

GOLDEN STAR RESOURCES LTD

Form 424B3

July 08, 2004

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Filed Pursuant to Rule 424(b)(3)
Registration No. 333-116350

OFFER TO PURCHASE
all of the outstanding common shares of
IAMGOLD CORPORATION

by GOLDEN STAR RESOURCES LTD.

for the increased price of, at the election of each shareholder:

- (i) **1.25 common shares of Golden Star Resources Ltd. for each IAMGold common share (the all share option); or**
- (ii) **1.15 common shares of Golden Star Resources Ltd. plus Cdn\$0.50 in cash for each IAMGold common share (the cash and share option);**
PLUS, in either case, Cdn\$0.20 in cash for each IAMGold common share, payable in the event that no break fee is paid or payable by IAMGold to Wheaton River Minerals Ltd. in connection with the proposed arrangement with Wheaton River Minerals Ltd. (as discussed below)

Golden Star Resources Ltd. (together with its subsidiaries, Golden Star, we, us, or our company) hereby offers to purchase all of the outstanding common shares of IAMGold Corporation. Under the offer, each holder of IAMGold shares will be entitled to receive, at such holder's election, either (i) 1.25 common shares of Golden Star for each IAMGold common share; or (ii) 1.15 common shares of Golden Star plus Cdn\$0.50 in cash for each IAMGold common share; plus, in either case, Cdn\$0.20 in cash for each IAMGold share in the event that no break fee is paid or payable by IAMGold to Wheaton River Minerals Ltd. in connection with the proposed arrangement with Wheaton River. The offer will be open for acceptance until 9:00 p.m. (Toronto time) on July 16, 2004 unless extended or withdrawn. We will pay all the expenses of this offer.

This prospectus amends and supercedes information included in the prospectus originally filed with the Securities and Exchange Commission and mailed to shareholders on June 10, 2004. IAMGold shareholders who wish to tender their shares should follow the instructions included in this prospectus and the accompanying letter of transmittal.

Shareholders who have validly deposited their IAMGold shares prior to June 30, 2004 must complete and execute the revised Letter of Transmittal accompanying this prospectus to indicate whether they are electing the all share option or the cash and share option. Shareholders who otherwise validly tender their IAMGold shares to our offer but fail to make the necessary election in the revised Letter of Transmittal, or to properly make such election, including those IAMGold shareholders who have previously tendered their IAMGold shares and who do not submit a revised Letter of Transmittal, will be deemed to have elected the all share option in respect of all of the IAMGold shares deposited under our offer.

Our obligation to exchange the Golden Star common shares for IAMGold common shares is subject to the conditions listed under The Offer Conditions to the Offer.

Our common shares are traded on the American Stock Exchange, or the AMEX, under the symbol GSS and on the Toronto Stock Exchange, or the TSX, under the symbol GSC. Based on the trading price of the Golden Star shares and IAMGold shares on the TSX on May 27, 2004 (being the last trading day prior to the announcement of the proposed combination between IAMGold and Golden Star), and without giving effect to the contingent payment referred to under the heading Contingent payment entitlement, our offer values each IAMGold share at Cdn\$9.05, in the case of the all share option, and Cdn\$8.83 in the case of the cash and share option. Our offer represents a premium of approximately 22.6%, in the case of the all share option, and 19.6%, in the case of the cash and share option, to the closing trading price of the IAMGold shares on the TSX on May 27, 2004 of Cdn\$7.38. Our offer represents a premium of 21.8% in the case of the all share option and

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18.5% under the cash and share option based on the volume weighted average trading price of the Golden Star shares and the IAMGold shares for the 60 trading days ended May 27, 2004 of Cdn\$7.42 and Cdn\$7.62, respectively, on the TSX. The closing price of the Golden Star shares on the TSX on May 27, 2004 was Cdn\$7.24.

Based on the trading price of the Golden Star shares and the IAMGold shares on the AMEX on May 27, 2004, and without giving effect to the contingent payment referred to under the heading Contingent payment entitlement, our increased offer values each IAMGold share at \$6.64, in the case of the all share option, and \$6.48, in the case of the cash and share option. Our increased offer represents a premium of approximately 22.3%, in the case of the all share option, and 19.3% in the case of the cash and share option, to the closing trading price of the IAMGold shares on the AMEX on May 27, 2004 of \$5.43. Our offer represents a premium of approximately 23.6% in the case of the all share option, and 20.3% under the cash and share option based on the volume weighted average trading price of the Golden Star shares and the IAMGold shares for the 60 trading days ended May 27, 2004 of \$5.65 and \$5.71, respectively, on the AMEX. The closing price of the Golden Star shares on the AMEX on May 27, 2004 was \$5.31.

Golden Star believes that the proposed business combination resulting from the consummation of the offer to shareholders would be superior to the proposed combination of IAMGold and Wheaton River Minerals Ltd. announced in March 2004.

References in this prospectus to \$ are to United States dollars. Canadian dollars are indicated by the symbol Cdn\$.

In this prospectus, we are not asking you for a proxy and you are requested not to send us a proxy.

The securities offered in this prospectus involve a high degree of risk. For a discussion of risk factors you should consider in evaluating the offer, see Risk Factors beginning on page 13 of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved these securities, or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The Dealer Manager for the Offer is:

BMO Nesbitt Burns

In Canada

BMO Nesbitt Burns Inc.

In the United States

Harris Nesbitt Corp.

The date of this prospectus is July 2, 2004.

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You should rely only on information contained or incorporated by reference in this prospectus. We have not authorized anyone to provide you with information different from that contained or incorporated in this prospectus.

This document does not constitute an offer to sell or a solicitation of an offer to buy any securities in any jurisdiction in which such offer or solicitation is unlawful. The offer is not being made or directed to, nor is this document being mailed to, nor will deposits be accepted from or on behalf of, shareholders in any jurisdiction in which the making or acceptance of the offer would not be in compliance with the laws of such jurisdiction. However, we may, in our sole discretion, take such action as we may deem necessary to extend the offer to shareholders in any such jurisdiction.

You should not assume that the information contained or incorporated by reference in this prospectus is accurate as of any date other than the date on the front of this prospectus or the dates of the documents incorporated by reference.

ABOUT THIS PROSPECTUS

We have filed with the SEC a registration statement on Form S-4, as amended, under the Securities Act of 1933, as amended, which we refer to as the Securities Act, with respect to the securities offered by this prospectus. This prospectus, which constitutes part of the registration statement, does not contain all of the information set forth in the registration statement, certain parts of which have been omitted in accordance with the rules and regulations of the SEC. You should review the registration statement and the exhibits to the registration statement for further information with respect to us and our securities.

WHERE YOU CAN FIND MORE INFORMATION

Golden Star is subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, which we refer to as the Exchange Act, and files annual, quarterly and periodic reports, proxy statements and other information with the SEC. IAMGold is subject to the reporting requirements of the Exchange Act applicable to foreign private issuers and accordingly files or furnishes reports, including annual reports on Form 40-F, reports on Form 6-K and other information with the SEC. The SEC maintains a web site (<http://www.sec.gov>) on which these reports, proxy statements and other information are made available. Such reports, proxy statements and other information may also be inspected and copied at the public reference facilities maintained by the SEC at 450 Fifth Street, N.W., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference facilities.

We have filed with the SEC a statement on Schedule 14D-1F, as amended, pursuant to Rule 14d-1(b) under the Exchange Act to furnish certain information about our offer. You may review the Schedule 14D-1F, and the Schedule 14D-1F, as amended, on the SEC's website referred to above, or read and copy the Schedule 14D-1F, and the Schedule 14D-1F, as amended, at the SEC's public reference room in Washington, D.C. referred to above.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The SEC allows us to incorporate by reference certain information we and IAMGold have filed with them, which means we can disclose important information by referring you to those documents. This prospectus incorporates important business and financial information about us and IAMGold that is not included in or delivered with this prospectus. Information that we and IAMGold file with the SEC after the date of this prospectus will automatically update and supersede the information contained in this prospectus and in prior reports.

The following documents filed with the SEC are incorporated by reference in this prospectus:

Golden Star Resources Ltd.:

1. Annual Report on Form 10-K for the year ended December 31, 2003
2. Quarterly Report on Form 10-Q for the quarter ended March 31, 2004

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3. Reports on Form 8-K filed on May 28 and June 3, 2004

4. Registration Statement on Form 8-A, filed June 18, 2002, which contains a description of our capital stock

5. Any future filings made by us with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act until the earlier of the date that the offer is consummated or the date the offer is terminated

IAMGold Corporation:

1. Annual Report on Form 40-F for the year ended December 31, 2003 (except for the report of IAMGold's independent accountants contained therein which is not incorporated herein by reference because the consent of IAMGold's independent accountants has not yet been obtained)

2. Reports of a foreign issuer filed pursuant to 13a-16 and 15d-16 of the Exchange Act:

Form 6-K filed on June 30, 2004

Form 6-K filed on June 25, 2004

Form 6-K filed on June 23, 2004

Form 6-K filed on June 23, 2004

Form 6-K filed on June 18, 2004

Form 6-K filed on June 18, 2004

Form 6-K filed on June 16, 2004

Form 6-K filed on June 14, 2004

Form 6-K filed on June 10, 2004

Form 6-K filed on June 10, 2004

Form 6-K filed on June 4, 2004

Form 6-K filed on June 3, 2004 (technical report on the Sadiola gold mine)

Form 6-K filed on June 1, 2004

Form 6-K filed on May 28, 2004

Form 6-K filed on May 17, 2004

Form 6-K filed on May 12, 2004

Form 6-K filed on May 11, 2004

Form 6-K filed on May 4, 2004

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Form 6-K filed on April 26, 2004

Form 6-K filed on April 15, 2004

Form 6-K filed on April 14, 2004

Form 6-K filed on April 1, 2004

Form 6-K filed on March 11, 2004

Form 6-K filed on March 5, 2004

Form 6-K filed on February 12, 2004

Form 6-K filed on February 4, 2004

3. Registration Statement on Form 8-A filed November 27, 2002

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4. Any future submissions on Form 40-F or Form 6-K pursuant to Sections 13(a), 13(c) or 15(d) of the Exchange Act made with the SEC under the Exchange Act after the date of this prospectus until the earlier of the date that the offer is consummated or the date the offer is terminated

We will furnish without charge to you, on written or oral request, a copy of any or all of the above documents, other than exhibits to such documents which are not specifically incorporated by reference therein. You should direct any requests for documents to Investor Relations, Golden Star Resources Ltd., 10901 West Toller Drive, Suite 300, Littleton, Colorado 80127-6312, telephone (303) 830-9000. To obtain timely delivery, you must request the information no later than July 9, 2004, which is five business days before the proposed expiration date of the offer.

The information relating to us contained in this prospectus is not comprehensive and should be read together with the information contained in the incorporated documents. Descriptions contained or incorporated by reference in this prospectus as to the contents of any contract or other document may not contain all of the information which is of interest to you. You should refer to the copy of the contract or other document filed as an exhibit to our filings.

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SUMMARY

This summary highlights information more fully described elsewhere in this prospectus and may not contain all the information that is important to you. You should read the following summary and the more detailed information about us, the offer, and the common shares provided elsewhere in this prospectus and in the documents incorporated by reference, including the Risk Factors section and our consolidated pro forma financial statements and notes. References to Golden Star, we, our, and us mean Golden Star Resources Ltd., its predecessors and consolidated subsidiaries, or any one or more of them, as the context requires.

Golden Star Resources Ltd.

We are an international gold mining and exploration company focused primarily on mining, mining development and exploration in Ghana, West Africa. We own a 90% interest in two properties in Ghana: the Bogoso/ Prestea open pit mine and related properties and the Wassa project. We also own an 81% managing interest in the currently inactive Prestea underground mine in Ghana which is now being explored. We hold interests in gold exploration properties in Ghana, Sierra Leone, Mali, Suriname and French Guiana. Based in Denver, Colorado, we currently employ approximately 1,000 people. The principal executive office of Golden Star is located at 10901 W. Toller Drive, Littleton, Colorado, 80127-6312, U.S.A., telephone number (303) 830-9000. Our registered and records office is located at c/o Koffman Kalef, Suite 1900, 885 West Georgia Street, Vancouver, British Columbia, Canada V6C 3H4.

Our common shares are listed and posted for trading on the Toronto Stock Exchange, or TSX, under the symbol GSC and on the American Stock Exchange, or AMEX, under the symbol GSS .

IAMGold Corporation

IAMGold is a Canadian company engaged primarily in the exploration for, the development and production of, and the creation and acquisition of royalty interests on, mineral resources properties throughout the world. The registered office and principal executive office of IAMGold is located at 220 Bay Street, 5th Floor, Toronto, Ontario, M5J 2W4, Canada, telephone number (416) 360-4710.

IAMGold s common shares are listed on the TSX under the symbol IMG and on the AMEX under the symbol IAG .

The Amended Offer

We have amended our original offer and are now offering, on the terms and subject to the conditions of the original offer, to purchase all of the issued and outstanding common shares of IAMGold, on the basis of, at your option:

(i) 1.25 common shares of Golden Star for each common share of IAMGold, which we refer to as the all share option; or

(ii) 1.15 common shares of Golden Star, plus Cdn\$0.50 in cash, for each common share of IAMGold which we refer to as the cash and share option;
plus, in either case, Cdn\$0.20 in cash for each IAMGold common share deposited, payable in the event that no break fee is paid or payable by IAMGold to Wheaton River Minerals Ltd. in connection with the proposed arrangement with Wheaton River. See Contingent payment entitlement in this summary.

Based on the closing trading price for Golden Star common shares on the TSX on June 28, 2004, the additional 0.1 common share of Golden Star that a shareholder will receive if they choose the all share option has a value of Cdn\$0.63. Also based on the closing trading price for Golden Star common shares on the TSX on June 28, 2004, the Cdn\$0.50 in cash that a shareholder will receive if they choose the cash and share option would have purchased 0.08 Golden Star common share.

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Assuming that all of the conditions of the offer are satisfied or waived, all IAMGold shareholders whose IAMGold shares are taken up under the offer, including those shareholders who have already deposited their IAMGold shares to the offer, will receive the increased price for their IAMGold shares. Shareholders who properly deposit their IAMGold shares to our offer but who have not properly elected to receive the all share option or the cash and share option are deemed to have elected the all share option with respect to all of their IAMGold shares deposited under our offer.

Assuming that all of the IAMGold shareholders choose the all share option, that all of the IAMGold shares that are issued and outstanding as of June 4, 2004, and all shares issuable upon exercise of IAMGold options that are in the money as of June 28, 2004, are tendered to the offer and that we take up and pay for such shares under the offer, we will issue approximately 186.6 million Golden Star common shares. If all the IAMGold shareholders elect the all share option and all the shares issuable upon exercise of all IAMGold options outstanding on June 4, 2004 were tendered to the offer and taken up and paid under the offer, the number of Golden Star shares issued would increase to 189.4 million.

Assuming that all of the IAMGold shareholders choose the cash and shares option, that all of the IAMGold shares that are issued and outstanding as of June 4, 2004, and all of the shares issuable upon exercise of IAMGold options that are in the money as of June 28, 2004, are tendered to the offer and that we take up and pay for such shares under the offer, we will issue approximately 171.7 million Golden Star common shares and pay Cdn\$74.7 million, or approximately \$55.6 million, in cash. If the shares issuable upon exercise of all IAMGold options were tendered to the offer, and taken up and paid for under the offer in shares and cash, the number of Golden Star shares issued would increase to 174.2 million and the cash paid would increase to Cdn\$75.8 million, or \$56.4 million.

If the contingent payment described in Contingent payment entitlement below is payable, we will pay to IAMGold shareholders an additional Cdn\$29.9 million, or approximately \$22.3 million, in cash if all of the IAMGold shares issued and outstanding as of June 4, 2004, and all of the shares issuable upon exercise of IAMGold options that are in the money as of June 28, 2004, are tendered to the offer and taken up and paid under the offer. If the shares issuable upon exercise of all IAMGold options were tendered to the offer, and taken up and paid under the offer, the amounts paid by us in the event a break-fee is not payable would increase to Cdn\$30.3 million, or \$22.6 million.

We have applied to the TSX and AMEX to list the common shares of Golden Star issued in exchange for common shares of IAMGold in connection with the offer. Listing will be subject to Golden Star fulfilling all the listing requirements of the exchanges.

Based on the trading price of the Golden Star and IAMGold shares on the TSX on May 27, 2004 (being the last trading day prior to the announcement of the proposed combination between IAMGold and Golden Star), and without giving effect to the contingent payment referred to under the heading Contingent payment entitlement, our offer values each IAMGold share at Cdn\$9.05, in the case of the all share option, and Cdn\$8.83 in the case of the cash and share option. Our offer represents a premium of approximately 22.6%, in the case of the all share option, and 19.6%, in the case of the cash and share option, to the closing trading price of the IAMGold shares on the TSX on May 27, 2004 of Cdn\$7.38. Our offer represents a premium of 21.8% in the case of the all share option and 18.5% under the cash and share option based on the volume weighted average trading price of the Golden Star shares and the IAMGold shares for the 60 trading days ended May 27, 2004 of Cdn\$7.42 and Cdn\$7.62, respectively, on the TSX. In the event that Golden Star pays the contingent payment to shareholders, the increased offer values each IAMGold share at Cdn\$9.25, in the case of the all share option and Cdn\$9.03, in the case of the cash and share option, representing a premium of 25.3% in the case of the all share option, and 22.4%, in the case of the cash and share option to the closing trading price of the IAMGold shares on the TSX on May 27, 2004.

Based on the trading price of the Golden Star shares and the IAMGold shares on the AMEX, and without giving effect to the contingent payment referred to under the heading Contingent payment entitlement, our increased offer values each IAMGold share at \$6.64, in the case of the all share option, and \$6.48, in the case of the cash and share option. Our increased offer represents a premium of

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approximately 22.3%, in the case of the all share option, and 19.3%, under the cash and share option, to the closing trading price of the IAMGold shares on the AMEX on May 27, 2004 of \$5.43. Our offer represents a premium of approximately 23.6% in the case of the all share option, and 20.3% under the cash and share option based on the volume weighted average trading price of the Golden Star shares and the IAMGold shares for the 60 trading days ended May 27, 2004 of \$5.65 and \$5.71, respectively, on the AMEX. In the event that Golden Star pays the contingent payment to shareholders, the increased offer values each IAMGold share at \$6.79, in the case of the all share option, and \$6.63, in the case of the cash and share option, representing a premium of 25.0% in the case of the all share option, and 22.1% in the case of the cash and share option to the closing trading price of the IAMGold shares on the AMEX on May 27, 2004.

We believe that the offer to IAMGold shareholders is superior to the proposed combination of IAMGold and Wheaton River Minerals Ltd. announced in March 2004.

The offer is made only for IAMGold shares and not for any options or other rights to acquire IAMGold shares. Any holder of such securities who wishes to accept the offer must, to the extent permitted by the terms thereof and applicable law, fully exercise such options or other rights before the expiry time in order to obtain a certificate representing IAMGold shares and then deposit those IAMGold shares in accordance with the terms of the offer.

Contingent payment entitlement

Under the arrangement agreement between IAMGold and Wheaton River, a break-fee is payable by IAMGold to Wheaton River, or by Wheaton River to IAMGold, if the arrangement agreement is terminated in certain circumstances as described in this prospectus under the heading Pre-Offer Agreement with Coeur d Alene. In the event that we determine that no break-fee is paid or payable by IAMGold to Wheaton River under the arrangement agreement (as may be amended from time to time), and regardless of whether IAMGold is or is not entitled to a break-fee from Wheaton River or whether IAMGold is or is not entitled to a payment from Wheaton River or Coeur d Alene under the terms of the agreement we entered into with Coeur d Alene to net potential break-fees payable by Wheaton River and IAMGold, we will pay to each IAMGold shareholder an additional Cdn\$0.20 in cash for each IAMGold share deposited under the offer which we take up and pay for. This contingent payment, if payable, will be paid to shareholders depositing IAMGold shares to our offer as soon as is reasonably practicable once we have definitively determined that no break-fee is paid or payable by IAMGold under the arrangement agreement (as may be amended from time to time). There can be no assurance that IAMGold shareholders will receive the contingent payment or of the timing of such payment.

Purpose of the Amended Offer and Acquisition of Remaining Shares

The purpose of the offer is to enable us to acquire all of the outstanding IAMGold common shares. If we take up and pay for the shares validly deposited under the offer, we intend to cause a meeting of IAMGold shareholders to be held to effect the amalgamation whereby we will acquire any IAMGold shares not deposited to the offer. See Acquisition of Shares Not Deposited Subsequent Amalgamation.

Conditions of the Offer

We reserve the right to withdraw the offer and not take up and pay for any IAMGold shares deposited under the offer unless all of the conditions of the offer are satisfied or, where permitted, waived. These conditions include, among others, the conditions that (i) not less than 66 2/3% of the IAMGold shares (on a fully-diluted basis) shall have been validly deposited under the offer and not withdrawn at the expiry time; (ii) we have gained access to non-public information about IAMGold and are satisfied as a result of the review thereof that such information does not contain any facts or other information that would result in a Material Adverse Effect (as defined on p. 29 of this prospectus) to IAMGold if the offer were completed or a change, event, occurrence or state of facts that is or would reasonably be expected to

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be material and adverse to any of the Material Interests (as defined on p. 29 of this prospectus); and (iii) the previously-announced plan of arrangement between IAMGold and Wheaton River Minerals Ltd. shall not have been completed. See The Offer Conditions of the Offer in this prospectus.

Manner and Time for Acceptance

The offer is open for acceptance until 9:00 p.m. (Toronto, Canada time) on July 16, 2004 or until such later time and date to which the offer may be extended by us at our discretion, unless withdrawn by us.

The offer may be accepted by shareholders by depositing certificates representing IAMGold shares that are being deposited, together with a duly completed and signed letter of transmittal (printed on **orange** paper), at the offices of CIBC Mellon Trust Company, as depositary, specified in the letter of transmittal at or before the expiry time of the offer. The offer will be deemed to be accepted only if the depositary has actually received these documents at or before the expiry time of the offer. Shareholders whose shares are registered in the name of a broker, dealer, bank, trust company or other nominee should request their nominee to effect the transaction.

Shareholders whose certificates for IAMGold shares are not immediately available may use the procedures for guaranteed delivery set forth in the notice of guaranteed delivery (printed on **yellow** paper).

Payment for Deposited Shares

If all of the conditions of the offer have been satisfied or, where permitted, waived by us, we will become obligated to take up and pay for the IAMGold shares validly deposited under, and not withdrawn from, the offer within the time periods prescribed by applicable securities laws. Any IAMGold shares deposited under the offer after the first date on which shares have been taken up and paid for by us will be taken up within 10 days of that deposit.

Right to Withdraw Deposited Shares

All deposits of IAMGold shares under the offer are irrevocable, except as provided in the offer. The offer permits withdrawal of the shares deposited under the offer at any time before the IAMGold shares are taken up by us and if such shares have not been paid for by us within three business days after having been taken up. The term *business day* means any day of the week other than a Saturday, Sunday or a statutory or civic holiday observed in Toronto, Canada or Denver, Colorado.

Certain Canadian Federal Income Tax Consequences

A Canadian resident shareholder who holds IAMGold shares as capital property and who sells such shares pursuant to the offer will be regarded as having disposed of the percentage of each IAMGold share that is exchanged for cash and/or the contingent payment entitlement on a taxable basis and the remaining percentage of each IAMGold share on a tax-deferred rollover basis (unless the resident shareholder chooses to report a taxable capital gain or loss on the disposition of such remaining percentage of the IAMGold share).

A shareholder who is not a resident of Canada who disposes of IAMGold shares pursuant to the offer generally will not be subject to tax under the Tax Act if the IAMGold shares are not taxable Canadian property under the Tax Act. See Certain Canadian Federal Income Tax Considerations.

Certain U.S. Income Tax Considerations

We will endeavour to cause the exchange of IAMGold shares pursuant to the offer to be treated as an exchange made pursuant to a reorganization for U.S. income tax purposes. If reorganization treatment applies to the exchange, a U.S. holder who exchanges IAMGold shares and owns, immediately after the exchange, less than 5% of Golden Star (by voting power and value, directly and by attribution) will generally not recognize a capital gain or capital loss for U.S. tax purposes on the receipt of our shares for

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IAMGold shares, except that gain, if any, will be recognized to the extent of cash received in the exchange, and except with respect to cash received in lieu of a fractional share. If reorganization treatment does not apply to the exchange, the U.S. holder will generally be required to recognize a capital gain or loss. Whether or not reorganization treatment applies, A U.S. holder may recognize additional capital gain or, in some cases, ordinary income, on receipt of the contingent payment of Cdn\$0.20 per share and/or the right to receive such amount. See Certain U.S. Income Tax Considerations.

Risk Factors

An investment in Golden Star shares and the business combination with IAMGold are subject to certain risks. Please see Risk Factors commencing on page 13 of this prospectus.

Depository

CIBC Mellon Trust Company is acting as depository under the offer. The depository will be responsible for receiving certificates representing deposited IAMGold shares and accompanying letters of transmittal and other documents. The depository is also responsible for receiving notices of guaranteed delivery, giving notices, if required, and making payment for all IAMGold shares purchased by us under the terms of the offer.

Financial Advisor, Dealer Manager and Information Agent

BMO Nesbitt Burns Inc. has been retained to act as our financial advisor. In addition, BMO Nesbitt Burns Inc. and Harris Nesbitt Corp., its U.S. affiliate, have been retained to act as dealer manager in connection with the offer. In Canada, BMO Nesbitt Burns Inc. may form a soliciting dealer group comprised of members of the Investment Dealers Association of Canada and members of the stock exchanges in Canada to solicit acceptances of the offer. In addition, Innisfree M & A Incorporated has been retained to act as Information Agent in connection with the offer.

Table of Contents**Summary Golden Star and IAMGold Historical and Pro Forma Financial Data**

The following tables present summary historical consolidated financial information for Golden Star and IAMGold as of and for the years ended December 31, 1999, 2000, 2001, 2002 and 2003 and consolidated financial information for Golden Star and IAMGold as of and for the three-month period ended March 31, 2004, under both U.S. GAAP and Canadian GAAP. The tables also present pro forma consolidated financial information for Golden Star as of and for the year ended December 31, 2003 and the three-month period ended March 31, 2004 after giving effect to the acquisition by Golden Star of all of the IAMGold shares pursuant to the offer, under Canadian GAAP only. This information is derived from and should be read in conjunction with the financial statements and the related notes to those financial statements incorporated by reference in this prospectus, copies of which can be found at www.sec.gov and www.sedar.com.

The historical information presented for Golden Star and IAMGold as of and for the year ended December 31, 2003 is derived from the historical consolidated financial statements of Golden Star contained in Golden Star's Annual Report on Form 10-K for the year ended December 31, 2003, and related notes thereto, which are incorporated by reference in this prospectus, and IAMGold's Annual Report on Form 40-F for the year ended December 31, 2003, and related notes thereto, which are incorporated by reference in this prospectus (except for the report of IAMGold's independent accountants contained therein which is not incorporated herein by reference because the consent of IAMGold's independent accountants has not yet been obtained). The historical information for Golden Star and IAMGold as of and for the three months ended March 31, 2004 is derived from the historical consolidated financial statements of Golden Star contained in Golden Star's Quarterly Report on Form 10-Q for the quarter ended March 31, 2004, and from IAMGold's Report on Form 6-K filed May 17, 2004 for the three months ended March 31, 2004, respectively.

You should read the information below together with the consolidated pro forma financial statements and notes thereto beginning on page F-1, IAMGold's historical financial statements and related notes, and Golden Star's historical financial statements and related notes. The pro forma data assumes that Golden Star is the accounting acquiror and that all shareholders elect the all share option. The pro forma data below is presented for informational purposes. You should not rely on the pro forma amounts as being indicative of the financial position of the consolidated company that would have actually occurred had the offer been consummated at or before the periods presented or the future financial position of the consolidated company.

Golden Star Summary of Financial Condition and Pro Forma Financial Data

(Amounts in thousands except per share data)

Cdn GAAP	Pro Forma	Pro	As of	As of	As of	As of	As of	As of
	as of March 31, 2004	Forma as of December 31, 2003(1)	March 31, 2004	December 31, 2003	December 31, 2002	December 31, 2001	December 31, 2000	December 31, 1999
Cash & equivalents	\$ 125,374		\$ 86,017	\$ 89,970	\$20,016	\$ 509	\$ 991	\$ 2,905
Working capital	207,065		95,148	96,784	21,963	(5,149)	4,452	6,020
Current assets	234,932		103,829	104,935	32,843	9,636	12,960	13,957
Total assets	1,266,859		229,594	222,391	74,135	36,552	49,469	74,352
Current liabilities	27,867		8,681	8,151	10,880	14,785	8,508	7,937
Shareholders equity	1,151,126		204,187	198,362	49,384	12,342	26,040	40,501

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Cdn GAAP	Pro Forma for the Three	Pro Forma for	For the Three	For the	For the	For the Year	For the Year	For the Year
	Months	the Year	Months	Year	Year	For the Year	For the Year	For the Year
	Ended	Ended	Ended	Ended	Ended	Ended	Ended	Ended
	March 31,	December 31,	March 31,	December 31,	December 31,	December 31,	December 31,	December 31,
	2004	2003	2004	2003	2002	2001	2000	1999
Revenue	\$ 48,399	\$ 163,827	\$ 19,857	\$ 64,370	\$ 38,802	\$ 24,658	\$ 31,171	\$ 11,254
Net income/(loss)	10,259	33,835	5,194	21,956	4,856	(20,584)	(14,881)	(24,366)
Net income/(loss) per share basic	\$ 0.032	\$ 0.114	\$ 0.039	\$ 0.198	\$ 0.070	\$ (0.488)	\$ (0.400)	\$ (0.760)

US GAAP	Pro Forma as of	Pro Forma	As of	As of	As of	As of	As of	As of
	March 31,	as of	March 31,	December 31,	December 31,	December 31,	December 31,	December 31,
	2004(2)	December 31,	2004	2003	2002	2001	2000	1999
		2003						
Cash & equivalents	\$ 116,753	\$ 86,017	\$ 89,970	\$ 20,016	\$ 509	\$ 991	\$ 2,905	
Working capital	173,736	95,148	96,784	22,511	(5,149)	4,452	6,020	
Current assets	194,828	103,829	104,935	33,391	9,636	12,960	13,957	
Total assets	1,216,231	204,380	200,337	62,644	24,232	24,020	45,635	
Current liabilities	21,092	8,681	8,151	10,880	14,785	8,508	7,937	
Shareholders equity	1,127,356	184,443	180,417	41,069	1,533	(478)	11,146	

US GAAP	Pro Forma for the Three Months Ended	Pro Forma	For the Three Months Ended	For the Year	For the Year	For the Year	For the Year	For the Year
	March 31,	for the Year	March 31,	Ended	Ended	Ended	Ended	Ended
	2004(2)	December 31,	2004	December 31,	December 31,	December 31,	December 31,	December 31,
		2003(3)		2003	2002	2001	2000	1999
Revenue			\$ 19,857	\$ 64,370	\$ 38,802	\$ 24,658	\$ 31,171	\$ 11,254
Net income/(loss)		21,208	3,396	13,357	6,752	(5,302)	(12,465)	(11,335)
Net income/(loss) per share basic		\$ 0.071	\$ 0.026	\$ 0.120	\$ 0.093	\$ (0.126)	\$ (0.330)	\$ (0.350)

Golden Star has not paid any cash dividends in the last five years.

IAMGold Summary of Financial Condition

(Amounts in thousands except per share data)

Cdn GAAP	As of	As of	As of	As of	As of	As of
	March 31,	December 31,	December 31,	December 31,	December 31,	December 31,
	2004	2003	2002	2001	2000	1999
Cash & equivalents	\$ 65,745	\$ 66,675	\$ 15,835	\$ 25,332	\$ 36,800	\$ 59,665
Working capital	124,251	118,539	56,884	18,530	15,886	32,745
Current assets	143,437	145,798	73,656	43,494	49,960	65,754
Total assets	451,645	451,141	190,638	176,598	175,795	177,639
Current liabilities	19,186	27,259	16,772	24,964	34,074	33,009
Shareholders equity	393,449	386,103	152,006	127,475	118,745	107,432

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Cdn GAAP	For the Three Months Ended March 31, 2004	For the Year Ended December 31, 2003	For the Year Ended December 31, 2002	For the Year Ended December 31, 2001	For the Year Ended December 31, 2000	For the Year Ended December 31, 1999
Revenue	\$27,632	\$101,111	\$89,824	\$81,655	\$57,984	\$63,461
Net income/(loss)	5,906	15,039	5,535	10,948	10,050	14,119
Net income/(loss) per share basic	\$ 0.04	\$ 0.11	\$ 0.07	\$ 0.15	\$ 0.14	\$ 0.19

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US GAAP	As of March 31, 2004(2)	As of December 31, 2003	As of December 31, 2002	As of December 31, 2001	As of December 31, 2000(4)	As of December 31, 1999(4)
Cash & equivalents		\$ 53,171	\$ 5,783	\$ 13,988		
Working capital		90,382	28,524	9,859		
Current assets		103,323	36,714	14,300		
Total assets		421,170	161,879	134,328		
Current liabilities		12,941	8,190	4,441		
Shareholders equity		386,804	150,379	125,747		

US GAAP	For the Three Months Ended March 31, 2004(2)	For the Year Ended December 31, 2003(3)	For the Year Ended December 31, 2002(3)	For the Year Ended December 31, 2001(3)	For the Year Ended December 31, 2000(4)	For the Year Ended December 31, 1999(4)
Revenue						
Net income/(loss)		\$ 12,802	\$ 436	\$ 16,563		
Net income/(loss) per share basic		\$ 0.09	\$ 0.01	\$ 0.23		
Dividends per share		\$ 0.046	\$0.032	\$ 0.031		

- (1) In accordance with the U.S. and Canadian regulatory pronouncements, a Canadian GAAP pro forma balance sheet was not prepared as of December 31, 2003.
- (2) IAMGold's March 31, 2004 report to shareholders did not present IAMGold's financial statements in accordance with U.S. GAAP.
- (3) Insufficient data was available in IAMGold's December 2003 financial statements to determine revenues for the period in accordance with U.S. GAAP.
- (4) IAMGold did not present financial statements in accordance with U.S. GAAP prior to 2001.

Comparative Per Share Information

The following table sets forth, for the periods indicated, the net income, book value and cash dividends declared per common share data separately for Golden Star and IAMGold on an historical basis and for Golden Star on a pro forma consolidated basis assuming all shareholders elect the all share option. The conversion ratio is 1.25 Golden Star common shares for each IAMGold common share.

	Year Ended December 31, 2003	Three Months Ended March 31, 2004
PRO FORMA CONSOLIDATED		
Earnings per share	\$0.114	\$0.032
Book value per share	\$ 3.58	\$ 3.60
Cash dividends per share	\$0.021	\$
GOLDEN STAR HISTORICAL		
Earnings per share	\$0.198	\$0.039

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Book value per share	\$ 1.49	\$ 1.53
Cash dividends per share	\$	\$
IAMGOLD HISTORICAL		
Earnings per share	\$0.105	\$0.041
Book value per share	\$ 2.66	\$ 2.70
Cash dividends per share	\$0.046	\$

Table of Contents**Per Share Market Data**

IAMGold common shares are currently traded on the TSX under the symbol **IMG** and on the AMEX under the symbol **IAG**. Golden Star common shares are currently traded on the TSX under the symbol **GSC** and on the AMEX under the symbol **GSS**. The following table sets forth the closing prices per common share of each of IAMGold and Golden Star as reported on the TSX and the AMEX on (1) May 27, 2004, the last business day preceding the public announcement of our proposed business combination with IAMGold, and (2) on June 28, 2004, the most recent trading day practicable before the filing of this prospectus:

Issuer	TSX		AMEX	
	May 27, 2004	June 28, 2004	May 27, 2004	June 28, 2004
IAMGold	Cdn\$7.38	Cdn\$7.46	\$5.43	\$5.52
Golden Star	Cdn\$7.24	Cdn\$6.33	\$5.31	\$4.72

Regulatory Requirements

The offer will be subject to the approval of each of the TSX and the AMEX as well as certain other regulatory authorities in Canada and the United States.

No Dissenters Rights

No IAMGold shareholder will have dissenters or appraisal rights in connection with the offer. However, holders of IAMGold shares who do not tender their shares to the offer may have rights of dissent in the event we acquire such IAMGold shares by way of a subsequent amalgamation. See **Acquisition of Shares Not Deposited** in this prospectus.

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Non-GAAP Financial Measures

In this prospectus, the terms total cash cost and cash operating cost are used on a per ounce of gold basis. Total cash cost per ounce is equivalent to mining operations expenses for the period divided by the number of ounces of gold sold during the period. Cash operating cost per ounce is equivalent to total cash cost per ounce, less production royalties. We have included total cash cost and cash operating cost information to provide investors with information about the cost structure of our mining operations. This information differs from measures of performance determined in accordance with GAAP in Canada and in the United States and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. These measures are not necessarily indicative of operating profit or cash flow from operations as determined under GAAP and may not be comparable to similarly titled measures of other companies.

Statements Regarding Forward-Looking Information

This prospectus, including Annex A and the pro forma consolidated financial statements of Golden Star and some of the information incorporated by reference in this prospectus, contains forward-looking statements, with respect to our financial condition, results of operations, business prospects, plans, objectives, goals, strategies, future events, capital expenditure, and exploration and development efforts. Words such as anticipates, expects, intends, plans, forecasts, projects, budgets, believes, seeks, estimates, could, might, should, and may identify forward-looking statements. Although we believe that our plans, intentions and expectations reflected in these forward-looking statements are reasonable, we cannot be certain that these plans, intentions or expectations will be achieved. Actual results, performance or achievements could differ materially from those contemplated, expressed or implied by the forward-looking statements contained or incorporated by reference in this prospectus. These statements include comments regarding: operations and synergies of the combined company, the establishment and estimates of mineral reserves and mineral resources, production, production commencement dates, production costs, cash operating costs per ounce, total cash costs per ounce, grade, processing capacity, potential mine life, feasibility studies, development costs, capital and operating expenditures, exploration, the closing of certain transactions including acquisitions and offerings, our expansion plans for Bogoso/Prestea, and the start-up of Wassa.

The following factors related to this business combination could cause actual results to differ materially from the forward-looking statements: lack of IAMGold shareholder support for the transaction proposed by Golden Star; the business of Golden Star and IAMGold may not be integrated successfully or such integration may be more difficult, time-consuming or costly than expected; and the expected combination benefits from the Golden Star/IAMGold transaction may not be fully realized or realized within the expected time frame. In addition, the factors described below and in the Risk Factors in this prospectus may cause actual results to differ:

unexpected changes in business and economic conditions;

significant increases or decreases in gold prices;

changes in interest rates and currency exchange rates;

timing and amount of production;

unanticipated grade changes;

unanticipated recovery rates or production problems;

changes in mining, processing and overhead costs;

changes in metallurgy and processing technology;

access and availability of materials, equipment, supplies, labor and supervision, power and water;

determination of mineral reserves and mineral resources;

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availability of drill rigs;

changes in project parameters;

costs and timing of development of new mineral reserves;

results of current and future exploration activities;

results of pending and future feasibility studies;

joint venture relationships;

political or economic instability, either globally or in the countries in which we operate;

local and community impacts and issues;

timing of receipt of government approvals;

accidents and labor disputes;

environmental costs and risks;

competitive factors, including competition for property acquisitions; and

availability of capital at reasonable rates or at all.

These factors are not intended to represent a complete list of the general or specific factors that could affect us. We might note additional factors elsewhere in this prospectus, and in any documents incorporated by reference into this prospectus. We undertake no obligation to update forward-looking statements.

Reporting Currencies and Financial Principles

All references to \$ or dollars in this document refer to United States dollars, unless otherwise indicated. All financial information contained in this prospectus is reported in U.S. dollars unless otherwise noted.

Our financial statements are prepared in accordance with generally accepted accounting principles (GAAP) in Canada, which we refer to as Canadian GAAP. We provide certain information reconciling our financial information with GAAP in the United States, which we refer to as U.S. GAAP. IAMGold's audited consolidated financial statements and the notes thereto are stated by IAMGold to have been prepared in accordance with Canadian GAAP.

Information Concerning IAMGold

Except as otherwise indicated, the information concerning IAMGold contained in this prospectus has been taken from or is based upon publicly available documents and records on file with Canadian securities regulatory authorities, the SEC and other public sources. Although we have no knowledge that would indicate that any statements contained herein concerning IAMGold taken from or based upon such documents and records are untrue or incomplete, neither Golden Star nor any of its directors or officers assumes any responsibility for the accuracy or completeness of such information, including any IAMGold financial statements, or for any failure by IAMGold to disclose events or facts which may have occurred or which may affect the significance or accuracy of any such information but which are unknown to us. We have no means of verifying the accuracy or completeness of any of the information contained in this prospectus that is derived from IAMGold's publicly available documents or records or whether there has been any failure by IAMGold to disclose events that may have occurred or may affect the significance or accuracy of any information.

Table of Contents**Exchange Rates**

The following table sets forth the exchange rate for one U.S. dollar expressed in Canadian dollars, for each period indicated, the average of such exchange rates, and the exchange rate at the end of such period, based upon the noon rates provided by the Bank of Canada:

	Three Months Ended March 31, 2004	Year Ended December 31,				
	2003	2002	2001	2000	1999	
	2004	2003	2002	2001	2000	1999
Rate at end of period	1.3105	1.2924	1.5796	1.5926	1.5002	1.4433
Average rate for period	1.3179	1.4015	1.5704	1.5484	1.4852	1.4858

On May 27, 2004, the last trading day prior to the announcement of our proposed business combination with IAMGold, the exchange rate for one U.S. dollar expressed in Canadian dollars based upon the noon rates provided by the Bank of Canada was Cdn\$1.3577. On June 28, 2004, the exchange rate for one U.S. dollar expressed in Canadian dollars based upon the noon rates provided by the Bank of Canada was Cdn\$1.3433.

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RISK FACTORS

An investment in our common shares involves a high degree of risk. You should consider the following discussion of risks in addition to the other information in this prospectus before tendering and exchanging your shares for our common shares. In addition to historical information, the information in this prospectus contains forward-looking statements about our future business and performance. Our actual operating results and financial performance may be very different from what we expect as of the date of this prospectus. The risks below address some of the factors that may affect our future operating results and financial performance. You should also consider the specific risks associated with IAMGold's business, which are described in IAMGold's annual report on Form 40-F for the year ended December 31, 2003, and incorporated by reference in this prospectus.

Business Combination Risks

You may receive Golden Star shares with a market value lower than you expected.

Golden Star is offering to pay either, at your option, (i) 1.25 Golden Star common shares for each IAMGold common share, or (ii) 1.15 Golden Star common shares plus Cdn\$0.50 in cash for each IAMGold common share, tendered to the offer and not withdrawn. Based on the closing prices of the IAMGold shares and Golden Star shares on the TSX on May 27, 2004, the date the proposal for a business combination was made, this represents a premium to IAMGold shareholders of 22.6% under the all share option or 19.6% under the cash and share option. If the market price of Golden Star shares declines and/or if the market price of IAMGold shares increases, the value of the consideration received by IAMGold shareholders will decline as well. For example, during the twelve month period ending on June 28, 2004 (the most recent practicable date prior to the date of this prospectus), the closing price of Golden Star shares on the TSX varied from a low of Cdn\$3.42 to a high of Cdn\$10.77 and ended that period at Cdn\$6.33. Variations like these may occur as a result of changes in, or market perceptions of changes in, the business, operations or prospects of Golden Star, market assessments of the likelihood the offer will be consummated, regulatory considerations, general market and economic conditions and other factors over which Golden Star has no control.

We have not been given an opportunity to verify the reliability of the information regarding IAMGold included in, or which may have been omitted from, this prospectus.

In respect of information relating to IAMGold presented in, or due to lack of information omitted from, this prospectus, including all IAMGold financial information, we have relied exclusively upon publicly available information. Any inaccuracy in IAMGold's publicly available information, or in the information about IAMGold contained in this prospectus, could result in unanticipated liabilities or expenses, increase the cost of integrating the two companies or adversely affect the operational plans of the combined company and its results of operations and financial condition.

Change of control provisions in IAMGold's agreements triggered upon the acquisition of IAMGold may lead to adverse consequences.

IAMGold may be a party to agreements that contain change of control provisions that may be triggered following completion of the offer since Golden Star will hold IAMGold shares representing a majority of the voting rights of IAMGold. The operation of these change of control provisions, if triggered, could result in unanticipated expenses following the consummation of the offer or adversely affect the operations of IAMGold's joint ventures, which are its primary source of revenue. Unless these change of control provisions are waived by the other party, the operation of any of these provisions could adversely affect the operations and financial condition of the combined company.

If we acquire IAMGold, IAMGold may be required to pay a break fee of approximately \$23 million.

Under the arrangement agreement between IAMGold and Wheaton River, one or both parties may be required to pay break fees to the other if the arrangement agreement is terminated in certain

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circumstances. We have agreed with Coeur d'Alene Mines Corporation, who has proposed a business combination with Wheaton River that, if we combine with IAMGold and Coeur d'Alene combines with Wheaton River, Coeur d'Alene will pay us \$26 million, in lieu of any break fees that would otherwise be payable by IAMGold or Wheaton River. On June 8, 2004 shareholders of Wheaton River voted to approve the arrangement agreement between IAMGold and Wheaton River. However, a further vote of the Wheaton River shareholders regarding the arrangement agreement will take place on July 6, 2004. It is unclear what effect those actions will have on the proposed business combination between Coeur d'Alene and Wheaton River. If we combine with IAMGold and a break-fee is payable by IAMGold, but Coeur d'Alene does not combine with Wheaton River, we and IAMGold would be required to pay approximately \$23 million to Wheaton River. There can be no assurance that Coeur d'Alene will combine with Wheaton River or that we, as a result of owning IAMGold, will not be required to pay a \$23 million break-fee. It is assumed in the pro forma consolidated financial statements attached to this prospectus that we will pay \$23 million to Wheaton River.

The integration of Golden Star and IAMGold may not occur as planned.

The offer has been made with the expectation that its successful completion will result in increased earnings and cost savings by taking advantage of the synergies of consolidation and enhanced growth opportunities of the combined company. These anticipated benefits will depend in part on whether Golden Star's and IAMGold's operations can be integrated in an efficient and effective manner. Most operational and strategic decisions, and certain staffing decisions, with respect to the combined company have not yet been made. These decisions and the integration of the two companies will present challenges to management, including the integration of systems and personnel of the two companies, and special risks, including possible unanticipated liabilities, unanticipated costs, and the loss of key employees.

Failure to retain key employees of IAMGold could adversely affect Golden Star after the offer.

The performance of IAMGold's operations after the offer could be adversely affected if the combined company cannot retain selected key employees to assist in the integration of IAMGold and Golden Star. If the combined company does not retain certain of IAMGold's key executives, or if the key executives exercise their rights to terminate their employment agreements following completion of the offer, based on IAMGold's public disclosure, we believe that IAMGold would be required to pay severance payments totaling approximately Cdn\$3 million.

After the consummation of the offer, IAMGold would become a majority-owned subsidiary of Golden Star and our interest could differ from yours.

After the consummation of the offer, we would have the power to elect the directors, appoint new management, approve certain actions requiring the approval of IAMGold shareholders, including adopting certain amendments to IAMGold's constituting documents and approving mergers or sales of IAMGold's assets. In particular, after the consummation of the offer we intend to acquire all of the IAMGold shares not deposited under the offer by amalgamation or statutory arrangement whereby the operations of IAMGold and Golden Star are combined. Our interests with respect to IAMGold may differ from those of any remaining minority shareholders.

The exchange of IAMGold shares pursuant to the offer may be taxable for U.S. holders.

We will endeavour to cause the exchange of IAMGold shares pursuant to the offer to be treated as an exchange made pursuant to a reorganization for U.S. income tax purposes. If reorganization treatment applies to the exchange, a U.S. holder who exchanges IAMGold shares and owns, immediately after the exchange, less than 5% of Golden Star (by voting power and value, directly and by attribution) will generally not recognize a capital gain or capital loss for U.S. tax purposes on the receipt of Golden Star shares for IAMGold shares, except that gain, if any, will be recognized to the extent of cash received in the exchange, and except with respect to cash received in lieu of a fractional share. If reorganization treatment does not apply to the exchange, the U.S. holder will generally be required to recognize a capital

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gain or loss. There can be no assurance that reorganization treatment will apply to the exchange. Whether or not reorganization treatment applies, A U.S. holder may recognize additional capital gain or, in some cases, ordinary income, on receipt of the contingent payment of Cdn\$0.20 per share and/or the right to receive such amount.

We have not paid dividends in the past.

We have not previously paid dividends on our common shares. Although we may pay dividends in the future, there can be no assurance that we will do so.

Financial Risks

Our business is substantially dependent on gold prices.

The price of our common shares, our financial results and our exploration, development and mining activities have previously been, and would in the future be, significantly adversely affected by fluctuations in the price of gold. The price of gold is volatile and is affected by numerous factors beyond our control such as the sale or purchase of gold by various central banks and financial institutions, inflation or deflation, fluctuation in the value of the US dollar and foreign currencies, global and regional demand, and the political and economic conditions of major gold-producing countries throughout the world. If gold prices were to decline significantly or for an extended period of time, we might be unable to continue our operations, develop our properties or fulfill our obligations under our agreements with our partners or under our permits and licenses. As a result, we could lose our interest in, or be forced to sell, some of our properties.

Furthermore, mineral reserve calculations and life-of-mine plans using significantly lower gold prices could result in reduced estimates of mineral reserves and non-reserve mineral resources and in material write-downs of our investment in mining properties and increased amortization, reclamation and closure charges.

We have recorded substantial losses in the past.

While we had earnings of \$5.2 million in the first quarter of 2004, \$22.0 million and \$4.9 million in 2003 and 2002, respectively, we reported net losses of \$20.6 million in 2001, \$14.9 million in 2000, and \$24.4 million in 1999. Numerous factors, including declining gold prices, lower than expected ore grades or higher than expected operating costs, and impairment write-offs of mine property and/or exploration property costs, could cause us to become unprofitable in the future. Any future operating losses could make financing our operations and our business strategy, or raising additional capital, difficult or impossible and could materially and adversely affect our operating results and financial condition.

Our obligations could strain our financial position and impede our business strategy.

We have total debts and liabilities as of March 31, 2004 of \$17.2 million, including \$0.8 million payable to financial institutions, \$8.5 million of current trade payables and accrued current liabilities and \$7.9 million in environmental rehabilitation liabilities. We expect that our indebtedness and other liabilities will increase as a result of our corporate development activities. This indebtedness could have important consequences, including the following:

increasing our vulnerability to general adverse economic and industry conditions;

limiting our ability to obtain additional financing to fund future working capital, capital expenditures, operating and exploration costs and other general corporate requirements;

requiring us to dedicate a significant portion of our cash flow from operations to make debt service payments, which would reduce our ability to fund working capital, capital expenditures, operating and exploration costs and other general corporate requirements;

limiting our flexibility in planning for, or reacting to, changes in our business and the industry; and

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placing us at a disadvantage when compared to our competitors that have less debt relative to their market capitalization.

Our estimates of mineral reserves and non-reserves could be inaccurate.

There are numerous uncertainties inherent in estimating proven and probable mineral reserves and measured, indicated and inferred mineral resources, including many factors beyond our control. The accuracy of estimates of mineral reserves and non-reserves is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation, which could prove to be unreliable. There can be no assurance that these estimates will be accurate, that mineral reserves and non-reserves figures will be accurate, or that mineral reserves or non-reserves could be mined or processed profitably.

Fluctuation in gold prices, results of drilling, metallurgical testing and production and the evaluation of mine plans subsequent to the date of any estimate could require revision of the estimate. The volume and grade of mineral reserves mined and processed and recovery rates might not be the same as currently anticipated. Any material reductions in estimates of our mineral reserves and non-reserves, or of our ability to extract these mineral reserves and non-reserves, could have a material adverse effect on our results of operations and financial condition.

We currently have only one source of significant operational cash flows.

While we have recently received significant infusions of cash from sales of equity, our only current significant internal source of funds is operational cash flows from Bogoso/Prestea. We expect to commence production at Wassa in the third quarter of 2004, although there can be no assurance that our Wassa production goals will be achieved. Following the combination with IAMGold, we would also have cash flow from IAMGold's minority interests in the Sadiola, Yatela, Tarkwa and Damang gold mines. There can be no assurance that we will receive distributions or payments from these interests in accordance with our expectations. The anticipated continuing exploration and development of our properties will require significant expenditures over the next several years. We expect that these expenditures will exceed free cash flows generated by Bogoso/Prestea during that period, and therefore we expect to use our excess cash and in the future to require additional outside capital. Lower gold prices during the five years prior to 2002 adversely affected our ability to obtain financing, and recurring lower gold prices could have similar effects in the future. We cannot assure you that in the future we will be able to obtain adequate financing on acceptable terms. If we are unable to obtain additional financing, we might need to delay or indefinitely postpone further exploration and development of our properties, and as a result, we could lose our interest in, or could be forced to sell, some of our properties.

Implementation of a hedging program might be unsuccessful and incur losses.

We continue to review whether or not, in light of the potential for gold prices to fall, it would be appropriate to establish a hedging program. To date, we have not decided to implement a hedging program, although we have purchased and expect to continue to purchase puts from time to time, which give us the right to sell gold in the future at a fixed price. The implementation of a hedging program might not, however, protect adequately against declines in the price of gold.

In addition, although a hedging program could protect us from a decline in the price of gold, it might also prevent us from benefiting fully from price increases. For example, as part of a hedging program, we could be obligated to sell gold at a price lower than the then-current market price. Finally, if unsuccessful, the costs of any hedging program could further deplete our financial resources.

IAMGold has hedged a portion of its production. Therefore, the combined company may not realize fully the benefits of gold price increases with respect to the ounces hedged.

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We are subject to fluctuations in currency exchange rates, which could materially adversely affect our financial position.

Our revenues are in U.S. dollars, and we maintain most of our working capital in U.S. dollars or U.S. dollar denominated securities. We convert funds to foreign currencies as payment obligations become due. A significant portion of the operating costs at Bogoso/ Prestea is based on the Ghanaian currency, the Cedi. We are required to convert into Cedis only 20% of the foreign exchange proceeds that we receive from selling gold, but the Government of Ghana could require us to convert a higher percentage of such sales proceeds into Cedis in the future. In addition, we currently have future obligations that are payable in Euros, and receivables collectible in Euros. We obtain construction and other services and materials and supplies from providers in South Africa and other countries, and the costs of those services could increase due to changes in the value of the South African Rand or other currencies. Accordingly, we are subject to fluctuations in the rates of currency exchange between the U.S. dollar and these currencies, and such fluctuations could materially affect our financial position and results of operations. Consequently, construction, development and other costs might be higher than we anticipate. We currently do not hedge against currency exchange risks, although we might do so from time to time in the future. There can be no assurance that implementation of a currency hedging program would adequately protect us from the effects of fluctuation in currency exchange rates.

There could be no opportunity to evaluate the merits or risks of any future acquisition undertaken by us.

As a key element of our growth strategy, we have stepped up the active pursuit of acquisitions of producing, development and advanced stage exploration properties and companies. Whether or not we are successful in acquiring IAMGold, we plan to continue to actively investigate potential acquisition and merger candidates. Risks related to acquiring and operating acquired properties and companies could have a material adverse effect on our results of operations and financial condition. In addition, to acquire properties and companies, we would use our available cash, incur debt, issue our common shares or other securities, or a combination of any one or more of these. This could limit our flexibility to raise capital, to operate, explore and develop our properties and to make additional acquisitions, and could further dilute and decrease the trading price of our common shares. Acquisition transactions in our business are often initiated and completed over a particularly short period of time. There could be no opportunity for our shareholders to evaluate the merits or risks of any future acquisition undertaken by us except as required by applicable laws and regulations.

Risks inherent in acquisitions that we might undertake could adversely affect our growth and financial condition.

We are actively pursuing the acquisition of producing, development and advanced stage exploration properties and companies, and have recently completed the acquisition and joint venture of exploration and development properties in Ghana, Sierra Leone and Mali. From time to time, we might acquire securities of or other interests in companies with which we could enter into acquisitions or other transactions. Acquisition transactions involve inherent risks, including:

accurately assessing the value, strengths, weaknesses, contingent and other liabilities and potential profitability of acquisition candidates;

ability to achieve identified and anticipated operating and financial synergies;

unanticipated costs;

diversion of management attention from existing business;

potential loss of our key employees or the key employees of any business we acquire;

unanticipated changes in business, industry or general economic conditions that affect the assumptions underlying the acquisition; and

decline in the value of acquired properties, companies or securities.

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Any one or more of these factors or other risks could cause us not to realize the benefits anticipated to result from the acquisition of properties or companies, and could have a material adverse effect on our ability to grow and on our financial condition.

We are subject to litigation risks.

All industries, including the mining industry, are subject to legal claims, with and without merit. We are involved in various routine legal proceedings, which include labour matters such as unfair termination claims, supplier matters and property issues incidental to our business. We believe it is unlikely that the final outcome of these legal proceedings will have a material adverse effect on our financial position or results of operation. However, defense and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, there can be no assurance that the resolution of any particular legal proceeding will not have a material effect on our financial position or results of operations.

Operational Risks

The technology, capital costs and cost of production of refractory mineral reserves and non-reserves at Bogoso/ Prestea remain subject to a number of uncertainties, including funding uncertainties.

Based upon the completion of our Bogoso sulfide project feasibility study in 2001 and its subsequent review by a qualified person under National Instrument 43-101, the refractory material at Bogoso/Prestea has been included in our proven and probable mineral reserves. While the sulfide project feasibility study indicated that refractory mineral reserves can be profitably mined and processed at current gold prices, the capital cost to upgrade the Bogoso processing plant with a bio-oxidation or BIOX circuit to process refractory ore, together with related mining equipment, and facilities, is significant. The capital cost of the sulfide project together with our other Bogoso/Prestea expansion plans including capitalized exploration, mine development, and expanding the mining fleet is expected to be approximately \$70 million expected to be spent in 2004 and 2005. We cannot assure you that we will have access to capital, whether from internal or external sources, in the required amounts or on acceptable terms. While the processing technology envisioned in the feasibility study has been successfully utilized at other mines, we cannot assure you, in spite of our testing, engineering and analysis that the technology will perform successfully at commercial production levels on the Bogoso/Prestea refractory sulfide ores. Therefore, we cannot assure you that our production estimates can be achieved.

Completion of our development projects is subject to a number of uncertainties.

We have completed a feasibility study regarding the development of and commencement of production at Wassa in Ghana using conventional CIL processing techniques and have commenced development of the Wassa mine. We cannot assure you that production will commence when we currently anticipate. We have not yet completed technical studies for the projected \$70 million expansion of Bogoso/Prestea. The IAMGold 18.9% owned Tarkwa mine is currently being expanded. The management of mine development projects and start-up of new operations are complex. We do not have a company history of simultaneously managing two significant development projects and an ongoing operation. We cannot assure you that these development projects will be completed at the cost and on the schedule predicted, or that gold grades and recoveries, production rates or costs anticipated will be achieved. Any development of Wassa and the expansion of Bogoso/Prestea are subject to all of the risks described in this prospectus, including Risk Factors Operational Risks The development and operation of our mining projects involve numerous uncertainties.

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Declining gold prices could reduce our estimates of mineral reserves and non-reserves and could result in delays in development until we can make new estimates and determine new potential economic development options under the lower gold price assumptions.

In addition to adversely affecting our mineral reserve estimates and our financial condition, declining gold prices could impact operations by requiring a reassessment of the feasibility of all or a portion of a particular project. A reassessment might be the result of a management decision or could be required under financing arrangements related to the project. Even if the project is ultimately determined to be economically viable, the need to conduct a reassessment could cause substantial delays or might interrupt operations until the reassessment can be completed.

We are subject to a number of operational hazards that can delay production or result in liability to us.

Our activities are subject to a number of risks and hazards including:

environmental hazards;

discharge of pollutants or hazardous chemicals;

industrial accidents;

labour disputes and shortages;

supply and shipping problems and delays;

shortage of equipment and contractor availability;

difficulty in applying technology such as biooxidation processing;

unusual or unexpected geological or operating conditions;

slope failures;

cave-ins of underground workings;

failure of pit walls or dams;

fire;

changes in the regulatory environment; and

natural phenomena such as inclement weather conditions, floods and earthquakes.

These or other occurrences could result in damage to, or destruction of, mineral properties or production facilities, personal injury or death, environmental damage, delays in mining, delayed production, monetary losses and possible legal liability. We could incur liabilities as a result of pollution and other casualties. Satisfying such liabilities could be very costly and could have a material adverse effect on our financial position and results of operations.

Our mining operations are subject to numerous environmental laws, regulations and permitting requirements that can delay production and adversely affect operating and development costs.

We cannot assure you that compliance with existing regulations governing the discharge of materials into the environment, or otherwise relating to environmental protection, in the jurisdictions where we have projects will not have a material adverse effect on our exploration activities, results of operations or competitive position. New or expanded regulations, if adopted, could affect the exploration or development of

our projects or otherwise have a material adverse effect on our operations.

A significant portion of our recently acquired Dunkwa property and portions of our Wassa development property as well as some of our exploration properties in Ghana are located within forest reserve areas. Although Dunkwa and Wassa have been identified by the Government of Ghana as eligible for mining permits subject to normal procedures and a site inspection, there can be no assurance that

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permits for projects in forest reserve areas will be issued in a timely fashion, or at all, or that such permits will not contain special requirements with which it is burdensome or expensive to comply.

Our relocation of the processing plant to Bondaye near Prestea, conversion of the existing Bogoso/ Prestea processing plant to process refractory sulfide and other activities will require mining and other permits from the Government of Ghana. There can be no assurance that all of these permits will be issued on a timely basis or at all, or that the permits issued will not be subject to requirements or conditions with which it is burdensome or expensive to comply. This could adversely affect our projected production commencement dates, production amounts and costs.

As a result of the foregoing risks, project expenditures, production quantities and rates and cash operating costs, among other things, could be materially and adversely affected and could differ materially from anticipated expenditures, production quantities and rates, and costs. In addition, estimated production dates could be delayed materially. Any such events could materially and adversely affect our business, financial condition, results of operations and cash flows.

The development and operation of our mining projects involve numerous uncertainties.

Mine development projects, including our ongoing development at Wassa and anticipated expansion at Bogoso/ Prestea, typically require a number of years and significant expenditures during the development phase before production is possible.

Development projects are subject to the completion of successful feasibility studies and environmental assessments, issuance of necessary governmental permits and receipt of adequate financing. The economic feasibility of development projects is based on many factors such as:

estimation of mineral reserves and mineral resources;

anticipated metallurgical recovery rates;

environmental considerations and permitting;

future gold prices; and

anticipated capital and operating costs of such projects.

Our mine development projects could have limited relevant operating history upon which to base estimates of future operating costs and capital requirements. Estimates of proven and probable mineral reserves and operating costs determined in feasibility studies are based on geologic and engineering analyses and might not prove to be accurate.

Any of the following events, among others, could affect the profitability or economic feasibility of a project:

unanticipated changes in grade and tonnage of ore to be mined and processed;

unanticipated adverse geotechnical and process recovery conditions;

incorrect data on which engineering assumptions are made;

costs of constructing and operating a mine in a specific environment;

availability and cost of processing and refining facilities;

availability of economic sources of power;

adequacy of water supply;

adequate access to the site including competing land uses (such as agriculture and illegal mining);

unanticipated transportation costs;

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government regulations (including regulations relating to prices, royalties, duties, taxes, permitting, restrictions on production, quotas on exportation of minerals, as well as the costs of protection of the environment and agricultural lands);

fluctuations in gold prices; and

accidents, labour actions and force majeure events.

Adverse effects on the operations or further development of a project could also adversely affect our business, financial condition, results of operations and cash flow. Because of these uncertainties, and others identified in Risk Factors, there can be no assurance that our production estimates at Bogoso/ Prestea and Wassa can or will be achieved.

We need to continually obtain additional mineral reserves for gold production.

Because mines have limited lives based on proven and probable mineral reserves, we must continually replace and expand our mineral reserves as our mines produce gold. At current average production rates, we estimate that Bogoso/Prestea has over ten years of mine life, but our estimates might not be correct and the mine life would be shortened if we expand production. Our ability to maintain or increase our annual production of gold will be dependent in significant part on our ability to bring new mines into production and to expand or extend the life of existing mines.

Gold exploration is highly speculative, involves substantial expenditures, and is frequently non-productive.

Gold exploration, including the exploration of the Prestea Underground, involves a high degree of risk and exploration projects are frequently unsuccessful. Few prospects that are explored end up being ultimately developed into producing mines. To the extent that we continue to be involved in gold exploration, the long-term success of our operations will be related to the cost and success of our exploration programs. We cannot assure you that our gold exploration efforts will be successful. The success of gold exploration is determined in part on the following factors:

the identification of potential gold mineralization based on superficial analysis;

the quality of our management and our geological and technical expertise; and

the capital available for exploration and development.

Substantial expenditures are required to determine if a project has economically mineable mineralization. It could take several years to establish proven and probable mineral reserves and to develop and construct mining and processing facilities. As a result of these uncertainties, we cannot assure you that current and future exploration programs will result in the discovery of mineral reserves, the expansion of our existing mineral reserves and the development of mines.

We face competition from other mining companies in connection with the acquisition of properties.

We face strong competition from other mining companies in connection with the acquisition of properties producing, or capable of producing, precious metals. Many of these companies have greater financial resources, operational experience and technical capabilities. As a result of this competition, we might be unable to maintain or acquire attractive mining properties on terms we consider acceptable or at all. Consequently, our revenues, operations and financial condition could be materially adversely affected.

Title to our mineral properties could be challenged.

Our policy is to seek to confirm the validity of our rights to title to, or contract rights with respect to, each mineral property in which we have a material interest. However, we cannot guarantee that title to our properties will not be challenged. Title insurance generally is not available, and our ability to ensure that we have obtained secure claim to individual mineral properties or mining concessions could be severely

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constrained. We might not have conducted surveys of all of the properties in which we hold direct or indirect interests and, therefore, their precise area and location could be in doubt. Accordingly, our mineral properties could be subject to prior unregistered agreements, transfers or claims, and title could be affected by, among other things, undetected defects. In addition, we might be unable to operate our properties as permitted or to enforce our rights with respect to our properties.

We depend on the services of key executives.

We are dependent on the services of key executives including our President and Chief Executive Officer and a small number of highly skilled and experienced executives and personnel. Due to the relatively small size of our company, the loss of these persons or our inability to attract and retain additional highly skilled employees could adversely affect the exploration and development of our properties, which could have a material adverse effect on our business and future operations.

The period of weak gold prices prior to 2002 resulted in the depletion in the number of trained and experienced professionals and managers in our industry. Higher gold prices have resulted in an increased demand for these people, and it could therefore be more difficult to attract or retain such experienced professionals and managers without significantly increasing the cost to Golden Star.

Our insurance coverage could be insufficient.

Our business is subject to a number of risks and hazards generally, including:

- adverse environmental conditions;
- industrial accidents;
- labour disputes;
- unusual or unexpected geological conditions;
- ground or slope failures;
- cave-ins;
- changes in the regulatory environment; and
- natural phenomena such as inclement weather conditions, floods and earthquakes.

political risks including expropriation and civil war

Such occurrences could result in:

- damage to mineral properties or production facilities;
- personal injury or death;
- loss of legitimate title to properties
- environmental damage to our properties or the properties of others;
- delays in mining;
- monetary losses; and

possible legal liability.

Although we maintain insurance in amounts that we believe to be reasonable, our insurance might not cover all the potential risks associated with our business. We might also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage might not continue to be available or might not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to us or to other companies in the mining industry on acceptable terms. We might also become

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subject to liability for pollution or other hazards which we cannot insure against or which we might elect not to insure against because of premium costs or other reasons. Losses from these events might cause us to incur significant costs that could have a material adverse effect upon our financial performance and results of operations.

Governmental and Regulatory Risks

As a holding company, limitations on the ability of our operating subsidiaries to make distributions to us could adversely affect the funding of our operations.

We are a holding company that conducts operations through foreign (principally African) subsidiaries and joint ventures, and substantially all of our assets consist of equity in these entities. Accordingly, any limitation on the transfer of cash or other assets between the parent corporation and these entities, or among these entities, could restrict our ability to fund our operations efficiently. Any such limitations, or the perception that such limitations might exist now or in the future, could have an adverse impact on our valuation and stock price.

We are subject to changes in the regulatory environment where we operate.

Our mining operations and exploration activities are subject to extensive regulation governing various matters, including:

licensing

production

taxes

water disposal

toxic substances

mine safety

development and permitting

exports

imports

labour standards

occupational health and safety

environmental protections

Compliance with these regulations increases the costs of the following:

planning

designing

drilling

operating

developing

constructing

closure and reclamation

We believe that we are in substantial compliance with current laws and regulations in Ghana and elsewhere. However, these laws and regulations are subject to frequent change and reinterpretation. Due to the substantial increase in mining development during 2003 in Ghana, the Government of Ghana has been

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reviewing the adequacy of reclamation bonds and guarantees throughout the country and in some cases has requested higher levels of bonding than previously had been required. There can be no assurance that our bonds would not increase. Amendments to current laws and regulations governing operations and activities of mining companies or more stringent implementation or interpretation of these laws and regulations could have a material adverse impact on us, cause a reduction in levels of production and delay or prevent the development or expansion of our properties in Ghana.

Government regulations limit the proceeds from gold sales that could be withdrawn from Ghana. Changes in regulations that increase these restrictions could have a material adverse impact on us, as Bogoso/ Prestea is currently our only source of internally generated operating cash flows.

The Government of Ghana has the right to participate in the ownership and control of certain subsidiaries.

The Government of Ghana currently has a 10% carried interest in our subsidiaries that own our Bogoso/ Prestea mine, Wassa development property and Prestea Underground property. The Government of Ghana also has: (a) the right to acquire up to an additional 20% equity interest in each of these subsidiaries for a price to be determined by agreement or arbitration; (b) the right to acquire a special share or golden share in such subsidiaries at any time for no consideration or such consideration as the Government of Ghana and such subsidiaries might agree; and (c) a pre-emptive right to purchase all gold and other minerals produced by such subsidiaries. We cannot assure you that the Government of Ghana would not seek to exercise one or more of these rights, which could reduce our equity interest. A reduction in our equity interest could reduce our income or cash flows from Bogoso/Prestea and/or reduce our anticipated income or cash flows from Wassa, reducing amounts available to us for reinvestment and adversely affecting our ability to take certain actions.

We are subject to risks relating to exploration, development and operations in foreign countries.

Certain laws, regulations and statutory provisions in certain countries in which we have mineral rights could, as they are currently written, have a material negative impact on our ability to develop or operate a commercial mine. For countries where we have exploration or development stage projects, we intend to negotiate mineral agreements with the governments of these countries and seek variances or otherwise be exempted from the provisions of these laws, regulations and/or statutory provisions. We cannot assure you, however, that we will be successful in obtaining mineral agreements or variances or exemptions on commercially acceptable terms.

Our assets and operations are affected by various political and economic uncertainties, including:

the risks of war, civil unrest, coups or other violent or unexpected changes in government;

political instability and violence;

expropriation and nationalization;

renegotiation or nullification of existing concessions, licenses, permits, and contracts;

illegal mining;

changes in taxation policies;

restrictions on foreign exchange and repatriation; and

changing political conditions, currency controls, and governmental regulations that favor or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

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Illegal mining occurs on our properties, is difficult to control, can disrupt our business and can expose us to liability.

Artisanal miners illegally work on our properties from time to time, despite the fact that we have hired security personnel to protect our properties. The presence of illegal miners could lead to project delays and disputes regarding the development or operation of commercial gold deposits. The work performed by the illegal miners could cause environmental damage or other damage to our properties, or personal injury or death for which we could potentially be held responsible. Extensive illegal mining could result in surface depletion of mineral deposits, potentially making the future mining of such deposits uneconomic.

Our activities are subject to complex laws, regulations and accounting standards that can adversely affect operating and development costs, the timing of operations, the ability to operate and financial results.

Our business, mining operations and exploration and development activities are subject to extensive Canadian, US, Ghanaian and other foreign, federal, state, provincial, territorial and local laws and regulations governing exploration, development, production, exports, taxes, labour standards, waste disposal, protection of the environment, reclamation, historic and cultural resource preservation, mine safety and occupational health, toxic substances, reporting and other matters, as well as accounting standards. Compliance with these laws, regulations and standards or the imposition of new such requirements could adversely affect operating and development costs, the timing of operations, the ability to operate and financial results.

Market Risks

The market price of our common shares could experience volatility and could decline significantly.

Our common shares are listed on the American Stock Exchange and the Toronto Stock Exchange. Securities of small-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally and market perceptions of the attractiveness of particular industries. Our share price is also likely to be significantly affected by short-term changes in gold prices or in our financial condition or results of operations as reflected in our quarterly earnings reports. Other factors unrelated to our performance that could have an effect on the price of our common shares include the following:

the extent of analytical coverage available to investors concerning our business could be limited if investment banks with research capabilities do not continue to follow our securities;

the trading volume and general market interest in our securities could affect an investor's ability to trade significant numbers of common shares;

the relatively small size of the public float will limit the ability of some institutions to invest in our securities; and

a substantial decline in our stock price that persists for a significant period of time could cause our securities to be delisted from the American Stock Exchange and the Toronto Stock Exchange, further reducing market liquidity.

As a result of any of these factors, the market price of our common shares at any given point in time might not accurately reflect our long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. We could in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

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You could have difficulty or be unable to enforce certain civil liabilities on us, certain of our directors and our experts.

We are a Canadian corporation. Substantially all of our assets are located outside of Canada and the US, and our head office is located in the US. Additionally, a number of our directors and the experts are residents of Canada. Although we have appointed Koffman Kalef, Suite 1900, 885 West Georgia Street, Vancouver, British Columbia and Field LLP, 1900, 350 7th Avenue S.W., Calgary, Alberta as our agents for service of process in the Provinces of British Columbia and Alberta, respectively, it might not be possible for investors to collect judgments obtained in Canadian courts predicated on the civil liability provisions of securities legislation. It could also be difficult for you to effect service of process in connection with any action brought in the US upon such directors and experts. Execution by US courts of any judgment obtained against us or any of the directors, executive officers or experts in US courts would be limited to the assets of Golden Star Resources Ltd. or the assets of such persons or corporations, as the case might be, in the US. The enforceability in Canada of US judgments or liabilities in original actions in Canadian courts predicated solely upon the civil liability provisions of the federal securities laws of the US is doubtful.

There may be certain tax risks associated with investments in our company.

Potential investors that are US taxpayers should consider that we could be considered to be a passive foreign investment company (PFIC) for federal income tax purposes. Although we believe that we currently are not a PFIC and do not expect to become a PFIC in the near future, the tests for determining PFIC status are dependent upon a number of factors, some of which are beyond our control, and we can not assure you that we would not become a PFIC in the future. If we were deemed to be a PFIC, then a US taxpayer who disposes or is deemed to dispose of our shares at a gain, or who received a so-called excess distribution on the shares, generally would be required to treat such gain or excess distribution as ordinary income and pay an interest charge on a portion of the gain or distribution unless the taxpayer makes a timely qualified electing fund election (a QEF election). A US taxpayer who makes a QEF election generally must report on a current basis his or her share of any of our ordinary earnings and net capital gain for any taxable year in which we are a PFIC, whether or not we distribute those earnings. Special estate tax rules could be applicable to our shares if we are classified as a PFIC for income tax purposes.

Future sales of our common shares by our existing shareholders could decrease the trading price of the common shares.

Sales of a large number of our common shares in the public markets, or the potential for such sales, could decrease the trading price of our common shares and could impair our ability to raise capital through future sales of our common shares. We completed sales of units, comprised of common shares and warrants, in January, July and December 2002 and February 2003 and sales of common shares in August, October, and December 2003, all but the December 2003 offering at prices significantly less than the current market price of our common shares. Accordingly, a significant number of our shareholders have an investment profit in our securities that they could seek to liquidate. Substantially all of our common shares not held by affiliates can be resold without material restriction in the US and Canada.

The existence of outstanding rights to purchase common shares could impair our ability to raise capital.

As of June 28, 2004 approximately 17.9 million common shares are issuable on exercise of warrants, options or other rights to purchase common shares at prices ranging from Cdn\$1.02 to Cdn\$9.07. During the life of the warrants, options and other rights, the holders are given an opportunity to profit from a rise in the market price of our common shares with a resulting dilution in the interest of the other shareholders. Our ability to obtain additional financing during the period such rights are outstanding could be adversely affected, and the existence of the rights could have an adverse effect on the price of our common shares. The holders of the warrants, options and other rights can be expected to exercise them at a time when we would, in all likelihood, be able to obtain any needed capital by new offering of securities on terms more favorable than those provided by the outstanding rights.

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THE OFFER

Subject to the terms and conditions below and in the letter of transmittal and the notice of guaranteed delivery, we hereby offer to purchase all of the issued and outstanding common shares of IAMGold on the basis of (i) 1.25 common shares of Golden Star for each IAMGold common share, or (ii) 1.15 common shares of Golden Star plus Cdn\$0.50, or approximately \$0.37, in cash for each IAMGold common share, plus, in either case, Cdn\$0.20, or approximately \$0.15, in cash for each IAMGold common share deposited payable in the event that no break fee is paid or payable by IAMGold in connection with the proposed arrangement with Wheaton River. See Contingent payment entitlement.

The offer is made only for IAMGold shares (including shares acquired by exercise or conversion of options and other securities convertible into IAMGold shares) and is not made for any IAMGold options or other rights to acquire IAMGold shares. Any holder of such securities who wishes to accept the offer must, to the extent permitted by the terms of such securities and applicable law, exercise the options or other rights in order to obtain certificates representing IAMGold shares in accordance with the offer. Any such exercise must be sufficiently in advance of the expiry time to ensure that IAMGold shares will be available for deposit no later than the expiry time or in sufficient time to comply with the procedures referred to below under the heading The Offer Procedures for Guaranteed Delivery. Options may be exercised and the IAMGold shares issued pursuant to such exercise may be deposited under the offer, to the extent permitted by the terms of the options.

Fractional common shares of Golden Star will not be issued. Instead of receiving a fractional Golden Star share, you will receive a cash payment equal to such fraction multiplied by the closing price of Golden Star shares on the TSX at the expiry date, referred to as the current market price. For purposes of determining the amount of any such cash payment, all of your Golden Star shares will be aggregated. We have the necessary funds to make all cash payments to be made to IAMGold shareholders under the offer.

The offer will be open for acceptance until 9:00 p.m. (Toronto time), which we refer to as the expiry time, on July 16, 2004, which date, or such later date as is set out in a notice of extension of the offer issued at any time and from time to time extending the period during which IAMGold shares may be deposited to the offer, we refer to as the expiry date, unless withdrawn prior to the expiry date. If the expiry date is not a business day, then the expiry date shall be the next business day.

Shareholders who have validly deposited their IAMGold shares prior to June 30, 2004 must complete and execute the revised Letter of Transmittal accompanying this prospectus (printed on orange paper) to indicate whether they are electing the all share option or the cash and share option. Shareholders who otherwise validly tender their IAMGold shares to our offer but fail to make the necessary election in the Letter of Transmittal, or to properly make such election, including those IAMGold shareholders who have previously tendered their IAMGold shares and who do not submit a revised Letter of Transmittal, will be deemed to have elected the all share option in respect of all of the IAMGold shares deposited under our offer.

Contingent payment entitlement

Under the arrangement agreement between IAMGold and Wheaton River, a break-fee is payable by IAMGold to Wheaton River, or by Wheaton River to IAMGold, if the arrangement agreement is terminated in certain circumstances as described in this prospectus under the heading Pre-Offer Agreement with Coeur d Alene. In the event that we determine that no break-fee is paid or payable by IAMGold to Wheaton River under the arrangement agreement (as may be amended from time to time), and regardless of whether IAMGold is or is not entitled to a break-fee from Wheaton River or whether IAMGold is or is not entitled to a payment from Wheaton River or Coeur d Alene under the terms of the agreement we entered into with Coeur d Alene to net potential break-fees payable by Wheaton River and IAMGold, we will pay to each IAMGold shareholder an additional Cdn\$0.20 in cash for each IAMGold share deposited under the offer which we take up and pay for. This contingent payment, if payable, will be paid to shareholders depositing IAMGold shares to our offer as soon as is reasonably practicable once we have definitively determined that no break-fee is paid or payable by IAMGold under the arrangement

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agreement (as may be amended from time to time). There can be no assurance that IAMGold shareholders will receive the contingent payment or of the timing of such payment.

Conditions to the Offer

We reserve the right to withdraw the offer and not take up, purchase or pay for your IAMGold shares, and we also reserve the right to extend the period of time during which the offer is open and to postpone taking up and paying for, your IAMGold shares deposited under the offer unless all of the following conditions are satisfied or, where permitted, waived by us prior to the expiry date:

(a) at least 66 2/3% of the IAMGold common shares (on a fully diluted basis) at the expiry time of the offer have been validly deposited under the offer and not withdrawn at the expiry time, referred to as the minimum tender condition;

(b) all Appropriate Approvals (including, without limitation, those of the AMEX and TSX or securities regulatory authorities) shall have been obtained on terms satisfactory to us, acting reasonably;

(c) all outstanding options or rights to acquire IAMGold shares will have been exercised, cancelled or otherwise dealt with on terms satisfactory to us in our reasonable judgment;

(d) no act, action, suit or proceeding shall have been threatened or taken before or by any domestic or foreign court or tribunal or governmental agency or other regulatory authority or administrative agency or commission or by any elected or appointed public official or private person (including any individual, company, firm, group or other entity) in Canada or elsewhere, whether or not having the force of law, and no law (including any tax law) shall have been proposed, enacted, promulgated or applied, in either case:

(i) to cease trade, enjoin, prohibit or impose material limitations or conditions on the purchase by or the sale to us of the IAMGold shares or the right of us to own or exercise full rights of ownership of the IAMGold shares;

(ii) which, if the offer were consummated, would result in a Material Adverse Effect on IAMGold; or

(iii) which challenges or would prevent or make uncertain the ability of us or our affiliates to effect a compulsory acquisition or a subsequent acquisition transaction;

(e) there shall not exist any prohibition at law against us making the offer, taking up and paying for any IAMGold shares deposited under the offer, issuing our shares in consideration therefor or effecting a compulsory acquisition or a subsequent acquisition transaction;

(f) there shall not exist or have occurred any change (or any condition, event or development involving a prospective change) in the business, operations (including results of operations), assets, capitalization, condition (financial or otherwise), prospects, licenses, permits, rights, privileges or liabilities, whether contractual or otherwise, of IAMGold or the Material Interests, which, when considered either individually or in the aggregate, would result in a Material Adverse Effect on IAMGold;

(g) we shall have determined in our reasonable judgement that no property right, franchise or license of IAMGold or any of the Material Interests has been or may be impaired (which impairment has not been cured or waived) or otherwise adversely affected, or threatened to be impaired or adversely affected, whether as a result of the making of the offer, the taking up and paying for IAMGold shares deposited under the offer, the completion of a compulsory acquisition or a subsequent acquisition transaction or otherwise;

(h) we shall have determined in our reasonable judgement that no covenant, term or condition exists in any instrument or agreement to which IAMGold or any of its entities is a party or to which any of their properties or assets are subject which might make it inadvisable for us to proceed with the offer and/or the taking up and paying for IAMGold shares under the offer, including without limitation any default, right of termination, acceleration or other adverse event that may ensue as a

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result of our taking up and paying for the IAMGold shares under the offer or completing a compulsory acquisition or a subsequent acquisition transaction;

(i) we will have been provided with, or been given access to, in a timely manner, all non-public information relating to IAMGold, including without limitation a true and complete copy of the disclosure letter of IAMGold delivered to Wheaton River Minerals Ltd. pursuant to their arrangement agreement and each of the joint venture/shareholder agreements (including all amendments, supplements and modifications thereto) with respect to each of the Material Interests, and we will be satisfied upon completion of our review of such documents and upon the advice of our legal counsel, that such documents do not contain any facts or other information that would result in a Material Adverse Effect on IAMGold if the offer were completed or a change, event, occurrence or state of facts that is or would reasonably be expected to be material and adverse to any of the Material Interests, either individually or collectively, whether or not the offer were completed;

(j) the offer, if completed, shall not trigger any Material Adverse Effect on IAMGold;

(k) the IAMGold shareholders shall not have approved the resolution authorizing the issuance of additional shares of IAMGold to be presented at the IAMGold annual and special meeting of shareholders scheduled to be held on July 6, 2004, as it may be adjourned or postponed and the proposed arrangement between IAMGold and Wheaton River, pursuant to the arrangement agreement dated April 23, 2004, as amended and restated on April 29, 2004, shall not have been completed and the arrangement agreement shall have been terminated;

(l) we shall not have become aware of any untrue statement of a material fact, or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made and at the date it was made (after giving effect to all subsequent filings in relation to all matters covered in earlier filings), in any document filed by or on behalf of IAMGold with any regulatory authority in Canada or elsewhere.

The following terms have meanings as set forth below:

Material Adverse Effect means, with respect to any person, any change, effect, event, occurrence or state of facts that is, or would reasonably be expected to be, material and adverse to the assets, business, operations or financial condition (including cash resources) of such person and its subsidiaries taken as a whole, other than any change, effect, event, occurrence or state of facts relating to the economy, securities markets or precious metals markets in general;

Material Interests means the following interests of IAMGold: (i) an indirect 38% interest in the Sadiola gold mine; (ii) an indirect 40% interest in the Yatela gold mine; (iii) an indirect 18.9% interest in the Tarkwa gold mine; and (iv) an indirect 18.9% interest in the Damang gold mine;

compulsory acquisition means an acquisition where we would acquire the IAMGold shares not deposited under the offer on the same terms as the IAMGold shares acquired under the offer pursuant to the provisions of section 206 of the CBCA;

subsequent acquisition transaction means an amalgamation, statutory arrangement, capital reorganization or other transaction involving IAMGold and Golden Star or an affiliate for the purpose of enabling us or our affiliate to acquire all IAMGold shares not acquired pursuant to the offer;

Appropriate Approvals means those sanctions, rulings, consents, orders, exemptions, permits and other approvals (including the lapse, without objection, of a prescribed time under a statute or regulation that states that a transaction may be implemented if a prescribed time lapses following the giving of notice without an objection being made) of Governmental Entities or approvals of shareholders of Golden Star or IAMGold required in connection with the consummation of the offer;

Governmental Entity means (a) any multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign; (b) any subdivision, agent, commission, board, or authority of any of the foregoing; (c) any self-regulatory authority or any of the AMEX or the TSX; or

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(d) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing; and

The foregoing conditions are for our exclusive benefit and may be asserted by us regardless of the circumstances giving rise to any such condition. We may, in our sole discretion, waive any of the foregoing conditions, in whole or in part, at any time and from time to time, without prejudice to any other rights which we may have. The failure by us at any time to exercise any of the foregoing rights will not be deemed to be a waiver of any such right and each such right shall be deemed to be an ongoing right which may be asserted at any time and from time to time provided that all of the conditions, other than those involving the receipt of Appropriate Approvals, are satisfied or, where permitted, waived by us prior to the expiry date.

Any waiver of a condition or the withdrawal of the offer shall be effective upon written notice or other communication confirmed in writing by us to that effect to the depositary at its principal office in Toronto. After we give any such notice, we will make a public announcement of the waiver or withdrawal, shall cause the depositary, if required by law, as soon as practicable thereafter to notify the IAMGold shareholders in the manner set forth under Notice and Delivery below and shall provide a copy of such notice to the TSX and the AMEX. Any notice of waiver will be deemed to have been given and to be effective on the day on which it is delivered or otherwise communicated to the depositary at its principal office in Toronto. In the event of any waiver, all IAMGold shares deposited previously and not taken up or withdrawn will remain subject to the offer and may be accepted for purchase by us in accordance with the terms of the offer. If the offer is withdrawn, we will not be obligated to take up or pay for any IAMGold shares deposited under the offer and the depositary will promptly return all certificates for deposited IAMGold shares to the parties by whom they were deposited in acceptance of the offer.

Purpose of the Offer

The purpose of the offer is to enable us to acquire beneficial ownership of all of the IAMGold shares. The effect of the offer is to give you the opportunity to receive our common shares in exchange for your IAMGold shares on the basis of, at your option (i) 1.25 of our common shares for each IAMGold common share, or (ii) 1.15 of our common shares plus Cdn\$0.50, or approximately \$0.37 in cash for each IAMGold common share. Based on the closing prices of the IAMGold and Golden Star shares on May 27, 2004 (being the last day of trading prior to the announcement of the proposed business combination) this consideration represents a premium of 22.6% under the all share option or 19.6% under the cash and share option. The offer represents a premium of 21.7% under the all share option and 18.7% under the cash and share option based on the volume-weighted average trading price of the IAMGold shares on the TSX for the 60 days prior to the announcement of the proposed business combination.

If we take up and pay for the IAMGold shares validly deposited under the offer, we intend to cause a meeting of IAMGold shareholders to be held to effect a subsequent amalgamation whereby we will acquire any IAMGold shares not deposited under the offer. See Acquisition of Shares Not Deposited Subsequent Amalgamation.

Payment for Deposited IAMGold Shares

If all of the conditions of the offer have been fulfilled or, where permitted, waived at the expiry time, we will become obligated to take up and pay for the IAMGold shares deposited and not withdrawn under the offer no later than 10 days from the expiry date, and to pay for the IAMGold shares taken up as soon as possible, but in any event not later than three business days after taking up the IAMGold shares. In accordance with applicable law, we will take up and pay for IAMGold shares deposited under the offer after the date on which we first take up IAMGold shares deposited under the offer not later than 10 days after the deposit of IAMGold shares.

We will be deemed to have taken up and accepted for payment IAMGold shares validly deposited and not withdrawn under the offer if, as and when we give written notice or other communication confirmed in writing to the depositary to that effect.

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We will pay for IAMGold shares validly deposited and not withdrawn under the offer by providing the depositary with sufficient certificates for our shares to be exchanged for the IAMGold shares and funds to pay for cash consideration to those IAMGold shareholders who have elected the cash and share option and for fractional Golden Star shares otherwise issuable, if any, for transmittal to persons depositing IAMGold shares under the offer. Under no circumstances will interest accrue or be paid on our shares or cash for cash consideration or fractional shares by us or the depositary, regardless of any delay in making such payment. Fractional Golden Star shares will not be issued. Instead of receiving a fraction of a Golden Star share, you will receive a cash payment equal to such fraction multiplied by the current market price. For the purposes of determining the amount of any such cash payment, all IAMGold shares deposited by a registered holder will be aggregated.

The depositary will act as the agent for you if you deposit your IAMGold shares into the offer for the purposes of receiving payment from us and transmitting such payment to you. Receipt of the share certificates and cash, if any, by the depositary shall be deemed to constitute receipt of payment by you.

Settlement for the exchange will be made by the depositary forwarding (a) for your IAMGold shares (other than those representing fractional Golden Star shares), a certificate for the Golden Star shares to which you are entitled under the offer, provided that you are a resident of a province of Canada or another jurisdiction in which the Golden Star shares may be lawfully delivered without further action by us and (b) if applicable, a cheque in U.S. dollars in payment for the cash consideration and cash equivalent of any fractional Golden Star shares determined in accordance with the offer, that is payable to you. Subject to the foregoing and unless otherwise directed by the letter of transmittal, the certificates and any cheques will be issued in the name of the registered holder of the IAMGold shares so deposited. Unless you instruct the depositary to hold the certificate representing our shares and any cheque for pick-up by checking the appropriate box in the letter of transmittal, the certificate and any cheque will be forwarded by first class insured mail to such person at the address specified in the letter of transmittal. If no such address is specified, the certificate and any cheque will be sent to the address of the holder as shown on the securities register maintained by or on behalf of IAMGold. Certificates and cheques mailed in accordance with this paragraph will be deemed to be delivered at the time of mailing.

To permit a partial tax-deferred rollover to shareholders who are resident in Canada, the offer is made to all shareholders on the basis that the Cash-Out Percentage of an IAMGold Share held by a particular shareholder who elects under the cash and share option will be exchanged for cash, the CPE Percentage of an IAMGold share held by each shareholder will be exchanged for the contingent payment entitlement and the Remaining Percentage of an IAMGold share held by each shareholder will be exchanged solely for Golden Star shares. These percentages are defined in Certain Canadian Federal Income Tax Considerations .

Time and Manner for Acceptance

The offer is open for acceptance, unless withdrawn or extended at our sole discretion until the expiry time, being 9:00 p.m. (Toronto time), on July 16, 2004, unless the offer is withdrawn or extended.

The offer may be accepted by you by depositing the following documents with the depositary at the offices specified in the letter of transmittal no later than the expiry time:

(a) the certificate or certificates representing IAMGold shares in respect of which the offer is being accepted;

(b) a properly completed and duly signed copy of the letter of transmittal (or a manually signed facsimile copy), with the signature or signatures guaranteed in accordance with the instructions set out in the letter of transmittal; and

(c) any other relevant document required by the instructions set forth on the letter of transmittal.

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The offer will be deemed to be accepted only if the depositary actually has received these documents at or before the expiry time at one of the addresses for the depositary indicated on the letter of transmittal. If you cannot comply on a timely basis with these procedures for deposit of the requisite certificates for IAMGold shares, you may deposit certificates representing IAMGold shares pursuant to the procedures for guaranteed delivery described immediately below.

Procedure for Guaranteed Delivery

If you wish to accept the offer and either (i) the certificates representing your IAMGold shares are not immediately available or (ii) you cannot deliver the certificates and letter of transmittal to the depositary by the expiry time, those IAMGold shares may nevertheless be deposited under the offer, provided that all of the following conditions are met:

(a) such deposit is made only at the principal office of the depositary in Toronto by or through an eligible institution which means a Canadian Schedule 1 chartered bank, a major trust company in Canada, a member of a Securities Transfer Agent Medallion Program (STAMP), a member of the Stock Exchange Medallion Program (SEMP) or a member of the New York Stock Exchange, Inc. Medallion Signature Program (MSP). Members of these programs are usually members of a recognized stock exchange in Canada or the United States, members of the Investment Dealers Association of Canada, members of the National Association of Securities Dealers or banks and trust companies in the United States, referred to as an eligible institution ;

(b) a properly completed and duly executed notice of guaranteed delivery (or a manually signed facsimile) is received by the depositary at its principal office in Toronto at or before the expiry time; and

(c) the certificate or certificates representing the deposited IAMGold shares, in proper form for transfer, together with a properly completed and duly signed letter of transmittal (or a manually signed facsimile copy) and other documents required by such letter of transmittal, are received at the Toronto office of the depositary by 5:00 p.m. (Toronto time) on the third trading day on the Toronto Stock Exchange after the expiry time.

The notice of guaranteed delivery may be delivered by hand, transmitted by electronic facsimile or mailed to the depositary only at its principal office in Toronto and must include a guarantee by an eligible institution in the form set forth in the notice of guaranteed delivery.

Extensions, Variations and Changes to the Offer

The offer will be open for acceptance at the places of deposit specified in the letter of transmittal until, but not after, the expiry time.

We may, at any time and from time to time while the offer is open for acceptance, vary the terms of the offer or extend the expiry time by giving notice in writing to the depositary at its principal office in Toronto. Also, if at any time before the expiry time, or at any time after the expiry time, but before the expiry of all rights of withdrawal with respect to the offer, a change occurs in the information contained in this prospectus, as amended from time to time, that would reasonably be expected to affect your decision to accept or reject the offer (other than a change that is not within our control or of any of our affiliates), we will give written notice of such change to the depositary at its principal office in Toronto. Upon the giving of such notice to the depositary, the expiry time or withdrawal rights, as applicable, shall be deemed to be extended to the date specified in such notice or in the case of a variation the offer shall be deemed to be varied in the manner described in such notice, as the case may be. We will, as soon as practicable after giving any such notice to the depositary, publicly announce the extension, variation or change and cause the depositary to mail a copy of any such notice to IAMGold shareholders as required by applicable securities legislation at your address appearing in the share register of IAMGold. In addition, we will provide a copy of such notice to the TSX and AMEX. Any notice of extension, variation or change will be deemed to have been given and be effective on the day on which it is delivered or otherwise

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communicated to the depositary at its principal office in Toronto. During any extension of the offer, all IAMGold shares previously deposited and not taken up and paid for or withdrawn will remain subject to the offer and subject to applicable law may be accepted for purchase by us on or before the expiry time in accordance with the terms of the offer.

An extension of the expiry time shall not in and of itself constitute a waiver by us of any of our rights.

Under applicable Canadian provincial securities law, if there is a variation in the terms of the offer, the period during which IAMGold shares may be deposited under the offer shall not expire before 10 days after the notice of variation has been delivered. If, prior to the expiry time, we, in our sole discretion, increase the amount of consideration for your IAMGold shares, such increase shall be applicable to all holders whose IAMGold shares are taken up under the offer.

Notwithstanding the foregoing, the offer may not be extended by us if all the terms and conditions of such offer have been complied with, except those waived by us, unless we first take up and pay for all IAMGold shares validly deposited and not withdrawn under the offer.

Changes in Capitalization of IAMGold; Dividends and Distributions; Liens

If, on or after the date of the offer, IAMGold should divide, combine, reclassify, consolidate, convert or otherwise change any of the IAMGold common shares or its capitalization, or should disclose that it has taken or intends to take any such action, then we may, in our sole discretion and without prejudice to our rights, make such adjustments as we deem appropriate to reflect such division, combination, reclassification, consolidation, conversion or other change in the purchase price, the number of our shares to be issued or other terms of the offer (including, without limitation, the type of securities offered to be purchased and the consideration payable therefor).

IAMGold shares acquired from you pursuant to the offer shall be transferred by you and acquired by us free and clear of all liens, restrictions, charges, encumbrances, security interests, claims and equities or rights of others of any nature or kind whatsoever and together with all rights and benefits arising therefrom, including (subject to the payment of dividends as described below) the right to all other securities which may be declared, paid, issued, accrued, distributed, made or transferred on or after the date of the offer on in respect of the IAMGold shares.

If, on or after the date of the offer, IAMGold declares or pays any dividend or declares, makes or pays any other distribution or payment on or declares, allots, reserves or issues any securities, rights or other interests with respect to the IAMGold shares, that is payable or distributable to the holders of such IAMGold shares on a record date that precedes the date of transfer of such IAMGold shares into our name or our nominees or transferees on the share register maintained by or on behalf of IAMGold then without prejudice to our rights: (a) in the case of cash dividends, distributions or payments, the amount of the dividends, distributions or payments shall be received and held by the IAMGold shareholder, and to the extent that such dividends, distributions or payments do not exceed the value of the consideration per IAMGold share payable by us to the IAMGold shareholder pursuant to the offer (as determined by us), the consideration paid to the IAMGold shareholder in the exchange will be reduced by that number of Golden Star shares having a value equal to the amount of such dividend, distribution or payment; (b) in the case of non-cash dividends, distributions, payments, rights or other interests, the whole of any such non-cash dividend, distribution, payment, right or other interest shall be received and held by the IAMGold shareholders for our account and shall be required to be promptly remitted and transferred by the IAMGold shareholders to the depositary for our account, accompanied by appropriate documentation of transfer; and (c) in the case of any cash dividends, distributions or payments in an amount that exceeds the consideration per IAMGold share payable by us (as determined by us), the whole of any such cash dividend, distribution or payment shall be received and held by you for our account and shall be required to be promptly remitted and transferred by you to the depositary for our account, accompanied by appropriate documentation of transfer. Pending such remittance (in the case of (b) and (c) above), we will be entitled to all rights and privileges as owner of any such dividend, distribution, payment, right or

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other interest and may withhold all of the Golden Star shares otherwise issuable by us pursuant to the offer or deduct from the number of Golden Star shares to be delivered by us pursuant to the offer that number of Golden Star shares having a value equal to the amount or value of the dividend, distribution, payment, right or other interest, as determined by us in our sole discretion. The declaration or payment of any such dividend or distribution may have tax consequences not discussed under **Certain Canadian Federal Income Tax Considerations** or **Certain U.S. Income Tax Considerations** below.

Right to Withdraw Deposited IAMGold Shares

Except as otherwise provided below, all deposits of IAMGold shares under the offer are irrevocable. IAMGold shares may be withdrawn by or on behalf of you (unless otherwise required or permitted by applicable law):

- (a) at any time prior to the expiry time;
- (b) at any time where the IAMGold shares have not been taken up;
- (c) at any time before the expiration of ten days from the date of a notice of change or variation in respect of the offer; or
- (d) if your IAMGold shares have not been paid for by us within three business days after having been taken up.

A notice of withdrawal of deposited IAMGold shares must:

- (a) be made by a method that provides the depository with a written or printed copy of such notice (which includes a telegraphic or electronic facsimile communication);
- (b) be made by you or on your behalf;
- (c) be signed by or on behalf of the person who signed the letter of transmittal (or notice of guaranteed delivery) that accompanied the IAMGold shares being withdrawn;
- (d) specify that person's name, the number of IAMGold shares to be withdrawn, the name of the registered holder of, and the certificate number shown on each certificate evidencing the IAMGold shares to be withdrawn; and
- (e) actually be received by the depository at the place of deposit within the applicable time specified above.

In addition, any signature in the withdrawal notice must be guaranteed in the same manner as in the letter of transmittal or notice of guaranteed delivery, except where the IAMGold shares were deposited for the account of an eligible institution.

Withdrawals may not be rescinded and any IAMGold shares withdrawn will thereafter be deemed not validly deposited for purposes of the offer. However, withdrawn IAMGold shares may be redeposited at any time before the expiry time by again following one of the appropriate procedures to deposit those shares.

In addition to the foregoing rights of withdrawal, in certain provinces of Canada you are entitled to statutory rights of rescission or damages or both in certain circumstances.

All questions as to the validity (including timely receipt) and form of notices of withdrawal shall be determined by us in our sole discretion and such determinations shall be final and binding. Neither we, the depository, or any other person will be under any duty to give notice of any defect or irregularity in any notice of withdrawal or shall incur any liability for failure to give such notice.

Return of Withdrawn IAMGold Shares

If any deposited IAMGold shares are not taken up by us pursuant to the terms and conditions of the offer for any reason, or if certificates are submitted for more IAMGold shares than are deposited,

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certificates for IAMGold shares that are not purchased will be returned, at our expense, to you by first class registered or insured mail to your address specified in the letter of transmittal or, if no such address is specified, to your address as shown on the share register maintained by or on behalf of IAMGold. Certificates and other relevant documents will be returned as promptly as practicable following the expiry time or withdrawal or early termination of the offer.

Mail Service Interruption

Notwithstanding the provisions of this prospectus, the letter of transmittal and the notice of guaranteed delivery, cheques, share certificates and any other relevant documents will not be mailed if we determine that delivery thereof by mail may be delayed. You may take delivery of these at the office of the depositary at which the IAMGold shares were delivered by you, upon application to the depositary, until such time as we have determined that delivery by mail will no longer be delayed. Notwithstanding the Notice and Delivery section below, the deposit of cheques, share certificates and any other relevant documents with the depositary in such circumstance shall constitute delivery to the persons entitled thereto and the IAMGold shares shall be deemed to have been paid for immediately upon such deposit. Notice of any determination regarding mail service delay or interruption made by us shall be given in accordance with the Notice and Delivery section below.

Notice and Delivery

Without limiting any other lawful means of giving notice, any notice that we or the depositary may give or cause to be given under the offer will be deemed to have been properly given to you if it is mailed by prepaid, first class mail to the registered holders of such securities at their respective addresses appearing in the appropriate registers maintained by IAMGold and will be deemed, unless otherwise specified by applicable law, to have been received on the first business day following the date of mailing. These provisions apply notwithstanding any accidental omission to give notice and notwithstanding any interruption of mail service in Canada or the United States following mailing. In the event of any interruption of mail service in Canada or the United States, we intend to make reasonable efforts to disseminate the notice by other means such as publication. In the event that post offices are not open for the deposit of mail, or there is reason to believe that there is or could be a disruption in all or any part of the postal service, any notice which we or the depositary may give or cause to be given under the offer will be deemed to have been properly given and to have been received by you if it is given to the TSX and AMEX for dissemination through their facilities or if it is published in a newspaper or newspapers of general circulation in Toronto or if it is given to CCN Matthews News Service.

Unless post offices are not open for the deposit of mail, this prospectus, the letter of transmittal and the notice of guaranteed delivery will be mailed to you. In addition, we will use reasonable efforts to furnish such documents to brokers, banks and similar persons whose names, or the names of whose nominees, appear on the security holder list, or, if applicable, who are listed as participants in a clearing agency's security position listing, for subsequent transmission to beneficial owners of IAMGold shares when such list or listing is received.

Wherever the offer calls for documents to be delivered to the depositary, such documents will not be considered delivered unless and until they have been received at one of the offices specified in the letter of transmittal.

General

The method of delivery of certificates representing IAMGold shares and all other documents is at your option and risk and delivery will be effective only when documents are actually received by the depositary. We recommend that certificates and accompanying letters of transmittal be delivered by hand to the depositary and that a receipt be obtained for their deposit. If the documents are mailed, we recommend that registered mail with return receipt or acknowledgement of receipt be used and that proper insurance be obtained.

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If your IAMGold shares are registered in the name of a broker, investment dealer, bank, trust company or other nominee, you should contact that nominee for assistance in depositing those IAMGold shares under the offer.

No fee or commission will be payable by you if you deliver IAMGold shares directly to the depository.

We reserve the right to permit you to accept the offer in a manner other than as set out above.

All questions as to the validity, form, eligibility (including timely receipt) and acceptance of any IAMGold shares deposited under the offer, including the propriety and effect of the execution of the letter of transmittal will be determined by us in our sole discretion, and you agree that such determination shall be final and binding. We reserve the absolute right to reject any and all deposits which we determine not to be in proper form, or which, in the opinion of counsel, it may be unlawful to accept under the laws of any jurisdiction. Our interpretation of the terms and conditions of the offer, the letter of transmittal and notice of guaranteed delivery will be final and binding. There shall be no obligation on us, the depository, or any other person to give notice of any defect or irregularity in acceptance and no liability shall be incurred by any of them to any person for failure to give such notice.

The deposit of your IAMGold shares pursuant to the procedures described in the offer will constitute a binding agreement between you and us and such agreement shall be subject to the conditions of the offer and include representations and warranties of you that: (i) you have full power and authority to deposit, sell, assign and transfer the IAMGold shares being deposited; (ii) you own the IAMGold shares being deposited; (iii) the deposit of the IAMGold shares complies with applicable securities laws; and (iv) when the IAMGold shares are taken up and paid for by us, in accordance with the offer, we will acquire good title thereto free and clear of all liens, restrictions, charges, encumbrances, claims and equities.

Other Terms of the Offer

No broker, dealer or other person has been authorized to give any information or to make any representation or warranty on behalf of us other than as contained in this prospectus and in the Notice of Variation to the Offer to Purchase, the Offer to Purchase and Circular and related documents sent to you pursuant to Canadian law, and if any such information, representation or warranty is given or made, it must not be relied upon as having been authorized.

The provisions of this prospectus, the letter of transmittal and the notice of guaranteed delivery accompanying the offer, including the instructions and rules contained therein, as applicable, form part of the terms and conditions of the offer.

We reserve the right to transfer or assign to one or more of our affiliates the right to purchase all or any portion of the IAMGold shares deposited pursuant to the offer.

The offer and all contracts resulting from the acceptance thereof shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

This prospectus does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful. The offer is not being made or directed to, nor is this prospectus being mailed to, nor will deposits be accepted from or on behalf of, shareholders residing in any jurisdiction in which the making or acceptance of the offer would not be in compliance with the laws of such jurisdiction.

Effect of the Offer on the Market for and Listing of IAMGold Shares

Our purchase of IAMGold shares pursuant to the offer will reduce the number of IAMGold shares that might otherwise trade publicly and will reduce the number of holders of IAMGold shares and, depending on the number of IAMGold shares acquired by us, could adversely affect the liquidity and market value of the remaining IAMGold shares held by you.

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The rules and regulations of the TSX and the AMEX establish certain criteria which, if not met, could, upon successful completion of the offer, lead to the delisting of the IAMGold shares from the TSX and the AMEX. Among such criteria are the number of IAMGold shareholders, the number of IAMGold shares publicly held and the aggregate market value of the IAMGold shares publicly held. Depending on the number of IAMGold shares purchased under the offer, it is possible that the IAMGold shares would fail to meet the criteria for continued listing on the TSX and the AMEX. If this were to happen, the IAMGold shares could be delisted and this could, in turn, adversely affect the market or result in a lack of an established market for such IAMGold shares. If permitted by applicable law, subsequent to completion of the offer or a compulsory acquisition or any subsequent acquisition transaction, including the subsequent amalgamation, if necessary, we intend to apply to delist the IAMGold shares from the TSX and the AMEX. If the IAMGold shares are delisted from the TSX and the AMEX, the extent of the public market for the IAMGold shares and the availability of price or other quotations would depend upon the number of shareholders, the number of IAMGold shares publicly held and the aggregate market value of the IAMGold shares remaining at such time, the interest in maintaining a market in IAMGold shares on the part of securities firms, whether we remain subject to public reporting requirements in Canada and the United States and other factors.

After the purchase of the IAMGold shares under the offer, IAMGold may cease to be subject to the public reporting and proxy solicitation requirements of the CBCA and the securities laws of Canada and the United States or may request to cease to be a reporting issuer under the securities laws of such jurisdictions.

Regulatory Matters

Our obligation to take up and pay for IAMGold shares tendered under the offer is conditional upon all appropriate regulatory approvals having been obtained on terms satisfactory to us, acting reasonably. Based upon an examination of the information publicly available relating to IAMGold's business, we believe that the offer will be exempt from review by the Antitrust Division of the U.S. Department of Justice and the U.S. Federal Trade Commission under the *Hart-Scott-Rodino Antitrust Improvements Act*.

Securities Regulatory Matters

The distribution of our shares under the offer is being made pursuant to statutory exemptions from the prospectus qualification and dealer registration requirements under applicable Canadian securities laws and, in certain provinces where such statutory exemptions are not available, will apply for exemptive relief from such requirements. While the resale of our shares issued under the offer is subject to restrictions under the securities laws of certain Canadian provinces and territories, shareholders in such provinces and territories generally will be able to rely on statutory exemptions from such restrictions and, where such statutory exemptions are not available, we will apply for exemptive relief from the applicable securities regulatory authorities to the effect that our shares to be issued under the offer may be resold without a prospectus.

A Registration Statement on Form S-4 has been filed with the SEC registering the issuance of our shares as required by the U.S. Securities Act of 1933. Our shares may not be issued until the Registration Statement is declared effective by the SEC. The resale of our shares by non-affiliates (as defined in Rule 144 under the U.S. Securities Act) is not required to be registered in the United States. However, our shares acquired by our affiliates may be resold only pursuant to a subsequent U.S. registration statement or in accordance with the requirements of Rule 144. In general, an affiliate is an officer or director of us or a shareholder who beneficially owns more than 10% of our outstanding shares. Our affiliates are subject to certain restrictions on the amount of our shares which may be resold in any single transaction.

The offer is being made in compliance with applicable Canadian rules governing tender offers and is exempt from most of the U.S. tender offer rules.

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GOLDEN STAR

Corporate Overview

We are a Canadian international gold mining and exploration company, focused primarily on mining, mine development and exploration in Ghana, West Africa. We produced 174,315 ounces of gold in 2003 at a cash operating cost of \$166 per ounce, and 47,202 ounces in the first quarter of 2004 at a cash operating cost of \$181 per ounce. We expect to produce from 185,000 to 210,000 ounces in 2004 at a cash operating cost of \$200 to \$225 per ounce.

For the fiscal year ended December 31, 2003, we had revenues of approximately \$64 million. We had net assets as at that date of approximately \$198 million, with working capital of approximately \$97 million. As at June 4, 2004, Golden Star's market capitalization was approximately \$668 million.

We own 90% interests in two properties in Ghana, the Bogoso/Prestea open pit mine and related properties and the Wassa project. We operate the Bogoso/Prestea mine, with ore mined at the Prestea property being processed at the Bogoso processing plant. To date, Bogoso/Prestea has produced all of our gold since we became a gold producer upon our purchase of the Bogoso mine in late 1999. We commenced development of the Wassa mine in mid-2003. We expect to begin commercial production in the third quarter of 2004 by milling material from the existing heap leach pads, possibly supplemented by higher grade ore from the open pit mine, with full production from the open pit mine anticipated in early 2005. We also own an 81% managing interest in the currently inactive Prestea underground mine in Ghana. As part of our \$21 million 2004 exploration program, we plan to spend \$6.6 million in exploration underground as part of our effort to determine whether the underground mine can be reactivated on a profitable basis.

Golden Star also holds interests in gold exploration properties in Ghana, Sierra Leone, Mali, Suriname and French Guiana.

We are a reporting issuer or the equivalent in all provinces and territories of Canada and the United States and file continuous disclosure documents with the Canadian securities regulatory authorities and the United States Securities and Exchange Commission. Such documents are available at www.sedar.com and at www.sec.gov.

Our principal place of business is located at 10901 W. Toller Drive, Littleton, Colorado, 80127-6312, U.S.A., telephone number (303) 830-9000.

Authorized and Outstanding Share Capital

Our authorized share capital consists of an unlimited number of common shares and an unlimited number of first preferred shares issuable in series. As of June 28, 2004, there were 138.7 million common shares issued and outstanding and no first preferred shares issued and outstanding.

Assuming that all of the IAMGold shares that are issued and outstanding as of June 28, 2004, and all shares issuable upon exercise of IAMGold options that are in the money on that date, are tendered to the offer and that we take up and pay for such shares under the offer, we will issue approximately 186.6 million Golden Star common shares.

Price Range and Trading Volumes of Golden Star Shares

Our shares are listed and posted for trading on the TSX under the symbol **GSC** and the AMEX under the symbol **GSS**.

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The following table sets forth, for the periods indicated, the reported high and low prices and the aggregate volume of trading of our common shares on the TSX and the AMEX:

Calendar Period	TSX			AMEX(1)		
	High	Low	Average Daily Volume	High	Low	Average Daily Volume
	(Cdn\$)	(Cdn\$)		(\$)	(\$)	
2002						
1st Quarter	2.90	0.86	122,687	1.90	0.54	513,305
2nd Quarter	3.58	1.70	254,110	2.42	1.05	1,158,610
3rd Quarter	2.70	1.34	270,578	1.80	0.84	609,209
4th Quarter	2.90	1.66	138,392	1.90	1.04	460,280
2003						
1st Quarter	3.49	2.25	247,056	2.29	1.54	784,600
2nd Quarter	3.77	2.43	276,110	2.80	1.68	753,228
3rd Quarter	6.15	3.42	627,885	4.53	2.46	1,569,970