
INDEPENDENT AUDITOR'S REPORT



TO THE SHAREHOLDERS OF GOLDEN STAR RESOURCES LTD.

We have completed an integrated audit of Golden Star Resources Ltd.'s (the Company) 2014 and 2013 consolidated financial statements and its internal control over financial reporting as at December 31, 2014. Our opinions, based on our audits, are presented below.

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of the company, which comprise the consolidated balance sheets as at December 31, 2014 and 2013 and the consolidated statements of operations, comprehensive loss, cash flows, and changes in shareholders' equity for the years ended December 31, 2014 and 2013, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. Canadian generally accepted auditing standards also require that we comply with ethical requirements.

An audit involves performing procedures to obtain audit evidence, on a test basis, about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting principles and policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

OPINION

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the company as at December 31, 2014 and 2013 and its financial performance and its cash flows for the years ended December 31, 2014 and 2013 in accordance with IFRS as issued by the IASB.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

We have also audited the company's internal control over financial reporting as at December 31, 2014, based on criteria established in Internal Control – Integrated Framework (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

INDEPENDENT AUDITOR'S REPORT – CONTINUED

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control over Financial Reporting.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit. We conducted our audit of internal control over financial reporting in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

An audit of internal control over financial reporting includes obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control, based on the assessed risk, and performing such other procedures as we consider necessary in the circumstances.

We believe that our audit provides a reasonable basis for our audit opinion on the company's internal control over financial reporting.

DEFINITION OF INTERNAL CONTROL OVER FINANCIAL REPORTING

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.

INHERENT LIMITATIONS

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.

OPINION

In our opinion, the company maintained, in all material respects, effective internal control over financial reporting as at December 31, 2014, based on criteria established in Internal Control – Integrated Framework (2013) issued by COSO.

PricewaterhouseCoopers LLP

February 18, 2015

Chartered Professional Accountants, Licensed Public Accountants

PricewaterhouseCoopers LLP
PwC Tower, 18 York Street, Suite 2600, Toronto, ON, Canada M5J 0B2
T: +1 416 863 1133, F: +1 416 365 8215, www.pwc.com/ca

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



CONTENTS

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENTS OF OPERATIONS	44
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS	45
CONSOLIDATED BALANCE SHEETS	46
CONSOLIDATED STATEMENTS OF CASH FLOWS	47
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY	48

NOTES TO THE FINANCIAL STATEMENTS

1. NATURE OF OPERATIONS	49
2. BASIS OF PRESENTATION	49
3. SUMMARY OF ACCOUNTING POLICIES	49
4. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS	56
5. FINANCIAL INSTRUMENTS	58
6. INVENTORIES	59
7. MINING INTERESTS	60
8. EXPLORATION AND EVALUATION ASSETS	61
9. INCOME TAXES	61
10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	64
11. REHABILITATION PROVISIONS	64
12. DEBT	65
13. COMMITMENTS AND CONTINGENCIES	67
14. SHARE-BASED COMPENSATION	68
15. LOSS PER COMMON SHARE	72
16. COST OF SALES EXCLUDING DEPRECIATION AND AMORTIZATION	72
17. FINANCE EXPENSE, NET	73
18. RELATED PARTY TRANSACTIONS	73
19. PRINCIPAL SUBSIDIARIES	74
20. OPERATIONS BY SEGMENT AND GEOGRAPHIC AREA	75
21. SUPPLEMENTAL CASH FLOW INFORMATION	76
22. IMPAIRMENT CHARGES	76
23. FINANCIAL RISK MANAGEMENT	78
24. CAPITAL RISK MANAGEMENT	80

GOLDEN STAR RESOURCES LTD.
CONSOLIDATED STATEMENTS OF OPERATIONS

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

For the years ended December 31,	Notes	2014	2013
REVENUE		328,915	467,796
Cost of sales excluding depreciation and amortization	16	304,912	377,140
Depreciation and amortization		26,219	59,966
MINE OPERATING (LOSS)/MARGIN		(2,216)	30,690
OTHER EXPENSES/(INCOME)			
Exploration expense		556	1,667
General and administrative		16,367	21,515
Property holding costs		–	7,018
Finance expense, net	17	7,375	9,841
Other income		(1,104)	(2,163)
Loss/(gain) on fair value of 5% Convertible Debentures	5	538	(51,967)
Impairment charges	22	57,747	355,624
LOSS BEFORE TAX		(83,695)	(310,845)
Income tax recovery	9	(254)	(12,331)
NET LOSS		(83,441)	(298,514)
Net loss attributable to non-controlling interest		(10,362)	(32,622)
NET LOSS ATTRIBUTABLE TO GOLDEN STAR SHAREHOLDERS		(73,079)	(265,892)
NET LOSS PER SHARE ATTRIBUTABLE TO GOLDEN STAR SHAREHOLDERS			
Basic and diluted	15	(0.28)	(1.03)
Weighted average shares outstanding-basic and diluted (millions)		259.4	259.1

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

GOLDEN STAR RESOURCES LTD.
 CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(Stated in thousands of U.S. dollars)

For the years ended December 31,	2014	2013
OTHER COMPREHENSIVE LOSS		
NET LOSS	(83,441)	(298,514)
Unrealized loss on investments, net of taxes	-	(7,626)
Transferred to net loss, net of taxes	-	1,370
COMPREHENSIVE LOSS	(83,441)	(304,770)
Comprehensive loss attributable to non-controlling interest	(10,362)	(32,622)
COMPREHENSIVE LOSS ATTRIBUTABLE TO GOLDEN STAR SHAREHOLDERS	(73,079)	(272,148)

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)

As of	Notes	December 31, 2014	December 31, 2013
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		39,352	65,551
Accounts receivable		14,832	8,200
Inventories	6	54,279	67,725
Prepays and other		4,767	6,852
TOTAL CURRENT ASSETS		113,230	148,328
RESTRICTED CASH		2,041	2,029
MINING INTERESTS	7	142,782	165,193
EXPLORATION AND EVALUATION ASSETS	8	–	9,747
INTANGIBLE ASSETS		–	446
TOTAL ASSETS		258,053	325,743
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	10	123,451	108,983
Current portion of rehabilitation provisions	11	4,562	7,783
Current tax liability	9	–	9,506
Current portion of long term debt	12	17,181	10,855
TOTAL CURRENT LIABILITIES		145,194	137,127
LONG TERM DEBT	12	85,798	83,387
REHABILITATION PROVISIONS	11	81,254	78,527
TOTAL LIABILITIES		312,246	299,041
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		695,266	694,906
CONTRIBUTED SURPLUS		31,532	29,346
DEFICIT		(725,623)	(652,544)
TOTAL GOLDEN STAR EQUITY		1,175	71,708
NON-CONTROLLING INTEREST		(55,368)	(45,006)
TOTAL EQUITY		(54,193)	26,702
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		258,053	325,743

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

Signed on behalf of the Board,
Timothy C. Baker, Director

William L. Yeates, Director

GOLDEN STAR RESOURCES LTD. CONSOLIDATED STATEMENTS OF CASH FLOWS

(Stated in thousands of U.S. dollars)

For the years ended December 31,	Notes	2014	2013
OPERATING ACTIVITIES			
Net loss		(83,441)	(298,514)
Reconciliation of net loss to net cash provided by operating activities:			
Depreciation and amortization		26,267	60,008
Gain on sale of assets		(117)	(1,271)
Write-off of unsuccessful exploration costs		-	1,333
Impairment charges		57,747	355,624
Share-based compensation	14	2,515	3,013
Deferred income tax recovery	9	-	(32,936)
Loss/(gain) on fair value of 5% Convertible Debentures	5	538	(51,967)
Accretion of rehabilitation provisions		1,746	592
Amortization of deferred financing fees		248	103
Reclamation expenditures		(3,554)	(5,657)
Other		1,139	-
Changes in working capital	21	(677)	28,918
NET CASH PROVIDED BY OPERATING ACTIVITIES		2,411	59,246
INVESTING ACTIVITIES			
Additions to mining properties		(73)	(62,415)
Additions to plant and equipment		(499)	(3,780)
Additions to construction in progress		(32,232)	(36,454)
Additions to exploration and evaluation assets		-	(218)
Capitalized interest		(851)	-
Change in accounts payable and deposits on mine equipment and material		(2,894)	(5,695)
Proceeds from sale of assets		-	7,200
Other investing activities		(12)	-
NET CASH USED IN INVESTING ACTIVITIES		(36,561)	(101,362)
FINANCING ACTIVITIES			
Principal payments on debt		(12,049)	(7,876)
Proceeds from debt agreements		20,000	36,507
Exercise of options		-	152
NET CASH PROVIDED BY FINANCING ACTIVITIES		7,951	28,783
Decrease in cash and cash equivalents		(26,199)	(13,333)
Cash and cash equivalents, beginning of period		65,551	78,884
CASH AND CASH EQUIVALENTS, END OF PERIOD		39,352	65,551

See Note 21 for supplemental cash flow information.

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 except share data)

	Number of Common Shares	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income/(Loss)	Deficit	Non- Controlling Interest	Total Shareholders' Equity
BALANCE AT							
DECEMBER 31, 2012	259,015,970	694,652	26,304	6,256	(386,652)	(12,384)	328,176
Shares issued under options	90,000	254	(102)	-	-	-	152
Options granted net of forfeitures	-	-	2,444	-	-	-	2,444
DSUs granted	-	-	700	-	-	-	700
Unrealized loss on investments	-	-	-	(7,626)	-	-	(7,626)
Transferred to net loss, net of taxes	-	-	-	1,370	-	-	1,370
Net loss	-	-	-	-	(265,892)	(32,622)	(298,514)
BALANCE AT							
DECEMBER 31, 2013	259,105,970	694,906	29,346	-	(652,544)	(45,006)	26,702
Shares issued under DSUs	384,113	360	(360)	-	-	-	-
Options granted net of forfeitures	-	-	2,053	-	-	-	2,053
DSUs granted	-	-	493	-	-	-	493
Net loss	-	-	-	-	(73,079)	(10,362)	(83,441)
BALANCE AT							
DECEMBER 31, 2014	259,490,083	695,266	31,532	-	(725,623)	(55,368)	(54,193)

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