

GOLDEN STAR RESOURCES LTD
Form 8-K
May 18, 2012

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): May 17, 2012

GOLDEN STAR RESOURCES LTD.

(Exact name of registrant as specified in its charter)

CANADA
(State or other jurisdiction of
incorporation or organization)

1-12284
(Commission
File Number)

98-0101955
(I.R.S. Employer
Identification Number)

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10901 West Toller Drive,

Suite 300

Littleton, Colorado

(Address of principal executive offices)

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

80127-6312

(Zip Code)

No Change

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

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

- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement.

On May 17, 2012, Golden Star Resources Ltd. (the Company) entered into a Purchase and Exchange Agreements (the Purchase Agreements) with certain holders (the Holders) of the Company's 4.00% Convertible Senior Unsecured Debentures due November 30, 2012 (the Original Debentures), originally issued pursuant to an Indenture, dated November 8, 2007, between the Company and The Bank of New York, as Indenture Trustee. Pursuant to the terms of the Purchase Agreements, the Company will purchase an aggregate of \$74,510,000 principal amount of Original Debentures from the Holders in exchange for the issuance of approximately \$77,490,400 aggregate principal amount of 5.00% Convertible Senior Unsecured Debentures due June 1, 2017 (the New Debentures). After purchasing and cancelling the \$74,510,000 aggregate principal amount of Original Debentures, \$50,490,000 aggregate principal amount of Original Debentures will remain outstanding.

The New Debentures will be governed by the terms of a new Indenture, to be dated as of the closing date (the New Indenture), by and between the Company and The Bank of New York Mellon, as Indenture Trustee, the form of which is attached hereto. The New Debentures will be issued in the form of the global debenture attached hereto. The Company will issue the New Debentures in transactions exempt from the registration requirements of the U.S. Securities Act of 1933, as amended (the Securities Act).

Interest on the New Debentures will be payable semi-annually in arrears on June 1 and December 1 of each year, beginning December 1, 2012 and continuing until maturity. Each New Debenture will be, subject to certain limitations, convertible into common shares at a conversion rate of 606.0606 common shares per \$1,000 principal amount of New Debentures (equal to an initial conversion price of \$1.65 per share), or approximately 25% above the closing price of the Company's common shares on the NYSE MKT (formerly NYSE Amex) on May 17, 2012, the last full trading day prior to entry into the Purchase Agreements, subject to adjustment in certain circumstances. The New Debentures will not be redeemable at the Company's option, except in the event of certain change in control transactions where 90% or more of the outstanding New Debentures have accepted a mandatory offer to purchase by the Company.

On maturity, the Company may, at its option, satisfy its repayment obligation by paying the principal amount of the New Debentures in cash or, subject to certain limitations, by issuing that number of its common shares obtained by dividing the principal amount of the New Debentures outstanding by 95% of the weighted average trading price of its common shares on the NYSE MKT for the 20 consecutive trading days ending five trading days preceding the maturity date (the Current Market Price). If the Company elects to repay the principal amount of the New Debentures at maturity by issuing common shares, but is limited under the terms of the New Indenture from issuing a number of common shares sufficient to fully repay the New Debentures outstanding at maturity, it will pay the balance owing in cash, based on the difference between the principal amount of the New Debentures outstanding and the value of the common shares (based on the Current Market Price) delivered in repayment of the New Debentures, if any.

The New Debentures will be direct senior unsecured indebtedness of the Company, ranking equally and ratably with all other senior unsecured indebtedness, and senior to all subordinated indebtedness, of the Company. None of the Company's subsidiaries will guarantee the New Debentures, and the New Debentures will not limit the amount of debt that the Company or its subsidiaries may incur.

The closing of the transaction is expected to occur on or about May 31, 2012, subject to receipt of regulatory approvals and other customary closing conditions.

All references to \$ in this Current Report on Form 8-K are to United States dollars.

The foregoing descriptions of the terms of the Purchase Agreements, the New Indenture, and the New Debentures do not purport to be complete and are qualified in their entirety by reference to the Form of Purchase and Exchange Agreement, the Form of New Indenture, and the Form of Global Debenture, which are attached as Exhibits 10.1, 4.1, and 4.2, respectively, to this Current Report on Form 8-K and incorporated herein by reference.

Item 8.01 Other Events.

On May 17, 2012, the Company issued a press release announcing entry into the Purchase Agreements. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit

| No. | Description |
|------------|---|
| 4.1 | Form of New Indenture between the Company and The Bank of New York Mellon for the Company's 5.00% Convertible Senior Unsecured Debentures due June 1, 2017. |
| 4.2 | Form of Global Debenture for the Company's 5.00% Convertible Senior Unsecured Debentures due June 1, 2017. |
| 10.1 | Form of Purchase and Exchange Agreement, dated as of May 17, 2012. |
| 99.1 | Company Press Release, dated May 17, 2012. |

SIGNATURE

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

Date: May 17, 2012

Golden Star Resources Ltd.

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

EXHIBIT INDEX

Item 9.01. Financial Statements and Exhibits

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