GOLDEN STAR RESOURCES LTD.

FORM 10-Q
(Quarterly Report)

Filed 08/21/00 for the Period Ending 06/30/00

Telephone	416 583 3800
CIK	0000903571
Symbol	GSS
SIC Code	1040 - Gold And Silver Ores
Industry	Gold & Silver
Sector	Basic Materials
Fiscal Year	12/31

GOLDEN STAR RESOURCES LTD

FORM 10-Q
(Quarterly Report)

Filed 8/21/2000 For Period Ending 6/30/2000

Address	10901 WEST TOLLER DRIVE SUITE 300
	LITTLETON, Colorado 80127
Telephone	303-830-9000
CIK	0000903571
Industry	Gold & Silver
Sector	Basic Materials
Fiscal Year	12/31

SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2000

OR

[_] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from ________ to ________.

Commission file number 1-12284

GOLDEN STAR RESOURCES LTD.
(Exact name of registrant as specified in its charter)

Canada (State or other jurisdiction of incorporation or organization)	98-0101955 (I.R.S. Employer Identification No.)
1660 Lincoln Street Suite 3000 Denver, Colorado (Address of principal executive office)	80264 (Zip Code)

(303) 830-9000
(Registrant's telephone number, including area code)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days
Yes X No_____

Number of Common Shares outstanding as of July 31, 2000: 37,588,988

GOLDEN STAR RESOURCES LTD.

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SPECIAL NOTICE REGARDING FORWARD-LOOKING STATEMENTS

This Form 10-Q contains "forward-looking statements" within the meaning of the U.S. securities laws. Forward-looking statements include statements concerning plans, objectives, goals, strategies, future events, capital expenditure, exploration efforts, financial needs, and other information that is not historical information. The Golden Star Resources Ltd. (the "Company") forward- looking statements are based on the Company's current expectations and various assumptions as of the date such statements are made. The Company cannot give assurance that such statements will prove to be correct.

These forward-looking statements include statements regarding: the impact of our shift in business strategy; the impact that the Bogoso mine may have on our future liquidity, cash flows, financial requirements, operating results and capital resources; the operational and financial performance of the Bogoso mine; targets for gold production; cash operating costs and expenses; increases or decreases in production from our mining operations; schedules for completion of feasibility studies; potential increases in reserves and production; the timing and scope of future drilling and other exploration activities; expectations regarding receipt of permits and commencement of mining or production; anticipated recovery rates; and potential acquisitions or increases in property interests in the region of the Bogoso mine.

Factors that could cause our actual results to differ materially from these statements include changes in gold prices, unanticipated grade changes, unanticipated changes and recovery problems, mining and milling costs, geology, metallurgy, processing, access, transportation of supplies, water availability, results of current and future exploration activities, results of pending and future feasibility studies, changes in project parameters as plans continue to be refined, political, economic and operational risks of foreign operations, joint venture relationships, availability of materials and equipment, the timing of receipt of governmental approvals for new permits or renewal of permits, capitalization and commercial viability, the failure of plant, equipment or processes to operate in accordance with specifications or expectations, accidents, labor disputes, delays in start-up dates, environmental costs and risks, local and community impacts and issues, and general domestic and international economic and political conditions.

Part I - Financial Information

ITEM 1. FINANCIAL STATEMENTS

GOLDEN STAR RESOURCES LTD.
CONSOLIDATED BALANCE SHEETS
(Stated in thousands of United States Dollars except share amounts)

(Unaudited)

	As of June 30, 2000	As of December 31, 1999
ASSETS		
CURRENT ASSETS		
Cash and short-term investments	$ 3,623	$ 2,905
Accounts receivable	1,229	1,976
Inventories (Note 3)	9,807	8,905
Other assets	171	171
Total Current Assets	14,830	13,957
RESTRICTED CASH (Note 9)	5,000	6,000
NOTE RECEIVABLE	4,092	3,784
ACQUISITION, DEFERRED EXPLORATION AND DEVELOPMENT COSTS (Note 4)	40,129	37,922
INVESTMENT IN OMAI GOLD MINES LIMITED	769	1,023
MINING PROPERTIES (Net of accumulated depreciation of $6,859 and $2,777, respectively)	6,395	10,413
FIXED ASSETS (Net of accumulated depreciation of $2,945 and $2,587, respectively)	2,055	1,175
OTHER ASSETS	79	78
Total Assets	$ 73,349	$ 74,352
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 4,031	$ 4,414
Accrued wages and payroll taxes	260	315
Current portion of amount payable to financial institutions	3,208	3,208
Total Current Liabilities	7,499	7,937
LONG-TERM DEBT	1,696	2,254
AMOUNT PAYABLE TO FINANCIAL INSTITUTIONS	3,708	3,708
CONVERTIBLE DEBENTURES (Note 5)	3,074	3,184
ENVIRONMENTAL REHABILITATION LIABILITY (Note 9)	6,301	6,721
OTHER LIABILITIES	22	24
Total Liabilities	22,300	23,828
MINORITY INTEREST	10,354	10,023
COMMITMENTS AND CONTINGENCIES (Note 9)		
SHAREHOLDERS' EQUITY		
SHARE CAPITAL (Note 6)	160,922	160,502
Common shares, without par value, unlimited shares authorized. Shares issued and outstanding: June 30, 2000 - 37,588,988; December 31, 1999 - 36,943,731		
Equity component of convertible debentures (Note 5)	1,045	1,045
DEFICIT	(121,272)	(121,046)
Total Shareholders' Equity	40,695	40,501
Total Liabilities and Shareholders' Equity	$ 73,349	$ 74,352

The accompanying notes are an integral part of these consolidated financial statements

GOLDEN STAR RESOURCES LTD.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Stated in thousands of United States Dollars except share amounts)

(Unaudited)

	Three Months Ended June 30, 2000	Three Months Ended June 30, 1999	Six Months Ended June 30, 2000	Six Months Ended June 30, 1999
REVENUE				
Gold sales	$ 8,815	$ -	$ 17,508	$ -
Interest and other	295	56	593	222
	9,110	56	18,101	222
COSTS AND EXPENSES				
Mining operations	6,128		11,647	
Depreciation, depletion and amortization	2,363	28	4,527	82
Exploration expense	300	5	660	52
General and administrative	703	1,164	1,253	1,862
Abandonment and impairment of mineral Properties	-	3,263	-	3,263
Gain on disposal of assets	(41)	(8)	(74)	(8)
Interest expense	254	6	510	12
Foreign exchange gain	(207)	(9)	(204)	(31)
	9,500	4,449	18,319	5,232
INCOME/(LOSS) BEFORE THE UNDERNOTED	(390)	(4,393)	(218)	(5,010)
Omai preferred share redemption premium	268	297	305	522
Income/(Loss) before minority interest	(122)	(4,096)	87	(4,488)
Minority interest	(34)	103	(313)	222
NET LOSS	$ (156)	$ (3,993)	$ (226)	$ (4,266)
BASIC AND DILUTED NET LOSS PER SHARE	$ (0.00)	$ (0.13)	$ (0.01)	$ (0.14)
Weighted Average Shares Outstanding (in millions of shares)	37.6	30.0	37.5	30.0

The accompanying notes are an integral part of these consolidated financial statements

GOLDEN STAR RESOURCES LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Stated in thousands of United States Dollars)

(Unaudited)

	Six Months Ended June 30, 2000	Six Months Ended June 30,1999
Operating Activities:		
Net loss	$ (226)	$(4,266)
Reconciliation of net loss to net cash used in operating activities:		
Depreciation, depletion and amortization	4,527	82
Accretion of equity component of convertible debentures	104	-
Non-cash compensation	35	-
Premium on Omai preferred share redemption	(305)	(522)
Abandonment and impairment of mineral properties	-	3,263
Gain on disposal of assets	(74)	(70)
Minority interest	313	(222)
Increase in note receivable	(308)	-
Decrease in environmental rehabilitation liability	(420)	-
Change in other liabilities	(2)	(25)
Changes in non-cash operating working capital		
Accounts receivable	746	117
Inventories	(902)	18
Accounts payable and accrued liabilities	(437)	(80)
Other current assets	-	86
Total changes in non-cash operating working capital	(593)	141
Net Cash Provided by (Used in) Operating Activities	3,051	(1,619)
Investing Activities:		
Expenditures on mineral properties, net of joint venture recoveries	(2,152)	(2,377)
Expenditures on mining properties	(64)	-
Equipment purchases	(1,381)	(5)
Omai preferred share redemption	558	956
Increase in deferred acquisition costs	-	(1,085)
Proceeds from sale of equipment	75	94
Other assets	18	62
Net Cash Used in Investing Activities	(2,946)	(2,355)
Financing Activities:		
Repayment of long-term debt	(558)	(956)
Restricted Cash	1,000	(2,200)
Loss on settlement of stock option loans	-	62
Repayment of stock option loans	-	638
Issuance of share capital, net of issue costs	171	22
Net Cash Provided by (Used in) Financing Activities	613	(2,434)
Increase/(Decrease) in cash and short-term investments	718	(6,408)
Cash and short-term investments, beginning of period	2,905	7,350
Cash and short-term investments, end of period	$ 3,623	$ 942

The accompanying notes are an integral part of these consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(All amounts are in thousands of United States Dollars, unless otherwise indicated)

These financial statements and the accompanying notes should be read in conjunction with the consolidated financial statements and related notes included in the annual report on Form 10-K for the Company for the fiscal year ended December 31, 1999, on file with the Securities and Exchange Commission and with the Ontario Securities Commission (hereinafter referred to as "the Company's 1999 10-K"). All amounts are in United States Dollars unless otherwise stated.

The unaudited financial statements for the three month and six month periods ended June 30, 2000 and 1999, reflect all adjustments, consisting solely of normal recurring items, which are necessary for a fair presentation of financial position, results of operations, and cash flows on a basis consistent with that of the prior audited consolidated financial statements.

(1) SUPPLEMENTAL CASH FLOW INFORMATION

	Six Months Ended June 30, 2000	Six Months Ended June 30, 1999
Shares issued under Stock Bonus Plan	$ 35	$ -
Depreciation charged to projects	$ 55	$ 103
Shares issued upon conversion of convertible debentures (Note 6)	$ 214	$ -
Conversion of convertible debentures (Note 6)	$ (214)	$ -

(2) NEW ACCOUNTING STANDARDS

In June 1998, the FASB issued Statement of Financial Accounting Standards No. 133, Accounting for Derivative Instruments and Hedging Activities (FAS 133). FAS 133 is effective for all fiscal years beginning after June 15, 2000. FAS 133 requires that all derivative instruments be recorded on the balance sheet at their fair value. Changes in the fair value of derivatives are recorded each period in current earnings or other comprehensive income, depending on whether a derivative is designated as part of a hedge transaction and, if it is, the type of hedge transaction. In June, 2000, the FASB issued Accounting for Certain Derivative Instruments and Certain Hedging Activities, an amendment of FAS 133 (FAS 138), under which certain hedging activities could be excluded from the accounting requirements of FAS 133 provided they meet certain criteria to qualify as normal purchase and sale transactions. The Company is in the process of determining the impact that applying FAS 133 and FAS 138 may have on its results of operations and financial position and the effects of adopting the new standards are not reasonably determinable at this time. The Company expects to adopt FAS 133 and FAS 138 effective January 1, 2001.

In December 1999, the Securities and Exchange Commission (SEC) released Staff Accounting Bulletin (SAB) No. 101, Revenue Recognition in Financial Statements that provides guidance on the recognition, presentation and disclosure of revenue in financial statements filed with the SEC. SAB 101 outlines the basic criteria that must be met to recognize revenue and provides guidance for disclosures related to revenue recognition policies. Citing numerous requests from groups requesting additional time to determine the effect on revenue recognition practices, the SEC issued SAB No. 101B in June, 2000, which delayed the implementation of SAB 101 to no later than the fourth fiscal quarter of 2000. We are currently awaiting additional guidance from the SEC on the application of SAB 101 in order to evaluate the effect this bulletin may have, if any, on our consolidated financial statements.

(3) INVENTORIES

	June 30, 2000	December 31, 1999
Broken Ore	$3,146	$2,862
In-process	1,130	836
Materials and Supplies	5,531	5,207
	$9,807	$8,905

(4) ACQUISITION, DEFERRED EXPLORATION AND DEVELOPMENT COSTS

	Acquisition, Deferred Exploration and Development Costs as at Dec. 31, 1999	2000 Capitalized Exploration Expenditures	2000 Capitalized Acquisition Expenditures	2000 Joint Venture Recoveries	Property Abandonments/ Write-downs	Acquisition, Deferred Exploration and Development Costs as at June 30, 2000
GUYANA						
Eagle Mountain	$ 1,364	$ -	$ -	$ -	$ -	$ 1,364
Other	123	(103)	-	-	-	20
Sub-total	1,487	(103)	-	-	-	1,384
SURINAME		-	-	-	-	-
Gross Rosebel	14,913	340	-	(183)	-	15,070
Other	212	83	-	-	-	295
Sub-total	15,125	423	-	(183)	-	15,365
FRENCH GUIANA (Guyanor Ressources S.A.)						
Dorlin	2,608	83	-	(42)	-	2,649
Yaou	7,633	101	-	(51)	-	7,683
Paul Isnard / Eau Blanche	5,446	227	-	-	-	5,673
Paul Isnard Alluvials	1,987	-	-	-	-	1,987
Dachine	1,720	568	-	(541)	-	1,747
Sub-total	19,394	979	-	(634)	-	19,739
AFRICA (Pan African Resources Corporation)						
Ivory Coast / Tanda	1,681	-	-	-	-	1,681
(Bogoso Gold Limited)						
Riyadh	75	117	-	-	-	192
Bogoso Sulfide	160	1,608	-	-	-	1,768
Sub-total	1,916	1,725	-	-	-	3,641
TOTAL	$37,922	$ 3,024	$ -	$ (817)	$ -	$40,129

The recoverability of amounts shown for acquisition, deferred exploration and development costs is dependent upon the sale or discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development, and upon future profitable production or proceeds from the disposition thereof. The amounts deferred represent costs to be charged to operations in the future and do not necessarily reflect the present or future values of the properties.

(5) CONVERTIBLE DEBENTURES

On August 24, 1999, the Company issued $4,155,000 (principal) in subordinated convertible debentures to raise financing for the acquisition of Bogoso Gold Limited. The debentures mature on August 24, 2004 and bear interest at the rate of 7.5% per annum from the date of issue, payable semi-annually on February 15 and August 15, to the debenture-holders as of February 1 and August 1, respectively, commencing on February 15, 2000.

(6) CHANGES TO SHARE CAPITAL

During the six months ended June 30, 2000, the Company issued 62,400 shares on the exercise of options and 150,000 shares on the exercise of warrants. Also during the six months convertible debentures were converted into 392,857 shares and 40,000 shares were issued under provisions of the Company's Stock Bonus Plan.

(7) PURCHASE OF BOGOSO GOLD LIMITED

On September 30, 1999 the Company and Anvil Mining NL ("Anvil") purchased 90% of the shares of BGL.

The following is the pro-forma income and loss for the six months ended June 30, 1999, showing the results had the transaction been completed on January 1, 1999:

	Six Months Ended June 30, 1999
Revenue	$ 19,943
Net Loss	$ (3,518)
Net Loss Per Share	$ (0.12)

(8) GENERALLY ACCEPTED ACCOUNTING PRINCIPLES IN CANADA AND THE UNITED

STATES

The financial statements have been prepared in accordance with accounting principles generally accepted in Canada (Canadian GAAP) which differ in certain respects from those principles that the Company would have followed had its financial statements been prepared in accordance with generally accepted accounting principles in the United States. Differences which materially affect these consolidated financial statements are:

(a) For United States GAAP ("US GAAP") exploration and general and administrative costs related to projects are charged to expense as incurred. As such, the majority of costs charged to Exploration Expense and Abandonment of Mineral Properties under Canadian GAAP would have been charged to earnings in prior periods under US GAAP. Prior to January 1, 2000, acquisition costs for exploration properties were capitalized under US GAAP. The Company changed its method effective January 1, 2000, whereby the Company expensed previously capitalized acquisition costs related to exploration projects (totaling $11,302,000 or $0.30 per share in the three months ended March 31, 2000 and the six months ended June 30, 2000), based upon the uncertainty of the ultimate recoverability of these costs under FAS 121. Under US GAAP, the Company now expenses all exploration costs, including property acquisition costs, for exploration projects.

(b) For periods prior to May 15, 1992, (the "Amalgamation"), the Company's reporting currency was the Canadian Dollar. Subsequent to the Company's Amalgamation and moving of corporate headquarters to the United States, the reporting currency was changed to the US Dollar. As such, for the financial statements for the period prior to May 15, 1992, the Company's financial statements were translated into US Dollars using a translation of convenience. US GAAP requires translation in accordance with the current rate method.

(c) Under US GAAP, the preferred share investment in OGML would have a carrying value of nil since the preferred shares were received in recognition of past exploration costs incurred by the Company, all of which were expensed for US GAAP purposes. Therefore, the entire Omai preferred share redemption premium would have been included in income. Under Canadian GAAP, a portion of the premium on the Omai preferred share redemption is included in income with the remainder reducing the carrying value of the Company's preferred stock investment.

(d) US GAAP requires that compensation expense be recorded for the excess of the quoted market price over the option price granted to employees and directors under stock option plans. Under Canadian GAAP, no compensation expense is required to be recorded for such awards.

(e) Canadian GAAP requires that convertible debentures should be classified into their component parts, as either a liability or equity, in accordance with the substance of the contractual agreement. Also, under Canadian GAAP the accretion is calculated from the equity component and charged to interest expense. Under US GAAP, the convertible debenture would be classified entirely as a liability.

(f) The gains on subsidiaries' issuance of common shares recorded under Canadian GAAP in respect of the Guyanor public offering and the PARC private placement are not appropriate under US GAAP.

(g) The Company eliminated its accumulated deficit through the amalgamation (defined as a reorganization under US GAAP) effective May 15, 1992. Under US GAAP the cumulative deficit was greater than the deficit under Canadian GAAP due to the write-off of certain deferred exploration costs described in (a) above.

(h) Under US GAAP, items such as foreign exchange gains and losses are required to be shown separately in the derivation of Comprehensive Income.

(i) Under US GAAP, the fair value of warrants issued in connection with the credit facility that was arranged for, but not used to effect, the purchase of Bogoso Gold Limited ("BGL"), is required to be expensed. Under Canadian GAAP, the fair value was treated as additional purchase price. The difference in basis creates differences in the related depletion.

Had the Company followed GAAP in the United States, certain items on the statements of operations and balance sheets would have been reported as follows:

	For the six months ended June 30, 2000	For the six months ended June 30, 1999
Net loss under Canadian GAAP	$ (226)	$ (4,266)
Net effect of expensing previously capitalized acquisition costs for exploration projects (a)	(11,301)	-
Net effect of the deferred exploration expenditures on loss for the period (a)	(2,207)	429
Effect of depletion adjustment (i)	482	-
Other (c) (d) (e)	136	402
Loss under US GAAP before minority interest	(13,116)	(3,435)
Minority interest adjustment	373	515
Net loss under US GAAP	(12,743)	(2,920)
Other comprehensive income foreign exchange gain (h)	204	31
Comprehensive income (loss)	$ (12,539)	$ (2,889)
Basic and diluted Net loss per share under US GAAP	$ (0.34)	$ (0.10)

The effect of the differences in accounting under Canadian GAAP and US GAAP on the balance sheets and statements of cash flows are as follows:

Balance Sheet

	As of June 30, 2000		As of December 31, 1999	
	Cdn GAAP	US GAAP	Cdn GAAP	US GAAP
Cash	$ 3,623	$ 3,623	$ 2,905	$ 2,905
Other current assets	11,207	11,207	11,052	11,052
Restricted cash	5,000	5,000	6,000	6,000
Acquisition, deferred exploration and development (a)	40,129	-	37,922	11,302
Investment in OGML (c)	769	-	1,023	-
Mining properties (i)	6,395	5,644	10,413	9,180
Other assets	6,226	6,367	5,037	5,196
Total Assets	$ 73,349	$ 31,841	$ 74,352	$ 45,635
Liabilities	$ 22,300	$ 23,103	$ 23,828	$ 24,799
Minority interest	10,354	6,670	10,023	9,690
Share capital, net of stock option loans (e)	161,967	158,415	161,547	157,932
Cumulative translation adjustments (b)	-	1,595	-	1,595
Accumulated comprehensive income	-	(379)	-	(583)
Deficit (a)(i)(e)(f)(g)	(121,272)	(157,563)	(121,046)	(147,798)
Total Liabilities and Shareholders' Equity	$ 73,349	$ 31,841	$ 74,352	$ 45,635

Statements of Cash Flows

Net cash Provided By (Used In):	Operating Activities		Investing Activities		Financing Activities	
	Canadian GAAP	U.S. GAAP	Canadian GAAP	U.S. GAAP	Canadian GAAP	U.S. GAAP
For the six months ended June 30, 2000	$ 3,051	$ 1,765	$(2,946)	$(1,660)	$ 613	$ 613
For the six months ended June 30, 1999	$(1,619)	$(3,120)	$(2,355)	$ 3,196	$(2,434)	$(2,459)

The statements of cash flows reflect the impact of the previously discussed adjustments (a) (c) (d) (e).

Operations by geographic area under US GAAP:

	Operating Revenues	Net Loss	Identifiable Assets
For the six months ended June 30, 2000			
South America	$ 23	$ (12,094)	$ 583
Africa	18,078	(670)	20,500
Corporate	-	21	10,758
	$ 18,101	$ (12,743)	$ 31,841
For the six months ended June 30, 1999			
South America	$ 9	$ (2,654)	$ 17,863
Africa	-	(195)	1,015
Corporate	213	(71)	4,398
	$ 222	$ (2,920)	$ 23,276

(9) COMMITMENTS AND CONTINGENCIES

Environmental Regulations

The Company is not aware of any events of material non-compliance in its operations with environmental laws and regulations which could have a material adverse effect on the Company's operations or financial condition. The exact nature of environmental control problems, if any, which the Company may encounter in the future, cannot be predicted, primarily because of the changing character of environmental requirements that may be enacted within foreign jurisdictions. The environmental rehabilitation liability for reclamation and closure costs at the Bogoso mine at June 30, 2000 was $6.3 million.

Restricted Cash

Upon the closing of the acquisition of BGL in 1999, the Company was required, under to the acquisition agreement, to restrict $6 million in cash. These funds are being used for the ongoing, final reclamation and closure costs relating to the Bogoso mine site, and the withdrawal of these funds must be agreed to by the sellers of BGL, who are ultimately responsible for the reclamation in the event of non-performance by Golden Star and Anvil. The restricted cash was reduced by $1 million, to a balance of $5 million, at the end of the second quarter, as agreed with the sellers of BGL.

(10) RELATED PARTIES

During 1999, the Company, in conjunction with Anvil Mining NL, acquired BGL. The current President and CEO of the Company, Peter J. Bradford, is also a Director of Anvil Mining NL and this relationship constitutes a related party. Based on the heads of agreement with Anvil to effect the BGL acquisition, the Company provided Anvil with a promissory note for their share of the purchase price and also a note for their share of the acquisition costs. Additionally Anvil is responsible for their share of the additional acquisition costs. The total of these amounts owed to the Company at June 30, 2000 was $4.1 million. The Company is entitled to preferential repayment of its investment in BGL from the BGL cash flow until it has recouped its purchase costs and related transaction expenses, including the repayment of the Anvil note receivable.

(11) SUBSEQUENT EVENTS

On August 3, 2000, the Company signed a letter of intent to acquire a mining property which adjoins the Company's 70%-owned Bogoso mine. The total purchase consideration indicated in the letter of intent is $12 million, of which $8 million would be payable in cash on closing and $4 million would be payable on September 30, 2002. The acquisition is subject to the completion of due diligence, the negotiation of definitive agreements, the obtaining of necessary consents and approvals (including that of the Government of Ghana, which has agreed in principle to the transaction) and the Company obtaining the necessary funding for the acquisition.

On August 8, 2000, Mr. Peter J. Bradford, President and Chief Executive Officer, was appointed a director of the Company.

On August 11, 2000, the Company received regulatory approval to extend the expiration date of warrants to purchase a total of 761,250 common shares of the Company at an exercise price of $0.70, scheduled to expire on August 24, 2000, until the earlier of (i) February 24, 2001 and (ii) the 30/th/ calendar day following the determination that the 10-day weighted average trading price of the common shares for any 10 consecutive trading days is greater than Cdn$1.22.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL

CONDITION, RESULTS OF OPERATIONS AND RECENT DEVELOPMENTS

The following discussion should be read in conjunction with the accompanying consolidated financial statements and related notes. The financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). For the US GAAP reconciliation, see Note 8 to the attached unaudited consolidated financial statements. All amounts are in US Dollars.

Special Note Regarding Forward Looking Statements

The U.S. securities laws provide a "safe harbor" for certain forward-looking statements. The Management's Discussion and Analysis contains "forward-looking statements" that express expectations of future events or results. All statements based on future expectations rather than historical facts are forward-looking statements that involve a number of risks and uncertainties, and the Company cannot give assurance that such statements will prove to be correct. Refer to the "Special Notice regarding Forward-Looking Statements" on page 2 of this Form 10-Q.

RESULTS OF OPERATIONS

Overview

On September 30, 1999, the Company and Anvil Mining NL, an Australian company ("Anvil"), completed the acquisition of 70% and 20% respectively, of the common shares of Bogoso Gold Limited ("BGL"). The Government of Ghana retained its 10% equity interest in BGL. BGL is the owner of the Bogoso Mine, an operating gold mine in the Republic of Ghana, which the Company and Anvil intend to continue to operate. The initial purchase price for BGL was $6.5 million, which was funded by the Company from working capital and the proceeds from the August 24, 1999 offerings of convertible debentures, common shares and warrants. The acquisition agreement also provides for additional purchase price payments to the IFC (on behalf of the consortium of banks that sold BGL). The Company has accrued $6.4 million to reflect these future additional purchase price payments, based on its estimate that, if the gold price averages $290 per ounce for the remainder of the Bogoso mine life, Golden Star and Anvil would have to pay the consortium of banks this amount as a purchase price adjustment. The Company and Anvil also acquired by way of assignment all the outstanding debt owed to the sellers. The Company will receive preferential repayment of its acquisition costs, including the amount owed to it by Anvil, and all inter-company debt and interest will be repaid prior to any distribution to shareholders.

This acquisition is consistent with the Company's shift in focus away from being a pure exploration company, to becoming a production, development and advanced stage exploration company. Prior to September 30, 1999, the Company's focus was solely on the exploration and development (if warranted) of precious metal and diamond deposits within specific geological domains. The Company's results of operations, discussed below, include results of BGL for the three months and six months ended June 30, 2000.

Three Months and Six Months Ended June 30, 2000 compared to the Three Months and Six Months Ended June 30, 1999

During the second quarter of 2000, the Company recognized a net loss of $0.2 million (less than $0.01 per share) as compared to a net loss of $4.0 million or $0.13 per share for the second quarter of 1999. For the six months ended June 30, 2000, the Company had a net loss of $0.2 million (less than $0.01 per share) compared to a net loss of $4.3 million ($0.14 per share) for the first half of 1999. The Company had revenue and costs from BGL in the second quarter and first half of 2000 (see below, with zero in the second quarter and first half of 1999, before the acquisition of the interest in BGL). The Company had recorded $3.3 million in property abandonment and write-downs in the second quarter of 1999, compared with no similar charges in the second quarter this year. The Company recognized premium income of $0.3 million from the redemption of its preferred shares in Omai Gold Mines Limited in the second quarter and first half of 2000, compared with $0.3 million and $0.5 million in the second quarter and first half of 1999, respectively.

Total revenues were $9.1 million for the second quarter of 2000 and $18.1 million for the six months to June 30, 2000, with the production and sale of gold from Bogoso of 31,626 ounces in the second quarter and 62,063 ounces in the six months. Total revenues for the corresponding periods in 1999 were $0.1 million and $0.2 million respectively from interest and other. The Company acquired its interest in the Bogoso gold mine on September 30, 1999. For the second quarter and first six months of 2000, the average gold prices realized per ounce were $279 and $282, respectively, with total cash costs per ounce of $194 and $188, respectively.

General and administrative expenditures decreased to $0.7 million during the second quarter of 2000 as compared to $1.2 million during the second quarter of 1999 as a result of the Company's on-going cost reduction efforts. For the six months ended June 30, 2000, general and administrative expenditures decreased to $1.3 million as compared to $1.9 million for the same period last year. Exploration expense for the quarter increased to $0.3 million from almost zero in the second quarter last year (with expenses of $0.7 million and $0.1 million for the first six months of 2000 and 1999, respectively) as a result of closure costs in 2000 for exploration offices in Africa and Guyana. (Most of the Company's exploration projects are on care and maintenance or are being funded by our joint venture partners.) Interest expense increased to $0.3 million during the second quarter of 2000 and to $0.5 million for the first six months, as compared to almost zero in the same periods in 1999. The increases in the 2000 periods are a result of interest on the convertible debentures (issued in August of 1999) and penalty interest from February 2000 as a result of the delay in registration of the Company's shares under the registration statement on Form S-3 with the SEC (for shares to be issued upon the exercise of warrants granted to brokers and lenders in June and August, 1999). The Form S-3 was declared effective by the SEC on July 26, 2000, and the penalty interest ceased as of that date.

LIQUIDITY AND CAPITAL RESOURCES

At June 30, 2000, the Company held cash and short-term investments of $3.6 million and working capital of $7.3 million compared to December 31, 1999 balances of $2.9 million and $6.0 million, respectively. During the first half of 2000, the Company benefited from the production and sale of gold following the acquisition of the Bogoso mine, with net cash provided by operating activities of $3.1 million for the six months, compared with net cash used in operating activities of $1.6 million in the first six months of 1999, which was before the BGL acquisition.

Cash used in investing activities for the six months ended June 30, 2000 was $2.9 million as compared to $2.4 million for the six months ended June 30, 1999, with the net increase arising from equipment purchases at the Bogoso mine in the period this year, while expenditures on mineral properties decreased slightly as compared to the 1999 period.

Cash provided by financing activities amounted to $0.6 million for the six months ended June 30, 2000 compared with cash used in financing activities of $2.4 million for the corresponding period in 1999. Financing activities in the 2000 period reflected the release of $1.0 million from the Bogoso restricted cash, while the 1999 period included the restricting of $2.2 million in cash pending the BGL acquisition. Repayment of long-term debt due to OGML amounted to $0.6 million in the first six months of 2000, compared with $1.0 million in the same period last year. Issuances of share capital amounted to $0.2 million in the first six months of 2000 as compared to less than $0.1 million in the first half of 1999.

Bogoso Gold Limited

Total exploration expenditures by BGL in Ghana for the second quarter and the first six months of 2000 amounted to $0.7 million and $1.7 million, respectively (compared to nil in the first quarter and first six months of 1999, prior to the Company's acquisition of BGL). These costs were primarily for additional drilling and other costs for the preparation of the feasibility study on the Bogoso sulfide mineralized material.

French Guiana (Guyanor Ressources S.A.)

Total exploration expenditures by Guyanor for the second quarter amounted to $0.4 million, offset by joint venture recoveries of $0.2 million (compared to expenditures of $0.8 million and joint venture recoveries of $0.2 million in the second quarter of 1999). Activities in French Guiana focused primarily on further work at Yaou and Dorlin, Dachine and Paul Isnard. General and administrative expenditures for Guyanor, which were not reimbursed by joint venture partners, amounted to $0.3 million for the quarter ended June 30, 2000 (compared to $0.4 million in the second quarter of 1999).

Guyana

There were no capitalized exploration and acquisition expenditures in the second quarter of 2000 in Guyana (compared to $0.3 million during the second quarter of 1999). Activities in Guyana focused primarily on the closing of the Guyana office (effective as of March 31, 2000), restructuring of the Guyana exploration activities and the recovery of cash for property bonds on projects abandoned with all related costs being expensed.

Suriname

Exploration expenditures in Suriname during the second quarter of 2000 focused primarily on the Gross Rosebel project. Total spending in Suriname in the second quarter of $0.1 million was offset by joint venture recoveries (as compared to expenditures of $0.5 million and recoveries of $0.2 million during the second quarter of 1999). This reduction primarily results from the Gross Rosebel project being on care and maintenance pending improved gold prices, the resolution of various technical matters and joint venture partner Cambior's future development plans.

Outlook

In prior years the Company has relied primarily on the capital markets to fund its acquisitions, operations and exploration activities. Following the acquisition of BGL and its operating gold mine, effective September 30, 1999, the Company has a source of positive cash flow from mining operations through at least mid-2001 although we still have limited cash resources. The current market for gold shares continues to be weak and equity capital is difficult to obtain, but, as the Company demonstrated in 1999 through its capital raising activities (from the issuance of shares and convertible debentures), it is somewhat easier to raise funds to acquire producing mining assets compared with the challenge of raising capital primarily for exploration. The Company is projected to generate sufficient cash flow for the next twelve months through mid-2001 to cover its exploration obligations and general and administrative expenses, however additional capital will be required for major capital expenditure, development or acquisitions (including the funding of the acquisition, as discussed below). At June 30, 2000, the Company held consolidated cash and short-term investments of $3.6 million.

As noted above, the Company and Anvil will be required to make payments of the additional purchase price to the IFC (on behalf of the consortium of banks that sold BGL) over the next 15 months. This additional purchase price is estimated to be $6.4 million (7/9 payable by the Company and 2/9 payable by Anvil), of which an estimated $3.2 million will be payable on September 30, 2000. Included in the Company's cash and short-term investments at June 30, 2000 is approximately $1.7 million held in a segregated account towards the Company's share of that liability. The Company expects that the full amount of their liability should be met from cash generated from BGL, even with gold prices remaining at their current depressed levels, however this liability will put a constraint on the Company over the next 18 months. This constraint will negatively impact the Company's financial position and liquidity over this period. The Company will continue to explore various possibilities for raising capital, which might include, among other things, the establishment of additional joint ventures, the sale of property interests, debt financing and the issuance of new equity.

As described in Footnote 11 to the Company's Consolidated Financial Statements included herein, the Company intends to acquire the mining property which lies immediately to the south of and adjoins the Bogoso property in Ghana. Total purchase consideration for the property to be acquired indicated in the letter of intent is $12 million, of which $8 million would be payable in cash on closing and $4.0 million would be payable on September 30, 2002. The acquisition is subject to the completion of due diligence, the negotiation of definitive agreements, the obtaining of necessary consents and approvals (including that of the Government of Ghana, which has agreed in principle to the transaction) and the Company obtaining the necessary funding for the acquisition. The property to be acquired has open-pittable oxide mineralized material that the Company would process through the Bogoso mill, which should significantly extend the life of Bogoso. The property to be acquired also has sulfide mineralized material which is expected to substantially enhance the results of the feasibility study on the Bogoso sulfide mineralized material (which feasibility study is expected to be completed early in 2001). The Company is presently involved in discussions on financing alternatives with a number of financial institutions and investors. Such financing would likely be in the form of equity, debt or a combination of equity and debt. While the Company is working on various plans to obtain such financing there can be no assurance that such financing will be available to the Company on favorable terms. The completion of the acquisition will be dependent on concluding such financing.

New Accounting Standards

In June 1998, the FASB issued Statement of Financial Accounting Standards No. 133, Accounting for Derivative Instruments and Hedging Activities (FAS 133). FAS 133 is effective for all fiscal years beginning after June 15, 2000. FAS 133 requires that all derivative instruments be recorded on the balance sheet at their fair value. Changes in the fair value of derivatives are recorded each period in current earnings or other comprehensive income, depending on whether a derivative is designated as part of a hedge transaction and, if it is, the type of hedge transaction. In June, 2000, the FASB issued Accounting for Certain Derivative Instruments and Certain Hedging Activities, an amendment of FAS 133 (FAS 138), under which certain hedging activities could be excluded from the accounting requirements of FAS 133 provided they meet certain criteria to qualify as normal purchase and sale transactions. The Company is in the process of determining the impact that applying FAS 133 and FAS 138 may have on its results of operations and financial position and the effects of adopting the new standards are not reasonably determinable at this time. The Company expects to adopt FAS 133 and FAS 138 effective January 1, 2001.

In December 1999, the Securities and Exchange Commission (SEC) released Staff Accounting Bulletin (SAB) No. 101, Revenue Recognition in Financial Statements that provides guidance on the recognition, presentation and disclosure of revenue in financial statements filed with the SEC. SAB 101 outlines the basic criteria that must be met to recognize revenue and provides guidance for disclosures related to revenue recognition policies. Citing numerous requests from groups requesting additional time to determine the effect on revenue recognition practices, the SEC issued SAB No. 101B in June, 2000, which delayed the implementation of SAB 101 to no later than the fourth fiscal quarter of 2000. We are currently awaiting additional guidance from the SEC on the application of SAB 101 in order to evaluate the effect this bulletin may have, if any, on our consolidated financial statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company's exposure to market risk includes, but is not limited to, the following risks: changes in interest rates on the Company's investment portfolio, changes in foreign currency exchanges rates and commodity price fluctuations. The Company also has various agreements that are classified as derivative financial instruments.

Interest Rate Risk

The Company may from time to time invest its cash in debt instruments of the U.S. Government and its agencies, and in high-quality corporate issuers, and limits the amount of exposure to any one issuer. Investments in both fixed rate and floating rate interest earning instruments carry a degree of interest rate risk. Fixed rate securities may have their fair market value adversely impacted due to a rise in interest rates, while floating rate securities may produce less income than expected if interest rates fall. Due in part to these factors the Company's future investment income may fall short of expectations due to changes in interest rates or the Company may suffer losses in principal if forced to sell securities which have declined in market value due to changes in interest rates. For example, if interest rates on the Company's current interest bearing deposits were to change by 1%, the Company's revenue could increase or decrease by approximately $0.1 million per year. The Company may in the future actively manage its exposure to interest rate risk.

Foreign Currency Exchange Rate Risk

The price of gold is denominated in U.S. dollars and the majority of the Company's revenues and expenses are denominated in U.S. dollars. As a result of the limited exposure, management considers that the Company is not exposed to a material risk as a result of any changes in foreign currency exchange rate changes, so the Company does not utilize foreign exchange risk sensitive instruments to manage its exposure.

Commodity Price Risk

The Company is engaged in gold mining and related activities, including exploration, extraction, processing and reclamation. Gold bullion is the Company's primary product and, as a result, changes in the price of gold could significantly affect the Company's results of operations and cash flows. According to current estimates, a $25 change in the price of gold could result in a $1.0 million (annual) effect on the results of operations and cash flows. The Company currently does not have a program for hedging, or to otherwise manage its exposure to gold price risk. The Company may in the future manage its exposure through appropriate hedging programs.

Derivative Financial Instruments

The Company entered into various agreements in relation to the acquisition of BGL that may be classified as derivative financial instruments. The Company and Anvil will be required to make additional future payments to the consortium of banks, depending on the then-current price of gold and the potential acquisition of ore in Ghana outside the region of BGL's mining interests. The gold price related payments are due as to 50% one year after closing and 50% at the earlier of production of gold ceasing or the second anniversary after closing. The Company is obligated to escrow the estimated payments six months and 18 months after closing, respectively. These payments are equal to the product (in U.S. dollars) of 183,333 and the amount, if any, that the average daily gold price (in U.S. dollars in the London Bullion Market Association p.m. gold fix) over the period from closing to the payment dates exceeds $255 per ounce. Such payments are capped at $10.0 million in total. The Company has accrued $6.4 million, based on its estimate that, if the gold price averages $290 per ounce for the remainder of the Bogoso mine life, Golden Star and Anvil would have to pay the consortium of banks this amount as a purchase price adjustment. The payment made on the first anniversary of the acquisition will be non-refundable and credited against any payment due on the second anniversary. The Company is depleting this amount over production from proven and probable reserves. The actual amount of the additional purchase price cannot be determined as it could be significantly impacted by changes in the price of gold. The Company is also required to make production related payments to the provider of the credit facility arranged for, but not used, to effect the acquisition of BGL. The Company is required to pay $0.3 million for every 12-month period that BGL produces over 75,000 ounces of gold. Based on proven and probable reserves, the Company has accrued $0.5 million (for two years' production) and is depleting this amount over production from proven and probable reserves. This payment extends over six years and is capped at $1.3 million.

Part II - Other Information

ITEM 1. LEGAL PROCEEDINGS

There are currently no pending legal proceedings to which the Company or any of its subsidiaries is a party or to which any of its properties or those of any of its subsidiaries is subject. The Company and its subsidiaries are, however, engaged in routine litigation incidental to their business. No material legal proceedings involving the company are pending, or, to the knowledge of the Company, contemplated, by any governmental authority. The Company is not aware of any material events of noncompliance with environmental laws and regulations. The exact nature of environmental control problems, if any, which the Company may encounter in the future, cannot be predicted, primarily because of the changing character of environmental regulations that may be enacted with foreign jurisdictions.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

At the Annual and Special General Meetings of the Shareholders of the Company held on May 18, 2000, shareholders were asked to (i) elect five directors, Messrs. James Askew, David Fagin, Ian MacGregor, Ernest Mercier and Robert Stone, (ii) approve the re-appointment of auditor, and (iii) approve amendments to the Company's Stock Bonus Plan.

(i) Votes cast in the election of directors were as follows:

	For	Withheld
James Askew	28,441,860	176,087
David Fagin	28,441,860	176,087
Ian MacGregor	28,441,860	176,087
Ernest Mercier	28,441,860	176,087
Robert Stone	28,441,860	176,087

(ii) Votes cast for the appointment of PricewaterhouseCoopers LLP, Chartered Accountants as auditor of the

Company until the next annual general meeting of shareholders at a remuneration to be fixed by the directors:

For	Against	Withheld
28,475,532	-0-	66,765

(iii) Votes cast on a proposal to amend the Employees Stock Bonus Plan:

For	Against	Withheld
26,910,490	1,484,524	224,009

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

27 Financial Data Schedule

(b) Reports filed on Form 8-K during the quarter ended June 30, 2000

None

SIGNATURES

Pursuant to the requirements of the Securities and 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.

By: /s/ Peter J. Bradford

Peter J. Bradford
President and Chief Executive Officer

By: /s/ Allan J. Marter

Allan J. Marter
Vice President and Chief Financial Officer

August 21, 2000

ARTICLE 5

MULTIPLIER: 1,000

PERIOD TYPE	6 MOS
FISCAL YEAR END	DEC 31 2000
PERIOD START	JAN 01 2000
PERIOD END	JUN 30 2000
CASH	3,623
SECURITIES	0
RECEIVABLES	1,229
ALLOWANCES	0
INVENTORY	9,807
CURRENT ASSETS	14,830
PP&E	58,383
DEPRECIATION	9,804
TOTAL ASSETS	73,349
CURRENT LIABILITIES	7,499
BONDS	0
PREFERRED MANDATORY	0
PREFERRED	0
COMMON	161,967
OTHER SE	(121,272)
TOTAL LIABILITY AND EQUITY	73,349
SALES	17,508
TOTAL REVENUES	18,101
CGS	0
TOTAL COSTS	17,809
OTHER EXPENSES	0
LOSS PROVISION	0
INTEREST EXPENSE	510
INCOME PRETAX	(226)
INCOME TAX	0
INCOME CONTINUING	(226)
DISCONTINUED	0
EXTRAORDINARY	0
CHANGES	0
NET INCOME	(226)
EPS BASIC	(0.01)
EPS DILUTED	(0.01)