

GOLDEN BAND RESOURCES INC.

AUDITED FINANCIAL STATEMENTS

April 30, 2002 & 2001



AUDITORS' REPORT

To the Shareholders of
Golden Band Resources Inc.

We have audited the balance sheet of Golden Band Resources Inc. as at April 30, 2002 and 2001, and the statements of income and deficit, and cash flows 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, 2002 and 2001, and the results of its operations and cash flows for the years then ended in accordance with Canadian generally accepted accounting principles. As required by the British Columbia Company Act, we report that, in our opinion, these principles have been applied on a consistent basis.

Vancouver, B.C.

August 2, 2002

"Morgan & Company"

Chartered Accountants

GOLDEN BAND RESOURCES INC.

BALANCE SHEET

as at APRIL 30, 2002 and 2001

	2002	2001
ASSETS		
CURRENT		
Cash and short term deposits	\$ 24,176	\$ 5,165
Accounts receivable	13,728	2,193
Prepaid expenses	6,000	2,000
	43,904	9,358
MINERAL PROPERTIES (Note 3)	1,293,298	1,127,983
	\$1,337,202	\$1,137,341
LIABILITIES		
CURRENT		
Accounts payable	\$ 59,644	\$ 40,048
CONVERTIBLE DEBENTURE (Note 4)	125,000	-
SHAREHOLDERS' EQUITY		
SHARE CAPITAL (Note 5)	5,105,491	4,987,712
DEFICIT	(3,952,933)	(3,890,419)
	1,152,558	1,097,293
	\$1,337,202	\$1,137,341

APPROVED BY THE DIRECTORS:

"Ron F. Nichols" (signed)

Director

"Robert A. Evans" (signed)

Director

GOLDEN BAND RESOURCES INC.
STATEMENT OF INCOME AND DEFICIT
For the Years Ended April 30, 2002 and 2001

	2002	2001
REVENUE		
Interest	\$ 271	\$ 492
EXPENSES		
Professional fees	26,256	20,903
Offices facilities and services	17,871	26,419
Transfer agent	4,790	4,154
Regulatory fees	5,605	3,195
Promotion and shareholder information	3,888	1,876
Interest expense	4,375	-
	\$ 62,785	\$ 56,547
LOSS FOR THE YEAR	62,514	56,055
DEFICIT, BEGINNING OF YEAR	3,890,419	3,834,364
DEFICIT, END OF YEAR	\$3,952,933	\$3,890,419
BASIC LOSS PER SHARE	\$0.01	\$ -

GOLDEN BAND RESOURCES INC.
STATEMENT OF CASH FLOWS
For the Years Ended April 30, 2002 and 2001

	2002	2001
OPERATING ACTIVITIES		
Loss for the Year	\$ (62,514)	\$ (56,055)
Change in non-cash working capital items:		
Accounts receivable	(11,535)	(1,011)
Prepaid expenses	(4,000)	7,000
Accounts payable	19,596	29,490
Cash used by operating activities	(58,453)	(20,576)
FINANCING ACTIVITIES		
Issuance of convertible debenture	125,000	-
Issuance of share capital	117,779	-
Cash provided by financing activities	242,779	-
INVESTING ACTIVITIES		
Mineral property expenditures	(165,315)	-
Cash used by investing activities	(165,315)	-
INCREASE (DECREASE) IN CASH	19,011	(20,576)
CASH, BEGINNING OF YEAR	5,165	25,741
CASH, END OF YEAR	\$ 24,176	\$ 5,165

1. NATURE OF OPERATIONS

The Company is in the process of exploring and developing its mineral properties, but on the basis of information to date, has not yet determined whether these properties contain ore reserves which are economically recoverable. The underlying value of the mineral properties and related deferred costs is dependent on the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete development, and upon future profitable production.

2. ACCOUNTING POLICIES

a) Mineral Properties

The Company capitalizes the cost of acquiring mineral properties and all direct exploration expenditures. As such time as the Company loses or abandons title to its property interest the accumulated mineral property and deferred costs are written off. Once a property reaches commercial production, mineral property and deferred costs will be amortized against related production revenues.

b) Joint Ventures

Some of the Company's exploration activities are conducted jointly with others. These financial statements reflect only the Company's proportionate interest in such activities.

c) Loss per Share

Loss per share has been calculated based upon the weighted average shares outstanding. Fully diluted loss per share has not been presented because it is anti-dilutive.

d) Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimate as additional information becomes available in the future.

e) Stock Based Compensation

Employee and director stock options granted by the Company (as described in Note 5 (c)) are not recognized in the accounts until exercised, and then are recorded only as a credit to share capital to the extent of the exercise price. No remuneration expense is recorded by the Company on the excess, if any, of the trading price of the stock over its exercise price.

3. MINERAL PROPERTIES

As at April 30, 2002, accumulated costs in respect of the Company's interest in mineral claims owned, leased or under option consisted of the following:

	Balance April 30, 2001		Additions		Balance April 30, 2002	
	Acquisition	Exploration	Acquisition	Exploration	Acquisition	Exploration
Iskut River, BC (a)	\$ -	\$ 1	\$ -	\$ -	\$ -	\$ 1
Contact Lake JV, SK (b)	1,735	50,760	-	-	1,735	50,760
Byers Belt, SK	130,540	944,947	-	83,701	130,540	1,028,648
La Ronge Project, SK (c)	-	-	81,615	-	81,615	-
	<u>\$ 132,275</u>	<u>\$ 995,708</u>	<u>\$ 81,615</u>	<u>\$ 83,701</u>	<u>\$ 213,890</u>	<u>\$ 1,079,409</u>

- (a) The Company has a 33 1/3% interest in ten claims situated in the Liard Mining Division, B.C. The exploration costs on these claims were written off in prior years.
- (b) The claims in the Contact Lake area, Saskatchewan were obtained by staking. The Company is exploring the property in a 50/50 joint venture with another company.
- (c) The Company has agreed to acquire, subject to regulatory (received) and shareholder approval, approximately 37,000 hectares in the La Ronge area of Saskatchewan. The Company will issue 16,268,227 shares and 4,066,958 warrants to acquire this land package. The warrants are exercisable into common shares at a price of \$0.15 per share in the first year, \$0.20 per share in the second year and \$0.30 per share in the third year. The recipients have the right to participate in future equity financings to maintain their pro-rata interest.
- (d) The Company has entered into an option agreement with Tyler Resources Inc. to earn 50% of Tyler's interest (a 25.05% interest) in the Weedy Lake project in northern Saskatchewan. Tyler currently owns 50.1% of the project, which is in joint venture with Golden Rule Resources Ltd. and Cameco Corporation. The option agreement is subject to all necessary regulatory acceptances.

The option period is over four (4) years, with a minimum property expenditure of \$100,000 per year for the first three years and a total aggregate expenditure of \$1.5 million by December 31, 2005. Upon completion of the option terms, Tyler may convert its remaining 25.05% interest to a 0.5% NSR royalty (with the 25.05% interest being acquired by the Company) or continue to participate in the joint venture.

4. CONVERTIBLE DEBENTURE

In October 2001, Viceroy Resource Corporation subscribed for a two year \$125,000 convertible debenture in the Company. The debenture is convertible into units as follows: if converted in the first year, it would be at \$0.10 per share with a one year warrant to purchase an additional share at \$0.15 per share; if converted in the second year, it would be at \$0.15 per share with a one year warrant to purchase an additional share at \$0.20 per share. The debenture will earn interest at 6% and will be secured by a 40% interest in the mineral properties that encompass the Company's Memorial occurrence in Saskatchewan. If the debenture is not converted by the end of its term, the Company must either pay back the principal and accumulated interest or allow the debenture holder to enforce its collateral.

5. SHARE CAPITAL

(a) Authorized

100,000,000 common shares without par value
 100,000,000 Class A preferred shares with a par value of \$10 each
 100,000,000 Class B preferred shares with a par value of \$50 each

(b) Issued

	Number	Amount
Balance - April 30, 2000 and April 30, 2001	11,397,843	\$ 4,987,712
Private placements	1,250,000	117,779
Balance - April 30, 2002	12,647,843	\$ 5,105,491

(c) Director and employee stock options are outstanding providing for the issue of 120,000 shares at \$0.20 per share until June 2003 and 560,000 shares at \$0.26 per share until November 2003.

(d) The Company completed two private placements during the year: 950,000 flow-through units were issued at \$0.10 per unit, each unit consisted of one flow-through share and one non-transferable share purchase warrant exercisable at \$0.15 per share to October 2003; and, 300,000 shares were issued at \$0.10 per share.

6. RELATED PARTY TRANSACTIONS

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

	2002	2001
Office services	\$ 13,500	\$ 24,000
Exploration and acquisition expenditures	35,525	-
Professional fees	24,500	17,950

Accounts payable include \$11,235 (2001 - \$37,452) due to related parties.

7. FINANCIAL INSTRUMENTS

The carrying value of cash and short term deposits, accounts receivables and accounts payables, approximate their fair value because of the short term maturity of these instruments.

8. SUBSEQUENT EVENTS

On May 24, 2002 the Company announced the granting of 580,000 stock options to directors, officers and employees exercisable at \$0.25 per share until May 24, 2007.

In June 2002 the Company completed a private placement of 3,300,000 units at \$0.21 per unit. Each unit consisted of one share and one half of a non-transferable share purchase warrant. Each whole warrant will entitle the holder to purchase one share of the Company at \$0.28 in the first year and \$0.35 in the second year.

In June 2002 the Company announced that it has arranged a flow-through financing of 1,560,000 units at \$0.25 per unit. Each unit consists of one flow-through share and one non-transferable flow-through share purchase warrant. Each warrant will entitle the holder to purchase one share of the Company at \$0.30 for a period of one year.

9. INCOME TAXES

Tax effects of temporary differences that give rise to deferred tax assets at April 30, 2002 and 2001 are as follows:

	2002	2001
Net operating loss carry forwards	\$1,786,501	\$1,756,788
Valuation allowance	(1,786,501)	(1,756,788)
Net deferred tax assets	\$ -	\$ -

GOLDEN BAND RESOURCES INC.

QUARTERLY REPORT – APRIL 30, 2002

1. ANALYSIS OF EXPENSES AND DEFERRED COSTS, YEAR TO DATE

Expenses

See audited financial statements for the year ended April 30, 2002.

Deferred Costs

Also, see audited financial statements for the year ended April 30, 2002 and notes attached thereto.

Byers Belt	
Personnel	\$14,800
Field Costs	6,696
Drilling and Analysis	62,205
	\$83,701

2. RELATED PARTY TRANSACTIONS, YEAR TO DATE

See Note 6 of audited financial statements for the year ended April 30, 2002.

3. SUMMARY OF SECURITIES ISSUED AND OPTIONS GRANTED DURING THE QUARTER

None.

4. SUMMARY OF SECURITIES AS AT END OF REPORTING PERIOD

Authorized Capital

100,000,000 common shares without par value

Number and Recorded Value for Shares Issued and Outstanding

12,647,843 common shares at a recorded value of \$5,105,491.

Outstanding Options

See Note 4 of the audited financial statements for the year ended April 30, 2002.

Outstanding Warrants

See Notes 4 and 5 of the audited financial statements for the year ended April 30, 2002.

Shares in Escrow or Pooling Agreements

None

5. **LIST OF DIRECTORS & OFFICERS**

Directors

Ron F. Nichols, *North Vancouver, BC*
Robert A. Evans, *North Vancouver, BC*
Klaus Lehnert-Thiel, *Saskatoon, Saskatchewan*
Ronald K. Netolitzky, *Victoria, BC*
Roy Lloyd, *Saskatoon, Saskatchewan*

Officers

Ron F. Nichols, President
Robert A. Evans, Secretary/Treasurer

GOLDEN BAND RESOURCES INC.

QUARTERLY REPORT – APRIL 30, 2002

1. DESCRIPTION OF BUSINESS

Golden Band Resources Inc. is in the mineral exploration business.

At its last fiscal year end, April 30, 2001, Golden Band's projects were:

- 1) A long term, systematic gold exploration program in the Waddy Lake area of Saskatchewan. Golden Band has the mineral rights on approximately 10,100 hectares.
- 2) A 33% interest in the Iskut Joint Venture which holds the land surrounding the Snip Mine in British Columbia. The operator is Prime Resources Inc. This property has been written down to a nominal value.

2. DISCUSSION OF OPERATIONS AND FINANCIAL CONDITION

Golden Band's general and administrative costs for the year ended April 30, 2002 were \$62,787. The largest component of this was \$26,256 for professional fees. This includes \$12,500 for the Company president for management and geological fees and \$12,000 to the corporate secretary for accounting and administration fees. Office rent and secretarial assistance was \$17,871. The net loss for the year was \$62,514 or \$0.01 per share. These numbers will increase significantly over the next year if the Company's proposed property acquisition is approved by the shareholders (see below).

President's Report

I am pleased to be able to present a much more optimistic outlook for the Company this year. The negotiations referred to in last year's report, where we outlined a plan to acquire a number of gold resources and increase our exposure to the gold exploration potential in northern Saskatchewan were successful. All that remains is to receive shareholder approval for the acquisitions. It is important for our shareholders to review these matters as set out in the information circular and register your vote. The main technical report is being SEDAR filed for more complete disclosure. The reader is also referred to our website at www.bmts.bc.ca/gbn/. The management of Golden Band has worked diligently for over a year to assemble this attractive land package and strongly recommends the approval of this resolution.

Improved market conditions in the junior sector, especially with respect to gold exploration has permitted the company to complete equity and flow-through financing, which has allowed us to increase our exploration activity level. The announcement of our acquisition proposals were positively received in the market place and assisted our financing efforts.

In addition to the property acquisitions to be voted upon at the annual meeting, research related to the property evaluations identified a number of gold occurrences and targets that were acquired

through staking, which further compliments our existing property portfolio. Subject to approval of the acquisitions, we anticipate a very active winter exploration phase in northern Saskatchewan. Our technical team has been completing the necessary field exploration and data compilation work that is required in order to be able to finalize a plan for drilling a number of high priority targets over the winter. We anticipate that further flow-through financing will be completed to support an active winter drilling campaign which will focus primarily on increasing our resource base.

Changes to our Board, to be voted on in this meeting, will strengthen our company and confirm our commitment to gold exploration in northern Saskatchewan. We continue to hold a significant working interest in the Iskut Joint Venture adjacent to the former producing Snip Mine. The improved exploration climate has revived interest in British Columbia and this will likely lead to renewed interest in the area.

Transactions with Related Parties

The directors of the Company provide services to the Company as follows:

- \$ a company controlled by Robert A. Evans, administrative and accounting fees at \$350 per day.
- \$ Ron F. Nichols, geological fees at \$350 per day.
- \$ Klaus Lehnert-Thiel, geological fees at \$500 per day.

Amounts paid under these arrangements for the year to date are shown in Schedule B.

Golden Band pays office rent to a company related by a common director. This is paid at the rate of \$2,000 per month and includes rental for office space together with administrative personnel. Amounts paid for the year to date are shown on the income statement. The Company was given a rent rebate of \$10,500 in September 2001 as part of its refinancing.

The Company does not have any material contracts or commitments.

The Company does not have any investor relations contracts, Ron Nichols, a director of Golden Band is available to answer shareholder inquiries.

The Company is not involved in any legal proceedings, it has no contingent liabilities, nor does it have any debt obligations. There have been no management changes in the period or special resolutions passed by shareholders. There are no pending regulatory approvals nor is the Company in breach of any corporate or securities laws.

3. SUBSEQUENT EVENTS

See Note 8 to the audited financial statements for the year ended April 30, 2002.

4. FINANCINGS, PRINCIPAL PURPOSES AND MILESTONES

Golden Band does not have any restrictions on the use of its funds as a result of prospectus filings. At April 30, 2002, the Company had \$6,650 of its flow-through financing remaining to be spent.

5. LIQUIDITY AND SOLVENCY

At April 30, 2002, Golden Band had working capital deficiency of \$15,738. \$6,650 is committed to exploration expenditures as a result of the flow-through financing. The Company's general and administrative costs net of its small interest income are currently \$6,000 per month. The Company has no internal source of funding. The future of the Company depends on its ability to fund its existing projects or find an attractive project and then to finance. Raising funds by the sale of shares has been very difficult in the junior mining sector in the last few years. Recently, the funding of Canadian projects has been made easier by changes to the flow through rules however, it is still difficult to raise hard dollars. See the President's Report and subsequent events for details of the Company's proposed major property acquisition and subsequent financings.