

CEO'S CLOSING REMARKS FROM 2008 AGM

Saskatoon, October 27, 2008

As we look toward 2009 and beyond, everything that we have accomplished in 2008 puts us into very good position to be able to deliver on our strategy and objectives.

The \$3 million exploration and resource expansion project that is currently underway is well on its way to achieving its objectives. Other results we expect in the coming weeks is the updated Bingo resource estimate based on the underground program; to be followed as soon as possible by the addition of data from the current program. The pre-feasibility study is also expected in November and will provide us with an important updated and improved engineering and economic report.

The company sees ample evidence for a strong gold price in the future, and intends to minimize further dilution until permits and the pre-feasibility report are in hand. The Company's objective is to finance the majority of development expenditures through debt facilities. Although these can be negotiated in advance, the majority of funds would not be available to the company until all permits are in hand.

Again, I can't stress enough the interest, support, and cooperation we are getting from the Lac La Ronge Indian Band (LLRIB) and the province. Our timeline for permitting looks very good to have the provincial approvals next spring; and assuming that the financial markets allow us to complete the major project financing we should remain on track to see gold production by the end of 2009.

Given our continued focus and ongoing exploration and development-related work, and sticking to our target of starting production next year, what are the larger fundamentals that tell us we remain on the right path? To put this into the most basic of questions, does Golden Band have a product for which there is a market? And this applies not only to any gold that we will produce, but also to us as a company that can continue to grow even in the current financial markets.

As a junior public exploration company and how that overall sector has performed it does beg the question; given how not only our SP has dropped about 50 per cent but also in the context of the overall market that's seen the Toronto Stock Venture Exchange (TSXV) index off 77 per cent since the 2007 high. Even Barrick is off around 40 per cent, while the Toronto Stock Exchange (TSX) Gold Index is off 61 per cent and the Financial Times Stock Exchange (FTSE) All Gold Mines Index is down 32 per cent for the year and negative 56.5 per cent for the quarter. An analysis we use in-house of seven peers and the TSXV Index as a proxy for the overall market shows Golden Band has the second best performance in the past three very volatile months, with a drop of 39 per cent within a range between negative 38 per cent and negative 92 per cent for the companies and the TSXV index off by 62 per cent. In fact, on a relative basis, our share price performance has been above that of Barrick since mid-to-late September.

In any event, a junior really cannot be evaluated without resources; and as we've seen in our earlier presentation, while we continue to increase our resources and prospects, we are basically seeing nothing in our current share price for our known gold resources. If we assign just US\$35/ounce (oz), around five per cent of the current price of gold (PoG) (US\$735), to our all resources at the current exchange rate (\$0.79), we estimate our share price should be around \$0.60 on a fully diluted Net Asset Value basis.

In the big picture, is gold still the place for us to be; is there a market for it when we achieve production? In terms of supply and demand, the four top producers—Barrick, Newmont, AngloGold and Gold Corp—together mine around 25 per cent of the annual mine supply. Combined, however, they will produce 4.5 million ounces less in 2008, which is an 18 per cent decrease. Total supply in 2007 from all sources was down by 16 million ounces from two years earlier. Newly discovered resources to replenish even these reduced mining levels are decreasing; there are 75 per cent less 3 million ounce gold discoveries now than in the 1990's. On average only one 5 million ounce deposit is found each year and such a discovery can cost \$4 billion to find and develop.

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So, all of this indicates that the senior producers are increasingly going to be unable to provide the same levels on the supply-side. Even for the new mines they do want to bring on-stream, a large mine can cost over \$1 billion to develop and construct, plus years to permit. And Newmont says their new mine capex inflation is 15 per cent to 25 per cent per year. Even a new small mine can cost over \$100 million and with no real gains in the time it can take to permit. So supply appears to be constrained, at least in the foreseeable future.

On the demand side, the increase in the PoG has seen jewellery take 800 tonnes less since 2000; but the investment demand has grown by nearly 500 tonnes since 2000 and investment demand should be less price-sensitive than any other demand types.

With respect to the PoG, the drop of 23 per cent since April is largely a function of the US dollar rally of around 20 per cent. When this panic dollar buying and the flight to US Treasuries reverse itself, so should the panic gold selling. With inflation, short-term T-Bills have a 3 per cent loss in real purchasing power annually. There are no positive fundamentals to see a US dollar bull run. Everything gold related is at such a discount relative to its fundamentals, including supply. Once money managers start looking for good returns again so they can report better 2008 numbers, the price should increase with further investment demand.

So, we believe we are very well-positioned as a junior gold company in 2009 and beyond; both because of the demonstrable exploration results we are expecting and especially because our anticipated production—especially at higher gold prices—should also drive up our share price. On top of that are the relationships I spoke of earlier, and most importantly, our dedicated and hard-working staff.

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