

GSM grows ground position in world-class Pilbara lithium province

Nomad potential increased with exploration rights secured on neighbouring ground

Highlights

- Acquisition of exploration rights adjacent to Nomad lithium prospect at the Yule project
- Brings GSM's ground position at Yule to ~766km² within one of Australia's premier mineral discovery provinces in the Mallina Basin
- GSM holds exploration tenure in a region that hosts some of the world's significant hard-rock lithium mines and a recent tier 1 gold discovery, and includes companies such as Pilbara Minerals, Mineral Resources, De Grey Mining and Wildcat Resources, and significant infrastructure (see figure 1 below).
- Only ~35km from the strategic export facility at Port Hedland
- GSM's recent drilling at Nomad has already delineated a robust lithium, caesium, and rubidium bedrock anomaly with high levels of associated arsenic over ~2km of strike length - the new ground increases prospective strike length with additional target areas
- AC/RC drilling planned to commence July 2023
- Further lithium and gold drilling and exploration to continue throughout the balance of CY23
- GSM well-funded with ~\$3.5 million in cash and placement commitments*

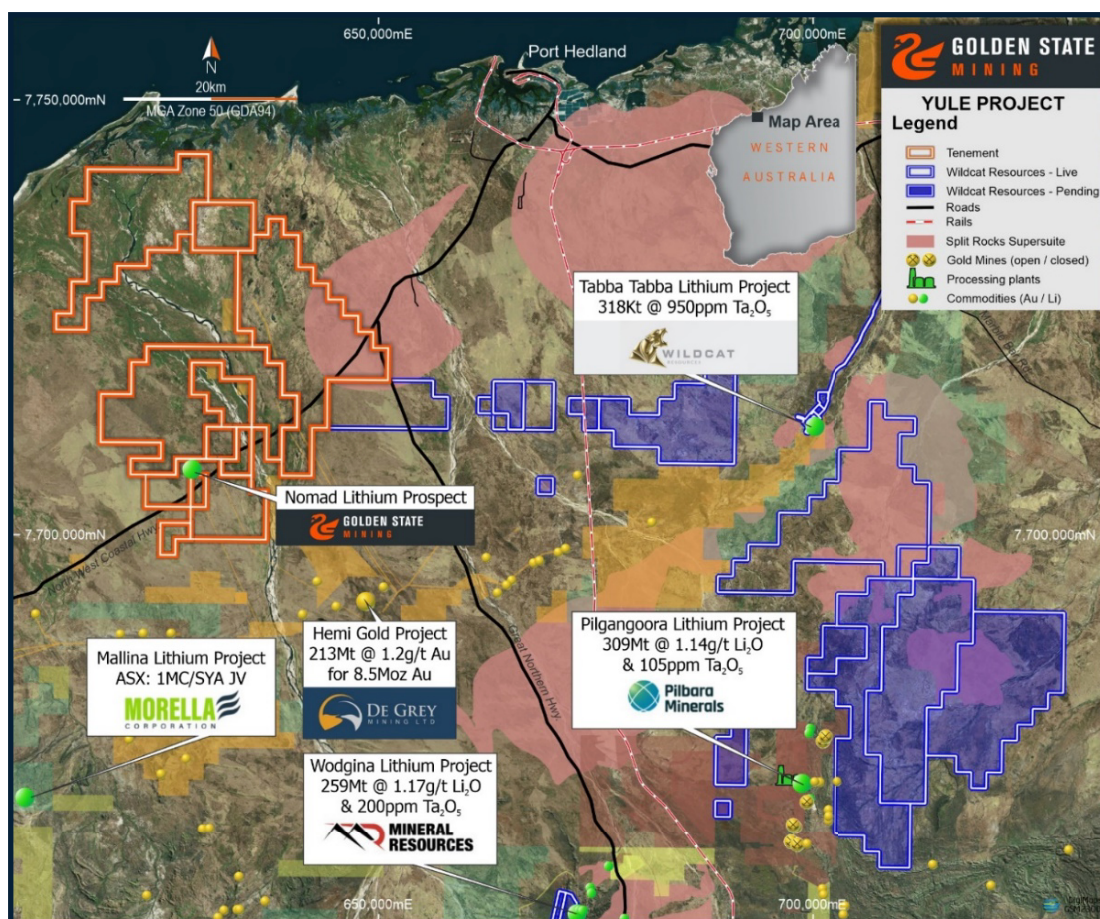


Figure 1: Yule project and Nomad prospect location plan in relation to Pilbara lithium and gold deposits.

* ~\$1.5 million existing cash plus \$2 million in placement commitments - see ASX announcement dated 24 May 2023.

Lithium, gold and base metals exploration company Golden State Mining Limited (ASX code: “GSM” or the “Company”) is pleased to announce that it has secured exploration rights on tenement E47/2692, neighbouring the Nomad lithium prospect at Yule in the Pilbara.

Golden State’s Managing Director, Michael Moore commented: “We have increased our ground position at Yule to around 766km² in one of Australia’s premier mineral discovery provinces in the Mallina basin. The region includes some of the world’s significant hard-rock lithium mines and a recent tier 1 gold discovery, with neighbouring companies such as Pilbara Minerals, Mineral Resources, De Grey Mining and Wildcat Resources.

The opportunity to explore for lithium and gold over this new area increases the potential for a significant discovery by GSM. Recent drilling has already revealed the interpreted signature of a potential lithium pegmatite system at the Nomad prospect. This deal secures the remaining structural and targeting components for the Nomad model, which bears many analogies to the established Pilbara LCT pegmatite geological settings at Wodgina and Pilgangoora.

Nomad Prospect

The Nomad prospect has been a recent focal point for the company’s lithium exploration at the Yule Project (refer to ASX announcement dated 31 October 2022). Three air-core (“AC”) drill programs and one follow up reverse circulation (“RC”) program have delineated a robust lithium (“Li”), caesium (“Cs”), and rubidium (“Rb”) bedrock anomaly with high levels of associated arsenic over an approximate 2km of strike length. Lithium pegmatite pathfinder vectors, in combination with a favourable mafic host rock and antiformal fold hinge structural interpretation, suggest that E47/2692 (Figure 2) represents an extension of GSM’s exploration model, adding another 3.5kms of prospective strike length to explore. Given the rarity of caesium in the crust (typically no more than 4 ppm in most rocks), and it virtually only being appreciably enriched in rare metal pegmatites in this type of geological setting, the lithium pegmatite pathfinder vectors - **including 6 metres @ 421ppm Caesium** are considered very encouraging (Figure 2 & refer to ASX announcement dated 31 October 2022).

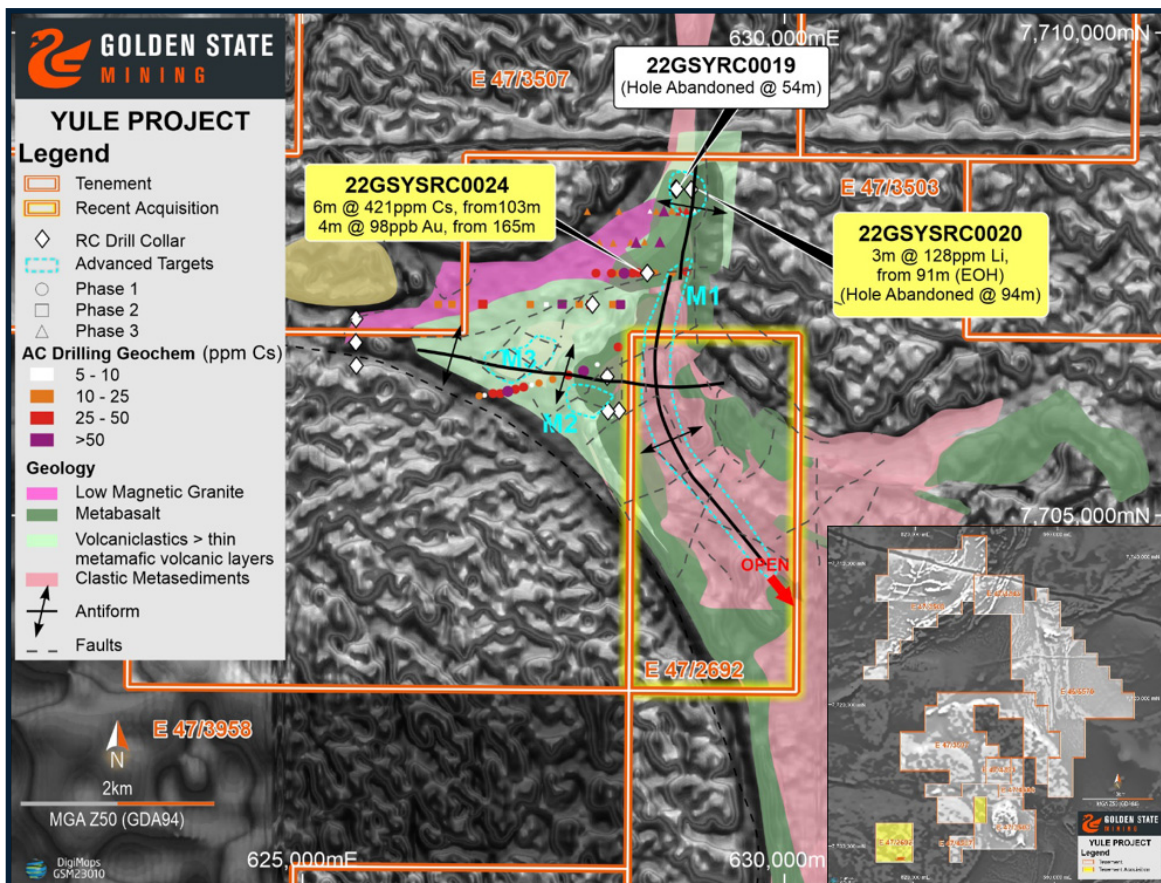


Figure 2: Nomad prospect summary plan showing new exploration ground on E47/2692.

Given that a number of major LCT pegmatites occur within, or close to, the core of major regionally mapped fold hinges, e.g., Wodgina (Figure 1), Mt. Cattlin and Tanco (Canada), with analogous pathfinder geochemistry including arsenic as well as Li-Rb-Cs, as found at Goulamina, Mali and Greenbushes, S.W. Yilgarn Craton (refer to ASX announcement dated 31 October 2022) the Nomad prospect is of considerable interest as a high priority location for hosting significant rare metal (LCT) pegmatite mineralization.

Target M1

The priority target, based upon the presence of the caesium values (Figure 2), and favourable structural position in the core of an interpreted major antiform can now be extended up to 3.5kms to the south over E47/2692, where crosscutting major faults are interpreted to occur. Additionally, significant faulting is also associated with this area, making it a 'damaged zone' that can preferentially accommodate later intrusions and serve to focus potentially mineralised fluids and magmas.

Target M2

This target is based on the overlapping Li-Cs-As anomalism on the western side of the major antiform, close to an interpreted refold hinge zone. It also coincides with a major fault crosscutting the major antiform.

Target M3

This target is based on anomalous Li-Rb-Cs intercepts within associated mafic schists across a major curvilinear shear zone to the south and west of the major antiform. This type of geological setting is also considered a conceptual gold target.

Next steps

The Company will now urgently pursue statutory work program and heritage approvals for planned AC and RC drill programs on E47/2692. In the intervening period, the company will consider additional geophysical methods to provide more effective drill targeting data.

Transaction Summary

The Company and its subsidiary (together and/or individually "GSM" for the purpose of this summary) entered into a 'Mineral Rights and Royalty Deed' dated 21 May 2023 ("Effective Date") with the holder of exploration licence E47/2692 (Bradford Young) pursuant to which Young has granted exploration and other rights to GSM, the material terms of which are summarised as follows:

Minimum Exploration Expenditure

GSM has agreed to spend at least \$300,000 in exploration expenditure on the tenement within two years.

Mineral Rights

GSM is granted the right to explore for all minerals other than 'bulk industrial products' (sand, gravel, clay, limestone and calcrete) and is permitted to lodge a mining lease application once it has met the Minimum Exploration Expenditure, whilst Young maintains certain rights with respect to exploration and extraction of bulk industrial products.

GSM must lodge the application for a mining lease within 3 years, with the ability to extend for a further 2 years if certain requirements are met.

Consideration to Young

GSM will pay or issue to Young:

- \$20,000 cash;
- a 2% net smelter return royalty (bulk industrial products excluded); and
- 2 million options in the Company¹ exercisable at \$0.05 each, expiring 5 years from the Effective Date and vesting on the earlier of:²
 - the grant of the first mining lease to be granted pursuant to the deed;
 - a 'change of control' of the Company;
 - the specified vesting dates, being, in respect of:
 - 500,000 options, their date of issue;
 - 500,000 options, the date being 12 months after the Effective Date;
 - 500,000 options, the date being 24 months after the Effective Date; and
 - 500,000 options, the date being 36 months after the Effective Date.

Notes:

1. If the ASX, in applying the listing rules, prohibits the Company from issuing or agreeing to issue the options, the Company must instead issue 1,000,000 shares, which will be subject to voluntary escrow (500,000 for 6 months from the Effective Date and 500,000 Shares for 12 months).
2. If the deed is terminated other than by reason of a default by GSM, any options which are unvested at the time the deed terminates will lapse unless the Company agrees otherwise.

BOARD OF DIRECTORS

Michael Moore

Managing Director

Damien Kelly

Non-Executive Chairman

Brenton Siggs

Non-Executive Director

Greg Hancock

Non-Executive Director

ISSUED CAPITAL

Shares	117.0 m
Options	21.1 m

REGISTERED OFFICE

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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 lithium exploration results, is based on information compiled by Dr. Marcus Sweetapple who is a Member of the Australian Institute of Geoscientists (AIG). Dr. Marcus Sweetapple is a consultant to Golden State Mining Limited (GSM).

Dr. Marcus Sweetapple 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". Dr. Marcus Sweetapple 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.

The information in this report that relates to gold 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.

For further information please contact:

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