

GOLDEN STAR RESOURCES LTD

Form 424B5

December 10, 2009

Table of Contents

Filed Pursuant to Rule 424(b)(5)

Registration No. 333-155767

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Secretary of Golden Star Resources Ltd. at 10901 West Toller Drive, Suite 300, Littleton, Colorado, 80127-6312, United States, Telephone: (303) 830-9000, email: info@gsr.com, and are also available electronically at www.sedar.com.

Short Form Prospectus

New Issue

December 10, 2009

GOLDEN STAR RESOURCES LTD.

U.S.\$75,000,000

20,000,000 Common Shares

Golden Star Resources Ltd. (Golden Star , the Company , we , us or our) hereby offers, and this short form prospectus qualifies the distribution of 20,000,000 of our common shares (the Common Shares) to be sold at a price of U.S.\$3.75 per Common Share. Our outstanding Common Shares are listed and posted for trading on the Toronto Stock Exchange (the TSX) under the symbol GSC , on the NYSE AMEX Equities (the NYSE Amex) under the symbol GSS and on the Ghana Stock Exchange (the GSE) under the symbol GSR . On December 3, 2009, prior to the pricing of this offering, the closing price of our Common Shares on the TSX was Cdn.\$4.45 and on the NYSE Amex was U.S.\$4.19, and on December 9, 2009 the closing price of our Common Shares on the TSX was Cdn.\$3.73 and on the NYSE Amex was U.S.\$3.58. We have applied to list the Common Shares on the TSX and the NYSE Amex. The TSX has conditionally approved the listing of the Common Shares, subject to the Company fulfilling the listing requirements of the TSX on or before March 4, 2010. Listing will be subject to our fulfillment of all of the listing requirements of the TSX and the NYSE Amex, respectively.

Price: U.S.\$3.75 per Common Share

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	Price to the Public	Underwriters Fee	Net Proceeds to Golden Star⁽¹⁾
Per Common Share	U.S.\$3.75	U.S.\$0.16875	U.S.\$3.58125
Total ⁽²⁾	U.S.\$75,000,000	U.S.\$3,375,000	U.S.\$71,625,000

Notes:

- (1) Before deducting expenses of this offering, estimated to be U.S.\$750,000, which will be paid from the proceeds of the sale of the Common Shares.
- (2) We have granted to the Canadian Underwriters (as defined below) an option (the Over-Allotment Option), exercisable in whole or in part for a period of 30 days following the closing of the offering, to purchase from us up to an additional 3,000,000 Common Shares, representing 15% of the aggregate Common Shares issued upon the closing of the offering, at the same price and on the same terms as set out above, to cover over-allotments, if any, and for market stabilization purposes. If the Over-Allotment Option is exercised in

Table of Contents

full, the total price to the public, underwriters' fee and net proceeds to Golden Star (before estimated offering expenses) will be U.S.\$86,250,000, U.S.\$3,881,250 and U.S.\$82,368,750, respectively. This short form prospectus qualifies the distribution of the Over-Allotment Option and the additional Common Shares issuable upon the exercise of the Over-Allotment Option. See Plan of Distribution. A purchaser who acquires Common Shares forming part of the Over-Allotment Option acquires those Common Shares under this short form prospectus regardless of whether the over-allotment is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

Underwriters' Position	Maximum number of securities held	Exercise period	Exercise price
Over-Allotment Option	3,000,000	30 days following closing of the offering	U.S.\$3.75 per Common Share
Total securities under option	3,000,000	30 days following closing of the offering	U.S.\$3.75 per Common Share

The Common Shares offered under this short form prospectus involve a high degree of risk. Prior to subscribing for Common Shares, potential purchasers should carefully consider certain risk factors. See Risk Factors.

None of the Canadian securities regulatory authorities, the United States Securities and Exchange Commission nor any United States state securities commission or other regulatory body has approved or disapproved these securities, or determined if this short form prospectus is truthful or complete. Any representation to the contrary is a criminal offence.

While Golden Star is a Canadian corporation, substantially all of its assets are located outside of Canada and the United States, and its head office is located in the United States. Accordingly, it may not be possible for purchasers of Common Shares to collect judgments obtained in the Canadian courts predicated on the civil liability provisions of Canadian or U.S. securities legislation. See Risk Factors.

BMO Nesbitt Burns Inc., Wellington West Capital Markets Inc. and Macquarie Capital Markets Canada Ltd. (the Canadian Underwriters), as principals, conditionally offer the Common Shares in each of the provinces of Canada other than Québec, and those Common Shares which are initially offered in the United States and which are subsequently acquired by transfer from the U.S. Agents (as defined below), if any, subject to prior sale, if, as and when issued by us and accepted by the Canadian Underwriters in accordance with the conditions contained in the Canadian underwriting agreement dated as of December 4, 2009 referred to under Plan of Distribution, and subject to the approval of certain legal matters on our behalf by Fasken Martineau DuMoulin LLP and on behalf of the Canadian Underwriters by Stikeman Elliott LLP.

The Common Shares are being offered concurrently in the United States on a best efforts basis, with no minimum number or dollar amount requirement, pursuant to an agency agreement dated as of December 4, 2009 among BMO Capital Markets Corp., Wellington West Capital Markets (USA) Inc. and Macquarie Capital Markets North America Ltd. (the U.S. Agents) and the Company, and in Canada on a firm commitment underwritten basis for 100% of the Common Shares offered hereunder, with the number of Common Shares to be reduced by the number of Common Shares sold in the United States, pursuant to the Canadian underwriting agreement among the Canadian Underwriters and us. The Canadian Underwriters and the U.S. Agents are collectively referred to as the underwriters.

Subscriptions will be received subject to rejection or allotment in whole or part and the right is reserved to close the subscription books at any time without notice. It is expected that definitive certificates evidencing the Common Shares will be available for delivery at the closing of the offering, which is expected to occur on or about December 17, 2009 or such later date as we and the underwriters may agree but, in any event, not later than January 15, 2010. The Common Shares are to be taken up by the Canadian Underwriters, if at all, on or before a date not less than 42 days after the date of the receipt for the short form prospectus. The offering price of the Common Shares offered hereunder was determined by negotiation between us and the underwriters. The underwriters may effect transactions intended to stabilize or maintain the market price for the Common Shares at levels above those that might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time. See Plan of Distribution.

Golden Star's head office is located at 10901 West Toller Drive, Suite 300, Littleton, Colorado, 80127-6312, United States. Our registered office is located at 66 Wellington Street West, Suite 4200, P.O. Box 20, Toronto Dominion Bank Tower, Toronto-Dominion Centre, Toronto, Ontario, M5K 1N6.

Table of Contents

TABLE OF CONTENTS

	Page
<u>ELIGIBILITY FOR INVESTMENT</u>	1
<u>DOCUMENTS INCORPORATED BY REFERENCE</u>	1
<u>CURRENCY AND EXCHANGE RATE AND GAAP INFORMATION</u>	2
<u>NON-GAAP FINANCIAL MEASURES</u>	2
<u>FORWARD-LOOKING STATEMENTS</u>	3
<u>ABOUT THIS SHORT FORM PROSPECTUS</u>	4
<u>WHERE YOU CAN FIND ADDITIONAL INFORMATION</u>	4
<u>THE COMPANY</u>	5
<u>SUMMARY DESCRIPTION OF THE BUSINESS OF THE COMPANY</u>	6
<u>RECENT DEVELOPMENTS</u>	8
<u>CONSOLIDATED CAPITALIZATION</u>	8
<u>USE OF PROCEEDS</u>	10
<u>DESCRIPTION OF SHARE CAPITAL</u>	10
<u>PRIOR SALES</u>	12
<u>PRICE RANGE OF OUR COMMON SHARES</u>	13
<u>PLAN OF DISTRIBUTION</u>	14
<u>RISK FACTORS</u>	17
<u>LEGAL PROCEEDINGS</u>	29
<u>AUDITORS, TRANSFER AGENT AND REGISTRAR</u>	29
<u>LEGAL MATTERS</u>	29
<u>INTEREST OF EXPERTS</u>	30
<u>PURCHASERS' STATUTORY RIGHTS</u>	30
<u>APPENDIX A U.S. PROSPECTUS</u>	A-1
<u>AUDITOR'S CONSENT</u>	C-1
<u>CERTIFICATE OF THE COMPANY</u>	S-1
<u>CERTIFICATE OF THE UNDERWRITERS</u>	S-2

Table of Contents

ELIGIBILITY FOR INVESTMENT

In the opinion of Fasken Martineau DuMoulin LLP, Canadian counsel to Golden Star, and Stikeman Elliott LLP, Canadian counsel to the underwriters, provided the Common Shares are listed on a designated stock exchange (which includes the TSX), the Common Shares, if issued on the date hereof, would be qualified investments under the current provisions of the *Income Tax Act* (Canada) (the **Tax Act**) and the regulations thereunder for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans, deferred profit sharing plans, registered disability savings plans and tax-free savings accounts, all within the meaning of the Tax Act.

The Common Shares, if issued on the date hereof, would not be, on such date, a prohibited investment for a trust governed by a tax-free savings account provided the holder of the tax-free savings account deals at arm's length with Golden Star for purposes of the Tax Act and does not have a significant interest (within the meaning of the Tax Act) in Golden Star or in any person or partnership with which Golden Star does not deal at arm's length for purposes of the Tax Act. Generally, a holder will not have a significant interest in Golden Star unless the holder and/or persons not dealing at arm's length with the holder, owns directly or indirectly 10% or more of the issued shares of any class of the capital stock of Golden Star or of a corporation related to Golden Star. Holders of trusts governed by a tax-free savings account should consult their own tax advisors to ensure the Common Shares would not be a prohibited investment in their particular circumstances.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents filed by us with securities regulatory authorities in the provinces of Canada are specifically incorporated by reference in, and form an integral part of, this short form prospectus:

- (i) the Annual Report on Form 10-K of Golden Star, for the fiscal year ended December 31, 2008, which includes the audited consolidated annual financial statements of Golden Star for the financial year ended December 31, 2008, together with the auditor's report thereon and management's discussion and analysis of financial condition and results of operations of Golden Star for that period (the Annual Report);
- (ii) the Quarterly Reports on Form 10-Q of Golden Star for the quarterly periods ended March 31, 2009, June 30, 2009 and September 30, 2009, which include the unaudited consolidated financial statements of Golden Star for each of such periods, together with management's discussion and analysis of financial condition and results of operations of Golden Star for each such period;
- (iii) the Current Reports on Form 8-K of Golden Star dated May 1, 2009, as filed with the United States Securities and Exchange Commission (the SEC) on May 5, 2009; dated June 26, 2009, as filed with the SEC on July 1, 2009; and dated December 4, 2009, as filed with the SEC on December 4, 2009; and
- (iv) the Management Information Circular of Golden Star dated March 11, 2009 relating to Golden Star's annual general meeting of common shareholders held on May 7, 2009.

Any document of the type referred to in the preceding paragraphs (excluding confidential material change reports) filed by the Company with a securities commission or similar regulatory authority in Canada after the date of this short form prospectus and before completion of the distribution of the Common Shares qualified hereunder, will be deemed to be incorporated by reference into this short form prospectus.

Any statements contained in a document incorporated or deemed to be incorporated by reference herein will be deemed to be modified or superseded for the purposes of this short form prospectus to the extent that a statement contained or incorporated in this short form prospectus or in any subsequently filed document that also

Table of Contents

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

Copies of the documents incorporated by reference may be obtained on request without charge from the Secretary of Golden Star Resources Ltd. at 10901 West Toller Drive, Suite 300, Littleton, Colorado, 80127-6312, United States, Telephone: (303) 830-9000, email: info@gsr.com, and are also available electronically at www.sedar.com.

You should rely only on information contained in or incorporated by reference in this short form prospectus. We have not authorized anyone to provide you with information different from that contained or incorporated in this short form prospectus. Information on any of the websites maintained by us does not constitute a part of this short form prospectus or the U.S. Prospectus (as defined below).

We are not making an offer of these securities in any jurisdiction where the offering is not permitted.

CURRENCY AND EXCHANGE RATE AND GAAP INFORMATION

We report in United States dollars. Accordingly, all references to \$, U.S.\$ or United States dollars in this short form prospectus refer to United States dollars unless otherwise indicated. References to Cdn.\$ or Canadian dollars are used to indicate Canadian dollar values.

The noon rate of exchange on December 9, 2009 as reported by the Bank of Canada for the conversion of Canadian dollars into United States dollars was Cdn.\$1.00 equals U.S.\$0.9477 and the conversion of United States dollars into Canadian dollars was U.S.\$1.00 equals Cdn.\$1.0552.

References to GH¢ or Ghanaian Cedis are used to indicate values in Ghanaian Cedi. The noon rate of exchange on December 9, 2009 as reported by the Bank of Canada for the conversion of Canadian dollars into Ghanaian Cedi was Cdn.\$1.00 equals GH¢1.3541 and the conversion of Ghanaian Cedi into Canadian dollars was GH¢1.00 equals Cdn.\$0.7385.

Our financial statements are prepared in accordance with generally accepted accounting principles (GAAP) in Canada, which we refer to as Canadian GAAP. We provide certain information reconciling our financial information with GAAP in the United States, which we refer to as US GAAP.

NON-GAAP FINANCIAL MEASURES

In this short form prospectus, we use the terms total operating cost per ounce , total cash cost per ounce and cash operating cost per ounce which are considered Non-GAAP financial measures as defined in SEC Regulation S-K Item 10 under the United States Securities Exchange Act of 1934, as amended, and under applicable Canadian securities laws and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with Canadian GAAP or US GAAP. See Item 7 Management s Discussion and Analysis of Financial Condition and Results of Operations in the Annual Report on Form 10-K for the fiscal year ended December 31, 2008 and Item 2 Management s Discussion and Analysis of Financial Condition and Results of Operations in the Quarterly Report on Form 10-Q for the period ended September 30, 2009 for an explanation of these measures.

Table of Contents

FORWARD-LOOKING STATEMENTS

This short form prospectus and the documents incorporated by reference in this short form prospectus contain certain forward-looking statements with respect to our financial condition, results of operations, business, prospects, plans, objectives, goals, strategies, future events, capital expenditures, and exploration and development efforts. Words such as anticipates, expects, intends, forecasts, plans, believes, estimates, may, will, and similar expressions (including negative and grammatical variations) identify forward-looking statements.

Although we believe that our plans, intentions and expectations reflected in these forward-looking statements are reasonable, we cannot be certain that these plans, intentions or expectations will be achieved. Actual results, performance or achievements could differ materially from those contemplated, expressed or implied by the forward-looking statements contained or incorporated by reference in this short form prospectus.

These statements include comments regarding: anticipated attainment of gold production rates; production and cash operating cost estimates for 2009; anticipated commencement dates of mining and production at Prestea South; expected PFIC (as defined below) status in 2009 and in the future; our anticipated investing and exploration spending during 2009; and identification of acquisition and growth opportunities.

The following, in addition to the factors described under Risk Factors in this short form prospectus, are among the factors that could cause actual results to differ materially from the forward-looking statements:

significant increases or decreases in gold prices;

losses or gains in mineral reserves from changes in operating costs and/or gold prices;

failure of exploration efforts to expand mineral reserves and non-reserve mineral resources around our existing mines;

unexpected changes in business and economic conditions;

inaccuracies in mineral reserves and non-reserves estimates;

changes in interest and currency exchange rates;

timing and amount of gold production;

unanticipated variations in ore grade, tonnes mined and crushed or milled;

unanticipated recovery or production problems;

effects of illegal mining on our properties;

changes in mining and processing costs, including changes to costs of raw materials, supplies, services and personnel;

changes in metallurgy and processing;

availability of skilled personnel, contractors, materials, equipment, supplies, power and water;

changes in project parameters or mine plans;

costs and timing of development of mineral reserves;

weather, including drought or excessive rainfall in West Africa;

results of current and future exploration activities;

results of pending and future feasibility studies;

acquisitions and joint venture relationships;

political or economic instability, either globally or in the countries in which we operate;

Table of Contents

changes in regulatory frameworks or regulations affecting our operations, particularly in Ghana, where our principal producing properties are located;

local and community impacts and issues;

availability and cost of replacing mineral reserves;

timing of receipt and maintenance of government approvals and permits;

unanticipated transportation costs including shipping incidents and losses;

accidents, labor disputes and other operational hazards;

environmental costs and risks;

changes in tax laws;

unanticipated title issues;

competitive factors, including competition for property acquisitions;

possible litigation; and

availability of capital at reasonable rates or at all.

These factors are not intended to represent a complete list of the general or specific factors that could affect us. We may note additional risk factors elsewhere in this short form prospectus and in any documents incorporated by reference into this short form prospectus. Subject to the requirements of applicable laws, we undertake no obligation to update forward-looking statements.

ABOUT THIS SHORT FORM PROSPECTUS

This short form prospectus has been filed with the securities regulatory authorities in each of the provinces of Canada other than Québec. This short form prospectus will also be filed as a form of prospectus supplement to the U.S. shelf prospectus (the "U.S. Prospectus") attached as Appendix A hereto, included in a Registration Statement on Form S-3 filed by the Company with the SEC. The registration statement of which the U.S. Prospectus is a part became effective on March 31, 2009 with the SEC. The U.S. Prospectus refers to other securities in addition to Common Shares. Such other securities do not form part of this offering. Any statements contained in the U.S. Prospectus will be deemed to be modified or superseded for the purposes of this short form prospectus to the extent that a statement contained or incorporated in this short form prospectus or in any subsequently filed document that also is incorporated or deemed to be incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded will not constitute a part of this short form prospectus, except as so modified or superseded. The modifying or superseding statement need not state that it has modified or superseded the prior statement or include any other information set forth in the U.S. Prospectus that it modifies or supersedes. The making of such a modifying or superseding statement will not be deemed an admission for any purpose that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not

misleading in light of the circumstances in which it was made.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We file annual, quarterly and special reports and other information with the SEC. You may read and copy the registration statement and any other document that we file at the SEC's public reference room located at Judiciary Plaza, 100 F Street, N.E., Room 1580, Washington, DC 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. Our SEC filings are also available to you free of charge on the SEC's web site at <http://www.sec.gov> and our filings with the Canadian securities regulators are available electronically at <http://www.sedar.com>.

Table of Contents

THE COMPANY

Name and Incorporation

Golden Star Resources Ltd. was established under the *Canada Business Corporations Act* on May 15, 1992 as a result of the amalgamation of South American Goldfields Inc., a corporation incorporated under the federal laws of Canada, and Golden Star Resources Ltd., a corporation originally incorporated under the *Business Corporations Act (Alberta)* on March 7, 1984 as Southern Star Resources Ltd. We are a reporting issuer or the equivalent in all provinces of Canada and the United States and file disclosure documents with the securities regulatory authorities in each of the provinces of Canada and the SEC in the United States.

Our principal office is located at 10901 West Toller Drive, Suite 300, Littleton, Colorado 80127, and our registered office is located at 66 Wellington St. W., Suite 4200, P.O. Box 20, Toronto Dominion Bank Tower, Toronto-Dominion Centre, Toronto, Ontario M5K 1N6. Golden Star's fiscal year ends on December 31.

Intercorporate Relationships

The following diagram sets forth our inter-corporate relationships as at the date of this short form prospectus with our material subsidiaries, including the jurisdiction of incorporation or organization and our respective percentage ownership of each subsidiary:

Table of Contents

SUMMARY DESCRIPTION OF THE BUSINESS OF THE COMPANY

General

We are an international gold mining and exploration company, producing gold in Ghana, West Africa. We also conduct gold exploration in West Africa and South America. We own controlling interests in several gold properties in Southern Ghana.

Bogoso/Prestea

We own 90% of and operate the Bogoso/Prestea gold mining and processing operation, which consists of the adjoining Bogoso and Prestea properties located along the Ashanti Trend in southwestern Ghana. We hold the property under mining leases granted by the Government of Ghana, terminating from 2017 to 2031. Bogoso/Prestea consists of several open pit mines. We have a nominal 3.5 million tonnes per year processing facility at Bogosa/Prestea that uses bio-oxidation technology to treat refractory sulfide ore. In addition, Bogoso/Prestea has a carbon-in-leach processing facility which is suitable for treating oxide ores. Bogoso/Prestea produced and sold 170,499 ounces of gold in 2008 and 139,375 ounces of gold during the first nine months of 2009.

Wassa/HBB

We own 90% of and operate the Wassa open-pit gold mine and carbon-in-leach processing plant located approximately 35 kilometers east of Bogoso/Prestea. The design capacity of the carbon-in-leach processing plant at Wassa is nominally 3.0 million tonnes per annum but varies depending on the ratio of hard to soft ore. Wassa produced and sold 125,427 ounces of gold in 2008 and 164,041 ounces of gold during the first nine months of 2009. We also own the Hwini-Butre and Benso concessions, known as the HBB properties, located approximately 80 and 50 kilometers, respectively, south of Wassa. The Benso mine began shipping ore to Wassa late in 2008, and the Hwini-Butre mine began shipping ore to Wassa in April 2009. We hold the Wassa/HBB properties under mining leases expiring in 2022 (Wassa), 2012 (Hwini-Butre), and 2011 (Benso), respectively.

Development Projects

Prestea South

Prestea South development continues to be on hold pending receipt of environmental permits. Prestea South oxide ore will be transported to Bogoso when mining begins and processed through the Bogoso oxide plant and Prestea South sulfide ore will be processed through the Bogoso sulfide plant. Subject to the receipt of environmental permits, we expect to begin mining Prestea South ores in 2010.

Prestea Underground

We own 81% of the Prestea Underground, a currently inactive underground gold mine and associated support facilities located on the Prestea property. We hold the Prestea Underground property under a mining lease expiring in 2031.

Exploration

In addition to our gold mining and development activities, we actively explore for gold. We hold interests in several gold exploration projects in Ghana and elsewhere in West Africa including Sierra Leone, Burkina Faso, Niger and Côte d'Ivoire. We are also evaluating gold properties in Brazil. We invested approximately U.S.\$15.8 million on exploration activities during 2008 and plan to spend approximately U.S.\$10 million on exploration activities during 2009. The main focus of our exploration through the third quarter of 2009 has been primarily on resource definition drilling in and around mining leases in Ghana and on the evaluation of portions of the HBB properties outside of current mining areas. In the fourth quarter, we are continuing exploration on the HBB and Bogoso/Prestea properties and in Brazil.

Table of Contents

2009 Production and Cash Operating Costs

We estimate 2009 Bogoso/Prestea gold production will total 190,000 ounces at an average cash operating cost of U.S.\$685 per ounce, and we expect Wassa to produce approximately 215,000 ounces during 2009 at an average cash operating cost of U.S.\$460 per ounce, for total production of approximately 405,000 ounces at an average cash operating cost of approximately U.S.\$565 per ounce.

Interest of Government of Ghana

In accordance with the *Ghanaian Minerals and Mining Act, 2006 (Act 703)*, the Government of Ghana has a 10% free carried interest in the mineral operations of mining companies, under which it receives 10% of any future dividends from the subsidiaries owning our properties in Ghana, following repayment of all capital, and has no obligation to contribute development or operating expenses. The carried interest comes into existence at the time the Government issues a mining lease. As such, the Government of Ghana currently has a 10% carried interest in our subsidiaries that own the Bogoso/Prestea mine, the Wassa/HBB mine and a 19% carried interest in the Prestea Underground property in Ghana.

The Government of Ghana also has the right to acquire a special share or "golden share" in such subsidiaries at any time for no consideration or such consideration as the Government of Ghana and such subsidiaries might agree, and a pre-emptive right to purchase all gold and other minerals produced by such subsidiaries. A "golden share" carries no voting rights and does not participate in dividends, profits or assets.

The Government of Ghana also receives a royalty based on total revenues earned from the properties subject to the mining leases. For the last three years, we have paid a royalty equal to 3% of our revenues from Bogoso/Prestea and Wassa/HBB. The Government of Ghana has recently announced its intention to increase the royalty rate to up to 6%. See "Risk Factors" Governmental and Regulatory Risks.

Business Strategy

Our business and development strategy has been focused primarily on the acquisition of producing and development-stage gold properties in Ghana and on the exploration, development and operation of these properties. Our overall objective is to grow our business to become a mid-tier gold producer. We continue to evaluate potential acquisition and merger opportunities that could further increase our annual gold production. However, we presently have no agreement or understanding with respect to any specific potential transaction.

Table of Contents**RECENT DEVELOPMENTS**

On November 18, 2009, the Company entered into a settlement agreement in respect of the outstanding litigation regarding the Paul Isnard properties in French Guiana, pursuant to which the Company is to be transferred the rights to those properties subject to receiving required governmental approvals.

On November 19, 2009, the Company entered into an agreement pursuant to which it sold all of its rights, title and interest in the Bon Espoir, Iracoubou Sud and Paul Isnard properties in French Guiana for approximately U.S.\$2.1 million.

On November 30, 2009, the Company entered into an agreement to sell its interest in the Saramacca joint venture, which holds the Saramacca properties in Suriname, to its joint venture partner for approximately U.S.\$8.0 million, with the proceeds of the sale to be held in escrow pending the receipt of required governmental approvals and certain additional customary conditions.

CONSOLIDATED CAPITALIZATION

The following table sets out our capitalization as at (i) December 31, 2008, (ii) September 30, 2009 prior to giving effect to this offering, and (iii) September 30, 2009 after giving effect to this offering. This table should be read in conjunction with our audited consolidated financial statements for the financial year ended December 31, 2008 and our unaudited consolidated financial statements for the nine months ended September 30, 2009 incorporated by reference in this short form prospectus.

	(U.S.\$000 s)	As at September 30, 2009	
	As at Dec. 31, 2008	(U.S.\$000 s) Actual (Unaudited)	(U.S.\$000 s) As Adjusted After Giving Effect to Offering ⁽¹⁾ (Unaudited)
Canadian GAAP			
Current Debt	\$ 12,778	\$ 10,256	\$ 10,256
Long Term Debt	112,649	113,359	113,359
	125,427	123,615	123,615
Shareholders' Equity			
Common Shares	615,463	616,444	688,069
Other ⁽³⁾	49,651	51,254	51,254
Deficit	(236,947)	(240,055)	(240,055)
	428,167	427,643	499,268
Total:	\$ 553,594	\$ 551,258	\$ 622,883

Table of Contents

	(U.S.\$000 s)	As at September 30, 2009	
	As at Dec. 31, 2008	(U.S.\$000 s) Actual (Unaudited)	(U.S.\$000 s) As Adjusted After Giving Effect to Offering ⁽²⁾ (Unaudited)
U.S. GAAP			
Current Debt	\$ 12,778	\$ 10,256	\$ 10,256
Long Term Debt	131,876	167,053	167,053
	144,654	177,309	177,309
Shareholders' Equity			
Common Shares	615,097	616,078	687,703
Other ⁽⁴⁾	15,433	17,036	17,036
Deficit	(251,379)	(282,542)	(282,542)
	379,151	350,572	422,197
Total:	\$ 523,805	\$ 527,881	\$ 599,506

- (1) Amounts shown assume (i) the issuance of 20,000,000 Common Shares at a price of U.S.\$3.75 per share in the offering, (ii) that the Over-Allotment Option is not exercised, and (iii) that the offering proceeds are used as described in Use of Proceeds. Amounts shown are after deducting the underwriters' fee but before estimated expenses of the offering.
- (2) Amounts shown do not include (i) 386,700 Common Shares issued after September 30, 2009 pursuant to the exercise of stock options, (ii) 7,452,065 common shares issuable upon the exercise of currently outstanding options at exercise prices ranging from Cdn.\$1.02 to Cdn.\$9.07 per share, or (iii) 25,000,000 Common Shares issuable upon conversion of our U.S.\$125 million aggregate principal amount of 4% convertible senior unsecured debenture due November 30, 2012 (the Convertible Debentures).
- (3) Other includes contributed surplus, accumulated other comprehensive income and the equity component of the Convertible Debentures.
- (4) Other includes contributed surplus and accumulated comprehensive income.

Table of Contents

USE OF PROCEEDS

The net proceeds received by us from the sale of the Common Shares, after deducting the underwriters' fees of U.S.\$3,375,000 and the estimated expenses of the offering of U.S.\$750,000, will be approximately U.S.\$70,875,000. If the Over-Allotment Option is exercised in full, we will receive net proceeds of approximately U.S.\$82,368,750 after deducting underwriters' fees and before estimated offering expenses.

We intend to use the net proceeds of this offering to continue with committed capital projects, exploration activities and for general corporate purposes. The amount and timing of the use of the proceeds will depend upon various factors, including gold prices, production costs, the quality of the ores that we produce and business growth including acquisitions and exploration.

There may be circumstances where, for sound business reasons, a reallocation of funds may be necessary. Pending the use of the proceeds of this offering, we intend to invest the net proceeds of this offering in U.S. or Canadian treasury bills or short-term, investment grade, interest-bearing securities.

DESCRIPTION OF SHARE CAPITAL

Our authorized capital consists of an unlimited number of Common Shares and an unlimited number of first preferred shares issuable in series (the Preferred Shares). The following is a summary and may not describe every aspect of the Common Shares that may be important. Our constating documents and by-laws define the rights of holders of Common Shares and of Preferred Shares. As at December 9, 2009, 237,309,561 Common Shares and no Preferred Shares were issued and outstanding.

Common Shares

Dividend Rights

Holders of Common Shares may receive dividends when, as and if declared by the board of directors on the Common Shares, subject to the preferential dividend rights of any other classes or series of Golden Star shares. In no event may a dividend be declared or paid on the Common Shares if payment of the dividend would cause the realizable value of Golden Star's assets to be less than the aggregate of its liabilities and the amount required to redeem all of the shares having redemption or retraction rights, which are then outstanding.

Voting and Other Rights

Holders of Common Shares are entitled to one vote per share, and in general, all matters will be determined by a majority of votes cast other than fundamental changes to Golden Star.

Liquidation

In the event of any liquidation, dissolution or winding up of Golden Star, holders of Common Shares have the right to a rateable portion of the assets remaining after payment of liabilities and liquidation preferences of any preferred shares or other securities that may then be outstanding.

Redemption

Common Shares are not redeemable or convertible.

Rights Agreement

Rights to purchase Common Shares have been issued to holders of Common Shares under an amended and restated shareholder rights plan agreement dated as of May 9, 2007 between us and CIBC Mellon Trust Company. One right is attached to each Common Share. If the rights become exercisable following the occurrence of certain specified events, each right will entitle the holder, within certain limitations, to purchase

Table of Contents

one Common Share at an exercise price equal to three times the market price of the Common Share, as determined under the terms of the agreement. In certain events (including when a person or group becomes the beneficial owner of 20% or more of any class of our voting shares without complying with the permitted bid provisions of the rights agreement or without the approval of our board of directors), exercise of the rights would entitle the holders of the rights (other than the acquiring person or group) to acquire that number of Common Shares having an aggregate market price on the date of the event equal to twice the exercise price of the rights for an amount in cash equal to the exercise price. Accordingly, exercise of the rights may cause substantial dilution to a person who attempts to acquire Golden Star. The rights, which expire at the close of business on the date of our 2010 annual shareholders meeting (unless extended as provided in the rights agreement), may be redeemed at a price of Cdn.\$0.00001 per right at any time until a person or group has acquired 20% of Common Shares, except as otherwise provided in the rights agreement. The rights agreement may have certain anti-takeover effects.

Preferred Shares

For a description of our Preferred Shares, please see Description of Share Capital Preferred Shares in the U.S. Prospectus attached as Appendix A .

Table of Contents**PRIOR SALES**

For the twelve-month period before the date of this prospectus, we issued the following Common Shares and options exercisable to purchase Common Shares.

Date	Number of Common Shares Issued	Price (Cdn.\$)
11-Feb-09	30,000	1.02
20-Feb-09	30,000	1.02
27-Mar-09	40,000	1.02
12-May-09	40,000	1.08
27-May-09		