

GOLDEN STAR RESOURCES LTD.
CONSOLIDATED BALANCE SHEETS

(Stated in thousands of US dollars except shares issued and outstanding)

	As of December 31,	
	2006	2005
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 27,108	\$ 89,709
Accounts receivable	8,820	6,560
Inventories (Note 3)	45,475	23,181
Future tax assets (Note 17)	–	6,248
Fair value of derivatives (Note 12)	–	1,220
Deposits (Note 4)	7,673	5,185
Prepays and other	1,458	686
Total Current Assets	90,534	132,789
RESTRICTED CASH	1,581	5,442
LONG TERM INVESTMENTS (Note 5)	1,457	8,160
DEFERRED EXPLORATION AND DEVELOPMENT COSTS (Note 6)	167,983	167,532
PROPERTY, PLANT AND EQUIPMENT (Note 7)	93,058	84,527
MINING PROPERTIES (Note 8)	136,775	118,088
CONSTRUCTION IN PROGRESS (Note 9)	165,155	36,707
DEFERRED STRIPPING (Note 10)	–	1,548
FUTURE TAX ASSETS (Note 17)	6,657	8,223
OTHER ASSETS	574	1,587
Total Assets	\$ 663,774	\$ 564,603
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	\$ 19,012	\$ 9,093
Accrued liabilities	25,516	17,051
Fair value of derivatives (Note 12)	685	4,709
Current portion of future tax liability (Note 17)	1,450	–
Asset retirement obligations (Note 13)	3,064	3,107
Current debt (Note 11)	19,424	6,855
Total Current Liabilities	69,151	40,815
LONG TERM DEBT (Note 11)	66,911	64,298
ASSET RETIREMENT OBLIGATIONS (Note 13)	16,034	8,286
FAIR VALUE OF DERIVATIVES (Note 12)	–	7,263
FUTURE TAX LIABILITY (Note 17)	42,154	45,072
Total Liabilities	194,250	165,734
MINORITY INTEREST	7,424	6,629
COMMITMENTS AND CONTINGENCIES (Note 14)	–	–
SHAREHOLDERS' EQUITY		
SHARE CAPITAL		
First preferred shares, without par value, unlimited shares authorized. No shares issued and outstanding	–	–
Common shares, without par value, unlimited shares authorized. Shares issued and outstanding: 207,891,358 at December 31, 2006; 205,954,582 at December 31, 2005	524,619	522,510
CONTRIBUTED SURPLUS	10,040	6,978
EQUITY COMPONENT OF CONVERTIBLE NOTES	2,857	2,857
DEFICIT	(75,416)	(140,105)
Total Shareholders' Equity	462,100	392,240
Total Liabilities and Shareholders' Equity	\$ 663,774	\$ 564,603

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

By: /s/ Lars-Eric Johansson — Director

By: /s/ Peter J. Bradford — Director

GOLDEN STAR RESOURCES LTD.
CONSOLIDATED STATEMENTS OF OPERATIONS

(Stated in thousands of US dollars except per share amounts)

	For the years ended December 31,		
	2006	2005	2004
REVENUE			
Gold sales	\$ 122,586	\$ 89,663	\$ 60,690
Royalty income	4,026	4,178	3,049
Interest and other	2,078	1,624	1,290
Total revenues	128,690	95,465	65,029
PRODUCTION EXPENSES			
Mining operations	92,730	79,609	39,095
Depreciation, depletion and amortization	21,460	15,983	8,096
Accretion of asset retirement obligation (Note 13)	835	752	645
Total mine operating costs	115,025	96,344	47,836
OPERATING EXPENSES			
Exploration expense	1,462	951	895
General and administrative expense	10,873	8,631	8,197
Corporate development expense	–	248	4,504
Total production and operating expenses	127,360	106,174	61,432
Operating income/(loss)	1,330	(10,709)	3,597
OTHER EXPENSES, (GAINS) AND LOSSES			
Derivative mark-to-market loss (Note 12)	9,589	11,820	–
Abandonment and impairment of mineral properties	1,847	1,403	470
Gain on partial sale of investment in EURO (Note 5)	(50,903)	(977)	–
Gain on sale of investment in Moto (Note 5)	(30,240)	–	–
Loss on equity investments	–	239	331
Interest expense	1,846	2,416	139
Foreign exchange (gain)/loss	(2,330)	574	280
Income/(loss) before minority interest	71,521	(26,184)	2,377
Minority interest	(794)	(277)	(1,277)
Net income/(loss) before income tax	70,727	(26,461)	1,100
Income tax expense/(recovery) (Note 17)	(6,038)	12,930	1,542
Net income/(loss)	\$ 64,689	\$ (13,531)	\$ 2,642
Net income/(loss) per common share — basic (Note 18)	\$ 0.312	\$ (0.094)	\$ 0.019
Net income/(loss) per common share — diluted (Note 18)	\$ 0.308	\$ (0.092)	\$ 0.018
Weighted average shares outstanding (millions of shares)	207.5	143.6	138.5

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

GOLDEN STAR RESOURCES LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Stated in thousands of US dollars)

	Number of Common Shares	Share Capital	Contributed Surplus		Equity Component of Convertible Debentures	Deficit
			Warrants	Options		
Balance at December 31, 2003	132,924,278	\$ 324,262	\$ 2,361	\$ 955	\$ -	\$ (129,216)
Warrants exercised	-	755	(755)	-	-	-
Option issued - net of forfeitures	-	-	-	1,218	-	-
Shares issued under options	767,180	1,239	-	(133)	-	-
Shares issued under warrants	8,494,609	14,332	-	-	-	-
Shares issued to acquire property	58,045	300	-	-	-	-
Net income	-	-	-	-	-	2,642
Balance at December 31, 2004	142,244,112	\$ 340,888	\$ 1,606	\$ 2,040	\$ -	\$ (126,574)
Shares issued	31,589,600	75,864	-	-	-	-
Issue costs	-	(4,168)	-	-	-	-
Warrants issued	-	-	992	-	-	-
Warrants exercised	-	22	(22)	-	-	-
Option issued - net of forfeitures	-	-	-	2,476	-	-
Shares issued under options	312,940	722	-	(114)	-	-
Shares issued under warrants	385,000	718	-	-	-	-
Stock bonus	45,342	166	-	-	-	-
Shares issued to acquire property	31,377,588	108,298	-	-	-	-
Equity Component of Convertible Debentures	-	-	-	-	2,857	-
Net loss	-	-	-	-	-	(13,531)
Balance at December 31, 2005	205,954,582	\$ 522,510	\$ 2,576	\$ 4,402	\$ 2,857	\$ (140,105)
Options issued - net of forfeitures	-	-	-	1,842	-	-
Shares issued under options	1,932,776	4,818	-	(1,355)	-	-
Issue costs	-	(149)	-	-	-	-
Stock bonus	4,000	15	-	-	-	-
Reclassification of warrants to Contributed surplus	-	(2,575)	2,575	-	-	-
Net income	-	-	-	-	-	64,689
Balance at December 31, 2006	207,891,358	\$ 524,619	\$ 5,151	\$ 4,889	\$ 2,857	\$ (75,416)

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

GOLDEN STAR RESOURCES LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(Stated in thousands of US dollars)

	For the years ended December 31,		
	2006	2005	2004
OPERATING ACTIVITIES:			
Net income/(loss)	\$ 64,689	\$ (13,531)	\$ 2,642
Reconciliation of net income to net cash provided by operating activities:			
Depreciation, depletion and amortization	21,530	16,042	8,096
Amortization of loan acquisition cost	358	228	-
Deferred stripping	1,548	(191)	(1,357)
Loss on equity investment	-	239	331
Gain on sale of investments in Moto and EURO	(81,143)	(977)	-
Non-cash employee compensation	1,857	1,007	1,386
Impairment of deferred exploration projects	1,847	1,413	470
Income tax expense/(benefit)	6,347	(12,930)	(1,542)
Reclamation expenditures	(1,130)	(691)	(730)
Fair value of derivatives	3,640	10,752	-
Accretion of convertible debt	706	523	-
Accretion of asset retirement obligations	835	752	645
Minority interests	794	277	1,277
	21,824	2,913	11,218
Changes in assets and liabilities:			
Accounts receivable	(4,077)	(2,853)	(2,802)
Inventories	(22,294)	(7,815)	(2,705)
Deposits	(67)	163	-
Accounts payable and accrued liabilities	10,716	8,817	8,204
Other	(758)	(165)	(5)
Net cash provided by operating activities	5,398	1,060	13,910
INVESTING ACTIVITIES:			
Expenditures on deferred exploration and development	(8,606)	(5,954)	(5,260)
Expenditures on mining properties	(15,784)	(26,631)	(18,302)
Expenditures on property, plant and equipment	(19,372)	(36,321)	(12,286)
Expenditures on mine construction in progress	(126,954)	(35,530)	(23,783)
Cash invested in short term investments	(21,080)	-	(38,850)
Cash provided by short term investments	21,080	38,850	-
Cash provided by draw down of restricted cash	3,861	-	-
Expenditure on purchase of Moto shares	(1,656)	-	-
Proceeds from sale of investment in Moto	38,952	-	-
Proceeds from sale of investment in EURO	33,202	-	-
Change in payable on capital expenditures	6,914	434	-
Sale of property	-	1,000	1,000
Long term investments	(300)	(2,871)	(4,971)
Deposits	(2,420)	(246)	(5,102)
Other	41	(220)	(894)
Net cash used in investing activities	(92,122)	(67,489)	(108,448)
FINANCING ACTIVITIES:			
Issuance of share capital, net of issue costs	3,463	73,132	15,270
Debt repayments (Note 11)	(6,622)	(3,678)	(153)
Issuance of debt (Note 11)	27,431	74,191	2,328
Other	(149)	(384)	-
Net cash provided by financing activities	24,123	143,261	17,445
Increase/(decrease) in cash and cash equivalents	(62,601)	76,832	(77,093)
Cash and cash equivalents, beginning of period	89,709	12,877	89,970
Cash and cash equivalents end of period	\$ 27,108	\$ 89,709	\$ 12,877

(See Note 19 for supplemental cash flow information)
The accompanying notes are an integral part of these financial statements.