

GOLDEN STAR RESOURCES LTD  
Form 8-K  
January 23, 2008

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): January 17, 2008

**GOLDEN STAR RESOURCES LTD.**

(Exact name of registrant as specified in its charter)

|  |   |   |
|--|---|---|
| <b>CANADA</b><br>(State or other jurisdiction of<br>incorporation or organization) | <b>1-12284</b><br>(Commission<br>File Number) | <b>98-0101955</b><br>(I.R.S. Employer<br>Identification Number) |
|--|---|---|

**10901 West Toller Drive,**

**Suite 300 Littleton, Colorado**  
(Address of principal executive offices)

**80127-6312**  
(Zip Code)

Registrant's telephone number, including area code: (303) 830-9000

**No Change**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

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- .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 2.02. Results of Operations and Financial Condition.**

On January 17, 2008, Golden Star Resources Ltd. (the Company) issued a press release announcing operating results for the quarter and year ended December 31, 2007. A copy of this press release is attached hereto as Exhibit 99.1 and is incorporated by reference herein.

The information in this Current Report on Form 8-K, including the information set forth in Exhibit 99.1, is being furnished and shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the Exchange Act), nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

**Item 8.01. Other Events.**

On January 17, 2008, the Company reported gold sales of 88,015 ounces for the quarter ended December 31, 2007 at an average cash operating cost of \$582 per ounce and 246,278 ounces for the year ended December 31, 2007 at an average cash operating cost of \$601 per ounce.

The Company outlined the following objectives for 2008:

Continue optimizing the Bogoso sulfide processing plant to improve recoveries and availabilities;

Construction and development of the Benso portion of the HBB project with ore scheduled to be delivered to Wassa during the third quarter of 2008;

Permitting of Prestea South ore bodies in 2008 to provide oxide ore for the Bogoso oxide processing plant in 2009;

Completion of the Prestea Underground pre-feasibility study by the first quarter of 2008; and

Continued exploration drilling at Bogoso/Prestea, Wassa and the HBB concessions to further evaluate their resource potential. The Company also provided guidance for 2008 gold production and cash operating costs. Based on the Company's objectives for 2008, it estimated gold production of 235,000 to 275,000 ounces at Bogoso/Prestea at an average cash operating cost per ounce between \$525 and \$565, and gold production of 135,000 to 150,000 ounces at Wassa at an average cash operating cost per ounce between \$440 and \$490. The Company expects total gold production for 2008 to be 370,000 to 425,000 ounces at an average cash operating cost per ounce between \$490 and \$540.

**Unaudited Results.** *The preliminary operating results and other financial information included in this Form 8-K are unaudited and subject to adjustment. Our audited financial statements will be released as part of our Annual Report on Form 10-K to be filed in February 2008.*

**Non-GAAP Financial Measures:** *In this report and in the press release filed as an exhibit hereto, we use the terms cash operating cost per ounce. Cash operating cost per ounce is equal to total cash costs (which is equal to total production costs less depreciation, depletion, amortization and asset retirement obligation accretion) less production royalties and production taxes, divided by the number of ounces of gold sold during the period. We use total cash cost per ounce and cash operating cost per ounce*

as key operating indicators. We monitor these measures monthly, comparing each month's values to prior period's values to detect trends that may indicate increases or decreases in operating efficiencies. These measures are also compared against budget to alert management to trends that may cause actual results to deviate from planned operational results. We provide these measures to our investors to allow them to also monitor operational efficiencies of our mines. We calculate these measures for both individual operating units and on a consolidated basis. Total cash cost per ounce and cash operating cost per ounce should be considered as Non-GAAP Financial Measures as defined in SEC Regulation S-K Item 10 and applicable Canadian securities laws and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. There are material limitations associated with the use of such non-GAAP measures. Since these measures do not incorporate revenues, changes in working capital and non-operating cash costs, they are not necessarily indicative of operating profit or cash flow from operations as determined under GAAP. Changes in numerous factors including, but not limited to, mining rates, milling rates, gold grade, gold recovery, and the costs of labor, consumables and mine site general and administrative activities can cause these measures to increase or decrease. We believe that these measures are the same or similar to the measures of other gold mining companies, but may not be comparable to similarly titled measures in every instance.

The following table shows the derivation of cash operating cost per ounce and a reconciliation of such measure.

|   | For the twelve months ended |                                     |                   |
|---|-----------------------------|-------------------------------------|-------------------|
|   | Wassa                       | December 31, 2007<br>Bogoso/Prestea | Total             |
| <b>Derivation of Total Mine Operating Cost</b>        |                             |                                     |                   |
| Mining operations                                     | \$ 58,606                   | \$ 94,720                           | \$ 153,326        |
| Mining related depreciation, depletion & amortization | 20,503                      | 14,995                              | 35,498            |
| Accretion of asset retirement obligations             | 423                         | 734                                 | 1,157             |
| <b>Total mine operating costs</b>                     | <b>\$ 79,532</b>            | <b>\$ 110,449</b>                   | <b>\$ 189,981</b> |
| <b>Ounces sold</b>                                    | <b>126,062</b>              | <b>120,216</b>                      | <b>246,278</b>    |
| <b>Derivation of Costs per Ounce:</b>                 |                             |                                     |                   |
| Total operating cost per ounce- GAAP (\$/oz)          | 631                         | 919                                 | 771               |
| Less depreciation, depletion & amortization (\$/oz)   | 163                         | 125                                 | 144               |
| Less accretion of asset retirement obligation (\$/oz) | 3                           | 6                                   | 5                 |
| <b>Total cash cost (\$/oz)</b>                        | <b>465</b>                  | <b>788</b>                          | <b>623</b>        |
| Less royalties and production taxes (\$/oz)           | 21                          | 22                                  | 20                |
| <b>Cash operating cost (\$/oz)</b>                    | <b>444</b>                  | <b>766</b>                          | <b>603</b>        |

|   | For the three months ended<br>December 31, 2007 |                  |                  |
|---|---|------------------|------------------|
|   | Wassa   | Bogoso/Prestea   | Total            |
| <b>Derivation of Total Mine Operating Cost</b>        |   |                  |                  |
| Mining operations                                     | \$ 16,172                                       | \$ 36,808        | \$ 52,980        |
| Mining related depreciation, depletion & amortization | 6,628   | 5,430            | 12,058           |
| Accretion of asset retirement obligations             | 170   | 158              | 328              |
| <b>Total mine operating costs</b>                     | <b>\$ 22,970</b>                                | <b>\$ 42,396</b> | <b>\$ 65,366</b> |
| <b>Ounces sold</b>                                    | <b>39,948</b>                                   | <b>48,067</b>    | <b>88,015</b>    |
| <b>Derivation of Costs per Ounce:</b>                 |   |                  |                  |
| Total operating cost per ounce- GAAP (\$/oz)          | 575   | 882              | 743              |
| Less depreciation, depletion & amortization (\$/oz)   | 166   | 113              | 137              |
| Less accretion of asset retirement obligation (\$/oz) | 4   | 3                | 4                |
| <b>Total cash cost (\$/oz)</b>                        | <b>405</b>                                      | <b>766</b>       | <b>602</b>       |
| Less royalties and production taxes (\$/oz)           | 20  | 20               | 20               |
| <b>Cash operating cost (\$/oz)</b>                    | <b>385</b>                                      | <b>746</b>       | <b>582</b>       |

|   | For the twelve months ended<br>December 31, 2006 |                  |                   |
|---|--|------------------|-------------------|
|   | Wassa  | Bogoso/Prestea   | Total             |
| <b>Derivation of Total Mine Operating Cost</b>        |  |                  |                   |
| Mining operations                                     | \$ 48,080  | \$ 44,650        | \$ 92,730         |
| Mining related depreciation, depletion & amortization | 11,763   | 9,697            | 21,460            |
| Accretion of asset retirement obligations             | 221  | 614              | 835               |
| <b>Total mine operating costs</b>                     | <b>\$ 60,064</b>                                 | <b>\$ 54,961</b> | <b>\$ 115,025</b> |
| <b>Ounces sold</b>                                    | <b>97,614</b>                                    | <b>103,792</b>   | <b>201,406</b>    |
| <b>Derivation of Costs per Ounce:</b>                 |  |                  |                   |
| Total operating cost per ounce- GAAP (\$/oz)          | 615  | 531              | 571               |
| Less depreciation, depletion & amortization (\$/oz)   | 120  | 93               | 107               |
| Less accretion of asset retirement obligation (\$/oz) | 2  | 6                | 4                 |
| <b>Total cash cost (\$/oz)</b>                        | <b>493</b>                                       | <b>430</b>       | <b>460</b>        |
| Less royalties and production taxes (\$/oz)           | 18   | 18               | 18                |
| <b>Cash operating cost (\$/oz)</b>                    | <b>474</b>                                       | <b>412</b>       | <b>442</b>        |

|   | For the three months ended |                  |                  |
|---|----------------------------|------------------|------------------|
|   | December 31, 2006          |                  |                  |
|   | Wassa                      | Bogoso/Prestea   | Total            |
| <b>Derivation of Total Mine Operating Cost</b>        |                            |                  |                  |
| Mining operations                                     | \$ 13,674                  | \$ 8,240         | \$ 21,914        |
| Mining related depreciation, depletion & amortization | 3,224                      | 2,290            | 5,514            |
| Accretion of asset retirement obligations             | 61                         | 230              | 291              |
| <b>Total mine operating costs</b>                     | <b>\$ 16,959</b>           | <b>\$ 10,760</b> | <b>\$ 27,719</b> |
| <b>Ounces sold</b>                                    | <b>28,352</b>              | <b>25,053</b>    | <b>53,405</b>    |
| <b>Derivation of Costs per Ounce:</b>                 |                            |                  |                  |
| Total operating cost per ounce- GAAP (\$/oz)          | 598                        | 429              | 519              |
| Less depreciation, depletion & amortization (\$/oz)   | 114                        | 91               | 103              |
| Less accretion of asset retirement obligation (\$/oz) | 2                          | 9                | 5                |
| <b>Total cash cost (\$/oz)</b>                        | <b>482</b>                 | <b>329</b>       | <b>410</b>       |
| Less royalties and production taxes (\$/oz)           | 18                         | 20               | 18               |
| <b>Cash operating cost (\$/oz)</b>                    | <b>464</b>                 | <b>309</b>       | <b>392</b>       |

**Statements Regarding Forward-Looking Information:** Some statements contained in this report are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Investors are cautioned that forward-looking statements are inherently uncertain and involve risks and uncertainties that could cause actual results to differ materially. Such statements include comments regarding our objectives for 2008, including plans for optimizing recoveries and plant availability at the Bogoso sulfide processing plant, the expected timing of ore deliveries from Benso to Wassa, the timing of completion of the Prestea Underground pre-feasibility study, permitting and ore delivery from Prestea South and plans for exploration drilling, and 2008 gold production and cost estimates. Factors that could cause actual results to differ include timing of and unexpected events at the Bogoso/Prestea oxide and sulfide processing plant; variations in ore grade, tonnes mined, crushed or milled; variations in relative amounts of refractory, non-refractory and transition ores; delay or failure to receive board or government approvals and permits; timing and availability of external financing on acceptable terms; technical, permitting, mining or processing issues, changes in U.S. and Canadian securities markets, and fluctuations in gold price and costs. There can be no assurance that future developments affecting the Company will be those anticipated by management. Please refer to the discussion of risk factors in our Form 10-K for 2006, as amended.

#### Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

#### Exhibit

| No.  | Description   |
|------|---|
| 99.1 | Press release of Golden Star Resources Ltd., dated January 17, 2008, announcing operating results for the quarter and year ended December 31, 2007. |

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: January 22, 2008

**Golden Star Resources Ltd.**

By: /s/ Roger Palmer  
Roger Palmer  
Vice President Finance and Chief Financial Officer

**EXHIBIT INDEX**

**Exhibit**

| <b>No.</b> | <b>Description</b>  |
|------------|---|
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