

GOLDEN STAR RESOURCES LTD
Form PRE 14A
March 18, 2010
Table of Contents

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material under Rule 14a-12

GOLDEN STAR RESOURCES LTD.

(Name of Registrant as Specified In Its Charter)

(Name of Person Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

(5) Total fee paid:

.. Fee paid previously with preliminary materials.

.. Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Table of Contents

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING
OF SHAREHOLDERS OF
GOLDEN STAR RESOURCES LTD.**

Littleton, Colorado

NOTICE IS HEREBY GIVEN that the Annual General and Special Meeting (the Meeting) of shareholders of Golden Star Resources Ltd. (the Company) will be held at 2:00 p.m. (Toronto time) on Thursday, May 6, 2010 at the Ivey ING Leadership Centre, Amphitheatre 2, 130 King Street West, Toronto, Ontario, Canada, M5X 1A9 for the following purposes:

1. to receive the report of the directors to the shareholders and the consolidated financial statements of the Company, together with the auditors report thereon, for the fiscal year ended December 31, 2009;
2. to elect directors until the next annual general meeting;
3. to appoint auditors to hold office until the next annual general meeting at a remuneration to be fixed by the Audit Committee;
4. to consider and, if thought fit, pass the Third Amended and Restated 1997 Stock Option Plan Resolution (as defined in the accompanying Management Information Circular) approving, ratifying and confirming the Company s Third Amended and Restated 1997 Stock Option Plan, as more particularly described in the accompanying Management Information Circular;
5. to consider and, if thought fit, pass the Rights Plan Resolution (as defined in the accompanying Management Information Circular) approving, ratifying and confirming the Company s Amended and Restated Shareholder Rights Plan Agreement as more particularly described in the accompanying Management Information Circular; and

6. to transact such other business as may properly come before the Meeting or any adjournment thereof.

The Board of Directors has fixed the close of business on March 11, 2010 as the record date for the determination of shareholders entitled to notice of and to vote at the Meeting and at any adjournment or postponement thereof. Accompanying this Notice of Meeting are a (i) Management Information Circular, (ii) form of proxy, and (iii) supplemental mailing list return card for use by shareholders who wish to receive the Company s interim financial statements. The Company s 2009 Annual Report containing the audited comparative financial statements of the Company as at and for the year ended December 31, 2009 and the related management s discussion and analysis of financial condition and results of operations also accompany this Notice of Meeting.

If you are a *registered shareholder* of the Company and do not expect to attend the Meeting in person, please promptly complete and sign the enclosed proxy form and return it in the self-addressed envelope for receipt by no later than 5:00 p.m. (Toronto time) on Wednesday, May 5, 2010. If you receive more than one proxy form because you own common shares registered in different names or addresses, each proxy form should be completed and returned.

If you are a *non-registered shareholder* of the Company and receive these materials through your broker or another intermediary, please complete and sign the materials in accordance with the instructions provided to you by such broker or other intermediary.

Dated at Littleton, Colorado, this 12th day of March, 2010.

BY ORDER OF THE BOARD OF DIRECTORS

/s/ John A. Labate

Senior Vice President and Chief Financial Officer

Table of Contents

**MANAGEMENT INFORMATION CIRCULAR
FOR THE ANNUAL GENERAL AND SPECIAL MEETING OF
COMMON SHAREHOLDERS OF
GOLDEN STAR RESOURCES LTD.**

THIS MANAGEMENT INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY THE MANAGEMENT OF GOLDEN STAR RESOURCES LTD. OF PROXIES TO BE VOTED AT THE ANNUAL GENERAL AND SPECIAL MEETING OF ALL COMMON SHAREHOLDERS.

TO BE HELD AT:

Ivey ING Leadership Centre

Amphitheatre 2

130 King Street West

Toronto, Ontario, Canada M5X 1A9

On Thursday, May 6, 2010

at 2:00 p.m. (Toronto Time)

Table of Contents

TABLE OF CONTENTS

	Page
<u>SOLICITATION OF PROXIES</u>	1
<u>APPOINTMENT AND REVOCATION OF PROXIES</u>	2
<u>ADVICE TO BENEFICIAL SHAREHOLDERS</u>	2
<u>VOTING OF PROXIES</u>	3
<u>VOTING SHARES AND SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u>	4
<u>EXECUTIVE OFFICERS</u>	6
<u>COMPENSATION DISCUSSION AND ANALYSIS</u>	7
<u>EXECUTIVE COMPENSATION TABLE</u>	12
<u>EQUITY COMPENSATION PLAN INFORMATION</u>	14
<u>GRANT OF PLAN BASED AWARDS</u>	17
<u>OUTSTANDING EQUITY (OPTION) AWARDS AT FISCAL YEAR-END</u>	18
<u>OPTION EXERCISES AND STOCK VESTED</u>	19
<u>POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE-IN-CONTROL</u>	19
<u>DIRECTOR COMPENSATION</u>	21
<u>COMPENSATION COMMITTEE REPORT ON EXECUTIVE COMPENSATION</u>	22
<u>AUDIT COMMITTEE REPORT</u>	22
<u>STATEMENT OF CORPORATE GOVERNANCE PRACTICES</u>	23
<u>PRINCIPAL ACCOUNTING FIRM FEES</u>	29
<u>INDEBTEDNESS OF DIRECTORS AND OFFICERS</u>	30
<u>CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS</u>	30
<u>PARTICULARS OF MATTERS TO BE ACTED UPON</u>	31
(a) <u>Report to Shareholders</u>	31
(b) <u>Election of Directors</u>	31
(c) <u>Appointment of Auditor</u>	35
(d) <u>Approval of Third Amended and Restated 1997 Stock Option Plan</u>	35
(e) <u>Approval of Amended and Restated Shareholder Rights Plan</u>	40
<u>AVAILABILITY OF DOCUMENTS</u>	48
<u>PERFORMANCE GRAPH AND TABLE</u>	49
<u>ACCOMPANYING FINANCIAL INFORMATION AND INCORPORATION BY REFERENCE</u>	49
<u>2009 ANNUAL REPORT</u>	49
<u>2011 SHAREHOLDER PROPOSALS</u>	50
<u>SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u>	50
<u>OTHER MATTERS</u>	50

Table of Contents

TABLE OF CONTENTS

(continued)

	Page
<u>APPROVAL</u>	
<u>EXHIBIT A Third Amended and Restated 1997 Stock Option Plan</u>	
<u>EXHIBIT B Amended and Restated Shareholder Rights Plan</u>	

-ii-

Table of Contents

GOLDEN STAR RESOURCES LTD.

10901 West Toller Drive, Suite 300

Littleton, Colorado, USA 80127-6312

MANAGEMENT INFORMATION CIRCULAR

FOR THE ANNUAL GENERAL AND SPECIAL MEETING

OF COMMON SHAREHOLDERS

TO BE HELD ON

Thursday, May 6, 2010

at 2:00 p.m. (Toronto time)

ALL AMOUNTS OF MONEY WHICH ARE REFERRED TO IN THIS MANAGEMENT INFORMATION CIRCULAR ARE EXPRESSED IN LAWFUL MONEY OF THE UNITED STATES UNLESS OTHERWISE SPECIFIED.

Note: Shareholders who do not hold their common shares in their own name, as registered shareholders, should read *Advice to Beneficial Shareholders* for an explanation of their rights.

The information in this Management Information Circular is as of March 12, 2010 unless otherwise indicated.

Important Notice Regarding the Availability of Proxy Materials for the Annual General and

Special Meeting of Common Shareholders of Golden Star Resources Ltd. to be held on

Thursday, May 6, 2010

The Management Information Circular and 2009 Annual Report to Shareholders

**are available at http://www.gsr.com/proxy_2010
SOLICITATION OF PROXIES**

THIS MANAGEMENT INFORMATION CIRCULAR IS PROVIDED IN CONNECTION WITH THE SOLICITATION OF PROXIES BY THE MANAGEMENT OF GOLDEN STAR RESOURCES LTD. (the Corporation) for the annual general and special meeting of the shareholders of the Corporation (the Meeting) to be held on Thursday, May 6, 2010, at 2:00 p.m. (Toronto time) in the Ivey ING Leadership Centre Amphitheatre 2, 130 King Street West, Toronto, Ontario, Canada M5X 1A9 or at any adjournment or postponement thereof for the purposes set forth in the accompanying Notice of Meeting. This Management Information Circular and the accompanying form of proxy (Proxy) are expected to be mailed to the shareholders commencing on or about April 7, 2010.

Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone or personal interview by regular employees of the Corporation, at a nominal cost to the Corporation. Shareholders may also obtain Proxies on our website at http://www.gsr.com/proxy_2010. In accordance with applicable laws, arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the common shares (the Common Shares) of the Corporation held of record by such persons and the Corporation may reimburse such persons for reasonable

fees and disbursements incurred by them in doing so.

Table of Contents

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed Proxy, Thomas G. Mair, President and Chief Executive Officer of the Corporation, or failing him, John A. Labate, Senior Vice President and Chief Financial Officer of the Corporation, have been designated by the directors of the Corporation and have indicated their willingness to represent as proxy each shareholder who appoints them. **A SHAREHOLDER HAS THE RIGHT TO DESIGNATE A PERSON (WHO NEED NOT BE A SHAREHOLDER) OTHER THAN THOMAS G. MAIR OR JOHN A. LABATE, BEING THE MANAGEMENT DESIGNEES, TO REPRESENT HIM OR HER AT THE MEETING.** Such right may be exercised by inserting in the space provided for that purpose on the Proxy the name of the person to be designated and deleting or striking therefrom the names of the management designees, or by completing another proper form of proxy. Such shareholder should notify the nominee of his or her appointment, obtain a consent to act as proxy and provide instructions on how the shareholder's Common Shares are to be voted. In any case, the form of proxy should be dated and executed by the shareholder or an attorney authorized in writing, with proof of such authorization attached where an attorney executed the proxy form. A form of proxy will not be valid for the Meeting or any adjournment or postponement thereof unless it is completed and delivered by no later than 5:00 p.m. (Toronto time) on Wednesday, May 5, 2010 or, if the Meeting is adjourned or postponed, no later than 5:00 p.m. (Toronto time) on the business day immediately prior to the day of the reconvening of the adjourned or postponed Meeting, to either (i) in the case of Common Shares which are registered on the books of the Corporation for trading on the Toronto Stock Exchange or on the NYSE Amex (a shareholder whose Common Shares are so registered will receive an envelope that accompanies this Management Information Circular bearing the following address), to the Attention: Proxy Department, CIBC Mellon Trust Company, P.O. Box 721, Agincourt, Ontario, Canada M1S 0A1, or (ii) in the case of Common Shares which are registered on the books of the Corporation for trading on the Ghana Stock Exchange (a shareholder whose Common Shares are so registered will receive an envelope that accompanies this Management Information Circular bearing the following address), to the Attention: The Registrar, Ghana Commercial Bank Limited, Share Registry, Head Office, P.O. Box 134, Accra, Ghana. Late proxies may be accepted or rejected at any time prior to the commencement time of the Meeting by the Chairman of the Meeting in his discretion and the Chairman is under no obligation to accept or reject any particular late proxy.

In addition to revocation in any other manner permitted by law, a shareholder who has given a proxy may revoke it at any time before it is exercised, by instrument in writing executed by the shareholder or by his attorney authorized in writing and deposited either at the registered office of the Corporation, being Suite 3700, Toronto Dominion Bank Tower, 66 Wellington Street West, P.O. Box 20, Toronto Dominion Centre, Toronto, Ontario, Canada, M5K 1N6, Attention: Golden Star Resources Ltd. at any time up to and including the last business day preceding the day of the Meeting, or any adjournment or postponement thereof, at which the proxy is to be used, or with the Chairman of the Meeting on the day of the Meeting or any adjournment or postponement thereof, before any votes in respect of which the proxy is to be used shall have been taken. In addition, a proxy may be revoked by the shareholder personally attending at the Meeting, by registering with the scrutineers and voting his, her or its Common Shares.

ADVICE TO BENEFICIAL SHAREHOLDERS

The information set forth in this section is of significant importance to many shareholders of the Corporation as a substantial number of shareholders do not hold their Common Shares in their own names. Shareholders of the Corporation who do not hold their Common Shares in their own names (referred to herein as Beneficial Shareholders) should note that only proxies deposited by shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a shareholder by a broker, then, in almost all cases, those shares will not be registered in the shareholder's name on the records of the Corporation. Such shares will more likely be registered under the name of an intermediary, typically a shareholder's broker or an agent or nominee of that broker, such as a clearing agency in which the broker participates. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc.), and in the United States, the vast majority of such shares are registered in the name of Cede & Co. (the registration name of The Depository Trust Company), which entities act as nominees for many brokerage firms. Common Shares held by brokers or their agents or nominees may be voted for or against resolutions or withheld from voting upon the instructions of the Beneficial Shareholder. Copies of this document have been distributed to intermediaries who are required to deliver them to, and seek voting instructions from, our Beneficial Shareholders. However, without specific instructions, an intermediary is prohibited from voting shares for Beneficial Shareholders. Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person and carefully follow the instructions provided by the intermediary in order to ensure that their Common Shares are voted at the Meeting.

Table of Contents

Every intermediary has its own mailing procedures and provides its own return instructions to Beneficial Shareholder clients. Often, the form of Proxy supplied to a Beneficial Shareholder by its intermediary is identical to the Proxy provided to registered shareholders. However, its purpose is limited to instructing the registered shareholder (the intermediary) how to vote on behalf of the Beneficial Shareholder. The majority of intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (Broadridge). Broadridge typically applies a special sticker to the proxy forms, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the proxy forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the meeting. **A Beneficial Shareholder receiving a proxy with a Broadridge sticker on it cannot use that proxy to vote Common Shares directly at the Meeting the proxy must be returned to Broadridge well in advance of 5:00 p.m. (Toronto time) on Wednesday May 5, 2010 in order to have the Common Shares voted.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his intermediary, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote such Common Shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the registered shareholder should enter their own names in the blank space on the form of proxy provided to them and return the same to their intermediary in accordance with the instructions provided by such intermediary, well in advance of the Meeting.

All references to shareholders in this Management Information Circular and the accompanying Notice of Meeting and Proxy are to shareholders of record unless specifically stated otherwise. Where documents are stated to be available for review or inspection, such items will be shown upon request to registered shareholders who produce proof of their identity.

VOTING OF PROXIES

The persons named in the enclosed Proxy are directors and/or officers of the Corporation who have indicated their willingness to represent as proxy the shareholders who appoint them. Each shareholder may instruct his proxy how to vote his Common Shares by completing the blanks on the Proxy.

All Common Shares represented at the Meeting by properly executed proxies will be voted (including the voting on any ballot), and where a choice with respect to any matter to be acted upon has been specified in the Proxy, the Common Shares represented by the Proxy will be voted or withheld from voting in accordance with such specification. **IN THE ABSENCE OF ANY SUCH SPECIFICATION, THE MANAGEMENT DESIGNEES, IF NAMED AS PROXY, WILL VOTE FOR THE MATTERS SET OUT THEREIN.**

The enclosed Proxy confers discretionary authority upon the management designees, or other persons named as proxy, with respect to amendments to or variations of matters identified in the Notice of Meeting and any other matters which may properly come before the Meeting. As of the date hereof, the Corporation is not aware of any amendments to, variations of or other matters which may come before the Meeting. In the event that other matters come before the Meeting, then the management designees intend to vote in accordance with the judgment of the management of the Corporation.

Table of Contents

**VOTING SHARES AND SECURITY OWNERSHIP OF CERTAIN BENEFICIAL
OWNERS AND MANAGEMENT**

The authorized capital of the Corporation consists of an unlimited number of Common Shares and an unlimited number of first preferred shares (the First Preferred Shares). As of March 11, 2010, a total of 257,407,060 Common Shares and no First Preferred Shares were issued and outstanding. The board of directors of the Corporation (the Board or the Board of Directors) has fixed March 11, 2010 as the record date for the determination of shareholders entitled to notice of and to vote at the Meeting and at any adjournment or postponement thereof. Each Common Share outstanding on the record date carries the right to one vote. The Corporation will arrange for the preparation of a list of the holders of its Common Shares on such record date. Each shareholder named in the list will be entitled to one vote at the Meeting for each Common Share shown opposite such shareholder's name. A complete list of the shareholders entitled to vote at the Meeting will be open to examination by any shareholder for any purpose germane to the Meeting, during ordinary business hours at the office of CIBC Mellon Trust Company at 320 Bay Street, Toronto, Ontario, Canada, M5H 4A6. Under the Corporation's By-laws, the quorum for the transaction of business at the Meeting consists of two persons present in person, each being a shareholder entitled to vote thereat or a duly appointed proxyholder or representative for a shareholder so entitled.

The following table shows the number of Common Shares beneficially owned, as of March 12, 2010, by each director of the Corporation, by each executive officer of the Corporation and by all directors and executive officers of the Corporation as a group. All information is taken from or based upon ownership filings made by such persons with the U.S. Securities and Exchange Commission (SEC) or upon information provided by such persons to the Corporation. Unless otherwise noted, the Corporation believes that each person shown below has sole investment and voting power over the Common Shares owned.

Name and Address of Beneficial Owner **	Amount and Nature of Common Shares Beneficially Owned	Percent of Common Shares Beneficially Owned
Ian MacGregor	460,000 ¹	*
James E. Askew	570,000 ²	*
Robert E. Doyle	100,000 ³	*
David K. Fagin	1,076,805 ⁴	*
Lars-Eric Johansson	160,000 ⁵	*
Michael P. Martineau	250,000 ⁶	*
Christopher M.T. Thompson	100,000 ⁷	*
Thomas G. Mair	1,235,000 ⁸	*
D. Scott Barr	500,000 ⁹	*
John A. Labate	390,000 ¹⁰	*
Bruce Higson-Smith	510,648 ¹¹	*
S. Mitchel Wasel	317,333 ¹²	*
Directors and Executive Officers as a group	5,669,786 ¹³	2.17 ¹⁴

Notes:

* Indicates less than one percent.

** The address of each person, unless otherwise noted, is c/o Golden Star Resources Ltd., 10901 West Toller Drive, Suite 300, Littleton, Colorado, USA 80127-6312.

1 Includes 410,000 Common Shares subject to stock options exercisable within 60 days.

2 Includes 370,000 Common Shares subject to stock options exercisable within 60 days.

3 Includes 100,000 Common Shares subject to stock options exercisable within 60 days.

4 Includes 21,300 Common Shares owned indirectly by a family trust and 370,000 Common Shares subject to stock options exercisable within 60 days.

5 Includes 160,000 Common Shares subject to stock options exercisable within 60 days.

6 Includes 240,000 Common Shares subject to stock options exercisable within 60 days.

7 Includes 100,000 Common Shares subject to stock options exercisable within 60 days.

Table of Contents

- 8 Includes 731,250 Common Shares subject to stock options exercisable within 60 days.
 9 Includes 250,000 Common Shares subject to stock options exercisable within 60 days.
 10 Includes 170,000 Common Shares subject to stock options exercisable within 60 days.
 11 Includes 1,200 Common Shares owned indirectly by his spouse and 325,776 Common Shares subject to stock options exercisable within 60 days.
 12 Includes 145,500 Common Shares subject to stock options exercisable within 60 days.
 13 Includes an aggregate of 3,472,526 Common Shares subject to stock options exercisable within 60 days.
 14 Calculated as (i) the total number of Common Shares held by directors and executive officers as a group plus Common Shares subject to stock options exercisable within 60 days held by such directors and executive officers, divided by (ii) the aggregate of the number of issued and outstanding Common Shares as of March 11, 2010 plus common shares subject to stock options exercisable within 60 days held by such directors and executive officers.

The following table sets forth information as to each person known to the Corporation or its directors or executive officers to be beneficial owners of, or to have control or direction over, more than five percent of the outstanding shares of Common Shares as of March 12, 2010.

Name and Address of Beneficial Owner	Amount and Nature of Common Shares Beneficially Owned	Percent of Common Shares Beneficially Owned
Sentry Select Capital Inc. (1) 130 King Street West Suite 2850 Toronto, Ontario, Canada M5X 1A4	26,032,500	10.13%
Van Eck Associates Corporation (2) 335 Madison Ave - 19th Fl New York, New York 10017	13,653,563	5.1%

- (1) Reflects Common Shares beneficially owned by Sentry Select Capital Inc. (SSCI) as of December 2009, according to an Early Warning Report Under the Alternative Monthly Reporting System of National Instrument 62-103 filed on SEDAR, which indicates that SSCI exercises control over 26,032,500 Common Shares of the Corporation. The Common Shares were acquired by accounts and funds managed by SSCI (SSCI Funds). The Early Warning Report states that the Common Shares were acquired in the ordinary course and that neither SSCI nor SSCI Funds has made any determination with respect to future ownership of, or control over, any additional securities of the Corporation.
- (2) Reflects Common Shares beneficially owned by Van Eck Associates Corporation as of December 31, 2009, according to a statement on Schedule 13G filed with the SEC, which indicates that the company, an investment adviser, has sole voting power with respect to 13,653,563 Common Shares and sole dispositive power with respect to 13,653,563 Common Shares. The company holds shared voting power with respect to none of the Common Shares. The Schedule 13G certifies that the Common Shares were acquired in the ordinary course and not with the purpose or with the effect of changing or influencing the control of the Corporation.

Table of Contents**EXECUTIVE OFFICERS**

As of March 12, 2010, the executive officers of the Corporation, their ages and their business experience and principal occupation during the past five years were as follows:

Name	Age	Office and Experience	Officer Since
THOMAS G. MAIR	53	Mr. Mair was appointed President and Chief Executive Officer and a director in March 2008 and prior to then served as Interim President and Chief Executive Officer from January 2008 to February 2008. From February 2007 to December 2007 Mr. Mair served as Senior Vice President and Chief Financial Officer of the Corporation. Prior to joining the Corporation, Mr. Mair worked as a consultant from October 2006. Mr. Mair served in a number of senior roles with Newmont Mining Corporation from 1994 until October 2006, most recently as Director, Business Process Improvement from August 2003 to October 2006, and as group financial executive from October 2000 to July 2003.	2007
D. SCOTT BARR	60	Mr. Barr has served as Executive Vice President and Chief Operating Officer since April 2008. Prior to his service with the Corporation, he was employed for 13 years by Newmont Mining Corporation in a number of key roles including Vice President, Technical, Strategy and Development from August 2004 to March 2008 and Vice President, Chief Technical Officer from January 2001 to August 2004. His Newmont experience included involvement in projects and operations in Indonesia, South America, Australia, Ghana and North America. Prior to joining Newmont, Mr. Barr worked in a number of roles in other mining companies, including 16 years in refractory gold operations in Nevada.	2008
JOHN A. LABATE	61	Mr. Labate has served as Senior Vice President and Chief Financial Officer since August 2008. Prior to joining the Corporation, Mr. Labate was Vice President and Chief Financial Officer for Constellation Copper Corporation from March 2004 until August 2008. From September 1999 to February 2004, Mr. Labate served as Vice President and Chief Financial Officer of Applied Optical Technologies, Inc., a technology and services company.	2008
BRUCE HIGSON-SMITH	49	Mr. Higson-Smith has served as Vice President, Corporate Development of the Corporation since September 2003. Mr. Higson-Smith is a qualified mining engineer with 25 years of experience in the mining business. Following several years in underground mining operations in Africa and after earning an MBA in finance, Mr. Higson-Smith spent 10 years reviewing projects, conducting due diligence, negotiating and structuring mining transactions around the world, initially with the Castle Group, a mining investment management company, and then with Resource Capital Funds. Since joining Golden Star in 2003 he has been responsible for evaluating and executing M&A opportunities for the Corporation and also spent a year in Ghana as General Manager of Bogoso/Prestea mine.	2003
S. MITCHEL WASEL	45	Mr. Wasel has served as Vice President Exploration since September 2007, prior to which he served the Corporation as Regional Exploration Manager for West Africa from March 2004. Mr. Wasel served as the Corporation's Exploration Manager - Ghana from 2000 to March 2004. Mr. Wasel has acted in various other roles with the Corporation since 1993 when he commenced his service with the Corporation as an exploration geologist, where he worked in the Corporation's regional exploration program in Suriname and later with the Gross Rosebel project, ultimately as Project Manager. Prior to joining the Corporation, he worked with several companies in northern Canada in both exploration and mine geology.	2007

Table of Contents

COMPENSATION DISCUSSION AND ANALYSIS

Oversight of Executive Compensation Program

The Compensation Committee of the Board of Directors oversees the compensation of the Chief Executive Officer (CEO), the Chief Financial Officer (CFO), the Chief Operating Officer (COO) and the other executive officers named in the Executive Compensation Table below (collectively, the Named Executive Officers or NEOs).

The Compensation Committee has taken the following actions to link pay and performance for NEOs:

Application of performance-based awards in the Corporation's long-term incentive programs;

Alignment of compensation structures to a competitive pay strategy; and

Periodic rotation of Compensation Committee members to promote a non-biased approach to pay considerations.

In determining the CEO's compensation, the Compensation Committee annually evaluates the CEO's performance and considers the Corporation's performance and relative shareholder return, the compensation of chief executive officers at comparable companies and, with input from the CEO, such other factors that are deemed relevant. In determining the compensation of the other NEOs, the Compensation Committee evaluates each individual's performance, recommendations of the CEO, the Corporation's overall performance and comparable compensation paid to similarly situated officers in comparable companies.

The Compensation Committee determines any annual bonus to be awarded to the CEO and the other NEOs based on a combination of the Corporation's performance for the year and the achievement by each person of both corporate and individual key performance indicators established by the Compensation Committee in conjunction with the CEO as of the commencement of the applicable fiscal year.

Compensation Consultants

The Compensation Committee has obtained advice from compensation consulting firms, most recently the Hay Group (Hay), with respect to reviewing and structuring its policy regarding executive compensation in 2009.

Overview of Compensation Philosophy and Program

To recruit and retain well qualified individuals as senior executives, the Corporation strives to maintain a competitive compensation program. The following objectives are considered in setting the compensation programs for the Named Executive Officers:

Set compensation and incentive levels that reflect competitive market practices;

Provide a significant percentage of total compensation that is at-risk, or variable, based on pre-determined performance criteria; and

Encourage stock holdings to align the interests of NEOs with those of shareholders.

Compensation Elements and Rationale for Pay Mix Decisions

To reward both short and long-term performance in the compensation program and in furtherance of the Corporation's compensation objectives noted above, the Corporation's executive compensation philosophy includes the following four principles.

(i) Compensation should be related to performance

A significant portion of a NEO's compensation should be tied not only to individual performance, but also to the performance of the NEO's business unit or function and to corporate performance measured against both financial and non-financial goals and objectives.

Table of Contents

During periods when performance meets or exceeds the established objectives, NEOs should be paid at or more than target levels. When performance does not meet established objectives, incentive award payments, if any, should be less than such levels.

(ii) Incentive compensation should represent a large portion of a Named Executive Officer's total compensation

A large portion of compensation is paid in the form of short-term and long-term incentives, which are calculated and paid based on financial measures of profitability and shareholder value creation and on individual performance. NEOs have the incentive of increasing the Corporation's profitability and shareholder return in order to earn a substantial portion of their compensation package.

(iii) Compensation levels should be competitive

A competitive compensation program is vital to the Corporation's ability to attract and retain qualified senior executives. The Corporation annually reviews survey data and regularly assesses peer group data to ensure that the compensation program is competitive.

(iv) Incentive compensation should balance short and long-term performance

To reinforce the importance of balancing strong short-term annual results and long-term viability and success, NEOs receive both short and long-term incentives. Short-term incentives focus on the achievement of certain objectives for the upcoming year, while stock options and stock bonus awards create a focus on share price appreciation over the long term.

Compensation Benchmarking Relative to Market

The Compensation Committee has retained Hay, an independent compensation consulting firm, to assist in evaluating and setting executive cash and long term incentive compensation. The Compensation Committee believes that Hay's base of information provides a reliable source of compensation information.

Hay compared the Corporation's compensation practices to those in the mining industry generally based on Hay's proprietary databases. In 2009, Hay also provided an analysis of mining companies in several comparable groups. Based on the information presented by Hay, the Compensation Committee exercised its business judgment as to setting basic compensation levels for NEOs.

The Corporation and the Compensation Committee have in the past also referred to compensation survey data from other sources to ensure that its total senior executive compensation program is competitive. The Board and Compensation Committee also evaluate the NEO's level of responsibility and experience as well as company-wide performance. A NEO's success in achieving business results, promoting core values, improving health and safety and demonstrating leadership are also taken into account when reviewing base salaries.

The Compensation Committee has sole authority to retain and terminate any compensation consultant to be used to assist it in the evaluation of CEO or executive officer compensation. The Compensation Committee shall have sole authority to approve such consultants' fees and retention terms. The Compensation Committee shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors.

Analyzing and assessing salaries at comparable companies and aligning base salaries for NEOs are critical to a competitive compensation program. Other elements of compensation are affected by changes in base salary. Annual bonus incentives and long-term incentives are targeted and paid out based on a percentage of base salary.

Review of Senior Executive Performance

The Compensation Committee reviews, on an annual basis, compensation elements of each NEO. In each case, the Compensation Committee takes into account the scope of responsibilities and experience and balances these against competitive salary levels.

Table of Contents

The CEO presents to the Compensation Committee his evaluation of each NEO, which includes a review of contribution and performance over the past year, strengths, weaknesses, development plans and succession potential. The Committee members also have some opportunity to interface with the NEOs during the year.

Elements of the Executive Compensation Program

Total compensation for NEOs consists of the following elements:

Base salary

Annual/short-term bonus incentive

Long-term incentive compensation

Health and welfare benefits (and 401(k) savings plan for U.S. based executives only)

Perquisites

Severance and change in control benefits

Base Salaries. NEO base salaries are determined by evaluating the NEO's level of responsibility and performance and the Corporation's performance, as well as general economic conditions and marketplace compensation trends. Recognition is given to outstanding individual performance, or to recognize an increase in responsibility; however, in general the Corporation's philosophy is that total NEO compensation above competitive median levels should be paid from the variable portion of the compensation package.

Annual Bonus Incentive. The annual bonus incentive provides each NEO with the opportunity to earn a bonus based on the achievement of specific company-wide, business unit or function and individual performance goals. Incentive bonuses may be paid in a combination of cash and stock as approved by the Compensation Committee at the beginning of each year for the prior fiscal year's performance. The Compensation Committee approves a target incentive payout as a percentage of the base salary earned during the incentive period for each NEO, based on competitive practices. The payout of the annual bonus incentive is targeted at 30% to 65% of base salary depending on the position of the NEO and can range from zero, if planned performance targets are not achieved, to 200% of target payout, if results significantly exceed planned performance.

For 2009, the annual bonus, targets and objectives were determined based on a combination of achievement of corporate performance objectives and achievement of individual performance measures. Seventy percent of a NEO's bonus target was weighted on corporate objectives and 30% on individual performance measures. The Compensation Committee increased the weighting for corporate objectives to more closely align NEO's interests with those of shareholders. For 2009, corporate performance objectives included achieving budgeted production and cash costs from Bogoso/Prestea and Wassa, mineral reserve and resource replacement and free cash flow targets. The 2009 corporate objectives were defined in the 2009 operating plan and budget and individual performance measures for NEOs (other than the CEO) were defined and agreed to in early 2009 between each individual NEO and the CEO. The CEO's individual performance objectives were agreed to by the CEO and the Compensation Committee.

To illustrate with an example, if a NEO's base salary is \$200,000 with a target incentive bonus of 30% of base salary or \$60,000, then 70% of the \$60,000 target or \$42,000 would be weighted on corporate objective performance and 30% or \$18,000 would be weighted on individual performance. If 80% of the corporate objectives and 85% of individual performance measures were actually achieved, the final bonus calculation is:

Corporate: 80% achieved x \$42,000 = \$33,600

Edgar Filing: GOLDEN STAR RESOURCES LTD - Form PRE 14A

Individual: 85% achieved x \$18,000 = \$15,300

Total annual bonus earned = \$33,600 + \$15,300 = \$48,900

Table of Contents

In early 2010, corporate performance objectives and individual performance measures were evaluated to determine which objectives and measures had been achieved and the impact on bonus percentages. It was agreed that 84% of the corporate objectives had been achieved in 2009. Bonuses were determined to be paid to each of the NEOs based on this percentage and the individual performance of each NEO. See the Summary Compensation Table below for information regarding the 2009 annual bonus paid to each NEO.

Long-Term Incentive Compensation. Long-term incentives comprise a substantial portion of each NEO's compensation, consistent with the Corporation's at-risk pay philosophy. The objective is to provide NEOs with long-term incentive award opportunities that are consistent with performance. Currently, these incentives include stock options. Previous awards and grants, whether vested or unvested, have no impact on the current year's awards and grants.

The Compensation Committee currently targets long-term incentive awards at 200% of the target bonus award amount, but actual award amounts may vary significantly based on Corporation and individual performance, market conditions, stock price and availability of stock options for grant. Awards are determined at the beginning of each year for the prior fiscal year's performance.

An important objective of the long-term incentive program is to strengthen the relationship between the long-term value of the Corporation's share price and the potential financial gain for employees. A stock option becomes valuable only if the price of the Common Shares increases above the option exercise price and the holder of the option remains employed during the period required for the option to vest, thus providing an incentive for an option holder to remain employed by the Corporation. In addition, stock options link a portion of an employee's compensation to shareholders' interests by providing an incentive to increase the market price of the shares.

The Compensation Committee may from time to time grant stock options to NEOs in recognition of special contributions to the Corporation.

Health and Welfare Benefits Programs and 401(k) Savings Plan. The Corporation offers health and welfare programs and a 401(k) savings program to all eligible U.S. based employees. The NEOs generally are eligible for the same benefit programs on the same basis as the rest of the managerial workforce. The health and welfare programs are intended to protect employees against catastrophic loss and encourage a healthy lifestyle. The Corporation's health and welfare programs include medical, wellness, pharmacy, dental, vision, life insurance and accidental death and disability. Coverage under the life and accidental death and disability programs offer benefit amounts specific to NEOs. Premiums for supplemental life insurance are paid