



**Interim Consolidated Financial Statements
For the period ended January 31, 2010**

GOLDEN BAND RESOURCES INC.
UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the nine month period ended January 31, 2010

Notice to Reader

Management has prepared the unaudited interim consolidated financial statements for Golden Band Resources Inc. In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited financial statements for the period ended January 31, 2010.

**GOLDEN BAND RESOURCES INC.
CONSOLIDATED BALANCE SHEET**

| | January 31, 2010 (unaudited) | April 30, 2009 (Audited) |
|--------------------------------------------|-----------------------------------------|-------------------------------------|
| ASSETS | | |
| Current | | |
| Cash and cash equivalents | \$ 1,597,304 | \$ 242,250 |
| Accounts receivable | 16,715 | 68,406 |
| Prepaid expenses | 37,042 | 38,120 |
| | \$ 1,651,061 | \$ 348,776 |
| Reclamation bond (Note 8) | 388,056 | 386,159 |
| Property and equipment (Note 5) | 3,061,061 | 2,590,598 |
| Resource property interests (Note 7) | 29,507,353 | 27,545,239 |
| | \$ 34,607,531 | \$ 30,870,772 |
| LIABILITIES | | |
| Current | | |
| Accounts payable and accrued liabilities | \$ 231,658 | \$ 530,049 |
| Future income tax liability (Note 9) | 2,046,100 | 2,628,907 |
| Lease and property tax payable (Note 6) | 276,874 | 276,874 |
| Environmental reclamation payable (Note 8) | 356,330 | 356,330 |
| | \$ 2,910,962 | \$ 3,792,160 |
| SHAREHOLDERS' EQUITY | | |
| Share capital (Note 10) | 40,742,807 | 36,090,123 |
| Contributed surplus | 3,764,226 | 1,726,392 |
| Deficit | (12,810,464) | (10,737,903) |
| | \$ 31,696,569 | \$ 27,078,612 |
| | \$ 34,607,531 | \$ 30,870,772 |
| Going concern (Note 1) | | |
| Commitments (Note 15) | | |
| Subsequent event (Note 16) | | |

See accompanying notes to consolidated financial statements.

Approved by the Board:

Ronald Netolitzky

Director

Robert Ingram

GOLDEN BAND RESOURCES INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS (INCOME)

| | Three Months Ended January 31 | | Nine Months Ended January 31 | |
|---------------------------------------------------|----------------------------------|------------|---------------------------------|--------------|
| | 2010 | 2009 | 2010 | 2009 |
| Administration costs | | | | |
| Wages and benefits | \$ 168,848 | \$ 328,031 | \$ 748,883 | \$ 844,699 |
| Stock compensation (Note 10) | 167,520 | 72,120 | 701,327 | 242,954 |
| Consulting | 111,451 | 183,917 | 305,787 | 447,921 |
| Professional fees | 69,017 | 33,344 | 236,192 | 118,600 |
| Amortization | 38,788 | 45,183 | 132,105 | 138,456 |
| Investor communications | 37,820 | 51,220 | 100,312 | 131,672 |
| Property taxes and leases | 7,067 | 10,829 | 66,250 | 33,958 |
| Insurance | 4,449 | 10,286 | 50,662 | 21,232 |
| Office expenses | 6,694 | 4,485 | 46,488 | 26,752 |
| Travel and accommodation | 18,550 | 14,114 | 55,948 | 48,666 |
| Premises rent | 16,163 | 16,163 | 48,488 | 48,488 |
| Other costs | 8,973 | 8,063 | 36,364 | 36,566 |
| Telephone and utilities | 13,344 | 9,591 | 35,976 | 22,451 |
| Bank charges and interest | 1,785 | 1,982 | 7,858 | 8,217 |
| | \$ 670,469 | \$ 789,328 | \$ 2,572,640 | \$ 2,170,632 |
| Recoveries | - | 59,459 | - | 227,406 |
| Administrative fees - Santoy | - | 30,802 | - | 112,691 |
| Interest and other income | (254) | 4,248 | 1,145 | 31,521 |
| Loss on sale of asset | - | - | (1,611) | - |
| | (254) | 94,509 | (466) | 371,618 |
| Loss before income taxes | \$ 670,723 | \$ 694,819 | \$ 2,573,106 | \$ 1,799,014 |
| Future income tax recovery (Note 9) | (179,918) | (197,000) | (500,545) | (1,204,541) |
| Other comprehensive income | - | - | - | - |
| Net and comprehensive loss | \$ 490,805 | \$ 497,819 | \$ 2,072,561 | \$ 594,473 |
| Basic and diluted loss per share (Note 11) | \$ (0.00) | \$ (0.00) | \$ (0.01) | \$ (0.00) |

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

| | January 31, 2010 (Unaudited) | April 30, 2009 (Audited) |
|---------------------------------------------|-----------------------------------------------|-------------------------------------------|
| Share Capital (Note 10) | | |
| Balance, beginning of year | \$ 36,090,123 | \$ 34,636,832 |
| Private placements, net of issue costs | 5,986,901 | 1,733,510 |
| Exercise of stock options | 3,461 | - |
| Warrants issued | (1,337,678) | (280,219) |
| Balance, end of period | \$ 40,742,807 | \$ 36,090,123 |
| Contributed Surplus | | |
| Balance, beginning of year | \$ 1,726,392 | \$ 1,085,254 |
| Warrants issued | 1,337,678 | - |
| Fair value allocations on options exercised | (1,171) | - |
| Stock compensation | 701,327 | 332,162 |
| Balance, end of period | \$ 3,764,226 | \$ 1,726,392 |
| Deficit | | |
| Balance, beginning of year | \$ (10,737,903) | \$ (8,452,604) |
| Net loss | (2,072,561) | (2,285,299) |
| Balance, end of period | \$ (12,810,464) | \$ (10,737,903) |
| Total Shareholders' Equity | \$ 31,696,569 | \$ 27,078,612 |

See accompanying notes to consolidated financial statements.

**GOLDEN BAND RESOURCES INC.
CONSOLIDATED STATEMENT OF CASH FLOWS**

| | Three Months Ended January 31 | | Nine Months Ended January 31 | |
|-------------------------------------------------------|----------------------------------|----------------------|---------------------------------|----------------------|
| | 2010 | 2009 | 2010 | 2009 |
| Cash flows from (used in) operating activities | | | | |
| Net loss for the period | \$ (490,805) | \$ (497,819) | \$(2,072,561) | \$ (594,473) |
| Items not involving cash | | | | |
| Stock compensation (Note 10) | 167,520 | 72,120 | 701,327 | 242,954 |
| Amortization | 38,788 | 45,183 | 132,105 | 138,456 |
| Future income tax recovery (Note 9) | 179,918 | (197,000) | (500,545) | (1,204,541) |
| | \$ (464,415) | \$ (577,516) | \$(1,739,674) | \$(1,417,604) |
| Change in non-cash working capital items | | | | |
| Decrease (increase) in accounts receivable | 96,495 | 282,632 | 51,691 | 304,477 |
| Decrease (increase) in prepaid expenses | 4,440 | 26,979 | 1,078 | 207,837 |
| Increase (decrease) in accounts payable | (451,273) | (416,081) | (298,391) | (1,825,034) |
| | \$ (814,753) | \$ (683,986) | \$(1,985,296) | \$(2,730,324) |
| Cash flows from (used in) financing activities | | | | |
| Issuance of share capital, net of issue costs | 1,757,636 | - | 5,906,928 | 1,708,918 |
| Restricted cash | (633) | (2,286) | (1,896) | (6,856) |
| | \$ 1,757,003 | \$ (2,286) | \$ 5,905,032 | \$ 1,702,062 |
| Cash flows from (used in) investing activities | | | | |
| Deferred exploration expenses | (309,609) | (170,403) | (1,962,114) | (2,940,704) |
| Acquisition of capital assets | (49,588) | (154,762) | (602,568) | (897,332) |
| | \$ (359,197) | \$ (325,165) | \$(2,564,682) | \$(3,838,036) |
| Decrease in cash and cash equivalents | \$ 583,053 | \$(1,011,437) | \$ 1,355,054 | \$(4,866,298) |
| Cash and cash equivalents, beginning of period | 1,014,251 | 1,642,456 | 242,250 | 5,549,317 |
| Cash and cash equivalents, end of period | \$ 1,597,304 | \$ 631,019 | \$ 1,597,304 | \$ 631,019 |

See accompanying notes to consolidated financial statements.

GOLDEN BAND RESOURCES INC.

Notes to Consolidated Financial Statements January 31, 2010

1. Going Concern

These financial statements have been prepared using Canadian generally accepted accounting principles applicable to a going concern which assumes that the Company will be able to realize assets and discharge liabilities in the normal course of business for the foreseeable future. In the course of its operations the Company has sustained operating losses and negative cash flows from operations. As of January 31, 2010, the Company had cash and cash equivalents of \$1,597,304, working capital of \$1,419,403 and an accumulated deficit of \$12,810,464. The Company continues to be in the exploration and development stage of its gold mining operations. 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. During the nine months ended January 31, 2010 and subsequent to quarter end, the Company raised additional equity capital to meet shorter term needs. In the longer term, there is no assurance that the Company will be successful in these actions. As a result, the above casts significant doubt about the Company's ability to continue as a going concern. These financial statements do not include any adjustments that might result from the outcome of this uncertainty, and these adjustments could be material.

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. General

The interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP) and follow the same accounting principles and methods of application as the most recent annual audited consolidated financial statements, except for the recent accounting standards adopted as described below. These interim consolidated financial statements do not contain all of the disclosures required by GAAP for annual financial statements, and should therefore be read in conjunction with the Company's most recent annual audited consolidated financial statements filed on SEDAR.

4. Significant Accounting Policies and Pronouncements

Business Combinations, Consolidated Financial Statements and Non-Controlling Interests

CICA Section 1582, *Business Combinations* replaces Section 1581 of the same name, and establishes new guidance on the recognition and measurement of all assets and all liabilities of the acquired business at fair value. Non-controlling interests are measured at either their fair value or at their proportionate share of the fair value of identifiable assets and liabilities. The measurement of consideration given now includes the fair value of any contingent consideration as of the acquisition date, and subsequent changes in fair value of the contingent consideration classified as a liability are recognized in earnings. Acquisition-related costs are excluded from the purchase price and are expensed as incurred. In addition, restructuring costs related to a business combination are no longer part of the purchase price equation and are expensed as incurred. Section 1582 applies prospectively to business combinations realized in or subsequent to the first annual reporting period beginning on or after January 1, 2011.

GOLDEN BAND RESOURCES INC.

Notes to Consolidated Financial Statements January 31, 2010

Upon adopting Section 1582, entities will also be required to adopt CICA Section 1601, *Consolidated Financial Statements* and Section 1602, *Non-Controlling Interest*, which together replace Section 1600, *Consolidated Financial Statements*. These new sections will require that the non-controlling interest be presented as a separate component of shareholders' equity on the balance sheet. In addition, the income statement will include 100 per cent of the subsidiary's net income and then allocate same to controlling interest and non-controlling interests. These new sections apply to interim and annual consolidated financial statements for years beginning on or after January 1, 2011. The effect of applying this new standard is being reviewed.

International Financial Reporting Standards

In February 2008, the Accounting Standards Board (AcSB) announced that Canadian publicly accountable enterprises will be required to adopt IFRS effective January 1, 2011. These new standards will be applicable for the Company's fiscal year beginning May 1, 2011 and the Company will be required to restate for comparative purposes the amounts reported for the year ended April 30, 2011. The Company is currently planning for the transition to IFRS; however the impact of the transition cannot be reasonably estimated at this time.

5. Property and Equipment

Property and equipment consists of the following:

| | 2010 | | 2009 | |
|---------------------------|---------------------|--------------------------|--------------------|---------------------|
| | Cost | Accumulated Amortization | Net Book Value | Net Book Value |
| Leasehold improvements | \$ 13,551 | \$ 11,458 | \$2,093 | \$ 4,167 |
| Office equipment | 72,124 | 69,400 | 2,724 | 10,219 |
| Computer equipment | 131,647 | 116,352 | 15,295 | 17,943 |
| Computer software | 65,811 | 31,991 | 33,820 | 31,077 |
| Field equipment | 256,935 | 170,480 | 86,455 | 177,909 |
| Automotive | 94,264 | 76,412 | 17,852 | 41,418 |
| Gold mill and equipment | 730,444 | - | 730,444 | 719,443 |
| Assets under construction | 2,172,378 | - | 2,172,378 | 1,588,422 |
| | <u>\$ 3,537,154</u> | <u>\$ 476,093</u> | <u>\$3,061,061</u> | <u>\$ 2,590,598</u> |

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

6. Lease and Property Tax Payable

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 \$276,874. The amount becomes due over a period of time based on various future conditions and events. Interest is payable on the outstanding amounts based on prescribed legislative rates.

GOLDEN BAND RESOURCES INC.

Notes to Consolidated Financial Statements January 31, 2010

7. Resource Property Interests

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 resource property interests 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:

| | Surface and Mining Leases | Property Costs | Deferred Exploration Costs | Total January 31, 2010 | Total April 30, 2009 |
|-------------------------------|---------------------------------|---------------------|----------------------------------|------------------------------|-------------------------|
| Greater Waddy Lake (SK)/Other | \$ - | \$ 3,254,345 | \$ 11,968,625 | \$ 15,222,970 | \$ 13,829,540 |
| Churchill River (SK) | - | 357,218 | - | 357,218 | 897,884 |
| Bingo (SK) | - | - | 11,442,480 | 11,442,480 | 10,490,033 |
| Iskut River (BC) | - | 1 | - | 1 | 1 |
| Greywacke (SK) | - | 524,000 | 343,826 | 867,826 | 867,751 |
| Alimak-Decade (SK) | - | - | 358,229 | 358,229 | 346,116 |
| RKN (SK) | - | - | 484,517 | 484,517 | 464,931 |
| Birch Crossing (SK) | - | - | 197,710 | 197,710 | 195,851 |
| Jolu Mill (SK) | 240,284 | - | - | 240,284 | 240,284 |
| Komis (SK) | - | - | 336,118 | 336,118 | 212,848 |
| | <u>\$ 240,284</u> | <u>\$ 4,135,564</u> | <u>\$ 25,131,505</u> | <u>\$ 29,507,353</u> | <u>\$ 27,545,239</u> |

Refer to the Schedule of Deferred Exploration Costs for further detail of the deferred exploration costs.

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. The Company's estimate of the fair value of its environmental reclamation is \$356,330 based on the total undiscounted amount of the cash flows required to settle the obligations and expected timing of payment of the cash flows required to settle the obligations using a credit-adjusted risk-free interest rate at which the estimated cash flows have been discounted. The Company's estimate is based on a variety of assumptions regarding estimated amount of cash flows, related timing of cash flows and discount rates, as a result, the actual obligation may vary from the estimate due to the uncertainties in these assumptions.

With regards the environmental reclamation payable, a term deposit of \$388,056 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 January 31, 2010

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 carry forwards may be used to reduce future years' taxable income earned by the Company.

For the nine months ended January 31, 2010, the Company recognized \$500,545 (2009 - \$1,204,541) as a future income tax recovery from the utilization of available tax losses and CEE of the current period to offset the future tax liability recognized above.

The exploration and development expenses totaling \$10,189,147 can be carried forward indefinitely. The non-capital loss totaling \$10,374,482 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 |
|---------------------------|-----------------------|
| 2014 | 447,272 |
| 2015 | 589,255 |
| 2026 | 575,964 |
| 2027 | 927,032 |
| 2028 | 2,920,745 |
| 2029 | 2,819,177 |
| 2030 | 2,095,037 |
| <hr/> | |
| Balance, January 31, 2010 | \$10,374,482 |

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

| | |
|---------------------------------------------------|--------------|
| Balance, April 30, 2009 | \$ 2,628,907 |
| Tax benefits recognized in current period | (500,545) |
| Future income tax recognized on share issue costs | (82,262) |
| <hr/> | |
| Balance, January 31, 2010 | \$ 2,046,100 |

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:

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

GOLDEN BAND RESOURCES INC.

Notes to Consolidated Financial Statements January 31, 2010

At January 31, 2010 the Company's issued share capital is as follows:

| | January 31, 2010 | | April 30, 2009 | |
|------------------------------------------------------|---------------------|---------------|---------------------|---------------|
| | Number of Shares | Amount | Number of Shares | Amount |
| Balance, beginning of period | 130,644,464 | \$ 36,090,123 | 121,644,464 | \$ 34,636,832 |
| Private placement (a) | 9,715,000 | 1,943,000 | 9,000,000 | 1,800,000 |
| Private placement (b) | 12,285,000 | 2,457,000 | - | - |
| Private placement – flow through (c) | 5,281,044 | 1,584,313 | - | - |
| Private placement – non-flow through (c) | 900,000 | 225,000 | - | - |
| Warrants issued (a) | - | (281,735) | - | (270,000) |
| Warrants issued (b) | - | (798,525) | - | - |
| Warrants issued (c) | - | (148,036) | - | - |
| Warrants issued to agents (a) | - | (38,570) | - | (10,219) |
| Warrants issued to agents (b) | - | (60,060) | - | - |
| Warrants issued to agents (c) | - | (10,752) | - | - |
| Exercise of stock options | 11,449 | 3,461 | - | - |
| Future income tax recognized on share issue costs | - | 82,262 | - | 24,592 |
| Share issue costs | - | (304,674) | - | (91,082) |
| Balance, end of period | 158,836,957 | \$ 40,742,807 | 130,644,464 | \$ 36,090,123 |

Private Placements

- a) On May 12, 2009, the Company issued 9,715,000 units at a price of \$0.20 per unit for gross proceeds of \$1,943,000. Each unit consisted of one common share and one half common share purchase warrant. Two warrants entitle the holder to purchase one additional common share at a price of \$0.28 per unit until May 12, 2010. The fair value of these warrants was recorded as \$281,735. Pursuant to the private placement, for the first tranche, the Company paid \$133,000 and issued 665,000 warrants to settle finders' fees. Each finders' fee warrant is exercisable to acquire one common share at \$0.28 per share. The fair value of these warrants was recorded as \$38,570.
- b) On June 3, 2009, the Company issued 12,285,000 units at a price of \$0.20 per unit for gross proceeds of \$2,457,000. Each unit consisted of one common share and one half common share purchase warrant. Two warrants entitle the holder to purchase one additional common share at a price of \$0.28 per unit until June 3, 2010. The fair value of these warrants was recorded as \$798,525. For the second tranche, the Company paid \$92,400 and issued 462,000 warrants to settle finders' fees. Each finders' fee warrant is exercisable to acquire one common share at \$0.28 per share. The fair value of these warrants was recorded as \$60,060.
- c) Effective December 30, 2009, the Company closed the first tranche of its private placement and issued a total of 5,281,044 flow through units at a price of \$0.30 per flow through unit and 900,000 non flow through units at a price of \$0.25 per non flow through unit. Total gross proceeds raised were \$1,809,313. Each flow through unit consists of one flow through common share in the capital of the Company and one-half of one common share purchase warrant. Each non-flow through unit consists of one non-flow through common share in the capital of the Company and one-half of one common share purchase warrant. Each whole warrant will entitle the holder to acquire one non-flow through common share at a price of \$0.45 for a period of two years. The fair value of these warrants was recorded as \$126,481.

GOLDEN BAND RESOURCES INC.

Notes to Consolidated Financial Statements January 31, 2010

Of the total private placement, 2,441,711 flow through units were raised through Cormark Securities Inc. and Casimir Capital L.P. which resulted in a cash commission of \$43,951 and issuance of 142,502 broker warrants exercisable for one common share at a price of \$0.30 for a period of two years. The fair value of these warrants was recorded as \$10,752.

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. 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.

The Company has a stock option plan whereby options may be granted to the Company's directors, officers, employees and consultants for up to 10 percent of the Company's outstanding common shares. As of January 31, 2010 the aggregate number of common shares that may be issued under the stock option plan shall not exceed 15,883,696.

The following table provides a continuity of stock options outstanding and the weighted average share prices for which shares have been reserved.

| | January 31, 2010 | | April 30, 2009 | |
|----------------------------------|------------------|---------------------------------|------------------|---------------------------------|
| | Number of Shares | Weighted Average Exercise Price | Number of Shares | Weighted Average Exercise Price |
| Outstanding, beginning of period | 7,520,409 | \$0.36 | 7,252,500 | \$0.38 |
| Granted | 6,565,720 | \$0.26 | 1,767,909 | \$0.21 |
| Expired/Forfeited | (261,258) | \$0.29 | (1,500,000) | \$0.22 |
| Exercised | (11,449) | 0.20 | - | - |
| Outstanding, end of period | 13,813,422 | \$0.32 | 7,520,409 | \$0.36 |

The following summarizes information about stock option outstanding at January 31, 2010;

| 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 |
| \$0.15 - \$0.24 | 1,823,327 | \$0.21 | 3.77 | 1,445,829 | \$0.21 | 3.67 |
| \$0.25 - \$0.34 | 7,962,595 | \$0.28 | 3.62 | 4,820,360 | \$0.28 | 3.15 |
| \$0.35 - \$0.44 | 1,740,000 | \$0.41 | 2.24 | 1,673,330 | \$0.41 | 2.22 |
| \$0.45 - \$0.54 | 2,187,500 | \$0.47 | 2.75 | 2,145,834 | \$0.47 | 2.76 |
| \$0.55 - \$0.64 | 100,000 | \$0.56 | 2.25 | 83,330 | \$0.56 | 2.25 |
| | 13,813,422 | \$0.32 | 3.32 | 10,168,683 | \$0.34 | 2.98 |

GOLDEN BAND RESOURCES INC.

Notes to Consolidated Financial Statements January 31, 2010

Options Granted

A total of 6,565,720 (2009 – 1,767,909) options were granted, 261,258 (2009 - 1,500,000) expired/forfeited and 11,449 options were exercised (2009 – nil) during the nine months ended January 31, 2010.

The Company accounted for stock compensation expense of options granted during the period using the following weighted average assumptions: as vested, risk-free interest rate of 1.68%, no expected forfeiture rate, dividend yield of 0.00%, volatility of 63.87%, and expected lives of 5 years. For the nine months ended, the Company has recorded \$701,327 (2009 – \$242,954) in stock based compensation expense on 10,168,683 (2009 – 1,215,311) stock options that vested during the period.

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:

| | January 31, 2010 | | April 30, 2009 | |
|--------------------------------|--------------------|---------------------------------|--------------------|---------------------------------|
| | Number of Warrants | Weighted Average Exercise Price | Number of Warrants | Weighted Average Exercise Price |
| Outstanding, beginning of year | 12,090,625 | \$0.36 | 10,723,945 | \$0.64 |
| Issued | 15,360,025 | \$0.31 | 9,340,625 | \$0.28 |
| Expired | (340,625) | \$0.00 | (7,973,945) | \$0.64 |
| Exercised | - | - | - | - |
| Outstanding, end of year | 27,110,025 | \$0.34 | 12,090,625 | \$0.36 |

The warrants have various expiry dates ranging from May 15, 2010 to December 30, 2011. During the nine months ended, the Company amended the expiry date of 9,000,000 share purchase warrants by extending the term an additional year to September 15, 2010. The warrants were to expire on September 15, 2009.

The Company calculated the fair value of warrants issued during the period using the following weighted average assumptions: as vested, risk-free interest rate of 0.96%, no expected forfeiture rate, dividend yield of 0.00%, volatility of 79.09%, and expected lives of 2 year. The Company has recorded \$1,337,678 in equity relating to the 15,360,025 warrants issued during the year.

11. Loss per Share

Basic loss per common share is computed by dividing loss applicable to common shares by the weighted average number of common shares issued and outstanding for the relevant period. Diluted loss per common share is computed by dividing 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.

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.

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12. Capital Disclosures

The Company's objectives for managing capital are to ensure the Company's ability to continue as a going concern so that it can move towards the short term goal of production and long term goal of continued successful exploration efforts.

The Company considers the items included in shareholders' equity to be capital. The Company relies on equity financing in order to fund future exploration and development and makes adjustments to the Company's capital structure based on financing needs, as well as in response to economic conditions and the risk characteristics of the underlying assets. Management makes adjustments to its capital structure by issuing new shares or acquiring or disposing of assets.

The Company facilitates the management of capital through the preparation of annual expenditure budgets and cash forecasts that are updated as necessary.

The Company currently has sufficient capital resources to meet its planned exploration activities. Additional funding will be required in order to undertake planned development and production activities; however management believes it will be able to raise the necessary funds. Management acknowledges that there are inherent risks in obtaining financing that may be beyond their control.

The Company currently does not have any externally imposed capital requirements.

13. Financial Instruments

a) Financial Assets

The Company has designated its cash and cash equivalents and reclamation bond as held-for-trading, which are measured at fair value. Accounts receivable are classified as loans and receivables which are carried at amortized cost. Due to the short term maturity of accounts receivable, carrying amounts approximate fair value.

The Company has not entered into any hedging relationships and does not hold any other available-for-sale securities that would result in the recognition of other comprehensive income or loss.

b) Financial Liabilities

Accounts payable and accrued liabilities are classified as other financial liabilities and are carried at amortized cost. Due to the short term nature of accounts payable and accrued liabilities, carrying amounts approximate fair value.

c) Management of Financial Risk

Credit Risk

Credit risk is the risk that counterparties will not be able to satisfy their contractual obligations to the Company.

The Company's cash is held through a large Canadian financial institution. Receivables largely consist of GST due from the federal government as well as cash calls receivable from Santoy Resources Ltd. The Company considers this risk to be very remote.

The Company has provided irrevocable standby letters of credit issued by a Canadian financial institution. The Company has pledged \$492,572 in term deposits as security for the letters of credit.

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These amounts are secured by a combination of cash and cash equivalents and reclamation bond on the balance sheet.

Liquidity Risk

Liquidity risk is the risk that the Company will not have the resources to meet its financial obligations as they fall due. The Company manages this risk by closely monitoring cash forecasts and managing resources to ensure it will have sufficient liquidity to meet its obligations.

Accounts payable and accrued liabilities are due within the current operating period. The Company has sufficient resources to meet these obligations as they become due. As of January 31, 2010 the Company has current assets of \$1,651,061 to settle current liabilities of \$231,658.

14. Related Party Transactions

During the nine months ended, the Company incurred charges from directors as follows:

| | January 31, 2010 | January 31, 2009 |
|--------------------|-------------------|-------------------|
| Consulting | \$ 80,660 | \$ 54,000 |
| Stock compensation | 346,126 | 74,462 |
| Travel | 5,421 | 13,145 |
| | <u>\$ 432,207</u> | <u>\$ 141,607</u> |

15. Commitments

Lease Obligation

The Company has various operating lease agreements for office space, storage facilities and office equipment. The future lease payments are as follows:

| | |
|------|-----------|
| 2010 | \$ 11,869 |
| 2011 | 21,553 |
| 2012 | 3,036 |
| 2013 | 2,277 |

Credit Facility

On September 5, 2008 the Company entered into a revolving demand credit facility agreement for up to \$100,000. At January 31, 2010 there were no amounts outstanding under the facility.

Stock options and awards

On February 16, 2009, the Company granted 350,000 stock options to a consultant of the Company. The options have a three year term. Of the 350,000 stock options, 100,000 options vested immediately and the remaining options only vest upon the successful completion of certain conditions. In addition, the Company is also contracted with the consultant to provide a success fee of \$250,000 U.S. dollars that is contingent on the raising of share capital at various levels.

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16. Subsequent Event

Effective February 4, 2010, the Company closed a brokered private placement issuing 29,990,900 units at a price of \$0.25 per share for aggregate gross proceeds of \$7,497,725. In addition, the Company issued 2,020,000 units at \$0.25 per share on a non-brokered basis regarding participation of insiders for gross proceeds of \$505,000. Each unit consists of one common share in the capital of the Company and one-half of one common share purchase warrant. Each warrant entitles the holder to acquire one common share at a price of \$0.45, with an expiry of two years.

17. Comparative Figures

Certain 2009 comparative figures have been reclassified to conform to the financial statement presentation adopted for 2010.

GOLDEN BAND RESOURCES INC.

Schedule of Deferred Exploration Costs For the nine months ended January 31, 2010

| | Greater Waddy Lake/Other | Bingo | Greywacke | Alimak- Decade | RKN | Birch Crossing | Komis | Total |
|-----------------------------------|--------------------------------|--------------|------------|-------------------|-----------|-------------------|------------|---------------|
| Assays and Analysis | \$ 23,371 | \$ 32,306 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 55,677 |
| Consulting | 72,219 | 18,678 | - | 2,600 | 1,300 | 1,150 | 10,083 | 106,030 |
| Drilling contractor | 243,175 | 321,936 | - | - | - | - | - | 565,111 |
| Heavy equipment contractor | 63,333 | 342,630 | - | - | - | - | 5,519 | 411,482 |
| Wages & Benefits | 291,897 | 130,389 | - | 1,574 | 5,164 | 559 | 94,492 | 524,074 |
| Travel, camps & accommodations | 49,840 | 59,564 | - | 1,029 | 300 | 150 | 4,434 | 115,317 |
| Permits and licenses | 50,524 | 1,742 | - | - | - | - | 348 | 52,614 |
| Supplies | 23,695 | 18,770 | - | - | - | - | 4,508 | 46,973 |
| Other | 34,710 | 26,432 | 75 | 6,910 | 12,822 | - | 3,887 | 84,836 |
| | \$ 852,764 | \$ 952,447 | \$ 75 | \$12,113 | \$ 19,586 | \$ 1,859 | \$ 123,270 | \$ 1,962,114 |
| Balance, April 30, 2009 | \$ 11,115,861 | \$10,490,033 | \$ 343,751 | \$346,116 | \$464,931 | \$195,851 | \$ 212,848 | \$ 23,169,391 |
| Balance, January 31, 2010 | \$ 11,968,625 | \$11,442,480 | \$ 343,826 | \$358,229 | \$484,517 | \$197,710 | \$ 336,118 | \$ 25,131,505 |