

Cue Royalty Adjustment

Gold and base metals exploration company Golden State Mining Limited (ASX code: "GSM" or the "Company") is pleased to announce that it has restructured the gold royalty payable in respect of its Cue project in the Murchison region of Western Australia.

The previous royalty was a staged royalty of \$50 per ounce for the first 40,000 ounces of refined gold produced (after the Company acquired the project), then \$15 per ounce up to and including 250,000 ounces of gold produced, and \$5 per ounce of gold produced thereafter.

The new royalty is now payable at the rate of \$25 per ounce for the first 40,000 ounces and \$5 per ounce thereafter; and otherwise continues on the same terms previously set out in the Company's IPO prospectus dated 22 August 2018.

In consideration for restructuring the royalty, GSM will issue the royalty holder (Western Mining Pty Ltd) with 592,885 GSM shares at an agreed price of 5.06 cents per share (\$30,000 worth) plus 100,000 options exercisable at \$0.10 each, expiring 12 August 2024.

Golden State's Managing Director, Michael Moore, commented: *"The adjustment of the royalty associated with our Cue project reduces the overall royalty burden on the project and opens up a number of alternative corporate and commercial scenarios which the company will now explore."*

Ends.

For further information please contact:

Mike Moore (Managing Director) on 08 6323 2384

Greg Hancock (Non-Executive Director) 08 6323 2384

Recently Acquired Projects

Payne's Find (E59/2660, E59/2661, E59/2662, E59/2679 & E59/2680) – **Lithium & base metal**

Three granted exploration licences and two applications (~1200km²) immediately east and 30kms north of Payne's Find township. Region contains known lithium-bearing pegmatites (e.g., Mount Edon & Goodingnow) with a prospective geological setting of multiple "late-stage" intrusive episodes considered favourable for lithium mineralisation. Base metal potential on eastern margin of the Big Bell Suite 30kms east of Tempest Minerals' Orion discovery at the Meleya Project (ASX:TEM).

Eucla Basin (E28/3175 & E28/3176) – **Copper-Gold & Nickel**

Two exploration licence applications (974km²) approximately 100kms north-east of Balladonia. Untested buried magnetic and gravity anomalies may represent a layered mafic-ultramafic intrusive target in the Albany-Fraser Province (similar age rocks to Nova-Bollinger nickel-copper deposit and Tropicana gold deposit).

Southern Cross East (E77/2896, E77/2897 & E77/2898) – **Gold**

Three exploration licence applications for a total of 620km² approximately 60kms north-east of Southern Cross. Buried Archaean rocks with structural setting considered favourable for orogenic gold prospectivity in a long-lived gold mining region.

Yamarna (E38/3671 & E38/3670) – **Gold-Nickel & PGE**

Two exploration licence applications (661km²) approximately 96kms north-northeast of Laverton. The location is situated on the same crustal suture as the Mt Alexander nickel sulphide discoveries and contains similar host rock potential.

Ashburton (E08/3456 & E08/3469) – **Lead-Silver & Gold**

Two exploration licence applications for a total of 302km² approximately 12kms southwest of the Kooline airstrip, 135kms west of Paraburdoo. The tenements are considered prospective for VHMS style mineralisation in sediments proximal to basin bounding faults.



BOARD OF DIRECTORS

Damien Kelly
Non-Executive Chairman

Michael Moore
Managing Director

Brenton Siggs
Non-Executive Director

Greg Hancock
Non-Executive Director

ISSUED CAPITAL

Shares	116.4 m
Options	17.0 m

REGISTERED OFFICE

Level 1, Suite 15
19-21 Outram Street
West Perth WA 6005

T: + 61 (08) 6323 2384
F: + 61 (08) 9467 9114
E: info@gsmining.com.au

Golden State Mining Limited
ABN 52 621 105 995

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, is based on information compiled by Geoff Willetts who is a Member of the Australian Institute of Geoscientists (AIG). Geoff Willetts is the Exploration Manager, a full-time 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 are summarised in the Independent Geologist's Report of the Golden State Mining Limited Prospectus dated 22 August 2018.

This release was authorised by Mr. Michael Moore, Managing Director of Golden State Mining Limited.

Annexure A

Schedule – GSM Option Terms

INDICATIVE TERMS AND CONDITIONS OF OPTIONS

GOLDEN STATE MINING LIMITED (GSM or the Company)

Following are the material terms of the Options:

- a) Definitions:
 - (i) **Expiry Date** means 5.00PM (Perth time) on 12 August 2024.
 - (ii) **Exercise Notice** means the form of written and/or electronic notice prescribed by the Company from time to time for the purpose of exercising the options.
- b) Each Option carries the right to subscribe for one fully paid ordinary share in the Company (**Share**) at an exercise price of A\$0.10.
- c) Options may be exercised by delivering to the Company's registered office (or such other place in Australia agreed with or instructed by the Company at the time) an Exercise Notice at any time prior to the Expiry Date.
- d) The Exercise Notice must (unless the Company otherwise agrees) be completed and delivered in the form and manner prescribed by the Company and be accompanied by the relevant payment of cleared funds (in Australian currency).
- e) A notice may, without limitation, be given by the Company to any Optionholder in the same manner as a notice may be given by the Company to any Shareholder.
- f) Following receipt of a properly executed Exercise Notice and monies in respect of the exercise of the Options the Company will issue the resultant Shares and deliver notification of shareholdings in accordance with the limits set out in ASX listing rules (if applicable) or, if no such limits apply, within one month of receiving the Exercise Notice.
- g) The Company will, in accordance with ASX listing rules (if applicable) but in any case within 7 days of the date of issue, make application to have the Shares (issued pursuant to an exercise of options) listed for quotation by ASX.
- h) Shares issued pursuant to an exercise of Options shall rank, from the date of issue, *pari passu* with existing Shares in all respects.
- i) Options carry no right to participate in new issues of securities unless the Options are exercised before the record date for determining entitlements to the relevant new issue.
- j) Each Optionholder will be notified by the Company, in accordance with ASX listing rules (if applicable).
- k) Subject to any requirements of the Corporations Act and ASX listing rules (if applicable), the Options do not confer the right to a change in exercise price or the number of securities over which the Options are exercisable except in the event of a bonus issue of Shares being made pro rata to Shareholders, (other than an issue in lieu of dividends), the number of Shares issued on exercise of each Option will include the number of bonus Shares that would have been issued if the Option had been exercised prior to the record date for the bonus issue.
- l) In the event of a reorganisation (including reconstruction, consolidation, subdivision, reduction, or return) of the capital of the Company, the terms of the options will be changed to the extent necessary to comply with the requirements of the ASX listing rules (in force at the time of the reorganisation, if applicable).
- m) Unless approved otherwise by the Company on a case-by-case basis (with no obligation on the Company to do so) or unless the parcel of Options being exercised represents the entire holding of the relevant Optionholder's Options in that class, Options can only be exercised in parcels of not less than 100,000.