

Sector: Materials
Sub-Industry: Gold
Peer Group: Gold & Precious Metals - Mining & Exploration

Summary: This mining and exploration company produces gold in Ghana in West Africa.

Quantitative Evaluations

S&P Quality Ranking : B-



S&P Fair Value Rank: NR

Fair Value Calc: NA

S&P Investability Quotient Percentile



GSS scored lower than 92% of all companies for which an S&P Report is available.

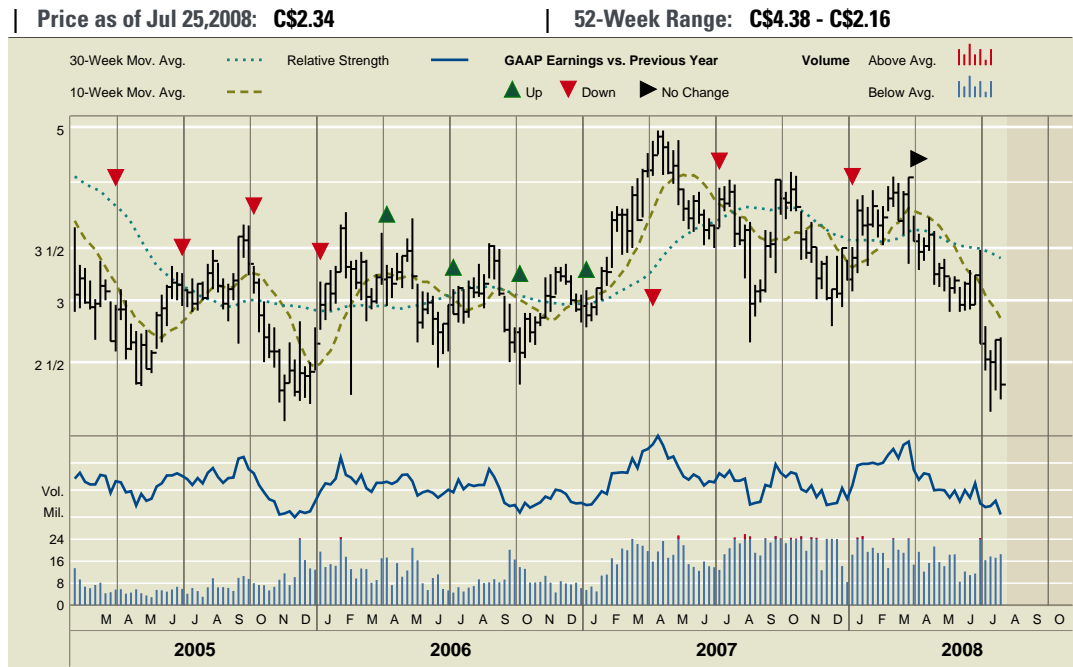
Volatility: High



Technical Evaluation: BEARISH

Since June, 2008, the technical indicators for GSS have been BEARISH.

Relative Strength Rank: Weak



Investment Strategy

Key financial variables to consider in assessing the investment merits of an industrial company are the following:

Sales: What is the trend? Is future sales growth expected to be greater than the past 5-year and 9-year growth average? Accelerating sales growth ultimately provides the fuel behind earnings growth.

Net Margin: As a key measure of company profitability, a rising net margin assesses management capability to wring out more net income from incremental sales.

% LT Debt to Capitalization: A rising percentage implies greater financial risk, all else being equal. Rising debt leverage without a concomitant rise in Return on Equity should raise warning signals of potential cash flow problems. Percentages above 40%-50% should also be considered a warning.

% Return on Equity: A key performance measurement of capital efficiency assesses what investment returns management can earn on a company's existing capital base. A sustained percentage above 20% is considered above average.

Key Growth Rates and Averages

Past Growth Rate (%)	1 Year	3 Year	5 Year	9 Year
Sales	38.70	41.47	33.35	NM
Net Income	NM	NM	NM	NM

Ratio Analysis (Average)

Net Margin	NM	5.40	11.02	NM
%LT Debt to Capitalization	15.39	13.20	7.98	9.60
% Return on Equity	NM	1.16	4.50	NM

Revenues/Earnings Data Fiscal year ending Dec. 31

Revenues (Million Can. \$)	2008	2007	2006	2005	2004	2003
1Q	53.18	30.37	27.40	18.09	19.86	15.14
2Q	--	28.12	31.52	24.90	16.49	12.69
3Q	--	--	36.60	24.70	13.45	18.80
4Q	--	69.88	33.20	27.70	15.23	17.74
Year	--	175.6	128.7	95.47	65.03	63.50
Earnings per Share (Can. \$)	2008	2007	2006	2005	2004	2003
1Q	-0.02	-0.02	0.09	-0.02	0.04	0.04
2Q	--	-0.01	0.06	-0.03	0.01	0.04
3Q	--	--	0.01	-0.05	-0.03	0.05
4Q	--	-0.08	0.15	-0.01	Nil	0.07
Year	--	-0.16	0.31	-0.09	0.02	0.20

Next earnings report expected: Early August

Historical GAAP earnings are as reported.

Key Stock Statistics

Average Daily Volume	4,300 mil.	Beta	0.97
Market Capitalization	C\$0.552 Bil.	Trailing 12 Month EPS	C\$-0.16
Institutional Holdings (%)	41	12 Month P/E	NM
Shareholders of Record	2,242	Current Yield (%)	Nil

Value of C\$10,000 Invested five yrs Ago : **C\$7,905**

Please read the required disclosures and Reg. AC certification on the last page of this report.

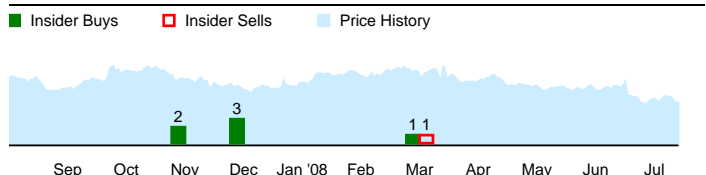
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Wall Street Opinions/Average (Mean) Opinion: Weak Hold

	No. of Ratings	% of Total	1 Mo. Prior	3 Mo. Prior
Buy	0	0	0	0
Buy/Hold	0	0	0	1
Hold	5	71	6	6
Weak Hold	1	14	1	0
Sell	1	14	0	0
No Opinion	0	0	0	0
Total	7	100	7	7

Insider Moves



Dividend Data

No Dividend Data Available

Company Financials Fiscal year ending Dec. 31

Per Share Data & Valuation Ratios (\$)	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Tangible Book Value	2.33	2.22	1.90	1.53	1.49	0.57	0.25	0.69	1.10	1.93
Cash Flow	0.01	0.42	0.02	0.08	0.23	0.10	-0.41	-0.20	-0.58	-0.73
Earnings	-0.16	0.31	-0.09	0.02	0.20	0.06	-0.49	-0.40	-0.76	-0.74
Dividends	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Payout Ratio	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Prices:High	4.95	3.89	4.08	7.46	8.64	2.42	1.07	1.75	2.13	4.81
Prices:Low	2.65	2.27	2.10	3.40	1.44	0.54	0.31	0.38	0.38	0.94
P/E Ratio:High	NM	13	NM	NM	43	40	NM	NM	NM	NM
P/E Ratio:Low	NM	7	NM	NM	7	9	NM	NM	NM	NM

Income Statement Analysis (Million Can. \$)

Revenue	176	127	95.5	60.7	63.5	38.8	24.7	30.4	11.3	Nil
Operating Income	5.42	17.1	3.94	7.35	25.2	7.68	-3.04	4.86	-23.5	-8.16
Depreciation	39.1	21.9	16.3	8.10	4.99	2.46	3.42	7.29	2.97	0.23
Interest Expense	6.04	1.85	2.42	0.14	0.04	0.26	0.83	0.81	0.20	0.04
Pretax Income	-32.5	71.5	-26.2	2.38	24.5	5.69	-19.5	-11.4	-25.0	-23.5
Effective Tax Rate	NM	8.44%	NM	NM	NM	NM	NM	NM	NM	NM
Net Income	-36.4	64.7	-13.5	2.64	22.0	4.86	-20.6	-14.9	-24.4	-22.2

Balance Sheet & Other Financial Data (Million Can. \$)

Cash	75.8	27.1	89.7	51.7	93.3	24.3	3.87	5.14	2.91	7.35
Current Assets	147	90.5	133	78.8	105	32.8	9.64	13.0	14.0	8.22
Total Assets	793	664	565	252	222	74.1	36.6	49.5	74.4	68.6
Current Liabilities	74.2	69.2	40.8	17.5	8.15	10.9	14.8	8.51	7.94	1.70
Long Term Debt	108	66.9	64.3	Nil	0.66	1.73	2.36	4.81	9.15	2.95
Common Equity	545	462	392	218	198	49.4	12.3	26.0	40.5	58.5
Total Capital	701	579	508	224	206	56.0	16.4	35.3	59.7	66.8
Capital Expenditures	115	35.2	63.0	31.6	10.7	3.43	1.02	2.80	4.82	9.64
Cash Flow	2.66	86.6	2.74	10.7	26.9	7.32	-17.2	-7.59	-21.4	-22.0
Current Ratio	2.0	1.3	3.3	4.5	12.9	3.0	0.7	1.5	1.8	4.8
% Long Term Debt of Capitalization	15.4	11.6	12.7	Nil	0.3	3.1	14.4	13.6	15.3	4.4
% Net Income of Revenue	NM	51.1	NM	4.4	34.6	12.5	NM	NM	NM	NM
% Return on Assets	NM	10.5	NM	1.1	14.8	8.8	NM	NM	NM	NM
% Return on Equity	NM	15.1	NM	1.3	17.7	15.7	NM	NM	NM	NM

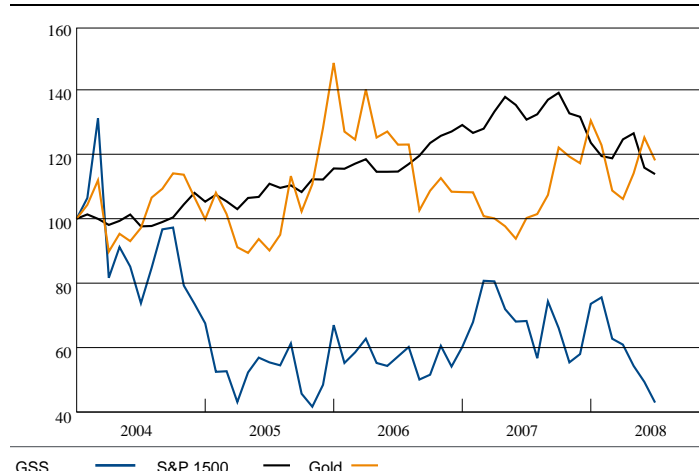
Data as orig. reptd; bef. results of disc opers/spec. items. Per share data adj. for stk. divs. as of ex-div date. NA-Not Available. NM-Not Meaningful. NR-Not Ranked.

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Pres & CEO: T. G. Mair
Dir: J. E. Askew, D. K. Fagin, L. Johansson, I. MacGregor, T. G. Mair, M. Martineau, M. A. Terrell
CFO & Chief Acctg Officer: R. Palmer
EVP & COO: D. S. Barr

Chief Admin Officer: T. Strickler
Investor Contact: Anne Hite(800-553-8436)
Founded: 1984
Domicile: Canada
Employees: 1,680

Stock Performance



	Company(%)	Industry(%)	S&P 1500(%)
YTD Return	-25.9	0.8	-13.5
One Year Return	-40.0	13.8	-16.5
Three Year Return (% Annualized)	-8.9	9.0	1.1
Five Year Return (% Annualized)	-4.6	6.3	5.4
Value of C\$10,000 Invested 5 Years Ago	C\$7,905	\$13,557	\$12,979

Sub-Industry Outlook

Our fundamental outlook for the gold sub-industry in 2009 is positive. Based on our expectation for another rise in the gold price in 2009, we look for another increase in sales and earnings for this group even though production volumes for the companies we cover are likely to be unchanged or even down for the second consecutive year.

While the price of gold has been rising steadily since 2001 and reached the highest average level in 2008 since 1980, we believe that the price will rise again in 2009, for several reasons.

First, we believe that U.S. GDP growth will be 0.7% in 2009, versus estimated GDP growth of 1.6% in 2008. We believe it is unlikely that the Federal Reserve will raise short-term interest rates given continued slow GDP growth. Also, we think that the difficult conditions in the financial sector of the U.S. make it difficult for the Fed to raise interest rates. In our view, lower short-term interest rates reduce the opportunity cost of holding gold as an investment and should allow gold to rise even if other commodities decline in response to slower economic growth.

Second, despite the higher gold price, global production has been stagnant for the past 10 years. The low level of gold prices in the late 1990s led to a drop in exploration and large new discoveries. According to data compiled by Gold Fields Minerals Service, a U.K.-based metals consulting firm and publisher, global output increased at a 0.8% compound annual growth rate (CAGR) from 1997 through 2006, while consumption rose at a CAGR of 1.5%. We believe that production will remain stagnant for the balance of the decade, as old mines

are becoming depleted and are not being replaced to the extent needed to lift output. This, combined with rising demand, should cause the chronic gap between production and consumption of gold to widen further, in our view, helping to lift the gold price.

Third, we believe that greater volatility of the major world currencies will likely increase the demand for gold as a monetary reserve asset. Also, we believe that the U.S. dollar is in a secular bear market. Moreover, we believe that China and other countries that hold a large portion of their foreign exchange reserves in the U.S. dollar will ultimately diversify out of the dollar and into other currencies and gold.

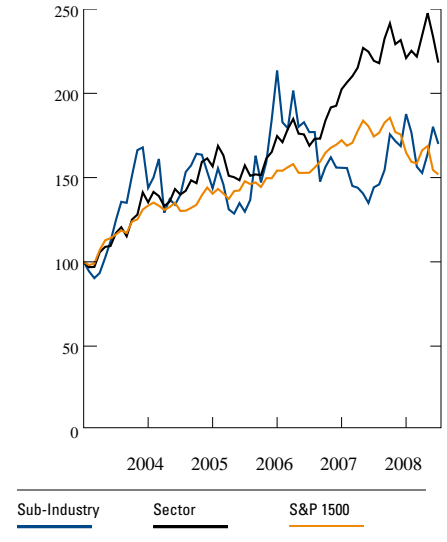
Year to date through July 11, the S&P Gold Index rose 5.0%, versus a 14.8% decrease in the S&P 1500 Stock Index, a 4.1% drop in the S&P 500 Materials Index, and a 4.0% rise in spot gold. In 2007, the sub-industry index rose 8.2%, versus a 3.6% gain for the S&P 1500, a 20.3% increase in the S&P 500 Materials Index, and a 31.6% rise in spot gold.

--Leo Larkin

Stock Performance

GICS Sector: Materials
Sub-Industry: Gold

Based on S&P 1500 Indexes
Month-end Price Performance as of 06/30/08



NOTE: All Sector & Sub-Industry information is based on the Global Industry Classification Standard (GICS)

Sub-Industry : Gold Peer Group*: Gold & Precious Metals - Mining & Exploration

Peer Group	Stock Symbol	Stk.Mkt. Cap. (Mil. \$)	Recent Stock Price(\$)	52 Week High/Low(\$)	Beta	Yield (%)	P/E Ratio	Fair Value Calc.(\$)	Quality Ranking	S&P IQ %ile	Return on Revenue (%)	LTD to Cap (%)
Golden Star Resources	GSS	552	2.34	4.38/2.16	0.97	Nil	NM	NA	B-	8	NM	15.4
Apollo Gold	AGT	64	0.40	0.78/0.36	NA	Nil	6	NA	C	NA	6.3	11.7
Crystallix Intl	KRY	208	0.71	3.61/0.50	2.14	Nil	NM	NA	C	2	NM	26.7
Goldcorp Inc	GG	28,615	40.28	52.65/21.00	0.12	0.4	50	26.70	B	84	17.0	5.7
Great Basin Gold	GBN	728	3.56	3.85/1.82	1.19	Nil	NM	NA	NR	33	NM	NA
Lihir Gold ADS	LIHR	5,317	27.92	41.43/21.72	1.13	Nil	NM	14.80	NR	86	17.3	21.2
Randgold Resources ADS	GOLD	3,697	48.56	56.28/20.83	0.71	0.2	81	46.70	NR	37	19.7	6.9
Richmont Mines	RIC	67	2.80	4.18/2.50	1.14	Nil	10	NA	C	15	NM	NA
Royal Gold Inc	RGLD	1,201	35.40	38.90/24.12	0.94	0.8	55	17.60	B	27	40.8	4.5

NA-Not Available NM-Not Meaningful NR-Not Rated. *For Peer Groups with more than 15 companies or stocks, selection of issues is based on market capitalization.

S&P Analyst Research Notes and other Company News**May 7, 2008**

Golden Star Resources Ltd. reported earnings results for the first quarter ended March 31, 2008. During the three months ended March 31, 2008, the company's revenues increased by 78% over the first quarter of 2007 from \$29.9 million to \$53.2 million. Ounces of gold sold increased 25% over the first quarter of 2007 to 57,427 from 45,825 ounces. During the first quarter of 2008, the company incurred a net loss of \$3.9 million compared to a net loss of \$3.6 million for the first quarter of 2007. Factors that impacted earnings included improved mine operating margin on higher prices, offset by higher interest expense, higher depreciation charges and a lower tax benefit. Net loss per basic and diluted common share was \$0.017 against \$0.016 for the same period in the last year.

April 3, 2008

Golden Star Resources Ltd. announced that it has appointed Mr. D. Scott Barr as Chief Operating Officer and Executive Vice President commencing on April 2, 2008. Prior to joining Golden Star, he was employed for 13 years by Newmont Mining Corporation in a number of key roles including Chief Technical Officer.

February 29, 2008

Golden Star Resources Ltd. reported earnings results for the fourth quarter and full year ended December 31, 2007. For the quarter, the company net loss of \$17.8 million, or \$0.077 per share against net income of \$30.7 million, or \$0.148 per share for the year ago period. Revenues were \$69.9 million against \$32.9 million for the year ago period. For the year, the company reported net loss of \$36.4 million, or \$0.159 per diluted share against net income of \$64.6 million, or \$0.308 per diluted share for the year ago period. Gold revenues were \$175.6 million against \$122.5 million in 2006. The net loss for 2007 was impacted by gains on sale of assets as well as by a tax valuation allowance and a loss on debt retirement.

January 24, 2008

Golden Star Resources Ltd. announced the resignation of Mr. Peter Bradford as a director effective from January 31, 2008.

November 7, 2007

Golden Star Resources Ltd. reported earnings results for the third quarter and nine months ended September 30, 2007. For the quarter, the company reported net loss of \$12,709,000 or \$0.054 diluted loss per share on revenues of \$47,752,000 compared to the net income of \$1,533,000 or \$0.007 diluted earnings per share on revenues of \$35,996,000 for the same quarter year ago. For the six months period, the company reported net loss of \$18,563,000 or \$0.082 diluted loss per share on revenues of \$105,731,000 compared to the net income of \$33,940,000 or \$0.162 diluted earnings per share on revenues of \$89,607,000 for the same period year ago.

August 9, 2007

Golden Star Resources Ltd. reported earnings results for the second quarter and six months ended June 30, 2007. For the quarter, the company reported net loss of \$2,289,000, or \$0.010 per basic share on total revenues of \$28,118,000 against net income of \$13,084,000, or \$0.063 per basic share on total revenues of \$28,675,000 for the same period a year ago. The major factor contributing to the earnings for the second quarter of 2006 was the sale of EURO Ressources S.A. which provided a \$20.9 million gain. For the six months, the company reported net loss of \$5,854,000, or \$0.026 per basic share on total revenues of \$57,979,000 against net income of \$32,407,000, or \$0.156 per basic share on total revenues of \$53,611,000 for the same period a year ago.

August 8, 2007

Golden Star Resources Ltd. announced that its President and CEO, Peter Bradford, has decided to step down as a director and officer of Golden Star at the end of 2007.

May 10, 2007

NEW YORK (Standard & Poor's)--May 9, 2007, Golden Star Resources Ltd., announced 1Q loss per share of \$0.02 vs. EPS \$0.09.

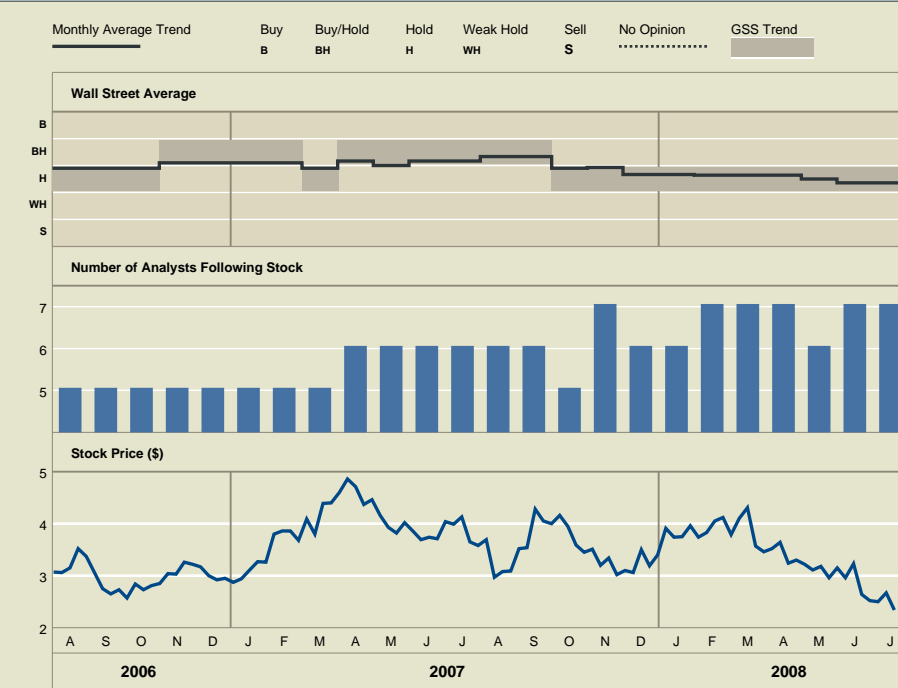
March 14, 2007

NEW YORK (Standard & Poor's)--Mar 14, 2007, Golden Star Resources Ltd., announced 4Q EPS \$0.31 vs. loss of \$0.09. Results for year '06 include one-time gains of \$81M from the sale of investments.

February 21, 2007

Feb. 8, 2007--Golden Star Resources Ltd. (AMEX:GSC) announced that it appointed Tom Mair as senior vice president and chief financial officer.

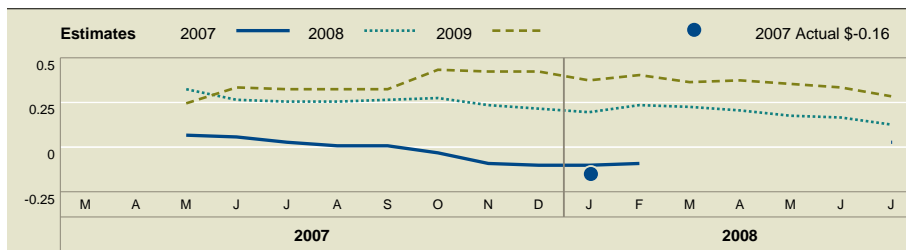
Analysts' Recommendations



Of the total 9 companies following GSS, 7 analysts currently publish recommendations.

	No. of Ratings	% of Total	1 Mo. Prior	3 Mos. Prior
Buy	0	0	0	0
Buy/Hold	0	0	0	1
Hold	5	71	6	6
Weak Hold	1	14	1	0
Sell	1	14	0	0
No Opinion	0	0	0	0
Total	7	100	7	7

Wall Street Consensus Estimates



Fiscal Years	Avg Est.	High Est.	Low Est.	# of Est.	Est. P/E
2009	0.29	0.47	0.06	7	8.1
2008	0.13	0.25	NA	7	18.0
2009 vs. 2008	▲ 123%	▲ 88%	NA	0%	▼ -55%
Q2'09	0.07	0.11	0.05	5	33.4
Q2'08	0.02	0.05	NA	5	NM
Q2'09 vs. Q2'08	▲ 250%	▲ 120%	NA	0%	NM

A company's earnings outlook plays a major part in any investment decision. Standard & Poor's organizes the earnings estimates of over 2,300 Wall Street analysts, and provides their consensus of earnings over the next two years. This graph shows the trend in analyst estimates over the past 15 months.

Wall Street Consensus Opinion

HOLD

Companies Offering Coverage

- BMO Nesbitt Burns
- Canaccord Capital
- Credit Suisse First Boston
- First Associates Investments
- Levesque Beaubien Geoffrion
- Macquarie Research Equities
- Merrill Lynch Research
- Raymond James Limited
- Wellington West CM

Wall Street Consensus vs. Performance

For fiscal year 2008, analysts estimate that GSS will earn \$0.13. For the 1st quarter of fiscal year 2008, GSS announced earnings per share of -\$0.02, representing -15% of the total annual estimate. For fiscal year 2009, analysts estimate that GSS's earnings per share will grow by 123% to \$0.29.

Glossary

S&P Quality Ranking - Growth and stability of earnings and dividends are deemed key elements in establishing S&P's quality ranking for common stocks, which are designed to capsule the nature of this record in a single symbol. It should be noted that, however, that the process also takes into consideration certain adjustments and modifications deemed desirable in establishing such rankings. The final score for each stock is measured against a scoring matrix determined by analysis of the scores of a large and representative sample of stocks. The range of scores in the array of this sample has been aligned with the following ladder of rankings:

A+	Highest	B	Lower
A	High	B-	Below Average
A-	Above Average	C	Lowest
B+	Average	D	In Reorganization
NR	Not Ranked		

S&P Fair Value Rank - Using S&P's exclusive proprietary quantitative model, stocks are ranked in one of five groups, ranging from Group 5, listing the most undervalued stocks, to Group 1, the most overvalued issues. Group 5 stocks are expected to generally outperform all others. A positive (+) or negative (-) Timing Index is placed next to the Fair Value ranking to further aid the selection process. A stock with a (+) added to the Fair Value Rank simply means that this stock has a somewhat better chance to outperform other stock with the same Fair Value Rank. A stock with a (-) has a somewhat lesser chance to outperform other stocks with the same Fair Value Rank. The Fair Value rankings imply the following: 5-Stock is significantly undervalued; Fair Value Rank. A stock with a (-) has a somewhat lesser chance to outperform other stocks with the same Fair Value Rank. The Fair Value rankings imply the following: 5-Stock is significantly undervalued; 4-Stock is moderately undervalued; 3-Stock is fairly valued; 2-Stock is modestly overvalued; 1-Stock is significantly overvalued.

Funds From Operations (FFO) - FFO is Funds from Operations and equal to a REIT's net income, excluding gains or losses from sales of property, plus real estate depreciation.

Fair Value Calculation - The current price at which a stock should sell today as calculated by S&P's computers using our quantitative model based on the company's earnings, growth potential, return on equity relative to the S&P 500 and its industry group, price to book ratio history, current yield relative to the S&P 500, and other factors.

Investability Quotient (IQ) - The IQ is a measure of investment desirability. It serves as an indicator of potential medium-to-long-term return and as a caution against downside risk. The measure takes into account variables such as technical indicators, earnings estimates, liquidity, financial ratios and selected S&P proprietary measures.

**Standard & Poor's IQ Rationale:
Golden Star Resources**

	Raw Score	Max Value
Proprietary S&P Measures	5	115
Technical Indicators	16	40
Liquidity/Volatility Measures	11	20
Quantitative Measures	1	75
IQ Total	33	250

Volatility - Rates the volatility of the stock's price over the past year.

Technical Evaluation - In researching the past market history of prices and trading volume for each company, S&P's computer models apply special technical methods and formulas to identify and project price trends for the stock.

Relative Strength Rank - Shows, on a scale of 1 to 99, how the stock has performed versus all other companies in S&P's universe on a rolling 13-week basis.

Global Industry Classification Standard (GICS) - An industry classification standard, developed by Standard & Poor's in collaboration with Morgan Stanley Capital International (MSCI). GICS is currently comprised of 10 Sectors, 24 Industry Groups, 67 Industries, and 147 Sub-Industries.

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Additional information is available upon request.

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