



**Interim Consolidated Financial Statements  
For the period ended October 31, 2009**

**GOLDEN BAND RESOURCES INC.  
UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
For the six month period ended October 31, 2009**

**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 October 31, 2009.

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

	<b>October 31, 2009 (unaudited)</b>	<b>April 30, 2009 (Audited)</b>
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents	\$ 1,014,251	\$ 242,250
Accounts receivable	113,210	68,406
Prepaid expenses	41,482	38,120
	\$ 1,168,943	\$ 348,776
Reclamation bond (Note 8)	387,423	386,159
Property and equipment (Note 5)	3,050,261	2,590,598
Resource property interests (Note 7)	29,197,744	27,545,239
	\$ 33,804,371	\$ 30,870,772
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 682,931	\$ 530,049
Future income tax liability (Note 9)	2,240,753	2,628,907
Lease and property tax payable (Note 6)	276,874	276,874
Environmental reclamation payable (Note 8)	356,330	356,330
	\$ 3,556,888	\$ 3,792,160
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (Note 10)	39,128,053	36,090,123
Contributed surplus	3,439,089	1,726,392
Deficit	(12,319,659)	(10,737,903)
	\$ 30,247,483	\$ 27,078,612
	\$ 33,804,371	\$ 30,870,772
Going concern (Note 1)		
Commitments (Note 15)		

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 October 31		Six Months Ended October 31	
	2009	2008	2009	2008
<b>Administration costs</b>				
Wages and benefits	\$ 275,353	\$ 248,968	\$ 580,036	\$ 516,668
Stock compensation (Note 10)	217,562	76,185	533,807	170,834
Consulting	85,352	182,712	194,336	264,003
Professional fees	109,582	28,920	167,175	85,256
Amortization	50,922	52,354	93,318	93,273
Investor communications	44,586	40,564	62,492	80,452
Property taxes and leases	55,976	11,433	59,183	23,129
Insurance	33,176	8,859	46,212	10,946
Office expenses	14,579	11,838	39,794	22,266
Travel and accommodation	23,639	20,732	37,399	34,551
Premises rent	16,163	16,163	32,326	32,326
Other costs	15,415	10,020	27,391	28,504
Telephone and utilities	12,041	5,519	22,630	12,860
Bank charges and interest	3,868	4,437	6,073	6,235
	\$ 958,214	\$ 718,704	\$ 1,902,172	\$ 1,381,303
Recoveries	-	167,947	-	167,947
Administrative fees - Santoy	-	81,889	-	81,889
Interest and other income	178	8,715	1,400	27,272
Loss on sale of asset	(1,611)	-	(1,611)	27,272
	(1,433)	258,551	(211)	277,108
<b>Loss before income taxes</b>	\$ 959,647	\$ 460,153	\$ 1,902,383	\$ 1,104,195
Future income tax recovery (Note 9)	(150,432)	(207,841)	(320,627)	(1,007,541)
Other comprehensive income	-	-	-	-
<b>Net and comprehensive loss</b>	\$ 809,215	\$ 252,312	\$ 1,581,756	\$ 96,654
<b>Basic and diluted loss per share (Note 11)</b>	\$ (0.01)	\$ (0.00)	\$ (0.01)	\$ (0.00)

See accompanying notes to consolidated financial statements.

**CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY**

	<b>October 31, 2009</b> <b>(Unaudited)</b>	<b>April 30, 2009</b> <b>(Audited)</b>
<b>Share Capital (Note 10)</b>		
Balance, beginning of year	\$ 36,090,123	\$ 34,636,832
Private placements, net of issue costs	4,216,820	1,733,510
Warrants issued	(1,178,890)	(280,219)
Balance, end of period	\$ 39,128,053	\$ 36,090,123
 <b>Contributed Surplus</b>		
Balance, beginning of year	\$ 1,726,392	\$ 1,085,254
Warrants issued	1,178,890	
Stock compensation	533,807	332,162
Balance, end of period	\$ 3,439,089	\$ 1,726,392
 <b>Deficit</b>		
Balance, beginning of year	\$ (10,737,903)	\$ (8,452,604)
Net loss	(1,581,756)	(2,285,299)
Balance, end of period	\$ (12,319,659)	\$ (10,737,903)
 <b>Total Shareholders' Equity</b>	 \$ 30,247,483	 \$ 27,078,612

See accompanying notes to consolidated financial statements.

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

	Three Months Ended October 31		Six Months Ended October 31	
	2009	2008	2009	2008
<b>Cash flows from (used in) operating activities</b>				
Net loss for the period	\$ (809,215)	\$ (252,312)	\$ (1,581,756)	\$ (96,654)
Items not involving cash				
Stock compensation (Note 10)	217,562	76,185	533,807	170,834
Amortization	50,922	52,354	93,318	93,273
Future income tax recovery (Note 9)	(150,432)	(207,841)	(320,627)	(1,007,541)
	\$ (691,163)	\$ (331,614)	\$ (1,275,258)	\$ (840,088)
<b>Change in non-cash working capital items</b>				
Decrease (increase) in accounts receivable	(17,449)	(183,788)	(44,804)	21,845
Decrease (increase) in prepaid expenses	(38,340)	1,273	(3,362)	180,858
Increase (decrease) in accounts payable	396,156	239,490	152,882	(1,408,953)
	\$ (350,796)	\$ (274,639)	\$ (1,170,542)	\$ (2,046,338)
<b>Cash flows from (used in) financing activities</b>				
Issuance of share capital, net of issue costs	-	1,708,918	4,149,292	1,708,918
Restricted cash	(631)	(2,285)	(1,264)	(4,570)
	\$ (631)	\$ 1,706,633	\$ 4,148,028	\$ 1,704,348)
<b>Cash flows from (used in) investing activities</b>				
Deferred exploration expenses	(1,152,138)	(230,839)	(1,652,505)	(2,770,301)
Acquisition of capital assets	(155,184)	(338,951)	(552,980)	(742,570)
	\$ (1,307,323)	\$ (569,790)	\$ (2,205,485)	\$ (3,512,871)
<b>Decrease in cash and cash equivalents</b>	<b>\$ (1,658,750)</b>	<b>\$ 862,204</b>	<b>\$ 772,001</b>	<b>\$(3,854,861)</b>
Cash and cash equivalents, beginning of period	2,673,001	780,252	242,250	5,497,317
Cash and cash equivalents, end of period	\$ 1,014,251	\$ 1,642,456	\$ 1,014,251	\$ 1,642,456

See accompanying notes to consolidated financial statements.

# GOLDEN BAND RESOURCES INC.

## Notes to Consolidated Financial Statements October 31, 2009

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### 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 October 31, 2009, the Company had cash and cash equivalents of \$1,014,251, working capital of \$ 486,012 and an accumulated deficit of \$12,319,659. 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 six months ended October 31, 2009, 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 October 31, 2009

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:

	2009		2008	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Leasehold improvements	\$ 13,550	\$ 10,417	\$ 3,133	\$ 4,167
Office equipment	72,124	66,901	5,223	10,219
Computer equipment	131,647	112,354	19,293	17,943
Computer software	65,811	26,507	39,304	31,077
Field equipment	256,935	152,569	104,366	177,909
Automotive	94,264	68,556	25,708	41,418
Gold mill and equipment	730,444	-	730,444	719,443
Assets under construction	2,122,790	-	2,122,790	1,588,422
	<u>\$ 3,487,565</u>	<u>\$ 437,304</u>	<u>\$ 3,050,261</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 October 31, 2009

### 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 October 31, 2009	Total April 30, 2008
Greater Waddy Lake (SK)/Other	\$ -	\$ 3,254,345	\$ 11,293,655	\$ 14,548,000	\$ 13,829,540
Churchill River (SK)	-	357,218	540,666	897,884	897,884
Bingo (SK)	-	-	11,276,747	11,276,747	10,490,033
Iskut River (BC)	-	1	-	1	1
Greywacke (SK)	-	524,000	343,826	867,826	867,751
Alimak-Decade (SK)	-	-	354,040	354,040	346,116
RKN (SK)	-	-	484,517	484,517	464,931
Birch Crossing (SK)	-	-	197,151	197,151	195,851
Jolu Mill (SK)	240,284	-	-	240,284	240,284
Komis (SK)	-	-	331,297	331,297	212,848
	<u>\$ 240,284</u>	<u>\$ 4,135,564</u>	<u>\$ 24,821,896</u>	<u>\$29,197,744</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 \$387,423 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 October 31, 2009

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

For the six months ended October 31, 2009, the Company recognized \$320,627 (2008 - \$1,007,541) 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 \$9,879,538 can be carried forward indefinitely. The non-capital loss totaling \$9,556,960 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	1,277,515
Balance, October 31, 2009	<u>\$9,556,960</u>

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

Balance, April 30, 2009	\$ 2,628,907
Tax benefits recognized in current period	(320,627)
Future income tax recognized on share issue costs	(67,527)
Balance, October 31, 2009	<u>\$ 2,240,753</u>

### 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 October 31, 2009

At October 31, 2009 the Company's issued share capital is as follows:

	October 31, 2009		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	9,715,000	1,943,000	9,000,000	1,800,000
Private placement	12,285,000	2,457,000	-	-
Warrants issued	-	(281,735)	-	(270,000)
Warrants issued	-	(798,525)	-	-
Warrants issued to agents	-	(38,570)	-	(10,219)
Warrants issued to agents	-	(60,060)	-	-
Future income tax recognized on share issue costs	-	67,527	-	24,592
Share issue costs	-	(250,707)	-	(91,082)
Balance, end of period	152,644,464	\$ 39,128,053	130,644,464	\$ 36,090,123

### Private Placement

During the six months ended, the Company closed a non-brokered private placement by issuing shares through two separate tranches. On May 12, 2009, the Company issued in the first tranche, 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. On June 3, 2009, the Company issued in the second tranche, 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. In total, the Company issued 22,000,000 units for gross proceeds of \$4,400,000.

Pursuant to the private placement, for the first tranche, the Company paid \$133,000 and issued 665,000 warrants to settle finders' fees. 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 \$38,570 and \$60,060. In total, the Company issued 1,127,000 finders warrants and paid \$225,400 in cash.

### 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 October 31, 2009 the aggregate number of common shares that may be issued under the stock option plan shall not exceed 15,264,446.

# GOLDEN BAND RESOURCES INC.

## Notes to Consolidated Financial Statements October 31, 2009

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

	October 31, 2009		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	(100,000)	\$0.44	(1,500,000)	\$0.22
Exercised	-	-	-	-
Outstanding, end of period	13,986,129	\$0.32	7,520,409	\$0.36

The following summarizes information about stock option outstanding at October 31, 2009:

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	1,992,909	\$0.21	4.05	1,228,947	\$0.21	3.82
\$0.25 - \$0.34	7,965,720	\$0.28	3.86	4,027,770	\$0.28	3.17
\$0.35 - \$0.44	1,740,000	\$0.41	2.49	1,639,997	\$0.41	2.47
\$0.45 - \$0.54	2,187,500	\$0.47	3.00	2,062,502	\$0.47	3.03
\$0.55 - \$0.64	100,000	\$0.56	2.50	74,997	\$0.56	2.50
	13,986,129	\$0.32	3.58	9,034,213	\$0.34	3.09

### Options Granted

A total of 6,565,720 (2009 – 1,767,909) options were granted and 100,000 (2009 - 1,500,000) expired during the six months ended October 31, 2009.

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 six months ended, the Company has recorded \$533,807 (2008 – \$170,834) in stock based compensation expense on 7,851,568 (2008 – 861,249) 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.

# GOLDEN BAND RESOURCES INC.

## Notes to Consolidated Financial Statements October 31, 2009

A summary of the status of the Share Purchase Warrants is as follows:

	October 31, 2009		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	12,127,000	\$0.28	9,340,625	\$0.28
Expired	(340,625)	\$0.00	(7,973,945)	\$0.64
Exercised	-	-	-	-
Outstanding, end of year	23,877,000	\$0.32	12,090,625	\$0.36

The warrants have various expiry dates ranging from May 15, 2010 to September 28, 2010. During the six 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 0.93%, no expected forfeiture rate, dividend yield of 0.00%, volatility of 82.31%, and expected lives of 1 year. The Company has recorded \$1,178,890 in equity relating to the 12,127,000 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.

### 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.

# GOLDEN BAND RESOURCES INC.

## Notes to Consolidated Financial Statements October 31, 2009

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### 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 \$491,888 in term deposits as security for the letters of credit. 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 October 31, 2009 the Company has current assets of \$1,168,943 to settle current liabilities of \$682,931.

### 14. Related Party Transactions

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

	October 31, 2009	October 31, 2008
Consulting	\$ 56,908	\$ 40,500
Stock compensation	312,206	42,317
Travel	11,680	5,259
	<u>\$ 380,794</u>	<u>\$ 88,076</u>

# GOLDEN BAND RESOURCES INC.

## Notes to Consolidated Financial Statements October 31, 2009

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### 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	\$ 23,739
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 October 31, 2009 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.

### 16. Comparative Figures

Certain 2008 comparative figures have been reclassified to conform to the financial statement presentation adopted for 2009.

# GOLDEN BAND RESOURCES INC.

## Schedule of Deferred Exploration Costs For the six months ended October 31, 2009

	Greater Waddy Lake/Other	Bingo	Greywacke	Alimak- Decade	RKN	Birch Crossing	Komis	Total
Assays and Analysis	\$ 14,613	\$ 21,584	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,197
Consulting	52,696	9,150	-	-	1,300	1,150	8,883	73,179
Drilling contractor	243,175	289,814	-	-	-	-	-	532,989
Heavy equipment contractor	63,333	283,767	-	-	-	-	5,519	352,619
Wages & Benefits	198,328	91,725	-	758	5,164	-	90,868	386,843
Travel, camps & accommodations	39,395	49,920	-	255	300	150	4,434	94,454
Permits and licenses	50,524	788	-	-	-	-	348	51,660
Supplies	23,694	17,910	-	-	-	-	4,508	46,112
Other	32,702	22,056	75	6,910	12,822	-	3,887	78,452
	\$ 718,460	\$ 786,714	\$ 75	\$ 7,923	\$ 19,586	\$ 1,300	\$ 118,447	\$ 1,652,505
Balance, April 30, 2009	\$ 11,115,861	\$10,490,033	\$ 343,751	\$346,116	\$464,931	\$195,851	\$ 212,848	\$ 23,169,391
Balance, October 31, 2009	\$ 11,834,321	\$11,276,747	\$ 343,826	\$354,040	\$484,517	\$197,151	\$ 331,297	\$ 24,821,896