GOLDEN STAR RESOURCES LTD.

FORM 10-Q/A
(Amended Quarterly Report)

Filed 07/10/00 for the Period Ending 09/30/99

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

GOLDEN STAR RESOURCES LTD

FORM 10-Q/A
(Amended Quarterly Report)

Filed 7/10/2000 For Period Ending 9/30/1999

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

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10-Q/A-1

[X] Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the Quarterly Period ended September 30, 1999

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	98-0101955
(State or other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
1660 Lincoln Street, Suite 3000, Denver, Colorado	80264
(Address of Principal Executive Office)	(Zip Code)

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

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

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

GOLDEN STAR RESOURCES LTD.

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Part I - Financial Information

ITEM 1. FINANCIAL STATEMENTS

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

ASSETS	(Unaudited) As of September 30, 1999	As of December 31, 1998
CURRENT ASSETS		
Cash and short-term investments	$ 2,398	$ 7,350
Accounts receivable	2.346	511
Inventories	8,537	181
Prepaid expenses	189	174
Total Current Assets	13,470	8,216
RESTRICTED CASH	6,000	-
NOTE RECEIVABLE	2,043	
DEFERRED EXPLORATION	37,410	58,203
INVESTMENT IN OMAI GOLD MINES LIMITED	1,023	1,337
MINING PROPERTIES	3,774	-
FIXED ASSETS	399	685
OTHER ASSETS	84	156
Total Assets	$ 64,203	$ 68,597
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 5,442	$ 921
Accrued wages and payroll taxes	630	779
Total Current Liabilities	6,072	1,700
LONG-TERM DEBT	2,254	2,948
CONVERTIBLE DEBENTURES	3,110	-
ENVIRONMENTAL REHABILITATION PROVISION	7,000	-
OTHER LIABILITIES	28	56
Total Liabilities	18,464	4,704
MINORITY INTEREST	7,138	5,422
COMMITMENTS AND CONTINGENCIES (Note 8)		
SHAREHOLDERS' EQUITY		
SHARE CAPITAL	158,893	159,163
Common shares, without par value, unlimited shares authorized. Shares issued and outstanding: September 30, 1999 - 36,561,231; December 31, 1998 - 30,292,249		
Equity component of convertible debentures	1,045	-
Stock option loans	-	(4,012)
DEFICIT	(121,337)	(96,680)
Total Shareholders' Equity	38,601	58,471
Total Liabilities and Shareholders' Equity	$ 64,203	$ 68,597

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

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

(Unaudited)

	Three Months Ended September 30		Nine Months Ended September 30	
	1999	1998	1999	1998
REVENUE				
Interest and other	$ 65	$ 189	$ 287	$ 606
	65	189	287	606
COSTS AND EXPENSES				
Depreciation	33	60	115	180
General and administrative	488	1,971	2,350	5,427
Exploration expense	77	26	129	267
Abandonment and impairment of deferred exploration	20,482	199	23,745	199
Loss on sale of assets	16	-	8	-
Interest and bank charges	37	111	49	126
Foreign exchange loss (gain)	13	140	(18)	58
	21,146	2,507	26,378	6,257
LOSS BEFORE THE UNDERNOTED	(21,081)	(2,318)	(26,091)	(5,651)
Equity in earnings of Omai Gold Mines Limited	-	170	-	-
Omai Preferred Share Redemptions	(143)	34	379	863
Net loss before minority interest	(21,224)	(2,454)	(25,712)	(4,788)
Minority interest loss	834	318	1,056	787
NET LOSS	$(20,390)	$ (2,136)	$(24,656)	$ (4,001)
BASIC AND DILUTED LOSS PER SHARE	$ (0.65)	$ (0.07)	$ (0.79)	$ (0.13)
Weighted Average Shares Outstanding (Millions of shares)	31.4	30.0	31.4	30.0

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

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

(Unaudited)

	Nine Months Ended September 30, 1999	Nine Months Ended September 30, 1998
Operating Activities:		
Net loss	$(24,656)	$(4,001)
Reconciliation of net loss to net cash used in operations:		
Depreciation	115	180
Premium on Omai Preferred Share Redemptions	(379)	(863)
Abandonment and impairment of deferred exploration	23,745	199
Loss on sale of assets	8	-
Minority interest loss	(1,056)	(787)
Changes in non-cash operating working capital		
Accounts Receivable	(381)	1,073
Inventories	27	78
Accounts Payable	9	(1,940)
Other Current Assets	107	62
Total of changes in non-cash working capital	(238)	(727)
Net Cash Used in Operating Activities	(2,461)	(5,999)
Investing Activities:		
Expenditures on mineral properties, net of joint venture recoveries	(2,790)	(5,575)
Equipment purchases	(5)	(49)
Proceeds from sale of equipment	90	32
Omai Preferred Share Redemptions	693	1,580
Payments for acquisition, net of cash acquired	(1,525)	-
Restricted cash for Bogoso rehabilitation	(6,000)	-
Other assets	69	(147)
Net Cash Used in Investing Activities	(9,468)	(4,159)
Financing Activities:		
Restricted cash	-	250
Issuance of convertible debentures	4,155	-
Repayment of stock option loans	638	-
Issuance of share capital, net of issue costs	2,905	239
Repayment of long term debt	(693)	-
Other	(28)	(42)
Net Cash Provided by Financing Activities	6,977	447
Decrease in cash	(4,952)	(9,711)
Cash and short-term investments, beginning of period	7,350	17,399
Cash and short-term investments, end of period	$ 2,398	$ 7,688

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

These financial statements and notes thereto should be read in conjunction with the financial statements and related notes included in the annual report on Form 10-K for Golden Star Resources Ltd. (the "Company" or "Golden Star") for the fiscal year ended December 31, 1998, on file with the Securities and Exchange

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

(All amounts are in U.S. Dollars, unless otherwise indicated, and tabular amounts are in thousands of U.S. Dollars)

Commission and the Ontario Securities Commission (hereinafter referred to as "the Company's 1998 10-K").

The unaudited financial statements as of September 30, 1999, and for the nine months ended September 30, 1999 and 1998, reflect all adjustments, consisting solely of normal recurring items, which are necessary for a fair presentation of financial position, results of operations, and cash flows on a basis consistent with that of the prior audited consolidated financial statements.

(1) LIQUIDITY AND GOING CONCERN

The Company anticipates that its current cash balance, proceeds from the exercise of warrants, financing provided by joint venture partners, the sales of property interests or assets and the sale of common shares, combined with operating cash flows from the Bogoso mining operations will be sufficient to fund planned operating and exploration expenditures for the balance of 1999 and for the year 2000.

The Company has primarily relied on the capital markets to secure financing and, while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future. Whether and to what extent, alternative financing options are needed by the Company or its subsidiaries will depend on a number of factors including, among others, the acquisition of additional properties, the price of gold and the market for gold equities and management's assessment of the capital markets.

The Company has been and is subject to a further listing review after the filing of this Form 10-Q by the American Stock Exchange and there can be no assurance that continued listing will be granted. The three principle concerns of the American Stock Exchange regarding the Company's listing have been a share price below $1.00, the lack of reported earnings over the previous five years and the going concern opinion issued by the Company's auditors at the 1998 year end. The Company's acquisition of the Bogoso mine in Ghana is anticipated to significantly address these issues, with improved valuations for its share price already, expected earnings over the next twelve months at current gold prices and the expected cash flow from the Bogoso operations.

(2) SUPPLEMENTARY CASH FLOW INFORMATION

During the nine months ended September 30, 1999, 679,012 shares were canceled that were previously issued for options granted under the Company's Stock Option Plan. The related stock options loans, principally to one former officer, amounting to $3.3 million and collateralized only by the shares, were also canceled.

(3) INVENTORIES

	September 30, 1999	December 31, 1998
Metal	$3,154	$ -
Materials and Supplies	5,383	181
	$8,537	$ 181

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

(All amounts are in U.S. Dollars, unless otherwise indicated, and tabular amounts are in thousands of U.S. Dollars)

(4) FIXED ASSETS

	September 30, 1999	December 31, 1998
Machinery & Equipment	$ 2,950	$ 2,851
Accumulated Depreciation	(2,551)	(2,166)
	$ 399	$ 685

(5) ACQUISITION, DEFERRED EXPLORATION AND DEVELOPMENT COSTS

	Acquisition, Deferred Exploration and Development Costs as at Dec. 31, 1998	Capitalized Exploration Expenditures	Capitalized Acquisition Expenditures	Joint Venture Recoveries	Property Impairments & Abandonments	Acquisition, Deferred Exploration and Development Costs as at September 30, 1999
GUYANA						
Eagle Mountain	$ 1,364	$ -	$ -	$ -	$ -	$ 1,364
Quartz Hill	1,347	-	-	-	(1,347)	-
Five Stars Gold	819	9	-	-	(828)	-
Other	57	326	-	-	(310)	73
Sub-total	3,587	335	-	-	(2,485)	1,437
SURINAME						
Benzdorp / Lawa	3,352	-	-	-	(3,352)	-
Gross Rosebel	14,543	409	-	(180)	-	14,772
Headley's Right of Exploration	313	1	-	-	(314)	-
Thunder Mountain	456	1	-	-	(457)	-
Saramacca	1,973	2	-	(6)	(1,969)	-
Sara Kreek	588	-	-	-	(588)	-
Tempati Reconnaissance	347	1	-	-	(348)	-
Tapanahony Reconnaissance	234	-	-	-	(234)	-
Kleine Saramacca	107	-	-	-	(107)	-
Lawa Antino	2,109	36	-	-	(2,145)	-
Ulemari Reconnaissance	237	-	-	-	(237)	-
Other	283	130	-	-	(274)	139
Sub-total	24,542	580	-	(186)	(10,025)	14,911
FRENCH GUIANA (Guyanor Ressources S.A.)						
Dorlin	2,363	602	-	(362)	-	2,603
St-Elie	2,377	209	-	-	(2,586)	-
Yaou	7,486	321	-	(165)	-	7,642
Paul Isnard / Eau Blanche	4,650	628	-	-	-	5,278
Paul Isnard Alluvials	1,987	-	-	-	-	1,987
Dachine	1,481	207	-	-	-	1,688
Other	-	24	-	-	-	24
Sub-total	20,344	1,991	-	(527)	(2,586)	19,222
AFRICA (Pan African Resources Corporation)						
Ivory Coast / Comoe	4,304	217	-	-	(2,681)	1,840
Kenya / Ndori	2,565	52	-	-	(2,617)	-
Sub-total	6,869	269	-	-	(5,298)	1,840
LATIN AMERICA (Southern Star Resources Ltd.)						
Brazil / Abacaxis	2,498	400	-	-	(2,898)	
Brazil / Other	275	90	-	-	(365)	
Sub-total	2,773	490	-	-	(3,263)	
OTHER	88	-	-	-	(88)	-
TOTAL	$ 58,203	$ 3,665	$ -	$ (713)	$ (23,745)	$ 37,410

The recoverability of amounts shown for deferred exploration is dependent upon the sale or discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development, and upon future profitable production or proceeds from the disposition thereof. The

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amounts deferred represent costs to be charged to operations in the future and do not necessarily reflect the present or future values of the properties.

During the quarter ended September 30, 1999, the Company recorded impairments totaling $20.5 million of its deferred exploration projects. The impairments were recorded in the third quarter following a review of all the Company's exploration projects and after the consummation of the Bogoso Gold Limited acquisition, and a shift of the Company focus from strictly exploration to a company with production, development and advanced stage exploration. This shift also changes the focus of the corporate and project budgets. The available funds will be more focused on the development and acquisition of more advanced projects rather than on grass-roots exploration projects. Also the Company is allowing the prospecting licenses to expire for the Five Stars Gold property in Guyana.

(6) CONVERTIBLE DEBENTURES

On August 24, 1999, the Company issued a principal amount of $4,155,000 in subordinated convertible debentures to raise financing for the acquisition of Bogoso Gold Limited (see also Note 9). The debentures mature on August 24, 2004 and bear interest at the rate of 7.5% per annum from the date of issue, payable semi-annually on February 15 and August 15 of each year, commencing on February 15, 2000.

The debentures are convertible at the option of the holder into common shares of the Company at a conversion price of $.70 per share, subject to adjustment upon the occurrence of certain events, such as but not limited to the payment of dividends in the Company's share capital. Any portion of the debenture that is a multiple of $1,000 may be converted into common shares at any time prior to the maturity date of August 24, 2004, unless previously redeemed. The holder's right of conversion will terminate on the date of redemption, if the Company has chosen to redeem the debentures. Each $1,000 principal amount of debentures also entitles the holder to warrants exercisable for 200 common shares of the Company at a price of $1.50 per share until August 24, 2001, and $1.75 per share for the remaining two years until August 24, 2003.

The debentures are redeemable by the Company (1) in the event of certain developments involving Canadian withholding taxes as a redemption price of 100% of the principal amount of the debentures to be redeemed, plus accrued interest to the redemption date and (2) at the option of the Company on or after August, 2002 if the reported closing trading price on the American Stock Exchange of the common shares as reported on the close of business for any 20 of the 25 consecutive trading days immediately prior to the date notice of redemption is given is at least 125% of the conversion price.

The debentures are unsecured obligations of the Company and are subordinated in right of payment to all existing and future indebtedness and other liabilities of the Company and its subsidiaries. Three are no financial restrictions or covenants contained in the debentures.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

(All amounts are in U.S. Dollars, unless otherwise indicated, and tabular amounts are in thousands of U.S. Dollars)

(7) INVESTMENT IN OMAI GOLD MINES LIMITED

Details regarding the Company's investment in the preferred share equity of Omai Gold Mines Ltd. ("OGML") and its share of equity losses not recorded for the year ended December 31, 1998 and the nine months ended September 30, 1999, are as follows:

	Preferred Shares
December 31, 1998	$ 1,337
Less: Preferred Share Redemption	(693)
Add: Premium on Preferred Share Redemption	379
September 30, 1999	$ 1,023
The Company's share of Accumulated Losses at:	
December 31, 1998	$ (628)
September 30, 1999	$(1,070)

The approximate $0.7 million of preferred shares redeemed during the nine months ended September 30, 1999 were used to reduce the outstanding loan balance to OGML to $2.3 million.

(8) CHANGES TO SHARE CAPITAL

During the nine months ended September 30, 1999, 24,994 shares were issued under the Company's Employees' Stock Bonus Plan. Also during the nine months ended September 30, 1999, 679,012 shares were canceled that were previously issued for options granted under the Company's Stock Option Plan. The related stock option loans, principally to one former officer, amounting to $3.3 million and collateralized only by the shares, were also canceled. During the nine months, the Company negotiated a repayment of one former officer's stock option loan in the amount of $0.6 million, which was paid in full in May 1999. During the quarter, the Company also completed a financing of both equity units and convertible debentures with attached warrants, convertible into a total of approximately 6.9 million common shares. Total proceeds from the sale of the equity units were $3.4 million, comprised of 6,923,000 common shares and warrants to purchase 3,461,500 common shares. The exercise price of these warrants is $0.70 and the expiration date is February 24, 2001. In conjunction with the convertible debenture financing which totaled $4,155,000, the Company also issued warrants ("four year warrants") to the holders of the debentures to purchase up to 831,000 common shares. The exercise prices for the four year warrants are $1.50 if exercised prior to August 24, 2001 and $1.75 if exercised after August 24, 2001 but before August 24, 2003. The four year warrants expire August 24, 2003.

On June 9, 1999, the Company issued two warrants to an outside creditor to purchase 1,500,000 common shares of the Company, in connection with the credit facility that was arranged, but not used, to effect the purchase of BGL. These warrants were exercisable at a price of $0.7063 each and they expire June 9, 2002. These warrants were subsequently repriced. Please refer to note 12 for more information.

On August 24, 1999, the Company issued broker warrants to purchase a total of 380,825 common shares of the Company, in connection with the equity financing completed on the same date. These warrants have an exercise price of $0.70 and an expiration date of August 24, 2000.

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(9) ACQUISITION OF BOGOSO GOLD LIMITED

On September 30, 1999, the Company and Anvil Mining NL, an Australian company ("Anvil"), completed their previously announced acquisition of 70% and 20%, respectively, of the common shares of Bogoso Gold Limited, a Ghanaian company ("BGL"). The Government of Ghana retained its remaining 10% equity interest in BGL. BGL is the owner of an operating gold mine in the Republic of Ghana, which the Company and Anvil intend to continue to operate.

The acquisition was completed pursuant to a purchase agreement among the Company, Anvil and a consortium of banks led by the International Finance Corporation and Deutsche Investitions und Entwicklungsgesellschaft mbH of Germany. The initial purchase price for BGL was $6.5 million, which was funded using working capital and proceeds from the Company's August 24, 1999 offering of its subordinated convertible debentures, common shares and warrants. The acquisition also included the Company and Anvil acquiring 78% and 22%, respectively, of all the existing indebtedness of BGL.

The Company and Anvil may be required to make additional future payments to the banks, depending on the -current price of gold and the potential acquisition of ore in Ghana outside of the region of BGL's mining interests. These additional payments are capped at $10 million in total and are expected to be funded from Bogoso's cash flow. The gold price related payments are due as to 50% one year after closing and 50% at the earlier of production ceasing or the second anniversary after closing. The Company is obligated to escrow the estimated payments six months and 18 months after closing, respectively. These payments are equal to the product (in U.S. dollars) of 183,333 by the amount, if any, that the average daily gold price (in U.S. dollars in the London Bullion Market Association p.m. gold fix) over the period from closing to the payment dates exceeds $255 per ounce. For example, if the gold price averages $285 per ounce over the next two years, Golden Star and Anvil would have to pay the sellers an extra $5.5 million as a purchase price adjustment. The payment made on the first anniversary of the acquisition will be non-refundable and credited against any payment due on the second anniversary. The resource acquisition linked payment will be triggered if minable reserves equivalent to 50,000 ounces of gold are acquired elsewhere in Ghana for processing at the Bogoso mill. In this case, Golden Star and Anvil will make an additional payment to the sellers on the second anniversary of closing of $2.0 million, irrespective of the gold price, but subject to the $10 million cap. These amounts will be amortized over the remaining life of the mine.

The Company and Anvil will also be required to pay the sellers an additional $5.0 million on the first anniversary of commencement of sulphide production at BGL. Due to the uncertain nature of this contingent consideration, no liability has been recorded as part of the purchase price allocation. This payment, if made, will be amortized over the remaining life of the mine. Management expects that this payment will be funded from BGL cash flow.

The acquisition of BGL included the assignment of certain rights to Golden Star and Anvil of certain indebtedness of BGL to the sellers. The indebtedness to Anvil at the purchase date approximated $7.5 million and will be repaid at such time as Net Proceeds, as defined, from BGL production are available to fund the debt. Management estimates that, due to the provisions of the acquisition agreement that grant Golden Star first preference on cash flow from BGL until it has recovered its investment in BGL, including its related purchase costs, transaction expenses and repayment of the Anvil note receivable, that it is unlikely that any of the indebtedness will be repaid to Anvil. Accordingly, no liability was recorded upon purchase of BGL. As of December 31, 1999, neither the Company nor BGL will have liability to third parties in connection with debts owed by BGL prior to the acquisition and management continues to believe that it is unlikely that any indebtedness will be repaid to Anvil.

The following allocation of the purchase price reflects the estimated fair market values of all the assets and all the liabilities acquired in the transaction completed on September 30, 1999. This allocation represents the entire transaction, related costs and acquired assets and liabilities.

(All amounts are in U.S. Dollars, unless otherwise indicated, and tabular amounts are in thousands of U.S. Dollars)

As a result of the transaction, the sellers of BGL assigned all debts owed them by BGL to the new owners, Golden Star and Anvil. As a result, the assigned debt becomes intercompany debt, which is eliminated through consolidation, and thus does not appear in the purchase price allocation of the Company.

Cost of acquisition	
Purchase price	$ 6,500
Transaction costs	1,948
Cost of acquisition	$ 8,448
Allocation of purchase price	
Cash	$ 6,923
Accounts receivable	1,453
Inventories	8,383
Other current assets	122
Mining assets	3,774
Accounts payable	(4,362)
Environmental rehabilitation provision	(7,000)
Minority interest	(845)
Total purchase price allocated	$ 8,448

The following is the pro-forma income and loss for the Company for the nine months ended September 30, 1999, and 1998 (in summary form), showing the results of operations had the BGL acquisition been completed on January 1, 1999, and 1998, respectively. The pro-forma information is presented for informational purposes only and is not necessarily indicative of the results of operations that actually would have been achieved had the transaction been consummated as of that time.

	For the Nine Months Ended September 30, 1999	For the Nine Months Ended September 30, 1998
Revenue	$ 27,964	$27,350
Net operating profit before abandonment and impairment of deferred exploration	$ 5,533	$ 13
Abandonment and impairment of deferred exploration	$(23,745)	$ (199)
Net loss	$(21,595)	$(5,182)
Net loss per share	$ (.59)	$ (0.17)

(All amounts are in U.S. Dollars, unless otherwise indicated, and tabular amounts are in thousands of U.S. Dollars)

(10) GENERALLY ACCEPTED ACCOUNTING PRINCIPLES IN CANADA AND THE UNITED STATES

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

(a) For United States GAAP ("U.S. GAAP") exploration and general and administrative costs related to projects are charged to expense as incurred. As such, the majority of costs charged to Exploration Expense and Abandonment of Mineral Properties under Canadian GAAP would have been charged to earnings in prior periods under U.S. GAAP. Prior to development, only property acquisition costs are capitalized for both Canadian and U.S. GAAP.

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

(c) Under U.S. GAAP, the investment in Omai Gold Mines Limited would have been written off in prior years and, therefore, the entire Omai Preferred Share Redemption would have been included in income. Under Canadian GAAP, a portion of the Omai Preferred Share Redemption is included in income with the remainder reducing the carrying value of the Company's preferred stock investment.

(d) Canadian GAAP allows classification of investments which are capable of reasonably prompt liquidation as current assets. As such, all of the Company's investments are included under the caption "short-term investments" on the balance sheet under current assets. U.S. GAAP requires classification as current or long term assets based upon the anticipated maturity date of such instruments. Under U.S. GAAP, cash (and cash equivalents) includes bank deposits, money market instruments, and commercial paper with original maturities of three months or less. Canadian GAAP permits the inclusion of temporary investments with maturities greater than 90 days in cash.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

(All amounts are in U.S. Dollars, unless otherwise indicated, and tabular amounts are in thousands of U.S. Dollars)

(f) Under U.S. GAAP, available-for-sale securities are recorded at fair value and unrealized gains and losses are recorded as a separate component of shareholders' equity. Fair value is determined by quoted market prices.
(The Company has available-for-sale securities as of September 30, 1999.)

(g) Under U.S. GAAP, items such as foreign exchange gains and losses are required to be shown separately as other comprehensive income and total comprehensive income.

(h) Canadian GAAP allows certain non-recurring internal costs related to corporate transactions to be capitalized and subsequently amortized. The Company has charged internal costs related to the acquisition of BGL to expense under U.S. GAAP.

(i) Under U.S. GAAP, no portion of proceeds from the issuance of convertible debt securities is accounted for as attributable to a conversion feature, when such feature is not beneficial. Under Canadian GAAP, this element of the proceeds is treated as additional capital, and accreted over the period of optional conversion as interest expense.

(j) Under U.S. GAAP, the fair value of warrants issued in connection with the credit facility that was arranged for, but not used to effect, the purchase of BGL, is required to be expensed.

Had the Company followed U.S. GAAP, certain items on the statements of operations and balance sheets would have been reported as follows:

	For the nine months ended September 30, 1999	For the nine months ended September 30, 1998
Net loss under Canadian GAAP	$(24,656)	$ (4,001)
Net effect of the deferred exploration expenditure on loss for the period (a)	13,844	(7,275)
Effect of Omai preferred share redemption (c)	314	717
Foreign exchange loss (gain) (g)	(18)	58
Effect of capitalized acquisition costs (h) (j)	(702)	-
Net loss under U.S. GAAP before minority interest	(11,218)	(10,501)
Adjustment to minority interest	425	588
Net loss under U.S. GAAP	(10,793)	(9,913)
Other comprehensive income foreign exchange loss	18	(58)
Comprehensive income (g)	$(10,775)	$ (9,971)
Loss per share under U.S. GAAP	$(0.34)	$(0.33)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

(All amounts are in U.S. Dollars, unless otherwise indicated, and tabular amounts are in thousands of U.S. Dollars)

The effects of the differences in accounting under Canadian GAAP and U.S. GAAP on the balance sheets and statements of cash flows are as follows:

Balance Sheet

	As of September 30, 1999		As of December 31, 1998	
	Canadian GAAP	U.S. GAAP	Canadian GAAP	U.S. GAAP
Cash (d)	$ 2,398	$ 2,398	$ 7,350	$ 3,145
Short-term investments (d)	-	-	-	1,590
Other current assets	11,072	11,072	866	866
Restricted cash	6,000	6,000	-	-
Acquisition, deferred exploration and development (a)	37,410	11,232	58,203	18,183
Investment in Omai Gold Mines Limited (c)	1,023	-	1,337	-
Mining property (h)	3,774	3,614	-	-
Long-term investments (d) (f)	-	-	-	2,615
Other assets	2,526	2,693	841	841
Total Assets	$ 64,203	$ 37,009	$ 68,597	$ 27,240
Liabilities	$ 18,464	$ 19,509	$ 4,704	$ 4,704
Minority interest (a)	7,138	6,926	5,422	5,637
Share capital, net of stock option loans (e)	158,893	156,810	155,151	152,360
Equity component of convertible debentures (i)	1,045	-	-	-
Cumulative translation adjustments (b)	-	1,595	-	1,595
Accumulated comprehensive income (g)	-	(575)	-	(593)
Deficit (a) (c)	(121,337)	(147,256)	(96,680)	(136,463)
Total Liabilities and Shareholders' Equity	$ 64,203	$ 37,009	$ 68,597	$ 27,240

Statements of Cash Flows

Net cash provided by (used in):	Operating Activities		Investing Activities		Financing Activities	
	Canadian GAAP	U.S. GAAP	Canadian GAAP	U.S. GAAP	Canadian GAAP	U.S. GAAP
For the nine months ended September 30, 1999	$(2,461)	$ (4,719)	$(9,468)	$(3,005)	$6,977	$6,977
For the nine months ended September 30, 1998	$(5,999)	$(11,941)	$(4,159)	$ (967)	$ 447	$2,309

The statements of cash flows reflect the impact of the previously discussed adjustments (a) (c) (d) (e) (g). The following is supplementary cash flow information:

(All amounts are in U.S. Dollars, unless otherwise indicated, and tabular amounts are in thousands of U.S. Dollars)

During the nine months ended September 30, 1999, 679,012 shares were canceled that were previously issued for options granted under the Company's Stock Option Plan. The related stock option loans, principally to one former officer, amounting to $3.3 million and collateralized only by the shares were also canceled.

Operations by Geographic Area under U.S. GAAP

	Operating Revenues	Net Loss	Identifiable Assets
For the nine months ended September 30, 1999			
South America	$ 13	$ (8,137)	$12,555
Africa	-	(1,307)	10,894
Corporate	274	(1,349)	13,280
	$287	$(10,793)	$37,009
For the nine months ended September 30, 1998			
South America	$ 68	$ (6,122)	$21,535
Africa	(3)	(2,793)	1,125
Corporate	541	(998)	8,141
	$606	$ (9,913)	$30,801

(11) COMMITMENTS AND CONTINGENCIES

Texmine Litigation

On December 17, 1998, Societe des Mines de St. Elie ("SMSE") notified Texmine, the owner of the Dieu-Merci project, of its intention to terminate the Dieu- Merci option agreement. SMSE is a wholly owned subsidiary of Guyanor Ressources S.A., the Company's 71% owned French subsidiary. After several attempts to substantially reduce or eliminate the minimum commitments and property payments specified in the agreement failed, SMSE decided to withdraw from the option agreement. Following the termination of the option agreement, Texmine demanded from SMSE the sum of FF 2,000,0000 (approximately $350,000), which according to Texmine is owed to it in spite of the termination of the option agreement. SMSE does not believe that such sum is owed. A judgment was received on June 30, 1999 by a judge of the Tribunal of Grande Instance of Cayenne. The judge concluded that he did not have the authority to hear the case. The delay to appeal the decision has expired. There can be no assurance that Texmine will not bring this litigation to arbitration. SMSE intends to defend itself vigorously against any other legal action that Texmine may take in the future.

Contingency

As previously disclosed, the Company may be required to make future payments to the sellers of BGL based on the average gold price for a defined period of time and future resource acquisitions. The total of the payments is capped at $10.0 million, payable in two annual installments. The Company may also have to make a payment of $5 million to the sellers if a commercial sulphide mining operation is put into production at the BGL mine. (See also Note 9 for more information)

(All amounts are in U.S. Dollars, unless otherwise indicated, and tabular amounts are in thousands of U.S. Dollars)

Letters of Credit and Guarantee

On April 30, 1999, the Company restricted the use of and transferred $2.2 million as a deposit for the $2.0 million letter of credit issued in connection with the acquisition of BGL. This letter of credit was arranged in favor of the vendors of BGL. On September 30, 1999, the vendors of BGL withdrew $2.0 million to satisfy a portion of the purchase price. The remaining $0.2 million, net credit fees, was released back to the Company.

(12) SUBSEQUENT EVENTS

On October 27, 1999, the Company filed with the Securities and Exchange Commission a Registration Statement on Form S-3 with respect to the proposed issuance of up to 2,261,650 common shares. The purpose of this prospectus is to allow certain stockholders to offer and sell up to 2,261,650 common share that may be issued to these stockholders upon exercise of warrants of the Company held by them.

In October, 1999, the Company modified the exercise price of the warrants (from $0.70 to $0.425) to purchase 1,500,000 common shares of the Company issued to Elliott Associates, L.P. and Westgate International, L.P.

On October 26, 1999, the Company issued two warrants to brokerage firms. to purchase a total of 380,825 common shares of the Company, in connection with the completion of the August 24 equity financing and the closing of the BGL acquisition. These warrants have an exercise price of $0.70 and an expiration date of August 24, 2000.

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

The following discussion should be read in conjunction with the accompanying consolidated financial statements and related notes. The financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). For U.S. GAAP reconciliation see attached financial statement Note 10. All amounts are in U.S. dollars.

Special Note Regarding Forward Looking Statements

The U.S. securities laws provide a "safe harbor" for certain forward looking statements. This quarterly report contains "forward looking statements: that express expectations of future events or results. All statements based on future expectations rather than historical facts are forward looking statements that involve a number of risks and uncertainties, and the Company cannot give assurance that such statements will prove to be correct.

These forward looking statements include statements regarding: the impact of the acquisition of Bogoso Gold Limited ("BGL") on the Company's future liquidity, cash flows, financial requirements, operating results and capital resources; the operational and financial performance of BGL; the impact of the Company's shift in business strategy; cash operating costs and expenses; percentage increases and decreases in production for the Company's mines; schedules for completion of feasibility studies; potential increases in reserves and production; the timing and scope of future drilling and other exploration activities; expectations regarding permits and commencement of mining or production; and anticipated recovery rates.

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

Results of Operations

Nine Months Ended September 30, 1999 Compared to the Nine Months Ended September 30, 1998

During the third quarter of 1999, the Company recognized a net loss of $20.4 million or $0.65 per share as compared to a net loss of $2.1 million or $0.07 per share for the third quarter of 1998. During the third quarter of 1999, the Company recorded $20.5 million in property abandonment charges and write-downs compared to $0.2 million for the similar period in 1998. The significant write- downs recorded in the third quarter of 1999 are due to the fundamental shift in the direction and focus of the Company from an exploration only, to a production, development and advanced stage exploration company. With the consummation of the acquisition of Bogoso Gold Limited, the Company completed the first major objective of management's shift of the Company's focus. As a result, the Company must continually consolidate and rationalize exploration and development activities, which will impact the corporate and project budgets. The available funds will be more focused on the development and acquisition of advanced projects rather than on grass-roots exploration projects. At September 30, 1999, the Company undertook a review of the carrying value of all of its exploration properties. As a result, the Company expensed $23.7 million, for the nine months ended September 30, 1999, for the write-off or abandonment of several projects and prospecting licenses. Many of these properties will be retained and could be actively explored again in the future, but the write-down at present reflects their potential, in view of continuing low gold price and still depressed equity markets.

For the nine months ended September 30, 1999, the Company recognized a net loss of $24.7 million or $0.79 per share, compared to a loss of $4.0 million or $0.13 per share for the similar period in 1998. The increased loss in the 1999 period is primarily attributable to the property write-downs of $23.7 million in 1999 compared to $0.2 million in 1998.

Total revenues of $0.1 million during the third quarter of 1999 (as compared to $0.2 million for the second quarter of 1998) decreased due to reduced cash balances.

General and administrative expenditures decreased to $0.5 million during the third quarter of 1999 as compared to $2.0 million during the third quarter of 1998. For the nine months ended September 30, 1999, general and administrative expenditures decreased to $2.4 million as compared to $5.4 million for the similar period last year. These decreases were due to the Company's ongoing cost reduction efforts, which included executive salary reductions and closure of administrative offices in various locations in 1998.

On September 30, 1999, the Company and Anvil Mining NL, an Australian company ("Anvil"), completed the acquisition of 70% and 20%, respectively, of the common shares of Bogoso Gold Limited, a Ghanaian company (:BGL"). The Government of Ghana retained its remaining 10% equity interest in BGL. BGL is the owner of the Bogoso operating gold mine in the Republic of Ghana. The acquisition was completed pursuant to a purchase agreement among the Company, Anvil and a consortium of banks led by the International Finance Corporation and Deutsche Investitions und Entwicklungsgesellschaft mbH of Germany. The initial purchase price for BGL was $6.5 million, which was funded using working capital and proceeds from the Company's August 24, 1999 offering of its subordinated convertible debentures, common shares and warrants. The acquisition also included the assignment to the Company and Anvil of 78% and 22%, respectively, of the existing indebtedness of BGL. (Further information relating to the acquisition of BGL is disclosed in Note 9 to the interim consolidated financial statements.) This acquisition is consistent with the Company's shift in focus away from exploration only, to production, development and advanced state exploration.

Omai Gold Mines Limited ("OGML"), in which the Company maintains a 30% common share equity interest, reported net loss of $0.9 million for the third quarter of 1999 and a net loss of $1.1 million for the nine months ended September 30, 1999, compared to a net loss of $1.3 million in the third quarter of 1998 and a net loss of $4.6 million for the nine months ended September 30, 1998. During the nine months ended September 30, 1999, OGML produced 226,109 ounces of gold, compared to 238,421 ounces during the first nine months of 1998. The Company recorded Class "I" preferred share redemptions from OGML of $0.7 million for the nine months ended September 30, 1999, which was used to reduce the debt owed to OGML. The Company recorded similar redemptions of $0.9 million in the same period in 1998.

Liquidity and Capital Resources

As of September 30, 1999, the Company held cash and short term investments of $2.4 million ($7.7 million as of September 30, 1998) and working capital of approximately $7.4 million ($7.4 million as of September 30, 1998).

The Company anticipates that its current cash balance, proceeds from the exercise of warrants, financing provided by joint venture partners, the sale of property interests or assets and the sale of common shares, combined with operating cash flows from the Bogoso mining operations will be sufficient to fund planned operating and exploration expenditures for the balance of 1999 and for the year 2000.

The Company continues to closely monitor exploration progress at each of its prioritized projects to ensure work programs and capital are allocated to those projects that offer the greatest potential to generate additional reserves and resources. Comprehensive cost reduction efforts continue at all operating divisions and at the corporate headquarters to conserve cash resources. Most of the exploration and development spending for the Company and its subsidiaries represents discretionary spending and can be adjusted to reflect, among other things, results of exploration and development activities, the successful acquisition of additional properties or projects, the price of gold and Management's assessment of capital markets.

Cash used in investing activities of $9.5 million for the nine months ended September 30, 1999 (as compared to $4.2 million for the nine months ended September 30, 1998) increased primarily due to the reduction in expenditures on exploration projects and a reduction in Omai preferred share redemptions, offset by the acquisition of the Bogoso restricted cash for environmental rehabilitation.

Cash provided by financing activities was $7.0 million for the nine months ended September 30, 1999 (as compared to $0.4 million provided by financing activities for the nine months ended September 30, 1998). The increase results from the net effect of the issuance of shares and the convertible debentures. Share capital increased by approximately $3.0 million for the nine months ended September 30, 1999, compared with an increase of $0.2 million during the nine months ended September 30, 1998, due to the sale of common shares related to the financing of the BGL acquisition.

The Company has been and is subject to a further listing review after the filing of this Form 10-Q by the American Stock Exchange and there can be no assurance that continued listing will be granted. The three principle concerns of the American Stock Exchange regarding the Company's listing have been a share price below $1.00, the lack of reported earnings over the previous five years and the going concern opinion issued by the Company's auditors at the 1998 year end. The Company's acquisition of the Bogoso mine in Ghana is anticipated to significantly address these issues, with improved valuations for its share price already, expected earnings over the next twelve months at current gold prices and the expected cash flow from the Bogoso operations.

De-listing from the American Stock Exchange would make things difficult for the Company, but if we retain our Canadian listing and continue trading in the over-the-counter market, this would not be expected to have any immediate, direct impact on our financial position, results of operations and liquidity in future periods. The likely result, however, would be to make future funding more difficult. However, the failure to have the common shares accepted for listing in the agreed manner would result in penalty interest costs, and these costs would adversely impact our financial condition, results of operations and liquidity. Similarly, if we were required to repurchase the warrants or shares, that cost would be immediately shown in a less positive financial condition, and the cost of any buy-back would negatively impact both our financial position and liquidity.

Africa (Pan African Resources Corporation)

Total exploration and acquisition expenditures in Africa for the third quarter of 1999 amounted to $0.1 million (compared to $0.2 million during the third quarter of 1998) and $0.3 million for the first nine months of 1999 (compared to $2.6 million for the first nine months of 1998). The Company recorded $5.3 million in property write-downs during the nine months ended September 30, 1999, compared with nil for the similar period of 1998. The Kenya, Ndori project joint venture was terminated and as a result the property was impaired. The only remaining project will be the Tanda joint venture with North and the remaining properties will not have an exploration budget through the remainder of 1999 and into 2000.

French Guiana (Guyanor Ressources S.A.)

Total exploration expenditures by Guyanor for the third quarter amounted to $0.4 million, offset by joint venture recoveries of $0.2 million (compared to expenditures of $1.4 million and joint venture recoveries of $0.5 million in the third quarter of 1998). Activities in French Guiana focused primarily on further work at Yaou, Dorlin, Paul Isnard and Dachine. General and administrative expenditures for Guyanor which were not reimbursed by joint venture partners amounted to $0.2 million for the quarter ended September 30, 1999 (compared to $0.8 million in the third quarter of 1998). The Company recorded $2.6 million in property write-downs during the nine months ended September 30, 1999, compared with nil for the similar period of 1998. The write-down on the St. Elie property was a result of management's decision not to budget funds for further exploration work. Guyanor is awaiting the final approval of the permit and mining concession applications filed with the Ministry of Mines in Paris in relation to Yaou and Dorlin.

Guyana

Exploration and acquisition expenditures in the third quarter of 1999 in Guyana amounted to less than $0.1 million (compared to $0.3 million during the third quarter of 1998). Activities in Guyana focused primarily on the restructuring of the Guyana exploration activities and the recovery of cash from property bonds on projects abandoned. Previously established Guyana reconnaissance exploration joint ventures with BHP International were also terminated. The Company recorded $2.5 million in property write-downs during the nine months ended September 30, 1999, compared with $0.1 million for the similar period of 1998. These impairments resulted from management's decision to release the prospecting licenses for the Five Stars Gold property and agreements on the various properties.

Suriname

Exploration expenditures in Suriname during the third quarter of 1999 focused primarily on the Gross Rosebel project. Total spending in Suriname in the quarter totaled $0.1 million, compared to expenditures of $0.4 million and recoveries of $0.2 million during the third quarter of 1998. The reduction is primarily a result of the placement of the Gross Rosebel project on care and maintenance pending improved gold prices and resolution of certain development issues. The new scoping study results announced August 5, 1999 may result in renewed pre-development activities at Gross Rosebel. The South Benzdorp joint venture with BHP International was formally terminated and the associated property write-down recorded. The Company recorded $10.0 million in property write-downs during the quarter ended September 30, 1999, compared with nil for the similar period of 1998. These impairments resulted from the terminated joint venture agreement and management's decision to allocate budgeted funds only to Gross Rosebel and not to any other Suriname projects.

Southern Star Resources Ltd.

There were no exploration expenditures for the third quarter of 1999 as compared to $0.1 during the third quarter of 1998. The decrease was due to the reduction in exploration activities. The Company recorded $3.3 million in property write- downs during the quarter ended September 30, 1999 compared with $0.2 million during the similar period of 1998. The write-downs were a result of poor exploration results and the Company's continuing reductions in exploration.

Management

On August 16, 1999, the Company announced that Gordon J. Bell resigned as Vice President and Chief Financial Officer of the Company. He also resigned as Designee for Golden Star Resources Ltd. to Guyanor Ressources S.A. Under a severance agreement, the Company paid Mr. Bell $99,000. On November 9, 1999, the Board of Directors of the Company appointed Mr. Allan J. Marter as Vice President and Chief Financial Officer of the Company.

During September 1999, Roger Morton, cofounder of the Company and a member of the board of directors, resigned due to the demands of his principal occupation. Dr. Morton was instrumental in directing the earliest exploration ventures of the Company and also contributed in many other ways to the success of the Company.

On October 6, 1999, the Company announced that Mr. Peter J. Bradford would become President and Chief Executive Officer of the Company, on November 1, 1999. Mr. Bradford who has 20 years of experience in the mining industry, including senior operational roles at the Gidgee and Plutonic mines in Western Australia, Iduapriem mine in Ghana and the Siguiri project in Guinea, will replace Mr. James E. Askew, whose resignation was effective on October 31, 1999.

During October 1999, James E. Askew former President and CEO of Golden Star, and the Company agreed to reduce the number of shares Mr. Askew has the right to purchase under stock options granted by the Company from 1 million shares to 250,000. This agreement was reached as a result of the decision by Mr. Askew to resign form his positions as President and CEO of the Company. Mr. Askew will remain a director of the Company until the next meeting of the Company's shareholders.

Year 2000 Compliance

The Company recognizes the importance of ensuring that its business operations are not disrupted as a result of Year 2000 problems. The Company has prepared a three step plan to identify and resolve Year 2000 issues. First, the Company has compiled an inventory of its Information Technology ("IT") systems, and non- IT systems (which are those which typically include "embedded" technology such as microprocessors or chips) and is performing a survey of the state of Year 2000 readiness of third party suppliers, venders, joint venture partners and OGML. Second, the Company has prioritized the IT and non-IT systems and vendor responses. Third, the Company has prepared a Year 2000 testing plan to assess the ability of IT and non-IT systems to handle the Year 2000. Those systems that are not Year 2000 compliant are being modified or replaced to ensure that they are Year 2000 compliant. These steps are in various stages of completion and approximately 90% completed on an overall basis. The Company estimates the internal and external cost of Year 2000 compliance to be approximately $0.1 million. To date the Company has spent approximately 90% of this estimate. Due to the acquisition of BGL, the Company has also addressed the Year 2000 issue at the mine site. The Company and local BGL personnel have completed the assessment and modified or replaced all non-compliant systems or equipment with compliant systems.

The Company believes that the greatest risk presented by the Year 2000 problem is from third parties such as suppliers and financial institutions who may not have adequately addressed the problem. A failure of any such third party's computer or other applicable systems in sufficient magnitude could materially and adversely impact the Company. The Company is not presently able to quantify this risk but believes that it is minimal, based upon the survey responses received to date from third party suppliers, vendors, joint venture partners, OGML and BGL related suppliers and vendors.

The Company maintains printed back-up of all material transactions both in Denver and at BGL which could facilitate the continuation of business operations and remediation of data loss in the event of a system failure.

Outlook

In the past, the Company has had to rely primarily on the capital markets to continue as a going concern and to fund its operations and exploration activities. With the acquisition of Bogoso Gold Limited, effective September 30, 1999, the Company now has a source of positive cash flow from mining operations, for the balance of 1999 and at least through the end of 2000. The current market for gold shares continues to be weak and equity capital is difficult to obtain but, as the Company demonstrated through its capital raising activities during the quarter, it is somewhat easier to raise funds to acquire producing mining assets compared with the challenge of raising capital primarily for exploration.

In the fourth quarter and in 2000, the Company is projected to generate positive cash flow from its share of the Bogoso operations, more than sufficient to cover its exploration obligations and general and administrative expenses. The Company has allocated its capital to those projects, which, in the opinion of management, offer the greatest potential to generate additional reserves, and mineralized material. A significant portion of the exploration and development expenditures for the Company and its subsidiaries represents discretionary spending and has been adjusted accordingly. For the 2000 year, the Company has budgeted $2.8 million for exploration and development, of which $2.6 million is allocated to the sulfide project feasibility study and for regional exploration at Bogoso. While this minimizes the exploration on the Company's South American properties, some of the Company's properties there are being explored and funded by our joint venture partners.

The Company plans to acquire or develop additional reserves to continue the mining operations at Bogoso. Because of limited oxide reserves at Bogoso, mining is projected to continue through the third quarter of 2000, following which a further eight months of production are forecast from the treatment of low-grade stockpile material. For this reason, the Company has committed to additional drilling to increase the open pittable sulfide reserves and to prepare a bankable feasibility study (funded from net operating cash flow). In addition, the Company may acquire other assets, and is exploring various transactions, which would enable it to have sufficient capital to continue its operations after 2000. These may include the issuance of new equity, mergers with other companies, acquisitions, joint ventures or the sale of property interests.

As at September 30, 1999, following the acquisition of the interest in Bogoso Gold Limited, the Company held consolidated cash and short term investments of $2.4 million. At a gold price of $300 per ounce, management anticipates being profitable during 2000 and generating consolidated net cash flow of $3.0 million. This is after meeting all exploration and development commitments and general and administrative expenses.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

At December 31, 1998, the Company's exposure to market risk was limited to changes in interest rates in the Company's investment portfolio (as disclosed in Item 7A of the Company's 1998 Form 10-K). As a result of the acquisition of BGL on September 30, 1999, and the forecast production and the sale of gold from the Bogoso mine, going forward the Company's operations will be affected significantly by the market price of gold. Gold prices are influenced by numerous factors over which the Company has no control, including expectations with respect to the rate of inflation, the relative strength of the Untied States dollar and certain other currencies, interest rates, global or regional political or economic crises, demand for gold for jewelry and industrial products, and sales by holders and producers of gold in response to these factors. The Company has not hedged against fluctuations in the gold price.

Part II - Other Information

ITEM 1. LEGAL PROCEEDINGS

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

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibit 27.1 Financial Data Schedule

(b) Reports on Form 8-K

On July 1, 1999, the Company filed with the Securities and Exchange Commission ("SEC") a report on Form 8-K dated June 29, 1999. The Company reported that on July 1, 1999, the Company filed with the SEC a preliminary prospectus supplement dated June 29, 1999 for a proposed financing of the purchase price of its interest in Bogoso Gold Limited ("BGL"). The preliminary prospectus contains substantial information regarding BGL and pro forma financial information regarding the Company after giving effect to the Acquisition.

On August 12, 1999, the Company filed with the SEC a report on From 8-K dated August 10, 1999. The report indicated that on August 12, 1999, the Company filed with the SEC a preliminary prospectus supplement for a proposed financing of the purchase price of its interest in BGL. The preliminary prospectus supplement contains substantial information regarding BGL and pro forma financial information regarding the Company after giving effect to the Acquisition.

On August 19, 1999, the Company filed with the SEC a report on Form 8-K dated August 18, 1999. The report indicated that BLG has provided the Company unaudited interim financial data of BGL for the three months ended June 30, 1999. This information reflects net income for the second quarter of 1999 totaling $2.1 million. This net income resulted primarily from the reversal of accruals as a result of revised estimates of BGL's environmental liability. Without the reversal of this liability, BGL would have incurred a net loss of approximately $1.1 million for the second quarter of 1999.

On August 31, 1999, the Company filed with the SEC a Form 8-K dated August 24, 1999. The report announced the closing of a United States offering (the "Offering") of $7,616,500 of the Company's securities. The report also announced that on August 23, 1999, the Company filed a final prospectus supplement with the SEC in connection with the financing of the initial purchase price of its interest in BGL. A copy of the final prospectus supplement was incorporated by reference as Exhibit 99.

On October 14, 1999, the Company filed with the SEC a Form 8-0K dated September 30, 1999. In the report the Company announced that on September 30, 1999, the Company and Anvil Mining NL, completed their previously announced acquisition of 70% and 20%, respectively, of the common shares of BGL.

SIGNATURE

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

Golden Star Resources Ltd.

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Date:  11/16/99                By:  /s/ Peter J. Bradford
                                   ----------------------------------------
                                    Peter J. Bradford
                                    President and Chief Executive Officer


Date:  11/16/99                By:  /s/ Allan J. Marter
                                   ---------------------------------------
                                    Allan J. Marter
                                    Chief Financial Officer
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