

GOLDEN STAR RESOURCES LTD. CONSOLIDATED BALANCE SHEETS

(Stated in thousands of U.S. dollars except shares issued and outstanding)

	As of December 31, 2010	As of December 31, 2009
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents (Note 4)	\$ 178,018	\$ 154,088
Accounts receivable (Notes 4 and 7)	11,885	7,021
Inventories (Note 6)	65,141	52,198
Deposits (Note 8)	5,865	4,774
Prepays and other (Notes 4 and 9)	1,522	1,415
Total current assets	262,431	219,496
RESTRICTED CASH (Notes 4 and 18)	1,205	3,804
DEFERRED EXPLORATION AND DEVELOPMENT COSTS (Note 10)	14,487	12,949
PROPERTY, PLANT AND EQUIPMENT (Note 11)	229,081	231,855
INTANGIBLE ASSETS (Note 13)	7,373	9,480
MINING PROPERTIES (Note 12)	283,711	276,114
OTHER ASSETS	3,167	181
Total assets	\$ 801,455	\$ 753,879
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable (Note 4)	\$ 34,522	\$ 28,234
Accrued liabilities (Note 4)	53,935	34,178
Asset retirement obligations (Note 15)	23,485	1,938
Current tax liability (Note 17)	1,128	616
Current debt (Note 16)	10,014	9,970
Total current liabilities	123,084	74,936
LONG TERM DEBT (Notes 4 and 16)	117,289	114,595
ASSET RETIREMENT OBLIGATIONS (Note 15)	21,467	30,031
FUTURE TAX LIABILITY (Note 17)	20,456	13,997
Total liabilities	\$ 282,296	\$ 233,559
MINORITY INTEREST	1,278	—
COMMITMENTS AND CONTINGENCIES (Note 18)		
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: 258,511,236 at December 31, 2010, 257,362,561 at December 31, 2009	693,853	690,423
CONTRIBUTED SURPLUS	17,552	15,759
EQUITY COMPONENT OF CONVERTIBLE DEBENTURES	34,542	34,542
ACCUMULATED OTHER COMPREHENSIVE INCOME	643	24
DEFICIT	(228,709)	(220,428)
Total shareholders' equity	517,881	520,320
Total liabilities and shareholders' equity	\$ 801,455	\$ 753,879

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

GOLDEN STAR RESOURCES LTD.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE
INCOME/(LOSS)

(Stated in thousands of U.S. dollars except share and per share data)

	For the years ended December 31,		
	2010	2009	2008 restated (note 3)
REVENUE			
Gold revenues	\$ 432,693	\$ 400,739	\$ 257,355
Cost of sales (Note 20)	388,391	363,030	298,930
Mine operating margin/(loss)	44,302	37,709	(41,575)
OTHER EXPENSES, (GAINS) AND LOSSES			
Exploration expense	1,860	834	1,954
General and administrative expense	17,065	14,156	15,221
Abandonment and impairment	—	3,079	68,380
Derivative mark-to-market losses (Note 14)	850	3,538	980
Property holding costs	5,299	4,196	—
Foreign exchange (gain)/loss	872	(2,995)	(2,587)
Interest expense	16,946	15,647	14,591
Interest and other income	(362)	(197)	(805)
Loss on sale of assets	829	304	575
Gain on sale of investments	—	—	(5,402)
Income/(loss) before minority interest	943	(853)	(134,482)
Minority interest	(1,278)	—	6,150
Loss before income tax	(335)	(853)	(128,332)
Income tax (expense)/benefit (Note 17)	(7,946)	17,372	9,029
Net income/(loss)	\$ (8,281)	\$ 16,519	\$ (119,303)
OTHER COMPREHENSIVE INCOME/(LOSS)			
Unrealized (gain)/loss on available-for-sale investments	619	113	(3,280)
Comprehensive income/(loss)	\$ (7,662)	\$ 16,632	\$ (122,583)
Net income/(loss) per common share — basic (Note 22)	\$ (0.032)	\$ 0.070	\$ (0.506)
Net income/(loss) per common share — diluted (Note 22)	\$ (0.032)	\$ 0.069	\$ (0.506)
Weighted average shares outstanding (millions)	258.0	237.2	235.7
Weighted average number of diluted shares (millions)	258.0	238.4	235.7

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

GOLDEN STAR RESOURCES LTD.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Stated in thousands of U.S. dollars)

	Number of Common Shares	Share Capital	Contributed Surplus		Equity Component of Convertible Debentures	Accumulated Other Comprehensive Income/(Loss)	Retained Deficit	Total Shareholders' Equity
			Warrants	Options				
(restated note 3)								
Balance at December 31, 2007	233,703,681	\$ 609,103	\$ 5,138	\$ 8,092	\$ 34,620	\$ 3,192	\$ (117,644)	\$ 542,501
Shares issued under options	360,000	1,023	—	(121)	—	—	—	902
Options granted net of forfeitures	—	—	—	2,088	—	—	—	2,088
Realized gain on available for sale securities	—	—	—	—	—	(5,402)	—	(5,402)
Unrealized loss on available for sale securities	—	—	—	—	—	2,122	—	2,122
Common shares issued	1,881,630	5,674	—	—	—	—	—	5,674
Issue costs	—	(337)	—	—	—	—	—	(337)
Payment of loan fees	—	—	—	—	(78)	—	—	(78)
Net loss	—	—	—	—	—	—	(119,303)	(119,303)
Balance at December 31, 2008	235,945,311	\$ 615,463	\$ 5,138	\$ 10,059	\$ 34,542	\$ (88)	\$ (236,947)	\$ 428,167
Shares issued under options	1,417,250	4,008	—	(1,470)	—	—	—	2,538
Options granted net of forfeitures	—	—	—	2,032	—	—	—	2,032
Unrealized gain on available for sale securities	—	—	—	—	—	112	—	112
Common shares issued	20,000,000	75,000	—	—	—	—	—	75,000
Issue costs	—	(4,048)	—	—	—	—	—	(4,048)
Net income	—	—	—	—	—	—	16,519	16,519
Balance at December 31, 2009	237,362,561	\$ 690,423	\$ 5,138	\$ 10,621	\$ 34,542	\$ 24	\$ (220,428)	\$ 520,320
Shares issued under options	1,148,675	3,537	—	(1,182)	—	—	—	2,355
Options granted net of forfeitures	—	—	—	2,975	—	—	—	2,975
Unrealized gain on available for sale securities	—	—	—	—	—	619	—	619
Issue costs	—	(107)	—	—	—	—	—	(107)
Net loss	—	—	—	—	—	—	(8,281)	(8,281)
Balance at December 31, 2010	258,511,236	\$ 693,853	\$ 5,138	\$ 12,414	\$ 34,542	\$ 643	\$ (228,709)	\$ 517,881

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

There were no treasury shares held as of December 31, 2010.

GOLDEN STAR RESOURCES LTD. CONSOLIDATED STATEMENTS OF CASH FLOWS

(Stated in thousands of U.S. dollars)

	For the years ended December 31,		
	2010	2009	2008 <small>restated (note3)</small>
OPERATING ACTIVITIES:			
Net income/(loss)	\$ (8,281)	\$ 16,519	\$ (119,303)
Reconciliation of net income/(loss) to net cash provided by operating activities:			
Depreciation, depletion and amortization	100,762	113,977	60,583
Amortization of loan acquisition cost	1,888	1,201	732
Abandonment and impairment	—	3,079	68,380
Gain on sale of equity investments	—	—	(5,402)
Loss on sale of assets	829	304	575
Non-cash employee compensation	2,975	2,033	2,088
Future income tax expense/(benefit)	6,459	(19,127)	(9,029)
Derivatives mark to market gain/(loss)	(216)	(1,838)	2,076
Accretion of convertible debt	7,079	6,624	6,198
Accretion of asset retirement obligations	2,802	2,165	778
Minority interests	1,279	—	(6,150)
Reclamation expenditures	(9,704)	(1,985)	(1,163)
	105,872	122,952	363
Changes in non-cash working capital:			
Accounts receivable	(4,010)	(2,702)	4,060
Inventories	(14,351)	(4,327)	3,229
Deposits	235	(845)	—
Accounts payable and accrued liabilities	26,978	(10,848)	24,618
Other	480	385	(2,227)
	115,204	104,615	30,043
INVESTING ACTIVITIES:			
Expenditures on deferred exploration and development	(3,538)	(3,460)	(6,937)
Expenditures on mining properties	(49,390)	(32,839)	(42,830)
Expenditures on property, plant and equipment	(30,849)	(12,468)	(24,660)
Proceeds from sale of equity investment	—	—	7,104
Proceeds from the sale of assets	1,467	2	1,351
Change in payable on capital expenditures	901	(962)	(5,235)
Change in deposits on mine equipment and material	(1,326)	(54)	2,881
Other	2,598	445	(2,740)
	(80,137)	(49,336)	(71,066)
FINANCING ACTIVITIES:			
Issuance of share capital, net of issue costs	2,248	73,489	6,238
Principal payments on debt	(38,049)	(28,856)	(17,816)
Proceeds from equipment financing facility and revolving debt facility	25,674	22,837	11,456
Other	(1,010)	(2,219)	(1,051)
	(11,137)	65,251	(1,173)
Increase (decrease) in cash and cash equivalents	23,930	120,530	(42,196)
Cash and cash equivalents, beginning of year	154,088	33,558	75,754
Cash and cash equivalents, end of year	\$ 178,018	\$ 154,088	\$ 33,558

(See Note 23 for supplemental cash flow information)