

GOLDEN STAR RESOURCES LTD.

FORM 8-K (Current report filing)

Filed 10/06/08 for the Period Ending 09/30/08

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): September 30, 2008

GOLDEN STAR RESOURCES LTD.

(Exact name of registrant as specified in its charter)

CANADA
(State or other jurisdiction of
incorporation or organization)

1-12284
(Commission
File Number)

98-0101955
(I.R.S. Employer
Identification Number)

**10901 West Toller Drive,
Suite 300 Littleton, Colorado**
(Address of principal executive offices)

80127-6312
(Zip Code)

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

No Change

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 5.02. Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers.

(e) On September 30, 2008, Golden Star Management Services Company, a Delaware corporation (the “Management Company”), and a wholly-owned subsidiary of Golden Star Resources Ltd. (“Golden Star”), entered into an Amended and Restated Employment Agreement with Mr. Roger Palmer, Vice President Finance and Controller (the “Palmer Agreement”), effective April 1, 2008. The agreement amends and restates the employment agreement between Golden Star and Mr. Palmer dated October 23, 2006 in order to amend terms relating to severance and change of control payments and to reflect Mr. Palmer’s employment by the Management Company rather than Golden Star. The Management Company and Golden Star shall be referred to generally herein as the “Company.”

On September 8, 2008, Golden Star entered into an Amended and Restated Employment Agreement with S. Mitchel Wasel, Vice President Exploration, effective April 1, 2008 (the “Wasel Agreement,” and together with the Palmer Agreement, the “Agreements”), which amends and restates the employment agreement between Golden Star and Mr. Wasel dated September 1, 2007 to amend terms relating to severance and change of control payments. Mr. Palmer and Mr. Wasel shall be referred to generally herein as the “Executives.”

The Agreements provide for an increase in the payment due to an Executive upon termination of employment by the Company without cause or upon a termination by Executive in the event of a material breach of the Agreement by the Company. The severance payment, which is addition to the payment of accrued compensation at the time of termination, is increased from 0.5 times to 1 (one) times the sum of Executive’s then current base salary and the average of the target bonus for the Executive for the current calendar year and the bonus paid to the Executive for the previous year, plus in the case of Mr. Palmer, the amount of Company contributions to Executive’s 401(k) account for the most recent plan year before the termination date and the amount paid by the Company for welfare benefits on behalf of the Executive for the most recent year, subject to limitation in certain circumstances.

The Agreements also provide for an increase in the payment due to an Executive in the event of a termination upon a “change in control” as defined in the Agreements. The change in control severance, which is in addition to the payment of accrued compensation at the time of the termination upon a change in control and a pro rata portion of Executive’s target bonus for the current calendar year, is increased from one (1) times to two (2) times the sum of Executive’s base salary for the calendar year in which the termination became effective and the average of the target bonus for the Executive for the current calendar year and the bonus paid to Executive for the previous year, plus in the case of Mr. Palmer, the amount of Company contributions to Executive’s 401(k) account for the most recent plan year before the termination date and the amount paid by the Company for welfare benefits on behalf of the Executive for the most recent year.

The foregoing summary of the material amendments to Executives' previous employment agreements that are reflected in the Agreements is by its nature incomplete. For further information regarding the terms and conditions of the Agreements, please refer to the Agreements which are attached as Exhibits 10.1 and 10.2 hereto and are incorporated by reference herein.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

| <u>Exhibit No.</u> | <u>Description</u> |
|--------------------|--|
| 10.1 | Amended and Restated Employment Agreement dated effective April 1, 2008 between Golden Star Management Services Company and Roger Palmer |
| 10.2 | Amended and Restated Employment Agreement dated effective April 1, 2008 between Golden Star Resources Ltd. and Mitch Wasel |

SIGNATURE

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

Date: October 6, 2008

Golden Star Resources Ltd.

By: /s/ John A. Labate

John A. Labate
Senior Vice President and
Chief Financial Officer

EXHIBIT INDEX

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AMENDED AND RESTATED EMPLOYMENT AGREEMENT

THIS AMENDED AND RESTATED EMPLOYMENT AGREEMENT (the “Agreement”), made as of the 1st day of April, 2008 (the “Effective Date”) by and between **GOLDEN STAR MANAGEMENT SERVICES COMPANY**, a Delaware corporation, or its nominee (the “Company”) and **MR. ROGER PALMER** (the “Employee”), and acknowledged and consented to by the Company’s parent corporation, **GOLDEN STAR RESOURCES LTD.**, a Canadian corporation (the “Golden Star”).

WHEREAS, the Employee and Golden Star are parties to an employment agreement dated the 23rd of October, 2006 (the “Original Employment Agreement”), and the Employee and Golden Star now mutually agree to amend in its entirety and restate such agreement to assign all of Golden Star’s rights, responsibilities and obligations under the Original Employment Agreement to the Company subject to the terms and conditions of this Agreement;

WHEREAS, the Company wishes to have the benefit of the Employee’s services and to assume all of Golden Star’s rights, responsibilities and obligations under the Original Employment Agreement subject to the terms and conditions of this Agreement; and

WHEREAS, the Employee wishes to be so employed by the Company.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants herein contained, **THE EMPLOYEE AND THE COMPANY HERETO AGREE AS FOLLOWS:**

1. Employment.

(a) The Company shall employ the Employee, and the Employee shall serve in the employ of the Company and render exclusive and full-time services to the Company on the terms and conditions set forth in this Agreement. Employee acknowledges and agrees that the Company, in its sole discretion, may second the Employee to Golden Star, or to any other affiliate of Golden Star with or without a written secondment agreement, for all or any part of the term of this Agreement. In the event of such secondment, the Employee will operate as a seconded employee of the seconding affiliate.

(b) The Employee shall serve as Vice President Finance and Controller of Golden Star and shall perform duties subject to the overall policies and directions of Golden Star’s President and Chief Executive Officer.

(c) The Employee shall not serve as a director, general partner or manager of any other entity without the prior written consent of each of the Board of Directors of the Company and Golden Star.

(d) The Employee’s principal place of business with respect to his services to the Company shall be the Company’s offices in Littleton, Colorado or any successor office.

(e) The Employee acknowledges that he will be required to travel extensively and perform his duties in other locations, and the Employee shall undertake such amount of travel away from his principal place of employment as may reasonably be necessary to carry out his duties and responsibilities hereunder.

2. Term of Employment. The Agreement shall become effective on the Effective Date. Unless the Employee's employment is terminated as provided in Section 5, the term of the Employee's employment under this Agreement (the "Term") shall be for one (1) year from the Effective Date. The Term shall be extended automatically for successive one-year periods on each successive anniversary of the Effective Date, unless the Employee or the Company provides written notice to the other at least three (3) months prior to the anniversary of the Effective Date of his or its intention not to extend the Term, in which case the Term shall end on that anniversary of the Effective Date.

If the Company notifies the Employee of its intent not to extend the Term, the Agreement and the Employee's employment shall be deemed to have been terminated without cause pursuant to Section 5(b)(ii) and the Employee shall be entitled to the payments and other benefits set forth in Section 5(b)(ii).

3. Services. The Employee shall devote his entire business time, best efforts, skills and attention to the Company in fulfilling his duties and responsibilities hereunder faithfully and diligently. The Employee shall assume and perform to the best of his abilities the responsibilities of Vice President, Finance and Controller of Golden Star as well as such other responsibilities as may be assigned to him by the President and Chief Executive Officer or the Chief Financial Officer of the Company or Golden Star and as are appropriate to the offices he holds. The Employee will engage in no other business or activity for compensation except for the management of his personal investments and any business or activity with respect to which he has received the prior written consent of each of the Board of Directors of the Company and Golden Star.

4. Compensation and Benefits. The Employee shall be entitled to the following benefits:

(a) The Company shall pay to the Employee, and the Employee hereby accepts, a salary (the "Base Salary") at the rate of US\$165,000 per annum. The Employee's salary may be increased from time to time by the Board of Directors of the Company during the term of the Agreement and, upon any increase; such increased salary shall then become the Base Salary. The Base Salary shall be payable in equal bi-monthly installments in arrears.

(b) The Employee shall be entitled to participate in Golden Star's Second Amended and Restated 1997 Stock Option Plan and in any successor option plan (the "Option Plan").

(c) The Employee shall be entitled to participate in Golden Star's Executive Management Performance Bonus Plan and in any successor bonus plan.

(d) The Company shall reimburse the Employee for all reasonable and documented travel, entertainment and other business expenses actually and properly incurred by him in connection to his duties hereunder. The Employee shall render expense accounts requesting reimbursements of his expenses hereunder within a reasonable period of time following such expense and in accordance with such documentation and verification as the President and Chief Executive Officer of the Company may from time to time require.

(e) The Employee shall be entitled to participate in such of the Company's or Golden Star's benefit and deferred compensation plans as are from time to time available to executive officers of the Company or Golden Star, including medical and dental health plans, life and disability insurance plans, supplemental retirement programs and other fringe benefit plans (provided, however, that the Employee's benefits may be modified or the Employee may be denied participation in any such plan because of a condition or restriction imposed by law or regulation or third-party insurer or other provider relating to participation).

(f) The Employee shall be entitled to participate in any and all applicable group savings or retirement plans, or other fringe benefits of the Company or Golden Star as established from time to time in which executive officers are eligible to participate, provided that the Employee shall have fulfilled all eligibility requirements for such benefits.

(g) The Employee shall be entitled to four (4) weeks of paid vacation during each year of employment hereunder at such time or times as may be selected by the Employee and approved by the President and Chief Executive Officer or the Chief Financial Officer of the Company, and as are in accordance with the Company's policies and reasonable operating requirements. The Employee shall be entitled to all public holidays observed by the Company's office to a maximum of ten (10) days per annum.

5. Termination. The Agreement and Employee's employment may be terminated in the following manner. In each case, the Company shall have no obligations to the Employee following termination pursuant to Section 5, other than as set forth in this Agreement and as provided in any benefit plans in which the Employee is a participant at the date of termination.

(a) Upon Retirement:

(i) Except as provided otherwise in Section 5(a)(ii), Employee's employment shall automatically terminate upon the Employee's sixty-fifth birthday.

(ii) Upon recommendation from the President and Chief Executive Officer of Golden Star, the Board of Directors of the Company may, on or before the Employee's sixty-fifth birthday and each subsequent birthday, approve the extension of his employment and this Agreement for one year, until his next birthday.

(iii) At the time of termination, the Employee shall be paid in a lump sum payment all accrued salary, any benefits then due and payable under any plans of the Company or Golden Star in which the Employee is a participant (in accordance with the provisions of the applicable plan), accrued vacation pay and reimbursement of any appropriate business expenses incurred by the Employee in connection with his duties hereunder, all to the effective date of termination (" Accrued Compensation ").

(b) By the Company:

(i) For cause, immediately upon notice in writing from the Company to the Employee. For purposes of this Agreement, “cause” shall mean: (1) unless resulting from disability as defined in Section 5(b)(iv), the Employee’s material breach of any terms of this Agreement, if such material breach has not been cured within thirty (30) days following written notice of such breach to the Employee from the Company setting forth with specificity the nature of the breach or, if cure cannot reasonably be effected within such 30-day period, if the Employee does not commence to cure the breach within such 30-day period and thereafter pursue such cure continuously and with due diligence until cure has been fully effected; (2) the Employee’s willful dishonesty towards, fraud upon, crime against, bad faith action with respect to, deliberate or attempted injury to, or gross misconduct or material noncompliance with Golden Star’s policies and procedures which is materially injurious to Golden Star; (3) the Employee’s conviction for any felony crime (whether in connection with Golden Star’s affairs or otherwise); or (4) the Employee’s failure to comply with any lawful directive of the Board of Directors of Golden Star, the failure to comply with which is stated in such directive to be grounds for termination. At the time of termination, the Company shall pay the Accrued Compensation to the Employee.

(ii) Without cause, at any time upon the giving of seven days prior written notice by the Company to the Employee or the Company’s election not to extend the Term of the Agreement pursuant to Section 2. The Company shall pay to the Employee in cash or cash equivalent acceptable to the Employee, in a lump sum at the time of termination, Accrued Compensation plus severance compensation (“Twelve Months Severance Compensation”) in an amount equal to 1.0 times the sum of (1) the Employee’s then current Base Salary, (2) the average of the target bonus for the Employee for the current year and the bonus paid to the Employee for the previous year, (3) the amount of employer contributions contributed to the Employee’s account for the most recent plan year before the termination date, under Administaff Retirement Services (ARS) 401k Plan or any successor plan and (4) the amount paid by the Company for welfare benefits on behalf of the Employee for the most recent year. However, to the extent that such payment exceeds two times the lesser of (1) the sum of Employee’s Base Salary and bonus under Golden Star’s Executive Management Performance Plan during the year prior to the year that includes the effective date of termination, or (2) the maximum amount that may be taken into account under a qualified plan pursuant to Section 401(a)(17) of the Internal Revenue Code of 1986, as amended (“Code”) (US\$230,000 in 2008) (“Separation Pay Limitation”), the amount of such payment in excess of the Separation Pay Limitation shall be withheld by the Company and paid on the six month anniversary of the Employee’s termination date or, if earlier, the Employee’s date of death.

(iii) Immediately and without notice upon the death of the Employee, in which case the Company shall have no further obligation to the Employee's estate or representatives other than to pay Accrued Compensation up to and including the end of the month in which death occurred.

(iv) At any time upon 90-day notice in writing from the Company to the Employee, if the Employee shall by reason of disability have failed to perform his duties under the Agreement. During the 90-day notice period, the Employee shall be considered a full-time employee of the Company. The Employee's disability means his incapacity due to physical or mental illness such that he is unable to perform his previously assigned duties where (1) such incapacity has been determined to exist by either (x) the Company's disability insurance carrier or (y) the concurring opinions of two licensed physicians (one selected by the Company and one by the Employee) or (2) the Employee has failed for any three consecutive months in any calendar year or for six months in the aggregate in any two successive calendar years to have performed substantially all of his duties under this Agreement by reason of physical or mental illness, as determined by the Board of Directors of Golden Star. Any such separation for disability shall be only as not prohibited by the Americans with Disabilities Act. The Company shall pay to the Employee in a lump sum at the time of termination (1) Accrued Compensation, (2) such other payments as may be then due under any disability insurance policy of the Company in accordance with the terms of such policy, and (3) payment to the Employee of an amount equal to the cost of COBRA coverage for the Employee to continue to participate in applicable benefit plans for one year.

(c) By the Employee:

(i) for material breach of this Agreement by the Company, in which case the Employee shall have no further obligation to the Company immediately following the end of the Company's period to remedy the material breach. The Company shall make a lump sum payment to the Employee in cash or cash equivalent acceptable to the Employee at the time of termination in an amount equal to Accrued Compensation plus Twelve Months Severance Compensation, provided that the amount of such payment in excess of the Separation Pay Limitation shall be withheld by the Company and paid on the six month anniversary of the Employee's termination date or, if earlier, the Employee's date of death. For purposes of this clause, "material breach" shall include the occurrence of any of the following conditions, provided that the Employee gives the Company written notice of such condition within ninety (90) days of its occurrence, and the Company fails to remedy the condition within thirty (30) days of its receipt of notice:

- (1) the material reduction by the Company of the Employee's Base Salary or other benefits;
- (2) the non-payment of compensation and provision of benefits;

(3) the material reduction by Golden Star of the Employee's responsibilities or title; and

(4) the failure of a successor entity to adopt this Agreement.

(ii) voluntarily, if Sections 5(b)(i), 5(b)(ii), 5(c)(i) or 6 are not applicable, at any time upon three months' notice in writing to the Company, in which case the Company shall pay to the Employee in a lump sum at the time of termination Accrued Compensation up to and including the date of termination. The Company may waive the requirement of written notice or the notice period in whole or in part, in which case the Company shall pay to the Employee in a lump sum at the time of termination an amount equal to Accrued Compensation through the date on which termination would have occurred had the notice not been waived.

(d) Upon any termination of employment as set forth in this Section 5 or 6, the Employee shall, unless otherwise advised by the Company, do the following:

(i) immediately resign all offices held (including directorships, if any) in Golden Star (and any subsidiary or other affiliated company of Golden Star and any entity in which Employee holds office at the direction of Golden Star) and, except as provided in this Agreement, the Employee shall not be entitled to receive any additional severance payment or additional compensation for loss of office or otherwise by reason of the resignation. If the Employee fails to resign as described herein, Golden Star is irrevocably authorized to appoint any other person in his name and on his behalf to sign any documents or do any things necessary or requisite to give effect to such resignation; and

(ii) promptly return to the Company all books of account, computer files, maps, records, reports and other documents, materials and property of the Company in the possession or control of the Employee.

(e) Except as provided in this Section 5, all amounts payable in cash or cash equivalent acceptable to Employee under this Section 5 shall, within the time periods set forth in the General Release (defined below), at the option of the Company be delivered to the Employee personally or be mailed to the Employee at the address referred to in Section 10(d).

(f) Prior to, and as an express condition precedent of, payment of the Twelve Months Severance Compensation or any amount in excess of the Separation Pay Limitation, as applicable, Employee shall sign, and not revoke, a complete and comprehensive release of all claims against Golden Star and all related entities and individuals in a form acceptable to Golden Star (the "General Release").

6. Change of Control.

(a) In the event of a Termination Upon a Change in Control, the Company shall immediately pay to the Employee in a lump sum payment Accrued Compensation and Change of Control Severance. However, the amount of such payment in excess

of the Separation Pay Limitation shall be withheld by the Company and paid on the six month anniversary of the Employee's termination date or, if earlier, the Employee's date of death. For the avoidance of doubt, a Termination Upon a Change of Control shall not constitute a termination under Section 5 of this Agreement, and the Employee shall not be entitled to any payment or benefits under Section 5. The Company shall have no further obligation to the Employee except as provided under this Agreement and in any benefit plans in effect at the date of termination which are applicable to Employee.

(i) "Termination Upon a Change in Control" shall mean a termination of the Employee by the Company without cause within 12 months following a Change in Control (as defined below) or a termination by the Employee for Good Reason within 12 months following a Change in Control.

(ii) "Good Reason" shall mean any of the following (without the Employee's express written consent):

(1) the assignment to the Employee by the Company or Golden Star of duties inconsistent with, or a substantial alteration in the nature or status of, the Employee's responsibilities immediately prior to a Change in Control;

(2) a material reduction by the Company in the Employee's compensation or benefits as in effect on the date of a Change in Control;

(3) any material breach by the Company of any provision of this Agreement, if such material breach has not been cured within thirty (30) days following written notice of such breach by the Employee to the Company setting forth with specificity the nature of the breach; or

(4) any failure by the Company to obtain the assumption and performance of this Agreement by any successor (by merger, consolidation or otherwise) or assign of the Company,

provided that the Employee gives the Company written notice of such condition within ninety (90) days of its occurrence, and the Company fails to remedy the condition within thirty (30) days of its receipt of notice.

(iii) A "Change in Control" shall be deemed to have occurred if (1) any "person" or "group" (within the meaning of Sections 13(d) and 14(d)(2) of the Securities Exchange Act of 1934), other than a trustee or other fiduciary holding securities under an employee benefit plan of Golden Star, is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the 1934 Act), directly or indirectly, of more than thirty percent (30%) of the then outstanding voting stock of Golden Star; or (2) persons who are Incumbent Directors cease to constitute a majority of the Board of Directors of Golden Star; or (3) the shareholders of Golden Star approve a merger, consolidation or amalgamation of the Company with any other corporation, other than a merger, consolidation or amalgamation which would result in the voting securities of

Golden Star outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) at least fifty percent (50%) of the combined voting power of the voting securities of Golden Star or such surviving entity outstanding immediately after such merger, consolidation or amalgamation, or (4) the shareholders approve a plan of complete liquidation of Golden Star or the sale or disposition by Golden Star of all or substantially all of Golden Star's assets in one or a series of related transactions.

(iv) "Incumbent Director" means any person who serves on the Board of Directors of Golden Star as of the date of this Agreement and any person who is added to the Board of Golden Star thereafter with the approval of a majority of the persons who are then Incumbent Directors.

(v) "Change of Control Severance" means an amount equal to (a) two times the sum of (1) the Employee's Base Salary for the calendar year in which the termination became effective, (2) the average of the target bonus for the Employee for the current calendar year and the bonus paid to the Employee for the previous year, (3) the amount of employer contributions contributed to the Employee's account for the most recent plan year before the termination date, under Administristaff Retirement Services (ARS) 401k Plan or any successor plan, and (4) the amount paid by the Company for welfare benefits on behalf of the Employee for the most recent year, plus (b) a portion of the target bonus for the Employee for the current calendar year which is pro rata to the portion of such year prior to the Employee's Change of Control Termination.

(b) In the event of a Termination Upon a Change of Control, the Company shall, at its sole expense, provide the Employee with outplacement services, the scope and provider of which shall be selected by the Employee in his sole discretion and the cost of which shall not exceed an amount equal to 10% of the Employee's then current Base Salary. Such outplacement service expenses must be incurred by the Employee on or before the last day of the first taxable year following the year in which the Employee's employment was terminated (the "Expense Deadline"). Payment requests for such expenses must be submitted by Employee within ninety (90) days of the Expense Deadline, and payment of such expenses on behalf of the Employee must be made by the Company on or before the last day of the sixth month following the Expense Deadline.

(c) Prior to, and as an express condition precedent of, payment of the Change of Control Severance, any outplacement services, or any amount in excess of the Separation Pay Limitation, as applicable, Employee shall sign, and not revoke, the General Release.

7. Acceleration and Vesting of Stock Options. All of the stock options granted to the Employee under the Option Plan shall become immediately exercisable and vested and shall remain exercisable for a period of 12 months from the date of termination of the Employee (a) upon a Change of Control or (b) if after the first anniversary of the Effective Date (i) the Board of Directors of Golden Star shall fail at any given time to elect the Employee as a Vice President of Golden Star or to an executive position possessing comparable duties and responsibilities or (ii) should the Company terminate the Agreement or the employment of the Employee without cause. Notwithstanding any of the foregoing, under no circumstances shall an option remain exercisable for more than 10 years after the date it was granted.

8. Confidentiality and Restrictive Covenant. The Employee acknowledges that as a condition of his employment he is required to maintain the confidentiality of the Company's confidential and proprietary information and, accordingly, acknowledges that he is a party to and continues to be bound by the Confidentiality and Restrictive Covenant Agreement dated as of April 1, 2008 between the Company and the Employee (the "Confidentiality Agreement").

9. Golden Star Policies. The Employee agrees to comply with the written policies of Golden Star, including the Code of Ethics for Directors, Senior Executive and Financial Officers and other Executive Officers and the Business Conduct and Ethics Policy (including the Insider Trading Policy). The Company shall promptly notify the Employee of any modifications to its policies.

10. Miscellaneous.

(a) The failure to insist upon strict compliance with any of the terms, covenants or conditions of this Agreement shall not be deemed a waiver of such terms, covenants or conditions, and the waiver by either party of a breach of any provision of this Agreement shall not operate as or be construed as a waiver of any subsequent breach thereof.

(b) Should a court or other body of competent jurisdiction determine that any provision of this Agreement is invalid or unenforceable; such provision shall be adjusted rather than voided, if possible, so that it is enforceable to the maximum extent possible, and all other provisions of the Agreement shall be deemed valid and enforceable to the extent possible.

(c) This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado, without reference to principles of conflict of laws, and each of the parties submits to the non-exclusive jurisdiction of the courts of the State of Colorado.

(d) Any and all notices referred to herein shall be in writing and may be delivered by mail, by facsimile transmission or by hand. Notice shall be deemed given five days after mailing, if mailed in the United States by registered mail, on the date of actual receipt if given by facsimile transmission, or on the date of delivery, if delivered by hand.

Address for mailing, facsimile transmission or delivery by hand shall be as follows:

• To the Employee:

Mr. Roger Palmer
6565 South Bellaire Circle
Littleton, CO 80121
UNITED STATES

Fax: _____

-
- To the Company:
Golden Star Management Services Company
10901 W. Toller Drive, Suite 300
Littleton, CO 80127
UNITED STATES
Attention: President and CEO
Fax: +1-303-830-9094

or such other address as either party may from time to time designate in writing.

(e) It is the intention of the parties that this Agreement comply with and be administered in accordance with Section 409A of the Code and the interpretive guidance thereunder, including the exceptions for short-term deferrals, separation pay arrangements, reimbursements, and in-kind distributions. The Agreement shall be construed and interpreted in accordance with such intent. To the extent such potential payments or benefits could become subject to such Section, the parties shall cooperate to amend this Agreement with the goal of giving the Employee the economic benefits described herein in a manner that does not result in the imposition of additional tax under Section 409A of the Code. Notwithstanding any provision to the contrary,

(i) to the extent the Employee is considered a specified employee under Section 409A of the Code and would be entitled to a payment during the six month period beginning on the Employee's date of the termination that is not otherwise excluded under Section 409A of the Code under the exceptions for short-term deferrals, separation pay arrangements, reimbursements, in-kind distributions, or an otherwise applicable exemption, the payment will not be made to the Employee until the earlier of the six month anniversary of the Employee's date of termination or the Employee's death; and

(ii) if on the date of termination of the Employee's employment with the Company, Employee would not have a separation from service within the meaning of Section 409A of the Code and the Treasury Regulations thereunder ("Separation From Service") and, as a result of such termination of employment, would receive any payment that, absent the application of this Section 10(e) (ii), would be subject to additional tax imposed pursuant to Section 409A of the Code, then such payment shall instead be payable on the date that is the earliest of (1) Employee's Separation From Service, (2) the date the Employee becomes disabled (within the meaning of Section 409A(a)(2)(C) of the Code), (3) the Employee's death, or (4) such other date as will not result in such payment being subject to such additional tax.

(f) The parties hereby agree that any dispute or controversy arising out of or relating to this Agreement, the Employee's employment with the Company, or the termination or cancellation of that employment or this Agreement, including without limitation any claim by the Employee under any federal, state or local law or statute regarding discrimination in employment, except as may be required to seek injunctive action under the Confidentiality Agreement, shall be settled by arbitration by a

single arbitrator in accordance with the Commercial Arbitration Rules of the American Arbitration Association from time to time in force. The hearing on any such arbitration shall be held in Denver, Colorado. If such Commercial Arbitration Rules and practices shall conflict with the Colorado Rules of Civil Procedure or any other provisions of Colorado law then in force, such Colorado rules and provisions shall govern. This submission and agreement to arbitration shall be specifically enforceable.

Within thirty (30) days after the receipt by one party of a written notice to arbitrate delivered by the other party, the parties shall mutually select the arbitrator. If the parties cannot agree on such arbitrator, the selection of the arbitrator shall be made in accordance with the procedures of the American Arbitration Association.

Awards shall be final and binding on all parties to the extent and in the manner provided by Colorado law. Each award shall expressly entitle the prevailing party to recover such party's attorneys' fees and costs, and the award shall specifically allocate such fees and costs between the parties. All awards may be filed by any party with the Clerk of the District Court in the City and County of Denver, Colorado, and an appropriate judgment entered thereon and execution issued therefore. At the election of any party, said award may also be filed, and judgment entered thereon and execution issued therefore, with the clerk of one or more other courts, state or federal, having jurisdiction over the party against whom such an award is rendered or its property.

(g) This Agreement is personal to the Employee and without the prior written consent of the Company shall not be assignable by the Employee, provided that a deceased Employee's right to payment hereunder may be assigned by will or the laws of descent and distribution.

This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns.

The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets that assumes and agrees to perform this Agreement by operation of law, or otherwise.

(h) This Agreement supersedes any and all prior written and oral employment agreements between Golden Star and the Employee and between the Company and the Employee and, together with the Confidentiality Agreement, represents the entire agreement between the Company and the Employee and may be amended, modified, superseded, or cancelled, and any of the terms hereof may be waived, only by a written instrument executed by each party hereto or, in the case of a waiver, by the party waiving compliance. The failure of any party at any time or times to require performance of any provisions hereof shall not affect the right at a later time to enforce the same.

(i) This Agreement may be executed by the parties hereto in counterparts, each of which shall be deemed an original, but all such counterparts shall together constitute one and the same instrument.

(j) All compensation and benefits to the Employee hereunder shall be reduced by all federal, state, local and other withholdings and similar taxes and payments required by applicable law.

SIGNING PAGE FOLLOWS

IN WITNESS WHEREOF , the parties hereto have duly executed this Agreement as of the day and year appearing on page one of this Agreement.

GOLDEN STAR MANAGEMENT SERVICES COMPANY

By: /s/ Thomas G. Mair
Name: Thomas G. Mair
Title: President and CEO

 /s/ Ted Strickler
Witness

 /s/ Roger Palmer
Roger Palmer

 /s/ Ted Strickler
Witness

Acknowledged and Consented to by:

GOLDEN STAR RESOURCES LTD.

By: /s/ Thomas G. Mair
Name: /s/ Thomas G. Mair
Title: President and CEO

CONFIDENTIALITY AND RESTRICTIVE COVENANT AGREEMENT

THIS CONFIDENTIALITY AND RESTRICTIVE COVENANT AGREEMENT (the “Agreement”), made as of the 1st day of April, 2008 (the “Effective Date”) by and between **GOLDEN STAR MANAGEMENT SERVICES COMPANY** and **MR. ROGER PALMER** (the “Employee”).

WHEREAS Golden Star Management Services Company and the Employee are parties to an employment agreement dated as of the 1st day of April, 2008 (the “Employment Date”).

NOW, THEREFORE , in consideration of the foregoing and the mutual covenants herein contained, **THE PARTIES HERETO AGREE AS FOLLOWS:**

In connection with your employment with Golden Star Management Services Company and its affiliates (collectively the “Company”), you have access to financial, operating, technical and other information concerning the Company and its mining assets and specifically, but not limited to, the properties of the Company, or access to confidential records of the Company containing such information, some of which has not previously been made available to the public at large prior to the date hereof (“Confidential Information”).

You understand that Confidential Information received by you in the course of your employment with the Company is considered by the Company to be confidential in nature and you will treat it as such. In consideration for being employed by the Company as aforesaid, you agree to the covenants that follow and you will not, without the express written consent of the Company, use Confidential Information for any purpose other than to provide the employment services for which you were hired.

The term “person” as used herein shall be interpreted very broadly and shall include without limitation any corporation, company, partnership or individual.

You agree that you will not, either during the term of your employment with the Company, or at any time thereafter, disclose or reveal in any manner whatsoever, the Confidential Information to any other person, except as required to carry out the terms of your employment, nor shall you make any use thereof, directly or indirectly, for any purpose other than the purposes of the Company, and you shall not disclose or use for any purposes, other than those of the Company, the Confidential Information.

You are hereby advised that there are restrictions on the purchase of securities imposed by applicable Canadian and United States securities laws and other domestic and foreign laws relating to the possession of material information about a public company that has not previously been made available to the public at large.

In the event that your employment with the Company is terminated for any reason whatsoever, you agree that you shall return to the Company promptly any documents, photographs, magnetic tapes and other property containing Confidential Information which were received by you pursuant hereto without retaining copies thereof.

The provisions of this Agreement relating to Confidential Information will not apply to any part of such Confidential Information which you can clearly demonstrate to the reasonable satisfaction of the Company is now or subsequently becomes part of the public domain through no violation of this Agreement, or was in your lawful possession prior to its disclosure to you by the Company.

You shall not, without the Company's prior written approval, at any time during the period of your employment and within two (2) years following the termination of your employment with the Company, (a) either individually or with any other person, whether as principal, agent, shareholder, officer, advisor, manager, employee or otherwise, (i) solicit, recruit or employ any person who is a full time employee of the Company or (ii) make use of, disseminate or disclose any of the Confidential Information; or (b) individually or through any entity controlled by you, acquire, lease or otherwise obtain or control any beneficial, direct or indirect interest in mineral rights or other rights or lands within twenty five (25) kilometers of any mineral property in which the Company holds, contemplates acquiring or is negotiating to acquire an interest at the time of termination.

If, notwithstanding the prohibition set forth in the preceding paragraph, you acquire, lease or otherwise obtain or control any interest, directly or indirectly, in breach of the preceding paragraph, you shall notify the Company of such acquisition within the thirty (30) days immediately following the date of such acquisition and you agree, upon demand by the Company, to convey or cause to be conveyed such interest to the Company as soon as practicable thereafter, in consideration of the payment by the Company to you of the sum of US\$1.00.

In the event of a breach of any of the covenants contained in this Agreement, it is understood that damages will be difficult to ascertain, and the Company may petition a court of law or equity for injunctive relief in addition to any other relief which the Company may have under the law or under this Agreement.

It is further understood and agreed that no failure or delay by the Company in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other right, power or privilege hereunder.

Should any provision or provisions of this Agreement be illegal or not enforceable, it or they shall be considered separate and severable from this Agreement and its remaining provisions shall remain in force and be binding upon the parties as though the provision or provisions had never been included.

Your obligations under this Agreement shall bind your heirs, executors and legal representatives, and the rights of the Company under this Agreement shall inure to the benefit of its successors and assigns.

This Agreement shall be governed and construed in accordance with the laws of the State of Colorado. You agree to submit to the venue and personal jurisdiction of the Colorado state and federal courts concerning any dispute arising from or relating to this Agreement; however the Company is not limited in seeking relief in those courts.

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

THIS AMENDED AND RESTATED EMPLOYMENT AGREEMENT (the “Agreement”), made as of the 1st day of April 2008 (the “Effective Date”) by and between **GOLDEN STAR RESOURCES LTD.** or its nominee (the “Company”) and **MR. MITCH WASEL** (the “Employee”).

WHEREAS, the Company and the Employee are parties to an employment agreement dated the 1st of September, 2007 (the “Original Employment Agreement”), and the Company and Employee now mutually agree to amend in its entirety and restate such agreement;

WHEREAS, the Company wishes to have the benefit of the Employee’s services; and

WHEREAS, the Employee wishes to be so employed by the Company.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants herein contained, **THE PARTIES HERETO AGREE AS FOLLOWS:**

1. Employment.

(a) The Company shall employ the Employee, and the Employee shall serve in the employ of the Company and render exclusive and full-time services to the Company in such other offices of the Company or its affiliates as may be designated by the Board of Directors or the President and Chief Executive Officer, on the terms and conditions set forth in this Agreement and subject to the direction of the President and Chief Executive Officer. The Employee shall be employed as Vice President Exploration.

(b) The Employee shall not serve as a director, general partner or manager of any other entity without the prior written consent of the Board of Directors.

(c) The Employees principal place of business with respect to his services to the Company shall be Takoradi, Ghana, however, should the focus of the Corporation’s future exploration programs move away from West Africa, the parties undertake to negotiate the most effective future principal place of business at that time.

(d) The Employee acknowledges that he will be required to travel extensively and perform his duties in other locations and the Employee shall undertake such amount of travel away from his principal place of employment as may reasonably be necessary for the business of the Company.

2. Term of Employment. The Agreement shall become effective on the Effective Date. Unless the Employee’s employment is terminated as provided in Section 5, the term of the Employee’s employment under this Agreement (the “Term”) shall be for one (1) year from the Effective Date. The Term shall be extended automatically for successive one-year periods on each successive anniversary of the Effective Date, unless the Employee or the Company provides written notice to the other at least three (3) months prior to the anniversary of the Effective Date of his or its intention not to extend the Term, in which case the Term shall end on that anniversary of the Effective Date

If the Company notifies the Employee of its intent not to extend the Term, the Agreement and the Employee's employment shall be deemed to have been terminated without cause pursuant to Section 5(b)(ii) and the Employee shall be entitled to the payments and other benefits set forth in Section 5(b)(ii).

3. Services. The Employee shall devote his entire business time, best efforts, skills and attention to the Company in fulfilling his duties and responsibilities hereunder faithfully and diligently. The Employee shall assume and perform to the best of his abilities the responsibilities of Vice President Exploration of the Company as well as such other responsibilities as may be assigned to him by the President and Chief Executive Officer of the Company and as are appropriate to the offices he holds. The Employee will engage in no other business or activity for compensation except for the management of his personal investments and any business or activity with respect to which he has received the prior written consent of the Board of Directors. The Employee shall report to the President and Chief Executive Officer.

4. Compensation and Benefits. While based in Ghana, the Employee shall be entitled to the following benefits:

(a) The Company shall pay to the Employee, and the Employee hereby accepts, a salary (the "Base Salary") at the rate of US\$183,750 per annum. The Employee's salary may be increased from time to time by the Board of Directors of the Company during the term of the Agreement and, upon any increase, such increased salary shall then become the Base Salary. The Base Salary shall be payable in equal monthly installments in arrears. While based in Ghana, US\$153,750 of the salary shall be paid to the Employee's nominated offshore bank account, free of tax and the remaining US\$30,000 of the salary shall be paid to the Employee's nominated bank account in Ghana following deduction of Ghana income taxes on the portion of the salary paid in Ghana.

(b) The Employee shall be entitled to participate in the Company's Second Amended and Restated 1997 Stock Option Plan and in any successor option plan (the "Option Plan").

(c) The Employee shall be entitled to participate in the Company's Executive Management Performance Bonus Plan and in any successor bonus plan.

(d) The Company shall reimburse the Employee for all reasonable and documented travel, entertainment and other business expenses actually and properly incurred by him in connection to his duties hereunder. The Employee shall render expense accounts requesting reimbursements of his expenses hereunder within a reasonable period of time following such expense and in accordance with such documentation and verification as the President and Chief Executive Officer of the Company may from time to time require.

(e) Accommodation in Takoradi of a type and standard commensurate with the position. The Company shall provide window coverings, hard furniture, white goods and kitchen appliances for the accommodation and shall provide security services and will be responsible for the costs of phone, internet, power and water services. The Employee shall be responsible for the costs of any satellite television service and any domestic employees and for the provision of any audiovisual entertainment equipment and personal decorations and furniture.

(f) Vehicle for the Employee's work related and personal use commensurate with the position.

(g) Golden Star expatriate medical and dental health plans (subject to any limitations or conditions of the plan or any limitations posed by law).

(h) Golden Star expatriate life and disability insurance plans (subject to any limitations or conditions of the plan or any limitations posed by law).

(i) The Employee shall be entitled to vacation leave and leave travel as set out in the expatriate employee General Conditions of Contract.

While based in Takoradi, Ghana, the employment shall also be governed by the General Conditions of Contract, dated January 1, 2005 (as amended), which apply to the Company's expatriate employees. In the event of a conflict between the conditions in this Employment Contract and the General Conditions of Contract, dated January 1, 2005, the latter shall take precedence.

5. Termination. The Agreement and Employee's employment may be terminated in the following manner. In each case, the Company shall have no obligations to the Employee following termination pursuant to Section 5, other than as set forth in this Agreement and as provided in any benefit plans in which the Employee is a participant at the date of termination.

(a) Upon Retirement:

(i) Except as provided otherwise in Section 5(a)(ii), Employee's employment shall automatically terminate upon the Employee's sixty-fifth birthday.

(ii) Upon recommendation from the President and Chief Executive Officer, the Board of Directors may, on or before the Employee's sixty-fifth birthday and each subsequent birthday, approve the extension of his employment and this Agreement for one year, until his next birthday.

(iii) At the time of termination, the Employee shall be paid in a lump sum payment all accrued salary, any benefits then due and payable under any plans of the Company in which the Employee is a participant (in accordance with the provisions of the applicable plan), accrued vacation pay and reimbursement of any appropriate business expenses incurred by the Employee in connection with his duties hereunder, all to the effective date of termination (" Accrued Compensation ").

(b) By the Company:

(i) For cause, immediately upon notice in writing from the Company to the Employee. For purposes of this Agreement, “cause” shall mean: (1) unless resulting from disability as defined in Section 5(b)(iv), the Employee’s material breach of any terms of this Agreement, if such material breach has not been cured within thirty (30) days following written notice of such breach to the Employee from the Company setting forth with specificity the nature of the breach or, if cure cannot reasonably be effected within such 30-day period, if the Employee does not commence to cure the breach within such 30-day period and thereafter pursue such cure continuously and with due diligence until cure has been fully effected; (2) the Employee’s willful dishonesty towards, fraud upon, crime against, bad faith action with respect to, deliberate or attempted injury to, or gross misconduct or material noncompliance with the Company’s policies and procedures which is materially injurious to the Company; (3) the Employee’s conviction for any felony crime (whether in connection with the Company’s affairs or otherwise); or (4) the Employee’s failure to comply with any lawful directive of the Board of Directors, the failure to comply with which is stated in such directive to be grounds for termination. At the time of termination, the Company shall pay the Accrued Compensation to the Employee.

(ii) Without cause, at any time upon the giving of seven days prior written notice by the Company to the Employee or the Company’s election not to extend the Term of the Agreement pursuant to Section 2. The Company shall pay to the Employee in cash or cash equivalent acceptable to the Employee, in a lump sum at the time of termination, Accrued Compensation plus severance compensation (“Twelve Months Severance Compensation”) in an amount equal to 1.0 times the sum of (1) the Employee’s then current Base Salary, and (2) the average of the target bonus for the Employee for the current year and the bonus paid to the Employee for the previous year.

(iii) Immediately and without notice upon the death of the Employee, in which case the Company shall have no further obligation to the Employee’s estate or representatives other than to pay Accrued Compensation up to and including the end of the month in which death occurred.

(iv) At any time upon 90-day notice in writing from the Company to the Employee, if the Employee shall by reason of disability have failed to perform his duties under the Agreement. During the 90-day notice period, the Employee shall be considered a full-time employee of the Company. The Employee’s disability means his incapacity due to physical or mental illness such that he is unable to perform his previously assigned duties where (1) such incapacity has been determined to exist by either (x) the Company’s disability insurance carrier or (y) the concurring opinions of two licensed physicians (one selected by the Company and one by the Employee) or (2) the Employee has failed for any three consecutive months in any calendar year or for six months in the aggregate in any two successive calendar years to have performed substantially all of his duties under this Agreement by reason of physical or mental illness, as determined by the Board of Directors. Any such separation for disability shall be only as not prohibited by the Americans with Disabilities

Act. The Company shall pay to the Employee in a lump sum at the time of termination (x) Accrued Compensation, (y) such other payments as may be then due under any disability insurance policy of the Company in accordance with the terms of such policy and (z) payment to the Employee of an amount equal to the cost of COBRA coverage for the Employee to continue to participate in applicable benefit plans for one year.

(c) By the Employee:

(i) for material breach of this Agreement by the Company, in which case the Employee shall have no further obligation to the Company immediately following the end of the Company's period to remedy the material breach. The Company shall make a lump sum payment to the Employee in cash or cash equivalent acceptable to the Employee at the time of termination in an amount equal to Accrued Compensation plus Twelve Months Severance Compensation. For purposes of this clause, "material breach" shall include the occurrence of any of the following conditions, provided that the Employee gives the Company written notice of such condition within ninety (90) days of its occurrence, and the Company fails to remedy the condition within thirty (30) days of its receipt of notice:

- (A) the material reduction by the Company of the Employee's Base Salary or other benefits;
- (B) the non-payment of compensation and provision of benefits;
- (C) the material reduction by the Company of the Employee's responsibilities or title; and
- (D) the failure of a successor entity to adopt this Agreement.

(ii) voluntarily, if Sections 5(b)(i), 5(b)(ii), 5(c)(i) or 6 are not applicable, at any time upon three months' notice in writing to the Company, in which case the Company shall pay to the Employee in a lump sum at the time of termination Accrued Compensation up to and including the date of termination. The Company may waive the requirement of written notice or the notice period in whole or in part, in which case the Company shall pay to the Employee in a lump sum at the time of termination an amount equal to Accrued Compensation through the date on which termination would have occurred had the notice not been waived.

(d) Upon any termination of employment as set forth in this Section 5 or 6, the Employee shall, unless otherwise advised by the Company, do the following:

(i) immediately resign all offices held (including directorships, if any) in the Company (and any subsidiary or other affiliated company of the Company and any entity in which Employee holds office at the direction of the Company) and, except as provided in this Agreement, the Employee shall not be entitled to receive any additional severance payment or additional compensation for loss of office or otherwise by reason of the resignation. If the Employee fails to resign as described herein, the Company is irrevocably authorized to appoint any other person in his name and on his behalf to sign any documents or do any things necessary or requisite to give effect to such resignation; and

(ii) promptly return to the Company all books of account, computer files, maps, records, reports and other documents, materials and property of the Company in the possession or control of the Employee.

(e) Except as provided in this Section 5, all amounts payable in cash or cash equivalent acceptable to Employee under this Section 5 shall, within the time periods set forth in the General Release (defined below), at the option of the Company be delivered to the Employee personally or be mailed to the Employee at the address referred to in Section 10(d).

(f) Prior to, and as an express condition precedent of, payment of the Twelve Months Severance Compensation, Employee shall sign, and not revoke, a complete and comprehensive release of all claims against Golden Star and all related entities and individuals in a form acceptable to Golden Star (the “General Release”).

6. Change of Control.

(a) In the event of a Termination Upon a Change in Control, the Company shall immediately pay to the Employee in a lump sum payment Accrued Compensation and Change of Control Severance. For the avoidance of doubt, a Termination Upon a Change of Control shall not constitute a termination under Section 5 of this Agreement, and the Employee shall not be entitled to any payment or benefits under Section 5. The Company shall have no further obligation to the Employee except as provided under this Agreement and in any benefit plans in effect at the date of termination which are applicable to Employee.

(i) “Termination Upon a Change in Control” shall mean a termination of the Employee without cause within 12 months following a Change in Control (as defined below) or a termination by the Employee for Good Reason within 12 months following a Change in Control.

(ii) “Good Reason” shall mean any of the following (without the Employee’s express written consent):

(A) the assignment to the Employee by the Company of duties inconsistent with, or a substantial alteration in the nature or status of, the Employee’s responsibilities immediately prior to a Change in Control;

(B) a material reduction by the Company in the Employee’s compensation or benefits as in effect on the date of a Change in Control;

(C) any material breach by the Company of any provision of this Agreement, if such material breach has not been cured within thirty (30) days following written notice of such breach by the Employee to the Company setting forth with specificity the nature of the breach; or

(D) any failure by the Company to obtain the assumption and performance of this Agreement by any successor (by merger, consolidation or otherwise) or assign of the Company, provided that the Employee gives the Company written notice of such condition within thirty (30) days of its receipt of notice;

provided that the Employee gives the Company written notice of such condition within ninety (90) days of its occurrence, and the Company fails to remedy the condition within thirty (30) days of its receipt of notice.

(iii) A “Change in Control” shall be deemed to have occurred if (1) any “person” or “group” (within the meaning of Sections 13(d) and 14(d)(2) of the Securities Exchange Act of 1934), other than a trustee or other fiduciary holding securities under an employee benefit plan of the Company, is or becomes the “beneficial owner” (as defined in Rule 13d-3 under the 1934 Act), directly or indirectly, of more than thirty percent (30%) of the then outstanding voting stock of the Company; or (2) persons who are Incumbent Directors cease to constitute a majority of the Board of Directors; or (3) the shareholders of the Company approve a merger, consolidation or amalgamation of the Company with any other corporation, other than a merger, consolidation or amalgamation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) at least fifty percent (50%) of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger, consolidation or amalgamation, or (4) the shareholders approve a plan of complete liquidation of the Company or the sale or disposition by the Company of all or substantially all of the Company’s assets in one or a series of related transactions.

(iv) “Incumbent Director” means any person who serves on the Board of Directors of the Company as of the date of this Agreement and any person who is added to the Board thereafter with the approval of a majority of the persons who are then Incumbent Directors.

(v) “Change of Control Severance” means an amount equal to (a) two times the sum of (1) the Employee’s Base Salary for the calendar year in which the termination became effective, (2) the average of the target bonus for the Employee for the current calendar year and the bonus paid to the Employee for the previous year, (3), plus (b) a portion of the target bonus for the Employee for the current calendar year which is pro rata to the portion of such year prior to the Employee’s Change of Control Termination.

(b) In the event of a Termination Upon a Change of Control, the Company shall, at its sole expense, provide the Employee with outplacement services, the scope and provider of which shall be selected by the Employee in his sole discretion and the cost of which shall not exceed an amount equal to 10% of the Employee’s then current Base Salary. Such outplacement service

expenses must be incurred by the Employee on or before the last day of the first taxable year following the year in which the Employee's employment was terminated (the "Expense Deadline"). Payment requests for such expenses must be submitted by Employee within ninety (90) days of the Expense Deadline, and payment of such expenses on behalf of the Employee must be made by the Company on or before the last day of the sixth month following the Expense Deadline.

(c) Prior to, and as an express condition precedent of, payment of the Change of Control Severance or any outplacement services, Employee shall sign, and not revoke, the General Release.

7. Acceleration and Vesting of Stock Options. All of the stock options granted to the Employee under the Option Plan shall become immediately exercisable and vested and shall remain exercisable for a period of 12 months from the date of termination of the Employee (a) upon a Change of Control or (b) if after the first anniversary of the Effective Date (i) the Board of Directors of the Company shall fail at any given time to elect the Employee as a Vice-President of the Company or to an executive position possessing comparable duties and responsibilities or (ii) should the Company terminate the Agreement or the employment of the Employee without cause. Notwithstanding any of the foregoing, under no circumstances shall an option remain exercisable for more than 10 years after the date it was granted.

8. Confidentiality and Restrictive Covenant. The Employee acknowledges that as a condition of his employment he is required to maintain the confidentiality of the Company's confidential and proprietary information and, accordingly, acknowledges that he is a party to and continues to be bound by the Confidentiality and Restrictive Covenant Agreement dated as of April 1, 2008 between the Company and the Employee (the "Confidentiality Agreement").

9. Company Policies. The Employee agrees to comply with the written policies of the Company, including the Code of Ethics for Directors, Senior Executive and Financial Officers and other Executive Officers and the Business Conduct and Ethics Policy (including the Insider Trading Policy). The Company shall promptly notify the Employee of any modifications to its policies.

10. Miscellaneous.

(a) The failure to insist upon strict compliance with any of the terms, covenants or conditions of this Agreement shall not be deemed a waiver of such terms, covenants or conditions, and the waiver by either party of a breach of any provision of this Agreement shall not operate as or be construed as a waiver of any subsequent breach thereof.

(b) Should a court or other body of competent jurisdiction determine that any provision of this Agreement is invalid or unenforceable, such provision shall be adjusted rather than voided, if possible, so that it is enforceable to the maximum extent possible, and all other provisions of the Agreement shall be deemed valid and enforceable to the extent possible.

(c) This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado, without reference to principles of conflict of laws, and each of the parties submits to the non-exclusive jurisdiction of the courts of the State of Colorado.

(d) Any and all notices referred to herein shall be in writing and may be delivered by mail, by facsimile transmission or by hand. Notice shall be deemed given five days after mailing, if mailed in the United States by registered mail, on the date of actual receipt if given by facsimile transmission, or on the date of delivery, if delivered by hand.

Address for mailing, facsimile transmission or delivery by hand shall be as follows:

- To the Employee:

Mr. Mitch Wasel
2 Lakeside Drive
South Baptiste, Alberta, T9S 1R7
CANADA

Fax: _____

- To the Company:

10901 W. Toller Drive, Suite 300
Littleton CO 80127
UNITED STATES
Attention: President and CEO

Fax: +1-303-830-9094

or such other address as either party may from time to time designate in writing.

(e) The parties hereby agree that any dispute or controversy arising out of or relating to this Agreement, the Employee's employment with the Company, or the termination or cancellation of that employment or this Agreement, including without limitation any claim by the Employee under any federal, state or local law or statute regarding discrimination in employment, except as may be required to seek injunctive action under the Confidentiality Agreement, shall be settled by arbitration by a single arbitrator in accordance with the Commercial Arbitration Rules of the American Arbitration Association from time to time in force. The hearing on any such arbitration shall be held in Denver, Colorado. If such Commercial Arbitration Rules and practices shall conflict with the Colorado Rules of Civil Procedure or any other provisions of Colorado law then in force, such Colorado rules and provisions shall govern. This submission and agreement to arbitration shall be specifically enforceable.

Within thirty (30) days after the receipt by one party of a written notice to arbitrate delivered by the other party, the parties shall mutually select the arbitrator. If the parties cannot agree on such arbitrator, the selection of the arbitrator shall be made in accordance with the procedures of the American Arbitration Association.

Awards shall be final and binding on all parties to the extent and in the manner provided by Colorado law. Each award shall expressly entitle the prevailing party to recover such party's attorneys' fees and costs, and the award shall specifically allocate such fees and costs between the parties. All awards may be filed by any party with the Clerk of the District Court in the City and County of Denver, Colorado, and an appropriate judgment entered thereon and execution issued therefore. At the election of any party, said award may also be filed, and judgment entered thereon and execution issued therefore, with the clerk of one or more other courts, state or federal, having jurisdiction over the party against whom such an award is rendered or its property.

(f) This Agreement is personal to the Employee and without the prior written consent of the Company shall not be assignable by the Employee, provided that a deceased Employee's right to payment hereunder may be assigned by will or the laws of descent and distribution.

This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns.

The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets that assumes and agrees to perform this Agreement by operation of law, or otherwise.

(g) This Agreement supersedes any and all prior written and oral employment agreements between the Company and the Employee and, together with the Confidentiality Agreement, represents the entire agreement between the parties and may be amended, modified, superseded, or cancelled, and any of the terms hereof may be waived, only by a written instrument executed by each party hereto or, in the case of a waiver, by the party waiving compliance. The failure of any party at any time or times to require performance of any provisions hereof shall not affect the right at a later time to enforce the same.

(h) This Agreement may be executed by the parties hereto in counterparts, each of which shall be deemed an original, but all such counterparts shall together constitute one and the same instrument.

(i) All compensation and benefits to the Employee hereunder shall be reduced by all federal, state, local and other withholdings and similar taxes and payments required by applicable law.

[signing page follows]

**GOLDEN STAR RESOURCES LTD.
CONFIDENTIALITY AND RESTRICTIVE COVENANT AGREEMENT**

THIS CONFIDENTIALITY AND RESTRICTIVE COVENANT AGREEMENT (the “Agreement”), made as of the 1st day of April 2008 (the “Effective Date”) by and between **GOLDEN STAR RESOURCES LTD.** (the “Company”) and **MR. MITCH WASEL** (the “Employee”).

WHEREAS the Company and the Employee are parties to an employment agreement dated as of 1st day of April 2008 (the “Employment Date”).

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants herein contained, **THE PARTIES HERETO AGREE AS FOLLOWS:**

In connection with your employment with Golden Star Resources Ltd. and its affiliates (collectively the “Company”), you have access to financial, operating, technical and other information concerning the Company and its mining assets and specifically, but not limited to, the properties of the Company, or access to confidential records of the Company containing such information, some of which has not previously been made available to the public at large prior to the date hereof (“Confidential Information”).

You understand that Confidential Information received by you in the course of your employment with the Company is considered by the Company to be confidential in nature and you will treat it as such. In consideration for being employed by the Company as aforesaid, you agree to the covenants that follow and you will not, without the express written consent of the Company, use Confidential Information for any purpose other than to provide the employment services for which you were hired.

The term “person” as used herein shall be interpreted very broadly and shall include without limitation any corporation, company, partnership or individual.

You agree that you will not, either during the term of your employment with the Company, or at any time thereafter, disclose or reveal in any manner whatsoever, the Confidential Information to any other person, except as required to carry out the terms of your employment, nor shall you make any use thereof, directly or indirectly, for any purpose other than the purposes of the Company, and you shall not disclose or use for any purposes, other than those of the Company, the Confidential Information.

You are hereby advised that there are restrictions on the purchase of securities imposed by applicable Canadian and United States securities laws and other domestic and foreign laws relating to the possession of material information about a public company that has not previously been made available to the public at large.

In the event that your employment with the Company is terminated for any reason whatsoever, you agree that you shall return to the Company, promptly upon the Company’s written request therefor, any documents, photographs, magnetic tapes and other property containing Confidential Information which were received by you pursuant hereto without retaining copies thereof.

The provisions of this letter agreement relating to Confidential Information will not apply to any part of such Confidential Information which you can clearly demonstrate to the reasonable satisfaction of the Company is now or subsequently becomes part of the public domain through no violation of this letter agreement, or was in your lawful possession prior to its disclosure to you by the Company.

You shall not, without the Company's prior written approval, at any time during the period of your employment and within two (2) years following the termination of your employment with the Company, either individually or with any other person, whether as principal, agent, shareholder, officer, advisor, manager, employee or otherwise, (a) solicit, recruit or employ any person who is a full time employee of the Company; (b) make use of any of the Confidential Information; (c) acquire, lease or otherwise obtain or control any beneficial, direct or indirect interest in mineral rights or other rights or lands within twenty five (25) kilometers of any mineral property in which the Company holds, contemplates acquiring or is negotiating to acquire an interest at the time of termination; or (d) provide service to any entity that occupies land within twenty five (25) kilometers of any mineral property in which the Company holds, contemplates acquiring or is negotiating to acquire an interest at the time of termination.

If, notwithstanding the prohibition set forth in the preceding paragraph, you acquire, lease or otherwise obtain or control any interest, directly or indirectly, in breach of the preceding paragraph, you shall notify the Company of such acquisition within the thirty (30) days immediately following the date of such acquisition and you agree, upon demand by the Company, to convey or cause to be conveyed such interest to the Company as soon as practicable thereafter, in consideration of the payment by the Company to you of the sum of \$1.00.

You acknowledge that the Company would not have an adequate remedy at law for monetary damages in the event that the covenants referred to above are not performed in accordance with their terms and therefore agree that the Company shall be entitled to specific enforcement of the terms hereof in addition to any other remedy to which it may be entitled, at law or in equity.

It is further understood and agreed that no failure or delay by the Company in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other right, power or privilege hereunder.

Should any provision or provisions of this Agreement be illegal or not enforceable, it or they shall be considered separate and severable from this Agreement and its remaining provisions shall remain in force and be binding upon the parties as though the provision or provisions had never been included.

This Agreement shall be governed and construed in accordance with the laws of the State of Colorado.

