GOLDEN STAR RESOURCES LTD.

FORM 10-Q
(Quarterly Report)

Filed 08/05/02 for the Period Ending 06/30/02

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 10-Q
(Quarterly Report)

Filed 8/5/2002 For Period Ending 6/30/2002

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

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 10-Q

**[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2002

OR

**[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from _____ to _____.

Commission file number 1-12284

GOLDEN STAR RESOURCES LTD.

(Exact name of registrant as specified in its charter)

CANADA	98-0101955
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
10579 BRADFORD ROAD, SUITE 103 LITTLETON, COLORADO	80127-4247
(Address of principal executive office)	(Zip Code)

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

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

Number of Common Shares outstanding as of August 1, 2002: 83,100,703

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REPORTING CURRENCY AND FINANCIAL INFORMATION

All amounts in this Report are expressed in United States dollars, unless otherwise indicated. References to "Cdn" are to Canadian dollars. Financial information is presented in accordance with accounting principles generally accepted in Canada ("Cdn GAAP"). Differences between accounting principles generally accepted in the United States ("US GAAP") and those applied in Canada, as applicable to the Registrant, are explained in Note 8 to the Consolidated Financial Statements.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Form 10-Q contains "forward-looking statements" within the meaning of the 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. The forward-looking statements contained herein are based on Golden Star's current expectations and various assumptions as of the date such statements are made. Golden Star cannot give assurance that such statements will prove to be correct. These forward-looking statements include statements regarding: the impact that mining from Bogoso/Prestea may have on our future liquidity, cash flows, financial requirements, operating results and capital resources; the operational and financial performance of mining from Bogoso/Prestea; targets for gold production; cash operating costs and expenses; percentage increases and decreases in production from Bogoso/Prestea; schedules for completion of feasibility studies; 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 commencement of mining or production; anticipated recovery rates; and potential acquisitions or increases in property interests.

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 for new permits or renewal of permits, 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, and general domestic and international economic and political conditions.

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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

(Unaudited)

	As of June 30, 2002	As of December 31, 2001
ASSETS		
CURRENT ASSETS		
Cash and short-term investments	$ 6,601	$ 509
Accounts receivable	1,409	1,231
Inventories (Note 3)	7,879	7,666
Due from sale of property (Note 5)	1,000	--
Other assets	282	230
Total Current Assets	17,171	9,636
RESTRICTED CASH (Note 9)	3,365	3,365
ACQUISITION, DEFERRED EXPLORATION AND DEVELOPMENT COSTS (Note 5)	4,260	12,280
DUE FROM SALE OF PROPERTY (Note 5)	2,000	--
INVESTMENT IN OMAI GOLD MINES LIMITED	--	141
MINING PROPERTIES (Net of accumulated depreciation of $11,766 and $10,852, respectively)	13,077	8,353
FIXED ASSETS (Net of accumulated depreciation of $5,493 and $5,134, respectively)	2,525	2,268
OTHER ASSETS	433	509
Total Assets	$ 42,831	$ 36,552
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	$ 2,843	$ 4,365
Accrued liabilities	2,126	2,783
Accrued wages and payroll taxes	180	124
Current debt (Note 4)	3,810	7,513
Total Current Liabilities	8,959	14,785
CONVERTIBLE DEBENTURES (Note 4)	581	2,358
LONG TERM BANK DEBT (Note 4)	1,083	--
ENVIRONMENTAL REHABILITATION LIABILITY (Note 9)	5,121	5,407
Total Liabilities	15,744	22,550
MINORITY INTEREST	2,147	1,660
COMMITMENTS AND CONTINGENCIES (Note 9)		
SHAREHOLDERS' EQUITY		
SHARE CAPITAL (Note 6)		
First Preferred Shares, without par value, unlimited shares authorized. No shares issued	--	--
Common shares, without par value, unlimited shares authorized. Shares issued and outstanding: 66,995,703 at June 30, 2002, 49,259,548 at December 31, 2001	178,281	168,308
Equity component of convertible debentures	159	545
DEFICIT	(153,500)	(156,511)
Total Shareholders' Equity	24,940	12,342
Total Liabilities and Shareholders' Equity	$ 42,831	$ 36,552

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

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

(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2002	2001	2002	2001
REVENUE				
Gold sales	$ 9,511	$ 6,602	$ 18,675	$ 11,280
Interest and other	188	304	356	461
	9,699	6,906	19,031	11,741
EXPENSES				
Mining operations	6,078	7,068	12,211	12,047
Depreciation and depletion	604	1,002	1,256	1,824
Exploration expense	63	10	101	70
General and administrative	1,059	591	1,980	1,541
Loss on disposal of assets	--	--	--	6
Interest expense	135	225	243	453
Foreign exchange gain	(66)	(47)	(89)	(32)
	7,873	8,849	15,702	15,909
INCOME/(LOSS) BEFORE THE UNDERNOTED	1,826	(1,943)	3,329	(4,168)
Omai preferred share redemption premium	--	69	169	83
Income/(loss) before minority interest	1,826	(1,874)	3,498	(4,085)
Minority interest	(269)	452	(487)	812
NET INCOME/(LOSS)	1,557	(1,422)	3,011	(3,273)
DEFICIT, BEGINNING OF PERIOD	(155,057)	(137,778)	(156,511)	(135,927)
DEFICIT, END OF PERIOD	$ (153,500)	$ (139,200)	$ (153,500)	$ (139,200)
NET INCOME/(LOSS) PER COMMON SHARE - BASIC	$ 0.02	$ (0.04)	$ 0.05	$ (0.08)
NET INCOME/(LOSS) PER COMMON SHARE - DILUTED (Note 13)	$ 0.02	$ (0.04)	$ 0.04	$ (0.08)
WEIGHTED AVERAGE SHARES OUTSTANDING (in millions of shares)	64.9	39.7	63.6	38.8

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

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

(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2002	2001	2002	2001
OPERATING ACTIVITIES:				
NET INCOME/(LOSS)	$ 1,557	$ (1,422)	$ 3,011	$ (3,273)
RECONCILIATION OF NET INCOME/(LOSS) TO NET CASH USED IN OPERATING ACTIVITIES:				
Depreciation, depletion and amortization	604	1,002	1,256	1,826
Convertible debentures accretion	18	52	46	104
Premium on Omai preferred share redemption	--	(69)	(169)	(83)
Non-cash employee compensation	--	--	77	--
Loss on disposal of assets	--	--	--	6
Change in note receivable	--	(33)	--	(66)
Restricted cash		1,286	--	632
Reclamation expenditures	(221)	(44)	(286)	(129)
Minority interest	269	(452)	487	(812)
Changes in assets and liabilities:				
Accounts receivable	49	42	(178)	387
Inventories	(358)	1,666	(213)	1,628
Accounts payable	57	109	(2,123)	1,342
Other	(103)	(122)	(52)	(67)
Total changes in non-cash operating working capital	(355)	1,695	(2,566)	3,290
Net Cash Provided by Operating Activities	1,872	2,015	1,856	1,495
INVESTING ACTIVITIES:				
Expenditures on mineral properties	(7)	(992)	(46)	(1,692)
Expenditures on mining properties	(4,108)	(588)	(5,221)	(597)
Equipment purchases	(591)	(345)	(616)	(953)
Omai preferred share redemption	--	120	310	151
Sale of property	2,000	--	5,000	--
Other	100	(48)	142	(21)
Net Cash Used in Investing Activities	(2,606)	(1,853)	(431)	(3,112)
FINANCING ACTIVITIES:				
Issuance of share capital, net of issue costs (Note 6)	1,962	1,282	7,333	2,282
Release of equity proceeds (Note 6)	2,580	--	--	--
Debt repayment	(15)	(677)	(3,487)	(440)
Increase in debt	392	--	800	--
Other	11	90	21	90
Net Cash Provided by Financing Activities	4,930	695	4,667	1,932
Increase in cash and short-term investments	4,196	857	6,092	315
Cash and short-term investments, beginning of period	2,405	449	509	991
Cash and short-term investments, end of period	$ 6,601	$ 1,306	$ 6,601	$ 1,306

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

GOLDEN STAR RESOURCES LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in thousands of United States Dollars unless noted otherwise)

(Unaudited)

These consolidated financial statements and the accompanying notes are unaudited and should be read in conjunction with the audited consolidated financial statements and related notes thereto included in the Company's annual report on Form 10-K for the year ended December 31, 2001, on file with the Securities and Exchange Commission and with the Canadian securities commissions (referred to as "the Company's 2001 Form 10-K").

The unaudited consolidated financial statements for the three months and six months ended June 30, 2002 and June 30, 2001 contained herein, reflect all adjustments, consisting solely of normal recurring items, which are necessary for a fair presentation of financial position, results of operations, and cash flows, on a basis consistent with that of the prior audited consolidated financial statements.

1. OPERATIONS

Golden Star Resources Ltd. ("Golden Star", the "Company" or "we") is an international mining company and gold producer. Since 1999, we have sought to move from primarily an exploration focus, with operations in several areas in Africa and South America, to primarily a production focus, concentrating on operations in Ghana. We own a 90% equity interest in the Bogoso/Prestea open pit gold mine in Ghana ("Bogoso/Prestea") and a 45% managing interest in the currently inactive Prestea underground mine both of which are held through our subsidiary Bogoso Gold Limited ("BGL"). We are also in the process of acquiring a 90% interest in the Wassa gold project, also in Ghana. In addition we have interests in several gold exploration properties in French Guiana most of which are held through our 73%-owned subsidiary, Guyanor Ressources S.A., ("Guyanor").

2. SUPPLEMENTAL CASH FLOW INFORMATION

The following is a summary of non-cash transactions:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2002	2001	2002	2001
Depreciation charged to projects	$ --	$ 1	$ --	$ 2
Shares issued upon conversion of convertible debentures (Note 6)	949	78	2,163	78
Equity component of convertible debentures	(213)	--	(386)	--
Conversion of convertible debentures (Note 6)	(736)	(78)	(1,777)	(78)
Shares issued for Prestea related acquisition costs	--	--	400	--
Acquisition costs paid for with shares	--	--	(400)	--
Receivable on sale of property	--	--	(3,000)	--

3. INVENTORIES

	June 30, 2002	December 31, 2001
Stockpiled ore	$ 1,761	$ 1,278
In-process	747	951
Materials and supplies	5,371	5,437
	$ 7,879	$ 7,666

4. CURRENT AND LONG TERM DEBT

	June 30, 2002	December 31, 2001
Note due Omai Gold Mines Limited (Note 4a)	$ --	$ 310
Amounts due to the Sellers of BGL (Note 4b)	--	2,874
Due financial institution (Note 4c)	250	500
Overdraft facility at BGL (Note 4d)	1,018	1,003
Bank loan at BGL (Note 4e)	542	826
Accrual of possible liability to Sellers of BGL (Notes 4f)	2,000	2,000
Total Current Debt	$ 3,810	$ 7,513
Convertible debentures (Note 4g)	$ 581	$ 2,358
Long term portion of bank loan at BGL (Note 4e)	1,083	--
Total long term debt	$ 1,664	$ 2,358

(a) NOTE DUE OMAI GOLD MINES LIMITED ("OMGL")

In December 1998, OGML advanced $3.2 million to us as an unsecured loan to be repaid as and when Class I preferred shares of OGML held by us are redeemed by OGML. The loan was non-interest bearing until September 30, 2010. Subsequent redemption of preferred shares reduced the liability and the final payment was made on this note in the first quarter of 2002.

(b) AMOUNTS DUE TO THE SELLERS OF BGL

Represents amounts owed to the original Sellers of BGL per terms of the September 1999 Bogoso purchase agreement. The final installment of $2.9 million was paid in the first quarter of 2002.

(c) DUE TO A FINANCIAL INSTITUTION

This amount represents gold production related payments due to a financial institution retained in 1999 to provide bridge financing for the BGL acquisition. The first payment of $0.25 million, due September 30, 2001, was made in January 2002, and the second and final payment of $0.25 million is due September 30, 2002.

(d) OVERDRAFT FACILITY AT BGL

Over-draft facility of BGL from Barclays Bank in Ghana.

(e) BANK LOANS AT BGL

These are term loans from CAL Merchant Bank, Ghana to BGL. One loan of $0.8 million is denominated in Ghanaian cedis, has a six-month repayment holiday and a two-year maturity. The second loan of $0.8 million is denominated in United States dollars and has a two-year maturity.

(f) ACCRUAL OF POSSIBLE LIABILITY TO SELLERS

The original BGL purchase agreement of September 1999 included a reserve acquisition payment due the Sellers. The reserve acquisition payment would be triggered if minable reserves equivalent to 50,000 ounces of gold or greater were to be acquired by BGL prior to September 30, 2001 from elsewhere in Ghana for processing at the Bogoso mill. The acquisition of the surface mining lease at the Prestea property may have triggered the reserve acquisition payment and the associated $2.0 million liability. While the Company's liability for this payment and the exact due date of this liability is yet to be established, the $2.0 million contingent liability was accrued in the fourth quarter of 2001.

(g) CONVERTIBLE DEBENTURES

On August 24, 1999, we issued $4.2 million of subordinated convertible debentures. The debentures mature on August 24, 2004 and bear interest at the rate of 7.5% per annum from the date of issue, payable semi-annually on February 15 and August 15, to the debenture-holders as of February 1 and August 1, respectively, commencing on February 15, 2000. The debentures are convertible at the option of the holder into common shares of Golden Star at a conversion price of $0.70 per share, prior to the maturity date of August 24, 2004.

During the first six months of 2002, debentures with a face value of $2.2 million were converted to 2,539,995 shares of common stock. Changes in the liability and equity components since the debentures were issued are shown in the following table:

	Liability Component	Equity Component
Upon issuance, August 1999	$ 3,110	$ 1,045
Accretion since issuance	511	--
Conversions since issuance	(3,040)	(886)
June 30, 2002	$ 581	$ 159

5. ACQUISITION, DEFERRED EXPLORATION AND DEVELOPMENT COSTS

The consolidated property expenditures costs for our exploration projects for the six months ended June 30, 2002 were as follows:

	Acquisition, Deferred Exploration and Development Costs as of 12/31/01	Capitalized Exploration Expenditures in 2002	Capitalized Acquisition Expenditures in 2002	Joint Venture Recov-eries in 2002	Property Sales and Adjustments in 2002	Acquisition, Deferred Exploration and Development Costs as of 6/30/02
SURINAME						
Gross Rosebel(1)	$ 8,066	$ --	$ --	$ --	$ (8,066)	$ --
Sub-total	8,066	--	--	--	(8,066)	--
AFRICA						
(BOGOSO GOLD LIMITED)						
Riyadh	274	--	--	--	--	274
Pampe/Flagbase	330	11				341
Bogoso Sulfide Project	3,572	19	--	--	--	3,591
Other Bogoso Area Projects	38	16				54
Sub-total	4,214	46	--	--	--	4,260
TOTAL	$ 12,280	$ 46	$ --	$ --	$ (8,066)	$ 4,260

(1) The major portion of the Guiana Shield Transaction ("the Transaction") was completed on May 21, 2002 with the sale of our interests in the Gross Rosebel, Headleys and Thunder Mountain properties in Suriname, and our interest in Omai Gold Mines Limited ("OGML") in Guyana, to Cambior Inc ("Cambior"). The sale of Cambior's interests in the Yaou, Dorlin and Bois Canon properties in French Guiana to Golden Star was finalized in June 2002, subject to French regulatory approval, to conclude the Transaction.

Golden Star received $5 million cash for the sale of the Gross Rosebel property and will receive three additional deferred payments of $1.0 million each on each of the first three anniversaries of the May 2002 closing. In addition, Cambior will pay Golden Star 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 Golden Star in the event that Cambior commences commercial mining from these properties. Due to the uncertainty of realization of this payment, no asset has been recorded.

Under the terms of the sale of its 30% equity interest and preferred shares in OGML, Cambior assumed the unpaid portion of the non-interest bearing loan made to Golden Star in December 1998. In addition, Golden Star received a release and

waiver from OGML, Cambior and the Guyana Government in respect of all liabilities, of any nature, related to the Omai Gold Mine.

Also, in connection with the Transaction, Cambior has transferred to us its 50% interest in the Yaou and Dorlin properties and is to transfer its 100% interest in the Bois Canon property, all of which are located in French Guiana.

6. SHARE CAPITAL

Changes in share capital during the six months ended June 30, 2002:

	SHARES	VALUE
As of December 31, 2001	49,259,548	$ 168,308
COMMON SHARES ISSUED:		
Private placement	11,516,000	5,055
Option exercises	522,916	503
Warrant exercises	2,535,960	1,775
Debenture conversions	2,604,279	2,162
Purchase of services	450,000	400
Stock compensation	107,000	78
Total issued	17,736,155	9,973
As of June 30, 2002	66,995,703	$ 178,281

7. OPERATIONS BY GEOGRAPHIC AREA

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

	REVENUES	NET INCOME (LOSS)	IDENTIFIABLE ASSETS
FOR THE SIX MONTHS ENDED JUNE 30, 2002			
South America	$ 296	$ (676)	$ 329
Africa	18,720	4,642	32,661
Corporate	15	(955)	9,841
Total	$ 19,031	$ 3,011	$ 42,831
FOR THE SIX MONTHS ENDED JUNE 30, 2001			
South America	$ 227	$ (443)	$ 22,843
Africa	11,403	(1,612)	22,260
Corporate	111	(1,218)	3,412
Total	$ 11,741	$ (3,273)	$ 48,515

8. GENERALLY ACCEPTED ACCOUNTING PRINCIPLES IN CANADA AND THE UNITED STATES

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

(a) BALANCE SHEETS UNDER US GAAP

	As of June 30, 2002	As of December 31, 2001
Cash	$ 6,601	$ 509
Trade accounts receivable, net	1,409	1,231
Inventories	7,879	7,666
Due from sale of property	1,000	--
Other assets	282	230
Total current assets	17,171	9,636
Restricted cash	3,365	3,365
Acquisition, deferred exploration and development costs (Note 1)	--	--
Investment in OGML (Note 2)	--	--
Due from sale of property	2,000	--
Mining property (Note 1)	12,335	8,303
Fixed Assets, net	2,525	2,268
Other assets (Note 6)	553	660
Total Assets	$ 37,949	$ 24,232
Current liabilities	$ 8,959	$ 14,785
Convertible debentures (Note 3)	632	2,411
Long term bank debt	1,083	--
Environmental rehabilitation liability	5,121	5,407
Total Liabilities	15,795	22,603
Minority interest	578	96
Share capital (Notes 3 and 4)	175,435	165,833
Equity component of the convertible debentures (Note 3)	--	--
Cumulative translation adjustments	1,595	1,595
Accumulated comprehensive income (Note 5)	(191)	(279)
Deficit	(155,263)	(165,616)
Shareholders' Equity	21,576	1,533
Total Liabilities and Shareholders' Equity	$ 37,949	$ 24,232

(b) STATEMENTS OF OPERATIONS UNDER US GAAP

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2002	2001	2002	2001
Net Income/(loss) under Cdn GAAP	$ 1,557	$ (1,422)	$ 3,011	$ (3,273)
Net effect of acquisition and deferred exploration expenditures on income/loss for the period (note 1)	(524)	(826)	(739)	(1,452)
Gain on sale of property	8,066	--	8,066	--
Effect of mining property depletion	--	138	--	238
Other (notes 2, 3, and 5)	(78)	104	10	173
Net income/(loss) under US GAAP before minority interest	9,021	(2,006)	10,348	(4,314)
Minority interest, as adjusted (notes 1, 2, 3 and 5)	1	75	5	185
Net income/(loss) under US GAAP	9,022	(1,931)	10,353	(4,129)
Other comprehensive income foreign exchange gain/(loss) (note 5)	64	(17)	88	(32)
Comprehensive income/(loss)	$ 9,086	$ (1,948)	$ 10,441	$ (4,161)
Basic net income/(loss) per share under US GAAP	$ 0.14	$ (0.05)	$ 0.16	$ (0.11)
Diluted net income/(loss) per share under US GAAP	$ 0.12	$ (0.05)	$ 0.13	$ (0.11)

Weighted average common shares outstanding are the same under US GAAP as under Cdn GAAP for the periods presented.

Under US GAAP the Omai preferred share redemption premium is included with "Other" before the caption "Net income/(loss) under US GAAP before minority interest" on the consolidated statements of operations.

(c) STATEMENTS OF CASH FLOWS UNDER US GAAP

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2002	2001	2002	2001
Cash provided by/(used in):				
Operating Activities	$ 1,388	$ 512	$ 1,427	$ (64)
Investing activities	(2,078)	(350)	(2)	(1,553)
Financing activities	4,886	695	4,667	1,932
Increase/(decrease) in cash and cash equivalents for the quarter	4,196	857	6,092	315
Cash and cash equivalent beginning of period	2,405	449	509	991
Cash and cash equivalents end of period	$ 6,601	$ 1,306	$ 6,601	$ 1,306

(d) FOOTNOTES

(1) Under US GAAP, acquisition costs, exploration costs and general and administrative costs related to projects are charged to expense as incurred. As such, the majority of costs charged to Exploration Expense and Abandonment of Mineral Properties under Cdn GAAP would have been charged to earnings in prior periods under US GAAP.

(2) Under US GAAP, the preferred share investment in OGML would have a carrying value of nil since the preferred shares were received in recognition of past exploration costs incurred by the Company, all of which were expensed for US GAAP purposes. Therefore, the entire Omai preferred share redemption premium would have been included in income. Under Cdn GAAP, a portion of the premium on the Omai preferred share redemption premium is included in income with the remainder reducing the carrying value of the Company's preferred stock investment.

(3) Cdn GAAP requires that convertible debentures should be classified into their component parts, as either a liability or equity, in accordance with the substance of the contractual agreement. Under US GAAP, the convertible debenture would be classified entirely as a liability.

(4) Accumulated deficit was eliminated effective May 15, 1992. Under US GAAP the cumulative deficit was greater than the deficit under Cdn GAAP due to the write-off of certain deferred exploration costs described in (1) above.

(5) Under US GAAP, items such as foreign exchange gains and losses are required to be shown separately in derivation of Comprehensive Income.

(6) Under US GAAP, the fair value of warrants issued in connection with the credit facility that was arranged for, but not used to effect the purchase of BGL, is required to be expensed. Such costs were capitalized as part of the purchase cost of BGL for Cdn GAAP.

9. COMMITMENTS AND CONTINGENCIES

ENVIRONMENTAL REGULATIONS

We are not aware of any events of material non-compliance in our operations with environmental laws and regulations, which could have a material adverse effect on our operations or financial condition. The exact nature of environmental control problems, if any, which we may encounter in the future cannot be predicted, primarily because of the changing character of environmental requirements that may be enacted within foreign jurisdictions. The environmental rehabilitation liability for reclamation and closure costs at the Bogoso mine was $5.1 million at June 30, 2002 and $5.4 million at December 31, 2001. Estimates of the final reclamation and closure costs for the new Prestea property are currently being prepared and once available a provision will be established.

RESTRICTED CASH LONG-TERM (FOR THE ENVIRONMENTAL REHABILITATION LIABILITY)

Upon the closing of the acquisition of BGL in 1999, we were required, according to the acquisition agreement, to restrict $6.0 million in cash. These funds are to be used for the ongoing and final reclamation and closure costs relating to the Bogoso mine site. The withdrawal of these funds must be agreed to by the Sellers of BGL, who are ultimately responsible for the reclamation in the event of non-performance by Golden Star. No cash was drawn down during the first six months of 2002. At June 30, 2002, the remaining balance in the BGL reclamation cash fund was $3.3 million.

10. SUBSEQUENT EVENTS

PUBLIC OFFERING

On July 24, 2002 we completed a public offering in the United States and Canada for the sale of 16.1 million units at Cdn$1.90 per unit, to raise total gross proceeds of Cdn$30.6 million or net cash to the Company of $18.1 million. The offering was originally for 14 million units, with the underwriters having a 15% over-allotment option. The underwriters elected to exercise their maximum over-allotment of a further 2.1 million units at closing, to increase the total offering to 16.1 million units.

Each unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant is exercisable for two years at a price of Cdn$2.28 to purchase an additional common share. The share purchase warrants will be listed on the Toronto Stock Exchange under the symbol "GSC.WT".

Underwriter fees for the offering equaled 5.5% of the gross proceeds of the offering. In addition the underwriters received non-transferable warrants to purchase 770,000 of the Company's common shares at an exercise price of Cdn$2.28. These warrants will be exercisable during the two-year period beginning one year from July 24, 2002, the date of closing.

11. INCOME TAXES

No provision has been recorded for income taxes in the current period because there are sufficient tax losses from prior periods to fully offset the current period's liability.

12. STOCK BASED COMPENSATION

On January 29, 2001 the Company granted 608,000 new common share options with a Cdn$1.16 exercise price, to eligible employees and directors. The average fair value of the common share options granted was Cdn$0.83 per option. We do not recognize any compensation costs related to stock options granted. Had compensation costs been recognized, based on the fair values at the grant date for those options vested in the first six months of 2002, our net income and earnings per share would have been reduced to the amounts shown below:

		For the Three Months Ended June 30, 2002	For the Six Months Ended June 30, 2002
Net income	As reported	$1,557	$3,011
	Pro forma	$1,318	$2,553
Basic earnings per share	As reported	$ 0.02	$ 0.05
	Pro forma	$ 0.02	$ 0.04
Diluted earnings per share	As reported	$ 0.02	$ 0.04
	Pro forma	$ 0.02	$ 0.04

The fair value of options granted during the first half of 2002 was estimated at the grant date using the Black-Scholes option-pricing model with the following weighted average assumptions:

	For the Three Months Ended June 30, 2002	For the Six Months Ended June 30, 2002
	GSR Plan	
Expected volatility	--	81.9%
Risk-free interest rate	--	4.47%
Expected lives	--	5 years
Dividend yield	--	0%

A stock bonus was paid to qualified employees in the first quarter of 2002, totaling 107,000 shares. Compensation expense at $0.73 per share, the market price on the date of grant, was recorded for these shares at the grant date.

13. EARNINGS PER COMMON SHARE

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

	For the Three Months Ended June 30, 2002	2001	For the Six Months Ended June 30, 2002	2001
Net Earnings	$ 1,557	$ (1,422)	$ 3,011	$ (3,273)
(millions of common shares)				
Weighted average number of common shares	64.9	39.7	63.6	38.8
Dilutive Securities:				
Options	2.1	--	1.8	--
Warrants	3.9	--	2.6	--
Convertible debentures	0.9	--	0.9	--
Weighted average number of dilutive common shares	71.8	--	68.9	--
Basic Earning Per Share	$ 0.02	$ (0.04)	$ 0.05	$ (0.08)
Diluted Earnings Per Share	$ 0.02	$ (0.04)	$ 0.04	$ (0.08)

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

The following discussion and analysis should be read in conjunction with the accompanying consolidated financial statements and related notes. The financial statements have been prepared in accordance with accounting principles generally accepted in Canada ("Cdn GAAP"). For a reconciliation to accounting principles generally accepted in the United States ("US GAAP"), see Note 8 to the attached consolidated financial statements, as well as "Results of Operations" below.

RESULTS OF OPERATIONS

THREE MONTHS ENDED JUNE 30, 2002 COMPARED TO THE THREE MONTHS ENDED JUNE 30, 2001

Net income for the second quarter of 2002 totaled $1.6 million, versus a net loss of $1.4 million in the second quarter of 2001. Higher gold prices and increased gold production were the major factors responsible for the improvement in earnings. Realized gold prices averaged $312 per ounce for the quarter, a 16% increase from $268 per ounce realized in the second quarter of 2001. Gold shipments from the Bogoso/Prestea operations totaled 30,419 ounces, up from 24,695 ounces in the same quarter of 2001.

A 5% improvement in mill through-put at Bogoso/Prestea and an increase in gold recovery, 73% versus 56% in the same period of 2001, were responsible for the production increases. A change in ore types, from Bogoso transition ore in the second quarter of 2001 to Prestea oxide ore in the second quarter of 2002 was responsible for both the lower unit costs and improved recoveries. Mill feed grade averaged 2.27 g/t during the quarter, up from 2.22 g/t in the second quarter of 2001. Second quarter cash costs averaged $173 per ounce compared to $280 per ounce for the same quarter last year, while total cash costs, including royalties, averaged $195 per ounce for the second quarter, down from $288 per ounce in the second quarter in 2001.

Lower depreciation in the current quarter versus a year ago reflects the new reserve base for the Prestea surface concession, which allows amortization of costs over a larger number of ounces. Additionally, many of the assets associated with the initial purchase of the Bogoso operation in 1999, including the cost of the Bogoso mill, were fully amortized over the two-year life of the Bogoso oxide mining operation, which ended in late 2001.

Increases in G&A for the quarter are related to Guyanor where a lack of active exploration projects required that certain costs be expensed as part of G&A that would normally be capitalized as project costs. Severance costs at Guyanor also contributed to the G&A increase.

SIX MONTHS ENDED JUNE 30, 2002 COMPARED TO THE SIX MONTHS ENDED JUNE 30, 2001

Net income for the first six months of 2002 totaled $3.0 million, versus a net loss of $3.3 million in the first six months of 2001 of 2001. As with the second quarter of 2002, higher gold prices and increases in gold production were the major factors responsible for the improvement in earnings for the first six months. Realized gold prices averaged $301 per ounce for the first six months, a 14% increase from $265 per ounce realized in the first six months of 2001. Gold shipments from the Bogoso/Prestea operations totaled 62,064 ounces, up from 42,506 ounces in the first six months of 2001.

A 6% improvement in mill through-put at Bogoso/Prestea and an increase in gold recovery, 72% versus 50% in the same period of 2001, were responsible for the production increases. A change in ore types, from Bogoso transition ore in the first six months of 2001 to Prestea oxide ore in the same period of 2002 was responsible for both the lower unit costs and improved recoveries. Mill feed grade averaged 2.44 g/t during the six months, down from 2.62 g/t in the same period of 2001, but improvements in recovery more than off set the lower grade. Cash costs for the first six months averaged $174 per ounce compared to $274 per ounce for the same period last year, while total cash costs, including royalties, averaged $195 per ounce for the six months, down from $282 per ounce in the first six months of 2001.

Lower depreciation in the first six months versus a year ago reflects the new reserve base for the Prestea surface concession, which allows amortization of costs over a larger number of ounces. Additionally, many of the assets associated with the initial purchase of the Bogoso operation in 1999, including the cost of the Bogoso mill, were fully amortized over the two-year life of the Bogoso oxide mining operation, which ended in late 2001.

Increases in G&A for the six months are related to Guyanor where a lack of active exploration projects required that certain costs be expensed as part of G&A that would normally be capitalized as project costs. Severance costs at Guyanor also contributed to the G&A increase.

GUYANOR

Guyanor properties remained on a care and maintenance basis during the first six months of 2002. As such there was no deferred exploration activity. Additional staff reductions were effected in the six months bringing total Guyanor staff to eleven employees. We are continuing to seek joint venture partners to activate exploration work on various Guyanor properties. We are also investigating the possibility of asset sales in French Guiana.

SIGNIFICANT EVENTS DURING THE FIRST SIX MONTHS OF 2002

GUIANA SHIELD TRANSACTION - The major portion of the Guiana Shield Transaction ("the Transaction") was completed on May 21, 2002 with the sale of our interests in the Gross Rosebel, Headleys and Thunder Mountain properties in Suriname, and our interest in Omai Gold Mines Limited ("OGML") in Guyana, to Cambior Inc ("Cambior"). The sale of Cambior's interests in the Yaou, Dorlin and Bois Canon properties in French Guiana to Golden Star was finalized in June 2002 to conclude the Transaction.

Golden Star received $5 million cash for the Gross Rosebel property and will receive three additional deferred payments of $1.0 million each on each of the first three anniversaries of the May 2002 closing. In addition, Cambior will pay Golden Star 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 Golden Star in the event that Cambior commences commercial mining from these properties. Due to the uncertainty of realization of this payment, no asset has been recorded.

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

Also, in connection with the Transaction, Cambior has transferred to us its 50% interest in the Yaou and Dorlin properties and its 100% interest in the Bois Canon property, all of which are located in French Guiana.

PRIVATE PLACEMENT - A private placement was completed in January of 2002, which resulted in the sale of 11,516,000 units, each unit consisting of one common share and one half warrant, for net proceeds of $5.1 million. Under the terms of the placement agreement, $2.6 million of the cash was temporarily restricted in an escrow account pending the occurrence of certain events. In late April 2002, following the Registration Statement on Form S-3 being declared effective, the escrowed funds were transferred to Golden Star.

FINAL PAYMENT TO THE SELLERS OF BOGOSO GOLD LIMITED ("BGL") - A $2.9 million gold-price related payment was made to the Sellers of BGL in January 2002. This liability was established under the terms of the original September 1999 BGL purchase agreement and the amount of the payment was determined by a formula which was based on the average price of gold over the two-year period following our purchase of the interest in September 1999.

FINAL INSTALLMENT ON THE PRESTEA PURCHASE AGREEMENT - In January 2002 our 90% owned subsidiary, BGL obtained a $0.8 million loan from a bank in Ghana and used the proceeds to make a payment to Prestea Gold Resources Limited ("PGR") for the purchase of an option related to the Prestea property. During 2001, BGL had also paid $1.3 million in cash to PGR for the purchase option related to the Prestea property. During 2001, BGL had also paid $1.3 million in cash to PGR for the purchase of an option related to the Prestea property.

ACQUISITION OF AN INTEREST IN THE PRESTEA UNDERGROUND MINE - In March 2002 BGL entered into a new agreement with PGR, the Ghana Mineworkers Union and the Ghana Government, among others, relating to the Prestea underground mine. The salient features of the new agreement are as follows:

(i) the Prestea underground mine was shut down and put on care and maintenance;

(ii) the mining lease over the Prestea underground mine was transferred from PGR to BGL, to be held by BGL on behalf of a joint venture between BGL, PGR and Government. BGL has an initial 45% interest in the JV;

(iii) BGL has taken over the management of the Prestea underground mine;

(iv) BGL has commenced an assessment of the safety and economic viability of the underground mine, which could take as much as two years to complete; and

(v) certain infrastructure associated with the underground mine is being decommissioned and demolished by BGL to make way for the development of BGL's surface mining operations at Prestea.

Pursuant to the new agreement, BGL has, on behalf of PGR, paid $1.9 million of employee back pay and severance costs to PGR's former employees, each of whom has entered into individual separation agreements with PGR. Upon the demolition of the Prestea underground mine infrastructure referred to above, BGL will make a final payment of $0.5 million to PGR.

The Prestea underground mine is contained within a mining lease, which covers the same area as the surface mining lease granted to BGL on June 29, 2001. The surface mining lease is restricted down to a depth of 150 metres below sea level and the underground mining lease is restricted to material deeper than 150 metres below sea level. The underground mine, which has operated for some 100 years, producing in excess of 9 million ounces of gold, therefore lies underneath some of the surface reserves to be mined by BGL. The consolidation of the underground mine with the activities of BGL is therefore a natural progression to the orderly and economic development of the area.

LISTING ON THE AMERICAN STOCK EXCHANGE - During the second quarter Golden Star's common stock was listed on the American Stock Exchange and trading began on Wednesday June 19, 2002 under the symbol "GSS". Trading on the Over The Counter Bulletin Board under the symbol "GSRSF" was discontinued at close of business on Tuesday June 18, 2002. Our common stock was also listed on the Berlin exchange in June 2002 under the symbol "GS5". Golden Star continues to trade on the Toronto Stock Exchange under the symbol "GSC".

BOGOSO/PRESTEA RESERVE ADDITION - On June 20, 2002 we announced an increase in Proven and Probable Mineral Reserves ("Mineral Reserves") at Bogoso/Prestea. As at May 31, 2002 Mineral Reserves at Bogoso/Prestea were comprised of 20,637,000 tonnes at an average grade of 3.15 g/t for total contained gold of 2,091,000 ounces. This represents an increase of 263,467 ounces compared to the stated Mineral Reserves as at December 31, 2001. In addition, the proportion of Mineral Reserves in the proven category has increased from 56% to 69%, as a result of additional drilling.

This increase in the Mineral Reserves is a result of additional work and drilling programs at Bogoso/Prestea in Ghana on the deposits known as Buesichem, Brumase/Beposo and Plant-North. We had not previously published any reserves for Brumase/Beposo and the new Mineral Reserves for this deposit are the result of exploration on the Prestea property since September 2001. The Company had previously published reserves for its Plant-North and Buesichem deposits and the increase in Mineral Reserves for these deposits is a result of greater confidence resulting from infill drilling. At Plant-North, this work resulted in the delineation of wider zones at the southern end of the deposit. The Plant-North deposit remains open to the south and further exploration will be carried out during the current year.

LIQUIDITY AND CAPITAL RESOURCES

SIX MONTHS ENDED JUNE 30, 2002

Profitable operations at Bogoso/Prestea during the first six months of 2002 and the private placement in January of this year have contributed to a significant improvement in our liquidity. We held $6.6 million of cash at June 30, 2002, up from $0.5 million at December 31, 2001. In addition, an equity offering in July 2002 yielded approximately $18.1 million of cash (see Subsequent Events discussion below).

Cash flow from operations totaled $1.9 million during the first six months of 2002, up from $1.5 million in the same period of 2001. In addition to generating $1.9 million of operating cash flow, we reduced outstanding vendor payables by $2.1 million in the first six months of 2002 bringing all payables current. Investing activities consumed a net $0.4 million of cash in the six months. The sale of the Gross Rosebel property in Suriname contributed $5.0 million of cash during the six months which

was used to fund $5.2 million of new mine property expenditures. Mine property expenditures included $2.2 million for the acquisition of a 45% managing interest in the Prestea underground mine, $0.6 million for work on the Wassa property and $2.8 million of development costs on the Prestea property.

Issuance of new common shares during the first six months of 2002 contributed $7.3 million of cash. A private placement in January 2002 provided a net $5.1 million of cash. Exercises of stock options yielded an additional $0.5 million during the six months and warrant exercised contributed an additional $1.7 million of cash. Liquidation of several liabilities, including the amount due the Sellers of BGL, consumed $3.5 million. A new bank loan in Ghana provided $0.8 million which was used to cover a portion of the new PGR underground mine acquisition costs.

At June 30, 2002, working capital stood at $8.2 million, versus a working capital deficit of $4.6 million at the end of 2001.

OUTLOOK

The three main objectives for 2002 continue to be: (i) orderly and efficient development of the Prestea surface lease reserves allowing an adequate flow of oxide and other non-refractory ores to the Bogoso mill; (ii) successful acquisition of the Wassa property; and (iii) commencement of the development of the Wassa property.

We have agreed to terms with Satellite Goldfields Limited ("Satellite") and its senior secured creditors, to acquire the Wassa property. The broad terms of the agreement are summarized as follows. We have agreed to pay $4.0 million at closing and an additional $5.0 million on a deferred basis upon the recommencement of gold production at the Wassa property. The initial $4.0 million and the deferred $5.0 million described above will be funded by a debt facility to be provided by Satellite's existing senior secured creditors. We will repay this debt facility over a four-year period beginning one year after the closing, during which we would carry out exploration and feasibility studies of the possible redevelopment of the property.

As additional consideration we have agreed to pay a royalty on future gold production from Wassa. The royalty will be determined by multiplying gold production from Wassa for each quarter by a royalty rate of a minimum of $7.00 per ounce. 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. We expect to complete the acquisition of the Wassa property once the regulatory approvals in Ghana are obtained and the definitive documentation to be delivered at closing is finalized. We expect the transaction to close in the third quarter of 2002.

At Bogoso/Prestea we have budgeted consolidated revenue of approximately $37 million in 2002 and total operating and general and administrative expenditures of approximately $32 million. Consolidated net exploration and development expenditures, after recoveries from joint venture partners, are budgeted at approximately $1.4 million, most of which will be spent in Ghana. We have budgeted production from Bogoso/Prestea at 134,000 ounces at an average cash cost of $175 per ounce during 2002. Meanwhile our activities in the Guiana Shield will be primarily care and maintenance, although we will continue to seek joint venture funded opportunities in Suriname and Guyana. There is minimal budgeted exploration spending by Guyanor in 2002, although we are actively seeking joint venture partners that could fund additional work at Paul Isnard or at our other properties. As more fully disclosed under Risk Factors in the Company's 2001 Form 10-K, numerous factors could cause our budget estimates to be wrong or could lead our management to make changes in our plans and budgets.

Based on the Company's operating forecasts, and assuming the same realized gold price, the first six month's results are representative of estimated full-year earnings for 2002 of $0.10 per share. The results for the second quarter were better than expected in our earlier forecast as a result of higher gold prices, higher production and lower production costs. While the forecast for the third quarter shows less production and slightly higher costs than in our previous forecast, results in the fourth quarter, following commencement of mining at Prestea's Plant North deposit, are expected to make up for any shortfall. The Company's production projections for the remainder of 2002 are as follows:

		Q3 2002(e)	Q4 2002(e)
Gold sales	Ounces	30,000	42,000
Cash costs (at mine)	$/ounce	190	155

In addition, we plan to continue evaluation acquisition and growth opportunities in Ghana and elsewhere in West Africa. We will also strive to maximize the value of our South American assets via asset sales and joint venture financed exploration activities where possible.

SUBSEQUENT EVENTS

PUBLIC OFFERING

On July 24, 2002 we completed a public offering in the United States and Canada with the sale of 16.1 million units at Cdn$1.90 per unit, to raise total gross proceeds of Cdn$30.6 million. The offering was originally for 14

million units, with the underwriters having a 15% over-allotment option. The underwriters elected to exercise their maximum over-allotment of a further 2.1 million units at closing, to increase the total offering to 16.1 million units.

Each unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant is exercisable for two years at a price of Cdn$2.28 to purchase an additional common share. The share purchase warrants are listed on the Toronto Stock Exchange under the symbol "GSC.WT".

Underwriter fees for the offering equaled 5.5% of the gross proceeds of the offering. In addition the underwriters received non-transferable warrants to purchase 770,000 of the Company's common shares at an exercise price of Cdn$2.28. These warrants will be exercisable during the two-year period beginning one year from July 24, 2002, the date of closing.

ITEM 3 QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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

INTEREST RATE RISK

We may invest our cash in debt instruments of the United States Government and its agencies, and in high-quality corporate issuers. Investments in both fixed rate and floating rate interest-earning instruments carry a degree of interest rate risk. Fixed rate securities may have their fair market value adversely impacted due to a rise in interest rates, while floating rate securities may produce less income than expected if interest rates fall. Due in part to these factors our future investment income may fall short of expectations due to changes in interest rates or we may suffer losses in principal if forced to sell securities which have declined in market value due to changes in interest rates. Given the level of excess cash currently available for investing, the impact on revenues from changes in interest rates would not be material. We may in the future actively manage our exposure to interest rate risk.

FOREIGN CURRENCY EXCHANGE RATE RISK

The price of gold is denominated in United States dollars and the majority of our revenues and expenses are denominated in United States dollars. As a result of the limited exposure, we believe that we are not exposed to a material risk as a result of any changes in foreign currency exchange rates. As such we do not currently utilize market risk sensitive instruments to manage our exposure.

COMMODITY PRICE RISK

We are engaged in gold mining and related activities, including exploration, extraction, processing and reclamation. Gold bullion is our primary product and, as a result, changes in the price of gold could significantly affect results of operations and cash flows. According to current estimates, a $25 change in the price of gold could result in an annual $2.9 million effect on the results of operations and cash flows. We currently do not have a program for hedging, or to otherwise manage exposure to commodity price risk. We may in the future manage our exposure through hedging programs.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

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

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

At the Annual General and Special Meeting of the Shareholders of the Company held on May 28, 2002, shareholders were asked to (i) elect six directors, Messrs. James Askew, Peter Bradford, David Fagin, Ian MacGregor, Ernest Mercier and Robert Stone; (ii) approve the re-appointment of auditor; (iii) approve for issuance by the Company, in one or more private placements during the twelve (12) months following approval of the resolution, of up to 30,000,000 Common Shares; (iv) approve amendments to the Company's by-laws to comply with recent changes in the Canada Business Corporations Act (v) approve an amendment to the Company's Articles of Arrangement to provide for meetings of the Company to be held at specific locations outside of Canada; and (vi) approve an amendment to the Company's stock option plan.

(i) Votes cast in the election of directors were as follows:

For	Against	Withheld
35,093,335	-0-	78,491

(ii) Votes cast for the appointment of PricewaterhouseCoopers LLP, Chartered Accountants as auditor of the Company until the next annual general meeting of shareholders at a remuneration to be fixed by the directors:

For	Against	Withheld
35,078,608	-0-	73,399

(iii) Votes cast to approve issuance by the Company, in one or more private placements during the twelve (12) months following approval of the resolution, of up to 30,000,000 Common Shares:

For	Against	Withheld
9,030,354	2,079,116	-0-

(iv) Votes cast to approve amendments to the Company's by-laws to comply with recent changes in the Canada Business Corporations Act:

For	Against	Withheld
34,371,049	671,895	-0-

(v) Votes cast for approval of an amendment to the Company's Articles of Arrangement to provide for meetings of the Company to be held at specific locations outside of Canada:

For	Against	Withheld
10,543,354	511,495	-0-

(vi) Votes cast for approval of an amendment to the Company's stock option plan:

For	Against	Withheld
8,944,195	1,961,946	-0-

ITEM 6. EXHIBITS, REPORTS ON FORM 8-K

(a) Exhibits

4.1 Warrant Indenture, dated July 17, 2002, among the Company and CIBC Mellon Trust, as Trustee, including the Form of Warrant

10.1 Underwriting Agreement, dated July 17, 2002, between Canaccord Capital Corporation and BMO Nesbitt Burns Inc., as the Underwriters, and the Company

10.2 Agency Agreement, dated July 17, 2002, between Canaccord Capital Corporation (USA) Inc. and BMO Nesbitt Burns Corp. and the Company

Exhibit 99.1 Officer certificate for Peter L. Bradford

Exhibit 99.2 Officer certificate for Allan J. Marten

(b) Reports on Form 8-K during the quarter ended June 30, 2002

On June 26, 2002 the Company filed an 8-K/A with the Securities and Exchange Commission, announcing the completion of a transaction which transferred ownership of the Gross Rosebel gold property and other of the Company's properties in the Guiana Shield area of South America to Cambior Inc. for $8.0 million plus future production royalties.

SIGNATURES

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

GOLDEN STAR RESOURCES LTD.

By: /s/ Peter J. Bradford
Peter J. Bradford
President and CEO

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

August 5, 2002

EXHIBIT INDEX

EXHIBIT NUMBER	DESCRIPTION
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10.2	Agency Agreement, dated July 17, 2002, between Canaccord Capital Corporation (USA) Inc. and BMO Nesbitt Burns Corp.
99.1	Officers certificate for Peter J. Bradford.
99.2	Officers certificate for Allan J. Marter.

EXHIBIT 4.1

WARRANT INDENTURE

PROVIDING FOR THE ISSUE OF UP TO 8,050,000 SHARE PURCHASE WARRANTS

BETWEEN

GOLDEN STAR RESOURCES LTD.

- AND -

CIBC MELLON TRUST COMPANY

DATED AS OF JULY 18, 2002

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THIS WARRANT INDENTURE is made as of the 18th 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 16,100,000 Units pursuant to the Underwriting Agreement, each Unit entitling the holder to acquire one Common Share and one half of one Purchase Warrant;

B. the Corporation is duly authorized to create and issue the Purchase Warrants to be issued as herein provided;

C. one whole Purchase Warrant shall, subject to adjustment, entitle the holder thereof to acquire one Common Share upon payment of the Exercise Price, upon the terms and conditions herein set forth;

D. all acts and deeds necessary have been done and performed to make the Purchase Warrants, when issued as provided in this Indenture, legal, valid and binding upon the Corporation with the benefits and subject to the terms of this Indenture; and

E. the foregoing statements of fact and recitals are made by the Corporation and not the Trustee;

NOW THEREFORE, the parties hereto agree as follows:

ARTICLE 1
INTERPRETATION

1.1 DEFINITIONS

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

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

b. "APPLICABLE LEGISLATION" means the provisions of any statutes of Canada and a province thereof, and the regulations under those statutes, relating to trust indentures or to the rights, duties and obligations of trustees and of corporations under trust indentures, to the extent that such provisions are at the time in force and applicable to this Indenture;

c. "BUSINESS DAY" means a day which is not Saturday or Sunday or a legal holiday in the 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 $2.28, 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 2,100,000 Units at a price of $1.90 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 July 17, 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 14,000,000 Units at a price of $1.90 per Unit and pursuant to which an additional up to 2,100,000 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 17, 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 17, 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 8,050,000 Purchase Warrants are hereby created and authorized to be issued upon the terms and conditions herein set forth.

b. 7,000,000 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 1,050,000 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, and subject to the prior approval of the TSX, the Warrantholders at a meeting shall,

subject to the provisions of section 7.11 have the power, exercisable from time to time by extraordinary resolution:

a. to agree to any modification, abrogation, alteration, compromise or arrangement of the rights of Warrantholders or the Trustee in its capacity as trustee hereunder subject to the consent of the Trustee or on behalf of the Warrantholders against the Corporation, whether such rights arise under this Indenture or the Warrant Certificates or otherwise;

b. to amend, alter or repeal any extraordinary resolution previously passed or sanctioned by the Warrantholders;

c. to direct or to authorize the Trustee to enforce any of the covenants on the part of the Corporation contained in this Indenture or the Warrant Certificates or to enforce any of the rights of the Warrantholders in any manner specified in such extraordinary resolution or to refrain from enforcing any such covenant or right;

d. to waive, and to direct the Trustee to waive, any default on the part of the Corporation in complying with any provision of this Indenture or the Warrant Certificates either unconditionally or upon any conditions specified in such extraordinary resolution;

e. to restrain any Warrantholder from taking or instituting any suit, action or proceeding against the Corporation for the enforcement of any of the covenants on the part of the Corporation in this Indenture or the Warrant Certificates or to enforce any of the rights of the Warrantholders;

f. to direct any Warrantholder who, as such, has brought any suit, action or proceeding to stay or to discontinue or otherwise to deal with the same upon payment of the costs, charges and expenses reasonably and properly incurred by such Warrantholder in connection therewith;

g. to assent to any change in or omission from the provisions contained in the Warrant Certificates and this Indenture or any ancillary or supplemental instrument that may be agreed to by the Corporation, and to authorize the Trustee to concur in and execute any ancillary or supplemental indenture embodying the change or omission;

h. with the consent of the Corporation, such consent not to be unreasonably withheld, to remove the Trustee or its successor in office and to appoint a new trustee or trustees to take the place of the Trustee so removed;

i. to assent to any compromise or arrangement with any creditor or creditors of the Corporation or any class or classes of creditors of the Corporation, whether secured or otherwise, and with holders of any shares or other securities of the Corporation; and

j. to sanction any scheme for the reconstruction or reorganization of the Corporation or for the consolidation, amalgamation or merger of the Corporation with any other corporation

or for the sale, lease, transfer or other disposition of all or substantially all the property and assets of the Corporation.

7.11 MEANING OF EXTRAORDINARY RESOLUTION

a. The expression "extraordinary resolution" when used in this Indenture means, subject as hereinafter provided in this section and in section 7.14, a resolution proposed at a meeting of 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 with the prior approval of the TSX) and the Trustee may, subject to the provisions hereof, and they shall, when so directed in accordance with the provisions hereof, execute and deliver by their proper officers, indentures or instruments supplemental hereto, which thereafter shall form part hereof, for any one or more or all of the following purposes:

a. setting forth any adjustments resulting from the application of the provisions of Article 4;

b. adding to the provisions hereof such additional covenants and enforcement provisions as, in the opinion of Counsel, are necessary or advisable in the premises, provided that the same are not in the opinion of the Trustee, relying on counsel, prejudicial to the interests of the Warrantholders;

c. giving effect to any extraordinary resolution passed as provided in Article 7;

d. making such provisions not inconsistent with this Indenture as may be necessary or desirable with respect to matters or questions arising hereunder or for the purpose of obtaining a listing or quotation of the Purchase Warrants on any stock exchange, provided that such provisions are not, in the opinion of the Trustee, relying on counsel, prejudicial to the interests of the Warrantholders;

e. adding to or altering the provisions hereof in respect of the transfer of Purchase Warrants, making provision for the exchange of Warrant Certificates, and making any modification in the form of the Warrant Certificates which does not affect the substance thereof;

f. modifying any of the provisions of this Indenture, including relieving the Corporation from any of the obligations, conditions or restrictions herein contained, provided that such modification or relief shall be or become operative or effective only if, in the opinion of the Trustee, relying on counsel, such modification or relief in no way prejudices any of the rights of the 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:
ALLAN J. MARTER, SENIOR VICE PRESIDENT
AND CHIEF FINANCIAL OFFICER

CIBC MELLON TRUST COMPANY

Per:
LESLIE MACFARLANE

Per:
VAN BOT

THIS IS SCHEDULE "A" TO THE WARRANT INDENTURE MADE AS OF JULY 18, 2002 BETWEEN GOLDEN STAR RESOURCES LTD. AND CIBC MELLON TRUST COMPANY AS TRUSTEE.

CUSIP NO. 38119T 15 3

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 JULY 24, 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 $2.28 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 July 24, 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 July 18, 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:

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 10.1

CANADIAN UNDERWRITING AGREEMENT

July 17, 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$2.28 until July 24, 2004 (each whole warrant, a "WARRANT"), at an offering price of Cdn$1.90 per Unit for aggregate gross proceeds of Cdn$26,600,000. 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$0.1045 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$2.28 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 July 17, 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 67,000,703 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 the

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 July 18, 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 6,916,000 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

(c) 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: /s/ "PETER MARRONE"
"Peter Marrone"
Authorized Signing Officer

BMO NESBITT BURNS INC.

By: /s/ "EGIZIO BIANCHINI"
"Egizio Bianchini"
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 Littleton, Colorado as of this 17th day of July, 2002.

GOLDEN STAR RESOURCES LTD.

By: /s/ "ALLAN J. MARTER"

"Allan J. Marter"
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 Resources 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 10.2

U.S. AGENCY AGREEMENT

July 17, 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), 6,916,000 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. $2.28 until July 24, 2004 (each whole warrant, a "WARRANT") at an offering price of Cdn. $1.90 per Unit for aggregate gross proceeds of Cdn. $13,140,400. 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 14,000,000 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. $0.1045 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 know ledge 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 67,000,703 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 July 18, 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 the

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 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 U.S. Agents 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 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 $[170,000] 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 four 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: "Diane Shore"
Authorized Signing Officer

BMO NESBITT BURNS CORP.

By: "Norman S. Skaffer"
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 Littleton, Colorado as of this 17th day of July, 2002.

GOLDEN STAR RESOURCES LTD.

By: "Allan J. Marter"
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 is bound that 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 sa le 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 99.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Golden Star Resources Ltd. (the "Company") on Form 10-Q for the quarterly period ended June 30, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Peter J.L. Bradford, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ Peter J. Bradford

Peter J. Bradford
President and Chief Executive Officer
August 5, 2002

EXHIBIT 99.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Golden Star Resources Ltd. (the "Company") on Form 10-Q for the quarterly period ended June 30, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Allan J. Marter, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By */s/ Allan J. Marter*
Allan J. Marter
Chief Financial Officer
August 5, 2002