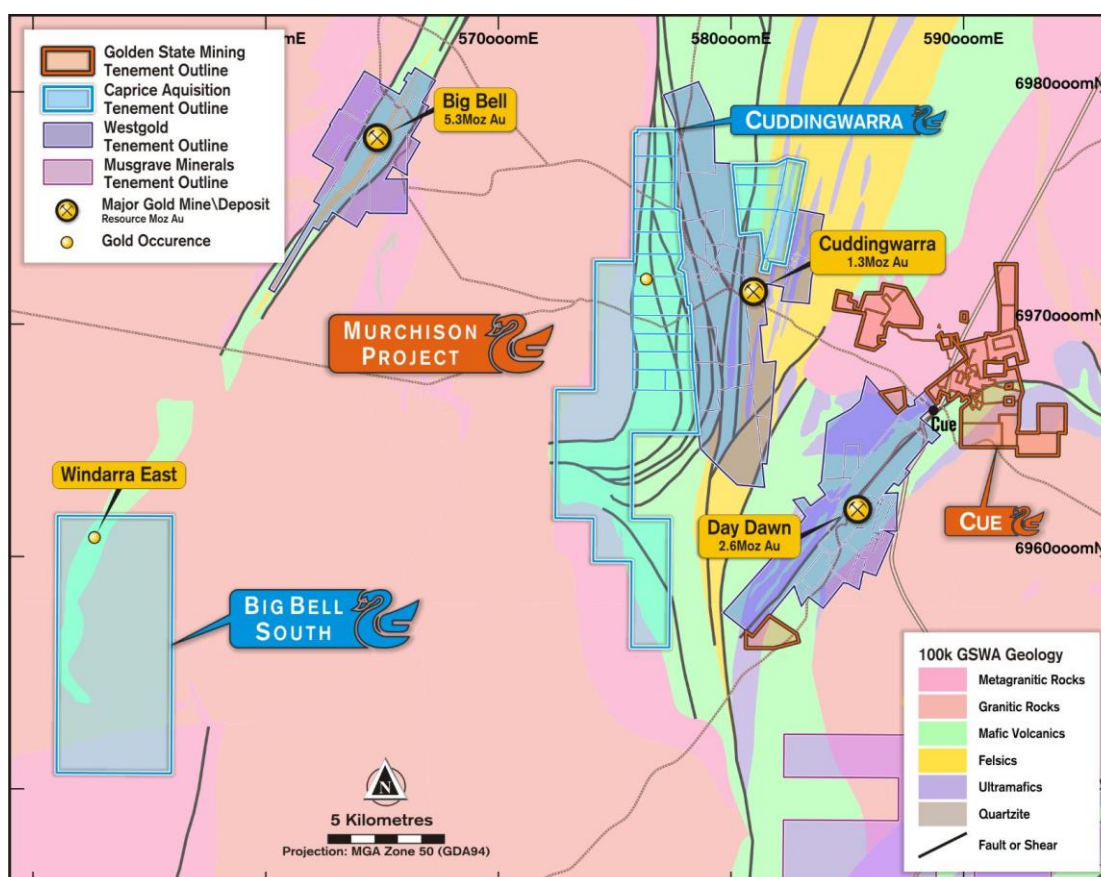


Cuddingwarra and Big Bell South Joint Venture

Highlights

- Caprice Resources Limited to acquire an 80% interest in GSM's Cuddingwarra and Big Bell South Gold projects
- GSM to retain a 20% interest, free-carried to completion of a pre-feasibility study
- GSM to receive ~\$750,000 in cash and Caprice shares
- Allows GSM to focus on Yule; entrusting Caprice to unlock the potential at Cuddingwarra and Big Bell South

Gold and base metals exploration company Golden State Mining Limited (ASX code: "GSM" or the "Company") is pleased to announce that it has entered into a binding agreement with Caprice Resources Limited (ASX code: "CRS" or Caprice) for the sale and joint venture of an 80% interest in its Big Bell South and Cuddingwarra group of tenements located in the Murchison region of Western Australia.



Transaction Summary

The Company has executed a binding term sheet with Caprice for the sale of an 80% interest in the Cuddingwarra and Big Bell South gold projects which is expected to be completed in early August 2021. GSM will retain 20% ownership in the Projects, forming a Joint Venture ('JV') with Caprice.

Key terms of the acquisition and JV are summarised as follows:

- In consideration for the acquisition:
 - Caprice agrees to issue GSM 2,500,000 fully paid ordinary shares in the capital of Caprice,
 - a \$200,000 cash payment, and
 - 250,000 options in Caprice with an exercise price of \$0.25 per option and expiring 3 years from the date of issue (subject to a 3 day VWAP of less than \$0.23 prior to completion).
 - the Consideration Shares and Consideration Options (as applicable) will be subject to Voluntary Escrow in accordance with the Voluntary Restriction Deed, as follows:
 - 50% (1,250,000) of the Consideration Shares and 50% (125,000) of the Consideration Options will be subject to a six (6) month Voluntary Escrow from the date of Completion; and
 - 50% (1,250,000) of the Consideration Shares and 50% (125,000) of the Consideration Options will be subject to a twelve (12) month Voluntary Escrow from the date of Completion.
- GSM's retained 20% ownership over the Projects will be free-carried through to completion of a pre-feasibility study after which point GSM can elect to contribute or dilute.
- Should GSM elect to dilute below 10% Project ownership the interest will convert into a 2% Net Smelter Royalty (NSR) royalty, with Caprice able to buy-back the royalty for a cash payment of \$5,000,000.
- Caprice has first right of refusal should GSM elect to dispose of its Project ownership.
- Caprice will operate and manage the JV.

Golden State's Managing Director, Michael Moore commented: "The consideration mix of this transaction provides GSM with exposure to exploration success by Caprice in the Murchison region while allowing GSM to continue to focus on its 100% owned Yule project in the Mallina Basin, where a 4,000m follow up RC drilling campaign is underway on a number of exciting gold exploration targets. "

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

For further information please contact:

- **Mike Moore** (Managing Director) on 08 6323 2384 or info@gsmining.com.au

ISSUED CAPITAL

Shares	82.7 m
Options	17.4 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



Yule Project Overview

- ✓ GSM's 100% Owned Yule Project ~700km²
 - Strategic ground position in the sought-after **Archaean Mallina Basin**
 - Tenement package hosts intrusive bodies and major structural corridors
 - Seriously underexplored
 - High priority **gold + lithium + base metal** targets
- ✓ Large discrete intrusive targets **15kms from Hemi** with similar magnetic signatures
 - Target 1 East - **4m @ 2.3g/t Au incl. 1m @ 7.6g/t**
 - Target 2A - 800m x 1400m Arsenic Anomaly
 - Alteration - Focussed Quartz-Sericite-Pyrite
- ✓ 2021 drilling programs
 - ~4,000m RC/Diamond gold program x **4 Targets**
 - ~1,500m RC lithium program x **4 Targets**
 - ~15,000m AC gold and lithium program
- ✓ Major regional structures
 - Sholl Shear Zone
 - Yule River Shear Zone
- ✓ The Right Rocks
 - **Archaean Mallina Basin**
 - Large granitic intrusions into volcano-sedimentary sequence
 - Right environment for late discrete intrusives

Exploring for the Pilbara's next great gold discovery at Yule