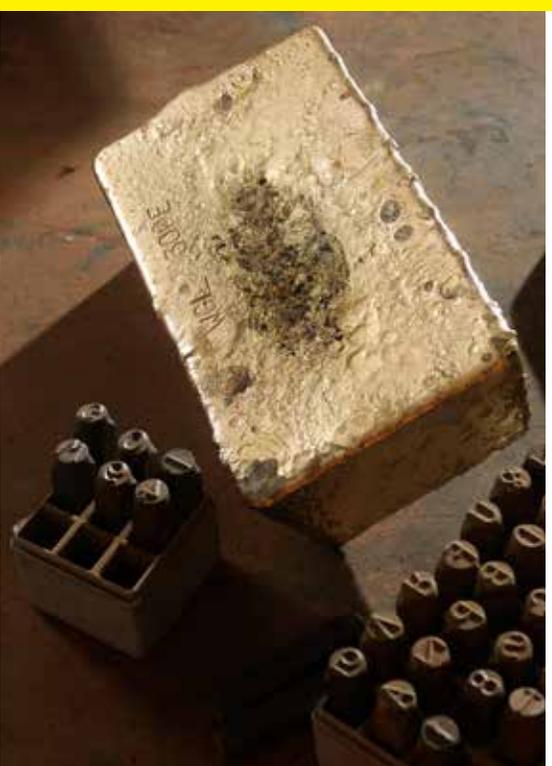
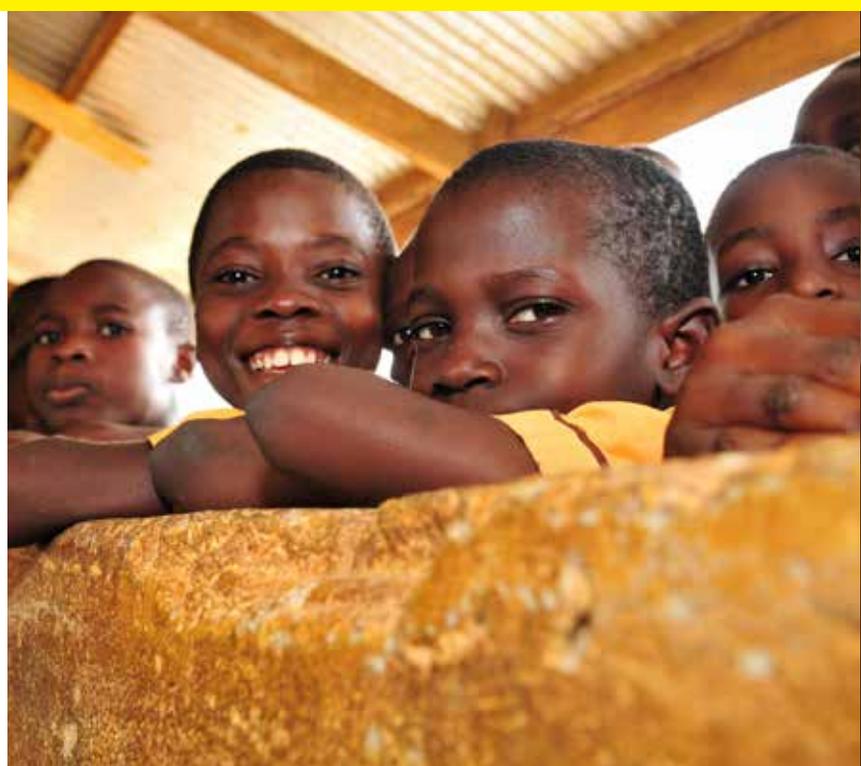


GOLDEN STAR

GOLDEN STAR 2014

CORPORATE RESPONSIBILITY REPORT





COMPANY PROFILE

Golden Star is an established gold mining company that holds a 90% interest in the Wassa, Prestea and Bogoso gold mines in Ghana. In 2014, Golden Star produced 261,000 ounces of gold and is expected to produce 250,000 – 275,000 ounces in 2015.

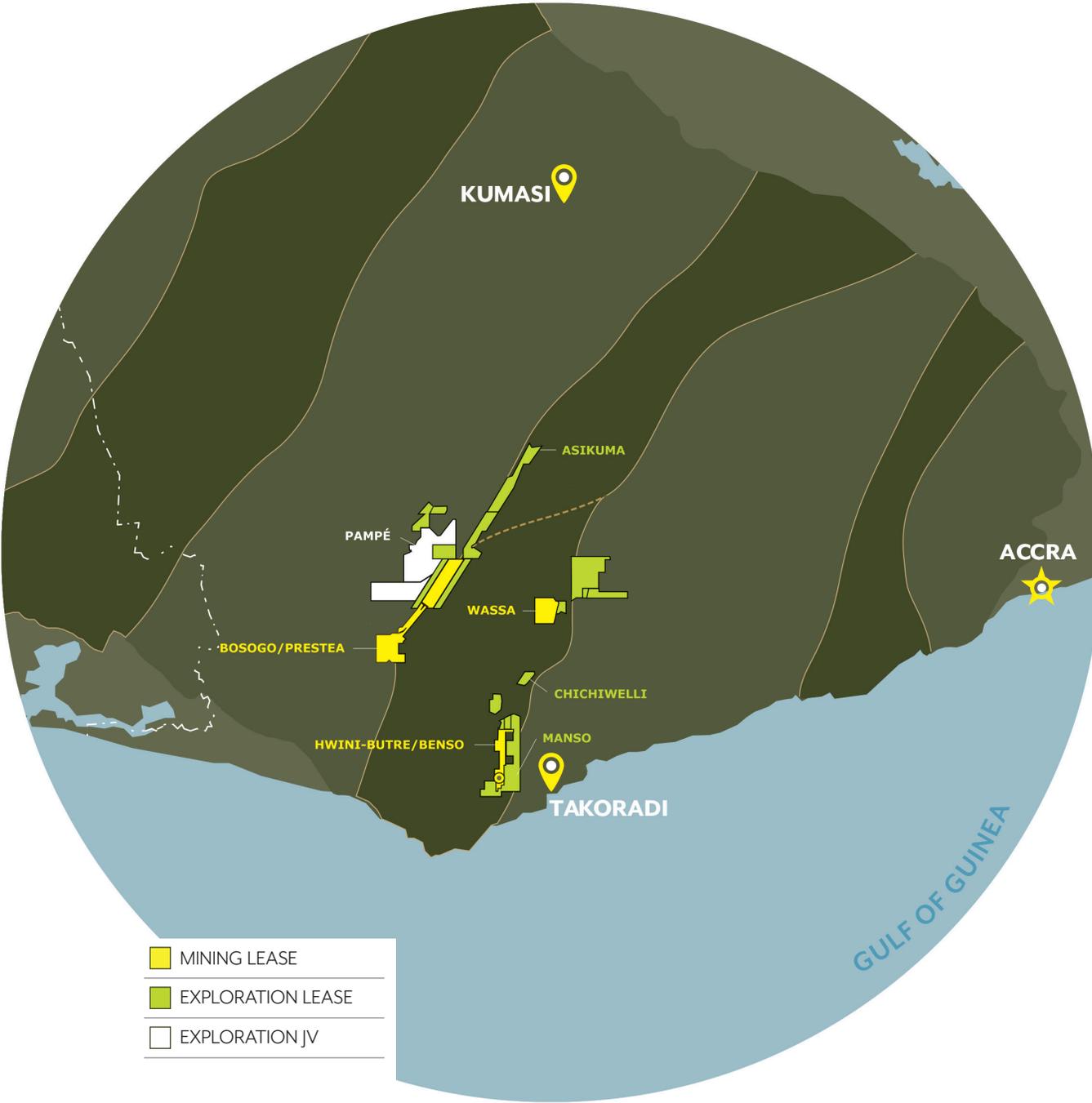
Golden Star is listed on the Toronto Stock Exchange (TSX: GSC), the New York Stock Exchange MKT (NYSE MKT: GSS) and the Ghanaian Stock Exchange (GSE: GSR).

For further information on the Company, please visit www.gsr.com. For further information on the Company's Corporate Responsibility programme, please visit www.gsr.com/responsibility.

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OPERATIONS IN GHANA



MESSAGE FROM THE CEO



Sam Coetzer
President and CEO

WHILE OUR CORE BUSINESS IS
THE PRODUCTION OF GOLD,
**WE RECOGNIZE THE ROLE
WE CAN PLAY IN BEING A
CATALYST FOR SUSTAINABLE
DEVELOPMENT** IN
THE COMMUNITIES IN WHICH
WE OPERATE

I am pleased to present Golden Star's ninth annual report on corporate responsibility. The report summarizes our sustainability performance for 2014 and serves as our Communication on Progress in implementing the principles of the United Nations Global Compact.

Despite our continued commitment to the safety of our workforce, I am saddened to report that in June we lost one of our colleagues, Kofi Amponsah. Mr. Amponsah, a pump attendant, drowned when attempting to relocate a pit pump at Bogoso. The incident was tragic and, I believe, avoidable. This report provides details of what we have done to improve safety practices at our operations.

This year's report builds on our theme of 'Partnerships for Development'. Our case studies demonstrate that as our partnerships mature and strengthen, so does our ability to deliver on our corporate responsibility objectives and build sustainable value for stakeholders.

While our core business is the production of gold, we recognize the role we can play in being a catalyst for sustainable development in the communities in which we operate. By collaborating with our partners, our combined resources and capacity can bring real change and benefit where it is most needed. Through partnership, we truly are more than the sum of our parts.

The year 2014 was one of continued transformation for Golden Star, as we continue to deliver efficiency improvements, and our business evolves in the challenging financial environment. We have several exciting development projects in our pipeline, including the Wassa Underground project (combining the open pit and underground operations), and the Prestea Mine that will be developed in 2015. We look forward to working with our stakeholders to achieve continued success.

Sam Coetzer, President and Chief Executive Officer

HIGHLIGHTS

0.15 LTIFR
per million hours worked

\$41 M
in total salaries paid

79%
of procurement
expenditure to
Ghanaian companies

48%
of workforce
from local
communities

98% of our workforce
is Ghanaian

2,700 employees
and community
members trained in
Ebola awareness

\$1.48 million
in royalties paid

\$4.9 million in
sustainable agri-
business to date

30%
yearly reduction
in workforce
malaria cases

\$ 2.4 million in
development
fund projects

\$50 M
in government
payments from our
operations

UNITED NATIONS GLOBAL COMPACT



The United Nations Global Compact – the world’s largest voluntary corporate responsibility initiative – consists of ten sustainability principles in the areas of human rights, labour, the environment, and anti-corruption, to drive the sustainability of global business. The following tables present our Communication on Progress for 2014, as well as our goals for 2015.

2014 GLOBAL COMPACT GOALS AND PROGRESS

GOAL	PROGRESS
Continue to review the general human rights standards for Golden Star and our suppliers. Provide an updated report to the Board Sustainability Committee with recommendations.	Completed and document issued.
Implement a human rights training programme for the Golden Star security personnel.	743 personnel involved in security at Bogoso and Wassa were trained and ascribed to the Voluntary Principles on Security and Human Rights. Security teams at Takoradi will be trained in 2015.
Implement lead-indicator control measures aiming to further reduce our LTIFR.	Lead-indicators are now reported in monthly business reports.
Provide an updated incident reporting standard that covers the business with a view of providing a better understanding of incidents and how to further protect employees and communities.	The incident reporting standard has been finalized.
Finalize the third-party evaluation of our Asset Retirement Obligations (ARO). Work with operations to fully understand the timing and requirements for the ARO.	The independent review of the Bogoso Asset Retirement Obligations (ARO) has been completed. The Wassa ARO review is well-advanced.
Provide detailed quarterly payment information to the Extractives Industry Transparency Initiative in Ghana, in support of the anti-corruption programme.	Letters for each quarter were sent to the Administrator of Stool Lands.*
Provide quarterly information to the parties that should receive payments as a result of our royalties paid to the Government of Ghana.	Stakeholders who should receive payments were copied into the letters issued to the Administrator of Stool Lands as outlined above.

* Stool lands are those controlled by a traditional authority under customary law

2015 GLOBAL COMPACT GOALS

GLOBAL COMPACT AREA	GOAL
Human Rights	<p>Undertake pilot programmes with traditional leaders to explore opportunities for greater local content in Golden Star's supply chain.</p> <p>Develop a policy for local procurement participation for review by the Executive Committee.</p> <p>Undertake projects in support of the Millennium Development Goals 4 and 5 to reduce child mortality and improve maternal health.</p>
Labour	<p>Set site-based stretch targets in respect of proactive response to complaints and grievances in our communities.</p>
Environment	<p>Continue the evolution of compliance obligations registers in support of continuous improvement in environmental management systems.</p> <p>Undertake a programme of engagement with community leaders to enhance transparency in environmental monitoring and assessment.</p>
Anti-corruption	<p>Develop detailed registers to record requests, donations and support provided to communities.</p> <p>Develop a policy on donations and support for review by the Executive Committee.</p>

OUR PEOPLE

At Golden Star, we are proud of our employees and their efforts, as we work together to overcome the challenging economic environment in which we are currently operating. We recognize that skilled, engaged, and hard-working employees are fundamental to our business.

PROMOTING THE STATUS OF WOMEN

The Golden Star Ladies Clubs were formed in 2010 by a group of motivated women in our workforce. The clubs dedicate themselves to women's advocacy and action in the workplace and in the broader community.

Following their successful 2013 programme, the club intensified their efforts in 2014, with a major programme for International Women's Day, International Pink Ribbon Day and the International Day of the Girl Child. Programmes included fundraising of GH¢ 13,000 for Breast Care International, awareness presentations, and a breast cancer screening clinic. Nearly 2,500 women were screened at 12



locations across our catchment areas with 81 women identified for follow-up assessment. The clubs raised a further GH¢ 20,000 to continue to assist breast care education and advocacy.

The successes of the Ladies Clubs were made possible by the generous contributions of DHL Global Forwarding Ghana, Gesellschaft für Internationale Zusammenarbeit (GIZ), International SOS, Ghana Health Service, Golden Star, and others.

In our region, where 26% of women have never attended school, and nationally less than 25% of rural girls go to secondary school (Ghana Statistical Service 2014), we support girl child education by:

- Celebrating the International Day of the Girl Child and promoting education for young women
- Providing educational scholarships to over 700 children from 2008 to 2013
- Providing bussing to school for some 300 children from our catchment areas
- Providing educational subsidies to almost 3,000 dependents of our employees
- The Golden Star Development Foundation, which has to date built six schools, school dormitories, school bus stops, and provides school supplies and teachers' allowances

COMMUNITY OUTREACH

The Golden Star Ladies Clubs continued their community outreach with support from their 'sisters' at our head office in Toronto, Canada to assemble packages of learning materials, music, and sports/play equipment for donation to 186 children for end-of-year celebrations.

The initiative is a small, yet important example of the ways in which our employees support and give back to the communities in which they live, and we operate.

HEALTH AND SAFETY

We strive to create a culture of safety excellence at our operations. Our focus includes injury and accident prevention, safety and awareness training, and general health and well-being initiatives.

In 2014, we continued to make great strides in improving health and safety outcomes, in conjunction with local and international health experts as well as our health services provider, International SOS.

EBOLA PREPAREDNESS

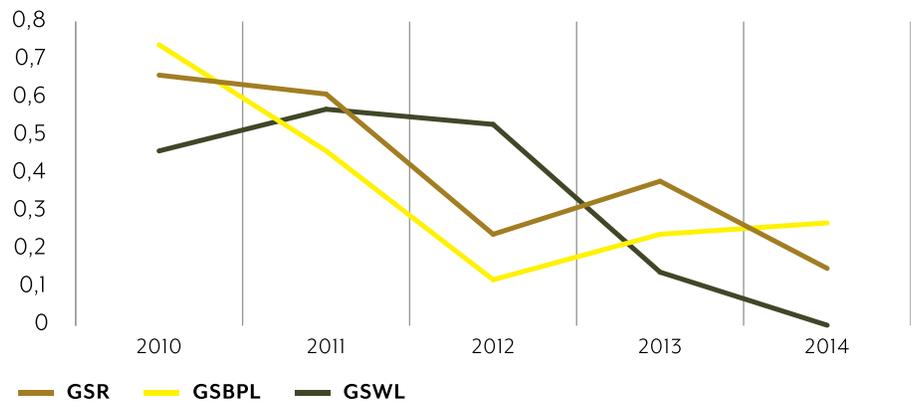
During 2014, several West African nations were affected by an outbreak of Ebola, a highly contagious and life-threatening virus. While there have been no documented cases of Ebola in Ghana, we undertook a wide scale programme of preparation and awareness in conjunction with our health services provider, International SOS.

The measures include:

- **Avoidance** – restricting our travel to affected countries, and avoiding unnecessary travel
- **Emergency preparedness** – convening our Crisis Management Team, development of an Ebola Management Plan, and leadership in National/District health management teams
- **Situation monitoring** – use of international networks to track the outbreak
- **Education and sensitization** – comprehensive awareness training for our workforce and community, using education sessions, posters and pocket cards to raise awareness
- **Hygiene and sanitation** – upgraded sanitation infrastructure
- **Medical/Clinical preparation** – construction of two isolation centres, purchase of medical resources and training of medical staff
- **Site access control** – preventing access to site by contractors and personnel known to have been in Ebola-affected areas, and temperature screening at site access points

While the Ebola outbreak continues in West Africa, we remain on alert and will escalate our preparedness for any expansion of the outbreak.

**LOST TIME INJURY
FREQUENCY RATE**



ACTIONS TO REDUCE THE RISK OF DROWNING

In 2014, the World Health Organization indicated that drowning was the third most common cause of unintentional injury-related death, and in the African region the drowning death rates are 10-13 times higher than in European countries.

In 2014, we were saddened by the loss of our colleague Kofi Amponsah in a drowning-related incident. The following measures have been instituted or strengthened to reduce risk of future drownings:

- Actions to relocate equipment away from water where possible
- Continued provision of life vests for team members required to work near water
- Upgraded pool rules, pool access restrictions, and supervision
- Additional water rescue equipment and first aid signage
- Installation of signage on first response and first aid
- Provision of swim instruction training to interested employees

LOCAL CONTENT



Golden Star seeks, wherever possible, to share the value derived from our operations with local communities, and to help ensure that the value is sustained over time. Key aspects of this approach are:

LOCAL EMPLOYMENT

- Advertising all employment opportunities locally
- Sourcing unskilled labour solely from local communities
- Programmes to enhance the ability of local community members to gain employment, such as the pilot Community Youth Apprenticeship Programme

LOCAL PROCUREMENT PARTICIPATION

- Agreements on local supply chain opportunities, such as select construction materials for resettlement projects
- Programmes to develop local youth capacity to support development projects including masonry, carpentry, and building electrical skills
- Capacity-building programmes to establish small and micro-sized enterprises to provide services and supplies, such as commercial cookery ventures
- Capacity-building programmes to strengthen local procurement participation, including microfinance schemes and business development skills

LIVELIHOODS DIVERSIFICATION AND ENHANCEMENT

- Sustainable livelihoods programmes, in support of vibrant local communities beyond the life of our operations, including:
 - Golden Star Oil Palm Plantation (see page 11)
 - Golden Star Skills Training and Employability Programme (see page 18)
 - Community water supply businesses
 - Market, garden and fish farming ventures, including agricultural extension support
 - Support for cultural and traditional programmes, such as batik, tie-dying, and sandals
 - Non-traditional agricultural production, such as snail rearing, livestock (pigs and poultry), and mushroom growing

ECONOMIC DEVELOPMENT

GOLDEN STAR OIL PALM PLANTATION

The Golden Star Oil Palm Plantation was established for local communities in 2006 as a non-profit subsidiary of Golden Star. The programme, which is funded with \$1 per ounce of gold produced, adopts the smallholder concept of sustainable agribusiness, which helps to balance community and company needs related to local economic development, community empowerment, and site rehabilitation and closure.

In 2014, 25 new farmers were added to the programme, bringing the total number of farmers to 298. Year-over-year palm fruit production increased by 28.3% to 7,508 tonnes. As part of the 2014 National Farmers' Day celebrations, the Ministry of Food and Agriculture awarded the Golden Star Farmers' Association (Bogoso) the 'Best Farm-based Organization' award for the District. A participant farmer – Mr. Tuffour Quaicoe – was awarded the 'Best Oil Palm Farmer' in the District.



COMMUNITY DEVELOPMENT



Golden Star recognizes the importance of our role as a catalyst for sustainable community development within our catchment communities. By combining our resources and influence with those of our partners, we strengthen and sustain value for stakeholders and our business.

GOLDEN STAR DEVELOPMENT FOUNDATION

We established the Golden Star Development Foundation in 2006 and fund it with \$1 for every ounce of gold produced plus 0.1% of pre-tax profit. Since its inception the fund has financed over \$2.4 million in catchment community development projects. The Foundation funds a variety of community projects, including health, education, and community infrastructure initiatives that are selected by local Community Mine Consultative Committees.

HEALTH STEWARDSHIP AND PROMOTION

Through our partnerships with the German development agency, Gesellschaft für Internationale Zusammenarbeit (GIZ), Project C.U.R.E., a US-based NGO, International SOS, and Ghana Health Services, we have delivered a range of health-focused projects to our catchment communities.

- **Health infrastructure** – as part of our Health Stewardship partnership with GIZ, the Golden Star Development Foundation funded the construction of a mini-clinic at Brakwaline. The clinic was opened by Ms. Sherry Ayithey, the Minister for Health, with the Ghana Health Service accepting the clinic, that will service some 1,000 residents from Brakwaline, Sekunde, Bogyir-Ano, and Ebieni.
- **Medical equipment** – since 2006 Golden Star has partnered with the Ghana Health Service and Project C.U.R.E. to bring much needed medical equipment to local facilities. Project C.U.R.E. staff complete needs assessments to ensure local needs are met. In 2014, 13 local health facilities benefited from equipment valued at almost half a million dollars.
- **Preventative health screening** – in 2014 our partnership with GIZ supported preventative health screening for over 700 people, as well as breast cancer screening for almost 2,500 women.



ENVIRONMENT

RECLAMATION AND CLOSURE

In 2014 we commenced a process of external and independent review of our asset retirement obligations. The asset retirement obligation is an account of the work and resources required to bring an operation from its production phase to the completion of the closure phase. By completing an external review, we ensure that the assumptions we make about machinery costs, technology, and the areas of land requiring attention, are all fully assessed and deemed as appropriate by a qualified external party. As at the end of 2014, the review of the Bogoso obligations was completed, and the Wassa study was well advanced.

ACHIEVING NEXT LAND USE

In 2014 our Bogoso operations applied to our regulators to have 36 areas of reclaimed land, including backfilled pits and waste dumps, recognized as achieving its next land use.

The land areas, which cover over about 100 hectares, are now fully functioning re-forested land, agricultural land and water resources. This means that these lands are no longer considered to be disturbed mining lands. On 21 January 2015 these lands were deemed as achieving final completion, a major milestone for Golden Star.



HUMAN RIGHTS

SECURITY AND HUMAN RIGHTS

As a signatory to the United Nations Global Compact, Golden Star supports the Voluntary Principles on Security and Human Rights, a set of human rights guidelines designed for the extractives sector. In 2014, security personnel at Bogoso and Wassa were provided training on the Voluntary Principles. The training culminated with a human rights “dos-and-don’ts” handbill. The handbill was initiated by Golden Star and was adopted by the Ghana Chamber of Mines, as well as other institutions.

All security personnel working at our operations – including government military periodically detailed to the operations – are required to participate in inductions related to the Voluntary Principles. Personnel are required to sign a certificate confirming their participation in the programme. To date, over 740 personnel have participated in the programme. In 2015, the programme will be extended to security personnel operating at Golden Star Exploration sites. Additionally, our private security contracts and Memoranda of Understanding with public security require adherence to the voluntary principles.

ALL SECURITY PERSONNEL
WORKING AT OUR
OPERATIONS ARE REQUIRED
TO PARTICIPATE IN
INDUCTIONS RELATED TO THE
VOLUNTARY PRINCIPLES

HUMAN RIGHTS IN THE SUPPLY CHAIN

As part of the ‘Respect, Protect, and Remedy’ framework of the United Nations Guiding Principles on Business and Human Rights, companies are required to conduct human rights due diligence to assess actual and potential human rights impacts, including those arising from business relationships. Consequently, in 2013, Golden Star initiated a due diligence process for its suppliers and service providers.

In 2014, and in line with our 2013 United Nations Global Compact goals, we conducted our second review of human rights within our supply chain. Where human rights concerns were uncovered, dialogue was initiated with affected parties. The report was submitted to the Board Sustainability Committee.

ANTI-CORRUPTION



Golden Star works against corruption in all its forms. We are committed to conducting our business in accordance with all applicable laws, rules and regulations, and with the highest ethical standards. We work to integrate these values into our business operations and decision-making processes.

EXTRACTIVES INDUSTRY TRANSPARENCY INITIATIVE

We continue to participate in the Extractives Industries Transparency Initiative, a global standard that helps to promote transparency and accountability in the management of proceeds from natural resources.

The following tables document the payments we made to various levels of government, including royalty payments to expected recipients.

EXTRACTIVES INDUSTRY TRANSPARENCY INITIATIVE

GSBPL	2014 Total	Life to Date (as at end 2014)
PAYE	3,825,712	18,420,808
SSNIT	1,937,720	8,752,671
VAT	5,495,711	22,419,806
Import Duties	1,675,602	8,946,166
Royalties	7,609,398	47,048,475
Fees, Permits, Licenses	108,461	1,099,532
Withholding tax	1,031,112	7,198,309
Stamp Duties	–	173,501
National Stabilization Levy	–	–
Total	21,683,716	114,059,267

GSWL	2014 Total	Life to Date (as at end 2014)
PAYE	3,079,358	11,267,804
SSNIT	1,573,849	5,762,445
VAT	4,216,908	26,733,481
Corporate Tax	9,251,137	32,744,040
Import Duties	753,480	3,905,781
Royalties	7,664,064	42,411,713
Fees, Permits, Licenses	194,464	762,989
Withholding tax	1,560,137	8,026,255
Stamp Duties	–	64,915
Total	28,293,397	136,601,465

ROYALTY PAYMENTS

NO.	ENTITY	SUB-ENTITY	2014 Total
GSBPL	OASL Traditional Authorities	OASL Overhead	76,094
		Bogoso Traditional Authority	96,687
		Himan Traditional Authority	215
		Bogoso / Beppo Traditional Authority (not yet defined)	39,866
		Adaamanso Traditional Authority	202
		Total	136,969
Stool Lands		Bogoso Traditional Authority	120,859
		Himan Traditional Authority	268
		Bogoso / Beppo Traditional Authority (not yet defined)	49,832
		Adaamanso Traditional Authority	252
		Total	171,211
District Assemblies		Prestea Huni-Valley District Assembly	376,665
		Amenfi East District Assembly	-
		Total	376,665
Total of 10%			760,940

NO.	ENTITY	SUB-ENTITY	2014 Total
GSWL	OASL Traditional Authorities	OASL Overhead	71,440
		Wassa Fiase	102,253
		Mpohor	13,169
		Ahanta	13,169
		Total	128,592
Stool Lands		Mamponso	127,817
		Mpohor	16,462
		Manso	-
		Pretsea	16,462
		Total	160,740
District Assemblies		Mpohor Wassa East	281,197
		Tarkwa Nsuaem	36,215
		Ahanta West	36,215
		Total	353,627
Total of 10%			714,399

RESETTLEMENT



All of our resettlement projects are aligned with applicable Ghanaian laws as well as the International Finance Corporation Performance Standard 5 on land acquisition and involuntary resettlement. The main objectives are to avoid or minimize the adverse impacts of resettlement, and to restore or improve the livelihoods of displaced persons.

In 2014, our resettlement activities focused on implementation monitoring for the Awunakrom and New Togbekrom resettlements as well as progressing the implementation of our other resettlement projects.

Through our previous resettlements, we have recognized that for communities to obtain more of the value that a resettlement project brings, there is often the need for community members to acquire new skills to enable their participation in the various phases of project work.

As part of the negotiated resettlement process, local content agreements may be established. Key features of the approach include traineeships to enable community youth to be employed directly in the project and associated construction, the opportunity for community women to provide catering services for construction workers, and providing opportunities for local companies to actively participate in procurements and services provision.

To help support local businesses within our supply chain, Golden Star also provides entrepreneurship programmes with topics including customer relations, bookkeeping, and profit maximization.

GOLDEN STAR SKILLS TRAINING AND EMPLOYABILITY PROGRAMME

Since its inception in 2009, the Golden Star Skills Training and Employability Programme (GSSTEP) has been conducted on seven occasions for our catchment communities. The programme seeks to provide employable skills to youth, diversify and expand employment opportunities, and provide reliable alternatives to reduce reliance on unauthorized activities, such as galamsey.

Since its inception, the programme has provided skills and training to 84 masonry, 102 commercial cookery, 54 carpentry, 43 mobile phone repairs, 38 building electrical, 57 beads and jewellery making, 29 hair dressing, 22 local fabric bags and sandal making, and 94 other trainees.

At the Dumasi resettlement project, many of the trainees are now employed at the site, and many have reported that they have been offered employment with larger Ghanaian construction firms, but for now are choosing to stay and use their skills for the betterment of the community.

YEAR AT A GLANCE

OUR PEOPLE

METRIC	2013	2014
# of workforce	2,633	2,486
% of workforce from western region	58.6	60.5
Wages paid (US\$M)	54	42
Expenditure on training (US\$M)	0.78	0.33
# of employee education scheme participants	16	11
% of workforce that are women	6.7	7.3

HEALTH AND SAFETY

METRIC	2013	2014
# of inspections (hazard and workplace)	457	576
LTIFR per million hours worked	0.38	0.15
Workforce malaria cases	982	682

ENVIRONMENT

METRIC	2013	2014
ML of water abstracted	465,034	448,365
ML of water released	995,620	793,844
ML of water recycled	4,503,470	5,295,051
% of water samples to guidelines	98	98
Litres of waste oil recycled	313,721	430,182
Ha of land being rehabilitated	104	65
Total environmental expenditure (US\$M)	4.4	4.6
MWH of electricity consumed	254,632	251,357
ML diesel consumption	38.8	28.7
% of blasts achieving over pressure limit	100	99
% of blasts in achieving vibration limit	96	99

COMMUNITY RELATIONS

METRIC	2013	2014
# of consultations (formal and meetings)	467	460
# of community complaints	69	38
Development Foundation contributions (US\$M)	0.33	0.27
Oil palm plantation contributions to date (US\$M)	4.2	4.9
% local procurement of total procurement value	79	79

NOTES

DISCLAIMER

The forward-looking statements made in this report are based on assumptions and judgments of management regarding future events and results. Such forward-looking statements, involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance or achievements of the Company to be materially different from forecast future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the actual price of gold, the actual results of current exploration, development and mining activities and changes in project parameters as plans continue to be evaluated, as well as those factors disclosed in the Company's filed documents.

PHOTOGRAPHIC CREDITS: PHILIP MOSTERT, NATALIE RAFFIELD AND THE GSR TEAM

ALL FIGURES ARE IN US DOLLARS UNLESS OTHERWISE NOTED



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STOCK EXCHANGE LISTINGS

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NYSE MKT STOCK EXCHANGE SYMBOL: GSS
GHANA STOCK EXCHANGE SYMBOL: GSR

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