GOLDEN STAR RESOURCES LTD.

FORM 10-Q
(Quarterly Report)

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SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2004

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from __________to __________.

Commission file number 1-12284

GOLDEN STAR RESOURCES LTD.

(Exact name of registrant as specified in its charter)

Canada (State or other jurisdiction of incorporation or organization)	**98-0101955** (I.R.S. Employer Identification No.)
10901 West Toller Drive, Suite 300 **Littleton, Colorado** (Address of principal executive office)	**80127-6312** (Zip Code)

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

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act). Yes ☒ No ☐

Number of Common Shares outstanding as of July 30, 2004: 141,848,937

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REPORTING CURRENCY, FINANCIAL AND OTHER INFORMATION

All amounts in this report are expressed in US dollars, unless otherwise indicated. Canadian currency is denoted as “Cdn$” and the Euro is denoted as “ € ”.Financial information is presented in accordance with accounting principles generally accepted in Canada (“Cdn GAAP”). Differences between accounting principles generally accepted in the US (“US GAAP”) and those applied in Canada, as applicable to Golden Star Resources Ltd., are explained in Note 18 to the Consolidated Financial Statements.References to “Golden Star”, “we”, “our”, and “us” mean Golden Star Resources Ltd., its predecessors and consolidated subsidiaries, or any one or more of them, as the context requires.

NON-GAAP FINANCIAL MEASURES

In this Form 10-Q, the terms “total cash cost” and “cash operating cost” are used on a per ounce of gold basis. Total cash cost per ounce is equivalent to mining operations expense for the period as found on the Consolidated Statements of Operations, divided by the number of ounces of gold sold during the period. Cash operating cost per ounce is equivalent to mining operations expense for the period less production royalties and production taxes, divided by the number of ounces of gold sold during the period. We have included total cash cost and cash operating cost information to provide investors with information about the cost structure of our mining operations. We use this information for the same purpose and for monitoring the performance of our operations. This information differs from measures of performance determined in accordance with GAAP in Canada and the US and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. These measures are not necessarily indicative of operating profit or cash flow from operations as determined under GAAP and might not be comparable to similarly titled measures of other companies. See Item 2, Management’s Discussion and Analysis of Financial Condition and Results of Operations for a reconciliation of these non-GAAP measures to our Statements of Operations.

STATEMENTS REGARDING FORWARD-LOOKING INFORMATION

This Form 10-Q contains forward-looking statements, within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Exchange Act of 1934, as amended, with respect to our financial condition, results of operations, business prospects, plans, objectives, goals, strategies, future events, capital expenditure, and exploration and development efforts. Words such as “anticipates”, “expects”, “intends”, “plans”, “forecasts”, “projects”, “budgets”, “believes”, “seeks”, “estimates”, “could”, “might”, “should”, “may”, “will”, and similar expressions identify forward-looking statements. Although we believe that our plans, intentions and expectations reflected in these forward-looking statements are reasonable, we cannot be certain that these plans, intentions or expectations will be achieved. Actual results, performance or achievements could differ materially from those contemplated, expressed or implied by the forward-looking statements contained or incorporated by reference in this Form 10-Q. These statements include comments regarding: the establishment and estimates of mineral reserves and mineral resources, production, production commencement dates, production costs, cash operating costs per ounce, total cash costs per ounce, grade, processing capacity, potential mine life, feasibility studies, development costs, capital and operating expenditures, exploration, the closing of certain transactions including acquisitions and offerings, our expansion plans for Bogoso/Prestea, start-up of Wassa and the potential acquisition of IAMGold.

The following, in addition to the factors described in "Risk Factors" discussed in our Form 10-K for the fiscal year ended December 31, 2003, are among the factors that could cause actual results to differ materially from the forward-looking statements:

- unexpected changes in business and economic conditions;
- significant increases or decreases in gold prices;
- changes in interest rates and currency exchange rates;
- timing and amount of production;
- unanticipated grade changes;
- unanticipated recovery rates or production problems;
- changes in mining, processing and overhead costs;
- changes in metallurgy and processing technology;
- access and availability of materials, equipment, supplies, labor and supervision, power and water;
- determination of mineral reserves and mineral resources;
- availability of drill rigs;
- changes in project parameters;
- costs and timing of development of new mineral reserves;
- results of current and future exploration activities;
- results of pending and future feasibility studies;
- joint venture relationships;
- political or economic instability, either globally or in the countries in which we operate;
- local and community impacts and issues;
- timing of receipt of government approvals;
- accidents and labor disputes;
- environmental costs and risks;
- competitive factors, including competition for property acquisitions;
- lack of IAMGold shareholder support for our proposed transaction; and
- availability of capital at reasonable rates or at all.

These factors are not intended to represent a complete list of the general or specific factors that could affect us. We might note additional factors elsewhere in this Form 10-Q, and in any documents incorporated by reference into this Form 10-Q. We undertake no obligation to update forward-looking statements.

ITEM 1 FINANCIAL STATEMENTS

GOLDEN STAR RESOURCES LTD.
CONSOLIDATED BALANCE SHEETS
(Stated in thousands of US dollars except shares issued and outstanding)
(Unaudited)

	As of June 30, 2004	As of December 31, 2003
ASSETS		
Current assets:		
Cash and cash equivalents	$ 85,835	$ 89,970
Accounts receivable	2,637	790
Inventories (Note 2)	14,579	12,661
Due from sale of property (Note 3)	1,000	1,000
Other current assets	1,626	514
Total current assets	105,677	104,935
Restricted cash (Note 10)	3,317	3,317
Due from sale of property (Note 3)	—	1,000
Deferred exploration and development costs (Note 4)	5,917	9,108
Property, plant and equipment (Note 5)	20,895	18,202
Mining properties (Note 6)	64,082	56,808
Mine construction-in-progress (Note 7)	38,141	27,376
Other assets (Note 8)	4,606	1,645
Total assets	$ 242,635	$ 222,391
LIABILITIES		
Current liabilities:		
Accounts payable	$ 4,730	$ 3,268
Construction retention payable	696	1,350
Royalties payable	436	532
Other accrued liabilities	6,277	2,859
Current debt (Note 9)	860	142
Total current liabilities	12,999	8,151
Long term debt (Note 9)	572	657
Asset retirement obligations (Note 10)	8,022	7,745
Total liabilities	21,593	16,553
Minority interest	6,113	7,476
Commitments and contingencies (Note 11)		
SHAREHOLDERS' EQUITY		
Share capital		
First preferred shares, without par value, unlimited shares authorized. No shares issued	—	—
Common shares, without par value, unlimited shares authorized. Shares issued and outstanding: 138,655,518 at June 30, 2004; 132,924,278 at December 31, 2003 (Notes 12 & 13)	337,836	327,578
Deficit	(122,907)	(129,216)
Total shareholders' equity	214,929	198,362
Total liabilities and shareholders' equity	$ 242,635	$ 222,391

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

GOLDEN STAR RESOURCES LTD.
CONSOLIDATED STATEMENTS OF OPERATIONS

(Stated in thousands of US dollars except per share amounts)
(Unaudited)

	Three months ended June 30		Six months ended June 30	
	2004	2003 Restated (Note 13)	2004	2003 Restated (Note 13)
REVENUE				
Gold sales	$ 15,515	$ 12,508	$ 34,780	$ 27,525
Interest and other (Note 3)	979	185	1,571	309
Total revenues	16,494	12,693	36,351	27,834
EXPENSES				
Mining operations	10,190	7,844	19,315	16,344
Depreciation, depletion and amortization	1,945	1,159	4,223	2,053
Accretion of asset retirement obligation	163	91	322	199
Exploration expense	221	165	455	233
General and administrative expense	2,196	1,293	4,052	2,543
Interest expense	6	3	12	27
Foreign exchange (gain)/loss	343	(283)	626	(561)
Total expenses	15,064	10,272	29,005	20,838
Income before the undernoted	1,430	2,421	7,346	6,996
Gain on sale of marketable securities	—	1,905	—	1,905
Income before minority interest	1,430	4,326	7,346	8,901
Minority interest	(315)	(333)	(1,037)	(924)
Net income before income tax	1,115	3,993	6,309	7,977
Income tax (Note 15)	—	—	—	—
NET INCOME	$ 1,115	$ 3,993	$ 6,309	$ 7,977
Deficit, beginning of period	(124,022)	(147,188)	(129,216)	(151,655)
Cumulative effect of change in accounting method	—	—	—	483
Adjusted deficit, beginning of period	(124,022)	(147,188)	(129,216)	(151,172)
Deficit, end of period	$(122,907)	$(143,195)	$(122,907)	$(143,195)
Net income per common share – basic (Note 16)	$ 0.008	$ 0.037	$ 0.047	$ 0.078
Net income per common share – diluted (Note 16)	$ 0.008	$ 0.035	$ 0.044	$ 0.073
Weighted average shares outstanding (millions of shares)	136.7	107.6	134.9	102.3

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

GOLDEN STAR RESOURCES LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(Stated in thousands of US dollars)
(Unaudited)

	Three months ended June 30		Six months ended June 30	
	2004	2003 Restated (Note 13)	2004	2003 Restated (Note 13)
OPERATING ACTIVITIES:				
Net income	$ 1,115	$ 3,993	$ 6,309	$ 7,977
Reconciliation of net income to net cash provided by operating activities:				
Depreciation, depletion and amortization	1,945	1,159	4,223	2,053
Stock-based compensation	872	182	1,009	698
Reclamation expenditures	(301)	(220)	(468)	(390)
Accretion of asset retirement obligation	163	91	322	199
Minority interest	315	333	1,037	924
	4,109	5,538	12,432	11,461
Changes in assets and liabilities:				
Accounts receivable	(2,259)	1,049	(3,136)	1,320
Inventories	(352)	(1,174)	(1,918)	(1,649)
Accounts payable and accrued liabilities	3,600	(698)	4,130	(1,605)
Marketable securities	—	906	—	906
Other	577	(2)	173	29
Net cash provided by operating activities	5,675	5,619	11,681	10,462
INVESTING ACTIVITIES:				
Expenditures on deferred exploration and development	(2,067)	(533)	(3,691)	(3,097)
Expenditures on mining properties	(3,745)	(12,623)	(6,270)	(15,383)
Expenditures on property, plant and equipment	(2,431)	(944)	(3,437)	(2,542)
Expenditures on mine construction-in-progress	(4,729)	—	(10,341)	—
Sale of property	—	—	1,000	1,000
Other	(2,322)	(75)	(2,959)	(82)
Net cash used in investing activities	(15,294)	(14,175)	(25,698)	(20,104)
FINANCING ACTIVITIES:				
Issuance of share capital, net of issue costs (Note 12)	8,555	299	9,250	33,796
Debt repayment (Note 9)	(34)	(331)	(81)	(3,004)
Other	916	20	713	40
Net cash provided by/(used in) financing activities	9,437	(12)	9,882	30,832
Increase/(decrease) in cash and cash equivalents	(182)	(8,568)	(4,135)	21,190
Cash and cash equivalents, beginning of period	86,017	49,774	89,970	20,016
Cash and cash equivalents end of period	$ 85,835	$ 41,206	$ 85,835	$ 41,206

See Note 17 for supplemental cash flow information

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

GOLDEN STAR RESOURCES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(All tabular amounts in thousands of US dollars unless noted otherwise)
(Unaudited)

These consolidated financial statements and the accompanying notes are unaudited and should be read in conjunction with the audited consolidated financial statements and related notes thereto included in our annual report on Form 10-K for the year ended December 31, 2003, on file with the Securities and Exchange Commission and with the Canadian securities commissions (referred to as the "2003 Form 10-K"). Financial information is presented in accordance with accounting principles generally accepted in Canada.

The unaudited consolidated financial statements for the three and six months ended June 30, 2004 and June 30, 2003 contained herein reflect all adjustments, consisting solely of normal recurring items, which are necessary for a fair presentation of financial position, results of operations and cash flows on a basis consistent with that of our prior audited consolidated financial statements.

Prior period amounts have been restated to reflect the impact of the adoption in December 2003 of the Canadian Institute of Chartered Accountant's amended Handbook Section 3870, "Stock-based Compensation and other Stock-based Payments". Information presented for prior periods in 2003 have been restated to reflect the adoption of Section 3870 amendments as of January 1, 2003.

1. **Description of Business**

We are a Canadian international gold mining and exploration company focused primarily on mining, mine development and exploration in Ghana, West Africa. Through our subsidiaries and joint ventures we own a controlling interest in four gold properties in Ghana; the Bogoso property ("Bogoso"), the Prestea property ("Prestea"), the Wassa property ("Wassa") and the currently inactive Prestea underground property ("Prestea Underground"). Bogoso and Prestea are adjoining properties and both are owned by our 90% owned subsidiary Bogoso Gold Limited ("BGL"). These two properties now function as a single operation referred to as "Bogoso/Prestea". BGL holds a 90% managing interest in the Prestea Underground.

We operate the Bogoso/Prestea mine, with ore mined at the Prestea property being processed at the Bogoso processing plant. To date, Bogoso/Prestea has produced all of our gold since we became a gold producer upon our purchase of the Bogoso mine in late 1999. We commenced development of the Wassa mine in mid-2003.

We hold interests in exploration joint ventures, managed by our joint venture partners, in Mali and Sierra Leone in West Africa. We also hold active exploration properties in Ghana and in Suriname and, through our 53%-owned subsidiary, Guyanor Ressources S.A. ("Guyanor"), we hold interests in gold exploration properties in French Guiana. And through our affiliate Goldmin Holdings, we hold interests in gold exploration properties in Peru and Chile.

We are a reporting issuer or the equivalent in all provinces and territories of Canada and the United States and file continuous disclosure documents with the Canadian securities regulatory authorities and the United States Securities and Exchange Commission.

2. Inventories

	As of June 30, 2004	As of December 31, 2003
Stockpiled ore	$ 5,009	$ 4,167
In-process	1,742	2,821
Materials and supplies	7,828	5,673
Total inventories	$14,579	$12,661

3. Guiana Shield Transaction

In late 2001 we sold our Gross Rosebel exploration property in South America to Cambior Inc. ("Cambior"). In addition to a $5.0 million payment received at closing in 2002, terms of the sale agreement provided that Cambior would make three deferred payments of $1.0 million each plus royalty payments on the first seven million ounces of gold production. The first and second deferred payments were received in the first quarters of 2003 and 2004 respectively. The third and final deferred payment is expected in the first quarter of 2005. Gold production began at Gross Rosebel in the first quarter of 2004 which triggered the quarterly production royalty due to us from the property. Royalty revenue of approximately $1.0 million was recorded in the first six months of 2004 of which $0.3 million has been received.

4. Deferred Exploration and Development Costs

	Deferred Exploration & Development Costs as of 12/31/03	Capitalized Exploration Expenditures	Acquisitions	Transferred to Mine Property	Deferred Exploration & Development Costs as of 6/30/04
GHANA:					
Obuom	$ 278	$ 2	$ —	$ —	$ 280
Bogoso Sulfide Project	5,930	—	—	(5,930)	—
Akropong Trend & Other Ghana	1,759	1,159	—	—	2,918
Prestea Property Projects	—	1,136	—	—	1,136
Beta Boundary	814	—	—	(814)	—
MALI:					
Mininko	130	678	—	—	808
SIERRA LEONE					
Mano River	—	198	—	—	198
FRENCH GUIANA:					
Bon Espoir	—	—	132	—	132
Other	—	—	76	—	76
SURINAME:					
Saramacca	197	172	—	—	369
TOTAL	$9,108	$3,345	$208	$(6,744)	$5,917

The Bogoso Sulfide project, and the Beta Boundary property which will feed the Bondaye Plant, were deemed sufficiently advanced by the end of 2003 to be reclassified in early 2004 as Mining Properties rather than as exploration properties. Reclassification was based upon definitive proven and probable reserves at both projects, completion of a feasibility study for the Bogoso Sulfide project showing it to be economically viable, board approval to proceed with the Bondaye/Beta Boundary project and initiation of detailed engineering and development in 2004.

5. Property, Plant and Equipment

	As of June 30, 2004			As of December 31, 2003		
	Property, Plant and Equipment at Cost	Accumulated Depreciation	Property, Plant and Equipment Net Book Value	Property, Plant and Equipment at Cost	Accumulated Depreciation	Property, Plant and Equipment Net Book Value
Bogoso/Prestea	$19,860	$4,854	$15,006	$15,765	$4,143	$11,622
Prestea Underground	238	—	238	227	—	227
Guyanor	1,969	1,940	29	1,985	1,952	33
Wassa	5,460	—	5,460	6,259	—	6,259
Corporate & Other	929	767	162	782	721	61
Total	$28,456	$7,561	$20,895	$25,018	$6,816	$18,202

6. Mining Properties

	As of June 30, 2004			As of December 31, 2003		
	Mine Property at Cost	Accumulated Amortization	Mine Property, Net Book Value	Mine Property at Cost	Accumulated Amortization	Mine Property, Net Book Value
Bogoso/Prestea	$40,993	$20,333	$20,660	$41,885	$16,856	$25,029
Prestea Underground	8,561	—	8,561	8,560	—	8,560
Wassa	9,653	—	9,653	9,778	—	9,778
Bogoso Sulfide	10,411	—	10,411	—	—	—
Mampon	13,447	—	13,447	13,441	—	13,441
Beta Boundary	1,350	—	1,350	—	—	—
Total	$84,415	$20,333	$64,082	$73,664	$16,856	$56,808

During the quarter ended June 30, 2004 due to financial difficulties experienced by our joint venture partner, the portion of the Prestea Underground owned by our joint venture partner reverted to our ownership per terms of the original joint venture agreement. As a result, a $2.4 million minority position originally recorded when the partnership was organized was reversed and a $2.4 million reduction was recorded in the carrying value of the Prestea Underground Mining Property assets.

The Bogoso Sulfide project, and the Beta Boundary property which will feed the Bondaye Plant, were deemed sufficiently advanced by early 2004 for reclassification as Mining Properties rather than as exploration properties. Reclassification was based upon definitive proven and probable reserves at both projects, completion of a feasibility study for the Bogoso Sulfide project showing it to be economically viable, board approval to proceed with the Bondaye/Beta Boundary project and initiation of detailed engineering and development in 2004. The Mining Property costs associated with these two projects will be amortized over production ounces when gold production begins.

7. Mine Construction-in-Progress

Mine construction in progress represents costs incurred at the Wassa project subsequent to acquisition. The balance includes exploration drilling, feasibility study costs, equipment purchases and construction costs, including progress payments to the construction contractor and development costs.

8. Other Assets

Other assets include $1.9 million of direct, incremental acquisition costs resulting from our tender offer for IAMGold Corporation (“IAMGold”) common shares. The majority of these costs are for financial advisory, legal and accounting services. If the tender offer fails to acquire a controlling interest in IAMGold, this amount plus any additional future costs incurred in the endeavor would be expensed.

9. Debt

	As of June 30, 2004	As of December 31, 2003
Current debt:		
Line of Credit — BGL (Note a)	$714	$ —
Equipment financing loans – Wassa (Note b)	146	142
Total current debt	$860	$142
Long term debt:		
Equipment financing loans – Wassa (Note b)	$572	$657
Total long term debt	$572	$657

(a) Revolving facility from Barclays Bank (Ghana) in the amount of $1.0 million.

(b) Caterpillar Financial Services Corporation — A $0.8 million installment loan was used to purchase mobile equipment at Wassa and is repayable in 60 equal monthly installments beginning January 2004 with an interest rate of 6.25%.

(c) In June 2004 an equipment financing credit facility was established between Caterpillar Financial Services Corporation and the subsidiaries of Golden Star Resources with Golden Star the guarantor of all amounts borrowed. The loan provides up to a maximum of $25 million of credit for a mixture of new and used mining equipment. The facility expires on April 30, 2005, bears an interest at a rate equal to the Five Year US$ Swap Rate plus 2.28%, is repayable over five years for new equipment and over two years for used equipment and requires monthly payments. As of June 30, 2004 the amount drawn on this line of credit was nil.

10. Asset Retirement Obligations

Our Asset Retirement Obligations ("ARO") are estimated to be the present value of the ultimate closure cost associated with reclamation, demolition and stabilization of our Bogoso/Prestea and Wassa mining properties. Included in this liability are the costs of mine closure and reclamation, processing plant and infrastructure demolition, tailings pond stabilization and reclamation and environmental monitoring costs.

The changes in the carrying amount of the ARO during the first six months of 2004 are:

	Six months ended June 30, 2004
Balance at December 31, 2003	$7,745
Accretion expense	322
Reclamation work performed	(468)
New AROs incurred during the period	423
Balance at June 30, 2004	$8,022

11. Commitments and Contingencies

(a) Environmental Regulations and Asset Retirement Obligations — We are not aware of any events of material non-compliance with environmental laws and regulations in our operations which could have a material adverse effect on our operations or financial condition. The exact nature of environmental control problems, if any, which we may encounter in the future cannot be predicted, primarily because of the changing character of environmental regulations that may be enacted. Asset retirement obligations, which include environmental rehabilitation liabilities for reclamation and for closure costs, were $5.4 million at Bogoso/Prestea at June 30, 2004, up from $5.2 million at December 31, 2003. Asset retirement obligations at Wassa totaled $2.6 million at June 30, 2004, up from $2.5 million at December 31, 2003.

(b) Cash Restricted for Environmental Rehabilitation Liabilities — In 1999, we were required, according to the acquisition agreement with the sellers of BGL, to restrict $6.0 million of cash to be used for the ongoing and final reclamation and closure costs at Bogoso. The withdrawal of these funds for our use must be agreed to by the sellers, who are ultimately responsible for the reclamation in the event of our non-performance. In the past the sellers have agreed to allow disbursement of portions of the restricted cash to us equal to the cash costs we have incurred for work performed, but there have been no agreements for disbursements since 2001. We are seeking to obtain an amendment to the agreement that would remove the restriction and in its place establish a reclamation bond to meet Ghana's Environmental Protection Agency's reclamation bonding requirements. At June 30, 2004, approximately $3.3 million of restricted cash was held as a cash provision against future reclamation commitments at Bogoso.

(c) Royalties

i. Dunkwa Properties: In August 2003 we agreed to pay Birim Goldfields Inc. a net smelter return royalty on future gold production from the Mansiso and Asikuma properties (the "Dunkwa Properties"), excluding any royalty on the first 200,000 ounces produced from Mampon which is located on the Asikuma property. The amount of the royalty is based on a sliding scale which ranges from a 2% net smelter return at gold prices at or below $300 per ounce up to 3.5% for gold prices in excess of $400 per ounce.

i. ii. Government of Ghana: Under the laws of Ghana, a holder of a mining lease is required to pay an annual royalty of not less than 3% and not more than 12% of the total revenues earned from the lease area. The royalty is payable on a quarterly basis. We currently pay a 3% royalty on all gold production from Bogoso/Prestea and expect to pay a royalty at the same rate on Wassa production. The Government of Ghana retains the right to increase the amount of the royalty to as much as 12% based upon a formula related to a company's operating margin.

(d) Wassa Construction Contract — In July 2003 we entered into a contract with Metallurgical Design and Management (Pty) Ltd. ("MDM"), a South African company, for the construction of the CIL processing plant facility and other associated processing facilities at Wassa. The total contract amount is set at $15.9 million of which $13.8 million had been disbursed at June 30, 2004.

(e) Mano River Joint Venture — In late 2003 we entered into a joint venture to invest up to $6 million over the next four years in the Mano River project in Sierra Leone via an earn-in agreement with a junior exploration company which now holds a group of gold exploration properties in Sierra Leone. The initial $6 million, if fully funded (we can terminate the agreement after spending $1.0 million) would yield a 51% interest in the joint venture. Further provisions of the joint venture agreement provide the opportunity to acquire up to 85% of the joint venture by continued long term funding. The joint venture agreement is subject to completion of documentation. Our spending during the first six months of 2004 totaled $0.2 million.

(f) Mininko Joint Venture — In late 2003 we entered into a joint venture agreeing to fund exploration work on the Mininko gold property in Mali. Funding of $2.6 million would earn a 51% interest in the joint venture. We can terminate the joint venture at any time after spending $0.4 million. We have spent a total of $0.8 million as of June 30, 2004. The joint venture agreement provides that we can earn up to an 82.5% interest by continued funding of exploration and development, if warranted.

12. Share Capital

Changes in share capital during the six months ended June 30, 2004:

	Shares	Amount
Beginning balance as of December 31, 2003	132,924,278	$327,578
Common shares issued:		
Option exercises	632,850	1,008
Warrant exercises	5,098,390	8,548
Other	—	702
Ending balance as of June 30, 2004	138,655,518	$337,836

13. Stock Based Compensation

(a) Stock Options — We have one stock option plan, the Amended and Restated 1997 Stock Option Plan (the "GSR Plan"). Options are granted under this plan from time to time at the discretion of the Board of Directors. Options granted are non-assignable and are exercisable for a period of ten years or such other period as stipulated in a stock option agreement between Golden Star and an optionee. Under the GSR Plan we may grant options to employees, consultants and directors of the Company or its subsidiaries for up to 15,000,000 shares of common stock. Options take the form of non-qualified stock options, and the exercise price of each option is not less than the market price of our stock on the date of grant. Options typically vest over periods ranging from immediately, to four years from the date of grant. Vesting periods are determined at the discretion of the Board of Directors.

In 2003 the Canadian Institute of Chartered Accountants amended CICA Handbook Section 3870, "Stock-based Compensation and other Stock-based Payments" to require expensing of all stock based compensation awards for fiscal years beginning on or after January 1, 2004. In light of this development we adopted the new provision of CICA 3870 at the end of 2003 and recognized approximately $1.1 million of option expense in 2003 as if CICA 3870 had been in effect since the beginning of 2003.

Data presented in this Form 10-Q related to the quarter and the six months ended June 30, 2003 has been revised to reflect compensation expensed that would have been reported had the provisions of CICA 3870 been in place at the beginning of 2003.

No new options were granted during the first quarter of 2004. A total 855,000 options were granted in the second quarter of 2004. Certain of these options vested immediately and others vest 1/4th immediately, and 1/4th on each of the next three anniversary dates. In the three and six months ended June 30, 2004, we recognized approximately $0.1 million and $0.3 million respectively of stock option expense related to options granted during 2003, and we recognized $0.7 million of compensation expense in the second quarter of 2004 for options granted in the second quarter of 2004.

	Options	Weighted-Average Exercise Price (Cdn$)
Outstanding as of December 31, 2003	5,241,322	$ 2.41
Granted	855,000	6.95
Exercised	(632,850)	2.06
Forfeited	(14,668)	3.14
Outstanding as of June 30, 2004	5,448,804	$ 3.16

The fair value of options granted during the second quarter of 2004 was estimated at the grant dates using a Black-Scholes option-pricing model with the following assumptions:

	Three months ended June 30,		Six months ended June 30,	
	2004	2003	2004	2003
Expected volatility	36.4% to 36.5%	34%	36.4% to 36.5%	34%
Risk-free interest rate	3.7% to 4.1%	3.0% to 4.5%	3.7% to 4.1%	3.0% to 4.5%
Expected lives	3.5 to 5 years	3.5 to 5 years	3.5 to 5 years	3.5 to 5 years
Dividend yield	0%	0%	0%	0%

The expense of options issued prior to 2003 is not recognized in reported net income. Had compensation costs been recognized for options granted prior to 2003 and vesting in 2004, our net income and earnings per share would have been reduced to the pro forma amounts shown below:

	Three months ended June 30,		Six months ended June 30,	
	2004	2003	2004	2003
Net income as reported	$1,115	$3,993	$6,309	$7,977
Unrecognized amortization of fair value of options vesting	1	238	12	1,030
Net income — pro forma	$1,114	$3,755	$6,297	$6,947
Basic earnings per share — as reported	$0.008	$0.037	$0.047	$0.078
- pro forma	$0.008	$0.035	$0.047	$0.068
Diluted earnings per share — as reported	$0.008	$0.035	$0.044	$0.073
- pro forma	$0.008	$0.033	$0.044	$0.064

(b) Stock Bonus Plan — In December 1992, we established an Employees’ Stock Bonus Plan (the “Bonus Plan”) for any full-time or part-time employee (whether or not a director) of the Company or any of our subsidiaries who has rendered meritorious services which contributed to the success of the Company or any of its subsidiaries. The Compensation Committee grants bonus common shares under the Bonus Plan on terms that it determines, within the limitations of the Bonus Plan and subject to the rules of applicable regulatory authorities. The Bonus Plan, as amended, provided for the issuance of 900,000 common shares of bonus stock of which 445,820 common shares have been issued as of June 30, 2004.

During the three months ended June 30, 2004 and 2003 there were no common shares issued to employees pursuant to the Bonus Plan. During the six months ended June 30, 2004 and 2003 a total of nil and 57,200 common shares, respectively, were issued to employees pursuant to the Bonus Plan. We recognized nil compensation expense related to bonuses under the Bonus Plan during each of the three months ended June 30, 2004 and 2003. We recognized compensation expense related to bonuses under the Bonus Plan during the six months ended June 30, 2004 and 2003 of nil and $0.1 million, respectively.

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14. Operations by Geographic Area

The following geographic data includes revenues based on product shipment origin and long-lived assets based on physical location:

	Three months ended June 30, 2004			Six months ended June 30, 2004		
	Revenues	Net Income (Loss)	Identifiable Assets	Revenues	Net Income (Loss)	Identifiable Assets
Africa	$15,517	$ 2,970	$150,149	$34,793	$ 9,893	$150,149
South America	22	(348)	653	51	(715)	653
North America — Corporate Office	955	(1,507)	91,833	1,507	(2,869)	91,833
Total	$16,494	$ 1,115	$242,635	$36,351	$ 6,309	$242,635

	Three months ended June 30, 2003			Six months ended June 30, 2003		
	Revenues	Net Income (Loss)	Identifiable Assets	Revenues	Net Income (Loss)	Identifiable Assets
Africa	$12,546	$3,122	$ 71,939	$27,581	$8,097	$ 71,939
South America	11	(140)	287	22	(453)	287
North America — Corporate Office	136	1,011	44,242	231	333	44,242
Total	$12,693	$3,993	$116,468	$27,834	$7,977	$116,468

15. Income Tax

For the six months ended June 30, 2004 BGL generated approximately $6.3 million of pre-tax net income. BGL has tax loss carry-forwards not previously recognized in amounts sufficient to fully offset income taxes on the pre-tax net income. Accordingly, no tax provision has been recorded in the period ended June 30, 2004.

16. Earnings per Common Share

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

	Three months ended June 30,		Six months ended June 30,	
	2004	2003	2004	2003
Net income	$1,115	$3,993	$6,309	$7,977
Weighted average number of common shares (millions)	136.7	107.6	134.9	102.3
Dilutive securities:				
Options	3.1	2.2	3.2	2.1
Warrants	5.6	5.2	6.1	4.6
Weighted average number of diluted shares	145.4	115.0	144.2	109.0
Basic earnings per share	$0.008	$0.037	$0.047	$0.078
Diluted earnings per share	$0.008	$0.035	$0.044	$0.073

Earnings per share on a US GAAP basis are found in Note 18 below.

17. Supplemental Cash Flow Information

The following is a summary of non-cash transactions:

	Three months ended June 30, 2004	Three months ended June 30, 2003	Six months ended June 30, 2004	Six months ended June 30, 2003
Acquisition of minority interest in Prestea Underground:				
Minority Interest	$ 2,400	$ —	$ 2,400	$ —
Mining property	(2,400)	—	(2,400)	—
Other cash flow information:				
Interest paid	$ 7	$ 14	$ 7	$ 36

18. Generally Accepted Accounting Principles in Canada and the United States

The following Golden Star consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States.

(a) Balance Sheets under US GAAP

	As of June 30, 2004	As of December 31, 2003
ASSETS		
Current assets:		
Cash and cash equivalents	$ 85,835	$ 89,970
Accounts receivable	2,637	790
Inventories	14,579	12,661
Due from sale of property	1,000	1,000
Other current assets	1,626	514
Total current assets	105,677	104,935
Restricted cash	3,317	3,317
Due from sale of property	—	1,000
Acquisition, deferred exploration and development costs (note d1)	—	—
Property, plant and equipment, net	20,895	18,202
Mining properties, net (note d2)	47,009	46,478
Mine construction-in-progress	36,412	25,647
Other assets (note d1)	3,117	758
Total assets	$ 216,427	$ 200,337
LIABILITIES		
Current liabilities	$ 12,999	$ 8,151
Long term debt	572	657
Asset retirement obligations	8,022	7,745
Total liabilities	21,593	16,553
Minority interest (notes d1 and d2)	3,704	3,367
SHAREHOLDERS' EQUITY		
Share capital	334,866	324,609
Accumulated comprehensive income	1,316	1,316
Deficit	(145,052)	(145,508)
Total shareholders' equity	191,130	180,417
Total liabilities and shareholders' equity	$ 216,427	$ 200,337

(b) Statements of Operations under US GAAP

	Three months ended June 30,		Six months ended June 30,	
	2004	2003	2004	2003
Net income under Cdn GAAP	$ 1,115	$ 3,993	$ 6,309	$ 7,977
Acquisition and deferred exploration expenditures expensed per US GAAP (note d1)	(2,067)	(532)	(4,152)	(3,096)
Capitalized mine property acquisition costs expensed for US GAAP (note d2)	(1,327)	(527)	(2,401)	(2,449)
Net income/(loss) under US GAAP before minority interest	(2,279)	2,934	(244)	2,432
Minority interest, as adjusted (note d1 and d2)	(661)	291	700	610
Net income/(loss) under US GAAP before cumulative effect of change in accounting method	(2,940)	3,225	456	3,042
Cumulative effect of change in accounting method (note d3)	—	—	—	483
Net income/(loss) under US GAAP	(2,940)	3,225	456	3,525
Other comprehensive income — gain on marketable securities (note d4)	—	(1,027)	—	
Comprehensive income/(loss)	$(2,940)	$ 2,198	$ 456	$ 3,525
Basic net income/(loss) per share under US GAAP before cumulative effect of change in accounting method	$(0.022)	$ 0.030	$ 0.003	$ 0.030
Cumulative effect of change in accounting method	$ —	$ —	$ —	$ 0.005
Basic net income/(loss) per share under US GAAP after cumulative effect of change in accounting method	$(0.022)	$ 0.030	$ 0.003	$ 0.034
Diluted net income/(loss) per share under US GAAP after cumulative effect of change in accounting method	NA	$ 0.028	$ 0.003	$ 0.032

(c) Statements of Cash Flows under US GAAP

	Three months ended June 30,		Six months ended June 30,	
	2004	2003	2004	2003
Cash provided by/(used in):				
Operating activities	$ 2,284	$ 3,837	$ 5,129	$ 5,684
Investing activities	(11,903)	(12,393)	(19,146)	(15,326)
Financing activities	9,437	(12)	9,882	30,832
Increase/(decrease) in cash and cash equivalents for the period	(182)	(8,568)	(4,135)	21,190
Cash and cash equivalents beginning of the period	86,017	49,774	89,970	20,016
Cash and cash equivalents end of the period	$ 85,835	$ 41,206	$ 85,835	$ 41,206

(d) Footnotes

(1) Under US GAAP, exploration, acquisition and general and administrative costs related to exploration projects are charged to expense as incurred. Under Cdn GAAP, exploration, acquisition and exploration group general and administrative costs are capitalized. In each subsequent period, the exploration, engineering, financial and market information for each exploration project is reviewed by management to determine if any of the capitalized costs are impaired.

(2) Under US GAAP, the initial purchase cost of mining properties is capitalized. Pre-acquisition costs and subsequent development costs incurred, until such time as a feasibility study had been completed, are expensed in the period incurred. Under Cdn GAAP, all costs of new mine properties as well as costs incurred after acquisition are capitalized, and subsequently reviewed each period for impairment.

(3) Asset retirement obligations: Under US GAAP, the cumulative effect of applying Statement of Financial Accounting Standard No. 143 “Accounting for Asset Retirement Obligations” was included in net income in 2003. In Cdn GAAP, under the

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Canadian Institute of Chartered Accountant's Section 3110 "Asset Retirement Obligations", the cumulative effect of the initial application of this new standard in 2003 was recorded as an adjustment to the beginning deficit account.

(4) Under US GAAP, marketable securities available for sale are marked to market and gains or losses are recognized in Other Comprehensive Income until the securities are sold. Under Cdn GAAP, marketable securities are accounted for at the lower of cost or market.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with the accompanying consolidated financial statements and related notes. The financial statements have been prepared in accordance with accounting principles generally accepted in Canada ("Cdn GAAP"). For a reconciliation to accounting principles generally accepted in the United States ("US GAAP"), see Note 18 to the attached consolidated financial statements.

In this Form 10-Q, the terms "total cash cost" and "cash operating cost" are used on a per ounce of gold basis. Total cash cost per ounce is equivalent to mining operations expense for the period as found on the Consolidated Statements of Operations, divided by the number of ounces of gold sold during the period. Cash operating cost per ounce is equivalent to mining operations expense for the period less production royalties and production taxes, divided by the number of ounces of gold sold during the period.

RECONCILIATION OF CASH OPERATING COST PER OUNCE	Three months ended June 30, 2004	Three months ended June 30, 2003	Six months ended June 30, 2004	Six months ended June 30, 2003
Mining operations expense (in $ thousands)	$10,190	$ 7,844	$19,315	$16,344
Less royalties (in $ thousands)	436	981	1,018	2,143
Cash operating expense (in $ thousands)	$ 9,754	$ 6,863	$18,297	$14,201
Gold sold (oz)	38,805	36,042	86,007	78,398
Cash operating cost ($/oz)	$ 251	$ 190	$ 213	$ 181

We have included total cash cost and cash operating cost information to provide investors with information about the cost structure of our mining operations. We use this information for the same purpose and for monitoring the performance of our operations. This information differs from measures of performance determined in accordance with GAAP in Canada and the United States and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. These measures are not necessarily indicative of operating profit or cash flow from operations as determined under GAAP and may not be comparable to similarly titled measures of other companies.

All figures in this Item 2 are on a 100% basis, which represents our current beneficial interest in gold production and revenues. Once all capital invested in a Ghanaian subsidiary has been repaid, the Government of Ghana would receive 10% of any dividends declared by a Ghanaian subsidiary.

Additional documents which discuss our company and its management, history and operations are available at www.sedar.com and at www.sec.gov.

OVERVIEW OF THE THREE AND SIX MONTHS ENDED JUNE 30, 2004

Results

Our net income for the three months ended June 30, 2004 was $1.1 million, down from $4.0 million in the same period of 2003. While revenues were higher, higher mining and processing costs associated with mining and processing metallurgically complex transition ores in the second quarter of this year and higher depreciation and amortization charges more than offset the improved revenues resulting in lower net income than in the same period of 2003. The increase in depreciation and amortization reflects the buy-out of a production royalty in 2003.

Increase in general and administrative costs, and a foreign exchange loss also contributed to the lower income versus the same period of 2003. Higher compensation costs from adding new management, and stock option expenses were the major factors contributing to the increase in general and administrative costs.

Net income during the six months ended June 30, 2004 totaled $6.3 million or $0.047 per share on revenues of $36.4 million, versus net income of $8.0 million or $0.078 per share on revenues of $27.8 million in the same period of 2003. Increases in operating costs as described above for the quarter were also responsible for much of the increase in costs for the six months. Foreign exchange losses, higher exploration expenses and general and administrative costs also contributed to the lower earnings versus the same period of 2003. As with the quarter, cash and non-cash compensation costs and foreign currency losses accounted for most of the cost increase.

Mining and milling of oxide ores from the Plant-North pit was completed during the second quarter of 2004 and we are now mining and processing only transition ores from the Plant-North pit. The new flotation circuit at Bogoso/Prestea was commissioned in the quarter and is now operating on a regular basis. Non-recurring start-up costs of this new circuit contributed to the increase in operating costs. Construction continued at the Wassa project during the quarter as did planning, engineering and preconstruction activities for the proposed Bogoso/Prestea expansion projects.

IAMGold Tender Offer

On March 30, 2004 IAMGold Corporation (“IAMGold”), a Toronto-based international gold exploration, development, and royalty company, and Wheaton River Minerals Ltd. (“Wheaton”), a Canadian-based precious and base metals producer, announced that the two entities would amalgamate, subject to shareholder approval. Special shareholder meetings for IAMGold and Wheaton to seek shareholder approval for the amalgamation were scheduled on June 8 and June 9, 2004.

On May 27 we announced our intent to make an offer to purchase all of the outstanding shares of IAMGold. On June 8 we obtained a ruling from the Ontario Superior Court permitting us to make our offer and delaying the IAMGold shareholders’ vote on the Wheaton/IAMGold merger until June 29 to give IAMGold shareholders time to evaluate our offer. On June 10, following unsuccessful discussions with IAMGold’s management and directors about a potential combination of IAMGold with Golden Star, we made a formal tender offer to IAMGold’s shareholders to exchange 1.15 Golden Star shares for each IAMGold share and urged the IAMGold shareholders to reject the proposed amalgamation between IAMGold and Wheaton. Subsequently, IAMGold rescheduled its shareholder vote to July 6, the same day as the rescheduled Wheaton shareholder vote.

On the same day that we announced our intent to purchase all of the outstanding shares of IAMGold, Coeur d’Alene Mines Corporation (“Coeur”), a U.S. based silver producer, announced its intent to make an offer to purchase all of the outstanding shares of Wheaton. Coeur initially offered a partial Coeur share and cash, together worth $3.28, for each share of Wheaton. Coeur has subsequently made a tender offer directly to the Wheaton shareholders and has also increased the value of their offer.

On July 1 we increased our bid for IAMGold to 1.25 shares of our stock for each IAMGold share or alternatively 1.15 shares of our common stock plus Cdn$0.50 per share. We agreed to add a contingent Cdn$0.20 per share for each IAMGold share if it is definitively determined that no break-fee is paid or payable by IAMGold in connection with the proposed arrangement with Wheaton.

On July 6 a majority of the IAMGold shareholders voted against the merger with Wheaton thereby effectively terminating the IAMGold/Wheaton merger. Shortly afterward IAMGold’s directors issued a statement that they considered our increased bid inadequate and urged the IAMGold shareholders not to tender their shares to us. On July 13 IAMGold’s directors announced that a new shareholders’ rights plan had been adopted which would be effective until August 15, 2004 that would allow IAMGold’s shareholders, other than us, to purchase shares at a 50% discount to the market price if we acquired more than 20% of the outstanding IAMGold shares. The IAMGold directors further stated the new shareholders’ rights plan was to provide sufficient time to bring forward alternatives to maximize shareholder value. IAMGold also announced that they had prepared due diligence data files to be made available to interested parties but refused to provide the data to us.

On July 15 we made application with the Ontario Securities Commission to set aside the new IAMGold shareholders’ rights plan saying it constituted an improper defensive response to our offer. On July 22 following an exchange of letters with IAMGold we agreed to withdraw our request to the Ontario Securities Commission to review the IAMGold shareholders’ rights plan and IAMGold agreed to provide to us the same due diligence data being supplied to other potential bidders. Such data was received and we have initiated a due diligence review of the data. On July 28 our board agreed to extend our tender offer expiry date to 12:01 a.m. on August 16 to coincide with the expiry of IAMGold’s new shareholders’ rights plan at the end of the day of August 15.

Assuming that all of the IAMGold shareholders choose the all share option, that all of the IAMGold shares that are issued and outstanding as of June 4, 2004, and all shares issuable upon exercise of IAMGold options that are in the money as of July 27, 2004, are tendered to the offer and that we take up and pay for such shares under the offer, we would issue approximately 188.4 million new Golden Star common shares. If the Cdn$0.20 per share contingent payment described above is payable, we will pay to IAMGold shareholders an additional Cdn$30.1 million, or approximately $22.6 million, in cash if all of the IAMGold shares issued and outstanding as of June 4, 2004, and all of the shares issuable upon exercise of IAMGold options that are in the money as of July 17, 2004, are tendered to the offer and taken up and paid under the offer.

As of June 30, we have incurred $1.9 million of direct, incremental acquisition costs resulting from our tender offer for IAMGold’s common shares. The majority of these costs are for financial advisory, legal and accounting services. If the tender offer fails to acquire a controlling interest in IAMGold, this amount plus any additional future costs incurred in this endeavor would be expensed.

We plan at this point to continue to encourage IAMGold shareholders to tender their shares to Golden Star prior to the August 16 expiry of our offer. For more details of the IAMGold tender offer see our registration statement on Form S-4 as amended (reg.

no. 333-116350) and our Canadian Offer to Purchase as amended. There can be no assurance given that our tender offer for IAMGold will be successful.

Prestea Underground Restructuring

In late 2003, our partner in the Prestea Underground joint venture filed for bankruptcy in Ghana. This event resulted in our partner relinquishing its rights under the joint venture agreement that in turn resulted in a transfer of all of the partner's remaining ownership position to our subsidiary Bogoso Gold Limited, ("BGL"), thereby giving BGL a 90% ownership in the Prestea Underground. The Government of Ghana will continue to hold a 10% ownership in Prestea Underground as well as its 10% holding in BGL resulting in a net 81% ownership by Golden Star.

Guyanor Restructuring

During the second quarter a memorandum of understanding ("MOA") was signed with our 73% owned subsidiary, Guyanor Ressources S.A., which will govern a significant restructuring of Guyanor and an expansion of its existing exploration business to include the acquisition of royalty and other similar interests.

As provided in the MOU, Mr. Michel Juilland resigned as director and general manager of Guyanor and Mr. James Dunnett and Mr. David Birkenshaw (the "Consultants") were elected as directors. In exchange for their services in the Guyanor restructuring, Golden Star agreed to sell to the Consultants for a nominal consideration, nine million shares of Guyanor common share owned by Golden Star which reduced Golden Star's ownership to 53% as of June 30, 2004.

The existing loan agreement between Guyanor and Golden Star will be replaced by a new loan agreement which will require Guyanor to repay approximately $16 million owed to Golden Star only when and if Guyanor returns to a sound financial condition and the $16 million loan will be paid only from proceeds Guyanor may receive from its Paul Isnard properties (referred to a the" SOTRAPMAG Properties") in French Guiana. Furthermore, Golden Star and Guyanor will enter into a joint venture, which will allow Golden Star to earn a 50% interest in the SOTRAPMAG Properties by funding $2.0 million of exploration work. Golden Star will further increase its interest to 70% by reducing the loan balance by $500,000 per year for three years under the joint venture and by an additional $3.5 million upon delivery of a feasibility study on the Paul Isnard property. Golden Star may also purchase, via a $6.0 million reduction in the loan balance, Guyanor's regional exploration database which includes data on Guyanor's past work on several French Guiana properties including the SOTRAPMAG Properties.

If Golden Star makes a decision to initiate mining from the SOTRAPMAG Properties within five years of the date of the MOU, Guyanor will sell its SOTRAPMAG Properties to Golden Star for an additional $5.0 million reduction in the loan balance and a net smelter royalty on the first 2.0 million ounces of gold produced from the SOTRAPMAG Properties. Any remaining unpaid debt owed by SOTRAPMAG to Golden Star as of the date of the sale will be permanently forgiven. Furthermore Guyanor has agreed to let Golden Star conclude the acquisition of the Bon Espoir property in French Guiana which is contiguous with the SOTRAPMAG Properties.

Guyanor's Yaou and Dorlin gold properties will be joint ventured or sold to a new company organized by Guyanor's former management.

In the interim until the restructuring is completed, Golden Star has agreed to provide continued financial support to Guyanor. Golden Star has further agreed to indemnify Guyanor from liabilities relating to the operation of Guyanor's business prior to the restructuring, including potential environmental and severance liabilities.

The final step in the restructuring will require Guyanor's new management to undertake a rights offering or other capital increase to fund Guyanor's acquisition of the new property interests. The financing will be limited to a maximum of € 250 million, by issuance of shares, and/or warrants and/or shares and warrants. In conjunction with the above, Guyanor's Class A and Class B shares will be merged into one class of common shares.

Once the restructuring and recapitalization of Guyanor is completed, it is expected that Golden Star will (i) have no involvement in Guyanor's day-to-day operation; (ii) will no longer fund Guyanor's operations; and (iii) is expected to own less than 50% of Guyanor. At the point where Golden Star's ownership drops below 50%, Golden Star will hold its investment in Guyanor as an equity investment.

Golden Star will write-off its inter-company loan receivable from Guyanor as well as reduce its investment in Guyanor as a result of the transfer of the nine million Guyanor shares to the Consultants. But since the value of Golden Star's investment in Guyanor is essentially nil, the impact of Guyanor's restructuring on Golden Star's consolidated financial statements is expected to be immaterial. In the near term Golden Star will continue to hold a 53% interest in Guyanor and will consolidate Guyanor's activities until such time as the financing is completed and Golden Star owns less than 50% of Guyanor. If the financing is not completed by September 30, 2004 and does not result in equity proceeds in excess of $3.0 million the MOU described above will be terminated.

TRENDS AFFECTING OUR OPERATIONS DURING THE FIRST HALF OF 2004

While gold prices trended generally upward during the last two and a half years, during the last two quarters gold prices have traded in a range between $375 per ounce and $420 per ounce. However the $404 per ounce average gold price received for our shipments during the first six months of 2004 is well above the $351 per ounce average price received in the first six months of 2003.

As expected, operating costs at Bogoso/Prestea were up from the same period in 2003, the result of mining harder, more metallurgically complex transition material at the Plant-North pit which caused lower mill throughput, lower gold production and higher mining and processing costs.

The Bogoso plant completed processing Plant-North oxide ore during the second quarter and is now processing exclusively transition ore. The Bogoso plant will continue to process only transition ore until late 2005 when the BIOX® conversion is completed.

In anticipation of the transition ore, the Bogoso plant flotation circuit was redesigned, re-built and commissioned in the second quarter and is now being used to assist in obtaining higher recoveries from the more complex transition ores. The total capital cost for the upgraded flotation circuit which was project managed in-house and which will be a key component of the future BIOX® project, was $3.5 million. Metallurgical test work in 2003 indicated the combination of gravity, flotation and intensive cyanide leaching of transition material would increase gold recoveries from transition ores to a range of 60% to 70% compared to recoveries in the range of 42% to 50% for carbon-in-leach alone. With the flotation circuit now on-line, we are currently achieving gold recovery of approximately 66% and expect to optimize the process and achieve incremental improvements in the third quarter.

RESULTS OF OPERATIONS

Three months ended June 30, 2004 compared to the three months ended June 30, 2003

Net income during the three months ended June 30, 2004 totaled $1.1 million or $0.008 per share on revenues of $16.5 million, versus net income of $4.0 million or $0.037 per share on revenues of $12.7 million in the same three months of 2003. Gold revenues for the three months ended June 30, 2004 were based on sales of 38,805 ounces, an 8% improvement over the 36,042 ounces sold in the same period of 2003. Realized gold prices averaged $399 per ounce for the quarter, a 15% increase from $347 per ounce realized in the second quarter of 2003.

	Three months ended June 30,		Six months ended June 30,	
FINANCIAL RESULTS	**2004**	**2003**	**2004**	**2003**
Gold sold (oz)	38,805	36,042	86,007	78,398
Average price realized ($/oz)	399	347	404	351
Operating cash flow (in $ thousands)	5,675	5,619	11,681	10,462
Total revenues (in $ thousands)	16,494	12,693	36,351	27,834
Net income (in $ thousands)	1,115	3,993	6,309	7,977
Net income per share — basic ($)	0.008	0.037	0.047	0.078

BOGOSO/PRESTEA OPERATING RESULTS	Three months ended June 30, 2004	Three months ended June 30, 2003	Six months ended June 30, 2004	Six months ended June 30, 2003
Ore mined (t)	311,714	502,551	687,300	1,111,327
Waste mined (t)	1,766,400	1,406,457	3,793,360	3,578,648
Ore milled (t)	421,289	459,506	935,725	1,016,118
Grade milled (g/t)	3.51	3.31	3.64	3.29
Recovery (%)	63.8	75.5	73.7	74.8
Cash operating cost ($/oz)	251	190	213	181
Royalties ($/oz)	12	28	12	27
Total cash cost ($/oz)	263	218	225	208

Bogoso/Prestea processed an average of 4,630 tonnes per day for the three months ended June 30, 2004. Most of the ore milled in the period was transition ore from the Plant-North ore body. Ore grades averaged 3.51 grams per tonne for the quarter. This compares to 5,050 tonnes per day of oxide ore at 3.31 grams per tonne in the second quarter of 2003, which was also from the Plant-North pit. Lower mill through-put was mostly related to start-up activities of the new flotation circuit installed to facilitate gold recovery from the transition ore. We expect through-put to increase incrementally as we optimize the flotation circuit operations.

Gold recovery was 63.8% in the quarter, down from 75.5% in the same quarter last year. Even with lower recovery and lower throughput in the mill, Bogoso/Prestea sold 38,805 ounces of gold in the quarter, up from 36,042 ounces in the same period of 2003. Cash operating costs averaged $251 per ounce for the quarter, compared to $190 per ounce in the same period of 2003. Total cash costs averaged $263 per ounce, up from $218 in the second quarter of 2003. Lower royalty costs were offset by the increased cost of processing transition ores milled in the second quarter.

Six months ended June 30, 2004 compared to the six months ended June 30, 2003

Net income during the six months ended June 30, 2004 totaled $6.3 million or $0.047 per share on revenues of $36.4 million, versus net income of $8.0 million or $0.078 per share on revenues of $27.8 million in the same period of 2003. Gold revenues for the six months ended June 30, 2004 were based on sales of 86,007 ounces, a 10% improvement over the 78,398 ounces sold in the same period of 2003. Realized gold prices averaged $404 per ounce for the six months, a 15% increase from the $351 per ounce realized in the same period of 2003.

Bogoso/Prestea processed an average of 5,141 tonnes per day for the six months ended June 30, 2004, down from 5,614 tonnes per day in the same six months of 2003. Lower mill through-put was related to the start-up phase of the new flotation circuit at the Bogoso mill. All of the ore processed in the current year has come from the Plant-North ore body and averaged 3.64 grams per tonne versus 3.29 grams per tonne in the six months of 2003. Gold recovery averaged 73.7%, down slightly from 74.8% in the same period last year. Cash operating costs averaged $213 per ounce, compared to $181 per ounce in the same six month period of 2003 and total cash costs averaged $225 per ounce, up from $208 per ounce in the first six months of 2003. Cash operating costs rose on the increase in costs associated with milling the transition ores and the start-up of the new flotation plant.

BOGOSO/PRESTEA EXPANSION PROJECTS

Bondaye Plant

Board approval to proceed with the Bondaye plant project was received earlier in the year and the Environmental Impact Statement, or EIS, has been completed and submitted to the Ghana Environmental Protection Agency. The initial permits are expected to be received during the third quarter. We anticipate construction will start immediately thereafter and be finished in mid-2005.

In parallel with the permitting process, the used carbon-in-leach, or CIL, plant that we acquired in 2003 has been disassembled and transported to Prestea where it is being refurbished. The Bondaye plant site is well-located towards the south of the reserves on the Prestea property and immediately north of the seven kilometers of prospective Ashanti trend mineralization being drilled.

The estimated capital costs for the construction and commissioning of the Bondaye plant are approximately $17 million. The Bondaye CIL plant with a nominal capacity of 1.5 million tonnes per annum will process ore mined from our Beta Boundary pits and the deeper ore from the Plant-North pit where we have proven and probable reserves of 9.9 million tonnes at an average grade of 3.1 g/t. Based on these known reserves, we expect to upgrade the Bondaye plant to incorporate a BIOX® circuit in 2008 to process deeper sulfide materials from the Beta Boundary pits.

Gold production from the Bondaye plant is expected to average 120,000 ounces per annum, varying between 100,000 to 140,000 ounces per annum, at an average cash operating cost of $200 per ounce. Recoveries are expected to average 82% and to vary between 70% and 94%.

Bogoso Plant Up-Grade

Planning and engineering continues for the proposed Bogoso plant BIOX® conversion project. The plant will process sulfide and refractory ores from the Bogoso/Prestea property. We have issued a letter of award to GRD Minproc Limited for the detailed design of the BIOX® circuit and to carry out the construction under a project management contract. Completion of the detailed engineering and permitting are expected by year-end. Separately, work on an Environmental Impact Assessment is underway. Subject to permitting and board approvals in late 2004, construction would begin immediately thereafter for commencement of production by the end of 2005.

The BIOX® process has been in successful operation for 20 years. The Fairview Mine in South Africa was the first to be commissioned in 1986. Today there are six gold bio-oxidation projects using BIOX® technology and two others using other stirred tank bio-oxidation technology. All are in operation or have been successfully operated. Two new BIOX® plants are currently under construction. One of the larger bio-oxidation plants, which was built by GRD Minproc in the mid-1990s, is at AngloGold Ashanti’s Obuasi mine, which is also located on the Ashanti gold trend 130 kilometers northeast of Bogoso/Prestea. The sulfide mineralization at Obuasi is very similar to the Bogoso/Prestea material. Our metallurgical assessment of the suitability of the bio-oxidation process for Bogoso/Prestea ores has been a four-year project. The work has involved metallurgical assessments on some 30 samples representative of the current sulfide reserves, including a flotation, BIOX® and neutralization pilot plant program on a nine-tonne bulk sample compiled by the blending of approximately 90 diamond drill hole cores. We estimate the capital cost for the BIOX® upgrade at Bogoso to be about $25 million.

In addition to the above expenditures, we expect to spend approximately $26 million in 2004 and 2005 to expand the Bogoso/Prestea mining fleet to accommodate the expanded scope of the operations. The existing 50-tonne truck fleet and loading and ancillary equipment is nearing the end of its economic life, and will be phased out and replaced with 90-tonne trucks. This larger scale equipment is expected to reduce the cost per tonne mined.

Following the BIOX® upgrade, the Bogoso plant is expected to have a nominal capacity of 1.5 million tonnes per annum to process sulfide and refractory ores from our Bogoso and northern Prestea pits, where we currently have proven and probable reserves of approximately 12.5 million tonnes at an average grade of 3.4 grams per tonne. Gold production from the Bogoso plant is expected to average 140,000 ounces per annum and to vary between 120,000 to 160,000 ounces per annum at an average cash operating cost of $225 per ounce. Estimated gold recoveries from the BIOX ® process are expected to average 86% and vary between 82% and 88%.

WASSA GOLD PROJECT

The Wassa Mine, 35 kilometers east of Bogoso/Prestea, is fully permitted and commissioning of the process plant and ore processing has commenced. The Wassa plant is expected to achieve full capacity in August and commercial gold production before the end of the current quarter. Connection to the national power grid should be completed in the fourth quarter. In the interim, Wassa will be powered by its own generating plant, which can generate sufficient electric power to fully operate the site. The generating plant will subsequently be used as a standby power facility.

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Initially, the Wassa plant will process material from the previous owner's operation. The material will be moved by front-end loaders and fed to the conventional milling circuit via a sequence of conveyors and through a slurrying facility. The previous operation failed because this material is not well suited to heap-leach recovery. As a result, we acquired a stockpile of already mined and crushed mill feed grading 0.7 g/t Au that has enabled us to begin operations well ahead of open-pit mining. This material will be preferentially processed as it is located within the ultimate footprint of the tailings dam.

Open pit mining at Wassa will begin on a limited scale in the fourth quarter to supplement the heap-leach material with mined ore. During this period, mining operations will be carried out using mining equipment transferred from Bogoso/Prestea, following the upgrading of that mine's fleet with larger capacity units. Once Wassa's full-scale open-pit mining commences in late 2005, we plan to invest approximately $17 million in new mining equipment of similar size to that being acquired for Bogoso/Prestea.

When in full open-pit production in 2006, processing only open pit ore, we expect Wassa to produce at an average annualized rate of 140,000 ounces per annum at an average cash operating cost of $200 per ounce. Gold recoveries at Wassa are expected to average 92% and vary from 88% to 95% for open pit ore and from 80% to 96% for the heap leach material.

Following an approximate 12,000-meter reverse circulation, or RC, and diamond drilling program during the first six months of 2004, the mineral reserves at Wassa have been updated resulting in a 25% increase in the Probable Mineral Reserve category to 19.7 million tonnes at an average grade of 1.32 grams of gold per tonne (g/t Au). At present, there are no Proven Reserves.

Probable Reserves	**Tonnes (millions)**	**Grade (g/t Au)**	**Gold Content (ounces)**	**Increase [1]**
Weathered (oxide)	5.6	1.16	209,000	39%
Fresh (sulfide)	9.9	1.69	536,000	26%
Heap Leach Pads	4.2	0.66	89,000	0%
Total Probable Reserves [2]	19.7	1.32	834,000	25%

1. Increase in the contained gold relative to December 31, 2003.

2. Golden Star's share of the mineral reserves is subject to the Government of Ghana's right to a 10% dividend once our capital costs have been recovered.

The Mineral Reserve estimate was prepared in conformity with Canada's National Instrument 43-101 and with the US Securities and Exchange Commission's definitions. The Qualified Person for the estimation is David Alexander, project mining manager of the Company. The Mineral Reserve estimate has been derived from engineered pits optimized at a $325 per ounce gold price. Appropriate factors to allow for mining recovery and dilution have been used in the estimate. Further technical details on the methodology and calculation of our reserves can be found in the Company's Technical Report filed with SEDAR on May 2, 2003.

MINING FLEET

The total mining fleet capital expenditure at Bogoso/Prestea and Wassa during 2004 and 2005 is expected to total approximately $43 million as follows:

	2004 ($million)	**2005 ($million)**	**Total ($million)**
Bogoso	6	7	13
Prestea (to feed Bondaye Plant)	—	13	13
Wassa	—	17	17
Total	6	37	43

The first 90-tonne trucks have been delivered to Bogoso/Prestea and have been placed into production. To finance a portion of this investment, we have arranged a $25 million finance facility from the major vendor, Caterpillar, to be secured against the fleet. The finance facility has a term of five years and an interest rate of 2.28% over the US Federal Reserve five year swap rate.

EXPLORATION

We have allocated approximately $21 million in 2004 to an aggressive exploration program. Much of the work will focus on our highly prospective land positions in Ghana, where a total of $12.5 million has been designated for our expanded Bogoso/Prestea property. In addition, we plan to spend $2.5 million at Wassa and $6.0 million at our exploration projects in West Africa and South America. Expensed exploration totaled $0.2 million for the quarter and $0.5 million for the six months, compared with $0.2 million and $0.2 million in the respective periods in 2003.

Prestea South, Ghana (90% Golden Star)

The first phase of reconnaissance exploration on the southern extension of our Bogoso/Prestea gold property was completed in the second quarter with 28,272 meters of rotary air blast, or RAB, and reverse circulation, or RC, drilling, being completed. This work identified substantial gold grades hosted in oxide material over the northern half of a parallel seven-kilometer gold-in-soil anomaly.

An additional 18,000 meters of RC drilling is underway to test the down-dip extension of the identified mineralized zones. Work to date has confirmed that these zones extend down at least as far as 150 meters below the surface where fresh, or sulfide, rock is encountered.

Prestea Underground, Ghana (81% Golden Star)

Exploration continues in the inactive Prestea Underground Mine on our Bogoso/Prestea property. This mine, with previously fragmented ownership, has produced over nine million ounces. Progress is being made on several of the many unexplored areas, as follows:

- Drilling between the 17 and 24 levels, approximately 700 meters below surface, has returned encouraging results and an additional 6,000 meters of step-out and delineation drilling is planned for this zone during the balance of 2004.
- Two hanging-wall cross cuts are being developed to provide access to drill targets below the lowest mining levels. Other underground drill locations have been developed and a third underground drill rig has been mobilized, which will commence drilling in the third quarter and continue into 2005.
- A surface drill rig capable of testing the down-dip extensions below the historical workings is currently drilling the projected extensions of the Bondaye main ore shoot. It should intersect the projected mineralized zone approximately 500 meters below the existing underground workings. Drilling is expected to continue into 2005.

Exploration costs at the Prestea Underground project totaled $2.6 million during the first six months of 2004, compared to spending of $1.1 million in the same period of 2003.

Mininko, Mali (may earn up to 82.5% interest)

Gold mineralization at Mininko occurs in flat-lying quartz veinlets where two phases of drilling have now been completed. The second phase comprising 2,756 meters of RC and core drilling was concluded during the second quarter. This phase was to test extensions of the mineralization at the Nampala prospect, including a new zone to the east, and to improve the geological model in preparation for preliminary resource modeling.

The drilling confirmed broad zones of lower grade mineralization, which continue to approximately 200 meters below the surface. Many of the drill holes have intercepted multiple zones of mineralization, including some higher grade mineralization. Significant intersections from Phase 1 and 2 drilling, as well as maps, are summarized on our web site at www.gsr.com

Mineralization remains open along strike to the north and south at Nampala and a newly discovered zone to the east was partially tested by three RC drill holes.

Mano River Joint Venture, Sierra Leone (may earn up to 85%)

The first phase of drilling at the Yirisen gold prospect in Sierra Leone commenced during the quarter. Initial results have been encouraging and the current work program is expected to be completed during the third quarter. Yirisen is located in the North Pampana Exclusive Prospecting License in the Sula Mountains greenstone belt and is a joint venture with Mano River Resources who are the project operators.

LOOKING AHEAD

Our main objectives for the reminder of 2004 are:

- Continued orderly and efficient mining of Prestea Plant-North ores allowing an adequate flow of transition ores to the Bogoso processing plant;
- Commence commercial production at Wassa;
- Environmental permitting for and commencement of construction of the Bondaye processing plant near Prestea in readiness for first gold production in the third quarter of 2005;
- Completion of planning, engineering and design work for the Bogoso BIOX® conversion in readiness for a board decision by late 2004 and construction in 2005;
- Continued evaluation of the Prestea Underground potential;
- A continued high level of exploration efforts focused on understanding the potential of our principal properties in Ghana and West Africa;
- Continuation of efforts to identify and pursue acquisition and growth opportunities in Ghana and elsewhere;
- Evaluate and rationalize our South American assets;
- A successful completion of the IAMGold share tender offer and subsequent integration of IAMGold into Golden Star.

LIQUIDITY AND CAPITAL RESOURCES

We continued to maintain adequate cash balances during the first half of 2004. The cash and cash equivalent balance stood at $85.8 million at June 30, 2004, down from approximately $90 million at the end of 2003. Cash flow from operations before working capital changes totaled $12.4 million during the first six months of 2004, versus $11.4 million in the same period of 2003.

Investing activities consumed $26.7 million of cash in the first six months of 2004 and we received the second of three $1.0 million deferred payments from sale of the Gross Rosebel property. Investing expenditures by site were as follows:

	Six months ended June 30, 2004
Bogoso/Prestea	$ 6,940
Wassa	9,624
Prestea Underground	2,619
Deferred exploration and development	3,691
Other projects	3,824
Total	$26,698

Stock option exercises provided $1.0 million of cash during the first six months of 2004 and warrant exercises added an additional $8.5 million. At June 30, 2004, working capital was $92.7 million, versus $96.8 million at the end of 2003.

In June 2004 an equipment financing credit facility was established between Caterpillar Financial Services Corporation and the subsidiaries of Golden Star with Golden Star the guarantor of all amounts borrowed. The loan provides up to a maximum of $25 million of credit for a mixture of new and used mining equipment. The facility expires on April 30, 2005, bears an interest at a rate equal to the Five Year US$ Swap Rate plus 2.28%, is repayable over five years for new equipment and over two years for used equipment and requires monthly payments. As of June 30, 2004 the amount drawn on this new line of credit was nil.

Outlook

We expect that Bogoso/Prestea will continue to generate positive operating cash flows during 2004, with all excess cash being used at Bogoso/Prestea for the various capital projects scheduled during 2004. While we currently have adequate cash balances on hand to meet our exploration and operational needs, we expect that property acquisitions, development spending and the capital investment needs at Wassa and Bogoso/Prestea and funding of our exploration activities will draw down cash balances to lower levels during the remainder of 2004.

The potential cash component of the IAMGold tender offer could consume up to $57 million of cash if all IAMGold shareholders opt for the shares-plus-cash option in exchange for their IAMGold shares and an additional $23 million would be needed if the contingent Cdn$0.20 per share is paid. While a cash payment for the IAMGold shares would significantly reduce our cash balance, we still expect that the combined entity would have a cash balance sufficient to fund the capital expenditures now anticipated over the next two years.

If additional attractive acquisitions become available during the year, it is possible that more funds could be needed to facilitate our continued growth. Funding of approximately $60 million would be required during 2004 and 2005 when a decision is made to proceed with the Bogoso BIOX® conversion in addition to the Bondaye plant. Potential sources of funds for the expansion would most likely include cash on hand, cash generated by operations, debt, equity or some combination of these sources, although there can be no assurance we would successfully obtain the amount of funds required.

ITEM 3 QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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

Commodity Price Risk

We are engaged in gold mining and related activities, including exploration, development, mining, processing and reclamation. Gold bullion is our primary product and, as a result, changes in the price of gold could significantly affect results of operations and cash flows. According to current estimates for 2004, a $25 change in the price of gold could result in a $4.6 million to $5.3 million change in our pre-tax results of operations and cash flows during the year. We may in the future consider more actively managing our exposure through price protection programs.

Foreign Currency Exchange Rate Risk

The price of gold is denominated in United States dollars and the majority of our revenues and expenses are denominated in United States dollars but currently we maintain a portion of our short-term investments in Canadian dollars. A five percent change in the US$/Cdn$ exchange rate would impact the value of our current Cdn$ denominated investments by approximately $1 million. In addition a portion of our capital and operating asset purchases are denominated in currencies other than the US dollar and we have on occasion experienced increases in the cost of certain items due to unanticipated foreign currency exchange rate fluctuations. We currently do not utilize market risk sensitive instruments to manage our exposure. We may in the future consider more actively managing our exposure to foreign currency exchange rates.

Interest Rate Risk

We invest excess cash in short-term debt instruments of the United States Government and its agencies on a floating interest rate basis. We may also invest in short term debt instruments of the Government of Canada. Over time the rates received on such investments may fluctuate with changes in economic conditions. As a result, our investment income may fall short of expectations during periods of lower interest rates. A 0.1 percent change in interest rates would change our annual interest income by approximately $0.8 million based on cash balances the end of June 2004. We may in the future consider more actively managing our exposure to interest rate risk.

ITEM 4. CONTROLS AND PROCEDURES

We carried out an evaluation, under the supervision and with the participation of our principal executive officer and principal financial officer, of the effectiveness of our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) as of the end of the period covered by this report. Based on this evaluation, the principal executive officer and principal financial officer have concluded that our disclosure controls and procedures are effective.

We periodically conduct an evaluation, under the supervision and with the participation of our principal executive officer and principal financial officer as well as our Audit Committee, of our internal controls and procedures. There have been no significant changes in our internal controls or in other factors that could significantly affect our internal controls subsequent to the date of the most recent evaluation.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are not currently subject to any material pending legal proceedings. We are, however, engaged in routine litigation incidental to our business. No material legal proceedings, involving us or our business are pending, or, to our knowledge, contemplated, by any governmental authority. We are not aware of any material events of noncompliance with environmental laws and regulations.

ITEM 2. CHANGES IN SECURITIES AND THE USE OF PROCEEDS

Recent Sales of Unregistered Securities

Common Stock

1. In the second quarter of 2004, 280,500 shares were issued upon exercise of warrants for total consideration to the Company of Cdn$841,500 ($602,275). The warrants were originally issued in January 2003 with a Cdn$3.00 exercise price.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

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

The 2004 Annual General Meeting of Shareholders was held on May 20, 2004 where four matters were voted upon.

1. The following directors were elected until 2004:

	Number of Common Shares Voted	
Director	**Affirmative**	**Withheld**
James E. Askew	89,595,988	526,689
Peter J. Bradford	89,595,988	526,689
David K. Fagin	89,595,988	526,689
Ian MacGregor	89,595,988	526,689
Lars-Eric Johansson	89,595,988	526,689
Michael P. Martineau	89,595,988	526,689

2. Appointment of PricewaterhouseCoopers LLP as our auditor until the next annual general meeting. The shareholders approved the measure with an affirmative vote of 88,290,968 Common Shares and 302,931 Common Shares withheld.

3. Ratification, confirmation and approval of the Shareholder Protection Plan: The shareholders approved the Plan with 25,762,012 votes for the ratification, confirmation and approval of the plan and 4,373,052 votes cast against.

4. Approval of amendments to the Corporation’s Amended and Restated 1997 Stock Option Plan: The shareholders approved the amendments with 13,289,672 votes cast in favor and 13,041,979 votes cast against the amendments.

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ITEM 5 OTHER INFORMATION

None

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits.

10.1	Second Amended and Restated 1997 Stock Option Plan, amended and restated as of May 20, 2004.
31.1	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certificate of Principal Executive Officer pursuant to 18 U.S.C. 1350 (Section 906 of the Sarbanes-Oxley Act of 2002).
32.2	Certificate of Principal Financial Officer pursuant to 18 U.S.C. 1350 (Section 906 of the Sarbanes-Oxley Act of 2002).

(b) Reports on Form 8-K filed during the quarter ended June 30, 2004.

1. A report on Form 8-K was furnished to the Securities and Exchange Commission on May 4, 2004 pursuant to Items 7 and 12 to announce financial results for the first quarter of 2004.

2. A report on Form 8-K was filed to the Securities and Exchange Commission on May 28, 2004 describing an Amended and Restated Shareholder Protection Rights Plan as adopted by shareholders on May 20, 2004.

3. A report on Form 8-K was filed to the Securities and Exchange Commission on June 3, 2004 announcing a proposed business combination with IAMGold Corporation.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

GOLDEN STAR RESOURCES LTD.
Registrant

By: /s/ Peter J. Bradford
Peter J. Bradford
President and Chief Executive Officer
Date: August 04, 2004

By: /s/ Allan J. Marter
Allan J. Marter
Senior Vice President and Chief Financial Officer
Date: August 04, 2004

EXHIBITS INDEX

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32.2	Certificate of Principal Financial Officer pursuant to 18 U.S.C. 1350 (Section 906 of the Sarbanes-Oxley Act of 2002).

EXHIBIT 10.1

GOLDEN STAR RESOURCES LTD.

SECOND AMENDED AND RESTATED 1997 STOCK OPTION PLAN
(EFFECTIVE DATE OF AMENDMENT MAY 20, 2004)

1. PURPOSE

1.1 The purpose of the 1997 Stock Option Plan (the "Plan") is to advance the interests of Golden Star Resources Ltd. (the "Corporation") by encouraging equity participation in the Corporation by selected key employees, consultants and directors of the Corporation or subsidiaries of the Corporation through the acquisition of common shares without par value ("Shares") in the Corporation. Any reference herein to the Corporation or any subsidiary of the Corporation shall be deemed to refer to any predecessor or successor corporation thereto.

It is the further purpose of this Plan to permit the granting of awards that will constitute performance-based compensation for certain executive officers, as described in section 162(m) of the United States Internal Revenue Code of 1986, as amended (the "Code"), and regulations promulgated thereunder.

As of the effective date of the Plan, the 1992 Employees' Stock Option Plan and the 1992 Non-Discretionary Directors' Stock Option Plan (collectively, the "1992 Plans") will be terminated subject to the assumption under the Plan of outstanding options granted under the 1992 Plans.

2. ADMINISTRATION OF THE PLAN

2.1 The Plan will be administered by a specifically designated independent committee ("Independent Committee") of the Board of Directors of the Corporation (the "Board of Directors"), except that with respect to options granted to non-employee directors of the Corporation, the Board of Directors shall serve as the Committee, and, where applicable, any reference herein to the Independent Committee shall be deemed to refer to the Board of Directors. The Independent Committee shall consist of such two or more directors of the Corporation as the Board of Directors may designate from time to time, all of whom shall be and remain directors of the Corporation. To the extent necessary to comply with Code section 162(m) or Rule 16b-3 under the Securities Exchange Act of 1934 (the "Exchange Act"), as amended ("Rule 16b-3"), each member of the Independent Committee shall be intended to be an "outside director" within the meaning of Code section 162(m) or a "non-employee director" within the meaning of Rule 16b-3. The Independent Committee is authorized to interpret and to implement the Plan and all Plan agreements and may from time to time amend or rescind rules and regulations required for carrying out the Plan. The Independent Committee shall have the authority to exercise all of the powers granted to it under the Plan, to make any determination necessary or advisable in administering the Plan and to correct any defect, supply any omission and reconcile any inconsistency in the Plan. Any such interpretation or construction of any provision of the Plan shall be final and conclusive. Notwithstanding the foregoing, the Board of Directors may resolve to administer the Plan with respect to all of the Plan or certain participants and/or awards made or to be made under the Plan. To the extent that the Board of Directors determines to administer the Plan, all references herein to the Independent Committee shall be deemed to refer to the Board of Directors.

All administrative costs of the Plan shall be paid by the Corporation. No member of the Independent Committee shall be liable for any action or determination made in good faith with respect to the Plan or any option granted under it.

3. PARTICIPATION

3.1 Options may be granted under the Plan to persons who are directors or key employees (including officers, whether or not directors, and part-time employees) of, or independent consultants to, the Corporation or any of its subsidiaries who, by the nature of their positions or jobs, are in the opinion of the Independent Committee in a position to contribute to the success of the Corporation or any of its subsidiaries or who, by virtue of their length of service to the Corporation or to any of its subsidiaries are, in the opinion of the Independent Committee, worthy of special recognition. Designation of a participant in any year shall not require the designation of such person to receive an option in any other year. The Independent Committee shall consider such factors as it deems pertinent in selecting participants and in determining the amount and terms of their respective options.

3.2 Subject to applicable regulatory approval, options may also be granted under the Plan in exchange for outstanding options granted by the Corporation, whether such outstanding options are granted under the Plan, under any other stock option plan of the Corporation or under any stock option agreement with the Corporation. Options granted under the 1992 Plans which are outstanding upon the effectiveness of the Plan will be assumed and will be deemed to be governed by the Plan as of such date.

3.3 Options may also be granted under the Plan in substitution for outstanding options of another corporation in connection with a plan of arrangement, amalgamation, merger, consolidation, acquisition of property or shares, or other reorganization between or involving such other corporation and the Corporation or any of its subsidiaries.

4. NUMBER OF SHARES RESERVED UNDER THE PLAN

4.1 The number of Shares reserved for issuance under the Plan is limited as follows:

(a) the maximum number of Shares issuable pursuant to the exercise of options granted under the Plan shall be 15,000,000 (including such number of Shares issuable upon exercise of options granted under the 1992 Plan as of the effective date of the Plan) provided, however, if, after the effective date of the Plan, any Shares covered by an option granted under the Plan, or to which such an option relates, are forfeited, or if an option has expired, terminated or been cancelled for any reason whatsoever (other than by reason of exercise), then the Shares covered by such option shall again be, or shall become, Shares with respect to which options may be granted hereunder;

(b) the number of Shares that may be reserved from time to time under the Plan for issuance to Insiders (as defined below) of the Corporation shall be limited to that number which is equal to the difference between (i) 10% of the outstanding number of Shares from time to time, and (ii) the number of Shares that are reserved for issuance to Insiders pursuant to stock options granted under other stock option plans or arrangements of the Corporation;

(c) the total number of Shares issuable within any one-year period to all Insiders of the Corporation pursuant to the exercise of vested options granted under the Plan or pursuant to any other share compensation arrangements of the Corporation shall not exceed 10% of the Outstanding Issue;

(d) the total number of Shares reserved for issuance to any one optionee pursuant to options granted under the Plan or other stock option plans or arrangements of the Corporation shall not exceed 5% of the outstanding number of Shares from time to time; and

(e) the total number of Shares issuable within any one-year period to an Insider and, if applicable, such Insider's "associates" (as defined under the Securities Act (Ontario) pursuant to the exercise of vested options granted under the Plan or any other share compensation arrangements of the Corporation shall not exceed 5% of the Outstanding Issue.

"Insiders" has the meaning set forth in the Toronto Stock Exchange's policy issued March 22, 1994 entitled "Employee Stock Option and Stock Purchase Plans, Options for Services and Related Matters."

"Outstanding Issue", for the purposes of the Plan, is determined on the basis of the number of Shares that are outstanding immediately prior to the Shares issuance in question, excluding Shares issued pursuant to the Plan or the Corporation's other share compensation arrangements over the preceding one-year period. The maximum number of Shares set forth in Section 4.1(a) shall be appropriately adjusted in the event of any subdivision or consolidation of the Shares or in the discretion of the Independent Committee, to reflect any other corporate event or change in the Shares.

5. NUMBER OF OPTIONED SHARES PER OPTIONEE

5.1 Subject to Section 4.1 hereof, the maximum number of Shares subject to options granted to any one participant under the Plan in any one calendar year shall not exceed 400,000 (subject to adjustment in the event of any subdivision or consolidation of the Shares). Subject to these limitations, however, the determination regarding the number of optioned Shares that may be granted to each optionee pursuant to an option will be made by the Independent Committee and will take into consideration the optionee's present and potential contribution to the success of the Corporation.

6. PRICE

6.1 The exercise price per optioned Share shall be determined by the Independent Committee at the time the option is granted, but such price shall not be less than the fair market value per Share on the date of grant. For the purposes of the Plan, "fair market value" per Share shall mean the closing price of the Shares on the stock exchange or other market on which the Shares principally traded on the day immediately preceding the date of grant.

7. EXERCISE OF OPTIONS

7.1 The period during which an option may be exercised (the "Option Period") shall be determined by the Independent Committee at the time the option is granted and may be up to 10 years from the date the option is granted, except as the same may be reduced pursuant to the provisions of Sections 8 and 9 hereof.

7.2 In order to ensure that the Corporation will receive the benefits contemplated in exchange for the options granted hereunder, no option shall be exercisable until it has vested. The vesting schedule for each option shall be specified in an option agreement as provided for in Section 12 hereof; provided, however, that the Independent Committee shall have the right with respect to any one or more optionees to accelerate the time at which an option may be exercised. Notwithstanding the foregoing provisions of this Section 7.2, if there is a Change of Control, as defined below, then all options outstanding shall become immediately exercisable.

For purposes of this Plan, a "Change of Control" shall mean the occurrence of any of the following: (i) the sale, lease, transfer, conveyance or other disposition, in one or a series of related transactions, of all or substantially all of the assets of the Corporation to any "person" or "group" (as such terms are used in Sections 13(d)(3) and 14(d)(2) of the Exchange Act), (ii) any person or group, is or becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, except that a person shall be deemed to have "beneficial ownership" of all shares that any such person has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of more than 50% of the total voting power of the voting stock of the Corporation, including by way of merger, consolidation or otherwise or (iii) during any period of two consecutive years, individuals who at the beginning of such period constituted the Board of Directors (together with any new directors whose election by such Board of Directors whose nomination for election by the shareholders of the Corporation was approved by a vote of a majority of the directors of the Corporation, then still in office, who were either directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the Board of Directors, then in office.

7.3 Options shall be exercisable, either all or in part, at any time after vesting. If less than all of the Shares included in the vested portion of any option are purchased, the remainder may be purchased, subject to the option's terms, at any subsequent time prior to the expiration of the Option Period.

7.4 Except as set forth in Sections 8 and 9 hereof, no option may be exercised unless the optionee is at the time of such exercise an employee or director of, or consultant to, the Corporation or any of its subsidiaries and shall have continuously served in any one or more of such capacities since the grant of the option. Absence on leave, with the approval of the Independent Committee, shall not be considered an interruption of service for any purpose of the Plan.

7.5 The exercise of any option will be contingent upon receipt by the Corporation of payment for the full purchase price of the Shares being purchased in cash by way of certified cheque or bank draft or by way of proceeds of any loan made by the Corporation to the optionee pursuant to Section 10 hereof. No optionee or his or her legal representatives, legatees or distributees will be, or will be deemed to be, a holder of any Shares subject to an option under the Plan, unless and until certificates for such Shares are issued to him, her or them under the terms of the Plan.

7.6 No option granted under the Plan shall be an "incentive stock option" within the meaning of Code section 422.

8. TERMINATION OF EMPLOYMENT

8.1 If an optionee ceases to be employed by, or provide services to, the Corporation or any of its subsidiaries for any reason (other than death), or shall receive notice from the Corporation or any of its subsidiaries of the termination of his or her employment or services (such optionee being referred to in this Section 8.1 as a "Former Optionee"), the Former Optionee may only exercise each option held, to the extent that it has vested and not been exercised before such termination, until the earlier of:

(a) the date which is 30 days after the Former Optionee ceased to be employed by, or provide services to, the Corporation or any of its subsidiaries; and

(b) the expiry of the Option Period for the option (the "Option Expiry Date");

provided, however, that:

(c) if the Former Optionee was a director of the Corporation or any of its subsidiaries, each option held will continue to be exercisable until the earlier of:

(i) the date which is 12 months after the Former Optionee ceases to be such a director for any reason (other than death), and

(i) the Option Expiry Date, and

(d) each option held may continue to be exercisable for such longer period than that provided for in this Section 8.1 if and as may be determined by the Independent Committee and any such determination by the Independent Committee may be made retroactively effective in order to reinstate the effectiveness of an option held by a Former Optionee that is otherwise rendered unexercisable pursuant to the other provisions of this Section 8.1; provided, however, that any such determination by the Independent Committee shall be subject to the following:

(i) such determination shall be made within three months after the date that the Former Optionee ceased to be employed by, or provide services to, the Corporation or any of its subsidiaries;

(ii) such determination shall be subject to applicable regulatory approvals; and

(iii) such longer exercise period determined by the Independent Committee for any option shall not extend beyond the Option Expiry Date for such option.

9. DEATH OF OPTIONEE

9.1 In the event of the death of an optionee while in service or in the post-termination period described in Section 8, each option theretofore granted to him or her shall be exercisable until the earlier of:

(a) the expiry of the period within which the option may be exercised after such death, which period may be up to one year after such death and is to be specified in his or her option agreement, and

(b) the Option Expiry Date;

provided, however, that the option is only exercisable in such event:

(c) by the person or persons to whom the optionee's rights under the option shall pass by the optionee's will or by the laws of descent and distribution, and

(d) to the extent that the option has vested and not been exercised prior to the Optionee's death.

10. LOANS TO EMPLOYEES

10.1 An interest free loan will be made available to optionees who are employees of the Corporation or any of its subsidiaries at the time the loan is made, the proceeds of which loan may only be used directly for the exercise of options granted under the Plan to the optionee.

The optionee shall pledge the subject shares as security for timely repayment of the loan and the Corporation's sole recourse for repayment and recovery of the loan shall be against the pledged shares. Until the loan is repaid, the pledged shares will be held by a trustee designated by the Corporation. The term of the loan shall be five years from the date of the loan, provided that the due date for the loan shall not in any event extend beyond that date which is ten years from the date of grant of the particular option, and, provided further, that the loan shall be repaid within 30 days of the earlier of the date upon which the optionee ceases to be an employee of the Corporation or any of its subsidiaries for any reason (other than death), or the date upon which the optionee receives notice from the Corporation or any of its subsidiaries of the termination of his or her employment. If the option has not been exercised by the optionee prior to his or her death, the loan provisions shall not be available for the exercise of the option pursuant to Section 9 hereof after his or her death.

11. INTENTIONALLY OMITTED

12. OPTION AGREEMENT

12.1 Upon the grant of an option to an optionee, the Corporation and the optionee shall enter into an option agreement setting out the number of optioned Shares granted to the optionee and incorporating the terms and conditions of the Plan and any other requirements of regulatory bodies having jurisdiction over the securities of the Corporation and such other terms and conditions as the Independent Committee may determine are necessary or appropriate, subject to the Plan's terms.

13. ADJUSTMENT IN SHARES SUBJECT TO THE PLAN

13.1 The option exercise price and the number of Shares to be purchased by an optionee upon the exercise of an option will be adjusted, with respect to the then unexercised portion thereof, by the Independent Committee from time to time (on the basis of such advice as the Independent Committee considers appropriate, including, if considered appropriate by the Independent Committee, a certificate of auditors of the Corporation) in the event and in accordance with the provisions and rules set out in this Section 13. Any dispute that arises at any time with respect to any adjustment pursuant to such provisions and rules will be conclusively determined by the Independent Committee, and any such determination will be binding on the Corporation, the optionee and all other affected parties.

(a) In the event that a dividend is declared upon the Shares payable in Shares (other than in lieu of dividends paid in the ordinary course), the number of Shares then subject to any option shall be adjusted by adding to each such Share the number of Shares which would be distributable thereon if such Share had been outstanding on the date fixed for determining shareholders entitled to receive such stock dividend.

(b) In the event that the outstanding Shares are changed into or exchanged for a different number or kind of Shares or other securities of the Corporation or of another corporation, whether through an arrangement, amalgamation or other similar procedure or otherwise, or a share recapitalization, subdivision or consolidation, then there shall be substituted for each Share subject to any option the number and kind of Shares or other securities of the Corporation or another corporation into which each outstanding Share shall be so changed or for which each such Share shall be exchanged.

(c) In the event that there is any change, other than as specified above in this Section 13, in the number or kind of outstanding Shares or of any securities into which such Shares shall have been changed or for which they shall have been exchanged, then, if the Independent Committee, in its sole discretion, determines that such change equitably requires an adjustment to be made in the number or kind of Shares, such adjustment shall be made by the Independent Committee and be effective and binding for all purposes.

(d) In the event that the Corporation distributes by way of a dividend, or otherwise, to all or substantially all holders of Shares, property, evidences of indebtedness or shares or other securities of the Corporation (other than Shares) or rights, options or warrants to acquire Shares or securities convertible into or exchangeable for Shares or other securities or property of the Corporation, other than as a dividend in the ordinary course, then, if the Independent Committee, in its sole discretion, determines that such action equitably requires an adjustment in the option exercise price or number of Shares subject to any option, or both, such adjustment shall be made by the Independent Committee and shall be effective and binding for all purposes.

13.2 In the case of any such substitution or adjustment as provided for in this Section 13, the exercise price in respect of each option for each Share covered thereby prior to such substitution or adjustment will be proportionately and appropriately varied, such variation shall generally require that the number of Shares or securities covered by the option after the relevant event multiplied by the varied option exercise price be equal to the number of Shares covered by the option prior to the relevant event multiplied by the original option exercise price.

13.3 No adjustment or substitution provided for in this Section 13 shall require the Corporation to issue a fractional share in respect of any option. Fractional shares shall be eliminated.

13.4 The grant of an option shall not affect in any way the right or power of the Corporation to effect adjustments, reclassifications, reorganizations, arrangements or changes of its capital or business structure, or to amalgamate, merge, consolidate, dissolve or liquidate, or to sell or transfer all or any part of its business or assets.

14. TRANSFERABILITY

14.1 All benefits, rights and options accruing to any optionee in accordance with the terms and conditions of the Plan shall not be assignable other than as specifically provided in Section 9 in the event of the death of the optionee. During the lifetime of an optionee, all benefits, rights and options shall not be transferable and may only be exercised by the optionee.

15. EMPLOYMENT

15.1 Nothing contained in the Plan shall confer upon any optionee any right with respect to employment or continuance of employment with, or the provision of services to, the Corporation or any of its subsidiaries, or interfere in any way with the right of the Corporation or any of its subsidiaries to terminate the optionee's employment or services at any time. Participation in the Plan by an optionee is voluntary.

16. RECORD KEEPING

16.1 The Corporation shall maintain a register in which shall be recorded:

(a) the name and address of each optionee; and

(b) the number of Shares subject to an option granted to an optionee and the number of Shares subject to the option remaining outstanding.

17. SECURITIES REGULATION AND TAX WITHHOLDING

17.1 Where the Independent Committee determines it is necessary or desirable to effect exemption from registration or distribution of the Shares under securities laws applicable to the securities of the Corporation, an optionee shall be required, upon the acquisition of any Shares pursuant to the Plan, to acquire the Shares with investment intent (i.e., for investment purposes) and not with a view to their distribution, and to present to the Independent Committee an undertaking to that effect in a form acceptable to the Independent Committee. The Board of Directors and the Independent Committee may take such other action or require such other action or agreement by such optionee as may from time to time be necessary to comply with applicable securities laws. This provision shall in no way obligate the Corporation to undertake the registration or qualification of any options or the Shares under any securities laws applicable to the securities of the Corporation.

17.2 The Board of Directors and the Corporation may take all such measures as they deem appropriate to ensure that the Corporation's obligations under the withholding provisions under income and tax laws applicable to the Corporation and other provisions of applicable laws are satisfied with respect to the issuance of Shares pursuant to the Plan or the grant or exercise of options under the Plan, including retention of Shares that would otherwise be issued to the optionee or requiring the optionee to fund the amount required to be withheld.

17.3 Issuance, transfer or delivery of certificates for Shares purchased pursuant to the Plan may be delayed, at the discretion of the Independent Committee, until the Independent Committee is satisfied that the applicable requirement of securities and income tax laws have been met.

18. AMENDMENT AND TERMINATION

18.1 The Board of Directors reserves the right to amend or to terminate the Plan at any time if and when it is advisable in the absolute discretion of the Board of Directors; provided, however, that no such amendment or termination shall adversely affect any outstanding options granted under the Plan without the consent of the optionee. Furthermore, to the extent any amendment would require shareholder approval under Code section 162(m), such amendment shall be effective upon the required approval of the shareholders of the Corporation. Any amendment to the Plan shall also be subject to any necessary approvals of any stock exchange or regulatory body having jurisdiction over the securities of the Corporation and, where applicable, shareholders approval.

18.2 Subject to regulatory approval, where applicable, the Independent Committee may waive any conditions or rights under, amend any terms of, or alter, suspend, discontinue, cancel or terminate, any option theretofore granted, prospectively or retroactively; provided, however, that any such waiver, amendment, alteration, suspension, discontinuance, cancellation or termination that would impair the rights of any optionee or any holder or beneficiary of any option theretofore granted shall not to that extent be effective without the consent of the affected optionee, holder or beneficiary.

19. NO REPRESENTATION OR WARRANTY

19.1 The Corporation makes no representation or warranty as to the future market value of any Shares issued in accordance with the provisions of the Plan.

20. NECESSARY APPROVALS

20.1 The obligation of the Corporation to issue and to deliver any Shares in accordance with the Plan is subject to any necessary or desirable approval of any regulatory authority having jurisdiction over the securities of the Corporation. If any Shares cannot be issued to any optionee for whatever reason, the obligation of the Corporation to issue such Shares shall terminate and any option exercise price paid to the Corporation shall be returned to the optionee.

21. GENERAL PROVISIONS

21.1 Nothing contained in the Plan shall prevent the Corporation or any subsidiary thereof from adopting or continuing in effect other compensation arrangements, which may, but need not, provide for the grant of options (subject to shareholder approval if such approval is required), and such arrangements may be either generally applicable or applicable only in specific cases.

21.2 The validity, construction, and effect of the Plan and any rules and regulations relating to the Plan and any option agreement shall be determined in accordance with the laws of the State of New York.

21.3 If any provision of the Plan or any option is or becomes or is deemed to be invalid, illegal, or unenforceable in any jurisdiction or as to any person or option, or would disqualify the Plan or any option under any law deemed applicable by the Independent Committee, such provision shall be construed or deemed amended to conform to the applicable laws, or if it cannot be construed or deemed amended without, in the determination of the Independent Committee, materially altering the intent of the Plan or the option, such provision shall be stricken as to such jurisdiction, person or option and the remainder of the Plan and any such option shall remain in full force and effect.

21.4 Neither the Plan nor any option shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Corporation or any subsidiary thereof and an optionee or any other person.

21.5 Headings are given to the Sections of the Plan solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of the Plan or any provision thereof.

22. TERM OF THE PLAN

22.1 The Plan shall be effective as of the date of its approval by the shareholders of the Corporation, subject to receipt of all necessary regulatory approvals.

22.2 No option shall be granted under the Plan after June 10, 2007. Unless otherwise expressly provided in the Plan or in an applicable option agreement, any option granted hereunder may, and the authority of the Board of Directors or the Independent Committee to amend, alter, adjust, suspend, discontinue, or terminate any such option or to waive any conditions or rights under any such option shall, continue after June 10, 2007.

EXHIBIT 31.1

CERTIFICATION

I, Peter J. Bradford, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Golden Star Resources Ltd. (“Registrant”);

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this quarterly report;

4. The Registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the Registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

   b) evaluated the effectiveness of the Registrant’s disclosure controls and procedures and presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this quarterly report based on such evaluation; and

   c) disclosed in this quarterly report any change in the Registrant’s internal control over financial reporting that occurred during the Registrant’s most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Registrant’s internal control over financial reporting; and

5. The Registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant’s auditors and the audit committee of the Registrant’s board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant’s ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant’s internal control over financial reporting.

Date: August 04, 2004

/s/ Peter J. Bradford
Peter J. Bradford
President and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION

I, Allan J. Marter, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Golden Star Resources Ltd. (“Registrant”);

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this quarterly report;

4. The Registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the Registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

   b) evaluated the effectiveness of the Registrant’s disclosure controls and procedures and presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this quarterly report based on such evaluation; and

   c) disclosed in this quarterly report any change in the Registrant’s internal control over financial reporting that occurred during the Registrant’s most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Registrant’s internal control over financial reporting; and

5. The Registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant’s auditors and the audit committee of the Registrant’s board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant’s ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant’s internal control over financial reporting.

Date: August 04, 2004

/s/ Allan J. Marter
Allan J. Marter
Senior Vice President and Chief Financial Officer

EXHIBIT 32.1

Certification of Principal Executive Officer
Pursuant to 18 U.S.C. 1350 (Section 906 of the Sarbanes-Oxley Act of 2002)

I, Peter J. Bradford, President and Chief Executive Officer of Golden Star Resources Ltd., certify, to the best of my knowledge, based upon a review of the Quarterly Report on Form 10-Q for the period ended June 30, 2004 of Golden Star Resources Ltd. that:

(1) The Quarterly Report on Form 10-Q fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained and incorporated by reference in the Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Golden Star Resources Ltd.

/s/ Peter J. Bradford
Peter J. Bradford
President and Chief Executive Officer
August 04, 2004

EXHIBIT 32.2

Certification of Principal Financial Officer
Pursuant to 18 U.S.C. 1350 (Section 906 of the Sarbanes-Oxley Act of 2002)

I, Allan J. Marter, Senior Vice President and Chief Financial Officer of Golden Star Resources Ltd., certify, to the best of my knowledge, based upon a review of the Quarterly Report on Form 10-Q for the period ended June 30, 2004 of Golden Star Resources Ltd. that:

(1) The Quarterly Report on Form 10-Q fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained and incorporated by reference in the Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Golden Star Resources Ltd.

/s/ Allan J. Marter
Allan J. Marter
Senior Vice President and Chief Financial Officer
August 04, 2004