

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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To the Shareholders of Golden Star Resources Ltd:

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations and comprehensive income (loss), changes in shareholders' equity and cash flows present fairly, in all material respects, the financial position of Golden Star Resources Ltd. and its subsidiaries at December 31, 2011 and December 31, 2010, and the results of operations and cash flows for each of the three years in the period ended December 31, 2011 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2011, based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Item 9A of our Form 10-K. Our responsibility is to express opinions on these financial statements, and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP

Vancouver, British Columbia

**February 22, 2012**

# 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,		
	2011	2010	2009
<b>Revenue</b>			
Gold revenues	\$ 471,007	\$ 432,693	\$ 400,739
Cost of sales (Note 16)	420,153	401,455	362,788
<b>Mine operating margin</b>	50,854	31,238	37,951
Exploration expense	5,137	5,398	4,291
General and administrative expense	25,378	17,065	14,156
Derivative mark-to-market loss (Note 5)	19,276	850	3,538
(Gain)/loss on fair value of convertible debentures (Note 4)	(26,154)	3,208	31,181
Property holding costs	8,674	5,299	4,196
Foreign exchange (gain)/loss	2,749	872	(2,995)
Interest expense	8,891	9,207	12,037
Interest and other income	(229)	(362)	(197)
(Gain)/loss on sale of assets	(1,350)	(1,171)	304
Other income	—	—	(1,142)
Income/(loss) before income tax	8,482	(9,128)	(27,418)
Income tax (expense)/benefit	(10,984)	(5,477)	18,515
<b>Net loss</b>	\$ (2,502)	\$ (14,605)	\$ (8,903)
Net income/(loss) attributable to noncontrolling interest	(427)	(3,376)	2,524
<b>Net loss attributable to Golden Star shareholders</b>	\$ (2,075)	\$ (11,229)	\$ (11,427)
<b>Net loss per share attributable to Golden Star shareholders</b>			
Basic (Note 18)	\$ (0.008)	\$ (0.044)	\$ (0.048)
Diluted (Note 18)	\$ (0.008)	\$ (0.044)	\$ (0.048)
Weighted average shares outstanding (millions)	258.6	258.0	237.2
Weighted average shares outstanding-diluted (millions)	258.6	258.0	237.2
<b>Other Comprehensive Loss</b>			
<b>Net loss</b>	\$ (2,502)	\$ (14,605)	\$ (8,903)
Unrealized gain on investments net of taxes (Note 8)	19	619	113
<b>Comprehensive loss</b>	\$ (2,483)	\$ (13,986)	\$ (8,790)
Comprehensive loss attributable to Golden Star shareholders	\$ (2,056)	\$ (10,610)	\$ (11,314)
Comprehensive income/(loss) attributable to noncontrolling interest	(427)	(3,376)	2,524
<b>Comprehensive loss</b>	\$ (2,483)	\$ (13,986)	\$ (8,790)

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

# GOLDEN STAR RESOURCES LTD. CONSOLIDATED BALANCE SHEETS

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

	As of December 31 2011	As of December 31 2010
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ 103,644	\$ 178,018
Accounts receivable (Note 7)	10,077	11,885
Inventories (Note 6)	74,297	65,204
Deposits	6,474	5,865
Prepays and other	2,048	1,522
<b>Total Current Assets</b>	<b>196,540</b>	<b>262,494</b>
Restricted Cash	1,273	1,205
Property, Plant And Equipment (Note 9)	252,131	228,367
Intangible Assets (Note 11)	5,266	7,373
Mining Properties (Note 10)	270,157	250,620
Other Assets	2,311	3,167
<b>Total Assets</b>	<b>\$ 727,678</b>	<b>\$ 753,226</b>
<b>LIABILITIES</b>		
Current Liabilities		
Accounts payable	\$ 40,708	\$ 34,522
Accrued liabilities	51,380	53,935
Asset retirement obligations (Note 12)	8,996	23,485
Current tax liability (Note 14)	197	1,128
Current debt (Notes 13)	128,459	10,014
<b>Total Current Liabilities</b>	<b>229,740</b>	<b>123,084</b>
Long Term Debt (Notes 13)	10,759	155,879
Asset Retirement Obligations (Note 12)	24,884	21,467
Deferred Tax Liability (Note 14)	23,993	15,678
<b>Total Liabilities</b>	<b>\$ 289,376</b>	<b>\$ 316,108</b>
Commitments And Contingencies (Note 15)	—	—
<b>SHAREHOLDERS' EQUITY</b>		
Share Capital		
First preferred shares, without par value, unlimited shares authorized. No shares issued and outstanding	—	—
Common shares, without par value, unlimited shares authorized.	\$ 693,899	\$ 693,487
Contributed Surplus	19,815	16,560
Accumulated Other Comprehensive Income	1,978	1,959
Deficit	(276,112)	(274,037)
<b>Total Golden Star Equity</b>	<b>\$ 439,580</b>	<b>\$ 437,969</b>
Noncontrolling Interest	(1,278)	(851)
<b>Total Equity</b>	<b>438,302</b>	<b>437,118</b>
Total Liabilities And Shareholders' Equity	\$ 727,678	\$ 753,226

*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		Accumulated Other Comprehensive Income/(Loss)	Retained Deficit	Non Controlling Interest	Total Shareholders' Equity
			Warrants	Options				
<b>Balance at December 31, 2008</b>	<b>235,945,311</b>	<b>\$ 615,097</b>	<b>\$ 5,138</b>	<b>\$ 9,067</b>	<b>\$ 1,228</b>	<b>\$ (251,381)</b>	<b>\$ 1</b>	<b>\$ 379,150</b>
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
Noncontrolling interest	—	—	—	—	—	—	2,524	2,524
Issue costs	—	(4,049)	—	—	—	—	—	(4,049)
Net Loss	—	—	—	—	—	(11,427)	—	(11,427)
<b>Balance at December 31, 2009</b>	<b>257,362,561</b>	<b>\$ 690,056</b>	<b>\$ 5,138</b>	<b>\$ 9,629</b>	<b>\$ 1,340</b>	<b>\$ (262,808)</b>	<b>\$ 2,525</b>	<b>\$ 445,880</b>
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
Noncontrolling interest	—	—	—	—	—	—	(3,376)	(3,376)
Issue costs	—	(106)	—	—	—	—	—	(106)
Net loss	—	—	—	—	—	(11,229)	—	(11,229)
<b>Balance at December 31, 2010</b>	<b>258,511,236</b>	<b>\$ 693,487</b>	<b>\$ 5,138</b>	<b>\$ 11,422</b>	<b>\$ 1,959</b>	<b>\$ (274,037)</b>	<b>\$ (851)</b>	<b>\$ 437,118</b>
Shares issued under options	158,251	412	—	(130)	—	—	—	282
Options granted net of forfeitures	—	—	—	3,336	—	—	—	3,336
DSU's granted	—	—	—	49	—	—	—	49
Unrealized gain on available for sale securities	—	—	—	—	19	—	—	19
Noncontrolling interest	—	—	—	—	—	—	(427)	(427)
Issue costs	—	—	—	—	—	—	—	—
Net loss	—	—	—	—	—	(2,075)	—	(2,075)
<b>Balance at December 31, 2011</b>	<b>258,669,487</b>	<b>\$ 693,899</b>	<b>\$ 5,138</b>	<b>\$ 14,677</b>	<b>\$ 1,978</b>	<b>\$ (276,112)</b>	<b>\$ (1,278)</b>	<b>\$ 438,302</b>

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

There were no treasury shares held as of December 31, 2011.

# GOLDEN STAR RESOURCES LTD. CONSOLIDATED STATEMENTS OF CASH FLOWS

(Stated in thousands of U.S. dollars)

	For the years ended December 31		
	2011	2010	2009
<b>OPERATING ACTIVITIES:</b>			
Net loss	\$ (2,502)	\$ (14,605)	\$ (8,903)
<b>Reconciliation of net loss to net cash provided by operating activities:</b>			
Depreciation, depletion and amortization	71,466	98,775	109,666
Amortization of loan acquisition cost	1,563	1,228	1,201
(Gain)/loss on sale of assets	(1,350)	(1,172)	304
Non-cash employee compensation	3,385	2,975	2,033
Deferred income tax expense/(benefit)	8,315	3,374	(20,886)
Fair value of derivatives gain	(177)	(217)	(1,838)
Fair value (gain)/loss on convertible debt	(26,154)	3,210	34,195
Accretion of asset retirement obligations	3,845	2,802	2,165
Reclamation expenditures	(26,895)	(9,704)	(1,985)
	31,496	86,666	115,952
<b>Changes in non-cash working capital:</b>			
Accounts receivable	1,839	(4,022)	(2,702)
Inventories	(9,030)	(14,351)	(5,619)
Deposits	(1,250)	235	(193)
Accounts payable and accrued liabilities	2,335	27,607	(10,232)
Other	(1,747)	481	(267)
Net cash provided by operating activities	23,643	96,616	96,939
<b>INVESTING ACTIVITIES:</b>			
Expenditures on mining properties	(50,027)	(34,342)	(28,624)
Expenditures on property, plant and equipment	(51,353)	(30,849)	(12,468)
Cash securing letters of credit (used)/refunded	(68)	2,599	445
Change in accounts payable and deposits on mine equipment and material	1,907	901	(1,016)
Other	1,984	141	2
Net cash used in investing activities	(97,557)	(61,550)	(41,661)
<b>FINANCING ACTIVITIES:</b>			
Issuance of share capital, net of issuance costs	282	2,248	73,489
Principal payments on debt	(10,397)	(38,049)	(28,856)
Proceeds from debt agreements and equipment financing	9,875	25,674	22,837
Other	(220)	(1,010)	(2,219)
Net cash (used in)/provided by financing activities	(460)	(11,137)	65,251
(Decrease)/increase in cash and cash equivalents	(74,374)	23,929	120,529
Cash and cash equivalents, beginning of year	178,018	154,089	33,560
Cash and cash equivalents end of year	\$ 103,644	\$ 178,018	\$ 154,089

(See Note 21 for supplemental cash flow information)