

March 2021

Quarterly Activities Report

- **Phase 2 AC results**
 - Numerous broad intervals of elevated gold from first-pass reconnaissance aircore drilling
 - Further gold encouragement above intrusive target at Target 1 West
 - 20% of holes ended in elevated gold and or arsenic
 - Adds to encouraging targets identified from Phase 1 first-pass reconnaissance drilling
- **Multiple Gold and Lithium Drill Campaigns Planned in the Mallina Basin**
 - 4,000m follow-up gold RC/Diamond program at targets delivered from Phase 1 & 2 AC program
 - 1,500m lithium RC program based on identified pathfinders from Phase 1 & 2 AC program
 - 15,000m Phase 3 AC drill program
- **Capital raising of \$3.2 million**
 - Funding expanded drilling programs in the Mallina Basin
- **Processing of Cue gold tailings completed**

Gold and base metals exploration company Golden State Mining Limited (ASX code: "GSM" or the "Company") is pleased to report on its activities for the quarter ending 30 March 2021.

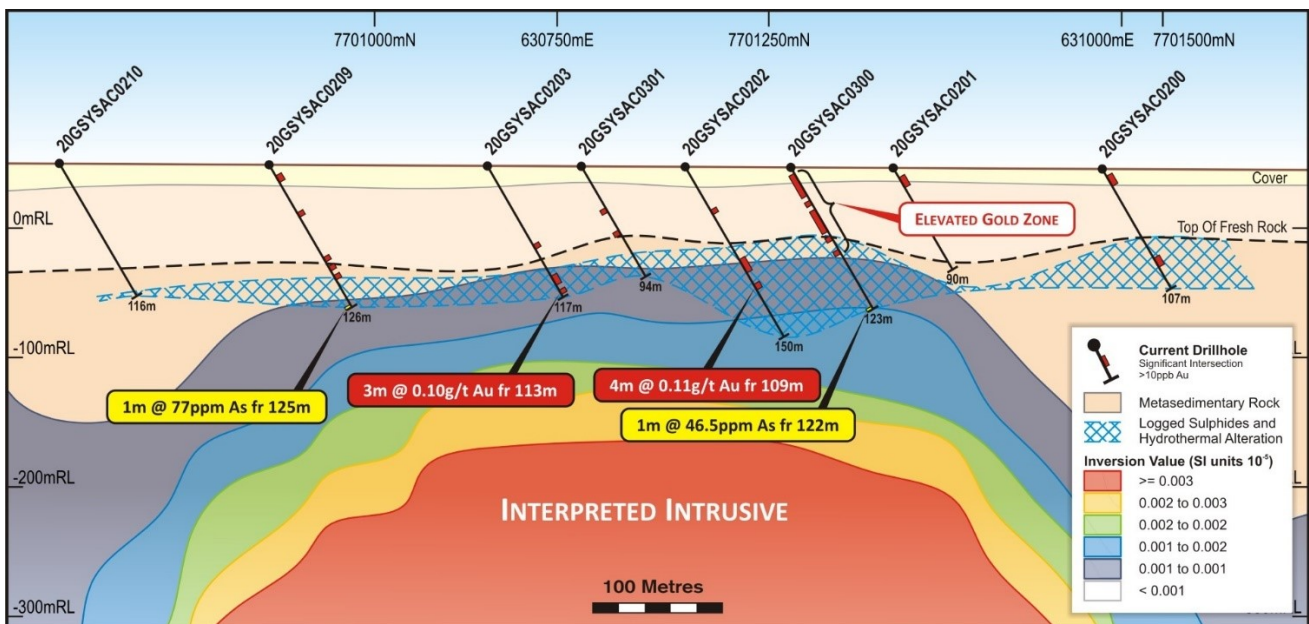


Figure 1: Target 1 West section showing significant results over interpreted intrusive.

Yule Project 100% GSM

Yule Phase Two AC Program

All outstanding assay results were received for the remaining target areas drilled during the phase two reconnaissance program (refer to ASX announcements dated 18 January 2021 and Figures 2). Phase two drilling returned several four-metre composite intervals greater than 0.1 ppm gold, recorded 39 holes or 20% of holes in the phase 2 program ending in anomalous or elevated gold and/or arsenic and intersected numerous broad intervals of elevated gold values over downhole widths of 12 metres or more. A summary of significant results at the various target areas are presented below.

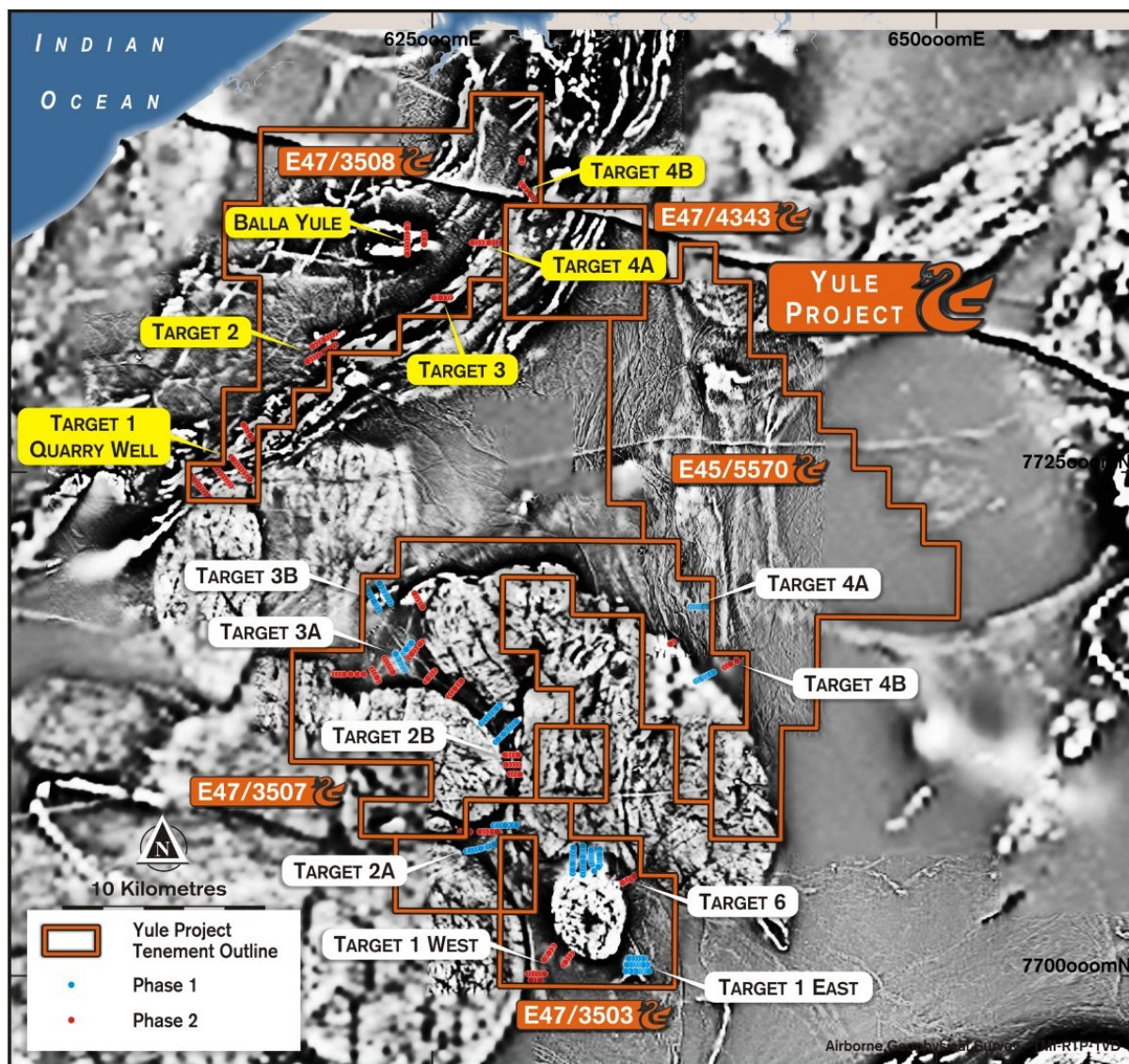


Figure 2: Collar and Target Location plan for Phase 1 & 2 programs.

Yule South

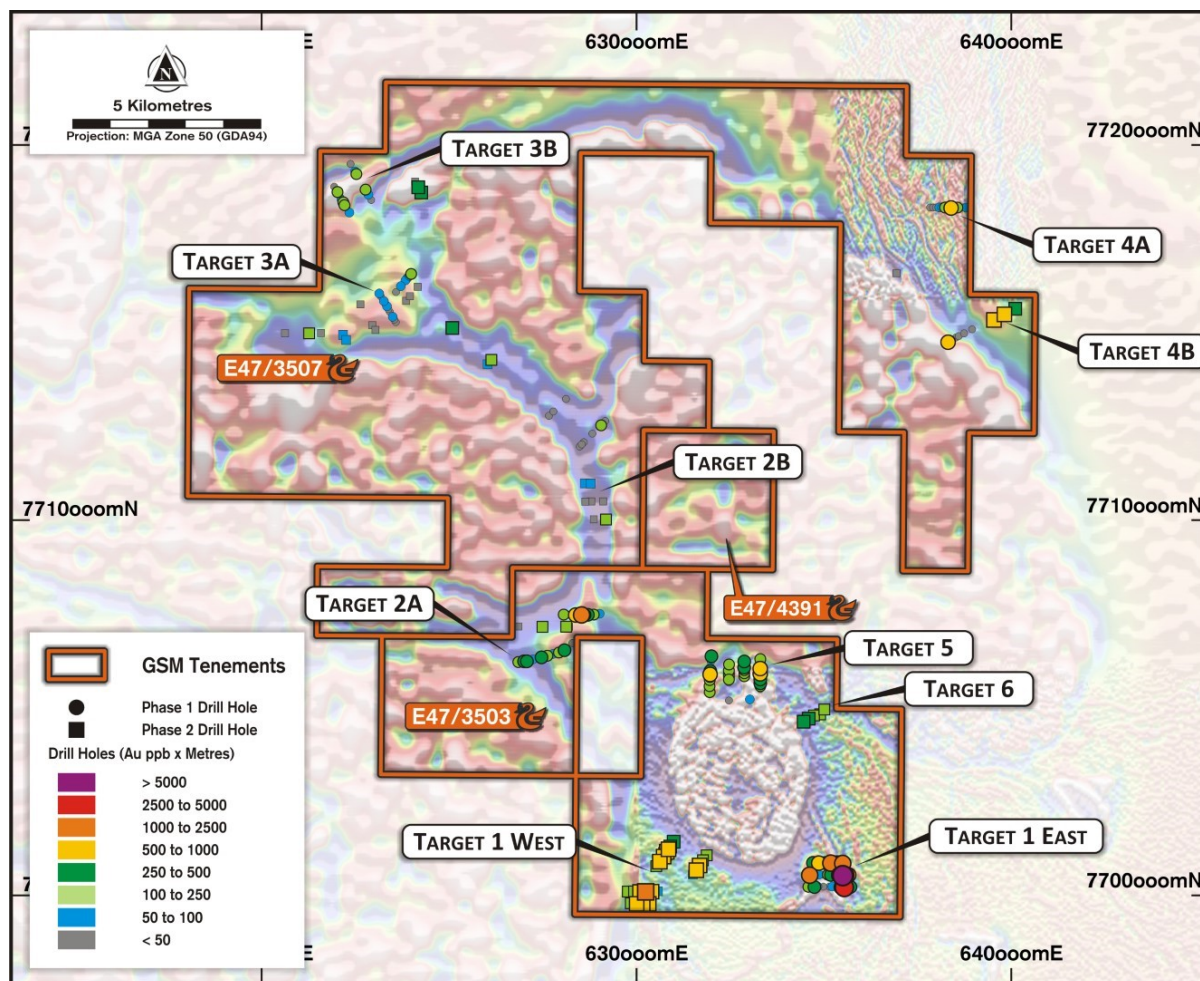


Figure 3: Yule South collar location plan showing the sum of gold parts per billion x downhole metres.

Target 1 West

Twenty-one holes were drilled at Target 1 West on four traverses for a total advance of 2,168 metres (Figure 4). The best composite gold intersections included 4 metres @ 0.11g/t Au from 109 metres in hole 20GSYSAC0202 and 3 metres @ 0.10g/t Au from 113 metres in hole 20GSYSAC0203 (Figures 1 & 4). These encouraging intersections were accompanied by multiple intervals of elevated +10ppb gold.

Infill drillholes 20GSYSAC0300-301 (Figure 1) encountered silica and pyrite alteration and intersected zones of elevated gold. 20GSYSAC0300 intersected a 48-metre interval of +10 ppb gold.

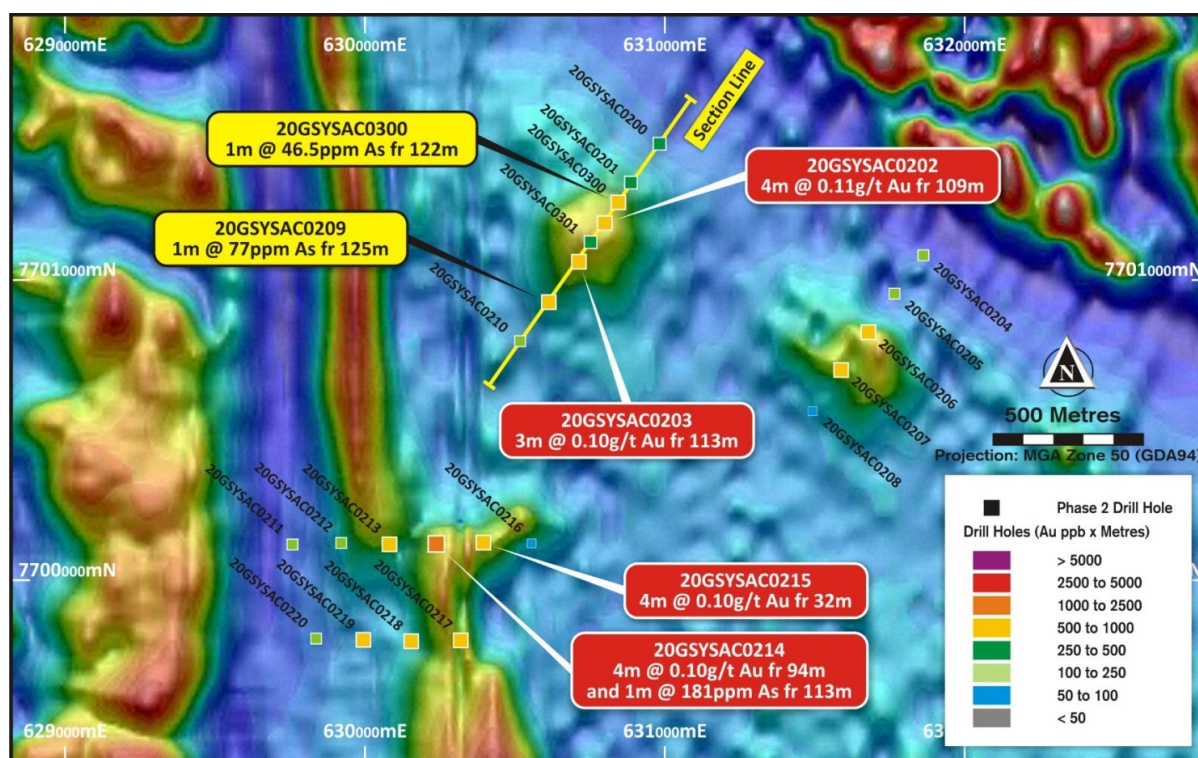


Figure 4: Target 1 West plan showing significant assay results.

Two additional AC traverses (Figure 4) tested magnetic dislocations to a major north-south structure and parallel demagnetised zones interpreted to represent localised alteration. Anomalous gold intersections included 4 metres @ 0.10g/t Au from 94 metres in hole 20GSYSAC0214 and 4 metres @ 0.10g/t Au from 32 metres in hole 20GSYSAC0215 (Figure 4).

Target 2

Twelve additional holes were drilled between existing traverses at Target 2A for a total advance of 722 metres. More end of hole ('EOH') arsenic anomalies were recorded which will aid 2021 target vectoring.

Fourteen holes were drilled on three east-west traverses at Target 2B (Figure 3) for a total advance of 859 metres. No significant gold intersections were encountered in these traverses, however multiple EOH +50ppm arsenic anomalies were recorded including 1 metre @ 666 ppm from 40 metres in hole 20GSYSAC0273.

Target 3

Thirty-six holes were drilled on six additional traverses at Target 3A (Figure 3) for a total advance of 2,159 metres. The best gold intersection was encountered in hole 20GSYSAC0226 with 4 metres @ 50ppb from 50 metres.

Six holes were also drilled on a single north-north-west trending traverse at Target 3B for a total advance of 482 metres. The most notable intersection was recorded in hole 20GSYSAC0241 with a broad elevated gold interval of 23 metres @ 29ppb from 30 metres and a single metre +50ppm arsenic anomaly at the EOH (74-75m).

Target 4

Six holes were drilled on two east north-east traverses at this target for a total advance of 602 metres. Subtle, elevated intersections were recorded in 20GSYSAC0291 (12 metre interval of elevated +30ppb gold from 36 metres) and a +50ppm end of hole arsenic anomaly from 155 metres. Another low-level interval was recorded in hole 20GSYSAC0293 (48 metre interval of elevated gold +10ppb encountered from 69 metres including 4 metres @ 55ppb from 85 metres).

The most notable gold intersection recorded in the cover sequence was a +50ppb interval recorded in hole 20GSYSAC0290.

Target 6

Five holes (20GSYSAC0295-299) were drilled on an east north-east trending single traverse (Figure 2) for a total of advance of 488 metres. No significant gold intersections were encountered at this target although multiple intervals of elevated +10ppb gold were recorded including one twelve metre interval in hole 20GSYSAC0296.

Yule North

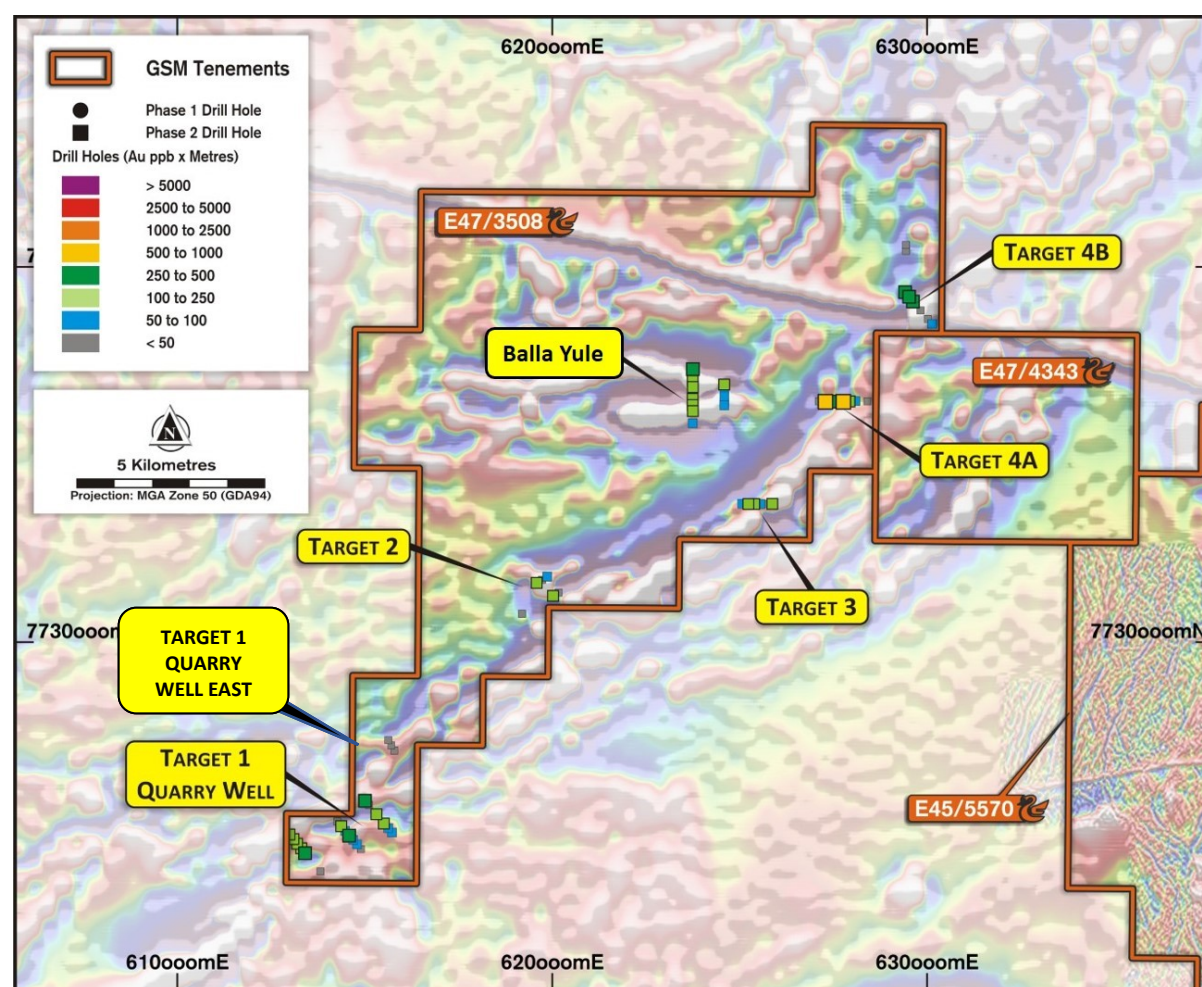


Figure 5: Yule North collar location plan showing the sum of gold parts per billion x downhole metres.

Target 1 Quarry Well

Twenty-nine holes were drilled on three ~1,000 metre spaced traverses for a total advance of 1,571 metres. The best gold intersection within the cover sequence was a six-metre interval with 63ppb gold from six metres in hole 20GSYSAC0002 within part gritty silcrete/rubbly calcrete horizons. Multiple elevated +10ppb gold intersections were initially reported from this target, two of which occurred in fresh rock at the EOH. The most notable occurred in a chert unit in hole 20GSYNAC0024 with a +50ppb interval recorded from thirty-four metres.

Quarry Well East

Six holes were drilled on one NW traverse for a total advance of 323 metres. The most notable gold intersections intersected in the alluvial cover with hole 20GSYNAC0033 recording 6m @ 0.18g/t Au from six metres downhole hosted in sandy calcrete with conglomeratic nodules. Hole 20GSYSAC0034, located 160 metres to the northwest also intersected gold in a similar conglomeratic unit recording 18m @ 50ppb gold from 12 metres.

Target 2

Eighteen holes were drilled on two ~500 metre spaced east-north-east traverses for a total advance of 1,681 metres. No significant +50ppb gold intersections were encountered at this target.

Target 3

Fifteen holes drilled on two N-S traverses for a total advance of 1,281 metres (Figure 5). An additional east-west traverse was also drilled, 2.5 kilometres to the south-east of Balla Yule where a further six holes were drilled for a total advance of 451 metres. No significant gold or base metal values were encountered on these traverses.

Target 4

Twenty holes were drilled on three discrete traverses for a total advance of 2,143 metres (Figure 5). The southernmost east-west traverse at Target 4A delivered the most encouraging results with several intercepts of elevated gold recorded in the cover sequence. The most notable occurred in hole 20GSYSAC0092 over an 18 metre interval from six metres hosted within a gritty calcrete horizon. The best bedrock gold intersection was recorded in hole 20GSYNAC0088 with 1 metre @ 0.11g/t from 93 metres within a 20m interval of +30ppb elevated gold from 89 metres.

Another broad interval of elevated gold was also encountered at Target 4A in hole 20GSYSAC0091 over 40 metres from 51 metres including a 4 metre +50ppb interval from 83 metres. Numerous other +10ppb gold intervals were recorded including one end of hole sample in hole 20GSYNAC0094 from 139 metres.

Yule Project Gold and Lithium Drill Campaigns

The company provided an update on the status of its planned drilling activities for H1 of 2021 (refer to ASX announcement dated 17 February 2021). A summary is provided below. Further technical commentary was provided in Appendices 1 & 2 of ASX announcement dated 17 February 2021.

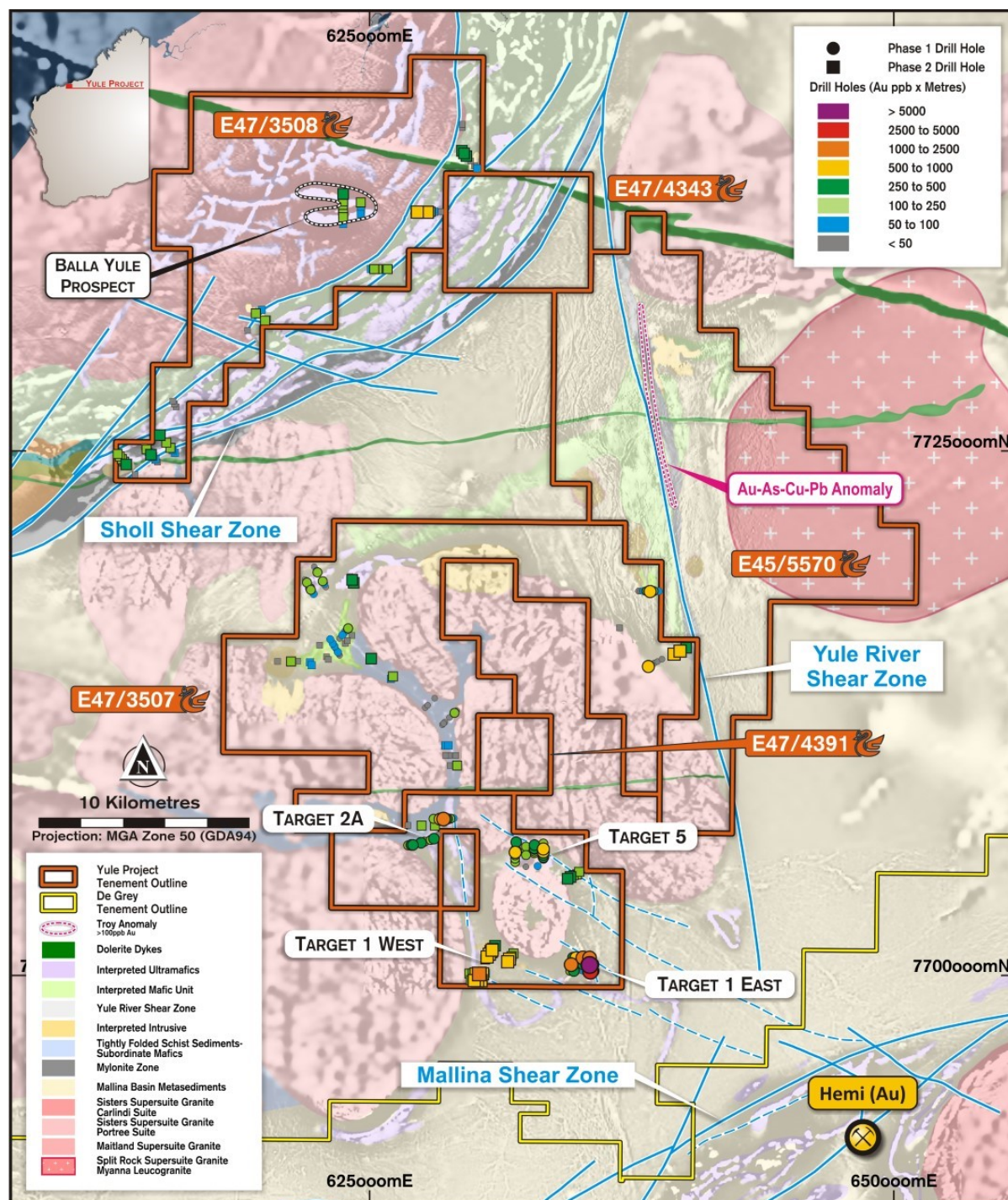


Figure 6: Yule geological plan showing drill target areas.

Gold targets - 4,000m RC/Diamond program

A 4,000 metre follow-up reverse circulation ("RC") and diamond program is being planned, subject to statutory approvals at gold targets delivered from the Phase 1 and 2 air-core ("AC") program which was expected to commence in March 2021. Some of the key anomalous gold intersections to be followed up include:

- **Target 1 East –**
 - 4 metres @ 2.3g/t Au including 1 metre @ 7.6g/t Au from 99m (20GSYSAC0002)
 - 18 metres @ 0.17g/t Au from 104 metres (20GSYSAC0013)

LCT Pegmatite Targeting - 1,500m RC Program

Four LCT pegmatite targets (Figure 7) have been generated based on known lithium pathfinder analysis identified from the phase 1 and 2 AC program results from 2020. A 1,500 metre RC program will test these target areas and is scheduled to commence in June subject to statutory approvals. Further technical commentary was provided in Appendix 2 of ASX announcement dated 17 February 2021.

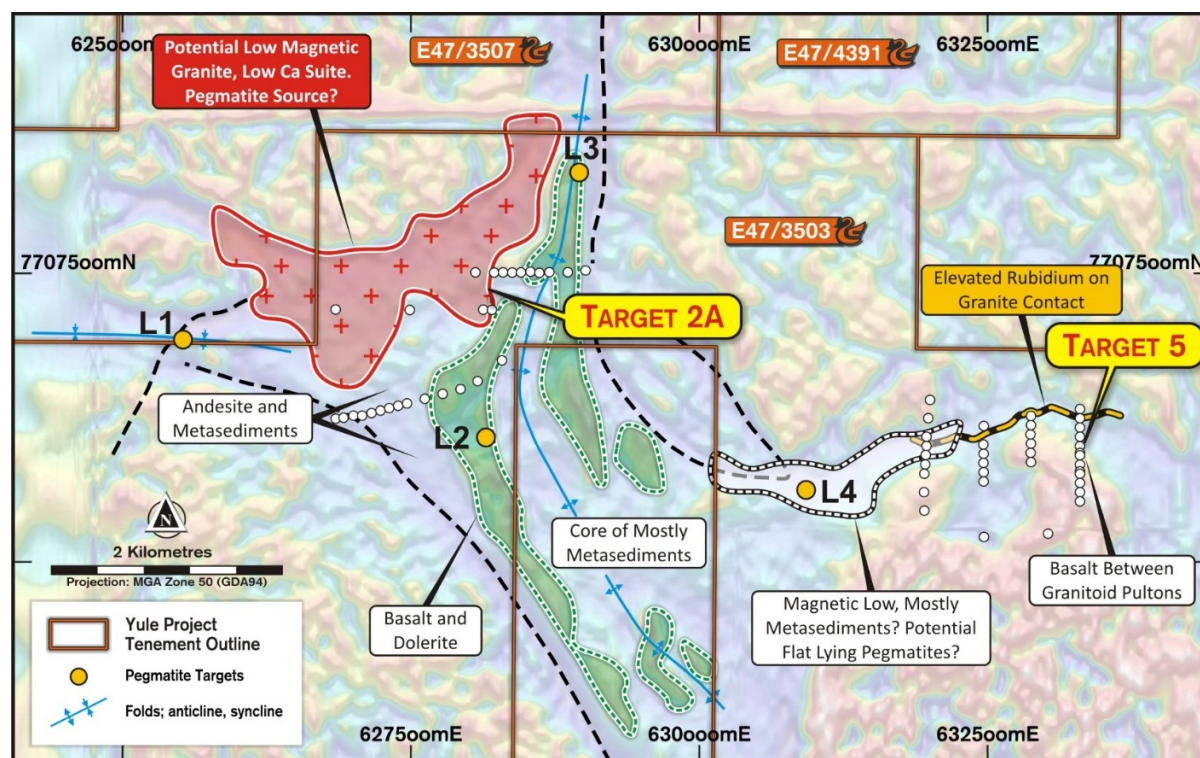


Figure 7: Lithium target locations over structural framework interpretation of basement rock units.

Cue Project 100% GSM

Mining Agreement

An agreement was signed (refer to ASX announcements dated 19 June and 18 December 2020) with Adaman Resources Pty Ltd (Adaman) to purchase, mine and process remnant mine tailings (battery sands) from GSM's historic Cue No. 1 and Salisbury mines. Adaman completed processing the sands at its Kirkalocka Gold Mine processing plant during the quarter.

Adaman and GSM are currently determining the final physical and financial outcomes for the sale of the battery sands to determine the final sale proceeds (conceptually structured similar to a 50:50 profit share).

Four Mile Well – 100% GSM

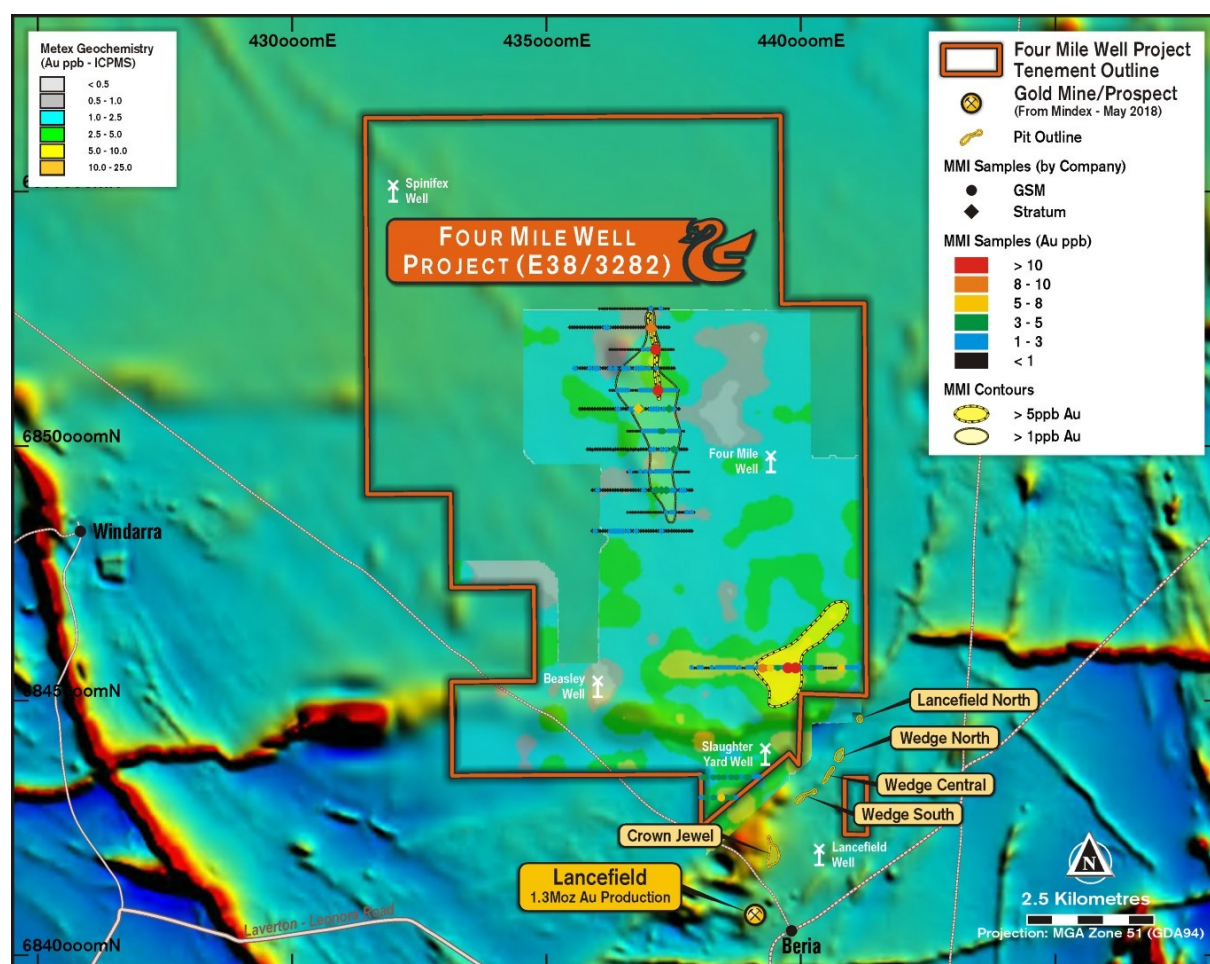


Figure 8: Four Mile Well Project near Laverton.

The company is finalising the design and planning of a geochemical program to test remaining targets (refer to ASX announcement dated 29 January 2021) not covered in the first geochemical programs at Four Mile Well. Work is expected to commence in June 2021.

Corporate

The Company successfully completed a bookbuild to raise approximately \$3.2 million in a placement to sophisticated and professional investors through the issue of up to 25.6 million new shares at 12.5 cents per share (Placement), including participation by Golden State's major shareholders.

The placement was divided into two tranches: the first tranche raising \$1.7 million (before costs) in March using the company's pre-existing 15% and 10% placement capacities under listing rules 7.1 and 7.1A; and the second tranche, subject to shareholder approval, raising \$1.5 million (before costs) in April.

The company held ~\$3.4 million in cash at the end of the quarter (tranche 2 of the placement funding being received after the end of the quarter).

ASX Additional Information

The Company provides the following information pursuant to ASX Listing Rule requirements:

1. Listing Rule 5.3.1 - Exploration and Evaluation Expenditure during the quarter was \$485k. Further details of exploration activities during the March quarter are set out in this report;
2. Listing Rule 5.3.2 - There was no material mining production or development expenditure during the quarter. Information relating to production activities during the March quarter (to the extent such information can be reliably disclosed) is set out in this report; and
3. Listing Rule 5.3.5 - Payment to related parties of the Company and their associates during the quarter: \$80k. The Company advises that this relates to remuneration for services as directors (including statutory superannuation).

Planned June Quarter Activities

During the June 2021 Quarter, the Company will focus upon the following activities:

- **Yule South Project**
 - Follow up RC drilling Au & Li
 - Further interpretation of Phase 1 & 2 aircore drill program results
 - Planning for further aircore drilling across targets 1, 2 and 5
- **Yule North Project**
 - Further interpretation of Phase 2 aircore drill program results
 - Follow up RC drill planning
- **Murchison**
 - Cuddingwarra: Ongoing drill planning and refinement
 - Cue: Review of shallow mining opportunities
- **Four Mile Well**
 - Evaluate drill target opportunities over northern part of tenement
 - Geochemical survey

For further information please contact:

- Mike Moore (Managing Director) on 08 6323 2384 / 0438 938 934
- Greg Hancock (Non-Executive Director) 08 6323 2384 / 0418 263 388

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	82.7 m
Options	16.7 m

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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 and Historical Production figures 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. Mike Moore, Managing Director of Golden State Mining Limited.

APPENDIX 1 Summary of Mining Tenements

Table 1. As at 30 March 2020 the Company or its subsidiaries ("Group") had a 100% beneficial interest in the following tenements:

Number	Holder	Status
Murchison Project		
E 21/192	Cue Consolidated Mining Pty Ltd ¹	Live
E 21/193	Cue Consolidated Mining Pty Ltd ¹	Live
P 20/2256	Cue Consolidated Mining Pty Ltd ¹	Live
P 20/2257	Cue Consolidated Mining Pty Ltd ¹	Live
P 20/2258	Cue Consolidated Mining Pty Ltd ¹	Live
P 20/2259	Cue Consolidated Mining Pty Ltd ¹	Live
P 20/2260	Cue Consolidated Mining Pty Ltd ¹	Live
P 20/2261	Cue Consolidated Mining Pty Ltd ¹	Live
P 20/2262	Cue Consolidated Mining Pty Ltd ¹	Live
P 20/2263	Cue Consolidated Mining Pty Ltd ¹	Live
P 20/2264	Cue Consolidated Mining Pty Ltd ¹	Live
P 20/2265	Cue Consolidated Mining Pty Ltd ¹	Live
P 20/2266	Cue Consolidated Mining Pty Ltd ¹	Live
P 20/2267	Cue Consolidated Mining Pty Ltd ¹	Live
P 20/2268	Cue Consolidated Mining Pty Ltd ¹	Live
P 20/2269	Cue Consolidated Mining Pty Ltd ¹	Live
P 20/2272	Cue Consolidated Mining Pty Ltd ¹	Live
P 20/2273	Cue Consolidated Mining Pty Ltd ¹	Live
P 20/2274	Cue Consolidated Mining Pty Ltd ¹	Live
P 20/2275	Cue Consolidated Mining Pty Ltd ¹	Live
L 20/60	Cue Consolidated Mining Pty Ltd ¹	Live
L 20/61	Cue Consolidated Mining Pty Ltd ¹	Live
L 20/62	Cue Consolidated Mining Pty Ltd ¹	Live
L 20/66	Cue Consolidated Mining Pty Ltd ¹	Live
L 20/68	Cue Consolidated Mining Pty Ltd ¹	Live
L 20/69	Cue Consolidated Mining Pty Ltd ¹	Live
L 20/70	Cue Consolidated Mining Pty Ltd ¹	Live
L 20/78	Western Mining Pty Ltd ³	Pending
M 20/61	Cue Consolidated Mining Pty Ltd ¹	Live
M 20/519	Cue Consolidated Mining Pty Ltd ¹	Live
M 20/520	Cue Consolidated Mining Pty Ltd ¹	Live
M 20/522	Cue Consolidated Mining Pty Ltd ¹	Live
M 20/523	Cue Consolidated Mining Pty Ltd ¹	Live
M 20/524	Cue Consolidated Mining Pty Ltd ¹	Live
M 20/525	Cue Consolidated Mining Pty Ltd ¹	Live
P 20/2213	Cue Consolidated Mining Pty Ltd ¹	Live
P 20/2214	Cue Consolidated Mining Pty Ltd ¹	Live
P 20/2223	Cue Consolidated Mining Pty Ltd ¹	Live

P 20/2276	Cue Consolidated Mining Pty Ltd ¹	Live
P 20/2319	Cue Consolidated Mining Pty Ltd ¹	Live
P 20/2320	Cue Consolidated Mining Pty Ltd ¹	Live
P 20/2321	Cue Consolidated Mining Pty Ltd ¹	Live
P 20/2322	Cue Consolidated Mining Pty Ltd ¹	Live
P 20/2323	Cue Consolidated Mining Pty Ltd ¹	Live
P 20/2324	Cue Consolidated Mining Pty Ltd ¹	Live
P 20/2325	Cue Consolidated Mining Pty Ltd ¹	Live
P 20/2330	Cue Consolidated Mining Pty Ltd ¹	Live
P 20/2335	Cue Consolidated Mining Pty Ltd ¹	Live
P 20/2336	Cue Consolidated Mining Pty Ltd ¹	Live
P 20/2342	Cue Consolidated Mining Pty Ltd ¹	Live
P 20/2343	Cue Consolidated Mining Pty Ltd ¹	Live
P 20/2344	Cue Consolidated Mining Pty Ltd ¹	Live
P 20/2345	Cue Consolidated Mining Pty Ltd ¹	Live
P 20/2346	Cue Consolidated Mining Pty Ltd ¹	Live
P 20/2349	Cue Consolidated Mining Pty Ltd ¹	Live
P 20/2368	Cue Consolidated Mining Pty Ltd ¹	Live
P 20/2369	Cue Consolidated Mining Pty Ltd ¹	Live
P 20/2370	Cue Consolidated Mining Pty Ltd ¹	Live
P 20/2371	Cue Consolidated Mining Pty Ltd ¹	Live
P 20/2372	Cue Consolidated Mining Pty Ltd ¹	Live
P 20/2373	Cue Consolidated Mining Pty Ltd ¹	Live
P 20/2374	Cue Consolidated Mining Pty Ltd ¹	Live
P 20/2382	Cue Consolidated Mining Pty Ltd ¹	Pending
P20/2440	Cue Consolidated Mining Pty Ltd ¹	Pending
P 21/756	Cue Consolidated Mining Pty Ltd ¹	Live
P 21/765	Cue Consolidated Mining Pty Ltd ¹	Live
P 21/766	Cue Consolidated Mining Pty Ltd ¹	Live

Yule Project		
E 47/3503	Crown Mining Pty Ltd ¹	Live
E 47/3507	Crown Mining Pty Ltd ¹	Live
E 47/3508	Crown Mining Pty Ltd ¹	Live
E 45/5570	Crown Mining Pty Ltd ¹	Pending
E 47/4343	Crown Mining Pty Ltd ¹	Live
E47/4391	Crown Mining Pty Ltd ¹	Pending
Four Mile Well Project		
E 38/3282	Crown Mining Pty Ltd ¹	Live

Notes:

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