GOLDEN STAR RESOURCES LTD.

FORM 6-K
(Report of Foreign Issuer)

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16 UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the month of August 2013 .

Commission File Number 001-12284

GOLDEN STAR RESOURCES LTD.

(Translation of registrant's name into English)

150 King Street West
Suite 1200
Toronto, Ontario
M5H 1J9, Canada
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F ☐ Form 40-F ☑

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ____

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ____

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes ☐ No ☑

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): ____

INCORPORATION BY REFERENCE

This Report on Form 6-K is incorporated by reference in (i) the Registration Statements on Form S-8 of the Registrant as each may be amended from time to time (File Nos. 333-105820, 333-105821, 333-118958, 333-169047 and 333-175542) and (ii) Registration Statements on Form S-3 as amended (File Nos. 333-33237, 333-89767, 333-82106, 333-102225, 333-118956, 333-148296, 333-155767 and 333-180502) and (iii) the Registration Statement on Form S-4, as amended (File No. 333-118957), to the extent not superseded by documents or reports subsequently filed by us under the Securities Act of 1933 or the Securities Exchange Act of 1934, in each case as amended.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

GOLDEN STAR RESOURCES LTD.

Date: August 12, 2013

(signed) Jeffrey A. Swinoga

Jeffrey A. Swinoga
Executive Vice President and Chief Financial Officer

EXHIBIT INDEX

Exhibit	Description of Furnished Exhibit
99.1	Management's Discussion and Analysis of Financial Condition and Results of Operations for the quarterly period ended June 30, 2013
99.2	Condensed Interim Consolidated Financial Statements for the three and six months ended June 30, 2013
99.3	Form 52-109F2 - Certification of Interim Filing - CEO
99.4	Form 52-109F2 - Certification of Interim Filing - CFO

GOLDEN STAR RESOURCES LTD.

2013 Q2

MANAGEMENT DISCUSSION AND ANALYSIS

For the quarterly period ended June 30, 2013

MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with the annual consolidated financial statements of Golden Star Resources Ltd ("Golden Star" or "Company" or "we", "our") for the year ended December 31, 2012 prepared in accordance with accounting principles generally accepted in the United States ("US GAAP"), and with the accompanying unaudited condensed interim consolidated financial statements and related notes for the period ended June 30, 2013 prepared in accordance with International Financial Reporting Standards ("IFRS"). This Management’s Discussion and Analysis ("MD&A") of Financial Condition and Results of Operations includes information available to August 12, 2013. All amounts shown are in thousands of dollars unless noted otherwise. All currency amounts are stated in U.S. dollars unless noted otherwise.

Information presented in this MD&A is prepared in accordance with IFRS unless otherwise noted.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This report contains "forward looking information" within the meaning of applicable Canadian securities laws and “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995 , concerning the business, operations and financial performance and condition of Golden Star. Forward-looking information and statements include, but are not limited to, information or statements with respect to the estimation of mineral reserves and resources, the timing of such estimates, the realization of mineral reserve estimates, the timing and amount of estimated future production, expected cash operating cost reductions, strip ratios, costs of production, capital expenditures, costs and timing of the development of new deposits and sources of funding for such development, success of exploration activities, permitting time lines, currency exchange rate fluctuations, requirements for additional capital, government regulation of mining operations and environmental risks, unanticipated reclamation expenses and objectives for 2013 and 2014.

Generally, these forward-looking information and statements can be identified by the use of forward-looking terminology such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, “believes” or variations of such words and phrases (including negative or grammatical variations) or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved” or the negative connotation thereof.

Forward-looking information and statements are made based upon certain assumptions and other important factors that, if untrue, could cause the actual results, performances or achievements of Golden Star to be materially different from future results, performances or achievements expressed or implied by such statements. Such statements and information are based on numerous assumptions regarding present and future business strategies and the environment in which Golden Star will operate in the future, including the price of gold, anticipated costs and ability to achieve goals. Certain important factors that could cause actual results, performances or achievements to differ materially from those set forth in the forward-looking information and statements include, among others, gold price volatility, discrepancies between actual and estimated production, mineral reserves and resources and metallurgical recoveries, mining operational and development risks, litigation risks, regulatory restrictions (including environmental regulatory restrictions and liability), activities by governmental authorities (including changes in taxation), currency fluctuations, the speculative nature of gold exploration, the global economic climate, dilution, share price volatility, competition, loss of key employees, additional funding requirements and defective title to mineral claims or property. Although Golden Star has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information and statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended.

Forward-looking information and statements are subject to known and unknown risks, uncertainties and other important factors that may cause the actual results, level of activity, performance or achievements of Golden Star to be materially different from those expressed or implied by such forward-looking information and statements, including but not limited to: risks related to international operations, including economical and political instability in foreign jurisdictions in which Golden Star operates; risks related to current global financial conditions; risks related to joint venture operations; actual results of current exploration activities; environmental risks; future prices of gold; possible variations in ore reserves, grade or recovery rates; mine development and operating risks; accidents, labor disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; risks related to indebtedness and the service of such indebtedness, as well as those factors discussed in the section entitled “Description of the Business - Risk Factors” in Golden Star's Annual Report for the year ended December 31, 2012 available at www.sedar.com. Although Golden Star has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information and statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information and statements. Forward-looking information and statements are made as of the date hereof and accordingly are subject to change after such date. Except as otherwise indicated by Golden Star, these statements do not reflect the potential impact of any non-recurring or other special items or of any dispositions, monetizations, mergers, acquisitions, other business combinations or other transactions that may be announced or that may occur after the date hereof. Forward-looking information and statements are provided for the purpose of providing information about management's current expectations and plans and allowing investors and others to get a better understanding of our operating environment. Golden Star does not undertake to update any forward-looking information and statements that are included in this MD&A, except in accordance with applicable securities laws.

CAUTIONARY NOTE REGARDING RESERVES AND RESOURCES

Scientific and technical information contained in this MD&A was reviewed and approved by Dr. Martin Raffield, Senior Vice- President, Technical Services for Golden Star, and a “qualified person” as defined by National Instrument 43-101 - Standards of Disclosure for Mineral Projects (“NI 43-101”). All mineral reserves and mineral resources have been calculated in accordance with the standards of the Canadian Institute of Mining, Metallurgy and Petroleum (“CIM”) and NI 43-101. All mineral resources are reported exclusive of mineral reserves and mineral resources which are not mineral reserves do not have demonstrated economic viability. Information on data verification performed on the mineral properties mentioned in this MD&A that are considered to be material mineral properties to the Company are contained in Golden Star's Annual Report for the year ended December 31, 2012 and the current technical report for those properties, including the technical report dated May 1, 2013 titled "NI 43 101 Technical Report for the Prestea West Reef Feasibility Study, Ghana effective Date 1st May 2013", all available at www.sedar.com.

Cautionary Note to U.S. Investors

This MD&A has been prepared in accordance with the requirements of the securities laws in effect in Canada, which differ materially from the requirements of United States securities laws applicable to U.S. companies. Information concerning our mineral properties has been prepared in accordance with the requirements of Canadian securities laws, which differ in material respects from the requirements of the Securities and Exchange Commission (the “SEC”) set forth in Industry Guide 7. Under the SEC's Industry Guide 7, mineralization may not be classified as a “reserve” unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time of the reserve determination, and the SEC does not recognize the reporting of mineral deposits which do not meet the SEC Industry Guide 7 definition of “Reserve”. In accordance with NI 43-101, the terms “mineral reserve”, “proven mineral reserve”, “probable mineral reserve”, “mineral resource”, “measured mineral resource”, “indicated mineral resource” and “inferred mineral resource” are defined in accordance with CIM standards. While the terms “mineral resource”, “measured mineral resource”, “indicated mineral resource” and “inferred mineral resource” are recognized and required by NI 43-101, the SEC does not recognize them. You are cautioned that, except for that portion of mineral resources classified as mineral reserves, mineral resources do not have demonstrated economic value. Inferred mineral resources have a high degree of uncertainty as to their existence and as to whether they can be economically or legally mined. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Therefore, you are cautioned not to assume that all or any part of an inferred mineral resource exists, that it can be economically or legally mined, or that it will ever be upgraded to a higher category. Likewise, you are cautioned not to assume that all or any part of measured or indicated mineral resources will ever be upgraded into mineral reserves. You are urged to consider closely the disclosure on the mining industry technical terms in “Glossary of Terms” in our Annual Report for the fiscal year ended December 31, 2012, available on SEDAR at www.sedar.com.

OVERVIEW OF GOLDEN STAR

We are a Canadian federally-incorporated, international gold mining and exploration company producing gold in Ghana, West Africa. We also conduct gold exploration in other countries in West Africa and in South America. Golden Star Resources Ltd. was established under the *Canada Business Corporations Act* on May 15, 1992. Our principal and registered office is located at 150 King Street West, Sunlife Financial Tower, Suite 1200, Toronto, Ontario Canada M5H 1J9.

Through a 90% owned subsidiary, Golden Star (Wassa) Limited (“GSWL”), we own and operate the Wassa open-pit gold mine, the Father Brown open pit gold mine and a Carbon-in-leach ("CIL") processing plant (“Wassa/HBB”), located approximately 35 kilometers from the town of Bogoso, Ghana. Through our 90% owned subsidiary Golden Star (Bogoso/Prestea) Ltd (“GSBPL”) we own and operate the Bogoso/Prestea gold mining and processing operation (“Bogoso/Prestea”) located near the town of Bogoso, Ghana. We hold interests in several gold exploration projects in Ghana and other parts of West Africa, and in South America we hold and manage exploration properties in Brazil.

Our business and development strategy is focused primarily on the exploration, development and operation of gold properties in Ghana, West Africa. We also pursue gold exploration activities in South America and other countries in West Africa.

Our current focus is to improve operating efficiencies and reduce operating and capital costs at both operations; to continue to strengthen Wassa/HBB by evaluating possible push backs of the Father Brown pit; and to further the development of the various gold deposits located near the Bogoso processing plants including the Prestea Underground mine.

Our longer term objective is to continue the growth of our mining business. We continue to evaluate potential acquisition and merger opportunities that could further increase our annual gold production. However, we presently have no agreement or understanding with respect to any specific potential transaction.

We also hold interests in several gold exploration projects in Ghana and other parts of West Africa, and in South America we hold and manage exploration properties in Brazil. See Item 2 - “Description of Properties” in our Annual Report on Form 10-K for the year ended December 31, 2012 , for additional details on these properties.

All our operations, with the exception of certain exploration projects, transact business in U.S. dollars and keep financial records in U.S. dollars. Our accounting records are kept in accordance with IFRS. Our fiscal year ends December 31. We are a reporting issuer or the equivalent in all provinces of Canada, in Ghana and in the United States and file disclosure documents with securities regulatory authorities in Canada and Ghana and with the United States Securities and Exchange Commission.

ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

Effective as of the second quarter of 2013, the Company prepares its financial statements in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board ("IASB"). The comparative financial information from 2012 in this MD&A has also been restated to conform to IFRS. This MD&A should be read in conjunction with Note 25 “First Time Adoption of IFRS” to the Company's condensed interim consolidated financial statements.

To transition from US GAAP to IFRS, the main adjustment to net assets and net equity related to the IFRS 1 exemption on using fair value as deemed cost for items of mineral property and property, plant and equipment at Bogoso/Prestea. As a result of electing this exemption the asset value at Bogoso was reduced by $148.5 million as compared to the value used for US GAAP as of January 1, 2012 . As a result of the lower cost basis depreciation and amortization expense was lower under IFRS than under US GAAP.

FINANCIAL AND OPERATING SUMMARY

OPERATING SUMMARY		For the three months ended June 30, 2013	2012	For the six months ended June 30, 2013	2012
Wassa/HBB gold sold	oz	50,774	41,068	96,640	77,551
Bogoso/Prestea gold sold	oz	34,316	44,115	69,811	85,357
Total gold sold	oz	85,090	85,183	166,451	162,908
Average realized gold price	$/oz	1,418	1,600	1,524	1,641
Cash operating cost per ounce - Wassa [1]	$/oz	736	831	770	908
Cash operating cost per ounce - Bogoso [1]	$/oz	1,584	1,101	1,501	1,178
Cash operating cost per ounce [1]	$/oz	1,078	971	1,077	1,049
All-in sustaining cost per ounce [1]	$/oz	1,378	1,199	1,363	1,338
All-in cost per ounce [1]	$/oz	1,596	1,365	1,607	1,525
FINANCIAL SUMMARY					
Revenues	$'000	120,693	136,313	253,603	267,333
Net (loss)/income attributable to Golden Star shareholders	$'000	(128,828)	37	(120,823)	12,910
Adjusted net (loss)/income attributable to Golden Star shareholders [3]	$'000	(19,780)	8,154	(19,421)	21,919
Cash generated from operations before working capital changes [2]	$'000	331	34,834	14,571	58,409
Net (loss)/income per share attributable to Golden Star shareholders - basic and diluted	$/share	(0.50)	—	(0.47)	0.05
Adjusted net (loss)/income per share attributable to Golden Star shareholders - basic and diluted [3]	$/share	(0.08)	0.03	(0.07)	0.08

[1] See "Non-GAAP Financial Measures" on page 21 for a reconciliation of cash operating cost per ounce, all-in sustaining costs per ounce and all-in costs per ounce to Cost of sales before depreciation and amortization.
[2] See "Non-GAAP Financial Measures" on page 21 for an explanation of the calculation of cash generated by operations before working capital changes.
[3] See "Non-GAAP Financial Measures" on page 21 for a reconciliation of adjusted net (loss)/income attributable to Golden Star shareholders and adjusted net (loss)/income per share attributable to Golden Star shareholders to net (loss)/income attributable to Golden Star shareholders and net (loss)/income attributable to Golden Star shareholders per share.

Of significance to the June 30, 2013 position:

- As a result of the drop in gold prices we recorded before tax impairment charges of $193.0 million for the six months ended June 30, 2013 related to the Bogoso/Prestea and Wassa/HBB operations.
- In mid April gold prices dropped below $1,300 per ounce, down from $1,694 per ounce at the beginning of 2013 , resulting in a $182 per ounce decrease in the average realized gold price for the second quarter of 2013 .
- In response to the drop in gold prices during the second quarter combined with pit wall instability, we suspended mining at the Pampe open-pit prior to the end of the second quarter.
- Cash used for capital expenditures (including betterment stripping previously expensed under US GAAP) totaled $56.7 million during the six months ended June 30, 2013 .

FINANCIAL CONDITION		As of June 30, 2013		As of December 31, 2012
Cash and cash equivalents	$	52,698	$	78,884
Working capital		13,072		69,218
Total assets		433,994		656,296
Equity		186,387		328,177

CORPORATE DEVELOPMENTS

GOLD PRICES

We realized an average of $1,418 per ounce for our gold shipments during the second quarter of 2013 compared with $1,600 per ounce for our gold shipments during the second quarter of 2012 .

While gold prices generally trended upward from a low of $252 per ounce in 2001 to a high of $1,895 per ounce in September 2011, spot prices fell from $1,694 per ounce at the beginning of 2013 to $1,192 per ounce near the end of the second quarter 2013. Spot prices as at August 9, 2013 are $1,309 per ounce.

If gold prices were to remain at current levels our Mineral Reserves and Resources could be significantly lower when re-assessed at the end of 2013 than previously reported in our 2012 annual filing.

OPERATING COSTS AND CAPTIAL SPENDING REDUCTIONS

In response to the recent significant decline in gold prices, the Company has implemented the following measures:

- Budgeted capital expenditures for 2013 were reviewed and have been reduced by $64 million to $76 million for 2013 (see "Capital Resources"), including a reduction in our expected sustaining capital expenditure of approximately $20 million to approximately $40 million and a reduction in our development capital budget of $45 million to $36 million for the year.

- Operating cost reduction initiatives for 2013 total an estimated $45 million representing approximately 10% of expected annual operating expenses.

- Our expected exploration spending for 2013 was reduced to $16.5 million from $20 million, of which approximately $11 million has been spent to date.

- We re-optimized our pits at Wassa, Dumasi, and Mampon. The pit shells are now based on a $1,100 per ounce gold price for Wassa and a $1,200 per ounce gold price at Dumasi and Mampon relative to original $1,450 per ounce pit shells used earlier in the Company's 2012 reserve estimate.

- Pitwall push backs at both Bogoso North and Chujah continue, leading to expected lower cost mining operations in 2014.

We expect the refractory operations to improve based on the following:

- Bogoso refractory pits are expected to reduce strip ratios from an average high of 11:1 to an average expected strip ratio of 3:1 over the next three quarters. We expect to fund the push backs using existing cash and additional funds available as a result of the cost savings described below.

- Bogoso operating expenses have been reduced through restructuring the workforce, supplier discounts, and reducing the number of contractors.

- Maintenance cost savings and fuel cost reductions were achieved through the recent purchase of two new excavators.

- Rented trucks were replaced with an owner-operated truck fleet.

- The Company completed re-negotiations of certain supplier contracts resulting in price improvements.

- Other operating improvements were initiated at Bogoso/Prestea and Wassa/HBB, including transport and delivery efficiencies, stock holding cost reductions, and improved purchasing procedures.

- Longer-term cost reduction initiatives include a review of all pending contracts and service providers and development capital plans for the remainder of 2013 and 2014. Risk assessments related to cost savings in metallurgy, plant maintenance, mining and mine maintenance, and community and environment initiatives are ongoing.

IMPAIRMENT CHARGES

Upon completion of our quarterly assessment of the carrying value of our cash generating units ("CGUs"), the Company recorded impairment charges totaling $195.9 million , comprised of $86.1 million for Bogoso/Prestea, $106.9 million for Wassa/HBB and $2.9 million related to available for sale investments. The impairment charge at Bogoso/Prestea included a charge of $49.3 million related to mine property, a charge of $36.4 million related to property, plant and equipment and a charge of $0.4 million related to the intangible assets. At Wassa/HBB $87.5 million of the impairment charge relates to mine property and $19.4 million is related to property, plant and equipment. The resulting non-cash charge was due the impact of the lower expected gold prices over the life of the mines and the shorter mine life at Wassa/HBB due to the lower gold price.

SUSPENSION OF MINING AT PAMPE

As a result of pit wall instability, the Company decided to suspend the mining operations at Pampe pit. Pampe also had lower than expected recoveries during the second quarter of 2013, this along with the lower gold price in the second quarter of 2013 made mining the Pampe pit uneconomical. As a result impairment charges of $14.5 million were recorded to write off the Pampe mine property since we do not expect to mine at Pampe in the near future.

DEVELOPMENT PROJECTS UPDATE

WASSA/HBB

WASSA DRILLING PROGRAM

While drilling activities continued to evaluate zones of gold mineralization below the Wassa open-pits during the second quarter, our Wassa drilling programs was slowed significantly with six of the contractor rigs being shut down by the end of the second quarter. Prior to the contractor rigs being demobilized, 47 drill holes totaling 14,265 meters were completed in the first half of 2013. The drilling during the second quarter was predominantly targeted at infilling gaps in the prior drilling as well as testing the higher grade plunge to the south. Drilling results to date in 2013 have confirmed that the mineralized zone continues to the south and remains open at depth.

The December 31, 2012 published mineral resource and reserve estimates of Wassa were based on drill results received up to the end of August 2012. We plan to incorporate all drill results since August 2012 to update the Wassa pit's mineral resource estimates in the third quarter of 2013.

ECOBANK LOAN FACILITY

On July 30, 2013, the Company, through its subsidiary GSWL, closed a $50 million secured Medium Term Loan Facility ("Ecobank Loan") with Ecobank Ghana Limited ("Ecobank"), a pan-African full service bank, who acted as sole lender and arranger to the Company. The use of proceeds is to finance Wassa capital expenditures, inclusive of pre-feasibility studies, drilling operations, settlement, partial relocation and other capital expenditures. The Ecobank Loan has a term of 60 months from the date of initial drawing and is secured, among other things, against Wassa's existing plant, machinery and equipment. The interest rate will be three month LIBOR + 9%, per annum, payable monthly in arrears. Payment of interest and principal commences six months following the first drawdown. The Company, through its subsidiary GSWL, has drawn down $10 million under this facility on the closing date of the loan.

BOGOSO/PRESTEA

Chujah Pit Expansion

During 2012 we started a push back of the Chujah pitwall, to improve our access to ore and reduce our stripping ratio and consequently our mining operating costs. We expect that the Chujah push back will be completed during the second quarter of 2014. During the three and six months ended June 30, 2013 we capitalized $8.6 million and $18.3 million respectively, as mining property related to the push back.

Dumasi

During the first quarter of 2013, a negotiated resettlement agreement was signed which provides for relocation of the community of Dumasi to a new town site located a few kilometers north of the existing Dumasi community. The Dumasi village is located upon the Dumasi deposit, a key ore body for future development of our Bogoso operation. In conjunction with signing of the relocation agreement, ground clearing was initiated at the new Dumasi town site in anticipation of commencement of construction. During the six months ended June 30, 2013 we have incurred $6.3 million of development costs mainly related to land clearing and land preparation for construction. During the second quarter, a decision was made to reduce Dumasi's development budget to $5.7 million for the remainder of 2013.

Mampon

Metallurgical and sterilization drilling was completed in the second quarter of 2013 at the Mampon deposit where we are now working to finalize a mining feasibility study. Upon the completion of this drilling, the drill rigs were used to infill and confirm the Mampon gold mineralization testing inferred mineral resource along a parallel trend proximal to Mampon and along strike of the known mineralization. Drilling in the first half included 55 holes totaling 4,762 meters. Work is now proceeding on pit and haul road engineering design.

Mampon project permitting efforts continued in the second quarter of 2013 with the completion of the data collection for the draft resettlement action plan. The plan is currently in review. Data collection for the environmental permit continued and it is expected that the environmental impact statement will be submitted when the engineering designs for the pits and access road are completed.

Prestea Underground

A feasibility study for the West Reef section of the Prestea Underground was completed during the second quarter of 2013 and was published on SEDAR in July. The feasibility study demonstrates positive economics for the extraction of the West Reef steeply dipping, high-grade, narrow vein deposit using mechanized cut-and-fill mining with footwall ramp access. The mining target lies at a depth of 600 meters to 950 meters below surface, between 17 level and 24 level, about 2 kilometers to the south of the Prestea Mine Central Shaft. Initial access to the ore body for preparation work will be via the Central Shaft and 17 level. Two new raise-bored shafts are planned to be developed in the immediate vicinity of the West Reef to provide primary access, ore hoisting, and intake/exhaust ventilation.

Below is a summary of the feasibility study which can be found on our website:

- Probable Mineral Reserve of 1.43 million tonnes at a gold grade of 9.61 grams per tonne for 443,000 ounces of gold before recoveries. The Mineral Reserves have been estimated based on cut-off grades determined at a gold price of $1,500 per ounce;
- Indicated Mineral Resource of 0.87 million tonnes at a gold grade of 18.3 grams per tonne for 507,000 ounces of gold inclusive of the Probable Mineral Reserve. The Mineral Resources have been estimated based on a $1,750 per ounce gold price;
- Inferred Mineral Resource of 0.51 million tonnes at a gold grade of 11.6 grams per tonne for 190,000 ounces of gold, also based on a gold price of $1,750 per ounce;
- Total project capital costs of $150.1 million: comprising $90.6 million initial capital; $35.8 million capitalized operating costs; and $23.7 million sustaining capital;
- Total project life of 9 years, including a 3 year pre-development period prior to production;
- Estimated cash operating costs of $734 per ounce gold; and
- Payback period is 3 years from the start of production.

Permitting is underway for the West Reef project. During the first half of 2013 we spent $0.6 million on geotechnical drilling at the Prestea Underground with our own rig testing the West Reef inferred material from the 17 level and the 24 level to complete the geotechnical and metallurgical holes. Drilling development costs incurred during the second quarter of 2013 totaled $0.3 million. With completion of the feasibility study, drilling activities have been suspended.

During the first quarter of 2013 we received environmental and mining permits for Phase I development of the Prestea Underground mine. These permits allowed commencement of initial development in the Central Shaft area designed to establish limited scale gold production from the Prestea Underground (Phase 1). The Phase 1 activity targets ore production from existing infrastructure and remnant stopes in the Central Shaft area.

Permitting is underway for the West Reef project. A resettlement action plan for the Prestea West Reef and Prestea South projects are currently under review by the Prestea Huni Valley District Assembly. The environmental impact assessment is being finalized.

During the second quarter of 2013, the Government of Ghana approved the dissolution of the joint venture between GSBPL and the state-owned Prestea Gold Resources Ltd, effectively confirming GSBPL's ownership of the Prestea Underground mining lease. As a result, the 90% owned GSBPL owns 100% of the Prestea Underground mining lease as well as 100% of the Bogoso and Prestea surface mining leases. The Government of Ghana continues to own the remaining 10% of GSBPL.

BOGOSO TAILINGS RECOVERY PROJECT START-UP

In April 2013, Bogoso started up the Bogoso tailings recovery facility which was installed in 2012 and carried out a test run. This facility pumps old tailings slurry from a decommissioned Bogoso tailings pond directly into the Bogoso non-refractory plant. Additional drilling and metallurgical testing was performed during the second quarter to obtain a better understanding of

the amount and grade of the old tailings. Early in the third quarter of 2013, we resumed pumping the tailings slurry to Bogoso's non-refractory plant on a full time basis to replace the non-refractory ore from the now suspended Pampe pit.

PRESTEA SOUTH PROPERTIES

We expect to initiate development of the Prestea South deposits, including construction of a 10 kilometer haul road and the design and development of a series of surface pits along the Ashanti Trend structure south of the town of Prestea when the permitting process is complete. Ore from these pits will be hauled, via a 10 kilometer access road, to the Bogoso processing plants with refractory ore going to the Bogoso refractory plant and non-refractory ore to the Bogoso non-refractory plant.

A revised draft environmental impact statement ("EIS") was submitted to the Ghana Environmental Protection Agency ("EPA") in April 2011 and recent design changes to the Prestea South project have been incorporated into a supplemental EIS that has also been submitted to the EPA. The project development is currently awaiting the public hearing and GSBPL is continuing the community / stakeholder consultation process in anticipation of the public hearing.

CONSOLIDATED RESULTS OF OPERATIONS

	For the three months ended June 30,		For the six months ended June 30,	
	2013	2012	2013	2012
SUMMARY OF CONSOLIDATED FINANCIAL RESULTS				
Bogoso/Prestea gold sold (oz)	34,316	44,115	69,811	85,357
Wassa/HBB gold sold (oz)	50,774	41,068	96,640	77,551
Total gold sold (oz)	85,090	85,183	166,451	162,908
Average realized price ($/oz)	1,418	1,600	1,524	1,641
Cash operating cost [1] - combined ($/oz)	1,078	971	1,077	1,049
Gold revenues ($'000)	120,693	136,313	253,603	267,333
Cost of sales excluding depreciation and amortization ($'000)	101,178	89,542	197,297	184,412
Cash flow provided by operations ($'000)	29,544	24,124	41,459	46,244
Cash flow provided by operations per share ($)	0.11	0.09	0.16	0.18
Net (loss)/income attributable to Golden Star shareholders ($'000)	(128,828)	37	(120,823)	12,910
Net (loss)/income per share – basic ($)	(0.50)	—	(0.47)	0.05

[1] See "Non-GAAP Financial Measures" on page 21 for a reconciliation of Cash operating cost per ounce to Cost of sales excluding depreciation and amortization.

THREE MONTHS ENDED JUNE 30, 2013 COMPARED TO THREE MONTHS ENDED JUNE 30, 2012

Results for the three months ended June 30, 2013 include a net loss attributable to Golden Star shareholders of $128.8 million or $0.50 per share, compared with net income of nil or nil per share in the same period of 2012 . The major factor contributing to the loss is the impairment charges totaling $195.9 million recorded, primarily to write down Bogoso/Prestea and Wassa/HBB's carrying value.

Gold revenues totaled $120.7 million , down from $136.3 million in the same period in 2012 . Our mines sold 85,090 ounces in the second quarter of 2013 , compared with the 85,183 ounces sold in the same quarter of 2012 and the average realized gold price fell to $1,418 per ounce, down 11.4% from $ 1,600 per ounce in the second quarter of 2012 .

Cost of sales excluding depreciation and amortization

Second quarter 2013 cost of sales totaled $101.2 million , up $11.6 million from $89.5 million for the same period of 2012 , including a $3.4 million net realizable write down of our run of mine stockpiles as a result of lower gold prices. Mine operating expenses were reduced by $1.1 million to $84.7 million as a result of the cost saving measures implemented at Bogoso/Prestea during the quarter. During the second quarter of 2012 , we added ore tonnes to ore stockpile inventory resulting in a decrease to cost of sales, however during the second quarter of 2013 , we drew down stockpiles resulting in a net decrease in our metals inventory and increasing our cost of sales by $10.4 million .

Depreciation and amortization

Mining related depreciation and amortization totaled $24.0 million for the quarter, up from $22.6 million for the second quarter of 2012 , of which $3.1 million relates to the net realizable value adjustment of metals inventory recorded in the second quarter of 2013 .

Other Expenses/(income)

Second quarter 2013 general and administrative costs of $4.3 million were slightly lower than the $4.6 million incurred in the second quarter of 2012 , mainly due to fewer stock options issued during the second quarter of 2013.

The second quarter 2013 fair value gain on the 5% Convertible Debentures was calculated based on the discounted cash flows of the debt component and a Black-Scholes valuation for the conversion feature. The fair value of the conversion feature decreased in the second quarter of 2013 as a result of a decrease in the price of our common shares during the same period, reflecting a $43.9 million gain during the quarter. In comparison, a $1.1 million fair value loss on our 4% and 5% Convertible Debentures was recorded in the second quarter of 2012 .

With less debt outstanding in the second quarter of 2013 compared to the same period last year, interest expense decreased from $3.7 million for the second quarter of 2012 to $1.4 million for the same period in 2013. Also included in interest expense in 2012 was transaction costs of $2.1 million related to the refinancing of the 4% Convertible Debentures.

Upon completion of our quarterly assessment of the carrying value of our cash generating units ("CGUs"), the Company recorded impairment charges totaling $195.9 million , comprised of $86.1 million for Bogoso/Prestea, $106.9 million for Wassa/HBB and $2.9 million related to available for sale investments. The impairment charge at Bogoso/Prestea included a charge of $49.3 million related to mine property, a charge of $36.4 million related to property, plant and equipment and $0.4 million related to intangible assets. At Wassa/HBB $87.5 million of the impairment charge relates to mine property and $19.4 million is related to property, plant and equipment. The resulting non-cash charge was due to the impact of the lower than expected gold prices over the life of the mines and the shorter mine life at Wassa/HBB due to the lower gold price. At June 30, 2013 we recorded an impairment charge of $2.9 million related to the drop in fair value of the TGM shares compared to the $7.0 million impairment charges recorded during the three months ended June 30, 2012 .

SIX MONTHS ENDED JUNE 31, 2013 COMPARED TO SIX MONTHS ENDED JUNE 30, 2012

Results for the six months ended June 30, 2013 include a net loss attributable to Golden Star shareholders of $120.8 million or $0.47 per share, compared with net income of $12.9 million or $0.05 per share in the same period of 2012 . The major factor contributing to the loss this year is the impairment charges totaling $195.9 million recorded, primarily to write down Bogoso/Prestea and Wassa/HBB's carrying values.

Gold Revenues

Gold revenues totaled $253.6 million , down from $267.3 million in the same period in 2012 . Our mines sold 166,451 ounces in the first half of 2013 , up 2.2% from the 162,908 ounces sold in the same period of 2012 , however the average realized gold price fell to $1,524 per ounce, down 7.1% from $1,641 per ounce in the first half of of 2012 .

Cost of sales excluding depreciation and amortization

In the first six months of 2013 , cost of sales totaled $197.3 million , up $12.9 million from $184.4 million for the same period of 2012 , mainly due to a $5.3 million net realizable write down of our run of mine ore stockpiles as a result of the lower gold prices. Mine operating expenses of $177.0 million for the six months ended June 30, 2013 remained essentially unchanged from 2012. During the first half of 2012 , we added ore tonnes to metals inventory resulting in a decrease to cost of sales, however we drew down stockpiles during 2013 resulting in a net decrease in our metals inventory, increasing our cost of sales.

Depreciation and amortization

Mining related depreciation and amortization totaled $40.5 million for the six months ended, up from $38.7 million for the same period in 2012 , of which $3.3 million relates to the net realizable inventory adjustment recorded in the first half of 2013 .

Other Expenses/(income)

General and administrative costs for the half year were essentially the same as the first half of 2012 .

The first half of 2013 fair value gain of $51.5 million on the 5% Convertible Debentures was calculated based on the discounted cash flows of the debt component and a Black-Scholes valuation for the conversion feature. The fair value of the conversion feature decreased further in the second quarter of 2013 as a result of a decrease in the price of our common shares during the same period, contributing to the gain for the six months ended June 30, 2013 . In addition the fair value of the debt component also decreased due to higher yield requirements in the market. In comparison, a $2.0 million fair value loss on our 4% and 5% Convertible Debentures was recorded for the first half of 2012 .

With less debt outstanding in the first half of 2013 compared to the same period last year, interest expense decreased from $6.5 million for the first half of 2012 to $2.7 million for the same period in 2013 . Also included in interest expense in 2012 were transaction costs of $2.1 million related to the refinancing of the 4% Convertible Debentures.

Upon completion of our quarterly assessment of the carrying value of our CGUs, the Company recorded impairment charges totaling $195.9 million , comprised of $86.1 million for Bogoso/Prestea and $106.9 million for Wassa/HBB. The impairment

charge at Bogoso/Prestea included a charge of $49.3 million related to mine property, a charge of $36.4 million related to property, plant and equipment and $0.4 million related to intangible assets. At Wassa/HBB $87.5 million of the impairment charge relates to mine property and $19.4 million is related to property, plant and equipment. The resulting non-cash charge was due the impact of the lower than expected gold prices over the life of the mines and the shorter mine life at Wassa/HBB due to the lower gold price. In the first half of 2013 we recorded an impairment charge of $2.9 million related to the drop in fair value of the TGM shares compared to the $7.0 million impairment charges recorded in the same period during 2012.

WASSA/HBB OPERATIONS

Through a 90% owned subsidiary, Golden Star (Wassa) Limited ("GSWL"), we own and operate the Wassa open-pit gold mine, the Father Brown open pit gold mine and a carbon-in-leach ("CIL") processing plant (collectively "Wassa/HBB"), located approximately 35 kilometers from the town of Bogoso, Ghana. The design capacity of the CIL processing plant ("Wassa processing plant") is nominally 3.0 million tonnes per annum but varies depending on the ratio of hard to soft ore. The Father Brown mine is located approximately 80 kilometers south of Wassa along the Company's dedicated haul road. Ore from the Father Brown and Wassa mines is sent to the Wassa processing plant for processing. Wassa/HBB produced and sold 158,899 ounces of gold in year ended December 31, 2012 and 96,640 ounces of gold in the six months ending June 30, 2013 .

	For the three months ended June 30,		For the six months ended June 30,	
	2013	**2012**	**2013**	**2012**
WASSA/HBB FINANCIAL RESULTS				
Revenue	$ 72,120	$ 65,750	$ 147,077	$ 127,175
Mine operating expenses	34,686	36,066	70,660	75,265
Royalties	3,612	3,291	7,365	6,373
Costs to metals inventory	2,678	(1,933)	3,799	(4,874)
Net realizable value adjustment	265	—	265	—
Cost of sales excluding depreciation and amortization	41,241	37,424	82,089	76,764
Depreciation and amortization	17,353	17,416	29,492	28,374
Mine operating margin	$ 13,526	$ 10,910	$ 35,496	$ 22,037
WASSA/HBB OPERATING RESULTS				
Ore mined (t)	430,091	715,021	955,729	1,379,751
Waste mined (t)	2,877,662	3,818,386	6,033,062	8,263,598
Ore and heap leach materials processed (t)	651,453	641,359	1,308,457	1,322,879
Grade processed (g/t)	2.55	2.06	2.45	1.90
Recovery (%)	95.0	94.8	94.9	94.3
Gold sales (oz)	50,774	41,068	96,640	77,551
Cash operating cost ($/oz) [1]	736	831	770	908

[1] See "Non-GAAP Financial Measures" on page 21 for a reconciliation of Cash operating cost per ounce to Cost of sales excluding depreciation and amortization.

THREE MONTHS ENDED JUNE 30, 2013 COMPARED TO THREE MONTHS ENDED JUNE 30, 2012

Wassa/HBB's second quarter 2013 revenues of $72.1 million were up by $6.3 million from $65.8 million for the same period of 2012 , mainly as a result of higher gold sales during 2013. Second quarter 2013 gold sold was 50,774 ounces, 9,706 ounces higher than gold sold during the second quarter of 2012 . Gold revenues from the higher gold sales were partially offset by a decrease in the average realized gold price, down from $1,600 per ounce for the second quarter of 2012 to $1,418 per ounce for the second quarter of 2013 .

The higher gold production is primarily due to a 24% increase in ore grade processed in second quarter of 2013 as compared to the same period last year. The increase in ore grade was due primarily to a change in ore sources. During the first half of 2012 our Benso mine was sending ore to the Wassa processing plant, but Benso's reserves were exhausted by the middle of 2012.

Since then, the higher grade Father Brown mine has been sending ore to the Wassa plant. In addition to the higher grade ore from Father Brown, recent improvements to the Wassa processing plant, including CIL agitator upgrades and genset start-up synchronization, have resulted in an increase in ore tonnes processed as compared to a year earlier.

Cost of sales for Wassa/HBB totaled $41.2 million in the second quarter of 2013 , $3.8 million higher than the $37.4 million incurred in the second quarter of 2012 . The higher cost of sales is mainly related a draw down of ore stockpiles totaling $2.7 million during the first quarter of 2013 compared with a $1.9 million inventory build-up during the same quarter last year. While cost of sales was higher than a year earlier, mine operating expenses were $34.7 million , or $1.4 million lower than in the second quarter of 2012, due to a drop in the tonnages of ore and waste mined in the quarter. The drop in tonnages also relates to the change in ore source and higher grade at the Father Brown pit. Royalty expense was up slightly in 2013 on higher gold revenues.

During the second quarter of 2013 depreciation and amortization expense totaled $17.4 million , essentially unchanged from a year earlier.

Wassa's cash operating costs totaled $37.4 million for the second quarter of 2013 , $3.1 million higher than the $34.1 million incurred during the second quarter of 2012 . The higher cash operating costs were more than offset by the increase in the amount of gold sold, resulting in cash operating cost per ounce of $736 per ounce for the second quarter of 2013 , $95 per ounce lower than the cash operating cost per ounce of $831 per ounce during the second quarter of 2012 .

During the second quarter 2013, the Company recorded impairment charges at Wassa/HBB aggregating $106.9 million , comprised of $19.4 million related to property plant an equipment, and $87.5 million related to mine property. The impairment test for Wassa/HBB was based on a $1,100 per ounce optimized pit-shell and the average of the consensus gold prices of various financial institutions. The resulting non-cash charge impairment charge was primarily due to the recent drop in the expected long term gold prices and a shorter mine life.

SIX MONTHS ENDED JUNE 30, 2013 COMPARED TO SIX MONTHS ENDED JUNE 30, 2012

Gold revenues of $147.1 million were $19.9 million higher in 2013, due to a 25% increase in gold sold during the first half of 2013. The revenues from the higher gold sales were partially offset by a decrease in the average realized gold price, down from $1,640 per ounce for the six months ended June 30, 2012 to $1,522 per ounce for the six months ended June 30, 2013 .

The increase in ounces sold was primarily due to a 29% increase in ore grade processed in the first half of 2013, as a result of the higher grade ore processed from the Father Brown open-pit, compared to mining the lower grade ore from the Benso open pits in 2012 .

Cost of sales for Wassa/HBB totaled $82.1 million in the first half of 2013 , $5.3 million higher than the $76.8 million incurred during 2012. The higher cost of sales is mainly related to the $3.8 million draw-down of ore stockpiles in 2013 compared with a $4.9 million inventory build-up in 2012. Mine operating costs totaled $70.7 million , or $4.6 million lower than 2012, due to a decrease in tonnes mined. Royalty expense increased from 2012 due to the higher gold revenue during the same period in 2013.

Wassa/HBB's cash operating costs totaled $74.5 million for the first half of 2013, slightly higher than the $70.4 million incurred in 2012. The higher cash operating costs were more than offset by the increase in the amount of gold sold, resulting in cash operating cost per ounce of $770 per ounce for the first half of 2013 , $138 per ounce lower than the cash operating cost per ounce of $908 per ounce during 2012 .

During the second quarter of 2013, the Company recorded impairment charges at Wassa/HBB aggregating $106.9 million , comprised of $19.4 million related to property, plant an equipment, and $87.5 million related to mine property. The impairment test for Wassa/HBB was based on a $1,100 per ounce optimized pit-shell and the average of the consensus gold prices of various financial institutions. The resulting non-cash charge impairment charge was primarily due to the recent drop in the expected long term gold prices and a shorter mine life.

BOGOSO/PRESTEA OPERATIONS

Through a 90% owned subsidiary, Golden Star (Bogoso/Prestea) Limited (“GSBPL”), we own and operate the Bogoso/Prestea gold mining and processing operations (“Bogoso/Prestea”) located near the town of Bogoso, Ghana. GSBPL operates a gold ore processing facility at Bogoso/Prestea with a capacity of up to 3.5 million tonnes of ore per annum, which uses bio-oxidation technology to treat refractory ore (“Bogoso refractory plant”). In addition, GSBPL has a CIL processing facility located adjacent to the refractory plant, which is suitable for treating non-refractory gold ores (“Bogoso non-refractory plant”) at a rate up to 1.5 million tonnes per annum. Bogoso/Prestea produced and sold 172,379 ounces of gold in 2012 and 69,811 ounces of gold in the six months ending June 30, 2013 .

Through GSBPL, we own the Prestea Underground, which is located on the Prestea property and consists of a currently inactive underground gold mine and associated support facilities. We have recently published a feasibility study in respect of the feasibility of reopening the mine. See Prestea Underground above.

	For the three months ended June 30,		For the six months ended June 30,	
	2013	2012	2013	2012
BOGOSO/PRESTEA FINANCIAL RESULTS				
Revenue	$ 48,573	$ 70,563	$ 106,526	$ 140,158
Mine operating expenses	46,604	49,720	100,962	100,640
Royalties	2,429	3,530	5,329	7,012
Costs to metals inventory	7,742	(1,132)	3,793	(61)
Net Realizable value adjustment	3,162	—	5,124	57
Cost of sales excluding depreciation and amortization	59,937	52,118	115,208	107,648
Depreciation and amortization	6,642	5,140	10,982	10,313
Mine operating margin	$ (18,006)	$ 13,305	$ (19,664)	$ 22,197
BOGOSO/PRESTEA OPERATING RESULTS				
Ore mined refractory (t)	265,642	604,596	682,555	1,374,268
Ore mined non-refractory (t)	95,498	244,627	347,895	385,197
Total ore mined (t)	361,140	849,223	1,030,450	1,759,465
Waste mined (t)	5,854,541	5,013,827	13,325,500	12,255,752
Refractory ore processed (t)	646,191	570,450	1,169,406	1,181,676
Refractory ore grade (g/t)	2.15	2.60	2.14	2.57
Gold recovery – refractory ore (%)	67.3	71.3	69.3	72.3
Non-refractory ore processed (t)	63,154	201,912	280,719	374,927
Non-refractory ore grade (g/t)	2.08	2.71	2.60	2.68
Gold recovery - non-refractory ore (%)	54.1	62.2	52.5	55.3
Gold sold refractory (oz)	29,856	34,051	56,223	68,354
Gold sold non-refractory (oz)	4,460	10,064	13,588	17,003
Gold sales (oz)	34,316	44,115	69,811	85,357
Cash operating cost ($/oz) [1]	1,584	1,101	1,501	1,178

[1] See "Non-GAAP Financial Measures" on page 21 for a reconciliation of cash operating cost per ounce to cost of sales excluding depreciation and amortization.

THREE MONTHS ENDED JUNE 30, 2013 COMPARED TO THREE MONTHS ENDED JUNE 30, 2012

Bogoso/Prestea's second quarter 2013 revenues totaled $48.6 million , down $22.0 million from $70.6 million in 2012 . The realized gold price averaged $1,415 per ounce in the second quarter of 2013 , down 11.6% from $1,600 per ounce a year earlier. In addition gold sold decreased to 34,316 ounces in the second quarter of 2013 , down 9,799 ounces from 44,115 ounces in the same period in 2012 .

During the second quarter of 2013 the Pampe open-pit mining operation was suspended due to pit wall instability, the lower gold price and lower than expected gold recoveries. Since the Pampe open-pit was the primary ore source for non-refractory operations, the non-refractory processing plant was placed on care and maintenance. Consequently non-refractory gold sales were down 55.7% from the second quarter of 2012 . In addition, refractory gold sales were 12.3% lower due to lower gold grade processed, and slightly lower gold recovery during the second quarter 2013 , despite 13.3% more ore tonnes being processed by the refractory processing plant, due to fewer maintenance related stoppages during the quarter ended June 30, 2013 .

Bogoso/Prestea's cost of sales excluding depreciation and amortization increased by $7.8 million to $59.9 million for the second quarter of 2013 . A $3.2 million net realizable value inventory adjustment and recovery of $7.7 million of operating costs from inventory were the two major factors causing the increase in cost of sales. The $3.2 million of net realizable value adjustments represents the cash portion of metals inventory written off because the cost per ounce of the ounces sitting in the

stockpiles and in in-process inventory exceed the current gold price. In comparison, net realizable value adjustments were nil in the same period of 2012.

Mine operating expenses totaled $46.6 million in the second quarter of 2013, lower than the $49.7 million incurred in the same period of 2012 .

A new water treatment plant was commissioned in the first quarter of 2013, and we incurred $1.2 million in water treatment costs in the second quarter of 2013 that were not incurred in second quarter of 2012 .

Cash operating costs for the second quarter of 2013 totaled $54.3 million , up 11.9% from $48.6 million in 2012 . The increase was mainly related to the $7.7 million draw-down of ore stockpiles and in-plant inventory in 2013 compared with a $1.1 million inventory build-up in 2012 . partially offset by a 3.1 million decrease in mine operating expenses during the second quarter of 2013.

As a result of the above and the lower gold ounces sold, cash operating cost per ounce increased from $1,101 per ounce in the second quarter of 2012 to $1,584 per ounce in the second quarter of 2013 .

During the second quarter 2013, the Company recorded impairment charges at Bogoso/Prestea aggregating $86.1 million , comprised of $36.4 million related to property, plant and equipment, $49.3 million related to mine property and $0.4 million related to intangible assets. The impairment test for Bogoso/Prestea was based on a $1,200 per ounce optimized pit shell for the Mampon, Dumasi and Prestea South pits and a $1,450 per ounce optimized pit shell for the Chujah and Bogoso North pits and the average of the consensus gold prices of various financial institutions. The resulting non-cash charge was primarily due to the recent drop in expected long term gold prices.

SIX MONTHS ENDED JUNE 30, 2013 COMPARED TO SIX MONTHS ENDED JUNE 30, 2012

Gold revenues for the first six months of 2013 totaled $106.5 million , down $33.6 million from $140.2 million in 2012 . The lower gold revenues were the result of lower realized gold prices and fewer gold ounces sold in 2013 as compared to 2012 . Gold sold totaled 69,811 ounces in the first six months of 2013 , down 15,546 ounces from 85,357 ounces in the same period of 2012 .

Refractory gold sales dropped to 56,223 ounces in the first half of 2013 , down 12,131 ounces from the 68,354 ounces sold in the same period of 2012 mainly due to a drop in ore grade processed and gold recovery. Refractory ore grade processed during 2013 was 16.7% lower than in the first half of 2012 , this due to the lower gold grade of the ore available during the push backs at the Chujah and Bogoso North pits in 2013, while in 2012 Bogoso/Prestea had better access to higher grade ores. As a result of the lower gold grade, gold recovery in the refractory processing plant dropped to 69.3% .

Non-refractory gold sales dropped to 13,588 ounces in 2013 , down 3,415 ounces from the 17,003 ounces sold in 2012 , as a result of the lower non-refractory plant through-put, lower ore grade and lower gold recovery. During the second quarter of 2013 Bogoso lost most of its supply of non-refractory ore when the Pampe open-pit mining operation was suspended due to pit-wall instability at the Pampe pit. Since the Pampe open-pit was the primary ore source for the non-refractory operation, the non-refractory processing plant was placed on care and maintenance until the tailings reclaim project was re-started in July 2013.

In addition to lower gold production, the realized gold price was down, averaging $1,526 per ounce in the first six months of 2013 , compared with $1,642 per ounce in the same period a year earlier.

Bogoso/Prestea's cost of sales excluding depreciation and amortization increased by $7.6 million to $115.2 million in the first half of 2013 from $107.6 million for the same period in 2012 . Bogoso's mine operating expenses totaled $101.0 million , similar to the six months ended 2012 . A new water treatment plant was commissioned in the first quarter of 2013, and during the first six months of 2013, we incurred $1.4 million in water treatment costs that were not incurred in the same period of 2012 . In addition, as described above, cost of sales excluding depreciation and amortization increased $5.1 million , due to a net realizable value ore and metals inventory adjustment.

As a result of the above, cash operating cost per ounce increased from $1,178 per ounce for the first half of 2012 to $1,584 per ounce in the first half of 2013 .

During the first half of 2013, the Company recorded impairment charges at Bogoso/Prestea aggregating $86.1 million , comprised of $36.4 million related to property, plant and equipment, $49.3 million related to mine property and $0.4 million related to intangible assets . The impairment test for Bogoso/Prestea was based on a $1,200 per ounce optimized pit shell for Mampon, Dumasi and the Prestea South pits and a $1,450 per ounce optimized pit shell for the Chujah and Bogoso North pits and the average of the consensus gold prices of various financial institutions. The resulting non-cash charge was primarily due to the recent drop in the expected long term gold prices.

LIQUIDITY AND FINANCIAL CONDITION

We held $52.7 million in cash and cash equivalents as of June 30, 2013 , down from $78.9 million at December 31, 2012 . Operations generated $41.5 million of cash during the six months ended June 30, 2013 , and cash flow used for investing and financing activities aggregated $64.2 million and $3.5 million , respectively during the period.

Before working capital changes, operations provided $14.6 million of operating cash flow during the first half of 2013, down from $58.4 million in same period last year. The decrease was primarily related to the increase in mine operating costs at the Bogoso/Prestea operation.

Working capital changes added a net $26.9 million during the six months ended June 30, 2013 , compared to a decrease of $12.2 million in same period in 2012. Accounts receivable remained essentially unchanged during the first half of 2013, similar to the first half of 2012. Deposits decreased by $2.1 million during the first six months of 2013 compared to a $0.7 million increase for the same period during 2012. The decrease in deposits in 2013 reflects a drop in the number of down payments on long-lead time purchases. In summary, net cash provided by operating activities was $41.5 million for the for the six months ended June 30, 2013 , as compared to $46.2 million in the same period of 2012.

A net of $64.2 million was used in investing activities during first six months of 2013, including $44.7 million on mining property development and $12.0 million for the acquisition of new equipment and facilities at the mine sites.

Major capital expenditures at Wassa/HBB during the first half of 2013 included $9.9 million on development drilling, mostly at the Wassa open-pit, $1.2 million on Father Brown mine development costs and $2.4 million on Wassa plant upgrades. Major capital spending items at Bogoso/Prestea during the first six months of 2013 included $6.3 million on the Dumasi resettlement project, development expenditures at Mampon and Prestea South of $2.6 million , $1.4 million for completion of construction of a water treatment plant, mining equipment of $5.2 million and $18.3 million of capitalized betterment stripping at the Chujah pit.

Financing activities used $3.5 million during the first six months of 2013 , mainly as a result of scheduled debt repayments of $3.6 million on the equipment financing facility. During the six months ended June 30, 2012 , net cash provided by financing activities were $3.1 million , which consisted of $4.4 million in scheduled debt repayments and $7.4 million of new borrowings under the equipment financing facility.

All of our cash is held as cash or is invested in funds that hold only U.S. treasury notes and bonds.

Wassa/HBB incurred taxable income in 2012 for the first time and will pay approximately $12.6 million of 2012 taxes in 2013, of which $8.4 million was paid during the first quarter of 2013 and $4.2 million will be paid in the third quarter of 2013. We expect that Wassa/HBB will generate taxable income in 2013 and make additional tax payments in 2013.

SUBSEQUENT EVENTS

Sale of True Gold Mining Shares

On July 29, 2013, the Company completed the sale of our available for sale investment, 24,521,101 shares of True Gold Mining Inc ("TGM") for net proceeds of $7.4 million resulting in a gain of approximately $1.5 million in the third quarter of 2013.

Ecobank Loan

On July 30, 2013, the Company, through GSWL, closed a $50 million secured Medium Term Loan Facility ("Ecobank Loan") with Ecobank Ghana Limited ("Ecobank"), a pan-African full service bank, who acted as sole lender and arranger to GSWL. The proceeds will be used to finance Wassa capital expenditures, inclusive of pre-feasibility studies, drilling operations, settlement, partial relocation and other capital expenditures. The Ecobank Loan has a term of 60 months from the date of initial drawing and is secured, among other things, by Wassa's existing plant, machinery and equipment. The interest rate is three month LIBOR + 9%, per annum, payable monthly in arrears. Payment of interest and principal commences six months following the first drawdown. The Company drew down $10 million under this facility on July 30, 2013.

LIQUIDITY OUTLOOK

As at December 31, 2012 we expected that capital expenditures in 2013 would be higher than in prior years, as a result of implementing a series of organic growth projects at our existing properties expected to increase gold output and achieve lower costs per ounce in the future. However, in response to the recent substantial decline in gold prices we re-assessed our spending plans for 2013 and are deferring spending on development projects until gold prices improve from their current level.

CAPITAL RESOURCES

The following table shows our actual capital spending and the revised capital spending plans for 2013.

($'millions)	Actual spending for the six months ended June 30, 2013 [1]	Expected for the remainder of 2013 [2]	Total expected spending 2013 [2]
Sustaining capital spending			
Bogoso/Prestea refractory	$ 10.5	$ 5.6	$ 16.1
Bogoso/Prestea non-refractory	0.1	0.1	0.2
Wassa/HBB	6.8	17.2	24.0
Total	17.4	22.9	40.3
Development capital spending			
Bogoso/Prestea refractory	4.1	4.9	9.0
Bogoso/Prestea non-refractory	5.3	0.8	6.1
Wassa/HBB	11.6	9.4	21.0
Total	21.0	15.1	36.1
Total capital spending	$ 38.4	$ 38.0	$ 76.4

[1] The capital spending for the six months ended June 30, 2013 shown above exclude betterment stripping of $18.3 million , previously expensed under US GAAP now capitalized under IFRS.
[2] Exclude $18.9 million o f betterment stripping that we expect to incur to push back the Chujah pit at Bogoso/Prestea, previously betterment stripping was expensed under US GAAP.

As of June 30, 2013 , we had $14.6 million of outstanding loans under our $35.0 million equipment financing facility leaving a borrowing capacity of $20.4 million . During the second quarter of 2013, we did not enter into any new loans on our equipment financing facility. We made $3.6 million of principal payments on the equipment financing loans in the first half of 2013, and we expect to repay an additional $3.2 million of principal during the remainder of 2013. We also expect to pay $0.4 million of interest on the equipment financing facility, and $1.9 million of interest on the 5% Convertible Debentures during the remainder of 2013.

During the remainder of 2013 we expect to fund operations and capital projects through operating cash flow, the equipment financing facility, the Ecobank Loan and cash on hand. If these sources of are not sufficient, planned capital projects could be delayed or operations curtailed. While we may also pursue additional debt or equity financing, there can be no assurance that additional financing will be available at all or on terms acceptable to us.

TABLE OF CONTRACTUAL OBLIGATIONS

	Payment due (in thousands) by period				
	Total	Less than 1 Year	1 to 3 years	3 to 5 years	More than 5 Years
Debt [1]	$ 92,060	$ 3,180	$ 8,530	$ 80,350	$ —
Interest on long term debt	16,995	2,378	8,676	5,941	—
Purchase obligations	14,895	14,895			—
Total	$ 123,950	$ 20,453	$ 17,206	$ 86,291	$ —

[1] Includes $77.5 million of 5% Convertible Debentures maturing in November 2017. Golden Star has the right to repay the $77.5 million in cash or in common shares at the due date under certain circumstances. The presentation shown above assumes payment is made in cash and also assumes no conversions of the debt to common shares by the holders prior to the maturity date.

LOOKING AHEAD

Our objectives for the remainder of 2013 include:

- achieving further reductions in operating costs throughout the Company.

- evaluate possible push backs of the Father Brown pit;
- permitting of Dumasi pit, approval of the Dumasi resettlement action plan and commencement of construction of the Dumasi resettlement town site;
- permitting and planning of the Mampon pit and associated infrastructure;
- permitting and planning of the Prestea South pits and associated infrastructure;
- continuing the construction of the tailings storage facility at Wassa/HBB; and
- continuation of underground activities at the Prestea Underground mine;

As more fully disclosed under Risk Factors in our MD&A for the year ended December 31, 2012 , numerous factors could cause our estimates and expectations to be wrong or could lead to changes in our plans. Under any of these circumstances, the estimates described above could change materially.

RELATED PARTY TRANSACTIONS

There were no material related party transactions in 2013 and 2012 other than compensation of key management personnel which are presented in the table below. Key management personnel is defined as members of the Board of Directors and certain senior officers.

	For the three months ended June 30,		For the six months ended June 30,	
	2013	2012	2013	2012
Salaries, wages, and other benefits	$ 542	$ 614	$ 1,047	$ 1,244
Severances and bonus	944	—	1,695	755
Share-based compensation	278	347	1,129	2,150
	$ 1,764	$ 961	$ 3,871	$ 4,149

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Preparation of our condensed interim consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that can affect reported amounts of assets, liabilities, revenues and expenses and the accompanying disclosures. Estimates and assumptions are continuously evaluated and are based on management's historical experience and on other assumptions we believe to be reasonable under the circumstances. However, uncertainty about these judgments, estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

EXPLORATION AND EVALUATION EXPENDITURE

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company. If, after exploration and evaluation expenditure is capitalized, information becomes available indicating that the recovery of the carrying amount of an exploration and evaluation asset is unlikely the Company writes off the amount capitalized in the period the new information becomes available.

MINERAL RESERVES

Determining mineral reserves and resources is a complex process involving numerous variables and is based on a professional evaluation using accepted international standards for the assessment of mineral reserves. Estimation is a subjective process, and the accuracy of such estimates is a function of the quantity and quality of available data, the assumptions made and judgments used in engineering and geological interpretation. Mineral reserve estimation may vary as a result of changes in the price of gold, production costs, and with additional knowledge of the ore deposits and mining conditions.

Differences between management's assumptions including economic assumptions such as metal prices and market conditions could have a material effect in the future on the Company's results and financial position, particularly a change in the rate of depreciation, depletion and amortization of the related mining assets.

BETTERMENT STRIPPING COSTS

Significant judgment is required to distinguish between development stripping and production stripping which relates to extraction of inventory and production stripping which relates to the creation of a stripping activity asset. Once the Company has identified its stripping for each surface mining operation, it identifies the separate components for the ore bodies in each of

its mining operations. An identifiable component is a specific volume of the ore body that is made more accessible by the stripping activity. Significant judgment is required to identify these components and to determine the expected volumes (waste and ore) to be stripped in each component.

Judgment is also required to identify a suitable production measure to be used to allocate production stripping costs between inventory and any stripping activity asset for each component. The Company considers that the ratio of the expected volume of ore to be mined for a specific component of the ore body, to be the most suitable production measure.

UNITS OF PRODUCTION DEPRECIATION

The mineral properties and a large portion of the property, plant and equipment is depreciated using the units of production method over the expected operating life of the mine based on estimated recoverable ounces of gold, which are the prime determinants of the life of a mine. Estimated recoverable ounces of gold include proven and probable reserves and non-reserve material when sufficient objective evidence exists that it is probable the non-reserve material will be produced. Changes in the estimated mineral reserves will result in changes to the depreciation charges over the remaining life of the operation. A decrease in the mineral reserves would increase depreciation expense and this could have a material impact on the operating results. The amortization base is updated on an annual basis based on the new mineral estimates.

CARRYING VALUE OF ASSETS AND IMPAIRMENT CHARGES

The Company undertakes a review of each asset or cash generating unit ("CGU") at each reporting period to determine whether any indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable amount of the asset or CGU is made, which is considered to be the higher of the fair value less cost to sell and value in use. An impairment loss is recognized when the carrying value of the asset or CGU is higher than the recoverable amount. In undertaking this review, management of the Company is required to make significant estimates of, amongst other things, discount rates, future production and sale volumes, metal prices, reserves and resource quantities, future operating and capital costs and reclamation costs to the end of the mine's life. These estimates are subject to various risks and uncertainties, which may ultimately have an effect on the expected recoverability of the carrying values of the asset or CGU. In determining a CGU, management has examined the smallest identifiable group of assets that generates cash inflows that are largely independent of cash inflows from other assets or group of assets.

REHABILITATION PROVISIONS

Environmental reclamation and closure liabilities are recognized at the time of environmental disturbance, in amounts equal to the discounted value of expected future reclamation and closure costs. The estimated future cash costs of such liabilities are based primarily upon environmental and regulatory requirements of the various jurisdictions in which we operate. The liability represents management's best estimates of cash required to settle the liability, inflation, assumptions of risks associated with future cash flows and the applicable risk-free interest rates for discounting the future cash outflow. The liability is assessed at each reporting date.

INVENTORY VALUATION

All of our inventories are recorded at the lower of average cost or net realizable value ("NRV"). The allocation of costs to ore in stockpiles and the determination of NRV involve the use of estimates. Stockpiled ore represents coarse ore that has been extracted from the mine and is stored for future processing. Stockpiled ore is measured using estimates such as the number of tonnes (via truck counts or by physical surveys) added to, or removed from the stockpile, the number of contained ounces (based on assay data) and estimated gold recovery percentage. Timing and recovery of stockpiled ore can vary significantly from the estimates.

FAIR VALUE HIERARCHY

If the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, then fair value is determined using valuation techniques such as discounted cash flow models. The inputs to these models are taken from observable markets where possible, but if this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

INCOME TAXES

We deal with uncertainties and judgments in the application of complex tax regulations in the various jurisdictions where our properties are located. The amount of taxes paid is dependent upon many factors, including negotiations with taxing authorities in the various jurisdictions and resolution of disputes arising from our international tax audits. We recognize potential liabilities and record tax liabilities for anticipated tax audit issues in our various tax jurisdictions based on our best estimate of additional taxes payable. We adjust these reserves in light of changing facts and circumstances, however, due to the complexity of some of these uncertainties, the ultimate resolution may result in payment that is materially different from our estimates of our tax liabilities. If our estimate of tax liability proves to be less than the ultimate assessment, an additional charge to expense would result. If the estimate of tax liabilities proves to be greater that the ultimate assessment, a tax benefit is recognized.

A deferred tax asset is recognized if we have assessed that it is more likely than not that the benefits will be realized in future periods. This assessment is based on our estimates of the future taxable earnings generated by our operations.

CHANGES IN ACCOUNTING POLICIES

International Financial Reporting Standards

In conjunction with the recent relocation of the Company's corporate headquarters from the US to Canada, the Company reported its financial results in accordance with IFRS for the first time in its June 30, 2013 condensed interim consolidated financial statements, with an effective transition date of January 1, 2012, including IFRS 1 First-Time Adoption of International Financial Reporting Standards, and IAS 34, Interim Financial Reporting. The adoption of IFRS did not have a material impact on the Company's operations and business decisions. The change however did have a significant impact in the manner the company discloses certain information within its balance sheet and statement of operations as described below.

The Company's IFRS accounting policies are disclosed in Note 3 "Summary of Significant Accounting Policies" to the condensed interim consolidated financial statements for the three and six months ended June 2013. Reconciliation between the Company's financial statements as previously reported under US GAAP and current reporting under IFRS is detailed in Note 25 "First Time Adoption of IFRS" of the condensed interim consolidated financial statements. The following is an overview of the impacts to the Company's financial results due to the transition to IFRS.

The following is a discussion of the significant changes in our financial statements as of December 31, 2012 caused by our adoption of IFRS:

Deemed cost adjustments of Bogoso mining assets - Upon adoption of IFRS, the carrying value of the Bogoso mining properties and mine equipment accounts were adjusted to their fair value amounts (deemed cost) as of January 1, 2012, reducing the basis in these assets by $148.5 million. As a result, the recorded value of our mining assets were $137.0 million lower as of December 31, 2012 than they would have been under US GAAP.

Stripping costs during the production phase (Betterment stripping) - US GAAP required that the costs of removing overburden ("stripping") be treated as a current period operating cost. IFRS provides for deferral of the portion of stripping costs that provide improved access to future ore mined and such costs are deferred as an asset until such time as the ore benefiting from the stripping activity is mined. As a result, upon adoption of IFRS, stripping costs expensed for US GAAP were reclassified as a mineral property asset. As of December 31, 2012, the balance in this account was $28.1 million higher than it would have been under US GAAP. This amount reduced the mine operating costs and was shown as an investing cash flow under IFRS.

Exploration and evaluation assets - We have elected under IFRS to capitalize the exploration and development costs of new projects. Under US GAAP, exploration and development costs are capitalized only upon completion of a feasibility study which establishes a mineral reserve. As a result, past exploration and development cost expensed for US GAAP of $16.7 million was reclassified as a long term asset on the Company's opening IFRS balance sheet. As of December 31, 2012 this new account had a balance of $10.9 million and would have been nil under US GAAP.

Gain on sale of assets - Prior to 2012, the Company had invested in exploration projects that were subsequently disposed of or sold to an unrelated party in 2012. Since these properties had not progressed to the point where a feasibility study could be completed, under US GAAP all historical costs associated with the properties were expensed as incurred. As a result, upon sale or disposition of the properties their basis was nil. Upon adoption of IFRS the past costs of this property were reclassified as an exploration and evaluation assets and upon the sale or disposition, this new basis was deducted from any sales proceeds resulting in a $5.7 million lower gain on the sale or disposal of the asset under IFRS.

STANDARDS, INTERPRETATIONS AND AMENDMENTS NOT YET EFFECTIVE

IFRIC 21 Accounting for levies imposed by government clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. This standard is effective for annual periods beginning on or after January 1, 2014. The Company is currently assessing the impact of this interpretation.

IAS 32 Financial instruments: presentation was amended to address inconsistencies in current practice when applying the offsetting criteria in IAS 32. Under this amendment, the meaning of currently has a legally enforceable right of set-off was

clarified as well as providing clarification that some gross settlement systems may be considered equivalent to net settlement. This amendment is effective for annual periods beginning on or after January 1, 2014 and is not expected to have a significant impact on the Company.

IFRS 9 Financial instruments, addresses classification and measurement of financial assets. It replaces the multiple category and measurement models in IAS 39, Financial instruments - Recognition and Measurement, for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit and loss. IFRS 9 also replaces the models for measuring equity instruments. Such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. Where equity instruments are measured at fair value through other comprehensive income, dividends are recognized in the statement of earnings to the extent that they do not clearly represent a return of investment; however, other gains and losses (including impairments) associated with such instruments remain in accumulated comprehensive income indefinitely.

Requirements for financial liabilities were added to IFRS 9 in October 2010 and they largely carried forward existing requirements in IAS 39 except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss are generally recorded in other comprehensive income. This standard is effective for annual periods beginning on or after January 1, 2015. The Company is still assessing the impact of this standard.

The IASB has amended IAS 36 to remove the requirement to disclose recoverable amount when a CGU contains goodwill or indefinite lived intangible assets but there has been no impairment. The amendment requires additional disclosure of the recoverable amount of an asset or CGU when an impairment loss has been recognized or reversed; and detailed disclosure of how the fair value less costs of disposal has been measured when an impairment loss has been recognized or reversed.

NON-GAAP FINANCIAL MEASURES

In this MD&A, we use the terms “cash operating cost per ounce”, "all-in sustaining costs", "all-in costs", "cash generated used by/before working capital changes", "adjusted net (loss)/income attributable to Golden Star shareholders" and "adjusted net (loss)/income per share attributable to Golden Star shareholders".

“Cost of sales excluding depreciation and amortization” as found in our statements of operations, includes all mine-site operating costs, including the costs of mining, ore processing, maintenance, work-in-process inventory changes, mine-site overhead as well as production taxes, royalties, and by-product credits, but excludes exploration costs, property holding costs, corporate office general and administrative expenses, foreign currency gains and losses, impairment charges, corporate business development costs, gains and losses on asset sales, interest expense, gains and losses on derivatives, gains and losses on investments and income tax expense/benefit.

"All-in sustaining costs" commences with cash operating costs and then adds sustaining capital expenditures, corporate general and administrative costs, mine site exploratory drilling and and greenfield evaluation costs and environmental rehabilitation costs. This measure seeks to represent the total costs of producing gold from current operations, and therefore it does not include capital expenditures attributable to projects or mine expansions, exploration and evaluation costs attributable to growth projects, income tax payments, interest costs or dividend payments. Consequently, this measure is not representative of all of the Company's cash expenditures. In addition, our calculation of all-in sustaining costs does not include depreciation expense as it does not reflect the impact of expenditures incurred in prior periods. Therefore, it is not indicative of the Company's overall profitability.

The new “all-in costs” measure starts with “all-in sustaining costs” and adds additional costs, which reflect the varying costs of producing gold over the life-cycle of a mine, including: non-sustaining capital expenditures (capital expenditures at new projects and capital expenditures at existing operations that increase the productive capacity of the mine or extend the mine life beyond the existing pits), and other non-sustaining costs (primarily exploration and evaluation (“E&E”) costs, community relations costs and general and administrative costs that are not associated with current operations). This definition recognizes that there are different costs associated with the life-cycle of a mine and that it is therefore appropriate to distinguish between sustaining and non-sustaining costs. We believe that “all-in sustaining costs” and “all-in costs” will better meet the needs of analysts, investors and other stakeholders of the Company in understanding the costs associated with producing gold, understanding the economics of gold mining, assessing our operating performance and also our ability to generate free cash flow from current operations and to generate free cash flow on an overall Company basis. Due to the capital intensive nature of the industry and the long useful lives over which these items are depreciated, there can be a disconnect between net earnings calculated in accordance with IFRS and the amount of free cash flow that is being generated by a mine. In the current market environment for gold mining equities, many investors and analysts are more focused on the ability of gold mining companies to generate free cash flow from current operations, and consequently we believe these measures are useful non-GAAP operating metrics and supplement our IFRS disclosures. These measures are not representative of all of our cash expenditures as they do not include income tax payments or interest costs. “All-in sustaining costs” and “all-in costs” are intended to provide additional information only and do not have standardized definitions under IFRS and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These measures are not necessarily indicative of operating profit or cash flow from operations as determined under IFRS. The table below reconciles these non-GAAP measures to the most directly comparable IFRS measures and previous periods have been recalculated to conform to our current definition.

"Cash operating cost per ounce" for a period is equal to "Cost of sales excluding depreciation and amortization" for the period less, royalties, production taxes, minus the cash component of metals inventory net realizable value adjustments divided by the number of ounces of gold sold during the period.

The table below reconciles consolidated Cost of sales excluding depreciation an amortization to cash operating cost per ounce, All-in sustaining costs per ounce and All-in cost per ounce:

(Stated in thousands of US dollars)	For the three months ended June 30, 2013	For the three months ended June 30, 2012	For the six months ended June 30, 2013	For the six months ended June 30, 2012
Cost of sales excluding depreciation and amortization	$ 101,178	$ 89,542	$ 197,297	$ 184,412
Royalties	(6,041)	(6,821)	(12,694)	(13,385)
Metals inventory net realizable value adjustment	(3,427)	—	(5,389)	(57)
Cash operating costs	91,710	82,721	179,214	170,970
Royalties	6,041	6,821	12,694	13,385
Metals inventory net realizable value adjustment	3,427	—	5,389	57
Accretion of rehabilitation provisions	148	159	296	277
General and administrative costs	4,328	4,639	11,758	11,830
Sustaining capital expenditures	11,630	7,784	17,510	21,416
All-in sustaining costs	117,284	102,124	226,861	217,935
Exploration expense	633	551	1,275	1,689
Capitalized evaluation and exploration expenditures	215	277	218	403
Development capital expenditures	17,663	13,311	39,175	28,453
All-in costs	$ 135,795	$ 116,263	$ 267,529	$ 248,480
Ounces sold	85,090	85,183	166,451	162,908
Cost per ounce measures ($/oz):				
Cash operating cost per ounce	1,078	971	1,077	1,049
All-in sustaining cost per ounce	1,378	1,199	1,363	1,338
All-in cost per ounce	1,596	1,365	1,607	1,525

The tables below reconciles Cost of sales excluding depreciation and amortization to cash operating costs per ounce for each of our operating mines:

	For the three months ended June 30, 2013		
	Wassa/HBB	Bogoso/Prestea	Combined
Cost of sales excluding depreciation and amortization	$ 41,241	$ 59,937	$ 101,178
Royalties	(3,612)	(2,429)	(6,041)
Metals inventory net realizable value adjustment	(265)	(3,162)	(3,427)
Cash operating costs	$ 37,364	$ 54,346	$ 91,710
Ounces sold	50,774	34,316	85,090
Cash operating cost per ounce	$ 736	$ 1,584	$ 1,078

	For the three months ended June 30, 2012		
	Wassa/HBB	Bogoso/Prestea	Combined
Cost of sales excluding depreciation and amortization	$ 37,424	$ 52,118	$ 89,542
Royalties	(3,291)	(3,530)	(6,821)
Metals inventory net realizable value adjustment	—	—	—
Cash operating costs	$ 34,133	$ 48,588	$ 82,721
Ounces sold	41,068	44,115	85,183
Cash operating cost per ounce	$ 831	$ 1,101	$ 971

	For the six months ended June 30, 2013		
	Wassa/HBB	Bogoso/Prestea	Combined
Cost of sales excluding depreciation and amortization	$ 82,089	$ 115,208	$ 197,297
Royalties	(7,365)	(5,329)	(12,694)
Metals inventory net realizable value adjustment	(265)	(5,124)	(5,389)
Cash operating cost	$ 74,459	$ 104,755	$ 179,214
Ounces sold	96,640	69,811	166,451
Cash operating cost per ounce	$ 770	$ 1,501	$ 1,077

	For the six months ended June 30, June 30, 2012		
	Wassa/HBB	Bogoso/Prestea	Combined
Cost of sales excluding depreciation and amortization	$ 76,764	$ 107,648	$ 184,412
Royalties	(6,373)	(7,012)	(13,385)
Metals inventory net realizable value adjustment	—	(57)	(57)
Cash operating cost	$ 70,391	$ 100,579	$ 170,970
Ounces sold	77,551	85,357	162,908
Cash operating cost per ounce	$ 908	$ 1,178	$ 1,049

"Cash generated before working capital changes" is calculated by subtracting the "Changes in working capital" from "Net cash provided by operating activities" as found in our statements of cash flows.

We use cash operating cost per ounce and cash generated before working capital change as key operating indicators. We monitor these measures monthly, comparing each month's values to prior periods' values to detect trends that may indicate increases or decreases in operating efficiencies. These measures are also compared against budget to alert management of trends that may cause actual results to deviate from planned operational results. We provide these measures to our investors to allow them to also monitor operational efficiencies of our mines. We calculate these measures for both individual operating units and on a consolidated basis.

Cash operating cost per ounce and cash generated before working capital changes should be considered as non-GAAP financial measures as defined in the Canadian securities laws and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. There are material limitations associated with the use of such non-GAAP measures. Since these measures do not incorporate revenues, changes in working capital and non-operating cash costs, they are not necessarily indicative of operating profit or cash flow from operations as determined under GAAP. Changes in numerous factors including, but not limited to, mining rates, milling rates, ore grade, gold recovery, costs of labor, consumables and mine site general and administrative activities can cause these measures to increase or decrease. We believe that these measures are similar to the measures of other gold mining companies, but may not be comparable to similarly titled measures in every instance.

ADJUSTED NET (LOSS)/INCOME ATTRIBUTABLE TO GOLDEN STAR SHAREHOLDERS

The table below shows the reconciliation of net (loss)/income attributable to Golden Star shareholders to adjusted net (loss)/income attributable to Golden Star shareholders and adjusted net (loss)/income per share attributable to Golden Star shareholders:

	For the three months ended June 30,		For the six months ended June 30,	
	2013	2012	2013	2012
Net (loss)/income attributable to Golden Star shareholders	$ (128,828)	$ 37	$ (120,823)	$ 12,910
Add back:				
(Gain)/loss on fair value of convertible debenture	(43,879)	1,145	(51,525)	2,037
Impairment charges	195,920	6,972	195,920	6,972
Tax recovery related to impairment charges	(26,328)	—	(26,328)	—
	(3,115)	8,154	(2,756)	21,919
Adjustments attributable to non-controlling interest	(16,665)	—	(16,665)	—
Adjusted net (loss)/income attributable to Golden Star shareholders	$ (19,780)	$ 8,154	$ (19,421)	$ 21,919
Adjusted net (loss)/income per share attributable to Golden Star shareholders				
Basic and diluted	(0.08)	0.03	(0.07)	0.08
Weighted average shares outstanding (millions)	259.2	258.8	259.1	258.8
Weighted average shares outstanding - diluted (millions)	259.2	258.9	259.1	258.8

In order to indicate to stakeholders the Company's earnings excluding the non-cash (gain)/loss on the fair value of debentures and non-cash impairment charges, the Company calculates "adjusted net (loss)/income attributable to Golden Star shareholders" and "adjusted net (loss)/income per share attributable to Golden Star shareholders" to supplement the condensed interim consolidated financial statements.

Adjusted net (loss)/income attributable to Golden Star shareholders and adjusted net (loss)/income per share attributable to Golden Star shareholders should be considered as non-GAAP financial measures as defined in the Canadian securities laws and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. There are material limitations associated with the use of such non-GAAP measures. Since these measures do not incorporate revenues, changes in working capital and non-operating cash costs, they are not necessarily indicative of operating profit or cash flow from operations as determined under GAAP. Changes in numerous factors including, but not limited to, our share price, risk free interest rates, gold prices mining rates, milling rates, ore grade, gold recovery, costs of labor, consumables and mine site general and administrative activities can cause these measures to increase or decrease. We believe that these measures are similar to the measures of other gold mining companies, but may not be comparable to similarly titled measures in every instance.

SUMMARIZED FINANCIAL RESULTS

	Three Months Ended,							
(Stated in thousands of U.S dollars except per share data)	June 30, 2013	March 31, 2013	December 31, 2012	September 30, 2012	June 30, 2012	March 31, 2012	December 31, 2011 *	September 30, 2011 *
Revenues	$ 120,693	$ 132,910	$ 149,710	$ 133,497	$ 136,313	$ 131,020	$ 118,814	$ 125,880
Net (loss)/income	(145,671)	7,923	14,338	(19,274)	1,366	13,271	7,337	(9,429)
Net (loss)/income attributable to shareholders of Golden Star	(128,828)	(8,005)	(38)	(20,059)	37	12,873	7,241	(10,196)
Net (loss)/income per share attributable to shareholders of Golden Star:								
- Basic and diluted	$ (0.50)	$ (0.03)	$ —	$ (0.08)	$ —	$ 0.05	$ 0.03	$ (0.04)

* Based on US GAAP

OUTSTANDING SHARE DATA

As of August 9, 2013, there were 259,105,970 common shares of the Company issued and outstanding, 14,190,000 stock options outstanding, 626,454 deferred share units outstanding, and 3,082,000 share appreciation rights outstanding.

FINANCIAL INSTRUMENTS

(Stated in thousands of U.S dollars)	Fair value at June 30, 2013	Basis of measurement	Associated risks
Cash and cash equivalents $	52,698	Carrying value	Interest/Credit/Foreign exchange
Accounts receivable	12,574	Carrying value	Credit
Available for sale investments	5,831	Available for sale	Market/Liquidity
Trade payable	56,786	Amortized cost	Interest
5% Convertible Debentures	47,749	Fair value through profit and loss	Interest
Equipment financing loans	12,574	Amortized cost	Interest

Carrying value - Cash and cash equivalents and accounts receivables mature in the short term and approximate their fair values.

Available for sale investments - The fair value of available for sale investments is determined based on a market approach reflecting the closing price of each particular security at the balance sheet date. The closing price is a quoted market price obtained from the exchange for the principal active market for the security. An impairment charge of $2.9 million was recognized in the three and six months period ended June 30, 2013 .

Amortized costs - Trade and other payable and equipment financing loans approximate their carrying values as the interest rates are comparable to current market rates

Fair value through profit or loss - The debt component of the 5% Convertible Debentures is valued based on discounted cash flows and the conversion feature is valued using a Black-Scholes model. The risk free interest rate used in the fair value computation is the interest rate on US treasury rate with maturity similar to the remaining life of the convertible debenture. The discount rate used is determined by adding our risk premium to the risk free interest rate. Volatility is calculated based on the weekly volatility of our share price observable on the NYSE MKT for a historical period equal to the remaining life of the convertible debenture. Investors trading in these instrument would normally cap the volatility used in the Black-Scholes model. To be consistent, we cap the weekly volatility in our calculation at 40%. During the three and six months ended June 30, 2013 , a revaluation gain of $43.9 million and $51.5 million was included in earnings.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our exposure to market risk includes, but is not limited to, the following risks: changes in interest rates on our debt, changes in foreign currency exchange rates, commodity price fluctuations, liquidity risk and credit risk.

Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Our 5% Convertible Debentures and the outstanding loans under our equipment financing facility bear interest at a fixed rate and are not subject to changes in interest payments. We have not entered into any agreements to hedge against unfavorable changes in interest rates, but may in the future actively manage our exposure to interest rate risk.

Foreign Currency Exchange Rate Risk

Currency risk is risk that the fair value of future cash flows will fluctuate because of changes in foreign currency exchange rates. In addition, the value of cash and cash equivalents and other financial assets and liabilities denominated in foreign currencies can fluctuate with changes in currency exchange rates.

Since our revenues are denominated in U.S. dollars and our operating units transact much of their business in U.S. dollars, we are typically not subject to significant impacts from currency fluctuations. However, certain purchases of labor, operating supplies and capital assets are denominated in Ghana cedis, euros, British pounds, Australian dollars and South African rand. To accommodate these purchases, we maintain operating cash accounts in non-US dollar currencies and appreciation of these non-US dollar currencies against the U.S. dollar results in a foreign currency gain and a decrease in non-U.S. dollar currencies results in a loss. In the past, we have entered into forward purchase contracts for South African rand, euros and other currencies

to hedge expected purchase costs of capital assets. During 2012 and the first half of 2013 , we had no currency related derivatives. At June 30, 2013 , and December 31, 2012 , we held $7.8 million and $3.8 million, respectively, of US dollar equivalents in foreign currency.

Commodity Price Risk

Gold is our primary product and, as a result, changes in the price of gold can significantly affect our results of operations and cash flows. Based on our expected gold production in 2013, a $10 per ounce change in gold price would result in approximately a $3.4 million and $2.6 million change in our sales revenues and operating cash flows, respectively. To reduce gold price volatility, we have at various times entered into gold price derivatives. During the first half of 2013 and 2012, we did not hold any gold price derivatives and thus, there were no financial instruments subject to gold price risk.

Liquidity Risk

Liquidity risk is the risk that we will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. We manage the liquidity risk inherent in these financial obligations by preparing quarterly forecasts and annual long-term budgets which forecast cash needs and expected cash availability to meet future obligations. Typically these obligations are met by cash flows from operations and from cash on hand. Scheduling of capital spending and acquisitions of financial resources may also be employed, as needed and as available, to meet the cash demands of our obligations.

Our ability to repay or refinance our future obligations depends on a number of factors, some of which may be beyond our control. Factors that influence our ability to meet these obligations include general global economic conditions, credit and capital market conditions, results of operations and the price of gold.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Our credit risk is primarily associated with liquid financial assets and derivatives. We limit exposure to credit risk on liquid financial assets by holding our cash, cash equivalents, restricted cash and deposits at highly-rated financial institutions. During the first six months of 2013, all of our excess cash was invested in funds that hold only U.S. treasury bills and bonds. We mitigate the credit risks of our derivatives by entering into derivative contracts with only high quality counter parties. Risks associated with gold trade receivables is considered minimal as we sell gold to a credit-worthy buyer who settles promptly within two days of receipt of gold bullion.

CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

The Company's management, with the participation of its President and Chief Executive Officer and Executive Vice President and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures. Based upon the results of that evaluation, the Company's President and Chief Executive Officer and Executive Vice President and Chief Financial Officer have concluded that, as of the end of the period covered by this MD&A, the Company's disclosure controls and procedures were effective to provide reasonable assurance that the information required to be disclosed by the Company in reports it files is recorded, processed, summarized and reported, within the appropriate time periods and is accumulated and communicated to management, including the President and Chief Executive Officer and Executive Vice President and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Internal Control Over Financial Reporting

The Company's management, with the participation of its President and Chief Executive Officer and Executive Vice President and Chief Financial Officer, is responsible for establishing and maintaining adequate internal control over financial reporting. Under the supervision of the President and Chief Executive Officer and Executive Vice President and Chief Financial Officer, the Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company's internal control over financial reporting includes policies and procedures that:

- pertain to the maintenance of records that accurately and fairly reflect, in reasonable detail, the transactions and dispositions of assets of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS and that the Company's receipts and expenditures are made only in accordance with authorizations of management and the Company's Directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Company's consolidated financial statements.

There has been no change in the Company's internal control over financial reporting during the six months ended June 30, 2013 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Limitations of Controls and Procedures

The Company's management, including the President and Chief Executive Officer and Executive Vice President and Chief Financial Officer, believes that any disclosure controls and procedures or internal control over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any control system also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected.

RISK FACTORS AND ADDITIONAL INFORMATION

The risk factors for the quarter ended June 30, 2013 , are substantially the same as those disclosed and discussed in our Annual Report on Form 10-K for the year ended December 31, 2012 .

Additional information regarding Golden Star, including the Company's Annual Report on Form 10-K for the year ended December 31, 2012, is available under the Company's profile on SEDAR at www.sedar.com.

GOLDEN STAR RESOURCES LTD.

Condensed Interim Consolidated Financial Statements for the Three and Six Months Ended June, 2013

GOLDEN STAR RESOURCES LTD.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS
(Stated in thousands of U.S. dollars except shares and per share data)
(unaudited)

	Notes	For the three months ended June 30,		For the six months ended June 30,	
		2013	2012	2013	2012
			(Note 25)		(Note 25)
Revenue		$ 120,693	$ 136,313	$ 253,603	$ 267,333
Cost of sales excluding depreciation and amortization	17	101,178	89,542	197,297	184,412
Depreciation and amortization		23,995	22,556	40,474	38,687
Mine operating margin		(4,480)	24,215	15,832	44,234
Other expenses/(income)					
Exploration expense		633	551	1,275	1,689
General and administrative		4,328	4,639	11,758	11,830
Property holding costs		3,932	1,336	7,018	3,410
Finance expense, net	18	1,935	4,891	3,855	8,629
Other expense/(income)	19	885	410	724	(22,085)
(Gain)/loss on fair value of convertible debenture		(43,879)	1,145	(51,525)	2,037
Derivative mark-to-market loss		—	—	—	162
Impairment charges	21	195,920	6,972	195,920	6,972
(Loss)/income before tax		(168,234)	4,271	(153,193)	31,590
Income tax (recovery)/expense	13	(22,563)	2,905	(15,444)	16,952
Net (loss)/income		$ (145,671)	$ 1,366	$ (137,749)	$ 14,638
Net (loss)/ income attributable to non-controlling interest		(16,843)	1,329	(16,926)	1,728
Net (loss)/income attributable to Golden Star shareholders		$ (128,828)	$ 37	$ (120,823)	$ 12,910
Net (loss)/income per share attributable to Golden Star shareholders					
Basic and diluted	16	$ (0.50)	$ —	$ (0.47)	$ 0.05
Weighted average shares outstanding (millions)		259.2	258.8	259.1	258.8
Weighted average shares outstanding-diluted (millions)		259.2	258.9	259.1	258.8

The accompanying notes are an integral part of the condensed interim consolidated financial statements

GOLDEN STAR RESOURCES LTD.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME/(LOSS)
(Stated in thousands of U.S. dollars)
(unaudited)

	Notes	For the three months ended June 30,		For the six months ended June 30,	
		2013	2012	2013	2012
			(Note 25)		(Note 25)
OTHER COMPREHENSIVE (LOSS)/INCOME					
Net (loss)/income		$ (145,671)	$ 1,366	$ (137,749)	$ 14,638
Unrealized loss on investments, net of taxes		(3,585)	(4,785)	(9,203)	(8,950)
Transferred to net income/(loss), net of taxes	21	2,947	6,972	2,947	6,972
Comprehensive (loss)/income		(146,309)	3,553	(144,005)	12,660
Comprehensive (loss)/income attributable to non-controlling interest		(16,843)	1,329	(16,926)	1,728
Comprehensive income/(loss) attributable to Golden Star shareholders		$ (129,466)	$ 2,224	$ (127,079)	$ 10,932

The accompanying notes are an integral part of the condensed interim consolidated financial statements

GOLDEN STAR RESOURCES LTD.

CONDENSED INTERIM CONSOLIDATED BALANCE SHEETS
(Stated in thousands of U.S. dollars)
(unaudited)

	Notes	As of June 30, 2013	As of December 31, 2012	As of January 1, 2012
			(Note 25)	(Note 25)
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents		$ 52,698	$ 78,884	$ 103,644
Accounts receivable		12,574	11,896	10,077
Inventories	6	70,496	82,980	74,140
Available for sale investments	7	5,831	15,034	1,416
Prepaids and other		9,671	11,266	8,522
Total Current Assets		151,270	200,060	197,799
RESTRICTED CASH		2,025	2,028	1,273
PROPERTY, PLANT AND EQUIPMENT	8	136,535	191,773	178,531
MINING PROPERTIES	8	133,347	249,827	232,075
EXPLORATION AND EVALUATION ASSETS	9	10,061	10,862	16,730
INTANGIBLE ASSETS		500	1,511	2,759
OTHER ASSETS		21	—	895
DEFERRED TAX ASSETS		235	235	—
Total Assets		$ 433,994	$ 656,296	$ 630,062
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable and accrued liabilities	10	$ 102,748	$ 101,760	$ 92,088
Current portion of rehabilitation provisions	11	7,996	9,721	8,996
Current tax liability		21,665	12,393	197
Current portion of long term debt	12	5,789	6,968	128,459
Total Current Liabilities		138,198	130,842	229,740
LONG TERM DEBT	12	56,530	110,507	10,759
REHABILITATION PROVISIONS	11	52,879	53,598	54,315
DEFERRED TAX LIABILITY		—	33,172	27,575
Total Liabilities		247,607	328,119	322,389
SHAREHOLDERS' EQUITY				
SHARE CAPITAL				
First preferred shares, without par value, unlimited shares authorized. No shares issued and outstanding		—	—	—
Common shares, without par value, unlimited shares authorized		694,906	694,652	693,899
CONTRIBUTED SURPLUS		28,265	26,304	20,534
ACCUMULATED OTHER COMPREHENSIVE INCOME		—	6,256	1,978
DEFICIT		(507,475)	(386,652)	(393,838)
Total Golden Star Equity		215,696	340,560	322,573
NON-CONTROLLING INTEREST		(29,309)	(12,383)	(14,900)
Total Equity		186,387	328,177	307,673
Total Liabilities and Shareholders' Equity		$ 433,994	$ 656,296	$ 630,062

The accompanying notes are an integral part of the condensed interim consolidated financial statements

GOLDEN STAR RESOURCES LTD.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Stated in thousands of U.S. dollars)
(unaudited)

	Notes	For the three months ended June 30, 2013	For the three months ended June 30, 2012	For the six months ended June 30, 2013	For the six months ended June 30, 2012
			(Note 25)		(Note 25)
OPERATING ACTIVITIES:					
Net (loss)/income		$ (145,671)	$ 1,366	$ (137,749)	$ 14,638
Reconciliation of net (loss)/income to net cash provided by operating activities:					
Depreciation and amortization		23,995	22,556	40,474	38,687
Amortization of loan acquisition costs		—	—	—	895
Loss/(gain) on sale of assets		1,090	(51)	1,018	(22,421)
Impairment charges		195,920	6,972	195,920	6,972
Loss on extinguishment of debt		—	582	—	582
Share-based compensation		400	1,047	1,879	4,050
Deferred income tax expense	13	(29,815)	2,905	(33,002)	16,952
Fair value of derivatives loss		—	—	—	162
Fair value (gain)/loss on convertible debt		(43,879)	1,145	(51,525)	2,037
Accretion of rehabilitation provisions		148	159	296	277
Reclamation expenditures		(1,857)	(1,847)	(2,740)	(4,422)
Changes in working capital	23	29,213	(10,710)	26,888	(12,165)
Net cash provided by operating activities		29,544	24,124	41,459	46,244
INVESTING ACTIVITIES:					
Additions to mining properties		(20,823)	(13,603)	(44,662)	(30,249)
Additions to property, plant and equipment		(8,470)	(7,492)	(12,023)	(19,620)
Additions to exploration and evaluation assets		(215)	(277)	(218)	(403)
Change in accounts payable and deposits on mine equipment and material		(6,606)	1,007	(7,335)	(2,690)
Cash used for equity investments		—	—	—	(938)
Proceeds from sale of investments		—	80	72	6,685
Net cash used in investing activities		(36,114)	(20,285)	(64,166)	(47,215)
FINANCING ACTIVITIES:					
Principal payments on debt		(1,752)	(2,271)	(3,631)	(4,421)
Proceeds from debt agreements and equipment financing		—	350	—	7,386
Exercise of options		—	—	152	91
Net cash (used in)/provided by financing activities		(1,752)	(1,921)	(3,479)	3,056
(Decrease)/increase in cash and cash equivalents		(8,322)	1,918	(26,186)	2,085
Cash and cash equivalents, beginning of period		61,020	103,811	78,884	103,644
Cash and cash equivalents, end of period		$ 52,698	$ 105,729	$ 52,698	$ 105,729

(See Note 23 for supplemental cash flow information)
The accompanying notes are an integral part of the condensed interim consolidated financial statements

GOLDEN STAR RESOURCES LTD.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Stated in thousands of U.S. dollars)
(unaudited)

		Number of Common Shares	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income/(Loss)	Retained Deficit	Non-Controlling Interest	Total Shareholders' Equity
Balance at January 1, 2012	**(Note 25)**	**258,669,487**	**$ 693,899**	**$ 20,534**	**$ 1,978**	**$ (393,838)**	**$ (14,900)**	**$ 307,673**
Shares issued under options/DSU's		27,464	135	(640)	—	—	—	(505)
Bonus shares issued		165,009	307	—	—	—	—	307
Options granted net of forfeitures		—	—	4,049	—	—	—	4,049
DSU's granted		—	—	214	—	—	—	214
Unrealized loss on investments		—	—	—	(8,950)	—	—	(8,950)
Transferred to net income, net of taxes		—	—	—	6,972	—	—	6,972
Net income		—	—	—	—	12,910	1,728	14,638
Balance at June 30, 2012	**(Note 25)**	**258,861,960**	**$ 694,341**	**$ 24,157**	**$ —**	**$ (380,928)**	**$ (13,172)**	**$ 324,398**
Shares issued under options/DSU's		154,010	311	(735)	—	—	—	(424)
Options granted net of forfeitures		—	—	2,493	—	—	—	2,493
DSU's granted		—	—	389	—	—	—	389
Unrealized gain on investments		—	—	—	6,256	—	—	6,256
Net income (loss)		—	—	—	—	(5,724)	789	(4,935)
Balance at December 31, 2012	**(Note 25)**	**259,015,970**	**$ 694,652**	**$ 26,304**	**$ 6,256**	**$ (386,652)**	**$ (12,383)**	**$ 328,177**
Shares issued under options/DSU's		90,000	254	(69)	—	—	—	185
Options granted net of forfeitures		—	—	1,679	—	—	—	1,679
DSU's granted		—	—	351	—	—	—	351
Unrealized loss on investments		—	—	—	(9,203)	—	—	(9,203)
Transferred to net loss, net of taxes		—	—	—	2,947	—	—	2,947
Net loss		—	—	—	—	(120,823)	(16,926)	(137,749)
Balance at June 30, 2013		**259,105,970**	**$ 694,906**	**$ 28,265**	**$ —**	**$ (507,475)**	**$ (29,309)**	**$ 186,387**

There were no treasury shares held as of June 30, 2013 , December 31, 2012 , June 30, 2012 or January 1, 2012

The accompanying notes are an integral part of the condensed interim consolidated financial statements

1 . NATURE OF OPERATIONS

Golden Star Resources Ltd ("Golden Star" or "Company" or "we", "our") is a Canadian federally-incorporated, international gold mining and exploration company headquartered in Toronto, Canada. The Company's shares are listed on the TSX under the symbol GSC and the NYSE MKT under the symbol GSS. The Company's registered office is located at 150 King Street West, Sunlife Financial Tower, Suite 1200, Toronto, Ontario, M5H 1J9, Canada.

Through a 90% owned subsidiary, Golden Star (Wassa) Limited (“GSWL”), we own and operate the Wassa open-pit gold mine, the Father Brown open pit gold mine and a CIL processing plant (“Wassa/HBB”), located approximately 35 kilometers from the town of Bogoso, Ghana. Through our 90% owned subsidiary Golden Star (Bogoso/Prestea) Ltd (“GSBPL”) we own and operate the Bogoso/Prestea gold mining and processing operation (“Bogoso/Prestea”) located near the town of Bogoso, Ghana. We hold interests in several gold exploration projects in Ghana and other parts of West Africa, and in South America we hold and manage exploration properties in Brazil.

2 . BASIS OF PRESENTATION

Statement of compliance

The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), including International Accounting Standards ("IAS") Interim Financial Reporting and IFRS 1 First-time Adoption of International Financial Reporting Standards (collectively "IFRS"), using the accounting policies the Company expects to adopt in its consolidated financial statements as at and for the year ending December 31, 2013 . Subject to certain transition elections disclosed in Note 25 , the Company has consistently applied the same accounting policies in its opening IFRS balance sheet position at January 1, 2012 and throughout all periods presented, as if these policies had always been in effect. The policies applied in these condensed interim consolidated financial statements are based on IFRS issued and outstanding as of August 12, 2013, the date that the Board of Directors approved these statements. Any subsequent changes to IFRS that are given effect in the Company’s annual consolidated financial statements for the year ending December 31, 2013 could result in restatement of these condensed interim consolidated financial statements, including the transition adjustments recognized on change-over to IFRS.

As these condensed interim consolidated financial statements are the Company's first financial statements prepared using IFRS, certain disclosures that are required to be included in annual financial statements prepared in accordance with IFRS that were not included in the Company's most recent annual consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP") have been included in these condensed interim consolidated financial statements for the comparative annual period. However, these condensed interim financial statements do not include all of the information required for full annual financial statements.

The Company’s interim and annual financial statements were previously prepared in accordance with US GAAP which can differ in some areas from IFRS. In preparing these condensed interim consolidated financial statements in accordance with IFRS, management has recorded transitional adjustments. Note 25 discloses IFRS information that is material to the understanding of these condensed interim consolidated financial statements. These condensed interim consolidated financial statements should be read in conjunction with the Company’s US GAAP annual consolidated financial statements for the year ended December 31, 2012 .

Basis of presentation

These condensed interim consolidated financial statements include the accounts of the Company and its subsidiaries, whether owned directly or indirectly. The financial statements of the subsidiaries are prepared for the same period as the parent company using consistent accounting policies. All inter-company balances and transactions have been eliminated. Subsidiaries are entities controlled by the Company. Non-controlling interests in the net assets of consolidated subsidiaries are a separate component of the Company's equity.

These condensed interim consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and discharge of all liabilities in the normal course of business. The functional currency of all consolidated subsidiaries is the U.S. dollar. All values are rounded to the nearest thousand, unless otherwise stated.

The condensed interim consolidated financial statements have been prepared on a historical cost basis, except for derivative financial instruments, financial instruments at fair value through profit or loss and available-for-sale securities, which are measured at fair value.

3 . SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

CASH AND CASH EQUIVALENTS

Cash includes cash deposits in any currency residing in checking and sweep accounts. Cash equivalents consist of money market funds and other highly liquid investments purchased with maturities of three months or less. Investments with maturities greater than three months and up to one year are classified as short-term investments, while those with maturities in excess of one year are classified as long-term investments. Cash equivalents and short-term investments are stated at amortized cost, which typically approximates market value.

INVENTORIES

Inventory classifications include “stockpiled ore,” “in-process inventory,” “finished goods inventory” and “materials and supplies”. The stated value of all production inventories include direct production costs and attributable overhead and depreciation incurred to bring the materials to their current point in the processing cycle. General and administrative costs for corporate offices are not included in any inventories.

Stockpiled ore represents coarse ore that has been extracted from the mine and is stored for future processing. Stockpiled ore is measured by estimating the number of tonnes (via truck counts or by physical surveys) added to, or removed from the stockpile, the number of contained ounces (based on assay data) and estimated gold recovery percentage. Stockpiled ore value is based on the costs incurred (including depreciation and amortization) in bringing the ore to the stockpile. Costs are added to the stockpiled ore based on current mining costs per tonne and are removed at the average cost per tonne of ore in the stockpile.

In-process inventory represents material that is currently being treated in the processing plants to extract the contained gold and to transform it into a saleable product. The amount of gold in the in-process inventory is determined by assay and by measure of the quantities of the various gold-bearing materials in the recovery process. The in-process gold is valued at the average of the beginning inventory and the cost of material fed into the processing stream plus in-process conversion costs including applicable mine-site overheads, depreciation and amortization related to the processing facilities.

Finished goods inventory is saleable gold in the form of doré bars that have been poured but not yet shipped from the mine site. Included in the costs are the direct costs of the mining and processing operations as well as direct mine-site overheads, amortization and depreciation.

Material and supply inventories consist mostly of equipment parts and other consumables required in the mining and ore processing activities.

All inventories are valued at the lower of average cost or net realizable value.

EXPLORATION AND EVALUATION ASSETS

The initial acquisition costs of exploration and mining properties are capitalized.

Exploration and evaluation costs relating to mineral interests are charged to earnings in the year which they are incurred. When it is determined that a mining property has the reserve potential to be economical, subsequent exploration expenditures are capitalized. Determination as to reserve potential is based on the results of studies, which indicate whether production from a property is economically feasible. These expenditures include such costs as materials used, surveying costs, drilling costs, consulting fees, payments made to contractors and depreciation on plant and equipment. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the period in which they occur.

The Company assesses exploration and evaluation costs for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation costs in respect of that project are deemed to be impaired and the exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as mining properties. Exploration and evaluation costs are also tested for impairment before the assets are transferred to mining properties.

After proven and probable reserves have been established, subsequent exploration and development costs are capitalized until such time as a property is in commercial production. Once commercial production is reached, accumulated capitalized acquisition, exploration and development costs become subject to amortization on a units-of-production basis when metal production begins.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment assets, including machinery, processing equipment, mining equipment, mine site facilities, buildings, vehicles and expenditures that extend the life of such assets, are initially recorded at cost including acquisition and installation costs. Property, plant and equipment are subsequently measured at cost, less accumulated depreciation and accumulated impairment losses.

The costs of self-constructed assets include direct construction costs, direct overhead and allocated interest during the construction phase. Indirect overhead costs are not included in the cost of self-constructed assets.

Depreciation for mobile equipment and other assets having estimated lives shorter than the estimated life of the ore reserves is calculated using the straight-line method at rates which depreciate the cost of the assets, less their anticipated residual values, if any, over their estimated useful lives. Mobile mining equipment is amortized over a five year life. Assets, such as processing plants, power generators and buildings, which have an estimated life equal to or greater than the estimated life of the ore reserves, are amortized over the life of the proven and probable reserves of the associated mining property using a units-of-production amortization method, less their anticipated residual values, if any. The net book value of property, plant and equipment assets is charged against income if the mine site is abandoned and it is determined that the assets cannot be economically transferred to another project or sold.

The residual values, useful lives and method of depreciation/amortization of property, plant and equipment are reviewed at each reporting period end, and adjusted prospectively if appropriate.

Gains and losses on the disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount, and are recognized net in the consolidated statement of operations.

MINING PROPERTIES

Mining property assets, including property acquisition costs, tailings storage facilities, mine-site development and drilling costs where proven and probable reserves have been established, pre-production waste stripping, condemnation drilling, roads, feasibility studies and wells are recorded at cost. The costs of self-constructed assets include direct construction costs, direct overhead and allocated interest during the construction phase. Indirect overhead costs are not included in the cost of self-constructed assets.

Mining property assets typically have an estimated life equal to or greater than the estimated life of an ore reserves and are amortized over the life of the proven and probable reserves to which they relate, using a units-of-production amortization method. At open pit mines the costs of removing overburden from an ore body in order to expose ore during its initial development period are capitalized.

BETTERMENT STRIPPING (WASTE REMOVAL) COSTS

As part of its operations, the Company incurs stripping (waste removal) costs both during the development phase and production phase of its operations. Stripping costs incurred as part of development stage mining activities incurred by the Company are capitalized as part of mining properties

Stripping costs incurred during the production stage are incurred in order to produce inventory or to improve access to the ore to be mined in the future. Where the costs are incurred to produce inventory, the production stripping costs are accounted for as a cost of producing those inventories. Where the costs are incurred to improve access to the ore to be mined in the future, the costs are recognized as a stripping activity asset (a non-current asset) if improved access to the ore body is probable, the component of the ore body can be accurately identified and the costs associated with improving the access can be reliably measured. If these criteria are not met the cost is expensed to the consolidated statement of operations as incurred.

The betterment stripping asset is subsequently depreciated using the units-of-production amortization method over the life of the identified component of the ore body that became more accessible as a result of the betterment stripping activity.

INTANGIBLE ASSETS

Externally acquired intangible assets are initially recognized at cost and subsequently amortized on a straight-line basis over their useful economic lives. Intangible assets are recognized on business combinations if they are separable from the acquired entity or give rise to other contractual/legal rights.

The intangible asset represents a right to receive, from the Ghana national grid, an amount of electric power equal to one fourth of a particular plant's power output over and above any rationing limit that might be imposed in the future by the Ghana national power authority. The intangible asset is being amortized over five years ending in 2014.

BORROWING COSTS

Borrowing costs attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized until such time as the assets are substantially ready for their intended use. Other borrowing costs are recognized as an expense in the period in which they are incurred.

IMPAIRMENT OF LONG-LIVED ASSETS

The Company assesses at each reporting period whether there is an indication that an asset or group of assets may be impaired. When impairment indicators exist, the Company estimates the recoverable amount of the asset and compares it against the asset's carrying amount. The recoverable amount is the higher of its fair value less cost to sell and the asset's value in use. If the carrying amount exceeds the recoverable amount, an impairment loss is recorded in the consolidated statement of operations.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset not reflected in the estimates of future cash flows that have not been adjusted. The cash flows are based on best estimates of expected future cash flows from the continued use of the asset and its eventual disposal.

Fair value less costs to sell is best evidenced if obtained from an active market or binding sale agreement. Where neither exists, the fair value is based on the best estimates available to reflect the amount that could be received from an arm's length transaction.

Future cash flows are based on estimated quantities of gold and other recoverable metals, expected price of gold (considering current and historical prices, price trends and related factors), production levels and cash costs of production, capital and reclamation costs, all based on detailed engineered life-of-mine plans.

Numerous factors including, but not limited to, unexpected grade changes, gold recovery variances, shortages of equipment and consumables, equipment failures, and collapse of pit walls could impact our ability to achieve forecasted production schedules from proven and probable reserves. Additionally, commodity prices, capital expenditure requirements and reclamation costs could differ from the assumptions used in the cash flow models used to assess impairment. The ability to achieve the estimated quantities of recoverable minerals from exploration stage mineral interests involves further risks in addition to those factors applicable to mineral interests where proven and probable reserves have been identified, due to the lower level of confidence that the identified mineralized material can ultimately be mined economically.

If an impairment loss reverses in a subsequent period, the carrying amount (post reversal) of the related asset is increased to the revised estimate of recoverable amount to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset previously. Reversals of impairment losses are recognized in the statement of operations in the period the reversals occur.

Material changes to any of the factors or assumptions discussed above could result in future asset impairments.

REHABILITATION PROVISIONS

The Company records a liability and corresponding asset for the present value of the estimated costs of legal and constructive obligations for future site reclamation and closure where the liability is probable and a reasonable estimate can be made of the obligation. The estimated present value of the obligation is reassessed on a periodic basis or when new material information becomes available. Increases or decreases to the obligation usually arise due to changes in legal or regulatory requirements, the extent of environmental remediation required, methods of reclamation, cost estimates, inflation rates, or discount rates. Changes to the provision for reclamation and remediation obligations related to operating mines, which are not the result of current production of inventory, are recorded with an offsetting change to the related asset. The present value is determined based on current market assessments of the time value of money using discount rates based on the risk-free rate maturing approximating the timing of expected expenditures to be incurred, and adjusted for country related risks. The periodic unwinding of the discount is recognized in the consolidated statement of operations as a finance expense.

PROPERTY HOLDING COST

Property holding costs are costs incurred to retain and maintain properties. Such costs are expensed in the period incurred.

FOREIGN CURRENCY TRANSACTIONS

The individual financial statements of the subsidiaries are presented in the currency of the primary economic environment in which the entity operates. The Company's presentation currency of its condensed interim consolidated financial statements is the U.S. dollar as it is the functional currency of its operations.

Monetary assets and liabilities denominated in foreign currencies are translated into U.S. dollars at period end exchange rates. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated into U.S. dollars at the exchange rate at the date that the fair value was determined. Income and expense items are translated at the exchange rate in effect on the date of the transaction. Exchange gains and losses resulting from the translation of these amounts are included in net earnings, except those arising on the translation of available-for-sale investments that are recorded in other comprehensive income. Non-monetary assets and liabilities denominated in foreign currencies that are measured at historical cost are translated at the exchange rate in effect at the transaction date .

INCOME TAXES

Income taxes comprise the provision for (or recovery of) taxes actually paid or payable (current taxes) and for deferred taxes.

Current taxes are based on taxable earnings in the year. Current tax is calculated using tax rates and laws that were enacted or substantively enacted at the balance sheet date in the respective jurisdictions.

Current income tax assets and current income tax liabilities are only offset if a legally enforceable right exists to offset the amounts and the Company intends to settle on a net basis or to realize the asset and settle the liability simultaneously.

Deferred income tax assets and liabilities are recognized for the expected future tax consequences attributable to temporary differences between the tax basis of assets and liabilities and their reported amounts in the financial statements. Deferred income tax assets and liabilities are computed using enacted or substantially enacted income tax rates in effect when the temporary differences are expected to reverse. The effect on the deferred tax assets and liabilities of a change in tax rates is recognized in the period of substantial enactment. The provision for or the recovery of deferred taxes is based on the changes in deferred tax assets and liabilities during the period. Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilized.

NET INCOME/(LOSS) PER SHARE

Basic income/(loss) per share of common stock is calculated by dividing income available to Golden Star's common shareholders by the weighted average number of common shares issued and outstanding during the period. In periods with earnings, the calculation of diluted net income per common share uses the treasury stock method to compute the dilutive effects of stock options and warrants and the if-converted method to calculate the dilutive effect of the convertible debentures. In periods of loss, diluted net loss per share is equal to basic income per share.

REVENUE RECOGNITION

Revenue from the sale of metal is recognized when the significant risks and rewards of ownership have passed to the purchaser. This occurs when the amount of revenue can be measured reliably, the metal has been delivered, title has passed to the buyer and it is probable that the economic benefits associated with the transaction will flow to the entity. All of our gold is transported to a South African gold refiner who locates a buyer and arranges for sale of our gold on the same day that the gold is shipped from the mine site. The sales price is based on the London P.M. fix on the day of shipment. Title and risk of ownership pass to the buyer on the day doré is shipped from the mine sites.

SHARE-BASED COMPENSATION

Under the Company's Third Amended and Restated 1997 Stock Option Plan, common share options may be granted to executives, employees, consultants and non-employee directors. Compensation expense for such grants is recorded in the Consolidated Statements of Operations, with a corresponding increase recorded in the Contributed Surplus account in the Consolidated Balance Sheets. The expense is based on the fair values of the option at the time of grant, measured by reference to the fair value determined using a Black-Scholes valuation model, and is recognized over the vesting periods of the respective options on a graded basis. Consideration paid to the Company on exercise of options is credited to share capital.

Under the Company's Deferred Share Unit ("DSU") plan, DSUs may be granted to executive officers and directors. Compensation expense for such grants is recorded in the Consolidated Statements of Operations with a corresponding increase recorded in the Contributed Surplus account in the Consolidated Balance Sheets. The expense is based on the fair values at the time of grant and is recognized over the vesting periods of the respective DSUs. Upon exercise the Company's compensation committee may, at its discretion, issue cash, shares of a combination thereof.

The Company's Share Appreciation Rights ("SARs") plan allows SARs to be issued to executives and directors. SARs vest after a period of three years. These awards are settled in cash equal to the Company's stock price less the strike price on the grant date. Since these awards are settled in cash, the Company marks-to-market the associated expense for each award at the end of each reporting period. The Company accounts for these as liability awards and marks-to-market the fair value of the award until final settlement.

LEASES

Leases that transfer substantially all of the benefits and risks of ownership to the Company are recorded as capital leases and classified as property, plant and equipment with a corresponding amount recorded with current and long-term debt. All other leases are classified as operating leases under which leasing costs are expensed in the period incurred.

FINANCIAL INSTRUMENTS

The Company recognizes all financial assets initially at fair value and classifies them into one of the following three categories: fair value through profit or loss ('FVTPL'), available-for-sale ('AFS') or loans and receivables, as appropriate. The Company has not classified any of its financial assets as held to maturity.

The Company recognizes all financial liabilities initially at fair value and classifies them as either FVTPL or loans and borrowings, as appropriate. The Company has not classified any of its derivatives as designated as hedging instruments in an effective hedge.

Investments

Equity security investments are accounted for as AFS investments, with changes in the fair value of available for sale investments are charged or credited to other comprehensive income until the investment is realized.

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that such loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an AFS financial asset is calculated by reference to its fair value. In the case of equity securities classified as AFS, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for AFS financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset that was previously recognized in profit or loss – is removed from equity and recognized in the statement of operations.

All impairment losses are recognized in profit or loss. Impairment losses recognized for equity securities are not reversed.

Convertible debentures

The Company's convertible debentures are considered financial instruments at FVTPL. The convertible debentures contain embedded derivatives that significantly modify the cash flows otherwise would be required by the contract. The convertible debentures are recorded at fair value determined based on unadjusted quoted prices in active markets when available, otherwise by valuing the embedded derivative conversion feature and the debt component separately. The conversion feature is valued using a Black-Scholes model and the value of the debt is determined based on the present value of the future cash flows. Changes in fair value are recorded in the consolidated statement of operations. Upfront costs and fees related to the convertible debentures were recognized in the statement of operations as incurred and not deferred.

Derivatives

At various times we utilize foreign exchange and commodity price derivatives to manage exposure to fluctuations in foreign currency exchange rates and gold prices, respectively. We do not employ derivative financial instruments for trading purposes or for speculative purposes. Our derivative instruments are recorded on the balance sheet at fair value with changes in fair value recorded in the Consolidated Statement of Operations.

OTHER COMPREHENSIVE INCOME/(LOSS) ("OCI")

Other comprehensive income/(loss) consists of unrealized gains/(losses) on AFS investments. Unrealized gains or losses on securities are net of any reclassification adjustments for realized gains or losses included in net income/(loss) or impairments to the investment which are considered permanent.

STANDARDS, INTERPRETATIONS AND AMENDMENTS NOT YET EFFECTIVE

IFRIC 21 Accounting for levies imposed by government clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. This standard is effective for annual periods beginning on or after January 1, 2014. The Company is currently assessing the impact of this interpretation.

IAS 32 Financial instruments: presentation was amended to address inconsistencies in current practice when applying the offsetting criteria in IAS 32. Under this amendment, the meaning of currently has a legally enforceable right of set-off was clarified as well as providing clarification that some gross settlement systems may be considered equivalent to net settlement. This amendment is effective for annual periods beginning on or after January 1, 2014 and is not expected to have a significant impact on the Company.

IFRS 9 Financial instruments, addresses classification and measurement of financial assets. It replaces the multiple category and measurement models in IAS 39, Financial instruments - Recognition and Measurement, for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit and loss. IFRS 9 also replaces the models for measuring equity instruments. Such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. Where equity instruments are measured at fair value through other comprehensive income, dividends are recognized in the statement of earnings to the extent that they do not clearly represent a return of investment; however, other gains and losses (including impairments) associated with such instruments remain in accumulated comprehensive income indefinitely.

Requirements for financial liabilities were added to IFRS 9 in October 2010 and they largely carried forward existing requirements in IAS 39 except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss are generally recorded in other comprehensive income. This standard is effective for annual periods beginning on or after January 1, 2015. The Company is still assessing the impact of this standard.

The IASB has amended IAS 36 to remove the requirement to disclose recoverable amount when a cash generating unit ("CGU") contains goodwill or indefinite lived intangible assets but there has been no impairment. The amendment requires additional disclosure of the recoverable amount of an asset or CGU when an impairment loss has been recognized or reversed; and detailed disclosure of how the fair value less costs of disposal has been measured when an impairment loss has been recognized or reversed.

4 . CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Preparation of our consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that can affect reported amounts of assets, liabilities, revenues and expenses and the accompanying disclosures. Estimates and assumptions are continuously evaluated and are based on management's historical experience and on other assumptions we believe to be reasonable under the circumstances. However, uncertainty about these judgments, estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

EXPLORATION AND EVALUATION EXPENDITURE

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether is likely that future economic benefits will flow to the Company. If, after exploration and evaluation expenditure is capitalized, information becomes available indicating that the recovery of the carrying amount of an exploration and evaluation asset is unlikely amount the Company writes off the amount capitalized in the period the new information becomes available.

MINERAL RESERVES

Determining mineral reserves and resources is a complex process involving numerous variables and is based on a professional evaluation using accepted international standards for the assessment of mineral reserves. Estimation is a subjective process, and the accuracy of such estimates is a function of the quantity and quality of available data, the assumptions made and judgments used in engineering and geological interpretation. Mineral reserve estimation may vary as a result of changes in the price of gold, production costs, and with additional knowledge of the ore deposits and mining conditions.

Differences between management's assumptions including economic assumptions such as metal prices and market conditions could have a material effect in the future on the Company's results and financial position, particularly a change in the rate of depreciation and amortization of the related mining assets.

DEFERRED STRIPPING (WASTE REMOVAL) COSTS

Significant judgment is required to distinguish between development stripping, production stripping which relates to extraction of inventory and production stripping which relates to the creation of a betterment stripping and stripping activity asset. Once the Company has identified its stripping for each surface mining operation, it identifies the separate components for the ore bodies in each of its mining operations. An identifiable component is a specific volume of the ore body that is made more accessible by the stripping activity. Significant judgment is required to identify these components and to determine the expected volumes (waste and ore) to be stripped in each component.

Judgment is also required to identify a suitable production measure to be used to allocate production stripping costs between inventory and betterment stripping for each component. The Company considers the ratio of the expected volume of ore to be mined for a specific component of the ore body to be the most suitable production measure.

UNITS OF PRODUCTION DEPRECIATION

The mineral properties and a large portion of the property, plant and equipment is depleted/depreciated using the units of production method over the expected operating life of the mine based on estimated recoverable ounces of gold, which are the prime determinants of the life of a mine. Estimated recoverable ounces of gold include proven and probable reserves and non-reserve material when sufficient objective evidence exists that it is probable the non-reserve material will be produced. Changes in the estimated mineral reserves will result in changes to the depreciation charges over the remaining life of the operation. A decrease in the mineral reserves would increase depreciation expense and this could have a material impact on the operating results. The amortization base is updated on an annual basis based on the new mineral estimates.

CARRYING VALUE OF ASSETS AND IMPAIRMENT CHARGES

The Company undertakes a review of each asset and cash generating unit (CGU) at each reporting period to determine whether any indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable amount of the asset or CGU is made, which is considered to be the higher of the fair value less cost to sell and value in use. An impairment loss is recognized when the carrying value of the asset or CGU is higher than the recoverable amount. In undertaking this review, management of the Company is required to make significant estimates of, amongst other things, discount rates, future production and sale volumes, metal prices, reserves and resource quantities, future operating and capital costs and reclamation costs to the end of the mine's life. These estimates are subject to various risks and uncertainties, which may ultimately have an effect on the expected recoverability of the carrying values of the asset or CGU. In determining a CGU, management has examined the smallest identifiable group of assets that generates cash inflows that are largely independent of cash inflows from other assets or group of assets.

REHABILITATION PROVISIONS

Environmental reclamation and closure liabilities are recognized at the time of environmental disturbance, in amounts equal to the discounted value of expected future reclamation and closure costs. The estimated future cash costs of such liabilities are based primarily upon environmental and regulatory requirements of the various jurisdictions in which we operate as well as any other constructive obligations that exist. The liability represents management's best estimates of cash required to settle the liability, inflation, assumptions of risks associated with future cash flows and the applicable risk-free interest rates for discounting the future cash outflow. The liability is reassessed and remeasured at each reporting date.

INVENTORY VALUATION

All of our inventories are recorded at the lower of average cost or net realizable value (NRV). The allocation of costs to ore in stockpiles and the determination of NRV involve the use of estimates. Stockpiled ore represents coarse ore that has been extracted from the mine and is stored for future processing. Stockpiled ore is measured using estimates such as the number of tonnes (via truck counts or by physical surveys) added to, or removed from the stockpile, the number of contained ounces (based on assay data) and estimated gold recovery percentage. Timing and recovery of stockpiled ore can vary significantly from the estimates.

FAIR VALUE HIERARCHY

If the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, then fair value is determined using valuation techniques such as discounted cash flow models. The inputs to these models are taken from observable markets where possible, but if this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

INCOME TAXES

We deal with uncertainties and judgments in the application of complex tax regulations in the various jurisdictions where our properties are located. The amount of taxes paid is dependent upon many factors, including negotiations with taxing authorities in the various jurisdictions and resolution of disputes arising from our international tax audits. We recognize potential liabilities and record tax liabilities for anticipated tax audit issues in our various tax jurisdictions based on our best estimate of additional taxes payable. We adjust these reserves in light of changing facts and circumstances, however, due to the complexity of some of these uncertainties, the ultimate resolution may result in payment that is materially different from our estimates of our tax liabilities. If our estimate of tax liability proves to be less than the ultimate assessment, an additional charge to expense would result. If the estimate of tax liabilities proves to be greater that the ultimate assessment, a tax benefit is recognized.

A deferred tax asset is recognized if we have assessed that it is more likely than not that the benefits will be realized in future periods. This assessment is based on our estimates of the future taxable earnings generated by our operations.

5 . FINANCIAL INSTRUMENTS

The following tables illustrate the classification of the Company's recurring fair value measurements for financial instruments within the fair value hierarchy and their carrying values and fair values as at June 30, 2013 , December 31, 2012 and January 1, 2012:

		June 30, 2013		December 31, 2012		January 1, 2012	
	Level	Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
Financial Assets							
Available for sale investments	1	$ 5,831	$ 5,831	$ 15,034	$ 15,034	$ 1,416	$ 1,416
Financial Liabilities							
Fair value through profit or loss							
5% Convertible Debentures	3	$ 47,749	$ 47,749	$ 99,275	$ 99,275	$ —	$ —
4% Convertible Debentures	1	—	—	—	—	121,199	121,199

There were no non-recurring fair value measurements of financial instruments as at June 30, 2013.

The three levels of the fair value hierarchy are:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 - Inputs that are not based on observable market data.

The Company's policy is to recognize transfers into and transfers out of the fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. During the three and six months ended June 30, 2013 , there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements.

The Company's finance department is responsible for performing the valuation of financial instruments, including Level 3 fair values. The valuation processes and results are reviewed and approved by the executive vice president and chief financial officer at least once every quarter, in line with the Company's quarterly reporting dates. Valuation results are discussed with the Audit Committee as part of its quarterly review of the Company's consolidated financial statements.

The valuation techniques that are used to measure fair value are as follows:

Available for sale investments - The fair value of available for sale investments is determined based on a market approach reflecting the closing price of each particular security at the balance sheet date. The closing price is a quoted market price obtained from the exchange for the principal active market for the security.

5% Convertible Debentures - The debt component of the 5% Convertible Debentures is valued based on discounted cash flows and the conversion feature is valued using a Black-Scholes model. The risk free interest rate used in the fair value computation is the interest rate on US treasury rate with maturity similar to the remaining life of the 5% convertible debentures. The discount rate used is determined by adding our risk premium to the risk free interest rate. Volatility is calculated based on the weekly volatility of our share price observable on the NYSE MKT for a historical period equal to the remaining life of the Convertible Debentures. Investors trading in these instrument would normally cap the volatility used in the Black-Scholes model. To be consistent, we cap the weekly volatility in our calculation at 40%. Inputs used to determine the fair value on June 30, 2013 and December 31, 2012 were as follow:

	June 30, 2013	December 31, 2012
5% Convertible Debentures (issued on May 31, 2012)		
Risk free interest rate	1.0%	0.7%
Risk premium	17.8%	7.9%
Volatility	40.0%	40.0%
Remaining life (years)	3.9	4.4

The following table presents the changes in the Level 3 investments for the three and six months ended June 30, 2013:

	Fair value
Balance, January 1, 2013	$ 99,275
Gain in the period included through earnings	7,647
Balance, March 31, 2013	91,628
Gain in the period included through earnings	43,879
Balance, June 30, 2013	$ 47,749

If the risk premium increases by 10%, the fair value of the 5% Convertible Debentures and the related gain in the consolidated statement of operations would increase by $12.6 million. In general, an increase in risk premium would increase the gain on fair value of the 5% Convertible Debentures.

The carrying values of certain financial instruments maturing in the short-term approximate their fair values. These financial instruments include cash and cash equivalents, accounts receivable, which are classified as loans and receivables, and accounts payable and the equipment financing credit facility which are classified as amortized cost.

Fair value considerations under Level 3 criteria were also used in the Company's evaluation of impairment (see Note 21 - Impairment charges).

6 . INVENTORIES

Inventories include the following components:

	As of June 30, 2013	As of December 31, 2012	As of January 1, 2012
Stockpiled ore	$ 11,505	$ 27,297	$ 16,648
In-process	9,056	6,693	8,880
Materials and supplies	47,899	43,549	48,612
Finished goods	2,036	5,441	—
Total	$ 70,496	$ 82,980	$ 74,140

The cost of inventories expensed for the three and six months ended June 30, 2013 was $ 95.1 million and $ 184.6 million . For the comparable periods in 2012, the amounts were $ 82.7 million and $ 171.0 million respectively.

The net realizable value inventory write-down for the three and six months ended June 30, 2013 was $6.5 million and $8.7 million respectively, and nil and $0.2 million respectively, for the comparable periods in 2012.

7 . AVAILABLE FOR SALE INVESTMENTS

The following table presents changes in available for sale investments:

	For the six months ended June 30, 2013		For the year ended December 31, 2012	
	Fair Value	Shares	Fair Value	Shares
Balance at beginning of period	$ 15,034	24,521,101	$ 1,416	2,000,000
Acquisitions	—	—	17,117	23,676,301
Dispositions	—	—	(805)	(1,155,200)
Unrealized loss through OCI	(6,256)	—	4,278	—
Impairment charges	(2,947)	—	(6,972)	—
Balance at end of period	$ 5,831	24,521,101	$ 15,034	24,521,101

Subsequent to June 30, 2013, the Company completed the sale of its 24,521,101 shares of TGM for net proceeds of $7.4 million. See Note 24 - Subsequent Events.

8 . PROPERTY, PLANT AND EQUIPMENT AND MINING PROPERTIES

The following table shows the breakdown of the cost, accumulated depreciation and net book value of property plant and equipment and mining properties:

	Property, plant and equipment	Mining properties	Total
Cost			
As of January 1, 2012	$ 400,232	$ 532,302	$ 932,534
Additions	40,569	82,109	122,678
Disposals and other	(6,914)	—	(6,914)
As of December 31, 2012	$ 433,887	$ 614,411	$ 1,048,298
Additions	12,023	44,662	56,685
Disposals and other	(39)	—	(39)
As of June 30, 2013	$ 445,871	$ 659,073	$ 1,104,944
Accumulated depreciation			
As of January 1, 2012	$ 221,701	$ 300,227	$ 521,928
Depreciation and amortization	26,581	64,357	90,938
Disposals and other	(6,168)	—	(6,168)
As of December 31, 2012	$ 242,114	$ 364,584	$ 606,698
Depreciation and amortization	11,460	24,317	35,777
Disposals and other	—	—	—
Impairment charges (Note 21)	55,762	136,825	192,587
As of June 30, 2013	$ 309,336	$ 525,726	$ 835,062
Carrying amount			
As of January 1, 2012	$ 178,531	$ 232,075	$ 410,606
As of December 31, 2012	$ 191,773	$ 249,827	$ 441,600
As of June 30, 2013	$ 136,535	$ 133,347	$ 269,882

There was no interest capitalized to property, plant and equipment and mining properties in the periods shown above.

As at June 30, 2013 , there was $36.4 million (December 31, 2012 - $36.4 million ; January 1, 2012 - $34.3 million) of construction in progress in property, plant and equipment for which depreciation has not been taken. As at June 30, 2013 , there was $86.9 million (December 31, 2012 - $58.5 million ; January 1, 2012 - $19.4 million) of construction in progress in mining properties for which depreciation has not been taken.

9 . EXPLORATION AND EVALUATION ASSETS

The following table presents changes in exploration and evaluation assets:

Cost		**Exploration and Evaluation Assets**
As of January 1, 2012	$	16,730
Exploration and evaluation costs		717
Sale of exploration property		(1,422)
Write-off of unsuccessful exploration costs		(5,163)
As of December 31, 2012	$	10,862
Exploration expenditures incurred		218
Write-off of unsuccessful exploration costs		(1,019)
As of June 30, 2013	$	10,061

10 . ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities include the following components:

		As of June 30, 2013		**As of December 31, 2012**		**As of January 1, 2012**
Trade and other payables	$	56,786	$	36,314	$	40,708
Accrued liabilities		42,408		62,157		48,857
Payroll related liabilities		3,554		3,289		2,523
Total	$	102,748	$	101,760	$	92,088

11 . REHABILITATION PROVISIONS

At June 30, 2013 , the total undiscounted amount of the estimated future cash needs was estimated to be $70.7 million. A discount rate of 2% was used to value the rehabilitation provisions. The changes in the carrying amount of the rehabilitation provisions are as follows:

		For the six months ended June 30, 2013		**For the year ended December 31, 2012**
Beginning balance	$	63,319	$	63,311
Accretion of rehabilitation provisions		296		593
Changes in estimates		—		5,618
Cost of reclamation work performed		(2,740)		(6,203)
Balance at the end of the period	$	60,875	$	63,319
Current portion	$	7,996	$	9,721
Long term portion	$	52,879	$	53,598

12 . DEBT

The following table displays the components of our current and long term debt instruments.

	As of June 30, 2013	As of December 31, 2012	As of January 1, 2012
Current debt:			
Equipment financing credit facility	$ 5,789	$ 6,968	$ 7,036
Finance lease	—	—	224
4% Convertible Debentures	—	—	121,199
Total current debt	$ 5,789	$ 6,968	$ 128,459
Long term debt:			
Equipment financing credit facility	$ 8,781	$ 11,232	$ 10,759
5% Convertible Debentures at fair value (see Note 5)	47,749	99,275	—
Total long term debt	$ 56,530	$ 110,507	$ 10,759

Schedule of payments on outstanding debt as of June 30, 2013 :

	Six months 2013	2014	2015	2016	2017	Maturity
Equipment financing loans						
Principal	$ 3,180	$ 4,732	$ 3,798	$ 2,208	$ 652	2013 to 2017
Interest	440	604	322	120	9	
5% Convertible Debentures						
Principal	—	—	—	—	77,490	June 1, 2017
Interest	1,938	3,875	3,875	3,875	1,937	
Total	$ 5,558	$ 9,211	$ 7,995	$ 6,203	$ 80,088	

See Note 24 - Subsequent Events regarding subsequent financing.

13 . INCOME TAXES

Income tax expense is recognized based on management's estimate of the weighted average annual income tax rate expected for the full financial year. The provision for income taxes includes the following components:

	For the three months ended June 30,		For the six months ended June 30,	
	2013	2012	2013	2012
Current expense:				
Canada	$ —	$ —	$ —	$ —
Foreign	7,252	—	17,558	—
Deferred tax (recovery)/expense:				
Canada	—	—	—	—
Foreign	(29,815)	2,905	(33,002)	16,952
Tax (recovery)/expense	$ (22,563)	$ 2,905	$ (15,444)	$ 16,952

14 . COMMITMENTS AND CONTINGENCIES

The Company has capital commitments of $14.9 million , all of which are expected to be incurred within the next 6 months.

15 . SHARE-BASED COMPENSATION

Non-cash employee compensation expense recognized in general and administrative expense in the statements of operations with respect to our non-cash employee compensation plans are as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2013	2012	2013	2012
Share-based compensation	$ 400	$ 1,047	$ 1,879	$ 4,050

Share Options

The fair value of our option grants is estimated at the grant dates using the Black-Scholes option-pricing model. Fair values of options granted in the first six months of 2013 and 2012 were based on the assumptions noted in the following table:

	For the six months ended June 30,	
	2013	2012
Expected volatility	57.61 to 57.65%	57.11 to 87.50%
Risk-free interest rate	0.15 to 0.39%	0.18 to 0.89%
Expected lives	2.8 to 3.9 years	4.1 to 9.5 years
Dividend yield	0%	0%

The weighted average fair value per option granted during the first six months of 2013 was $0.82 (2012 - $1.05). As at June 30, 2013, there was $1.0 million of share-based compensation expense (June 30, 2012 - $1.3 million) to be recorded in future periods.

A summary of option activity under the Plan during the periods ended June 30, 2012 , December 31, 2012 and June 30, 2013 , are as follows:

	Options ('000)	Weighted– Average Exercise price (Cdn$)	Weighted– Average Remaining Contractual Term (Years)
Outstanding as of January 1, 2012	8,539	3.18	7.0
Granted	4,862	1.97	6.9
Exercised	(78)	1.16	—
Forfeited	(947)	2.90	6.9
Expired	(1)	1.16	—
Outstanding as of June 30, 2012	12,375	2.75	6.6
Granted	302	1.47	7.2
Exercised	(125)	1.63	5.6
Forfeited	(216)	2.02	4.1
Outstanding as of December 31, 2012	12,336	2.74	6.2
Granted	2,694	1.71	5.4
Exercised	(90)	1.70	5.2
Forfeited	(520)	2.69	4.7
Expired	(230)	3.21	—
Outstanding as of June 30, 2013	14,190	2.55 6	5.8
Exercisable as of June 30, 2012	8,046	3.01	6.1
Exercisable as of December 31, 2012	7,920	3.04	5.7
Exercisable as of June 30, 2013	10,065	2.81	5.6

Deferred Share Units

For the three and six months ended June 30, 2013, these units vested immediately and a compensation expense of $0.2 million and $0.4 million , respectively, was recognized for these grants (three and six months ended June 30, 2012 - $0.2 million and

$0.2 million , respectively). As of June 30, 2013 , there was no unrecognized compensation expense related to DSUs granted under the Company's DSU Plan.

A summary of DSU activity during the six months ended June 30, 2013 and 2012:

	For the six months ended June 30,	
	2013	2012
Number of DSUs, beginning of period	388,059	22,147
Grants	238,395	133,558
Number of DSUs, end of period	626,454	155,705

Share Appreciation Rights

As of June 30, 2013 , there was approximately $2.6 million (June 30, 2012 - $1.5 million) of total unrecognized compensation cost related to unvested SARs. For the three and six months ended June 30, 2013 , the Company recognized approximately $0.1 million and $0.2 million of compensation expense recovery related to these cash based awards (three and six months ended June 30, 2012 - nil and $0.1 million , respectively).

A summary of the SARs activity during the six months ended June 30, 2013 and 2012:

	For the six months ended June 30,	
	2013	2012
Number of SARs, beginning of period	1,079,000	—
Grants	2,090,000	1,452,000
Forfeited	(87,000)	—
Number of SARs, end of period	3,082,000	1,452,000

16 . EARNINGS PER COMMON SHARE

The following table provides reconciliation between basic and diluted earnings per common share:

	For the three months ended June 30,		For the six months ended June 30,	
	2013	2012	2013	2012
Net (loss)/income attributable to Golden Star shareholders	$ (128,828)	$ 37	$ (120,823)	$ 12,910
Weighted average number of shares (millions)	259.2	258.8	259.1	258.8
Dilutive securities:				
Options	—	0.1	—	—
Deferred stock units	—	—	—	—
Convertible Debentures	—	—	—	—
Weighted average number of diluted shares (millions)	259.2	258.9	259.1	258.8
Net (loss)/income per share attributable to Golden Star shareholders:				
Basic	$ (0.50)	$ —	$ (0.47)	$ 0.05
Diluted	$ (0.50)	$ —	$ (0.47)	$ 0.05

The total incremental shares added to the basic weighted average number of common shares to arrive at the fully diluted number of shares for the three month period ended June 30, 2012 relate to exercisable in-the-money outstanding stock options.

17 . COST OF SALES EXCLUDING DEPRECIATION AND AMORTIZATION

Cost of sales excluding depreciation and amortization include the following components:

	For the three months ended June 30,		For the six months ended June 30,	
	2013	2012	2013	2012
Mine operating expenses	$ 84,717	$ 85,786	$ 177,011	$ 175,962
Operating costs from/(to) metal inventory	10,420	(3,065)	7,592	(4,935)
Royalties	6,041	6,821	12,694	13,385
	$ 101,178	$ 89,542	$ 197,297	$ 184,412

18 . FINANCE INCOME AND EXPENSE

Finance income and expense include the following components:

	For the three months ended June 30,		For the six months ended June 30,	
	2013	2012	2013	2012
Interest income	$ (8)	$ (8)	$ (19)	$ (22)
Interest expense	1,425	3,721	2,680	6,494
Net foreign exchange loss	370	1,019	898	1,880
Accretion of rehabilitation provision	148	159	296	277
	$ 1,935	$ 4,891	$ 3,855	$ 8,629

19 . OTHER EXPENSE/(INCOME)

Other income and expense includes the following components:

	For the three months ended June 30,		For the six months ended June 30,	
	2013	2012	2013	2012
Loss/(gain) on sale of assets	$ 1,090	$ (51)	$ 1,018	$ (22,421)
Loss on extinguishment of debt	—	582	—	582
Other income	(205)	(121)	(294)	(246)
	$ 885	$ 410	$ 724	$ (22,085)

20 . RELATED PARTY TRANSACTIONS

There were no material related party transactions in 2013 and 2012 other than compensation of key management personnel which are presented in the table below. Key management personnel is defined as members of the Board of Directors and certain senior officers.

	For the three months ended June 30,		For the six months ended June 30,	
	2013	2012	2013	2012
Salaries, wages, and other benefits	$ 542	$ 614	$ 1,047	$ 1,244
Severances and bonus	944	—	1,695	755
Share-based compensation	278	347	1,129	2,150
	$ 1,764	$ 961	$ 3,871	$ 4,149

21 . IMPAIRMENT CHARGES

The following table shows the breakdown of the impairment charges for the periods ended June 30, 2013 and June 30, 2012 , respectively:

	For the three months ended June 30,		For the six months ended June 30,	
	2013	2012	2013	2012
Bogoso/Prestea	$ 86,056	$ —	$ 86,056	$ —
Wassa/HBB	106,917	—	106,917	—
Property plant and equipment, mining properties and intangible assets	192,973	—	192,973	—
Available for sale investments	2,947	6,972	2,947	6,972
	$ 195,920	$ 6,972	$ 195,920	$ 6,972

Property plant and equipment and Mine property

As at June 30, 2013, the carrying value of the net assets of the Company exceeded its market capitalization, which is an indicator of potential impairment. In addition, prior to the close of the quarter ended June 30, 2013, gold prices declined significantly and have subsequently remained at these lower levels. As a result, the Company assessed the recoverable amounts of each of its cash-generating units ("CGU's").

The recoverable amounts of the Company's mining properties and plant and equipment are determined based on each CGU's future after-tax cash flows expected to be derived from these mining properties and represent each CGU's fair-market value less estimated costs to sell ("FVLCTS"). The after-tax cash flows were determined based on life-of-mine ("LOM") after-tax cash flow projections which incorporate management's best estimates of future metal prices, production based on current estimates of recoverable reserves and resources, exploration potential, future operating costs and non-expansionary capital expenditures, and long-term foreign exchange rates. The gold prices used were based on consensus analyst pricing. Projected cash flows are discounted using a rate based on the Company's weighted average cost of capital which includes estimates for risk-free interest rates, market value of the Company's equity, market return on equity, share volatility, debt-to-equity financing ratio, inflation estimate and certain risks specific to the asset. Management's estimate of the FVLCTS is classified as Level 3 in the fair value hierarchy.

The projected cash flows are significantly affected by changes in assumptions for gold prices, future capital expenditures, production cost estimates and discount rates. If the gold price were to remain at the spot price for an extended period of time, the Company would need to re-evaluate the pricing assumptions used for impairment testing.

Based on the impairment assessment performed by the Company on its CGUs which incorporated the aforementioned assumptions, the Company concluded that the carrying values of both of the Company's CGUs exceeded their respective FVLCTS. At June 30, 2013, the Company recorded impairment charges of a $169.6 million , net of tax ($193.0 million before tax), for non-current assets. Also see Note 8 - Property, plant and equipment and mining properties.

Bogoso/Prestea

During the second quarter of 2013, the Company suspended mining at Pampe, mainly due to pit-wall instability. As a result the $14.5 million carrying value of Pampe was written off. In response to the decline in gold prices the Company reviewed the mine plans and mining strategy for Bogoso/Prestea. This included a review of the operating expenditures, development and sustaining capital expenditures and re-optimization of the mine plans. The discounted cash flows based on the revised life of mine plan are less than Bogoso/Prestea's carrying value of $253.8 million resulting in an additional impairment charge of $36.4 million related to property, plant, equipment, $49.3 million related to mine property and $0.4 million related to the intangible asset.

Wassa

The projected cash flows from the re-optimized life of mine plan of Wassa/HBB were significantly lower than the projected cash flows expected at December 31, 2012, and due to the carrying amount of $172.8 million exceeding the discounted cash flows, an impairment charge of $106.9 million was recorded at June 30, 2013. The impairment charge comprised of $19.4 million related to property plant an equipment, and $87.5 million related to mine property.

Available for sale investments

During the quarter ended June 30, 2013 the quoted market price of the True Gold Mining Inc. ("TGM") shares dropped to

Canadian $0.25 . As a result, an impairment of $2.9 million was recorded for the three and six month periods ended June 30, 2013 . During the three and six month periods ended June 30, 2012 the value of our investment in TGM decreased significantly due to the decrease in the TGM share price to Canadian $0.38 at June 30, 2012 . As a result, an impairment of $7.0 million was recorded in the second quarter of 2012. Also see Note 7 Available for sale investments for the fair value of the TGM shares and Note 24 on subsequent sale of this investment.

22 . OPERATIONS BY SEGMENT AND GEOGRAPHIC AREA

The Company has reportable segments as identified by the individual mining operations. Segments are operations reviewed by the executive management. Each segment is identified based on quantitative and quantitative factors.

	Africa					
For the three months ended June 30,	**Bogoso/ Prestea**	**Wassa/ HBB**	**Other**	**South America**	**Corporate**	**Total**
2013						
Revenue	$ 48,573	$ 72,120	$ —	$ —	$ —	$ 120,693
Mine operating expenses	49,766	34,951	—	—	—	84,717
Operating costs from/(to) metal inventory	7,742	2,678	—	—	—	10,420
Royalties	2,429	3,612	—	—	—	6,041
Cost of sales excluding depreciation and amortization	59,937	41,241	—	—	—	101,178
Depreciation and amortization	6,642	17,353	—	—	—	23,995
Mine operating margin	(18,006)	13,526	—	—	—	(4,480)
Impairment charges	86,056	106,917	—	—	2,947	195,920
Income tax recovery	—	(22,563)	—	—	—	(22,563)
Net loss attributable to non-controlling interest	(10,795)	(6,048)	—	—	—	(16,843)
Net income/(loss) attributable to Golden Star	$ (98,401)	$ (65,660)	$ (1,138)	$ 3	$ 36,368	$ (128,828)
Capital expenditures	$ 21,408	$ 8,100	$ —	$ —	$ —	$ 29,508
2012						
Revenue	$ 70,563	$ 65,750	$ —	$ —	$ —	$ 136,313
Mine operating expenses	49,720	36,066	—	—	—	85,786
Operating costs from/(to) metal inventory	(1,132)	(1,933)	—	—	—	(3,065)
Royalties	3,530	3,291	—	—	—	6,821
Cost of sales excluding depreciation and amortization	52,118	37,424	—	—	—	89,542
Depreciation and amortization	5,140	17,416	—	—	—	22,556
Mine Operating margin	13,305	10,910	—	—	—	24,215
Impairment charges	—	—	—	—	6,972	6,972
Income tax expense	—	2,905	—	—	—	2,905
Net income attributable to non-controlling interest	1,162	167	—	—	—	$ 1,329
Net income/(loss) attributable to Golden Star	$ 10,965	$ 5,608	$ (604)	$ 57	$ (15,989)	$ 37
Capital expenditures	$ 12,058	$ 9,097	$ —	$ 216	$ 1	$ 21,372

For the six months ended June 30,	Africa Bogoso/ Prestea	Africa Wassa/ HBB	Africa Other	South America	Corporate	Total
2013						
Revenue	$ 106,526	$ 147,077	$ —	$ —	$ —	$ 253,603
Mine operating expenses	106,086	70,925	—	—	—	177,011
Operating costs from/(to) metal inventory	3,793	3,799	—	—	—	7,592
Royalties	5,329	7,365	—	—	—	12,694
Cost of sales excluding depreciation and amortization	115,208	82,089	—	—	—	197,297
Depreciation and amortization	10,982	29,492	—	—	—	40,474
Mine Operating margin	(19,664)	35,496	—	—	—	15,832
Impairment charges	86,057	106,916	—	—	2,947	195,920
Income tax recovery	—	(15,444)	—	—	—	(15,444)
Net loss attributable to non-controlling interest	(12,399)	(4,527)	—	—	—	(16,926)
Net income/(loss) attributable to Golden Star	$ (102,336)	$ (53,148)	$ (1,523)	$ (133)	$ 36,317	$ (120,823)
Capital expenditures	$ 38,306	$ 18,597	$ —	$ —	$ —	$ 56,903
2012						
Revenue	$ 140,158	$ 127,175	$ —	$ —	$ —	$ 267,333
Mine operating expenses	100,697	75,265	—	—	—	175,962
Operating costs from/(to) metal inventory	(61)	(4,874)	—	—	—	(4,935)
Royalties	7,012	6,373	—	—	—	13,385
Cost of sales excluding depreciation and amortization	107,648	76,764	—	—	—	184,412
Depreciation and amortization	10,313	28,374	—	—	—	38,687
Mine Operating margin	22,197	22,037	—	—	—	44,234
Impairment charges	—	—	—	—	6,972	6,972
Income tax expense	—	16,952	—	—	—	16,952
Net income attributable to non-controlling interest	238	1,490	—	—	—	1,728
Net income/(loss) attributable to Golden Star	$ 21,662	$ 5,311	$ (1,715)	$ 43	$ (12,391)	$ 12,910
Capital expenditures	$ 31,126	$ 18,818	$ —	$ 324	$ 4	$ 50,272

	Africa Bogoso/ Prestea	Africa Wassa/ HBB	Africa Other	South America	Corporate	Total
June 30, 2013						
Total assets	$ 271,202	$ 122,172	$ 1,072	$ —	$ 39,548	$ 433,994
December 31, 2012						
Total assets	$ 349,616	$ 245,997	$ 3,492	$ 797	$ 56,394	$ 656,296

23 . SUPPLEMENTAL CASH FLOW INFORMATION

In the first six months of 2013 , $8.4 million was paid for income taxes owed for 2012. During the first six months of 2012, Golden Star paid $0.2 million in income taxes. The Company paid $0.6 million for interest in the first six months of 2013 and $5.0 million in the first six months of 2012 .

Changes in working capital for the three and six months are as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2013	2012	2013	2012
Decrease/(increase) in accounts receivable	$ (594)	$ 1,005	$ (678)	$ (964)
(Increase)/decrease in inventories	13,965	(3,727)	8,630	(4,159)
(Increase)/decrease in deposits	888	591	2,125	(714)
(Decrease)/increase in accounts payable and accrued liabilities	11,215	(8,545)	12,537	(5,527)
(Decrease)/increase in income tax payable	3,996	—	4,515	—
Other	(257)	(34)	(241)	(801)
Total Changes in working capital	$ 29,213	$ (10,710)	$ 26,888	$ (12,165)

24 . SUBSEQUENT EVENTS

SALE OF TGM SHARES

On July 29, 2013, the Company completed the sale of our available for sale investment of, 24,521,101 shares of TGM for net proceeds of $7.4 million resulting in a gain of $1.5 million in the third quarter of 2013.

ECOBANK LOAN

On July 30, 2013, the Company, through its subsidiary GSWL, closed a $50 million secured Medium Term Loan Facility ("Ecobank Loan") with Ecobank Ghana Limited ("Ecobank"), a pan-African full service bank, who acted as sole lender and arranger to the Company. The use of proceeds is to finance Wassa capital expenditures, inclusive of pre-feasibility studies, drilling operations, settlement, partial relocation and other capital expenditures. The Company, through its subsidiary GSWL, has drawn down $10 million of this loan. The Ecobank Loan has a term of 60 months from the date of initial drawing and is secured by, among other things, against Wassa's existing plant, machinery and equipment. The interest rate is three month LIBOR + 9%, per annum, payable monthly in arrears. Payment of interest and principal commences six months following the first drawdown.

25 . FIRST-TIME ADOPTION OF IFRS

The Company's annual consolidated financial statements for the year-ending December 31, 2013 will be the first annual financial statements prepared in accordance with IFRS. IFRS 1, *First Time Adoption of International Financial Reporting Standards* ("IFRS 1"), requires that comparative financial information be provided. As a result, the first date at which the Company has applied IFRS was January 1, 2012 (the “Transition Date”). IFRS 1 also requires first-time adopters to retrospectively apply all effective IFRS standards as of the reporting date, which for the Company will be December 31, 2013. However, it also provides for certain optional exemptions and certain mandatory exceptions for first time IFRS adoption. Prior to transition to IFRS, the Company prepared its consolidated financial statements in accordance with US GAAP.

In preparing the Company's opening IFRS consolidated balance sheet as of January 1, 2012, the Company has adjusted amounts reported previously in the financial statements prepared in accordance with US GAAP.

OPTIONAL EXEMPTIONS:

The IFRS 1 applicable exemptions and exceptions applied in the conversion from US GAAP to IFRS are as follows:

Business Combinations

The Company elected not to retrospectively apply IFRS 3 *Business Combinations* to any business combinations that may have occurred prior to its Transition Date and such business combinations have not been restated.

Deemed Costs

As permitted by IFRS 1, in its opening balance sheet under IFRS as of January 1, 2012, the Company applied the fair value as deemed cost exemption to mineral reserves, as well as certain buildings and major machinery and equipment associated with the Bogoso mine site.

Share Based Compensation

The Company elected not to retrospectively apply IFRS 2 *Share Based Payments* ("IFRS 2") to equity instruments that were granted and had vested before January 1, 2009. As a result of applying this exemption, the Company will apply the provisions of IFRS 2 only to all outstanding equity instruments that are unvested as at January 1, 2009.

Compound Financial Instruments

The Company elected not to retrospectively separate the liability and equity components of compound instruments for which the liability component is no longer outstanding at the date of transition to IFRS.

Borrowing Costs

The Company elected to apply the transitional provisions of IAS 23 *Borrowing Costs* which permits prospective capitalization of borrowing costs on qualifying assets from the date of transition to IFRS.

Cumulative Translation Differences

The Company elected, under IFRS 1, to reset to zero historical cumulative translation differences for all foreign operations at the date of transition to IFRS. Future gains or losses on subsequent disposal of any foreign operations will exclude translation differences arising prior to the date of transition to IFRS.

MANDATORY EXCEPTIONS:

Derecognition of Financial Assets and Liabilities

The Company has applied the derecognition requirements in IAS 39 *Financial Instruments: Recognition and Measurement* ("IAS 39") prospectively from the date of transition to IFRS. As a result any non-derivative financial assets or non-derivative financial liabilities derecognized prior to the date of transition to IFRS in accordance with US GAAP have not been reviewed for compliance with IAS 39.

Estimates

The estimates previously made by the Company under US GAAP were not revised for the application of IFRS except where necessary to reflect any difference in accounting policy or where there was objective evidence that those estimates were in error. As a result the Company has not used hindsight to revise its estimates.

Certain Aspects of Accounting for Non-Controlling Interests

The Company has applied the requirements of IAS 27 *Consolidated and Separate Financial Statements* prospectively from the date of transition to IFRS for total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance, accounting for changes in the parent's ownership interest in a subsidiary that do not result in a loss of control and accounting for a loss of control over a subsidiary.

RECONCILIATION FROM US GAAP TO IFRS

IFRS 1 requires an entity to reconcile equity, comprehensive income and cash flows for prior periods. The changes made to the balance sheet and statements of comprehensive income as shown below have resulted in reclassifications of various amounts on the statements of cash flows, however as there have been no material adjustments to the net cash flows, no reconciliation of the statement of cash flows has been prepared.

RECONCILIATION OF CONSOLIDATED BALANCE SHEET

AS AT JANUARY 1, 2012:

	US GAAP As of January 1, 2012		Notes		Adjustments		IFRS As of January 1, 2012
ASSETS							
CURRENT ASSETS							
Cash and cash equivalents	$ 103,644				$ —		$ 103,644
Accounts receivable	10,077				—		10,077
Inventories	74,297		(a)		(157)		74,140
Available for sale investments	1,416				—		1,416
Prepaids and other	8,522				—		8,522
Total Current Assets	197,956				(157)		197,799
RESTRICTED CASH	1,273				—		1,273
PROPERTY, PLANT AND EQUIPMENT	252,131		(j)		(73,600)		178,531
MINING PROPERTIES	270,157		(b)(c)(j)		(38,082)		232,075
EXPLORATION AND EVALUATION ASSETS	—		(d)		16,730		16,730
INTANGIBLE ASSETS	5,266		(j)		(2,507)		2,759
OTHER ASSETS	895				—		895
Total Assets	$ 727,678				$ (97,616)		$ 630,062
LIABILITIES							
CURRENT LIABILITIES							
Accounts payable and accrued liabilities	$ 92,088				$ —		$ 92,088
Current portion of rehabilitation provisions	8,996				—		8,996
Current tax liability	197				—		197
Current portion of long-term debt	128,459				—		128,459
Total Current Liabilities	229,740				—		229,740
LONG TERM DEBT	10,759				—		10,759
REHABILITATION PROVISIONS	24,884		(c)		29,431		54,315
DEFERRED TAX LIABILITY	23,993	23,993	(f)	23,993	3,582	23,993	27,575
Total Liabilities	289,376				33,013		322,389
SHAREHOLDERS' EQUITY							
SHARE CAPITAL							
First preferred shares, without par value, unlimited shares authorized. No shares issued and outstanding	—				—		—
Common shares, without par value, unlimited shares authorized	693,899				—		693,899
CONTRIBUTED SURPLUS	19,815		(g)		719		20,534
ACCUMULATED OTHER COMPREHENSIVE INCOME	1,978				—		1,978
DEFICIT	(276,112)				(117,726)		(393,838)
Total Golden Star Equity	439,580				(117,007)		322,573
NON-CONTROLLING INTEREST	(1,278)		(h)		(13,622)		(14,900)
Total Equity	438,302				(130,629)		307,673
Total Liabilities and Shareholders' Equity	$ 727,678				$ (97,616)		$ 630,062

RECONCILIATION OF CONSOLIDATED BALANCE SHEET

AS AT JUNE 30, 2012:

	US GAAP As of June 30, 2012	Notes	Adjustments	IFRS As of June 30, 2012
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$ 105,729		$ —	$ 105,729
Accounts receivable	11,041		—	11,041
Inventories	88,109	(a)	(7,790)	80,319
Available for sale investments	9,565		—	9,565
Prepaids and other	9,684		—	9,684
Total Current Assets	224,128		(7,790)	216,338
RESTRICTED CASH	1,273		—	1,273
PROPERTY, PLANT AND EQUIPMENT	255,910	(j)	(71,364)	184,546
MINING PROPERTIES	259,350	(b)(c)(j)	(23,605)	235,745
EXPLORATION AND EVALUATION ASSETS	—	(d)	17,133	17,133
INTANGIBLE ASSETS	4,212	(j)	(2,077)	2,135
Total Assets	$ 744,873		$ (87,703)	$ 657,170
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable and accrued liabilities	$ 84,276		$ —	$ 84,276
Current portion of rehabilitation provisions	8,256		—	8,256
Current portion of long term debt	57,476		—	57,476
Total Current Liabilities	150,008		—	150,008
LONG TERM DEBT	87,326		—	87,326
REHABILITATION PROVISIONS	22,610	(c)	28,302	50,912
DEFERRED TAX LIABILITY	39,455	(f)	5,071	44,526
Total Liabilities	299,399		33,373	332,772
SHAREHOLDERS' EQUITY				
SHARE CAPITAL				
First preferred shares, without par value, unlimited shares authorized	—		—	—
Common shares, without par value, unlimited shares authorized	694,341		—	694,341
CONTRIBUTED SURPLUS	23,093	(g)	1,064	24,157
ACCUMULATED OTHER COMPREHENSIVE INCOME	(6,972)	(e)	6,972	—
DEFICIT	(264,515)		(116,413)	(380,928)
Total Golden Star Equity	445,947		(108,377)	337,570
NON-CONTROLLING INTEREST	(473)	(h)	(12,699)	(13,172)
Total Equity	445,474		(121,076)	324,398
Total Liabilities and Shareholders' Equity	$ 744,873		$ (87,703)	$ 657,170

RECONCILIATION OF CONSOLIDATED BALANCE SHEET

AS AT DECEMBER 31, 2012:

	US GAAP As of December 31, 2012	Notes	Adjustments	IFRS As of December 31, 2012
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$ 78,884		$ —	$ 78,884
Accounts receivable	11,896		—	11,896
Inventories	90,212	(a)	(7,232)	82,980
Available for sale investments	15,034		—	15,034
Prepaids and other	11,266		—	11,266
Total Current Assets	207,292		(7,232)	200,060
RESTRICTED CASH	2,028		—	2,028
PROPERTY, PLANT AND EQUIPMENT	260,986	(j)	(69,213)	191,773
MINING PROPERTIES	252,176	(b)(c)(j)	(2,349)	249,827
EXPLORATION AND EVALUATION ASSETS	—	(d)	10,862	10,862
INTANGIBLE ASSETS	3,159	(j)	(1,648)	1,511
DEFERRED TAX ASSETS	235		—	235
Total Assets	$ 725,876		$ (69,580)	$ 656,296
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable and accrued liabilities	$ 101,760		$ —	$ 101,760
Current portion of rehabilitation provisions	9,943	(c)	(222)	9,721
Current tax liability	12,393		—	12,393
Current portion of long term debt	6,968		—	6,968
Total Current Liabilities	131,064		(222)	130,842
LONG TERM DEBT	110,507		—	110,507
REHABILITATION PROVISIONS	24,170	(c)	29,428	53,598
DEFERRED TAX LIABILITY	28,650	(f)	4,522	33,172
Total Liabilities	294,391		33,728	328,119
SHAREHOLDERS' EQUITY				
SHARE CAPITAL				
First preferred shares, without par value, unlimited shares authorized	—		—	—
Common shares, without par value, unlimited shares authorized	694,652		—	694,652
CONTRIBUTED SURPLUS	25,154	(g)	1,150	26,304
ACCUMULATED OTHER COMPREHENSIVE INCOME	(716)	(e)	6,972	6,256
DEFICIT	(285,602)		(101,050)	(386,652)
Total Golden Star Equity	433,488		(92,928)	340,560
NON-CONTROLLING INTEREST	(2,003)	(h)	(10,380)	(12,383)
Total Equity	431,485		(103,308)	328,177
Total Liabilities and Shareholders' Equity	$ 725,876		$ (69,580)	$ 656,296

RECONCILIATION OF THE CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME/(LOSS) FOR THE THREE MONTHS ENDED JUNE 30, 2012:

	US GAAP			IFRS
	For the three months ended			For the three months ended
	June 30, 2012	Notes	Adjustments	June 30, 2012
Revenue	$ 136,313		$ —	$ 136,313
Cost of sales excluding depreciation and amortization	91,760	(a)(b)(c)(i)	(2,218)	89,542
Depreciation and amortization	25,110	(j)	(2,554)	22,556
Mine operating margin	19,443		4,772	24,215
Other expenses/(income)				
Exploration expense	827	(d)	(276)	551
General and administrative	4,718	(g)	(79)	4,639
Property holding costs	1,336		—	1,336
Finance expense, net	4,734	(i)	157	4,891
Other income	410		—	410
Loss on fair value of convertible debentures	1,145		—	1,145
Impairment charges	—	(e)	6,972	6,972
Income/(loss) before income tax	6,273		(2,002)	4,271
Income tax expense	2,931	(f)	(26)	2,905
Net income/(loss)	$ 3,342		$ (1,976)	$ 1,366
Net income attributable to non-controlling interest	859	(h)	470 805	1,329
Net income/(loss) attributable to Golden Star shareholders	$ 2,483		$ (2,446)	$ 37
Net income/(loss) attributable to Golden Star shareholders				
Basic and diluted	$ 0.01			$ —
Weighted average shares outstanding (millions)	258.8			258.8
Weighted average number of diluted shares (millions)	258.9			258.9
OTHER COMPREHENSIVE INCOME/(LOSS)				
Net income/(loss)	$ 3,342			$ 1,366
Unrealized gain/(loss) on investments net of taxes	(4,785)		—	(4,785)
Transferred to net income/(loss), net of taxes	—	(e)	6,972	6,972
Comprehensive income/(loss)	$ (1,443)		$ 6,972	$ 3,553
Comprehensive income attributable to non-controlling interest	859			1,329
Comprehensive income/(loss) attributable to Golden Star shareholders	**$ (2,302)**			**$ 2,224**

RECONCILIATION OF THE CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME/(LOSS) FOR THE SIX MONTHS ENDED JUNE 30, 2012:

	US GAAP			IFRS
	For the six months ended			For the six months ended
	June 30, 2012	Notes	Adjustments	June 30, 2012
Revenue	$ 267,333		$ —	$ 267,333
Cost of sales excluding depreciation and amortization	189,862	(a)(b)(c)(i)	(5,450)	184,412
Depreciation and amortization	44,153	(j)	(5,466)	38,687
Mine operating margin	33,318		10,916	44,234
Other expenses/(income)				
Exploration expense	2,091	(d)	(402)	1,689
General and administrative	11,485	(g)	345	11,830
Property holding costs	3,410		—	3,410
Finance expense, net	8,354	(i)	275	8,629
Other income	(22,085)		—	(22,085)
Loss on fair value of convertible debentures	2,037		—	2,037
Derivative mark-to-market (gain)/loss	162		—	162
Impairment charges	—	(e)	6,972	6,972
Income/(loss) before income tax	27,864		3,726	31,590
Income tax expense	15,462	(f)	1,490	16,952
Net income/(loss)	$ 12,402		$ 2,236	$ 14,638
Net income attributable to non-controlling interest	805	(h)	923 $805	1,728
Net income/(loss) attributable to Golden Star shareholders	$ 11,597		$ 1,313	$ 12,910
Net income/(loss) attributable to Golden Star shareholders				
Basic and diluted	$ 0.04			$ 0.05
Weighted average shares outstanding (millions)	258.8			258.8
Weighted average number of diluted shares (millions)	258.8			258.8
OTHER COMPREHENSIVE INCOME/(LOSS)				
Net income/(loss)	$ 12,402			$ 14,638
Unrealized gain/(loss) on investments net of taxes	(8,950)		—	(8,950)
Transferred to net income/(loss), net of taxes	—	(e)	6,972	6,972
Comprehensive income/(loss)	$ 3,452		$ 6,972	$ 12,660
Comprehensive income attributable to noncontrolling interest	805			1,728
Comprehensive income/(loss) attributable to Golden Star shareholders	**$ 2,647**			**$ 10,932**

RECONCILIATION OF THE CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME/(LOSS)

FOR THE YEAR ENDED DECEMBER 31, 2012:

	US GAAP			IFRS
	For the year ended December 31, 2012	Notes	Adjustments	For the year ended December 31, 2012
Revenue	$ 550,540		$ —	$ 550,540
Cost of sales excluding depreciation and amortization	398,781	(a)(b)(c)(i)	(25,238)	373,543
Depreciation and amortization	98,837	(j)	(9,484)	89,353
Mine operating margin	52,922		34,722	87,644
Other expenses/(income)				
Exploration expense	3,505	(d)	(716)	2,789
General and administrative	23,674	(g)	431	24,105
Property holding costs	9,862		—	9,862
Finance expense, net	13,100	(i)	25	13,125
Other income	(390)		—	(390)
Loss on fair value of convertible debentures	27,985		—	27,985
Impairment charges	—	(e)	6,972	6,972
Derivative mark-to-market losses	162		—	162
Gain on sale of investments	(31,577)	d	7,153	(24,424)
Income/(loss) before income tax	6,601		20,857	27,458
Income tax expense	16,816	(f)	940	17,756
Net income/(loss)	$ (10,215)		$ 19,917	$ 9,702
Net income/(loss) attributable to non-controlling interest	(725)	(h)	3,241	2,516
Net income/(loss) attributable to Golden Star shareholders	$ (9,490)		$ 16,676	$ 7,186
Net income/(loss) attributable to Golden Star shareholders				
Basic	$ (0.04)			$ 0.03
Diluted	$ (0.04)			$ 0.03
Weighted average shares outstanding (millions)	258.9			258.9
Weighted average number of diluted shares (millions)	258.9			258.9
OTHER COMPREHENSIVE INCOME/(LOSS)				
Net income/(loss)	$ (10,215)			$ 9,702
Unrealized gain/(loss) on investments net of taxes	(2,694)		—	(2,694)
Transferred to net income/(loss), net of taxes		(e)	$ 6,972	6,972
Comprehensive income/(loss)	$ (12,909)		$ 6,972	$ 13,980
Comprehensive income/(loss) attributable to non-controlling interest	(725)			2,516
Comprehensive income/(loss) attributable to Golden Star shareholders	**$ (12,184)**			**$ 11,464**

RECONCILIATION OF THE CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE THREE MONTHS ENDED JUNE 30, 2012:

	US GAAP For the three months ended June 30 2012	Notes	Adjustments	IFRS For the three months ended June 30, 2012
Cash Flows from Operations	$ 17,570	(b)(d)	$ 6,554	$ 24,124
Cash Flows from Investing	(13,731)	(b)(d)	(6,554)	(20,285)
Cash Flows from Financing	(1,921)		—	(1,921)
Change in Cash	$ 1,918		$ —	$ 1,918

RECONCILIATION OF THE CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SIX MONTHS ENDED JUNE 30, 2012:

	US GAAP For the six months ended June 30 2012	Notes	Adjustments	IFRS For the six months ended June 30, 2012
Cash Flows from Operations	$ 35,454	(b)(d)	$ 10,790	$ 46,244
Cash Flows from Investing	(36,425)	(b)(d)	(10,790)	(47,215)
Cash Flows from Financing	3,056		—	3,056
Change in Cash	$ 2,085		$ —	$ 2,085

RECONCILIATION OF THE CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2012:

	US GAAP For the year ended December 31 2012	Notes	Adjustments	IFRS For the year ended December 31 2012
Cash Flows from Operations	$ 94,290	(b)(d)	$ 28,804	$ 123,094
Cash Flows from Investing	(69,054)	(b)(d)	(28,804)	(97,858)
Cash Flows from Financing	(49,996)		—	(49,996)
Change in Cash	$ (24,760)		$ —	$ (24,760)

Notes to IFRS Financial Statements:

(a) In-Process inventory - Costs that qualify as betterment stripping are capitalized as Mining Properties under IFRS, but were included within inventory and expensed for US GAAP. As a result, the amount of waste mining costs expensed and included within in-process metal inventory is higher under US GAAP than under IFRS.

(b) Deferred Stripping - Under IFRS, expenditures for stripping costs (*i.e.* , the costs of removing overburden and waste material to access mineral deposits) are capitalized and subsequently amortized on a units-of-production basis over the mineral reserves that directly benefit from the specific waste stripping activity if it is probable that future economic benefits will flow to the Company, the component of the ore body for which access is improved and the costs of the improved access can be reliably measured. US GAAP has no provision for capitalization of betterment stripping costs. Thus in periods where betterment stripping occurs, operating costs are higher under US GAAP since all waste costs are expensed. The amounts of capitalized betterment stripping are shown in the table immediately below and are included in the Mining Properties totals shown in the IFRS consolidated balance sheets as well as in the cash flow from investing section of the consolidated statement of cash flows.

Costs of betterment stripping capitalized under IFRS:

	Wassa/HBB	Bogoso/Prestea	TOTAL
Balance as of January 1, 2012	$ —	$ —	$ —
Additions in the three months ended March 31, 2012	—	4,109	4,109
Additions in the three months ended June 30, 2012	—	6,277	6,277
Additions in the three months ended September 31, 2012	—	8,448	8,448
Additions in the three months ended December 31, 2012	—	9,253	9,253
Balance as of December 31, 2012	$ —	$ 28,087	$ 28,087

It is expected that Bogoso's deferred betterment stripping costs are to be amortized between 2013 and 2015.

(c) The Company's forecasted amounts of future environmental, reclamation and closure costs are the same under US GAAP and IFRS. However, differences exist in determining the discount rate to be applied to the future costs. Under US GAAP, estimated liabilities for future reclamation and closure costs of each period's new environmental disturbances are discounted at the prevailing discount rates in effect during the period, based on the Company's credit-adjusted risk free rate, of the new disturbance. Once the discount rate is applied, they are not revised in subsequent periods. This in effect creates layers of liability for new disturbances incurred in each time period. Under IFRS, at the end of each period, all estimated future cash costs for existing disturbances are discounted using the current risk free rate at the end of each period.

(d) Under US GAAP, mineral property acquisition costs are capitalized. Pre-acquisition costs and subsequent exploration, mine development and direct general and administrative costs are expensed as incurred until such time as a feasibility study shows that the mineral property is economically viable. Following completion of a viable feasibility study all subsequent exploration, development and direct general and administrative costs are capitalized. For IFRS purposes, when it is determined that a mining property has the potential to be economical, subsequent exploration expenditures are capitalized. In each subsequent period, under IFRS, the exploration, engineering, development, financial and market information for each exploration project is reviewed by management to determine if such capitalized exploration and evaluation assets are impaired. If found impaired, the exploration asset's cost basis is reduced in accordance with IFRS provisions. Amounts written off in the current year under IFRS, which have previously been expensed under US GAAP, result in an adjustment when reconciling net income for the year.

Exploration and evaluation assets IFRS - Consolidated capitalized expenditures on our exploration projects were as follows:

	Exploration & Evaluation Assets as of 01/01/2012	Capitalized Exploration Expenditures	Transfer to Mining Properties	Impairment Charges	Other	Exploration & Evaluation Assets as of 06/30/2012
AFRICAN PROJECTS						
Ghana	$ 10,619	$ 79	$ —	$ —	$ —	$ 10,698
Sonfon - Sierra Leone	3,942	215	—	—	—	4,157
Other Africa	1,018	—	—	—	—	1,018
SOUTH AMERICAN PROJECTS						
Saramacca - Suriname	1,151	109	—	—	—	1,260
Total	$ 16,730	$ 403	$ —	$ —	$ —	$ 17,133

	Exploration & Evaluation Assets as of 01/01/2012	Capitalized Exploration Expenditures	Transfer to Mining Properties	Impairment Charges	Other	Exploration & Evaluation Assets as of 12/31/2012
AFRICAN PROJECTS						
Ghana	$ 10,619	$ 105	$ —	$ (880)	$ —	$ 9,844
Sonfon - Sierra Leone	3,942	341	—	(4,283)	—	—
Other Africa	1,018	—	—	—	—	1,018
SOUTH AMERICAN PROJECTS						
Saramacca - Suriname	1,151	271	—	—	(1,422)	—
Total	$ 16,730	$ 717	$ —	$ (5,163)	$ (1,422)	$ 10,862

(e) Impairments of equity instruments - Under US GAAP impairment is recognized if the decline in equity instruments is considered other than temporary. Under IFRS an impairment loss is recognized if there is a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost. During the period ended June 30, 2012 there was a significant decline in the fair value of the the equity instruments held in True Gold Mining Inc. (formally Riverstone Resources Inc). An impairment loss of $7.0 million was recognized in net income in this period.

(f) Income tax - The application of US GAAP and IFRS tax accounting is the same for the Company. The differences in the income tax liability and expenses arise from the changes in reported pre-tax income or loss under the different GAAPs as well as the differing treatment of various assets and liabilities.

(g) Shareholders' Equity - Differences in Contributed Surplus reflect differences in stock option expense recognition. Under US GAAP, the expense for a grant is recognized evenly over the vesting period of the grant. Under IFRS we expense each tranche of a grant evenly over that tranche's vesting period. This change in expense recognition has increased the share based payment expense by $0.1 million and $0.3 million in the three and six month periods ended June 30, 2012 respectively and $0.4 million in the year ended December 31, 2012 .

(h) Non-controlling interest - The application of non-controlling interest accounting is the same under US GAAP and IFRS. The difference in the recognized equity account and related expense arise from the changes in reported income or loss under the different GAAPs.

(i) Accretion of rehabilitation provisions - Under US GAAP the accretion of the rehabilitation provisions was recorded as part of cost of sales. Under IFRS the accretion is included in finance costs. This reclassification has resulted in an increase in finance costs and a reduction in cost of sales of $0.6 million and $1.1 million in the three month and six month periods ended June 30, 2012 respectively and $2.2 million in the year ended December 31, 2012 .

(j) As permitted by IFRS 1, in its opening balance sheet under IFRS as of January 1, 2012, the Company applied the fair value as deemed cost exemption to mineral reserves, as well as certain major machinery and equipment related to the Bogoso mine site. The fair value report prepared on these items as of January 1, 2012 determined a fair value of $215.9 million which resulted in a decrease of $148.5 million as compared to the carrying amount of such assets under US GAAP, which was recognized against retained earnings in the opening balance sheet under IFRS.

Exhibit 99.3

FORM 52-109F2
CERTIFICATION OF INTERIM FILINGS
FULL CERTIFICATE

I, Samuel T. Coetzer, President and Chief Executive Officer of Golden Star Resources Ltd., certify the following:

1. ***Review:*** I have reviewed the interim financial report and interim MD&A (together, the "interim filings") of Golden Star Resources Ltd. (the "issuer") for the interim period ended June 30, 2013.

2. ***No misrepresentations:*** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.

3. ***Fair presentation:*** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

4. ***Responsibility:*** The issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* , for the issuer.

5. ***Design:*** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer's other certifying officer and I have, as at the end of the period covered by the interim filings

A. designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that

I. material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and

II. information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

B. designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

5.1 ***Control framework:*** The control framework the issuer's other certifying officer and I used to design the issuer's ICFR is the Internal Control – Integrated Framework (COSO Framework) published by The Committee of Sponsoring Organizations of the Treadway Commission.

5.2 ***ICFR - material weakness relating to design:*** N/A

5.3 ***Limitation on scope of design:*** N/A

6. ***Reporting changes in ICFR:*** The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on April 1, 2013 and ended on June 30, 2013 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: August 12, 2013

(signed) Samuel T. Coetzer

Samuel T. Coetzer
President and Chief Executive Officer

Exhibit 99.4

FORM 52-109F2
CERTIFICATION OF INTERIM FILINGS
FULL CERTIFICATE

I, Jeffrey A. Swinoga, Executive Vice President and Chief Financial Officer of Golden Star Resources Ltd., certify the following:

1. ***Review:*** I have reviewed the interim financial report and interim MD&A (together, the "interim filings") of Golden Star Resources Ltd. (the "issuer") for the interim period ended June 30, 2013.

2. ***No misrepresentations:*** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.

3. ***Fair presentation:*** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

4. ***Responsibility:*** The issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* , for the issuer.

5. ***Design:*** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer's other certifying officer and I have, as at the end of the period covered by the interim filings

A. designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that

I. material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and

II. information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

B. designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

5.1 ***Control framework:*** The control framework the issuer's other certifying officer and I used to design the issuer's ICFR is the Internal Control – Integrated Framework (COSO Framework) published by The Committee of Sponsoring Organizations of the Treadway Commission.

5.2 ***ICFR - material weakness relating to design:*** N/A

5.3 ***Limitation on scope of design:*** N/A

6. ***Reporting changes in ICFR:*** The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on April 1, 2013 and ended on June 30, 2013 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: August 12, 2013

(signed) Jeffrey A. Swinoga

Jeffrey A. Swinoga
Executive Vice President and Chief Financial Officer