

OPTION AGREEMENT

BETWEEN

GUYANOR RESSOURCES S.A.

AND

SOCIÉTÉ DE TRAVAUX PUBLICS ET DE MINES AURIFÈRES EN GUYANE S.A.R.L.

AND

GOLDEN STAR RESOURCES LTD.

**WITH RESPECT TO THE
PAUL ISNARD PROJECT IN FRENCH GUIANA**

SEPTEMBER 21, 2004

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OPTION AGREEMENT

THIS AGREEMENT is made September 21, 2004

BETWEEN:

GUYANOR RESSOURCES S.A. of 9 Lotissement Mont Joyeux, BP 750, 97337 Cayenne Cedex, French Guiana ("GRL")

AND

SOCIÉTÉ DE TRAVAUX PUBLICS ET DE MINES AURIFÈRES EN GUYANE S.A.R.L. of 9 Lotissement Mont Joyeux, BP 750, 97337 Cayenne Cedex, French Guiana (the "Optionor")

AND

GOLDEN STAR RESOURCES LTD. of 10901 W. Toller Drive, Suite 300, Littleton, Colorado 80127-6312 ("Golden Star")

WHEREAS:

- A. The Optionor holds eight mineral concessions in French Guiana and is a wholly owned subsidiary of GRL;
- B. GRL holds an expired exploration permit for property in French Guiana, has applied for a five year renewal from the date of expiry, and is currently waiting for a decision from the French Ministry of Industry as to whether the renewal will be granted; and
- C. This Agreement sets out the basis on which Golden Star may earn an interest in the Properties (as defined below).

In consideration of the following mutual promises and for other valuable consideration (the receipt and sufficiency of which is hereby acknowledged) THE PARTIES AGREE AS FOLLOWS:

1. Definitions

1.1 In this Agreement, the following terms have the following meanings:

"Affiliate" means a corporation that directly or indirectly controls, or is controlled by or is under common control with, a party. For these purposes, "control" means the rights to the exercise of, directly or indirectly, more than 50% of the voting rights attributable to the shares of the controlled entity;

"Area of Interest" has the meaning given to it in section 15.1

"Business Days" means any day that is not a Saturday or Sunday and on which banks in Denver, Colorado and Paris, France are open for business;

“Data Acquisition Agreement” means the data acquisition agreement between GRL and Golden Star to be dated the same date as this Agreement, under which Golden Star has acquired from GRL all of GRL’s regional exploration data for French Guiana (excluding all exploration and similar data related to the Yaou and Dorlin properties);

“Exclusive Exploration Permit” means the Exclusive Exploration Permit at Paul Isnard in French Guiana held by GRL as at the date of this Agreement, which covered a total area of approximately 283 km² and expired on December 1, 2002 and in respect of which an application for renewal for a five year period and reduced surface area (approximately 199 km²) is currently awaiting a final decision from the French Ministry of Industry;

“Expenditures” means all direct expenses of Operations together with any and all costs, fees and expenses that may be paid to obtain feasibility, engineering or other studies or reports on or with respect to the Properties or any part of it. For greater certainty, the costs, fees and expenses of recording work for assessment credit under applicable legislation and all reclamation and related work are included in Expenditures. There shall be added to and included in “Expenditures” charges by Golden Star for services provided in connection with Operations by geologists or others in the employment of Golden Star or its Affiliates and charges for machinery, tools, equipment and camp facilities owned by Golden Star or its Affiliates and used or employed in Operations in accordance with rates and such other charges as are reasonable in the circumstances;

“Interest” means an undivided right, title and interest in and to the Properties of 50% if vesting occurs pursuant to section 6.1 or 70% if vesting occurs pursuant to section 6.2;

“Joint Venture” means the joint venture that may be formed by the parties pursuant to section 7;

“Joint Venture Agreement” means the agreement between the parties attached as Schedule B to this Agreement to be entered into upon the vesting of Golden Star’s interest pursuant to section 7;

“Loan Amendment Agreement” means the loan amendment agreement between GRL and Golden Star to be dated the same date as this Agreement;

“Operations” includes all activities directed toward ascertaining the existence, location, quantity, quality or commercial value of deposits of ore, minerals and mineral resources that may be produced for commercial sale from the Properties, which activities Golden Star may, in its sole discretion, determine to be desirable, including, without limitation, any activities in connection with any or all of the following:

- (a) extraction, removal, storage and disposal of any and all ores, minerals, air, water, waste and other materials from the Properties by means of underground or surface mining operations or workings in or on the Properties and the depositing on the Properties, all such materials whether or not extracted from the Properties;
- (b) erection, construction, use or maintenance on the Properties of such roads, impoundments, pipelines, power lines, facilities, buildings, structures, machinery and equipment as Golden Star may deem reasonable or necessary for the conduct of its Operations on the Properties; and

- (c) stockpiling, inventorying or selling or otherwise disposing of ores, minerals and other materials in such forms, at such times and on such terms as Golden Star alone may determine;

“Option” means the option that the Optionor grants to Golden Star in section 3.1;

“Prime Rate” means at any particular time, the annual rate of interest published from time to time as the “U.S. Prime Rate” by the Wall Street Journal;

“Properties” means:

- (a) the eight mineral concessions at Paul Isnard in French Guiana held by the Optionor, which cover a total area of approximately 150 km² and expire on December 31, 2018; and
- (b) the Exclusive Exploration Permit;

all as described in Schedule A to this Agreement and all additions of all Acquired Rights pursuant to section 15.3 and any mining leases or other forms of tenure that may replace the same; and

“Royalties” means any agreements or options to grant or convey any interest in the Properties or products extracted therefrom or to grant or pay any royalties or similar financial rights or payment obligations with respect to the Properties.

1.2 In this Agreement:

- (a) *Gender, Number and Other Terms:* In this Agreement, unless the context otherwise requires, words importing the singular include the plural and vice versa, words importing gender include all genders, “or” is not exclusive and “including” is not limiting, whether or not non-limiting language (such as “without limitation”) is used with reference to it.
- (b) *Headings and Table of Contents:* The inclusion of headings and a table of contents in this Agreement is for convenience only and shall not affect the construction or interpretation of this Agreement.
- (c) *References to Whole Agreement:* Unless otherwise stated a reference in this Agreement to a designated section, subsection, paragraph or other subdivision or to a Schedule is to the designated section, subsection, paragraph or other subdivision of, or Schedule to, this Agreement.
- (d) *Statutes:* Unless otherwise stated, any reference to a statute includes and is a reference to such statute and to the regulations made pursuant to it, with all amendments to them and in force from time to time, and to any statute or regulations that may be passed which supplement or supersede such statute or such regulations.

- (e) *Currency:* Except where otherwise expressly provided, all monetary amounts in this Agreement are stated and shall be paid in currency of the United States of America.
- (f) *No Strict Construction:* The language in all parts of this Agreement shall in all cases be construed as a whole and neither strictly for nor strictly against any of the parties to this Agreement.
- (g) *Consent:* Whenever a provision of this Agreement requires an approval or consent and such approval or consent is not delivered within the applicable time limit, then, unless otherwise specified, the Party whose consent or approval is required shall be conclusively deemed to have withheld its approval or consent.

1.3 Attached to and forming part of this Agreement are the following Schedules:

- Schedule A - Description of Properties
- Schedule B - Joint Venture Agreement
- Schedule C - Royalty Agreement

2. **Transfer to the Optionor**

- 2.1 GRL hereby transfers to the Optionor all right, title and interest GRL has to the Exclusive Exploration Permit.
- 2.2 The Optionor acknowledges that it is purchasing the assets referred to in section 2.1 on an “as is, where is” basis and at its sole risk.

3. **Option**

- 3.1 The Optionor hereby grant to Golden Star the exclusive and irrevocable right and option (the “**Option**”) exercisable in the manner described in section 6.1 or 6.2, to acquire the Interest on an “as is, where is” basis.

4. **Title**

- 4.1 Concurrently with the exercise of the Option in accordance with section 6.1 or 6.2, the Optionor shall deliver to Golden Star duly executed transfers of the Properties in immediately recordable form in favour of Golden Star.
- 4.2 Upon receipt of the transfers provided for in section 4.1, Golden Star will promptly record such transfers at its own cost with the appropriate government office to effect legal transfer of the Properties into the name of Golden Star, provided that Golden Star shall hold the Properties subject to the terms of the Joint Venture Agreement. Prior to the exercise of the Option pursuant to section 6.1 or 6.2, the Golden Star shall perform all such assessment work and filings as are necessary to maintain the Properties in good standing during the term of this Agreement.
- 4.3 Golden Star acknowledges that if it exercises the Option, it will acquire the Interest on an “as is, where is” basis. Without limitation, Golden Star will have no claim against the

Optionor if the Optionor's title to the Properties is now or at any time hereafter deficient, defective or encumbered or may become encumbered or subject to statutory or other liens or proceedings for sale. However, in such situation, such deficiency, defect, encumbrance or lien may, at Golden Star's option, be remedied or removed by Golden Star (in which event the cost and related expenses thereof shall be borne by Golden Star) and the Optionor from time to time is deemed to appoint Golden Star as its lawful agent or representative for such purposes and Golden Star hereby accepts such appointment.

5. Performance Of Work

- 5.1 In conducting Operations on the Properties, Golden Star shall comply with all applicable laws, rules and regulations and shall carry out Operations in a good and workmanlike manner in accordance with generally accepted mining practice.
- 5.2 Golden Star shall indemnify and save harmless the Optionor from and against any and all claims, debts, demands, suits, actions and causes of action whatsoever that may be brought or made against the Optionor by any person, firm or corporation and all loss, cost, damages, expenses and liabilities that may be suffered or incurred by the Optionor arising out of or related to, whether directly or indirectly, the entry on, presence on, or activities on the Properties by Golden Star or its employees or agents including without limitation bodily injuries or death at any time resulting therefrom or damage to property, but this indemnity shall not apply or extend to any such claims, debts, demands, suits, actions or causes of action that result from any acts or omissions of the Optionor, its Affiliates or their respective employees or agents.
- 5.3 The Optionor and its employees and agents shall at all reasonable times have access to the Properties on reasonable prior notice to Golden Star and at the risk and cost of the Optionor, provided that the Optionor shall not interfere with Golden Star's Operations hereunder and that Golden Star shall be under no liability to the Optionor or any of such employees or agents for any personal injuries, including death occurring as a result of such access, or for any damage to the Properties in connection with such access unless such injury or damage is due to the negligence or deliberate wrongful act of Golden Star, its Affiliates and their employees or agents.
- 5.4 Golden Star will provide to GRL and the Optionor quarterly reports on exploration results from Operations conducted by Golden Star on the Properties, which also show in reasonable detail the work performed in connection with the Properties, the results obtained and the Expenditures incurred. Golden Star will provide a summary report of all such activities annually within 60 days of the conclusion of each program of work. In addition, Golden Star shall respond in reasonable detail and in a timely fashion to reasonable requests from time to time from the senior management of the Optionor for information on the results of Operations and for Expenditures incurred to date by Golden Star. Where such request is specified to be made for the purpose of determining Expenditures for the purpose of section 6.1 or 6.2, such Expenditures shall be certified by an officer of Golden Star.

6. Vesting Of Interest

6.1 If Golden Star:

- (a) makes an annual payment of \$500,000.00 to the Optionor on or before each of September 8, 2004, September 8, 2005 and September 8, 2006;
- (b) within three years from the date of this Agreement, incurs at least at least \$2 million in Expenditures on the Properties; and
- (c) within three years from the date of this Agreement delivers to GRL and the Optionor a written notice stating that it wishes to exercise the Option;

then Golden Star shall immediately, without further payment or action, be deemed to have exercised the Option and be vested with a 50% Interest on an "as is, where is" basis.

6.2 If Golden Star, after exercise of the option in section 6.1, and before September 8, 2007:

- (a) delivers to GRL and the Optionor a feasibility study for the Properties; and
- (b) within 30 days of delivering the feasibility study:
 - (i) delivers to GRL and the Optionor a written notice stating that it wishes to exercise its Option to acquire an additional 20% Interest for an aggregate 70% Interest; and
 - (ii) makes a payment of \$3,500,000 to the Optionor;

then Golden Star shall immediately, without further payment or action, be deemed to have earned an additional 20% Interest on an "as is, where is" basis for a total Interest of 70% Interest.

6.3 Upon vesting of the Interest as provided in section 6.1, the beneficial right, title and Interest of the Optionor in and to the Properties shall be reduced from 100% to 50% without further act or deed on the part of the Optionor or Golden Star. Upon vesting of the Interest as provided in section 6.2, the beneficial right, title and Interest of the Optionor in and to the Properties shall be reduced from 100% to 30% without further act or deed on the part of the Optionor or Golden Star.

6.4 The Optionor shall have the right during the period of 60 days after the vesting of the Interest provided in section 6.1 or 6.2, during normal business hours, upon reasonable notice to Golden Star and at the Optionor's sole cost and expense, to inspect and copy the books, records and accounts of Golden Star pertinent to the incurring of Expenditures by Golden Star and to have such Expenditures audited by a global accounting firm that is independent of both Golden Star and the Optionor.

6.5 If any such audit discloses an understatement of the Expenditures described in the certificate of an officer pursuant to section 5.4, the Optionor shall so notify Golden Star in writing and Golden Star shall, within 30 days of the date of such notice, pay the

Optionor the difference between the Expenditures that Golden Star claimed to have incurred and the audited amount of Expenditures incurred by Golden Star. If Golden Star does not pay such difference to the Optionor within such 30-day period, interest will be payable on the difference from the date of the audit at the Prime Rate plus 5%.

7. Formation Of Joint Venture

7.1 Upon the Interest having vested in Golden Star, Golden Star and the Optionor shall be deemed to have associated themselves into a joint venture on the terms and conditions contained in the Joint Venture Agreement.

7.2 To evidence such joint venture and the terms thereof, Golden Star shall:

- (a) complete the date on the cover page and on page 1 of the Joint Venture Agreement, which shall be the date on which the Joint Venture becomes effective;
- (b) complete section 5.1 of the Joint Venture Agreement to show as Golden Star's Initial Contribution under the Joint Venture Agreement, the sum of the Expenditures incurred by Golden Star to exercise the Option pursuant to section 6.1 or 6.2 of this Agreement;
- (c) complete the other provisions of the Joint Venture Agreement to show as Golden Star's Interest earned pursuant to section 6.1 or 6.2 of this Agreement, and the Optionor's interest in the Properties; and
- (d) complete Schedule A to the Joint Venture Agreement with a description of the Properties;

and each of the parties shall then execute and deliver to the other a copy of the Joint Venture Agreement. Notwithstanding any delay in such completion or execution of the Joint Venture Agreement, it shall become effective concurrently with the vesting of the Interest in Golden Star.

7.3 This Agreement will be terminated by the Joint Venture Agreement becoming effective, provided that any obligations of the parties that have arisen under this Agreement and remain outstanding on the date on which the Joint Venture Agreement becomes effective, including, without limitation, any indemnity obligations, shall continue after termination of this Agreement until performed or satisfied.

7.4 Upon exercise of the Option by Golden Star, any work then in process shall become the first Program and Budget under the Joint Venture Agreement but may be terminated by the Manager under the Joint Venture Agreement at any time thereafter.

8. Sale to Golden Star

8.1 Upon Golden Star:

- (a) earning a 70% Interest pursuant to section 6.2; and

- (b) making a production decision in respect of the Properties within five years from the date of this Agreement;

GRL shall sell to Golden Star, and Golden Star shall purchase from GRL on an “as is, where is” basis, all of the shares of the Optionor, for aggregate consideration of:

- (c) \$5 million; and
- (d) the right to be paid the royalty on the terms set out in the Royalty Agreement in the form attached as Schedule C, which Golden Star and GRL will execute and deliver on the date of such sale and purchase.

8.2 At any time after the date of this Agreement, GRL will have the right, by giving 30 days’ written notice to Golden Star, to require Golden Star to purchase all of the shares of the Optionor from GRL on an “as is, where is” basis, all of the shares of the Optionor for aggregate consideration of:

- (a) the amount that is or would be payable by GRL to Golden Star pursuant to the Loan Amendment Agreement on the assumption that GRL were to return to a “sound financial condition” (as defined in the Loan Amendment Agreement); and
- (b) the right to be paid the royalty on the terms set out in the Royalty Agreement in the form attached as Schedule C, which Golden Star and GRL will execute and deliver on the date of such sale and purchase.

9. **Payments**

9.1 All payments to be made under this Agreement or the Joint Venture Agreement to the Optionor will be paid directly to GRL. GRL is entitled pursuant to the Option Agreement to set-off against all amounts payable by GRL to the Optionor against all indebtedness or other amounts owed by the Optionor to GRL. To the extent that GRL receives payments on behalf of the Optionor that exceed the amount of indebtedness or other amounts owed by the Optionor to GRL, GRL will forward such amounts to or as directed by the Optionor.

10. **Termination**

10.1 The parties acknowledge and agree that Golden Star has the right and option and shall have no obligation to incur the Expenditures referred to in section 6.1 or 6.2 and nothing in this Agreement nor any act or omission of Golden Star shall by implication or otherwise obligate it to do anything more or to incur any further Expenditures.

10.2 At any time, Golden Star may let the Option lapse by notice to the Optionor or by not incurring the Expenditures referred to in section 6 by the latest time and date permitted by this Agreement whereupon this Agreement except for section 8.2 and the indemnities provided for in Sections 5.2 and 13.1 this Agreement, shall terminate.

11. **Restriction On Assignment**

11.1 Prior to the formation of the Joint Venture:

- (a) the Parties shall not sell, assign, transfer, convey or otherwise dispose of any of their rights and interests under this Agreement; and
- (b) the Optionor shall not sell, assign, transfer, convey or otherwise dispose of any of its rights and interests in the Properties;

without the prior written consent of the other Parties, which shall not be unreasonably withheld or delayed, provided that Golden Star may assign this Agreement to any Affiliate.

After the formation of the Joint Venture, the Joint Venture Agreement shall govern any disposition of any such right or interest in the Joint Venture Agreement or in the Properties.

- ### 11.2
- A party transferring its rights and interests under this Agreement or in the Properties as permitted or required by this Agreement shall require any transferee to execute a counterpart of this Agreement and thereupon agree to be bound by the contractual terms hereof in the same manner and the same extent as though an original party hereto in the first instance.

12. **Representations And Warranties**

12.1 Each of the parties represents and warrants to the other parties as follows:

- (a) that it is a corporation duly incorporated and in good standing in its jurisdiction of incorporation and that it is qualified to do business and is in good standing in those jurisdictions where necessary in order to carry out the purposes of this Agreement;
- (b) that it has the capacity to enter into and perform this Agreement and all transactions contemplated herein and that all corporate and other actions required to authorize it to enter into and perform this Agreement have been properly taken;
- (c) that it will not breach any other agreement or arrangement by entering into or performing this Agreement;
- (d) that this Agreement has been duly executed and delivered by it and is valid and binding upon it in accordance with its terms; and
- (e) that no consent or approval of any third party or governmental agency is required for the execution, delivery or performance of this Agreement or the transfer or acquisition of any interest in the Assets or, if such consent or approval is required, such consent or approval has been obtained and evidence thereof delivered to the other parties.

- 12.2 It is agreed between the parties that any technical, economic or geological information of any nature, including without limitation any studies, reports, mining models, assays, drill hole data, geochemical reports, recovery reports and other information concerning the Properties and the existence, location, quantity, quality or value of any minerals thereon or therein, provided to, or made available by one party to the other under this Agreement or prior to the effective date hereof, is provided without representation or warranty and is at the sole risk of the party receiving the same. Such information is provided "AS IS, WHERE IS" and EACH PARTY EXPRESSLY DISCLAIMS ALL EXPRESS OR IMPLIED WARRANTIES CONCERNING THE SAME, AND EXPRESSLY EXCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE.

13. **Royalties**

- 13.1 Golden Star agrees that, notwithstanding any other term of this Agreement, Golden Star shall be solely responsible and liable for any Royalties previously assumed or granted by the Optionor or any predecessor in title to the Properties and Golden Star hereby indemnifies and holds harmless GRL and the Optionor and their directors, officers, employees, agents and representatives and those of its Affiliates from and against all claims, debts, demands, suits, actions and causes of action whatsoever, and all losses, damages, fines, penalties, liabilities, costs and expenses (including legal expenses) whatsoever, that may be brought, made against, suffered or incurred by any of them arising out of or in connection with such Royalties.

14. **Confidentiality**

- 14.1 Subject to section 14.2, all information that pertains to the Properties, its mineralization or possible exploration and any confidential information provided to Golden Star or its Affiliates or the Optionor by or on behalf of the other party for the purposes of this Agreement ("**Confidential Information**") shall not be disclosed or published to third parties without the prior written consent of the other (such consent not to be unreasonably withheld) except:

- (a) as provided in section 14.3;
- (b) that Golden Star and such Affiliates or the Optionor may disclose Confidential Information to each other or to their respective advisors and consultants or to a potential lender for the purpose of obtaining financing, in each case, on a need-to-know basis; and
- (c) that either Golden Star or the Optionor may disclose Confidential Information on a confidential and need-to-know basis to any person or persons with whom it proposes to dispose of an interest in the Properties or under this Agreement or the Joint Venture Agreement.

- 14.2 Confidential Information shall not include the following:

- (a) information that, at the time of disclosure, is in the public domain;

- (b) information that, after disclosure, is published or otherwise becomes part of the public domain through no fault of the recipient;
- (c) information that the recipient can show already was in the possession of the recipient at the time of disclosure; or
- (d) information that the recipient can show was received by it after the time of disclosure, from a third party that was under no obligation of confidence to the disclosing party at the time of disclosure.

14.3 GRL, the Optionor, Golden Star and their respective Affiliates shall be entitled to disclose such Confidential Information as may be required by applicable regulation, rules or policies of securities regulatory authorities or stock exchanges or by any other law or regulatory authority. Neither Golden Star, GRL nor the Optionor shall make any public announcements or disclosure concerning this Agreement, the Properties or including the name of the other without providing the other party with a reasonable opportunity to review and comment thereon as contemplated in section 14.4.

14.4 The text of any public announcements or disclosure, including news releases, pertaining to this Agreement or the Properties that GRL, the Optionor or Golden Star intends to make pursuant to section 14.3 shall be made available to the other party not less than 48 hours (including at least one full Business Day) prior to publication and such party shall have not less than 48 hours (including at least one full Business Day) prior to publication to make suggestions for changes therein. If the other party or an Affiliate is identified in such public announcement or disclosure, it shall not be released without the consent of such party in writing, which shall not be unreasonably withheld or delayed.

15. **Area Of Interest**

15.1 The Area of Interest shall be that area that is described at the end of Schedule A to this Agreement.

15.2 If at any time during the subsistence of the Option either Golden Star or the Optionor (in this section only called the “**Acquiring Party**”) stakes or otherwise acquires, directly or indirectly, any right to or interest in any mining claim, licence, lease, grant, concession, permit, patent, royalty, production payment or other mineral property or rights including rights of way, surface rights or water rights (collectively, “**Acquired Rights**”) located wholly or partly within the Area of Interest referred to in section 15.1 the Acquiring Party shall forthwith give notice to the other (the “**Other Party**”) of that staking or acquisition, the cost thereof and all details in possession of that party with respect to the nature of the Acquired Rights and the known mineralization.

15.3 The Other Party may, within 30 days of receipt of the Acquiring Party’s notice, elect, by notice to the Acquiring Party, to require that the Acquired Rights and the right or interest acquired be included in and thereafter form part of the Properties for all purposes of this Agreement.

- 15.4 If the Other Party does not make the election aforesaid within that period of 30 days, the Acquired Rights shall not form part of the Properties and the Acquiring Party shall be solely entitled thereto.
- 15.5 If the Acquiring Party is Golden Star and the Acquired Rights are included in the Properties pursuant to section 15.3, any costs of or incidental to the staking or acquiring of the Acquired Rights shall be deemed to be Expenditures.
- 15.6 The provisions of this section 15 shall in no way restrict or limit the right of Golden Star or the Optionor to stake or otherwise acquire, directly or indirectly, without any obligation or liability to the other, any Acquired Rights located wholly outside of the Area of Interest referred to in section 15.1.

16. Notices

- 16.1 Any notice, consent, waiver, direction or other communication required or permitted to be given under this Agreement by a Party to any other Party in writing may be given by facsimile transmission or by delivery addressed to the Party to which the notice is to be given at its facsimile number or address for service set out below. Any notice, consent, waiver, direction or other communications given under this section 16.1 shall be deemed to have been given and received:

- (a) if delivered, on the date on which it was delivered (if a business day at the point of delivery and, if not, the next business day); and
- (b) if sent by facsimile transmission, at the time of receipt (unless actually received after 4:00 p.m. at the point of receipt or on a day that is not a business day at the point of receipt, in which case it shall be deemed to have been given and received on the next business day).

16.2 Delivery and facsimile transmission details:

- (a) if to Golden Star:

Golden Star Resources Ltd.
10901 W. Toller Drive
Suite 300
Littleton, Colorado
80127-6312

Attention: President and Chief Executive Officer

Fax: (303) 830-9094

(b) if to GRL:

Guyanor Ressources S.A.
 Lotissement Mont Joyeux
 BP 750
 97337 Cayenne Cedex
 French Guiana

Attention: Directeur General

Fax: (604) 608-3283

(c) the Optionor:

Société de Travaux Publics et de Mines Aurifères en Guyane S.A.R.L.
 c/o Guyanor Ressources S.A.
 Lotissement Mont Joyeux
 BP 750
 97337 Cayenne Cedex
 French Guiana

Attention: Directeur General

Fax: (604) 608-3283

16.3 A Party may change the details in section 16.2 by notice to the other Party.

17. General

17.1 *Limitation:* The Optionor shall not be liable to Golden Star or to any third parties for any condition or state of, or activities on, the Properties that came into being, existed or were conducted prior to the vesting of the Interest in Golden Star pursuant to section 6.1 or 6.2 or that comes into being or are conducted subsequent to the termination of this Agreement, including, but not limited to, costs of remediation, reclamation, environmental clean-up and all related matters.

17.2 *Further Assurances:* The parties shall do and perform all such acts and things, and execute all such deeds, documents and writings, and give all such assurances, as may be necessary to give effect to this Agreement.

17.3 *No partnership or agency:* This Agreement does not create any partnership or agency relationship between the parties.


17.4 *Entire Agreement:* This Agreement, the Debt Restructuring Agreement, the Loan Amendment Agreement, and the Data Acquisition Agreement constitute the entire agreement between Golden Star, the Optionor and GRL pertaining to the subject matter of such agreements and supersedes all prior agreements, undertakings, negotiations and discussions, whether oral or written, between the parties, including the Memorandum of Understanding dated May 26, 2004, and there are no warranties, representations, covenants, obligations or agreements between the Golden Star, the Optionor and GRL with respect to the subject matter of such agreements.

- 17.5 *Survival:* The terms of this Agreement, including the indemnification provisions, will survive the completion of the transactions contemplated by this Agreement.
- 17.6 *Invalidity:* Each of the provisions contained in this Agreement is distinct and severable and a determination of illegality, invalidity or unenforceability of any such provision or part of this Agreement by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision of this Agreement, unless as a result of such determination this Agreement would fail in its essential purposes.
- 17.7 *Changes or waivers:* No change may be made to this Agreement, and no provision may be waived, unless all parties agree in writing to the change or waiver.
- 17.8 *Counterparts:* This Agreement may be executed in counterparts.
- 17.9 *Governing Law and Jurisdiction:* This Agreement will be governed by the laws of the Province of British Columbia and the laws of Canada applicable in British Columbia. The parties submit to the non-exclusive jurisdiction of the courts of the Province of British Columbia.


17.10 *Binding Effect:* This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

The parties have executed this Agreement by their authorized signatories, effective the date first written above.

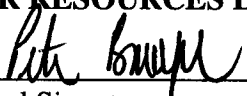
GUYANOR RESSOURCES S.A.

By: 
 Authorized Signatory
 Name: **JAMES H. DUNNETT**

SOCIÉTÉ DE TRAVAUX PUBLICS ET DE MINES AURIFÈRES EN GUYANE S.A.R.L.

By: 
 Authorized Signatory
 Name: **JAMES H. DUNNETT**

GOLDEN STAR RESOURCES LTD.

By: 
 Authorized Signatory
 Name: **PETER BRADFORD**

The undersigned has executed this page solely to confirm that this Agreement, as amended from time to time, and completion of the transactions contemplated hereby (including without limitation the entering into of the Joint Venture Agreement referred to herein and the completion of the transactions contemplated thereby) are not subject to the right of first refusal contained in the Memorandum of Agreement between Auplata S.A.S., Guyanor Ressources S.A. and others dated June 30, 2004, as amended.

AUPLATA S.A.S.

By: _____
 Authorized Signatory
 Name:

SCHEDULE A

Properties

Exclusive Exploration Permit – GUYANOR Ressources S.A.

- **Exclusive Exploration Permit** named “**Paul Isnard**”, for gold and related substances, base metals, precious metals and precious stones, for a total superficy of 283 sq.km, granted for a first 3 year period by Ministerial Decree dated 11/26/1999 (Official Bulletin dated 11/30/1999) to GUYANOR Ressources S.A., registered at the D.R.I.R.E. Antilles-Guyane under the n° **75/99**. First period of validity expired on 11/30/2002. Application for the 2nd period of validity (with reduction of superficy to 199 sq.km) carried out to the French Ministry of Industry on 07/30/2002. As at the date of this Agreement, renewal not yet granted, still under review by the Ministry of Industry.

Mining Concessions – SOTRAPMAG s.a.r.l. (100 % subsidiary of GUYANOR)

- **Eight Mining Concessions** named “**Paul-Isnard Concessions**”, transfered to SOTRAPMAG by Ministerial Decree on 12/27/1995 (Official Bulletin dated 12/29/1995), numbered 25, 214, 215, 216, 217, 218, 219 et 692, and registered to the D.R.I.R.E. Antilles-Guyane respectively under the numbers **C02/24, C01/46, C02/46, C03/46, C01/48, C02/48, C03/48** et **C01/19**, and having a total superficy of 150 sq.km and being valid until 12/31/2018.

The term “Area of Interest” as used in Section 15 means the area within the perimeter formed by the boundaries of the outermost mineral tenures comprised in the Properties. It is intended that the Area of Interest shall comprise all of the mineral tenures within the straight lines formed by following and connecting the actual outermost boundaries of such outermost mineral tenures by straight lines, including any gap that may exist between the actual boundaries of such mineral tenures as a result of the location thereof, substantially as indicated in the sketch. It is not intended to include (nor to impose any restriction in respect of) any area that is not within the perimeter formed by the lines as so drawn. In the event of any conflict between the perimeters shown on the sketch and the perimeter formed by the actual boundaries as determined by survey, the latter shall prevail.

SCHEDULE B
JOINT VENTURE AGREEMENT

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BETWEEN

SOCIÉTÉ DE TRAVAUX PUBLICS ET DE MINES AURIFÈRES EN GUYANE S.A.R.L.

AND

GOLDEN STAR RESOURCES LTD.

**WITH RESPECT TO THE
PAUL ISNARD PROJECT IN FRENCH GUIANA**

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JOINT VENTURE AGREEMENT

THIS AGREEMENT is made _____, _____,

BETWEEN:

**SOCIÉTÉ DE TRAVAUX PUBLICS ET DE MINES AURIFÈRES EN GUYANE
S.A.R.L.** of 9 Lotissement Mont Joyeux, BP 750, 97337 Cayenne Cedex, French Guiana
("SOTRAPMAG")

(the "Optionor")

AND

GOLDEN STAR RESOURCES LTD. of 10901 W. Toller Drive, Suite 300, Littleton,
Colorado 80127-6312 ("Golden Star")

WHEREAS:

- A. The Optionor holds the Properties (as defined below);
- B. Golden Star has fulfilled the preconditions and exercised its option to earn an initial _____% interest in the Properties; and
- C. This Agreement sets out the terms of a joint venture between the parties.

In consideration of the following mutual promises and for other valuable consideration (the receipt and sufficiency of which is hereby acknowledged) THE PARTIES AGREE AS FOLLOWS:

1. Interpretation

1.1. In this Agreement, the following terms have the following meanings:

"Affiliate" means any person, partnership, joint venture, corporation or other form of enterprise which directly or indirectly controls, is controlled by, or is under common control with, a Participant. For purposes of the preceding sentence, control means possession, directly or indirectly, of the power to direct or cause direction of management and policies through ownership of voting securities, contract, voting trust or otherwise.

"Agreement" means this Agreement, including all amendments and modifications thereof, and all schedules and exhibits, which are incorporated herein by this reference.

"Area of Interest" means the area described in Part 2 of Exhibit A.

"Assets" means the Properties, Products and all other tangible and intangible personal property now or hereafter held by the Manager for the benefit of the Participants hereunder.

“Budget” means a detailed estimate of all costs to be incurred by Golden Star with respect to a Program and “budgetary period” means the budgetary period established in a Program and Budget.

“Business Days” means any day which is not a Saturday or Sunday and on which banks in Denver, Colorado and Paris, France are open for business.

“Development” means all preparation for the removal and recovery of Products, including the construction or installation of a mill or any other improvements to be used for the mining, handling, milling, processing or other beneficiation of Products.

“Exploration” means all activities directed toward ascertaining the existence, location, quantity, quality or commercial value of deposits of Products, but shall not include construction of milling or processing facilities or commencement of commercial mining operations on the Properties.

“Initial Contribution” means the initial contribution that each Participant has made or agrees to make pursuant to section 5.1.

“Joint Account” means the account maintained in accordance with United States generally accepted accounting principles consistently applied showing the charges and credits accruing to the Participants.

“Manager” means the person or entity appointed under section 7 to manage Operations, or any successor Manager.

“Mining” means the mining, extracting, producing, handling, milling or other processing of Products.

“Operations” means the Exploration, Development and Mining activities carried out under this Agreement.

“Option Agreement” means the Option Agreement dated September ____, 2004 between GRL, the Optionor and Golden Star, pursuant to which Golden Star acquired its Initial Contribution;

“Participant” and “Participants” mean the persons or entities that from time to time have Venture Interests.

“Prime Rate” means at any particular time, the annual rate of interest published from time to time as the “U.S. Prime Rate” by the Wall Street Journal.

“Products” means all ores, minerals and mineral resources produced for commercial sale from the Properties under this Agreement.

“Program” means a description in reasonable detail of the scope, direction and nature of the Operations to be conducted and objectives to be accomplished by the Manager for a year or any other reasonable period.

“Properties” means, subject to section 5.1, those mineral tenures described in Part 1 of Exhibit A and all mineral tenures which may replace same and all other mineral rights, surface rights or water rights within the Area of Interest which are acquired and held subject to this Agreement.

“Royalties” means any agreements or options to grant or convey any interest in the Properties or Products or to grant or pay any royalties or similar financial rights or payment obligations with respect to the Properties.

“Transfer” means sell, grant, assign, convey, encumber, pledge or otherwise commit or dispose of.

“Venture” means the business arrangement of the Participants under this Agreement.

“Venture Interest” means an undivided beneficial interest in the Assets, and all rights and obligations arising under this Agreement, as such interest may from time to time be adjusted hereunder, expressed as a percentage. The initial Venture Interests of the Participants are set forth in section 6.1.

1.2. In this Agreement:

- (a) *Gender, Number and Other Terms:* In this Agreement, unless the context otherwise requires, words importing the singular include the plural and vice versa, words importing gender include all genders, “or” is not exclusive and “including” is not limiting, whether or not non-limiting language (such as “without limitation”) is used with reference to it.
- (b) *Headings and Table of Contents:* The inclusion of headings and a table of contents in this Agreement is for convenience only and shall not affect the construction or interpretation of this Agreement.
- (c) *References to Whole Agreement:* Unless otherwise stated a reference in this Agreement to a designated section, subsection, paragraph or other subdivision or to an Exhibit is to the designated section, subsection, paragraph or other subdivision of, or Exhibit to, this Agreement.
- (d) *Statutes:* Unless otherwise stated, any reference to a statute includes and is a reference to such statute and to the regulations made pursuant to it, with all amendments to them and in force from time to time, and to any statute or regulations that may be passed which supplement or supersede such statute or such regulations.
- (e) *Currency:* Except where otherwise expressly provided, all monetary amounts in this Agreement are stated and shall be paid in currency of the United States of America.
- (f) *No Strict Construction:* The language in all parts of this Agreement shall in all cases be construed as a whole and neither strictly for nor strictly against any of the parties to this Agreement.

- (g) *Consent:* Whenever a provision of this Agreement requires an approval or consent and such approval or consent is not delivered within the applicable time limit, then, unless otherwise specified, the party whose consent or approval is required shall be conclusively deemed to have withheld its approval or consent.

1.3. Attached to and forming part of this Agreement is the following Exhibit:

- Exhibit A - Part 1 - Properties
 - Part 2 - Area of Interest

2. **Representations And Warranties; Title To Assets**

2.1. *General Representations and Warranties.* Each of the Participants represents and warrants as follows:

- (a) that it is a corporation duly incorporated and in good standing in its jurisdiction of incorporation and that it is qualified to do business and is in good standing in those jurisdictions where necessary in order to carry out the purposes of this Agreement;
- (b) that it has the capacity to enter into and perform this Agreement and all transactions contemplated herein and that all corporate and other actions required to authorize it to enter into and perform this Agreement have been properly taken;
- (c) that it will not breach any other agreement or arrangement by entering into or performing this Agreement;
- (d) that this Agreement has been duly executed and delivered by it and is valid and binding upon it in accordance with its terms;
- (e) that no consent or approval of any third party or governmental agency is required for the execution, delivery or performance of this Agreement or the transfer or acquisition of any interest in the Assets or, if such consent or approval is required, such consent or approval has been obtained and evidence thereof delivered to the other Participants.

The representations and warranties set forth above shall survive the execution and delivery of any documents of Transfer provided under this Agreement.

2.2. *Record Title.* The Manager shall hold the Assets in trust for the Participants in proportion to their Venture Interests as and when appropriate, as adjusted from time to time. Each Participant shall have the right to receive forthwith upon making demand therefor, from the Manager such documents as it may reasonably require to confirm its Venture Interest.

2.3. *Loss of Title.* Any failure or loss of title to the Assets, and all costs of defending title, shall be borne by Golden Star.

3. **Name, Purposes And Term**

- 3.1. *General.* The Optionor and Golden Star hereby agree to associate and participate in a joint venture and enter into this Agreement for the purposes hereinafter stated, and they agree that all of their rights and all of the Operations on or in connection with the Properties or the Area of Interest shall be subject to and governed by this Agreement.
- 3.2. *Name.* The name of this Venture shall be the “Paul Isnard Project”. The Manager shall accomplish any registration required by applicable assumed or fictitious name statutes and similar statutes.
- 3.3. *Purposes.* This Agreement is entered into for the following purposes and for no others, and shall serve as the exclusive means by which the Participants, or either of them, accomplish such purposes:
- (a) to conduct Exploration of the Properties;
 - (b) to acquire additional Properties within the Area of Interest;
 - (c) to evaluate the possible Development of and Mining Operations on the Properties;
 - (d) to engage in Development and Mining Operations on the Properties; and
 - (e) to perform any other activity necessary, appropriate, or incidental to any of the foregoing.
- 3.4. *Limitation.* Unless the Participants otherwise agree in writing, the Operations shall be limited to the purposes described in section 3.3, and nothing in this Agreement shall be construed to enlarge such purposes.
- 3.5. *Effective Date and Term.* The effective date of this Agreement shall be the date first recited above. The term of this Agreement shall be for 20 years from the effective date and for so long thereafter as Products are produced from the Properties or the Participants are actively engaged in the Exploration or Development of the Properties or continue to jointly own or operate any of the Assets or post-Mining reclamation Operations are being conducted, unless the Agreement is earlier terminated as herein provided.
- 3.6. *Payments.* All payments to be made under this Agreement to the Optionor will be paid directly to GRL. GRL is entitled pursuant to the Option Agreement to set-off against all amounts payable by GRL to the Optionor against all indebtedness or other amounts owed by the Optionor to GRL. To the extent that GRL receives payments on behalf of the Optionor that exceed the amount of indebtedness or other amounts owed by the Optionor to GRL, GRL will forward such amounts to or as directed by the Optionor.

4. **Relationship Of The Participants**

- 4.1. *No Partnership.* Nothing contained in this Agreement shall be deemed to constitute either Participant the partner of the other, nor, except as otherwise herein expressly

provided, to constitute either Participant the agent or legal representative of the other, nor to create any fiduciary relationship between them. It is not the intention of the Participants to create, nor shall this Agreement be construed to create, any mining, commercial or other partnership. Neither Participant shall have any authority to act for or to assume any obligation or responsibility on behalf of the other Participant, except as otherwise expressly provided herein. The rights, duties, obligations and liabilities of the Participants shall be several and not joint or collective. Each Participant shall be responsible only for its obligations as herein set out and shall be liable only for its share of the costs and expenses as provided herein, it being the express purpose and intention of the Participants that their beneficial ownership of Assets and the rights acquired hereunder shall be as tenants in common of undivided interests. Each Participant shall indemnify, defend and hold harmless the other Participant, its directors, officers, employees, agents and attorneys from and against any and all losses, claims, damages and liabilities arising out of any act or any assumption of liability by the indemnifying Participant, or any of its directors, officers, employees, agents and attorneys and those of its Affiliates done or undertaken, or apparently done or undertaken, on behalf of the other Participant, except pursuant to the authority expressly granted herein or as otherwise agreed in writing between the Participants.

- 4.2. *Taxation.* Each Participant on whose behalf any venture costs have been incurred in accordance with this Agreement shall be entitled to claim all tax benefits, write-offs and deductions with respect thereto.
- 4.3. *Other Business Opportunities.* Except as expressly provided in this Agreement, each Participant shall have the right independently to engage in and receive full benefits from business activities, whether or not competitive with the Operations, without consulting the other. The doctrines of "corporate opportunity" or "business opportunity" shall not be applied to any other activity, venture, or operation of either Participant, and neither Participant shall have any obligation to the other with respect to any opportunity to acquire any property outside the Area of Interest at any time, or within the Area of Interest after the termination of this Agreement. Unless otherwise agreed in writing, no Participant shall have any obligation to mill, beneficiate or otherwise treat any Products or any other Participant's share of Products in any facility owned or controlled by such Participant.
- 4.4. *Waiver of Right to Partition.* The Participants hereby waive and release all rights of partition, or of sale in lieu thereof, or other division of Assets, including any such rights provided by statute, whether by way of physical partition, judicial sale or otherwise during the term of this Agreement.

5. **Contributions By Participants**

- 5.1. *Participants' Initial Contributions.* Golden Star, as its Initial Contribution, hereby contributes its undivided _____% right, title and interest in and to the Properties to the purposes of this Agreement and the Optionor, as its Initial Contribution, hereby contributes its undivided _____% right, title and interest in and to the Properties to the purposes of this Agreement. The agreed value of Golden Star's Initial Contribution is

[/insert amount(s) paid pursuant to section 6.1(b) and 6.2(b) of the Option Agreement]. The agreed value of the Optionor's Initial Contribution is the amount determined by dividing Golden Star's Initial Contribution from time to time by Golden Star's then Venture Interest and multiplying the quotient by the Optionor's then Venture Interest.

- 5.2. *Additional Cash Contributions.* After making their respective Initial Contribution, the Participants will not be obligated to contribute any additional funds to the Venture.
- 5.3. *Personnel.* All employees engaged in Operations shall be employees of the Manager and not of the Venture.

6. **Interests Of Participants**

- 6.1. *Initial Venture Interests.* The Participants shall have the following initial Venture Interests:

the Optionor - _____%

Golden Star - _____%

- 6.2. *Changes in Venture Interests.* A Participant's Venture Interest(s) shall be changed as follows:

- (a) by making additional contributions as agreed by the Participants; or
- (b) acquisition of less than all of the Venture Interest(s) of the other Participant, however arising.

7. **Manager**

- 7.1. *Appointment.* The Participants hereby appoint Golden Star as the Manager with overall management responsibility for Operations. Golden Star hereby agrees to serve as Manager to serve as Manager until Golden Star resigns, or is deemed to have resigned, in accordance with section 7.5.

- 7.2. *No Management Committee.* The Participants have not established a management committee. The Manager shall have exclusive authority to determine all management matters related to this Agreement.

- 7.3. *Powers and Duties of Manager.* Subject to the terms and provisions of this Agreement, the Manager shall have the following powers and duties which shall be discharged in accordance with adopted Programs and Budgets:

- (a) The Manager shall manage, direct and control Operations.
- (b) The Manager shall make all expenditures necessary to carry out adopted Programs, and shall promptly advise Golden Star if it lacks sufficient funds to carry out its responsibilities under this Agreement.

- (c) The Manager shall:
 - (i) purchase or otherwise acquire all material, supplies, equipment, water, utility and transportation services required for Operations, such purchases and acquisitions to be made on the best terms available, taking into account all of the circumstances;
 - (ii) obtain such customary warranties and guarantees as are available in connection with such purchases and acquisitions; and
 - (iii) keep the Assets free and clear of all liens and encumbrances, except for those existing at the time of, or created concurrent with, the acquisition of such Assets, or mechanic's or materialmen's liens which shall be released or discharged in a diligent manner.
- (d) The Manager shall conduct such title examinations and cure such title defects as may be advisable in the reasonable judgment of the Manager.
- (e) The Manager shall:
 - (i) make or arrange for all payments required by leases, licenses, permits, contracts and other agreements related to the Assets;
 - (ii) pay all taxes, assessments and like charges on Operations and Assets except taxes determined or measured by a Participant's sales revenue or net income. The Manager shall have the right to contest in the courts or otherwise, the validity or amount of any taxes, assessments or charges if the Manager deems them to be unlawful, unjust, unequal or excessive, or to undertake such other steps or proceedings as the Manager may deem reasonably necessary to secure a cancellation, reduction, readjustment or equalization thereof before the Manager shall be required to pay them, but in no event shall the Manager permit or allow title to the Assets to be lost as the result of the non-payment of any taxes, assessments or like charges; and
 - (iii) shall do all other acts reasonably necessary to maintain the Assets.
- (f) The Manager shall:
 - (i) apply for all necessary permits, licenses and approvals;
 - (ii) comply with applicable laws and regulations in all substantial respects;
 - (iii) notify promptly the Participants of any allegations of substantial violation thereof; and
 - (iv) prepare and file all reports or notices required for Operations.

- (g) The Manager shall prosecute and defend and may initiate all litigation or administrative proceedings arising out of Operations and the Manager shall keep the Participants reasonably informed of the commencement and progress of any litigation and administrative proceedings.
- (h) The Manager shall obtain and maintain for itself and the other Participant such insurance with such limits and deductibles as would normally be maintained by a reasonably prudent operator in similar circumstances, either by way of a separate policy or the extension of coverage under a “blanket” policy maintained by an Affiliate of the Manager, and the cost thereof shall be paid by the Participants as an item to be included in each Budget.
- (i) The Manager may dispose of Assets, whether by abandonment, surrender or Transfer in the ordinary course of business, except that Properties may be abandoned or surrendered only as provided in section 15.
- (j) The Manager shall have the right, subject to section 7.7 below to carry out its responsibilities hereunder through agents, Affiliates or independent contractors.
- (k) The Manager shall keep and maintain all required accounting and financial records in accordance with United States generally accepted accounting principles consistently applied.
- (l) The Manager shall keep GRL and the Participants advised of all Operations by submitting in writing to the Participants:
 - (i) quarterly progress reports that include statements of expenditures and comparisons of such expenditures to the adopted Budget;
 - (ii) periodic summaries of data acquired;
 - (iii) copies of reports concerning Operations;
 - (iv) a detailed final report within 60 days after completion of each Program and Budget, which shall include comparisons between actual and budgeted expenditures and comparisons between the objectives and results of Programs; and
 - (v) such other reports as the Participants may reasonably request.

At all reasonable times the Manager shall provide the Participants, upon request, access to, and the right to inspect and copy all maps, drill logs, core tests, reports, surveys, assays, analyses, production reports, operations, technical, accounting and financial records, and other information acquired in Operations. Such material and information shall be solely for the benefit of the Participants to whom such material and information are made available and the Participants agree not to discuss or disclose the same to any third parties except as provided in this Agreement. Each Participant further agrees

that its use of or reliance on such material and information shall be at its sole risk and further agrees to indemnify, defend and hold harmless the Manager and its Affiliates (including without limitation direct and indirect parent companies), and its or their respective directors, officers, shareholders, employees, agents and attorneys, from and against any and all claims, demands, investigations, judgments, losses, liabilities, costs and expenses, including reasonable legal fees, which may be imposed upon, asserted against or incurred by any of them and which arise out of or result from use of or reliance on such material and information by the receiving Participant, or any third party to whom the receiving Participant discloses such material and information. The Manager makes no representation or warranty as to the completeness or accuracy of any material or information disclosed hereunder.

- (m) The Manager shall allow each Participant, at such Participant's sole risk and expense, and subject to reasonable safety regulations, to inspect the Assets and Operations at all reasonable times, so long as such Participant does not unreasonably interfere with Operations. Such Participant agrees to indemnify, defend and hold harmless the Manager and its Affiliates (including without limitation direct and indirect parent companies), and its or their respective directors, officers, shareholders, employees, agents and attorneys, from and against any and all claims, demands, investigations, judgments, losses, liabilities, costs and expenses, including reasonable legal fees, which may be imposed upon, asserted against or incurred by any of them and which arise out of or result from the entry of, presence or activities of such Participant and/or its agents and representatives on the Properties, including without limitation bodily injury or death at any time resulting therefrom and damage to property sustained by any person or persons, unless such loss or damage is caused by the negligence or wilful misconduct of the Manager.
- (n) The Manager shall be wholly responsible for all assessment work and filings necessary to maintain the Properties in good standing.
- (o) The Manager shall undertake all other activities reasonably necessary to fulfill the foregoing.

The Manager shall not be in default of any duty under this section 7.3 if its failure to perform results from the failure of the non-managing Participant to perform acts or to contribute amounts required of it by this Agreement.

- 7.4. *Standard of Care.* The Manager shall conduct all Operations in a good, workmanlike and efficient manner, in accordance with sound mining and other applicable industry standards and practices, and in accordance with the terms and provisions of claims, leases, licenses, permits, contracts and other agreements pertaining to Assets. The Manager shall not be liable to the non-managing Participant for any act or omission resulting in damage or loss except to the extent caused by or attributable to the Manager's wilful misconduct or negligence.

7.5. *Resignation, Deemed Offer to Resign.* The Manager may resign with the consent of GRL and the Optionor. If any of the following shall occur, the Manager shall be deemed to have offered to resign:

- (a) the Manager fails to perform a material obligation imposed upon it under this Agreement and such failure continues for a period of 60 days after notice from the another Participant demanding performance; or
- (b) a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for a substantial part of its assets is appointed and such appointment is neither made ineffective nor discharged within 60 days after the making thereof, or such appointment is consented to, requested by, or acquiesced in by the Manager; or
- (c) the Manager commences a voluntary case under any applicable bankruptcy, insolvency or similar law now or hereafter in effect; or consents to the entry of an order for relief in an involuntary case under any such law or to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or other similar official of any substantial part of its assets; or makes a general assignment for the benefit of creditors; or fails generally to pay its or Venture debts as such debts become due; or takes corporate or other action in furtherance of any of the foregoing;

provided that if a deemed offer to resign is not accepted by the other Participants within 90 days following such deemed offer, the deemed offer to resign shall expire. Upon its resignation or deemed resignation, the Manager shall use all reasonable efforts to transfer the Assets to the New Manager. The costs of such transfer shall be borne by Golden Star.

7.6. *Payments To Manager.* No compensation or reimbursement shall be payable to the Manager for its services and costs. All costs and expenses incurred by the Manager in performing its powers and duties shall be borne solely by the Manager.

7.7. *Transactions With Affiliates.* The Manager may engage Affiliates to provide services, supplies, equipment or machinery hereunder, provided it shall do so on terms no less favourable to the Venture than would be the case with unrelated persons in arm's-length transactions.

7.8. *Activities Absent from Approved Plan and Budget.* If for any reason a Program and Budget are not adopted, the Manager shall continue Operations at levels necessary to maintain and protect the Assets and to comply with all contractual and regulatory obligations related thereto.

7.9. *Independent Contractor.* The Manager is and shall act as an independent contractor and not as the agent of the other Participant. The Manager shall maintain complete control over its employees and all of its subcontractors with respect to performance of the Operations. Nothing contained in this Agreement or any subcontract awarded by the Manager shall create any contractual relationship between any subcontractor and the other Participant. The Manager shall have complete control over and supervision of Mining

Operations and shall direct and supervise the same so as to ensure their conformity with this Agreement.

8. Programs And Budgets

- 8.1. *Operations Pursuant to Programs and Budgets.* Except as otherwise provided in this section 8 and section 14, all Operations and the development and approval of Programs and Budgets shall be conducted, and Assets shall be acquired, in the sole discretion of Golden Star.
- 8.2. *Audits.* Upon request made by any Participant within 24 months following the end of any calendar year. All written exceptions to and claims upon the Manager for discrepancies disclosed by such audit shall be made not more than 3 months after receipt of the audit report. Failure to make any such exception or claim within the 3 month period shall mean the audit is correct and binding upon the Participants. The audits shall be conducted by a firm of chartered accountants selected by the Manager, unless otherwise agreed by the Participants.

9. Royalties

- 9.1. Golden Star acknowledges and agrees that Golden Star shall be solely responsible and liable for any Royalties previously assumed or granted by the Optionor or any predecessor in title to the Properties and Golden Star hereby indemnifies and holds harmless GRL, the Optionor, and their directors, officers, employees, agents and representatives from and against all claims, debts, demands, suits, actions and causes of action whatsoever, and all losses, damages, fines, penalties, liabilities, costs and expenses (including legal expenses) whatsoever, which may be brought, made against, suffered or incurred by any of them arising out of or in connection with such Royalties.

10. Reclamation Obligations

- 10.1. Upon the Commencement of Commercial Production, Golden Star shall provide for the reclamation and long-term care and monitoring of the Properties and any facilities used in connection with such production.
- 10.2. Promptly after the earlier of termination of the Venture or termination, surrender, abandonment or expiration of any right or interest in the Properties, however occurring, the Manager shall at Golden Star's expense commence and diligently pursue to completion by best efforts any reclamation of the Properties or part thereof required to remedy or mitigate the effects of the Venture's activities on such Properties after the date of the Option Agreement, in each case, to the extent required by applicable law or permits and by careful and prudent exploration and mining practices.

11. Disposition Of Production

- 11.1. *Taking In Kind.* Each Participant shall take in kind or separately dispose of its share of all Products in accordance with its Venture Interest in respect of Products extracted from the Properties. Any extra expenditure incurred in the taking in kind or separate

disposition by any Participant of its proportionate share of Products shall be borne by such Participant. Nothing in this Agreement shall be construed as providing, directly or indirectly, for any joint or co-operative marketing or selling of Products. The Manager shall give the Participants notice at least 10 days in advance of the delivery date upon which their respective shares of Products will be available.

- 11.2. *Failure of Participant to Take In Kind.* If a Participant fails to take in kind, the Manager shall have the right, but not the obligation, for a period of time consistent with the minimum needs of the industry, but not to exceed one year, to purchase the Participant's share for its own account or to sell such share as agent for the Participant at not-less than the prevailing market price in the area. The Manager shall be entitled to deduct from proceeds of any sale by it for the account of a Participant reasonable expenses incurred in such a sale.

12. **Credits**

- 12.1. The Manager will credit the Joint Account with revenues received by the Manager as such including, for example:
- (a) collection of insurance proceeds related to the Operations when the insurance premiums have been charged to the Joint Account;
 - (b) sales of geologic or other information authorized by the Participants, and provided that the costs related to such data have been charged to the Joint Account;
 - (c) sales of property, plant, equipment and materials of the Operations in the normal course of the day-to-day business;
 - (d) rentals received, refunds of custom duties or transportation claims, rebates, and other credits pertaining to Operations;
 - (e) credits received from third parties for the use of facilities or services of the Operations;
 - (f) refunds for defective equipment when the Manager receives the corresponding payments from the manufacturers or agents; and
 - (g) any other credits for materials recovery or from other sources which correspond to the Joint Account.

13. **Termination**

- 13.1. *Termination by Expiration or Agreement.* This Agreement shall terminate as expressly provided in this Agreement, unless earlier terminated by written agreement.
- 13.2. *Continuing Obligations.* On termination of this Agreement, the Participants shall remain liable for continuing obligations hereunder until final settlement of all accounts and for

any liability, whether it accrues before or after termination, if it arises out of Operations during the term of the Agreement.

13.3. *Disposition of Assets on Termination.* Promptly after termination, the Manager shall take all action necessary to wind up the activities of the Venture including as provided in section 10, and all costs and expenses incurred in connection with the termination of the Venture shall be paid by Golden Star. The Assets shall first be paid, applied, or distributed in satisfaction of all liabilities of the Venture to third parties and then to satisfy any debts, obligations, or liabilities owed to the Participants. Before distributing any funds or Assets to Participants, the Manager shall have the right to segregate amounts which, in the Manager's reasonable judgment, are necessary to discharge continuing obligations or to purchase for the account of Participants, bonds or other securities for the performance of such obligations. Thereafter, any remaining cash and all other Assets shall be distributed in undivided interests to the Participants, in proportion to their then respective Venture Interests unless otherwise provided herein or otherwise agreed. No Participant shall receive a distribution of any interest in Products or proceeds from the sale thereof if such Participant's Venture Interest therein has been terminated pursuant to this Agreement.

13.4. *Right to Data After Termination.* After termination of this Agreement, each Participant shall be entitled to copies of all information acquired hereunder before the effective date of termination not previously furnished to it.

14. **Acquisitions Within Area Of Interest**

14.1. *General.* Any interest or right to acquire any interest in any mining claim, license, lease, grant, concession, permit, patent or other mineral rights, surface rights or water rights (collectively, the "Acquired Rights") within the Area of Interest staked or otherwise acquired during the term of this Agreement by or on behalf of a Participant or any Affiliate shall be subject to the terms and provisions of this Agreement.

14.2. *Notice to Non-acquiring Participant.* Within 15 days after the acquisition of any Acquired Rights wholly or partially within the Area of Interest otherwise than by the Manager pursuant to a Program, the acquiring Participant shall notify the other Participant of such staking or acquisition. The acquiring Participant's notice shall describe in detail the staking or acquisition, the Acquired Rights and the cost thereof. In addition to such notice, the acquiring Participant shall make any and all information concerning the Acquired Rights available for inspection by the other Participant.

14.3. *Option Exercised.* If, within 15 days after receiving the acquiring Participant's notice, the other Participant notifies the acquiring Participant of its election to accept a proportionate interest equal to its Venture Interest if the Acquired Rights fall within the Properties, the acquiring Participant shall convey to the other Participant such proportionate undivided interest therein. For greater certainty, where Acquired Rights about the Properties, they shall be deemed to fall within the Properties. The Acquired Rights shall become a part of the Properties for all purposes of this Agreement. The other Participant shall promptly

pay to the acquiring Participant its proportionate share of the latter's actual out-of-pocket staking or acquisition costs.

- 14.4. *Option Not Exercised.* If the other Participant does not give such notice within the period set forth in section 14.3, the non-acquiring Participant shall have no interest in the Acquired Rights, and the Acquired Rights shall not be a part of the Properties or be subject to this Agreement.
- 14.5. *No Limitation.* The provisions of this section 14 shall in no way restrict or limit the rights of a Participant or any Affiliate to stake or otherwise acquire, directly or indirectly, without any obligation or liability to the other Participant, any Acquired Rights located wholly outside of the Area of Interest.

15. **Abandonment And Surrender Of Properties**

- 15.1. *Surrender or Abandonment of Property.* The Participants may authorize the Manager to surrender or abandon part or all of the Properties.
- 15.2. *Reacquisition.* If any Properties are abandoned or surrendered under the provisions of this section 15, then, unless this Agreement is earlier terminated, neither Participant nor any Affiliate thereof shall acquire any interest in such Properties or a right to acquire such Properties for a period of one year following the date of such abandonment or surrender. If a Participant nevertheless reacquires any Properties, the other Participant may elect by notice to the reacquiring Participant within 45 days after it has actual notice of such reacquisition, to have such properties made subject to the terms of this Agreement. In the event such an election is made, the reacquired properties shall thereafter be treated as Properties, and the costs of reacquisition shall be borne solely by the reacquiring Participant.

16. **Confidentiality**

- 16.1. *General.* The financial terms of this Agreement and all information obtained in connection with the performance of this Agreement shall be the exclusive property of the Participants and, except as provided in section 16.2, shall not be disclosed to any third party or the public without the prior written consent of the other Participant, which consent shall not be unreasonably withheld or delayed. Whenever practical, any announcements, press releases or public statements shall be issued jointly by the Participants. Each Participant agrees to review and respond to any proposed request for disclosure or press release made by another Participant within two Business Days of receipt.
- 16.2. *Exceptions.* The consent required by section 16.1 shall not apply to a disclosure:
- (a) To an Affiliate, consultant, contractor or subcontractor, banker, insurance broker or surety that has a bona fide need to be informed;
 - (b) To any third party to whom the disclosing Participant contemplates an assignment of the Participant's rights under this Agreement; or

- (c) To a governmental agency or to the public which the disclosing Participant believes in good faith is required by pertinent law or regulation or the rules of any stock exchange;

16.3. *Duration of Confidentiality.* The provisions of this section 16 shall apply during the term of this Agreement and for two years following termination of this Agreement.

16.4. *Exclusions from Confidentiality Restriction*

Confidential information shall not include the following:

- (a) information that, at the time of disclosure, is in the public domain;
- (b) information that, after disclosure, is published or otherwise becomes part of the public domain through no fault of the disclosing Participant;
- (c) information that the disclosing Participant can show was in its possession independently of this Agreement and the transactions contemplated by it;
- (d) information that the disclosing Participant can show was received by it from a third party who was under no obligation of confidence to the other Participant at the time of disclosure.

17. Notices

17.1. Any notice, consent, waiver, direction or other communication required or permitted to be given under this Agreement by a party to any other party in writing may be given by facsimile transmission or by delivery addressed to the party to which the notice is to be given at its facsimile number or address for service set out below. Any notice, consent, waiver, direction or other communications given under this section 17.1 shall be deemed to have been given and received:

- (a) if delivered, on the date on which it was delivered (if a business day at the point of delivery and, if not, the next business day); and
- (b) if sent by facsimile transmission, at the time of receipt (unless actually received after 4:00 p.m. at the point of receipt or on a day that is not a business day at the point of receipt, in which case it shall be deemed to have been given and received on the next business day).

17.2. Delivery and facsimile transmission details:

- (a) if to Golden Star:

Golden Star Resources Ltd.
10901 W. Toller Drive
Suite 300

Littleton, Colorado
80127-6312

Attention: President and Chief Executive Officer

Fax: (303) 830-9094

(b) if to the Optionor:

Société de Travaux Publics et de Mines Aurifères en Guyane S.A.R.L.
c/o Guyanor Ressources S.A.

Lotissement Mont Joyeux

BP 750

97337 Cayenne Cedex

French Guiana

Attention: Directeur General

Fax: (604) 608-3283

17.3. A party may change the details in section 17.2 by notice to the other party.

18. General

18.1. *Limitation:* The Optionor shall not be liable to Golden Star or to any third parties for any condition or state of, or activities on, the Properties that came into being, existed or were conducted prior to or after the date of the Option Agreement or that comes into being or are conducted subsequent to the termination of this Agreement, including, but not limited to, costs of remediation, reclamation, environmental clean-up and all related matters.

18.2. *Rule Against Perpetuities:* If any provision of this Agreement or any transfer contemplated by it should violate any rule against perpetuities or any related rule against interests that last too long or are not alienable, then any such provision shall terminate (and no such transfer shall take place beyond) 20 years after the death of the last survivor of all lineal descendants of His Late Majesty King George V of England, living on the date of execution of this Agreement.

18.3. *Assignment:* This Agreement may not be assigned without the prior written consent of the other party, provided that Golden Star may assign this Agreement to an Affiliate without consent.

18.4. *Further Assurances:* The parties shall do and perform all such acts and things, and execute all such deeds, documents and writings, and give all such assurances, as may be necessary to give effect to this Agreement.

18.5. *No partnership or agency:* This Agreement does not create any partnership or agency relationship between the parties.

18.6. *Entire Agreement:* This Agreement, the Debt Restructuring Agreement, New Loan Agreement, and the Data Acquisition Agreement constitute the entire agreement between

Golden Star, the Optionor and GRL pertaining to the subject matter of such agreements and supersedes all prior agreements, undertakings, negotiations and discussions, whether oral or written, between the parties, including the Memorandum of Understanding dated May 26, 2004, and there are no warranties, representations, covenants, obligations or agreements between the Golden Star, the Optionor and GRL with respect to the subject matter of such agreements.

- 18.7. *Survival:* This section 18, all indemnity provisions of this Agreement and sections 9 and 16 shall survive the termination of this Agreement to the full extent necessary for their enforcement and the protection of the persons in whose favour they run.
- 18.8. *Invalidity:* Each of the provisions contained in this Agreement is distinct and severable and a determination of illegality, invalidity or unenforceability of any such provision or part of this Agreement by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision of this Agreement, unless as a result of such determination this Agreement would fail in its essential purposes.
- 18.9. *Changes or waivers:* No change may be made to this Agreement, and no provision may be waived, unless all parties agree in writing to the change or waiver.
- 18.10. *Counterparts:* This Agreement may be executed in counterparts.
- 18.11. *Governing Law and Jurisdiction:* This Agreement will be governed by the laws of the Province of British Columbia and the laws of Canada applicable in British Columbia. The parties submit to the non-exclusive jurisdiction of the courts of the Province of British Columbia.
- 18.12. *Binding Effect:* This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns. In addition, GRL will be entitled to enforce against the parties those provisions of this Agreement providing rights or protections to GRL.

18.13. *Memorandum:* A Memorandum or short form of this Agreement, as appropriate, which shall not disclose financial information contained herein, shall be prepared and recorded by Manager. This Agreement shall not be recorded.

The parties have executed this Agreement by their authorized signatories, effective the date first written above.

GOLDEN STAR RESOURCES LTD.

By: _____
Authorized Signatory
Name:

**SOCIÉTÉ DE TRAVAUX PUBLICS ET DE
MINES AURIFÈRES EN GUYANE S.A.R.L.**

By: _____
Authorized Signatory
Name:

EXHIBIT A

Part 1 - Properties

[Insert List of Properties]

Part 2 - Area of Interest

The term “Area of Interest” as used in section 18 means the area within the perimeter formed by the boundaries of the outermost mineral tenures comprised in the Properties as indicated by the bold line on the sketch attached as Exhibit A-1. It is intended that the Area of Interest shall comprise all of the mineral tenures within the straight lines formed by following and connecting the actual outermost boundaries of such outermost mineral tenures by straight lines, including any gap that may exist between the actual boundaries of such mineral tenures as a result of the location thereof, substantially as indicated in the sketch. It is not intended to include (nor to impose any restriction in respect of) any area that is not within the perimeter formed by the lines as so drawn. In the event of any conflict between the perimeters shown on the sketch and the perimeter formed by the actual boundaries as determined by survey, the latter shall prevail.

SCHEDULE C

ROYALTY AGREEMENT

THIS AGREEMENT is dated _____, 200_

BETWEEN

GOLDEN STAR RESOURCES LTD. of 10901 W. Toller Drive, Suite 300, Littleton, Colorado 80127-6312 (the **"Grantor"**)

AND

GUYANOR RESSOURCES S.A. of 9 Lotissement Mont Joyeux, BP 750, 97337 Cayenne Cedex, French Guiana (the **"Grantee"**)

WHEREAS:

- A. Pursuant to the terms of an Option Agreement dated September _____, 2004, the Grantor has acquired all of the shares of the Grantee's wholly owned subsidiary, Société de Travaux Publics et de Mines Aurifères en Guyane S.A.R.L. (**"SOTRAPMAG"**), which holds certain mineral interests in French Guiana; and
- B. As part of the consideration for the purchase of the shares of SOTRAPMAG, the Grantor is granting to the Grantee a royalty on the terms set out in this Agreement.

In consideration of the following mutual promises, THE PARTIES AGREE AS FOLLOWS:

1. Interpretation

1.1. In this Agreement the following terms have the following meanings:

"Affiliate" means any person, partnership, joint venture, corporation or other form of enterprise that directly or indirectly controls, is controlled by, or is under common control with, a party to this Agreement. For purposes of the preceding sentence **"control"** means possession, directly or indirectly, of the power to direct or cause direction of management and policies through ownership of voting securities, contract voting trust or otherwise and ownership of more than 50% of the voting securities of a body corporate will constitute control.

"Business Day" means any day, other than Saturday or Sunday, on which banks are open for business in both Denver, Colorado and Paris, France.

"Encumbrance" means any mortgage, charge, pledge, lien, licence, privilege, security interest, royalty or other encumbrance.

"Indemnified Parties" means the Grantee, its Affiliates, and their respective directors, officers and employees.

“Market Price” means the simple average of the market prices for one fine troy ounce of gold, in U.S. dollars (London Bullion Market, P.M. fix), for all of the trading days during the given calendar quarter.

“Parties” means the parties to this Agreement and **“Party”** means any one of them.

“Production Decision” means a decision by the Grantor to bring the Property or any part of it into the commercial production of Products.

“Products” means all gold produced from the Property, including gold in gold dore, concentrates and ore.

“Property” means the property described in Exhibit A.

“Quantity” means the quantity of gold, in fine troy ounces (or the fine troy ounce equivalent in the case of gold dore, concentrates or ore), produced from the Property during the given calendar quarter.

“Royalty” has the meaning give to it in section 3.1.

1.2. In this Agreement:

- (a) *Gender, Number and Other Terms:* In this Agreement, unless the context otherwise requires, words importing the singular include the plural and vice versa, words importing gender include all genders, “or” is not exclusive and “including” and its variations are not limiting, whether or not non-limiting language (such as “without limitation”) is used with reference to it.
- (b) *Headings and Table of Contents:* The inclusion of headings and a table of contents in this Agreement is for convenience only and will not affect the construction or interpretation of this Agreement.
- (c) *References to Whole Agreement:* Unless otherwise stated a reference in this Agreement to a designated section, subsection, paragraph or other subdivision or to an Exhibit is to the designated section, subsection, paragraph or other subdivision of, or Exhibit to, this Agreement.
- (d) *Statutes:* Unless otherwise stated, any reference to a statute includes and is a reference to such statute and to the regulations made pursuant to it, with all amendments to them and in force from time to time, and to any statute or regulations that may be passed which supplement or supersede such statute or such regulations.
- (e) *Currency:* Except where otherwise expressly provided, all monetary amounts in this Agreement are stated and will be paid in currency of the United States of America.

- (f) *No Strict Construction:* The language in all parts of this Agreement will in all cases be construed as a whole and neither strictly for nor strictly against any of the Parties to this Agreement.
- (g) *Consent:* Whenever a provision of this Agreement requires an approval or consent and such approval or consent is not delivered within the applicable time limit, then, unless otherwise specified, the Party whose consent or approval is required will be conclusively deemed to have withheld its approval or consent.

1.3. The following Exhibits are attached to and form part of this Agreement:

- (a) Exhibit A Description of the Property
- (b) Exhibit B Calculation of the Royalty

2. Representations and Warranties

2.1 *Reciprocal Representations and Warranties:* Each Party hereby represents and warrants to the other Party that:

- (a) it is a body corporate duly incorporated and in good standing in its jurisdiction of incorporation and it is qualified to do business and is in good standing in those jurisdictions where necessary in order to carry out the purposes of this Agreement;
- (b) it has the capacity to enter into and perform its obligations under this Agreement and all transactions contemplated in this Agreement; and all corporate and other actions required to authorize it to enter into and perform its obligations under this Agreement have been duly taken;
- (c) it will not breach any other agreement or arrangement to which it is a party by entering into or performing its obligations under this Agreement;
- (d) this agreement has been duly executed and delivered by it and is valid and binding upon it in accordance with its terms and the person executing this Agreement on its behalf is duly authorized to do so.

2.2 *Representations and Warranties of the Grantor:* The Grantor hereby represents and warrants to the Grantee that:

- (a) the Grantor and/or one or more of its Affiliates has good and marketable title to and is in exclusive possession of a 100% right, title and interest in and to the Property free of any Encumbrance;
- (b) the Royalty is hereby granted free and clear from all defects, liens, charges, encumbrances, rights of others and adverse claims of any nature and quality whatsoever;

- (c) there are no actions, suits or proceedings pending or, to the best of its knowledge, threatened against or affecting it, the Property or the Products, before any court, arbitrator or governmental administrative body or agency, that might materially adversely affect the Property or its respective interest therein or challenge the validity or propriety of the transactions contemplated in this Agreement;
- (d) it is not in default in any material respect in any way that would affect the Property or the Products under any applicable statute, rule, order, decree or regulation of any court, arbitrator or governmental body or agency having jurisdiction; and
- (e) it is unaware of any material facts or circumstances which have not been disclosed in this Agreement and which should be disclosed to the Grantee in order to prevent the representations in this section 2.2 from being materially misleading.

3. The Royalty

- 3.1. *Grant:* The Grantor hereby covenants to make payments to the Grantee in respect of the Products that are produced from the Property after the date of this Agreement (the **"Royalty"**) in such amount, if any, as will be calculated for any given quarter in accordance with the formula set forth in Exhibit B, and payable in accordance with sections 3.2.
- 3.2. *Payment:* The Royalty will be calculated by the Grantor promptly following the end of each quarter and paid by the Grantor to the Grantee within 30 Business Days following the end of each calendar quarter. Each such payment will be accompanied by the delivery to the Grantee by the Grantor of a statement setting forth the calculations used to determine the amount of the payment in sufficient detail (the **"Statement"**). Each payment must be made in United States currency by cheque, wire transfer of funds or bank draft.
- 3.3. *Right to Audit:* All payments, except for provisional payments, of the Royalty will be deemed final and in full satisfaction of all obligations of the Grantor with respect thereto, unless the Grantee delivers to the Grantor a written notice (the **"Objection Notice"**) describing and setting forth specific objections to the calculation thereof within 45 days following receipt by the Grantee of the relevant Statement. If the Grantee objects to a particular Statement as provided in this Agreement, the Grantee will, for a period of 45 days following receipt of the Objection Notice, have the right, upon reasonable notice and at reasonable times, to have the Grantor's accounts and records relating to the relevant calculation of the Royalty audited by its auditors. If such audit determines that there has been a deficiency or excess in the payment made to the Grantee, such deficiency or excess will be resolved by adjusting the next quarterly payment due under this Agreement, with no interest charged on the amount of such excess or deficiency. The Grantee will pay all the costs and expenses of such audit unless a deficiency in the amount paid is determined, in which case they will be paid by the Grantor. All books and records used and kept by the Grantor to calculate the Royalty will be maintained in accordance with Canadian generally accepted accounting principles. Failure on the part

of the Grantee to make claim against the Grantor for adjustment within such 45-day period by delivery of an Objection Notice will conclusively establish the correctness and sufficiency of the Statement and the payment of the Royalty for the relevant quarter, and the Grantee will have no recourse against the Grantor in respect thereof.

- 3.4. *Duration and Limitation of the Royalty:* Notwithstanding any other provision of this Agreement, the Royalty will expire, and no further payments thereof will be required once the cumulative number of ounces of gold produced by the Grantor or its Affiliates from the Property ("Q" in the formula described in Exhibit B) after the date of this Agreement, whether or not any payment of the Royalty will actually have been required under this Agreement, will total 2,000,000 ounces. Except as otherwise provided for above and in Exhibit B, the Royalty will not be limited in any way by the quantity of gold produced from the Property.
- 3.5. *Security:* As security for the payment of the Royalty, the Grantor hereby grants to the Grantee a security interest in all proceeds received directly or indirectly by the Grantor relating to the Property and, upon request by the Grantor and to the extent permitted by applicable law, will cause any Affiliate that has any right, title or interest in and to the Property to guarantee the Grantor's obligations under this Agreement and to grant to the Grantee as security interest in all of the Affiliate's right, title and interest in and to the Property.

4. Transfer or Encumbrance

- 4.1. *Restrictions on Transfer by the Grantor:* The Grantor will not (and will cause any Affiliate not to) sell, assign, convey or transfer its obligations under this Agreement or its right, title and interest in and to the Property or any portion thereof, to any person unless
- (a) the Grantee has given its prior written consent, which not be unreasonably withheld or delayed; and
 - (b) the transferee has provided the Grantee with a written instrument, in form and substance acceptable to the Grantee and its counsel, acting reasonably, whereby the transferee irrevocably and unconditionally agrees and covenants to abide by and comply with this Agreement, as if the transferee was initially a party to this Agreement.
- 4.2. *Continuing Obligation:* In the event of a sale, assignment, conveyance or transfer in compliance with section 4, the Grantor will not be relieved or discharged of any of its obligations or liabilities under this Agreement, and the Grantee may continue to look to it for the performance thereof.
- 4.3. *Restrictions on Encumbrance:* The Grantor will not, and will cause any Affiliate not to, permit any Encumbrance to exist on the Property or any portion thereof without the prior written consent of the Grantee, which not be unreasonably withheld or delayed.

- 4.4. *Transfer by the Grantee:* The Grantee may freely assign this Agreement and all its rights and interests under this Agreement.

5. Maintenance of Property

- 5.1. The Grantor will (or will cause its Affiliates to) do all things and make all payments necessary or appropriate to maintain the right, title and interest of the Grantor (or its Affiliates) in the Property and to maintain the Property in good standing. The Grantor (or its Affiliates) may from time to time, abandon or surrender or allow to lapse or expire any part or parts of the Property if the Grantor determines, acting reasonably, that such part or parts are not economically viable or otherwise have insufficient value to warrant continued maintenance or if a qualified person (as defined in National Instrument 43-101) determines that such part or parts do not warrant the expenditure of additional funds.
- 5.2. Notwithstanding section 5.1, the Grantor will not (and will cause its Affiliates not to) abandon or surrender, or allow to lapse or expire, any of the Property for the purpose of permitting any third party to obtain rights to such portion of the Property and avoid the Royalty; and if the Grantor or any of its Affiliates, any person with which the Grantor does not deal at arm's length or a joint venturer, obtains rights to any expired mineral tenures relating to or comprising the Property, this Agreement will include any such new claims.

6. Books; Records; Inspections

- 6.1. The Grantor will (or will cause its Affiliates to) keep true and accurate books and records of all of its operations and activities with respect to the Property and the Quantity, prepared in accordance with United States generally accepted accounting principles, consistently applied. The Grantee may, from time to time, perform audits or other examinations of all of the books and records of each of the Grantor and its Affiliates to confirm Royalty calculations and compliance with the terms of this Agreement. The reasonable expenses of any audit or other examination permitted under this Agreement will be paid by the Grantee, unless the results of such audit or other examination permitted under this Agreement disclose a deficiency in respect of the Royalty payments paid to the Grantee under this Agreement greater than \$5,000, in which event the costs of such audit or other examination will be paid by the Grantor.
- 6.2. Within 60 days following the end of each calendar year, the Grantor will provide the Grantee with an annual report of Quantity produced from the Property during such calendar year in reasonable detail. Such annual report will include estimates of anticipated production from and estimated remaining mineral reserves on the Property for the succeeding calendar year and any changes to, or replacements of, the mine plan or any "life of mine plan" with respect to the Property. The Grantor will provide the Grantee with a copy of any "life of mine plan", if produced, within 30 days of its approval by them and any changes to, or replacements of, any such "life of mine plan" or any mine plan within 30 days after such change or replacement thereof.

- 6.3. From time to time on not less than three business days' notice to the Grantor, the Grantee, or its authorized agents or representatives, may, under the direction and control of the Grantor or its Affiliates, enter upon all surface and subsurface portions of the Property for the purpose of inspecting the Property, all improvements thereto and operations thereon, and all production records and data pertaining to all production activities and operations on or with respect to the Property, including without limitation, records and data that are electronically maintained.

7. Compliance With Laws; Environmental Obligations

- 7.1. The Grantor agrees to indemnify and save the Indemnified Parties harmless from any loss, cost or liability including, without limitation, reasonable legal fees arising from a claim against the Indemnified Parties in respect of any failure by the Grantor or its Affiliates to at all times comply with all applicable present or future applicable laws, statutes, rules, regulations, permits, ordinances, certificates, licences and other regulatory requirements, policies and guidelines relating to the Grantor or its Affiliates or the Property; provided, however, the Grantor will have the right to contest any of the same if such contest does not jeopardize the Property or the Grantee's rights under this Agreement.
- 7.2. The Grantor agrees to indemnify and save the Indemnified Parties harmless from any loss, cost or liability (including, without limitation, reasonable legal fees) arising from a claim against the Indemnified Parties in respect of:
- (a) any failure by the Grantor or its Affiliates to timely and fully perform all abandonment, restoration, remediation and reclamation required by all governmental authorities pertaining or related to the operations or activities of by the Grantor on or with respect to the Property or required under this agreement;
 - (b) the Grantor or its Affiliates causing, suffering, or permitting any condition or activity at, on or in the vicinity of the Property which constitutes a nuisance; or
 - (c) any failure by the Grantor or its Affiliates which results in a violation of or liability under any present or future applicable environmental laws, statutes, rules, regulations, permits, ordinances, certificates, licences and other regulatory requirements, policies or guidelines.

8. Conduct of Operations

- 8.1. All decisions concerning the extent, times, procedures and techniques of exploration, development, mining and processing Products will be made by the Grantor, acting reasonably and in accordance with good mining and engineering practice in the circumstances.

9. Insurance

- 9.1. The Grantor will purchase or otherwise arrange at its own expense and will keep in force at all times insurance (including, without limitation, comprehensive general public liability insurance) against claims for bodily injury or death or property damage arising out of or resulting from activities or operations on or with respect to the Property and in respect of loss, theft or destruction of Products, in such amounts as will adequately protect the Grantor, the Grantee, the Royalty, and the Property from any and all claims, liabilities and damages which may arise with respect to the Property and as will adequately protect the Grantor and the Grantee from loss, theft and destruction of Products.

10. General

- 10.1. *No partnership or agency:* This Agreement does not create any partnership or agency relationship between the Parties.
- 10.2. *Entire Agreement:* This Agreement constitutes the entire agreement between the Parties pertaining to the subject matter of this agreement and supersedes all prior agreements, undertakings, negotiations and discussions, whether oral or written, between the Parties concerning the subject matter of this Agreement and there are no warranties, representations, covenants, obligations or agreements between the Parties with respect to the subject matter of this Agreement except as expressly set out in this Agreement.
- 10.3. *Disclosure:* The Parties will consult with each other with respect to new releases or other public disclosure of the existence or terms of this Agreement prior to making the public disclosure, subject to any securities legal or stock exchange requirement.
- 10.4. *Invalidity:* Each of the provisions contained in this Agreement is distinct and severable and a determination of illegality, invalidity or unenforceability of any such provision or part of this Agreement by a court of competent jurisdiction will not affect the validity or enforceability of any other provision of this Agreement, unless as a result of such determination this Agreement would fail in its essential purposes.
- 10.5. *Notices:* Any notice, consent, waiver, direction or other communication required or permitted to be given under this Agreement by a Party to any other Party in writing may be given by facsimile transmission or by delivery addressed to the Party to which the notice is to be given at its facsimile number or address for service set out below. Any notice, consent, waiver, direction or other communications given under this section 10.5 will be deemed to have been given and received:
- (a) if delivered, on the date on which it was delivered to the address provided in this Agreement (if a business day at the point of delivery and, if not, the next business day); and
 - (b) if sent by facsimile transmission, at the time of receipt (unless actually received after 4:00 p.m. at the point of receipt or on a day that is not a business day at the

point of receipt, in which case it will be deemed to have been given and received on the next business day).

- 10.6. *Changes or waivers:* No change may be made to this Agreement, and no provision may be waived, unless all Parties agree in writing to the change or waiver.
- 10.7. *Counterparts:* This Agreement may be executed in counterparts.
- 10.8. *Governing Law and Jurisdiction:* This Agreement will be governed by the laws of the Province of Ontario and the laws of Canada applicable in Ontario. The Parties submit to the non-exclusive jurisdiction of the courts of the Province of Ontario.
- 10.9. *Binding Effect:* This Agreement will enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns. In addition, the Grantee may enforce as agent and trustee for the other Indemnified Parties the provisions of this Agreement relating to the other Indemnified Parties.

The Parties have executed this Agreement by their authorized signatories, effective as of the date first written above.

GOLDEN STAR RESOURCES LTD.

By: _____
 Authorized Signatory
 Name:

GUYANOR RESSOURCES S.A.

By: _____
 Authorized Signatory
 Name:

EXHIBIT A

DESCRIPTION OF THE PROPERTY

The Property will be comprised of *[describe property]*:

EXHIBIT B
CALCULATION OF THE ROYALTY

$$\text{\$R} = \text{Q} \times \text{MP} \times \text{RR}$$

where:

\\$R = the amount in U.S. dollars payable to the Grantee in respect of a given calendar quarter pursuant to the Royalty

Q = the Quantity of gold, in fine troy ounces (or the fine troy ounce equivalent in the case of gold dore, concentrates or ore), produced from the Property during the given calendar quarter;

MP = the Market Price of gold during the given quarter, being the simple average of the market prices for one fine troy ounce of gold, in U.S. dollars (London Bullion Market, P.M. fix), for all of the trading days during the given calendar quarter.

RR = Royalty Rate which is determined accordingly to the Market Price for the calendar quarter as to:

- (a) If MP is less than \$325: RR is nil;
- (b) If MP is equal to or greater than \$325 but less than \$375: RR = 1%;
- (c) If MP is equal to or greater than \$375 but less than \$425: RR = 1.5%; or
- (d) If MP is equal to or greater than \$425: RR = 2%.

SCHEDULE C
ROYALTY AGREEMENT

THIS AGREEMENT is dated _____, 200_

BETWEEN

GOLDEN STAR RESOURCES LTD. of 10901 W. Toller Drive, Suite 300, Littleton, Colorado 80127-6312 (the “**Grantor**”)

AND

GUYANOR RESSOURCES S.A. of 9 Lotissement Mont Joyeux, BP 750, 97337 Cayenne Cedex, French Guiana (the “**Grantee**”)

WHEREAS:

- A. Pursuant to the terms of an Option Agreement dated September _____, 2004, the Grantor has acquired all of the shares of the Grantee’s wholly owned subsidiary, Société de Travaux Publics et de Mines Aurifères en Guyane S.A.R.L. (“**SOTRAPMAG**”), which holds certain mineral interests in French Guiana; and
- B. As part of the consideration for the purchase of the shares of SOTRAPMAG, the Grantor is granting to the Grantee a royalty on the terms set out in this Agreement.

In consideration of the following mutual promises, THE PARTIES AGREE AS FOLLOWS:

1. Interpretation

1.1. In this Agreement the following terms have the following meanings:

“**Affiliate**” means any person, partnership, joint venture, corporation or other form of enterprise that directly or indirectly controls, is controlled by, or is under common control with, a party to this Agreement. For purposes of the preceding sentence “**control**” means possession, directly or indirectly, of the power to direct or cause direction of management and policies through ownership of voting securities, contract voting trust or otherwise and ownership of more than 50% of the voting securities of a body corporate will constitute control.

“**Business Day**” means any day, other than Saturday or Sunday, on which banks are open for business in both Denver, Colorado and Paris, France.

“**Encumbrance**” means any mortgage, charge, pledge, lien, licence, privilege, security interest, royalty or other encumbrance.

“**Indemnified Parties**” means the Grantee, its Affiliates, and their respective directors, officers and employees.

“Market Price” means the simple average of the market prices for one fine troy ounce of gold, in U.S. dollars (London Bullion Market, P.M. fix), for all of the trading days during the given calendar quarter.

“Parties” means the parties to this Agreement and **“Party”** means any one of them.

“Production Decision” means a decision by the Grantor to bring the Property or any part of it into the commercial production of Products.

“Products” means all gold produced from the Property, including gold in gold dore, concentrates and ore.

“Property” means the property described in Exhibit A.

“Quantity” means the quantity of gold, in fine troy ounces (or the fine troy ounce equivalent in the case of gold dore, concentrates or ore), produced from the Property during the given calendar quarter.

“Royalty” has the meaning give to it in section 3.1.

1.2. In this Agreement:

- (a) *Gender, Number and Other Terms:* In this Agreement, unless the context otherwise requires, words importing the singular include the plural and vice versa, words importing gender include all genders, “or” is not exclusive and “including” and its variations are not limiting, whether or not non-limiting language (such as “without limitation”) is used with reference to it.
- (b) *Headings and Table of Contents:* The inclusion of headings and a table of contents in this Agreement is for convenience only and will not affect the construction or interpretation of this Agreement.
- (c) *References to Whole Agreement:* Unless otherwise stated a reference in this Agreement to a designated section, subsection, paragraph or other subdivision or to an Exhibit is to the designated section, subsection, paragraph or other subdivision of, or Exhibit to, this Agreement.
- (d) *Statutes:* Unless otherwise stated, any reference to a statute includes and is a reference to such statute and to the regulations made pursuant to it, with all amendments to them and in force from time to time, and to any statute or regulations that may be passed which supplement or supersede such statute or such regulations.
- (e) *Currency:* Except where otherwise expressly provided, all monetary amounts in this Agreement are stated and will be paid in currency of the United States of America.

- (f) *No Strict Construction:* The language in all parts of this Agreement will in all cases be construed as a whole and neither strictly for nor strictly against any of the Parties to this Agreement.
- (g) *Consent:* Whenever a provision of this Agreement requires an approval or consent and such approval or consent is not delivered within the applicable time limit, then, unless otherwise specified, the Party whose consent or approval is required will be conclusively deemed to have withheld its approval or consent.

1.3. The following Exhibits are attached to and form part of this Agreement:

- (a) Exhibit A Description of the Property
- (b) Exhibit B Calculation of the Royalty

2. Representations and Warranties

2.1 *Reciprocal Representations and Warranties:* Each Party hereby represents and warrants to the other Party that:

- (a) it is a body corporate duly incorporated and in good standing in its jurisdiction of incorporation and it is qualified to do business and is in good standing in those jurisdictions where necessary in order to carry out the purposes of this Agreement;
- (b) it has the capacity to enter into and perform its obligations under this Agreement and all transactions contemplated in this Agreement; and all corporate and other actions required to authorize it to enter into and perform its obligations under this Agreement have been duly taken;
- (c) it will not breach any other agreement or arrangement to which it is a party by entering into or performing its obligations under this Agreement;
- (d) this agreement has been duly executed and delivered by it and is valid and binding upon it in accordance with its terms and the person executing this Agreement on its behalf is duly authorized to do so.

2.2 *Representations and Warranties of the Grantor:* The Grantor hereby represents and warrants to the Grantee that:

- (a) the Grantor and/or one or more of its Affiliates has good and marketable title to and is in exclusive possession of a 100% right, title and interest in and to the Property free of any Encumbrance;
- (b) the Royalty is hereby granted free and clear from all defects, liens, charges, encumbrances, rights of others and adverse claims of any nature and quality whatsoever;

- (c) there are no actions, suits or proceedings pending or, to the best of its knowledge, threatened against or affecting it, the Property or the Products, before any court, arbitrator or governmental administrative body or agency, that might materially adversely affect the Property or its respective interest therein or challenge the validity or propriety of the transactions contemplated in this Agreement;
- (d) it is not in default in any material respect in any way that would affect the Property or the Products under any applicable statute, rule, order, decree or regulation of any court, arbitrator or governmental body or agency having jurisdiction; and
- (e) it is unaware of any material facts or circumstances which have not been disclosed in this Agreement and which should be disclosed to the Grantee in order to prevent the representations in this section 2.2 from being materially misleading.

3. The Royalty

- 3.1. *Grant:* The Grantor hereby covenants to make payments to the Grantee in respect of the Products that are produced from the Property after the date of this Agreement (the **“Royalty”**) in such amount, if any, as will be calculated for any given quarter in accordance with the formula set forth in Exhibit B, and payable in accordance with sections 3.2.
- 3.2. *Payment:* The Royalty will be calculated by the Grantor promptly following the end of each quarter and paid by the Grantor to the Grantee within 30 Business Days following the end of each calendar quarter. Each such payment will be accompanied by the delivery to the Grantee by the Grantor of a statement setting forth the calculations used to determine the amount of the payment in sufficient detail (the **“Statement”**). Each payment must be made in United States currency by cheque, wire transfer of funds or bank draft.
- 3.3. *Right to Audit:* All payments, except for provisional payments, of the Royalty will be deemed final and in full satisfaction of all obligations of the Grantor with respect thereto, unless the Grantee delivers to the Grantor a written notice (the **“Objection Notice”**) describing and setting forth specific objections to the calculation thereof within 45 days following receipt by the Grantee of the relevant Statement. If the Grantee objects to a particular Statement as provided in this Agreement, the Grantee will, for a period of 45 days following receipt of the Objection Notice, have the right, upon reasonable notice and at reasonable times, to have the Grantor’s accounts and records relating to the relevant calculation of the Royalty audited by its auditors. If such audit determines that there has been a deficiency or excess in the payment made to the Grantee, such deficiency or excess will be resolved by adjusting the next quarterly payment due under this Agreement, with no interest charged on the amount of such excess or deficiency. The Grantee will pay all the costs and expenses of such audit unless a deficiency in the amount paid is determined, in which case they will be paid by the Grantor. All books and records used and kept by the Grantor to calculate the Royalty will be maintained in accordance with Canadian generally accepted accounting principles. Failure on the part

of the Grantee to make claim against the Grantor for adjustment within such 45-day period by delivery of an Objection Notice will conclusively establish the correctness and sufficiency of the Statement and the payment of the Royalty for the relevant quarter, and the Grantee will have no recourse against the Grantor in respect thereof.

- 3.4. *Duration and Limitation of the Royalty:* Notwithstanding any other provision of this Agreement, the Royalty will expire, and no further payments thereof will be required once the cumulative number of ounces of gold produced by the Grantor or its Affiliates from the Property ("Q" in the formula described in Exhibit B) after the date of this Agreement, whether or not any payment of the Royalty will actually have been required under this Agreement, will total 2,000,000 ounces. Except as otherwise provided for above and in Exhibit B, the Royalty will not be limited in any way by the quantity of gold produced from the Property.
- 3.5. *Security:* As security for the payment of the Royalty, the Grantor hereby grants to the Grantee a security interest in all proceeds received directly or indirectly by the Grantor relating to the Property and, upon request by the Grantor and to the extent permitted by applicable law, will cause any Affiliate that has any right, title or interest in and to the Property to guarantee the Grantor's obligations under this Agreement and to grant to the Grantee as security interest in all of the Affiliate's right, title and interest in and to the Property.

4. Transfer or Encumbrance

- 4.1. *Restrictions on Transfer by the Grantor:* The Grantor will not (and will cause any Affiliate not to) sell, assign, convey or transfer its obligations under this Agreement or its right, title and interest in and to the Property or any portion thereof, to any person unless
- (a) the Grantee has given its prior written consent, which not be unreasonably withheld or delayed; and
 - (b) the transferee has provided the Grantee with a written instrument, in form and substance acceptable to the Grantee and its counsel, acting reasonably, whereby the transferee irrevocably and unconditionally agrees and covenants to abide by and comply with this Agreement, as if the transferee was initially a party to this Agreement.
- 4.2. *Continuing Obligation:* In the event of a sale, assignment, conveyance or transfer in compliance with section 4, the Grantor will not be relieved or discharged of any of its obligations or liabilities under this Agreement, and the Grantee may continue to look to it for the performance thereof.
- 4.3. *Restrictions on Encumbrance:* The Grantor will not, and will cause any Affiliate not to, permit any Encumbrance to exist on the Property or any portion thereof without the prior written consent of the Grantee, which not be unreasonably withheld or delayed.

- 4.4. *Transfer by the Grantee:* The Grantee may freely assign this Agreement and all its rights and interests under this Agreement.

5. Maintenance of Property

- 5.1. The Grantor will (or will cause its Affiliates to) do all things and make all payments necessary or appropriate to maintain the right, title and interest of the Grantor (or its Affiliates) in the Property and to maintain the Property in good standing. The Grantor (or its Affiliates) may from time to time, abandon or surrender or allow to lapse or expire any part or parts of the Property if the Grantor determines, acting reasonably, that such part or parts are not economically viable or otherwise have insufficient value to warrant continued maintenance or if a qualified person (as defined in National Instrument 43-101) determines that such part or parts do not warrant the expenditure of additional funds.
- 5.2. Notwithstanding section 5.1, the Grantor will not (and will cause its Affiliates not to) abandon or surrender, or allow to lapse or expire, any of the Property for the purpose of permitting any third party to obtain rights to such portion of the Property and avoid the Royalty; and if the Grantor or any of its Affiliates, any person with which the Grantor does not deal at arm's length or a joint venturer, obtains rights to any expired mineral tenures relating to or comprising the Property, this Agreement will include any such new claims.

6. Books; Records; Inspections

- 6.1. The Grantor will (or will cause its Affiliates to) keep true and accurate books and records of all of its operations and activities with respect to the Property and the Quantity, prepared in accordance with United States generally accepted accounting principles, consistently applied. The Grantee may, from time to time, perform audits or other examinations of all of the books and records of each of the Grantor and its Affiliates to confirm Royalty calculations and compliance with the terms of this Agreement. The reasonable expenses of any audit or other examination permitted under this Agreement will be paid by the Grantee, unless the results of such audit or other examination permitted under this Agreement disclose a deficiency in respect of the Royalty payments paid to the Grantee under this Agreement greater than \$5,000, in which event the costs of such audit or other examination will be paid by the Grantor.
- 6.2. Within 60 days following the end of each calendar year, the Grantor will provide the Grantee with an annual report of Quantity produced from the Property during such calendar year in reasonable detail. Such annual report will include estimates of anticipated production from and estimated remaining mineral reserves on the Property for the succeeding calendar year and any changes to, or replacements of, the mine plan or any "life of mine plan" with respect to the Property. The Grantor will provide the Grantee with a copy of any "life of mine plan", if produced, within 30 days of its approval by them and any changes to, or replacements of, any such "life of mine plan" or any mine plan within 30 days after such change or replacement thereof.

- 6.3. From time to time on not less than three business days' notice to the Grantor, the Grantee, or its authorized agents or representatives, may, under the direction and control of the Grantor or its Affiliates, enter upon all surface and subsurface portions of the Property for the purpose of inspecting the Property, all improvements thereto and operations thereon, and all production records and data pertaining to all production activities and operations on or with respect to the Property, including without limitation, records and data that are electronically maintained.

7. Compliance With Laws; Environmental Obligations

- 7.1. The Grantor agrees to indemnify and save the Indemnified Parties harmless from any loss, cost or liability including, without limitation, reasonable legal fees arising from a claim against the Indemnified Parties in respect of any failure by the Grantor or its Affiliates to at all times comply with all applicable present or future applicable laws, statutes, rules, regulations, permits, ordinances, certificates, licences and other regulatory requirements, policies and guidelines relating to the Grantor or its Affiliates or the Property; provided, however, the Grantor will have the right to contest any of the same if such contest does not jeopardize the Property or the Grantee's rights under this Agreement.
- 7.2. The Grantor agrees to indemnify and save the Indemnified Parties harmless from any loss, cost or liability (including, without limitation, reasonable legal fees) arising from a claim against the Indemnified Parties in respect of:
- (a) any failure by the Grantor or its Affiliates to timely and fully perform all abandonment, restoration, remediation and reclamation required by all governmental authorities pertaining or related to the operations or activities of by the Grantor on or with respect to the Property or required under this agreement;
 - (b) the Grantor or its Affiliates causing, suffering, or permitting any condition or activity at, on or in the vicinity of the Property which constitutes a nuisance; or
 - (c) any failure by the Grantor or its Affiliates which results in a violation of or liability under any present or future applicable environmental laws, statutes, rules, regulations, permits, ordinances, certificates, licences and other regulatory requirements, policies or guidelines.

8. Conduct of Operations

- 8.1. All decisions concerning the extent, times, procedures and techniques of exploration, development, mining and processing Products will be made by the Grantor, acting reasonably and in accordance with good mining and engineering practice in the circumstances.

9. Insurance

- 9.1. The Grantor will purchase or otherwise arrange at its own expense and will keep in force at all times insurance (including, without limitation, comprehensive general public liability insurance) against claims for bodily injury or death or property damage arising out of or resulting from activities or operations on or with respect to the Property and in respect of loss, theft or destruction of Products, in such amounts as will adequately protect the Grantor, the Grantee, the Royalty, and the Property from any and all claims, liabilities and damages which may arise with respect to the Property and as will adequately protect the Grantor and the Grantee from loss, theft and destruction of Products.

10. General

- 10.1. *No partnership or agency:* This Agreement does not create any partnership or agency relationship between the Parties.
- 10.2. *Entire Agreement:* This Agreement constitutes the entire agreement between the Parties pertaining to the subject matter of this agreement and supersedes all prior agreements, undertakings, negotiations and discussions, whether oral or written, between the Parties concerning the subject matter of this Agreement and there are no warranties, representations, covenants, obligations or agreements between the Parties with respect to the subject matter of this Agreement except as expressly set out in this Agreement.
- 10.3. *Disclosure:* The Parties will consult with each other with respect to new releases or other public disclosure of the existence or terms of this Agreement prior to making the public disclosure, subject to any securities legal or stock exchange requirement.
- 10.4. *Invalidity:* Each of the provisions contained in this Agreement is distinct and severable and a determination of illegality, invalidity or unenforceability of any such provision or part of this Agreement by a court of competent jurisdiction will not affect the validity or enforceability of any other provision of this Agreement, unless as a result of such determination this Agreement would fail in its essential purposes.
- 10.5. *Notices:* Any notice, consent, waiver, direction or other communication required or permitted to be given under this Agreement by a Party to any other Party in writing may be given by facsimile transmission or by delivery addressed to the Party to which the notice is to be given at its facsimile number or address for service set out below. Any notice, consent, waiver, direction or other communications given under this section 10.5 will be deemed to have been given and received:
- (a) if delivered, on the date on which it was delivered to the address provided in this Agreement (if a business day at the point of delivery and, if not, the next business day); and
 - (b) if sent by facsimile transmission, at the time of receipt (unless actually received after 4:00 p.m. at the point of receipt or on a day that is not a business day at the

point of receipt, in which case it will be deemed to have been given and received on the next business day).

- 10.6. *Changes or waivers:* No change may be made to this Agreement, and no provision may be waived, unless all Parties agree in writing to the change or waiver.
- 10.7. *Counterparts:* This Agreement may be executed in counterparts.
- 10.8. *Governing Law and Jurisdiction:* This Agreement will be governed by the laws of the Province of Ontario and the laws of Canada applicable in Ontario. The Parties submit to the non-exclusive jurisdiction of the courts of the Province of Ontario.
- 10.9. *Binding Effect:* This Agreement will enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns. In addition, the Grantee may enforce as agent and trustee for the other Indemnified Parties the provisions of this Agreement relating to the other Indemnified Parties.

The Parties have executed this Agreement by their authorized signatories, effective as of the date first written above.

GOLDEN STAR RESOURCES LTD.

By: _____
 Authorized Signatory
 Name:

GUYANOR RESSOURCES S.A.

By: _____
 Authorized Signatory
 Name:

EXHIBIT A

DESCRIPTION OF THE PROPERTY

The Property will be comprised of [*describe property*]:

EXHIBIT B

CALCULATION OF THE ROYALTY

$$\text{\$R} = \text{Q} \times \text{MP} \times \text{RR}$$

where:

$\text{\$R}$ = the amount in U.S. dollars payable to the Grantee in respect of a given calendar quarter pursuant to the Royalty

Q = the Quantity of gold, in fine troy ounces (or the fine troy ounce equivalent in the case of gold dore, concentrates or ore), produced from the Property during the given calendar quarter;

MP = the Market Price of gold during the given quarter, being the simple average of the market prices for one fine troy ounce of gold, in U.S. dollars (London Bullion Market, P.M. fix), for all of the trading days during the given calendar quarter.

RR = Royalty Rate which is determined accordingly to the Market Price for the calendar quarter as to:

- (a) If MP is less than \$325: RR is nil;
- (b) If MP is equal to or greater than \$325 but less than \$375: $\text{RR} = 1\%$;
- (c) If MP is equal to or greater than \$375 but less than \$425: $\text{RR} = 1.5\%$; or
- (d) If MP is equal to or greater than \$425: $\text{RR} = 2\%$.