

ASX ANNOUNCEMENT

30 April 2019

ASX Code: GSM

BOARD OF DIRECTORS

Damien Kelly
Non-Executive Chairman

Michael Moore
Managing Director

Brenton Siggs
Non-Executive Director

Greg Hancock
Non-Executive Director

Janet Wicks
Non-Executive Director

ISSUED CAPITAL

Shares	36.3 m
Options	15.7 m

REGISTERED OFFICE

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West Perth WA 6005

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Golden State Mining Limited
ABN 52 621 105 995

March 2019

Quarterly Activities Report

Highlights

- **New mineralised zone identified approximately 500m along strike to the north of historic Light of Asia mine, best intercept includes:**
 - Light of Asia North 3m at 20.1g/t (from 64m), including 1m at 56.6g/t – remains open in all directions
- **Strategic Ground Acquisition – Murchison Project**
 - Quadrupling of Murchison exploration footprint – by 120km²
 - Includes ‘Cuddingwarra & Big Bell South’ Exploration Licenses
- **Target generation completed for Cuddingwarra Project**
 - 12 priority gold targets identified
- **Further Yule Potential – Nickel & Cobalt**
 - 14m of 0.51% Nickel and 0.02% Cobalt from 38 metres

Corporate

- The Company announced (on 23 January 2019) that it had completed the Asset Sale Agreement (“Agreement”) to acquire a 100% interest in the tenements held by Lefroy Exploration Limited (ASX:“LEX”) in the Murchison region of Western Australia (“the Murchison Project”).
- The Company’s cash position was \$3.0M at 31 March 2019.

Cue Project – 100% GSM

New Mineralised Zone - Light of Asia

Follow up drilling at the Light of Asia North Prospect is planned to build on the high-grade intercept in 18GSLARC0006 3m @ 20.1 g/t including 1m @ 56.6 g/t Au (Figure 1 - refer to ASX announcement dated 25 January 2019). Along strike and downdip positions within the historic high-grade Light of Asia trend will now be targeted in addition to predicted down-plunge positions of the first pass intersection. The Company has received statutory approvals with drilling planned for May.

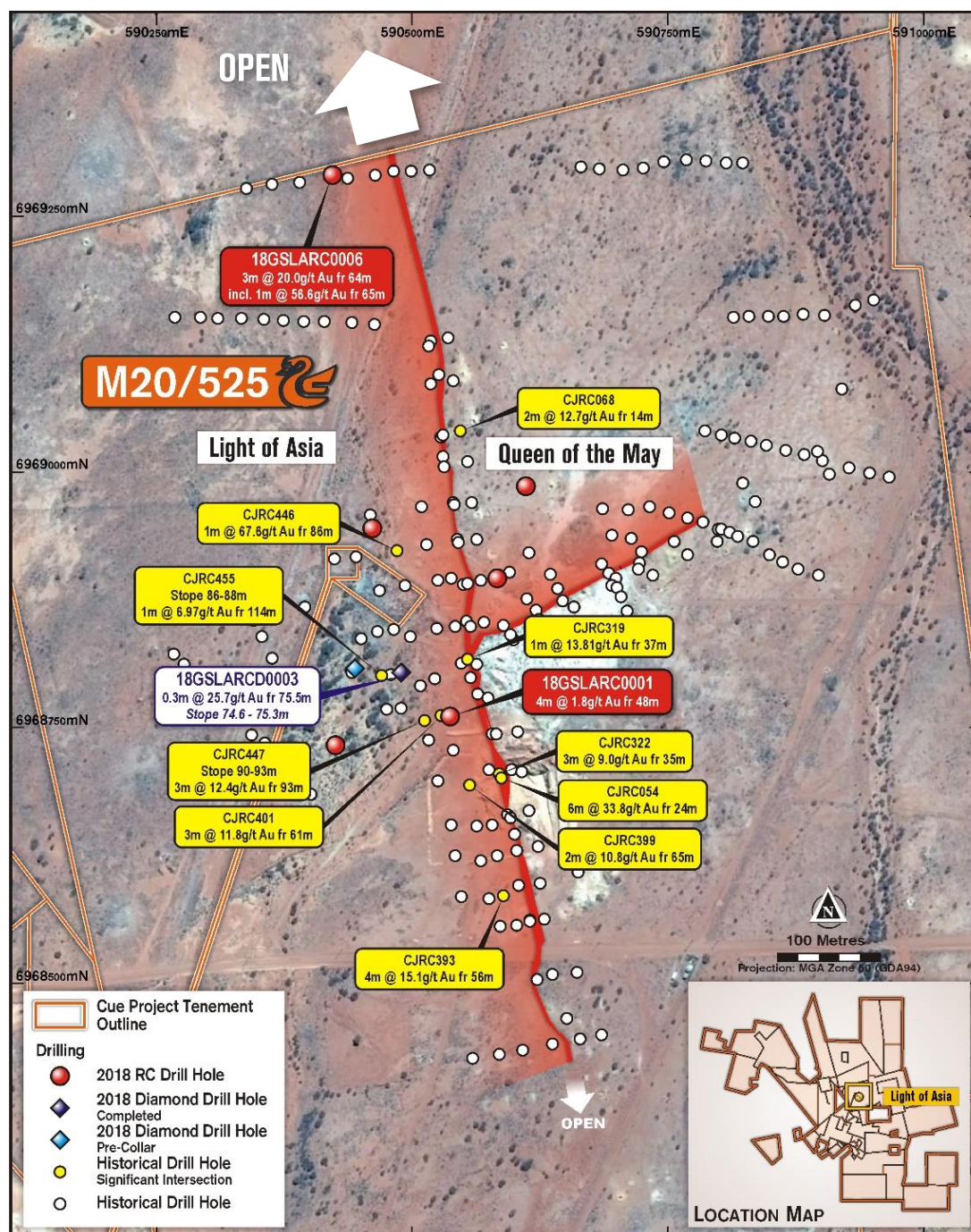


Figure 1: Recent and Previous Drilling Results at Light of Asia

Regionally significant Murchison Project acquisition completed

The Cuddingwarra and Big Bell South tenements that make up the Murchison Project are considered highly prospective, with synergies to GSM's current exploration strategy in the Cue region. The new tenements are considered positive, 'Greenfields' exploration ground and cover substantial prospective greenstone stratigraphy and structure in a well-endowed gold mining district either along strike, or in the vicinity of previous and current gold mining operations (Figure 2).

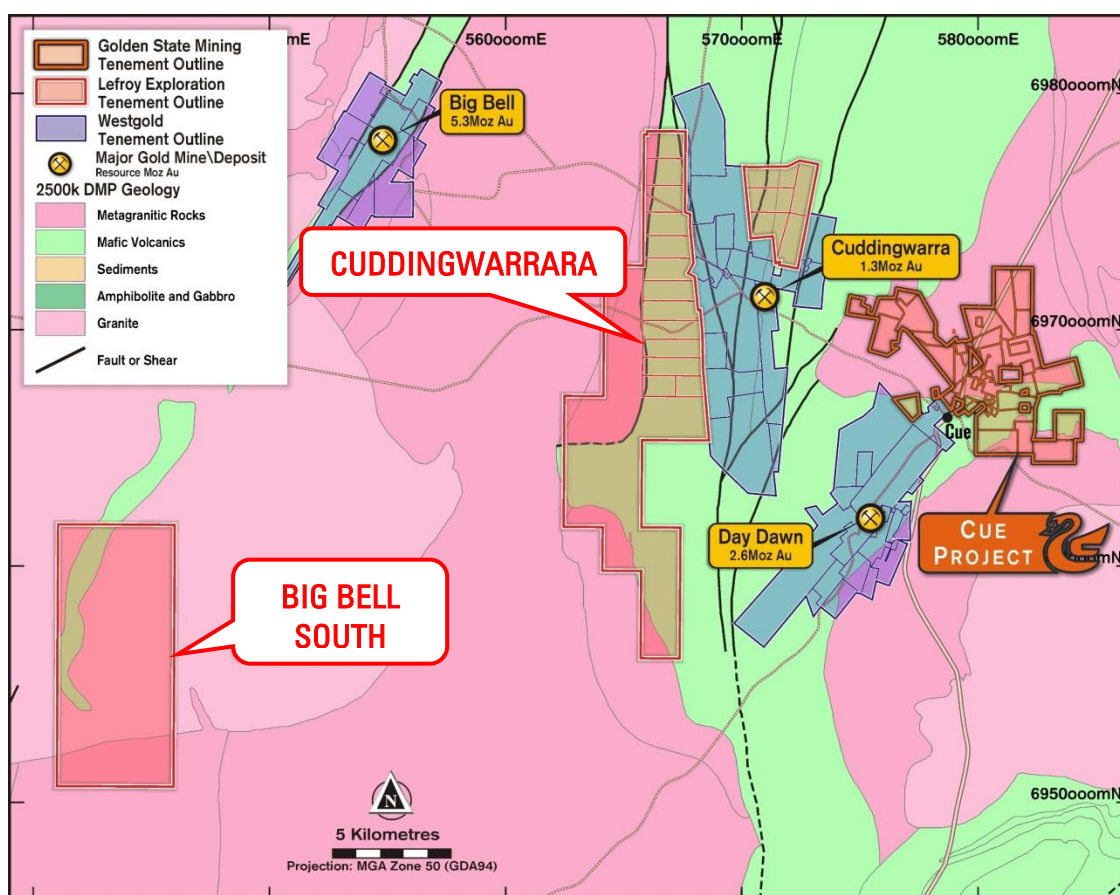


Figure 2. GSM and acquired LEX tenement packages at Cue

Cuddingwarra Project – 100% GSM

Target Generation Completed

The Cuddingwarra project is located approximately 9km northwest of the townsite of Cue and consists of one exploration license and nineteen prospecting licences, covering an area of approximately 78km². The project is situated east and west of the main Cuddingwarra Mining Centre, which has previously produced 1.3M oz of gold mainly hosted within north and north-northeast trending major faults and shears associated with the main Cuddingwarra Shear Zone. Gold mineralisation is localised in ultramafic/mafic rocks and associated felsic porphyry intrusives.

A new Targeting Study at Cuddingwarra has now been completed and resulted in the generation of 12 priority gold targets. The study not only highlighted the prospectivity of the new tenure, but also the need to more adequately test the sparse historic drilling completed to date.

Several high priority targets at the Cuddingwarra Project have been identified using the historical data:

- 1) Shallow drillholes with gold anomalism;
- 2) Coincident gold-in-soil and base-metal anomalies and SAM (Sub Audio Magnetic) geophysical anomalies;
- 3) Re-interpretation of structural complexity;
- 4) Re-examination of the Cuddingwarra Project, which bookends the Cuddingwarra Mining Centre, where a series of shallow gold pits have been previously mined.

Drill planning and logistics are well underway to commence in Q3 of the 2019 field season.

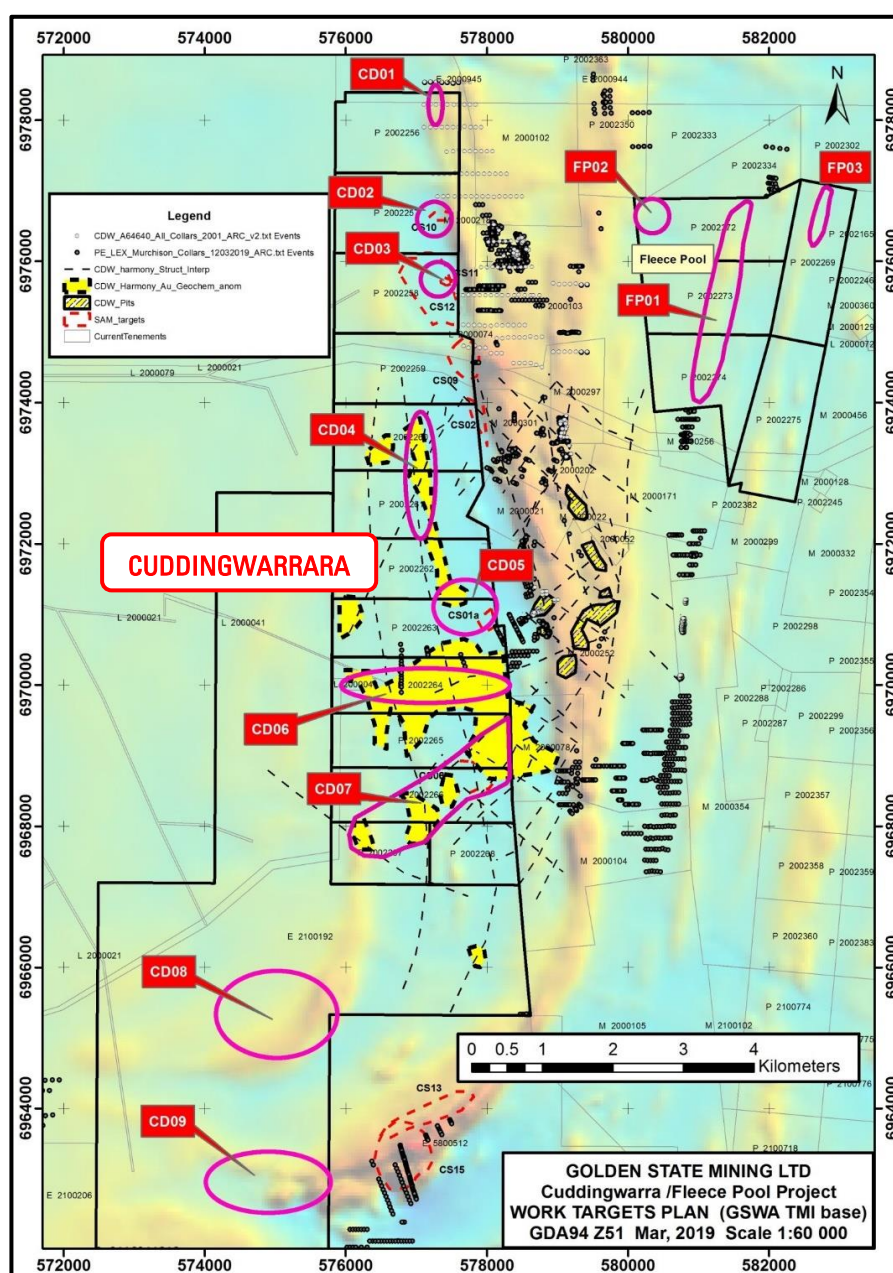


Figure 3: Exploration Plan and Priority Gold Targets at the Cuddingwarra Project

Seismic Reflector Targets

The results of comprehensive follow up studies on the two holes targeting the two previously identified seismic reflectors were completed during the March 2019 quarter. The geophysical analysis completed by HiSeis (Perth), indicates that the seismic reflector targeted in 18GSCRC0001 can be explained by the properties of the various greenstone rocks intersected in a broad shear zone. The deeper seismic reflector targeted in 18GSCRC0002 was not the interpreted extension of the Great Fingall sequence but has been interpreted to represent a series of late micro-dolerite dykes intersected at a similar depth.

Yule Project – 100% GSM

Further Yule Potential Identified – Nickel & Cobalt (Yule North E47/3508)

A reconnaissance visit was conducted in the December 2018 quarter, which located historic drill collars¹ completed in 2010. This drilling targeted an Archean mafic-ultramafic intrusion and intersected 14m of 0.51% Nickel and 0.02% Cobalt from 38 metres vertical depth (Figure 4).

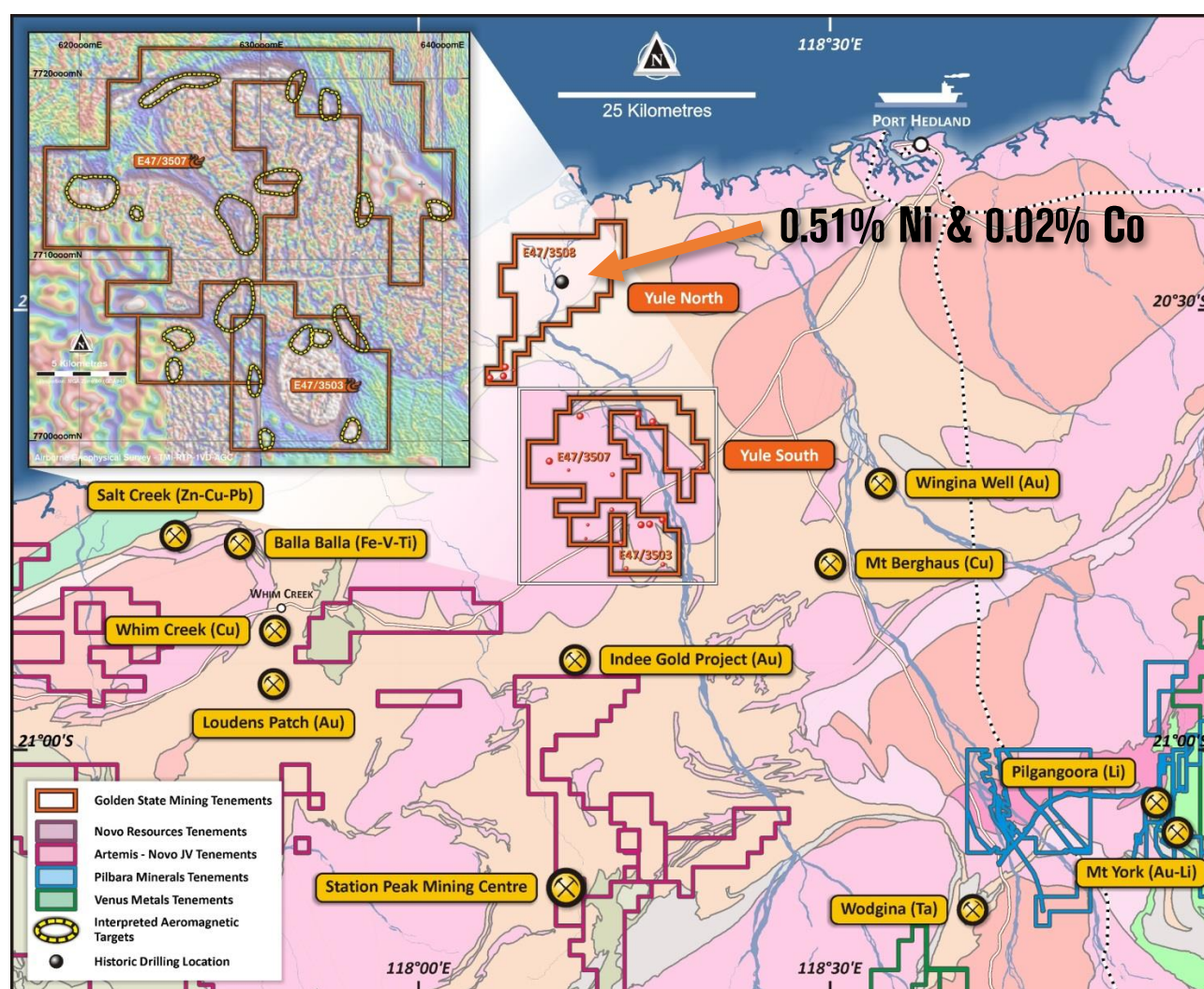


Figure 4: Regional Plan for Yule Project with Exploration Targets

¹ See GSM prospectus 2018

Petrographic analysis work on some associated remnant drill cuttings identified a hydrothermally altered pyroxenite, which raises the possibility of upgrading the Nickel-Cobalt content by structurally controlled fluid flow.

Nearby petrological analysis also identified a tourmaline-bearing pegmatite unit which may explain the presence of numerous anomalous lithium values in a nearby drillhole, of up to 715 ppm Li_2O in one metre with six other metres having > 200 ppm Li_2O . This finding is significant and highlights the potential for the discovery of further lithium mineralization in this vicinity.

A detailed interpretation of airborne and ground based geophysical data in addition to other previous drilling is underway to generate further exploration and potential drill targets. Drilling is currently being planned for Q3 in the 2019 field season

Yule South (E47/3503 and E47/3507)

A previous interpretation of airborne geophysical data² over the Yule South area identified several target areas which have never been followed up or drill tested (Figure 4). The interpretation is mainly gold focused but includes base metals and lithium/tantalum targets and is centred on their magnetic properties or their interpreted structural characteristics. These targets have now been re-prioritised and will be subjected to higher resolution geophysical surveys and subsequent drill targeting during the 2019 field season.

Four Mile Well – 100% GSM

The Four Mile Well Project is located in the world class Laverton region with major gold (Lancefield 1.3 Moz gold production) and nickel (Mt Windarra) mines in close proximity to the project area.

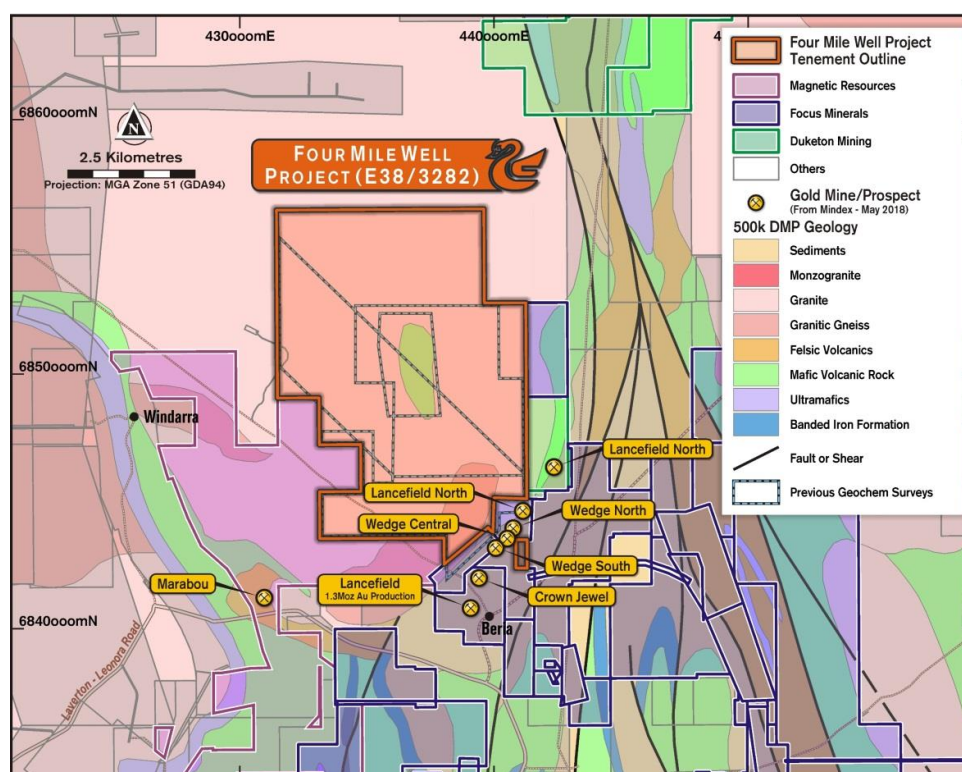


Figure 5: Exploration Location Plan for Four Mile Well Project

² See GSM prospectus 2018

A review of the previous explorer's work has revealed untested soil and auger gold anomalies with no apparent reconnaissance drill testing observed on the ground. Field program preparation, including reconnaissance scout drilling is scheduled for the upcoming 2019 field season.

Planned June Quarter Activities

During the June 2019 Quarter, the Company will focus upon the following activities;

- RC drilling at Light of Asia North (approvals received) May 2019
- Cuddingwarra RAB drill planning and approvals
- Yule RC drill planning and approvals
- Four Mile Well infill geochemical survey

For further information please contact:

- Mike Moore (Managing Director) on 08 6323 2384
- Trevor Beazley/Nanne van 't Riet (Maiden Capital) on 0419 939 820/ 0400 902 940

About Golden State Mining

GSM is a Western Australian minerals exploration company listed on the Australian Securities Exchange (ASX: 'GSM'). The company's prime focus is the exploration and development of three highly prospective Western Australian gold project areas.

CUE PROJECT

The company's cornerstone project is located adjacent to the historical town of Cue in the Murchison district.

- Approximately 645km by road northeast of Perth
- 175km² of tenements including Cuddingwarra and Big Bell South
- Targeting large gold systems
- Proven Gold Region - produced over 7Moz of gold the past 126 years
- Day Dawn/Great Fingall mine (1.7Moz production) ~5km along trend
- Historic mines operated until around the 1920's exploiting high grade +15g/t gold shoots



YULE PROJECT

- The Yule Project is prospective for gold, base metals and lithium
- Located between 35km and 65km southwest of Port Hedland in the Northern Pilbara region of Western Australia
- Three granted exploration licences for a total of 434km² capture a significant portion of the Pilbara region
- Targets identified from airborne geophysics at Yule South
- Prospective for gold, base metals and lithium

FOUR MILE WELL PROJECT

- The Four Mile Well Project is located 9km to the north of the Laverton townsite in the Eastern Goldfields and consists of a single 38 block exploration licence (approximately 107 km²)
- The region is well endowed with a number of major gold and nickel deposits within close proximity to the Four Mile Well Project area
- Significant nickel sulphide deposits (Windarra and Mt Windarra) are located to the west of the project area and the 1.3Moz Lancefield gold deposit is located less than 1km to the south

FORWARD LOOKING STATEMENTS

As a result of a variety of risks, uncertainties and other factors, actual events, trends and results may differ materially from any forward looking and other statements mentioned or implied herein not purporting to be of historical fact. In certain cases, forward-looking information may be identified by (without limitation) such terms as "anticipates", "believes", "should", "could", "estimates", "target", "likely", "plan", "expects", "may", "intend", "shall", "will", or "would". Any statements concerning mining reserves, resources and exploration results may also be forward looking in that they involve estimates based on assumptions. Forward looking statements are based on management's beliefs, opinions and estimates as of the respective dates they are made. The Company does not assume any obligation to update forward looking statements even where beliefs, opinions and estimates change or should do so given changed circumstances and developments.

COMPETENT PERSONS STATEMENT

The information in this report that relates to Exploration results, Mineral Resources or Ore Reserves is based on information compiled by Geoff Willetts who is a member of the Australasian Institute of Geoscientists (AIG). Geoff Willetts is the Exploration Manager and a fulltime employee of Golden State Mining Limited (GSM) and holds shares and options in the Company.

Geoff Willetts has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity currently being undertaken to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Geoff Willetts consents to the inclusion in this report of the matters based on his information in the form and context in which it appears. Information on previous explorers and historical results for the Cue Project, is summarised in the Independent Geologists Report of the Golden State Mining Limited Prospectus dated 22 August 2018.

APPENDIX 1 Summary of Mining Tenements

Table 1. As at 31 March 2019 the Company or its subsidiaries ("Group") had a 100% beneficial interest in the following tenements:

Number	Holder	Status
Cue Murchison Project		
E 21/192	Lefroy Exploration Ltd ¹	Live
E 21/193	Lefroy Exploration Ltd ¹	Live
P 20/2256	Lefroy Exploration Ltd ¹	Live
P 20/2257	Lefroy Exploration Ltd ¹	Live
P 20/2258	Lefroy Exploration Ltd ¹	Live
P 20/2259	Lefroy Exploration Ltd ¹	Live
P 20/2260	Lefroy Exploration Ltd ¹	Live
P 20/2261	Lefroy Exploration Ltd ¹	Live
P 20/2262	Lefroy Exploration Ltd ¹	Live
P 20/2263	Lefroy Exploration Ltd ¹	Live
P 20/2264	Lefroy Exploration Ltd ¹	Live
P 20/2265	Lefroy Exploration Ltd ¹	Live
P 20/2266	Lefroy Exploration Ltd ¹	Live
P 20/2267	Lefroy Exploration Ltd ¹	Live
P 20/2268	Lefroy Exploration Ltd ¹	Live
P 20/2269	Lefroy Exploration Ltd ¹	Live
P 20/2272	Lefroy Exploration Ltd ¹	Live
P 20/2273	Lefroy Exploration Ltd ¹	Live
P 20/2274	Lefroy Exploration Ltd ¹	Live
P 20/2275	Lefroy Exploration Ltd ¹	Live
L 20/60	Western Mining Pty Ltd ⁴	Live
L 20/61	Western Mining Pty Ltd ⁴	Live
L 20/62	Western Mining Pty Ltd ⁴	Live
L 20/66	Western Mining Pty Ltd ⁴	Live
L 20/68	Western Mining Pty Ltd ⁴	Live
L 20/69	Western Mining Pty Ltd ⁴	Live
L 20/70	Western Mining Pty Ltd ⁴	Live
L 20/78	Western Mining Pty Ltd ⁴	Pending
M 20/61	Western Mining Pty Ltd ⁴	Live
M 20/519	Western Mining Pty Ltd ⁴	Live
M 20/520	Western Mining Pty Ltd ⁴	Live
M 20/522	Western Mining Pty Ltd ⁴	Live
M 20/523	Western Mining Pty Ltd ⁴	Live
M 20/524	Western Mining Pty Ltd ⁴	Live
M 20/525	Western Mining Pty Ltd ⁴	Live
M 20/547	Western Mining Pty Ltd ⁴	Pending
M 20/548	Western Mining Pty Ltd ⁴	Pending

P 20/2026	Western Mining Pty Ltd ⁴	Live
P 20/2027	Western Mining Pty Ltd ⁴	Live
P 20/2067	Western Mining Pty Ltd ⁴	Live
P 20/2118	Western Mining Pty Ltd ⁴	Live
P 20/2134	Western Mining Pty Ltd ⁴	Live
P 20/2135	Western Mining Pty Ltd ⁴	Live
P 20/2136	Western Mining Pty Ltd ⁴	Live
P 20/2160	Western Mining Pty Ltd ⁴	Live
P 20/2162	Western Mining Pty Ltd ⁴	Live
P 20/2174	Western Mining Pty Ltd ⁴	Live
P 20/2177	Western Mining Pty Ltd ⁴	Live
P 20/2213	Western Mining Pty Ltd ⁴	Live
P 20/2214	Western Mining Pty Ltd ⁴	Live
P 20/2223	Western Mining Pty Ltd ⁴	Live
P 20/2232	Western Mining Pty Ltd ⁴	Live
P 20/2276	Western Mining Pty Ltd ⁴	Live
P 20/2319	Cue Consolidated Mining Pty Ltd ²	Live
P 20/2320	Cue Consolidated Mining Pty Ltd ²	Live
P 20/2321	Cue Consolidated Mining Pty Ltd ²	Live
P 20/2322	Cue Consolidated Mining Pty Ltd ²	Live
P 20/2323	Cue Consolidated Mining Pty Ltd ²	Live
P 20/2324	Cue Consolidated Mining Pty Ltd ²	Live
P 20/2325	Cue Consolidated Mining Pty Ltd ²	Live
P 20/2330	Western Mining Pty Ltd ⁴	Live
P 20/2335	Cue Consolidated Mining Pty Ltd ²	Live
P 20/2336	Cue Consolidated Mining Pty Ltd ²	Live
P 20/2342	Cue Consolidated Mining Pty Ltd ²	Live
P 20/2343	Cue Consolidated Mining Pty Ltd ²	Live
P 20/2344	Cue Consolidated Mining Pty Ltd ²	Live
P 20/2345	Cue Consolidated Mining Pty Ltd ²	Live
P 20/2346	Cue Consolidated Mining Pty Ltd ²	Live
P 20/2349	Cue Consolidated Mining Pty Ltd ²	Pending
P 20/2368	Cue Consolidated Mining Pty Ltd ²	Live
P 20/2369	Cue Consolidated Mining Pty Ltd ²	Live
P 20/2370	Cue Consolidated Mining Pty Ltd ²	Pending
P 20/2371	Cue Consolidated Mining Pty Ltd ²	Pending
P 20/2372	Cue Consolidated Mining Pty Ltd ²	Pending
P 20/2373	Cue Consolidated Mining Pty Ltd ²	Pending
P 20/2374	Cue Consolidated Mining Pty Ltd ²	Live
P 20/2382	Cue Consolidated Mining Pty Ltd ²	Pending
P 21/756	Western Mining Pty Ltd ⁴	Live
P 21/765	Cue Consolidated Mining Pty Ltd ²	Live
P 21/766	Cue Consolidated Mining Pty Ltd ²	Live

E 20/949	Cue Consolidated Mining Pty Ltd ^{2,3}	Pending
E 20/950	Cue Consolidated Mining Pty Ltd ^{2,3}	Pending
E 20/951	Cue Consolidated Mining Pty Ltd ^{2,3}	Pending
Yule Project		
E 47/3503-I	Crown Mining Pty Ltd ²	Live
E 47/3507-I	Crown Mining Pty Ltd ²	Live
E 47/3508-I	Crown Mining Pty Ltd ²	Live
Four Mile Well Project		
E 38/3282	Crown Mining Pty Ltd ²	Live

Notes:

1. Acquired during the quarter; Held in trust for Cue Consolidated Mining Pty Ltd pending transfer.
2. 100% subsidiary of GSM.
3. Applied for during the quarter
4. Held in trust for Cue Consolidated Mining Pty Ltd pending transfer.