

GOLDEN STAR RESOURCES LTD.

FORM 8-K (Current report filing)

Filed 05/29/98 for the Period Ending 05/27/98

| | |
|-------------|-----------------------------|
| 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 8-K (Unscheduled Material Events)

Filed 5/29/1998 For Period Ending 5/27/1998

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|-------------|--|
| 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 D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report: May 27, 1998

GOLDEN STAR RESOURCES LTD.

(Exact name of registrant as specified in its charter)

CANADA

000-21708

980101955

(State or other jurisdiction
of incorporation)

(Commission File
Number)

IRS Employer
Identification No.)

1660 Lincoln St., Suite 3000, Denver, Colorado 80264

(Address of principal executive offices) (zip code)

303-830-9000

(Registrant's telephone number, including area code)

Not Applicable

(Former name or former address, if changed since last report)

ITEM 5. OTHER EVENTS.

On May 27, 1998, the Registrant announced in a joint press release with Guyanor Ressources S.A. ("Guyanor") that Guyanor and ASARCO Incorporated agreed to terminate their joint venture agreements regarding the Paul Isnard/Eau Blanche and St-Elie/Dieu-Merci gold projects in French Guiana. A copy of the Registrant's press release regarding this matter is attached hereto as an exhibit and incorporated by reference.

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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 hereunto duly authorized.

GOLDEN STAR RESOURCES LTD.

Registrant

Date *May 27, 1998*

/s/ Louis O. Peloquin

*Louis O. Peloquin, Vice President,
General Counsel and Secretary*

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EXHIBIT INDEX

| Exhibit ----- | Description of Exhibit ----- |
|------------------|---|
| 99.1 | Registrant's press release, dated May 27, 1998 entitled "Attributable Mineralized Inventories Rise following Termination of the Asarco Joint Ventures on the St-Elie and Paul Isnard Projects." |

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**ATTRIBUTABLE MINERALIZED INVENTORIES RISE FOLLOWING TERMINATION OF THE
ASARCO JOINT VENTURES ON THE ST-ELIE AND PAUL ISNARD PROJECTS**

DENVER, COLORADO AND CAYENNE, FRENCH GUIANA - MAY 27, 1998

Golden Star Resources Ltd. ("Golden Star") and its approximately 69% owned public French subsidiary Guyanor Ressources S.A. ("Guyanor") announce the resolution of a budget deadlock with ASARCO Incorporated ("Asarco") regarding spending levels and work programs at the Paul Isnard/Eau Blanche and St- Elie/Dieu-Merci gold projects in French Guiana. The deadlock arose early in the year with Asarco's decision to significantly curtail spending at the projects in the face of low copper prices and reduced exploration budgets. Under the termination and settlement agreement reached between Guyanor and Asarco and subject to certain conditions, Asarco shall pay Guyanor amounts totaling approximately \$1.0 million. Upon settlement, Asarco will relinquish all rights and obligations under the joint venture agreements and Guyanor will hold a 100% interest in the St-Elie/Dieu-Merci projects and, subject to the consent of LaSource Developpement S.A.S. ("LaSource"), approximately 87% of the Paul Isnard/Eau Blanche projects with LaSource holding the remaining 13% interest in Paul Isnard/Eau Blanche.

The immediate impact of the termination of the Asarco joint ventures at Paul Isnard and St-Elie is to increase both Golden Star's and Guyanor's attributable open pit and geologic mineralized inventories, 53% and 17% respectively for Golden Star and 54% and 50% respectively for Guyanor, as summarized in Table 1. Since 1995, a total of approximately \$9.8 million has been spent on exploration at St-Elie/Dieu-Merci, of which Asarco funded \$7.2 million, and approximately \$8.2 million has been spent on exploration at Paul Isnard/Eau Blanche, of which Asarco funded \$4.2 million. At Paul Isnard, the work to date has resulted in the discovery of Montagne d'Or, the first significant volcanogenic massive sulfide (VMS) deposit discovered in the Guiana Shield, with a current open pit mineralized inventory of 18.7 million tonnes grading 2.5 g Au/t and a total geologic mineralized inventory of 33.2 million tonnes grading 2.0 g Au/t. At St-Elie, the work has identified several areas exhibiting the potential to delineate a substantial near surface mineralized inventory, with a current open pit mineralized inventory at one zone, Michel, of 1.4 million tonnes grading 4.2 g Au/t and total geologic mineralized inventory of 3.3 million tonnes grading 3.3 g Au/t.

JOINT PRESS RELEASE - GOLDEN STAR RESOURCES & GUYANOR RESOURCES ANNOUNCE ATTRIBUTABLE MINERALIZED INVENTORIES RISE FOLLOWING TERMINATION OF THE ASARCO JOINT VENTURES ON THE ST-ELIE AND PAUL ISNARD PROJECTS

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TABLE 1. GOLDEN STAR AND GUYANOR ATTRIBUTABLE RESERVES AND MINERALIZED INVENTORIES

| PROVEN & PROBABLE RESERVES @ \$350 AU | Attributable to Golden Star | | | Attributable to Guyanor | | |
|--|-----------------------------|-----------|--------|-------------------------|-----------|--------|
| | MM tonnes | MM tonnes | Grade | MM tonnes | MM tonnes | Grade |
| | January 98' | May 98' | g Au/t | January 98' | May 98' | g Au/t |
| Omai | 16.2 | 16.2 | 1.4 | 0.0 | 0.0 | 0.0 |
| Gross Rosebel | 17.7 | 17.7 | 1.8 | 0.0 | 0.0 | 0.0 |
| ----- | ---- | ---- | ---- | ---- | ---- | ---- |
| Total/Weighted Avg | 33.9 | 33.9 | 1.6 | 0.0 | 0.0 | 0.0 |
| % Tonnage Increase | | 0% | | | 0% | |
| ----- | | | | | | |
| MINERALIZED INVENTORIES WITHIN WHITTLE PITS @ \$350 AU | | | | | | |
| ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| Yaou/Dorlin | 5.9 | 5.9 | 1.9 | 8.4 | 8.4 | 1.9 |
| St-Elie | 0.5 | 1.0 | 4.2 | 0.7 | 1.4 | 4.2 |
| Paul Isnard | 5.5 | 11.4 | 2.5 | 7.9 | 16.3 | 2.5 |
| Andorinhas | 0.3 | 0.3 | 13.3 | 0.0 | 0.0 | 0.0 |
| ----- | ---- | ---- | ---- | ---- | ---- | ---- |
| Total/Weighted Avg | 12.2 | 18.6 | 2.5 | 17.0 | 26.1 | 2.4 |
| % Tonnage Increase | | 53% | | | 54% | |
| ----- | | | | | | |
| GEOLOGIC MINERALIZED INVENTORIES | | | | | | |
| ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| Gross Rosebel | 38.5 | 38.5 | 1.5 | 0.0 | 0.0 | 0.0 |
| Yaou/Dorlin | 12.3 | 12.3 | 1.6 | 17.5 | 17.5 | 1.6 |
| St-Elie | 1.2 | 2.3 | 3.3 | 1.7 | 3.3 | 3.3 |
| Paul Isnard | 9.7 | 20.0 | 2.0 | 13.8 | 28.6 | 2.0 |
| Andorinhas | 0.3 | 0.3 | 13.3 | 0.0 | 0.0 | 0.0 |
| Eagle Mountain | 4.0 | 4.0 | 1.4 | 0.0 | 0.0 | 0.0 |
| ----- | ---- | ---- | ---- | ---- | ---- | ---- |
| Total/Weighted Avg | 66.0 | 77.4 | 1.7 | 33.0 | 49.4 | 1.9 |
| % Tonnage Increase | | 17% | | | 50% | |
| ----- | | | | | | |

Guyanor is currently considering its options for the next phase of work at both Paul Isnard and St-Elie. At Paul Isnard, a 10,000 meter core drilling campaign is under consideration to begin infill drilling over the known three kilometer strike length of the Montagne d'Or VMS target. At St-Elie, a program totaling approximately 13,200 meters (to an average depth of 15 meters) is under consideration to continue evaluation of the near surface potential at the Dieu- Merci targets over an area of approximately 3 square kilometers on a nominal 40 by 40 meter grid. An initial auger program was completed in late 1997 and early 1998 at Kerouani Hill on the Dieu-Merci target area to demonstrate the effectiveness of augering to estimate mineralized inventories. This test program evaluated an area approximately 300 by 300 meters resulting in a geologic mineralized inventory of approximately 600,000 tonnes grading 3.9 g Au/t to a depth of five meters. A decision on the scope of the next programs at Paul Isnard and St-Elie is contingent upon funding availability and the completion of the restructuring process of Guyanor currently in progress in French Guiana. Intensive work programs are not likely to be initiated until the fourth quarter of 1998, though Guyanor is investigating the possibility for a limited exploration campaign at St-Elie in the interim.

David Fennell, President and CEO of Golden Star and President of Guyanor commented, "Asarco has been a good partner that has spent a substantial sum on Paul Isnard and St-Elie over the last two and a half years. While our two companies are quite different, we understand and appreciate the impact of low copper prices on Asarco's bottom line and their decision to cut exploration budgets in response. At the same time, however, Golden Star and Guyanor shareholders simply could not

JOINT PRESS RELEASE - GOLDEN STAR RESOURCES & GUYANOR RESSOURCES ANNOUNCE ATTRIBUTABLE MINERALIZED INVENTORIES RISE FOLLOWING TERMINATION OF THE ASARCO JOINT VENTURES ON THE ST-ELIE AND PAUL ISNARD PROJECTS

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afford the possibility of having no meaningful work done in 1998 or beyond to advance the Paul Isnard and St-Elie projects, two of the best in our portfolio. The termination of the Asarco joint ventures has left Guyanor holding two advanced stage projects with excellent potential to define additional resources and advance the projects to the next level. These two projects are all the more important in the current environment given their relatively high grade and therefore the potential to generate an acceptable margin even at lower gold prices. We are pleased that we are now in control of the projects and their budgets."

The above forward-looking statements involve risks and uncertainties including those relating to exploration, the establishment of reserves, potential mine development and the recovery of any reserves. Please refer to a discussion of these and other factors in Golden Star's 10-K, 10-Q and other Securities and Exchange Commission filings.

Golden Star is a gold and diamond exploration company which holds a 30% equity interest in the Omai gold mine in Guyana, one of the largest gold mines in South America. Golden Star also holds significant gold and diamond exploration interests in South America and Africa. The Company is listed on the Toronto Stock Exchange (under the symbol "GSC") and the American Stock Exchange (under the symbol "GSR").

Guyanor is a French exploration company in which Golden Star has an approximate 69% interest. Guyanor operates exclusively in the French Department of Guyane (French Guiana) and is focused on the identification, exploration and development of significant mineral deposits, principally gold and diamonds. Guyanor currently holds interests in the St-Elie, Yaou, Dorlin, and Paul Isnard gold properties as well as the Dachine diamond property. Guyanor is listed on the Toronto Stock Exchange under the symbol, GRL.B, and on Le Nouveau Marche of the Paris Bourse under the symbol, GUYN.

For further information, please contact:

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