



GOLDEN STAR



RESOURCES LTD.

**BMO 2012 Global Metals
& Mining Conference
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Legal and Other Matters

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New Chairman – Chris Thompson

- ★ **Ex-Chairman and CEO of Gold Fields Ltd.**
- ★ **As such was instrumental in acquiring and developing Tarkwa and Damang Mines in Ghana**
- ★ **Committing 3 years to Golden Star, 3 days per week**
- ★ **Not taking cash compensation - have a stock option and SARS arrangement**
- ★ **See my role as a “change agent”**

Overview

- ✦ 301,120 ounces of gold sold in 2011 - expecting 350,000 to 370,000 ounces in 2012
- ✦ 100% unhedged – full exposure to a rising gold price
- ✦ Reserves of 4.1 million oz (Dec 31, 2011)
- ✦ M&I Resources add a further 2.9 million oz
- ✦ More than 2.7 million oz gold sold since 1999
- ✦ Liquidity and Balance Sheet:
 - Market cap ~\$550M
 - 259M shares outstanding, 2.8M shares/day traded
 - \$103.6M in cash and cash equivalents
 - \$31.5M credit facility, completely undrawn
 - \$22.2M capacity under equipment financing facility
 - \$125M debenture matures in November 2012

State of the Company

- ✦ 2012 is a critical year for Golden Star
- ✦ \$125M debenture due November 2012
- ✦ Previous performance issues
- ✦ Credibility with investors
- ✦ Rising costs
- ✦ Ghana Issues
- ✦ Bulk of reserves/resources are refractory
- ✦ Plant and equipment aging; some plant design flaws
- ✦ These are a recipe for high costs
- ✦ To be successful, we need:
 - New Equipment
 - Refurbishment of plant
 - Tight management
- ✦ This will lead to fuller valuation of the assets

Reinvention Strategy

- ★ Board changes
- ★ Management changes
- ★ Renewed Planning and Execution Focus
- ★ Fundamental Culture Change
- ★ Invest in cost reduction
- ★ Revised incentives

2012 Operations Outlook (1)

- ★ Operational transformation started in Q2 of 2011:
- ★ Substantial additional waste mined to return pits to design
- ★ Disciplined pit management and mine planning implemented
- ★ Pit water management for effective wet weather mining
- ★ Disciplined ore blending mandated to optimize metallurgical recovery
- ★ Now in position to effect longer term gains

2012 Operations Outlook (2)

★ Reduced stripping ratio at Bogoso

- Have returned the pits to design
- Lower total mining costs will result

★ New mining fleet has arrived (early)

- Unit mining costs will be lower going forward

★ Stockpiles healthy at both mines

- Gives flexibility for ore blending
- Insulates milling operations from ore supply issues in the rainy season

★ Life of mine planning

- Critical re-evaluation of all planned pits
- Re-scheduling of priority projects ongoing
- Review of Beusichem underground potential

2012 Operations Outlook (3)



★ **Grid power interruptions excessively expensive**

- Leads to sanding of reactors, mechanical failures, lower oxidation efficiency and production losses

★ **Stand-by power facility now operated by Golden Star**

- Designed for up to 20MW of power to BSPP
- Required to keep key elements of the BIOX section running during power outages

★ **Refurbishment of BSPP in progress**

- Strengthen structural steel
- Replace reactor gearboxes
- Upgrade maintenance facilities

2012 Operations Outlook (4)



★ **Planned maintenance function improving at both mines**

- Condition monitoring
- Management changes

★ **Upgrade of the Wassa plant CIL section in progress**

- Improved agitation to accommodate all ore types
- Expect completion in June 2012

2012 Operations Outlook (5)

★ Supply chain management improvements

- Contract price reductions – tyres, cyanide, lime, steel balls
- Total spares inventory reduction
- Logistics improvements

★ Cost cutting initiatives

- Corporate G&A reductions of over \$6M in 2012
- Recent 160 person layoff at Wassa
- Minesite G&A reductions ongoing

★ New attitudes and behaviours

Key New Developments Bogoso Oxide Plant



★ Bogoso Oxide Plant re-start in January 2012

- Ore from Pampe
- Batched with tailings from Bogoso
- Throughput ahead of schedule
- Recovery as expected
- 50k to 70k low cost ounces per year

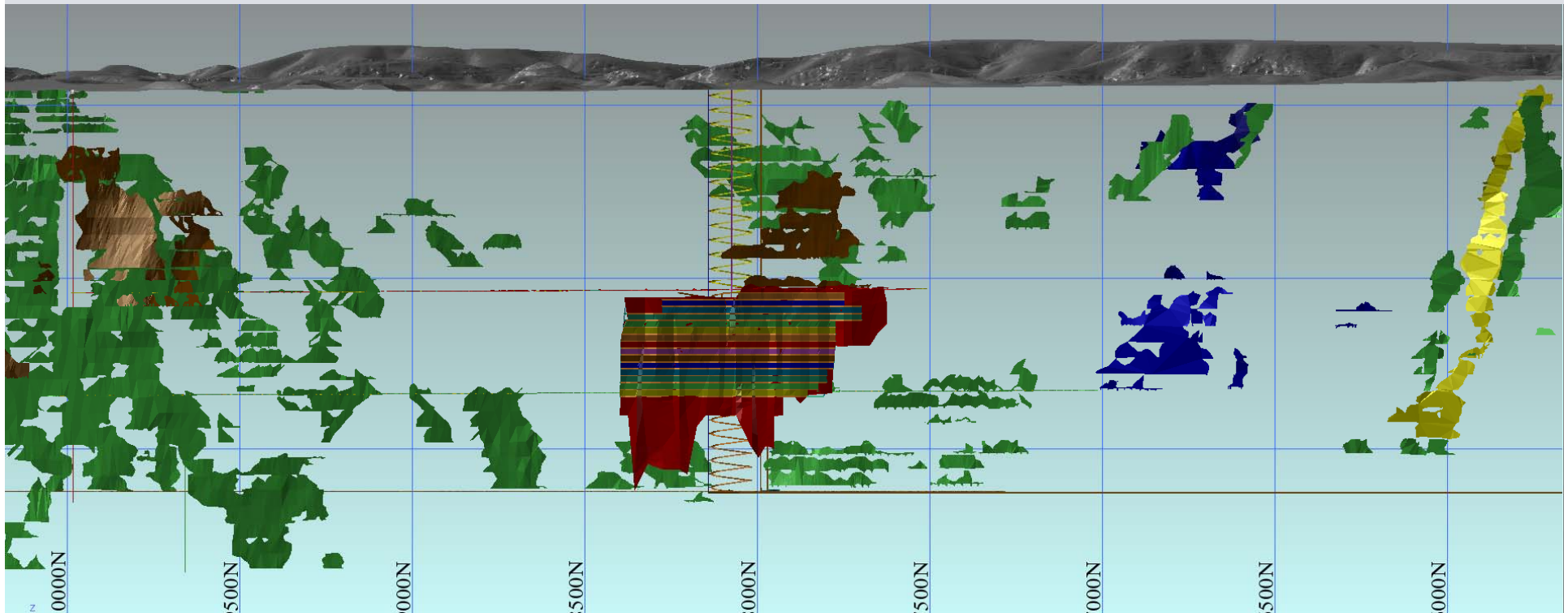


Key New Developments – Prestea Underground



✦ Prestea Underground PFS close to completion

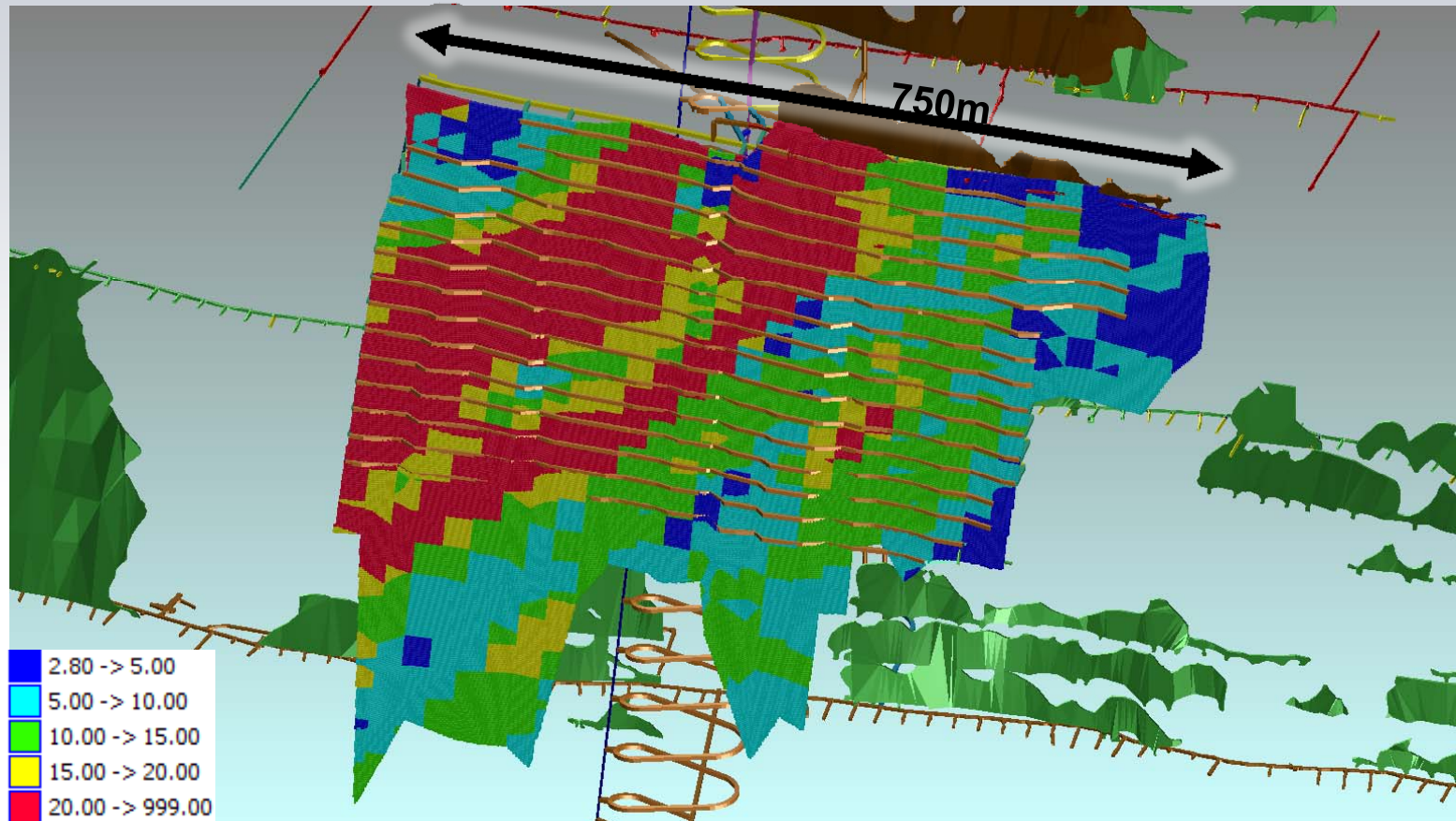
- Indicated resources: 1.6Mt @ 12.6g/t for 650,000 ounces
- Inferred resources: 5.2Mt @ 7.3g/t for 1.2M ounces
- Plan to go to full feasibility study later in 2012
- Continue exploration of the larger Prestea orebody



Key New Developments - West Reef

★ Mining Concept:

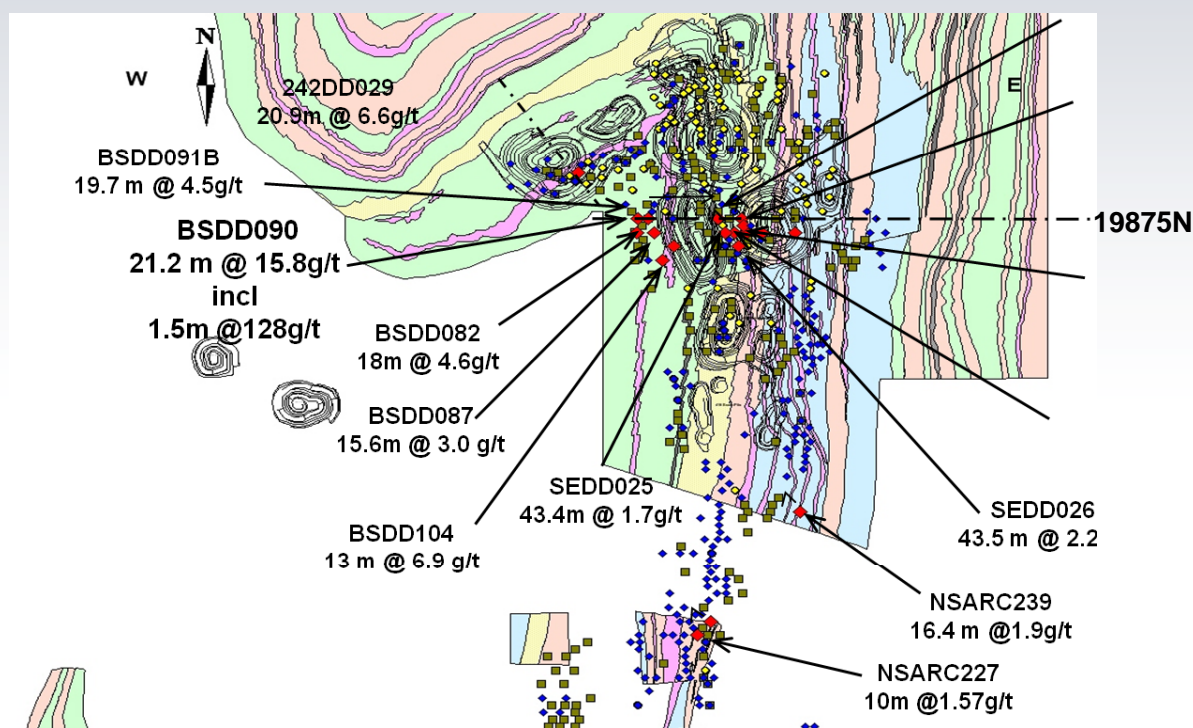
- To initially mine the West Reef deposit
- Mechanized mining with waste backfill
- Decline to 30 level and raisebored shaft



Key New Developments – Wassa Pits

★ Wassa Exploration and Expansion Potential

- Growing understanding of geology and ore controls
- Recent drilling between and below Wassa pits has identified significant intercepts
- Further positive drilling results may suggest a “super pit” scenario
- Potential to expand Wassa mill by 50% or more



Summary



- ★ **Golden Star has an exciting year ahead:**
- ★ **We have embarked on a 3 year program to reinvent the company**
- ★ **Restore investor confidence and return to normal market multiples**
- ★ **Plan to increase production and lower costs at Bogoso**
- ★ **Expect to expand reserves and resources at Wassa**
- ★ **Commission the Bogoso tailings retreatment project**
- ★ **Advance the re-development of Prestea Underground**

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