

# GOLDEN STAR RESOURCES LTD.

## FORM 8-K (Current report filing)

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**UNITED STATES  
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 (Date of earliest event reported): **February 14, 2003**

**GOLDEN STAR RESOURCES LTD.**

(Exact name of registrant as specified in its charter)

**CANADA**

(State or other jurisdiction of  
incorporation or organization)

**1-12284**

(Commission  
File Number)

**98-0101955**

(I.R.S. Employer  
Identification Number)

**10579 Bradford Road, Suite 103**

**Littleton, Colorado**

(Address of principal executive offices)

**80127-4247**

(Zip Code)

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

**No Change**

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

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Item 5. Other Events.

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits.

SIGNATURE

EXHIBIT INDEX

EX-4.1 Warrant Indenture

EX-4.2 Form of Underwriters' Warrant

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### Item 5. Other Events.

Golden Star Resources Ltd. completed its offering of 17,000,000 units at Cdn\$3.00 per unit on February 14, 2003 for total gross proceeds to Golden Star of Cdn\$51.0 million or approximately Cdn\$48.2 million, after deducting underwriting commissions. Each unit consists of one common share and one-half of one warrant to purchase a common share. Each whole warrant will be exercisable until February 14, 2007 and will entitle the holder to purchase one common share for Cdn\$4.60 per share.

The offering was underwritten in Canada by Canaccord Capital Corporation and BMO Nesbitt Burns Inc. and was offered on an agency basis in the United States by Canaccord Capital Corporation (USA) Inc. and BMO Nesbitt Burns Corp. The Canadian underwriters received, in addition to their commissions, 935,000 warrants to purchase our common shares. Each underwriter's warrant is exercisable for one common share until May 14, 2004 at an exercise price of Cdn\$3.00 per share.

### Item 7. Financial Statements, Pro Forma Financial Information and Exhibits.

(a) *Financial statements by businesses acquired.*

Not Applicable.

(b) *Pro forma financial information.*

Not Applicable.

(c) *Exhibits.*

Exhibit No.	Description
4.1	Warrant Indenture, dated as of February 14, 2003, between Golden Star Resources Ltd. and CIBC Mellon Trust Company, including the Form of Warrant
4.2	Form of Underwriters' Warrant

**SIGNATURE**

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.

Date: February 14, 2003

**Golden Star Resources Ltd.**

By: /s/ ALLAN J. MARTER

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Allan J. Marter  
Senior Vice President and Chief  
Financial Officer

**EXHIBIT INDEX**

<b>Exhibit No.</b>	<b>Description</b>
4.1	Warrant Indenture, dated as of February 14, 2003, between Golden Star Resources Ltd. and CIBC Mellon Trust Company, including the Form of Warrant
4.2	Form of Underwriters' Warrant

**WARRANT INDENTURE**

**PROVIDING FOR THE ISSUE OF UP TO 8,500,000  
SHARE PURCHASE WARRANTS**

**BETWEEN**

**GOLDEN STAR RESOURCES LTD.**

**- AND -**

**CIBC MELLON TRUST COMPANY**

**DATED AS OF FEBRUARY 14, 2003**



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**THIS WARRANT INDENTURE is made as of the 14th day of February, 2003.**

**BETWEEN:**

GOLDEN STAR RESOURCES LTD., a body corporate amalgamated under the laws of Canada having an office in Littleton, in the State of Colorado

(hereafter referred to as the "CORPORATION")

- and -

CIBC MELLON TRUST COMPANY, a trust company incorporated under the laws of Canada and authorized to carry on business in all provinces of Canada (hereinafter referred to as the "TRUSTEE")

**WHEREAS:**

- A. the Corporation has agreed to issue up to 17,000,000 Units pursuant to the Underwriting Agreement, each Unit entitling the holder to acquire one Common Share and one half of one Purchase Warrant;
- B. the Corporation is duly authorized to create and issue the Purchase Warrants to be issued as herein provided;
- C. one whole Purchase Warrant shall, subject to adjustment, entitle the holder thereof to acquire one Common Share upon payment of the Exercise Price, upon the terms and conditions herein set forth;
- D. all acts and deeds necessary have been done and performed to make the Purchase Warrants, when issued as provided in this Indenture, legal, valid and binding upon the Corporation with the benefits and subject to the terms of this Indenture; and
- E. the foregoing statements of fact and recitals are made by the Corporation and not the Trustee;

NOW THEREFORE, the parties hereto agree as follows:

**ARTICLE 1  
INTERPRETATION**

**1.1 DEFINITIONS**

In this Indenture, including the recitals and schedules hereto, and in all indentures supplemental hereto:

- a. "AMEX" means the American Stock Exchange LLC;

- b. "APPLICABLE LEGISLATION" means the provisions of any statutes of Canada and a province thereof, and the regulations under those statutes, relating to trust indentures or to the rights, duties and obligations of trustees and of corporations under trust indentures, to the extent that such provisions are at the time in force and applicable to this Indenture;
- c. "BUSINESS DAY" means a day which is not Saturday or Sunday or a legal holiday in the City of Vancouver, British Columbia;
- d. "CLOSING" means the completion of the purchase and sale of Units pursuant to the Prospectus;
- e. "CLOSING DATE" means the day the Closing occurs;
- f. "COMMON SHARES" means fully paid and non-assessable common shares of the Corporation as presently constituted provided that in the event of an adjustment of subscription rights pursuant to Article 4, then "Common Share" shall thereafter mean a share or other security or property purchasable upon exercise of one Purchase Warrant as a result of any such adjustment;
- g. "CORPORATION'S AUDITORS" means a firm of chartered accountants duly appointed as auditors of the Corporation;
- h. "COUNSEL" means a barrister or solicitor or a firm of barristers and solicitors retained by the Trustee or retained by the Corporation, the Underwriters or the U.S. Agents and acceptable to the Trustee, acting reasonably;
- i. "CURRENT MARKET PRICE" means at any date the weighted average closing price at which the Common Shares have been traded on AMEX during the 30 consecutive Trading Days ending one Trading Day before such date; and in the event the Common Shares are not listed on AMEX but are listed on another stock exchange or stock exchanges in Canada or the United States, the foregoing references to AMEX shall be deemed to be references to such other stock exchange or, if more than one, to such one as shall have the highest trading volume during such 30 consecutive Trading Day period, and in the event the Common Shares are not so traded on any stock exchange in Canada or the United States, the "Current Market Price" thereof shall be determined by the board of directors of the Corporation who shall rely upon the advice of independent financial agents with respect thereto;
- j. "DIRECTOR" means a director of the Corporation for the time being and, unless otherwise specified herein, reference to action "by the directors" means action by the directors of the Corporation as a board or, whenever duly empowered, action by any committee of such board;

- k. "EXERCISE DATE" means, with respect to any Purchase Warrant, the date on which the Warrant Certificate representing such Purchase Warrant is surrendered for exercise together with full payment of the Exercise Price, in accordance with Article 3;
- l. "EXERCISE PRICE" means, with respect to a Purchase Warrant, the price at which a Common Share may be purchased upon the exercise of a Purchase Warrant, the initial Exercise Price being \$4.60, subject to adjustment as provided in Article 4;
- m. "EXPIRY DATE" means the date which is the four year anniversary of the Closing Date;
- n. "EXTRAORDINARY RESOLUTION" has the meaning set forth in section 7.11;
- o. "FILING JURISDICTIONS" means the Provinces of Alberta, British Columbia, Manitoba and Ontario;
- p. "ISSUE DATE" means the date upon which the Purchase Warrants are issued;
- q. "PERSON" means an individual, body corporate, partnership, trust, trustee, executor, administrator, legal representative or any unincorporated organization;
- r. "PROSPECTUS" means collectively, the short form prospectus of the Corporation dated February 10, 2003 filed in the Filing Jurisdictions and the Corporation's prospectus supplement dated February 10, 2003, supplementing the prospectus included in the Corporation's registration statement on Form S-3 (file No. 333-102225) qualifying or registering the offering for sale to the public 17,000,000 Units at a price of \$3.00 per Unit;
- s. "PURCHASE WARRANT" means one whole purchase warrant created and authorized by, and issuable under, this Indenture. Each whole purchase warrant will entitle the Warrantholder to acquire one Common Share of the Corporation upon payment of the Exercise Price;
- t. "SECURITIES COMMISSION" means the Securities Commission or similar regulatory authority in each of the Filing Jurisdictions;
- u. "SHAREHOLDER" means a holder of record of one or more Common Shares;
- v. "SUBSIDIARY" or "SUBSIDIARY OF THE CORPORATION" means any corporation of which more than 50% of the outstanding voting shares are owned, directly or indirectly, by or for the Corporation, provided that the ownership of such shares confers the right to elect at least a majority of the board of directors of such corporation and includes any corporation in like relation to a Subsidiary;
- w. "TSX" means the Toronto Stock Exchange;
- x. "TIME OF EXPIRY" means 4:30 p.m. (Vancouver time) on the Expiry Date;

- y. "TRADING DAY" means, with respect to a stock exchange, a day on which such exchange is open for the transaction of business and, with respect to the over-the-counter market, means a day on which the TSX or the AMEX is open for the transaction of business;
- z. "TRANSFER AGENT" means the transfer agent for the time being of the Common Shares;
- aa. "TRUSTEE" means CIBC Mellon Trust Company or its successors from time to time in the trust hereby created;
- bb. "UNDERWRITERS" means collectively, Canaccord Capital Corporation and BMO Nesbitt Burns Inc.;
- cc. "UNDERWRITING AGREEMENT" means the underwriting agreement effective February 10, 2003 between the Corporation and the Underwriters relating to the offering of Units;
- dd. "UNITS" means units as described in the Prospectus, each unit consisting of one Common Share and one half of one Purchase Warrant;
- ee. "U.S. AGENCY AGREEMENT" means the agency agreement effective February 10, 2003 between the Corporation and the U.S. Agents relating to the offering of Units;
- ff. "U.S. AGENTS" means, collectively, Canaccord Capital Corporation (USA) Inc. and BMO Nesbitt Burns Corp.;
- gg. "U.S. SECURITIES ACT" means the United States Securities Act of 1933, as amended;
- hh. "WARRANT AGENCY" means the principal office of the Trustee in the City of Vancouver, or such other place as may be designated in accordance with subsection 3.2(c);
- ii. "WARRANT CERTIFICATE" means a certificate evidencing Purchase Warrants;
- jj. "WARRANTHOLDERS", or "HOLDERS" without reference to Common Shares, means the persons who are registered holders of Purchase Warrants;
- kk. "WARRANTHOLDERS' REQUEST" means an instrument signed in one or more counterparts by Warrantholders entitled to acquire in the aggregate not less than 25% of the aggregate number of Common Shares which could be acquired pursuant to all Purchase Warrants then unexercised and outstanding, requesting the Trustee to take some action or proceeding specified therein;
- ll. "WARRANT INDENTURE", "INDENTURE", "HEREIN", "HEREBY", "HEREOF" and similar expressions mean and refer to this indenture and any other indenture, deed or instrument supplemental hereto, and the expressions "ARTICLE", "SECTION", "SUBSECTION" and "PARAGRAPH" followed by a number, letter or both mean and refer to the specified article, section, subsection or paragraph of this Indenture;

mm. "WARRANT PROSPECTUS" means the form of Prospectus included in the registration statement referred to in Section 5.2(k), as amended from time to time.

nn. "WARRANT REGISTER" means the register maintained by the Trustee for the Purchase Warrants; and

oo. **"WRITTEN ORDER OF THE CORPORATION", "WRITTEN REQUEST OF THE CORPORATION", "WRITTEN CONSENT OF THE CORPORATION" and "CERTIFICATE OF THE CORPORATION"** mean, respectively, a written order, request, consent and certificate or other document signed in the name of the Corporation by its President, Chief Financial Officer, a Vice-President or Secretary, and may consist of one or more instruments so executed.

## 1.2 GENDER AND NUMBER

Unless herein otherwise expressly provided or unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders.

## 1.3 INTERPRETATION NOT AFFECTED BY HEADINGS, ETC.

The division of this Indenture into articles and sections, the provision of a table of contents and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Indenture.

## 1.4 DAY NOT A BUSINESS DAY

In the event that any day on or before which any action is required to be taken hereunder is not a Business Day, then such action shall be required to be taken at or before the requisite time on the next succeeding day that is a Business Day.

## 1.5 TIME OF THE ESSENCE

Time shall be of the essence of this Indenture.

## 1.6 CURRENCY

Except as otherwise stated, all dollar amounts herein are expressed in Canadian currency. If a reference is made to a dollar amount that is expressed in U.S. currency, such an amount will be converted into Canadian currency based on the Bank of Canada noon rate on the relevant date of determination.



## 1.7 APPLICABLE LAW

This Indenture and the Warrant Certificates shall be construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein and shall be treated in all respects as British Columbia contracts.

## **ARTICLE 2 ISSUE OF PURCHASE WARRANTS**

### 2.1 ISSUE OF PURCHASE WARRANTS

- a. A maximum of 8,500,000 Purchase Warrants are hereby created and authorized to be issued upon the terms and conditions herein set forth.
- b. 8,500,000 Purchase Warrants shall be issuable at the Closing pursuant to the terms of the Underwriting Agreement relating to the sale of the Units. All such Purchase Warrants shall be issuable in such names and denominations as the Corporation may specify in writing to the Trustee not less than two Business Days prior to the issue date thereof.
- c. The Warrant Certificates (including all replacements issued in accordance with this Indenture) shall be substantially in the form set out in Schedule "A" hereto, shall bear such distinguishing letters and numbers as the Corporation may, with the approval of the Trustee, prescribe, and shall be issuable in any denomination, excluding fractions.
- d. The Warrant Certificates and the Purchase Warrants represented thereby shall be registered, together with the name and address of the registered holder thereof, in the Warrant Register maintained by the Trustee.

### 2.2 FORM AND TERMS OF PURCHASE WARRANTS

- a. Each whole Purchase Warrant authorized to be issued hereunder shall entitle the holder thereof, upon exercise, together with payment of the Exercise Price, to acquire one Common Share, subject to adjustment in accordance with Article 4, at any time after the Issue Date and until the Time of Expiry.
- b. No fractional Purchase Warrants shall be issued or otherwise provided for hereunder. If any fraction of a Purchase Warrant would otherwise be issuable, the number of Purchase Warrants shall be rounded down to the nearest whole Purchase Warrant.
- c. The Exercise Price and the number of Common Shares that may be acquired pursuant to the exercise of the Purchase Warrants shall be adjusted in the events and in the manner specified in Article 4.

### 2.3 WARRANTHOLDER NOT A SHAREHOLDER

Nothing in this Indenture or in the holding of a Purchase Warrant or Warrant Certificate or otherwise, shall, in itself, confer or be construed as conferring upon a Warrantholder any right or interest whatsoever as a Shareholder or as any other shareholder of the Corporation, including, but not limited to, the right to vote at, to receive notice of, or to attend, meetings of shareholders or any other proceedings of the Corporation, or the right to receive dividends and other distributions.

### 2.4 PURCHASE WARRANTS TO RANK PARI PASSU

All Purchase Warrants shall rank pari passu, whatever may be the actual date of issue thereof.

### 2.5 SIGNING OF WARRANT CERTIFICATES

The Warrant Certificates shall be signed by any one director or officer of the Corporation and need not be under seal. The signature of any such director or officer may be mechanically reproduced in facsimile and Warrant Certificates bearing such facsimile signatures shall be binding upon the Corporation as if they had been manually signed by such director or officer. Notwithstanding that any person whose manual or facsimile signature appears on any Warrant Certificate as a director or officer may no longer hold office at the date issued of such Warrant Certificate or at the date of certification or delivery thereof, any Warrant Certificate signed as aforesaid shall, subject to section 2.6, be valid and binding upon the Corporation and the holder thereof shall be entitled to the benefits of this Indenture.

### 2.6 CERTIFICATION BY THE TRUSTEE

a. No Warrant Certificate shall be issued or, if issued, shall be valid for any purpose or entitle the holder to the benefits hereof or thereof until it has been certified by manual signature by or on behalf of the Trustee and such certification by the Trustee upon any Warrant Certificate shall be conclusive evidence as against the Corporation that the Warrant Certificate so certified has been duly issued hereunder and that the holder is entitled to the benefits hereof.

b. The certification of the Trustee on a Warrant Certificate issued hereunder shall not be construed as a representation or warranty by the Trustee as to the validity of this Indenture or the Warrant Certificate (except the due certification thereof) and the Trustee shall in no respect be liable or answerable for the use made of any Warrant Certificate or of the consideration therefor except as otherwise specified herein.

### 2.7 ISSUE IN SUBSTITUTION FOR WARRANT CERTIFICATES LOST, ETC.

a. In case any Warrant Certificate becomes mutilated or is lost, destroyed or stolen, the Corporation, subject to applicable law, shall issue and upon written instructions from the Corporation the Trustee shall certify and deliver a new Warrant Certificate of like tenor as the one mutilated, lost, destroyed or stolen in exchange for and in place of and upon

cancellation of such mutilated Warrant Certificate, or in lieu of and in substitution for such lost, destroyed or stolen Warrant Certificate, and the substitute Warrant Certificate shall be in a form approved by the Trustee, and the Purchase Warrants evidenced thereby shall be entitled to the benefits hereof and shall rank equally in accordance with its terms with all other Purchase Warrants issued or to be issued hereunder.

b. The applicant for the issue of a new Warrant Certificate pursuant to this section 2.7 shall bear the cost of the issue thereof (which is payable in advance) and in case of loss, destruction or theft shall furnish, as a condition precedent to the issue thereof, to the Trustee such evidence of ownership and of the loss, destruction or theft of the Warrant Certificate so lost, destroyed or stolen as shall be satisfactory to the Trustee, in its sole discretion, and such applicant may also be required to furnish an indemnity or security in amount and form satisfactory to the Trustee, in its sole discretion, and shall pay the reasonable charges of the Trustee in connection therewith.

## 2.8 EXCHANGE OF WARRANT CERTIFICATES

a. One or more Warrant Certificates representing any number of Purchase Warrants may, upon compliance with the reasonable requirements of the Trustee, be exchanged for another Warrant Certificate or Warrant Certificates representing the same aggregate number of Purchase Warrants as represented by the Warrant Certificate or Warrant Certificates so exchanged.

b. Warrant Certificates may be exchanged only at the Warrant Agency or at any other place that is designated by the Corporation with the approval of the Trustee.

## 2.9 CHARGES FOR EXCHANGE

Except as otherwise provided herein, the Warrant Agency may charge to the holder requesting an exchange a reasonable sum for each new Warrant Certificate issued in exchange for a Warrant Certificate(s), and payment of such charges and reimbursement of the Trustee or the Corporation for any and all stamp taxes or governmental or other charges required to be paid shall be made by such holder as a condition precedent to such exchange.

### 2.10 TRANSFER AND OWNERSHIP OF PURCHASE WARRANTS

a. The Purchase Warrants may only be transferred on the Warrant Register kept at the Warrant Agency only by the holder or its legal representative or its attorney duly appointed by an instrument in writing in form and execution satisfactory to the Trustee and only upon surrendering to the Trustee at the Warrant Agency the Warrant Certificate or Warrant Certificates representing the Purchase Warrants to be transferred, with the transfer form on the back thereof duly completed and executed, signed by the Warrantholder or by the duly appointed legal representative thereof or a duly authorized attorney, together with evidence of authority of any such legal representative or attorney and with such signature properly guaranteed, and upon

compliance with:

(i) the conditions herein;

(ii) such reasonable requirements as the Trustee may prescribe; and

(iii) all applicable securities legislation and requirements of regulatory authorities relating to the transferability of the Purchase Warrants or restrictions thereon;

and such transfer shall be duly noted in the Warrant Register by the Trustee. Upon compliance with such requirements, the Trustee shall issue to the transferee a Warrant Certificate representing the Purchase Warrants transferred. Such new Warrant Certificate shall be sent by first class mail or held for pick up by the transferee in accordance with the instructions given on the transfer form and, if no such instructions are given, shall be sent by first class mail to the address of the transferee appearing on the transfer form. If less than all the Purchase Warrants represented by a Warrant Certificate are transferred, the Trustee shall issue a new Warrant Certificate representing those Purchase Warrants not transferred in the same name as the name appearing on the Warrant Certificate surrendered for transfer. Such new Warrant Certificate shall be sent by first class mail or held for pick up in accordance with instructions given on the transfer form and, if no instructions are given, shall be sent by first class mail to the address of the holder of the Purchase Warrants surrendered for transfer appearing on the Warrant Register.

b. The Corporation and the Trustee may deem and treat the registered owner of any Purchase Warrant as the beneficial owner thereof for all purposes and such person will, for all purposes of this Indenture be and be deemed the absolute owner thereof and neither the Corporation nor the Trustee shall be affected by any notice or knowledge to the contrary, except as required by statute or a court of competent jurisdiction.

c. Subject to the provisions of this Indenture and applicable law, the Warrantholder shall be entitled to the rights and privileges attaching to the Purchase Warrants and the issue of Common Shares upon the exercise of Purchase Warrants by any Warrantholder in accordance with the terms and conditions herein contained shall discharge all responsibilities of the Corporation and the Trustee with respect to such Purchase Warrants and neither the Corporation nor the Trustee shall be bound to inquire into the title of any such holder.

### **ARTICLE 3 EXERCISE OF PURCHASE WARRANTS**

#### **3.1 INTENTIONALLY LEFT BLANK**

#### **3.2 METHOD OF EXERCISE OF PURCHASE WARRANTS**

a. The holder of any Purchase Warrant may exercise the right conferred on such holder to acquire Common Shares by surrendering, after the Issue Date and prior to the Time of Expiry, to the Trustee the Warrant Certificate with a duly completed and executed

exercise form, together with a wire transfer, certified cheque, money order or bank draft, in lawful money of Canada payable to or to the order of the Corporation for the Exercise Price for the Common Shares subscribed for.

A Warrant Certificate with the duly completed and executed exercise form referred to in this subsection shall, together with the payment of the Exercise Price for the Common Shares subscribed for, be deemed to be surrendered only upon personal delivery thereof or, if sent by mail or other means of transmission, upon actual receipt thereof by, in each case, the Trustee.

b. Any exercise form referred to in subsection 3.2(a) shall be signed by the Warrantholder or by the duly appointed legal representative thereof or a duly authorized attorney, with evidence of authority of any such legal representative or attorney attached thereto with such signature properly guaranteed, and shall specify:

(i) the number of Common Shares which the holder wishes to acquire (being not more than the total number that the holder is entitled to acquire pursuant to the Warrant Certificate(s) surrendered);

(ii) the person or persons in whose name or names such Common Shares are to be issued;

(iii) the address or addresses of such person(s); and

(iv) the number of Common Shares to be issued to each such person if more than one is so specified.

If any of the Common Shares subscribed for are to be issued to a person or persons other than the Warrantholder, a transfer form must be completed by the current Warrantholder, and then each such person shall complete and deliver an exercise form in the form on the back of the Warrant Certificate and the Warrantholder shall pay to the Corporation or the Trustee on behalf of the Corporation, all applicable transfer or similar taxes and the Corporation shall not be required to issue or deliver certificates evidencing Common Shares unless or until such Warrantholder shall have paid to the Corporation, or the Trustee on behalf of the Corporation, the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid or that no tax is due.

c. In connection with the exchange of Warrant Certificates and exercise of Purchase Warrants and in compliance with such other terms and conditions hereof as may be required, the Corporation has appointed the principal offices of the Trustee in Vancouver as the agency at which Warrant Certificates may be surrendered for exchange or at which Purchase Warrants may be exercised. The Corporation may from time to time designate alternate or additional places as the Warrant Agency subject to receiving the consent of the Trustee of any change of the Warrant Agency.

d. The Trustee will only disburse monies to the Corporation according to this Indenture only to the extent that monies have been deposited with it.

### 3.3 EFFECT OF EXERCISE OF PURCHASE WARRANTS

a. Upon compliance by the holder of any Warrant Certificate with the provisions of section 3.2, and subject to section 3.4, the Common Shares subscribed for shall be deemed to have been issued and the person or persons to whom such Common Shares are to be issued shall be deemed to have become the holder or holders of record of such Common Shares on the Exercise Date unless the transfer registers of the Corporation shall be closed on such date, in which case the Common Shares subscribed for shall be deemed to have been issued, and such person or persons deemed to have become the holder or holders of record of such Common Shares, on the date on which such transfer registers are reopened.

b. Within five Business Days after the Exercise Date with respect to a Purchase Warrant, the Corporation shall cause to be mailed to the person or persons in whose name or names the Common Shares so subscribed for have been issued, as specified in the subscription, at the address specified in such subscription or, if so specified in such subscription, cause to be delivered to such person or persons at the Warrant Agency where the Warrant Certificate was surrendered, a certificate or certificates for the appropriate number of Common Shares subscribed for together with a copy of the current form of Warrant Prospectus, in the form most recently provided to the Trustee. In the absence of instructions to the contrary, such certificates shall be issued in the name of the registered holder of the surrendered Warrant Certificate and shall be mailed by first class mail to the address of such Warrantholder appearing on the Warrant Register.

### 3.4 PARTIAL EXERCISE OF PURCHASE WARRANTS; FRACTIONS

a. The holder of any Purchase Warrants may acquire a number of Common Shares less than the number which the holder is entitled to acquire pursuant to the surrendered Warrant Certificate(s). In the event of any exercise of a number of Purchase Warrants less than the number which the holder is entitled to exercise, the holder of the Purchase Warrants upon such exercise shall also be entitled to receive, without charge therefor, a new Warrant Certificate(s) in respect of the balance of the Purchase Warrants represented by the surrendered Warrant Certificate(s) not then exercised. In the absence of written instructions from the registered holder to the contrary, such new Warrant Certificate shall be issued in the name of the registered holder of the surrendered Warrant Certificate and shall be mailed by first class mail to the address of such Warrantholder appearing on the Warrant Register.

b. Notwithstanding anything herein contained, including any adjustment provided for in Article 4, the Corporation shall not be required, upon the exercise of any Purchase Warrants, to issue fractions of Common Shares or to distribute certificates which evidence fractional Common Shares. The holder shall not be entitled to any compensation or other right in lieu of fractional Common Shares.

### 3.5 EXTENSION OF TIME OF EXPIRY

If the Corporation gives notice to a Warrantholder that the exercise of Purchase Warrants will not be honoured, the Expiry Date shall be deferred by the number of days from the date of such notice until the Trustee receives notice that the exercise of Purchase Warrants may again be honoured.

### 3.6 EXPIRATION OF PURCHASE WARRANTS

Immediately after the Time of Expiry, all rights under any Purchase Warrant in respect of which the right of acquisition herein and therein provided for shall not have been exercised shall cease and terminate and such Purchase Warrant shall be void and of no further force or effect.

### 3.7 CANCELLATION OF SURRENDERED PURCHASE WARRANTS

All Warrant Certificates surrendered at the Warrant Agency pursuant to sections 2.7, 2.8, 3.2, 3.4 or 5.1 shall be returned to the Trustee for cancellation and, after the expiry of any period of retention prescribed by law, destroyed by the Trustee. Upon written request by the Corporation, the Trustee shall furnish to the Corporation a destruction certificate identifying the Warrant Certificates so destroyed and the number of Purchase Warrants evidenced thereby.

### 3.8 ACCOUNTING AND RECORDING

a. The Trustee shall as soon as practically (or reasonably) possible notify the Corporation when Purchase Warrants are exercised and forward to the Corporation at the times hereinafter set forth (or into an account or accounts of the Corporation with the bank or trust corporation designated by the Corporation for that purpose) all money received on exercise of Purchase Warrants. The Trustee shall forward such money to the Corporation (or into an account or accounts of the Corporation with the bank or trust corporation designated by the Corporation for that purpose) within five Business Days from the date of receipt thereof.

b. The Trustee shall record the particulars of the Purchase Warrants exercised which shall include the names and addresses of the persons who have exercised Purchase Warrants, the number of Common Shares subscribed for upon such exercise, the Exercise Date and the Exercise Price. Upon request of the Corporation, the Trustee shall provide within five Business Days such particulars in writing to the Corporation.

### 3.9 POSTPONEMENT OF DELIVERY OF CERTIFICATES

The Corporation shall not be required to deliver certificates for Common Shares during the period when the stock transfer books of the Corporation are closed due to an impending meeting of shareholders or a proposed payment of dividends or for any other purpose and in the event of a surrender of a Warrant Certificate for the purchase of Common Shares during such period,

the delivery of certificates may be postponed for a period not exceeding ten days after the date of the re-opening of the stock transfer books.

**ARTICLE 4**  
**ADJUSTMENT OF NUMBER OF COMMON SHARES**

**4.1 ADJUSTMENT OF NUMBER OF COMMON SHARES**

The acquisition rights in effect at any date attaching to the Purchase Warrants shall be subject to adjustment from time to time as follows:

a. if and whenever at any time from the date hereof and prior to the Time of Expiry, the Corporation shall:

(i) subdivide, redivide or change its outstanding Common Shares into a greater number of shares;

(ii) reduce, combine or consolidate its outstanding Common Shares into a smaller number of shares; or

(iii) issue Common Shares (or securities convertible into Common Shares) to all or substantially all of the holders of outstanding Common Shares by way of a stock dividend (other than in lieu of Dividends Paid in the Ordinary Course);

the Exercise Price in effect on the effective date of such subdivision or consolidation, or on the record date of such stock dividend, as the case may be, shall be adjusted by the Corporation to equal the price determined by multiplying the Exercise Price in effect immediately prior to such effective date or record date by a fraction of which the numerator shall be the total number of Common Shares outstanding immediately prior to such date and the denominator shall be the total number of Common Shares immediately after such date. Such adjustment shall be made successively whenever any event referred to in this subsection (a) shall occur, and any such issue of Common Shares by way of a stock dividend shall be deemed to have been made on the record date for the stock dividend for the purpose of calculating the number of outstanding Common Shares under subsections (b) and (c) of this section 4.1. Upon any adjustment of the Exercise Price pursuant to subsections (a), (b) and (d) of this section 4.1, the number of Common Shares subject to the right of purchase under each Purchase Warrant not previously exercised shall be contemporaneously adjusted by multiplying the number of Common Shares which theretofore may have been purchased under such Purchase Warrant by a fraction of which the numerator shall be the respective Exercise Price in effect immediately prior to such adjustment and the denominator shall be the respective Exercise Price resulting from such adjustments;

b. if and whenever at any time after the date hereof and prior to the Time of Expiry, the Corporation shall fix a record date for the distribution to all or substantially all of the



holders of Common Shares of rights, options or warrants entitling them for a period expiring not more than forty-five (45) days after such record date to subscribe for or purchase Common Shares (or securities convertible into, or exchangeable for, Common Shares) at a price per share (or having a conversion price or exchange price per share) less than 95% of the Current Market Price on such record date, the Exercise Price shall be adjusted immediately after such record date by the Corporation so that it shall equal the price determined by multiplying

(i) the Exercise Price in effect on such record date by

(ii) a fraction, of

(A) which the numerator shall be

(x) the total number of Common Shares outstanding on such record date plus

(y) the number arrived at by dividing

(a) the aggregate subscription or purchase price of the total number of additional Common Shares offered for subscription or purchase (or the aggregate conversion or exchange price of the convertible securities or exchangeable securities so offered) by

(b) such Current Market Price, and of which

(B) the denominator shall be

(x) the total number of Common Shares outstanding on such record date plus

(y) the total number of additional Common Shares offered for subscription or purchase (or into which the convertible securities or exchangeable securities so offered are convertible or exchangeable);

any Common Shares owned by or held for the account of the Corporation or any Subsidiary of the Corporation shall be deemed not to be outstanding for the purpose of any such computation; such adjustment shall be made successively whenever such a record date is fixed; to the extent that any rights, options or warrants are not so issued or any such rights, options or warrants are not exercised prior to the expiration thereof, the Exercise Price shall then be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed or to the Exercise Price which would then be in effect based upon the number and aggregate price of Common Shares (or securities

convertible into Common Shares) actually issued upon the exercise of such rights, option or warrants, as the case may be;

c. if and whenever at any time from the date hereof and prior to the Time of Expiry, there is a reclassification of the Common Shares or a capital reorganization of the Corporation other than as described in subsection 4.1(a) or a consolidation, amalgamation or merger of the Corporation with or into any other body corporate, trust, partnership or other entity, or a sale or conveyance of the property and assets of the Corporation as an entirety or substantially as an entirety to any other body corporate, trust, partnership or other entity, any Warrantholder who has not exercised its right of acquisition prior to the effective date of such reclassification, reorganization, consolidation, amalgamation, merger, sale or conveyance, upon the exercise of such right thereafter, shall be entitled to receive and shall accept, in lieu of the number of Common Shares then sought to be acquired by it, the number of shares or other securities or property of the Corporation or of the body corporate, trust, partnership or other entity resulting from such merger, amalgamation or consolidation, or to which such sale or conveyance may be made, as the case may be, that such Warrantholder would have been entitled to receive on such reclassification, reorganization, consolidation, amalgamation, merger, sale or conveyance, if, on the record date or the effective date thereof, as the case may be, the Warrantholder had been the registered holder of the number of Common Shares sought to be acquired by it. If determined appropriate by the Corporation or its directors to give effect to or to evidence the provisions of this subsection, the Corporation, its successor, or such purchasing body corporate, partnership, trust or other entity, as the case may be, shall, prior to or contemporaneously with any such reclassification, reorganization, consolidation, amalgamation, merger, sale or conveyance, enter into an indenture which shall provide, to the extent possible, for the application of the provisions set forth in this Indenture with respect to the rights and interests thereafter of the Warrantholders to the end that the provisions set forth in this Indenture shall thereafter correspondingly be made applicable, as nearly as may reasonably be, with respect to any shares, other securities or property to which a Warrantholder is entitled on the exercise of its acquisition rights thereafter. Any indenture entered into between the Corporation and the Trustee pursuant to the provisions of this subsection 4.1(c) shall be a supplemental indenture entered into pursuant to the provisions of Article 8 hereof. Any indenture entered into between the Corporation, any successor to the Corporation or such purchasing body corporate, partnership, trust or other entity and the Trustee shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided in this section 4.1 and which shall apply to successive reclassifications, reorganizations, amalgamations, consolidations, mergers, sales or conveyances;

d. if and whenever at any time from the date hereof and prior to the Time of Expiry, the Corporation fixes a record date for the making of a distribution to all or substantially all the holders of its outstanding Common Shares of: (i) shares of any class other than Common Shares, other than shares distributed to holders of Common Shares pursuant to their exercise of options to receive dividends in the form of such shares in lieu of Dividends Paid in the Ordinary Course on the Common Shares, or (ii) rights, options or

warrants (excluding rights exercisable for 45 days or less where the exercise price per share is not less than 95% of the Current Market Price on such record date), or (iii) evidences of its indebtedness, or (iv) assets (excluding Dividends Paid in the Ordinary Course), including shares of other corporations, then, provided that subsection 4.1(a) or subsection 4.1(b) do not apply, then, and in each such case, the Exercise Price shall be adjusted by the Corporation immediately after such record date so that it shall equal the price determined by multiplying the Exercise Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date multiplied by the Current Market Price on such record date, less the excess of the aggregate fair market value (as determined by the directors, which determination shall be conclusive) of such shares, rights, options, warrants, evidences of indebtedness or assets so distributed are the fair market value of the consideration received therefor by the Corporation from the holders of Common Shares as determined by action by the directors (whose determination shall be conclusive), and of which the denominator shall be that total number of Common Shares outstanding on such record date multiplied by such Current Market Price; any Common Shares owned by or held for the account of the Corporation or any subsidiary of the Corporation shall be deemed not to be outstanding for the purpose of any such computation; such adjustment shall be made successively whenever such a record date is fixed; to the extent that such distribution is not so made, the Exercise Price shall then be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed or to the Exercise Price which would then be in effect based upon such shares, rights, options, warrants, evidences of indebtedness or assets actually distributed, as the case may be;

e. the adjustments provided for in this Article 4 in the Exercise Price and number of Common Shares and classes of securities which are to be received on the exercise of Purchase Warrants are cumulative. After any adjustment pursuant to this section, the term "Common Shares" where used in this Indenture shall be interpreted to mean securities of any class or classes which, as a result of such adjustment and all prior adjustments pursuant to this section, the Warrantholder is entitled to receive upon the exercise of its Purchase Warrant, and the number of Common Shares indicated by any exercise made pursuant to a Purchase Warrant shall be interpreted to mean the number of Common Shares or other property or securities a Warrantholder is entitled to receive, as a result of such adjustment and all prior adjustments pursuant to this section, upon the full exercise of Purchase Warrant;

f. for the purposes of this section 4.1, "Dividends Paid in the Ordinary Course" means cash dividends declared payable on the Common Shares in any fiscal year of the Corporation to the extent that such cash dividends do not exceed, in the aggregate, the greater of: (i) 200% of the aggregate amount of cash dividends declared payable by the Corporation on the Common Shares in its immediately preceding fiscal year; (ii) 300% percent of the arithmetic mean of the aggregate amounts of cash dividends declared payable by the Corporation on the Common Shares in its three immediately preceding fiscal years; and (iii) 50% percent of the aggregate consolidated net income of the Corporation, before extraordinary items, for its immediately preceding fiscal year;

g. in any case which this section 4.1 shall require that an adjustment shall become effective immediately after a record date for an event referred to herein, the Corporation may defer, until the occurrence of such event, issuing to the holder of any Warrant exercised after such event the additional Common Shares issuable upon such conversion by reason of the adjustment required by such event before giving effect to such adjustment; provided, however, that the Corporation shall deliver to such holder an appropriate instrument evidencing such holder's rights to receive such additional Common Shares upon the occurrence of the event requiring such adjustment and the right to receive any distributions made on such additional Common Shares declared in favour of holders of record of Common Shares on and after the relevant date of exercise or such later date as such holder would, but for the provisions of this subsection (g), have become the holder of record of such additional Common Shares;

h. if the purchase price provided for in any right, warrant or option issued as described in subsection (b) or (d) is decreased, or the price at which Common Shares are issued as described in subsection (a) is decreased or the rate of conversion at which any convertible securities which are issued as described in subsection (a) is increased, the Exercise Price shall, subject to subsection (g), forthwith be changed so as to decrease the Exercise Price to such Exercise Price as would have been obtained had the adjustment made in connection with the issuance of all such rights, options or securities been made upon the basis of such purchase price as so decreased or such rate as so increased;

i. no adjustment in the Exercise Price or in the number of shares to be issued pursuant to the exercise of the Warrants shall be required unless such adjustment would result in a change of at least 1% in the Exercise Price then in effect or unless the number of shares to be issued would change by at least 1/100th of a share, provided, however, that any adjustments, which, except for the provisions of this subsection 4.1(i) would otherwise have been required to be made, shall be carried forward and taken into account in any subsequent adjustment;

j. no adjustment in the Exercise Price shall be made in respect of any event described in paragraph 4.1(a)(iii) and subsections 4.1(b) or 4.1(d):

i. if the Warrantholders are entitled to participate in such event on the same terms mutatis mutandis as if they had exercised their purchase rights prior to the effective date or record date or such event, subject to the prior approval of TSX to such participation if the Common Shares or the Warrants are then listed on such exchange; or

ii. in respect of any rights to acquire shares which are presently outstanding; and

k. in determining at any time and from time to time the number of Common Shares outstanding at any particular time for purposes of this section 4.1, there shall be included that number of Common Shares which would be outstanding upon conversion of all convertible securities then outstanding, and upon exercise of all rights, options or warrants then outstanding to purchase Common Shares, and there shall be excluded

any Common Shares (and Common Shares which would be outstanding upon conversion of convertible securities) held by or for the account of the Corporation.

#### 4.2 OTHER ACTION

In case the Corporation, after the date hereof, shall take any action affecting the Common Shares other than actions described in subsection 5.1, which in the opinion of the directors of the Corporation would materially affect the rights of the Warrantholders, the number of Common Shares which may be acquired upon exercise of the Purchase Warrants shall be adjusted by the Corporation in such manner and at such time, by action of the director, as they determine, acting reasonably, to be equitable in the circumstances.

#### 4.3 ENTITLEMENT TO SHARES ON EXERCISE OF PURCHASE WARRANT

All shares of any class or other securities which a Warrantholder is at the time in question entitled to receive on the exercise of its Purchase Warrant, whether or not as a result of adjustments made pursuant to this section, shall, for the purposes of the interpretation of this Indenture, be deemed to be shares which such Warrantholder is entitled to acquire pursuant to such Purchase Warrant.

#### 4.4 NO ADJUSTMENT FOR STOCK OPTIONS

Notwithstanding anything to the contrary, in this Article 4, no adjustment shall be made in the acquisition rights attached to the Purchase Warrants if the issue of Common Shares is being made pursuant to this Indenture or pursuant to any stock option or stock purchase plan in force from time to time.

#### 4.5 DETERMINATION BY CORPORATION'S AUDITORS

In the event of any question arising with respect to the adjustments provided for in this Article 4, such question shall be conclusively determined by the Corporation's Auditors who shall have access to all necessary records of the Corporation, and such determination shall be binding upon the Corporation, the Trustee, all Warrantholders and all other persons interested therein.

#### 4.6 PROCEEDINGS PRIOR TO ANY ACTION REQUIRING ADJUSTMENT

As a condition precedent to the taking of any action which would require an adjustment in any of the acquisition rights pursuant to any of the Purchase Warrants, including the number of Common Shares which are to be received upon the exercise thereof, the Corporation shall take any corporate action which may, in the opinion of counsel, be necessary in order that the Corporation has unissued and reserved in its authorized capital and may validly and legally issue as fully paid and non-assessable all the shares which the holders of such Purchase Warrants are entitled to receive on the full exercise thereof in accordance with the provisions hereof.

#### 4.7 CERTIFICATE OF ADJUSTMENT

The Corporation shall from time to time immediately after the occurrence of any event which requires an adjustment or readjustment as provided in Article 4, deliver a certificate of the Corporation to the Trustee specifying the nature of the event requiring the same and the amount of the adjustment necessitated thereby and setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based, which certificate shall be supported by a certificate of the Corporation's Auditors verifying such calculation.

#### 4.8 NOTICE OF SPECIAL MATTERS

The Corporation covenants with the Trustee that, so long as any Purchase Warrant remains outstanding, it will give notice to the Trustee and to the Warrantholders of its intention to fix a record date that is prior to the Expiry Date for any event referred to in subsections (a), (b), (c) or (d) of section 4.1 which may give rise to an adjustment in the Exercise Price. Such notice shall specify the particulars of such event and the record date for such event, provided that the Corporation shall only be required to specify in the notice such particulars of the event as shall have been fixed and determined on the date on which the notice is given. The notice shall be given in each case not less than 14 days prior to such applicable record date.

#### 4.9 NO ACTION AFTER NOTICE

The Corporation covenants with the Trustee that it will not close its transfer books or take any other corporate action which might deprive the holder of a Purchase Warrant of the opportunity to exercise its right of acquisition pursuant thereto during the period of 14 days after the giving of the certificate or notices set forth in sections 4.7 and 4.8.

#### 4.10 PROTECTION OF TRUSTEE

Except as provided in section 9.2, the Trustee:

- a. shall not at any time be under any duty or responsibility to any Warrantholder to determine whether any facts exist which may require any adjustment contemplated by section 4.1 or with respect to the nature or extent of any such adjustment when made, or with respect to the method employed in making the same;
- b. shall not be accountable with respect to the validity or value (or the kind or amount) of any Common Shares or of any shares or other securities or property which may at any time be issued or delivered upon the exercise of the rights attaching to any Purchase Warrant;
- c. shall not be responsible for any failure of the Corporation to issue, transfer or deliver Common Shares or certificates for the same upon the surrender of any Purchase Warrants for the purpose of the exercise of such rights or to comply with any of the covenants contained in this Article;

d. shall not incur any liability or responsibility whatsoever or be in any way responsible for the consequences of any breach on the part of the Corporation of any of the representations, warranties or covenants herein contained or of any acts of the directors, officers, employees, agents or servants of the Corporation; and

e. shall be entitled to act and rely on any adjustment calculation of the Corporation or the Corporation's auditors.

## **ARTICLE 5 RIGHTS OF THE CORPORATION AND COVENANTS**

### **5.1 OPTIONAL PURCHASES BY THE CORPORATION**

The Corporation may from time to time purchase, by private contract or otherwise, any of the Purchase Warrants. Any such purchase shall be made at the lowest price or prices at which, in the opinion of the directors, such Purchase Warrants are then obtainable, plus reasonable costs of purchase, and may be made in such manner, from such persons and on such other terms as the Corporation, in its sole discretion, may determine. Any Warrant Certificates representing the Purchase Warrants purchased pursuant to this section shall forthwith be delivered to and cancelled by the Trustee. No Purchase Warrants shall be issued in replacement thereof.

### **5.2 GENERAL COVENANTS**

The Corporation covenants with the Trustee for the benefit of the Warrantholder that so long as any Purchase Warrants remain outstanding:

- a. it shall reserve and keep available a sufficient number of Common Shares for the purpose of enabling it to satisfy its obligations to issue Common Shares upon the exercise of the Purchase Warrants;
- b. it shall cause the Common Shares and the certificates representing the Common Shares acquired pursuant to the valid exercise of the Purchase Warrants to be duly issued and delivered in accordance with the Warrant Certificates and the terms hereof;
- c. all Common Shares issued upon exercise of the right to acquire provided for herein and in the Warrant Certificates shall be issued as fully paid and non-assessable;
- d. the Corporation will direct the Trustee to keep open the Warrant Register and will not take any action or omit to take any action that would have the effect of preventing the Warrantholders from exercising any of the Purchase Warrants or receiving any of the Common Shares upon such exercise;
- e. the Corporation will make all requisite filings, including filings with securities regulatory authorities in Canada and the United States, in connection with the exercise of the

Purchase Warrants and the issue of the Common Shares issuable upon exercise thereon, and will maintain its status as a reporting issuer not in default in the Filing Jurisdictions;

f. the Corporation will perform and comply with all of its covenants and agreements set forth in the Underwriting Agreement and the Agency Agreement;

g. it will use its best efforts to maintain the listing of the Common Shares on the TSX and the AMEX;

h. it will use its best efforts to maintain the listing of the Purchase Warrants on the TSX until the Expiry Date;

i. it will use its best efforts to maintain its status as a reporting issuer not in default under, and not be in default in any material respect of the applicable requirements of, the applicable securities laws of each of the provinces of Canada and the federal securities laws of the United States from the date hereof up to and including the Time of Expiry;

j. it will register (and maintain such registration of) the Common Shares issuable upon exercise of the Purchase Warrants under the securities laws of all U.S. States in which the Common Shares are not otherwise exempt from such securities registration requirements. For purposes of the foregoing, "U.S. States" means the 50 states of the United States of America, the District of Columbia, Puerto Rico and Guam;

k. it shall use its best efforts to maintain its registration statement on Form S-3 (File No. 333-102225), or another registration statement on such form or, if it is not eligible to use such form, on another form, filed with the United States Securities and Exchange Commission with respect to the Common Shares and Purchase Warrants, continuously effective under the U.S. Securities Act;

l. the Corporation will do, or cause to be done, all things necessary to preserve and keep in full force and effect its corporate existence and carry on and conduct its business in accordance with good business practice; and

m. generally, it will well and truly perform and carry out all of the acts or things to be done by it as provided in this Indenture or as the Trustee may reasonably require for the better accomplishing and effecting of the intentions and provisions of this Indenture.

### 5.3 TRUSTEE'S REMUNERATION AND EXPENSES

The Corporation covenants that it will pay to the Trustee from time to time reasonable remuneration for its services hereunder and will pay or reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in the administration or execution of the trusts hereby created (including the reasonable compensation and the disbursements of its Counsel and all other advisers and assistants not regularly in its employ) both before any default hereunder and thereafter until all duties of the Trustee hereunder



shall be finally and fully performed, except any such expense, disbursement or advance as may arise out of or result from the Trustee's gross negligence, wilful misconduct or bad faith.

#### 5.4 SECURITIES QUALIFICATION REQUIREMENTS

- a. If, in the opinion of Counsel, any instrument is required to be filed with, or any permission is required to be obtained from, any governmental authority or regulatory body in Canada or the United States or any other step is required under any federal or provincial law of Canada or federal or state law of the United States before any Common Shares which a Warrantholder is entitled to acquire pursuant to the exercise of any Purchase Warrant may properly and legally be issued upon due exercise thereof and thereafter traded, without further formality or restriction, the Corporation covenants that it will take such required action at its expense, as is required or appropriate in the circumstances.
- b. The Corporation or, if required in writing by the Corporation, the Trustee, will give notice of the issue of Common Shares pursuant to the exercise of Purchase Warrants, in such detail as may be required, to each securities commission or similar regulatory authority in each of the Filing Jurisdictions in which there is legislation or regulation permitting or requiring the giving of any such notice.
- c. The Corporation covenants that if any Common Shares, required to be reserved for the purpose of issue upon exercise of the Purchase Warrants hereunder, require registration with or approval of any governmental authority under any federal or state law before such Common Shares may be issued upon exercise of Purchase Warrants, the Corporation will use its best efforts to cause such Common Shares to be duly registered, or approved, as the case may be, and, to the extent practicable, take all such action in anticipation of and prior to the exercise of the Purchase Warrants, including, without limitation, filing any and all post effective amendments to the Corporation's Registration Statement on Form S-3 (Registration No. 333-102225) necessary to permit the issuance of registered Common Shares on exercise of the Purchase Warrants at any and all times during the term of this Indenture, provided, however, that in no event shall such Common Shares be issued, and the Corporation is authorized to refuse to honour the exercise of any Purchase Warrant, if such exercise would result in the opinion of the Corporation's Board of Directors, upon advice of counsel, in the violation of any law; and provided further that, in the case of a Purchase Warrant exercisable solely for Common Shares listed on a securities exchange or for which there are at least two independent market makers, in lieu of obtaining such registration or approval, the Corporation may elect to redeem Purchase Warrants submitted to the Trustee for exercise for a price equal to the difference between the aggregate low asked price, or closing price, as the case may be, of the Common Shares for which such Purchase Warrant is exercisable on the date of such submission and the Exercise Price of such Purchase Warrants; in the event of such redemption, the Corporation will pay to the holder of such Purchase Warrants the above described redemption price in cash within ten business days after receipt of notice from the Trustee that such Purchase Warrants have been submitted for exercise.

## 5.5 PERFORMANCE OF COVENANTS BY TRUSTEE

If the Corporation shall fail to perform any of its covenants contained in this Purchase Warrant Indenture, the Trustee may notify the Warrantholders of such failure on the part of the Corporation or may itself perform any of the covenants capable of being performed by it but, subject to section 9.2, shall be under no obligation to perform such covenants or to notify the Warrantholders of such performance by it. All sums expended or advanced by the Trustee in so doing shall be repayable as provided in section 5.3. No such performance, expenditure or advance by the Trustee shall relieve the Corporation of any default hereunder or of its continuing obligations under the covenants herein contained.

## **ARTICLE 6 ENFORCEMENT**

### 6.1 SUITS BY WARRANTHOLDERS

All or any of the rights conferred upon any Warrantholder by any of the terms of the Warrant Certificates or the Indenture or both may be enforced by the Warrantholder by appropriate proceedings but without prejudice to the right which is hereby conferred upon the Trustee to proceed in its own name to enforce each and all of the provisions herein contained for the benefit of the Warrantholders.

### 6.2 IMMUNITY OF SHAREHOLDERS, ETC.

The Trustee and, by the acceptance of the Warrant Certificates and as part of the consideration for the issue of the Purchase Warrants, the Warrantholders hereby waive and release any right, cause of action or remedy now or hereafter existing in any jurisdiction against any incorporator or any past, present or future shareholder, director, officer, employee or agent of the Corporation or any successor corporation, but for greater certainty, not the Corporation or any successor corporation on any covenant, agreement, representation or warranty by the Corporation contained herein or in the Warrant Certificates.

### 6.3 LIMITATION OF LIABILITY

The obligations hereunder are not personally binding upon, nor shall resort hereunder be had to, the private property of any of the past, present or future directors or shareholders of the Corporation or any successor Corporation or any of the past, present or future officers, employees or agents of the Corporation or any successor Corporation, but only the property of the Corporation or any successor Corporation shall be bound in respect hereof.

### 6.4 WAIVER OF DEFAULT

Upon the happening of any default hereunder:

a. the holders of not less than 51% of the aggregate number of Purchase Warrants then outstanding shall have power (in addition to the powers exercisable by extraordinary resolution as provided in section 7.10) by requisition in writing to instruct the Trustee to waive any default hereunder and the Trustee shall thereupon waive the default upon such terms and conditions as shall be prescribed in such requisition; or

b. the Trustee shall have power to waive any default hereunder upon such terms and conditions as the Trustee may deem advisable, if, in the Trustee's opinion, the same shall have been cured or adequate provision made therefor;

provided that no delay or omission of the Trustee or of the Warrantholders to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein and provided further that no act or omission either of the Trustee or of the Warrantholders in the premises shall extend to or be taken in any manner whatsoever to affect any subsequent default hereunder of the rights resulting therefrom.

## **ARTICLE 7 MEETINGS OF WARRANTHOLDERS**

### **7.1 RIGHT TO CONVENE MEETINGS**

The Trustee may at any time and from time to time, and shall on receipt of a written request of the Corporation or of a Warrantholders' Request and upon being indemnified to its reasonable satisfaction by the Corporation or by the Warrantholders signing such Warrantholders' Request against the cost which may be incurred in connection with the calling and holding of such meeting, convene a meeting of the Warrantholders. In the event of the Trustee failing to so convene a meeting within seven days after receipt of such written request of the Corporation or such Warrantholders' Request and indemnity given as aforesaid, the Corporation or such Warrantholders, as the case may be, may convene such meeting. Every such meeting shall be held in the City of Vancouver or at such other place as may be approved or determined by the Trustee and approved by the Corporation, acting reasonably.

### **7.2 NOTICE**

At least 21 days prior notice of any meeting of Warrantholders shall be given to the Warrantholders in the manner provided for in section 10.2 and a copy of such notice shall be sent by mail to the Trustee (unless the meeting has been called by the Trustee) and to the Corporation (unless the meeting has been called by the Corporation). Such notice shall state the time when and the place where the meeting is to be held, shall state briefly the general nature of the business to be transacted thereat and shall contain such information as is reasonably necessary to enable the Warrantholders to make a reasoned decision on the matter, but it shall not be necessary for any such notice to set out the terms of any resolution to be proposed or any of the provisions of this Article 7.

### 7.3 CHAIRMAN

An individual (who need not be a Warrantholder) designated in writing by the Trustee shall be chairman of the meeting and if no individual is so designated, or if the individual so designated is not present within 15 minutes from the time fixed for the holding of the meeting, the Warrantholders present in person or by proxy shall choose an individual present to be chairman.

### 7.4 QUORUM

Subject to the provisions of section 7.11, at any meeting of the Warrantholders a quorum shall consist of Warrantholders present in person or by proxy and entitled to purchase at least 10% of the aggregate number of Common Shares that could be acquired pursuant to all the then outstanding Purchase Warrants, provided that at least two persons entitled to vote thereat are personally present. If a quorum of the Warrantholders is not present within 30 minutes from the time fixed for holding any meeting, the meeting, if summoned by Warrantholders or on a Warrantholders' Request, shall be dissolved; but in any other case the meeting shall be adjourned to the same day in the next week (unless such day is not a Business Day, in which case it shall be adjourned to the next following Business Day) at the same time and place and no notice of the adjournment need be given. Any business may be brought before or dealt with at an adjourned meeting that might have been dealt with at the original meeting in accordance with the notice calling the same. No business shall be transacted at any meeting unless a quorum be present at the commencement of business. At the adjourned meeting the Warrantholders present in person or by proxy will constitute a quorum and may transact the business for which the meeting was originally convened, notwithstanding that they may not be entitled to acquire at least 10% of the aggregate number of Common Shares that may be acquired pursuant to all then outstanding Purchase Warrants.

### 7.5 POWER TO ADJOURN

The chairman of any meeting at which a quorum of the Warrantholders is present may, with the consent of the meeting, adjourn any such meeting, and no notice of such adjournment need be given except such notice, if any, as the meeting may prescribe.

### 7.6 SHOW OF HANDS

Every question submitted to a meeting shall be decided in the first place by a majority of the votes given on a show of hands except that votes on an extraordinary resolution shall be given in the manner hereinafter provided. At any such meeting, unless a poll is duly demanded as herein provided, a declaration by the chairman that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact.

### 7.7 POLL AND VOTING

On every extraordinary resolution, and on any other question submitted to a meeting and after a vote by show of hands when demanded by the chairman or by one or more of the Warrantholders

acting in person or by proxy, a poll shall be taken in such manner as the chairman shall direct. Questions other than those required to be determined by extraordinary resolution shall be decided by a majority of the votes cast on the poll.

On a show of hands, every person who is present and entitled to vote, whether as a Warrantholder or as proxy for one or more absent Warrantholders, or both, shall have one vote. On a poll, each Warrantholder present in person or represented by a proxy duly appointed by instrument in writing shall be entitled to one vote in respect of each whole Common Share which he is entitled to acquire pursuant to the Purchase Warrant or Purchase Warrants then held or represented by it. A proxy need not be a Warrantholder. The chairman of any meeting shall be entitled, both on a show of hands and on a poll, to vote in respect of the Purchase Warrants and proxies, if any, held or represented by him.

## 7.8 REGULATIONS

The Trustee, or the Corporation with the approval of the Trustee, may make and vary such regulations as it shall think fit for:

- a. the setting of the record date for a meeting for the purpose of determining Warrantholders entitled to receive notice of and to vote at the meeting;
- b. the issue of voting certificates by any bank, trust company or other depository satisfactory to the Trustee stating that the Warrant Certificates specified therein have been deposited with it by a named person and will remain on deposit until after the meeting, which voting certificate shall entitle the persons named therein to be present and vote at any such meeting and at any adjournment thereof or to appoint a proxy or proxies to represent them and vote for them at any such meeting and at any adjournment thereof in the same manner and with the same effect as though the persons so named in such voting certificates were the actual bearers of the Warrant Certificates specified therein;
- c. the deposit of voting certificates and instruments appointing proxies at such place and time as the Trustee, the Corporation or the Warrantholders convening the meeting, as the case may be, may in the notice convening the meeting direct;
- d. the deposit of voting certificates and instruments appointing proxies at some approved place or places other than the place at which the meeting is to be held and enabling particulars of such instruments appointing proxies to be mailed or telecopied before the meeting to the Corporation or to the Trustee at the place where the same is to be held and for the voting of proxies so deposited as though the instruments themselves were produced at the meeting;
- e. the form of the instrument of proxy; and
- f. generally for the calling of meetings of Warrantholders and the conduct of business thereat.

Any regulations so made shall be binding and effective and the votes given in accordance therewith shall be valid and shall be counted. Save as such regulations may provide, the only persons who shall be recognized at any meeting as a Warrantholder, or be entitled to vote or be present at the meeting in respect thereof (subject to section 7.9) shall be Warrantholders or their counsel (who may not vote), or proxies of Warrantholders.

#### 7.9 CORPORATION AND TRUSTEE MAY BE REPRESENTED

The Corporation and the Trustee, by their respective directors, officers and employees and the Counsel for the Corporation and for the Trustee may attend any meeting of the Warrantholders, but shall not be entitled to vote thereat, whether in respect of any Purchase Warrants held by them or otherwise.

#### 7.10 POWERS EXERCISABLE BY EXTRAORDINARY RESOLUTION

In addition to all other powers conferred upon them by any other provisions of this Indenture or by law, and subject to the prior approval of the TSX, the Warrantholders at a meeting shall, subject to the provisions of section 7.11 have the power, exercisable from time to time by extraordinary resolution:

- a. to agree to any modification, abrogation, alteration, compromise or arrangement of the rights of Warrantholders or the Trustee in its capacity as trustee hereunder subject to the consent of the Trustee or on behalf of the Warrantholders against the Corporation, whether such rights arise under this Indenture or the Warrant Certificates or otherwise;
- b. to amend, alter or repeal any extraordinary resolution previously passed or sanctioned by the Warrantholders;
- c. to direct or to authorize the Trustee to enforce any of the covenants on the part of the Corporation contained in this Indenture or the Warrant Certificates or to enforce any of the rights of the Warrantholders in any manner specified in such extraordinary resolution or to refrain from enforcing any such covenant or right;
- d. to waive, and to direct the Trustee to waive, any default on the part of the Corporation in complying with any provision of this Indenture or the Warrant Certificates either unconditionally or upon any conditions specified in such extraordinary resolution;
- e. to restrain any Warrantholder from taking or instituting any suit, action or proceeding against the Corporation for the enforcement of any of the covenants on the part of the Corporation in this Indenture or the Warrant Certificates or to enforce any of the rights of the Warrantholders;
- f. to direct any Warrantholder who, as such, has brought any suit, action or proceeding to stay or to discontinue or otherwise to deal with the same upon payment of the costs, charges and expenses reasonably and properly incurred by such Warrantholder in connection therewith;

- g. to assent to any change in or omission from the provisions contained in the Warrant Certificates and this Indenture or any ancillary or supplemental instrument that may be agreed to by the Corporation, and to authorize the Trustee to concur in and execute any ancillary or supplemental indenture embodying the change or omission;
- h. with the consent of the Corporation, such consent not to be unreasonably withheld, to remove the Trustee or its successor in office and to appoint a new trustee or trustees to take the place of the Trustee so removed;
- i. to assent to any compromise or arrangement with any creditor or creditors of the Corporation or any class or classes of creditors of the Corporation, whether secured or otherwise, and with holders of any shares or other securities of the Corporation; and
- j. to sanction any scheme for the reconstruction or reorganization of the Corporation or for the consolidation, amalgamation or merger of the Corporation with any other corporation or for the sale, lease, transfer or other disposition of all or substantially all the property and assets of the Corporation.

7.11 MEANING OF EXTRAORDINARY RESOLUTION

- a. The expression "extraordinary resolution" when used in this Indenture means, subject as hereinafter provided in this section and in section 7.14, a resolution proposed at a meeting of Warranholders duly convened for that purpose and held in accordance with the provisions of this Article 7 at which there are present in person or by proxy Warranholders entitled to acquire at least 25% of the aggregate number of Common Shares which may be acquired pursuant to all the then outstanding Purchase Warrants and passed by the affirmative votes of Warranholders entitled to acquire not less than 66 2/3% of the aggregate number of Common Shares which may be acquired pursuant to all the then outstanding Purchase Warrants represented at the meeting and voted on the poll upon such resolution.
- b. If, at the meeting at which an extraordinary resolution is to be considered, Warranholders entitled to acquire at least 25% of the aggregate number of Common Shares which may be acquired pursuant to all the then outstanding Purchase Warrants are not present in person or by proxy within 30 minutes after the time appointed for the meeting, then the meeting, if convened by Warranholders or on a Warranholders' Request, shall be dissolved; but in any other case it shall stand adjourned to such day, being not less than 15 or more than 60 days later, and to such place and time as may be appointed by the chairman. Not less than ten days' prior notice shall be given of the time and place of such adjourned meeting in the manner provided for in section 10.2. Such notice shall state that at the adjourned meeting the Warranholders present in person or by proxy shall form a quorum but it shall not be necessary to set forth the purposes for which the meeting was originally called or any other particulars. At the adjourned meeting the Warranholders present in person or by proxy shall form a quorum and may transact the business for which the meeting was originally convened and a resolution

proposed at such adjourned meeting and passed by the requisite vote as provided in subsection 7.11(a) shall be an extraordinary resolution within the meaning of this Indenture notwithstanding that Warranholders entitled to acquire at least 25% of the aggregate number of Common Shares which may be acquired pursuant to all the then outstanding Purchase Warrants are not present in person or by proxy at such adjourned meeting.

c. Votes on an extraordinary resolution shall always be given on a poll and no demand for a poll on an extraordinary resolution shall be necessary.

#### 7.12 POWERS CUMULATIVE

Any one or more of the powers or any combination of the powers in this Indenture stated to be exercisable by the Warranholders by extraordinary resolution or otherwise may be exercised from time to time and the exercise of any one or more of such powers or any combination of powers from time to time shall not be deemed to exhaust the right of the Warranholders to exercise such power or powers or combination of powers then or thereafter from time to time.

#### 7.13 MINUTES

Minutes of all resolutions and proceedings at every meeting of Warranholders shall be made and duly entered in books to be provided from time to time for that purpose by the Trustee at the expense of the Corporation, and any such minutes as aforesaid, if signed by the chairman or the secretary of the meeting at which such resolutions were passed or proceedings had shall be prima facie evidence of the matters therein stated and, until the contrary is proved, every such meeting in respect of the proceedings of which minutes shall have been made shall be deemed to have been duly convened and held, and all resolutions passed thereat or proceedings taken shall be deemed to have been duly passed and taken.

#### 7.14 INSTRUMENTS IN WRITING

All actions which may be taken and all powers that may be exercised by the Warranholders at a meeting held as provided in this Article 7 may also be taken and exercised by Warranholders entitled to acquire at least 66 2/3% of the aggregate number of Common Shares which may be acquired pursuant to all the then outstanding Purchase Warrants by an instrument in writing signed in one or more counterparts by such Warranholders in person or by attorney duly appointed in writing, and the expression "extraordinary resolution" when used in this Indenture shall include an instrument so signed.

#### 7.15 BINDING EFFECT OF RESOLUTIONS

Every resolution and every extraordinary resolution passed in accordance with the provisions of this Article 7 at a meeting of Warranholders shall be binding upon all the Warranholders, whether present at or absent from such meeting, and every instrument in writing signed by Warranholders in accordance with section 7.14 shall be binding upon all the Warranholders, whether signatories thereto or not, and each and every Warranholder and the Trustee (subject to



the provisions for indemnity herein contained) shall be bound to give effect accordingly to every such resolution and instrument in writing.

#### 7.16 HOLDINGS BY CORPORATION OR SUBSIDIARIES OF CORPORATION DISREGARDED

In determining whether Warrantholders holding Warrant Certificates evidencing the entitlement to acquire the required number of Common Shares are present at a meeting of Warrantholders for the purpose of determining a quorum or have concurred in any consent, waiver, extraordinary resolution, Warrantholders' Request or other action under this Indenture, Purchase Warrants owned legally or beneficially by the Corporation or any Subsidiary of the Corporation shall be disregarded in accordance with the provisions of section 10.9.

### **ARTICLE 8 SUPPLEMENTAL INDENTURES**

#### 8.1 PROVISION FOR SUPPLEMENTAL INDENTURES FOR CERTAIN PURPOSES

From time to time the Corporation (when authorized by action of the directors and with the prior approval of the TSX) and the Trustee may, subject to the provisions hereof, and they shall, when so directed in accordance with the provisions hereof, execute and deliver by their proper officers, indentures or instruments supplemental hereto, which thereafter shall form part hereof, for any one or more or all of the following purposes:

- a. setting forth any adjustments resulting from the application of the provisions of Article 4;
- b. adding to the provisions hereof such additional covenants and enforcement provisions as, in the opinion of Counsel, are necessary or advisable in the premises, provided that the same are not in the opinion of the Trustee, relying on counsel, prejudicial to the interests of the Warrantholders;
- c. giving effect to any extraordinary resolution passed as provided in Article 7;
- d. making such provisions not inconsistent with this Indenture as may be necessary or desirable with respect to matters or questions arising hereunder or for the purpose of obtaining a listing or quotation of the Purchase Warrants on any stock exchange, provided that such provisions are not, in the opinion of the Trustee, relying on counsel, prejudicial to the interests of the Warrantholders;
- e. adding to or altering the provisions hereof in respect of the transfer of Purchase Warrants, making provision for the exchange of Warrant Certificates, and making any modification in the form of the Warrant Certificates which does not affect the substance thereof;
- f. modifying any of the provisions of this Indenture, including relieving the Corporation from any of the obligations, conditions or restrictions herein contained, provided that such modification or relief shall be or become operative or effective only if, in the

opinion of the Trustee, relying on counsel, such modification or relief in no way prejudices any of the rights of the Warranholders or of the Trustee, and provided further that the Trustee may in its sole discretion decline to enter into any such supplemental indenture which in its opinion may not afford adequate protection to the Trustee when the same shall become operative; and

g. for any other purpose not inconsistent with the terms of this Indenture, including the correction or rectification of any ambiguities, defective or inconsistent provisions, errors, mistakes or omissions herein, provided that in the opinion of the Trustee the rights of the Trustee, acting on the advice of counsel, and of the Warranholders are in no way prejudiced thereby.

## 8.2 SUCCESSOR CORPORATIONS

In the case of the consolidation, amalgamation, merger or transfer of all or substantially all of the undertaking or assets of the Corporation to another corporation ("Successor Corporation"), the Successor Corporation resulting from such consolidation, amalgamation, merger or transfer (if not the Corporation) shall expressly assume, by supplemental indenture satisfactory in form to the Trustee and executed and delivered to the Trustee, the due and punctual performance and observance of each and every covenant and condition of this Indenture to be performed and observed by the Corporation.

## **ARTICLE 9 CONCERNING THE TRUSTEE**

### 9.1 TRUST INDENTURE LEGISLATION

a. If and to the extent that any provision of this Indenture limits, qualifies or conflicts with a mandatory requirement of Applicable Legislation, such mandatory requirement shall prevail.

b. The Corporation and the Trustee agree that each will, at all times in relation to this Indenture and any action to be taken hereunder, observe and comply with and be entitled to the benefits of Applicable Legislation.

### 9.2 RIGHTS AND DUTIES OF TRUSTEE

a. In the exercise of the rights and duties prescribed or conferred by the terms of this Indenture, the Trustee shall exercise that degree of care, diligence and skill that a reasonably prudent trustee would exercise in comparable circumstances. No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own wilful misconduct or bad faith.

b. The obligation of the Trustee to commence or continue any act, action or proceeding for the purpose of enforcing any rights of the Trustee or the Warranholders hereunder shall

be conditional upon the Warrantholders furnishing, when required by notice by the Trustee, sufficient funds to commence or to continue such act, action or proceeding and an indemnity reasonably satisfactory to the Trustee to protect and to hold harmless the Trustee against the costs, charges and expenses and liabilities to be incurred thereby and any loss and damage it may suffer by reason thereof. None of the provisions contained in this Indenture shall require the Trustee to expend or to risk its own funds or otherwise to incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers unless indemnified as aforesaid.

c. The Trustee may, before commencing or at any time during the continuance of any such act, action or proceeding, require the Warrantholders, at whose instance it is acting, to deposit with the Trustee the Warrant Certificates held by them, for which Warrant Certificates the Trustee shall issue receipts.

d. Every provision of this Indenture that by its terms relieves the Trustee of liability or entitles it to rely upon any evidence submitted to it, is subject to the provisions of Applicable Legislation, this section and of section 9.3.

e. The Trustee shall not be bound to give any notice or do or take any act, action or proceeding by virtue of the powers conferred on it hereby unless and until it shall have been required so to do under the terms hereof; nor shall the Trustee be required to take notice of any default hereunder, unless and until notified in writing of such default, which notice shall distinctly specify the default desired to be brought to the attention of the Trustee and in the absence of any such notice the Trustee may for all purposes of this Indenture conclusively assume that no default has been made in the observance or performance of any of the representations, warranties, covenants, agreements or conditions contained herein. Any such notice shall in no way limit any discretion herein given to the Trustee to determine whether or not the Trustee shall take action with respect to any default.

### 9.3 EVIDENCE, EXPERTS AND ADVISERS

a. In addition to the reports, certificates, opinions and other evidence required by this Indenture, the Corporation shall furnish to the Trustee such additional evidence of compliance with any provision hereof, and in such form, as may be prescribed by Applicable Legislation or as the Trustee may reasonably require by written notice to the Corporation.

b. In the exercise of its rights and duties hereunder, the Trustee may, if it is acting in good faith, rely as to the truth of the statements and the accuracy of the opinions expressed in statutory declarations, opinions, reports, written requests, consents, or orders of the Corporation, certificates of the Corporation or other evidence furnished to the Trustee pursuant to any provision hereof or of Applicable Legislation or pursuant to a request of the Trustee, provided that such evidence complies with Applicable Legislation and that the Trustee complies with Applicable Legislation and that the Trustee examines such

evidence and determines that such evidence complies with the applicable requirements of this Indenture.

c. Whenever it is provided in this Indenture or under Applicable Legislation that the Corporation shall deposit with the Trustee resolutions, certificates, reports, opinions, requests, orders or other documents, it is intended that the trust, accuracy and good faith on the effective date thereof and the facts and opinions stated in all such documents so deposited shall, in each and every such case, be conditions precedent to the right of the Corporation to have the Trustee take the action to be based thereon.

d. Proof of the execution of an instrument in writing, including a Warranholders' Request, by any Warranholder may be made by the certificate of a notary public, or other officer with similar powers, that the person signing such instrument acknowledged to him the execution thereof, or by an affidavit of a witness to such execution or in any other manner which the Trustee may consider adequate.

e. The Trustee may employ or retain such Counsel, accountants, appraisers or other experts or advisers as it may reasonably require for the purpose of discharging its duties hereunder and may pay reasonable remuneration for all services so performed by any of them, and shall not be responsible for any misconduct or negligence on the part of any such experts or advisers who have been appointed with due care by the Trustee.

f. The Trustee may act and rely and shall be protected in acting and relying upon any resolution, certificate, statement, instrument, opinion, report, notice, consent, order, letter, telegram, cablegram or other paper document believed by it to be genuine and to have been signed, sent, or presented by or on behalf of the proper party or parties.

#### 9.4 DOCUMENTS, MONIES, ETC. HELD BY TRUSTEE

Any monies, securities, documents of title or other instruments that may at any time be held by the Trustee subject to the trusts hereof may be placed in the deposit vaults of the Trustee, or an Affiliate of the Trustee, or of any Canadian chartered bank or deposited for safekeeping with any such bank. Unless herein otherwise expressly provided, any monies held pending the application or withdrawal thereof under any provisions of this Indenture may be deposited in the name of the Trustee in the deposit department of the Trustee or in any Canadian chartered bank at the rate of interest (if any) then current on similar deposits or, with the consent or at the written direction of the Corporation, may be: (i) deposited in the deposit department of the Trustee or its Affiliates or any other trust company authorized to accept deposits under the laws of Canada or a province thereof; or (ii) invested in securities issued or guaranteed by the Government of Canada or a province thereof or of any Canadian chartered bank or trust company, provided that the securities shall not have a maturity date of more than 60 days from the date of investment. Unless the Corporation shall be in default hereunder or unless otherwise specifically provided herein, all interest or other income received by the Trustee or its Affiliates in respect of such deposits and investments shall belong to the Corporation.

For the purposes of this section 9.4, "Affiliate" means affiliated companies within the meaning of the Canada Business Corporations Act ("CBCA"); and includes Canadian Imperial Bank of Commerce, CIBC Mellon Global Securities Company and Mellon Bank, N.A. and each of their affiliates within the meaning of the CBCA.

The Trustee and its Affiliates shall not be liable to account for any profit to the Corporation or any other person or entirety other than at a rate, if any, established from time to time by the Trustee or its Affiliates.

#### 9.5 ACTIONS BY TRUSTEE TO PROTECT INTEREST

The Trustee shall have power to institute and to maintain such actions and proceedings as it may consider necessary or expedient to preserve, protect or enforce its interests and the interests of the Warrantholders.

#### 9.6 TRUSTEE NOT REQUIRED TO GIVE SECURITY

The Trustee shall not be required to give any bond or security in respect of the execution of the trusts and powers of this Indenture or otherwise in respect of the premises.

#### 9.7 PROTECTION OF TRUSTEE

By way of supplement to the provisions of any law for the time being relating to trustees it is expressly declared and agreed as follows:

- a. the Trustee shall not be liable for or by reason of any statements of fact or recitals in this Indenture or in the Warrant Certificates (except the representations contained in section 9.9 and in the certificate of the Trustee on the Warrant Certificates) or be required to verify the same, but all such statements or recitals are and shall be deemed to be made by the Corporation;
- b. nothing herein contained shall impose any obligation on the Trustee to see to or to require evidence of the registration or filing (or renewal thereof) of this Indenture or any instrument ancillary or supplemental hereto;
- c. the Trustee shall not be bound to give notice to any person or persons of the execution hereof; and
- d. the Trustee shall not have any liability or responsibility whatever or be in any way responsible for the consequence of any breach on the part of the Corporation of any of the covenants herein contained or of any acts of any directors, officers, employees, agents or servants of the Corporation.

## 9.8 REPLACEMENT OF TRUSTEE; SUCCESSOR BY MERGER

a. The Trustee may resign its trust and be discharged from all further duties and liabilities hereunder, subject to this section 9.8, by giving to the Corporation not less than 90 days' prior notice in writing or such shorter prior notice as the Corporation may accept as sufficient. The Warrantholders by extraordinary resolution shall have power at any time to remove the existing Trustee and to appoint a new Trustee. In the event of the Trustee resigning or being removed as aforesaid or being dissolved, becoming bankrupt, going into liquidation or otherwise becoming incapable of acting hereunder, the Corporation shall forthwith appoint a new trustee unless a new trustee has already been appointed by the Warrantholders; failing such appointment by the Corporation, the retiring Trustee at the expense of the Corporation or any Warranholder may apply to a justice of the Court of Queen's Bench of the Province of Alberta on such notice as such justice may direct, for the appointment of a new trustee; but any new trustee so appointed by the Corporation or by the Court shall be subject to removal as aforesaid by the Warrantholders. Any new trustee appointed under any provision of this section 9.8 shall be a corporation authorized to carry on the business of a trust company in the Province of Alberta and, if required by the Applicable Legislation for any other provinces, in such other provinces. On any such appointment the new trustee shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named herein as Trustee hereunder.

b. Upon the appointment of a successor trustee, the Corporation shall promptly notify the Warrantholders thereof in the manner provided for in section 10.2 hereof.

c. Any corporation into or with which the Trustee may be merged or consolidated or amalgamated, or any corporation resulting therefrom to which the Trustee shall be a party, or any corporation succeeding to the trust business of the Trustee shall be the successor to the Trustee hereunder without any further act on its part or any of the parties hereto, provided that such corporation would be eligible for appointment as a successor trustee under subsection 9.8(a).

d. Any Warrant Certificates certified but not delivered by a predecessor trustee may be certified by the successor trustee in the name of the predecessor or successor trustee.

## 9.9 CONFLICT OF INTEREST

a. The Trustee represents to the Corporation that at the time of execution and delivery hereof no material conflict of interest exists between its role as a trustee hereunder and its role in any other capacity and agrees that in the event of a material conflict of interest arising hereafter it will, within 90 days after ascertaining that it has such material conflict of interest, either eliminate the same or assign its trust hereunder to a successor trustee approved by the Corporation and meeting the requirements set forth in subsection 9.8(a). Notwithstanding the foregoing provisions of this subsection 9.9(a), if any such material conflict of interest exists or hereafter shall exist, the validity and enforceability of this Indenture and the Warrant Certificate shall not be affected in any manner whatsoever by reason thereof.

b. Subject to subsection 9.9(a), the Trustee, in its personal or any other capacity, may buy, lend upon and deal in securities of the Corporation and generally may contract and enter into financial transactions with the Corporation or any Subsidiary of the Corporation without being liable to account for any profit made thereby.

#### 9.10 INDEMNITY OF TRUSTEE

The Corporation indemnifies and saves harmless the Trustee and its officers, directors, employees and agents from and against any and all liabilities, losses, costs, claims, actions or demands whatsoever brought against the Trustee which it may suffer or incur as a result of or arising out of the performance of its duties and obligations under this Indenture, including any and all legal fees and disbursements of whatever kind or nature, save only in the event of the negligent action, the negligent failure to act, or the wilful misconduct or bad faith of the Trustee. It is understood and agreed that this indemnification shall survive the termination or discharge of this Indenture or the resignation of the Trustee.

#### 9.11 ACCEPTANCE OF TRUST

This Indenture is entered into with the Trustee for the benefit of, and the Trustee declares that it holds this Indenture and all rights, interests and benefits of this Indenture for, such persons, firms and corporations, and each of them, who are from time to time Warrantholders. The Trustee hereby accepts the trusts in this Indenture declared and provided for and agrees to perform the same upon the terms and conditions herein set forth.

#### 9.12 TRUSTEE NOT TO BE APPOINTED RECEIVER

The Trustee and any person related to the Trustee shall not be appointed a receiver, a receiver and manager or liquidator of all or any part of the assets or undertaking of the Corporation.

#### 9.13 PURCHASE WARRANT REGISTER

The Trustee shall, at all times while any Purchase Warrants are outstanding, maintain, at its principal office in Vancouver, British Columbia, a Warrant Register in which shall be recorded the following information:

- (1) the numbers of all outstanding Warrant Certificates, including the date of issuance;
- (2) the numbers of all Warrant Certificates exchanged or exercised, including the date of exchange or exercise;
- (3) the names and addresses of all Warrantholders;
- (4) the particulars of all transfers of Purchase Warrants; and

(5) such other information as the Trustee, in its discretion, deems necessary or advisable.

#### 9.14 REGISTER OPEN FOR INSPECTION

The Warrant Register shall be open at all reasonable times on a Business Day during business hours for inspection by the Corporation, the Trustee or any Warrantholder. The Trustee shall, from time to time when requested to do so by the Corporation in writing, furnish the Corporation with a list of names and addresses of holders of Purchase Warrants entered in the Register kept by the Trustee.

#### 9.15 TRUSTEE NOT REQUIRED TO GIVE NOTICE OF DEFAULT

The Trustee shall not be bound to give any notice or do or take any act, action or proceeding by virtue of the powers conferred on it hereby unless and until it shall have been required so to do under the terms hereof; nor shall the Trustee be required to take notice of any default hereunder, unless and until notified in writing of such default, which notice shall distinctly specify the default desired to be brought to the attention of the Trustee and in the absence of any such notice the Trustee may for all purposes of this Indenture conclusively assume that no default has been made in the observance or performance of any of the representations, warranties, covenants, agreements or conditions contained herein. Any such notice shall in no way limited any discretion herein given to the Trustee to determine whether or not the Trustee shall take action with respect to any default.

#### ARTICLE 10 GENERAL

##### 10.1 NOTICE TO THE CORPORATION AND THE TRUSTEE

- a. Unless herein otherwise expressly provided, any notice to be given hereunder to the Corporation or the Trustee shall be deemed to be validly given if delivered or if sent by registered letter, postage prepaid or telecopied:

If to the Corporation:

Golden Star Resources Ltd.  
10579 Bradford Road, Suite 103  
Littleton, Colorado 80127-4247 U.S.A.  
Attention: Peter J.L. Bradford, President  
Facsimile No.: (303) 830-9094



with a copy to:

Field Atkinson Perraton LLP  
Suite 1900, 350 - 7th Avenue SW  
Calgary Alberta T2P 3N9  
Attention: Bonnie L. Kuhn  
Facsimile No.: (403) 264-7084

If to the Trustee:

CIBC Mellon Trust Company  
1600, 1066 West Hastings Street  
Vancouver, British Columbia V6E 3X1  
Attention: Manager, Corporate Trust Department  
Facsimile No.: (604) 688-4301

and any such notice delivered in accordance with the foregoing shall be deemed to have been received on the date of delivery or, if mailed, on the fifth Business Day following the date of the postmark on such notice or, if sent by telecopy, on the next Business Day following the date of transmission, provided that its contents are transmitted and received completely and accurately.

- b. The Corporation or the Trustee, as the case may be, may notify the other in the manner provided in subsection 10.1(a) of a change of address which, from the effective date of such notice and until changed by like notice, shall be the address of the Corporation or the Trustee, as the case may be, for all purposes of this Indenture.
- c. If, by reason of a strike, lockout or other work stoppage, actual or threatened, involving postal employees, any notice to be given to the Trustee or to the Corporation hereunder could reasonably be considered unlikely to reach its destination, such notice shall be valid and effective only if it is delivered to the named officer of the party to which it is addressed or, if it is delivered to such party at the appropriate address provided in subsection 10.1(a), by cable, telegram, telecopy or other means of prepaid, transmitted and recorded communication.

10.2 NOTICE TO WARRANTHOLDERS

- a. Any notice to the Warrantholders under the provisions of this Indenture shall be valid and effective if sent by telecopier or through the ordinary post addressed to such holders at their postal addresses appearing on the register hereinbefore mentioned and shall be deemed to have been effectively given on the date of delivery or, if mailed, five Business Days following actual posting of the notice or, if sent by telecopy, on the next Business Day following the date of transmission, provided that its contents are transmitted and received completely and accurately. Accidental error or omission in giving notice or accidental failure to mail notice to any holder will not invalidate any action or proceeding founded thereon.

b. If, by reason of a strike, lockout or other work stoppage, actual or threatened, involving postal employees, any notice to be given to the Warrantholders hereunder could reasonably be considered unlikely to reach its destination, such notice shall be valid and effective only if it is delivered personally to such Warrantholders or if delivered to the address for such Warrantholders contained in the register of Purchase Warrants maintained by the Trustee, by telecopy or other means of prepaid transmitted and recorded communication.

c. All notices may be given to whichever one of the Warrantholders (if more than one) is named first in the appropriate register hereinbefore mentioned, and any notice so given shall be sufficient notice to all Warrantholders of any and any other persons (if any) interested in such Warrants.

### 10.3 OWNERSHIP AND TRANSFER OF PURCHASE WARRANTS

A Warrantholder shall be entitled to the rights evidenced by its Warrant Certificate free from all equities or rights of set off or counterclaim between the Corporation and the original or any intermediate holder of the Purchase Warrants and all persons may act accordingly and the receipt of any such Warrantholder for the Common Shares which may be acquired pursuant thereto shall be a good discharge to the Corporation and the Trustee for the same and neither the Corporation nor the Trustee shall be bound to inquire into the title of any such holder except where the Corporation or the Trustee is required to take notice by statute or by order of a court of competent jurisdiction.

#### 10.4 EVIDENCE OF OWNERSHIP

- a. Upon receipt of a certificate of any bank, trust company or other depositary satisfactory to the Trustee stating that the Purchase Warrants specified therein have been deposited by a named person with such bank, trust company or other depositary and will remain so deposited until the expiry of the period specified therein, the Corporation and the Trustee may treat the person so named as the owner, and such certificate as sufficient evidence of the ownership by such person of such Purchase Warrant during such period, for the purpose of any requisition, direction, consent, instrument or other document to be made, signed or given by the holder of the Purchase Warrant so deposited.
- b. The Corporation and the Trustee may accept as sufficient evidence of the fact and date of the signing of any requisition, direction, consent, instrument or other document by any person: (i) the signature of any officer of any bank, trust company, or other depositary satisfactory to the Trustee as witness of such execution, (ii) the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded at the place where such certificate is made that the person signing acknowledged to him the execution thereof, or (iii) a satisfactory declaration of a witness of such execution.

## 10.5 COUNTERPARTS

This Indenture may be executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument and notwithstanding their date of execution they shall be deemed to be dated as of the date hereof.

## 10.6 SATISFACTION AND DISCHARGE OF INDENTURE

Upon the earlier of:

a. the date by which there shall have been delivered to the Trustee for exercise or destruction all Warrant Certificates theretofore certified hereunder; or

b. the Time of Expiry;

and if all certificates representing Common Shares required to be issued in compliance with the provisions hereof have been issued and delivered hereunder and if all payments required to be made pursuant to Article 3 have been made in accordance therewith, this Indenture shall cease to be of further effect. Notwithstanding the foregoing, the indemnities provided to the Trustee by the Corporation hereunder shall remain in full force and effect and survive the termination of this Indenture.

## 10.7 SUCCESSORS

All the covenants and provisions of this Indenture by or for the benefit of the Corporation or the Trustee shall bind and enure to the benefit of their respective successors and assigns hereunder.

## 10.8 SOLE BENEFIT OF PARTIES AND WARRANTHOLDERS

Nothing in this Indenture or in the Warrant Certificates, expressed or implied, shall give or be construed to give to any person other than the parties hereto and the Warrantholders, as the case may be, any legal or equitable right, remedy or claim under this Indenture, or under any covenant or provision herein or therein contained, all such covenants and provisions being for the sole benefit of the parties hereto and the Warrantholders.

## 10.9 COMMON SHARES OR PURCHASE WARRANTS OWNED BY THE CORPORATION OR ITS SUBSIDIARIES - CERTIFICATE TO BE PROVIDED

For the purpose of disregarding any Purchase Warrants owned legally or beneficially by the Corporation or any Subsidiary of the Corporation in section 7.16, the Corporation shall provide to the Trustee, from time to time, a certificate of the Corporation setting forth as at the date of such certificate:

a. the names (other than the name of the Corporation) of the registered holders of Purchase Warrants which, to the knowledge of the Corporation, are owned by or held for the account of the Corporation or any Subsidiary of the Corporation; and

b. the number of Purchase Warrants owned legally or beneficially by the Corporation or any Subsidiary of the Corporation;

and the Trustee, in making the computations in section 7.16, shall be entitled to rely on such certificate without any additional evidence.

IN WITNESS WHEREOF the parties hereto have executed this Indenture under their respective corporate seals and the hands of their proper officers in that behalf.

**GOLDEN STAR RESOURCES LTD.**

*Per: /s/ ALLAN J. MARTER*

-----  
*ALLAN J. MARTER, SENIOR VICE PRESIDENT  
AND CHIEF FINANCIAL OFFICER*

**CIBC MELLON TRUST COMPANY**

*Per: /s/ LESLIE MACFARLANE*

-----  
*LESLIE MACFARLANE*

*Per: /s/ VAN BOT*

-----  
*VAN BOT*

**THIS IS SCHEDULE "A" TO THE WARRANT INDENTURE MADE AS OF FEBRUARY 14, 2003 BETWEEN GOLDEN STAR RESOURCES LTD. AND CIBC MELLON TRUST COMPANY AS TRUSTEE.**

**CUSIP NO.**

THE PURCHASE WARRANTS REPRESENTED BY THIS CERTIFICATE WILL BE VOID AND OF NO VALUE UNLESS EXERCISED AT OR BEFORE 4:30 P.M. (VANCOUVER TIME), ON FEBRUARY 14, 2007.

**WARRANT CERTIFICATE**

**GOLDEN STAR RESOURCES LTD.**

(A corporation amalgamated under the laws of Canada)

WARRANT CERTIFICATE NO. \_\_\_\_\_ PURCHASE WARRANTS entitling the holder to acquire, subject to adjustment, one Common Share for each such Purchase Warrant.

THIS IS TO CERTIFY THAT \_\_\_\_\_ (hereinafter referred to as the "holder") is the registered holder of the number of Purchase Warrants to acquire Common Shares, as hereinafter defined, of Golden Star Resources Ltd. (the "Corporation") as set forth in this Warrant certificate ("Warrant Certificate"). One Purchase Warrant represented hereby plus \$4.60 entitles the holder thereof to acquire, one fully paid and non-assessable common share ("Common Share") of the Corporation, without nominal or par value, in the manner and subject to the restrictions and adjustments set forth herein, at any time and from time to time until 4:30 p.m. (Vancouver time) (the "Time of Expiry") on February 14, 2007 (the "Expiry Date").

The right to acquire Common Shares hereunder may only be exercised by the holder within the time set forth above by:

- a. duly completing and executing the Exercise Form found on the back hereof;
- b. surrendering this Warrant Certificate to CIBC Mellon Trust Company (the "Trustee") at the principal office of the Trustee in the City of Vancouver at 1600, 1066 West Hastings Street, Vancouver, British Columbia V6E 3X1; and
- c. remitting wire transfer, certified cheque, bank draft or money order in lawful money of Canada, payable to or to the order of the Corporation at par where this Warrant Certificate is so surrendered, for the aggregate purchase price of the Common Shares so subscribed for.

These Purchase Warrants shall be deemed to be surrendered only upon personal delivery hereof or, if sent by mail or other means of transmission, upon actual receipt thereof by the Trustee at the office referred to above.

Upon surrender of these Purchase Warrants, the person or persons in whose name or names the Common Shares issuable upon exercise of the Purchase Warrants are to be issued shall be deemed for all purposes (except as provided in the Indenture hereinafter referred to) to be the holder or holders of record of such Common Shares and the Corporation has covenanted that it will (subject to the provisions of the Indenture) cause a certificate or certificates representing such Common Shares to be delivered or mailed to the person or persons at the address or addresses specified in the Exercise Form within five Business Days.

The registered holder of this Warrant Certificate may acquire any lesser number of Common Shares than the total number of Common Shares which may be acquired for the Purchase Warrants represented by this Warrant Certificate. In such event, the holder shall be entitled to receive a new certificate for the balance of the Common Shares which may be acquired. No fractional Common Shares will be issued. The holder hereby expressly waives the right to receive any fractional Common Shares upon the exercise hereof in full or in part and further waives the right to receive any cash or other consideration in lieu thereof.

The Purchase Warrants represented by this certificate are issued under and pursuant to a Warrant Indenture (herein referred to as the "Indenture") made as of February 14, 2003 between the Corporation and the Trustee. Reference is made to the Indenture and any instruments supplemental thereto for a full description of the rights of the holders of the Purchase Warrants and the terms and conditions upon which the Purchase Warrants are, or are to be, issued and held, with the same effect as if the provisions of the Indenture and all instruments supplemental thereto were set forth herein. By acceptance hereof, the holder assents to all provisions of the Indenture. In the event of a conflict between the provisions of the Warrant Certificate and the Indenture, the provisions of the Indenture shall govern. A copy of the Indenture is available for inspection at the principal office of the Trustee. Capitalized terms used in the Indenture have the meaning herein as therein, unless otherwise defined.

In the event of any alteration of the Common Shares, including any subdivision, consolidation or reclassification, and in the event of any form of reorganization of the Corporation including any amalgamation, merger or arrangement, the holders of Purchase Warrants shall, upon exercise of the Purchase Warrants following the occurrence of any of those events, be entitled to receive the same number and kind of securities that they would have been entitled to receive had they exercised their Purchase Warrants immediately prior to the occurrence of those events.

The registered holder of this Warrant Certificate may, at any time prior to the Expiry Date, upon surrender hereof to the Trustee at its principal offices in the City of Vancouver, exchange this Warrant Certificate for other certificates entitling the holder to acquire, in the aggregate, the same number of Common Shares as may be acquired under this Warrant Certificate.

The holding of the Purchase Warrants evidenced by this Warrant Certificate shall not constitute the holder hereof a shareholder of the Corporation or entitle the holder to any right or interest in respect thereof except as expressly provided in the Indenture or in this Warrant Certificate.

The Indenture provides that all holders of Purchase Warrants shall be bound by any resolution passed at a meeting of the holders held in accordance with the provisions of the Indenture and resolutions signed by the holders of Purchase Warrants entitled to acquire a specified majority of the Common Shares which may be acquired pursuant to all then outstanding Purchase Warrants.

The Purchase Warrants evidenced by this Warrant Certificate may be transferred on the register kept at the principal office of the Trustee in Vancouver, British Columbia by the registered holder hereof or its legal representatives or its attorney duly appointed by an instrument in writing in form and execution satisfactory to the Trustee, only upon compliance with the conditions prescribed in the Indenture and upon compliance with such reasonable requirements as the Trustee may prescribe.

This Warrant Certificate shall not be valid for any purpose whatever unless and until it has been certified by or on behalf of the Trustee.

Time shall be of the essence hereof. This Warrant Certificate shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein and shall be treated in all respects as a British Columbia contract.

IN WITNESS WHEREOF the Corporation has caused this Warrant Certificate to be signed by its duly authorized officer as of

\_\_\_\_\_.

**GOLDEN STAR RESOURCES LTD.**

**Per:**

**Certified by:**

**CIBC MELLON TRUST COMPANY  
Trustee**

**By:**

**TRANSFER OF PURCHASE WARRANTS**

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers to \_\_\_\_\_, \_\_\_\_\_ Purchase Warrants of Golden Star Resources Ltd. registered in the name of the undersigned on the records of CIBC Mellon Trust Company represented by the Warrant Certificate attached and irrevocably appoints \_\_\_\_\_ the attorney of the undersigned to transfer the said securities on the books or register with full power of substitution.

If less than all the Purchase Warrants represented by this Warrant Certificate are being transferred, the Warrant Certificate representing those Purchase Warrants not transferred will be registered in the name appearing on the face of this Warrant Certificate and such certificates (please check one):

(a) \_\_\_\_\_ should be sent by first class mail to the following address:

\_\_\_\_\_  
\_\_\_\_\_

(b) \_\_\_\_\_ should be held for pick up at the office of the Trustee at which this Warrant Certificate is deposited.

DATED the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
**Signature Guaranteed (Signature of Warrantholder)**

**Instructions:**

1. Signature of the Warrantholder must be the signature of the person appearing on the face of this Warrant Certificate.
2. If the Transfer Form is signed by a trustee, executor, administrator, curator, guardian, attorney, trustee in bankruptcy, liquidator, officer of a corporation or any person acting in a judiciary or representative capacity, the certificate must be accompanied by evidence of authority to sign satisfactory to the Trustee and the Corporation.
3. The signature on the Transfer Form must be guaranteed by an authorized officer of an Eligible Institution, as defined below.



4. The signature(s) must be guaranteed by an "Eligible Institution", which means a Canadian Schedule I chartered bank, a major trust company in Canada, a member of the Securities Transfer Association Medallion Program (STAMP), a member of the Stock Exchange Medallion Program (SEMP) or a member of the New York Stock Exchange Inc. Medallion Signature Program (MSP). Members of these programs are usually members of a recognized stock exchange in Canada or the United States, members of the Investment Dealers Association or the National Association of Securities Dealers and include many banks and trust companies in the United States. The Guarantor must affix a stamp bearing the actual words "Signature Guaranteed".

Please note - signature guarantees are not accepted from treasury branches or credit unions unless they are members of STAMP.

**OFFICE OF THE TRUSTEE**

CIBC Mellon Trust Company  
1600, 1066 West Hastings Street  
Vancouver, British Columbia V6E 3X1

**EXERCISE FORM**

TO: Golden Star Resources Ltd. and  
CIBC Mellon Trust Company

(a) The undersigned hereby irrevocably exercises the right to acquire \_\_\_\_\_ Common Shares of Golden Star Resources Ltd. (or such number of other securities or property to which such Purchase Warrants entitle the undersigned in lieu thereof or in addition thereto under the provisions of the Indenture referred to in the accompanying Warrant Certificate) in accordance with and subject to the provisions of such Indenture. A wire transfer, certified cheque, bank draft or money order payable to Golden Star Resources Ltd. in payment of the Common Shares hereby subscribed for is enclosed.

(b) The Common Shares (or other securities or property) are to be issued as follows:

Name:

(print clearly)

Address in full:

---

**Number of Common Shares:**

Note: If further nominees intended, please attach (and initial) schedule giving these particulars.

Such securities (please check one):

(a) \_\_\_\_\_ should be sent by first class mail to the following address:

---

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OR

(b) \_\_\_\_\_ should be held for pick up at the office of the Trustee at which this Warrant Certificate is deposited.

If the number of Purchase Warrants exercised are less than the number of Purchase Warrants represented hereby, the undersigned requests that the new Warrant Certificate representing the balance of the Purchase Warrants be registered in the name of

---

whose address is

Such securities (please check one):

(a) \_\_\_\_\_ should be sent by first class mail to the following address:

\_\_\_\_\_  
\_\_\_\_\_

OR

(b) \_\_\_\_\_ should be held for pick up at the office of the Trustee at which this Warrant Certificate is deposited.

In the absence of instructions to the contrary, the securities or other property will be issued in the name of or to the holder hereof and will be sent by first class mail to the last address of the holder appearing on the register maintained for the Purchase Warrants.

DATED this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

-----  
Signature Guaranteed

-----  
(Signature of Warrantholder)

-----  
Print full name

-----

Print full address

\_\_\_\_\_

**Instructions:**

1. The registered holder may exercise its right to receive Common Shares by completing this form and surrendering this form and the Warrant Certificate representing the Purchase Warrants being exercised to CIBC Mellon Trust Company at its principal office at 1600, 1066 West Hastings Street, Vancouver, British Columbia V6E 3X1. Certificates for Common Shares will be delivered or mailed within five business days after the exercise of the Purchase Warrants.

2. If the Exercise Form indicates that Common Shares are to be issued to a person or persons other than the registered holder of the Certificate, the signature of such holder of the Exercise Form must be guaranteed by an authorized officer of an Eligible Institution, as defined below.

3. If the Exercise Form is signed by a trustee, executor, administrator, curator, guardian, attorney, trustee in bankruptcy, liquidator, officer of a corporation or any person acting in a fiduciary or representative capacity, the certificate must be accompanied by evidence of authority to sign satisfactory to the Trustee and the Corporation.

4. The signature(s) must be guaranteed by an "Eligible Institution", which means a Canadian Schedule I chartered bank, a major trust company in Canada, a member of the Securities Transfer Association Medallion Program (STAMP), a member of the Stock Exchange Medallion Program (SEMP) or a member of the New York Stock Exchange Inc. Medallion Signature Program (MSP). Members of these programs are usually members of a recognized stock exchange in Canada or the United States, members of the Investment Dealers Association or the National Association of Securities Dealers and include many banks and trust companies in the United States. The Guarantor must affix a stamp bearing the actual words "Signature Guaranteed".

Please note - signature guarantees are not accepted from treasury branches or credit unions unless they are members of STAMP.

**OFFICE OF THE TRUSTEE**

CIBC Mellon Trust Company  
1600, 1066 West Hastings Street  
Vancouver, British Columbia V6E 3X1

**COMPENSATION WARRANTS  
TO PURCHASE SHARES OF**

**GOLDEN STAR RESOURCES LTD.**

(amalgamated under the laws of Canada)

THIS CERTIFIES that, for value received, \_\_\_\_\_ (the "UNDERWRITER") is the registered holder of \_\_\_\_\_ compensation warrants (the "COMPENSATION WARRANTS") and each Compensation Warrant will entitle the Underwriter, subject to the terms and conditions set forth in this certificate or by a replacement certificate (in either case, this "COMPENSATION WARRANT CERTIFICATE"), to acquire from Golden Star Resources Ltd. (the "CORPORATION") one fully paid and non-assessable common share of the Corporation (a "SHARE") at any time commencing on February 14, 2003 (the "RELEASE DATE") and continuing up to 5:00 p.m. (Toronto time) on May 14, 2004 (the "TIME OF EXPIRY") on payment of Cdn\$3.00 per Share (the "EXERCISE PRICE"). The number of Shares that the Underwriter is entitled to acquire upon exercise of the Compensation Warrants and the payment of the Exercise Price are subject to adjustment as hereinafter provided.

**1. EXERCISE OF COMPENSATION WARRANTS.**

(1) Election to Purchase. The rights evidenced by this Compensation Warrant Certificate may be exercised by the Underwriter in whole or in part at any time commencing on the Release Date and continuing up to the Time of Expiry and in accordance with the provisions hereof by delivery of an election (the "ELECTION TO EXERCISE") in substantially the form attached hereto as Exhibit "1", properly completed and executed, together with payment of the Exercise Price for the number of Shares specified in the Election to Exercise at the office of the Corporation at 10579 Bradford Road, Suite 103, Littleton, Colorado, USA, 80127-4247 or such other address as may be notified in writing by the Corporation. In the event that the rights evidenced by this Compensation Warrant Certificate are exercised in part, the Corporation will, contemporaneously with the issuance of the Shares issuable on the exercise of the Compensation Warrants so exercised, issue to the Underwriter a Compensation Warrant Certificate on identical terms in respect of that number of Shares in respect of which the Underwriter has not exercised the rights evidenced by this Compensation Warrant Certificate. The Underwriter acknowledges that all applicable prospectus delivery requirements will be complied with respect to the sale of the Shares received by exercise of the Compensation Warrants.

(2) Exercise. The Corporation will, on the date it receives a duly executed Election to Exercise and the Exercise Price for the number of Shares specified in the Election to Exercise (the "EXERCISE DATE"), issue that number of Shares specified in the Election to Exercise, subject to adjustment hereunder.

(3) Certificate. As promptly as practicable after the Exercise Date and, in any event, within three (3) business days of receipt of the Election to Exercise, the Corporation will issue and deliver to the Underwriter, registered in such name or names as the Underwriter may direct or if no such direction has been given, in the name of the Underwriter, a certificate or certificates for the number of Shares specified in the Election to Exercise. To the extent permitted by law, such exercise will be deemed to have been effected as of the close of business on the Exercise Date, and at such time the rights of the Underwriter with respect to the number of Compensation Warrants that have been exercised as such will cease, and the person or persons in whose name or names any certificate or certificates for Shares are then issuable upon such exercise will be deemed to have become the holder or holders of record of the Shares represented thereby. Such certificates shall not bear a legend with respect to the United States Securities Act of 1933, as amended (the "U.S. SECURITIES ACT").

(4) Fractional Shares. To the extent that the Underwriter is entitled to receive on the exercise or partial exercise thereof a fraction of a Share, such right may only be exercised in respect of such fraction in combination with another Compensation Warrant or other Compensation Warrants that in the aggregate entitle the Underwriter to receive a whole number of Shares. If the Underwriter is not able to, or elects not to, combine Compensation Warrants so as to be entitled to acquire a whole number of Shares, the Underwriter will not be entitled to any compensation or other right in lieu of fractional Shares.

## 2. ANTI-DILUTION PROTECTION.

(1) Definitions. For the purposes of this section 2, unless there is something in the subject matter or context inconsistent therewith, the words and terms defined below will have the respective meanings specified therefor in this subsection:

(a) "ADJUSTMENT PERIOD" means the period commencing on the date hereof and ending at the Time of Expiry;

(b) "CURRENT MARKET PRICE" of the Shares at any date means the price per share equal to the weighted average price at which the Shares

have traded on the Toronto Stock Exchange or, if the Shares are not then listed on the Toronto Stock Exchange, on such other Canadian stock exchange as may be selected by the directors of the Corporation for such purpose or, if the Shares are not then listed on any Canadian stock exchange, in the over-the-counter market, during the period of any twenty consecutive trading days ending not more than five business days before such date; provided that the weighted average price will be determined by dividing the aggregate sale price of all Shares sold on the said exchange or market, as the case may be, during the said twenty consecutive trading days by the total number of Shares so sold; and provided further that if the Shares are not then listed on any Canadian stock exchange or traded in the over-the-counter market, then the Current Market Price will be determined by such firm or independent chartered accountants as may be selected by the directors of the Corporation;

(c) "DIRECTOR" means a director of the Corporation for the time being and, unless otherwise specified herein, a reference to action "by the directors" means action by the directors of the Corporation as a board or, whenever empowered, action by the executive committee of such board; and

(d) "TRADING DAY" with respect to a stock exchange or over-the-counter market means a day on which such stock exchange or market is open for business.

(2) Adjustments. The Exercise Price and the number of Shares issuable to the Underwriter upon exercise of the Compensation Warrants are subject to adjustment from time to time in the events and in the manner provided as follows:

(a) If at any time during the Adjustment Period the Corporation shall:

(i) fix a record date for the issue of, or issue, Shares to the holders of all or substantially all of the outstanding Shares by way of a stock dividend;

(ii) fix a record date for the distribution to, or make a distribution to, the holders of all or substantially all of the Shares payable in Shares or rights, options, warrants or other securities exchangeable for or convertible into Shares;

(iii) subdivide the outstanding Shares into a greater number of Shares; or

(iv) consolidate the outstanding Shares into a lesser number of Shares;

(any of such events in subclauses (i), (ii), (iii)

and (iv) above being herein called a "COMMON SHARE REORGANIZATION"), the Exercise Price will be adjusted on the earlier of the record date on which holders of Shares are determined for the purposes of the Common Share Reorganization and the effective date of the Common Share Reorganization to the amount determined by multiplying the Exercise Price in effect immediately prior to such record date or effective date, as the case may be, by a fraction:

(A) the numerator of which will be the number of Shares outstanding on such record date or effective date before giving effect to such Common Share Reorganization; and

(B) the denominator of which will be the number of Shares that will be outstanding immediately after giving effect to such Common Share Reorganization (including in the case of a distribution of securities exchangeable for or convertible into Shares, the number of Shares that would be outstanding had such securities all been exchanged for or converted into Shares on such date).

To the extent that any adjustment in the Exercise Price occurs pursuant to this Section 2(2)(a) as a result of the fixing by the Corporation of a record date for the distribution of securities exchangeable for or convertible into Shares, the Exercise Price will be readjusted immediately after the expiry of any relevant exchange or conversion right to the Exercise Price that would then be in effect based upon the number of Shares actually issued and remaining issuable after such expiry and will be further readjusted in such manner upon the expiry of any further such right.

(b) If at any time during the Adjustment Period the Corporation fixes a record date for the issue or distribution to the holders of all or substantially all of the outstanding Shares of rights, options or warrants pursuant to which such holders are entitled, during a period expiring not more than 45 days after the record date for



such issue (such period being the "RIGHTS PERIOD"), to subscribe for or purchase Shares or securities exchangeable for or convertible into Shares at a price per share (or in the case of securities exchangeable for or convertible into Shares at an exchange or conversion price per share at the date of issue of such securities) of less than 95% of the Current Market Price of the Shares on such record date (any of such events being herein called a "RIGHTS OFFERING"), the Exercise Price will be adjusted effective immediately after the record date for the Rights Offering to the amount determined by multiplying the Exercise Price in effect on such record date by a fraction:

(i) the numerator of which will be the aggregate of

(A) the number of Shares outstanding on the record date for the Rights Offering; and

(B) the quotient determined by dividing

(I) either (a) the product of the number of Shares offered during the Rights Period pursuant to the Rights Offering and the price at which such Shares are offered, or, (b) the product of the exchange or conversion price of the securities so offered and the number of Shares for or into which the securities offered pursuant to the Rights Offering may be exchanged or converted, as the case may be, by

(II) the Current Market Price of the Shares as of the record date for the Rights Offering; and

(ii) the denominator of which will be the aggregate of the number of Shares outstanding on such record date and the number of Shares offered pursuant to the Rights Offering (including in the case of the issue or distribution of securities exchangeable for or convertible into Shares, the number of Shares for or into which such securities may be exchanged or converted).

If by the terms of the rights, options, or warrants referred to in this Section 2(2)(b), there is more than one purchase, conversion or exchange price per Share, the aggregate price of the total number of additional Shares offered for subscription or purchase, or the

aggregate conversion or exchange price of the convertible or exchangeable securities so offered, will be calculated for purposes of the adjustment on the basis of the lowest purchase, conversion or exchange price per Share, as the case may be. Any Shares owned by or held for the account of the Corporation will be deemed not to be outstanding for the purpose of any such calculation. To the extent that any adjustment in the Exercise Price occurs pursuant to this Section 2(2)(b) as a result of the fixing by the Corporation of a record date for the issue or distribution of rights, options or warrants referred to in this Section 2(2)(b), the Exercise Price will be readjusted immediately after the expiry of any relevant exchange, conversion or exercise right to the Exercise Price which would then be in effect based upon the number of Shares actually issued and remaining issuable after such expiry and will be further readjusted in such manner upon the expiry of any further such right.

(c) If at any time during the Adjustment Period the Corporation fixes a record date for the issue or distribution to the holders of all or substantially all of the Shares of:

(i) shares of the Corporation of any class other than Shares;

(ii) rights, options or warrants to acquire Shares or securities exchangeable for or convertible into Shares (other than a Rights Offering);

(iii) evidences of indebtedness of the Corporation; or

(iv) any property or assets of the Corporation;

and if such issue or distribution does not constitute a Common Share Reorganization or a Rights Offering (any of such non-excluded events being herein called a "SPECIAL DISTRIBUTION"), the Exercise Price will be adjusted effective immediately after the record date for the Special Distribution to the amount determined by multiplying the Exercise Price in effect on the record date for the Special Distribution by a fraction:

(A) the numerator of which will be the difference between

(I) the product of the number of Shares outstanding on such record date and the Current Market Price of the Shares on such record date, and

(II) the fair value, as determined by the directors of the Corporation, to the holders of the Shares of the shares, rights, options, warrants, evidences of indebtedness or property or assets to be issued or distributed in the Special Distribution, and

(B) the denominator of which will be the product obtained by multiplying the number of Shares outstanding on such record date by the Current Market Price of the Shares on such record date.

Any Shares owned by or held for the account of the Corporation will be deemed not to be outstanding for the purpose of such calculation. To the extent that any adjustment in the Exercise Price occurs pursuant to this Section 2(2)(c) as a result of the fixing by the Corporation of a record date for the issue or distribution of rights, options or warrants to acquire Shares or securities exchangeable for or convertible into Shares referred to in this Section 2(2)(c), the Exercise Price will be readjusted immediately after the expiry of any relevant exercise, exchange or conversion right to the amount that would then be in effect if the fair market value had been determined on the basis of the number of Shares issued and remaining issuable immediately after such expiry, and will be further readjusted in such manner upon the expiry of any further such right.

(d) If at any time during the Adjustment Period there occurs:

(i) a reclassification or redesignation of the Shares, any change of the Shares into other shares or securities or any other capital reorganization involving the Shares other than a Common Share Reorganization;

(ii) a consolidation, amalgamation or merger of the Corporation with or into any other body corporate that results in a reclassification or redesignation of the Shares or a change of the Shares into other shares or securities; or

(iii) the transfer of the undertaking or assets of the Corporation as an entirety or substantially as an entirety to another corporation or entity;

(any of such events being herein called a "CAPITAL REORGANIZATION"), after the effective date of the Capital Reorganization, the Underwriter will be entitled to receive, and will accept, for the same aggregate consideration, upon exercise of the Compensation Warrants, in lieu of the number of Shares to which the Underwriter was theretofore entitled upon the exercise of the Compensation Warrants, the kind and aggregate number of shares and other securities or property resulting from the Capital Reorganization that the Underwriter would have been entitled to receive as a result of the Capital Reorganization if, on the effective date thereof, the Underwriter had been the registered holder of the number of Shares to which the Underwriter was theretofore entitled to purchase or receive upon the exercise of the Compensation Warrants. If necessary, as a result of any Capital Reorganization, appropriate adjustments will be made in the application of the provisions of this Compensation Warrant Certificate with respect the rights and interest thereafter of the Underwriter to the end that the provisions of this Compensation Warrant Certificate will thereafter correspondingly be made applicable as nearly as may reasonably be possible in relation to any shares or other securities or property thereafter deliverable upon the exercise of this Compensation Warrant Certificate.

(e) If at any time during the Adjustment Period any adjustment or readjustment in the Exercise Price occurs pursuant to the provisions of Section 2(2)(a), Section 2(2)(b) or Section 2(2)(c) hereof, then the number of Shares purchasable upon the subsequent exercise of this Compensation Warrant will be simultaneously adjusted or readjusted, as the case may be, by multiplying the number of Shares purchasable upon the exercise of the Compensation Warrants immediately prior to such adjustment or readjustment by a fraction, which will be the reciprocal of the fraction used in the adjustment or readjustment of the Exercise Price.

(3) Rules. The following rules and procedures are applicable to adjustments made pursuant to Section 2(2) of this Compensation Warrant Certificate.

(a) Subject to the following provisions of this Section 2(3), any adjustment made pursuant to Section 2(2) hereof will be made successively whenever an event referred to therein occurs.

(b) No adjustment in the Exercise Price will be required unless the adjustment would result in a change of at least one per cent in the

Exercise Price then in effect and no adjustment will be made in the number of Shares purchasable or issuable on the exercise of the Compensation Warrants unless it would result in a change of at least one one-hundredth of a Share; provided, however, that any adjustments that, except for the provisions of this

Section 2(3)(b) would otherwise have been required to be made will be carried forward and taken into account in any subsequent adjustment. Notwithstanding any other provision of Section 2(2) of this Compensation Warrant Certificate, no adjustment of the Exercise Price will be made that would result in an increase in the Exercise Price or a decrease in the number of Shares issuable upon the exercise of the Compensation Warrants (except in respect of a consolidation of the outstanding Shares).

(c) If at any time during the Adjustment Period the Corporation will take any action affecting the Shares, other than an action or an event described in

Section 2(2) hereof, which in the opinion of the directors would have a material adverse effect upon the rights of the Underwriter under this Compensation Warrant Certificate, the Exercise Price and/or the number of Shares purchasable under this Compensation Warrant Certificate will be adjusted in such manner and at such time as the directors may determine to be equitable in the circumstances. Failure of the taking of action by the directors so as to provide for an adjustment prior to the effective date of any action by the Corporation affecting the Shares will be deemed to be conclusive evidence that the directors have determined that it is equitable to make no adjustment in the circumstances.

(d) No adjustment in the Exercise Price or in the number or kind of securities purchasable on the exercise of this Compensation Warrant will be made in respect of any event described in Section 2 hereof if the Underwriter is entitled to participate in such event on the same terms mutatis mutandis as if the Underwriter had exercised the Compensation Warrants prior to or on the record date or effective date, as the case may be, of such event.

(e) If the Corporation sets a record date to determine holders of Shares for the purpose of entitling such holders to receive any dividend or distribution or any subscription or purchase rights and will thereafter and before the distribution to such holders of any such dividend, distribution or subscription or purchase rights legally abandon its plan to pay or deliver such dividend, distribution or subscription or purchase rights, no adjustment in the Exercise Price or the number of Shares purchasable upon the exercise of the

Compensation Warrants will be required by reason of the setting of such record date.

(f) In any case in which this Compensation Warrant Certificate requires that an adjustment become effective immediately after a record date for an event referred to in Section 2(2) hereof, the Corporation may defer, until the occurrence of such event:

(i) issuing to the Underwriter, to the extent that the Compensation Warrants are exercised after such record date and before the occurrence of such event, the additional Shares issuable upon such exercise by reason of the adjustment required by such event; and

(ii) delivering to the Underwriter any distribution declared with respect to such additional Shares after such record date and before such event;

provided, however, that the Corporation will deliver to the Underwriter an appropriate instrument evidencing the right of the Underwriter, upon the occurrence of the event requiring the adjustment, to an adjustment in the Exercise Price or the number of Shares purchasable upon the exercise of the Compensation Warrants and to such distribution declared with respect to any such additional Shares issuable on this exercise of the Compensation Warrants.

(g) If a dispute at any time arises with respect to any adjustment of the Exercise Price or the number of Shares purchasable pursuant to this Compensation Warrant Certificate, such dispute will be conclusively determined by the auditors of the Corporation or if they are unable or unwilling to act by such other firm of independent chartered accountants as may be selected by the directors.

(4) Taking of Actions. As a condition precedent to the taking of any action that would require an adjustment pursuant to Section 2(2) hereof, the Corporation will take any action that may, in the opinion of counsel, be necessary in order that the Corporation may validly and legally issue as fully paid and non-assessable shares all of the Shares that the Underwriter is entitled to receive in accordance with the provisions of this Compensation Warrant Certificate.

(5) Notice. At least twenty-one days prior to any record date or effective date, as the case may be, for any event that requires or might require an adjustment in any of the rights of the Underwriter under this Compensation Warrant Certificate, including the Exercise Price and the number of Shares that are purchasable under this Compensation Warrant Certificate, the Corporation will deliver to the Underwriter a certificate of the Corporation specifying the particulars of such event and, if determinable, the required adjustment and the calculation of such adjustment. In case any adjustment for which a notice in this Section 2(5) must be given is not then determinable, the Corporation will promptly give notice that the adjustment is not then determinable, and the Corporation will promptly after such adjustment is determinable deliver to the Underwriter a certificate providing the calculation of such adjustment. The Corporation hereby covenants and agrees that the register of transfers and share transfer books for the Shares will be open, and that the Corporation will not take any action that might deprive the Underwriter of the opportunity of exercising the rights of subscription contained in this Compensation Warrant Certificate, during such twenty-one day period.

### 3. COVENANTS OF THE CORPORATION.

The Corporation covenants with the Underwriter that for so long as any Compensation Warrants remain outstanding:

- (a) it will reserve and keep available, free from any pre-emptive rights, out of its authorized and unissued equity securities, a sufficient number of Shares for the purpose of enabling it to satisfy its obligations to issue Shares upon the exercise of the Compensation Warrants;
- (b) it will cause the Shares and the certificates representing the Shares acquired pursuant to the exercise of the Compensation Warrants to be duly issued and delivered in accordance with this Compensation Warrant Certificate;
- (c) all Shares that are issued upon exercise of the Compensation Warrants will be issued as duly authorized, validly issued, fully paid and non-assessable;
- (d) it will make all requisite filings, including filings with securities regulatory authorities in Canada and the United States, in connection with the exercise of the Compensation Warrants and the issue of the Shares issuable upon exercise thereon;

(e) it will take such actions as may be reasonably necessary and as are within its power to ensure that all Shares may be so issued pursuant to the terms hereof without violation of any applicable laws or the applicable requirements of any exchange upon which the Shares of the Corporation may be listed or in respect of which such Shares are qualified for unlisted trading privileges;

(f) it will use its best efforts to maintain its status as a reporting issuer not in default under, and not be in default in any material respect of the applicable requirements of, the applicable securities laws of each of the provinces of Canada and the federal securities laws of the United States from the date hereof up to and including the Time of Expiry;

(g) if any Shares, required to be reserved for the purpose of issue upon exercise of the Compensation Warrants hereunder, require registration or approval of any governmental authority under any federal or state law before such Shares may be issued upon exercise of the Compensation Warrants, the Corporation will use its best efforts to cause such securities to be duly registered or approved, as the case may be, and to the extent practicable, take all action in anticipation of and prior to the exercise of the Compensation Warrants;

(h) the Corporation shall have filed on or before February 14, 2003, a prospectus supplement to its registration statement on Form S-3 (File No. 333-102225), or shall have filed another registration statement on Form S-3 (or, if Form S-3 is not available, on such form of registration statement as is then available), specifically related to the Compensation Warrants and the Shares, with the United States Securities and Exchange Commission with respect to the Shares and Compensation Warrants (the "REGISTRATION STATEMENT"), and shall use its best efforts to maintain such Registration Statement continuously effective under the U.S. Securities Act so as to allow the unrestricted sale of the Shares to the public from time to time commencing on the Release Date and ending on the Time of Expiry (the "REGISTRATION PERIOD"). The Corporation will file such post-effective amendments and supplements as may be necessary to maintain the currency of the Registration Statement during the period of its use and shall prepare and file such additional prospectus supplements as may be necessary to allow the unrestricted sale of the Shares to the public. In addition if the Underwriter is advised by counsel that the Registration Statement or prospectus supplement relating to the



Shares, in their opinion, is deficient in any material respect, the Corporation will use its best efforts to cause the Registration Statement or prospectus supplement, as the case may be, to be amended to eliminate the concerns raised. The Corporation will also file such applications and other documents necessary to permit the sale of the Shares to the public during the Registration Period in all U.S. States in which the Shares are not otherwise exempt from such securities registration requirements. For purposes of the foregoing, "U.S. States" means the 50 states of the United States of America, the District of Columbia, Puerto Rico and Guam;

(i) the Corporation will furnish to the Underwriter the number of copies of a prospectus, in conformity with the requirements of Section 10 of the U.S. Securities Act, and such other documents as it may reasonably request, in order to facilitate the disposition of the Shares owned by it;

(j) it will use its best efforts to ensure that all Shares issued and outstanding, or issuable from time to time, will be listed and posted for trading on the Toronto Stock Exchange and the American Stock Exchange; and

(k) it will do, or cause to be done, all things necessary to preserve and keep in full force and effect its corporate existence.

#### 4. NO TRANSFER OF WARRANT.

The Compensation Warrants evidenced hereby are non-assignable, non-transferable and non-negotiable and may not be exercised by or for the benefit of any person other than the Underwriter.

#### 5. REPLACEMENT.

Upon receipt of evidence satisfactory to the Corporation of the loss, theft, destruction or mutilation of this Compensation Warrant Certificate and, if requested by the Corporation, upon delivery of a bond of indemnity satisfactory to the Corporation (or, in the case of mutilation, upon surrender of this Compensation Warrant Certificate), the Corporation will issue to the Underwriter a replacement certificate containing the same terms and conditions as this Compensation Warrant Certificate.

#### 6. EXPIRY.

The Compensation Warrants will expire and all rights to purchase Shares hereunder will cease and become null and void at the Time of Expiry.

## 7. INABILITY TO DELIVER SHARES.

If for any reason, other than the failure or default of the Underwriter, the Corporation is unable to issue and deliver the Shares or other securities or property as contemplated herein to the Underwriter upon the proper exercise by the Underwriter of the right to purchase any of the Shares covered by this Compensation Warrant Certificate, provided that the Shares are listed on a securities exchange or for which there are at least two independent market makers, the Corporation may pay, at its option and in complete satisfaction of its obligations hereunder, to the Underwriter, in cash, an amount equal to the difference between the Exercise Price and aggregate low asked price, or closing price, as the case may be, of the Shares on the Exercise Date; in the event of such payment, the Corporation will pay to the Underwriter the above-described payment, in cash, within 10 business days after receipt of the Election to Exercise.

## 8. TIME.

Time will be of the essence of this Compensation Warrant Certificate.

## 9. GOVERNING LAW.

The laws of the Province of Ontario and the laws of Canada applicable therein will govern this Compensation Warrant Certificate and the Compensation Warrants.

## 10. SUCCESSOR.

This Compensation Warrant Certificate will enure to the benefit of and will be binding upon the Underwriter and the Corporation and their respective successors.

## 11. GENERAL.

This Compensation Warrant Certificate is not valid for any purpose whatsoever unless and until it has been signed by or on behalf of the Corporation. The holding of the Compensation Warrants evidenced by this Compensation Warrant Certificate will not, in itself, constitute the holder a shareholder of the Corporation or entitle the holder to any right or interest in respect thereof, except as expressly provided in this Compensation Warrant Certificate.

IN WITNESS WHEREOF the Corporation has caused this Compensation Warrant Certificate to be signed by its duly authorized officer.

DATED as of the \_\_\_\_\_ day of \_\_\_\_\_, 2003.

GOLDEN STAR RESOURCES LTD.

By: \_\_\_\_\_  
Authorized Signing Officer

**EXHIBIT "1"**

**ELECTION TO EXERCISE**

**TO: GOLDEN STAR RESOURCES LTD.**

The undersigned hereby irrevocably elects to exercise the number of Compensation Warrants of Golden Star Resources Ltd. set out below for the number of Shares (or other property or securities subject thereto) as set forth below:

(a) Number of Compensation Warrants to be Exercised:

(b) Number of Shares to be Acquired:

(c) Exercise Price per Share:

(d) Aggregate Purchase Price [(b) multiplied by (c)]: \$

and hereby tenders a certified cheque, bank draft or cash for such aggregate purchase price, and directs such Shares to be registered and a certificate therefor to be issued as directed below.

DATED this day of , 200 .

**[NAME OF UNDERWRITER]**

By:

**Direction as to Registration**

**Name of Registered Holder:**

**Address of Registered Holder:**

\_\_\_\_\_  
\_\_\_\_\_