was discovered and named the RKN Zone.

- Bingo Deposit – the underground bulk-sampling program proved that horizontal and vertical continuity of the gold mineralization conforms to the geological model and preliminary indications from assay results correlate well with the resource model.

Golden Band continues to advance its gold exploration on advanced targets and at a reconnaissance level. The overall objective is to maintain a pipeline of projects that the Company can ultimately advance towards development. This capitalizes on Golden Band's significant land package, proven exploration expertise, and our near and long-term development requirements.

During the fall of 2007 and winter of 2008 Golden Band drilled 7,194 meters at the Decade Mine, Birch Crossing Deposit, Kaslo Deposit and on a strong soil gas hydrocarbon (SGH) anomaly obtained from sampling done adjacent to the Golden Heart gold deposit in the summer of 2007 (see Jan 21, 2008, Feb 7, 2008, Mar 11, 2008, Apr 16, 2008, Jun 9, 2008, Jun 26, 2008 press releases on the company website). In addition to the drill programs described above, Golden Band's Joint Venture (JV) partner completed a 3001 metre surface drill program at the Greywacke gold deposit (Golden Band owns 49% of this deposit).

During the fall of 2007 and winter of 2008 Golden Band also completed an underground bulk sampling program at the Bingo gold deposit that consisted of approximately 1,100 metres of decline access and exploration drift development on two levels. Approximately 7,600 tonnes of gold mineralized material was stockpiled at the Bingo site and will be used as ore feed for the Jolu mill once the La Ronge Gold Project receives permitting approvals (see Jun 19, 2008 press release on the company website).

Golden Band is pleased with the results from the fall 2007 and winter 2008 exploration programs as all of the projects achieved their objective of advancing the company's advanced projects towards development and by discovering new, high grade gold prospects (see highlights at the top of this section).

## **Financial Results**

### Selected Annual Information

The following financial data for the three most-recently completed financial years are derived from the financial statements of Golden Band as at and for the three annual periods ended on the dates indicated below. The information should be read in conjunction with the Company's financial statements and the accompanying Notes.

Fiscal Year	April 30, 2008	April 30, 2007	April 30, 2006
Revenue (Interest)	\$ 315,676	\$ 296,625	\$ 48,174
Net Income (Loss)	\$ (1,627,720)	\$ 657,844	\$ (630,630)
Net Income (Loss) per Share <sup>(1)</sup>	\$ (0.02)	\$ 0.01	\$ (0.01)
Total Assets	\$ 33,360,335	\$ 22,986,949	\$ 15,752,129
Working Capital	\$ 3,981,220	\$ 7,954,029	\$ 4,916,089

(1) All per share amounts are calculated on a weighted average, basic and fully diluted basis.

Performance Analysis

*2008 compared to 2007*

*Net Income*

For the year ended April 30, 2008, the Company had a net loss of \$1,627,720 (\$0.02 per share) as compared to income of \$657,844 (\$0.01 per share) in 2007. The decrease in income is the result of the recognition of a future income tax liability of \$1,644,541.

*Total Assets*

Total assets as at April 30, 2008 were \$33,360,335 compared to \$22,986,949 in the prior year. This increase is primarily due to capitalized exploration expenses totalling \$10,900,475 (2007 - \$2,724,570). Property and equipment also increased by \$1,169,537 as a result of capitalized costs relating to the Mill refurbishment.

*Working Capital*

Working capital decreased from \$7,951,029 in 2007 to \$3,981,220 in 2008. This decline is mainly due to an increase of \$2,039,728 in accounts payable and accrued liabilities as at April 30, 2008. Cash also decreased by \$2,344,549 as funds were spent on the Company's exploration programs.

Expenditure Analysis

*Exploration Expenditures*

During the year ended April 30, 2008 the Company incurred \$10,900,475 of deferred exploration expenses compared to \$2,724,570 in the prior year.

The details of the deferred exploration expenditures are as follows:

	Greater Waddy Lake	Churchill River	Bingo	Greywacke	Decade	RKN	Birch Crossing	Total
Assays and Analysis	\$ 138,284	\$ -	\$ 54,898	\$ 2,874	\$ 35,755	\$ 18,668	\$ 26,770	\$ 277,249
Consulting	301,703	-	76,693	43,384	-	337	-	422,117
Geological	4,849	-	-	-	300	-	-	5,149
Drilling contractor	326,829	-	365,216	224,020	216,322	362,249	139,489	1,634,125
Heavy equipment contractor	253,594	-	300,980	5,549	-	-	-	560,123
Wages & Benefits	452,235	3,383	256,824	17,620	11,914	26,232	14,011	782,219
Travel, camps & accommodations	132,020	330	68,081	19,834	16,820	3,499	-	240,584
Supplies	175,549	-	75,838	13,792	38,800	954	-	304,933
Underground development	-	-	6,635,945	-	-	-	-	6,635,945
Other	55,177	30	18,352	5,941	1,232	2,299	-	83,031
Recoveries	(45,000)	-	-	-	-	-	-	(45,000)
	\$ 1,795,240	\$ 3,743	\$7,852,827	\$333,014	\$321,143	\$414,238	\$180,270	\$10,900,475
Balance, April 30, 2007	\$ 8,369,816	\$536,216	\$ 828,177	\$ 2,658	\$ -	\$ -	\$ -	\$ 9,736,867
Balance, April 30, 2008	\$10,165,056	\$539,959	\$8,681,004	\$335,672	\$321,143	\$414,238	\$180,270	\$20,637,342

*Administrative Expenses*

Operating costs were \$3,407,230 compared to \$1,155,844 in the prior year.

The details of administrative expenses are as follows:

	2008	2007
Wages and benefits	\$907,737	\$ 183,749
Consulting	818,036	176,188
Stock compensation	332,162	89,312
Investor communications	311,721	147,421
Amortization	193,216	79,743
Office expenses	170,949	57,940
Professional fees	154,496	174,227
Other costs	107,555	35,914
Property taxes	88,831	-
Travel and accommodation	77,150	52,597
Premises rent	68,363	34,268
Filing fees	50,649	14,217
Insurance	43,968	45,892
Surface lease	38,516	38,486
Telephone and utilities	28,192	17,569
Bank interest	9,805	6,003
Environmental analyses	5,884	2,318
	<b>\$ 3,407,230</b>	<b>\$ 1,155,844</b>

**Highlights**

- Wages and benefits increased by \$723,988 as a result of the addition of ten full time employees throughout the year as well as an increase in our requirements for seasonal labour.
- Consulting fees were \$818,036 compared to \$176,188 in 2007. Higher fees are the result of several environmental studies undertaken in order to proceed with our permitting process, including an Environmental Impact Statement. Other costs were incurred in order to proceed with the refurbishment of the Jolu Mill.
- Stock compensation was \$332,162 a \$242,850 increase over the prior year. In 2008 3,227,500 stock options were issued to employees, consultants and directors, resulting in a higher compensation expense.
- Investor communications expense increased by \$164,300 over the prior year. During the year, the Company hired Motivia Communications to provide investor relations services, resulting in a more focused effort on advertising and promotional activities.
- Amortization was \$193,216 compared to \$79,743 in the prior year. This increase is the result of the addition of \$407,957 to the Company's depreciable asset base.
- The increase in office expenses of \$113,009 is due to the increased number of staff as well as an increase in repairs and maintenance and computer expenses.
- Other costs have increased mainly as a result of additional advertising and employee recruitment efforts as well as an increase in training and professional fees for new employees.

Selected Quarterly Information

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.

Fiscal Year 2008	4 <sup>th</sup> Quarter April 30, 2008	3 <sup>rd</sup> Quarter January 31, 2008	2 <sup>nd</sup> Quarter October 31, 2007	1 <sup>st</sup> Quarter July 31, 2007
Revenue (Interest)	\$ 98,252	\$ 72,572	\$ 65,077	\$ 79,255
Net Income (Loss)	(846,590)	(235,664)	(144,855)	(400,611)
Income (Loss) per Share <sup>(1)</sup>	(0.01)	(0.002)	(0.001)	(0.004)
Capitalized Exploration Expenditures	20,637,342	14,790,438	11,674,455	10,561,514
Total Assets	\$33,360,335	\$ 33,003,361	\$23,512,233	\$22,968,004
Fiscal Year 2007	4 <sup>th</sup> Quarter April 30, 2007	3 <sup>rd</sup> Quarter January 31, 2007	2 <sup>nd</sup> Quarter October 31, 2006	1 <sup>st</sup> Quarter July 31, 2006
Revenue (Interest)	\$ 114,541	\$ 60,244	\$ 57,350	\$ 64,490
Net Income (Loss)	120,652	1,047,415	(255,932)	(254,291)
Income (Loss) per Share <sup>(1)</sup>	0.001	0.011	(0.003)	(0.003)
Capitalized Exploration Expenditures	9,736,867	8,743,739	8,398,621	7,399,417
Total Assets	\$22,986,949	\$23,022,652	\$18,556,177	\$18,550,930
Fiscal Year 2006	4 <sup>th</sup> Quarter April 30, 2006	3 <sup>rd</sup> Quarter January 31, 2006	2 <sup>nd</sup> Quarter October 31, 2005	1 <sup>st</sup> Quarter July 31, 2005
Revenue (Interest)	\$ 27,812	\$ 7,775	\$ 5,637	\$ 6,950
Net Income (Loss)	(108,879)	(72,982)	(163,596)	(74,536)
Loss per Share <sup>(1)</sup>	(0.008)	(0.001)	(0.01)	(\$0.001)
Capitalized Exploration Expenditures	9,606,423	8,917,615	6,574,988	5,560,413
Total Assets	\$15,752,129	\$ 11,283,180	\$ 7,354,424	\$ 10,716,356

(1) All per share amounts are calculated on a weighted average, basic and fully diluted basis.

**Highlights**

For the three months ended April 30, 2008, the Company had a net loss of \$846,590 (\$0.01 per share) as compared to net income of \$120,652 (\$0.001 per share) in the same quarter of 2007. This decrease in income is due to an increase in operating expenses of \$1,159,003 compared to 2007.

This increase of is explained below:

- Wages were \$331,000 higher due to an increase in the number of employees.
- Consulting increased by \$227,000 as a result of permitting requirements and planning requirements for the Jolu Mill.
- Stock compensation expense increased \$354,051 compared to prior year as a result of 1,197,500 options granted in the fourth quarter of fiscal 2008.

- Investor communications expenses were \$74,000 higher than 2007 due to increased efforts in advertising and investment promotional activities

### Cash and Liquidity

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 interest on its cash and cash equivalents and therefore relies on equity funding for its continuing financial liquidity.

Equity financings to raise additional working capital do not occur at regular intervals. With all of the Company's operations currently being exploration-related, the bulk of the expenditures are made during the winter and summer field seasons (November to April and June to September, respectively). As such, there may be considerable overlap between fiscal periods 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.

### *Cash from Operations*

Cash flows from operations were (\$937,916) in 2008 compared to (\$571,001) in 2007. At April 30, 2008, Golden Band had current assets of \$6,113,271 including \$5,497,317 in cash and cash equivalents. This compares to current assets of \$8,046,352, including \$7,841,866 in cash and cash equivalents in 2007.

Working capital at April 30, 2008 was \$3,981,220 as compared to \$7,954,029 at April 30, 2007.

Accounts payable and accrued liabilities at April 30, 2008 were \$2,132,051 as compared to \$92,323 at April 30, 2007. The increase is a result of accrued vacation and payroll liabilities related to a larger number of employees in 2008. The Company also had several costs related to the Greywacke Joint Venture winter exploration programs that continued into the spring and remained payable as at April 30, 2008.

### *Financing*

On September 28, 2007 the Company closed a non-brokered private placement for \$1,512,500. The financing totalled 2,750,000 units ("Units") at a price of \$0.55 per Unit. Each Unit consists of one flow-through common share and one non-flow through warrant ("Warrant"). A finder's fee was paid to an arms-length party involved in the private placement. The fee consisted of \$90,750 and compensation warrants entitling the purchase of 220,000 Units.

On December 24, 2007 the Company finalized a private placement for 20,000,000 flow-through shares at \$0.50 per share, raising gross proceeds of \$10,000,000. Finder's fees totalling \$565,950 were paid to arms-length parties involved in the private placement. The proceeds are being used to fund exploration work on the Company's La Ronge gold belt projects.

### *Investing*

Capital purchases totalled \$1,362,753 compared to \$167,840 in the prior year. The majority of capital expenditures pertain to the refurbishment of Jolu Mill.

Exploration expenditures totalling \$10,900,475 for the year ended April 30, 2008 (2007 - \$2,724,570). See summary of deferred exploration expenditures for further detail.

*Future Requirements*

The Company has sufficient funds to meet its operating needs and financial obligations for exploration programs currently in progress. Additional funding will be required for new exploration work and for working capital. Capital requirements totalling \$28.7 million for project development, mill refurbishment and expansion were identified in the Company's Preliminary Economic Assessment for the La Ronge Gold Project.

All of the Company's mineral dispositions are currently in good standing for a minimum of one year. Golden Band has annual assessment work commitments of \$1,291,429 and currently has excess assessment credits of \$11,124,349.

As of April 30, 2008, the Company has spent \$13,253,333 on Flow Through expenditures and has future commitments of \$2,258,941. This compares to approximately \$2,993,000 in commitments at April 30, 2007.

In 2008, the Company entered into various operating lease agreements for office space, storage facilities and office equipment. The future lease payments are as follows:

2009	\$84,187
2010	49,161
2011	21,553
2012	3,036
2013	2,277

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.

*Share Capital*

At the end of the fiscal year Golden Band's share capital was 121,644,464 issued and outstanding and 139,620,909 fully diluted. There were two private placement financings completed, resulting in the issuance of 22,750,000 shares for total gross proceeds of \$11,512,500. In 2008, 175,000 options were exercised for proceeds of \$47,500 compared to 1,225,000 options for \$310,015 in 2007. No warrants were exercised in the current year as compared to 1,393,603 warrants exercised for \$491,633 in 2007.

For the year ended April 30, 2008, Golden Band's average trading price was \$0.45 per share (range \$0.28-0.59) on a total volume of 38,106,000 shares (the volume-weighted average price per share is \$0.45). This compares to \$0.47 per share (range \$0.35 – 0.66), on a total volume of 36,260,500 shares for the preceding year.

*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 April 30, 2008:

Issued and outstanding	121,644,464
Warrants	10,723,945
Options	<u>7,252,500</u>
Fully Diluted	<u>139,620,909</u>

At April 30, 2008 and, for comparison, April 30, 2007, the Company's issued share capital was as follows:

	2008		2007	
	Number of Shares	Amount	Number of Shares	Amount
Balance, beginning of year	98,319,464	\$ 26,043,955	79,174,208	\$19,456,321
Issued for property (Note 7)	400,000	224,000	400,000	160,000
Private placement	2,750,000	1,512,500	5,000,000	2,250,000
Private placement	20,000,000	10,000,000	1,111,100	499,995
Private placement			9,890,553	4,700,735
Agents fee			25,000	11,250
Exercise of options	175,000	47,500	1,225,000	310,015
Exercise of warrants			1,393,603	491,633
Exercise of agents' warrants			100,000	26,000
Contributed surplus (Note 3 (j))		32,450		155,835
Share issue costs		(690,950)		(497,914)
Flow-through shares		(3,108,375)		(1,591,915)
Balance, end of year	121,644,464	\$34,061,080	98,319,464	\$26,043,955

*Warrants*

At April 30, 2008, a total of 10,723,945 share purchase warrants enabling their holders to acquire common shares were outstanding, on the following terms:

Number of Warrants	Exercise Price	Expiry date
5,000,000	\$0.65	May 18, 2008
364,000	0.53	May 18, 2008
1,111,100	0.65	May 18, 2008
500,000	0.55	August 29, 2008
778,845	0.65	December 22, 2008
220,000	0.55	September 28, 2008
2,750,000	0.65	September 28, 2009
10,723,945	\$0.64	

### Options

A total of 8,000,000 options are available under the Company's stock option plan. This is 7% of the issued shares (TSXV Policy 4.4 allows up to 20%). At April 30, 2008, the Company had reserved a total of 7,252,500 common shares (6% of the issued shares) related to director, employee, and consultant options as follows:

	2008		2007	
	Number of Shares	Weighted Average Exercise Price	Number of Shares	Weighted Average Exercise Price
Outstanding, beginning of year	4,275,000	\$0.32	4,600,000	\$0.28
Granted	3,227,500	\$0.46	1,225,000	0.41
Expired	(75,000)	\$0.40	(225,000)	0.38
Exercised	(175,000)	\$0.27	(1,325,000)	0.26
Outstanding, end of year	7,252,500	\$0.38	4,275,000	\$0.32

### Accounting Policies and Estimates

Golden Band Resources' financial statements are prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). The accounting policies are for the purposes of Canadian GAAP are described in Note 2 to the financial statements.

Management considers the following policies to be the most critical in understanding the judgments that are involved in preparing the Company's financial statements and the uncertainties that could impact its results of operations, financial condition and cash flows.

#### *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.

#### *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.

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.

#### *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)).

#### *Stock Option Plan*

The Company has a stock option plan that is described in Note 10 of the consolidated financial statements.

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.

#### *New Accounting Policies*

Refer to Note 4 of the consolidated financial statements for information regarding the adoption of new accounting policies effective in 2008 and those that will become effective in future years.

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

Golden Band has fifteen full-time employees, including four officers. The President and CEO, Rodney Orr, will receive total annual pre-tax compensation for 2008 at a rate of \$200,000 annually and 125,000 options. Gary Haywood, VP of Operations and COO, Gary Leland, VP of Finance and Administration and CEO, and Frank Hrdy, VP of Exploration, will each receive total annual pre-tax compensation for 2008 of \$183,600 and 70,000, 50,000, and 70,000 options respectively.

Two members of the Board of Directors 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 year ended April 30, 2008, Klaus Lehnert-Thiel, Director, received \$10,396 for corporate management and exploration-related services billed through Nordland Exploration Ltd. and Ronald Netolitzky, Director and Chairman of the Board, received \$44,373 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.

#### Internal Controls and Procedures

The Company evaluated the design of its internal controls and procedures over financial reporting as defined under the Multilateral Instrument 52-109 for the fiscal period ended April 30, 2008.

The Company identified certain material weaknesses and the need for improvement of policies, controls and procedures in areas such as segregation of duties, taxation and awareness of the accounting implication of certain transactions and decisions. These weaknesses and their related risks are not uncommon in a company the size of Golden Band Resources Inc., because of limitations of size and number of staff.

Management is taking steps to further analyze areas of weakness, improve controls and reduce risks by taking active steps to design and implement procedures, including written documentation of these procedures and where appropriate retaining external independent advice on certain key accounting, taxation and legal issues, as the Company does not presently have internal personnel with all of the technical accounting or legal knowledge to address the more complex issues. While these measures may reduce the likelihood of a material misstatement or untimely disclosure in financial reporting there is no assurance that a material misstatement will not occur.

#### Subsequent Events

On June 24, 2008, the Company reported it was advised by Fisheries and Oceans Canada (DFO) on June 20, 2008 that because fish now occur within the Mallard Tailings Management Facility (TMF), the Company's Jolu Central Mill Gold Project requires a federal environmental screening under the *Canadian Environmental Assessment Act* (CEAA), to be followed by a Schedule 2 listing under the *Metal Mining Effluent Regulations* (MMER). While this listing process will delay the use of the TMF for tailings storage, Golden Band is developing alternative plans to using the TMF during the federal review period that will still allow the Company to continue with development of the project while it proceeds to comply with these federal requirements.

On June 26, 2008, the Company reported the final results of its 2008 winter drilling program on the Company's 100%-owned 6/6 Target anomaly. This included the discovery of this new gold zone, named the "RKN Zone". The occurrence of coarse, high-grade gold in drillhole RKN-06-08 and the existence of a 34.40 metre wide quartz vein zone hosting local visible gold in drillhole RKN-08-08 (which is a step-out hole from RKN-06-08) indicate that significant gold mineralization exists in this area, the extent and potential of which will be followed up on a priority basis. Accessibility during summer in what is largely a swampy area will be somewhat limited.

#### **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. Until the Company generates revenue, funding requirements are expected to be satisfied through the sale of equity, debt securities or other investments 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. Funds raised during the 2008 fiscal year (May 1, 2007 to April 30, 2008) will be used to continue exploration on the Company's properties and on general corporate purposes.

### ***2009 Future Exploration and Pre-Development Activities***

Golden Band's short term plan is to advance development of three gold deposits, Bingo, Komis and EP, to enable processing of the ore at the re-commissioned Jolu mill and Tailings Management Facility.

Under existing provincial permits for the Jolu mill, the company is able to proceed with refurbishment of the mill infrastructure. A portion of this work including access road upgrade, heating systems and overhead crane certification, is expected to be completed in 2008 in readiness for full refurbishment to commence in March 2009. All pre-development work associated with the mining of the Bingo, Komis and EP deposits will require approvals upon completion of the Environmental Impact assessment. Pre-production development is not expected to commence until the spring of 2009, once the permits and licenses are approved for the construction of the new mines and an Above Ground Tailings Management Facility at the Jolu site. Dependent upon the Company receiving timely approvals, the earliest expected gold production date is late 2009.

Golden Band's long term production plan is to produce 70,000 oz of gold on an annual basis at a cash cost of \$429/oz. The Company will assess the viability of an additional Jolu mill expansion capacity to 1,000 tpd to maximise throughput. It is the Company's intention to focus gold exploration at the Bingo deposit and near-mill targets such as the Decade and Jolu deposits, to ensure that high grade ore feed for the mill is available in the long term.

### ***Industry Trends***

Overall trends (World Gold Council – Gold Demand Trends May 2008)

A strong rise in the price of gold to previously uncharted territory, coupled with high volatility, heralded a decline in demand for gold in tonnage terms during the first quarter of 2008. At 701.3 tonnes, total identifiable demand was 16% below year earlier levels. Jewellery demand accounted for 445.4 tonnes of this, representing a 21% decline over Q1 2007. Identifiable investment demand came in at 145.6 tonnes, a marginal 1% decline year-on year, although this figure masks a more interesting picture when looking at a breakdown of the components of investment spending.

Gold Supply and Demand – Q1 2008

With financial markets still reeling from the global credit squeeze and growing inflationary pressures dollar demand for gold reached US \$20.9bn in the first quarter of 2008, a 20% increase over the same period in 2007 and more than double the level of four years earlier. However, tonnage demand for gold at 701 tonnes was down 16% on the same period last year and represents the lowest quarterly figure for five years, according to according to Gold Demand

Trends, released on May 20 by World Gold Council (WGC).

Table 2: Identifiable gold demand<sup>1</sup> (\$m)

	2006	2007	% ch 2007 vs 2006	Q1'06	Q1'07	Q2'07	Q3'07	Q4'07	Q1'08 <sup>2</sup>	% ch Q1'08 vs Q1'07
<b>Jewellery consumption</b>	44,495	53,541	20	8,747	11,843	14,244	13,190	14,264	13,244	12
<b>Industrial &amp; dental</b>	8,929	10,296	15	1,995	2,428	2,531	2,550	2,787	3,279	35
Electronics	5,985	6,939	16	1,337	1,619	1,703	1,724	1,892	2,228	38
Other Industrial	1,765	2,067	17	385	499	515	516	537	632	27
Dentistry	1,179	1,290	9	273	309	313	311	358	418	35
<b>Identifiable Investment</b>	12,761	14,637	15	3,602	3,081	2,673	5,349	3,534	4,330	41
<b>Net retail investment</b>	7,818	8,859	13	1,591	2,321	2,728	2,299	1,511	2,161	-7
Bar Hoarding	4,591	5,153	12	818	1,392	1,709	1,303	749	1,072	-23
Official Coin	2,505	3,020	21	596	788	829	836	567	824	5
Medals/Imitation Coin	1,158	1,586	37	212	426	549	400	212	289	-32
Other identified retail invest. <sup>3</sup>	-435	-900	...	-36	-285	-359	-240	-17	-24	...
<b>ETFs &amp; similar products</b> <sup>4</sup>	4,943	5,778	17	2,011	760	-55	3,050	2,023	2,169	185
<b>Total identifiable demand</b>	66,184	78,475	19	14,344	17,352	19,448	21,089	20,585	20,852	20

Source: WGC calculations based on data from GFMS Ltd. 1. Identifiable end-use consumption excluding central banks. This table was formerly called "End-use gold demand". 2. Provisional. 3. "Other retail" excludes bar and primary coin offtake; it represents mainly activity in North America and Western Europe. 4. Exchange Traded Funds and similar products including: LyxOR Gold Bullion Securities, Gold Bullion Securities (Australia), streetTRACKS Gold Shares, NewGold Gold Debentures, iShares Comex Gold Trust, ZKB Gold ETF, GOLDIST, ETF Securities, XETRA-GOLD, Central Fund of Canada and Central Gold Trust.

Citigroup analysts declared that "an extremely hospitable macro environment" exists for gold "and believe the ongoing investment-driven demand phase will continue for gold, particularly as the broader investor base is not yet fully involved." The analysts identified several key factors to watch in gold commodity data and the company reporting cycle including:

- 1) The pace of scrap selling in response to the gold rally, which should continue in the 1,000 tpy range;
- 2) Eastern physical investment in coins/bars versus Western investment in electronic/paper gold;
- 3) Central Bank selling, which is running close to the 500 tpy CBGA II quota and has been somewhat marginalized as a price driver;
- 4) Mining company de-hedging, with the two remaining major hedge book owners possibly taking action; and
- 5) A wave of new mining taxes, royalties, asset expropriations, and project delays related to 'competing claims for cash flow.'

Citigroup's analysis suggested that central bank sales are likely to undershoot quotas in 2008 and 2009. "We believe the likelihood of IMF sales are low," Hill and Wark said.

The analysts said they expect gold company de-hedging to continue, "particularly from the two major companies that hold over half the remaining contracts. We would not be surprised if significant new de-hedging was revealed during the 4Q reporting cycle. Yet, the pace of de-hedging is likely to slow given smaller aggregate positions. This will modestly increase available physical supply.' They noted that de-hedging has routed 300 to 400 tpy gold from gold mines, back into central bank vaults. "This is good for the gold price, but is reaching natural limits." Citigroup estimated that principal gold ETF holdings are at record levels of 845 tonnes, worth over \$25 billion.

## **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 in many instances 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.

### ***Financing***

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.

### ***Commodity Price***

The price of gold can fluctuate widely and can be affected by many external factors beyond the control of the Company. Some of these factors include, demand, inflation, fluctuations in various currencies, interest rates, forward gold sales, political or economic events in producing regions, and fluctuations in the cost of production. If the price of gold decreases significantly, the decision to commence production of gold could be delayed if it was no longer considered to be economically feasible.

### ***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. As a result, some of which may be with large established mining companies with substantially greater financial and technical resources, 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 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 British Columbia, 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.

### **CAUTION REGARDING FORWARD-LOOKING INFORMATION**

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'S RESPONSIBILITY FOR FINANCIAL STATEMENTS**

The information provided in this report 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: "Rodney G. Orr."  
President and CEO

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## 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.

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## 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.

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## CORPORATE DIRECTORY

### Directors

Stuart Diamond <sup>1</sup>, *Philadelphia, PA*  
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, Occupational Health & Safety Committee

<sup>2</sup> Governance Committee (Chair), Occupational Health & Safety Committee, Audit Committee, Compensation Committee,

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

<sup>4</sup> Governance Committee

<sup>5</sup> Governance Committee.

<sup>6</sup> Occupational Health & Safety Committee, Compensation Committee.

### Share Capital (as of April 30, 2008):

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

Issued and Outstanding: 121,644,464

Fully Diluted: 139,620,909

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 (100%)

### Golden Band Resources Inc.

Address: 100, 701 Cynthia Street  
Saskatoon, SK, Canada S7L 6B7

Telephone: 306.955.0787

Fax: 306.955.0788

Contact: Rodney Orr, President & CEO

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

Email: [rodney.orr@goldenbandresources.com](mailto:rodney.orr@goldenbandresources.com)

### Officers

Rodney G. Orr, P.Geo.  
*President and CEO*

Gary Haywood, P.Eng.  
*VP Operations, COO*

Frank Hrdy, P.Geo.  
*VP Exploration*

Gary Leland, CA  
*VP Finance and Administration, CFO*  
*Corporate Secretary*

### Advisors and Agents:

#### Auditor: Twigg & Company

Address: 650, 333 - 25th 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: Motivia Communications Inc.

Address: 720 Duchess Street  
Saskatoon, SK, Canada S7K 0R3  
Telephone: 1.866.501.5651 or 306.242.0694  
Fax: 1.877.651.4305  
Email: [info@motiviacomunications.com](mailto:info@motiviacomunications.com)