

June 2019

Quarterly Activities Report

Highlights

- **Cue**
 - RC drilling completed at Light of Asia North following up intersection of 3m at 20.1g/t (from 64m), including 1m at 56.6g/t (open in all directions)
 - One hole planned within the historic Volunteer mining area at “The Patch”
- **Yule**
 - Geophysical review revealed new targets for immediate follow up
 - 17 new priority gold, base metal and rare earth element target areas identified
 - Balla Yule Prospect - ground EM survey to test for nickel-cobalt sulphides
- **Four Mile Well**
 - Geochemical program recently completed to infill broad spaced gold-in-soil anomalies
- **Cuddingwarra**
 - Geochemical program designed to test geophysical targets
 - Completed in early July



Figure 1: Recent RC drilling at Light of Asia North.

Murchison – 100% GSM

Cue - Light of Asia North

A locally available RC drill rig with no associated mobilisation costs was sourced for follow up drilling at the Light of Asia North Prospect to target the exciting high-grade intercept in 18GSLARC0006 (3m @ 20.1 g/t including 1m @ 56.6 g/t Au - refer to ASX announcement dated 25 January 2019). The follow up drilling was designed to target along strike and dip directions of this intercept (Figure 1) in addition to predicted down-plunge positions of a high-grade shoot. 13 holes for a total of 979m was completed. The company expects to announce the results of this program in early August.

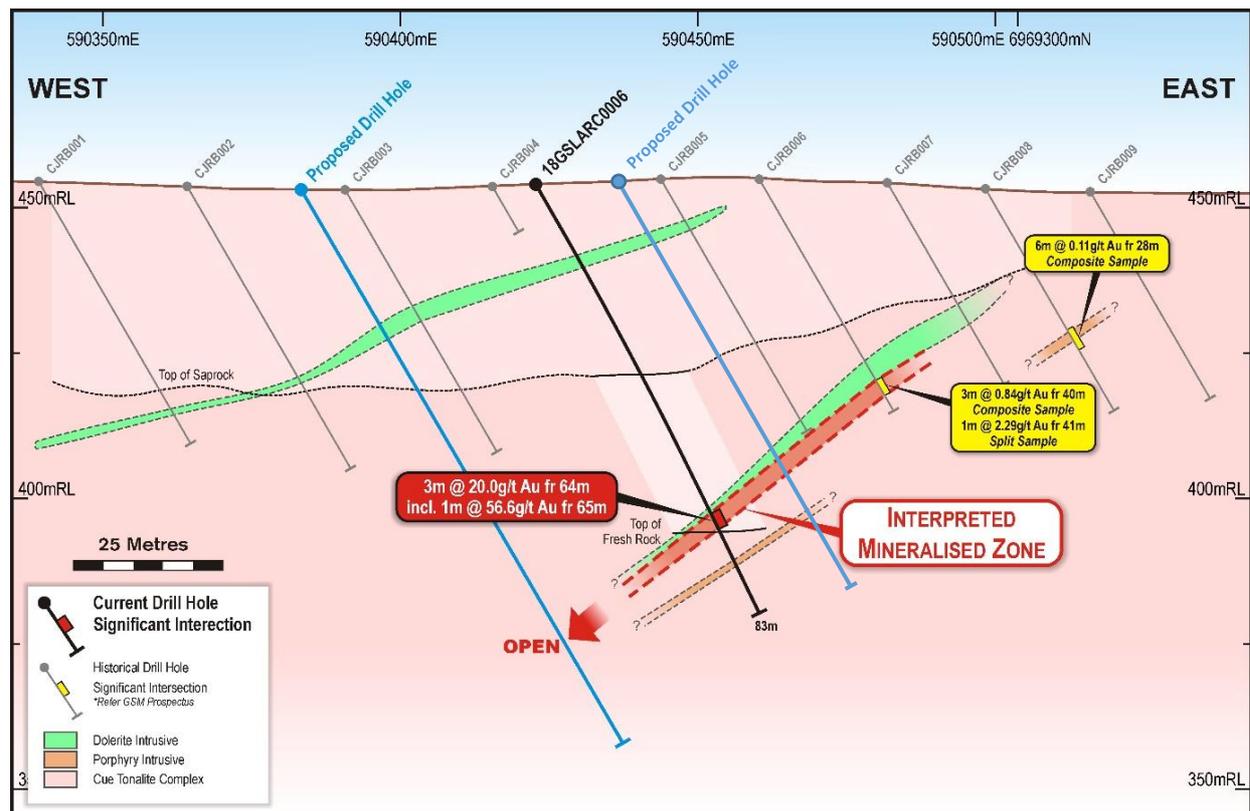


Figure 2: Cross Section of 18GSLARC0006 at Light of Asia North.

A further hole was designed within the historical Volunteer group of workings at “The Patch” prospect to confirm the results of previous explorers drilling campaigns. The hole was drilled in early July 2019 with results expected early August.

Cuddingwarra

The Cuddingwarra project is located approximately 10km west and northwest of the townsite of Cue and consists of 1 exploration license and 19 prospecting licences, covering an area of approximately 78km². The project is situated east and west of the main Cuddingwarra Mining Centre, which has previously produced 1.3M oz of gold mainly hosted within north and north-northeast trending major faults and shears associated with the main Cuddingwarra Shear Zone. Gold mineralisation is localised in ultramafic/mafic rocks and associated felsic porphyry intrusives.

A Targeting Study at Cuddingwarra has been completed and resulted in the generation of 12 priority gold targets. The study not only highlighted the prospectivity of the new tenure, but also the need to more adequately test the sparse historic drilling completed to date.

The company designed a geochemical sampling program at the Cuddingwarra project to assess several untested geophysical targets (refer to previous ASX announcement dated 30 April 2019). The program was completed in early July with assay results expected early August.

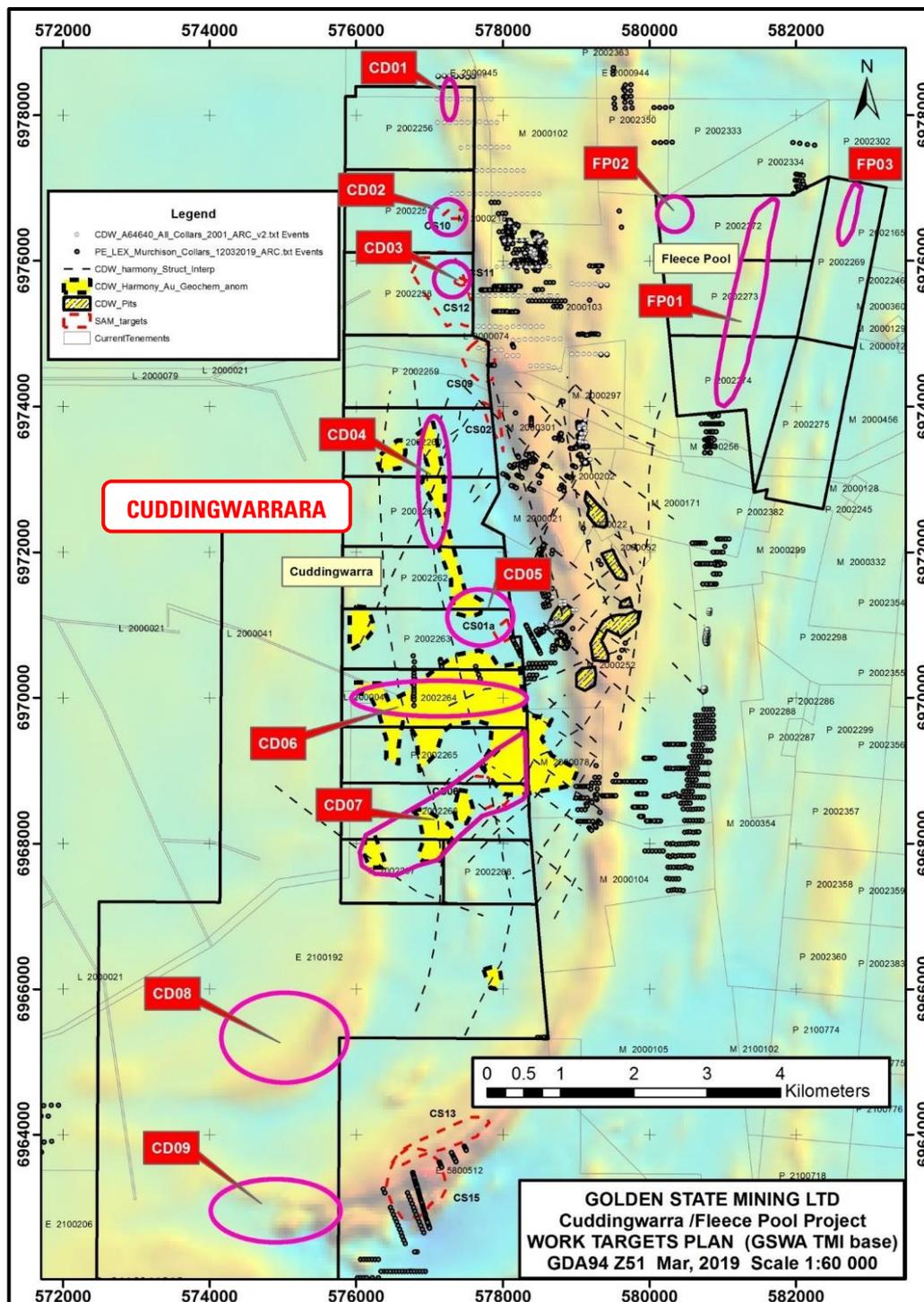


Figure 3: Exploration Plan and Priority Gold Targets at the Cuddingwarra Project.

Yule – 100% GSM

A geophysical review of the Yule Project tenements (refer to ASX announcement dated 11 June 2019) has been completed. The geophysical review assessed the regional structure, intrusive complex and stratigraphy in the Yule area and has identified 17 priority targets. The targets are considered prospective for gold, rare metal pegmatite-hosted, and intrusive-related base and precious metal mineralisation.

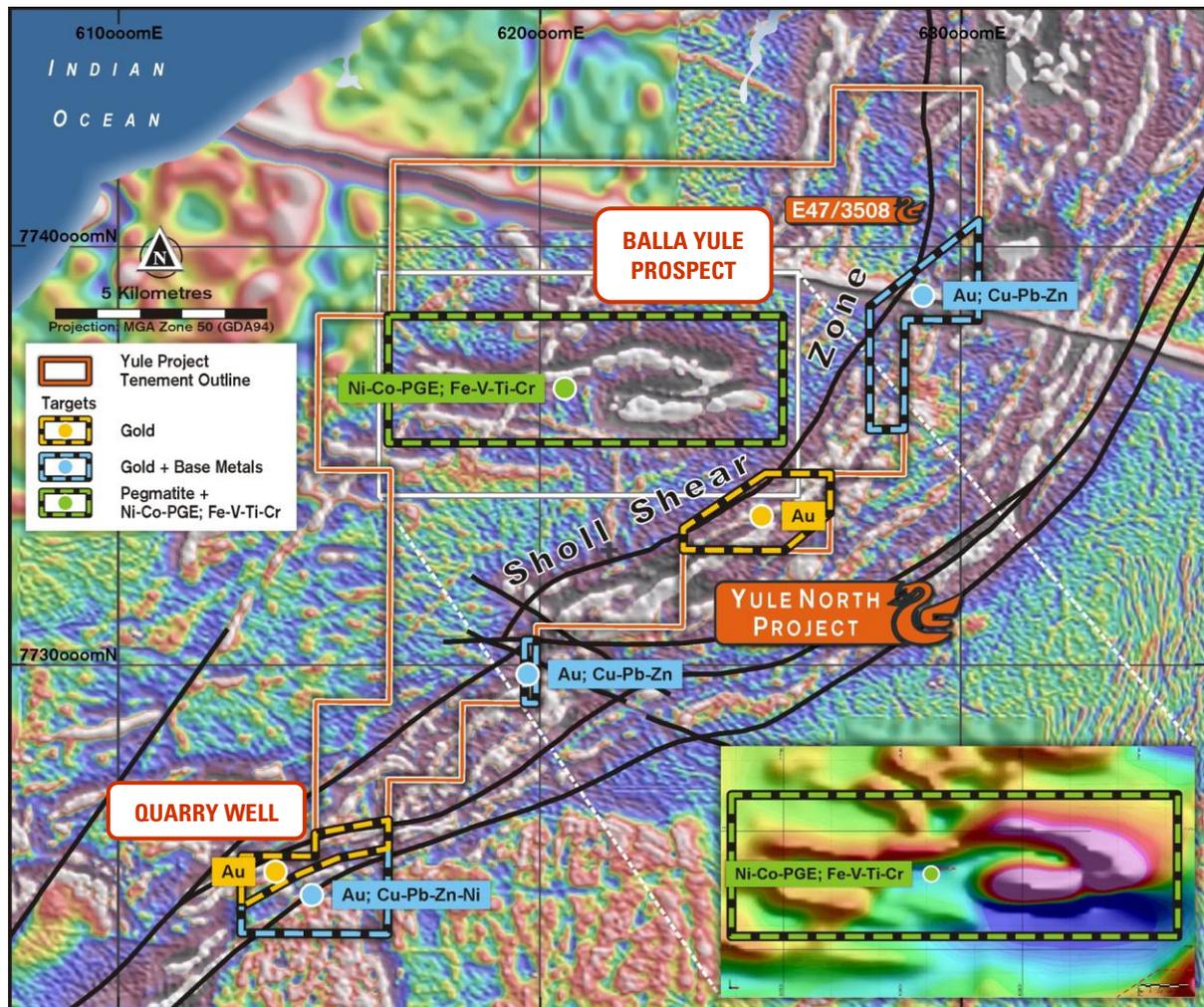


Figure 4: Yule North Target Areas over RTP 1VD Magnetic Image.

Within the Yule North, tenement 6 target areas have been identified (Figure 1), with 3 high priority targets scheduled for immediate refinement with ground-based geophysics. A detailed moving loop electromagnetic (MLEM) survey has been planned at the Balla Yule Prospect to test for bedrock sulphide accumulations indicated by petrographic analysis and a previous drill intersection of 14 metres of 0.51% Ni & 0.033% Co from 38 metres (bedrock surface), including 4 metres at 0.70% Ni, 0.048% Co in BYRC003 (refer to ASX announcement dated 21 May 2019). Several untested, late-time EM anomalies have been identified in historical EM data at the Quarry Well area in the south-western part of the Yule North tenement within the Sholl Shear Zone. These EM anomalies will be re-evaluated with a modern, high-powered MLEM survey. A geophysical contractor is being engaged and is expected to mobilise to site late August 2019.

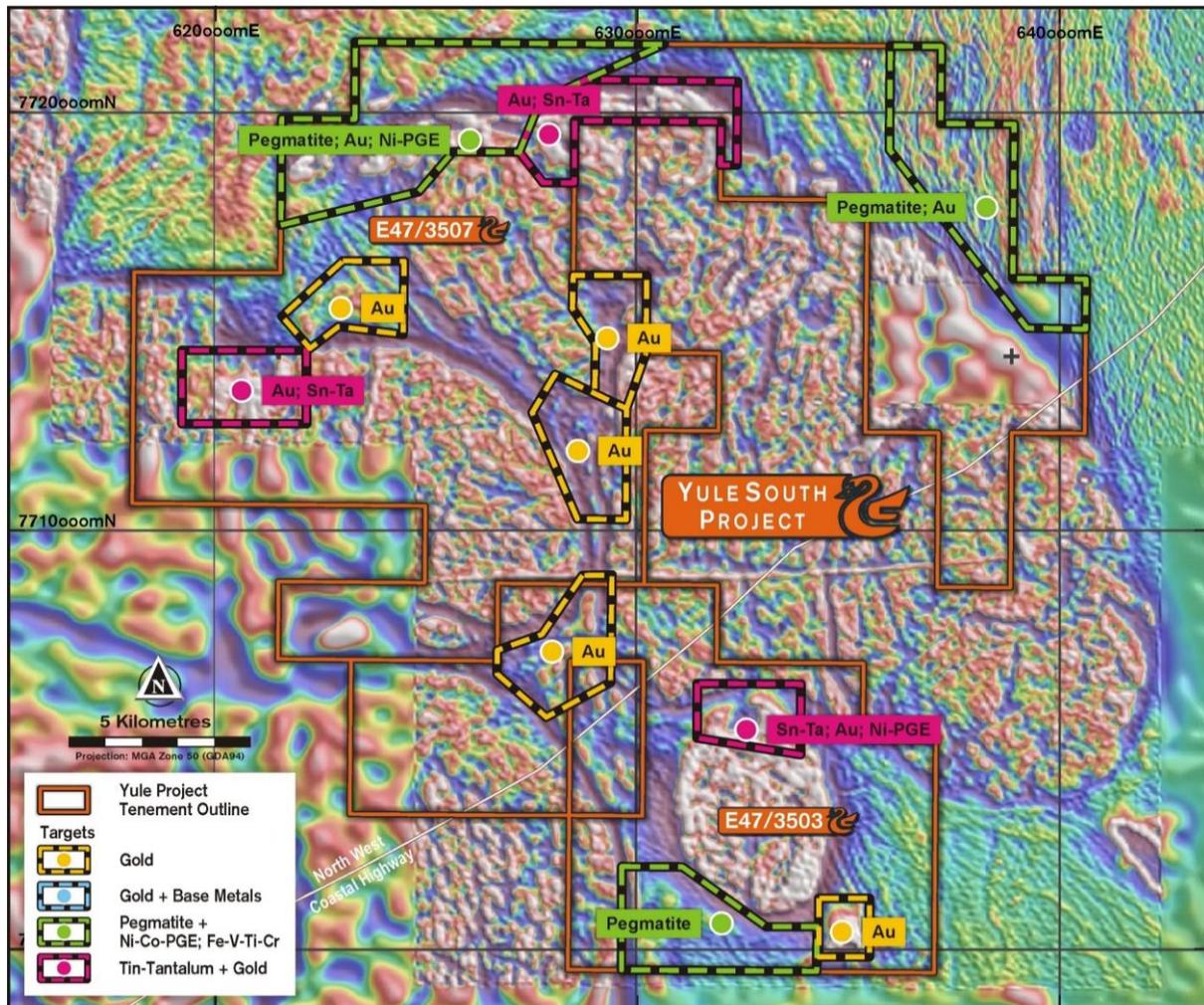


Figure 5: Yule South Target Areas over RTP 1VD Magnetic Image.

11 identified target areas have been prioritised within the Yule South tenements (Figure 2), with 3 high priority gold and rare metal pegmatite targets scheduled for follow-up Aircore drilling. This program is expected to commence, based on statutory government approvals, in Q3/Q4 2019.

Four Mile Well – 100% GSM

The Four Mile Well Project is located in the world class Laverton region with major gold (Lancefield) and nickel (Mt Windarra) mines in close proximity to the project area. The company has recently completed a geochemical sampling program at the Four Mile Well Project to infill and follow up a number of gold-in-soil anomalies defined by previous explorers (refer to previous ASX announcement dated 11 June 2019).

The main program is infilling a previous broad spaced (800m by 50m) survey, using a similar technique which identified a coherent low order gold anomaly of >2.5 ppb gold and a peak value of 8.5 ppb. Additional sampling will target several isolated gold anomalies ranging from 5 ppb to a peak value of 26 ppb. GSM is targeting similar gold mineralisation to that found at the Lancefield Mine (Prod.1.3M Oz), located approximately 10 kilometres to the south.

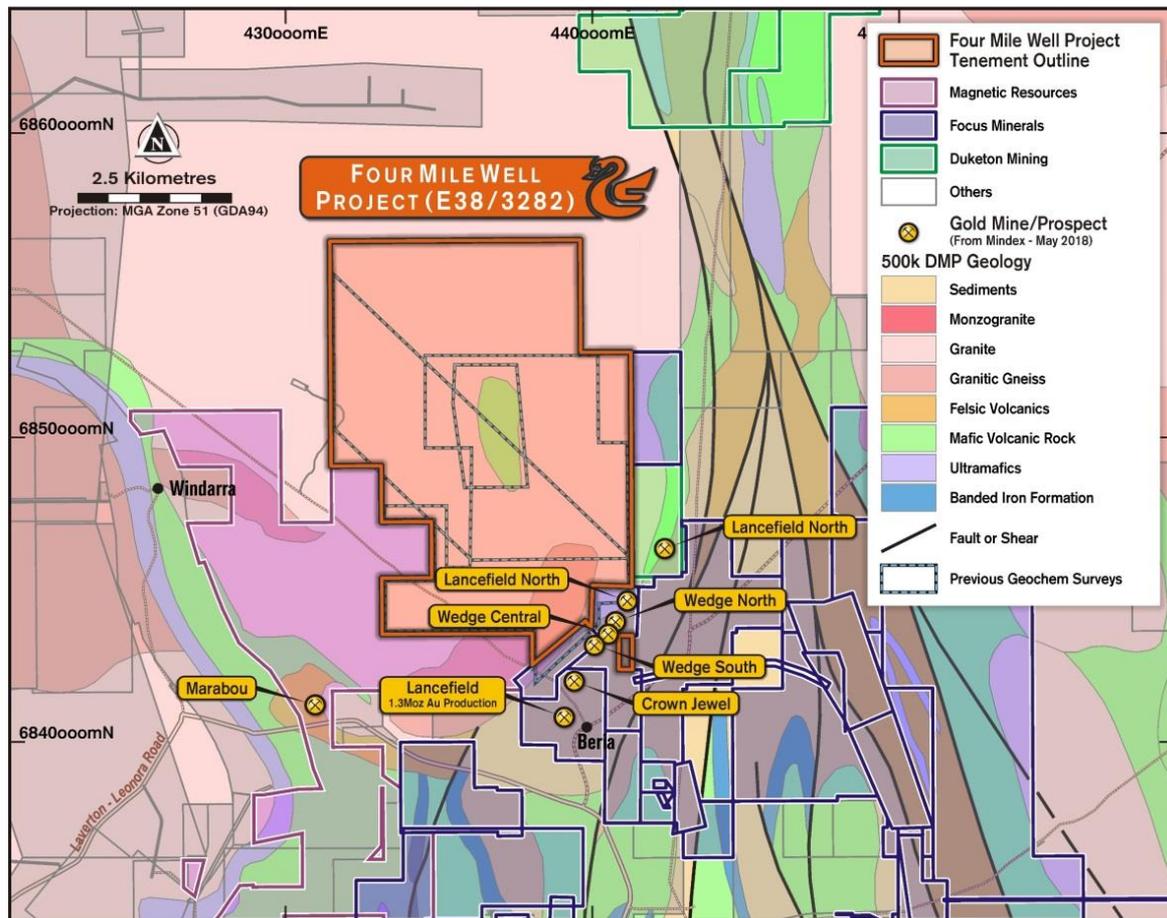


Figure 6: Exploration Location Plan for Four Mile Well Project.

Planned September Quarter Activities

During the September 2019 Quarter, the Company will focus upon the following activities;

- Cue - Analysis of drilling results
- Yule North Project - MLEM survey at the Balla Yule Prospect and Quarry Well area
- Yule South Project - AC drill planning and approvals on priority 1 targets
- Cuddingwarra - Further geochemical programs and AC drill planning and approvals
- Four Mile Well - Further infill geochemical surveys to assist in the development of drill targets

For further information please contact:

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- Greg Hancock (Non-Executive Director) 08 6323 2384 / 0418 263 388

About Golden State Mining

GSM is a Western Australian minerals exploration company listed on the Australian Securities Exchange (ASX: 'GSM'). The company's prime focus is the exploration and development of three highly prospective Western Australian gold project areas.

MURCHISON

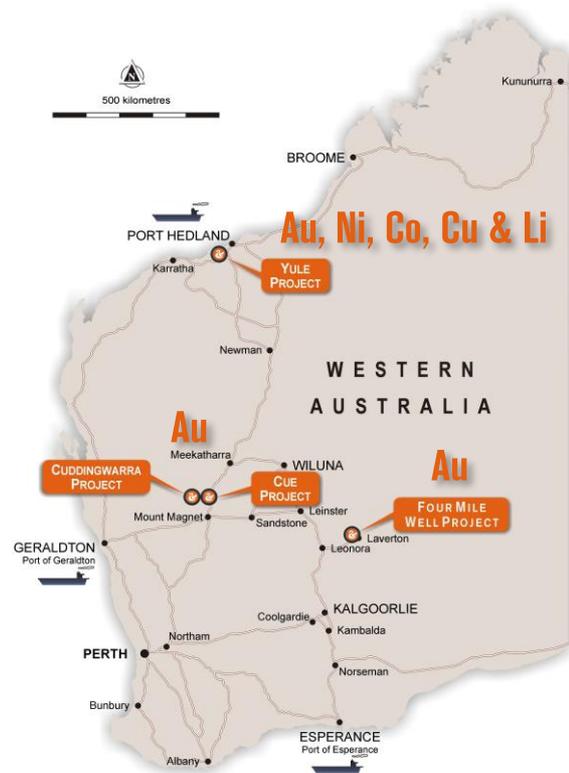
- Approximately 645km by road northeast of Perth
- 175km² of tenements including Cuddingwarra, Big Bell South & Cue
- Targeting large gold systems
- Proven Gold Region - produced over 7Moz of gold the past 126 years
- Day Dawn/Great Fingall mine (1.7Moz production) ~5km along trend
- Historic mines operated until around the 1920's exploiting high grade +15g/t gold shoots

YULE

- 17 priority gold, base metal and rare earth element target areas identified
- Located between 35 km and 65 km southwest of Port Hedland in the northern Pilbara region of Western Australia
- Three granted exploration licences for a total of 434 km² capture a significant portion of the Pilbara
- Archaean layered mafic-ultramafic intrusion Ni, Cu, Co, PGE, V & Ti targets at Yule North
- Balla Yule magnetic target trend near Sholl Shear Zone largely untested
- Targets identified from airborne geophysics at Yule South

FOUR MILE WELL

- The Four Mile Well Project is located 9km to the north of the Laverton townsite in the Eastern Goldfields and consists of a single 38 block exploration licence (approximately 107 km²)
- The region is well endowed with a number of major gold and nickel deposits within close proximity to the Four Mile Well Project area
- Significant nickel sulphide deposits (Windarra and Mt Windarra) are located to the west of the project area and the 1.3Moz Lancefield gold deposit is located less than 1km to the south
- Geochemical programs by several previous explorers have produced gold anomalism that was never followed up or drill tested



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, Mineral Resources or Ore Reserves 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.

APPENDIX 1 Summary of Mining Tenements

Table 1. As at 31 March 2019 the Company or its subsidiaries ("Group") had a 100% beneficial interest in the following tenements:

Number	Holder	Status
Murchison Project		
E 21/192	Lefroy Exploration Ltd ¹	Live
E 21/193	Lefroy Exploration Ltd ¹	Live
P 20/2256	Lefroy Exploration Ltd ¹	Live
P 20/2257	Lefroy Exploration Ltd ¹	Live
P 20/2258	Lefroy Exploration Ltd ¹	Live
P 20/2259	Lefroy Exploration Ltd ¹	Live
P 20/2260	Lefroy Exploration Ltd ¹	Live
P 20/2261	Lefroy Exploration Ltd ¹	Live
P 20/2262	Lefroy Exploration Ltd ¹	Live
P 20/2263	Lefroy Exploration Ltd ¹	Live
P 20/2264	Lefroy Exploration Ltd ¹	Live
P 20/2265	Lefroy Exploration Ltd ¹	Live
P 20/2266	Lefroy Exploration Ltd ¹	Live
P 20/2267	Lefroy Exploration Ltd ¹	Live
P 20/2268	Lefroy Exploration Ltd ¹	Live
P 20/2269	Lefroy Exploration Ltd ¹	Live
P 20/2272	Lefroy Exploration Ltd ¹	Live
P 20/2273	Lefroy Exploration Ltd ¹	Live
P 20/2274	Lefroy Exploration Ltd ¹	Live
P 20/2275	Lefroy Exploration Ltd ¹	Live
L 20/60	Western Mining Pty Ltd ⁴	Live
L 20/61	Western Mining Pty Ltd ⁴	Live
L 20/62	Western Mining Pty Ltd ⁴	Live
L 20/66	Western Mining Pty Ltd ⁴	Live
L 20/68	Western Mining Pty Ltd ⁴	Live
L 20/69	Western Mining Pty Ltd ⁴	Live
L 20/70	Western Mining Pty Ltd ⁴	Live
L 20/78	Western Mining Pty Ltd ⁴	Pending
M 20/61	Western Mining Pty Ltd ⁴	Live
M 20/519	Western Mining Pty Ltd ⁴	Live
M 20/520	Western Mining Pty Ltd ⁴	Live
M 20/522	Western Mining Pty Ltd ⁴	Live
M 20/523	Western Mining Pty Ltd ⁴	Live
M 20/524	Western Mining Pty Ltd ⁴	Live
M 20/525	Western Mining Pty Ltd ⁴	Live
M 20/547	Western Mining Pty Ltd ⁴	Pending
M 20/548	Western Mining Pty Ltd ⁴	Pending
P 20/2027	Western Mining Pty Ltd ⁴	Live

P 20/2118	Western Mining Pty Ltd ⁴	Live
P 20/2160	Western Mining Pty Ltd ⁴	Live
P 20/2162	Western Mining Pty Ltd ⁴	Live
P 20/2174	Western Mining Pty Ltd ⁴	Live
P 20/2213	Western Mining Pty Ltd ⁴	Live
P 20/2214	Western Mining Pty Ltd ⁴	Live
P 20/2223	Western Mining Pty Ltd ⁴	Live
P 20/2276	Western Mining Pty Ltd ⁴	Live
P 20/2319	Cue Consolidated Mining Pty Ltd ²	Live
P 20/2320	Cue Consolidated Mining Pty Ltd ²	Live
P 20/2321	Cue Consolidated Mining Pty Ltd ²	Live
P 20/2322	Cue Consolidated Mining Pty Ltd ²	Live
P 20/2323	Cue Consolidated Mining Pty Ltd ²	Live
P 20/2324	Cue Consolidated Mining Pty Ltd ²	Live
P 20/2325	Cue Consolidated Mining Pty Ltd ²	Live
P 20/2330	Western Mining Pty Ltd ⁴	Live
P 20/2335	Cue Consolidated Mining Pty Ltd ²	Live
P 20/2336	Cue Consolidated Mining Pty Ltd ²	Live
P 20/2342	Cue Consolidated Mining Pty Ltd ²	Live
P 20/2343	Cue Consolidated Mining Pty Ltd ²	Live
P 20/2344	Cue Consolidated Mining Pty Ltd ²	Live
P 20/2345	Cue Consolidated Mining Pty Ltd ²	Live
P 20/2346	Cue Consolidated Mining Pty Ltd ²	Live
P 20/2349	Cue Consolidated Mining Pty Ltd ²	Live ⁵
P 20/2368	Cue Consolidated Mining Pty Ltd ²	Live
P 20/2369	Cue Consolidated Mining Pty Ltd ²	Live
P 20/2370	Cue Consolidated Mining Pty Ltd ²	Live ⁵
P 20/2371	Cue Consolidated Mining Pty Ltd ²	Live ⁵
P 20/2372	Cue Consolidated Mining Pty Ltd ²	Live ⁵
P 20/2373	Cue Consolidated Mining Pty Ltd ²	Live ⁵
P 20/2374	Cue Consolidated Mining Pty Ltd ²	Live
P 20/2382	Cue Consolidated Mining Pty Ltd ²	Pending
P 21/756	Western Mining Pty Ltd ⁴	Live
P 21/765	Cue Consolidated Mining Pty Ltd ²	Live
P 21/766	Cue Consolidated Mining Pty Ltd ²	Live
E 20/949	Cue Consolidated Mining Pty Ltd ^{2,3}	Pending
E 20/950	Cue Consolidated Mining Pty Ltd ^{2,3}	Pending
E 20/951	Cue Consolidated Mining Pty Ltd ^{2,3}	Pending

Yule Project		
E 47/3503-I	Crown Mining Pty Ltd ²	Live
E 47/3507-I	Crown Mining Pty Ltd ²	Live
E 47/3508-I	Crown Mining Pty Ltd ²	Live
Four Mile Well Project		
E 38/3282	Crown Mining Pty Ltd ²	Live

Notes:

1. Acquired during the quarter; Held in trust for Cue Consolidated Mining Pty Ltd pending transfer.
2. 100% subsidiary of GSM.
3. Applied for during the quarter.
4. Held in trust for Cue Consolidated Mining Pty Ltd pending transfer.
5. Granted during reporting period.

The following tenements we either withdrawn or surrendered during the reporting period, P 20/2232, P 20/2026, P 20/2067, P 20/2134, P 20/2135, P20/2136 & P20/2177.