

2008 sustainability report



golden star resources

health
safety
transparency
human rights
community
environment

VISION AND VALUES

To build a brand name gold mining company that:

- Delivers superior returns to investors;
- Attracts and retains the best talent;
- Is committed to international best practices and conduct; and
- Is a partner of choice for host communities and governments.

Golden Star Oil Palm Plantation

FORWARD-LOOKING STATEMENTS

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, including but not limited to those with respect to reserve and resource estimates, cost and timing of the development of new deposits, timing and amount of estimated future production, estimated costs of future production, operational capabilities, and gold price, 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.

ceo's message

GOLDEN STAR RESOURCES SUPPORTS THE UN GLOBAL COMPACT

I am pleased to present Golden Star's 3rd Annual Sustainability Report, which summarizes our corporate social responsibility and environmental work. For 2008, our Sustainability Report is also the Communication of Progress in recognition for our continued support of the UN Global Compact.

In keeping with our health and safety, environmental, and community relations and human rights policies, we conduct our business as a responsible corporate citizen. We believe our ongoing success in Ghana depends on our continuing efforts to build good relations with our local stakeholder communities, and by incorporating broader stakeholder comments and addressing their concerns in our developing projects and ongoing operations.



We believe our success as an employer, as a neighbor, and as an important part of the local and regional economy is furthered by our efforts to diversify the local economy through our oil palm project

and our support of community-driven projects through our Development Foundation.

As we continue to develop our projects in Ghana, continued stakeholder support allows us the access to the resources that we need for the success of our projects and, hence, our continued sharing of our achievements with our stakeholders. Our community economic development projects received almost US\$600k in 2008, half of which was channeled to our oil palm project, which I am pleased to report won the Nedbank Capital Green Mining Award (Limited Resources Category).

Our achievements in 2008 were made possible by our people and their work to include our corporate responsibility into their day to day activities across the company. I would like to thank them for their contributions to Golden Star and to Ghana.

Sincerely,

Tom Mair
CEO



Tom Mair, CEO

REPORT PREPARATION

This report presents a summary of Golden Star Resources' social, environmental and economic contributions for the 2008 calendar year. All data relates to the period from January 1, 2008 to December 31, 2008, unless stated otherwise. All amounts in this report are in US dollars unless otherwise indicated.

2008 highlights

NEDBANK CAPITAL GREEN MINING AWARD: PRESENTED TO GOLDEN STAR RESOURCES FOR OUR OIL PALM PROJECT

GOLDEN STAR DEVELOPMENT FOUNDATION: SCHOLARSHIPS FOR STUDENTS AND SUPPORT FOR TEACHERS, CONSTRUCTION OF SEVERAL SCHOOLS, ELECTRIFICATION PROJECTS AND CLINIC RENOVATIONS

GOLDEN STAR OIL PALM PLANTATIONS (GSOPP) EXPAND: 692 HA OF OIL PALM PLANTATION ARE NOW UNDER DEVELOPMENT BY GSOPP

END OF YEAR LOST TIME INJURY FREQUENCY RATE <1: THE CORPORATE LTIFR WAS BELOW 1 IN APRIL AND WAS MAINTAINED FOR THE REST OF THE YEAR WITH 11 LTIS REPORTED FOR 2008

UPDATED CORPORATE SOCIAL RESPONSIBILITY POLICIES IMPLEMENTED: OUR POLICIES WERE UPDATED AND TRAINING PROVIDED TO SENIOR STAFF ACROSS THE COMPANY

ONE REPORTABLE ENVIRONMENTAL SPILL: AT THE BENSO PROJECT, THE NINGO COMMUNITY WELL WAS CONTAMINATED WITH DEGREASER AS A RESULT OF WASHING OF DRILL RIG (DR 56) CLOSE TO THE SOURCE OF POTABLE WATER (WELL)

COMMUNITY COMPLAINTS: COMMUNITY COMPLAINTS WERE INCORPORATED IN TO REGISTERS TO ALLOW APPROPRIATE TRACKING AND RESPONSES. RESPONSE TIMES IMPROVED AND COMMUNITY COMPLAINTS DECREASED.

EXTRACTIVE INDUSTRY TRANSPARENCY INITIATIVE (EITI): ALL PAYMENTS TO THE GOVERNMENT WERE REPORTED MONTHLY AS PART OF OUR SUPPORT OF THE EITI IN GHANA

BENSO PROJECT: CONSTRUCTION OF ACCESS ROAD AND PROJECT DEVELOPMENT WITH MINIMAL COMMUNITY CONCERNS



gsr: who and what

GOLDEN STAR IS A MID-TIER GOLD MINING COMPANY with operating mines along the prolific Ashanti Gold Belt in Ghana, West Africa. Production in 2008 totaled 295,926 ounces of gold. We continued to improve production from our sulphide expansion at Bogoso / Prestea and developed the Benso project to supply ore to the Wassa processing plant.

OUR COMMITMENT TO GHANA was manifested through our investment in the Hwini Butre Benso project, for which the Benso section is currently in production. We are extending the access road to the south to allow us to gain access to the mineral resources at the Hwini Butre section of the project. We anticipate moving some of the Hwini Butre ore to the Wassa processing plant in 2009. To provide access to additional mineral resources, we are continuing our work with the Dumasi community with the aim of reaching a negotiated resettlement agreement acceptable to the key stakeholders. Our recent agreement on the socioeconomic survey of the Dumasi community is a big step forward to completing the required baseline.

OUR PEOPLE continue to be the key driver to the success of our operations. Through quarterly sustainability reviews, we have worked diligently to provide a clean and safe working environment and we operate within the constraints of our environmental permits. Our status as a preferred local employer was confirmed by overwhelming responses to job postings and we continue to work with our local communities as we implement our local hiring policy. This has been extended to our Hwini Butre Benso Project so that people resident in the area are able to take advantage of our project and the employment that it generates.

AT THE END OF 2008, OUR EMPLOYEES TOTALED OVER 2200. While the majority of our employees are concentrated at the Bogoso / Prestea (1247 employees and 718 contractors) and Wassa (894 employees and 698 contractors) projects, the expansion of our Wassa project to include the Benso mine provided additional employment opportunities to an expanded area within the western region. Through our exploration division (62 employees and 89 contractors), we continue to seek additional mineral targets throughout Ghana and in west Africa, so offering the potential for employment over a wider area.





un global compact

THE GLOBAL COMPACT is a framework for businesses that are committed to aligning their operations and strategies with 10 universally accepted principles in the areas of human rights, labour, the environment and anti-corruption . As the world's largest, global corporate citizenship initiative, the Global Compact is, first and foremost, concerned with exhibiting and building the social legitimacy of business and markets. We support the Global compact and we continue to integrate the ten principles into its business activities.

HUMAN RIGHTS

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: Make sure that they are not complicit in human rights abuses.

LABOR STANDARDS

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: The elimination of all forms of forced and compulsory labor;

Principle 5: The effective abolition of child labor; and

Principle 6: The elimination of discrimination in respect of employment and occupation.

ENVIRONMENT

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: Undertake initiatives to promote greater environmental responsibility; and

Principle 9: Encourage the development and diffusion of environmentally friendly technologies

ANTI-CORRUPTION

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

health and safety

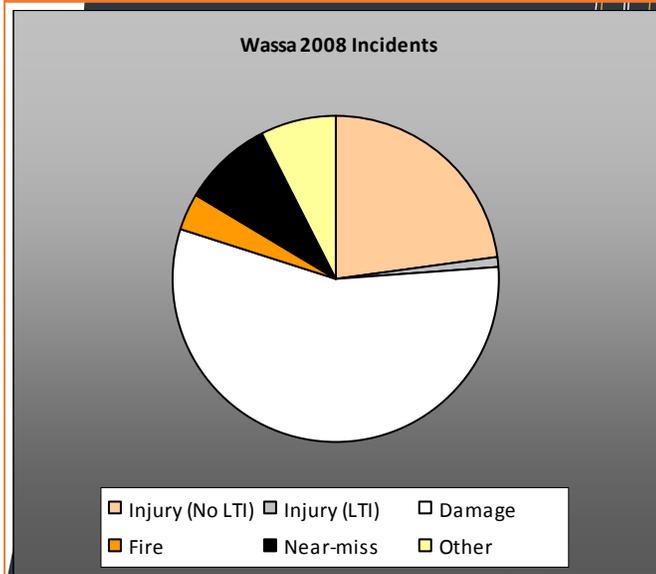
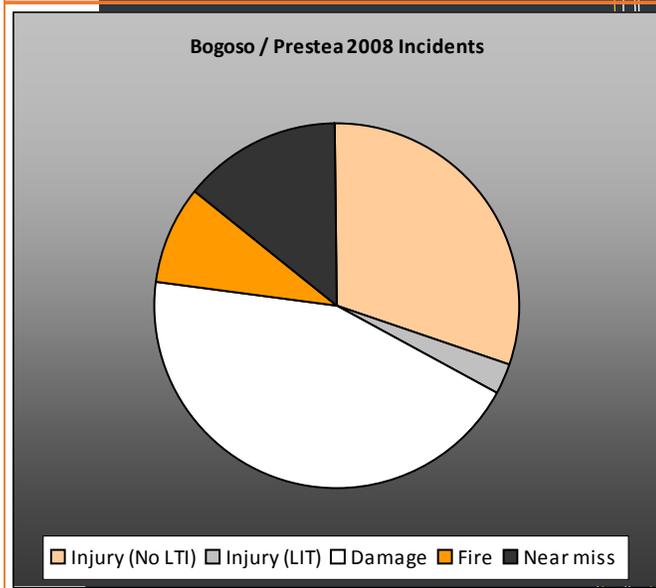
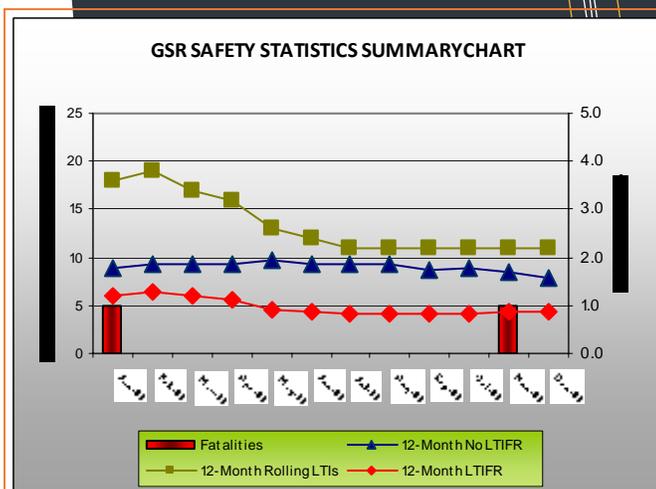
DURING 2008, THERE WERE 12 LOST TIME INJURIES (LTIS), including two fatalities, which occurred at Bogoso / Prestea: one when a driver lost control of a vehicle and hit some pedestrians along a haul road and the second occurred under suspicious circumstances and is under investigation by the police. The 11 lost time injuries (LTIs) (Bogoso / Prestea -5, Wassa -3, Corporate -1, Exploration -2) is down from the 16 LTIs that occurred in 2007. Overall, the assessment of the health and safety performance (according to the MAC criteria: poor 1, best 5) was level 3. The aim for 2009 will be to consolidate the Lost Time Injury Frequency Rate at <1.

Our health indicators were generally good, with clinic attendance at Bogoso / Prestea and Wassa decreasing, indicating a general improvement in the health of our employees.

Both Wassa And Bogoso / Prestea reached the zone finals of the Ghanaian National Safety & First Aid Competition (hosted by Newmont)., where Bogoso / Prestea and Wassa placed second and third, respectively. Golden Star is proud of this achievement as it is the first time that both operations reached the National Finals.

During 2008, we continued to be concerned about the number of vehicle incidents. Therefore, we focused on implementing the driving guideline that includes a zero tolerance for speeding. There are continuing concerns over vehicle incidents that occur away from the operating sites. The target for 2009 will be to maintain the lower on-site incident rate and reduce the off-site incident rate for motor vehicle accidents.

Our Health and Safety policy provides our employees with their fundamental responsibilities when working for us. To facilitate the understanding, a policies manual was developed and training provided for supervisors on implementing the GSR policies. This training allowed our employees to understand the Health and Safety Policy as well as providing tools to allow them to fully implement it. We have developed a safety training program to allow us to impart the required information to our supervisors such that we continue to improve the safety of our workplaces and also to properly and safely respond to any abnormal events.



community and human rights

WE INVEST \$1 / OZ OF GOLD PRODUCED INTO OUR DEVELOPMENT FOUNDATION, which is used for community projects. During 2008, we invested \$295,900 in the Golden Star Development foundation. . Our



community assistance program is unique locally as it is driven by the communities through Community Mine Consultative Committees (CMCCs) that cover our broad stakeholder community areas. Following a stakeholder community education program to ensure that communities and their leaders understood our Development Foundation, our people now work locally to help communities identify projects for funding. The CMCCs receive petitions from their communities. These are then reviewed and selected projects are forwarded to the Development Foundation Board of Directors, which then makes the final decision on the projects to be funded. Some of our key community development and support projects are as follows:



- Wassa Educational Scholarship Scheme— 14 students from the Wassa catchment communities were awarded scholarships. Teachers also received financial support to encourage them to stay in our catchment communities
- Prestea Secondary Technical School: It is made of 8-unit classrooms, staff common room, head master's office, a store and 6-w/c building
- Akyempim School near the Wassa mine: 6-classroom block
- Juaben School near the Bogoso Mine: 6-classroom block, head teacher's office, store



We continue support for our Golden Star Oil Palm Plantation that now has 692 ha planted and will produce the first fresh fruit bunches for sale in 2009. It was our honor to receive the Nedbank Capital Green Mining Award (limited funding) for our oil palm initiative. We are actively seeking external investors to expand the plantations to their full potential. We have now invested over \$1.5M in our oil palm project and hundreds of people have benefited from the work generated as we develop continue to contribute to the local economy.

HUMAN RIGHTS

Our Human Rights training focused on ensuring that our Community Affairs Departments understood that our resettlement projects are completed in accordance with the International Finance Corporation Performance Standard 5, which Golden Star has accepted as its best practice for community resettlement. Further to implementing the performance standard, we provided capacity building for potentially affected communities. Our human rights targets for 2009 are:

- Develop an education program on human rights and provide training for senior managers and corporate staff so that they understand GSRs role in the protection of human rights
- Evaluate the human rights record and policies of our top 10 suppliers and provide a report to the GSR Sustainability Committee



Prestea Town

anti-corruption

WE SUPPORT THE EXTRACTIVE INDUSTRY TRANSPARENCY INITIATIVE (EITI). During 2008, we reported our monthly payments to the government of Ghana including: Royalties, Fees, Permit, Licenses, SSNIT, VAT, pay as you earn taxes (PAYE), Import Duties and Withholding Tax. Our total payments to the government of Ghana are shown in the tables.

In 2009, we will continue our support of the EITI by publishing our payments to the Government of Ghana more broadly, while working to improve our internal controls.

Description: Wassa	Q1	Q2	Q3	Q4	Total
PAYE	169,953	185,150	218,269	77,423	650,794
SSNIT	128,907	141,378	160,734	632,313	1,063,331
VAT	285,527	384,751	685,690	653,127	2,009,095
Import Duties	43,560	15,724	0	217,203	276,487
Royalties	947,410	716,978	841,345	573,204	3,078,938
Fees, Permit, Licenses	2,907	959	9,642	56,698	70,205
Withholding Tax	250,660	382,332	533,829	217,203	1,384,024
Total	1,828,924	1,827,271	2,449,508	2,427,171	8,532,875

Description: Bogoso / Prestea	Q1	Q2	Q3	Q4	Total
PAYE	363,791	367,600	456,961	420,629	1,608,981
SSNIT	253,432	267,936	319,728	315,998	1,157,094
VAT	384,188	458,746	517,070	168,942	1,528,946
Import Duties	190,252	100,443	130,583	194,102	615,380
Royalties	1,131,907	863,229	1,266,620	2,601,871	5,863,627
Fees, Permits, Licenses	43,716	4,340	1,544	829	50,429
Withholding Tax	252,191	131,590	129,201	96,278	609,259
Total	2,619,477	2,193,884	2,821,707	3,798,647	11,433,715

resettlement

DURING 2008, WE CONTINUED WORKING WITH VARIOUS COMMUNITIES ON RESETTLEMENT PROJECTS.

These resettlement projects are designed and implemented by an in-house specialized team complying with Ghanaian regulations and International Finance Corporation (IFC) performance standards. Resettlement processes include maintaining regular consultation, ensuring informed community participation to develop negotiated resettlement packages, and implementing the negotiated resettlement agreements.

At Bogoso / Prestea, our Pampe project required the resettlement of some households. This started in 2007 and during 2008, some additional work was completed on the resettlement and all our resettled stakeholders are now in their new homes. In addition, Bogoso Prestea is working with two other potentially affected



Pampe Resettlement

communities: Anikoko and Dumasi.

The EPA identified an effect on the Anikoko Community due to their proximity to the tailings disposal facility. Therefore, Bogoso / Prestea completed a socioeconomic impact assessment and a draft resettlement action plan (RAP). In December 2008, we started consultations with the Anikoko community as part of the RAP implementation. A work plan, including the activities required to implement the RAP, with an associated time frame was jointly prepared and agreed upon with the Anikoko community. One of the initial activities is the formation of a Resettlement Negotiation Committee (RNC) comprised of community representatives, Bogoso / Prestea and the other key stakeholders (*e.g.* District Assembly). The RNC will address all issues related to Anikoko resettlement and arrive at the negotiated resettlement agreements acceptable to all parties, which will be included in the final version of the RAP and subsequently implemented for the completion of the project.

GSBPL has plans to further mine the Dumasi pit for refractory ores, which is expected to affect the adjacent Dumasi community, so requiring the development and implementation of a Resettlement Action Plan (RAP). In doing so, we started consulting the community and other key stakeholders during early 2007 and have worked with the community elected Dumasi Oversight Committee (DOC) to obtain the baseline data required for consultation in our effort to reach a negotiated resettlement agreement acceptable to all parties. The DOC has commented on our plans and the socioeconomic baseline survey methodology and we paid for both a legal review of the survey and guidance to the community during the surveys. All concerns were integrated into the plan for the survey but the DOC has requested to do further sensitization for the Dumasi community before baseline data collection can start.

environment

WE IMPROVED OUR ENVIRONMENTAL PERFORMANCE THROUGH A CONTINUED FORMALIZATION OF OUR ENVIRONMENTAL MANAGEMENT SYSTEM (EMS), resulting in only one reportable environmental incident (down from two in 2007) when the Ningo community well was contaminated with degreaser as a result of washing of drill rig (DR 56) close to the source of potable water (well) . Water was supplied to the community while the well was cleaned and renovated for use.

At Bogoso / Prestea we focused on pollution prevention; environmental training and awareness; concurrent rehabilitation; working to obtain a permit for the Prestea South project; and developing a costed reclamation plan and our EMS. Through our environmental awareness training, 2,464 employees received instruction. Other Bogoso / Prestea environmental management highlights included: upgrading our treatment marshes to improve the discharge water quality and allowing us to discharge to the receiving environment; backfilling of Plant North pit; Construction of two roofed, reagent storage facilities; and planting 21,420 tree seedlings at various rehabilitated sites. We suffered some setbacks when uncontrolled illegal small miner activity destroyed trees and contaminated surface water at our Nankafa and McKenzie backfilled pits.

At the Wassa mine, our efforts were focused on establishing the Hwini-Butre Benso (HBB) Operation, including developing the access road through the working section of the Subri River Forest Reserve; implementing a waste management plan; concurrent rehabilitation of mined-out pits, completed waste dumps and the cut and fills associated with the HBB access road; and ensuring compliance with regulatory standards. We donated 250 kg of maize harvested from the SAK rehabilitation area to the Accra Town Primary School.

Tailings disposal facilities remained a key environmental management component at Wassa and Bogoso / Prestea throughout the year. Each facility was reviewed by an external third party to provide assurances that the facilities were being operated according to the engineering designs, including any additional construction and dam raises. Water management at the Bogoso / Prestea facility continues to drive the development of the facility and options for water treatment to allow more flexibility in water management are being investigated.

For 2009, we will take a proactive approach to environmental management for new projects and educate our workforce so that they understand their responsibilities.





Golden Star Resources

www.gsr.com

Toronto Stock Exchange: GSC

NYSE Alternext US: GSS

Ghana Stock Exchange: GSR