



Golden State Mining Limited
ABN 52 621 105 995

NOTICE OF GENERAL MEETING

AND

EXPLANATORY STATEMENT

AND

PROXY FORM

Date of Meeting

Wednesday
25 May 2022

Time of Meeting

11:00 am (AWST)

Place of Meeting

Stantons
Level 2, 40 Kings Park Road WEST PERTH WA 6005

This Notice of General Meeting should be read in its entirety. If in doubt as to how to should vote, seek advice from an accountant, solicitor or other professional adviser prior to voting.

**Golden State Mining Limited
ABN 52 621 105 995
NOTICE OF GENERAL MEETING**

Notice is hereby given that the general meeting (**Meeting**) of Golden State Mining Limited (**Company**) will be held at Stanton's, Level 2, 40 Kings Park Road, West Perth, Western Australia on Wednesday, 25 May 2022 at 11:00 am (AWST).

The Explanatory Statement to this Notice provides information on matters to be considered at the meeting. The Explanatory Statement and the Proxy Form are part of this Notice.

Capitalised terms and abbreviations used in this Notice and Explanatory Statement will, unless the context requires, have the same meaning as given to them in the Glossary.

AGENDA

RESOLUTION 1 – RATIFICATION OF ISSUE OF SHARES USING 15% PLACEMENT CAPACITY (TRANCHE 1)

To consider and, if thought fit, to pass, with or without amendment, the following as an **ordinary resolution**:

“That for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue (on the terms and conditions set out in the Explanatory Statement) of 12,417,869 fully paid ordinary Shares.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by a person (and any associates of such a person) who participated in the issue. However, this does not apply to a vote cast in favour of a resolution by a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 2 – RATIFICATION OF ISSUE OF SHARES USING 10% PLACEMENT CAPACITY (TRANCHE 1)

To consider and, if thought fit, to pass, with or without amendment, the following as an **ordinary resolution**:

“That for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue (on the terms and conditions set out in the Explanatory Statement) of 8,308,798 fully paid ordinary Shares.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by a person (and any associates of such a person) who participated in the issue. However, this does not apply to a vote cast in favour of a resolution by a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 3 – APPROVAL TO ISSUE SHARES (TRANCHE 2)

To consider and, if thought fit, to pass, with or without amendment, the following as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 12,606,667 Shares at an issue price of \$0.075 per Share on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by a person who may participate in the issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if this Resolution is passed or any associates of such a person. However, this does not apply to a vote cast in favour of a resolution by a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or the chair of the meeting as proxy or attorney for a person who is entitled to vote

on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met: (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way..

RESOLUTION 4 – ISSUE OF SHARES UNDER PLACEMENT– DIRECTOR DAMIEN KELLY

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 10.11 section 195(4) of the Corporations Act and for all other purposes, approval is given for the Company to issue 250,000 Shares to Director Damien Kelly, or his nominee, under the Placement on the terms and conditions set out in the Explanatory Statement, and further resolve, for the purposes of Chapter 2E of the Corporations Act (specifically the exception in section 210 of the Corporations Act), that the proposed issue of such shares is considered reasonable in the circumstances as if the Company and the issuee were dealing at arm's length.”

ASX Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Damien Kelly and any other person who will receive a material benefit as a result of the issue (except a benefit solely by reason of being a holder of Shares), or any of their associates. However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 5 – ISSUE OF SHARES UNDER PLACEMENT– DIRECTOR MICHAEL MOORE

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 10.11, section 195(4) of the Corporations Act and for all other purposes, approval is given for the Company to issue 380,000 Shares to Director Michael Moore, or his nominee, under the Placement on the terms and conditions set out in the Explanatory Statement and further resolve, for the purposes of Chapter 2E of the Corporations Act (specifically the exception in section 210 of the Corporations Act), that the proposed issue of such shares is considered reasonable in the circumstances as if the Company and the issuee were dealing at arm's length .”

ASX Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Michael Moore and any other person who will receive a material benefit as a result of the issue (except a benefit solely by reason of being a holder of Shares), or any of their associates. However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 6 – ISSUE OF SHARES UNDER PLACEMENT – DIRECTOR GREG HANCOCK

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 10.11, section 195(4) of the Corporations Act and for all other purposes, approval is given for the Company to issue 250,000 Shares to Director Greg Hancock, or his nominee, under the Placement on the terms and conditions set out in the Explanatory Statement

and further resolve, for the purposes of Chapter 2E of the Corporations Act (specifically the exception in section 210 of the Corporations Act), that the proposed issue of such shares is considered reasonable in the circumstances as if the Company and the issuee were dealing at arm's length."

ASX Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Greg Hancock and any other person who will receive a material benefit as a result of the issue (except a benefit solely by reason of being a holder of Shares), or any of their associates. However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 7 – ISSUE OF SHARES UNDER PLACEMENT – DIRECTOR BRENTON SIGGS

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 10.11, section 195(4) of the Corporations Act and for all other purposes, approval is given for the Company to issue 250,000 Shares to Director Brenton Siggs, or his nominee, under the Placement on the terms and conditions set out in the Explanatory Statement and further resolve, for the purposes of Chapter 2E of the Corporations Act (specifically the exception in section 210 of the Corporations Act), that the proposed issue of such shares is considered reasonable in the circumstances as if the Company and the issuee were dealing at arm's length."

ASX Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Brenton Siggs and any other person who will receive a material benefit as a result of the issue (except a benefit solely by reason of being a holder of Shares), or any of their associates. However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Proxies

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a **proxy**) to vote in their place.

Please note that:

- a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- a proxy need not be a member of the Company; and
- a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

If you are a registered Shareholder of the Company and are unable to attend the Meeting in person, please date and execute the accompanying Proxy Form and return it in accordance with its instructions prior to 11:00 am (AWST) on 23 May 2022 by:

1. Post to Automic Group, GPO Box 5193, Sydney NSW 2001;
2. In person to Automic Group, Level 5, 126 Phillip Street, Sydney NSW 2000
3. Fax to Automic Group: +61 2 8583 3040

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4. Email to Automic Group: meetings@automicgroup.com.au; or
5. Online in accordance with the personalised Proxy Form provided.

If you are a beneficial Shareholder and receive these materials through your broker or through another intermediary, please complete and return the form of proxy or voting instruction form in accordance with the instructions provided to you by your broker or by the other intermediary.

Entitlement to Vote

For the purposes of regulation 7.11.37 of the Corporations Regulations 2001, the Company determines that members holding Shares at 5:00 pm (AWST) on 23 May 2022 will be entitled to attend and vote at the General Meeting.

Corporations

A corporation may elect to appoint a representative in accordance with the Corporations Act, in which case the Company will require written proof of the representative's appointment, which must be lodged with, or presented to the Company, before the Meeting.

Electronic Communication

All Shareholders may elect to receive communications from the Company's share registry electronically. To provide or update your email address, please contact the Company's share registry.

Voting of Proxies

The Proxy Form accompanying this Notice confers discretionary authority upon the proxy with respect to any amendments or variations to the matters identified in the Notice and any other matters that may properly come before the Meeting. At the time of printing this Notice, management knows of no such amendment, variation or other matter.

Shareholders must mark the boxes directing its proxy how to vote. If no voting instructions are indicated on the appointment of Proxy Form, the proxy will be voted as recommended by management or as the proxyholder sees fit (in the latter case, if management is not appointed as proxy).

By order of the Board.

Marc Boudames

Company Secretary

Date: 26 April 2022

EXPLANATORY STATEMENT

This Explanatory Statement accompanies and comprises part of the notice (**Notice**) convening the General Meeting (**Meeting**) of Shareholders of Golden State Mining Limited to be held at 11.00am (AWST) on 25 May 2022.

Capitalised terms and abbreviations used in this Explanatory Statement will, unless the context requires, have the same meaning as given to them in the Glossary.

1.0 RESOLUTION 1 – RATIFICATION OF ISSUE OF SHARES USING 15% PLACEMENT CAPACITY (TRANCHE 1)

1.1 General

On 8 April 2022, the Company announced that it had agreed to make a placement of fully paid ordinary shares (**Shares**) to raise approximately \$2,500,000 before costs from qualified sophisticated and professional investors (**Placement**), with the Placement being made at \$0.075 per Share to issue a total of approximately 33,333,334 Shares. The Directors (or their nominees) will participate in the Placement subject to Shareholder approval under Resolutions 4-7 respectively.

The Placement is to be made in two tranches.

- (a) The first tranche (**Tranche 1 Placement Shares**) was issued on 19 April 2022 (prior to the Meeting) using the Company's remaining capacity under ASX Listing Rules 7.1 (15% rule) (in respect of 12,417,869 Shares) and 7.1A (10% rule) (in respect of 8,308,798 Shares), at an issue price of \$0.075 per Share to raise approximately \$ 1,554,500 before costs.
- (b) The second tranche (**Tranche 2 Placement Shares**) is proposed to be issued subject to the Company receiving Shareholder approval, which approval is being sought in this Notice under Resolutions 3, and will comprise 12,606,667 Shares to be issued at \$0.075 per Share to raise approximately \$ 945,500 before costs.

Euroz Hartleys has acted as Lead Manager to the Placement and will be paid a capital raising fee of 6% of the funds raised.

The Company intends to use the funds raised for the following purposes:

- **Four Mile Well, near Laverton WA**
 - Soil sampling survey currently underway
 - Follow-up AC or RC drilling Q2
- **Yule exploration, in the Pilbara region WA**
 - Target 2A – Li & Au - RC drilling Q2
 - Balla Yule – Ni, Co, Cu & Li - AC & RC drilling Q4
 - Yule East – Au - AC & DD drilling Q4
- **Payne's Find, in the Murchison region WA**
 - Lithium and base metals targeting
 - Soil sampling
- Compile and review historic data on all five new tenement areas ~3,800km²
- Additional exploration programs in 2H CY22 (to be confirmed)
- Company's proposed exploration programs ; and
- Financing the Company's ongoing working capital requirements and general administrative overheads.

1.2 ASX Listing Rules 7.1 and 7.4

Broadly speaking, and subject to a number of exceptions, ASX Listing Rule 7.1 provides that a company may, without shareholder approval, issue or agree to issue that number of Equity Securities that total up to 15% of the number of fully paid, ordinary securities on issue 12 months before the issue or agreement to issue plus the number of fully paid, ordinary securities issued by the company in that 12 month period with shareholder approval or under an exception to ASX Listing Rule 7.1.

A company's capacity to issue securities under ASX Listing Rule 7.1 is often referred to as its "15% capacity" or "15% placement capacity" and the limit in that rule is often referred to as the "15% limit".

The issue of 12,417,869 Tranche 1 Placement Shares does not fit within any of the exceptions to ASX Listing Rule 7.1 and has reduced the Company's 15% placement capacity under ASX Listing Rule 7.1 for a period of 12 months from the issue date of those Shares (which Shares were issued on 19 April 2022).

Listing Rule 7.4 allows the Shareholders of a listed company to approve an issue of Equity Securities that has reduced the listed company's 15% placement capacity under ASX Listing Rule 7.1. If Shareholders approve the issue under ASX Listing Rule 7.4, the issue is taken to have been approved under ASX Listing Rule 7.1 and ceases to reduce the Company's 15% placement capacity under that rule.

To this end, Resolution 1 seeks Shareholder approval under ASX Listing Rule 7.4 for the 12,417,869 Tranche 1 Placement Shares issued under the Company's 15% placement capacity.

If Resolution 1 is passed, the 12,417,869 Tranche 1 Placement Shares will no longer reduce the Company's 15% placement capacity under ASX Listing Rule 7.1. In addition, the Shares will be counted in Variable A under ASX Listing Rule 7.1, which is the base number of Shares on which the 15% and 10% placement capacities under ASX Listing Rules 7.1 and 7.1A, are based. This will effectively increase the number of Equity Securities that can be issued without Shareholder approval under the 15% and 10% placement capacities under those rules.

If Resolution 1 is not passed, the 12,417,869 Tranche 1 Placement Shares continue to reduce the Company's 15% limit in ASX Listing Rule 7.1 until 12 months after the issue date of those Shares (which Shares were issued on 19 April 2022, prior to the Meeting) unless approved by Shareholders before that date. In addition, the 12,417,869 Tranche 1 Placement Shares will not be counted in Variable A until 12 months after their issue date unless approved by Shareholders before that date.

1.3 Information required by ASX Listing Rule 7.5

The following information is provided to Shareholders for the purposes of ASX Listing Rule 7.5:

- (a) the Shares will be issued as a private placement to numerous qualified sophisticated and professional investors known to the Company and the Lead Manager, Euroz Hartleys, none of whom is a related party, Key Management Personnel, substantial holder, advisor to the Company or their associate (so far as the Company is aware) being issued more than 1% of the Company's issued capital;
- (b) 12,417,869 Shares will be allotted and issued by the Company;
- (c) the Shares are fully paid ordinary shares which rank equally with all other fully paid ordinary shares on issue;
- (d) the Shares were issued on 19 April 2022;
- (e) the issue price is \$0.075 per Share;
- (f) the Shares were not issued under an agreement; and
- (g) the purpose of the issue is to raise funds intended to be applied towards the uses set out in section 1.1 above.

1.4 Directors Recommendation

The Directors of the Company believe that this Resolution is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of the Resolution.

2.0 RESOLUTION 2 – RATIFICATION OF ISSUE OF SHARES USING 10% PLACEMENT CAPACITY (TRANCHE 1)

2.1 General

As detailed in the above section (1.1), with respect to Tranche 1 Placement Shares, the Company also proposes to issue 8,308,798 Shares at an issue price of \$0.075 per share without prior Shareholder approval out of its 10% placement capacity pursuant to Listing Rule 7.1A.

2.2 ASX Listing Rules 7.1A and 7.4

ASX Listing Rule 7.1A provides that, in addition to the 15% placement capacity permitted without prior shareholder approval under ASX Listing Rule 7.1, an entity that is eligible and obtains shareholder approval under ASX Listing Rule 7.1A may issue or agree to issue, during the period the approval is valid, a number of quoted Equity Securities which represents 10% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period as adjusted in accordance with the formula in ASX Listing Rule 7.1.

The Company obtained approval from its Shareholders pursuant to Listing Rule 7.1A at its previous annual general meeting held on 26 November 2021.

The issue on 19 April 2022 of 8,308,798 Tranche Placement Shares will reduce the Company's 10% limit in ASX Listing Rule 7.1A by a total of 8,308,798.

Listing Rule 7.4 allows the Shareholders of a listed company to approve an issue of Equity Securities that has reduced the listed company's 10% placement capacity under ASX Listing Rule 7.1A. If Shareholders approve the issue under ASX Listing Rule 7.4, the issue is taken to have been approved under ASX Listing Rule 7.1 and ceases to reduce the Company's 10% placement capacity under ASX Listing Rule 7.1A.

To this end, Resolution 2 seeks Shareholder approval under ASX Listing Rule 7.4 for the issue of the 8,308,798 Tranche 1 Placement Shares on 19 April 2022 under the Company's 10% placement capacity.

If Resolution 2 is passed, 8,308,798 Tranche 1 Placement Shares will no longer reduce the Company's 10% limit in ASX Listing Rule 7.1A. In addition, the 8,308,798 Tranche 1 Placement Shares will be counted in Variable A under ASX Listing Rule 7.1, which is the base number of Shares on which the 15% and 10% placement capacities under, ASX Listing Rules 7.1 and 7.1A, are, respectively, based. This will effectively increase the number of Equity Securities that can be issued without Shareholder approval under the 15% and 10% placement capacities under those rules.

If Resolution 2 is not passed, the 8,308,798 Tranche 1 Placement Shares will continue to reduce the Company's 10% limit in ASX Listing Rule 7.1A until 12 months after the issue date of those Placement Shares (which Shares were issued on 19 April 2022) unless approved by Shareholders before that date. In addition, the 8,308,798 Tranche 1 Placement Shares will not be counted in Variable A until 12 months after their issue date (unless subsequently approved by Shareholders before that date).

2.3 Information required by ASX Listing Rule 7.5

The following information is provided to Shareholders for the purposes of ASX Listing Rule 7.5:

- (a) the Shares will be issued as a private placement to numerous qualified sophisticated and professional investors known to the Company and the Lead Manager, Euroz Hartleys, none of whom (except as disclosed herein) is a related party, Key Management Personnel, substantial holder, advisor to the Company or their associate (so far as the Company is aware) being issued more than 1% of the Company's issued capital. Perth Select Seafoods Pty Ltd, a 10.2% substantial holder in the Company, is to be issued 1,300,000 fully paid Shares, decreasing its Shareholding to 9.4% after dilution following completion of the Placement;
- (b) 8,308,798 Shares will be allotted and issued by the Company;
- (c) the Shares are fully paid ordinary shares which rank equally with all other fully paid ordinary shares on issue;
- (d) the Shares were issued on 19 April 2022;
- (e) the issue price is \$0.075 per Share;
- (f) the Shares were not issued under an agreement; and
- (g) the purpose of the issue is to raise funds intended to be applied toward the uses set out in section 1.1 above.

2.4 Directors Recommendation

The Directors of the Company believe that this Resolution is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of the Resolution.

3.0 RESOLUTION 3 – APPROVAL TO ISSUE SHARES (TRANCHE 2)

3.1 General

As detailed in the above section 1.1, the Company has agreed, subject to obtaining Shareholder approval, to issue up to 12,606,667 Shares (Tranche 2 Placement Shares) at an issue price of \$0.075 per share to raise up to approximately \$860,000 before costs.

3.2 ASX Listing Rule 7.1

A summary of Listing Rule 7.1 is contained in Section 1.2.

The issue of the Tranche 2 Placement Shares does not fit within any of the exceptions to ASX Listing Rule 7.1. The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval under Listing Rule 7.1. To do this, the Company is asking Shareholders to approve the issue under Listing Rule 7.1 so that it does not use up any of the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

To this end, Resolution 3 seeks Shareholder approval to the issue under and for the purposes of Listing Rule 7.1.

If Resolution 3 is passed and the Tranche 2 Placement Shares are issued, that issue will be disregarded for the purpose of calculating GSM's 15% limit, thus not adversely impacting the number of Equity Securities GSM can issue without shareholder approval over the 12 month period following the issue date of the Tranche 2 Placement Shares.

If Resolution 3 is not passed, the Company will not be permitted to issue the Tranche 2 Placement Shares and may need to adjust its proposed expenditure as a result.

3.3 Information required by ASX Listing Rule 7.3

The following information is provided to Shareholders for the purposes of ASX Listing Rule 7.3. If the Resolution is passed:

- (a) the Shares will be issued to numerous qualified sophisticated and professional investors known to the Company and the Lead Manager, Euroz Hartleys, none of whom is a related party, Key Management Personnel, substantial holder, advisor to the Company or their associate (so far as the Company is aware) being issued more than 1% of the Company's issued capital. Perth Select Seafoods Pty Ltd, a 9.4% substantial holder in the Company, is to be issued 700,000 fully paid Shares, decreasing its Shareholding to 9.0% after dilution following completion of the Placement;
- (b) the Company will issue up to 12,606,66711 Shares;
- (c) the Shares will be fully paid ordinary shares and rank equally with all other Shares on issue;
- (d) the Shares will be issued within 3 months of the Meeting or such later date as approved by ASX;
- (e) the issue price will be \$0.075 per Share;
- (f) the Shares are not being issued under an agreement; and
- (g) the purpose of the issue is to raise funds intended to be applied towards the uses set out in section 1.1 above.

3.4 Directors Recommendation

The Directors of the Company believe that this Resolution is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of the Resolution.

RESOLUTIONS 4 TO 7 - ISSUE OF SHARES TO DIRECTORS

3.5 General

Reference is made to the Placement referred to in Section 1.1 of this Explanatory Statement.

Subject to Shareholder approval the Directors have agreed to participate in the Placement (at the same price as other participants in the Placement being \$0.075 per Share) as follows:

- (a) Resolution 4 - Damien Kelly (or nominee) for 250,000 Shares;
- (b) Resolution 5 – Michael Moore (or nominee) for 380,000 Shares;

- (c) Resolution 6 – Greg Hancock (or nominee) for 250,000 Shares; and
- (d) Resolution 7 – Brenton Siggs (or nominee) for 250,000 Shares,

(Related Parties).

Resolutions 4 to 7 seek Shareholder approval for the issue of the Shares to the Related Parties.

3.6 Related Party Transaction

Under the Corporations Act, for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

The participation of the Related Parties in the Placement will result in the issue of Shares which constitutes giving a financial benefit and the Related Parties are related parties of the Company by virtue of being Directors. If any of their nominee's receive the Shares the nominees they will be related parties also by virtue of each being associates of the relevant Director.

Section 210 of the Corporations Act provides that shareholder approval under Chapter 2E of the Corporations Act is not required for a public company, or an entity the public company controls, to give a financial benefit to a related party on terms that:

- (a) would be reasonable in the circumstances if the public company or entity and the related party were dealing at arm's length; or
- (b) are less favourable to the related party than the terms referred to in (a) above.

The Directors (other than the Director who has a material personal interest in the relevant Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the participation of the Related Parties in the Placement because the Shares will be issued to the Related Parties on the same terms as Shares issued to non-related party participants in the Placement and as such the giving of the financial benefit is on arm's length terms for the purposes of the exception section out in Section 210 of the Corporation Act.

3.7 Section 195 of the Corporations Act

Section 195(1) of the Corporations Act provides that a director who has a "material personal interest" in a matter being considered at a directors' meeting must not be present while the matter is being considered or vote on the matter.

Section 195(4) of the Corporations Act provides that where there are insufficient directors to form a quorum at a directors' meeting because of section 195(1), the directors may call a Meeting of shareholders to consider the matter.

The Directors consider they are able to form a quorum to consider any matters relating to the proposed issue of Shares and Related Parties under Resolutions 4 to 7 on the basis that each Director does not have a material personal interest in the other Directors (or their nominees) participating in the Placement.

However, in prudence, the Company is seeking Shareholder approval under section 195(4) of the Corporations Act to deal with putting Resolutions 4 to 7 to Shareholders.

3.8 ASX Listing Rule 10.11

Listing Rule 10.11 provides that, unless one of the exceptions in Listing Rule 10.12 applies, shareholder approval to be obtained where an entity issues, or agrees to issue, equity securities to any of the following:

10.11.1: A related party.

10.11.2: A person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the Company.

10.11.3: A person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the Company and who has nominated a director to sit on the board of the Company) pursuant to a relevant agreement which gives them a right or expectation to do so.

10.11.4 An associate of any of the above.

10.11.5 A person whose relationship with the Company or a person referred to above is such that, in ASX's opinion, the issue or agreement should be approved by Shareholders.

The Related Parties meet the category under ASX Listing Rule 10.11.1 because they are Directors. Any nominee who is issued the Shares will be an associate of the applicable Related Party and will fall under ASX Listing Rule 10.11.4. Therefore, the Company requires Shareholder approval in accordance with ASX Listing Rule 10.11 to issue the Shares to the Related Parties (or their respective nominees).

If Resolutions 4-7 are passed, the Shares will be issued to Related Parties (or their respective nominees).

If a Resolution is not passed, the Company will not be able to issue the Shares the subject of that Resolution the relevant Related Party will not be able to participate in the Placement and the Company will not have the benefit of the additional funds sought to be raised.

Shareholder Approval (Listing Rule 10.13)

Pursuant to and in accordance with the requirements of ASX Listing Rule 10.13, the following information is provided in relation to the proposed issue of Shares:

- (a) the Shares (being the nature of the financial benefit being provided) are to be issued to the Related Parties (or their nominees) as follows:

Related Party	Shares	Class
Damien Kelly (or his nominee)	250,000	Fully paid ordinary shares
Michael Moore (or his nominee)	380,000	Fully paid ordinary shares
Greg Hancock (or his nominee)	250,000	Fully paid ordinary shares
Brenton Siggs (or his nominee)	250,000	Fully paid ordinary shares
Total	1,130,000	Fully paid ordinary shares

- (b) Messrs Damien Kelly, Michael Moore, Greg Hancock and Brenton Siggs are related parties by virtue of being Directors of the Company and so fall under Listing Rule 10.11.1. If the Shares are issued to a nominee of Messrs Damien Kelly, Michael Moore, Greg Hancock and Brenton Siggs, the nominee will be an Associate of the Director and fall under Listing Rule 10.11.4;
- (c) the Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares
- (d) the Shares will be issued to the Related Parties (or their nominees) no later than 1 month after the date of the General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Shares will be issued on one date;
- (e) the issue price will be \$0.075 per Share, being the same as all other Shares issued under the Placement;
- (f) the funds raised will be used of the same purposes as all other funds raised under the Placement as set out in section 1.1 of this Explanatory Statement; and
- (g) the Shares are not being issued under an agreement.

GLOSSARY

In this Explanatory Statement and the Notice, the following terms have the following meanings unless the context otherwise requires:

\$ means Australian dollars.

ASX means ASX Ltd ABN 98 008 624 691 and, where the context requires, the Australian Securities Exchange operated by ASX Ltd.

AWST means Australian Western Standard Time as observed in Perth, Western Australia.

Board means the board of Directors.

Chair means Mr Damien Kelly, or (if Mr Kelly is absent) such other person appointed to chair the Meeting in accordance with the Constitution.

Company or **GSM** means Golden State Mining Limited ACN 621 105 995.

Constitution means the Company's constitution, as amended from time to time.

Corporations Act means the *Corporations Act 2001 (Cth)*.

Director means a director of the Company.

Explanatory Statement means this information attached to the Notice.

General Meeting or **Meeting** means the meeting convened by the Notice.

Listing Rules means the listing rules of ASX.

Notice or **Notice of Meeting** means this notice of general meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Placement has the meaning given in section 1.1 of the Explanatory Statement.

Proxy Form means the proxy form accompanying to this Notice.

Related Parties has the meaning given in Section 4.1 of this Explanatory Statement.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.

Proxy Voting Form

If you are attending the meeting in person, please bring this with you for Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **11.00am (WST) on Monday, 23 May 2022**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY VOTE ONLINE

Vote online at <https://investor.automic.com.au/#/loginsah>

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting form.

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



SUBMIT YOUR PROXY VOTE BY PAPER

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

