# GOLDEN STAR RESOURCES LTD.

## FORM S-3/A

(Securities Registration Statement (simplified form))

Filed 07/15/02

| | |
|---|---|
| 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 S-3/A

(Securities Registration Statement (simplified form))

Filed 7/15/2002

| | |
|---|---|
| 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 |

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As filed with the Securities and Exchange Commission on July 15, 2002

Registration No. 333-91666

# UNITED STATES SECURITIES AND EXCHANGE COMMISSION

**Washington, D.C. 20549**

**Amendment No. 1**
**to**

# Form S-3

**Registration Statement**
**Under**
**the Securities Act of 1933**

# Golden Star Resources Ltd.

*(Exact name of registrant as specified in its charter)*

| **Canada** | **98-0101955** |
|---|---|
| *(State or other jurisdiction of incorporation or organization)* | *(IRS Employer Identification No.)* |

**10579 Bradford Road, Suite 103**
**Littleton, Colorado, 80127-4247**
**(303) 830-9000 (telephone)**
**(303) 830-9094 (facsimile)**
*(Address, including zip code, and telephone and facsimile numbers, including area code, of principal executive offices)*

**Allan J. Marter, Chief Financial Officer**
**Golden Star Resources Ltd.**
**10579 Bradford Road, Suite 103**
**Littleton, Colorado, 80127-4247**
**(303) 830-9000 (telephone)**
**(303) 830-9094 (facsimile)**
*(Name, address, including zip code, and telephone and facsimile numbers, including area code, of agent for service)*

***Copies to:***

**John J. Halle**
**Kevin S. Thomas**
**Stoel Rives LLP**
**900 SW 5 th Avenue**
**Portland, Oregon 97204-1268**
**(503) 224-3380 (telephone)**
**(503) 220-2480 (facsimile)**

**Christopher J. Barry**
**Gil Cornblum**
**Dorsey & Whitney LLP**
**Canada Trust Tower, BCE Place**
**161 Bay Street, Suite 4310**
**Toronto, Ontario Canada M5J 2S1**
**(416) 367-7370 (telephone)**
**(416) 367-7371 (facsimile)**

**Approximate date of commencement of proposed sale to the public:** From time to time after this registration statement becomes effective.

If the only securities being registered on this Form are to be offered pursuant to dividend or interest reinvestment plans, please check the following box. ☐

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with a dividend or interest reinvestment plan, check the following box. ☑

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration number of the earlier effective registration statement for the same offering. ☐

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. ☐

***Continued***

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## CALCULATION OF REGISTRATION FEE

| Title of Each Class of Securities to be Registered | Amount to be Registered | Proposed Maximum Offering Price Per Unit | Proposed Maximum Aggregate Offering Price(1) | Amount of Registration Fee |
|---|---|---|---|---|
| Units (2), each consisting of: | 16,100,000 | $1.703 | $27,418,300 | $2,523 |
| (i) one common share; and | 16,100,000 | — | — | — |
| (ii) one-half of one warrant to purchase one common share | 8,050,000 | — | — | — |
| Underwriters' warrants(3) | 770,000 | — | — | — |
| Common shares issuable upon exercise of the underwriters' warrants | 770,000 | $1.703 | $ 1,311,310 | $ 132 |
| Common shares issuable upon exercise of warrants | 8,050,000 | $1.703 | $13,709,150 | $1,260 |
| Totals | | | $42,438,760 | $3,915(4) |

(1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(c) promulgated under the Securities Act of 1933, as amended, and based upon the average of the high and low prices of the registrant's common shares on the American Stock Exchange on June 25, 2002.

(2) Includes 2,100,000 units that the underwriters have the option to purchase to cover over-allotments, if any.

(3) In connection with the sale of the units, the registrant is granting to the underwriters warrants to purchase 770,000 common shares.

(4) $3,922 paid at initial filing.

**The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with section 8(a) of the Securities Act or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said section 8(a), may determine.**

## EXPLANATORY NOTE

The units are being offered and sold in a concurrent public offering in Canada and the United States. This registration statement includes a form of United States prospectus, that will be delivered in both Canada and the United States, and additional pages that contain information required to be disclosed pursuant to Canadian requirements or customarily included in Canadian prospectuses, but not required to be disclosed in the United States. The prospectus delivered in Canada will be the U.S. prospectus with the supplemental Canadian pages attached.

If the registration statement becomes effective pursuant to Rule 430A under the Securities Act of 1933, copies of the U.S. prospectus and the Canadian prospectus will be filed with the Commission pursuant to Rule 424.

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**The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities, and it is not soliciting an offer to buy these securities, in any state where the offer or sale is not permitted.**

**SUBJECT TO COMPLETION DATED JULY 15, 2002**

# Golden Star Resources Ltd.

## 14,000,000 Units

We are offering units consisting of one common share of Golden Star Resources Ltd. and one-half of one warrant to purchase one common share for Cdn$ per unit. The units will only be sold in even amounts. The common shares and warrants, which we may also refer to as unit warrants, can be resold as separate securities immediately after their purchase pursuant to this offering. Each whole warrant will entitle its owner to purchase one common share for Cdn$ per share. You may exercise your warrants at any time for two years after the date of closing. The price of the units was determined by negotiation between us and the underwriters named below.

Our common shares are traded on the American Stock Exchange under the symbol "GSS" and on the Toronto Stock Exchange under the symbol "GSC." On June 28, 2002, the closing price for our common shares on the American Stock Exchange was $1.80 per share and the closing price on the Toronto Stock Exchange was Cdn$2.75 per share. There is no market through which our warrants may be sold. We have applied to list the warrants distributed under this prospectus on the Toronto Stock Exchange and, if listed on the Toronto Stock Exchange, this will be the only market through which the warrants may be traded.

Canadian dollars are indicated by the symbol "Cdn$".

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**Investing in the units involves a high degree of risk. See "Risk Factors" beginning on page 4.**

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**Neither the Securities and Exchange Commission nor any state securities commission or other regulatory body has approved or disapproved the securities, or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

| | Per Unit | Total |
|---|---|---|
| Initial public offering price | Cdn$ | Cdn$ |
| Underwriters' fee | Cdn$ | Cdn$ |
| Proceeds to Golden Star Resources Ltd. | Cdn$ | Cdn$ |

The units are being offered in the United States on a best efforts basis, with no minimum number or dollar amount requirement, by Canaccord Capital Corporation (USA) Inc. and BMO Nesbitt Burns Corp., to whom we refer as the U.S. agents, and in Canada on a firm commitment basis by Canaccord Capital Corporation and BMO Nesbitt Burns Inc., to whom we refer as the Canadian underwriters. Any units sold by the U.S. agents will reduce the amount of the Canadian underwriters' commitment. We refer to the Canadian underwriters and the U.S. agents, collectively, as the underwriters.

We have granted to the Canadian underwriters the option, for a period of 30 days, to purchase up to 2,100,000 additional units to cover over-allotments. As additional consideration, the Canadian underwriters will also be granted non-transferable warrants to purchase 770,000 common shares at Cdn$ per share. The underwriters' warrants are not exercisable for one year following the date of the closing of this offering and are thereafter exercisable for a period of two years.

The U.S. agents and Canadian underwriters expect to deliver the units to purchasers on July , 2002.

**Canaccord Capital Corporation (USA) Inc.** **BMO Nesbitt Burns Corp.**

The date of this prospectus is , 2002.

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## ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement on Form S-3, which we refer to as the registration statement, that we filed with the Securities and Exchange Commission, which we refer to as the SEC. We have also filed a prospectus with the securities regulatory authorities in each of the Canadian provinces of British Columbia, Ontario, Alberta and Manitoba, which we refer to as the Canadian prospectus, under which the securities registered under the registration statement may be offered and sold in those provinces, subject to any applicable securities laws.

The units will not be offered in any jurisdiction where the offering is not permitted.

You should rely only on information contained or incorporated by reference in this prospectus. See “Documents Incorporated by Reference” on page 31. Golden Star Resources Ltd. has not authorized any other person to provide you with information different from that contained in this prospectus. Information on any of the Web sites maintained by us does not constitute a part of this prospectus.

Unless otherwise indicated, information in this prospectus assumes no exercise of the underwriters’ over-allotment option, the unit warrants, the underwriters’ warrants or any other options, warrants or rights to acquire common shares.

## CURRENCY AND EXCHANGE RATE INFORMATION

Unless otherwise indicated, all references to “$” or “dollars” in this prospectus refer to United States dollars. References to “Cdn$” in this prospectus refer to Canadian dollars.

The noon rate of exchange on June 28, 2002 as reported by the Bank of Canada for the conversion of Canadian dollars was Cdn$1.00 equals $0.6585. We use this exchange rate for calculations under “Use of Proceeds” and “Dilution” that include conversion of Canadian dollar amounts to United States dollars.

## PROSPECTUS SUMMARY

*You should read the following summary and the more detailed information about us and the units and our financial statements and notes appearing elsewhere in this prospectus and in the documents incorporated by reference.*

### Our Business

References to "we," "our" and "us" mean Golden Star Resources Ltd., its predecessors and consolidated subsidiaries, unless the context requires otherwise.

We are an international gold mining and exploration company. We own a 90% equity interest in Bogoso Gold Limited, which we refer to as BGL. BGL owns the Bogoso/ Prestea gold mine in Ghana, comprising the adjacent Bogoso and Prestea properties. Recently, we have agreed in principle to purchase the Wassa property, located approximately 35 kilometers east of Bogoso/ Prestea, and associated mining rights. Since 1999 we have sought to move from primarily an exploration focus in South America to a production and exploration focus in West Africa. We recently sold our most significant exploration property in South America, the Gross Rosebel project located in Suriname, to Cambior Inc., our partner in the project, and are using the proceeds of the sale and the proceeds of a recent equity financing to help fund expansion of Ghanaian production operations. We still have a number of exploration properties and interests in South America, but we are not presently committing significant resources to the development of these properties.

Please refer to "Recent Developments" in this prospectus for further information about the Bogoso/Prestea gold mine, including recent gold reserve estimates, our proposed acquisition of the Wassa property, our transactions with Cambior Inc. and our recent private placement.

We were established under the *Canada Business Corporations Act*, or the CBCA, on May 15, 1992 as a result of the amalgamation of South American Goldfields Inc., a corporation incorporated under the CBCA, and Golden Star Resources Ltd., a corporation originally incorporated under the provisions of the *Business Corporations Act* (Alberta) on March 7, 1984 as Southern Star Resources Ltd.

The mailing address of our principal executive offices is 10579 Bradford Road, Suite 103, Littleton, Colorado 80127-4247, and our telephone number is (303) 830-9000. Our registered and records office is located at: c/o Koffman Kalef, 19th Floor, 885 West Georgia Street, Vancouver, British Columbia, Canada V6C 3H4.

### Business Development Strategy

Although gold exploration remains an element of our overall strategy, we expect that in the immediate future our exploration activities will primarily be in support of our gold production operations. Accordingly, we expect to engage in exploration activities principally in areas that are within viable trucking distance from the Bogoso and Wassa processing facilities where existing data supports a high probability of success. Accordingly, we have placed most of our early- and intermediate-stage exploration projects on care and maintenance.

In the future, we intend to act more often as operator of our own discoveries. Nonetheless, depending on the nature and size of a project and its mineralized material, we may decide to participate in joint ventures with larger mining companies that have the financial resources to develop and operate large mining operations. We will continue to pursue new opportunities and we may, if warranted, make selective additional acquisitions of promising properties.

In view of the current gold market environment, we intend to continue to focus on transactions that offer us the immediate potential to provide cash flow to fund our operations, exploration and development. We will also consider transactions to increase our inventory of exploration properties in West Africa. Various transactions that we may consider include acquisitions of production or development stage mining projects, particularly those opportunities which may exist in our geographical areas of expertise. Additionally, we may consider transactions involving mergers with other mining and exploration companies, though we presently have no agreement or understanding with respect to any such transaction.

## The Offering

| | |
|---|---|
| Securities offered | 14,000,000 units. Each unit consists of one common share and one-half of one warrant to purchase one additional common share. The common shares and warrants will trade as separate securities immediately following this offering. |
| Issue price | Cdn$ per unit. |
| Warrants | Each whole warrant included in the units will be exercisable for Cdn$ per common share at any time until the warrants expire on the second anniversary of the date of issue. A holder of our unit warrants will not have the voting and other rights held by a shareholder until the warrantholder has exercised the warrants for our common shares. The number of common shares issuable upon exercise of the warrants will be subject to antidilution adjustments upon the occurrence of certain events. |
| Common shares outstanding after this offering | 79,506,420 common shares, based on the number of shares outstanding as of June 27, 2002. If the over-allotment option is exercised in full, 81,606,420 common shares. |
| Risk factors relating to our business | An investment in the units involves a high degree of risk. You should not consider this offer if you cannot afford to lose your entire investment. Please refer to “Risk Factors” beginning on page 4 for factors you should consider. |
| Use of proceeds | The net proceeds of this offering, estimated to be approximately Cdn$35,622,500, based on an assumed offering price of Cdn$2.75 per unit, or $23,446,300, will be used to fund expansion, development and exploration of projects in Ghana and for general corporate purposes. |
| Trading symbols | Our common shares are traded on the American Stock Exchange under the symbol “GSS” and on the Toronto Stock Exchange under the symbol “GSC”. The proposed symbol for the warrants on the Toronto Stock Exchange is GSC.W. There has been no prior trading market for the warrants. We have applied to list the warrants on the Toronto Stock Exchange and, if listed on the Toronto Stock Exchange, this will be the only market through which the warrants may be traded. |

## Prior Private Offering

On June 14, 2002, we announced a public offering of the units in Canada and concurrently commenced a private placement of the units solely to accredited investors, as that term is defined in Rule 501(a) of the Securities Act of 1933, in the United States. The offering contemplated the sale of up to 14,000,000 units in the United States and Canada combined, at a per unit price to be determined based on market conditions. On June 20, 2002, we decided to register the offering of the units in the United States. We terminated and abandoned the private placement on June 21, 2002. No offers or indications of interest resulting from the private placement were accepted and no sales of units in the private placement have been or will be made. This prospectus supersedes any offering materials used in connection with the prior offering of units.

## RISK FACTORS

*An investment in the units involves a high degree of risk. You should consider the following discussion of risks in addition to the other information in this prospectus before purchasing any of the units. In addition to historical information, the information in this prospectus contains "forward-looking" statements about our future business and performance. Our actual operating results and financial performance may be very different from what we expect as of the date of this prospectus. The risks below address some of the factors that may affect our future operating results and financial performance.*

### Financial Risks

**Our business is substantially dependent on gold prices.**

The price of our common shares and our business plan have been, and may in the future be, significantly adversely affected by declines in the price of gold. The price of gold is volatile and is affected by numerous factors beyond our control such as the sale or purchase of gold by various central banks and financial institutions, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, global and regional demand, and the political and economic conditions of major gold-producing countries throughout the world. If gold prices were to decline significantly or for an extended period of time, we might be unable to continue our operations, develop our properties or fulfill our obligations under our agreements with our partners or under our permits and licenses.

Furthermore, reserve calculations and life-of-mine plans using significantly lower gold prices could result in material write-downs of our investment in mining properties and increased amortization, reclamation and closure charges.

**We have recently recorded substantial losses.**

We reported net losses of $20.6 million in 2001, $14.9 million in 2000, $24.4 million in 1999, $22.2 million in 1998, and $26.6 million in 1997. We were profitable in the first quarter of 2002 and continue to operate profitably. However, numerous factors, including declining gold prices, lower than expected ore grades or higher than expected operating costs, could cause us to become unprofitable. Any future operating losses may make financing our operations and our business strategy, or raising additional capital, difficult or impossible, materially and adversely affecting our operations.

**Our obligations may strain our financial position and impede our business strategy.**

We have total debts and liabilities as of March 31, 2002 of $19.2 million, including approximately $1.3 million outstanding under our convertible debentures, amounts payable to financial institutions, amounts due to the former shareholders of BGL, as well as environmental rehabilitation liability and other payables. We expect that our liabilities will increase as a result of our corporate development activities. This indebtedness may have important consequences, including the following:

- increasing our vulnerability to general adverse economic and industry conditions;
- limiting our ability to obtain additional financing to fund future working capital, capital expenditures, operating and exploration costs and other general corporate requirements;
- requiring us to dedicate a significant portion of our cash flow from operations to make debt service payments, which would reduce our ability to fund working capital, capital expenditures, operating and exploration costs and other general corporate requirements;
- limiting our flexibility in planning for, or reacting to, changes in our business and the industry; and
- placing us at a disadvantage when compared to our competitors that have less debt relative to their market capitalization.

**We may have to restate estimates of mineralized material and reserves.**

There are numerous uncertainties inherent in estimating proven and probable reserves and mineralized material, including many factors beyond our control. The estimation of mineralized material and reserves is a subjective process and the accuracy of any such estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. Fluctuation in gold prices, results of drilling, metallurgical testing and production and the evaluation of mine plans subsequent to the date of any estimate may require revision of our estimates.

The volume and grade of reserves mined and processed and recovery rates may not be the same as currently anticipated. If it is not, we may discontinue the development of a project or mining at one or more of our properties.

**We currently have limited liquidity and capital resources.**

We have limited financial resources. Although at March 31, 2001 we held cash and short-term investments of approximately $2.4 million, our only internal source of funds is operational cash flows from Bogoso/ Prestea. The execution of our business strategy will require significant expenditures, including debt service on the approximately $1.3 million aggregate principal amount of our 7.5% subordinated convertible debentures maturing in 2004. We expect that these expenditures will exceed revenues and free cash flows generated by BGL and our other operations and therefore we will require outside capital such as the proceeds of this offering. Low gold prices during the past five years have adversely affected our ability to obtain financing. We cannot assure you that in the future we will be able to obtain adequate financing on acceptable terms. If we are unable to obtain additional financing, we may need to delay or indefinitely postpone further exploration and development of our properties. As a result, we may lose our interest in, or may be forced to sell, some of our properties.

The loss of any of our interests in exploration and mining properties could give rise to write-offs of any capitalized costs and this would negatively impact our results of operations. The impact would also be shown in reduction of assets on our balance sheet, which in turn would impair our ability to raise additional funds.

**Declining gold prices may require a hedging program against gold production at Bogoso/ Prestea.**

We are constantly reviewing whether or not, in light of the potential for gold prices to fall, it would be appropriate to establish a hedging or downside price protection program against the production of gold to protect against such decreases, but to date we have not decided to implement such a program. The implementation of any hedging program may not, however, protect adequately against declines in the price of gold.

In addition, although a hedging program may protect us from a decline in the price of gold, it may also prevent us from benefiting fully from price increases. For example, as part of a hedging program, we may be obligated to sell gold at a price lower than the then-current market price. Finally, if unsuccessful, the costs of any hedging program may further deplete our financial resources.

**We are subject to fluctuations in currency exchange rates, which could materially adversely affect our financial position.**

We currently maintain most of our working capital in United States dollars or United States dollar-denominated securities and convert funds to foreign currencies as payment obligations become due. We currently have future obligations that are payable in Euros, and receivables collectible in Euros. A significant portion of the operating costs at Bogoso/ Prestea is based on the Ghanaian currency, the Cedi. BGL is required to convert only 20% of the foreign exchange proceeds that BGL receives from selling gold into Cedis, but the Government of Ghana could require BGL to convert a higher percentage of such sales proceeds into Cedis in the future.

We currently do not hedge against currency exchange risks. Accordingly, we are subject to fluctuations in the rates of currency exchange between the United States dollar and these currencies, and such fluctuations may materially affect our financial position and results of operations.

## Operational Risks

**The technology, capital costs and cost of production of sulfide reserves and mineralized material at Bogoso/ Prestea are still subject to a number of uncertainties, including funding uncertainties.**

Based upon the completion of our sulfide mining feasibility study for the Bogoso property in 2001 and its subsequent review by a qualified, independent mineral reserves consultant, the sulfide material on the Bogoso property and on various portions of the Prestea properties has been included in our proven and probable reserves as at December 31, 2001. While the sulfide feasibility study indicates that sulfide reserves can be profitably mined and processed at gold prices at or above $275 per ounce, the cost to retrofit the Bogoso mill to process sulfide ore would require a minimum of $20 million of new capital. We cannot assure you that we will have access to capital in the required amounts and funding may be unavailable, whether from internal or external sources, in the necessary amounts and on acceptable terms. While the processing technology envisioned in the feasibility study has been successfully utilized at other mines, we cannot assure you, in spite of our testing, engineering and analysis, that the technology will perform successfully at commercial production levels on the Bogoso/ Prestea ores. We do not currently anticipate start-up of sulfide processing operations prior to 2007, after currently known oxide and non-refractory ores are exhausted.

**The acquisition of the Wassa property is not completed and, if it does not close, could require us to write off costs we have incurred in connection with Wassa and require us to find replacement opportunities.**

If the acquisition of the Wassa property is not consummated, we will be required to write off certain costs and to seek to expand in other ways. The acquisition of the Wassa property is in the final documentation stage but has not yet closed. While management does not currently anticipate any event that would prevent the closing, there can be no assurance that the closing will take place. If the Wassa acquisition does not close, we will be obliged to write off approximately $500,000 in acquisition, due diligence and preliminary analytical costs. Also, the failure of the acquisition to close would significantly impact our efforts to expand our mining operations in Ghana and would require us to seek other expansion opportunities. There can be no assurance that comparable opportunities would be available to us.

**Other things being equal, declining gold prices would reduce our pre-existing estimates of reserves and mineralized material and could result in delays in development until we can make new estimates using lower gold prices and determine new potential economic development options under the lower gold price assumptions.**

In addition to adversely affecting our reserve estimates and our financial condition, declining gold prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to the project. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

**The mining industry is subject to a number of operational hazards that can delay production or result in liability to us, which could have an adverse impact on our financial condition.**

Our activities are subject to a number of risks and hazards including:

- environmental hazards;
- discharge of pollutants or hazardous chemicals;

- industrial accidents;
- labor disputes;
- supply problems and delays;
- inability to attract competent professionals and managers;
- unusual or unexpected geological or operating conditions;
- slope failures;
- cave-ins of underground workings;
- failure of pit walls or dams;
- fire;
- changes in the regulatory environment; and
- natural phenomena such as inclement weather conditions, floods and earthquakes.

These or other occurrences could result in damage to, or destruction of, mineral properties or production facilities, personal injury or death, environmental damage, delays in mining, delayed production, monetary losses and possible legal liability. We may incur liability as a result of pollution and other casualties. Satisfying such liabilities may be very costly and could have an adverse effect on our financial position and results of operations.

**Our mining operations are subject to numerous environmental laws and regulations that can adversely affect operating and development costs.**

We cannot assure you that compliance with existing regulations governing the discharge of materials into the environment, or otherwise relating to environmental protection, in the jurisdictions where we have projects will not have a material adverse effect on our exploration activities, results of operation or competitive position. New or expanded regulations, if adopted, could affect the exploration or development of our projects or otherwise have a material adverse effect on our operations.

As a result of the foregoing risks, project expenditures, production quantities and rates and cash operating costs, among other things, may be materially and adversely affected and may differ materially from anticipated expenditures, production quantities and rates, and costs. In addition, estimated production dates may be delayed materially. Any such events could materially and adversely affect our business, financial condition, results of operations and cash flows.

**The development and operation of our mining projects involves numerous uncertainties.**

We expect that many of our planned mining projects will require a number of years and significant expenditures during the development phase before production is possible.

Development projects are subject to the completion of successful feasibility studies, issuance of necessary governmental permits and receipt of adequate financing. The economic feasibility of such development projects is based on many factors such as:

- estimation of reserves;
- metallurgical recoveries;
- future gold prices; and
- capital and operating costs of such projects.

Our mine development projects may have limited relevant operating history upon which to base estimates of future operating costs and

capital requirements. Estimates of proven and probable reserves and operating

costs determined in feasibility studies are based on geologic and engineering analyses. As a result, the risks and uncertainties attached to mine development activities are very high.

Any of the following events, among others, could cause the profitability of a project to be impaired or could cause the project to no longer be economically feasible:

- unanticipated changes in grade and tonnage of ore to be mined and processed;
- unanticipated adverse geotechnical conditions;
- incorrect data on which engineering assumptions are made;
- costs of constructing and operating a mine in a specific environment;
- processing and refining facilities;
- availability of economic sources of energy;
- adequacy of water supply;
- adequate access to the site;
- unanticipated transportation costs;
- government regulations (including regulations relating to prices, royalties, duties, taxes, restrictions on production, quotas on exportation of minerals, as well as the costs of protection of the environment and agricultural lands);
- fluctuations in gold prices; and
- accidents, labor actions and force majeure events.

The occurrence of any of these events could materially and adversely affect the operations or further development of a project and, as a result, our business, financial condition, results of operations and cash flow.

**Failure to replace reserves may negatively affect production.**

Because mines have limited lives based on proven and probable reserves, we must continually replace and expand our reserves as our mines produce gold. We currently estimate that Bogoso/ Prestea has ten years of mine life remaining without the development of additional reserves, but our estimates may not be correct. Our ability to maintain or increase our annual production of gold will be dependent in significant part on our ability to bring new mines into production and to expand existing mines.

No assurance can be given that our exploration programs will result in the replacement of current production with new reserves or that our development program will be able to extend the life of our existing mines. In the event that new reserves are not developed, we will not be able to sustain our current level of gold production beyond the life of our existing reserve estimates and revenues will decrease as a result.

There are a number of uncertainties inherent in any exploration and development program including:

- the location of economic mineral reserves;
- the development of appropriate metallurgical processes;
- the receipt of necessary governmental permits; and
- the construction of mining and processing facilities.

These risks and uncertainties, many of which are beyond our control, may have an adverse effect upon the success of our exploration and development activities. Accordingly, there can be no assurance that our efforts will yield new reserves to replace and expand current reserves.

**We face competition from other mining companies in connection with the acquisition of personnel and properties.**

We face strong competition from other mining companies in connection with the acquisition of personnel and of properties producing, or capable of producing, precious metals. As a result of this competition, some of which is with companies with greater financial resources, we may be unable to maintain or acquire the personnel and expertise required to develop and operate our properties. Also, we may be unable to acquire attractive mining properties on terms we consider acceptable or at all. Consequently, our revenues, operations and financial condition could be materially adversely affected.

**Our insurance coverage may be insufficient.**

Our business is subject to a number of risks and hazards generally, including:

- adverse environmental conditions;
- industrial accidents;
- labor disputes;
- unusual or unexpected geological conditions;
- ground or slope failures;
- cave-ins;
- changes in the regulatory environment; and
- natural phenomena such as inclement weather conditions, floods and earthquakes.

Such occurrences could result in:

- damage to mineral properties or production facilities;
- personal injury or death;
- environmental damage to our properties or the properties of others;
- delays in mining;
- monetary losses; and
- possible legal liability.

Although we maintain insurance in amounts that we believe to be reasonable, our insurance will not cover all the potential risks associated with our business. We may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to us or to other companies in the mining industry on acceptable terms. We might also become subject to liability for pollution or other hazards which we cannot insure against or which we may elect not to insure against because of premium costs or other reasons. Losses from these events may cause us to incur significant costs that could have a material adverse effect upon our financial performance and results of operations.

## Governmental Risks

**A limitation on the ability of our operating subsidiaries to make distributions to us could adversely affect the funding our operations or limit our ability to make distributions to our shareholders.**

We are a holding company that conducts operations through foreign (principally African) subsidiaries and joint ventures, and substantially all of our assets consist of equity in such entities. Accordingly, any limitation on the transfer of cash or other assets between the parent

corporation and such entities, or among

such entities, could restrict our ability to fund our operations efficiently or to make distributions to our shareholders. Any such limitations, or the perception that such limitations may exist now or in the future, could have an adverse impact on our valuation and stock price.

**We are subject to changes in the regulatory environment in Ghana.**

Our mining operations and exploration activities in Ghana are subject to extensive regulation governing various matters, including:

- licensing
- production
- taxes
- water disposal
- toxic substances
- mine safety
- development
- exports
- imports
- labor standards
- occupational health and safety
- environmental protections

Compliance with these regulations increases the costs of the following:

- planning
- designing
- drilling
- operating
- developing
- constructing
- mine and other facilities closure

We believe that we are in substantial compliance with current laws and regulations. However, these laws and regulations are subject to frequent change. For example, the Ghanaian government has adopted new, more stringent environmental regulations. Amendments to current laws and regulations governing operations and activities of mining companies or more stringent implementation or interpretation of these laws and regulations could have a material adverse impact on us, cause a reduction in levels of production and delay or prevent the development or expansion of our properties in Ghana.

Government regulations limit the proceeds from gold sales that may be withdrawn from Ghana. Changes in regulations that increase these restrictions would have a material adverse impact on us as Bogoso/ Prestea is our principal source of internally generated cash.

**The Government of Ghana has the right to participate in the ownership and control of BGL, Wassa and the Prestea underground joint venture.**

The Ghanaian government currently has a 10% carried interest in BGL and the Prestea underground joint venture and will have a similar interest in the entity that will own the Wassa property. The Ghanaian government also has or will have the right to acquire up to an additional 20% equity interest in BGL and the Wassa entity for a price to be determined by agreement or arbitration. We cannot assure you that the government will not seek to acquire additional equity interests in our Ghanaian operations, or as to the purchase price that the Government of Ghana would pay for any additional equity interest. A reduction in our equity interest could reduce our income or cash flows from BGL and amounts available for reinvestment or distribution.

**We are subject to risks relating to exploration, development and operations in foreign countries.**

Certain laws, regulations and statutory provisions in certain countries in which we have mineral rights could, as they are currently written, have a material negative impact on our ability to develop or operate a commercial mine. The range and diversity of the laws and regulations are such that we cannot adequately summarize them in this prospectus. For countries where we have exploration or development stage projects we intend to negotiate mineral agreements with the governments of these countries and seek variances or otherwise be exempted from the provisions of these laws, regulations and/or statutory provisions. We cannot

assure you, however, that we will be successful in obtaining mineral agreements or variances or exemptions on commercially acceptable terms.

Our assets and operations are affected by various political and economic uncertainties, including:

- the risks of war or civil unrest;
- expropriation and nationalization;
- renegotiation or nullification of existing concessions, licenses, permits, and contracts;
- illegal mining;
- changes in taxation policies;
- restrictions on foreign exchange and repatriation; and
- changing political conditions, currency controls and governmental regulations that favor or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

**Illegal mining occurs on our properties, is difficult to control, can disrupt our business and can expose us to liability.**

In French Guiana, Suriname and Ghana, artisanal miners have been illegally working on our properties despite the fact that we have hired security personnel to protect our properties. The presence of illegal miners could lead to project delays and disputes regarding the development or operation of commercial gold deposits. The work performed by the illegal miners could cause environmental damage or other damage to our properties, or personal injury or death for which we could potentially be held responsible.

## Market Risks

**The market price of our common shares may experience volatility and could decline significantly.**

Our common shares are listed on the American Stock Exchange and the Toronto Stock Exchange. Securities of micro- and small-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally and market perceptions of the attractiveness of particular industries. Our share price is also likely to be significantly affected by short-term changes in gold prices or in our financial condition or results of operations as reflected in our quarterly earnings reports. Other factors unrelated to our performance that may have an effect on the price of our common shares include the following:

- the extent of analytical coverage available to investors concerning our business may be limited if investment banks with research capabilities do not continue to follow our securities;
- the limited trading volume and general market interest in our securities may affect an investor’s ability to trade significant numbers of common shares;
- the relatively small size of the public float will limit the ability of some institutions to invest in our securities;
- under certain circumstances, our common shares could be classified as “penny stock” under applicable SEC rules; in that event, broker-dealers in the United States executing trades in our common shares would be subject to substantial administrative and procedural restrictions which could limit broker interest in involvement in our common shares; and
- a substantial decline in our stock price that persisted for a significant period of time could cause our securities to be delisted from the Toronto Stock Exchange and the American Stock Exchange, further reducing market efficiency.

As a result of any of these factors, the market price of our common shares at any given point in time may not accurately reflect our long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. We may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

**You may have difficulty or be unable to enforce certain civil liabilities on us, certain of our directors and our experts.**

We are a Canadian corporation. Substantially all of our assets are located outside of Canada and the United States and our head office is located in the United States. Additionally, a number of our directors and the experts named in this prospectus are residents of Canada. Although we have appointed Koffman Kalef, Suite 1900, 885 West Georgia Street, Vancouver, British Columbia and Field Atkinson Perraton LLP, 1900, 350 – 7th Avenue S.W., Calgary, Alberta as our agents for service of process in the Provinces of British Columbia and Alberta respectively, it may not be possible for investors to collect judgments obtained in Canadian courts predicated on the civil liability provisions of securities legislation. It may also be difficult for you to effect service of process in connection with any action brought in the United States upon such directors and experts. Execution by United States courts of any judgment obtained against us, any of the directors, executive officers or experts named in this prospectus in United States courts would be limited to the assets of Golden Star Resources Ltd. or the assets of such persons or corporations, as the case may be, in the United States. The enforceability in Canada of United States judgments or liabilities in original actions in Canadian courts predicated solely upon the civil liability provisions of the federal securities laws of the United States is doubtful.

**You will suffer immediate dilution of your investment.**

We anticipate that the initial public offering price of the units will be substantially higher than the net tangible book value per share of our common shares after this offering. As a result, if we assume a public offering price of Cdn$2.75 or $1.81, you would incur immediate dilution of approximately $1.24 in net tangible book value calculated in accordance with Canadian generally accepted accounting principles and $1.38 calculated in accordance with United States generally accepted accounting principles for each common share included in the units you purchase. If currently outstanding options or warrants to purchase our common shares are exercised, your investment will be further diluted.

**Future sales of our common shares by our existing shareholders could decrease the trading price of the common shares.**

Sales of a large number of our common shares in the public markets after this offering, or the potential for such sales, could decrease the trading price of our common shares and could impair our ability to raise capital through future sales of our common shares. We completed a placement of similar units in January 2002 at a price significantly less than the current market price of our common shares. Our common shares have also recently traded at prices significantly lower than the current price. Accordingly, a significant number of our shareholders have an investment profit in our securities that they may seek to liquidate. Substantially all of our common shares not held by affiliates can be resold without material restriction either in the United States, in Canada, or both.

**We do not anticipate paying dividends in the foreseeable future.**

We anticipate that we will retain all future earnings and other cash resources for the future operation and development of our business. We do not intend to declare or pay any cash dividends in the foreseeable future. Payment of any future dividends will be at the discretion of our board of directors after taking into account many factors, including our operating results, financial condition, current and anticipated cash needs.

**The existence of outstanding rights to purchase common shares may impair our ability to raise capital.**

After completion of this offering, 7,000,000 common shares will be issuable upon exercise of the unit warrants issued in this offering at a price of Cdn$ per share and, in the aggregate, 12,957,655 common shares will be issuable on exercise of other rights to purchase common shares at prices ranging from Cdn$0.60 to $1.75. During the life of the unit warrants and other rights, the holders are given an opportunity to profit from a rise in the market price of our common shares with a resulting dilution in the interest of the other shareholders. Our ability to obtain additional financing during the period the unit warrants and/or other rights are outstanding may be adversely affected and the existence of the unit warrants and/or such rights may have an adverse effect on the price of our common shares. The holders of the unit warrants and other rights may be expected to exercise them at a time when we would, in all likelihood, be able to obtain any needed capital by a new offering of securities on terms more favorable than those provided by the unit warrants.

**You may not be able to exercise your unit warrants if we do not maintain an effective registration statement and, upon exercise, we may have the right to pay you the difference between the exercise price and the market price instead of registering the underlying common shares.**

We are required to use best efforts to maintain a registration statement relating to the offer and sale of the common shares underlying the unit warrants and to qualify the unit warrants for sale in jurisdictions in which the unit warrant holders reside unless an exemption from such registration or qualification exists. If such registration is not maintained, the holders of the unit warrants may not be able to exercise them. We have the right, but not the obligation, so long as our common shares are listed on a securities exchange or there are at least two independent market makers, to pay a holder exercising the unit warrants the difference between the exercise price and the market price of the common shares on the date of exercise in lieu of registering the underlying common shares.

**There is no public market for the unit warrants.**

Prior to this offering, there was no public market for the unit warrants. We have applied for listing of the unit warrants on the Toronto Stock Exchange. However, there cannot be any assurance as to the liquidity of the public market for the unit warrants or that an active public market for the unit warrants will develop. If an active public market does not develop, the market price and liquidity of the unit warrants may be adversely affected.

**The value of the unit warrants is derived from and may be dependent on the value of our common shares.**

An investment in the unit warrants is highly speculative, and we cannot assure you that the warrants will maintain any significant value in the future. The value of the warrants will be indirectly derived from the value of the common shares underlying the warrants, and the value of the warrants and the underlying common shares may be adversely affected by a number of factors beyond our control, as more fully described in the section entitled “Forward-Looking Statements” and in the other risk factors described above.

## FORWARD-LOOKING STATEMENTS

This prospectus and the documents incorporated by reference contain “forward-looking statements” within the meaning of United States securities laws. Forward-looking statements include statements concerning plans, objectives, goals, strategies, future events, capital expenditure, exploration efforts, financial needs, and other information that is not historical information. Our forward-looking statements are based on our current expectations and various assumptions as of the date the statements are made and we do not assume any obligation to update our forward-looking statements if our expectations or assumptions, or other

circumstances should change. Actual results or events may differ materially from those predicted in our forward-looking statements. These forward-looking statements include statements regarding:

- our operating plans and expectations for Bogoso/ Prestea and the surrounding properties;
- the potential increase in property interests and the acquisition of additional properties, including the Wassa mine;
- our expected concentration on mining operations in Africa and the de-emphasis at this time of exploration unrelated to active mining;
- expectations relating to future gold production;
- anticipated cash and other operating costs and expenses;
- schedules for completion of feasibility studies, mine development programs and other key elements of our business plan;
- potential increases or decreases in reserves and production;
- the timing and scope of future drilling and other exploration activities;
- expectations regarding receipt of permits and other legal and governmental approvals required to implement our business plan; and
- anticipated recovery rates.

Forward-looking statements often, but not always, use words or phrases such as “expects” or “does not expect”, “is expected”, “anticipates” or “does not anticipate”, “plans”, “budget”, “estimated”, “forecasts” or “intends”, or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Statements concerning mineralized material and gold reserves contained in this prospectus or in the documents incorporated by reference may also be deemed to be forward-looking statements as they involve estimates of the mineralization that will be encountered if or when a mineral deposit is developed and mined, and, in the case of reserves, the implied assessment, based on certain estimates and assumptions, that the reserves described can be profitably produced in the future. Factors that could cause our actual results to differ materially from these statements include, but are not limited to, changes in gold prices, the timing and amount of estimated future production, unanticipated grade changes, unanticipated recovery problems, mining and milling costs, determination of reserves, costs and timing of the development of new deposits, metallurgy, processing, access, transportation of supplies, water availability, 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 approvals, capitalization and commercial viability, the failure of plant, equipment or processes to operate in accordance with specifications or expectations, accidents, labor disputes, delays in start-up dates, environmental costs and risks, local and community impacts and issues, general domestic and international economic and political conditions, and the other factors described under the caption “Risk Factors.”

## USE OF PROCEEDS

We estimate that the net proceeds that we will receive from the sale of the 14,000,000 units offered by this prospectus will be approximately Cdn$35,622,500, using an assumed initial public offering price of Cdn$2.75 per unit, or $23,446,300, after deducting the underwriters’ fees and estimated offering expenses. If the underwriters’ over-allotment option is exercised in full, we estimate that we will receive additional net proceeds of approximately Cdn$5,457,375 or $3,593,681, after deducting the underwriters’ fees.

We intend to use those net proceeds to fund further expansion, development and exploration of our projects in Ghana and for general corporate uses. The amount and timing of any use of the proceeds will depend on various factors, including rates of business growth, gold prices and production costs and the quality of the ores that we produce. While we have prepared internal forecasts to assist management in planning, we

believe that these forecasts, as they apply to periods extending beyond the next few months, are inherently unreliable and it is likely that our actual cash requirements will differ materially from those we presently forecast.

We believe the net proceeds of this offering will be sufficient to fund our operations for at least the next 12 months.

Pending the use of the proceeds of this offering for operational purposes, we intend to invest the net proceeds of this offering in treasury bills or short-term, investment grade, interest-bearing securities.

## PRICE RANGE OF OUR COMMON SHARES

At the beginning of 2001 our common shares were listed on the Toronto Stock Exchange under the trading symbol “GSC” and on the American Stock Exchange under the trading symbol “GSR”. Our shares were de-listed from the American Stock Exchange on January 26, 2001, and immediately began trading on the Nasdaq OTC Bulletin Board under the symbol “GSRSF”. Our shares were relisted on the American Stock Exchange effective June 19, 2002 under the trading symbol “GSS”. As of June 27, 2002, 65,506,420 common shares were outstanding and we had 901 shareholders of record. On June 28, 2002, the closing price per share for our common shares, as reported by the Toronto Stock Exchange was Cdn$2.75 and as reported by the American Stock Exchange was $1.80.

The following table sets forth, for the periods indicated, the high and low market closing prices per share of our common shares as reported by the Toronto Stock Exchange, the American Stock Exchange and the OTC Bulletin Board.

| | Toronto Stock Exchange | | American Stock Exchange(1) | |
|---|---|---|---|---|
| | Cdn$ High | Cdn$ Low | $ High | $ Low |
| 2002: | | | | |
| First Quarter | 2.90 | 0.86 | 1.90 | 0.54 |
| Second Quarter | 3.58 | 1.70 | 2.42 | 1.05 |
| (through June 28, 2002) | | | | |
| 2001: | | | | |
| First Quarter | 0.76 | 0.43 | 0.50 | 0.28 |
| Second Quarter | 1.15 | 0.45 | 0.72 | 0.29 |
| Third Quarter | 1.45 | 0.62 | 0.90 | 0.42 |
| Fourth Quarter | 1.46 | 0.88 | 0.97 | 0.55 |
| 2000: | | | | |
| First Quarter | 2.35 | 1.17 | 1.63 | 0.81 |
| Second Quarter | 1.80 | 1.22 | 1.19 | 0.81 |
| Third Quarter | 1.35 | 0.85 | 0.94 | 0.56 |
| Fourth Quarter | 1.15 | 0.62 | 0.75 | 0.38 |

(1) Data for the period from January 26, 2001 to June 18, 2002 reflect trading on the OTC Bulletin Board

We have not declared or paid cash dividends on our common shares since our inception. Future dividend decisions will consider our then-current business results, cash requirements and financial condition.

## DILUTION

The difference between the initial public offering price per common share and the pro forma net tangible book value per common share after this offering constitutes the dilution to you. Net tangible book value per

share is determined by dividing our net tangible book value (total tangible assets minus total liabilities) by the number of common shares outstanding.

At March 31, 2002, our net tangible book value was $20.7 million, or $0.33 per common share, under Canadian generally accepted accounting principles, which we refer to as Canadian GAAP ($9.7 million, or $0.15 per common share, under United States generally accepted accounting principles, which we refer to as U.S. GAAP). After giving effect to the sale of the 14,000,000 units and the receipt of the estimated net proceeds at an assumed initial public offering price of Cdn$2.75 or $1.81 per unit and attributing no value to the unit warrants, our pro forma net tangible book value as of March 31, 2002 would have been $44.1 million or $0.57 per common share under Canadian GAAP ($33.1 million or $0.43 per common share under U.S. GAAP). This represents an immediate increase in the net tangible book value of $0.24 per common share under Canadian GAAP ($0.28 per common share under U.S. GAAP) to existing shareholders and an immediate dilution in net tangible book value of $1.24 per common share under Canadian GAAP ($1.38 per common share under U.S. GAAP) to the purchasers of the units in the offering.

The following table illustrates the per share dilution to you:

| | | |
|---|---|---|
| **Canadian GAAP** | | |
| Assumed initial public offering price | | $1.81 |
| Net tangible book value per share as of March 31, 2002 | $0.33 | |
| Increase attributable to new investors | $0.24 | |
| Adjusted net tangible book value after offering | | $0.57 |
| Dilution per share to new investors | | $1.24 |
| Dilution as a percentage of offering price | | 69% |
| **U.S. GAAP** | | |
| Assumed initial public offering price | | $1.81 |
| Net tangible book value per share as of March 31, 2002 | $0.15 | |
| Increase attributable to new investors | $0.28 | |
| Adjusted net tangible book value after offering | | $0.43 |
| Dilution per share to new investors | | $1.38 |
| Dilution as a percentage of offering price | | 76% |

## RECENT DEVELOPMENTS

### Wassa Acquisition — Agreement in principle

We announced, on November 26, 2001, that we had agreed to broad terms with Satellite Goldfields Limited and its senior secured creditors, to buy the Wassa property in Ghana from Satellite Goldfields Limited. The broad terms of agreement are summarized as follows:

- we will pay $4,000,000 at closing;
- we will pay $5,000,000, on a deferred basis, that is linked to the redevelopment of Wassa into a carbon in leach processing plant;
- the initial consideration and the deferred consideration described above will be funded by a debt facility to be provided by Satellite Goldfields Limited's existing senior secured creditors. We will repay this debt facility over a four-year period beginning one year after the closing, during which time Wassa would be redeveloped as a carbon in leach operation; and
- we will pay a royalty to Satellite Goldfields Limited from future gold production from Wassa. We will pay the royalty, which will be determined by multiplying the production from Wassa for each quarter by a royalty rate of a minimum of $7.00 per ounce produced, on a quarterly basis. The royalty rate will increase by $1.00 for each $10.00 increase in the average market price for gold for each quarter above $280 per ounce up to a maximum of $15.00 per ounce.

We expect to complete the acquisition of the Wassa property once the approval of the Bank of Ghana is obtained and the final documents to be delivered at closing are finalized.

### Prestea underground mine joint venture

In March 2002, BGL reached an agreement with Prestea Gold Resources Ltd., the Ghana Mineworkers Union and the Government of Ghana and related parties to form a joint venture for the assessment and future operations of the Prestea underground mine, being that portion of the Prestea property below a depth of 200 meters. This agreement replaces elements of an agreement originally negotiated in May 2001. BGL will contribute $2,400,000, of which approximately $1,900,000 had been disbursed as at May 31, 2002, to become a 45% joint venture partner, and Prestea Gold Resources Ltd. will also be a 45% joint venture partner. The Government of Ghana will hold a 10% carried interest.

Under the new agreement, the funds BGL provided to Prestea Gold Resources Ltd. were used to pay arrears of salary and termination benefits to the Prestea underground miners and place the underground operation on care and maintenance for 2002. It is the intent of the joint venture to complete an assessment, which will include both a comprehensive review of the safety and economic viability of the mine and a review of past environmental practices. As long as BGL's interest in the joint venture does not drop below 30%, BGL will manage the joint venture. Any additional cash requirements that the joint venture may have that are not internally funded will be funded through voluntary contributions from BGL and Prestea Gold Resources Ltd. Their relative percentage ownership interests in the joint venture will be adjusted to reflect any inequality in their contributions.

### Completion of the Guiana Shield transactions

On June 11, 2002, we completed the final transactions between us and Cambior Inc., which had been our partner in a number of properties. The transactions consisted of the sale to us of Cambior's interests in the Yaou, Dorlin and Bois Canon properties in French Guiana, which was completed on June 11, 2002 as well as the sale of our interests in the Gross Rosebel, Headleys and Thunder Mountain properties in Suriname and our interest in Omai Gold Mines Limited, a company that owns the Omai gold mine in Guyana, to Cambior Inc.

For the sale of the Gross Rosebel property, we received a total of $5 million by the closing date and will receive deferred payments totaling $3 million by the fourth anniversary of closing. In addition, Cambior will

pay us a royalty equal to 10% of the excess of the average quarterly market price above a gold price hurdle on the first 7 million ounces of gold production from Gross Rosebel. For soft and transitional rock the gold price hurdle is $300 per ounce and for hard rock the hurdle is $350 per ounce.

The total consideration for the Headleys and Thunder Mountain properties comprises a deferred consideration of $1 million, to be paid to us in the event that Cambior commences commercial mining from these properties.

Under the terms of the sale of our 30% equity interest and preferred shares in Omai Gold Mines Limited, Cambior assumed the unpaid portion of the non-interest bearing loan made to us in December 1998. In addition, we received a release and waiver from Omai Gold Mines Limited, Cambior and the Guyana Government in respect of all liabilities, of any nature, related to the Omai gold mine.

**Private placement of 11,516,000 units**

In January 2002, we completed a private placement of 11,516,000 units at a price of $0.49 per unit for gross proceeds of $5,600,000 and net proceeds of $5,300,000. Each unit consisted of one common share and one-half of a common share purchase warrant. Each whole warrant entitles the holder, for a period of two years from the closing of the transaction, to acquire one common share at an exercise price of $0.70. We paid cash commissions and fees equal to 6% of the gross proceeds to the agents acting in the private placement and to certain consultants. We also issued warrants exercisable for 6% of the total common shares issued in the private placement, which were identical to the warrants issued in the private placement, to those agents and consultants.

We are using and plan to use the proceeds from the January 2002 private placement for acquisition and development costs in Ghana and for general corporate purposes.

**Reserves**

On June 20, 2002, we announced an increase in mineral reserves and mineralized material as at May 31, 2002 for Bogoso/ Prestea as set forth in the tables below.

***Mineral reserves***

| Classification | Tonnes | Grade (grams/tonne) | Contained Ounces |
|---|---|---|---|
| Proven Mineral Reserves | 14,335,891 | 3.24 | 1,493,424 |
| Probable Mineral Reserves | 6,301,563 | 2.95 | 597,369 |
| **Total Mineral Reserves** | 20,637,454 | 3.15 | 2,090,793 |

***Mineralized material***

| Classification | Tonnes | Grade (grams/tonne) | Contained Ounces |
|---|---|---|---|
| Measured Mineralized Material | 15,002,000 | 3.74 | 1,802,000 |
| Indicated Mineralized Material | 15,374,000 | 2.78 | 1,373,000 |
| **Total Mineralized Material** | 30,376,000 | 3.25 | 3,175,000 |

A “tonne” is a metric ton, which is equal to 1,000 kilograms or 2,205 pounds.

The stated mineral reserves assume a gold price of $275 per ounce. The estimates were prepared in accordance with Canada’s National Instrument 43-101 Standards of Disclosure for Mineral Projects, and are equivalent to proven and probable reserves as defined by the SEC.

The individual responsible for the preparation of disclosure of mineral reserves is Mr. David Alexander, who we employ at Bogoso/ Prestea as Chief Mining Engineer. Mr. Alexander is a qualified mining engineer

and chartered engineer and is a member of the UK Institute of Mining and Metallurgy. He is also a “qualified person” within the meaning of Canada’s National Instrument 43-101 and recognized professionally as competent for this type of review.

The stated mineralized material assumes a gold price of $300 per ounce. Mineralized material includes the proven and probable reserves disclosed above. The portion of mineralized material that has not been converted to the proven and probable reserves categories does not qualify under the SEC’s standards as being commercially mineable until further drilling, metallurgical work and other economic and technical feasibility factors based upon such work are resolved.

The “qualified person,” within the meaning of Canada’s National Instrument 43-101, responsible for the preparation of the statement of mineralized material is Mr. S. Mitchell Wasel, one of our employees, who we appointed as the Exploration Manager following our acquisition of the Bogoso gold mine in 1999. Mr. Wasel is a qualified geologist with 14 years of experience in gold and base metal exploration and is a member of the Australasian Institute of Mining and Metallurgy.

The increase in mineral reserves and mineralized material is a result of new drilling and infill drilling of deposits detailed in the Technical Report which we refer to in this prospectus under the heading “Experts” and is largely due to inferred mineral resources (which we do not report) and indicated mineralized material being reclassified as a result of the increased knowledge and confidence created by the more closely spaced drilling. Similar geological modeling and grade interpolation procedures to those detailed in the Technical Report were applied in estimating the revised mineral reserves and mineralized material. We expect the increase in mineral reserves to have a beneficial impact on production, mine life and cash operating costs, but we have not modeled the impact yet.

## PLAN OF DISTRIBUTION

### Underwriting

We have entered into an agency agreement dated , 2002 with Canaccord Capital Corporation (USA) Inc. and BMO Nesbitt Burns Corp., as the U.S. agents, to offer the units in the United States on a best efforts basis. We have also entered into a Canadian underwriting agreement dated , 2002 with Canaccord Capital Corporation and BMO Nesbitt Burns Inc., as the Canadian underwriters, under which each of the Canadian underwriters has agreed to purchase 50% of the 14,000,000 units offered by this prospectus, for an aggregate of 100%.

Subject to the terms of the Canadian underwriting agreement, we have agreed to issue and sell and the Canadian underwriters have agreed to purchase on or about , 2002, or such other date as may be agreed upon, 100% of the units offered at a price of Cdn$ per unit for a total consideration of Cdn$ payable in cash against delivery of certificates. The price of the units was determined by negotiation between us and the underwriters. Any units sold by the U.S. agents under the U.S. agency agreement will reduce the obligation of the Canadian underwriters to take up and pay for units in an equal amount. The Canadian underwriters may sell units to the U.S. agents pursuant to the inter-dealer agreement described below. The Canadian underwriting agreement provides for us to pay the Canadian underwriters a fee of Cdn$ per unit (including for units distributed pursuant to their over-allotment option), which will be paid out of our general funds.

The Canadian underwriters can terminate their obligations under the Canadian underwriting agreement at their discretion upon the occurrence of certain stated events. They are, however, obligated to take up and pay for all of the units if any of the units are purchased under the Canadian underwriting agreement, other than those units covered by their over-allotment option described below. The Canadian underwriting agreement also provides that we will indemnify the Canadian underwriters against certain liabilities and expenses, including liabilities under applicable securities legislation, or will contribute to payments that the Canadian underwriters may be required to make in respect thereof. We have been advised that, in the opinion of the SEC, indemnification for liabilities under the Securities Act of 1933 is against public policy as expressed in the Securities Act and is therefore unenforceable.

Subject to the terms of the U.S. agency agreement, we have appointed the U.S. agents to offer the units for sale to the public in the United States, on a best efforts basis at a price of Cdn$ per unit. The U.S. agency agreement provides for us to pay the U.S. agents a fee of Cdn$ per unit, which will be paid out of our general funds. The U.S. agents have not committed to purchase a minimum amount of units under the U.S. agency agreement.

The obligations of the U.S. agents under the U.S. agency agreement may be terminated at their discretion upon the occurrence of certain stated events. The U.S. agency agreement also provides that we will indemnify the U.S. agents against certain liabilities and expenses, including liabilities under the U.S. Securities Act of 1933, or will contribute to payments that the U.S. agents may be required to make in respect thereof. We have been advised that, in the opinion of the SEC, indemnification for liabilities under the Securities Act of 1933 is against public policy as expressed in the Securities Act of 1933 and is therefore unenforceable.

We have agreed to pay the legal fees of the underwriters up to a maximum of Cdn$235,000 as well as certain other out-of-pocket expenses.

The underwriters have entered into an inter-dealer agreement among themselves that permits, subject to the terms and conditions set forth in such agreement, one group of underwriters to purchase units from or through the other group and to offer them for resale. The price and currency of settlement of any units so purchased will be determined by agreement between the selling and purchasing groups of underwriters at the time of any such transaction. Any such units purchased by the underwriters will be offered on the terms set forth in this prospectus.

The underwriters have advised us that they propose to offer our units to the public initially at the offering price set forth on the cover page of this prospectus and to selected dealers at such price less a concession of not more than Cdn$ per unit. The underwriters and selected dealers may reallow a concession to other dealers, including the underwriters, of not more than Cdn$ per unit. After completion of the initial public offering of the units, the offering price, the concessions to selected dealers and the reallowance to their dealers may be changed by the underwriters.

The underwriters have informed us that they do not expect to confirm sales of our units offered by this prospectus to any accounts over which they exercise discretionary authority.

We expect that delivery of the units will be made against payment therefor on or about the closing date specified on the cover page of this prospectus, which is the sixth business day following the date hereof (this settlement cycle being referred to as "T+6"). Under Rule 15c6-1 of the SEC under the U.S. Exchange Act, trades in the secondary market generally are required to settle in three business days, unless the parties to that trade expressly agree otherwise. Accordingly, purchasers who wish to trade common shares or warrants on the date hereof or the next three succeeding business days will be required, by virtue of the fact that the units will settle in T+6, to specify an alternative settlement cycle at the time of any such trade to prevent a failed settlement and should consult their own advisor. Purchasers will not be able to trade common shares or warrants included in the units on the Toronto Stock Exchange or common shares included in the units on the American Stock Exchange until delivery of the units is made (and in the case of the warrants, provided that the warrants have been listed on the Toronto Stock Exchange), and should therefore consult their own advisor regarding secondary trading during the period prior to closing of this offering.

**Over-allotment option**

We have granted the Canadian underwriters an over-allotment option to purchase an additional 2,100,000 units at the price to the public as set forth on the cover page of this prospectus less the underwriters' fee, exercisable until the thirtieth day following closing of the offering to cover over-allotments. This prospectus also qualifies and registers for distribution any units that are issued pursuant to the exercise of the underwriters' over-allotment option. We will be obligated, pursuant to the Canadian underwriters' over-allotment option, to sell these additional units to the Canadian underwriters to the extent the over-allotment option is exercised. If any of these additional units are purchased, the Canadian underwriters will sell the additional units on the same terms as the other units in the offering. Under the inter-dealer agreement, the Canadian underwriters may allocate any portion of additional units purchased upon exercise of the over-allotment option to the U.S. agents to cover over-allotments in the United States.

**Stabilization**

In connection with the offering, the underwriters may engage in stabilizing transactions, over-allotment transactions and syndicate covering transactions in accordance with Regulation M under the United States Securities Exchange Act of 1934, as amended.

Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum.

Over-allotment transactions involve sales by the underwriters of units in excess of the number of units the underwriters are obligated to purchase, which creates a syndicate short position. The short position may be either a covered short position or a naked short position. In a covered short position, the number of units over-allotted by the underwriters is not greater than the number of units that they may purchase in the over-allotment option. In a naked short position, the number of units involved is greater than the number of units in the over-allotment option. The underwriters may close out any short position by either exercising their over-allotment option and/or purchasing common shares and warrants in the open market.

Syndicate covering transactions involve purchases of the common shares and the warrants in the open market after the distribution has been completed in order to cover syndicate short positions. In determining the source of common shares and warrants to close-out the short position, the underwriters will consider,

among other things, the price of common shares and warrants available for purchase in the open market as compared to the price at which they may purchase units through the over-allotment option. If the underwriters sell more units than could be covered by the over-allotment option, the position can only be closed out by buying common shares and warrants in the open market. A naked short position is more likely to be created if the underwriters are concerned that there could be downward pressure on the price of the common shares and warrants in the open market after pricing that could adversely affect investors who purchase in the offering.

These stabilizing transactions and syndicate-covering transactions may have the effect of raising or maintaining the market price of our common shares and warrants or preventing or retarding a decline in their market price. As a result, the price of our common shares and warrants may be higher than the price that might otherwise exist in the open market. These transactions may be effected on the Toronto Stock Exchange, the American Stock Exchange or otherwise and, if commenced, may be discontinued at any time.

Pursuant to policy statements of the Ontario Securities Commission, the underwriters may not, throughout the period of distribution under this prospectus, bid for or purchase common shares or the warrants. The foregoing restriction is subject to certain exceptions including a bid or purchase permitted under the by-laws and rules of the Toronto Stock Exchange relating to market stabilization and passive market making activities; and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of the distribution, provided that the bid or purchase was not engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, the common shares or the warrants. All of these transactions must also be effected in accordance with Regulation M under the United States Securities Exchange Act of 1934, as amended.

**Underwriters' compensation**

We have agreed to pay the underwriters a fee equal to Cdn$ for each unit sold (or 5.5% of the gross proceeds).

We have also agreed to issue non-transferable warrants to the underwriters to purchase from us an aggregate of 770,000 of our common shares at an exercise price per share of Cdn$ (which is 120% of the initial public offering price of the units). These warrants will be exercisable during the two-year period beginning one year from the date of closing and may not be sold, transferred or hypothecated. These warrants and the underlying common shares are included in this registration statement and we will cause this or another registration statement to remain effective until the earlier of the time that all of the underwriters' warrants have been exercised and the date which is three years after the date of closing. The common shares issued to the underwriters upon exercise of these warrants will be freely tradable.

The holders of the underwriters' warrants will have, in that capacity, no voting, dividend or other stockholder rights. Any profit realized by the underwriters on the sale of the securities issuable upon exercise of the underwriters' warrants may be deemed to be additional underwriting compensation. The securities underlying the underwriters' warrants are being registered on the registration statement. During the term of the underwriters' warrants, the underwriters are given the opportunity to profit from a rise in the market price of our common shares. We may find it more difficult to raise additional equity capital while the underwriters' warrants are outstanding. At any time at which the underwriters' warrants are likely to be exercised, we may be able to obtain additional equity capital on more favorable terms.

We have agreed to pay the legal fees of the Canadian underwriters and the U.S. agents up to a maximum of Cdn$235,000 and other out-of-pocket expenses of the underwriters.

**Determination of offering price**

Before this offering, there has been no public market for the units or the warrants contained in the units. The initial public offering price of the units offered by this prospectus and the exercise price of the warrants

were determined by negotiation between us and the underwriters. Among the factors considered in determining the initial public offering price of the units and the exercise price of the unit warrants were:

- the market price of the common shares;
- our history and our prospects;
- the industry in which we operate;
- gold prices and trends;
- our past and present operating results;
- the previous experience of our executive officers; and
- the general condition of the securities markets at the time of this offering.

The offering price stated on the cover page of this prospectus should not be considered an indication of the actual value of the units. That price is subject to change as a result of market conditions and other factors, and we cannot assure you that the units, or the common shares and unit warrants contained in the units, can be resold at or above the initial public offering price.

## DESCRIPTION OF SECURITIES

Our authorized capital includes an unlimited number of common shares and an unlimited number of first preferred shares, without nominal or par value, issuable in series.

### Common shares

As of June 27, 2002, 65,506,420 common shares were issued and outstanding. All the issued common shares are fully paid and are not subject to any future call or assessment. The holders of our common shares are entitled to receive notice of, attend and vote at all meetings of our shareholders, except those at which only holders of a specified class of shares are entitled to vote. Each common share carries one vote at any meeting the holder is entitled to attend. There is no cumulative voting in the election of our directors. Furthermore, holders of common shares are entitled, subject to any preferential rights attaching to any other class or series of our shares, to dividends if and when declared by the directors, provided that no dividend would cause the realizable value of our assets to be less than the aggregate of its liabilities and the amount required to redeem all of our then-outstanding shares that have a right to redemption or retraction, and, upon liquidation, to receive such portion of the our assets as may be distributable to such holders.

### First preferred shares

Our directors may issue first preferred shares from time to time in one or more series with each series to consist of such number of first preferred shares as may be determined by the directors. Prior to the first issue of first preferred shares of a particular series, the directors may at their sole discretion, determine, by resolution, the designation, rights, privileges, restrictions and conditions attaching to that series of first preferred shares. Currently no first preferred shares are issued and outstanding.

### Unit warrants

Each unit will include one-half of one common share purchase warrant. A whole warrant will entitle the holder to purchase one common share at an exercise price of Cdn$ per share. The warrants will generally be exercisable at any time for two years after the closing of this offering.

The warrants will be issued in registered form under a warrant indenture between us and CIBC Mellon Trust Company, as the warrant trustee. We will appoint the principal transfer office of the trustee in Vancouver as the location at which the warrants may be surrendered for exercise, transfer or exchange. The warrant indenture will, among other things, include provisions for the appropriate adjustment in the class, number and price of the common shares to be issued upon exercise of the warrants upon the occurrence of

certain events, including any subdivision, consolidation or reclassification of our common shares, the payment of stock dividends and our amalgamation.

The common shares underlying the unit warrants, when issued upon exercise of a unit warrant, will be fully paid and non-assessable, and we will pay any transfer tax incurred as a result of the issuance of common shares to the holder upon its exercise.

We are not required to issue fractional shares upon the exercise of a warrant and you may not exercise one-half of one warrant or any other fraction thereof. The holder of a warrant will not possess any rights as our shareholder until he or she exercises the warrant.

A warrant may be exercised upon surrender of the warrant certificate on or before the expiry date of the unit warrant at the office of the warrant trustee, with the exercise form found on the back of the warrant certificate completed and executed as indicated, accompanied by payment of the exercise price (by money order, wire transfer, bank draft or certified check payable to the order of Golden Star Resources Ltd.) for the number of common shares with respect to which the unit warrant is being exercised.

For a holder to exercise the warrants, there must be a current registration statement in effect with the SEC and qualification in effect under applicable state securities laws (or applicable exemptions from state qualification requirements) with respect to the issuance of common shares. We have agreed to use our best efforts to cause this or another registration statement with respect to the common shares issuable upon exercise of the unit warrants under the Securities Act of 1933 to become and remain effective in anticipation of and before the exercise of the unit warrants and to take such other actions under the laws of various states as may be required to cause the sale of common shares or other securities upon exercise of unit warrants to be lawful. Under certain circumstances, we may redeem the warrant by paying to the holder cash equal to the difference between the market price of the common shares on the exercise date and the exercise price of the warrant. We will not be required to honor the exercise of warrants if, in the opinion of our board of directors with the advice of counsel, the sale of securities upon exercise would be unlawful.

The foregoing discussion of material terms and provisions of the warrants is qualified in its entirety by reference to the detailed provisions of the warrant indenture, the form of which has been filed as an exhibit to the registration statement of which this prospectus is a part.

For the life of the warrants, the holders thereof have the opportunity to profit from a rise in the market price of the common shares without assuming the risk of ownership of the common shares underlying the warrants. The warrant holders may be expected to exercise their warrants at a time when we would, in all likelihood, be able to obtain any needed capital by an offering of common shares on terms more favorable than those provided for by the warrants. Furthermore, the terms on which we could obtain additional capital during the life of the warrants may be adversely affected.

## U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of the material anticipated U.S. Federal income tax consequences regarding the acquisition, ownership and disposition of our common shares, warrants and any common shares received in connection with the exercise of the warrants. This summary applies to you only if you acquire common shares or warrants in the initial offering, hold such common shares (including common shares received in connection with the exercise of the warrants) or warrants as a capital asset (that is, for investment purposes) and are eligible for benefits under the income tax convention between the U.S. and Canada signed on September 26, 1980, as amended, currently in force, which we refer to as the U.S.-Canada tax treaty. This summary is based upon the U.S. Internal Revenue Code of 1986, as amended, which we refer to as the Code, regulations promulgated under the Code, administrative rulings and judicial decisions and the U.S.-Canada tax treaty, as in effect on the date of this prospectus. Changes in the laws may alter the tax treatment of our common shares and warrants, possibly with retroactive effect.

This summary is general in nature and does not address the effects of any state or local taxes, or the tax consequences in jurisdictions other than the U.S. In addition, it does not address all tax consequences that

may be relevant to you in your particular circumstances, nor does it apply to you if you are a holder with a special status, such as:

- a person that owns, or is treated as owning under certain ownership attribution rules, 5% or more of our voting shares;
- a broker, dealer or trader in securities or currencies;
- a bank, mutual fund, life insurance company or other financial institution;
- a tax-exempt organization;
- a qualified retirement plan or individual retirement account;
- a person that holds our common shares or warrants as part of a straddle, hedge, constructive sale or other integrated transaction for tax purposes;
- a partnership, S corporation, small business investment company or pass-through entity;
- an investor in a partnership, S corporation, small business investment company or pass-through entity;
- a person whose functional currency for tax purposes is not the U.S. dollar; and
- a person liable for alternative minimum tax.

**You should consult your own advisor regarding the tax consequences of the acquisition, ownership and disposition of common shares and warrants in light of your particular circumstances.**

**Allocation of purchase price between the common shares and the warrants**

For U.S. Federal income tax purposes, your acquisition of a unit will be treated as an acquisition of a unit consisting of two components: a common share and a warrant (or portion thereof) to purchase common shares. The purchase price for each unit will be allocated between those components in proportion to their respective fair market values at the time of purchase, and such allocation will establish your initial tax basis in the common share and the warrant (or portion thereof) that comprise each unit.

**U.S. Holders**

The following discussion applies to you if you are a "U.S. Holder." For purposes of this discussion, a "U.S. Holder" means a beneficial owner of a common share or warrant that is, for U.S. Federal income tax purposes:

- an individual citizen or resident of the United States (including aliens who are "greencard holders" or who are present in the U.S. for 31 days or more in the calendar year and where certain other requirements are met);
- a corporation or partnership created or organized in or under the laws of the United States or any political subdivision thereof;
- an estate the income of which is subject to U.S. Federal income taxation regardless of its source; or
- a trust (a) the administration over which a U.S. court can exercise primary supervision and (b) all of the substantial decisions of which one or more U.S. persons have the authority to control.

If a partnership holds common shares or warrants, the tax treatment of a partner will generally depend upon the status of the partner and upon the activities of the partnership. A partner of a partnership holding common shares or warrants should consult his, her or its tax advisor regarding the specific tax consequences to the partner of the arrangement.

**Distributions**

Subject to the discussion found under "— Passive foreign investment company" below, the gross amount of any distribution (other than in liquidation) generally will be treated as a foreign source dividend taxable as ordinary income to the extent paid out of our current or accumulated earnings and profits, as determined for U.S. Federal income tax purposes, and generally will be "passive income" for U.S. foreign tax credit purposes. A distribution on the common shares made by us in excess of our current or accumulated earnings and profits will be treated as a tax-free return of capital to the extent of such U.S. Holder's adjusted tax basis in such common shares and, to the extent in excess of adjusted basis, as capital gain. See "— Sale or other disposition of common shares" below. Because we are not a U.S. corporation, no dividends-received deduction will be allowed with respect to dividends paid by us.

As described below under "Canadian Federal Income Tax Considerations — Taxation of dividends", Canadian withholding tax on dividend distributions paid by us to a U.S. Holder is generally reduced to 15% pursuant to the U.S.-Canada tax treaty. U.S. Holders generally will have the option of claiming the amount of any Canadian income taxes withheld either as a deduction from their gross income or as a dollar-for-dollar credit against their U.S. Federal income tax liability, subject to numerous complex limitations and restrictions which must be determined and applied on an individual basis by each shareholder. Accordingly, you should consult your own tax advisor concerning these rules in your particular circumstances.

Any dividends on the common shares are expected to be made by us in Canadian dollars and, in such case, will be includable in your income in a U.S. dollar amount generally calculated by reference to the exchange rate in effect on the day that income is included in your income regardless of whether the payment is in fact converted into U.S. dollars. If dividends paid in Canadian dollars are converted into U.S. dollars on the date of receipt, you generally should not be required to recognize foreign currency gain or loss in respect of the dividend income. However, you generally will be required to recognize foreign currency gain or loss, taxable as ordinary income or loss, if you convert such Canadian dollars into U.S. dollars at a later time. Such foreign exchange gain or loss will generally be based upon the difference between the exchange rate in effect when the Canadian dollars are actually converted and the "spot" exchange rate in effect at the time the dividend is taken into account.

**Sale or other dispositions of common shares**

Subject to the discussion found under "— Passive foreign investment company" below, in general, if you sell or otherwise dispose of common shares in a taxable disposition:

- you will recognize gain or loss equal to the difference (if any) between:
    - the U.S. dollar value of the amount realized on such sale or other taxable disposition; and
    - your adjusted tax basis in such common shares;
- any gain or loss will be capital gain or loss and will be long-term capital gain or loss if your holding period for the common shares is more than one year at the time of such sale or other taxable disposition;
- any gain or loss will generally be treated as U.S. source income for U.S. foreign tax credit purposes; and
- your ability to deduct capital losses (if any) is subject to limitations.

If you are a cash basis taxpayer who receives foreign currency, such as Canadian dollars, in connection with a sale or other taxable disposition of common shares, the amount realized will be based on the U.S. dollar value of the foreign currency received with respect to such common shares, as determined on the date of such sale or other taxable disposition.

If you are an accrual basis taxpayer, you generally may elect the same treatment required of cash basis taxpayers with respect to a sale or other taxable disposition of common shares, provided the election is applied consistently from year to year. The election may not be changed without the consent of the IRS. If you are an accrual basis taxpayer and do not elect to be treated as a cash basis taxpayer (pursuant to the U.S. Treasury

Regulations applicable to foreign currency transactions) for this purpose, you might have a foreign currency gain or loss for U.S. Federal income tax purposes because of differences between the U.S. dollar value of the foreign currency received prevailing on the date of the sale or other taxable disposition of our common shares and the date of payment. Any such currency gain or loss generally will be treated as ordinary income or loss and would be in addition to gain or loss, if any, that you recognized on the sale or other taxable disposition of common shares.

**Passive foreign investment company**

U.S. Holders would be subject to a special, adverse tax regime (that would differ in certain respects from that described above) if we were or were to become a passive foreign investment company for U.S. Federal income tax purposes. In general terms, we will be a passive foreign investment company for any tax year in which either (i) 75% or more of our gross income is passive income or (ii) the average percentage, by fair market value, of our assets that produce or are held for the production of passive income is 50% or more. “Passive income” includes, for example, dividends, interest, certain rents and royalties, certain gains from the sale of stock and securities, and certain gains from commodities transactions. Although the determination of whether a corporation is a passive foreign investment company is made annually, and thus may be subject to change, we do not believe that we are, nor do we expect to become, a passive foreign investment company. However, there can be no assurance that our determination concerning our passive foreign investment company status will not be challenged by the IRS and, accordingly, we urge you to consult your own U.S. tax advisor regarding the adverse U.S. Federal income tax consequences of owning the stock (or an option to acquire stock) of a passive foreign investment company and of making certain elections designed to lessen those adverse consequences.

**Tax treatment of the warrants**

***Exercise of warrants***

No gain or loss will be recognized for U.S. Federal income tax purposes by U.S. Holders of the warrants upon the exercise thereof in exchange for common shares (except if cash is received in lieu of the issuance of fractional common shares). A holder’s tax basis in the common shares received on exercise of warrants will equal the sum of its tax basis in the warrants (which in the case of an initial holder, will equal the portion of the purchase price of the unit allocated to the warrant, as described above) plus the exercise price paid on the exercise thereof. The holding period of the common shares received on the exercise of the warrants generally will not include the holding period of the warrants.

***Sale or exchange***

Subject to the discussion found under “— Passive foreign investment company” above and except as otherwise provided herein, the sale or exchange of a warrant generally will result in the recognition of capital gain or loss to the U.S. Holder in an amount equal to the difference between the amount realized on such sale or exchange and the U.S. Holder’s adjusted tax basis in the warrant. The adjusted tax basis in the warrant generally will equal the portion of the issue price for the unit properly allocable to the warrant.

***Expiration***

Upon the expiration of a warrant, a U.S. Holder will recognize a loss equal to its adjusted tax basis in the warrant. The loss generally will be a capital loss provided that the common shares issuable upon exercise of the warrants would have been capital assets if acquired by the U.S. Holder of common shares.

***Adjustment***

Adjustments to the number of common shares issuable upon exercise of the warrants or to the exercise price of the warrants pursuant to the anti-dilution provisions for the warrants, as more fully described under “Description of Securities — Unit warrants”, may result in a taxable deemed distribution to the holders of warrants pursuant to Section 305 of the Internal Revenue Code of 1986, as amended, if such change has the

effect of increasing the holder's proportionate interest in our earnings and profits or assets. In general, anti-dilution adjustments are not treated as resulting in deemed distributions. However, if, for example, the adjustment were considered an adjustment to compensate for taxable cash or property distribution to other shareholders, a taxable deemed distribution could result.

***Information reporting and backup withholding***

Dividends on common shares may be subject to information reporting and may be subject to backup withholding at a rate of 30%. However, a U.S. Holder generally will not be subject to backup withholding if the U.S. Holder (a) provides a correct taxpayer identification number and certifies that the U.S. Holder is not subject to backup withholding on the substitute IRS Form W-9; or (b) is otherwise exempt from backup withholding. Backup withholding rates will be reduced to 29% in 2004 and 2005, and 28% in 2006 and thereafter.

Amounts withheld under the backup withholding rules will be allowed as a refund or a credit against your U.S. Federal income tax liability, provided the required information is furnished to the IRS.

**Non-U.S. Holders**

The following summary applies to you if you are a non-U.S. Holder. A non-U.S. Holder is a beneficial owner of common shares that is not a U.S. Holder.

***Distributions***

In general, you will not be subject to U.S. Federal income tax or withholding tax on dividends received from us with respect to common shares, unless such income is effectively connected with your conduct of a trade or business in the United States or, if a treaty applies, such income is attributable to a permanent establishment or fixed base you maintain in the United States.

***Sale or other disposition of common shares or warrants***

In general, you will not be subject to U.S. Federal income tax on any gain realized upon the sale or other disposition of the common shares or warrants unless:

- such gain is effectively connected with your conduct of a U.S. trade or business or, if a treaty applies, such gain is attributable to a permanent establishment or fixed base you maintain in the United States; or

- you are an individual who is present in the United States for 183 days or more during the taxable year of disposition and certain other requirements are met.

***Information reporting and backup withholding***

In general, you will not be subject to information reporting and backup withholding on dividend distributions made by us. Nevertheless, you might be required to establish an exemption from information reporting and backup withholding by certifying your non-U.S. status on Form W-8BEN. Failure to provide such certification could result in backup withholding at the current rate of 30%. Rates will be reduced to 29% in 2004 and 2005 and 28% in 2006 and thereafter. Amounts withheld under the backup withholding rules will be allowed as a refund or a credit against your U.S. Federal income tax liability, provided the required information is furnished to the IRS.

## CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of the material Canadian federal income tax considerations generally applicable to a person who acquires common shares and warrants offered by this prospectus and who, at all relevant times, is a "U.S. Holder". For purposes of this discussion, a U.S. Holder is a person that:

- is not a resident and is not deemed to be a resident of Canada, and is a resident of the United States, for purposes of the Income Tax Act (Canada) and the U.S.-Canada tax treaty;
- holds our common shares and warrants as capital property for purposes of the Income Tax Act (Canada);
- deals at arm's length with us and is not affiliated with us within the meaning of the Income Tax Act (Canada);
- does not use or hold, and is not deemed to use or hold, our common shares in connection with carrying on a business in Canada for purposes of the Income Tax Act (Canada);
- does not have a permanent establishment or fixed base in Canada for purposes of the U.S.-Canada tax treaty; and
- does not own and is not treated as owning, 10% or more of our outstanding voting shares for purposes of the U.S.-Canada tax treaty.

Generally, our common shares and warrants will be considered to constitute capital property to a holder provided that the holder does not hold the common shares in the course of carrying on a business of trading or dealing in securities or otherwise as part of a business of buying and selling securities and has not acquired them in one or more transactions considered to be an adventure in the nature of trade.

Special rules, which we do not address in this discussion, may apply to a U.S. Holder that is (a) an insurer that carries on an insurance business in Canada and elsewhere or (b) a financial institution subject to special provisions of the Income Tax Act (Canada) applicable to gains or losses arising from mark-to-market property as defined in the Income Tax Act (Canada).

This discussion is based on the current provisions of the U.S.-Canada tax treaty, the Income Tax Act (Canada) and the regulations thereunder, all specific proposals to amend the Income Tax Act (Canada) and regulations announced by the Minister of Finance (Canada) before the date of this prospectus and counsel's understanding of the current published administrative practices of the Canada Customs and Revenue Agency. This discussion is not exhaustive of all potential Canadian tax consequences to a U.S. Holder and does not take into account or anticipate any other changes in law, whether by judicial, governmental or legislative decision or action, nor does it take into account the tax legislation or considerations of any province, territory or foreign jurisdiction.

**This summary is of a general nature only and is not intended to be, nor should it be construed as, legal advice to any particular U.S. Holder. You should consult your own tax advisor regarding the tax consequences of the acquisition, ownership and disposition of the common shares and warrants in light of your particular circumstances.**

### Taxation of dividends

Dividends paid or credited or deemed to be paid or credited on common shares owned by a U.S. Holder will be subject to Canadian withholding tax under the Income Tax Act (Canada) at a rate of 25% on the gross amount of the dividends. The rate of withholding tax generally is reduced under the U.S.-Canada tax treaty to 15% where the U.S. Holder is the beneficial owner of the dividends. Under the U.S.-Canada tax treaty, dividends paid to religious, scientific, charitable and certain other tax exempt organizations and pension organizations that are resident and exempt from tax in the United States, other than such dividends that constitute income from carrying on a trade or business, will generally not be subject to this Canadian withholding tax, provided such entities comply with the administrative procedures specified in the U.S.-Canada tax treaty.

**Taxation of capital gains**

A gain realized by a U.S. Holder on a sale, disposition or deemed disposition of our common shares or warrants generally will not be subject to tax under the Income Tax Act (Canada) unless the common shares or warrants constitute taxable Canadian property within the meaning of the Income Tax Act (Canada) at the time of the sale, disposition or deemed disposition and the U.S. Holder is not entitled to relief under the U.S.-Canada tax treaty. Our common shares generally will not be taxable Canadian property provided that (a) they are listed on a prescribed share exchange (which includes the American Stock Exchange and the Toronto Stock Exchange) and (b) at no time during the five-year period immediately preceding the sale, disposition or deemed disposition, did the U.S. Holder, persons with whom the U.S. Holder did not deal at arm's length, or the U.S. Holder acting together with those persons, own or have an interest in or a right to acquire (including any warrants held by the U.S. Holder or such persons) 25% or more of the issued shares of any class or series of our shares. The warrants generally will not be taxable Canadian property provided that our common shares are not taxable Canadian property. A U.S. Holder will not in any event be subject to Canadian tax on gains realized on a sale, disposition or deemed disposition of our common shares or warrants provided that the value of the common shares or warrants is not derived principally from property situated in Canada as contemplated in the U.S.-Canada tax treaty. A deemed disposition of common shares and warrants will occur on the death of a U.S. Holder.

## VALIDITY OF SECURITIES

Field Atkinson Perraton LLP, Calgary, Alberta, Canada, has provided its opinion on the validity of the common shares. Certain matters in connection with the offering and sale of the units will be passed on for us by Stoel Rives LLP, Portland, Oregon and for the underwriters by Dorsey & Whitney LLP, Seattle, Washington and Toronto, Ontario, Canada, and Stikeman Elliott, Toronto, Ontario, Canada.

## EXPERTS

The financial statements incorporated by reference in this prospectus from our Annual Report on Form 10-K for the year ended December 31, 2001 have been so included in reliance on the report of PricewaterhouseCoopers LLP, independent accountants, given on the authority of said firm as experts in auditing and accounting. The partners of PricewaterhouseCoopers LLP, as a group, own none of our common shares.

Certain data, of a scientific or technical nature, regarding our mineral reserves and mineralized material included in this prospectus or included in documents incorporated by reference into this prospectus, have been verified by our full-time employees, Mr. Dave Alexander, Chief Mining Engineer at Bogoso/ Prestea, and Mr. Mitchell Wasel, Exploration Manager at Bogoso/ Prestea. Mr. Alexander and Mr. Wasel are each "qualified persons" within the meaning of Canada's National Instrument 43-101 Standards of Disclosure for Mineral Projects. In addition to their employment with us, Messrs. Alexander and Wasel hold options which are exercisable into less than 1% of our outstanding common shares.

The statements of reserves, production and mineral deposits at Bogoso/ Prestea incorporated in this prospectus by reference from our Annual Report on Form 10-K for the year ended December 31, 2001 and an independent Technical Report supporting our estimates of mineral reserves and mineralized material at Bogoso/ Prestea were prepared by Mr. Keith McCandlish, P.Geol., and Mr. Alan L. Craven, P.Eng., of Associated Mining Consultants Ltd. dated December 13, 2001 given on their authority as experts in mining engineering and geology and as "qualified persons" within the meaning of Canada's National Instrument 43-101. Neither Messrs. McCandlish and Craven nor any of the officers, directors and other employees of Associated Mining Consultants Ltd. hold any of our common shares.

## AUDITORS, TRANSFER AGENTS, REGISTRAR AND WARRANT TRUSTEE

PricewaterhouseCoopers LLP, Chartered Accountants, are our auditors. The transfer agent and registrar for our common shares and the warrant trustee for our unit warrants is CIBC Mellon Trust Company at its principal office in the City of Vancouver, British Columbia.

## DOCUMENTS INCORPORATED BY REFERENCE

The Securities and Exchange Commission allows us to incorporate by reference our publicly filed reports into this prospectus, which means that information included in those reports is considered part of this prospectus. Information that we file with the Securities and Exchange Commission after the date of this prospectus will automatically update and supersede the information contained in this prospectus. We incorporate by reference the following documents filed with the Securities and Exchange Commission and any future filings made with the Securities and Exchange Commission under sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934:

1. Our annual report on Form 10-K for the year ended December 31, 2001, as filed on April 1, 2002;

2. Our quarterly report on Form 10-Q for the quarter ended March 31, 2002 filed on May 2, 2002;

3. Our current report on Form 8-K/ A, as filed on June 26, 2002;

4. Our definitive proxy statement, as filed on April 29, 2002; and

5. The description of our common shares contained in the Form 8-A, as filed on June 18, 2002.

## WHERE YOU CAN FIND ADDITIONAL INFORMATION

This prospectus is part of a registration statement on Form S-3 that we filed with the SEC. Certain information in the registration statement has been omitted from this prospectus in accordance with SEC rules.

We file annual, quarterly and special reports and other information with the SEC. You may read and copy the registration statement and any other document that we file at the SEC's public reference room located at Room 1024, Judiciary Plaza, 450 Fifth Street N.W., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. Our SEC filings are also available to you free of charge at the SEC's web site at *http://www.sec.gov*. Our common shares are listed on the American Stock Exchange and you may inspect reports, proxy statements and other information concerning us at the office of the American Stock Exchange at 86 Trinity Place, New York, New York 10006.

Statements contained in this prospectus as to the contents of any contract or other document referred to are not necessarily complete. You should refer to the copy of such contract or other document filed as an exhibit to the registration statement.

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***A registration statement on Form S-3 has been filed with the United States Securities and Exchange Commission under the United States Securities Act of 1933 with respect to these securities, but is not yet effective. The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities, and it is not soliciting an offer to buy these securities, in any state or other jurisdiction where the offer or sale is not permitted.***

*A copy of this preliminary short form prospectus has been filed with the securities regulatory authorities in each of the provinces of British Columbia, Ontario, Alberta and Manitoba but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary short form prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form prospectus is obtained from securities regulatory authorities.*

***This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar regulatory authorities in Canada. Copies of documents incorporated herein by reference may be obtained on request without charge from the Secretary of the Company at 10579 Bradford Road, Suite 103, Littleton, Colorado 80127-4247 or by accessing the Company's disclosure documents available through the internet on SEDAR at www.sedar.com.***

**Short Form Prospectus**

**NEW ISSUE** **July ● , 2002**

# Golden Star Resources Ltd.

## Cdn$ ●

## 14,000,000 Units

This short form prospectus qualifies the distribution of an aggregate of 14,000,000 units of Golden Star Resources Ltd. (the "Company") at a price of Cdn$ ● per unit. Each unit consists of one common share and one-half of one common share purchase warrant in the capital of the Company. Each whole warrant will entitle the holder to purchase one additional common share for a period of two years at a price of Cdn$ ● . The common shares and warrants can be resold immediately following their purchase pursuant to this prospectus.

The units are being offered concurrently in the United States on a best efforts basis, with no minimum number or dollar amount requirement, pursuant to an agency agreement dated ● , 2002 among Canaccord Capital Corporation (USA) Inc. and BMO Nesbitt Burns Corp., as the U.S. agents, and the Company, and in Canada on a firm commitment basis for 100% of the units, with the number to be reduced by the number sold in the United States, pursuant to an underwriting agreement dated ● , 2002 among Canaccord Capital Corporation and BMO Nesbitt Burns Inc., as the Canadian underwriters, and the Company. The Canadian underwriters and the U.S. agents are collectively referred to as the underwriters.

The price per unit was determined by negotiation among the Company and the underwriters. The Company has allocated Cdn$ ● for the common share and Cdn$ ● for the half common share purchase warrant comprised in each unit. The outstanding common shares of the Company are listed for trading on the Toronto Stock Exchange, or the TSX, under the symbol "GSC" and on the American Stock Exchange, or AMEX, under the symbol "GSS." On June 28, 2002 the closing price of the common shares on the TSX was Cdn$2.75 and on AMEX was U.S.$1.80. The common stock of the Company also trades on the Berlin Stock Exchange.

**Price: Cdn$ ● per unit**

| | Price to Public | Underwriters' Fees(1)(2) | Proceeds to the Company(3) |
|---|---|---|---|
| Per unit | Cdn$ ● | Cdn$ ● | Cdn$ ● |
| Total(4) | Cdn$ ● | Cdn$ ● | Cdn$ ● |

(1) The Company has agreed to pay to the Canadian underwriters an amount in cash equal to 5.5% of the gross proceeds of the units sold to them and to the U.S. agents an amount in cash equal to 5.5% of the gross proceeds of the units sold by them.

(2) As additional consideration, the underwriters will also be granted non-transferable common share purchase warrants to purchase 770,000 common shares at a purchase price of Cdn$ ● per share, exercisable during the two-year period beginning one year from the closing of the offering. This prospectus also qualifies the distribution to the underwriters of these warrants, referred to in this prospectus as the underwriters' warrants. See "Plan of Distribution" in the U.S. Prospectus (as defined below).

(3) Before deducting expenses of the offering, estimated to be Cdn$ ● .

(4) The Company has granted to the Canadian underwriters an over-allotment option, exercisable in whole or in part, to purchase up to an additional 15% of the units sold at the offering price set forth above for a period of 30 days from the closing of the offering. If the Canadian underwriters exercise the over-allotment option in full, the total price to the public will be U.S.$ ● or Cdn$ ● , the total underwriters' fees will be U.S.$ ● or Cdn$ ● , and the net proceeds to the Company will be U.S.$ ● or Cdn$ ● . This prospectus qualifies the distribution of the common shares and warrants issuable upon exercise of the over-allotment options. See "Plan of Distribution" in the U.S. Prospectus (as defined below).

The Canadian underwriters, as principals, conditionally offer the units initially offered in Canada and those units that are initially offered in the United States and that are subsequently acquired by transfer from the U.S. agents, if any, subject to prior sale if, as and when issued and delivered by the Company and accepted by the Canadian underwriters in accordance with the conditions contained in the Canadian underwriting agreement, and subject to the approval of certain legal matters on behalf of the Company by Field Atkinson Perraton LLP, and on behalf of the Canadian underwriters by Stikeman Elliott.

Each of the Toronto Stock Exchange and the American Stock Exchange has conditionally approved the listing of the common shares. The Toronto Stock Exchange has conditionally approved the listing of the warrants. The listing of the common shares and warrants on the Toronto Stock Exchange is subject to the Company fulfilling all of the listing requirements of the Toronto Stock Exchange on or before July ● , 2002, which, in the case of the warrants, includes distribution to a minimum number of public holders. The listing of the common shares on the American Stock Exchange is subject to the Company fulfilling all of the listing requirements of the American Stock Exchange.

Subscriptions in Canada will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. Closing of the offering is expected to occur on or about July 24, 2002 or such other time as may be agreed upon by the Company and the underwriters. Certificates representing the common shares and warrants comprised in the units will be available for delivery at closing.

This prospectus incorporates the accompanying United States prospectus (the "U.S. Prospectus") included in a Registration Statement on Form S-3 filed by the Company with the United States Securities and Exchange Commission, as well as any documents incorporated by reference in, or that become incorporated by reference in, the U.S. Prospectus.

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## SUPPLEMENTAL CANADIAN DISCLOSURE

## DOCUMENTS INCORPORATED BY REFERENCE

The Company files annual and quarterly financial information, material change reports and other information with the securities commissions or similar authorities in each of the provinces of Canada (collectively, the "Commissions"). The following documents filed with the Commissions are specifically incorporated by reference into, and form an integral part of, this short form prospectus:

(a) the Annual Report on Form 10-K dated March 25, 2002 for the year ended December 31, 2001;

(b) the Management's Discussion and Analysis of the Company dated March 25, 2002 for the year ended December 31, 2001;

(c) the Management Proxy Circular of the Company dated April 22, 2002;

(d) the audited consolidated annual financial statements of the Company for the financial years ending December 31, 2001, 2000 and 1999;

(e) the unaudited interim financial statements for the three months ended March 31, 2002 together with management's discussion and analysis of financial condition and results of operations for such periods;

(f) the material change report dated January 17, 2002 relating to the completion of a private placement of 11,516,000 units in the Company;

(g) the material change report dated May 22, 2002 relating to the disposition of the Company's interests in the Gross Rosebel, Headleys and Thunder Mountain properties in Suriname and the Company's 30% interest in Omai Gold Mines Limited in Guyana to Cambior Inc.;

(h) the material change report dated June 14, 2002 relating to filing of the Company's preliminary short form prospectus;

(i) the material change report dated June 17, 2002 relating to the Company receiving approval to be listed on the American Stock Exchange;

(j) the material change report dated June 20, 2002 confirming listing on the American Stock Exchange;

(k) the material change report dated June 27, 2002 regarding the completion of the acquisition of the Yaou and Dorlin properties in French Guiana and the disposition of the Company's interests in the Gross Rosebel, Headleys and Thunder Mountain properties in Suriname and the Company's 30% interest in Omai Gold Mines Limited in Guyana to Cambior Inc., and containing pro forma financials giving effect to the disposition of the Company's interests;

(l) the material change report dated July 3, 2002 relating to the filing of the Company's amended and restated preliminary short form prospectus in Canada and registration statement in the United States; and

(m) amended material change report dated July 11, 2002 regarding the completion of the acquisition of the Yaou and Dorlin properties in French Guiana and the disposition of the Company's interests in the Gross Rosebel, Headleys and Thunder Mountain properties in Suriname and the Company's 30% interest in Omai Gold Mines Limited in Guyana to Cambior Inc., and containing pro forma financial statements, including a compilation report thereon, giving effect to the disposition of these interests.

**All documents of the type referred to in the preceding paragraph (excluding confidential material change reports) that are required to be filed by the Company with the Commissions after the date of this short form prospectus and prior to the completion or withdrawal of this Offering, shall be deemed to be incorporated by reference into and form an integral part of this short form prospectus. The documents incorporated or deemed incorporated by reference herein contain meaningful and material information**

**relating to the Company and prospective subscribers for units should review all information contained in this short form prospectus and the documents incorporated by reference before making an investment decision.**

**Any statement contained in a document incorporated or deemed to be incorporated by reference herein or in any subsequently filed document which also is or is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this short form prospectus to the extent that a statement contained herein, or in any other subsequently filed document which also is incorporated or is deemed to be incorporated by reference herein, modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed in its unmodified or superseded form to constitute a part of this short form prospectus.**

Copies of documents incorporated herein by reference may be obtained on request without charge from the Secretary of the Company at 10579 Bradford Road, Suite 103, Littleton, Colorado 80127-4247, at (303) 830-9000.

## ELIGIBILITY FOR INVESTMENT

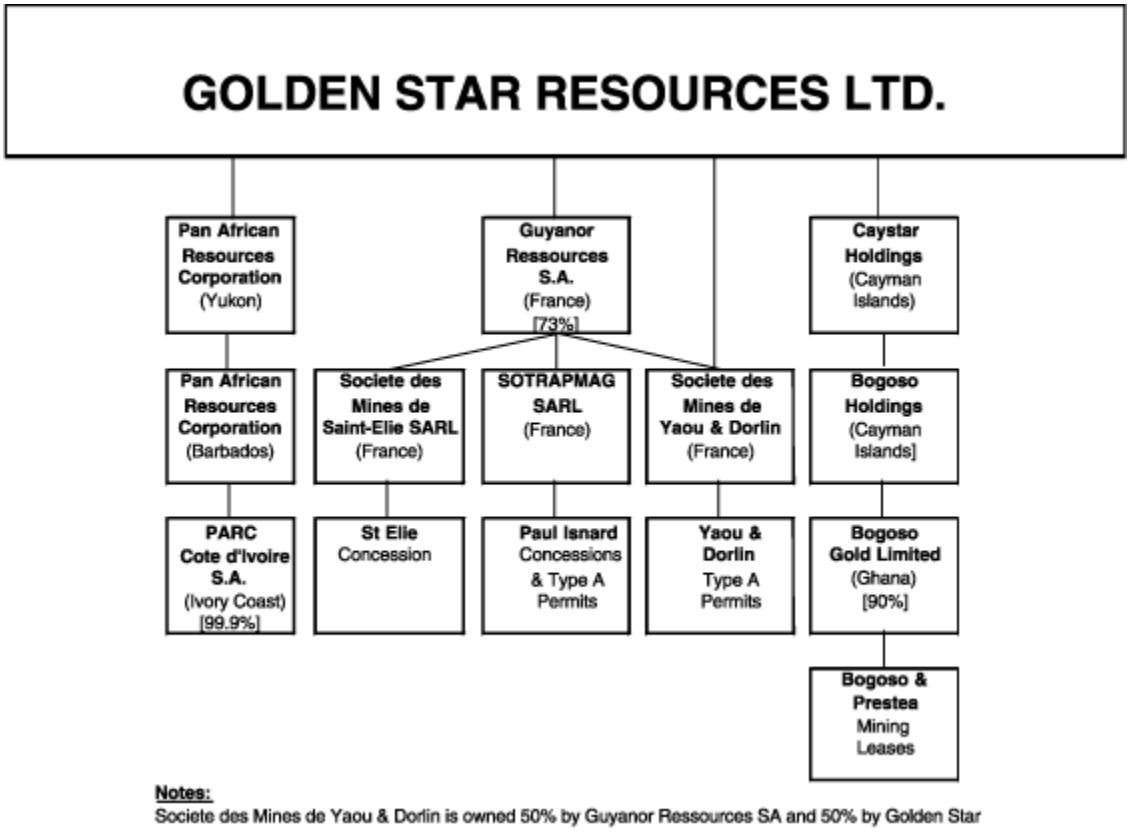
In the opinion of Field Atkinson Perraton LLP, counsel to the Company and Stikeman Elliott, counsel to the Canadian Underwriters, based on legislation in effect as of the date hereof and subject to compliance with the prudent investment standards and general investment provisions and restrictions of the statues referred to below (and, where applicable, regulations and guidelines thereunder) and, in certain cases, subject to the satisfaction of additional requirements relating to investment or lending policies or goals and, in certain cases, the filing of such policies or goals, the securities offered by this short form prospectus, if issued on the date hereof, would not be precluded as investments under the following statutes:

*Insurance Companies Act* (Canada)
*Pension Benefits Standards Act, 1985* (Canada)
*Trust and Loan Companies Act* (Canada)
*Insurance Act* (Ontario)
*Loan and Trust Corporations Act* (Ontario)
*Pension Benefits Act* (Ontario)
*Trustee Act* (Ontario)
*Employment Pension Plans Act* (Alberta)
*Insurance Act* (Alberta)
*Loan and Trust Corporations Act* (Alberta)
*Financial Institutions Act* (British Columbia)
*Pension Benefits Standards Act* (British Columbia)
*The Insurance Act* (Manitoba)
*The Pension Benefits Act* (Manitoba)

In the opinion of Field Atkinson Perraton LLP, counsel to the Company and Stikeman Elliott, counsel to the Canadian Underwriters, as of the date hereof, the common shares and warrants comprised in the Units are qualified investments for the purposes of the *Income Tax Act* (Canada) ("ITA") for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans and deferred profit sharing plans (collectively, "Deferred Income Plans") within the meaning of the ITA. In the opinion of such counsel, based in part on a certificate of an officer of the Company as to certain factual matters, the common shares and warrants comprised in the Units will not, on the date hereof, be "foreign property" for the purposes of Part XI of the ITA for Deferred Income Plans and other persons subject to tax under Part XI of the ITA and the Regulations thereunder.

## INTERCORPORATE RELATIONSHIPS

The Company owns the following material subsidiaries, and the Company's current corporate structure is set out below (all entities are 100%-owned, unless otherwise noted):




The Company's head office is located outside of Canada. Although the issuer has appointed Koffman Kalef, Suite 1900, 885 West Georgia Street, Vancouver, British Columbia and Field Atkinson Perraton LLP, 1900, 350 - 7th Avenue S.W., Calgary, Alberta as its agents for service of process in the Provinces of British Columbia and Alberta respectively, it may not be possible for investors to collect judgments obtained in Canadian courts predicated on the civil liability provisions of securities legislation.

## ADDITIONAL INFORMATION

The transactions referred to in "Recent Developments — Completion of the Guiana Shield transactions" in the U.S. Prospectus would be considered a "significant disposition" under National Instrument 44-101. The financial statements required under Part 6 of National Instrument 44-101 are included in an amended material change report dated July 11, 2002, which is incorporated by reference herein.

The securities issued in the private placement described in the U.S. Prospectus under "Recent Developments — Private placement of 11,516,000 units" have been registered for resale in the United States and have become freely tradable in Canada, subject to the provisions of the applicable securities legislation.

Each of the Toronto Stock Exchange and the American Stock Exchange has conditionally approved the listing of the common shares. The Toronto Stock Exchange has conditionally approved the listing of the warrants. The listing of the common shares and warrants on the Toronto Stock Exchange is subject to the Company fulfilling all of the listing requirements of the Toronto Stock Exchange on or before July ● , 2002, which, in the case of the warrants, includes distribution to a minimum number of public holders. The listing of the common shares on the American Stock Exchange is subject to the Company fulfilling all of the listing requirements of the American Stock Exchange.

## QUALIFICATION OF SECURITIES FOR DISTRIBUTION

This short form prospectus qualifies the distribution of the common shares and warrants comprising the units. This short form prospectus also qualifies the distribution of the common shares and warrants issuable upon exercise of the over-allotment option. A holder of units in Canada may sell any common shares received upon exercise of warrants sold pursuant to this short form prospectus pursuant to the securities legislation of the provinces of British Columbia, Ontario, Alberta and Manitoba, without further qualification, subject only to control block restrictions and restrictions on payment of commission or other remuneration in certain circumstances, provided that the Company is a reporting issuer in the jurisdiction in which the trade is made. This short form prospectus also qualifies the distribution to the Canadian underwriters of the underwriters' warrants. Subject to certain qualifications, the Canadian underwriters may sell any common shares acquired on the exercise of the underwriters' warrants pursuant to the securities legislation of the provinces of British Columbia, Ontario, Alberta and Manitoba without further qualification, provided that the Company is a reporting issuer in the jurisdiction in which the trade is made.

## CONSOLIDATED CAPITALIZATION

The following tables set forth the consolidated capitalization of the Company as of the dates indicated and reflect material changes in the Company's capitalization since the date of its most recent audited consolidated annual financial statements, which are incorporated by reference in this short form prospectus. The following tables should be read in conjunction with those financial statements and the notes that accompany them.

| | As at Dec. 31, 2001 | As at March 31, 2002 |
|---|---|---|
| | (U.S., $000's) | |
| **Canadian GAAP** | | |
| Current Loans | $ 7,513 | $ 3,527 |
| Convertible Debentures | 2,358 | 1,302 |
| Long Term Bank Debt | — | 975 |
| | 9,871 | 5,804 |
| Shareholders' Equity | | |
| Common Share(1) | 168,308 | 175,370 |
| Convertible Debentures | 545 | 372 |
| Deficit | (156,511) | (155,057) |
| | 12,342 | 20,685 |
| Total | $ 22,213 | $ 26,489 |

| | As at Dec. 31, 2001 | As at March 31, 2002 |
|---|---|---|
| | (U.S., $000's) | |
| **U.S. GAAP** | | |
| Current Loans | $ 7,513 | $ 3,527 |
| Convertible Debentures | 2,411 | 1,482 |
| Long Term Bank Debt | — | 975 |
| | 9,924 | 5,984 |
| Shareholders' Equity | | |
| Common Share(1) | 168,308 | 175,370 |
| Other(2) | 1,316 | 1,340 |
| Deficit | (165,616) | (164,285) |
| | 1,533 | 9,664 |
| Total | $ 11,457 | $ 15,648 |

Notes:

(1) Changes to share capital reflect the issuance by the Company of an aggregate of 11,516,000 common shares pursuant to a private placement of units that closed in January 2002, 225,600 common shares issued pursuant to the exercise of incentive stock options, 1,328,570 common shares issued upon debenture conversions, 450,000 common shares issued in payment for services and 107,000 common shares issued for management bonuses. See "Recent Developments" in the U.S. Prospectus.

(2) "Other" includes the cumulative foreign currency translation adjustment and accumulated comprehensive income.

## CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Field Atkinson Perraton LLP, counsel to the Company, and Stikeman Elliott, counsel to the Canadian underwriters, the following summary describes, as of the date hereof, the principal Canadian federal income tax considerations under the ITA that should be considered by prospective purchasers hereunder.

This summary is based on the current provisions of the ITA, all specific proposals to amend the ITA publicly announced by the Minister of Finance (Canada) prior to the date hereof, and counsel's understanding of the current administrative and assessing policies of the Canada Customs and Revenue Agency (the "CCRA"). No assurance can be given that the proposed amendments to the ITA will be enacted in their current proposed form or at all. This summary does not otherwise take into account or anticipate any change to the law or administrative practice, whether by legislative, governmental or judicial action.

This summary applies only to persons who are resident in Canada under the ITA, who acquire, hold and dispose of common shares and warrants as capital property, and who deal at arm's length and are not affiliated with the Company ("Holders"). Common shares and warrants will generally be considered to be capital property to a person provided that the person does not hold such securities in the course of carrying on a business of dealing in securities and has not acquired such securities in a transaction or transactions considered to be an adventure in the nature of trade. Depending on a person's particular circumstances, common shares may be deemed to be capital property where the election in subsection 39(4) of the ITA has been made by a Canadian resident eligible to make such election.

This summary is not applicable to Holders that are financial institutions (as defined in the ITA) for purposes of the "mark-to-market" rules in the ITA. This summary does not take into account foreign, provincial or territorial tax legislation or considerations, which may vary from the Canadian federal income tax considerations described herein.

**This summary is of a general nature only, and is not a complete analysis of all possible income tax considerations that may be applicable to a Holder. This summary is not intended to be, nor should it be construed as, legal or tax advice to any particular Holder. Accordingly, prospective Holders should consult their own tax advisers with respect to their particular circumstances.**

For the purposes of the ITA, all amounts relating to the acquisition, holding or disposition of the common shares and warrants, including dividends, adjusted cost base ("ACB") and proceeds of disposition, must be converted into Canadian dollars based on the prevailing United States dollar exchange rate at the time such amounts arise. In computing a shareholder's liability for tax under the ITA, any cash amount received by a shareholder in United States dollars must be converted into the Canadian dollar equivalent, and the amount of any non-cash consideration received by a shareholder must be expressed in Canadian dollars at the time such consideration is received.

**Acquisition of Common Shares and Warrants**

It is necessary to allocate the total purchase price for the units on a reasonable basis among the common shares and warrants so acquired. The Company believes that a reasonable allocation of the purchase price of Cdn$ ● per unit is Cdn$ ● per common share and Cdn$ ● per warrant. While the Company believes that this allocation is reasonable, the CCRA is not bound by this allocation.

The cost of any common shares purchased hereunder by a Holder will be averaged with the ACB to the Holder of any other common shares held by the Holder at that time, so as to produce a uniform cost for all common shares held by that Holder.

**Warrants**

***Exercise of Warrants***

The exercise of warrants will not be a disposition for the purposes of the ITA, with the result that no gain or loss will be realized by a Holder upon the exercise of warrants. A Holder's aggregate cost of common shares acquired on the exercise of warrants will be the aggregate of the ACB to the Holder of the warrants so exercised and the exercise price paid for such common shares. The cost of any common shares acquired on the exercise of warrants by a Holder will be averaged with the ACB to the Holder of any other common shares held by the Holder at that time, so as to produce a uniform cost for all common shares held by that Holder.

***Disposition of Warrants***

A Holder who disposes of warrants will realize proceeds of disposition equal to the fair market value of the consideration received therefor, and will realize a capital gain (or a capital loss) in the amount by which such proceeds of disposition, net of any costs of disposition, exceed (or are less than) the ACB to the Holder of the warrants disposed of. The tax treatment of capital gains and losses is discussed in greater detail below under the subheading "Capital Gains and Losses".

***Expiry of Warrants***

The expiry of unexercised warrants will constitute a disposition thereof for nil proceeds of disposition, resulting in the Holder realizing a capital loss equal to the ACB to the Holder of the expired warrants. The tax treatment of capital losses is discussed in greater detail below under the subheading "Capital Gains and Losses".

**Disposition of Common Shares**

Any gain (or loss) realized on the disposition of common shares will be a capital gain (or capital loss) to the Holder. The tax treatment of capital gains and losses is discussed in greater detail below under the subheading "Capital Gains and Losses".

***Capital Gains and Losses***

A Holder's capital gain (or capital loss) from the disposition of any capital property is calculated as the amount by which the Holder's proceeds of disposition exceed (or are less than) the aggregate of the ACB to the Holder of the property disposed of and any reasonable outlays or expenses incurred to make the disposition. The Holder's taxable capital gain (or allowable capital loss) is one-half of this amount. The Holder must include any such taxable capital gain in income for the taxation year of the disposition, and may deduct any such allowable capital loss from taxable capital gains realized in that same taxation year. Subject to detailed rules contained in the ITA, any unused allowable capital loss may generally be applied to reduce net taxable capital gains realized by the Holder in the three preceding and in all subsequent taxation years.

Capital gains realized by a Holder who is an individual may be subject to alternative minimum tax under the ITA, depending on the individual's circumstances. Recognition of capital losses otherwise realized may be denied in various circumstances set out in the ITA, including transactions involving affiliated persons (as defined in the ITA). In addition, pursuant to detailed rules in the ITA, a capital loss realized on the disposition of a share may be reduced by the amount of certain dividends on that share received or deemed to have been received by the Holder. Holders realizing a capital loss should consult their own tax advisers concerning these complex rules. Canadian-controlled private corporations are subject to an additional refundable tax of 6 2/3% on the lesser of any such corporation's (i) aggregate investment income (including taxable capital gains); and (ii) taxable income (less any amount claimed in respect of the small business deduction) for the year. This additional tax will be refunded to the corporation at the rate of Cdn$1 for every Cdn$3 of taxable dividends paid while it is a private corporation.

***Dividends***

In computing a Holder's income, a Holder who is an individual will be required to include in income the amount of any dividends received or deemed to be received by the Holder on the common shares. The Holder will, in respect of such dividends, be subject to the gross-up and dividend tax credit rules normally applicable to taxable dividends received from taxable Canadian corporations (as defined in the ITA).

In computing its income, a Holder that is a corporation will normally be required to include in income the amount of any dividends on the common shares received or deemed to be received by the Holder, but will normally be entitled to deduct the amount of the dividends in computing its taxable income. A Holder that is a private corporation (as defined in the ITA) or a subject corporation (as defined in the ITA) may be liable under Part IV of the ITA to pay a refundable tax of 33 1/3% of dividends received or deemed to be received on the common shares to the extent that such dividends are deductible in computing the Holder's taxable income. This tax will be refunded to the Holder at the rate of Cdn$1 for every Cdn$3 of taxable dividends paid while it is a private corporation.

## LEGAL MATTERS

Certain legal matters relating to the offering and to the units to be distributed pursuant to this short form prospectus will be reviewed by Field Atkinson Perraton LLP on behalf of the Company and Stikeman Elliott on behalf of the Canadian underwriters. As of the date hereof, the partners and associates of Field Atkinson Perraton LLP, as a group, beneficially owned directly or indirectly less than 1% of the issued and outstanding common shares of the Company. As of the date hereof, the partners and associates of Stikeman Elliott, as a group, beneficially owned directly or indirectly less than 1% of the issued and outstanding common shares of the Company.

## PURCHASERS' STATUTORY RIGHTS

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that such remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. Purchasers should refer to applicable provisions of the securities legislation of their province for the particulars of these rights or consult with a legal adviser.

## CERTIFICATE OF THE COMPANY

July ● , 2002

This short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of the Provinces of British Columbia, Ontario, Alberta and Manitoba.

| | |
|---|---|
| (signed) "PETER J.L. BRADFORD" | (signed) "ALLAN J. MARTER" |
| Peter J.L. Bradford<br>*President and Chief Executive Officer* | Allan J. Marter<br>*Chief Financial Officer* |

## ON BEHALF OF THE BOARD OF DIRECTORS

| | |
|---|---|
| (signed) "ROBERT R. STONE" | (signed) "IAN MACGREGOR" |
| Robert R. Stone<br>*Director* | Ian MacGregor<br>*Director* |

## CERTIFICATE OF THE CANADIAN UNDERWRITERS

July ● , 2002

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of the Provinces of British Columbia, Ontario, Alberta and Manitoba.

CANACCORD CAPITAL CORPORATION

(signed) “PETER MARRONE”

Peter Marrone
*Executive VP and Managing Director*
*Head of Investment Banking*

BMO NESBITT BURNS INC.

(signed) “EGIZIO BIANCHINI”

Egizio Bianchini
*Managing Director*

## PART II

## INFORMATION NOT REQUIRED IN THE PROSPECTUS

### Item 14. *Other Expenses of Issuance and Distribution.*

We will pay all expenses in connection with the issuance and distribution of the securities being registered. The following is an itemized statement of these expenses (all amounts are estimated except for the SEC and NASD fees):

| | |
|---|---|
| SEC registration fee | $ 3,922 |
| NASD filing fees | 3,470 |
| Accounting fees and expenses | 75,000 |
| Legal fees and expenses | 150,000 |
| Printing and related expenses | 100,000 |
| Transfer agent and expenses | 5,000 |
| Reimbursed expenses of underwriters | 200,000 |
| Miscellaneous expenses | 12,608 |
| Total | $550,000 |

### Item 15. *Indemnification of Officers and Directors.*

Section 124 of the Canada Business Corporations Act ("CBCA") provides for the indemnification of our directors and officers. Under these provisions, we may indemnify a director or officer of the Company, a former director or officer of the Company or another individual who acts or acted at the Company's request as a director or officer, or an individual acting in a similar capacity, of another entity (the "individual") against all costs, charges, and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by the individual in respect of any civil, criminal, administrative, investigative or other proceeding in which the individual is involved by reason of their association with the Company or other entity, if he fulfills the following two conditions:

a. acted honestly and in good faith with a view to the best interests of the Company, or, as the case may be, to the best interests of the other entity for which the individual acted as director or officer or in a similar capacity at the Company's request; and

b. in the case of criminal or administrative action or proceeding that is enforced by a monetary penalty, the individual had reasonable grounds for believing that the individual's conduct was lawful.

We may advance monies to a director, officer or other individual for the costs, charges and expenses of a proceeding referred to above. The individual shall repay the monies if the individual does not fulfill the conditions of clauses (a) and (b) above.

With the approval of a court, we may indemnify an individual, or advance monies, in respect of an action by or on our behalf or by or on behalf of another entity to procure a judgment in its favor to which the individual is made a party because of the individual's association with the Company or other entity against all costs, charges and expenses reasonably incurred by the individual in connection with such action if the individual fulfills the conditions in clauses (a) and (b) above.

Notwithstanding the foregoing, an individual referred to above is entitled to indemnification from the Company in respect of all costs, charges and expenses reasonably incurred by the individual in connection with

the defense of any civil, criminal, administrative, investigative or other proceeding to which the individual is subject because of the individual's association with us or other entity, if the individual seeking indemnity:

a. was not judged by the court of other competent authority to have committed any fault or omitted to do anything that the individual ought to have done; and

b. fulfills the conditions set out in clause (a) and (b) referred to above.

Effective November 24, 2001 the provisions of the CBCA relating to the indemnification of officers, directors and others were significantly amended. Our by-laws were amended and restated to reflect changes to the CBCA. In addition, our by-laws provide that we also shall indemnify any such person in such other circumstance as the CBCA or law permits or requires. We have entered into agreements with our directors and officers indemnifying such directors and officers to the extent permitted by the CBCA and our by-laws.

We maintain a directors' and officers' liability insurance policy which insures directors and officers for losses as a result of claims based upon the acts or omissions as directors and officers of us, including liabilities arising under the Securities Act of 1933, and also reimburses us for payments made pursuant to the indemnity provisions under the CBCA.

**Item 16.** ***Exhibits.***

| Exhibit Number | Description |
|---|---|
| 1.1(1) | Form of Underwriting Agreement |
| 1.2(1) | Form of Agency Agreement |
| 4.1(2) | Specimen Common Share Certificate |
| 4.2(1) | Form of Warrant Indenture among the Registrant and CIBC Mellon Trust, as Trustee, including the Form of Warrant |
| 4.3(1) | Form of Underwriters' Warrants |
| 5.1(2) | Opinion of Field Atkinson Perraton LLP |
| 23.1(2) | Consent of PricewaterhouseCoopers LLP, independent auditors |
| 23.2(2) | Consent of Associated Mining Consultants Ltd., Keith McCandlish and Alan L. Craven |
| 23.3(2) | Consent of Dave Alexander and Mitchell Wasel |
| 23.4(2) | Consent of Stikeman Elliott |
| 23.5(2) | Consent of Field Atkinson Perraton LLP (included in Exhibit 5.1) |
| 24.1(3) | Power of Attorney |

(1) Filed herewith. Amends corresponding exhibit filed previously.

(2) Filed herewith.

(3) Filed previously.

**Item 17.** ***Undertakings.***

(a) The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act;

(ii) To reflect in the prospectus any facts or events arising after the effective date of this Registration Statement (or the most recent post-effective amendment thereof) that, individually or in the aggregate, represent a fundamental change in the information set forth in this Registration Statement; and

(iii) To include any material information with respect to the plan of distribution not previously disclosed in this Registration Statement or any material change to such information in this Registration Statement;

provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Commission by the registrant pursuant to Section 13 or Section 15(d) of the Exchange Act that are incorporated by reference in this Registration Statement;

(2) That, for the purpose of determining any liability under the Securities Act, each post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof; and

(3) To remove from registration by means of a post-effective amendment any of the securities being registered that remain unsold at the termination of the offering.

(b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in this Registration Statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question, whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

(d) The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this Registration Statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this Registration Statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

## SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Amendment No. 1 to the Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Littleton, Colorado, on July 12, 2002.

GOLDEN STAR RESOURCES LTD.

By: /s/ PETER J.L. BRADFORD

Peter J.L. Bradford
*President and Chief Executive Officer*

Pursuant to the requirements of the Securities Act of 1933, as amended, this Amendment No. 1 to the Registration Statement has been signed by the following persons in the capacities indicated below on the 12 th day of July, 2002:

**Signature and Title**

/s/ ROBERT R. STONE*

Robert R. Stone
Chairman of the Board of Directors

/s/ PETER J.L. BRADFORD

Peter J.L. Bradford
President, Chief Executive Officer and Director

/s/ DAVID K. FAGIN*

David K. Fagin
Director

/s/ IAN MACGREGOR*

Ian MacGregor
Director

/s/ ERNEST C. MERCIER*

Ernest C. Mercier
Director

/s/ JAMES E. ASKEW*

James E. Askew
Director

/s/ ALLAN J. MARTER

Allan J. Marter
Chief Financial and Accounting Officer

*By: /s/ PETER J. L. BRADFORD

Peter J. L. Bradford
Attorney-in-Fact

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(1) Filed herewith. Amends corresponding exhibit filed previously.

(2) Filed herewith.

(3) Filed previously.

**Exhibit 1.1**

**CANADIAN UNDERWRITING AGREEMENT**

July -, 2002

Golden Star Resources Ltd.
10579 Bradford Road
Suite 103
Littleton, Colorado
USA, 80127-4247

**ATTENTION: MR. PETER J. BRADFORD, PRESIDENT AND CHIEF EXECUTIVE OFFICER**

Dear Sir:

Based upon and subject to the terms and conditions set out below, Canaccord Capital Corporation (the "LEAD MANAGER") and BMO Nesbitt Burns Inc. (collectively, the "CANADIAN UNDERWRITERS" and, individually, a "CANADIAN UNDERWRITER") hereby severally, and not jointly, in their respective percentages set out in Section 16 hereof, offer to purchase from Golden Star Resources Ltd. (the "CORPORATION"), and by its acceptance of the offer constituted by this letter, the Corporation agrees to issue and sell to the Canadian Underwriters, at the Time of Closing (as hereinafter defined), 14,000,000 units (collectively, the "UNITS" and individually, a "UNIT") of the Corporation (the "OFFERED Securities"), each Unit consisting of one (1) common share (a "COMMON SHARE") of the Corporation and one-half (-1/2) common share purchase warrant, each whole warrant exercisable at a price per Common Share of Cdn$- until -, 2004 (each whole warrant, a "WARRANT"), at an offering price of Cdn$- per Unit for aggregate gross proceeds of $-. The offering of the Offered Securities by the Corporation pursuant to this Agreement is hereinafter referred to as the "OFFERING".

The Corporation hereby grants to the Canadian Underwriters (in accordance with the percentages set forth in Section 16 hereof) a one-time non-assignable option (the "CANADIAN UNDERWRITERS' OPTION") to purchase severally, and not jointly, up to 2,100,000 additional Units (the "ADDITIONAL UNITS") upon the terms and conditions set forth herein only for the purpose of covering over-allotments made in connection with the sale of the Offered Securities. The Canadian Underwriters' Option shall be exercisable, in whole or in part, by the Lead Manager giving notice to the Corporation not later 30 days following the Closing Date (as defined herein), any such notice to specify the number of the Additional Units to be purchased and the closing date with respect to such purchase (which closing date shall be no later than five full business days after the written notice of election to purchase the Additional Units under the Canadian Underwriters' Option is given.) Pursuant to such notice, the Canadian Underwriters shall purchase and the Corporation shall issue and sell the number of Additional Units indicated in such notice, in accordance with the provisions of Section 11 hereof. In this Agreement, the Offered Securities, and to the extent that the Canadian Underwriters' Option is exercised, the Additional Units, are collectively called the "SECURITIES".

This offer is conditional upon, among other things: the Corporation having prepared and filed and obtained receipts for a preliminary short form prospectus and a (final) short form prospectus in respect of the distribution of the Securities, with and from the securities regulatory authorities in the provinces of British Columbia, Alberta, Manitoba and Ontario, (the "QUALIFYING PROVINCES"), pursuant to the Short Form Prospectus System (the "POP SYSTEM") established under National Instrument 44-101 of the Canadian Securities Administrators ("NI 44-101"), qualifying the distribution by the Corporation of the Securities to purchasers resident in such provinces; a registration statement on Form S-3 (File No. 333-91666) in respect of the Securities having been filed with the Securities and Exchange Commission (the "SEC"); the Registration Statement and any post-effective amendment thereto, having been declared effective by the SEC in such form; no stop order suspending the effectiveness of the Registration Statement having been issued and no proceeding for that purpose having been initiated or threatened by the SEC; no order preventing or suspending the use of any U.S. Preliminary Prospectus having been issued by the SEC; and the U.S. Preliminary Prospectus, at the time of filing thereof, conforming in all material respects to the requirements of the U.S. Securities Act and the rules and regulations of the SEC thereunder, and not containing an untrue statement of a material fact or omitting to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

The Corporation shall pay to the Lead Manager, on behalf of the Canadian Underwriters, a fee (the "UNDERWRITING FEE") at the Time of Closing equal to Cdn$- per Offered Security sold pursuant to the terms of this Canadian Underwriting Agreement (being 5.5% of the issue price per Offered Security) in consideration of the services to be rendered by the Canadian Underwriters in connection with the Offering. Such services shall include, without limitation:
(i) acting as financial advisors to the Corporation in the preparation of documentation relating to the sale of the Securities; (ii) forming and managing banking, selling and other groups for the sale of the Securities; (iii) distributing the Securities to the public both directly and through other registered dealers and brokers; (iv) assisting the Corporation in connection with the preparation and finalization of the Preliminary Prospectus, the Final Prospectus and the U.S. Registration Statement (each as hereinafter defined) qualifying the distribution of, or registering, as the case may be, the Securities; (v) performing administrative work in connection with these matters; and (vi) all other services arising out of the agreement resulting from the Corporation's acceptance of this offer.

To the extent the Canadian Underwriters' Option is exercised, the Corporation shall pay to the Lead Manager, on behalf of the Canadian Underwriters, a fee at the Over-Allotment Closing (as hereinafter defined) equal to the Underwriting Fee for each Additional Unit sold under this Canadian Underwriting Agreement.

In addition to the Underwriting Fee, in return for the Canadian Underwriters' services, the Corporation will issue to the Canadian Underwriters on the Closing Date 770,000 warrants (the "UNDERWRITERS' WARRANTS"). Each Underwriters' Warrant will be exercisable into one Common Share. The Underwriters' Warrants will be exercisable by the Underwriters at a price of Cdn$- per share for the period beginning one year following the Closing Date and ending three years following the Closing Date.

The Canadian Underwriters and the Corporation acknowledge that Schedule A and Schedule B form a part of this Agreement.

The Canadian Underwriters and the Corporation acknowledge that an offering of the Units is also being concurrently conducted in the United States by the U.S. Agents, who are affiliates of the Canadian Underwriters, under the terms of the U.S. Agreement and the terms of the Inter-Dealer Agreement, as well as applicable U.S. Securities Laws.

The following, in addition to the above preamble, are the terms and conditions of the agreement between the Corporation and the Canadian Underwriters:

SECTION 1 DEFINITIONS AND INTERPRETATION

(1) In this Agreement:

"BUSINESS DAY" means any day other than a Saturday, Sunday or statutory or civic holiday in the City of Toronto, Ontario, and the City of New York, New York;

"CANADIAN SECURITIES LAWS" means, collectively, all applicable securities laws of each of the Qualifying Provinces and the respective rules and regulations under such laws, together with applicable published policy statements, notices and orders of the securities regulatory authorities in the Qualifying Provinces;

"CLOSING DATE" has the meaning ascribed thereto in Section 10(1) hereof;

"CONTINUOUS DISCLOSURE MATERIALS" means all documents previously published or filed by the Corporation with the securities regulatory authority in each province of Canada and the Exchanges;

"EXCHANGES" means the Toronto Stock Exchange ("TSX") and the American Stock Exchange ("AMEX");

"FINAL PROSPECTUS" means the Canadian (final) short form prospectus dated the date hereof including any documents or information incorporated therein by reference, prepared by the Corporation and relating to the distribution of the Securities and the Offering;

"INTER-DEALER AGREEMENT" means that certain inter-dealer agreement, dated the date hereof, between the Canadian Underwriters and the U.S. Agents;

"MATERIAL RESOURCE PROPERTIES" has the meaning ascribed thereto in Section 6(1)(k);

"MATERIAL SUBSIDIARIES" means the entities set out in Schedule A in which the Corporation holds the types and percentages of securities or other ownership interests therein set forth;

"MRRS DECISION DOCUMENT" means a decision document issued by the applicable Canadian securities regulatory authority pursuant to National Policy 43-201 and which evidences the receipts by the applicable Canadian securities regulatory authorities in

each of the Qualifying Provinces for the Preliminary Prospectus or the Final Prospectus, as the case may be;

"PRELIMINARY PROSPECTUS" means the Canadian preliminary short form prospectus dated June 13, 2002, as amended and restated as of July 1, 2002, including any documents or information incorporated therein by reference, prepared by the Corporation and relating to the distribution of the Securities and the Offering;

"PROSPECTUS AMENDMENT" means any amendment to the Preliminary Prospectus or the Final Prospectus required to be prepared and filed by the Corporation under applicable Canadian Securities Laws in connection with the Offering;

"QUALIFYING AUTHORITIES" means each of the securities regulatory authorities in each of the Qualifying Provinces;

"RESOURCE PROPERTIES" has the meaning ascribed thereto in Section 6(1)(k) hereof;

"STOCK OPTION PLANS" means the stock option plans of the Corporation as approved by the shareholders of the Corporation, as constituted on the date hereof;

"SUPPLEMENTARY MATERIAL" has the meaning ascribed thereto in Section 13(1)(a);

"TIME OF CLOSING" has the meaning ascribed thereto in Section 10(1) hereof;

"UNITED STATES" means the United States of America, its territories and possessions, any state of the United States, the District of Columbia, and the areas subject to the jurisdiction of the United States of America;

"U.S. AGENTS" means Canaccord Capital Corporation (USA) Inc. and BMO Nesbitt Burns Corp. together, and "U.S. AGENT" means either one of them;

"U.S. AGREEMENT" means that certain agency agreement, dated the date hereof, between the U.S. Agents and the Corporation;

"U.S. EXCHANGE ACT" means the United States Securities Exchange Act of 1934, as amended;

"U.S. REGISTRATION STATEMENT" means the registration statement on Form S-3 (File No. 333-91666) filed with the SEC, with respect to the Securities, under the U.S. Securities Act, including the exhibits, financial statements and schedules thereto, which Registration Statement has been declared effective by the SEC and includes the U.S. Prospectus;

"U.S. SECURITIES ACT" means the United States Securities Act of 1933, as amended;

"U.S. SECURITIES LAWS" means the applicable blue sky or securities legislation in the United States, together with the U.S. Exchange Act and the U.S. Securities Act and the rules and regulations of the SEC and the applicable state securities regulators thereunder;

"U.S. PRELIMINARY PROSPECTUS" means the preliminary prospectus included in the U.S. Registration Statement;

"U.S. PROSPECTUS" means the prospectus dated -, 2002 included in the U.S. Registration Statement; and

"WARRANT INDENTURE" means the warrant indenture to be entered into between the Corporation and CIBC Mellon Trust Company, as warrant agent, providing for the creation and issue of the Warrants.

(2) The division of this Agreement into sections, subsections, paragraphs and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. Unless something in the subject matter or context is inconsistent therewith, references herein to sections, subsections, paragraphs and other subdivisions are to sections, subsections, paragraphs and other subdivisions of this Agreement.

(3) Except as otherwise indicated, all amounts expressed herein in terms of money refer to lawful currency of Canada and all payments to be made hereunder shall be made in such currency.

SECTION 2 COMPLIANCE WITH SECURITIES LAWS

(1) As of the date of this Canadian Underwriting Agreement, the Corporation will have prepared and filed the Preliminary Prospectus with the Qualifying Authorities together with the required supporting documents, will have addressed the comments made by such Qualifying Authorities, in respect of the Preliminary Prospectus and any amendment thereto, and shall have received an MRRS Decision Document in respect thereof. The Corporation covenants and agrees with the Canadian Underwriters that as soon as practicable, it will prepare (subject to review by the Canadian Underwriters) and file with the Qualifying Authorities, the Final Prospectus, together with the required supporting documents, and use its reasonable best efforts to obtain the MRRS Decision Document from such Qualifying Authorities in order to qualify the distribution of the Securities.

(2) The representations and warranties made by the Corporation in Section 2 of the U.S. Agreement are incorporated herein by reference and shall have the same effect as if made to the Canadian Underwriters under this Canadian Underwriting Agreement.

SECTION 3 DUE DILIGENCE

Prior to the Time of Closing, and, if applicable, prior to the filing of any Prospectus Amendment and prior to the filing of any Supplementary Material, including on any intervening weekends, the Corporation shall allow the Canadian Underwriters to participate fully in the preparation of such documents and shall allow the Canadian Underwriters to conduct all due diligence that the Canadian Underwriters may require to conduct in order to fulfil their obligations as underwriters and in order to enable the Canadian Underwriters responsibly to execute any certificate required to be executed by them, provided, however, that this Section 3 is not intended to operate as a condition of the Offering.

SECTION 4 CONDITIONS OF THE OFFERING

The Canadian Underwriters' obligations under this Agreement are conditional upon and subject to:

(1) the Canadian Underwriters receiving at the Time of Closing favourable legal opinions dated the Closing Date, addressed to the Canadian Underwriters and their counsel from Field Atkinson Perraton LLP, Canadian counsel to the Corporation (who may rely, to the extent appropriate in the circumstances, on the opinions of local counsel acceptable to counsel to the Corporation and counsel to the Canadian Underwriters as to the qualification of the Securities for sale to the public and as to other matters governed by the laws of the Qualifying Provinces other than the provinces in which they are qualified to practice and may rely, to the extent appropriate in the circumstances, as to matters of fact on certificates of officers, of public officials and of Exchange officials or of the auditors or transfer agent of the Corporation), to the effect set forth below:

(a) the Corporation having been amalgamated and existing under the laws of Canada;

(b) the Corporation having the corporate capacity and power to own and lease its properties and assets and to conduct its business as described in the Final Prospectus and to execute and deliver this agreement and to carry out the transactions contemplated hereby;

(c) the authorized share capital of the Corporation being as described in the Final Prospectus;

(d) all necessary corporate action having been taken by the Corporation to authorize the execution and delivery of this Agreement and the U.S. Agreement and the performance of its obligations hereunder and thereunder and this Agreement and the U.S. Agreement have been duly executed and delivered by the Corporation and each agreement constitutes a legal, valid and binding obligation of, and is enforceable against, the Corporation in accordance with its terms (subject to bankruptcy, insolvency or other laws affecting the rights of creditors generally, general equitable principles including the availability of equitable remedies and the qualification that no opinion need be expressed as to rights to indemnity, contribution and waiver of contribution) and the execution and delivery by the Corporation of this Agreement and the U.S. Agreement, the fulfilment of the terms hereof and thereof by the Corporation, and the issue, sale and delivery on the Closing Date of the Securities and the Underwriters' Warrants to the Canadian Underwriters and the U.S. Agents as contemplated herein and in the U.S. Agreement do not constitute or result in a breach of or a default under, and do not create a state of facts which, after notice or lapse of time or both, will constitute or result in a breach of, and will not conflict with, any of the terms, conditions or provisions of the articles or by-laws of the Corporation;

(e) all necessary corporate action having been taken by the Corporation to authorize the execution and delivery of the Warrant Indenture and the performance of the its obligations thereunder and that the Warrant Indenture has been duly executed and delivered by the Corporation and constitutes a legal, valid and binding obligation of, and is enforceable against, the Corporation in accordance with its terms (subject to bankruptcy, insolvency or other laws affecting the rights of creditors generally, general equitable principles including the availability of equitable remedies and the qualification that no opinion need be expressed as to rights to indemnity, contribution and waiver of contribution);

(f) the issuance and sale of the Common Shares comprised in the Securities, the creation, issuance and sale of the Warrants comprised in the Securities, and the creation and issuance of the Underwriters' Warrants have been authorized by all necessary action on the part of the Corporation;

(g) all documents required to be filed by the Corporation and all proceedings required to be taken by the Corporation under applicable Canadian Securities Laws having been filed and taken in order to qualify the distribution (or distribution to the public, as the case may be) of the Securities in each of the Qualifying Provinces through investment dealers or brokers registered under the applicable laws thereof who have complied with the relevant provisions thereof;

(h) all legal requirements will have been fulfilled by the Corporation under applicable Canadian Securities Laws so that the issuance of the Common Shares on exercise of Warrants and the Underwriters' Warrants (the "UNDERLYING COMMON SHARES") will be exempt from the prospectus requirements of the applicable Canadian Securities Laws, and such Underlying Common Shares will not be subject to any statutory hold period, and no other documents will be required to be filed, proceedings taken, or approvals, permits, consents or authorizations obtained under the applicable Canadian Securities Laws to permit the trading in the Qualifying Provinces of the Underlying Common Shares, through registrants registered under applicable Canadian Securities Laws or in circumstances in which there is an exemption from the registration requirements of such applicable laws, subject to usual exceptions;

(i) the Securities and the Underlying Common Shares having been conditionally approved for listing on the TSX subject only to compliance with the documentary filing requirements of such exchange;

(j) the attributes and characteristics of the Securities being accurately summarized in all material respects under the heading "Details of the Offering" in the Final Prospectus;

(k) the Common Shares and the Underlying Common Shares, when and if issued by the Corporation, having been validly issued by the Corporation and being fully-paid and non-assessable shares in the capital of the Corporation;

(l) the Securities being, at the Time of Closing, eligible for investment pursuant to the statutes set forth under the heading "Eligibility for Investment" in the Final Prospectus;

(m) as to certain Canadian federal income tax matters, as described in the Final Prospectus under the heading "Eligibility for Investment"; and

(n) during the course of the Corporation's preparation of the Final Prospectus and its participation in conferences with officers and other representatives of the Corporation, the Corporation's independent public accountants, the U.S. Agents and the Canadian Underwriters and their counsel, during which the contents of the Final Prospectus were discussed, and while it has not independently verified and is not passing upon the accuracy, completeness or fairness of the statements made in the Final Prospectus except as explicitly set forth in paragraphs (l) and (m) hereof, no facts have come to its attention that lead it to believe that the Final Prospectus (other than the financial statements, financial and related statistical data and supporting schedules as to which it makes no statement), contained any untrue statement of a material fact or omitted or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading; or that the Final Prospectus, as of its date or as of the Closing Date, contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

and Stoel Rives LLP, the Corporation's U.S. counsel as to those matters set forth in Schedule B to the U.S. Agreement, in each case addressed to the Canadian Underwriters and their counsel, dated the Closing Date, and in form and substance satisfactory to the Canadian Underwriters and their counsel;

(2) the Canadian Underwriters having received the comfort letter referred to in Section 9(1)(a);

(3) the Canadian Underwriters having received a comfort letter, dated the Closing Date, in form and substance satisfactory to the Canadian Underwriters, acting reasonably, bringing forward to a date not more than two business days prior to the Closing Date the information contained in the comfort letter referred to in Section 9(1)(a);

(4) the Canadian Underwriters receiving at the Time of Closing a legal opinion (or opinions) dated the Closing Date, in form and substance satisfactory to the Canadian Underwriters and their counsel, addressed to the Canadian Underwriters and their counsel, from local counsel to the Corporation, as to mining title matters with respect to each of the Material Resource Properties (as hereinafter defined);

(5) the Canadian Underwriters receiving at the Time of Closing a legal opinion (or opinions) dated the Closing Date, in form and substance satisfactory to the Canadian Underwriters and their counsel, addressed to the Canadian Underwriters and their counsel, from local counsel to the Corporation, stating that each of Caystar Holdings, Bogoso Holdings, Bogoso Gold Limited and Wasford Holdings has been duly created

and is validly existing under the laws of the jurisdiction in which it was incorporated, amalgamated or continued, and that the Corporation or a Material Subsidiary owns all of the issued and outstanding share capital of such corporations, except as set out in Schedule A, in each case addressed to the Canadian Underwriters and their counsel, dated the Closing Date, and in form and substance satisfactory to the Canadian Underwriters and their counsel;

(6) at the Time of Closing, there having been no material adverse change in the business, affairs, operations, assets, liabilities or financial condition of the Corporation on a consolidated basis since the date hereof;

(7) at the Time of Closing, CIBC Mellon Trust Company, at is principal office in Vancouver, having been duly appointed as the transfer agent and registrar for the Common Shares and warrant trustee for the Warrants, and the Warrant Indenture having been executed by the Corporation and CIBC Mellon Trust Company;

(8) the U.S. Agreement having been executed by the Corporation and the U.S. Agents, and none of the U.S. Agents shall have relied upon any rights of termination in the U.S. Agreement to terminate the offering of the Securities in the United States, and all conditions to the U.S. Agents' obligations thereunder having been satisfied or waived by the U.S. Agents;

(9) the U.S. Registration Statement being declared effective by the SEC;

(10) the Corporation delivering a certificate signed on behalf of the Corporation by the Chief Executive Officer of the Corporation and the Chief Financial Officer of the Corporation, addressed to the Canadian Underwriters and dated the Closing Date, in a form satisfactory to the Canadian Underwriters and their counsel, certifying for and on behalf of the Corporation and not in their personal capacities that, to the actual knowledge of the persons signing such certificate, after having made due inquiry:

(a) the Corporation has complied in all respects with all covenants and satisfied all terms and conditions of this Agreement on its part to be complied with and satisfied at or prior to the Time of Closing on the Closing Date;

(b) no order, ruling or determination having the effect of ceasing or suspending trading in any securities of the Corporation or prohibiting the sale of the Securities or any of the Corporation's issued securities has been issued and no proceeding for such purpose is pending or, to the knowledge of such officers, threatened;

(c) the Corporation is a "reporting issuer" or its equivalent under the securities laws of each of the Qualifying Provinces and eligible to use the POP System and no material change relating to the Corporation on a consolidated basis has occurred since the date hereof with respect to which the requisite material change report has not been filed and no such disclosure has been made on a confidential basis that remains subject to confidentiality; and

(d) all of the representations and warranties made by the Corporation in this Agreement are true and correct as of the Time of Closing with the same force and effect as if made at and as of the Time of Closing after giving effect to the transactions contemplated hereby;

(11) the National Association of Securities Dealers, Inc. ("NASD") has confirmed that it has not raised any objection with respect to the fairness and reasonableness of the underwriting terms and arrangements related to the Offering; and

(12) the Canadian Underwriters receiving at the Time of Closing such further certificates, opinions of counsel and other documentation from the Corporation as are consistent with the transactions contemplated herein.

SECTION 5 COVENANTS OF THE CANADIAN UNDERWRITERS

(1) The Canadian Underwriters:

(a) shall offer or arrange the offer of the Securities for sale to the public, directly and through other investment dealers and brokers (the Canadian Underwriters, together with such other investment dealers and brokers, are referred to herein as the "SELLING FIRMS"), only as permitted by and in compliance with all relevant laws and regulatory requirements of applicable Canadian Securities Laws, upon the terms and conditions set forth in the Final Prospectus and in this Agreement and will require each Selling Firm to so agree;

(b) shall not solicit offers to purchase or sell the Securities so as to require registration thereof or the filing of a prospectus or similar document with respect thereto under the laws of any jurisdiction other than the Qualifying Provinces, and will require each Selling Firm to agree with the Canadian Underwriters not to so solicit or sell. In this connection, the Canadian Underwriters agree that they will not offer or sell any of the Securities constituting a part of their allotment within the United States except, if applicable, through the U.S. Agents on the terms and conditions set forth in the U.S. Agreement and the Inter-Dealer Agreement and in compliance with U.S. Securities Law. For the purposes of this
Section 5(1)(b), the Canadian Underwriters shall be entitled to assume that the Securities are qualified for distribution in any Qualifying Province where a receipt or similar document for the Final Prospectus shall have been obtained from the applicable Canadian securities regulatory authority following the filing of the Final Prospectus;

(c) agree that if they offer to sell or sell any Securities in jurisdictions other than the Qualifying Provinces (which may include Europe), such offers and sales shall be effected in accordance and compliance with the applicable laws of such jurisdictions and shall be effected in such manner so as not to: (i) require registration of the Securities, or the filing of a prospectus or other document with respect thereto; or (ii) subject the Corporation to any continuous disclosure or similar reporting requirements under the laws of any jurisdiction outside the provinces of Canada or the United States;

(d) shall use all reasonable efforts to complete and to cause the other Selling Firms to complete the distribution of the Securities as soon as practicable;

(e) shall notify the Corporation when, in their opinion, the Canadian Underwriters and the other Selling Firms have ceased distribution of the Securities and shall provide a breakdown of the number of Securities distributed in each of the Qualifying Provinces; and

(f) shall comply with any applicable laws with respect to the use of "green sheets" and other marketing materials during the "waiting period" (as defined under applicable Canadian Securities Laws).

(2) Notwithstanding the foregoing, no Canadian Underwriter shall be liable to the Corporation with respect to any other Canadian Underwriter under this
Section 5.

SECTION 6 REPRESENTATIONS AND WARRANTIES OF THE CORPORATION

(1) The Corporation hereby represents and warrants to the Canadian Underwriters, intending that the same may be relied upon by the Canadian Underwriters, that:

(a) each of the Corporation and the Material Subsidiaries has been duly incorporated, continued or amalgamated and organized and is validly existing under the laws of its jurisdiction of incorporation, continuance or amalgamation, has all requisite corporate power and authority to carry on its business as now conducted and as contemplated by the Final Prospectus, and to own, lease and operate its properties and assets, and the Corporation has all requisite power and authority to carry out its obligations under this Agreement;

(b) the only major operating subsidiaries of the Corporation are listed in Schedule A;

(c) the Corporation or one of its Material Subsidiaries owns the issued and outstanding shares of each of the Material Subsidiaries as set out in Schedule A, in each case free and clear of any pledge, lien, security interest, charge, claim or encumbrance;

(d) upon completion of the Wassa Transactions (as defined below), Wasford Holdings will own 90% of the issued and outstanding shares of Wexford Goldfields Limited, free and clear of any pledge, lien, security interest, charge, claim or encumbrance, other than as is held for the benefit of Bayerische Hypo-und Vereinsbank AG, Dresdner Bank AG, Fortis Bank (Nederland) N.V., and Standard Bank London Limited (the "SECURED BANKS"), which banks are providing funding in respect of the acquisition;

(e) the Corporation is a reporting issuer or the equivalent in each of the provinces of Canada and the Corporation is not in default of any of the requirements of the securities laws of such jurisdictions;

(f) the Corporation was and is eligible to use the POP System and at the respective times of filing, each of the Preliminary Prospectus and the Final Prospectus

together with any Prospectus Amendment and any Supplementary Material have and will comply with the requirements of the applicable Canadian Securities Laws pursuant to which they have been filed, have and will provide full, true and plain disclosure of all material facts (as defined in the Securities Act (Ontario)) relating to the Corporation on a consolidated basis and to the Securities and will not contain any misrepresentation (as defined in the Securities Act (Ontario)), provided that the foregoing shall not apply with respect to statements contained in such documents relating solely to the Canadian Underwriters;

(g) no order, ruling or determination having the effect of ceasing, suspending or restricting trading in any securities of the Corporation or the sale of the Common Shares or Warrants comprised in the Securities has been issued and no proceedings, investigations or inquiries for such purpose are pending or, to the Corporation's knowledge, threatened;

(h) the Corporation's Common Shares are posted and listed for trading on the Exchanges and the Corporation is not in default in any material respect of any of the listing requirements of the Exchanges;

(i) other than options under the Corporation's Stock Option Plans, the Corporation is not a party to and has not entered into any agreement, warrant, option, right or privilege reasonably capable of becoming an agreement, for the purchase, subscription or issuance of any Common Shares or securities convertible into or exchangeable for Common Shares other than as set out in Schedule B;

(j) as at the date hereof, the authorized share capital of the Corporation consists of an unlimited number of Common Shares and an unlimited number of First Preferred shares, of which - Common Shares and no First Preferred shares are issued and outstanding;

(k) the Corporation and each of the Material Subsidiaries have conducted and are conducting their respective businesses in compliance with all applicable laws, rules, regulations, tariffs, orders and directives, including without limitation, all laws, regulations and statutes relating to mining and to mining claims, concessions or leases, and environmental, health and safety laws, rules, regulations, or policies or other lawful requirements of any governmental or regulatory bodies having jurisdiction over the Corporation and the Material Subsidiaries in each jurisdiction in which the Corporation or the Material Subsidiaries carries on their respective businesses, other than those in respect of which the failure to comply would not individually or in the aggregate be material and each of the Corporation and the Material Subsidiaries holds all certificates, authorities, permits, licenses, registrations and qualifications (collectively, the "AUTHORITIES") in all jurisdictions in which each carries on its business and which are material for and necessary or desirable to carry on their respective businesses as now conducted and to the best of the Corporation's knowledge, information and belief all the Authorities are valid and existing and in good standing and none of the Authorities contain any burdensome term,

provision, condition or limitation which has or is likely to have any material adverse effect on the business of the Corporation and the Material Subsidiaries (taken as a whole) as now conducted or as proposed to be conducted, and neither the Corporation nor any of the Material Subsidiaries has received any notice of proceedings relating to the revocation or modification of any of the Authorities which, singly or in the aggregate, if the subject of an unfavourable decision, ruling or finding, would materially adversely affect the business, operations, financial condition, or income of the Corporation or the Material Subsidiaries (taken as a whole) or any notice of the revocation or cancellation of, or any intention to revoke or cancel, any of the mining claims, concessions or leases comprising:

(i) the Bogoso property;

(ii) the Prestea property;

(iii) the Paul Isnard property;

(iv) the Yaou and Dorlin properties; and

(v) the St. Elie property;

(each as described in the Form 10-K of the Corporation dated March 25, 2002, collectively referred to herein as the "RESOURCE PROPERTIES", and the Bogoso property and the Prestea property collectively being referred to herein as the "MATERIAL RESOURCE PROPERTIES");

(l) neither the Corporation nor any of the Material Subsidiaries has received any notice of the revocation or cancellation of, or any intention to revoke or cancel, any of the material mining claims, concessions or leases comprising the Wassa property;

(m) the Corporation and each of its Material Subsidiaries have good and marketable title to all assets owned by them free and clear of all liens, charges and encumbrances, other than as will be held for the benefit of the Secured Banks, which banks are providing funding in respect of the acquisition of Wexford Goldfields Limited, upon completion of such acquisition and other than such liens, charges and encumbrances that are not individually or in the aggregate material to the Corporation or the Material Subsidiaries;

(n) all interests in the Resource Properties are owned, leased or held by the Corporation or its Material Subsidiaries as owner or lessee thereof, are so owned with good and marketable title or are so leased with good and valid title, are in good standing, are valid and enforceable, are free and clear of any liens, charges or encumbrances and no royalty is payable in respect of any of them, except as set out in the Final Prospectus or the Continuous Disclosure Materials or as are not individually or in the aggregate material to the Corporation or Material Subsidiaries, or other than as would not have a material effect on the value of

such interests; no other material property rights are necessary for the conduct or intended conduct of the Corporation's or the Material Subsidiaries' business and there are no restrictions on the ability of the Corporation or the Material Subsidiaries to use, transfer or otherwise exploit any such property rights, except as set out in the Final Prospectus or the Continuous Disclosure Materials;

(o) the Corporation is in the process of acquiring, through its wholly-owned subsidiary Wasford Holdings, 90% of the equity of Wexford Goldfields Limited, which is in the process of acquiring all interests in the Wassa gold property in Ghana (the "WASSA TRANSACTIONS"). The Wassa property and the current terms of the Wassa Transaction are as described in the Preliminary Prospectus and the Final Prospectus. It is expected that the Wassa Transactions will close by September 1, 2002. The Corporation knows of no fact, event, occurrence, announcement or any other thing that would, or might reasonably be expected to, materially increase the costs of the closing of the Wassa Transactions, or materially delay the closing of the Wassa Transactions;

(p) (A) the Corporation and its Material Subsidiaries are in compliance with all material terms and provisions of all contracts, agreements, indentures, leases, instruments and licences material to the conduct of its business and (B) all such contracts, agreements, indentures, leases, policies, instruments and licences are valid and binding in accordance with their terms and in full force and effect;

(q) to the best of the Corporation's knowledge, information and belief none of the real property (and the buildings constructed thereon) in which the Corporation or any of the Material Subsidiaries has a direct or indirect interest, whether leasehold or fee simple or otherwise (the "REAL PROPERTY"), or upon or within which it has operations, is subject to any judicial or administrative proceeding alleging the violation of any federal, provincial, state or municipal environmental, health or safety statute or regulation, domestic or foreign, or is subject to any investigation concerning whether any remedial action is needed to respond to a release of any Hazardous Material (as defined below) into the environment. Neither the Corporation nor any Material Subsidiary nor, to the Corporation's knowledge, any occupier of the Real Property, has filed any notice under any federal, provincial, state or municipal law, domestic or foreign, indicating past or present treatment, storage or disposal of a Hazardous Material. Except in compliance with applicable environmental laws, none of the Real Property has at any time been used by the Corporation or a Material Subsidiary or, to the best of the Corporation's knowledge, information and belief by any other occupier, as a waste storage or waste disposal site. The Corporation, on a consolidated basis, has no contingent liability of which it has knowledge in connection with any release of any Hazardous Material on or into the environment from any of the Real Property or operations thereon. Neither the Corporation nor any Material Subsidiary nor, to the best of the Corporation's knowledge, any occupier of the Real Property, generates, transports, treats, processes, stores or disposes of any waste on any of the Real Property in contravention of applicable federal, provincial, state or municipal laws or

regulations enacted for the protection of the natural environment (including, without limitation, ambient air, surface water, ground water, land surface or subsurface strata) or human health or wildlife. To the Corporation's knowledge, no underground storage tanks or surface impoundments containing a petroleum product or Hazardous Material are located on any of the Real Property in contravention of applicable federal, provincial, state or municipal laws or regulations, domestic or foreign, enacted for the protection of the natural environment (including, without limitation, ambient air, surface water, ground water, land surface or subsurface strata), human health or wildlife. For the purposes of this Section 6(1)(q), "HAZARDOUS MATERIAL" means any contaminant, chemical, pollutant, subject waste, hazardous waste, deleterious substance, industrial waste, toxic matter or any other substance that when released into the natural environment (including, without limitation, ambient air, surface water, ground water, land surface or subsurface strata) is likely to cause, at some immediate or future time, harm or degradation to the natural environment (including, without limitation, ambient air, surface water, ground water, land surface or subsurface strata) or risk to human health and, without restricting the generality of the foregoing, includes any contaminant, chemical, pollutant, subject waste, deleterious substance, industrial waste, toxic matter or hazardous waste as defined by applicable federal, provincial, state or municipal laws or regulations enacted for the protection of the natural environment (including, without limitation, ambient air, surface water, ground water, land surface or subsurface strata), or human health or wildlife;

(r) except as disclosed in the Final Prospectus or the Continuous Disclosure Materials, the Corporation and each of its Material Subsidiaries maintain appropriate insurance against loss of, or damage to, their assets for all insurable risks on a repair, reinstatement or replacement cost basis, and all of the policies in respect of such insurance coverage are in good standing in all respects and not in default;

(s) the consolidated audited financial statements of the Corporation for its fiscal years ended December 31, 1999, December 31, 2000 and December 31, 2001 and the unaudited interim financial statements of the Corporation for the quarter ended March 31, 2002 (collectively the "CORPORATION'S FINANCIAL STATEMENTS"), copies of which are incorporated by reference in the Preliminary Prospectus and the Final Prospectus, including any reconciliation of financial statements prepared in accordance with generally accepted accounting principles in Canada with generally accepted accounting principles in the United States, are true and correct in every material respect and present fairly and accurately the financial position and results of the operations of the Corporation on a consolidated basis for the periods then ended and the Corporation's Financial Statements have been prepared in accordance with generally accepted accounting principles in Canada applied on a consistent basis, and comply as to form in all material respects with the applicable accounting requirements of the U.S. Securities Act and the U.S. Exchange Act, as applicable, and the related published rules and regulations thereunder;

(t) the execution and delivery of and the performance by the Corporation of this Agreement and the U.S. Agreement and the consummation of the transactions contemplated hereby and thereby, including the issuance and sale of the Common Shares comprised in the Securities, the creation, issuance and sale of the Warrants comprised in the Securities, and the creation and issuance of the Underwriters' Warrants have been authorized by all necessary action on the part of the Corporation;

(u) this Agreement and the U.S. Agreement have been duly executed and delivered by the Corporation and each such agreement is a legal, valid and binding obligation of, and is enforceable against, the Corporation in accordance with its terms (subject to bankruptcy, insolvency or other laws affecting the rights of creditors generally, the availability of equitable remedies and the qualification that rights to indemnity and waiver of contribution may be contrary to public policy);

(v) the Final Prospectus complies fully, in all respects, with the requirements of Canadian Securities Laws; for greater certainty, the documents incorporated by reference therein, at the time they were filed, complied in all respects of Canadian Securities Laws;

(w) except as included or incorporated by reference therein, there are no financial statements or other documents required to be included in the Preliminary Prospectus or Final Prospectus as a result of a "significant acquisition" or "significant disposition", each as described in NI 44-101;

(x) except as disclosed in the Final Prospectus or the Continuous Disclosure Materials, since March 31, 2002: (A) there has been no material change in the business, affairs, operations, assets, liabilities or financial condition of the Corporation on a consolidated basis; (B) no material change reports or other documents have been filed on a confidential basis with the Qualifying Authorities; (C) there has been no transaction entered into by the Corporation and not disclosed in the Continuous Disclosure Materials which is material to the Corporation; (D) the Corporation and its Material Subsidiaries, on a consolidated basis, have not incurred any material liability or obligation, indirect, direct or contingent, not in the ordinary course of business, nor entered into any material transaction or agreement not in the ordinary course of business; and (E) there has been no dividend or distribution of any kind declared, paid or made by the Corporation or, except for dividends paid to the Corporation or its Material Subsidiaries, any of its Material Subsidiaries, on any class of capital stock or repurchase or redemption by the Corporation or any of its Material Subsidiaries of any class of capital stock;

(y) the directors and officers of the Corporation and their compensation arrangements with the Corporation, whether as directors, officers or employees of the Corporation, are as disclosed in the Preliminary Prospectus and Final Prospectus or in the Continuous Disclosure Materials if required to be so disclosed;

(z) all of the material contracts and agreements of the Corporation and of its Material Subsidiaries not made in the ordinary course of business (collectively the "MATERIAL CONTRACTS") have been disclosed in the Continuous Disclosure Materials;

(aa) all tax returns, reports, elections, remittances and payments of the Corporation and of its Material Subsidiaries required by law to have been filed or made in any applicable jurisdiction, have been filed (or are in the process of being prepared for filing, which delayed filing will not have an adverse effect on the Corporation or any of its Material Subsidiaries) or made (as the case may be), other than for taxes being contested in good faith, or with respect to which the failure to file or make would not have a material adverse effect, either individually or in the aggregate, to the Corporation and the Material Subsidiaries and, to the knowledge of the Corporation, are substantially true, complete and correct and all taxes of the Corporation and of its Material Subsidiaries, in respect of which payment or accrual is required under applicable law, other than taxes being contested in good faith, have been so paid or accrued in the Corporation's Financial Statements;

(bb) the Common Shares and Warrants comprised in the Securities are not "foreign property" for purposes of the Income Tax Act (Canada);

(cc) there is no material action, suit, proceeding, investigation or judgment pending, or to the Corporation's knowledge threatened or outstanding against or affecting the Corporation or any Material Subsidiary (or their respective officers and directors) at law or in equity or before or by any federal, provincial, state, municipal or other governmental department, commission, board or agency, domestic or foreign, which in any way materially adversely affects or may materially adversely affect the business, operations or condition of the Corporation or any Material Subsidiary (financial or otherwise) or its property or assets or which questions or may question the validity of the creation, issuance or sale, of the Securities or any action taken or to be taken by the Corporation or any Material Subsidiary pursuant to or in connection with this Agreement or any other material contract to which the Corporation or any Material Subsidiary is a party, as the case may be;

(dd) except as have been made or obtained prior to Closing, under the laws of the Qualifying Provinces and the United States, no consent, approval, authorization, order, filing, registration or qualification of or with any court, governmental agency or body or regulatory authority is required for the creation, issue, sale and delivery (as the case may be) of the Securities or the Underwriters' Warrants or the consummation by the Corporation of the transactions contemplated in this Agreement and the U.S. Agreement;

(ee) all necessary corporate action has been taken or will have been taken prior to the Time of Closing by the Corporation so as to validly issue and sell the Common Shares comprised in the Securities, to validly create and issue the Underwriters' Warrants to the Canadian Underwriters and to validly create, issue and sell

Warrants comprised in the Securities to the Canadian Underwriters and upon receipt by the Corporation of the purchase price as consideration for the issue of the Securities, the Common Shares comprised in the Securities will be validly issued and outstanding as fully paid and non-assessable shares of the Corporation;

(ff) the attributes of the Securities conform in all material respects with the description thereof contained in the Final Prospectus;

(gg) there are no material business relationships or related party transactions within the meaning of Ontario Securities Commission Rule 61-501 involving the Corporation or any of its Material Subsidiaries or any other person except as described in the Final Prospectus or the Continuous Disclosure Materials;

(hh) (i) neither the Corporation nor any of its Material Subsidiaries nor any employee or agent of the Corporation or any Material Subsidiary, has made any unlawful contribution or other payment to any official of, or candidate for, any federal, state, provincial or foreign office, or failed to disclose fully any contribution, in violation of any law, or (ii) made any payment to any foreign, United States or state governmental officer or official, or other person charged with similar public or quasi-public duties, other than payments required or permitted by the laws of the United States;

(ii) the Corporation and each of its Material Subsidiaries maintains a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations;
(ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles in Canada and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and
(iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences;

(jj) neither the Corporation nor any of the Corporation's officers, directors or affiliates has taken, and at the Closing Date will have taken, directly or indirectly, any action which has constituted, or might reasonably be expected to constitute, the stabilization or manipulation of the price of sale or resale of the Securities;

(kk) the Corporation has timely and properly filed (i) with the SEC all reports and other documents required to have been filed by it with the SEC pursuant to the U.S. Securities Act and the rules and regulations, and (b) all reports or other documents required to have been filed by it with the securities commission or similar regulatory body of each province in Canada, the Toronto Stock Exchange or any other applicable Canadian governmental authorities. True and complete copies of all such reports and other documents have been delivered to the Canadian Underwriters;

(ll) neither the Corporation nor any Material Subsidiary (x) was a personal holding company within the meaning of Section 542 of the Internal Revenue Code of 1986, as amended (the "CODE") (a "PHC"), a foreign personal holding company with the meaning of Section 542 of the Code (an "FPHC"), or a controlled foreign corporation with the meaning of Section 957 of the Code (a "CFC") for its taxable year ended December 31, 1995 or for any previous taxable year, or (y) expects that it will constitute a PHC, a FPHC or a CFC for its current taxable year ending December 31, 2001;

(mm) the Corporation (x) was not a passive foreign investment company (a "PFIC") within the meaning of section 1296 of the Code for its taxable year ended December 31, 2001 or for any previous taxable year and (y) expects that it will not constitute a PFIC for its current taxable year ending December 31, 2002;

(nn) CIBC Mellon Trust Company, at its principal office in Vancouver, has been duly appointed as the transfer agent and registrar for the Common Shares and;

(oo) the form of the certificate representing the Warrants have been duly approved by the Corporation and comply with the provisions of the Canada Business Corporations Act and of the TSX; and

(pp) the Preliminary Prospectus and Final Prospectus, including any and all amendments thereto, contain and will contain no untrue statement of a material fact and do not and will not omit to state a material fact that is required to be stated or that is necessary to make the statements therein not misleading in light of the circumstances in which they are made.

(2) The representations and warranties made by the Corporation to the U.S. Agents in the U.S. Agreement are hereby incorporated by reference, and shall have the same effect as though they were made to the Canadian Underwriters under this Agreement.

SECTION 7 REPRESENTATIONS AND WARRANTIES OF THE CANADIAN UNDERWRITERS

(1) Each Canadian Underwriters hereby severally, and not jointly, represents and warrants that:

(a) it is, and will remain so, until the completion of the Offering, appropriately registered under applicable Canadian Securities Laws so as to permit it to lawfully fulfil its obligations hereunder and it is, and will remain so, until the completion of the Offering, a member in good standing of the TSX; and

(b) it has good and sufficient right and authority to enter into this Agreement and complete its transactions contemplated under this Agreement on the terms and conditions set forth herein.

SECTION 8 COVENANTS OF THE CORPORATION

(1) The Corporation covenants with the Canadian Underwriters that:

(a) the Corporation will comply with Section 57 of the Securities Act (Ontario) and with the comparable provisions of the other relevant Canadian Securities Laws, and, after the date hereof and prior to the completion of the distribution of the Securities, the Corporation will promptly advise the Canadian Underwriters in writing of the full particulars of any material change, (as defined in the Securities Act (Ontario)), in the business, affairs, operations, assets, liabilities or financial condition of the Corporation, on a consolidated basis, or of any change in any material fact (as defined in the Securities Act (Ontario)) contained or referred to in the Preliminary Prospectus, the Final Prospectus, the U.S. Prospectus, or any Prospectus Amendment or Supplementary Material which is, or may be, of such a nature as to render any statement contained in the Preliminary Prospectus or the Final Prospectus untrue, false or misleading, result in a misrepresentation (as defined in the Securities Act (Ontario)), or result in any of such documents not complying with the laws of any Qualifying Province or the United States. The Corporation will promptly prepare and file with the securities authorities in the Qualifying Provinces or the United States any amendment or supplement to the Preliminary Prospectus or the Final Prospectus or the U.S. Prospectus, which in the opinion of the Canadian Underwriters and the Corporation, each acting reasonably, may be necessary or advisable to correct such untrue or misleading statement or omission. The Corporation shall in good faith discuss with the Canadian Underwriters any change in circumstances (actual, anticipated, contemplated or threatened) which is of such a nature that there may be a reasonable doubt as to whether written notice need be given to the Canadian Underwriters under the provisions of this Section 8(1)(a);

(b) the Corporation will deliver without charge to the Canadian Underwriters, as soon as practicable, and in any event no later than -, 2002 in the case of the Final Prospectus and the U.S. Prospectus, and thereafter from time to time during the distribution of the Securities, in such cities as the Canadian Underwriters shall notify the Corporation, as many commercial copies of each of the Preliminary Prospectus, the Final Prospectus and the U.S. Prospectus, respectively, (and in the event of any Prospectus Amendment, such Prospectus Amendment) as the Canadian Underwriters may reasonably request for the purposes contemplated by Canadian Securities Laws and U.S. Securities Laws and such delivery shall constitute consent by the Corporation to the use by the Canadian Underwriters, the U.S. Agents and the Selling Firms of such documents in connection with the Offering in all Qualifying Provinces and the United States, subject to the provisions of applicable Canadian Securities Laws and U.S. Securities Laws. The Corporation shall similarly cause to be delivered commercial copies of the Supplementary Material in such quantities as the Canadian Underwriters may reasonably request;

(c) the Corporation shall use its best efforts to arrange that the Common Shares comprised in the Securities are listed and posted for trading on the TSX and the AMEX on the Closing Date, and that the Warrants comprised in the Securities are listed and posted for trading on the TSX on the Closing Date, subject only to the documentary filing requirements of each such exchange;

(d) it will not: (i) offer, pledge, sell, contract to sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise lend, transfer or dispose of, directly or indirectly, any Common Shares or securities convertible into or exercisable or exchangeable for Common Shares; or (ii) enter into any swap or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of Common Shares or such other securities, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Common Shares or such other securities, in cash or otherwise (other than the Securities and other than in connection with the grant or exercise of options, issuances under the Corporation's existing Stock Option Plans or employee share purchase plan or any other existing rights of conversion or securities issued as consideration for an acquisition of assets or shares), for a period ending 90 days after the closing of the Offering without the prior written consent of the Lead Manager, such consent not to be unreasonably withheld;

(e) it will apply the net proceeds from the sale of the Securities as set forth under "Use of Proceeds" in the Final Prospectus; and

(f) it will use its reasonable best efforts to make all necessary arrangements with the Alternative Investment Market of the London Stock Exchange in order that the Common Shares are listed on that exchange within 6 months of the Closing Date.

SECTION 9 ADDITIONAL DOCUMENTS UPON FILING OF FINAL PROSPECTUS

(1) The Canadian Underwriters' obligations under this Agreement are conditional upon the receipt by the Canadian Underwriters, concurrently with the filing of the Final Prospectus, of:

(a) a "long-form" comfort letter dated the date of Final Prospectus from the auditors of the Corporation, addressed to the Canadian Underwriters, in form and substance reasonably satisfactory to the Canadian Underwriters, relating to the verification of the financial information and accounting data and other numerical data of a financial nature contained in the Final Prospectus and matters involving changes or developments since the respective dates as of which specified financial information is given in the Final Prospectus to a date not more than two business days prior to the date of such letter. Such letter shall further state that such auditors are independent with respect to the Corporation within the meaning of applicable Canadian Securities Laws, and that in their opinion the audited financial statements of the Corporation included in the Final Prospectus comply as to form in all material respects with the applicable accounting requirements of applicable Canadian Securities Laws;

(b) a copy of the Final Prospectus signed and certified as required by Canadian Securities Laws; and

(c) a copy of any other document required to be filed by the Corporation with the Qualifying Authorities under Canadian Securities Laws of each of the Qualifying Provinces.

(2) The comfort letter referred to in Section 9(1)(a) shall be in addition to any comfort letters required by the terms of the U.S. Agreement to be delivered to the U.S. Agents.

(3) Similar documents and comfort letters shall be delivered to the Canadian Underwriters with respect to any Prospectus Amendment (provided, in the case of comfort letters, that the Prospectus Amendment contains financial, accounting or other numerical data of a financial nature), or as required by the terms of the U.S. Agreement to be delivered to the U.S. Agents.

SECTION 10 CLOSING

(1) The Offering will be completed at the offices of Stikeman Elliott in Toronto at 8:00 a.m. (Toronto time) on July 24, 2002 (the "TIME OF CLOSING" and the "CLOSING DATE", respectively) or at such other time and/or on such other date as the Canadian Underwriters and the Corporation may agree upon, but in any event no later than August 7, 2002.

(2) At the Time of Closing, subject to the terms and conditions contained in this Agreement, the Corporation shall deliver to the Canadian Underwriters a certificate or certificates representing the Offered Securities against payment of the purchase price by certified cheque, bank draft or wire transfer, dated the Closing Date, payable to the Corporation. The Corporation will, at the Time of Closing and upon such payment of the purchase price to the Corporation, make payment in full of the Underwriting Fee.

SECTION 11 CLOSING OF CANADIAN UNDERWRITERS' OPTION

(1) The purchase and sale of the Additional Units shall be completed at such time and place as the Canadian Underwriters and the Corporation may agree, but in no event shall such closing occur later than five (5) full business days after written notice of election to purchase Additional Units under the Canadian Underwriters' Option is given in the manner contemplated by the second paragraph of this Agreement (the "OVER-ALLOTMENT CLOSING").

(2) At the Over-Allotment Closing, subject to the terms and conditions contained in this Agreement, the Corporation shall deliver to the Canadian Underwriters a certificate or certificates representing the Additional Units against payment of the purchase price by certified cheque, bank draft or wire transfer, dated the date of the Over-Allotment Closing, payable to the Corporation. The Corporation will, at the time of the Over-Allotment Closing and upon such payment of the purchase price to the Corporation, make payment in full of the Underwriting Fee in respect of the Additional Units.

SECTION 12 TERMINATION RIGHTS

(1) All terms and conditions set out herein shall be construed as conditions and any breach or failure by the Corporation to comply with any such conditions in favour of the Canadian Underwriters shall entitle the Canadian Underwriters to terminate their

obligation to purchase the Securities by written notice to that effect given to the Corporation prior to the Time of Closing on the Closing Date. The Corporation shall use its reasonable best efforts to cause all conditions in this Agreement to be satisfied. It is understood that the Canadian Underwriters may waive in whole or in part, or extend the time for compliance with, any of such terms and conditions without prejudice to their rights in respect of any subsequent breach or non-compliance, provided that to be binding on the Canadian Underwriters, any such waiver or extension must be in writing.

(2) In addition to any other remedies that may be available to the Canadian Underwriters, the Canadian Underwriters shall each be entitled, at their option, to terminate and cancel, without any liability on the Canadian Underwriters' part, their obligations under this Agreement to purchase the Securities, by giving written notice to the Corporation at any time at or prior to the Time of Closing on the Closing Date:

(a) if there should occur any suspension or limitation of trading in securities generally on the TSX or AMEX, or if a general moratorium on commercial banking activities in Toronto or New York should be declared by the relevant authorities, or if, in relation to the Corporation, any inquiry, investigation or other proceeding (whether formal or informal) is commenced, threatened or announced or any order or ruling is issued by any officer of such exchange or market, or by the SEC, or any other regulatory authority in Canada or the United States, or if any law or regulation under or pursuant to any statute of Canada or of any province thereof or of the United States or any state or territory thereof is promulgated or changed which, in the reasonable opinion of the Canadian Underwriters (or any of them) operates to prevent or materially restrict trading the Common Shares or the distribution of the Securities or could reasonably be expected to have a significant adverse effect on the market price of the Common Shares or the Securities;

(b) if, after the date hereof and prior to the Time of Closing, the state of financial markets in Canada or the United States is such that, in the reasonable opinion of the Canadian Underwriters (or either of them), the Securities cannot be marketed profitably, either Canadian Underwriter shall be entitled, at its option, to terminate its obligations under this Agreement by notice to that effect given to the Corporation at or prior to the Time of Closing;

(c) if any inquiry, investigation or other proceeding is commenced or any other order is issued under or pursuant to any statute of Canada or any province thereof (other than an inquiry, investigation or other proceeding order based solely upon the activities or alleged activities of any Canadian Underwriter or Selling Firm) or the United States of America or any division thereof or there is any change of law or the interpretation or administration thereof by a securities regulator or other public authority, which in the reasonable opinion of the Canadian Underwriters, operates to prevent or materially restrict the trading of the Common Shares or the distribution of the Securities;

(d) if there shall occur any material change in the business, affairs, operations, assets, liabilities or financial condition of the Corporation on a consolidated basis or other change in a material fact relating to the Corporation on a consolidated basis which in the Canadian Underwriters' reasonable opinion would be expected to have a significant adverse effect on the market price or value of any of the Securities or the Common Shares; or

(e) if there should develop, occur or come into effect or existence any event, action, state, condition or major financial occurrence of national or international consequence, including without limiting the generality of the foregoing, any military conflict, civil insurrection, or any terrorist action, including without limitation, military insurrection (whether or not in connection with such conflict or insurrection), or any law or regulation, which, in the Canadian Underwriters' reasonable opinion, seriously adversely affects or involves, or will seriously adversely affect or involve, the Canadian or United States financial markets or the business, operations or affairs of the Corporation on a consolidated basis and/or prevents or materially restricts the trading of the Common Shares or the distribution of the Securities.

(3) The Canadian Underwriters shall make reasonable best efforts to give notice to the Corporation (in writing or by other means) of the occurrence of any of the events referred to in Section 12(2) provided that neither the giving nor the failure to give such notice shall in any way affect the entitlement of the Canadian Underwriters to exercise this right at any time prior to or at the Time of Closing.

(4) The rights of termination contained in this Section 12 as may be exercised by the Canadian Underwriters are in addition to any other rights or remedies the Canadian Underwriters may have in respect of any default, act or failure to act or non-compliance by the Corporation in respect of any of the matters contemplated by this Agreement.

(5) If the obligations of the Canadian Underwriters are terminated under this Agreement pursuant to these termination rights, the Corporation's liabilities to the Canadian Underwriters shall be limited to the Corporation's obligations under Section 13, Section 14 and Section 15.

SECTION 13 INDEMNITY

(1) The Corporation covenants and agrees to protect, indemnify, and save harmless, each of the Canadian Underwriters, and their respective directors, officers, employees and agents (individually, an "INDEMNIFIED PARTY" and collectively, the "INDEMNIFIED PARTIES"), against all losses, claims, damages, liabilities, reasonable costs or expenses (but not including loss of profit related to the sale of the Securities in the Offering) caused or incurred by reason of:

(a) any statement, other than a statement relating solely to the Canadian Underwriters, contained in the Preliminary Prospectus, the Final Prospectus, or in any Prospectus Amendment, or in any supplemental or additional or ancillary material, information, evidence, return, report, application, statement or

document (collectively, the "SUPPLEMENTARY MATERIAL") that has been filed by or on behalf of the Corporation in connection with the Offering under the relevant securities laws of any of the Qualifying Provinces which at the time and in the light of the circumstances under which it was made contains or is alleged to contain a misrepresentation (as such term is defined in the Securities Act (Ontario));

(b) the omission or alleged omission to state in the Preliminary Prospectus, the Final Prospectus, any Prospectus Amendment or in any Supplementary Material or any certificate of the Corporation delivered hereunder or pursuant hereto any material fact (as defined in the Securities Act (Ontario)) (other than a material fact relating solely to the Canadian Underwriters) required to be stated therein or necessary to make any statement therein not misleading in light of the circumstances under which it was made;

(c) any order made or inquiry, investigation or proceeding commenced or threatened by any securities commission or other competent authority based upon any untrue statement or omission or alleged untrue statement or omission in the Preliminary Prospectus, the Final Prospectus, or Prospectus Amendment, or any Supplementary Material, other than a statement relating solely to the Canadian Underwriters, which prevents or restricts the trading in any of the Common Shares or the distribution or distribution to the public, as the case may be, of any of the Securities in any of the Qualifying Provinces;

(d) the Corporation not complying with any requirement of any applicable Canadian Securities Laws; or

(e) any breach of a representation or warranty of the Corporation contained herein or the failure of the Corporation to comply with any of its obligations hereunder.

(2) To the extent that any Indemnified Party is not a party to this Agreement, the Canadian Underwriters shall obtain and hold the right and benefit of the above-noted indemnity in trust for and on behalf of such Indemnified Party.

(3) If any matter or thing contemplated by this Section 13 shall be asserted against any Indemnified Party in respect of which indemnification is or might reasonably be considered to be provided, such Indemnified Party will notify the Corporation as soon as possible of the nature of such claim (provided that omission to so notify the Corporation will not relieve the Corporation of any liability which it may otherwise have to the Indemnified Party hereunder, except to the extent the Corporation is materially prejudiced by such omission) and the Corporation shall be entitled (but not required) to assume the defence of any suit brought to enforce such claim; provided, however, that the defence shall be through legal counsel reasonably acceptable to such Indemnified Party and that no settlement may be made by the Corporation or such Indemnified Party without the prior written consent of the other, such consent not to be unreasonably withheld.

(4) In any such claim, such Indemnified Party shall have the right to retain other legal counsel to act on such Indemnified Party's behalf, provided that the fees and disbursements of such other legal counsel shall be paid by such Indemnified Party, unless: (i) the Corporation and such Indemnified Party mutually agree to retain other legal counsel; or (ii) the representation of the Corporation and such Indemnified Party by the same legal counsel would be inappropriate due to actual or potential differing interests, in which event such fees and disbursements shall be paid by the Corporation to the extent that they have been reasonably incurred, provided that in no circumstances will the Corporation be required to pay the fees and expenses of more than one set of legal counsel for all Indemnified Parties.

(5) The rights of indemnity contained in this Section 13 shall not enure to the benefit of any Indemnified Party if the Canadian Underwriters were provided with a copy of any amendment or supplement to the Final Prospectus which corrects any untrue statement or omission or alleged omission which is the basis of a claim by a party against such Indemnified Party and which is required, under Canadian Securities Laws, to be delivered to such party by the Canadian Underwriters or the Selling Firms.

SECTION 14 CONTRIBUTION

In the event that the indemnity provided for in Section 13 hereof is declared by a court of competent jurisdiction to be illegal or unenforceable as being contrary to public policy or for any other reason, the Canadian Underwriters and the Corporation shall contribute to the aggregate of all losses, claims, costs, damages, expenses or liabilities of the nature provided for above such that each Canadian Underwriter shall be responsible for that portion represented by the percentage that the portion of the Underwriting Fee payable by the Corporation to such Canadian Underwriter bears to the gross proceeds realized by the Corporation from the Offering, whether or not the Canadian Underwriters have been sued together or separately, and the Corporation shall be responsible for the balance, provided that, in no event, shall an Underwriter be responsible for any amount in excess of the portion of the Underwriting Fee actually received by such Canadian Underwriter. In the event that the Corporation may be held to be entitled to contribution from the Canadian Underwriters under the provisions of any statute or law, the Corporation shall be limited to contribution in an amount not exceeding the lesser of: (a) the portion of the full amount of losses, claims, costs, damages, expenses, liabilities, giving rise to such contribution for which such Canadian Underwriter is responsible; and (b) the amount of the Underwriting Fee actually received by any Canadian Underwriter. Notwithstanding the foregoing, a person guilty of fraud, fraudulent misrepresentation or gross negligence shall not be entitled to contribution from any other party. Any party entitled to contribution will, promptly after receiving notice of commencement of any claim, action, suit or proceeding against such party in respect of which a claim for contribution may be made against another party or parties under this section, notify such party or parties from whom contribution may be sought, but the omission to so notify such party shall not relieve the party from whom contribution may be sought from any obligation it may have otherwise under this section, except to the extent that the party from whom contribution may be sought is materially prejudiced by such omission. The right to contribution provided herein shall be in addition and not in derogation of any other right to contribution which the Canadian Underwriters may have by statute or otherwise by law.

SECTION 15 EXPENSES

Whether or not the transactions provided for herein (including the Offering) are completed, the Corporation shall pay all costs, fees and expenses of or incidental to the performance of its obligations under this Agreement including, without limitation: (i) the costs of the Corporation's professional advisors (including, without limitation, the Corporation's auditors, counsel and local counsel, including U.S. counsel) and (ii) the cost of printing the Preliminary Prospectus, the Final Prospectus, any Prospectus Amendment, the U.S. forms of such prospectuses and any amendments or supplements thereto, Supplementary Material and certificates for the Securities. The fees and disbursements of any counsel (whether Canadian or U.S.) to the Canadian Underwriters and the U.S. Agents up to an aggregate amount of Cdn$235,000 and out-of-pocket expenses of the Canadian Underwriters shall be borne by the Corporation; provided that, notwithstanding the foregoing, in the event that the sale and purchase of the Securities is not completed in accordance with the terms hereof (other than as a result of a breach by the Canadian Underwriters of any of its obligations hereunder), the Corporation shall assume and pay, in addition to the out-of pocket expenses of the Canadian Underwriters and any other expenses required to be paid by it hereunder, all fees and disbursements of counsel (whether Canadian or U.S.) to the Canadian Underwriters or the U.S. Agents.

SECTION 16 LIABILITY OF CANADIAN UNDERWRITERS

(1) The obligation of the Canadian Underwriters to purchase the Offered Securities in connection with the Offering at the Time of Closing on the Closing Date shall be several and not joint or joint and several and shall be as to the following percentages of the Offered Securities to be purchased at that time:

| | |
|---|---|
| Canaccord Capital Corporation | 50% |
| BMO Nesbitt Burns Inc. | 50% |
| | 100% |

(2) No Canadian Underwriter shall be obligated to take up and pay for any of the Offered Securities unless the other Canadian Underwriter simultaneously takes up and pays for the percentage of the Offered Securities set out above opposite their name.

(3) If one of the Canadian Underwriters fails to purchase its applicable percentage of the aggregate amount of the Offered Securities at the Closing Time, for any reason, the other Canadian Underwriter shall be relieved of its obligations hereunder provided that such other Canadian Underwriter shall have the right, but shall not be obligated, to purchase, all but not less than all, of the Offered Securities which would otherwise have been purchased by the Canadian Underwriter which failed to purchase. If, with respect to the Offered Securities, any non-defaulting Canadian Underwriter elects not to exercise such right so as to assume the entire obligation of the defaulting Underwriter or Canadian Underwriters (the Offered Securities in respect of which the defaulting Underwriter(s) fail to purchase and the non-defaulting Canadian Underwriter does not elect to purchase, being hereinafter called the "DEFAULT SHARES"), then the Corporation shall have the right to either (i) proceed with the sale of the Offered Securities (less the Default Shares) to the non-defaulting Canadian Underwriter in which case the Closing

Date may be postponed for 72 hours by notice to the Corporation or (ii) terminate its obligations hereunder without liability to the non-defaulting Canadian Underwriters except under Section 13, Section 14 and Section 15 hereof. Nothing in this Section 16 shall oblige the Corporation to sell to any of the Canadian Underwriters less than all of the Offered Securities or shall relieve any of the Canadian Underwriters in default hereunder from liability to the Corporation.

(4) Notwithstanding the foregoing, the Canadian Underwriters shall have the right, but not the obligation, to sell to the U.S. Agents, any Offered Securities pursuant to the Inter-Dealer Agreement, and subject to the terms and conditions set out therein.

(5) Any Offered Securities that are sold by the U.S. Agents pursuant to the U.S. Agreement will reduce the obligation of the Canadian Underwriters to purchase the Offered Securities hereunder by an equal amount.

SECTION 17 ACTION BY CANADIAN UNDERWRITERS

All steps which must or may be taken by the Canadian Underwriters in connection with this Agreement, with the exception of the matters relating to termination contemplated by Section 12 hereof, may be taken by the Lead Manager on behalf of itself and the other Canadian Underwriters and the acceptance of this offer by the Corporation shall constitute the Corporation's authority for accepting notification of any such steps from, and for delivering the definitive documents constituting the Securities to or to the order of the Lead Manager.

SECTION 18 COMPLIANCE WITH U.S. SECURITIES LAWS; CONCURRENT OFFERING

(1) The Corporation and the Canadian Underwriters agree that each will comply with U.S. Securities Laws in connection with this Agreement and the Offering. Each acknowledges that the Securities will be registered under the U.S. Securities Act and that the Preliminary Prospectus and the Final Prospectus must be, or have been, filed with SEC.

(2) It is understood and agreed to by all parties that the Corporation is concurrently entering into the US Agreement providing for the sale by the Corporation of - Units in the United States, through arrangements with the U.S. Agents. Anything herein or therein to the contrary notwithstanding, the respective closings under this Agreement and the U.S. Agreement are hereby expressly made conditional on one another. Two forms of prospectus are to be used in connection with the offering and sale of the Securities contemplated by the foregoing, one relating to the Securities hereunder and the other related to the Securities sold through the U.S. Agents. The latter form of prospectus will be identical to the former except that certain additional pages will be included in the Preliminary Prospectus and the Final Prospectus, and amendments thereto, that relate to Canadian Securities Laws or Canadian market conventions.

SECTION 19 GOVERNING LAW; TIME OF ESSENCE

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein and time shall be of the essence hereof.

SECTION 20 SURVIVAL OF WARRANTIES, REPRESENTATIONS, COVENANTS AND AGREEMENTS

All warranties, representations, covenants and agreements of the Corporation and the Canadian Underwriters herein contained or contained in documents submitted or required to be submitted pursuant to this Agreement shall survive the purchase by the Canadian Underwriters of the Securities and shall continue in full force and effect, regardless of the closing of the sale of the Securities and regardless of any investigation which may be carried on by the Canadian Underwriters, or on their behalf, for a period of two years following the Closing Date. Without limitation of the foregoing, the provisions contained in this Agreement in any way related to the indemnification or the contribution obligations herein shall survive and continue in full force and effect, indefinitely.

SECTION 21 PRESS RELEASES

The Corporation shall provide the Canadian Underwriters and their counsel with a copy of all press releases to be issued by the Corporation concerning the Offering contemplated hereby prior to the issuance thereof, and shall give the Canadian Underwriters and their counsel a reasonable opportunity to provide comments on any press release.

SECTION 22 NOTICES

All notices or other communications by the terms hereof required or permitted to be given by one party to another shall be given in writing by personal delivery or by facsimile delivered or facsimile to such other party as follows:

(a) to the Corporation at:

Golden Star Resources Ltd.
10579 Bradford Road
Suite 103
Littleton, Colorado
USA, 80127-4247

Attention: Peter Bradford
Facsimile No.: (303) 830-9094

with a copy to:

Field Atkinson Perraton LLP
1900, 350-7th Avenue S.W.
Calgary, Alberta

**T2P 3N9**

Attention: Bonnie Kuhn
Facsimile No.: (403) 264-7084

and to:

Stoel Rives LLP
900 S.W. 5th Avenue
Portland, Oregon
U.S.A. 97204-1268

Attention: John Halle
Facsimile No.: (503) 220-2480

(b) to the Canadian Underwriters at:

Canaccord Capital Corporation
320 Bay Street
Suite 1210
Toronto, Ontario

Attention: Peter Marrone
Facsimile No.: (416) 869-3876

and

BMO Nesbitt Burns Inc.
1 First Canadian Place
Toronto, Ontario
**M5X 1H3**

Attention: Egizio Bianchini
Facsimile No.: (416) 359-4459

with a copy to:

Stikeman Elliott
5300 Commerce Court West
199 Bay Street
Toronto, Ontario
**M5L 1B9**

Attention: Jay C. Kellerman
Facsimile No.: (416) 947-0866

and to:

Dorsey & Whitney LLP
BCE Place
161 Bay Street, Suite 4310
Toronto, Ontario

Canada M5J 2S1

Attention: Christopher Barry
Facsimile No.: (416) 367-7371

or at such other address or facsimile number as may be given by either of them to the other in writing from time to time and such notices or other communications shall be deemed to have been received when delivered or, if facsimile, on the next business day after such notice or other communication has been facsimile (with receipt confirmed).

SECTION 23 JUDGMENT CURRENCY

In respect of any judgment or order given or made for any amount due hereunder that is expressed and paid in a currency (the "JUDGMENT CURRENCY") other than Canadian dollars, the Corporation shall indemnify each Canadian Underwriter against any loss incurred by such Canadian Underwriter as a result of any variation as between (i) the rate of exchange at which the Canadian dollar amount is converted into the judgment currency for the purpose of such judgment or order and (ii) the rate of exchange at which a Canadian Underwriter is able to purchase Canadian dollars with the amount of the judgment currency actually received by such Canadian Underwriter. The term "rate of exchange" shall include any premiums and costs of exchange payable in connection with the purchase of or conversion into Canadian dollars.

SECTION 24 COUNTERPART SIGNATURE

This Agreement may be executed in one or more counterparts (including counterparts by facsimile) which, together, shall constitute an original copy hereof as of the date first noted above.

SECTION 25 ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the Canadian Underwriters and the Corporation relating to the subject matter hereof and supersedes all prior agreements between the Canadian Underwriters and the Corporation.

(THE REMAINDER OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY)

SECTION 26 ACCEPTANCE

If this offer accurately reflects the terms of the transaction which we are to enter into and if such terms are agreed to by the Corporation, please communicate your acceptance by executing where indicated below and returning by facsimile one copy and returning by courier one originally executed copy to Canaccord Capital Corporation (Attention: Peter Marrone).

Yours very truly,

**CANACCORD CAPITAL CORPORATION**

By: _____
Authorized Signing Officer

**BMO NESBITT BURNS INC.**

By: _____
Authorized Signing Officer

The foregoing accurately reflects the terms of the transaction that we are to enter into and such terms are agreed to.

ACCEPTED at _____ as of this _____ day of_____, 2002.

**GOLDEN STAR RESOURCES LTD.**

By: _____
Authorized Signing Officer

## SCHEDULE A

## MATERIAL SUBSIDIARIES

| NAME | TYPE OF OWNERSHIP | PERCENTAGE |
|---|---|---|
| Caystar Holdings (Cayman Islands) | Shares | 100% |
| Bogoso Holdings (Ghana) | Shares | 100% |
| Bogoso Gold Limited (Ghana) | Shares | 90% |
| Guyanor Ressources S.A. (France) | Shares | 73% |
| Societe de Traveux Publics et de Mines Auriferes en Guyane S.A.R.L. (France) | Shares | 100% |
| Societe des Mines de Yaou & Dorlin [S.A.R.L.] (France) | Shares | 100% |
| Societe de Mines de Saint-Elie S.A.R.L. (France) | Shares | 100% |
| Pan African Resources Corporation (Yukon Territory) | Shares | 99.9% |
| Pan African Resources Corporation (Barbados) | Shares | 100% |
| PARC Cote d'Ivoire S.A. (Ivory Coast) | Shares | 100% |
| Wasford Holdings (Cayman Islands) | Shares | 100% |

## SCHEDULE B

## CONVERTIBLE SECURITIES

| SECURITY | NUMBER OF COMMON SHARES EXERCISABLE INTO | EXERCISE OR CONVERSION PRICE |
|---|---|---|
| Options | 4,550,944 | (Cdn$0.60 to Cdn$1.80) |
| Warrants | 6,602,333 | ($0.70 to $1.75) |
| Debentures | 1,804,286 | ($0.70) |
| TOTAL | 12,957,563 | |

**Exhibit 1.2**

**U.S. AGENCY AGREEMENT**

July -, 2002

Golden Star Resources Ltd.
10579 Bradford Road
Suite 103
Littleton, Colorado
80127-4247

**ATTENTION: MR. PETER J. BRADFORD, PRESIDENT AND CHIEF EXECUTIVE OFFICER**

Dear Sir:

Golden Star Resources Ltd. (the "CORPORATION"), proposes to issue, at the Time of Closing (as hereinafter defined), - units (collectively, the "UNITS" and individually, a "UNIT") of the Corporation (the "OFFERED SECURITIES" or the "SECURITIES"), each Unit consisting of one (1) common share (a "COMMON SHARE") of the Corporation and one-half (1/2) common share purchase warrant, each whole warrant exercisable at a price per Common Share of Cdn. $- until -, 2004 (each whole warrant, a "WARRANT") at an offering price of Cdn. $- per Unit for aggregate gross proceeds of Cdn. $-. Based upon and subject to the terms and conditions set out below, Canaccord Capital Corporation (USA) Inc. (the "U.S. LEAD MANAGER") and BMO Nesbitt Burns Corp. (collectively the "U.S. AGENTS" and, individually, a "U.S. AGENT") hereby propose to offer the Offered Securities for sale, as agents of the Corporation, on a best efforts basis with no minimum or dollar amount requirement, in the manner contemplated in this Agreement. The offering of the Offered Securities by the Corporation pursuant to this U.S. Agreement is hereinafter referred to as the "OFFERING".

It is understood and agreed to by all parties that the Corporation is concurrently entering into an agreement (the "CANADIAN UNDERWRITING AGREEMENT") providing for the sale by the Corporation of - Units in Canada, through arrangements with Canaccord Capital Corporation and BMO Nesbitt Burns Inc. (together, the "CANADIAN UNDERWRITERS"). Anything herein or therein to the contrary notwithstanding, the closing under this Agreement is expressly conditional on the closing under the Canadian Underwriting Agreement. Two forms of prospectus are to be used in connection with the offering and sale of the Securities contemplated by the foregoing, one relating to the Securities offered hereunder and the other related to the Securities offered by the Canadian Underwriters. The latter form of prospectus will be identical to the former except for the addition of certain pages in respect of Canadian Securities Laws requirements as included in the U.S. Registration Statement and amendments thereto.

The Corporation shall pay to the U.S. Lead Manager, on behalf of the U.S. Agents, a fee (the "AGENTS' FEE") at the Time of Closing equal to Cdn. $- per Offered Security sold pursuant

to the terms of this U.S. Agreement (being 5.5% of the issue price per Offered Security) in consideration of the services to be rendered by the U.S. Agents in connection with the Offering. Such services shall include, without limitation:
(i) acting as financial advisors to the Corporation in the preparation of documentation relating to the sale of the Securities; (ii) forming and managing banking, selling and other groups for the sale of the Securities; (iii) distributing the Securities to the public both directly and through other registered dealers and brokers; (iv) assisting the Corporation in connection with the preparation and finalization of the U.S. Preliminary Prospectus, the U.S. Prospectus (each as hereinafter defined) and the Canadian forms of such prospectuses, qualifying the distribution of, or registering, as the case may be, the Securities; (v) performing administrative work in connection with these matters; and (vi) all other services arising out of the agreement resulting from the Corporation's acceptance of this offer.

The U.S. Agents and the Corporation acknowledge that Schedule A, Schedule B and Schedule C form a part of this U.S. Agreement.

The following in addition to the above preamble are the terms and conditions of the agreement between the Corporation and the U.S. Agents:

SECTION 1 DEFINITIONS AND INTERPRETATION

(1) In this U.S. Agreement:

"BUSINESS DAY" means any day other than a Saturday, Sunday or statutory or civic holiday in the City of Toronto, Ontario and the City of New York, New York;

"CANADIAN SECURITIES LAWS" means, collectively, all applicable securities laws of each of the Qualifying Provinces and the respective rules and regulations under such laws, together with applicable published policy statements, notices and orders of the securities regulatory authorities in the Qualifying Provinces;

"EXCHANGES" means the Toronto Stock Exchange ("TSX") and the American Stock Exchange ("AMEX");

"INTER-DEALER AGREEMENT" means that certain inter-dealer agreement, dated the date hereof, between the Canadian Underwriters and the U.S. Agents;

"MATERIAL SUBSIDIARIES" means the entities set out in Schedule A in which the Corporation holds the types and percentages of securities or other ownership interests therein set forth;

"MATERIAL RESOURCE PROPERTIES" has the meaning ascribed thereto in Section 6(1)(j) hereof;

"QUALIFYING PROVINCES" means the provinces of Canada in which the Corporation has filed a Canadian preliminary short form prospectus and a
(final) short form prospectus in respect to the Securities to be sold by the Canadian Underwriters in Canada;

"RESOURCE PROPERTIES" has the meaning ascribed thereto in Section 6(1)(j) hereof;

"SEC" means the United States Securities and Exchange Commission;

"STOCK OPTION PLANS" means the stock option plans of the Corporation as approved by the shareholders of the Corporation, as constituted on the date hereof;

"TIME OF CLOSING" has the meaning ascribed thereto in Section 10(1) hereof;

"UNITED STATES" means the United States of America, its territories and possessions, any state of the United States, the District of Columbia, and the areas subject to the jurisdiction of the United States of America;

"U.S. EXCHANGE ACT" means the United States Securities Exchange Act of 1934, as amended;

"U.S. SECURITIES ACT" means the United States Securities Act of 1933, as amended;

"U.S. SECURITIES LAWS" means the applicable blue sky or securities legislation in the United States, together with the U.S. Exchange Act and the U.S. Securities Act and the rules and regulations of the SEC and the applicable state securities regulatory authorities thereunder; and

"WARRANT INDENTURE" means the warrant indenture to be entered into between the Corporation and CIBC Mellon Trust Company, as warrant agent, providing for the creation and issue of the Warrants.

(2) The division of this Agreement into sections, subsections, paragraphs and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. Unless something in the subject matter or context is inconsistent therewith, references herein to sections, subsections, paragraphs and other subdivisions are to sections, subsections, paragraphs and other subdivisions of this U.S. Agreement.

(3) Except as otherwise indicated, all amounts expressed herein in terms of money refer to lawful currency of the United States and all payments to be made hereunder shall be made in such currency.

SECTION 2 COMPLIANCE WITH SECURITIES LAWS

The Corporation represents and warrants to, and covenants and agrees with, each of the U.S. Agents that:

(1) A registration statement on Form S-3 (File No. 333-91666) (the "INITIAL REGISTRATION STATEMENT"), including the exhibits thereto, and including the Incorporated Documents (as defined below) in respect of the Securities has been filed with the SEC in compliance with the U.S. Securities Act and all applicable rules and regulations thereunder.

(2) The Initial Registration Statement and any post-effective amendment thereto, each in the form heretofore delivered by the Corporation, and, excluding exhibits thereto but including all documents incorporated by reference in the form of prospectus, to be used

in the United States by the U.S. Agents to market the Securities contained therein, delivered by the Corporation, has been declared effective by the SEC in such form; and no stop order suspending the effectiveness of the Initial Registration Statement has been issued and no proceeding for that purpose has been initiated or threatened by the SEC (any form of preliminary prospectus, to be used in the United States by the U.S. Agents to market the Securities included in the Initial Registration Statement is hereinafter called a "U.S. PRELIMINARY PROSPECTUS" and any form of preliminary prospectus to be used in Canada by the Canadian Underwriters to market the Securities is hereafter called a "CANADIAN PRELIMINARY PROSPECTUS"); the various parts of the Initial Registration Statement, including all exhibits thereto and including (A) the information contained in the forms of final prospectuses timely filed with the SEC pursuant to 424(b) under the U.S. Securities Act and deemed by virtue of Rule 430A under the U.S. Securities Act to be part of the Initial Registration Statement at the time it was declared effective, and (B) the documents incorporated by reference in the form of prospectuses contained in the Initial Registration Statement at the time such part of the Initial Registration Statement became effective, as amended at the time such part of the Initial Registration Statement became effective, are hereinafter collectively referred to as the "U.S. REGISTRATION STATEMENT"; such final prospectus, to be used in the United States by the U.S. Agents to market the Securities is hereinafter called the "U.S. PROSPECTUS" and any form of final prospectus to be used in Canada by the Canadian Underwriters to market the Securities is hereinafter called a "CANADIAN PROSPECTUS"; any reference herein to any U.S. Preliminary Prospectus or the U.S. Prospectus shall be deemed to refer to and include the documents incorporated by reference therein pursuant to Item 12 of Form S-3 under the U.S. Securities Act (the "INCORPORATED DOCUMENTS"), as of the date of such U.S. Preliminary Prospectus or the U.S. Prospectus shall be deemed to refer to and include any documents filed after the date of such U.S. Preliminary Prospectus or U.S. Prospectus, as the case may be, under the U.S. Exchange Act, and incorporated by reference in such U.S. Preliminary Prospectus or U.S. Prospectus, as the case may be.

(3) No order preventing or suspending the use of any U.S. Preliminary Prospectus or Canadian Preliminary Prospectus has been issued by the SEC or an applicable Canadian securities regulatory authority in any of the Qualifying Provinces, and each U.S. Preliminary Prospectus and Canadian Preliminary Prospectus, at the time of filing thereof, conformed in all material respects to the requirements of the U.S. Securities Act and the rules and regulations of the SEC thereunder, and the Canadian Securities Laws, respectively, and did not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(4) The documents incorporated by reference in the U.S. Prospectus, when they became effective or were filed with the SEC, as the case may be, conformed in all material respects to the requirements of the U.S. Securities Act or the U.S. Exchange Act, as applicable, and the rules and regulations of the SEC thereunder, and none of such documents contained an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and any further documents so filed and incorporated by reference in the U.S. Prospectus or any further

amendment or supplement thereto, when such documents became effective or are filed with the SEC, as the case may be, will conform in all material respects to the requirements of the U.S. Securities Act or the U.S. Exchange Act, as applicable, and the rules and regulations of the SEC thereunder, and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(5) The U.S. Registration Statement and any U.S. Preliminary Prospectus, at the time each was filed with the SEC pursuant to Rule 424(b) under the U.S. Securities Act and when delivered to the U.S. Agents for their use in marketing the Securities conform, and the U.S. Prospectus at the time it is filed with the SEC pursuant to Rule 424(b) under the U.S. Securities Act, when delivered to the U.S. Agents for their use in making confirmations of sales of the Securities, and at the Closing Date (as defined herein) do not and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading and any further amendments or supplements to the U.S. Registration Statement or the U.S. Prospectus will conform, in all material respects to the requirements of the U.S. Securities Act and the rules and regulations of the SEC thereunder and do not and will not, as of the applicable effective date as to the U.S. Registration Statement and any amendment thereto and as of the applicable filing date as to the U.S. Prospectus and any amendment or supplement thereto, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading.

(6) The Canadian Preliminary Prospectus, at the time it was filed with the SEC pursuant to Rule 424(b) under the U.S. Securities Act and when delivered to the Canadian Underwriters for their use in marketing the Securities conforms, and the Canadian Prospectus at the time it is filed with the SEC pursuant to Rule 424(b) under U.S. Securities Act, when delivered to the Canadian Underwriters for their use in making confirmations of sales of the Securities, and at the Closing Date (as defined herein) will not and any further amendments or supplements to the Canadian Prospectus will conform, in all material respects to the requirements of the U.S. Securities Act and the rules and regulations of the SEC thereunder and do not and will not, as of the applicable filing date, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading.

(7) The U.S. Prospectus and the Canadian Prospectus, and any supplements thereto, shall each have been filed with the SEC within the time period prescribed for such filing by Rule 424(b) under the U.S. Securities Act; and all requests for additional information on the part of the SEC in connection with the U.S. Registration Statement shall have been complied with to the reasonable satisfaction of the U.S. Agents.

SECTION 3 DUE DILIGENCE

Prior to the Time of Closing, and, if applicable, prior to the filing of any amendment to the U.S. Prospectus, including on any intervening weekends, the Corporation shall allow the U.S. Agents to participate fully in the preparation of such documents and shall allow the U.S.

Agents to conduct all due diligence that the U.S. Agents may require to conduct in order to fulfil their obligations as agents and in order to enable the U.S. Agents responsibly to execute any certificate required to be executed by them, provided, however, that this Section 3 is not intended to operate as a condition of the Offering.

SECTION 4 CONDITIONS OF THE OFFERING

The U.S. Agents' obligations under this Agreement are conditional upon and subject to:

(1) the U.S. Agents receiving at the Time of Closing favourable legal opinions to be delivered to the U.S. Agents by Field Atkinson Perraton LLP, Canadian counsel to the Corporation and Stoel Rives LLP, the Corporation's U.S. counsel (who may rely, to the extent appropriate in the circumstances, on the opinions of local counsel acceptable to counsel to the Corporation as to the qualification or the registration of the Securities for sale to the public in Canada and the United States and as to other matters governed by the laws of the Qualifying Provinces other than the provinces in which they are qualified to practice and may rely, to the extent appropriate in the circumstances, as to matters of fact on certificates of officers, of public officials and Exchange officials or of the auditors or transfer agent of the Corporation) dated the Closing Date, addressed to the U.S. Agents and their counsel, as to those matters set forth in Schedule B hereto, dated the Closing Date, and in form and substance satisfactory to the U.S. Agents and their counsel;

(2) the U.S. Agents having received the comfort letter referred to in Section 9(1)(a);

(3) the U.S. Agents having received a comfort letter, dated the Closing Date, in form and substance satisfactory to the U.S. Agents, acting reasonably, bringing forward to a date not more than two business days prior to the Closing Date the information contained in the comfort letter referred to in Section 9(1)(a);

(4) the U.S. Agents receiving at the Time of Closing a legal opinion (or opinions), dated the Closing Date in form and substance satisfactory to the U.S. Agents and their counsel, addressed to the U.S. Agents and their counsel, from local counsel to the Corporation, as to mining title matters with respect to each of the Material Resource Properties;

(5) the U.S. Agents receiving at the Time of Closing a legal opinion (or opinions) dated the Closing Date, in form and substance satisfactory to the U.S. Agents and their counsel, addressed to the U.S. Agents and their counsel, from local counsel to the Corporation, stating that each of Caystar Holdings, Bogoso Holdings, Bogoso Gold Limited and Wasford Holdings has been duly created and is validly existing under the laws of the jurisdiction in which it was incorporated, amalgamated or continued, and that the Corporation or a Material Subsidiary owns all of the issued and outstanding share capital of each such corporation, except as set out in Schedule A, in each case addressed to the U.S. Agents and their counsel, dated the Closing Date, and in form and substance satisfactory to the U.S. Agents and their counsel;

(6) at the Time of Closing, there having been no material adverse change in the business, affairs, operations, assets, liabilities or financial condition of the Corporation on a consolidated basis since the date hereof;

(7) at the Time of Closing, CIBC Mellon Trust Company, at its principal office in Vancouver, having been duly appointed as the transfer agent and registrar for the Common Shares and warrant trustee for the Warrants and the Warrant Indenture relating to the Warrants having been executed by the Corporation and CIBC Mellon Trust Company; and

(8) the Canadian Underwriting Agreement having been executed by the Corporation and the Canadian Underwriters, and none of the Canadian Underwriters shall have relied upon any rights of termination in the Canadian Underwriting Agreement to terminate the offering of the Securities in Canada and all conditions to the Canadian Underwriters obligations thereunder having been waived or satisfied;

(9) the Corporation delivering a certificate signed on behalf of the Corporation by the Chief Executive Officer of the Corporation and the Chief Financial Officer of the Corporation, addressed to the U.S. Agents and dated the Closing Date, in a form satisfactory to the U.S. Agents and their counsel, certifying for and on behalf of the Corporation and not in their personal capacities that, to the actual knowledge of the persons signing such certificate, after having made due inquiry:

(a) the Corporation has complied in all respects with all covenants and satisfied all terms and conditions of this U.S. Agreement on its part to be complied with and satisfied at or prior to the Time of Closing on the Closing Date;

(b) no order, ruling or determination having the effect of ceasing or suspending trading in any securities of the Corporation or prohibiting the sale of the Securities or any of the Corporation's issued securities has been issued and no proceeding for such purpose is pending or, to the knowledge of such officers, threatened; and

(c) all of the representations and warranties made by the Corporation in this U.S. Agreement are true and correct as of the Time of Closing with the same force and effect as if made at and as of the Time of Closing after giving effect to the transactions contemplated hereby;

(10) the National Association of Securities Dealers, Inc. ("NASD") has confirmed that it has not raised any objection with respect to the fairness and reasonableness of the underwriting terms and arrangements related to the offering;

(11) the U.S. Agents shall have received favourable opinions of Stikeman Elliott and Dorsey & Whitney LLP, their Canadian and U.S. counsel, respectively, as to such matters as the U.S. Agents shall reasonably request; and

(12) the U.S. Agents receiving at the Time of Closing such further certificates, opinions of counsel and other documentation from the Corporation as are consistent with the transactions contemplated herein.

SECTION 5 COVENANTS OF THE U.S. AGENTS

**The U.S. Agents:**

(a) shall offer or arrange the offer of the Securities for sale to the public, directly and through other investment dealers and brokers (the U.S. Agents, together with such other investment dealers and brokers, are referred to herein as the "SELLING FIRMS"), only as permitted by and in compliance with all relevant laws and regulatory requirements (including under the U.S. Securities Act), upon the terms and conditions set forth in the U.S. Prospectus and in this U.S. Agreement and will require each Selling Firm to so agree;

(b) shall not solicit offers to purchase or sell the Securities so as to require registration thereof or the filing of a prospectus or similar document with respect thereto under the laws of any jurisdiction other than the United States, and will require each Selling Firm to agree with the U.S. Agents not to so solicit or sell. In this connection, the U.S. Agents agree that they will not offer or sell any of the Securities constituting a part of their allotment within Canada except, if applicable, through the Canadian Underwriters on the terms and conditions set forth in the Canadian Underwriting Agreement and the Inter-Dealer Agreement and in compliance with the Canadian Securities Laws;

(c) agree that if they offer to sell or sell any Securities in jurisdictions other than the United States and Canada (which may include Europe), such offers and sales shall be effected in accordance and compliance with the applicable laws of such jurisdictions and shall be effected in such manner so as not to: (i) require registration of the Securities, or the filing of a prospectus or other document with respect thereto; or (ii) subject the Corporation to any continuous disclosure or similar reporting requirements under the laws of any jurisdiction outside the provinces of Canada or the United States;

(d) shall use all reasonable efforts to complete and to cause the other Selling Firms to complete the distribution of the Securities as soon as practicable;

(e) shall notify the Corporation when, in their opinion, the U.S. Agents and the other Selling Firms have ceased distribution of the Securities; and

(f) shall comply with all U.S. Securities Laws with respect to the use of "green sheets" and other marketing materials.

(2) Notwithstanding the foregoing, no U.S. Agent shall be liable to the Corporation with respect to any other U.S. Agent under this Section 5.

SECTION 6 REPRESENTATIONS AND WARRANTIES OF THE CORPORATION

(1) The Corporation hereby represents and warrants to the U.S. Agents, intending that the same may be relied upon by the U.S. Agents, that:

(a) each of the Corporation and the Material Subsidiaries has been duly incorporated, continued or amalgamated and organized and is validly existing under the laws of its jurisdiction of incorporation, continuance or amalgamation, has all requisite corporate power and authority to carry on its business as now conducted and as contemplated by the U.S. Prospectus, and to own, lease and operate its properties and assets, and the Corporation has all requisite power and authority to carry out its obligations under this U.S. Agreement;

(b) the only major operating subsidiaries of the Corporation are listed in Schedule A;

(c) the Corporation or one of its Material Subsidiaries owns the issued and outstanding shares of each of the Material Subsidiaries as set out in Schedule A, in each case free and clear of any pledge, lien, security interest, charge, claim or encumbrance;

(d) upon completion of the acquisition of the Wassa Transactions (as defined below) as described in the U.S. Preliminary Prospectus and the U.S. Prospectus, Wasford Holdings will own 90% of the issued and outstanding shares of Wexford Goldfields Limited, free and clear of any pledge, lien, security interest, charge, claim or encumbrance, other than as is held for the benefit of Bayerische Hypo-und Vereinsbank AG, Dresdner Bank AG, Fortis Bank (Nederland) N.V. and Standard Bank London Limited (the "SECURED BANKS"), which banks are providing funding in respect of the acquisition;

(e) the Corporation meets the requirements for the use of Form S-3 under the U.S. Securities Act;

(f) no order, ruling or determination having the effect of ceasing, suspending or restricting trading in any securities of the Corporation or the sale of the Common Shares or Warrants comprised in the Securities has been issued and no proceedings, investigations or inquiries for such purpose are pending or, to the Corporation's knowledge, threatened;

(g) the Corporation's Common Shares are posted and listed for trading on the Exchanges and the Corporation is not in default in any material respect of any of the listing requirements of the Exchanges;

(h) other than options under the Corporation's Stock Option Plans, the Corporation is not a party to and has not entered into any agreement, warrant, option, right or privilege reasonably capable of becoming an agreement, for the purchase, subscription or issuance of any Common Shares or securities convertible into or exchangeable for Common Shares other than as set out in Schedule C;

(i) as at the date hereof, the authorized share capital of the Corporation consists of an unlimited number of Common Shares and an unlimited number of First Preferred shares, of which - Common Shares and no First Preferred shares are issued and outstanding;

(j) the Corporation and each of the Material Subsidiaries have conducted and are conducting their respective businesses in compliance with all applicable laws, rules, regulations, tariffs, orders and directives, including without limitation, all laws, regulations and statutes relating to mining and to mining claims, concessions or leases, and environmental, health and safety laws, rules, regulations, or policies or other lawful requirements of any governmental or regulatory bodies having jurisdiction over the Corporation and the Material Subsidiaries in each jurisdiction in which the Corporation or the Material Subsidiaries carries on their respective businesses, other than those in respect of which the failure to comply would not individually or in the aggregate be material, and each of the Corporation and the Material Subsidiaries holds all certificates, authorities, permits, licenses, registrations and qualifications (collectively, the "AUTHORITIES") in all jurisdictions in which each carries on its business and which are material for and necessary or desirable to carry on their respective businesses as now conducted and to the best of the Corporation's knowledge, information and belief all the Authorities are valid and existing and in good standing and none of the Authorities contain any burdensome term, provision, condition or limitation which has or is likely to have any material adverse effect on the business of the Corporation and the Material Subsidiaries (taken as a whole) as now conducted or as proposed to be conducted, and neither the Corporation nor any of the Material Subsidiaries has received any notice of proceedings relating to the revocation or modification of any of the Authorities which, singly or in the aggregate, if the subject of an unfavourable decision, ruling or finding, would materially adversely affect the business, operations, financial condition, or income of the Corporation or the Material Subsidiaries (taken as a whole) or any notice of the revocation or cancellation of, or any intention to revoke or cancel, any of the mining claims, concessions or leases comprising:

(i) the Bogoso property;

(ii) the Prestea property;

(iii) the Paul Isnard property;

(iv) the Yaou and Dorlin properties; and

(v) the St. Elie property;

(each as described in the Form 10-K of the Corporation dated March 25, 2002, collectively referred to herein as the "RESOURCE PROPERTIES", and the Bogoso property and the Prestea property collectively being referred to herein as the "MATERIAL RESOURCE PROPERTIES");

(k) neither the Corporation nor any of the Material Subsidiaries has received any notice of the revocation or cancellation of, or any intention to revoke or cancel, any of the material mining claims, concessions or leases comprising the Wassa property;

(l) the Corporation and each of its Material Subsidiaries have good and marketable title to all assets owned by them free and clear of all liens, charges and encumbrances, other than as will be held for the benefit of the Secured Banks, which banks are providing funding in respect of the acquisition of Wexford Goldfields Limited, upon completion of such acquisition, and other than such liens, charges and encumbrances that are not individually or in the aggregate material to the Corporation or the Material Subsidiaries;

(m) all interests in the Resource Properties are owned, leased or held by the Corporation or its Material Subsidiaries as owner or lessee thereof, are so owned with good and marketable title or are so leased with good and valid title, are in good standing, are valid and enforceable, are free and clear of any liens, charges or encumbrances and no royalty is payable in respect of any of them, except as set out in the U.S. Prospectus or the Incorporated Documents or as are not individually or in the aggregate material to the Corporation or the Material Subsidiaries, or other than as would not have a material effect on the value of such interests; no other material property rights are necessary for the conduct or intended conduct of the Corporation's or the Material Subsidiaries' business and there are no restrictions on the ability of the Corporation or the Material Subsidiaries to use, transfer or otherwise exploit any such property rights, except as set out in the U.S. Prospectus or the Incorporated Documents;

(n) the Corporation is in the process of acquiring, through its wholly-owned subsidiary Wasford Holdings, 90% of the equity of Wexford Goldfields Limited, which is in the process of acquiring all interests in the Wassa gold property in Ghana' (the "Wassa Transactions"). The Wassa property and the current terms of the Wassa Transactions are as described in the U.S. Preliminary Prospectus and the U.S. Prospectus. The Corporation expects that the Wassa Transactions will close by September 1, 2002. The Corporation knows of no fact, event, occurrence, announcement or any other thing that would, or might reasonably be expected to, materially increase the costs of the closing of the Wassa Transactions, or materially delay the closing of the Wassa Transactions;

(o) (A) the Corporation and its Material Subsidiaries are in compliance with all material terms and provisions of all contracts, agreements, indentures, leases, instruments and licences material to the conduct of its business and (B) all such contracts, agreements, indentures, leases, policies, instruments and licences are valid and binding in accordance with their terms and in full force and effect;

(p) to the best of the Corporation's knowledge, information and belief none of the real property (and the buildings constructed thereon) in which the Corporation or any of the Material Subsidiaries has a direct or indirect interest, whether leasehold or fee simple or otherwise (the "REAL PROPERTY"), or upon or within which it has operations, is subject to any judicial or administrative proceeding alleging the violation of any federal, provincial, state or municipal environmental, health or safety statute or regulation, domestic or foreign, or is subject to any investigation concerning whether any remedial action is needed to

respond to a release of any Hazardous Material (as defined below) into the environment. Neither the Corporation nor any Material Subsidiary nor, to the Corporation's knowledge, any occupier of the Real Property, has filed any notice under any federal, provincial, state or municipal law, domestic or foreign, indicating past or present treatment, storage or disposal of a Hazardous Material. Except in compliance with applicable environmental laws, none of the Real Property has at any time been used by the Corporation or a Material Subsidiary or, to the best of the Corporation's knowledge, information and belief by any other occupier, as a waste storage or waste disposal site. The Corporation, on a consolidated basis, has no contingent liability of which it has knowledge in connection with any release of any Hazardous Material on or into the environment from any of the Real Property or operations thereon. Neither the Corporation nor any Material Subsidiary nor, to the best of the Corporation's knowledge, any occupier of the Real Property, generates, transports, treats, processes, stores or disposes of any waste on any of the Real Property in contravention of applicable federal, provincial, state or municipal laws or regulations enacted for the protection of the natural environment (including, without limitation, ambient air, surface water, ground water, land surface or subsurface strata) or human health or wildlife. To the Corporation's knowledge, no underground storage tanks or surface impoundments containing a petroleum product or Hazardous Material are located on any of the Real Property in contravention of applicable federal, provincial, state or municipal laws or regulations, domestic or foreign, enacted for the protection of the natural environment (including, without limitation, ambient air, surface water, ground water, land surface or subsurface strata), human health or wildlife. For the purposes of this Section 6(1)(p), "HAZARDOUS MATERIAL" means any contaminant, chemical, pollutant, subject waste, hazardous waste, deleterious substance, industrial waste, toxic matter or any other substance that when released into the natural environment (including, without limitation, ambient air, surface water, ground water, land surface or subsurface strata) is likely to cause, at some immediate or future time, harm or degradation to the natural environment (including, without limitation, ambient air, surface water, ground water, land surface or subsurface strata) or risk to human health and, without restricting the generality of the foregoing, includes any contaminant, chemical, pollutant, subject waste, deleterious substance, industrial waste, toxic matter or hazardous waste as defined by applicable federal, provincial, state or municipal laws or regulations enacted for the protection of the natural environment (including, without limitation, ambient air, surface water, ground water, land surface or subsurface strata), or human health or wildlife;

(q) except as disclosed in the U.S. Prospectus or the Incorporated Documents, the Corporation and each of its Material Subsidiaries maintain appropriate insurance against loss of, or damage to, their assets for all insurable risks on a repair, reinstatement or replacement cost basis, and all of the policies in respect of such insurance coverage are in good standing in all respects and not in default;

(r) the consolidated audited financial statements of the Corporation for its fiscal years ended December 31, 1999, December 31, 2000 and December 31, 2001 and the unaudited interim financial statements of the Corporation for the quarter ended March 31, 2002 (collectively the "CORPORATION'S FINANCIAL STATEMENTS"), copies of which are incorporated by reference in the U.S. Preliminary Prospectus and the U.S. Prospectus, including any reconciliation of financial statements prepared in accordance with generally accepted accounting principles in Canada with generally accepted accounting principles in the United States, are true and correct in every material respect and present fairly and accurately the financial position and results of the operations of the Corporation on a consolidated basis for the periods then ended and the Corporation's Financial Statements have been prepared in accordance with generally accepted accounting principles in Canada applied on a consistent basis, and comply as to form in all material respects with the applicable accounting requirements of the U.S. Securities Act and the U.S. Exchange Act, as applicable, and the related published rules and regulations thereunder;

(s) the execution and delivery of and the performance by the Corporation of this U.S. Agreement and the Canadian Underwriting Agreement and the consummation of the transactions contemplated hereby and thereby, including the issuance and sale of the Common Shares comprised in the Securities, the creation, issuance and sale of the Warrants comprised in the Securities and the creation and issuance of the Underwriters' Warrants (as defined in the Canadian Underwriting Agreement) have been authorized by all necessary action on the part of the Corporation;

(t) this U.S. Agreement and the Canadian Underwriting Agreement have been duly executed and delivered by the Corporation and each such agreement is a legal, valid and binding obligation of, and is enforceable against, the Corporation in accordance with its terms (subject to bankruptcy, insolvency or other laws affecting the rights of creditors generally, the availability of equitable remedies and the qualification that rights to indemnity and waiver of contribution may be contrary to public policy);

(u) except as disclosed in the U.S. Prospectus or the Incorporated Documents, since March 31, 2002: (A) there has been no material change in the business, affairs, operations, assets, liabilities or financial condition of the Corporation on a consolidated basis; (B) no current reports or other documents have been filed on a confidential basis with the SEC; (C) there has been no transaction entered into by the Corporation and not disclosed which is material to the Corporation; (D) the Corporation and its Material Subsidiaries, on a consolidated basis, have not incurred any material liability or obligation, indirect, direct or contingent, not in the ordinary course of business, nor entered into any material transaction or agreement not in the ordinary course of business; and (E) there has been no dividend or distribution of any kind declared, paid or made by the Corporation or, except for dividends paid to the Corporation or its Material Subsidiaries, any of its Material Subsidiaries, on any class of capital stock or repurchase or

redemption by the Corporation or any of its Material Subsidiaries of any class of capital stock;

(v) the directors and officers of the Corporation and their compensation arrangements with the Corporation, whether as directors, officers or employees of the Corporation, are as disclosed in the U.S. Prospectus or in the Incorporated Documents if required to be so disclosed;

(w) all of the material contracts and agreements of the Corporation and of its Material Subsidiaries not made in the ordinary course of business (collectively the "MATERIAL CONTRACTS") have been disclosed in the Incorporated Documents;

(x) all tax returns, reports, elections, remittances and payments of the Corporation and of its Material Subsidiaries required by law to have been filed or made in any applicable jurisdiction, have been filed (or are in the process of being prepared for filing, which delayed filing will not have an adverse effect on the Corporation or any of its Material Subsidiaries) or made (as the case may be), other than for taxes being contested in good faith, or with respect to which the failure to file or make would not have a material adverse effect, either individually or in the aggregate, to the Corporation and the Material Subsidiaries, and, to the knowledge of the Corporation, are substantially true, complete and correct and all taxes of the Corporation and of its Material Subsidiaries, in respect of which payment or accrual is required under applicable law, other than taxes being contested in good faith, have been so paid or accrued in the Corporation's Financial Statements;

(y) the Corporation is not and, after giving effect to the offering and sale of the Securities, will not be an "investment company" or an entity "controlled" by an "investment company" within the meaning of the United States Investment Company Act of 1940, as amended;

(z) there is no material action, suit, proceeding, investigation or judgment pending, or to the Corporation's knowledge, threatened or outstanding against or affecting the Corporation or any Material Subsidiary (or their respective officers and directors) at law or in equity or before or by any federal, provincial, state, municipal or other governmental department, commission, board or agency, domestic or foreign, which in any way materially adversely affects or may materially adversely affect the business, operations or condition of the Corporation or any Material Subsidiary (financial or otherwise) or its property or assets or which questions or may question the validity of the creation, issuance or sale, of the Securities or any action taken or to be taken by the Corporation or any Material Subsidiary pursuant to or in connection with this U.S. Agreement or any other material contract to which the Corporation or any Material Subsidiary is a party, as the case may be;

(aa) except as have been made or obtained prior to Closing, under the laws of the Qualifying Provinces and the United States, no consent, approval, authorization, order, filing, registration or qualification of or with any court, governmental

agency or body or regulatory authority is required for the creation, issue, sale and delivery (as the case may be) of the Securities or the Underwriters' Warrants or the consummation by the Corporation of the transactions contemplated in this Agreement and the Canadian Underwriting Agreement;

(bb) all necessary corporate action has been taken or will have been taken prior to the Time of Closing by the Corporation so as to validly issue and sell the Common Shares comprised in the Securities, to validly create and issue the Underwriters' Warrants to the Canadian Underwriters and to validly create, issue and sell the Warrants comprised in the Securities and upon receipt by the Corporation of the purchase price as consideration for the issue of the Securities, the Common Shares comprised in the Securities will be validly issued and outstanding as fully paid and non-assessable shares of the Corporation;

(cc) the attributes of the Securities conform in all material respects with the description thereof contained in the U.S. Registration Statement;

(dd) (i) neither the Corporation nor any of its Material Subsidiaries nor, any employee or agent of the Corporation or any Material Subsidiary, has made any unlawful contribution or other payment to any official of, or candidate for, any federal, state, provincial or foreign office, or failed to disclose fully any contribution, in violation of any law, or (ii) made any payment to any foreign, United States or state governmental officer or official, or other person charged with similar public or quasi-public duties, other than payments required or permitted by the laws of the United States;

(ee) the Corporation and each of its Material Subsidiaries maintains a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations;
(ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles in Canada and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and
(iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences;

(ff) neither the Corporation nor any of the Company's officers, directors or affiliates has taken, and at the Closing Date will have taken, directly or indirectly, any action which has constituted, or might reasonably be expected to constitute, the stabilization or manipulation of the price of sale or resale of the Securities;

(gg) the Corporation has timely and properly filed (i) with the SEC all reports and other documents required to have been filed by it with the SEC pursuant to the U.S. Securities Act and the rules and regulations, and (b) all reports or other documents required to have been filed by it with the securities commission or similar regulatory body of each province in Canada, the Toronto Stock Exchange or any other applicable Canadian governmental authorities. True and complete

copies of all such reports and other documents have been delivered to the U.S. Agents;

(hh) neither the Corporation nor any Material Subsidiary (x) was a personal holding company within the meaning of Section 542 of the Internal Revenue Code of 1986, as amended (the "CODE") (a "PHC"), a foreign personal holding company with the meaning of Section 542 of the Code (an "FPHC"), or a controlled foreign corporation with the meaning of Section 957 of the Code (a "CFC") for its taxable year ended December 31, 1995 or for any previous taxable year, or (y) expects that it will constitute a PHC, a FPHC or a CFC for its current taxable year ending December 31, 2001;

(ii) the Corporation (x) was not a passive foreign investment company (a "PFIC") within the meaning of section 1296 of the Code for its taxable year ended December 31, 2001 or for any previous taxable year and (y) expects that it will not constitute a PFIC for its current taxable year ending December 31, 2002;

(jj) CIBC Mellon Trust Company, at its principal office in Vancouver, has been duly appointed as the transfer agent and registrar for the Common Shares; and

(kk) the forms of the certificate representing the Warrants have been duly approved by the Corporation and comply with the provisions of the Canada Business Corporations Act and of the TSX.

(2) The representations and warranties made by the Corporation to the Canadian Underwriters in the Canadian Underwriting Agreement are hereby incorporated by reference, and shall have the same effect as though they were made to the U.S. Agents under this U.S. Agreement.

SECTION 7 REPRESENTATIONS AND WARRANTIES OF THE U.S. AGENTS

Each U.S. Agent hereby severally, and not jointly, represents and warrants that:

(a) it is, and will remain so, until the completion of the Offering, appropriately registered under applicable U.S. Securities Laws so as to permit it to lawfully fulfil its obligations hereunder and it is, and will remain so, until the completion of the Offering, a member in good standing of the National Association of Securities Dealers, Inc.; and

(b) it has good and sufficient right and authority to enter into this U.S. Agreement and complete its transactions contemplated under this U.S. Agreement on the terms and conditions set forth herein.

SECTION 8 COVENANTS OF THE CORPORATION

(1) The Corporation covenants with the U.S. Agents that:

(a) during the period from the date hereof to the completion of the distribution of the Securities, the Corporation will promptly advise the U.S. Agents in writing of the full particulars of any material change in the business, affairs, operations,

assets, liabilities or financial condition of the Corporation, on a consolidated basis, or any material change in any statement contained in the U.S. Prospectus or the Canadian Prospectus, as such documents exist immediately prior to such change, which change is, or may be, of such nature as would result in any of such documents, as they exist immediately prior to such change, containing an untrue statement of a material fact or an omission to state therein a material fact that is required to be stated or that is necessary to make the statements therein not misleading in light of the circumstances in which they were made or which would result in any of such documents, as they exist immediately prior to such change not complying with the U.S. Securities Act. The Corporation will promptly prepare and file with the SEC an amendment to the U.S. Registration Statement or supplement to the U.S. Prospectus and/or the Canadian Prospectus which in the opinion of the U.S. Agents, acting reasonably, may be necessary or advisable to correct such untrue or misleading statement or omission. The Corporation shall in good faith discuss with the U.S. Agents any change in circumstances (actual, anticipated, contemplated or threatened) which is of such a nature that there may be a reasonable doubt as to whether written notice need be given to the U.S. Agents under the provisions of this Section 8(1)(a);

(b) the Corporation will deliver without charge to the U.S. Agents, as soon as practicable, and in any event no later than -, 2002 in the case of the U.S. Prospectus and the Canadian Prospectus, and thereafter from time to time during the distribution of the Securities, in such cities as the U.S. Agents shall notify the Corporation, as many commercial copies of each of the U.S. Preliminary Prospectus, the Canadian Preliminary Prospectus, the U.S. Prospectus and the Canadian Prospectus, respectively (and in the case of an amendment or supplement, such amendment or supplement), as the U.S. Agents may reasonably request for the purposes contemplated by the U.S. Securities Laws and the Canadian Securities Laws and such delivery shall constitute consent by the Corporation to the use by the U.S. Agents, the Canadian Underwriters and the Selling Firms of such documents in connection with the Offering in the United States and Canada, subject to the provisions of applicable U.S. Securities Laws and Canadian Securities Laws;

(c) the Corporation shall use its best efforts to arrange that the Common Shares comprised in the Securities are listed and posted for trading on the TSX and the AMEX on the Closing Date, and that the Warrants comprised in the Securities are listed and posted for trading on the TSX on the Closing Date subject only to the documentary filing requirements of each such exchange;

(d) it will not: (i) offer, pledge, sell, contract to sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise lend, transfer or dispose of, directly or indirectly, any Common Shares or securities convertible into or exercisable or exchangeable for Common Shares; or (ii) enter into any swap or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of Common Shares or such other securities, whether

any such transaction described in clause (i) or (ii) above is to be settled by delivery of Common Shares or such other securities, in cash or otherwise (other than the Securities and other than in connection with the grant or exercise of options, issuances under the Corporation's existing Stock Option Plans or employee share purchase plan or any other existing rights of conversion or securities issued as consideration for an acquisition of assets or shares), for a period ending 90 days after the closing of the Offering without the prior written consent of the U.S. Lead Manager, such consent not to be unreasonably withheld;

(e) it will apply the net proceeds from the sale of the Securities as set forth under "Use of Proceeds" in the U.S. Prospectus;

(f) it will use its reasonable best efforts to make all necessary arrangements with the Alternative Investment Market of the London Stock Exchange in order that the Common Shares are listed on that exchange within 6 months of the Closing Date; and

(g) to make generally available to its securityholders as soon as practicable, but in any event, not later than eighteen months after the effective date of the Registration Statement (as defined in Rule 158(c) under the U.S. Securities Act), an earnings statement of the Corporation and its subsidiaries (which need not be audited) complying with Section 11(a) of the U.S. Securities Act and the rules and regulations of the SEC thereunder (including at the option of the Corporation, Rule 158).

SECTION 9 ADDITIONAL DOCUMENTS UPON FILING OF U.S. PROSPECTUS

(1) The U.S. Agents' obligations under this U.S. Agreement are conditional upon the receipt by the U.S. Agents concurrently with the filing of the U.S. Prospectus, of:

(a) a "long form" comfort letter dated the date of U.S. Prospectus from the auditors of the Corporation, addressed to the U.S. Agents and Canadian Underwriters, in form and substance reasonably satisfactory to the U.S. Agents, relating to the verification of the financial information and accounting data and other numerical data of a financial nature contained in the U.S. Prospectus and matters involving changes or developments since the respective dates as of which specified financial information is given in the U.S. Prospectus to a date not more than two business days prior to the date of such letter. Such letter shall further state that such auditors are independent public accountants within the meaning of the U.S. Securities Act and the appropriate rules and regulations thereof, and that

(i) in their opinion the Corporation's financial statements examined by them and included or incorporated by reference in the U.S. Prospectus comply in all material respects with the applicable accounting requirements of the U.S. Securities Act and the U.S. Exchange Act and the related published rules and regulations;

(ii) In their opinion any unaudited pro forma financial statements included or incorporated by reference in the U.S. Registration Statement comply as to form in all material respects with the requirements of the U.S. Securities Act and the U.S. Exchange Act and the related published rules and regulations, and all pro forma adjustments have been properly applied to the historical amounts in the compilation of those statements;

(iii) they have performed the procedures specified by the American Institute of Certified Accountants for a review of interim financial information described in Statement of Auditing Standards No. 71, on the unaudited financial statements included or incorporated by reference in the U.S. Registration Statement;

(iv) on the basis of the review referred to above nothing came to their attention that caused them to believe that the unaudited financial statements included or incorporated by reference in the U.S. Registration Statement, including any reconciliation of financial statements prepared in accordance with generally accepted accounting principles in Canada with generally accepted accounting principles in the United States, do not comply as to form in all material respects with the requirements of the U.S. Securities Act and the U.S. Exchange Act and the related published rules and regulations, or that any material modification should be made to such unaudited financial statements for them to be in conformity with generally accepted accounting principals;

(v) they have compared specified United States and Canadian dollar amounts (or percentages derived from such United States and Canadian dollar amounts) and other financial information contained in the U.S. Prospectus (in each case to the extent that such dollar amounts, percentages and other financial information are derived from the general accounting records of the Corporation and its subsidiaries subject to the internal controls of the Corporation's accounting system or are derived from such records by analysis or computation) with the results obtained from inquiries, a reading of such general accounting records and other procedures specified in such letter and have found such United States and Canadian dollar amounts, percentages and other financial information to be in agreement with such results, except as otherwise specified in such letter;

(vi) they compared at the date of the latest available balance sheet read by such auditors, or at a subsequent specified date not more than two business days prior to the date of the U.S. Prospectus, there was any material change in the capital or any increase in short term indebtedness or long-term debt of the Corporation and its Material Subsidiaries consolidated or, at the date of the latest available balance sheet read by such auditors, there was any material decrease in consolidated net current assets or net assets as compared with amounts shown on

latest balance sheet included or incorporated by reference in the U.S. Prospectus; and

(vii) they compared for the period from the date of the latest income statement included in the U.S. Prospectus to the date of the latest available income statement read by such auditors or at a subsequent specified date not more than two business days prior to the date of the U.S. Prospectus, there were any material decreases as compared with the corresponding period of the previous year and with the period of corresponding length ended the date of the latest income statement included in the U.S. Prospectus, in the consolidated revenue, net operating income, or total or per share amounts of net income;

(b) true hand-signed copies of the U.S. Registration Statement and all amendments thereto as required by U.S. Securities Laws; and

(c) a copy of any other document required to be filed by the Corporation with SEC under U.S. Securities Laws.

(2) The comfort letter referred to in Section 9(1)(a) shall be in addition to any comfort letters required by the terms of the Canadian Underwriting Agreement to be delivered to the Canadian Underwriters.

(3) Similar documents and comfort letters shall be delivered to the U.S. Agents with respect to any amendment to the U.S. Prospectus (provided, in the case of comfort letters, that the amendment to the U.S. Prospectus contains financial, accounting or other numerical data of a financial nature), or as required by the terms of the Canadian Underwriting Agreement to be delivered to Canadian Underwriters.

SECTION 10 CLOSING

(1) The Offering will be completed at the offices of Stikeman Elliott in Toronto at 8:00 a.m. (Toronto time) on -, 2002 (the "TIME OF CLOSING" and the "CLOSING DATE", respectively) or at such other time and/or on such other date as the U.S. Agents and the Corporation may agree upon, but in any event no later than -, 2002.

(2) At the Time of Closing, subject to the terms and conditions contained in this U.S. Agreement, the Corporation shall deliver to the U.S. Agents a certificate or certificates representing the Offered Securities against payment of the purchase price by certified cheque, bank draft or wire transfer, dated the Closing Date, payable to the Corporation. The Corporation will, at the Time of Closing and upon such payment of the purchase price to the Corporation, make payment in full of the Underwriting Fee.

SECTION 11

The U.S. Agents shall have the right to sell Additional Units (as such term is defined in the Canadian Underwriting Agreement) to the public upon the terms and conditions for the sale of such securities specified in the Canadian Underwriting Agreement and the Inter-Dealer Agreement.

SECTION 12 TERMINATION RIGHTS

(1) All terms and conditions set out herein shall be construed as conditions and any breach or failure by the Corporation to comply with any such conditions in favour of the U.S. Agents shall entitle the U.S. Agents to terminate their obligations under this U.S. Agreement by written notice to that effect given to the Corporation prior to the Time of Closing on the Closing Date. The Corporation shall use its reasonable best efforts to cause all conditions in this U.S. Agreement to be satisfied. It is understood that the U.S. Agents may waive in whole or in part, or extend the time for compliance with, any of such terms and conditions without prejudice to their rights in respect of any subsequent breach or non-compliance, provided that to be binding on the U.S. Agents, any such waiver or extension must be in writing.

(2) In addition to any other remedies that may be available to the U.S. Agents, the U.S. Agents shall each be entitled, at their option, to terminate and cancel, without any liability on the U.S. Agents' part, their obligations under this U.S. Agreement, by giving written notice to the Corporation at any time at or prior to the Time of Closing on the Closing Date:

(a) if there should occur any suspension or limitation of trading in securities generally on the TSX or AMEX, or if a general moratorium on commercial banking activities in Toronto or New York should be declared by the relevant authorities, or if, in relation to the Corporation, any inquiry, investigation or other proceeding (whether formal or informal) is commenced, threatened or announced or any order or ruling is issued by any officer of such exchange or market, or by the SEC, or any other regulatory authority in Canada or the United States, or if any law or regulation under or pursuant to any statute of Canada or of any province thereof or of the United States or any state or territory thereof is promulgated or changed which, in the reasonable opinion of the U.S. Agents (or any of them) operates to prevent or materially restrict trading the Common Shares or the distribution of the Securities or could reasonably be expected to have a significant adverse effect on the market price of the Common Shares or the Securities;

(b) if, after the date hereof and prior to the Time of Closing, the state of financial markets in Canada or the United States is such that, in the reasonable opinion of the U.S. Agents (or either of them), the Securities cannot be marketed profitably, either U.S. Agent shall be entitled, at its option, to terminate its obligations under this Agreement by notice to that effect given to the Corporation at or prior to the Time of Closing;

(c) if any inquiry, investigation or other proceeding is commenced or any other order is issued under or pursuant to any statute of the United States or any state thereof (other than an inquiry, investigation or other proceeding order based solely upon the activities or alleged activities of any U.S. Agent or Selling Firm) or Canada or any province thereof or there is any change of law or the interpretation or administration thereof by a securities regulator or other public authority, which in the reasonable opinion of the U.S. Agent, operates to prevent

or materially restrict the trading of the Common Shares or the distribution of the Securities;

(d) if there shall occur any material change in the business, affairs, operations, assets, liabilities or financial condition of the Corporation on a consolidated basis or other change in a material fact relating to the Corporation on a consolidated basis which in the U.S. Agents' reasonable opinion would be expected to have a significant adverse effect on the market price or value of any of the Securities or the Common Shares; or

(e) if there should develop, occur or come into effect or existence any event, action, state, condition or major financial occurrence of national or international consequence, including without limiting the generality of the foregoing, any military conflict, civil insurrection, or any terrorist action, including, without limitation, military insurrection (whether or not in connection with such conflict or insurrection), or any law or regulation, which, in the U.S. Agents' reasonable opinion, seriously adversely affects or involves, or will seriously adversely affect or involve, the Canadian or United States financial markets or the business, operations or affairs of the Corporation on a consolidated basis and/or prevents or materially restricts the trading of the Common Shares or the distribution of the Securities.

(3) The U.S. Agents shall make reasonable best efforts to give notice to the Corporation (in writing or by other means) of the occurrence of any of the events referred to in Section 12(2), provided that neither the giving nor the failure to give such notice shall in any way affect the entitlement of the U.S. Agents to exercise this right at any time prior to or at the Time of Closing.

(4) The rights of termination contained in this Section 12 as may be exercised by the U.S. Agents are in addition to any other rights or remedies the U.S. Agents may have in respect of any default, act or failure to act or non-compliance by the Corporation in respect of any of the matters contemplated by this U.S. Agreement.

(5) If the obligations of the U.S. Agents are terminated under this U.S. Agreement pursuant to these termination rights, the Corporation's liabilities to the U.S. Agents shall be limited to the Corporation's obligations under Section 13, Section 14 and Section 15.

SECTION 13 INDEMNITY

(1) The Corporation agrees to indemnify and hold harmless each U.S. Agent, and their respective directors, officers, employees and agents, and each person, if any, who controls any U.S. Agent within the meaning of Section 15 of the U.S. Securities Act or Section 20 of the U.S. Exchange Act against any and all losses, claims, damages and liabilities, joint or several (including any investigation, legal and other expenses reasonably incurred in connection with, and any amount paid in settlement of, any action, suit or proceeding or any claim asserted), to which they, or any of them, may become subject under the U.S. Securities Act, at common law or otherwise, insofar as such losses, claims, damages or liabilities arise out of or are based upon (i) any breach of

a representation or warranty of the Corporation contained herein or the failure of the Corporation to comply with any of its obligations hereunder, or (ii) any untrue statement or alleged untrue statement of a material fact contained in the U.S. Preliminary Prospectus, the Canadian Preliminary Prospectus, the U.S. Prospectus, the Canadian Prospectus or the U.S. Registration Statement, or any amendment or supplement thereto, or the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as any such untrue statement or omission or alleged untrue statement or omission was made in such U.S. Preliminary Prospectus, the Canadian Preliminary Prospectus, the U.S. Prospectus, the Canadian Prospectus or U.S. Registration Statement, or such amendment or supplement, in reliance upon and in conformity, with information furnished in writing to the Corporation by or on behalf of any U.S. Agent or Canadian Underwriter expressly for use in the preparation thereof; provided, however, that the foregoing indemnity against losses, claims, damages or liabilities is subject to the condition that, insofar as it relates to any untrue statement or alleged untrue statement, omission or alleged omission made in the U.S. Registration Statement, the U.S. Preliminary Prospectus and the Canadian Preliminary Prospectus but eliminated or remedied in the U.S. Prospectus and the Canadian Prospectus, such indemnity shall not inure to the benefit of any U.S. Agent from whom the person asserting any loss, claim, damage or liability purchased the Securities which are the subject thereof (or to the benefit of any person who controls such U.S. Agent) if such U.S. Agent failed to send or give a copy of the U.S. Prospectus (or any amendment or supplement thereto) to such person at or prior to the time such action is required by the U.S. Securities Act.

(2) Each U.S. Agent agrees to indemnify and hold harmless the Corporation, each person, if any, who controls the Corporation within the meaning of
Section 15 of the U.S. Securities Act or Section 20 of the U.S. Exchange Act, each director of the Corporation and each officer of the Corporation, against any and all losses, claims, damages and liabilities, joint or several (including any investigation, legal and other expenses reasonably incurred in connection with, and any amount paid in settlement of, any action, suit or proceeding or any claim asserted), to which they, or any of them, may become subject under the U.S. Securities Act, at common law or otherwise, insofar as such losses, claims, damages or liabilities arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in the U.S. Preliminary Prospectus, the Canadian Preliminary Prospectus, the U.S. Prospectus, the Canadian Prospectus or the U.S. Registration Statement, or any amendment or supplement thereto, or the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, but only insofar as such losses, claims, damages or liabilities arise out of or are based upon any untrue statement or omission or alleged untrue statement or omission which was made in the U.S. Preliminary Prospectus, the Canadian Preliminary Prospectus, the U.S. Prospectus, or the Canadian Prospectus, or any amendment or supplement thereto, in reliance upon and in conformity with information furnished in writing to the Corporation by such U.S. Agent with respect to the U.S. Agents expressly for use in the preparation thereof.

(3) Any party which proposes to assert the right to be indemnified under this Section 13 will, promptly after receipt of notice of commencement of any action, suit or proceeding against such party in respect of which a claim is to be made against an indemnified party under this Section 13, notify each such indemnifying party of the commencement of such action, suit or proceeding, enclosing a copy of all papers served, but the omission so to notify such indemnifying party of any such action, suit or proceeding shall not relieve it from any liability which it may have to any indemnified party otherwise than under this Section 13. In case any such action, suit or proceeding shall be brought against any indemnified party and it shall notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate in, and, to the extent that it shall wish, jointly with any other indemnifying party similarly notified, to assume the defence thereof, with counsel satisfactory to such indemnified party, and after notice from the indemnifying party to such indemnified party of its election so to assume the defence thereof, the indemnifying party shall not be liable to such indemnified party for any legal or other expenses, other than reasonable costs of investigation subsequently incurred by such indemnified party in connection with the defence thereof. The indemnified party shall have the right to employ its counsel in any such action, but the fees and expenses of such counsel shall be at the expense of such indemnified party unless (i) the employment of counsel by such indemnified party has been authorized by the indemnifying parties, (ii) the indemnified party shall have reasonably concluded that there may be a conflict of interest between the indemnifying parties and the indemnified party in the conduct of the defence of such action (in which case the indemnifying parties shall not have the right to direct the defence of such action on behalf of the indemnified party) or (iii) the indemnifying parties shall not in fact have employed counsel to assume the defence of such action. An indemnifying party shall not be liable for any settlement of any action or claim effected without its consent. For the purposes of clause (ii) of the preceding sentence only, any indemnified party or parties shall be represented by one counsel whom they may select with the approval, which shall not be unreasonably withheld, of the indemnifying parties.

SECTION 14 CONTRIBUTION

In order to provide for just and equitable contribution in circumstances in which the indemnification provided for in Section 13 hereof is applicable but for any reason, other than as specified in Section 13, is held to be unavailable from the indemnifying party, then each indemnifying party shall, in lieu of indemnifying such indemnified party, contribute to the aggregate losses, claims, damages and liabilities (including any investigation, legal and other expenses reasonably incurred in connection with, and any amount paid in settlement of, any action, suit or proceeding or any claims asserted), in such proportion as is appropriate to reflect the relative benefits received by the Corporation on the one hand and the U.S. Agents on the other from the offering of the Securities. If however, the allocation provided by the immediately preceding sentence is not permitted by applicable law, then each indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Corporation on the one hand and the U.S. Agents on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Corporation on the one hand and the U.S. Agents on the other shall be deemed

to be in the same proportion as the total net proceeds from the offering of the Securities (before deducting expenses) received by the Corporation bear to the total Underwriting Fees received by the U.S. Agents, in each case as set forth in the U.S. Prospectus. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Corporation on the one hand or the U.S. Agents on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Corporation and the U.S. Agents agree that it would not be just and equitable if contributions pursuant to this Section 14 were determined by pro rata allocation (even if the U.S. Agents were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above in this Section 14. Notwithstanding the provisions of this Section 14, (i) in no case shall any U.S. Agent be responsible for any amount in excess of the sum of the Underwriting Fee applicable to the Securities purchased by such U.S. Agent hereunder, and (ii) no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this Section 14, each person, if any, who controls a U.S. Agent within the meaning of the U.S. Securities Act and the U.S. Exchange Act, and each director, officer, employee and agent of a U.S. Agent shall have the same rights to contribution as such U.S. Agent, and each person, if any, who controls the Corporation within the meaning of the U.S. Securities Act and the U.S. Exchange Act, and each director of the Corporation shall have the same rights to contribution as the Corporation, subject in each case to clauses (i) and (ii) of this Section 14. Any party entitled to contribution will, promptly after receipt of notice of commencement of any action, suit or proceeding against such party in respect of which a claim for contribution may be made against another party or parties under this Section 14, notify such party or parties from whom contribution may be sought, but the omission so to notify such party or parties from whom contribution may he sought shall not relieve the party or parties from whom contribution may be sought from any other obligation it or they may have hereunder or otherwise than under this Section 14. No party shall be liable for contribution with respect to any action or claim settled without its written consent. The U.S. Agents' obligations in this section to contribute are several in proportion to their respective obligations and not joint.

SECTION 15 EXPENSES

Whether or not the transactions provided for herein (including the Offering) are completed, the Corporation shall pay all costs, fees and expenses of or incidental to the performance of its obligations under this U.S. Agreement including, without limitation: (i) the costs of the Corporation's professional advisors (including, without limitation, the Corporation's auditors, counsel and any local counsel), (ii) the cost of printing the U.S. Preliminary Prospectus, the U.S. Prospectus, the Canadian forms of such prospectuses, and any amendments and supplements thereto, and certificates for the Securities, (iii) the preparation of any Blue Sky survey regarding the offers and sales of the Securities in the various states, and (iv) all applicable costs related to the review by the NASD of the terms of the sale of the Offered Securities (which NASD-related costs are to include, in addition to any filing fees, legal fees and related G.S.T.). The fees and disbursements of any counsel (whether Canadian or U.S.) to the U.S. Agents and the Canadian Underwriters up to an aggregate amount of Cdn $235,000 and out-of-pocket expenses of the U.S. Agents shall be borne by the Corporation; provided that,

notwithstanding the foregoing, in the event that the sale and purchase of the Securities is not completed in accordance with the terms hereof (other than as a result of a breach by the U.S. Agents of any of its obligations hereunder), the Corporation shall assume and pay, in addition to the out-of-pocket expenses of the U.S. Agents and any other expenses required to be paid by it hereunder, all fees and disbursements of counsel (whether Canadian or U.S.) to the U.S. Agents or the Canadian Underwriters.

SECTION 16 ACTION BY U.S. AGENTS

All steps which must or may be taken by the U.S. Agents in connection with this Agreement, with the exception of the matters relating to termination contemplated by Section 12 hereof, may be taken by the U.S. Lead Manager on behalf of itself and the other U.S. Agent and the acceptance of this offer by the Corporation shall constitute the Corporation's authority for accepting notification of any such steps from, and for delivering the definitive documents constituting the Securities to or to the order of the U.S. Lead Manager.

SECTION 17 GOVERNING LAW; TIME OF ESSENCE

This U.S. Agreement shall be governed by and construed in accordance with the laws of the State of New York and the federal laws of the United States of America applicable therein and time shall be of the essence hereof.

SECTION 18 SURVIVAL OF WARRANTIES, REPRESENTATIONS, COVENANTS AND AGREEMENTS

All warranties, representations, covenants and agreements of the Corporation and the U.S. Agents herein contained or contained in documents submitted or required to be submitted pursuant to this U.S. Agreement shall survive the purchase by the U.S. Agents of the Securities and shall continue in full force and effect, regardless of the closing of the sale of the Securities and regardless of any investigation which may be carried on by the U.S. Agents, or on their behalf, for a period of two years following the Closing Date. Without limitation of the foregoing, the provisions contained in this U.S. Agreement in any way related to the indemnification or the contribution obligations herein shall survive and continue in full force and effect, indefinitely.

SECTION 19 PRESS RELEASES

The Corporation shall provide the U.S. Agents and their counsel with a copy of all press releases to be issued by the Corporation concerning the Offering contemplated hereby prior to the issuance thereof, and shall give the U.S. Agents and their counsel a reasonable opportunity to provide comments on any press release.

SECTION 20 NOTICES

All notices or other communications by the terms hereof required or permitted to be given by one party to another shall be given in writing by personal delivery or by facsimile delivered or facsimile to such other party as follows:

(a) to the Corporation at:

Golden Star Resources Ltd.
10579 Bradford Road
Suite 103
Littleton, Colorado
U.S.A. 80127-4247

Attention: Peter Bradford
Facsimile No.: (303) 830-9094

with a copy to:

Field Atkinson Perraton LLP
1900, 350-7th Avenue S.W.
Calgary, Alberta

**T2P 3N9**

Attention: Bonnie Kuhn
Facsimile No.: (403) 264-7084

and to:

Stoel Rives LLP
900 S.W. 5th Avenue
Portland, Oregon
U.S.A. 97204-1268

Attention: John Halle
Facsimile No.: (503) 220-2480

(b) to the U.S. Agents at:

Canaccord Capital Corporation (USA) Inc. c/o Canaccord Capital Corporation
320 Bay Street
Suite 1210
Toronto, Ontario

Attention: Peter Marrone
Facsimile No.: (416) 869-3876

and

BMO Nesbitt Burns Corp.
c/o BMO Nesbitt Burns Inc.
1 First Canadian Place
Toronto, Ontario
**M5X 1H3**

Attention: Egizio Bianchini
Facsimile No.: (416) 359-4459

with a copy to:

Stikeman Elliott
5300 Commerce Court West
199 Bay Street
Toronto, Ontario
**M5L 1B9**

Attention: Jay C. Kellerman
Facsimile No.: (416) 947-0866

and to:

Dorsey & Whitney LLP
BCE Place
161 Bay Street, Suite 4310
Toronto, Ontario

Canada M5J 2S1

Attention: Christopher Barry
Facsimile No.: (416) 367-7371

or at such other address or facsimile number as may be given by either of them to the other in writing from time to time and such notices or other communications shall be deemed to have been received when delivered or, if facsimile, on the next business day after such notice or other communication has been facsimile (with receipt confirmed).

SECTION 21 JUDGMENT CURRENCY

In respect of any judgment or order given or made for any amount due hereunder that is expressed and paid in a currency (the "JUDGMENT CURRENCY") other than United States dollars, the Corporation shall indemnify each U.S. Agent against any loss incurred by such U.S. Agent as a result of any variation as between (i) the rate of exchange at which the United States dollar amount is converted into the judgment currency for the purpose of such judgment or order and (ii) the rate of exchange at which a U.S. Agent is able to purchase United States dollars with the amount of the judgment currency actually received by such U.S. Agent. The term "rate of exchange" shall include any premiums and costs of exchange payable in connection with the purchase of or conversion into United States dollars.

SECTION 22 COUNTERPART SIGNATURE

This Agreement may be executed in one or more counterparts (including counterparts by facsimile) which, together, shall constitute an original copy hereof as of the date first noted above.

SECTION 23 ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the U.S. Agents and the Corporation relating to the subject matter hereof and supersedes all prior agreements between the U.S. Agents and the Corporation.

(THE REMAINDER OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY)

SECTION 24 ACCEPTANCE

If this offer accurately reflects the terms of the transaction which we are to enter into and if such terms are agreed to by the Corporation, please communicate your acceptance by executing where indicated below and returning by facsimile one copy and returning by courier one originally executed copy to Canaccord Capital Corporation (USA) Inc. (Attention: Peter Marrone).

Yours very truly,

**CANACCORD CAPITAL CORPORATION (USA) INC.**

By: _____
Authorized Signing Officer

**BMO NESBITT BURNS CORP.**

By: _____
Authorized Signing Officer

The foregoing accurately reflects the terms of the transaction that we are to enter into and such terms are agreed to.

ACCEPTED at _____ as of this _____ day of _____, 2002.

**GOLDEN STAR RESOURCES LTD.**

By: _____
Authorized Signing Officer

## SCHEDULE A

## MATERIAL SUBSIDIARIES

| NAME | TYPE OF OWNERSHIP | PERCENTAGE |
|---|---|---|
| Caystar Holdings (Cayman Islands) | Shares | 100% |
| Bogoso Holdings (Cayman Islands) | Shares | 100% |
| Bogoso Gold Limited (Ghana) | Shares | 90% |
| Guyanor Ressources S.A. (France) | Shares | 73% |
| Societe de Traveux Publics et de Mines Auriferes en Guyane S.A.R.L. (France) | Shares | 100% |
| Societe des Mines de Yaou & Dorlin (France) | Shares | 100% |
| Societe de Mines de Saint-Elie S.A.R.L. (France) | Shares | 100% |
| Pan African Resources Corporation (Yukon Territory) | Shares | 99.9% |
| Pan African Resources Corporation (Barbados) | Shares | 100% |
| PARC Cote d'Ivoire S.A. (Ivory Coast) | Shares | 100% |
| Wasford Holdings (Cayman Islands) | Shares | 100% |

**SCHEDULE B**

Unless the context otherwise dictates, all capitalized terms herein have the meaning ascribed to thereto in the U.S. Agency Agreement to which this Schedule B is attached

Canadian counsel's opinions:

**As set out in Section 4(1) of the Canadian Underwriting Agreement.**

U.S. counsel's opinions:

1. No authorization, approval or other action by, and no notice to, consent of, order of, or filing with, any United States Federal or state governmental authority or regulatory body is required for the consummation of the transactions contemplated by the U.S. Agency Agreement, the Canadian Underwriting Agreement or the Warrant Indenture, except such as have been obtained under the U.S. Securities Act and such as may be required under the blue sky laws of any jurisdiction in connection with the purchase and distribution of the Securities by the U.S. Agents.

2. To such counsel's knowledge and other than as set forth in the U.S. Prospectus, there are no legal or governmental proceedings pending to which the Corporation or any of its subsidiaries is a party or of which any property of the Corporation or any of its subsidiaries would, individually or in the aggregate have a material adverse effect on the current consolidated financial position, shareholders' equity or results of operation of the Corporation and its subsidiaries; and to such counsel's knowledge, no such proceedings are threatened or contemplated by governmental authorities or threatened by others;

3. Neither the issue and sale of the Securities as described in the U.S. Prospectus and Canadian Prospectus, nor the consummation of the transactions contemplated by the U.S. Agency Agreement and the Canadian Underwriting Agreement and the performance of the terms of the U.S. Agency Agreement and the Canadian Underwriting Agreement, including the issuance of the Underwriters' Warrants (as such term is defined in the Canadian Underwriting Agreement), (i) will result in a breach of or constitute a default under any agreement or instrument that is listed as an exhibit to the U.S. Registration Statement or any document incorporated by reference to the U.S. Prospectus and to which the Corporation or any of its Material Subsidiaries is a party or bound, (ii) will contravene any law, rule or regulation of the United States of America or the State of Oregon or any law, rule or regulation of any other state known by such counsel to be applicable to the Corporation or (iii) based solely on a certificate signed by an officer of the Corporation, on the date hereof, will contravene any order or decree of any court or government agency or instrumentality any state or the Federal government of the United States of America known to such counsel.

4. The statements made in the U.S. Prospectus and the Canadian Prospectus under the caption "Plan of Distribution", insofar as they purport to summarize the material terms of the U.S. Agency Agreement and the Canadian Underwriting Agreement, and

under the caption "U.S. Federal Income Tax Considerations", insofar as they purport to describe the material tax consequences under U.S. Federal Income Tax laws of an investment in the Securities, fairly summarize the matters therein described.

5. The Corporation is not an "investment company" or an entity "controlled" by an "investment company", as such terms are defined in the Investment Company Act of 1940, as amended.

6. The U.S. Registration Statement has become effective under the U.S. Securities Act, any required filing of a preliminary prospectus or prospectus, and any supplement thereto pursuant to Rule 424 under the U.S. Securities Act has been made in the manner and within the time required by Rule 424 and to such counsel's knowledge, no stop order suspending the effectiveness of the U.S. Registration Statement has been issued and no proceeding for that purpose has been instituted, threatened or contemplated by the SEC.

7. The documents incorporated by reference in the U.S. Prospectus or any further amendment or supplement thereto made by the Corporation prior to the date of this opinion (other than the financial statements and related schedules therein or other financial data derived from accounting records, as to which counsel is not expressing an opinion), when they became effective or were filed with the SEC, as the case may be, complied as to form in all material respects with the requirements of the U.S. Securities Act or the U.S. Exchange Act, as applicable, and the rules and regulations of the SEC thereunder; and such counsel has no reason to believe that any of such documents (other than the financial statements and related schedules therein or other financial data derived from accounting records, as to which such counsel is not expressing an opinion), when such documents became effective or were so filed, as the case may be, contained, in the case of a registration statement which became effective under the U.S. Securities Act, an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading, or in the case of documents which were filed under the U.S. Exchange Act with the SEC (other than the financial statements and related schedules therein or other financial data derived from accounting records, as to which such counsel is not expressing an opinion), an untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made when such documents were filed, not misleading.

8. The U.S. Registration Statement as of its effective date and each of the U.S. Prospectus and the Canadian Prospectus at the time each such prospectus was filed with the SEC pursuant to Rule 424(b) under the U.S. Securities Act and any further amendments and supplements thereto made by the Corporation prior to the date hereof (other than the financial statements and related schedules therein or other financial data derived from accounting records, as to which such counsel is not expressing an opinion) comply as to form in all material respects with the requirements of the U.S. Securities Act and the rules and regulations thereunder.

9. During the course of the Corporation's preparation of the U.S. Registration Statement, such counsel participated in conferences with officers and other representatives of the Corporation, the Corporation's independent public accountants, the U.S. Agents and

the Canadian Underwriters and their counsel, at which the contents of the U.S. Registration Statement and the U.S. Prospectus and the Canadian Prospectus were discussed, and while they have not independently verified and are not passing upon the accuracy, completeness or fairness of the statements made in the U.S. Registration Statement, the U.S. Prospectus or the Canadian Prospectus except as explicitly set forth in paragraphs 4 and 12 hereof, no facts have come to such counsel's attention that lead such counsel to believe that the U.S. Registration Statement (other than the financial statements, financial and related statistical data and supporting schedules as to which we make no statement), as of its effective date or as of the date hereof, contained or contains any untrue statement of a material fact or omitted or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading; or that the U.S. Prospectus or the Canadian Prospectus, as of their issue date or as of the date hereof, contained or contain any untrue statement of a material fact or omitted to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

10. Such counsel does not know of any amendment to the U.S. Registration Statement required to be filed at or prior to the date hereof which has not been filed as required.

11. Such counsel does not know of any legal or governmental proceeding or any franchise, contract or other document required to be described in, or filed as an exhibit to, the U.S. Registration Statement or required to be described or incorporated by reference in the U.S. Prospectus or required to be described in the Canadian Prospectus which has not been described, filed or incorporated by reference as required.

12. The statements included or incorporated by reference in the U.S. Registration Statement and the U.S. Prospectus and the statements included in the Canadian Prospectus describing contracts or other agreements to which the Corporation or any of its Material Subsidiaries is a party or is bound or any United States federal statutes or legal or other governmental proceedings under United States federal law or Oregon state law are accurate in all material respects and fairly summarize such matters.

## SCHEDULE C

## OUTSTANDING CONVERTIBLE SECURITIES

| SECURITY | NUMBER OF COMMON SHARES EXERCISABLE INTO | EXERCISE OR CONVERSION PRICE |
|---|---|---|
| Options | 4,550,944 | (Cdn$0.60 to Cdn$1.80) |
| Warrants | 6,602,333 | ($0.70 to $1.75) |
| Debentures | 1,804,286 | ($0.70) |
| TOTAL | 12,957,563 | |

**EXHIBIT 4.1**

**AMALGAMATED (BY ARRANGEMENT) UNDER THE CANADA BUSINESS CORPORATIONS ACT**

| NUMBER | SHARES |
|---|---|
| AC | |

GOLDEN STAR RESOURCES LTD.

CUSIP 38119T 10 4

**SPECIMEN**

**THIS CERTIFIES THAT**

is the registered holder of

**FULLY PAID AND NON-ASSESSABLE COMMON SHARES WITHOUT PAR VALUE IN THE CAPITAL OF**

**GOLDEN STAR RESOURCES LTD.**

Registration of the transfer of the shares represented by this certificate may be made only in a securities register of the Corporation upon presentation of this certificate properly endorsed, subject to compliance with the requirements of the laws governing the Corporation and the by-laws of the Corporation.

This certificate shall not be valid until countersigned by the Transfer Agent and Registrar or the Co-Transfer Agent and Co-Registrar of the Corporation.

In Witness Whereof the said Corporation has caused this certificate to be signed by its duly authorized officer.

DATED:

COUNTERSIGNED AND REGISTERED

| THE R-M TRUST COMPANY<br>TRANSFER AGENT AND REGISTRAR | OR | MELLON SECURITIES TRUST COMPANY<br>CO-TRANSFER AGENT AND CO-REGISTRAR |
|---|---|---|

/s/ DAVID K. FAGIN
David K. Fagin
Chairman

By: _____
Authorized Officer

The Shares represented by this Certificate are transferable at the offices of The R-M Trust Company in Montreal, Toronto or Vancouver and at the office of Mellon Securities Trust Company in New York.

Until the Separation Time (defined in the Rights Agreement referred to below), this certificate evidences rights of the holder described in a Rights Agreement, dated April 24, 1996, as supplemented and amended (the "Rights Agreement"), between Golden Star Resources Ltd. (the "Corporation") and The R-M Trust Company, the terms of which are incorporated herein by reference and a copy of which is on file at the head office of the Corporation. Under certain circumstances set out in the Rights Agreement, the rights may expire, may become null and void or may be evidenced by separate certificates and no longer be evidenced by this certificate. The Corporation will mail or arrange for the mailing of a copy of the Rights Agreement to the holder of this certificate without charge as soon as practicable after the receipt of a written request therefor.

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

**PLEASE INSERT SOCIAL INSURANCE NUMBER OF TRANSFEREE**

[ ][ ][ ]-[ ][ ][ ]-[ ][ ][ ]

---

(Name and address of transferee)

---

_____ shares registered in the name of the undersigned on the books of the Corporation named on the face of this certificate and represented hereby, and irrevocably constitutes and appoints

_____ the attorney of the undersigned to transfer the said shares on the register of transfers and books of the Corporation with full power of substitution hereunder.

DATED:

---

(Signature of Witness) (Signature of Shareholder)

NOTICE: The signature of this assignment must correspond with the name as written upon the face of the certificate, in every particular, without alteration or enlargement, or any change whatsoever, and must be guaranteed by a bank, trust company or a member of a recognized stock exchange.

**Signature Guaranteed By:**

**Exhibit 4.2**

# WARRANT INDENTURE

**PROVIDING FOR THE ISSUE OF UP TO -
SHARE PURCHASE WARRANTS**

**BETWEEN**

**GOLDEN STAR RESOURCES LTD.**

- AND -

**CIBC MELLON TRUST COMPANY**

**DATED AS OF JULY -, 2002**

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PAGE

**THIS WARRANT INDENTURE is made as of the ___ day of July, 2002.**

**BETWEEN:**

GOLDEN STAR RESOURCES LTD., a body corporate amalgamated under the laws of Canada having an office in Littleton, in the State of Colorado (hereafter referred to as the "CORPORATION")

- and -

CIBC MELLON TRUST COMPANY, a trust company incorporated under the laws of Canada and authorized to carry on business in all provinces of Canada

(hereinafter referred to as the "TRUSTEE")

**WHEREAS:**

A. the Corporation has agreed to issue up to - Units pursuant to the Underwriting Agreement, each Unit entitling the holder to acquire one Common Share and one half of one Purchase Warrant;

B. the Corporation is duly authorized to create and issue the Purchase Warrants to be issued as herein provided;

C. one whole Purchase Warrant shall, subject to adjustment, entitle the holder thereof to acquire one Common Share upon payment of the Exercise Price, upon the terms and conditions herein set forth;

D. all acts and deeds necessary have been done and performed to make the Purchase Warrants, when issued as provided in this Indenture, legal, valid and binding upon the Corporation with the benefits and subject to the terms of this Indenture; and

E. the foregoing statements of fact and recitals are made by the Corporation and not the Trustee;

NOW THEREFORE, the parties hereto agree as follows:

## ARTICLE 1
## INTERPRETATION

1.1 DEFINITIONS

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

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

b. "APPLICABLE LEGISLATION" means the provisions of any statutes of Canada and a province thereof, and the regulations under those statutes, relating to trust indentures or to the rights, duties and obligations of trustees and of corporations under trust indentures, to the extent that such provisions are at the time in force and applicable to this Indenture;

c. "BUSINESS DAY" means a day which is not Saturday or Sunday or a legal holiday in the United States or in the City of Vancouver, British Columbia;

d. "CLOSING" means the completion of the purchase and sale of Units other than Units issued upon exercise of the Over-Allotment Option, pursuant to the Prospectus;

e. "CLOSING DATE" means the day the Closing occurs;

f. "COMMON SHARES" means fully paid and non-assessable common shares of the Corporation as presently constituted provided that in the event of an adjustment of subscription rights pursuant to Article 4, then "Common Share" shall thereafter mean a share or other security or property purchasable upon exercise of one Purchase Warrant as a result of any such adjustment;

g. "CORPORATION'S AUDITORS" means a firm of chartered accountants duly appointed as auditors of the Corporation;

h. "COUNSEL" means a barrister or solicitor or a firm of barristers and solicitors retained by the Trustee or retained by the Corporation, the Underwriters or the U.S. Agents and acceptable to the Trustee, acting reasonably;

i. "CURRENT MARKET PRICE" means at any date the weighted average closing price at which the Common Shares have been traded on AMEX during the 30 consecutive Trading Days ending one Trading Day before such date; and in the event the Common Shares are not listed on AMEX but are listed on another stock exchange or stock exchanges in Canada or the United States, the foregoing references to AMEX shall be deemed to be references to such other stock exchange or, if more than one, to such one as shall have the highest trading volume during such 30 consecutive trading day period, and in the event the Common Shares are not so traded on any stock exchange in Canada or the United States, the "Current Market Price" thereof shall be determined by the board of directors of the Corporation who shall rely upon the advice of independent financial agents with respect thereto;

j. "DIRECTOR" means a director of the Corporation for the time being and, unless otherwise specified herein, reference to action "by the directors" means action by the directors of the Corporation as a board or, whenever duly empowered, action by any committee of such board;

k. "EXERCISE DATE" means, with respect to any Purchase Warrant, the date on which the Warrant Certificate representing such Purchase Warrant is surrendered for exercise together with full payment of the Exercise Price, in accordance with Article 3;

l. "EXERCISE PRICE" means, with respect to a Purchase Warrant, the price at which a Common Share may be purchased upon the exercise of a Purchase Warrant, the initial Exercise Price being $-, subject to adjustment as provided in Article 4;

m. "EXPIRY DATE" means the date which is the two year anniversary of the Closing Date;

n. "EXTRAORDINARY RESOLUTION" has the meaning set forth in section 7.11;

o. "FILING JURISDICTIONS" means the Provinces of Alberta, British Columbia, Manitoba and Ontario;

p. "ISSUE DATE" means the date upon which the Purchase Warrants are issued;

q. "OVER-ALLOTMENT OPTION" means a non-transferable option to be granted to the Underwriters, entitling the Underwriters to purchase up to - Units at a price of $- per Unit, exercisable within 30 days of the Closing Date to cover the Underwriters' over-allotments, if any;

r. "PERSON" means an individual, body corporate, partnership, trust, trustee, executor, administrator, legal representative or any unincorporated organization;

s. "PROSPECTUS" means collectively the final prospectus of the Corporation dated -, 2002 filed in the Filing Jurisdictions and the final form of the prospectus included as part of the Corporation's registration statement on Form S-3 (file No. 333-91666) when such registration statement became effective qualifying or registering the offering for sale to the public - Units at a price of $- per Unit and pursuant to which an additional up to - Units are issuable to the Underwriters pursuant to the Over-Allotment Option;

t. "PURCHASE WARRANT" means one whole purchase warrant created and authorized by, and issuable under, this Indenture. Each whole purchase warrant will entitle the Warrantholder to acquire one common share of the Corporation upon payment of the Exercise Price;

u. "SECURITIES COMMISSION" means the Securities Commission or similar regulatory authority in each of the Filing Jurisdictions;

v. "SHAREHOLDER" means a holder of record of one or more Common Shares;

w. "SUBSIDIARY" or "SUBSIDIARY OF THE CORPORATION" means any corporation of which more than 50% of the outstanding voting shares are owned, directly or indirectly, by or for the Corporation, provided that the ownership of such shares confers the right to elect

at least a majority of the board of directors of such corporation and includes any corporation in like relation to a Subsidiary;

x. "TSX" means the Toronto Stock Exchange;

y. "TIME OF EXPIRY" means 4:30 p.m. (Vancouver time) on the Expiry Date;

z. "TRADING DAY" means, with respect to a stock exchange, a day on which such exchange is open for the transaction of business and, with respect to the over-the-counter market, means a day on which the TSX or the AMEX is open for the transaction of business;

aa. "TRANSFER AGENT" means the transfer agent for the time being of the Common Shares;

bb. "TRUSTEE" means CIBC Mellon Trust Company or its successors from time to time in the trust hereby created;

cc. "UNDERWRITING AGREEMENT" means the underwriting agreement effective July ___, 2002 between the Corporation and the Underwriters relating to the offering of Units;

dd. "UNDERWRITERS" means collectively, Canaccord Capital Corporation and BMO Nesbitt Burns Inc.;

ee. "UNITS" means units as described in the Prospectus, each unit consisting of one Common Share and one half of one Purchase Warrant;

ff. "U.S. AGENCY AGREEMENT" means the agency agreement effective July ___, 2002 between the Corporation and the U.S. Agents relating to the offering of Units;

gg. "U.S. AGENTS" means, collectively, Canaccord Capital Corporation (USA) Inc. and BMO Nesbitt Burns Corp.;

hh. "U.S. SECURITIES ACT" means the United States Securities Act of 1933, as amended;

ii. "WARRANT AGENCY" means the principal office of the Trustee in the City of Vancouver, or such other place as may be designated in accordance with subsection 3.2(c);

jj. "WARRANT CERTIFICATE" means a certificate evidencing Purchase Warrants;

kk. "WARRANTHOLDERS", or "HOLDERS" without reference to Common Shares, means the persons who are registered holders of Purchase Warrants;

ll. "WARRANTHOLDERS' REQUEST" means an instrument signed in one or more counterparts by Warrantholders entitled to acquire in the aggregate not less than 25% of the aggregate number of Common Shares which could be acquired pursuant to all Purchase Warrants then unexercised and outstanding, requesting the Trustee to take some action or proceeding specified therein;

mm. "WARRANT INDENTURE", "INDENTURE", "HEREIN", "HEREBY", "HEREOF" and similar expressions mean and refer to this indenture and any other indenture, deed or instrument supplemental hereto, and the expressions "ARTICLE", "SECTION", "SUBSECTION" and "PARAGRAPH" followed by a number, letter or both mean and refer to the specified article, section, subsection or paragraph of this Indenture;

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

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

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

1.2 GENDER AND NUMBER

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

1.3 INTERPRETATION NOT AFFECTED BY HEADINGS, ETC.

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

1.4 DAY NOT A BUSINESS DAY

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

1.5 TIME OF THE ESSENCE

Time shall be of the essence of this Indenture.

1.6 CURRENCY

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

1.7 APPLICABLE LAW

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

## ARTICLE 2
## ISSUE OF PURCHASE WARRANTS

2.1 ISSUE OF PURCHASE WARRANTS

a. A maximum of - Purchase Warrants are hereby created and authorized to be issued upon the terms and conditions herein set forth.

b. - Purchase Warrants shall be issuable at the Closing pursuant to the terms of the Underwriting Agreement relating to the sale of the Units, and an additional - Purchase Warrants may be issuable on exercise of the Over-Allotment Option. All such Purchase Warrants shall be issuable in such names and denominations as the Corporation may specify in writing to the Trustee not less than five Business Days prior to the issue date thereof.

c. The Warrant Certificates (including all replacements issued in accordance with this Indenture) shall be substantially in the form set out in Schedule "A" hereto, shall bear such distinguishing letters and numbers as the Corporation may, with the approval of the Trustee, prescribe, and shall be issuable in any denomination, excluding fractions.

d. The Warrant Certificates and the Purchase Warrants represented thereby shall be registered, together with the name and address of the registered holder thereof, in the Warrant Register maintained by the Trustee.

2.2 FORM AND TERMS OF PURCHASE WARRANTS

a. Each whole Purchase Warrant authorized to be issued hereunder shall entitle the holder thereof, upon exercise, together with payment of the Exercise Price, to acquire one Common Share, subject to adjustment in accordance with Article 4, at any time after the Issue Date and until the Time of Expiry.

b. No fractional Purchase Warrants shall be issued or otherwise provided for hereunder. If any fraction of a Purchase Warrant would otherwise be issuable, the number of Purchase Warrants shall be rounded down to the nearest whole Purchase Warrant.

c. The Exercise Price and the number of Common Shares that may be acquired pursuant to the exercise of the Purchase Warrants shall be adjusted in the events and in the manner specified in Article 4.

2.3 WARRANTHOLDER NOT A SHAREHOLDER

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

2.4 PURCHASE WARRANTS TO RANK PARI PASSU

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

2.5 SIGNING OF WARRANT CERTIFICATES

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

2.6 CERTIFICATION BY THE TRUSTEE

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

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

2.7 ISSUE IN SUBSTITUTION FOR WARRANT CERTIFICATES LOST, ETC.

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

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

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

2.8 EXCHANGE OF WARRANT CERTIFICATES

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

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

2.9 CHARGES FOR EXCHANGE

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

2.10 TRANSFER AND OWNERSHIP OF PURCHASE WARRANTS

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

(i) the conditions herein;

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

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

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

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

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

## ARTICLE 3
## EXERCISE OF PURCHASE WARRANTS

3.1 INTENTIONALLY LEFT BLANK

3.2 METHOD OF EXERCISE OF PURCHASE WARRANTS

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

Expiry, to the Trustee the Warrant Certificate with a duly completed and executed exercise form, together with a wire transfer, certified cheque, money order or bank draft, in lawful money of Canada payable to or to the order of the Corporation for the Exercise Price for the Common Shares subscribed for.

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

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

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

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

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

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

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

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

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

3.3 EFFECT OF EXERCISE OF PURCHASE WARRANTS

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

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

3.4 PARTIAL EXERCISE OF PURCHASE WARRANTS; FRACTIONS

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

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

3.5 EXTENSION OF TIME OF EXPIRY

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

3.6 EXPIRATION OF PURCHASE WARRANTS

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

3.7 CANCELLATION OF SURRENDERED PURCHASE WARRANTS

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

3.8 ACCOUNTING AND RECORDING

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

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

3.9 POSTPONEMENT OF DELIVERY OF CERTIFICATES

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

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

## ARTICLE 4
## ADJUSTMENT OF NUMBER OF COMMON SHARES

4.1 ADJUSTMENT OF NUMBER OF COMMON SHARES

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

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

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

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

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

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

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

holders of Common Shares of rights, options or warrants entitling them for a period expiring not more than forty-five (45) days after such record date to subscribe for or purchase Common Shares (or securities convertible into, or exchangeable for, Common Shares) at a price per share (or having a conversion price or exchange price per share) less than 95% of the Current Market Price on such record date, the Exercise Price shall be adjusted immediately after such record date by the Corporation so that it shall equal the price determined by multiplying the Exercise Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date plus the number arrived at by dividing the aggregate subscription or purchase price of the total number of additional Common Shares offered for subscription or purchase (or the aggregate conversion or exchange price of the convertible securities or exchangeable securities so offered) by such Current Market Price, and of which the denominator shall be total number of Common Shares outstanding on such record date plus the total number of additional Common Shares offered for subscription or purchase (or into which the convertible securities or exchangeable securities so offered are convertible or exchangeable); any Common Shares owned by or held for the account of the Corporation or any Subsidiary of the Corporation shall be deemed not to be outstanding for the purpose of any such computation; such adjustment shall be made successively whenever such a record date is fixed; to the extent that any rights, options or warrants are not so issued or any such rights, options or warrants are not exercised prior to the expiration thereof, the Exercise Price shall then be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed or to the Exercise Price which would then be in effect based upon the number and aggregate price of Common Shares (or securities convertible into Common Shares) actually issued upon the exercise of such rights, option or warrants, as the case may be;

c. if and whenever at any time from the date hereof and prior to the Time of Expiry, there is a reclassification of the Common Shares or a capital reorganization of the Corporation other than as described in subsection 4.1(a) or a consolidation, amalgamation or merger of the Corporation with or into any other body corporate, trust, partnership or other entity, or a sale or conveyance of the property and assets of the Corporation as an entirety or substantially as an entirety to any other body corporate, trust, partnership or other entity, any Warrantholder who has not exercised its right of acquisition prior to the effective date of such reclassification, reorganization, consolidation, amalgamation, merger, sale or conveyance, upon the exercise of such right thereafter, shall be entitled to receive and shall accept, in lieu of the number of Common Shares then sought to be acquired by it, the number of shares or other securities or property of the Corporation or of the body corporate, trust, partnership or other entity resulting from such merger, amalgamation or consolidation, or to which such sale or conveyance may be made, as the case may be, that such Warrantholder would have been entitled to receive on such reclassification, reorganization, consolidation, amalgamation, merger, sale or conveyance, if, on the record date or the effective date thereof, as the case may be, the Warrantholder had been the registered holder of the number of Common Shares sought to be acquired by it. If determined appropriate by the Corporation or its directors to give effect to or to evidence the provisions of this subsection, the Corporation, its successor, or such purchasing body corporate, partnership, trust or other entity, as the case may be,

shall, prior to or contemporaneously with any such reclassification, reorganization, consolidation, amalgamation, merger, sale or conveyance, enter into an indenture which shall provide, to the extent possible, for the application of the provisions set forth in this Indenture with respect to the rights and interests thereafter of the Warrantholders to the end that the provisions set forth in this Indenture shall thereafter correspondingly be made applicable, as nearly as may reasonably be, with respect to any shares, other securities or property to which a Warrantholder is entitled on the exercise of its acquisition rights thereafter. Any indenture entered into between the Corporation and the Trustee pursuant to the provisions of this subsection 4.1(c) shall be a supplemental indenture entered into pursuant to the provisions of Article 8 hereof. Any indenture entered into between the Corporation, any successor to the Corporation or such purchasing body corporate, partnership, trust or other entity and the Trustee shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided in this section 4.1 and which shall apply to successive reclassifications, reorganizations, amalgamations, consolidations, mergers, sales or conveyances;

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

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

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

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

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

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

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

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

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

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

4.2 OTHER ACTION

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

4.3 ENTITLEMENT TO SHARES ON EXERCISE OF PURCHASE WARRANT

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

4.4 NO ADJUSTMENT FOR STOCK OPTIONS

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

4.5 DETERMINATION BY CORPORATION'S AUDITORS

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

4.6 PROCEEDINGS PRIOR TO ANY ACTION REQUIRING ADJUSTMENT

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

4.7 CERTIFICATE OF ADJUSTMENT

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

4.8 NOTICE OF SPECIAL MATTERS

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

4.9 NO ACTION AFTER NOTICE

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

4.10 PROTECTION OF TRUSTEE

Except as provided in section 9.2, the Trustee:

a. shall not at any time be under any duty or responsibility to any Warrantholder to determine whether any facts exist which may require any adjustment contemplated by section 4.1 or with respect to the nature or extent of any such adjustment when made, or with respect to the method employed in making the same;

b. shall not be accountable with respect to the validity or value (or the kind or amount) of any Common Shares or of any shares or other securities or property which may at any time be issued or delivered upon the exercise of the rights attaching to any Purchase Warrant;

c. shall not be responsible for any failure of the Corporation to issue, transfer or deliver Common Shares or certificates for the same upon the surrender of any Purchase Warrants for the purpose of the exercise of such rights or to comply with any of the covenants contained in this Article;

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

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

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

5.1 OPTIONAL PURCHASES BY THE CORPORATION

The Corporation may from time to time purchase, by private contract or otherwise, any of the Purchase Warrants. Any such purchase shall be made at the lowest price or prices at which, in the opinion of the directors, such Purchase Warrants are then obtainable, plus reasonable costs of purchase, and may be made in such manner, from such persons and on such other terms as the Corporation, in its sole discretion, may determine. Any Warrant Certificates representing the

Purchase Warrants purchased pursuant to this section shall forthwith be delivered to and cancelled by the Trustee. No Purchase Warrants shall be issued in replacement thereof.

5.2 GENERAL COVENANTS

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

a. it shall reserve and keep available a sufficient number of Common Shares for the purpose of enabling it to satisfy its obligations to issue Common Shares upon the exercise of the Purchase Warrants;

b. it shall cause the Common Shares and the certificates representing the Common Shares acquired pursuant to the valid exercise of the Purchase Warrants to be duly issued and delivered in accordance with the Warrant Certificates and the terms hereof;

c. all Common Shares issued upon exercise of the right to acquire provided for herein and in the Warrant Certificates shall be issued as fully paid and non-assessable;

d. the Corporation will direct the Trustee to keep open the Warrant Register and will not take any action or omit to take any action that would have the effect of preventing the Warrantholders from exercising any of the Purchase Warrants or receiving any of the Common Shares upon such exercise;

e. the Corporation will make all requisite filings, including filings with securities regulatory authorities in Canada and the United States, in connection with the exercise of the Purchase Warrants and the issue of the Common Shares issuable upon exercise thereon, and will maintain its status as a reporting issuer not in default in the Filing Jurisdictions;

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

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

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

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

j. it will register (and maintain such registration of) the Common Shares issuable upon exercise of the Purchase Warrants under the securities laws of all U.S. States in which the Common Shares are not otherwise exempt from such securities registration requirements.

For purposes of the foregoing, "U.S. States" means the 50 states of the United States of America, the District of Columbia, Puerto Rico and Guam;

k. it shall use its best efforts to maintain its registration statement on Form S-3 (File No. 333-91666), or another registration statement on such form filed with the United States Securities and Exchange Commission with respect to the Common Shares and Purchase Warrants, continuously effective under the U.S. Securities Act of 1933, as amended;

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

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

5.3 TRUSTEE'S REMUNERATION AND EXPENSES

The Corporation covenants that it will pay to the Trustee from time to time reasonable remuneration for its services hereunder and will pay or reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in the administration or execution of the trusts hereby created (including the reasonable compensation and the disbursements of its Counsel and all other advisers and assistants not regularly in its employ) both before any default hereunder and thereafter until all duties of the Trustee hereunder shall be finally and fully performed, except any such expense, disbursement or advance as may arise out of or result from the Trustee's gross negligence, wilful misconduct or bad faith.

5.4 SECURITIES QUALIFICATION REQUIREMENTS

a. If, in the opinion of Counsel, any instrument is required to be filed with, or any permission is required to be obtained from, any governmental authority or regulatory body in Canada or the United States or any other step is required under any federal or provincial law of Canada or federal or state law of the United States before any Common Shares which a Warrantholder is entitled to acquire pursuant to the exercise of any Purchase Warrant may properly and legally be issued upon due exercise thereof and thereafter traded, without further formality or restriction, the Corporation covenants that it will take such required action at its expense, as is required or appropriate in the circumstances.

b. The Corporation or, if required in writing by the Corporation, the Trustee, will give notice of the issue of Common Shares pursuant to the exercise of Purchase Warrants, in such detail as may be required, to each securities commission or similar regulatory authority in each of the Filing Jurisdictions in which there is legislation or regulation permitting or requiring the giving of any such notice.

c. The Corporation covenants that if any Common Shares, required to be reserved for the purpose of issue upon exercise of the Purchase Warrants hereunder, require registration with or approval of any governmental authority under any federal or state law before such Common Shares may be issued upon exercise of Purchase Warrants, the Corporation will use its best efforts to cause such Common Shares to be duly registered, or approved, as the case may be, and, to the extent practicable, take all such action in anticipation of and prior to the exercise of the Purchase Warrants, including, without limitation, filing any and all post effective amendments to the Corporation's Registration Statement on Form S-3 (Registration No. 333-91666) necessary to permit a public offering of the Common Shares underlying the Purchase Warrants at any and all times during the term of this Indenture, provided, however, that in no event shall such Common Shares be issued, and the Corporation is authorized to refuse to honor the exercise of any Purchase Warrant, if such exercise would result in the opinion of the Corporation's Board of Directors, upon advice of counsel, in the violation of any law; and provided further that, in the case of a Purchase Warrant exercisable solely for Common Shares listed on a securities exchange or for which there are at least two independent market makers, in lieu of obtaining such registration or approval, the Corporation may elect to redeem Purchase Warrants submitted to the Trustee for exercise for a price equal to the difference between the aggregate low asked price, or closing price, as the case may be, of the Common Shares for which such Purchase Warrant is exercisable on the date of such submission and the Exercise Price of such Purchase Warrants; in the event of such redemption, the Corporation will pay to the holder of such Purchase Warrants the above described redemption price in cash within ten business days after receipt of notice from the Trustee that such Purchase Warrants have been submitted for exercise.

5.5 PERFORMANCE OF COVENANTS BY TRUSTEE

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

## ARTICLE 6
## ENFORCEMENT

6.1 SUITS BY WARRANTHOLDERS

All or any of the rights conferred upon any Warrantholder by any of the terms of the Warrant Certificates or the Indenture or both may be enforced by the Warrantholder by appropriate proceedings but without prejudice to the right which is hereby conferred upon the Trustee to

proceed in its own name to enforce each and all of the provisions herein contained for the benefit of the Warrantholders.

6.2 IMMUNITY OF SHAREHOLDERS, ETC.

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

6.3 LIMITATION OF LIABILITY

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

6.4 WAIVER OF DEFAULT

Upon the happening of any default hereunder:

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

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

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

## ARTICLE 7
## MEETINGS OF WARRANTHOLDERS

### 7.1 RIGHT TO CONVENE MEETINGS

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

### 7.2 NOTICE

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

### 7.3 CHAIRMAN

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

### 7.4 QUORUM

Subject to the provisions of section 7.11, at any meeting of the Warrantholders a quorum shall consist of Warrantholders present in person or by proxy and entitled to purchase at least 10% of the aggregate number of Common Shares that could be acquired pursuant to all the then outstanding Purchase Warrants, provided that at least two persons entitled to vote thereat are personally present. If a quorum of the Warrantholders is not present within 30 minutes from the time fixed for holding any meeting, the meeting, if summoned by Warrantholders or on a Warrantholders' Request, shall be dissolved; but in any other case the meeting shall be adjourned to the same day in the next week (unless such day is not a Business Day, in which case it shall be adjourned to the next following Business Day) at the same time and place and no notice of the

adjournment need be given. Any business may be brought before or dealt with at an adjourned meeting that might have been dealt with at the original meeting in accordance with the notice calling the same. No business shall be transacted at any meeting unless a quorum be present at the commencement of business. At the adjourned meeting the Warrantholders present in person or by proxy will constitute a quorum and may transact the business for which the meeting was originally convened, notwithstanding that they may not be entitled to acquire at least 10% of the aggregate number of Common Shares that may be acquired pursuant to all then outstanding Purchase Warrants.

7.5 POWER TO ADJOURN

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

7.6 SHOW OF HANDS

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

7.7 POLL AND VOTING

On every extraordinary resolution, and on any other question submitted to a meeting and after a vote by show of hands when demanded by the chairman or by one or more of the Warrantholders acting in person or by proxy, a poll shall be taken in such manner as the chairman shall direct. Questions other than those required to be determined by extraordinary resolution shall be decided by a majority of the votes cast on the poll.

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

7.8 REGULATIONS

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

a. the setting of the record date for a meeting for the purpose of determining Warrantholders entitled to receive notice of and to vote at the meeting;

b. the issue of voting certificates by any bank, trust company or other depositary satisfactory to the Trustee stating that the Warrant Certificates specified therein have been deposited with it by a named person and will remain on deposit until after the meeting, which voting certificate shall entitle the persons named therein to be present and vote at any such meeting and at any adjournment thereof or to appoint a proxy or proxies to represent them and vote for them at any such meeting and at any adjournment thereof in the same manner and with the same effect as though the persons so named in such voting certificates were the actual bearers of the Warrant Certificates specified therein;

c. the deposit of voting certificates and instruments appointing proxies at such place and time as the Trustee, the Corporation or the Warrantholders convening the meeting, as the case may be, may in the notice convening the meeting direct;

d. the deposit of voting certificates and instruments appointing proxies at some approved place or places other than the place at which the meeting is to be held and enabling particulars of such instruments appointing proxies to be mailed or telecopied before the meeting to the Corporation or to the Trustee at the place where the same is to be held and for the voting of proxies so deposited as though the instruments themselves were produced at the meeting;

e. the form of the instrument of proxy; and

f. generally for the calling of meetings of Warrantholders and the conduct of business thereat.

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

7.9 CORPORATION AND TRUSTEE MAY BE REPRESENTED

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

7.10 POWERS EXERCISABLE BY EXTRAORDINARY RESOLUTION

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

a. to agree to any modification, abrogation, alteration, compromise or arrangement of the rights of Warrantholders or the Trustee in its capacity as trustee hereunder subject to the consent of the Trustee or on behalf of the Warrantholders against the Corporation, whether such rights arise under this Indenture or the Warrant Certificates or otherwise;

b. to amend, alter or repeal any extraordinary resolution previously passed or sanctioned by the Warrantholders;

c. to direct or to authorize the Trustee to enforce any of the covenants on the part of the Corporation contained in this Indenture or the Warrant Certificates or to enforce any of the rights of the Warrantholders in any manner specified in such extraordinary resolution or to refrain from enforcing any such covenant or right;

d. to waive, and to direct the Trustee to waive, any default on the part of the Corporation in complying with any provision of this Indenture or the Warrant Certificates either unconditionally or upon any conditions specified in such extraordinary resolution;

e. to restrain any Warrantholder from taking or instituting any suit, action or proceeding against the Corporation for the enforcement of any of the covenants on the part of the Corporation in this Indenture or the Warrant Certificates or to enforce any of the rights of the Warrantholders;

f. to direct any Warrantholder who, as such, has brought any suit, action or proceeding to stay or to discontinue or otherwise to deal with the same upon payment of the costs, charges and expenses reasonably and properly incurred by such Warrantholder in connection therewith;

g. to assent to any change in or omission from the provisions contained in the Warrant Certificates and this Indenture or any ancillary or supplemental instrument that may be agreed to by the Corporation, and to authorize the Trustee to concur in and execute any ancillary or supplemental indenture embodying the change or omission;

h. with the consent of the Corporation, such consent not to be unreasonably withheld, to remove the Trustee or its successor in office and to appoint a new trustee or trustees to take the place of the Trustee so removed;

i. to assent to any compromise or arrangement with any creditor or creditors of the Corporation or any class or classes of creditors of the Corporation, whether secured or otherwise, and with holders of any shares or other securities of the Corporation; and

j. to sanction any scheme for the reconstruction or reorganization of the Corporation or for the consolidation, amalgamation or merger of the Corporation with any other corporation or for the sale, lease, transfer or other disposition of all or substantially all the property and assets of the Corporation.

7.11 MEANING OF EXTRAORDINARY RESOLUTION

a. The expression "extraordinary resolution" when used in this Indenture means, subject as hereinafter provided in this section and in section 7.14, a resolution proposed at a meeting of Warrantholders duly convened for that purpose and held in accordance with the provisions of this Article 7 at which there are present in person or by proxy Warrantholders entitled to acquire at least 25% of the aggregate number of Common Shares which may be acquired pursuant to all the then outstanding Purchase Warrants and passed by the affirmative votes of Warrantholders entitled to acquire not less than 66 2/3% of the aggregate number of Common Shares which may be acquired pursuant to all the then outstanding Purchase Warrants represented at the meeting and voted on the poll upon such resolution.

b. If, at the meeting at which an extraordinary resolution is to be considered, Warrantholders entitled to acquire at least 25% of the aggregate number of Common Shares which may be acquired pursuant to all the then outstanding Purchase Warrants are not present in person or by proxy within 30 minutes after the time appointed for the meeting, then the meeting, if convened by Warrantholders or on a Warrantholders' Request, shall be dissolved; but in any other case it shall stand adjourned to such day, being not less than 15 or more than 60 days later, and to such place and time as may be appointed by the chairman. Not less than ten days' prior notice shall be given of the time and place of such adjourned meeting in the manner provided for in section 10.2. Such notice shall state that at the adjourned meeting the Warrantholders present in person or by proxy shall form a quorum but it shall not be necessary to set forth the purposes for which the meeting was originally called or any other particulars. At the adjourned meeting the Warrantholders present in person or by proxy shall form a quorum and may transact the business for which the meeting was originally convened and a resolution proposed at such adjourned meeting and passed by the requisite vote as provided in subsection 7.11(a) shall be an extraordinary resolution within the meaning of this Indenture notwithstanding that Warrantholders entitled to acquire at least 25% of the aggregate number of Common Shares which may be acquired pursuant to all the then outstanding Purchase Warrants are not present in person or by proxy at such adjourned meeting.

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

7.12 POWERS CUMULATIVE

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

7.13 MINUTES

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

7.14 INSTRUMENTS IN WRITING

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

7.15 BINDING EFFECT OF RESOLUTIONS

Every resolution and every extraordinary resolution passed in accordance with the provisions of this Article 7 at a meeting of Warrantholders shall be binding upon all the Warrantholders, whether present at or absent from such meeting, and every instrument in writing signed by Warrantholders in accordance with section 7.14 shall be binding upon all the Warrantholders, whether signatories thereto or not, and each and every Warrantholder and the Trustee (subject to the provisions for indemnity herein contained) shall be bound to give effect accordingly to every such resolution and instrument in writing.

7.16 HOLDINGS BY CORPORATION OR SUBSIDIARIES OF CORPORATION DISREGARDED

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

## ARTICLE 8
## SUPPLEMENTAL INDENTURES

8.1 PROVISION FOR SUPPLEMENTAL INDENTURES FOR CERTAIN PURPOSES

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

a. setting forth any adjustments resulting from the application of the provisions of Article 4;

b. adding to the provisions hereof such additional covenants and enforcement provisions as, in the opinion of Counsel, are necessary or advisable in the premises, provided that the same are not in the opinion of the Trustee, relying on counsel, prejudicial to the interests of the Warrantholders;

c. giving effect to any extraordinary resolution passed as provided in Article 7;

d. making such provisions not inconsistent with this Indenture as may be necessary or desirable with respect to matters or questions arising hereunder or for the purpose of obtaining a listing or quotation of the Purchase Warrants on any stock exchange, provided that such provisions are not, in the opinion of the Trustee, relying on counsel, prejudicial to the interests of the Warrantholders;

e. adding to or altering the provisions hereof in respect of the transfer of Purchase Warrants, making provision for the exchange of Warrant Certificates, and making any modification in the form of the Warrant Certificates which does not affect the substance thereof;

f. modifying any of the provisions of this Indenture, including relieving the Corporation from any of the obligations, conditions or restrictions herein contained, provided that such modification or relief shall be or become operative or effective only if, in the opinion of the Trustee, relying on counsel, such modification or relief in no way prejudices any of the rights of the Warrantholders or of the Trustee, and provided further that the Trustee may in its sole discretion decline to enter into any such supplemental indenture which in its opinion may not afford adequate protection to the Trustee when the same shall become operative; and

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

8.2 SUCCESSOR CORPORATIONS

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

## ARTICLE 9
## CONCERNING THE TRUSTEE

9.1 TRUST INDENTURE LEGISLATION

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

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

9.2 RIGHTS AND DUTIES OF TRUSTEE

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

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

c. The Trustee may, before commencing or at any time during the continuance of any such act, action or proceeding, require the Warrantholders, at whose instance it is acting, to

deposit with the Trustee the Warrant Certificates held by them, for which Warrant Certificates the Trustee shall issue receipts.

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

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

9.3 EVIDENCE, EXPERTS AND ADVISERS

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

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

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

d. Proof of the execution of an instrument in writing, including a Warrantholders' Request, by any Warrantholder may be made by the certificate of a notary public, or other officer

with similar powers, that the person signing such instrument acknowledged to him the execution thereof, or by an affidavit of a witness to such execution or in any other manner which the Trustee may consider adequate.

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

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

9.4 DOCUMENTS, MONIES, ETC. HELD BY TRUSTEE

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

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

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

9.5 ACTIONS BY TRUSTEE TO PROTECT INTEREST

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

9.6 TRUSTEE NOT REQUIRED TO GIVE SECURITY

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

9.7 PROTECTION OF TRUSTEE

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

a. the Trustee shall not be liable for or by reason of any statements of fact or recitals in this Indenture or in the Warrant Certificates (except the representations contained in section 9.9 and in the certificate of the Trustee on the Warrant Certificates) or be required to verify the same, but all such statements or recitals are and shall be deemed to be made by the Corporation;

b. nothing herein contained shall impose any obligation on the Trustee to see to or to require evidence of the registration or filing (or renewal thereof) of this Indenture or any instrument ancillary or supplemental hereto;

c. the Trustee shall not be bound to give notice to any person or persons of the execution hereof; and

d. the Trustee shall not have any liability or responsibility whatever or be in any way responsible for the consequence of any breach on the part of the Corporation of any of the covenants herein contained or of any acts of any directors, officers, employees, agents or servants of the Corporation.

9.8 REPLACEMENT OF TRUSTEE; SUCCESSOR BY MERGER

a. The Trustee may resign its trust and be discharged from all further duties and liabilities hereunder, subject to this section 9.8, by giving to the Corporation not less than 90 days' prior notice in writing or such shorter prior notice as the Corporation may accept as sufficient. The Warrantholders by extraordinary resolution shall have power at any time to remove the existing Trustee and to appoint a new Trustee. In the event of the Trustee resigning or being removed as aforesaid or being dissolved, becoming bankrupt, going into liquidation or otherwise becoming incapable of acting hereunder, the Corporation shall forthwith appoint a new trustee unless a new trustee has already been appointed by the Warrantholders; failing such appointment by the Corporation, the retiring Trustee at the expense of the Corporation or any Warrantholder may apply to a justice of the Court

of Queen's Bench of the Province of Alberta on such notice as such justice may direct, for the appointment of a new trustee; but any new trustee so appointed by the Corporation or by the Court shall be subject to removal as aforesaid by the Warrantholders. Any new trustee appointed under any provision of this section 9.8 shall be a corporation authorized to carry on the business of a trust company in the Province of Alberta and, if required by the Applicable Legislation for any other provinces, in such other provinces. On any such appointment the new trustee shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named herein as Trustee hereunder.

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

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

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

9.9 CONFLICT OF INTEREST

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

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

9.10 INDEMNITY OF TRUSTEE

The Corporation indemnifies and saves harmless the Trustee and its officers, directors, employees and agents from and against any and all liabilities, losses, costs, claims, actions or demands whatsoever brought against the Trustee which it may suffer or incur as a result of or arising out of the performance of its duties and obligations under this Indenture, including any

and all legal fees and disbursements of whatever kind or nature, save only in the event of the negligent action, the negligent failure to act, or the wilful misconduct or bad faith of the Trustee. It is understood and agreed that this indemnification shall survive the termination or discharge of this Indenture or the resignation of the Trustee.

9.11 ACCEPTANCE OF TRUST

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

9.12 TRUSTEE NOT TO BE APPOINTED RECEIVER

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

9.13 PURCHASE WARRANT REGISTER

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

(1) the numbers of all outstanding Warrant Certificates, including the date of issuance;

(2) the numbers of all Warrant Certificates exchanged or exercised, including the date of exchange or exercise;

(3) the names and addresses of all Warrantholders;

(4) the particulars of all transfers of Purchase Warrants; and

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

9.14 REGISTER OPEN FOR INSPECTION

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

9.15 TRUSTEE NOT REQUIRED TO GIVE NOTICE OF DEFAULT

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

## ARTICLE 10
## GENERAL

10.1 NOTICE TO THE CORPORATION AND THE TRUSTEE

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

If to the Corporation:

Golden Star Resources Ltd.
10579 Bradford Road, Suite 103
Littleton, Colorado 80127-4247
U.S.A.

Attention: Peter J.L. Bradford, President Facsimile No.: (303) 830-9094

**If to the Trustee:**

CIBC Mellon Trust Company

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

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

b. The Corporation or the Trustee, as the case may be, may notify the other in the manner provided in subsection 10.1(a) of a change of address which, from the effective date of such notice and until changed by like notice, shall be the address of the Corporation or the Trustee, as the case may be, for all purposes of this Indenture.

c. If, by reason of a strike, lockout or other work stoppage, actual or threatened, involving postal employees, any notice to be given to the Trustee or to the Corporation hereunder could reasonably be considered unlikely to reach its destination, such notice shall be valid and effective only if it is delivered to the named officer of the party to which it is addressed or, if it is delivered to such party at the appropriate address provided in subsection 10.1(a), by cable, telegram, telecopy or other means of prepaid, transmitted and recorded communication.

10.2 NOTICE TO WARRANTHOLDERS

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

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

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

10.3 OWNERSHIP AND TRANSFER OF PURCHASE WARRANTS

A Warrantholder shall be entitled to the rights evidenced by its Warrant Certificate free from all equities or rights of set off or counterclaim between the Corporation and the original or any intermediate holder of the Purchase Warrants and all persons may act accordingly and the receipt of any such Warrantholder for the Common Shares which may be acquired pursuant thereto shall be a good discharge to the Corporation and the Trustee for the same and neither the Corporation

nor the Trustee shall be bound to inquire into the title of any such holder except where the Corporation or the Trustee is required to take notice by statute or by order of a court of competent jurisdiction.

10.4 EVIDENCE OF OWNERSHIP

a. Upon receipt of a certificate of any bank, trust company or other depositary satisfactory to the Trustee stating that the Purchase Warrants specified therein have been deposited by a named person with such bank, trust company or other depositary and will remain so deposited until the expiry of the period specified therein, the Corporation and the Trustee may treat the person so named as the owner, and such certificate as sufficient evidence of the ownership by such person of such Purchase Warrant during such period, for the purpose of any requisition, direction, consent, instrument or other document to be made, signed or given by the holder of the Purchase Warrant so deposited.

b. The Corporation and the Trustee may accept as sufficient evidence of the fact and date of the signing of any requisition, direction, consent, instrument or other document by any person: (i) the signature of any officer of any bank, trust company, or other depositary satisfactory to the Trustee as witness of such execution, (ii) the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded at the place where such certificate is made that the person signing acknowledged to him the execution thereof, or (iii) a satisfactory declaration of a witness of such execution.

10.5 COUNTERPARTS

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

10.6 SATISFACTION AND DISCHARGE OF INDENTURE

Upon the earlier of:

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

b. the Time of Expiry;

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

10.7 SUCCESSORS

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

10.8 SOLE BENEFIT OF PARTIES AND WARRANTHOLDERS

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

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

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

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

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

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

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

**GOLDEN STAR RESOURCES LTD.**

Per: _____

**CIBC MELLON TRUST COMPANY**

Per: _____

Per: _____

**THIS IS SCHEDULE "A" TO THE WARRANT INDENTURE MADE AS OF JULY ___, 2002 BETWEEN GOLDEN STAR RESOURCES LTD. AND CIBC MELLON TRUST COMPANY AS TRUSTEE.**

**CUSIP NO. ____**

THE PURCHASE WARRANTS REPRESENTED BY THIS CERTIFICATE WILL BE VOID AND OF NO VALUE UNLESS EXERCISED AT OR BEFORE 4:30 P.M. (VANCOUVER TIME), ON _____, 2004.

## WARRANT CERTIFICATE

**GOLDEN STAR RESOURCES LTD.**
(A corporation amalgamated under the laws of Canada)

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

THIS IS TO CERTIFY THAT _____ (hereinafter referred to as the "holder") is the registered holder of the number of Purchase Warrants to acquire Common Shares, as hereinafter defined, of Golden Star Resources Ltd. (the "Corporation") as set forth in this Warrant certificate ("Warrant Certificate"). One Purchase Warrant represented hereby plus $- entitles the holder thereof to acquire, one fully paid and non-assessable common share ("Common Share") of the Corporation, without nominal or par value, in the manner and subject to the restrictions and adjustments set forth herein, at any time and from time to time until 4:30 p.m. (Vancouver time) (the "Time of Expiry") on _____, 2004 (the "Expiry Date").

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

a. duly completing and executing the Exercise Form found on the back hereof;

b. surrendering this Warrant Certificate to CIBC Mellon Trust Company (the "Trustee") at the principal office of the Trustee in the City of Vancouver at 1600, 1066 West Hastings Street, Vancouver, British Columbia V6E 3X1; and

c. remitting wire transfer, certified cheque, bank draft or money order in lawful money of Canada, payable to or to the order of the Corporation at par where this Warrant Certificate is so surrendered, for the aggregate purchase price of the Common Shares so subscribed for.

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

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

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

The Purchase Warrants represented by this certificate are issued under and pursuant to a Warrant Indenture (herein referred to as the "Indenture") made as of -, 2002 between the Corporation and the Trustee. Reference is made to the Indenture and any instruments supplemental thereto for a full description of the rights of the holders of the Purchase Warrants and the terms and conditions upon which the Purchase Warrants are, or are to be, issued and held, with the same effect as if the provisions of the Indenture and all instruments supplemental thereto were set forth herein. By acceptance hereof, the holder assents to all provisions of the Indenture. In the event of a conflict between the provisions of the Warrant Certificate and the Indenture, the provisions of the Indenture shall govern. A copy of the Indenture is available for inspection at the principal office of the Trustee. Capitalized terms used in the Indenture have the meaning herein as therein, unless otherwise defined.

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

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

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

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

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

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

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

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

**GOLDEN STAR RESOURCES LTD.**

Per: _____

**Certified by:**

**CIBC MELLON TRUST COMPANY**
**Trustee**

By: _____

By: _____

**TRANSFER OF PURCHASE WARRANTS**

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

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

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

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

**DATED the _____ day of _____, _____.**

**Signature Guaranteed (Signature of Warrantholder)**

**Instructions:**

1. Signature of the Warrantholder must be the signature of the person appearing on the face of this Warrant Certificate.

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

3. The signature on the Transfer Form must be guaranteed by an authorized officer of an Eligible Institution, as defined below.

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

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

**OFFICE OF THE TRUSTEE**

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

**EXERCISE FORM**

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

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

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

Name: _____

(print clearly)

Address in full: _____

Number of Common Shares: _____

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

Such securities (please check one):

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

OR

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

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

whose address is _____

Such securities (please check one):

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

OR

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

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

DATED this ____ day of _____, _____.

_____
Signature Guaranteed

_____
(Signature of Warrantholder)

_____
Print full name

_____

_____
Print full address

**Instructions:**

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

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

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

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

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

**OFFICE OF THE TRUSTEE**

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

**Exhibit 4.3**

**COMPENSATION WARRANTS**
**TO PURCHASE SHARES OF**

**GOLDEN STAR RESOURCES LTD.**

(amalgamated under the laws of Canada)

THIS CERTIFIES that, for value received, _____ (the "UNDERWRITER") is the registered holder of _____ compensation warrants (the "COMPENSATION WARRANTS") and each Compensation Warrant will entitle the Underwriter, subject to the terms and conditions set forth in this certificate or by a replacement certificate (in either case, this "COMPENSATION WARRANT CERTIFICATE"), to acquire from Golden Star Resources Ltd. (the "CORPORATION") one fully paid and non-assessable common share of the Corporation (a "SHARE") at any time commencing on - -, 2003 (the "RELEASE DATE") and continuing up to 5:00 p.m. (Toronto time) on -, 2005 (the "TIME OF EXPIRY") on payment of Cdn.$- per Share (which is 120% of the public offering price of the units offered pursuant to a prospectus dated July __, 2002) (the "EXERCISE PRICE"). The number of Shares that the Underwriter is entitled to acquire upon exercise of the Compensation Warrants and the payment of the Exercise Price are subject to adjustment as hereinafter provided.

1. EXERCISE OF COMPENSATION WARRANTS.

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

certificates shall not bear a legend with respect to the United States Securities Act of 1933, as amended (the "U.S. SECURITIES ACT").

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

(3) Certificate. As promptly as practicable after the Exercise Date and, in any event, within three (3) business days of receipt of the Election to Exercise, the Corporation will issue and deliver to the Underwriter, registered in such name or names as the Underwriter may direct or if no such direction has been given, in the name of the Underwriter, a certificate or certificates for the number of Shares specified in the Election to Exercise. To the extent permitted by law, such exercise will be deemed to have been effected as of the close of business on the Exercise Date, and at such time the rights of the Underwriter with respect to the number of Compensation Warrants that have been exercised as such will cease, and the person or persons in whose name or names any certificate or certificates for Shares are then issuable upon such exercise will be deemed to have become the holder or holders of record of the Shares represented thereby.

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

2. ANTI-DILUTION PROTECTION.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(B) the quotient determined by dividing

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

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

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

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

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

(c) If at any time during the Adjustment Period the Corporation fixes a record date (for greater certainty, excluding the record date in respect of the a Rights Offering) for the issue or distribution to the holders of all or substantially all of the Shares of:

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

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

(iii) evidences of indebtedness of the Corporation; or

(iv) any property or assets of the Corporation;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Exercise Price then in effect and no adjustment will be made in the number of Shares purchasable or issuable on the exercise of the Compensation Warrants unless it would result in a change of at least one one-hundredth of a Share; provided, however, that any adjustments that, except for the provisions of this Section 2(3)(b) would otherwise have been required to be made will be carried forward and taken into account in any subsequent adjustment. Notwithstanding any other provision of Section 2(2) of this Compensation Warrant Certificate, no adjustment of the Exercise Price will be made that would result in an increase in the Exercise Price or a decrease in the number of Shares issuable upon the exercise of the Compensation Warrants (except in respect of a consolidation of the outstanding Shares).

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

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

(e) If the Corporation sets a record date to determine holders of Shares for the purpose of entitling such holders to receive any dividend or distribution or any subscription or purchase rights and will thereafter and before the distribution to such holders of any such dividend, distribution or subscription or purchase rights legally abandon its plan to pay or deliver such dividend, distribution or subscription or purchase rights legally abandon its plan to pay or deliver such dividend, distribution or subscription or purchase

rights, no adjustment in the Exercise Price or the number of Shares purchasable upon the exercise of the Compensation Warrants will be required by reason of the setting of such record date.

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

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

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

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

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

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

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

3. COVENANTS OF THE CORPORATION.

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

(a) it will reserve and keep available, free from any pre-emptive rights, out of its authorized and unissued equity securities, a sufficient number of Common Shares for the purpose of enabling it to satisfy its obligations to issue Shares upon the exercise of the Compensation Warrants;

(b) it will cause the Common Shares and the certificates representing the Shares acquired pursuant to the exercise of the Compensation Warrants to be duly issued and delivered in accordance with this Compensation Warrant Certificate;

(c) all Common Shares that are issued upon exercise of the will be issued as duly authorized, validly issued, fully paid and non-assessable;

(d) it will make all requisite filings, including filings with securities regulatory authorities in Canada and the United States, in connection with the exercise of the Compensation Warrants and the issue of the Common Shares issuable upon exercise thereon, will

maintain its status as a reporting issuer not in default in the each of the provinces of Canada;

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

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

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

(h) it shall use its best efforts to maintain its registration statement on Form S-3 (File No. 333-91666), or another registration statement on such form filed with the United States Securities and Exchange Commission with respect to the Shares and Compensation Warrants (the "Registration Statement"), continuously effective under the U.S. Securities Act so as to allow the unrestricted sale of the Shares to the public from time to time commencing on the Release Date and ending on the Time of Expiry (the "Registration Period"). The Corporation will file such post-effective amendments and supplements as may be necessary to maintain the currency of the Registration Statement during the period of its use. In addition if the Underwriter is advised by counsel that the Registration Statement, in their opinion, is deficient in any material respect, the Corporation will use its best efforts to cause the Registration Statement to be amended to eliminate the concerns raised. The Corporation will also file such applications and other documents necessary to permit the sale of the Shares to the public during the

Registration Period all U.S. States in which the Shares are not otherwise exempt from such securities registration requirements. For purposes of the foregoing, "U.S. States" means the 50 states of the United States of America, the District of Columbia, Puerto Rico and Guam;

(i) the Corporation will furnish to the Underwriter the number of copies of a prospectus, in conformity with the requirements of Section 9 of the U.S. Securities Act, and such other documents as it may reasonably request, in order to facilitate the disposition of the Shares owned by it;

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

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

4. NO TRANSFER OF WARRANT.

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

5. REPLACEMENT.

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

6. EXPIRY DATE.

The Compensation Warrants will expire and all rights to purchase Shares hereunder will cease and become null and void at 5:00 p.m. (Toronto time) -, 2005.

7. INABILITY TO DELIVER SHARES.

If for any reason, other than the failure or default of the Underwriter, the Corporation is unable to issue and deliver the Shares or other securities or property as contemplated herein to the Underwriter upon the proper exercise by the Underwriter of

the right to purchase any of the Shares covered by this Compensation Warrant Certificate (which inability will include the inability to deliver such Shares or other securities or property without violating any law), provided that the Shares are listed on a securities exchange or for which there are at least two independent market makers, the Corporation may pay, at its option and in complete satisfaction of its obligations hereunder, to the Underwriter, in cash, an amount equal to the difference between the Exercise Price and aggregate low asked price, or closing price, as the case may be, of the Shares on the Exercise Date; in the event of such payment, the Corporation will pay to the Underwriter the above-described payment, in cash, within 10 business days after receipt of the Election to Exercise.

8. TIME.

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

9. GOVERNING LAW.

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

10. SUCCESSOR.

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

11. GENERAL.

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

IN WITNESS WHEREOF the Corporation has caused this Compensation Warrant Certificate to be signed by its duly authorized officers and its corporate seal hereto affixed.

**DATED as of the _____ day of _____ , 2002.**

**GOLDEN STAR RESOURCES LTD.**

By: _____
Authorized Signing Officer

**EXHIBIT "1"**

**ELECTION TO EXERCISE**

**TO: GOLDEN STAR RESOURCES LTD.**

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

(a) Number of Compensation Warrants to be Exercised: _____

(b) Number of Shares to be Acquired: _____

(c) Exercise Price per Share: _____

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

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

DATED this _____ day of _____ , 200_____.

**[UNDERWRITER'S NAME]**

By: _____

Direction as to Registration

Name of Registered Holder: _____

Address of Registered Holder: _____

_____

_____

**EXHIBIT 5.1**

**[FIELD ATKINSON PERRATON LETTERHEAD]**

Bonnie L. Kuhn
Direct Line: (403) 260-8560
e-mail: blkuhn@fieldlaw.com

Our File: 36934.8

**Your File:**

July 12, 2002

**THE BOARD OF DIRECTORS OF**
**GOLDEN STAR RESOURCES LTD.**
Suite 103, 10579 Bradford Road
Littleton, Colorado 80127-4247
**USA**

Dear Sirs:

**RE: GOLDEN STAR RESOURCES LTD. - REGISTRATION STATEMENT ON FORM S-3**

We have acted as Canadian counsel for Golden Star Resources Ltd., a Canadian corporation, (the "Corporation") in connection with the filing of a Registration Statement on Form S-3 (the "Registration Statement") under the Securities Act of 1933 relating to the sale of up to 14,000,000 units (the "Initial Units"), each Unit consisting of one common share of the Corporation (the "Shares") and one-half of one common share purchase warrant (the "Warrants"), plus up to 2,100,000 Units that are subject to an option granted to the underwriters solely to cover overallotments, if any, (the "Option Units" and together with the Initial Units, the "Units") and a warrant to purchase 770,000 common shares of the Corporation (the "Underwriters' Warrant"), pursuant to the Canadian underwriting agreement and the U.S. agency agreement described in the Registration Statement.

We have reviewed the corporate action of the Company in connection with this matter and have examined the documents, corporate records and other instruments we deemed necessary for the purpose of this opinion.

Based on the foregoing, it is our opinion that the Shares and Warrants comprising the Units, when issued and sold in compliance with the provisions of the Canadian underwriting agreement and the U.S. agency agreement, and the Shares issuable upon exercise of the Warrants and the Underwriters' Warrant, upon issuance after exercise of the Warrants and the Underwriters' Warrant in accordance with their terms, will be duly authorized and legally issued, fully paid and non-assessable.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the use of our name under the captions "Validity of Securities" in the U.S. prospectus and "Eligibility for Investment" and "Canadian Federal Income Tax Considerations" in the Canadian prospectus.

Yours truly,

**FIELD ATKINSON PERRATON LLP**

[PricewaterhouseCoopers letterhead]

**EXHIBIT 23.1**

Consent of Independent Auditors

PricewaterhouseCoopers LLP
425 1st Street SW
Suite 1200
Calgary, Alberta
Canada T2P 3V7
Telephone +1 (403) 509-7500
Facsimile +1 (403) 781-1825
Direct Tel. +1 (403) 509-7560
Direct Fax +1(403)781-1825

July 15, 2002

We hereby consent to the incorporation by reference in this Registration Statement on Form S-3 of our report dated March 22, 2002 relating to the consolidated financial statements which appears in Golden Star Resources Ltd.'s Annual Report on Form 10-K for the year ended December 31, 2001. We also consent to the references to us under the heading "Experts" in such Registration Statement.

*/S/ PRICEWATERHOUSECOOPERS LLP*
*Chartered Accountants*

**EXHIBIT 23.2**

**[AMCL LETTERHEAD]**

July 12, 2002

File: PM57

Golden Star Resources
10579 Bradford Road, Suite 103
Littleton, CO 80127-4247
**USA**

**RE: QUALIFYING REPORT ON THE BOGOSO-PRESTEA PROJECT, GHANA**

Dear Sirs:

Associated Mining Consultants Ltd. (AMCL), Mr. Keith McCandlish, P.Geol. and Mr. Alan L. Craven, P.Eng. consent to the incorporation by reference in this Registration Statement on Form S-3 (File No. 333-91666) of Golden Star Resources Ltd. (the "Company") of the statements of reserves, production and mineral deposits at the Bogoso and Prestea properties included in this Prospectus by reference to the Annual Report of the Company on Form 10-K for the year ended December 31, 2001 included in reliance on our Qualifying Report on the Bogoso-Prestea Project, Ghana, dated December 13, 2001, prepared by Messrs. McCandlish and Craven. AMCL, Mr. McCandlish and Mr. Craven also consent to the reference to each of them under the heading "Experts" in such Registration Statement.

Yours Sincerely,

**ASSOCIATED MINING CONSULTANTS LTD.**

*/S/ KEITH MCCANDLISH*

*Keith McCandlish, P.Geol.*
*Manager of Mineral Services*

*/s/ ALAN L. CRAVEN*

*Alan L. Craven, P.Eng.*
*Vice President & General Manager*

**EXHIBIT 23.3**

July 12, 2002

Golden Star Resources
10579 Bradford Road, Suite 103
Littleton, CO 80127-4247
**USA**

The undersigned, Mr. Dave Alexander and Mr. Mitchell Wasel, consent to the use of their names in the Registration Statement on Form S-3 (File No. 333-91666) of Golden Star Resources Ltd. (the "Company") as it appears under the headings "Recent Developments- Reserves" and "Experts".

Yours Sincerely,

*/s/ DAVE ALEXANDER*

*Dave Alexander*

*/s/ MITCHELL WASEL*

*Mitchell Wasel*

**EXHIBIT 23.4**

**[STIKEMAN ELLIOTT LETTERHEAD]**

July 12, 2002

Golden Star Resources
10579 Bradford Road, Suite 103
Littleton, CO
80127-4247
**USA**

We consent to the use of our name in the Registration Statement on Form S-3 (File No. 333-91666) of Golden Star Resources Ltd. as it appears in the supplemental pages for the Canadian Prospectus, as defined in such Registration Statement, under the headings "Eligibility for Investment" and "Canadian Federal Income Tax Considerations".

Yours Sincerely,

*/s/ STIKEMAN ELLIOTT*