GOLDEN STAR RESOURCES LTD.

FORM 8-K/A
(Amended Current report filing)

Filed 12/14/99 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 8-K/A
(Unscheduled Material Events)

Filed 12/14/1999 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 8-K/A

CURRENT REPORT

**PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): September 30, 1999

GOLDEN STAR RESOURCES LTD.
(Exact Name of Registrant as Specified in Its Charter)

Canada	0-21708	98-0101955
(State or other Jurisdiction of Incorporation or Organization)	(Commission file number)	(I.R.S. Employer Identification No.)

1660 Lincoln Street, Suite 3000 Denver, Colorado	80264-3001
(Address of Principal Executive Office)	(Zip Code)

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

Not Applicable

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

Item 7. Financial Statements & Exhibits.

On October 14, 1999, Golden Star Resources Ltd. ("Golden Star" or the "Company") filed a Form 8-K to report the completion of its acquisition of Bogoso Gold Limited ("BGL") on September 30, 1999. Golden Star indicated that it would file the financial information required by Item 7 of Form 8-K no later than December 14, 1999. Golden Star is filing this amendment to provide the financial information.

(a) Financial statements of business acquired

(b) Pro forma financial information

(c) Exhibits

The following exhibit was filed with the initial filing on Form 8-K on

October 14, 1999

Exhibit Number (Reference to Item 601 of Regulation S-K	Description of Exhibit
2.1	Revised and Restated Agreement, dated as of June 1, 1999, among the Company, Anvil and the other parties signatory thereto.

The following exhibit is being filed with this report on Form 8-K/A

23.1 Accountants consent

SIGNATURES

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

GOLDEN STAR RESOURCES LTD.

By: /s/ Allan J. Marter
Name: Allan J. Marter
Title: Vice President and Chief Financial Officer

Dated: December 14, 1999

Item 7. (a) Financial Statements of Business Acquired

Index to Historical BGL Financial Statements

AUDITORS' REPORT TO THE MEMBERS OF BOGOSO GOLD LIMITED

We have examined the financial statements of Bogoso Gold Limited for the years ended June 30, 1999 and 1998 which have been prepared in accordance with the accounting policies set out in Note 2.

Respective responsibilities of Directors and Auditors

The company's Directors are responsible for the preparation of the financial statements. It is our responsibility to express an independent opinion, based on our audit, on those financial statements prepared by the Directors.

Basis of opinion

We conducted our audits in accordance with generally accepted auditing standards, which require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. It also includes an assessment of the accounting principles used and significant estimates and judgments made by the directors, and an evaluation of the overall adequacy of the presentation of the financial statements.

We planned and performed our audits so as to obtain all the information and explanations which we considered necessary for the purposes of our audit. We believe that our audits provide us with a reasonable basis for our opinion.

Without qualifying our report, we draw attention to Note 18 of the financial statements which indicates that the Company had accumulated losses as of June 30, 1999. This factor along with other matters set forth in Note 18 indicates that the company's ability to continue as a going concern requires continued support from the new shareholders.

Opinion

In our opinion, the company has kept proper books and the financial statements, which are in agreement with the books, give a true and fair view of the state of the company's affairs at June 30, 1999 and 1998 and of the loss and cash flow of the company for each of the three years ended June 30, 1999 in conformity with generally accepted accounting principles and comply with the Ghana Companies Code 1963, (Act 179).

Chartered Accountants December 14, 1999

BOGOSO GOLD LIMITIED

BALANCE SHEETS

	Note	(Unaudited) September 30, 1999 US$'000	June 30, 1999 US$'000	June 30, 1998 US$'000
Fixed Assets	3	21,874	23,093	27,692
Development expenditure	4	12,942	13,806	18,648
Deferred assets	5	2,945	2,243	973
		37,761	39,142	47,313
Current assets				
Inventories	6	8,383	8,233	6,041
Accounts receivable	7	1,574	1,982	1,396
Cash and cash equivalents	8	6,923	10,729	15,901
		16,880	20,944	23,338
Current liabilities	9	(14,041)	(13,552)	(11,882)
Net current assets		2,839	7,392	11,456
Total assets less current liabilities		40,600	46,534	58,769
Less:				
Long term liabilities	10	(24,625)	(24,564)	(28,232)
Environmental rehabilitation provision	11	(6,991)	(10,209)	(12,105)
		(31,616)	(34,773)	(40,337)
		8,984	11,761	18,432
Represented by:				
Stated capital	12	78,292	78,292	78,292
Accumulated deficit		(69,308)	(66,531)	(59,860)
		8,984	11,761	18,432

Approved by and signed on behalf of the Board of Directors on _________ 1999

Director....................................... Director ....

The notes on pages 9 to 25 form an integral part of these financial statements.

BOGOSO GOLD LIMITED

STATEMENTS OF INCOME AND EXPENDITURE

	Note	(Unaudited) Three months ended September 30, 1999 US$'000	(Unaudited) Three months ended September 30, 1998 US$'000	Year ended June 30, 1999 US$'000	Year ended June 30, 1998 US$'000	Year ended June 30, 1997 US$'000
Sales proceeds		7,010	8,835	38,512	35,872	38,856
Less: Royalties on sales		(210)	(265)	(1,155)	(1,076)	(1,166)
Net sale proceeds		6,800	8,570	37,357	34,796	37,690
Cost of sales						
Depreciation of fixed assets	2(b)	(1,636)	(2,595)	(8,171)	(5,990)	(4,107)
Amortization of development expenditure	2(c)	(864)	(4,175)	(4,842)	(5,856)	(2,537)
Other cost of sales		(4,910)	(6,398)	(25,554)	(19,286)	(18,651)
		(7,410)	(13,168)	(38,567)	(31,132)	(25,295)
Gross operating profit (loss)		(610)	(4,598)	(1,210)	3,664	12,395
General and administrative expenses		(1,870)	(2,218)	(5,234)	(12,332)	(14,427)
Loan and other interest waived	10(d)	-	-	-	6,293	-
Other income		275	82	2,203	778	2,533
Net operating (loss)/ profit before interest expense		(2,205)	(6,734)	(4,241)	(1,597)	501
Interest expense		(572)	(648)	(2,430)	(7,113)	(7,190)
Net loss before taxation	14	(2,777)	(7,382)	(6,671)	(8,710)	(6,689)
Taxation	15	-	-	-	-	-
Net loss for the period		(2,777)	(7,382)	(6,671)	(8,710)	(6,689)

The notes on pages 9 to 25 form an integral part of these financial statements.

BOGOSO GOLD LIMITED

STATEMENTS OF ACCUMULATED DEFICIT

	(Unaudited) Three months ended September 30, 1999 US$`000	Year ended June 30, 1999 US$'000	Year ended June 30, 1998 US$'000	Year ended June 30, 1997 US$'000
Accumulated deficit brought forward	(66,531)	(59,860)	(51,150)	(44,461)
Loss for the period transferred from statement of income and expenditure	(2,777)	(6,671)	(8,710)	(6,689)
Accumulated deficit carried forward	(69,308)	(66,531)	(59,860)	(51,150)

The notes on pages 9 to 25 form an integral part of these financial statements.

BOGOSO GOLD LIMITED

STATEMENTS OF CASH FLOW

	Note	(Unaudited) Three months ended September 30, 1999 US$'000	(Unaudited) Three months ended September 30, 1998 US$'000	Year ended June 30, 1999 US$'000	Year ended June 30, 1998 US$'000	Year ended June 30, 1997 US$'000
Net cash inflow from operating activities (a)	19	(2,407)	939	8,363	8,882	17,476
Net cash outflow from investment and servicing of finance:						
Interest paid		-	(551)	(2,203)	(1,773)	(1,327)
Interest received		136	29	631	415	785
Net cash outflow/(inflow) from investment and servicing of finance (b)		136	(522)	(1,572)	(1,358)	(542)
Cash flow from investing activities:						
Purchase of tangible fixed assets and development expenditure		(417)	(2,282)	(4,124)	(3,187)	(3,251)
Sale of tangible fixed assets		-	-	27	5	116
Deferred mine and plant expenditure		(1,118)	(179)	(5,156)	(1,128)	(2,199)
Net cash outflow from investing activities (c)		(1,535)	(2,461)	(9,253)	(4,310)	(5,334)
Net inflow before financing (a+b+c)		(3,806)	(2,044)	(2,462)	3,214	11,600
Cash flow from financing activities:						
Repayment of loans		-	(1,578)	(2,710)	(3,933)	(4,082)
Net cash outflow from financing (d)		-	(1,578)	(2,710)	(3,933)	(4,082)
(Decrease)/ increase in cash and cash equivalents (a+b+c+d)		(3,806)	(3,622)	(5,172)	(719)	7,518
Cash and cash equivalents at beginning of period		10,729	15,901	15,901	16,620	9,102
Cash and cash equivalents at end of period		6,923	12,279	10,729	15,901	16,620

The notes on pages 9 to 25 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. The Company

Bogoso Gold Limited (the "Company"), known as Billiton Bogosu Gold Limited until November 14, 1997, was granted a prospecting license by the Government of Ghana on August 16, 1988 to work, develop and produce gold in a defined concession area at Bogoso, Western Region, Ghana, for a period of thirty years.

Under an agreement signed on November 30, 1994, and effective July 1, 1994, the Shell Group transferred its assets of Billiton Group to Billiton Group (BVI) Limited, a company incorporated in the British Virgin Islands whose ultimate holding company was Gencor Limited, a company incorporated in South Africa.

On July 1, 1997, the Company was owned 82% by Billiton Group (BVI) Limited, with 8% held by International Finance Corporation and the remaining 10% held by the Government of Ghana.

On April 27, 1998, the 82% holding was transferred to Orogen Holdings (BVI) Limited due to a reorganisation within Gencor Limited. Subsequently, this shareholding was transferred to Gencor Bogoso Holdings (BVI) Limited on May 19, 1998.

As part of a Shareholders Reorganisation Agreement effective June 30, 1998, the 82% shareholding of Gencor was transferred to a Consortium of nine banks, namely, International Finance Corporation, Credit Lyonnais, The Sumitomo Bank Limited, Ecobank Transnational Inc., Societe Generale, Bank Austria, Bank Internationale a Luxembourg, DB (Belgium) Finance N.V./S.A. and Deutsche Investitions und Entwicklungsgesellschaft GmbH. In addition, advances, loans and interest payable of US$60,070,000 effective June 30, 1998 were converted into 540,639 Class A Shares. See Note 12 to the financial statements for details of the shareholders as at June 30, 1999.

Effective September 30, 1999, the shares of the consortium of nine banks were sold to Golden Star Resources Ltd., a company incorporated in Canada and Anvil Mining NL, a company incorporated in Australia. Following these share transfers Golden Star Resources Ltd. owns 70% of the shares, Anvil Mining NL owns 20% and the Government of Ghana owns the remaining 10%.

In addition, the consortium of nine banks assigned all debts owed them by the Company to the new owners, Golden Star Resources Ltd and Anvil Mining NL.

2. Accounting policies

The following are the significant accounting policies adopted by the Company in the preparation of these financial statements:

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Ghana Companies Code 1963, (Act 179).

2. Accounting policies (Continued)

(b) Fixed assets

These assets are valued at cost less accumulated depreciation. They are depreciated over their expected useful lives, with varying lives between different groups of assets ranging from five to ten years.

Change in method of depreciation:

With effect from July 1, 1997, the Company changed its estimate in calculating the depreciation charge for the plant and machinery only.

The new method assumes the estimated remaining economic life of the assets to be to June 30, 2003. Previously these assets were depreciated over lives of between five and ten years.

The change in estimate was adopted as the board of directors considered at its meeting on September 8, 1998 that the remaining life of the assets was limited based on the present economic projections.

As a result of this change in estimated remaining economic life of the assets, the selected assets carried on the balance sheet at July 1, 1997 will be written off in the profit and loss account over an estimated remaining economic life to June 30, 2003. The financial effect was that at June 30, 1998 the net book value of fixed assets was reduced by an addtional depreciation charge of $735,000 to $5,990,000 for the year.

(c) Development expenditure

Development expenditure is valued at cost and is amortised on a straight line basis, taking into consideration the estimated economic life of the specific project, which is reviewed on a regular basis and to the extent to which this value exceeds its recoverable amount that excess is fully written off in the financial year in which this is determined.

Change in method of Amortisation:

Effective July 1, 1997, the Company revised the period for the amortisation of its development expenditure. The revision assumes the estimated remaining economic life of the project to be to June 30, 2003.

The change in method and estimate were adopted as the board of directors considered at its meeting on September 8, 1998 that the remaining life of the project was limited based on the present economic projections.

As a result of this change in method of amortisation and estimated remaining economic life of the project, the development expenditure on the balance sheet at July 1, 1997 will be written off in the profit and loss account over an estimated remaining economic life to June 30, 2003. The financial effect was that at June 30, 1998, the net book value of development expenditure was reduced by additional amortisation of $3,377,000 to $5,856,000 for the year.

(d) Deferred assets

Deferred assets mainly represent costs for major overhauls of equipment to improve the equipment or extend their useful lives. These costs are deferred and amortised over the remaining useful lives of the equipment.

(e) Functional currency

The functional currency of the Company is the United States dollar since the capital invested, the financing of the Company and all sales proceeds are in United States dollars, and approximately 70% of expenditures are dollar related, with the remaining 30% being in Ghanaian currency.

(f) Foreign currency translation

Current assets and liabilities denominated in foreign currencies are translated into the functional currency (United States dollars) at the rates of exchange ruling at the balance sheet date. Items in the statement of income and expenditure are translated at the average rate for the period. Gains and losses arising from the translation of balances are dealt with through the income and expenditure statement.

2. Accounting policies (Continued)

(g) Inventories

Inventories have been valued at the lower of cost (weighted average cost basis), and net realisable value (being estimated sales proceeds less expenses incurred in making the sale).

For ore and gold inventories, cost comprises all direct production costs and attributable operating expenses, including depreciation.

For consumable and spare parts, cost comprises direct purchase costs. Where appropriate, provision for obsolescence has been included in the inventory valuation.

(h) Accounts receivable

Accounts receivable are shown at nominal value less, where necessary, provision for bad and doubtful debts.

(i) Cash and cash equivalents

Cash and short term deposits includes all cash balances and highly liquid investments with an original maturity of three months or less. Cash at bank and in hand is shown at nominal value.

(j) Long-term and short-term liabilities

These are shown at nominal value.

(k) Net sales proceeds

These are the proceeds from the sale of gold bullion, after deduction of sales taxes, discounts, excise duties, and similar levies.

The sale of gold bullion was to Billiton Marketing and Trading B.V. (BMT), under the terms of the Gold Refining and Marketing Agreement dated January 18, 1990. This agreement ended on June 30, 1998. Effective July 1, 1998, an agreement for gold purchase and refining was agreed with Societe Generale.

(l) Cost of sales

These are the historical costs of direct production and production support activities, including related depreciation, amortisation salaries and wages.

(m) General and administrative expenses

The administrative expenses include related depreciation, salaries and wages.

The unaudited financial statements as of September 30, 1999 and for the three months ended September 30, 1999 and 1998, reflect all adjustments, consisting solely of normal recurring items, which are necessary for a fair presentation of the state of the Company's affairs and of the income and expenditure and cash flow on a basis consistent with that of the prior audited financial statements.

3. Fixed Assets

	Land & Buildings US$'000	Plant & Machinery US$'000	Mobile Equipment US$'000	Other Equipment US$'000	Capital WIP US$'000	Total US$'000
Cost						
At July 1, 1998	9,073	39,240	14,070	4,156	2,899	69,438
Additions	-	-	-	-	4,124	4,124
Transfers/ disposals/ reclassifications	129	1,306	2,283	451	(5,186)	(1,017)
At June 30, 1999	9,202	40,546	16,353	4,607	1,837	72,545
Additions	-	-	-	-	417	417
Transfers/ disposals/ reclassifications	41	199	143	34	(417)	-
At Sept. 30, 1999	9,243	40,745	16,496	4,641	1,837	72,962
Accumulated Depreciation						
At July 1, 1998	5,362	21,034	12,167	3,183	-	41,746
Charge for the year	1,665	5,016	1,050	440	-	8,171
Transfers/ disposals	-	-	(465)	-	-	(465)
At June 30, 1999	7,027	26,050	12,752	3,623	-	49,452
Charge for the period	281	888	334	133	-	1,636
Transfers/ disposals	-	-	-	-	-	-
At Sept. 30, 1999	7,308	26,938	13,086	3,756	-	51,088
Net book value						
At Sept. 30, 1999	1,935	13,807	3,410	885	1,837	21,874
At June 30, 1999	2,175	14,496	3,601	984	1,837	23,093
At June 30, 1998	3,711	18,206	1,903	973	2,899	27,692

4. Development expenditure

	(Unaudited) September 30, 1999 US$'000	June 30, 1999 US$'000	June 30, 1998 US$'000
Balance at beginning of period	13,806	18,648	24,430
Expenditure for the period	-	-	74
Less: Amortisation during the period (See Note 2(c))	(864)	(4,842)	(5,856)
Balance at end of period	12,942	13,806	18,648

5. Deferred assets

	(Unaudited) September 30, 1999 US$'000	June 30, 1999 US$'000	June 30, 1998 US$'000
Balance at beginning of period	2,243	973	3,709
Expenditure for the period	1,118	5,156	1,128
Less: Amortisation during the period (see Note 2(d))	(416)	(3,886)	(3,864)
Balance at end of period	2,945	2,243	973

6. Inventories

Ore	2,205	2,465	784
In-process	949	677	563
Finished	-	-	398
	3,154	3,142	1,745
Consumables and spare parts	5,229	5,091	4,296
	8,383	8,233	6,041

7. Accounts receivable

	(Unaudited) September 30, 1999 US$'000	June 30, 1999 US$'000	June 30, 1998 US$'000
Sundry receivables	1,426	1,561	914
Employee advances	27	217	186
Prepaid expenses	121	204	296
	1,574	1,982	1,396

8. Cash and cash equivalents

Balance held within Ghana	(40)	(328)	320
Balances held externally	6,963	11,057	15,581
	6,923	10,729	15,901

9. Current liabilities

	Note	(Unaudited) September 30, 1999 US$'000	June 30, 1999 US$'000	June 30, 1998 US$'000
Long-term liabilities - current portion	9(a)	4,931	4,914	3,956
Loan interest payable	9(b),10	4,748	4,177	4,049
Amounts owed to suppliers		1,782	1,363	1,490
Accruals and other payables	22	2,580	3,098	2,387
		14,041	13,552	11,882

(a) Long-term liabilities - current portion

Formerly -				
International Finance Corporation	10	3,725	3,725	2,937
Deutsche Investitions und Entwicklungsgesellschaft GmbH	10	1,206	1,189	1,019
		4,931	4,914	3,956

(b) Loan interest payable

Formerly -			
International Finance Corporation	3,605	3,180	3,024
Deutsche Investitions und Entwicklungsgesellschaft GmbH	1,143	997	1,025
	4,748	4,177	4,049

10. Long term liabilities

	Note	(Unaudited) September 30, 1999 US$ '000	June 30, 1999 US$ '000	June 30, 1998 US$ '000
Formerly - International Finance Corporation	10(b)			
Tranche 1		4,827	4,827	6,608
Tranche 2		13,630	13,630	13,630
		18,457	18,457	20,238
Less: Current portion Tranche 1	9(a)	(3,725)	(3,725)	(2,937)
		14,732	14,732	17,301
Formerly - Deutsche Investitions und Entwicklungsgesellschaft GmbH	10(c)			
Tranche 1		1,502	1,481	2,150
Tranche 2		4,268	4,211	4,471
		5,770	5,692	6,621
Less : Current portion Tranche 1	9(a)	(1,206)	(1,189)	(1,019)
		4,564	4,503	5,602
International Finance Corporation - advance	13	-	5,329	5,329
Anvil International Finance Ltd.		1,066	-	-
Bogoso Holdings (Golden Star Resources Ltd.)		3,730	-	-
Government of Ghana		533	-	-
Interest payable on shareholders advances	10(d)	-	-	-
		24,625	24,564	28,232

(a) The loans are secured by a first fixed and floating charge on fixed assets and the mining leases; the assignment of the rights of the Company under the Gold Refining and Marketing Agreement; a charge on the foreign exchange retention accounts of the Company under the Foreign Exchange Retention Account Agreement; and the assignment of insurances.

(b) International Finance Corporation loans, which totaled US$43,000,000 are divided into six loans comprising an A1 loan of US$9,570,000, an A2 loan of US$4,430,000, a B1 loan of US$16,400,000, a B2 loan of US$7,600,000, a C1 loan of US$3,400,000 and a C2 loan of US$1,600,000.

The A1, B1 and C1 loans were repayable in 15 semi-annual installments which commenced on October 1, 1993 and thereafter each six months, with the final installment due on October 1, 2000, attracting interest at LIBOR plus 2.125% per annum on the principal outstanding.

The A2, B2 and C2 loans are repayable in 20 semi-annual installments which were to commence on April 1, 1995 and thereafter each six months with the final installment due on

10. Long term liabilities (Continued)

October 1, 2004, attracting interest at LIBOR plus 2.5% per annum on the principal outstanding. BGL has notified IFC pursuant to Section 3.03 (h) of the IFC Rescheduling and Amendatory Agreement that there is insufficient cash available to be able to repay the respective principal installments of the A2, B2 and C2 loans which fell due commencing April 1, 1995.

The Company did make payments of interest in respect of the A2, B2, and C2 loans in October 1998 and in April 1999 for the year ended June 30, 1999 and such interest is due on the next interest payment date thereafter unless demanded or paid beforehand. In respect of the amount of such payment due and unpaid, interest at 1% above LIBOR plus 2.125% per annum is in effect from the date any such amount became due until the date of actual payment.

(c) Deutsche Investitions und Entwicklungsgesellschaft GmbH loans, which totaled DM25,000,000 (approximately US$13.3 million at June 30, 1999) are divided into two loans comprising an A1 loan of DM17,100,000 (approximately US$9.1 million) and an A2 loan of DM7,900,000 (approximately US$4.2 million).

The A1 loan was repayable in 15 semi-annual installments which commenced on October 1, 1993 and thereafter each six months with the final installment due on October 1, 2000 attracting interest at the rate of 8.125% per annum on the principal outstanding.

The A2 loan is repayable in 20 semi-annual installments which commenced on April 1, 1995 and thereafter each six months with the final installment due on October 1, 2004, attracting interest at the rate of 8.75% per annum on the principal balance outstanding. BGL has notified the DEG that the relevant Tranche 2 cash availability is insufficient for the Company to be able to repay the respective principal installments of the A2 loan which fell due commencing April 1, 1995.

The Company did make a payment of interest in respect of the A2 loan in October 1998 and in April 1999 for the year ended June 30, 1999 and such interest shall be payable on the next interest payment date thereafter, unless demanded or paid beforehand. Interest at 10.75% per annum on the balance outstanding is in effect from the date any such amount became due until the date of actual payment.

(d) The company obtained loans totaling US$13,800,000 divided into a Tranche A loan of US$8,800,000 and Tranche B loan of US$5,000,000, under the terms of the Billiton Loan Amending Agreement.

The Tranche A loan is repayable in 20 semi-annual installments commencing on April 1, 1995 and thereafter each six months with the final installment due on October 1, 2004, attracting interest at the rate of LIBOR plus 2.5% per annum on the principal balance outstanding. Penalty interest is charged at 1% above the relevant interest rate if payment is not made.

The Tranche A loan was transferred to the consortium of nine banks, the main shareholders of the Company, effective June 30, 1998. At this date, the consortium converted the Tranche A loan of US$8,800,000 and the cumulative interest of US$2,275,000 into Class A Shares (See Note 13).

The Tranche B loan of US$5,000,000 and the cumulative interest of US$1,293,000 was waived on June 30, 1998.

(e) Interest on shareholders' advances of US$24,324,000 was converted into Class A Shares effective June 30, 1998 (See Note 13).

11. Environmental rehabilitation provision

Costs are estimated based primarily upon environmental and regulatory requirements and are accrued and charged to expense over the expected economic life of the operation. The environmental rehabilitation provision to meet closure costs is currently made at the rate of US$1 per milled ton of ore. The provision was calculated at June 30, 1999 and 1998 at $10,209,000 and $12,105,000 respectively. In the three month period ended September 30, 1999 the company paid severance costs of approximately $3 million. The balance in the provision at September 30, 1999 is allocated as to $6 million for environmental rehabilitation and approximately $1 million for social and economic programs.

12. Stated capital

	(Unaudited) September 30, 1999 No. of shares	June 30, 1999 No. of shares	June 30, 1998 No. of shares
Authorised shares			
Class A shares	18,000,000	18,000,000	18,000,000
Class B shares	2,000,000	2,000,000	2,000,000
	20,000,000	20,000,000	20,000,000

	(Unaudited) September 30, 1999		June 30, 1999		June 30, 1998	
Issued:	No. of shares	Amount US$'000	No. of shares	Amount US$'000	No. of shares	Amount US$'000
Class A shares	704,639	78,293	704,639	78,293	704,639	78,293
Class B shares	78,293	-	78,293	-	78,293	-
	782,932	78,293	782,932	78,293	782,932	78,293

The Company issued 540,639 additional Class A Shares for the conversion of advances, loans and interest payable of US$60,070,000 as at June 30, 1998 (See Note 13). In addition, the Government of Ghana was issued 60,071 Class B Shares for no consideration, to maintain their proportionate 10% ownership of the Company.

Effective September 30, 1999, the shares of the consortium of nine banks were sold to Golden Star Resources Ltd., a company incorporated in Canada and Anvil Mining NL, a company incorporated in Australia. Following these share transfers Golden Star Resources Ltd. owns 70% of the shares, Anvil Mining NL owns 20% and the Government of Ghana owns the remaining 10%.

12. Stated capital (Continued)

The shareholders of the Company as at September 30, 1999, June 30, 1999 and 1998 are as follows:

	(Unaudited) September 30, 1999 Number	June 30, 1999 Number	June 30, 1999 Number
Class A shares			
International Finance Corporation	-	216,270	216,270
DEG-Deutsche Investitions und Entwicklungsgesellschaft mbh	-	158,004	158,004
Societe Generale	-	91,140	91,140
Credit Lyonnais	-	76,897	76,897
Bank Austria AG	-	45,566	45,566
DB (Belgium) Finance N.V./S.A	-	45,566	45,566
The Sumitomo Bank Limited	-	31,331	31,331
Banque International a Luxembourg	-	28,477	28,477
Transnational Incorporated	-	11,388	11,388
Anvil International Finance Ltd.	156,586	-	-
Bogoso Holdings (Golden Star Resources Ltd.)	548,053	-	-
	704,639	704,639	704,639
Class B shares			
Government of Ghana	78,293	78,293	78,293
Total Shares	782,932	782,932	782,932

13. Shareholders' advances

Shareholders' advances represented interest bearing foreign currency advances made under the terms of the Revised Shareholders Financing Agreement of March 22, 1994. These advances attracted interest at the rate of 10% per annum. In accordance with letters of consent from the shareholders, the advances, loans and interest payable to the consortium of banks were converted into Class A Shares effective June 30, 1998. The IFC advance of US$5,329,000 will not accrue any further interest on the remaining principal from June 30, 1998.

14. Net loss before taxation is stated after charging/(crediting)

	(Unaudited) September 30, 1999 US$'000	June 30, 1999 US$'000	June 30, 1998 US$'000
Auditors' remuneration	6	25	22
Bad and doubtful debts	-	2	350
Directors' fees	3	36	6
Director's emoluments	41	162	162
Director's compensation for loss of office	-	-	68
Exchange (gain)/loss	(31)	(426)	(210)
Interest received	(137)	(631)	(415)
Inventory write down	1	40	2,078
Loss/(profit) on disposal of assets	-	(14)	16
Rehabilitation expenditure	338	1,352	2,125

15. Taxation The Company has no taxation charge for the three months ended September 30, 1999 and 1998 or the years ended June 30, 1999, 1998 or 1997 as there are significant tax losses to carry forward. However, the company has a tax credit of U.S. $249,000 being Value Added Tax paid on inputs.

16. Capital commitments

Capital expenditure authorised but not yet expended as at September 30, 1999, June 30, 1999 and at June 30, 1998 were $125,000, nil and $6,483,000, respectively.

17. Contingent liabilities

(a) Hedged gold

The Company had no hedged gold contracts as at September 30, 1999, June 30, 1999, or June 30, 1998.

(b) Staff car loans

The Company had guaranteed car loans to senior staff provided through Barclays Bank of Ghana Limited until early 1999. The balance guaranteed as at June 30, 1998 amounted to $43,085.

18. Going concern and subsequent events

The company has accumulated losses of $66,531,000 as at June 30, 1999 due to trading losses over the past years as a result of the high cost of servicing a heavy debt portfolio and the declining gold price, as well as working capital problems with the non-payment of external debt and limited finance available for an on-going capital renewal program. The company has been deferring payments due on long-term loans.

A major exploration program has been undertaken to identify proven and probable oxide ore reserves to extend the life of the mine. In addition, the exploration work has identified highly prospective targets and investigations are underway into alternative sources of ore such as the treatment of tailings.

As discussed in Note 1, effective September 30, 1999 the consortium of nine banks sold their shares and assigned their debts owed them by the company to new shareholders, Golden Star Resources Ltd and Anvil Mining NL.

19. Net cash flow from operating activities

	(Unaudited) Three months ended September 30, 1999 US$'000	(Unaudited) Three months ended September 30, 1998 US$'000	Year ended June 30, 1999 US$'000	Year ended June 30, 1998 US$'000
Net operating loss before interest expense	(2,205)	(7,382)	(4,241)	(1,597)
Depreciation	1,636	2,595	8,171	5,990
Amortisation of development expenditure	864	4,175	4,842	5,856
Amortisation of deferred assets	416	2,253	3,886	3,864
(Increase)/decrease in inventories	(150)	(1,641)	(2,192)	3,291
(Increase)/decrease in accounts receivable	407	(338)	(586)	(371)
(Decrease)/increase in creditors	(99)	381	584	(519)
Decrease in long term liabilities	(3,140)	906	(1,896)	(735)
Loan and interest waiver	-		-	(6,293)
Exchange gain on loans	-	19	(99)	(205)
Loss/(profit) on disposal of assets	-	-	(14)	16
Interest income	(136)	(29)	(631)	(415)
Reclassification of fixed assets	-	-	539	-
	(2,407)	939	8,363	8,882

20. Reclassification

The prior years comparative figures have been reclassified where applicable to be consistent with the current year's presentation.

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

The financial statements have been prepared in accordance with generally accepted accounting principles and in compliance with the Ghana Companies Code 1963 (Act 179), which differ in certain respects from those principles that the Company would have followed had its financial statements been prepared in accordance with accounting principles generally accepted in the United States or Canada. Differences which materially affect these financial statements are:

(a) Under U.S. GAAP, items such as foreign exchange gains and losses are required to be shown separately in the derivation of comprehensive income. Under Canadian GAAP, foreign exchange gains and losses related to the translation of foreign currency loans would be deferred and amortised over the remaining period of the loan. As the currency of measurement is the U.S. Dollar, loans denominated in deutschmarks are considered foreign currency loans.

(b) Under U.S. GAAP, changes in accounting policies are accounted for in the year of change and includes the cumulative effect of that accounting change. Under Canadian GAAP, changes are applied retroactively to prior period financial statements by restating the prior years' financial statements and the prior year opening retained earnings balance in the earliest year reported. In June 1998, the Company changed its method of amortization of development expenditure costs from units of production to straight line.

(c) Under U.S. GAAP, extraordinary items are usually limited to unusual and infrequent events and include early extinguishment of debt. Such items are reported separately in the statement of operations, net of taxes, and included in the determination of net income. Under Canadian GAAP, gains and losses from the early extinguishment of debt generally do not meet the criteria for extraordinary items. During the year ended June 30, 1998, creditors forgave portions of certain loans as discussed Note 10.

(d) Under U.S. and Canadian GAAP, basic earnings per share of common stock is calculated on the weighted average number of common shares outstanding during the period and is required for each period presented. Per share amounts are reflected for income before extraordinary items, the cumulative effect of a change in accounting principle and for net income.

(e) Under U.S. and Canadian GAAP, the impact of a change in accounting estimate is recorded in the current reporting period, typically three-month quarters. As of June 30, 1998, the Company changed the estimated remaining useful lives of its plant and machinery and mine to five years, effective as of July 1, 1997. Under U.S. and Canadian GAAP, the impact of the change in estimate would have been recorded as of April 1, 1998, resulting in a lower charge for depreciation and amortization for the year ended June 30, 1998.

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

(Continued)

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

Statements of Operations
(Stated in thousands of United States Dollars except per share amounts)

	(Unaudited) Three months ended Sept. 30, 1999 US$'000	(Unaudited) Three months ended Sept. 30. 1998 US$'000	Year ended June 30, 1999 US$'000	Year ended June 30, 1998 US$'000	Year ended June 30, 1997 US$'000
Net loss as presented	$ (2,777)	$ (7,382)	$ (6,671)	$ (8,710)	$ (6,689)
Foreign exchange gain (a)	(65)	19	(238)	(6)	(75)
Change in accounting estimate (e)	-	-	-	3,084	-
Extraordinary gain on extinguishment of debt (c)	-	-	-	(6,293)	-
Income before extraordinary item	(2,842)	(7,363)	(6,909)	(11,925)	(6,764)
Extraordinary gain on extinguishment of debt (c)	-	-	-	6,293	-
Cumulative effect of change in accounting principle (b)	-	-	-	1,083	-
Net loss under U.S. GAAP	(2,842)	(7,363)	(6,909)	(4,549)	(6,764)
Other comprehensive income - foreign exchange gain (a)	65	(19)	238	6	75
Comprehensive income (a)	$ (2,777)	$ (7,382)	$ (6,671)	$ (4,543)	$ (6,689)
Per share data (d):					
Extraordinary gain on extinguishment of debt	-	-	-	$ 34.32	-
Cumulative effect of change in accounting principle	-	-	-	$ 5.91	-
Basic and diluted net loss per share under U.S. GAAP	$ (3.55)	$ (9.42)	$ (8.82)	$ (24.77)	$ (36.71)
Weighted average shares outstanding (basic and diluted)	782,932	782,932	782,932	183,369	182,222
Reconciliation to Canadian GAAP:					
Net loss under U.S. GAAP	(2,842)	(7,363)	(6,909)	(4,549)	(6,764)
Amortisation of foreign exchange gain (a)	53	38	162	28	50
Cumulative effect of change in accounting principle applied retroactively	3,196	1,859	2,861	1,521	1,083
Net loss under Canadian GAAP	(407)	(5,466)	(3,886)	(3,000)	(5,631)
Net loss per share under Canadian GAAP	$ (0.52)	$ (6.98)	$ (4.96)	$ (16.36)	$ (30.90)

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

(Continued)

The effect of differences in accounting under U.S. GAAP and Canadian GAAP on the balance sheets, statement of changes in shareholders' equity and statements of cash flow are as follows:

Balance Sheet

	(Unaudited) September 30, 1999			June 30, 1999		
	As presented US$'000	Canadian GAAP US$'000	U.S. GAAP US$'000	As presented US$'000	Canadian GAAP US$'000	U.S. GAAP US$'000
Fixed assets	21,874	22,768	22,768	23,093	23,873	23,873
Development expenditure (b)	12,942	19,081	15,885	13,806	19,805	16,944
Accumulated comprehensive income	-	-	384	-	-	319
Accumulated deficit	(69,308)	(57,732)	(65,525)	(66,531)	(58,139)	(62,683)
Total shareholders' equity	8,984	16,348	13,152	11,761	18,790	15,929

	June 30, 1998		
	As presented US$'000	Canadian GAAP US$'000	U.S. GAAP US$'000
Fixed assets	27,692	28,243	28,243
Development expenditure (b)	18,648	22,702	21,181
Accumulated comprehensive income	-	-	81
Accumulated deficit	(59,860)	(54,253)	(55,774)
Total shareholders' equity	18,432	24,121	22,600

Under U.S. GAAP, accruals and other payables would be separately disclosed as follows:

	(Unaudited) September 30, 1999 US$'000	June 30, 1999 US$'000	June 30, 1998 US$'000
Accrued payroll, taxes and bonus	305	594	494
Accrued redundancy costs	50	302	356
Accrued royalties	312	266	222
Accrued electricity	163	393	116
Accrued mining department costs	94	152	-
Other accrued liabilities	1,656	1,391	1,199
Total accruals and other payables	2,580	3,098	2,387

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

(Continued)

Statement of Changes in Shareholders' Equity Under U.S. GAAP

	Class A Shares	Class B Shares	Stated Capital US$'000	Deficit US$'000	Accumulated Other Comprehensive Income US$'000	Shareholder Advances US$'000	Total Shareholders' Equity US$'000
Balance at June 30, 1997	164,000	18,222	18,222	(51,225)	75	24,671	(8,257)
Comprehensive Income:							
Net income (loss) 1998				(4,549)			(4,549)
Translation adjustments					6		6
Comprehensive Income:							(4,543)
Shares issued	540,639	60,071	60,071				60,071
Shareholder advances	-	-	-	-	-	(24,671)	(24,671)
Balance at June 30, 1998	704,639	78,293	78,293	(55,774)	81	-	22,600
Comprehensive Income:							
Net income (loss) 1999				(6,909)			(6,909)
Translation adjustments					238		238
Comprehensive Income:							(6,671)
Shares issued							
Shareholder advances	-	-	-	-	-	-	-
Balance at June 30, 1999	704,639	78,293	78,293	(62,683)	319	-	15,929
Comprehensive Income:							
Net income (loss) 1999				(2,842)			(2,842)
Translation adjustments					65		65
Comprehensive Income:							(2,777)
Shares issued							
Shareholder advances	-	-	-	-	-	-	-
Balance at Sept. 30, 1999	704,639	78,293	78,293	(65,525)	384	-	13,152

Statements of Cash Flows Under U.S. GAAP

Net Cash Provided by (Used in):	Operating Activities		Investing Activities		Financing Activities	
For the three month period ended	As presented US$'000	U.S. GAAP US$'000	As presented US$'000	U.S. GAAP US$'000	As presented US$'000	U.S. GAAP US$'000
Sept. 30, 1999 (Unaudited)	(2,407)	(2,250)	(1,535)	(1,556)	-	-
For the Years ended,						
June 30, 1999	8,363	5,957	(9,253)	(8,419)	(2,710)	(2,710)
June 30, 1998	8,882	7,524	(4,310)	(5,668)	(3,933)	(3,933)

Cash paid for interest for the three months ended September 30, 1999 and the years ended June 30, 1999, 1998 and 1997 was nil, $2,203,000, $1,773,000 and $1,327,000 respectively.

U.S. GAAP does not permit the presentation of non-cash items in investing or financing activities in the statements of cash flows. Under the Company's current reporting, no such transactions were included in the statements of cash flows. The Company did, however, convert $60,070,000 in shareholder advances plus accrued interest to Class A shares as described in Note 12.

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

(Continued)

US GAAP Tax Considerations

U.S. GAAP changes the Company's method of accounting for income taxes to an asset and liability approach. Under the asset and liability method, deferred tax assets and liabilities are recognized for the future tax consequences attributed to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Use of the assets and liability method has no effect on the U.S. GAAP financial statements as the Company has concluded that a full valuation allowance must be applied to the deferred tax assets resulting from the Company's net operating loss carryforwards. For the three months ended September 30, 1999 and for the years ended June 30, 1999, 1998 and 1997, the Company has recorded no current tax expense under U.S. GAAP due to the cumulative net losses incurred by the Company. Under U.S. GAAP, the Company would not record any deferred tax expense based on the same rationale.

Summarized below are the components of deferred taxes:

	(Unaudited) As of September 30, 1999 US$'000	As of June 30, 1999 US$'000	As of June 30, 1998 US$'000
Temporary differences relating to net liabilities:			
Accrued environmental liabilities	$ 4,850	$ 4,645	$ 4,237
Tax loss and credit carryforwards	13,259	7,095	10,347
Gross deferred tax asset	18,109	11,740	14,584
Valuation allowance	(18,109)	(11,740)	(14,584)
Net deferred tax assets	$ -	$ -	$ -

The statutory tax rate in Ghana is 35%, while the Company's effective rate is nil.

Impact of Recently lssued Accounting Standards

In June 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards ("SFAS") No. 133, Accounting for Derivative Instruments and Hedging Activities. SFAS No. 133 is effective for all fiscal quarters of all fiscal years beginning after June 15, 2000. SFAS No. 133 requires that all derivative instruments be recorded on the balance sheet at their fair value. Changes in the fair value of derivatives are recorded each period in current earnings or other comprehensive income, depending on whether a derivative is designated as part of a hedge transaction and, if it is, the type of hedge transaction. At this time the Company has no derivative instruments that are subject to the requirement of this statement.

(b) Pro-forma financial information

INTRODUCTION

The following unaudited pro forma consolidated statements of operations give effect to the Golden Star Resources Ltd. ("GSR" or the "Company") acquisition of Bogoso Gold Limited ("BGL"). The pro forma income statements were prepared as if the acquisition occurred January 1, 1998.

The pro forma consolidated financial information is presented for illustrative purposes only and does not purport to represent what the Company's financial position or results of operations would have been had the acquisition of BGL in fact occurred on the date indicated or at the beginning of the period indicated or to project the Company's financial position or results of operations for any future date or period. The pro forma information is based on management's best estimates and upon available information which the Company believes is reasonable under the circumstances.

There has been no Pro Forma Consolidated Balance Sheet provided due to the fact that the acquisition was consummated on September 30, 1999. Please refer to the Company's Quarterly Report on Form 10-Q filed for the third quarter of 1999 for more information. The purchase price allocation and the balance sheet acquisition adjustments are included in the notes to these unaudited pro forma statements.

The following unaudited pro forma consolidated financial information should be read in conjunction with (i) the audited consolidated financial statements of the Company and its subsidiaries for the year ended December 31, 1998, which are contained in the Company's 1998 Annual Report on Form 10-K; (ii) the unaudited consolidated financial statements of the Company and its subsidiaries for the nine months ended September 30, 1999, which are contained in the Company's Quarterly Report on Form 10-Q for the period ended September 30, 1999; (iii) the audited financial statements of BGL for the three years ended June 30, 1999, 1998 and 1997, which are included elsewhere in this Form 8-K/A; and (iv) the unaudited financial statements of BGL for the three months ended September 30, 1999 and 1998, which are included elsewhere in this Form 8-K/A.

GOLDEN STAR RESOURCES LTD.

Unaudited Pro Forma Consolidated Statements of Operations For the Year Ended December 31, 1998

(stated in thousands of United States Dollars except per share amounts)

(unaudited)

	For the year ended December 31, 1998 GSR US$'000	For the year ended December 31, 1998 BGL US$'000	Pro Forma Adjustments US$'000	Pro Forma for the year ended December 31, 1998 US$'000
REVENUES				
Gold Sales	$ -	$ 35,432	$ -	$ 35,432
Interest and Other	635	227	-	862
	635	35,659	-	36,294
COSTS AND EXPENSES				
Costs of Goods Sold	-	23,130	-	23,130
Royalties	-	1,062	-	1,062
Depreciation	230	13,258	(a) (12,581)	907
Amortization	-	1,325	(a) (1,325)	-
General and Administrative	7,712	10,097	-	17,809
Exploration expense	443	-	-	443
Write-offs and Abandonment of Mineral Properties	16,600	-	-	16,600
Interest Expense	36	4,936	(b) (4,936)	1,026
			(c) 312	
			(c) 428	
			(c) 250	
Other Income	-	(6,419)	(b) 6,293	(126)
Foreign Exchange Loss (Gain)	26	236	(b) (236)	26
	25,047	47,625	(11,795)	60,877
LOSS BEFORE THE UNDERNOTED	(24,412)	(11,966)	11,795	(24,583)
Omai Preferred Share Redemption Surplus	950	-	-	950
Net Loss before Minority Interest	(23,462)	(11,966)	11,795	(23,633)
Minority Interest	1,214	-	(d) (1,231)	(17)
Net Loss	$(22,248)	$(11,966)	$ 10,564	$(23,616)
Basic and Fully Diluted Net Loss Per Share	$ (0.74)	$ -	$ -	$ (0.64)
Weighted Average Shares Outstanding (in millions of shares)	30.2	-	6.9	37.1

The accompanying notes are an integral part of these unaudited pro forma consolidated statements of operations.

GOLDEN STAR RESOURCES LTD.

Unaudited Pro Forma Consolidated Statements of Operations For the Nine Months Ended September 30, 1999

(stated in thousands of United States Dollars except per share amounts)

(unaudited)

	For the nine months ended September 30, 1999 GSR US$'000	For the nine months ended September 30, 1999 BGL US$'000		Pro Forma Adjustments US$'000	Pro Forma for the nine months ended September 30, 1999 US$'000
REVENUES					
Gold Sales	$ -	$26,954		$ -	$ 26,954
Interest and Other	287	723		-	1,010
	287	27,677		-	27,964
COSTS AND EXPENSES					
Costs of Goods Sold	-	18,146		-	18,146
Royalties	-	813		-	813
Depreciation	115	7,264	(a)	(6,697)	682
Amortization	-	964	(a)	(964)	-
General and Administrative	2,358	1,480		-	3,838
Exploration Expense	129	-		-	129
Write-offs and Abandonment of Mineral Properties	23,745	-		-	23,745
Interest Expense	49	1,739	(b)	(1,739)	605
			(c)	234	
			(c)	250	
			(c)	72	
Other Income	-	(318)		-	(318)
Foreign Exchange Loss (Gain)	(18)	(648)	(b)	648	(18)
	26,378	29,440		(8,196)	47,622
LOSS BEFORE THE UNDERNOTED	(26,091)	(1,763)		8,196	(19,658)
Omai Preferred Share Redemption Surplus	379	-		-	379
Net Loss before Minority Interest	(25,712)	(1,763)		8,196	(19,279)
Minority Interest Loss	1,056	-	(d)	(1,110)	(54)
Net Loss	$(24,656)	$(1,763)		$ 7,086	$(19,225)
Basic and Fully Diluted Net Loss per Share	$ (0.79)	-		-	$ (0.52)
Weighted Average Shares Outstanding (in millions of shares)	31.4	-		5.4	36.8

The accompanying notes are an integral part of these unaudited pro forma consolidated statements of operations.

1. Purchase Price Allocation

The purchase price for the Acquisition was an initial payment by us of $6.5 million, of which $5,056,000 was for our account and $1,444,000 was for the account of Anvil. The Purchase Agreement also called for a payment to the sellers based upon the average spot price of gold in the two years subsequent to closing (the "Calculation Period "). The payment will be calculated on a pro-rata basis if the average p.m. gold price fixing by the London Bullion Market Association over the Calculation Period (the "Average Gold Price") is between $255 and $310 per ounce and will be capped at $10.0 million. If we acquire additional mineable ore reserves that can be processed at the Bogoso facility equivalent to at least 50,000 ounces of gold output, we will make a minimum payment of $2.0 million one and half years after the closing of the Bogoso Purchase transaction. This payment will be applied towards the $10.0 million cap mentioned above. The Company will record these payments at their fair value at the date they are determinable. These amounts will be amortized over the remaining life of the mine. Under an agreement with Anvil, our Company provided all of the funds for the initial $6.5 million purchase price and all other acquisition costs collectively (the "Acquisition Costs"). The Company provided a loan to Anvil (the "Note Receivable") to fund Anvil's share of the Acquisition Costs. The Note Receivable bears an annual interest rate of 15% compounded monthly. All cash distributions from the Bogoso Property will be paid to us until we have received all of the Acquisition Costs plus interest thereon.

Assets and liabilities assumed have been recorded at estimated fair market value. In addition, $6.0 million of cash acquired has been reflected as restricted cash to pay for the assumed mine site rehabilitation at the eventual closure of the Bogoso Property.

The Company and Anvil will also be required to pay the sellers an additional $5,000,000 on the first anniversary of commencement of sulfide 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. It is believed that this payment can be funded from BGL cash flow.

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.

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. This assigned debt becomes intercompany debt, which is eliminated through consolidation, and thus does not appear on the purchase price allocation of the Company.

	US$'000
Cost of Acquisition	
Purchase price	$ 6,500
Total transaction costs	1,948
Less: Anvil note receivable	(1,444)
Cost of acquisition	$ 7,004
Allocation of Purchase Price	
Cash	$ 6,923
Accounts receivable	1,453
Inventories	8,383
Other current assets	122
Mining properties	3,151
Deferred financing costs	500
Accounts payable	(4,362)
Environmental rehabilitation provision	(7,000)
Minority interest	(2,166)
Total purchase price allocated	$ 7,004

2. The accompanying Pro Forma Consolidated Statements of Operations assume that the proposed acquisition of BGL had occurred on January 1, 1998.

The acquisition adjustments are as follows:

a. To record the elimination of depreciation and amortization expense on mining assets acquired as of January 1, 1998.
b. To record the elimination of interest expense and foreign exchange gains/losses and forgiveness of debt included as other income related to the debt of BGL.
c. To record the estimated interest expense related to debt incurred of $4,155,000 at 7.5% as part of the funding for the acquisition of BGL, to record the accrual of deemed interest expense for the $250,000 production bonus accrual payable under the credit facility and to record the amortisation of $500,000 in financing costs under the credit facility.
d. To record the 30% minority interest share in the earnings of BGL.

The Acquisition Agreement noted that the Company and Anvil would provide for the following: $6 million related to environmental rehabilitation, $3 million related to severance costs, and $1 million related to social and economic programs. Prior to the consummation of the acquisition, BGL paid the severance of $3.0 million. Thus, as at September 30, 1999, the liabilities that were assumed by the Company, and thus included in the purchase price allocation were $6.0 million for environmental rehabilitation and $1.0 million for social and economic programs.

3. Reconciliation of Pro Forma Consolidated Statements of Operations to United States GAAP

The Pro Forma Consolidated Financial Statements have been prepared using the financial statements of GSR which are in accordance with Canadian generally accepted accounting principles ("GAAP") which differ in certain respects from those principles that the Company would have followed had its financial statements been prepared in accordance with generally accepted accounting principles in the United States ("U.S. GAAP"). Differences which materially affect these Pro Forma Consolidated Financial Statements are:

a. For 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. Property acquisition costs are capitalized for both Canadian and U.S. GAAP. For the Pro Forma Consolidated Statements of Operations the impact of this adjustment would be $4.9 million for the year ended December 31, 1998 and $13.8 million for the three months ended September 30, 1999.

b. 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. For the Pro Forma Consolidated Statements of Operations, the impact of this adjustment would be $0.8 million for the year ended December 31, 1998 and $0.3 million for the three months ended September 30, 1999.

The following table summarizes the effect of the above material adjustments on the Pro Forma Financial Statements:

	Pro Forma Canadian GAAP U.S.$'000	Pro Forma U.S. GAAP U.S.$'000
For the Year Ended December 31, 1998		
Net (Loss)/Income	$ (23,616)	$ (16,763)
For the Three Months Ended September 30, 1999		
Net (Loss)/Income	$ (19,225)	$ (4,823)

EXHIBIT 23

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statement on Form S-3 (No. 333-33237) dated October 2, 1997 of Golden Star Resources Ltd. of our report dated December 14, 1999, relating to the financial statements of Bogoso Gold Limited, which appears in the Current Report on Form 8-K/A of Golden Star Resources Ltd. dated December 14, 1999.

PricewaterhouseCoopers
Chartered Accountants

Accra, Ghana

December 14, 1999
