



Golden State Mining Limited
ABN 52 621 105 995

NOTICE OF ANNUAL GENERAL MEETING

AND

EXPLANATORY STATEMENT

AND

PROXY FORM

Date of Meeting

Friday 29 November 2019

Time of Meeting

10:00 am (AWST)

Place of Meeting

Celtic Club
48 Ord Street
WEST PERTH WA 6005

This Notice of Annual 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.

*The **2019 Annual Report** may be viewed on the Company's website at www.goldenstatemining.com.au*

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

Notice is hereby given that the 2019 annual general meeting (**Meeting**) of Golden State Mining Limited (**Company**) will be held at the Celtic Club, 48 Ord Street, West Perth, Western Australia on Friday 29 November 2019 at 10:00 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

2019 FINANCIAL STATEMENTS AND REPORTS

To receive the Financial Report, together with the Directors' Report and the Auditor's Report, for the financial year ended 30 June 2019.

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following **advisory only resolution**:

"That, for the purposes of Section 250R(2) of the Corporations Act, and for all other purposes, the Remuneration Report forming part of the Company's 2019 Annual Report be and is hereby adopted."

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition: A vote must not be cast (in any capacity) on Resolution 1 by or on behalf of a member of the Key Management Personnel or a Closely Related Party of such a member. However, such a person may cast a vote on the Resolution if the vote is not cast on behalf of such a person and the person:

- (a) is appointed as a proxy by writing that specifies the way the proxy is to vote; or
- (b) is the Chair of the meeting and the appointment of the Chair as proxy expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

A vote cast in contravention of this prohibition will be taken not to have been cast.

RESOLUTION 2 – RE-ELECTION OF MR GREGORY HANCOCK AS A DIRECTOR

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

"That, for the purpose of article 14.2 of the Constitution and for all other purposes, Mr Gregory Hancock retires by rotation as a Director and, being eligible and having offered himself for re-election, be re-elected a Director of the Company."

RESOLUTION 3 – RE-ELECTION OF MR DAMIEN KELLY AS A DIRECTOR

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

"That, for the purpose of article 14.2 of the Constitution and for all other purposes, Mr Damien Kelly retires by rotation as a Director and, being eligible and having offered himself for re-election, be re-elected a Director of the Company."

RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF SHARES AND OPTIONS TO LEFROY EXPLORATION

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

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the previous issue of 1,700,000 fully paid ordinary shares and 800,000 unlisted options on 23 January 2019 to Lefroy Exploration Limited (ASX:"LEX"), for the acquisition of the Murchison Project, on the terms and conditions set out in the Explanatory Statement."

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Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by a person who participated in the issue. However, the Company will not disregard a vote cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF OPTIONS TO CONSULTANTS

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the previous issue of 160,000 options provided as an incentive to unrelated Consultants on 12 June 2019 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 participated in the issue. However, the Company will not disregard a vote cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE OF SHARES FOR DRILLING SERVICES

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the previous issue of 375,000 fully paid ordinary shares on 8 August 2019 for part consideration for drilling services 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 participated in the issue. However, the Company will not disregard a vote cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

RESOLUTION 7 – APPROVAL OF 10% PLACEMENT CAPACITY

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

“That approval is given for the Company to have the additional capacity (ie, 10% Placement Capacity) to issue Equity Securities under Listing Rule 7.1A, for the period specified in Listing Rule 7.1A.1 (ie, 10% Placement Period) and in accordance with the formula prescribed in Listing Rule 7.1A.2.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by a person who participated in the issue. However, the Company will not disregard a vote cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

RESOLUTION 8 – RE-APPOINTMENT OF AUDITOR

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

“To re-appoint Stantons International Audit and Consulting Pty Ltd as auditor to the Company at a fee to be agreed by the Directors.”

OTHER BUSINESS

To deal with any other business that may be brought forward in accordance with the Constitution and the Corporations Act.

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

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- 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 10:00 am (AWST) on 27 November 2019 by:

1. post to Security Transfer Australia Pty Ltd, PO Box 52, Collins Street West VIC 8007;
2. facsimile to Security Transfer Australia Pty Limited at (08) 9315 2233 (International: +61 8 9315 2233);
3. email at registrar@securitytransfer.com.au; or
4. online at www.securitytransfer.com.au.

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 10:00 am (AWST) on 27 November 2019 will be entitled to attend and vote at the Annual 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: 29 October 2019

EXPLANATORY STATEMENT

This Explanatory Statement accompanies and comprises part of the notice (**Notice**) convening the Annual General Meeting (**Meeting**) of Shareholders of Golden State Mining Limited to be held 29 November 2019.

Capitalised terms in this Explanatory Statement are defined in the Glossary.

FINANCIAL STATEMENTS AND REPORTS

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report, for the financial year ended 30 June 2019.

There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered a reasonable opportunity to:

- (a) discuss the Annual Report which is available online from the Company's website www.goldenstatemining.com.au;
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit, the preparation and content of the Auditor's Report, accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

In addition to taking questions at the Meeting, written questions to the Company's auditor if the question is relevant to:

- (a) the content of the Auditor's Report; or
- (b) the conduct of the audit of the Annual Report to be considered at the AGM,

may be submitted no later than 5 business days before the Meeting to the Company by email at info@gsmining.com.au or delivered to the Company's registered office.

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

1.1 General

Section 250R of the Corporations Act requires the Company to put the Remuneration Report to members for adoption. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for the Key Management Personnel. Copies of the Annual Report are available by contacting the Company's share registry or visiting the Company's web site www.goldenstatemining.com.au.

The vote of the members is advisory only and does not bind the Directors of the Company.

Following consideration of the Remuneration Report, members will be given a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

The Chair intends to exercise all available proxies in favour of Resolution 1.

RESOLUTION 2 – RE-ELECTION OF MR GREGORY HANCOCK AS A DIRECTOR

Mr Hancock was appointed as a Director upon the Company's incorporation on 6 April 2019. He retires in accordance with the Company's Constitution and, being eligible, offers himself for re-election.

Mr Hancock has over 25 years' experience in capital markets practicing in the area of Corporate Finance. He has extensive experience in both Australia and the United Kingdom through his close links to the stockbroking and investment banking community. In this time, he has specialised in mining and natural resources and has had a background in the finance and management of small companies.

He is Chairman of AusQuest Limited, BMG Resources Limited and Non-Executive Director of Zeta Petroleum Plc, Strata-X Energy Ltd, King Island Scheelite Ltd and Cobra Resources Plc.

Mr Hancock continues his close association with the capital markets in Australia and the United Kingdom through his private company Hancock Corporate Investments Pty Ltd.

Board recommendation

The Directors, apart from Mr Hancock, supports the re-election of Mr Hancock and recommends that Shareholders vote in favour of Resolution 2.

RESOLUTION 3 – RE-ELECTION OF MR DAMIEN KELLY AS A DIRECTOR

Mr Kelly was appointed as a Director upon the Company's incorporation on 15 August 2017. He retires in accordance with the Company's Constitution and, being eligible, offers himself for re-election.

Mr Kelly is the founder and principal of Western Tiger Corporate Advisers. He has broad corporate and commercial experience spanning over 19 years. He provides professional services to ASX and AIM listed companies predominately in the mining and energy sector. He has an MBA, Bachelor of Commerce, a Graduate Diploma in Applied Finance and Investment and is a former officer in the armed services, having graduated from the Royal Military College, Duntroon. He is a fellow of the Financial Services Institute of Australia (FinSIA) and a member of CPA Australia.

Board recommendation

The Directors, apart from Mr Kelly, supports the re-election of Mr Kelly and recommends that Shareholders vote in favour of Resolution 3.

RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF SHARES AND OPTIONS TO LEFROY EXPLORATION

4.1 General

On 23 January 2019, the Company announced that it issued 1,700,000 shares and 800,000 options to Lefroy Exploration Limited (ASX:LEX) as part consideration for the acquisition of the Murchison Project.

Resolution 4 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Ratification**).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

4.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- a) 1,700,000 Shares and 800,000 unlisted Options were issued;
- b) the issue price was \$0.135 per Share and the unlisted Options had a valuation of \$0.028 per option;
- c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing shares and the unlisted Options have an exercise price of \$0.25 per Option, expiring on 26 October 2022. The Shares issued upon exercise of the Options will be fully paid and will rank pari passu in all respects with the Company's other Shares on issue;
- d) the Shares were issued to Lefroy Exploration Limited (ASX:LEX) approved by the board. The allottee is not a related party of the Company;
- e) Nil funds were raised as the securities were issued as part consideration for the Murchison Project acquisition.
- f) the shares and options were issued on 23 January 2019; and
- g) refer to the Notice of Meeting for details of the voting exclusion statement for the Resolution.

The Chairman intends to exercise all undirected proxies in favour of Resolution 4.

RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF OPTIONS TO CONSULTANTS

5.1 General

On 13 June 2019, the Company announced that it issued 160,000 options on 12 June 2019 as an incentive to consultants. The consultants were not related parties of the Company.

Resolution 5 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Ratification**).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

5.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- a) 160,000 unlisted Options were issued;
- b) the Options were granted for nil cash consideration and had a valuation of \$0.003 per option;
- c) the unlisted Options have an exercise price of \$0.25 per Option, expiring on 8 November 2021. The Shares issued upon exercise of the Options will be fully paid and will rank pari passu in all respects with the Company's other Shares on issue;
- d) Issued to consultants of the Company approved by the Board. The allottees are not related parties of the Company. 20,000 Options were issued to Andrew Pearce, 40,000 Options were issued to Zetek Resources Pty Ltd <Zetek A/C> and 100,000 Options were issued to Mrs Dolores Labajo Maund;
- e) No funds were raised from the issue of the Options;
- f) the options were issued on 12 June 2019; and
- g) refer to the Notice of Meeting for details of the voting exclusion statement for the Resolution.

The Chairman intends to exercise all undirected proxies in favour of Resolution 5.

RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE OF SHARES FOR DRILLING SERVICES

6.1 General

On 8 August 2019, the Company announced that it issued 375,000 fully paid ordinary shares for part consideration for drilling services.

Resolution 6 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Ratification**).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

6.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- a) 375,000 Shares were issued;
- b) the issue price was \$0.08 per Share;
- c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing shares;
- d) Issued to Challenge Drilling's nominee Olgen Pty Ltd <Olgen Pty Ltd A/C> approved by the board. The allottee is not a related party of the Company;
- e) Nil funds were raised as the Shares were issued as part consideration for drilling services;
- f) the shares were issued on 8 August 2019; and
- g) refer to the Notice of Meeting for details of the voting exclusion statement for the Resolution.

The Chairman intends to exercise all undirected proxies in favour of Resolution 6.

RESOLUTION 7 – APPROVAL OF 10% PLACEMENT CAPACITY

7.1 General

Under Listing Rule 7.1, subject to certain exceptions, a listed entity must not, without the approval of holders of ordinary securities, issue or agree to issue more Equity Securities than the number calculated according to the formula set out in that rule. The formula generally has the effect that, in addition to the exceptions provided, every listed entity has the ability over any 12 month period to issue Equity Securities equal to 15% of its issued capital at the commencement of the 12 month period.

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to a further 10% of its issued share capital through placements over a 12 month period after the AGM (**10% Placement Capacity**). The 10% Placement Capacity is in addition to the Company's 15% placement capacity under Listing Rule 7.1 and must be approved by a special resolution of shareholders to be enlivened.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Capacity. The exact number of Equity Securities that may be issued under the 10% Placement Capacity will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 7.2(c) below).

7.2 Description of Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Capacity is subject to shareholder approval by way of a special resolution at an AGM.

(b) Equity Securities

Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing quoted class of Equity Securities of the Company.

(c) Formula for calculating 10% Placement Capacity – Listing Rule 7.1A.2

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an AGM may issue or agree to issue, during the 12 month period after the date of the AGM, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

A is the number of fully paid ordinary shares on issue 12 months before the date of issue or agreement:

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- (i) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (ii) plus the number of partly paid shares that became fully paid in the 12 months;
- (iii) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4;
- (iv) less the number of fully paid shares cancelled in the 12 months.

D is 10%;

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

(d) *Listing Rule 7.1 and Listing Rule 7.1A*

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 36,626,200 Shares. Assuming Resolutions 4 to 7 are passed, and the Company's Shares on issue do not change, the Company has capacity to issue:

- (i) 5,493,930 Equity Securities under Listing Rule 7.1; and
- (ii) 3,662,620 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 0(c) above).

(e) *Minimum Issue Price*

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the volume weighted average price (VWAP) of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) *10% Placement Period – Listing Rule 7.1A.1*

Shareholder approval of the 10% Placement Capacity under Listing Rule 7.1A is valid from the date of the AGM at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the AGM at which the approval is obtained; or
- (ii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(10% Placement Period).

7.3 Listing Rule 7.1A

The effect of Resolution 7 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without impacting the Company's 15% placement capacity under Listing Rule 7.1.

7.4 Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Capacity as follows:

- (a)** The Equity Securities will be issued at an issue price of not less than 75% of the volume weighted average price (VWAP) of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or

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- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 7 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Capacity, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. There is a risk that:
 - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice assuming the full 10% dilution.

The table also shows the voting dilution impact where the number of Shares on issue (variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.042 50% decrease in Issue Price	\$0.084 Issue Price	\$0.168 100% increase in Issue Price
Current Variable A (Shares)	10% dilution	3,662,620 Shares		
36,626,200 Shares	Funds raised	\$153,830	\$307,660	\$615,320
50% increase in Variable A (Shares)	10% dilution	5,493,930 Shares		
54,939,300 Shares	Funds raised	\$230,745	\$461,490	\$922,980
100% increase in Variable A (Shares)	10% dilution	7,325,240 Shares		
73,252,400 Shares	Funds raised	\$307,660	\$615,320	\$1,230,640

The table has been prepared on the following assumptions:

- (i) The current Shares on issue are as at the date of the Notice.
- (ii) The assumed issue price is \$0.084, being the closing price of Shares on the ASX on 29 October 2019.
- (iii) The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity hence the voting dilution is shown in each example as 10%.
- (iv) The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own Shareholding depending on their specific circumstances, and if necessary seek advice from their professional advisers.
- (v) No Options are exercised into Shares before the date of issue of the Equity Securities.
- (vi) The table shows only the effect of issues of Equity Securities under ASX Listing Rule 7.1A, and not dilution under the 15% placement capacity under ASX Listing Rule 7.1, under ASX Listing Rule 7.2, or Shareholder approvals under ASX Listing Rule 7.1.
- (vii) The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. If the issue of Equity Securities includes convertible securities, it is assumed that those convertible securities are converted into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.

Shareholders should note that there is a risk that:

- (i) the market price for the Equity Securities to be issued may be significantly lower on the issue date than on the date of the Meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for those Equity Securities on the date of issue.
- (c) The Company will only issue and allot Equity Securities under the 10% Placement Capacity (if approved) during the 10% Placement Period. The approval under Resolution 7 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).
- (d) The Company may seek to issue the Equity Securities for the following purposes:
 - (i) for cash consideration, in which case the Company may use the funds raised towards making (or to securing the right to make) one or more acquisitions and/or to further its existing projects, and/or general working capital; so that the Company has the necessary working capital and flexibility to consider, and if thought fit, to put it in a stronger position to make (or to secure the right to make) one or more acquisitions and/or to further its existing projects; or
 - (ii) non-cash consideration for the acquisition of (or securing the right to make acquisitions of) new projects and investments or to further its existing projects. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.
- (e) The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.
- (f) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Capacity. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
 - (i) the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
 - (ii) the effect of the issue of the Equity Securities on the control of the Company;
 - (iii) the financial situation and solvency of the Company; and
 - (iv) advice from corporate, financial and broking advisers (if applicable).
- (g) The allottees under the 10% Placement Capacity have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates (as defined in section 11 and sections 13 to 17 of the Corporations Act) of a related party of the Company.
- (h) The Company has not previously obtained approval from Shareholders pursuant to ASX Listing Rule 7.1A.

Golden State Mining Limited

Notice of Annual General Meeting 29 November 2019

In accordance with Listing Rule 7.3A.6, the total number of Equity Securities issued in the 12 months preceding the date of this Notice of Meeting (or expected to be issued before the Meeting) is 9,867,544 representing 18.74% of the Equity Securities on issue at the commencement of the 12 month period. The Company has issued the following equity securities in the 12 months preceding the date of this Notice of Meeting.

Date of Issue	Number of Securities	Class	Issue Price	Discount to market price on date of issue	Total Consideration	Basis of allotment
Securities issued with Shareholder approval or under an exception to Listing Rule 7.1						
29/03/2019	6,690,044	Unlisted options (\$0.25, Exp 8 Nov 2019)	\$0.005	N/A	\$34,450	Entitlements issue
21/06/2019	142,500	Unlisted options (\$0.25, Exp 8 Nov 2019)	\$0.005	N/A	\$713	Entitlements issue shortfall
Securities issued without Shareholder approval and not under an exception to Listing Rule 7.1						
23/01/2019	800,000	Unlisted Options (\$0.25,expiring 26 Oct 2022)	\$0.028	N/A	\$22,400	Acquisition of exploration project from Lefroy Exploration Limited
23/01/2019	1,700,000	Fully Paid Ordinary Shares	\$0.135	N/A	\$229,500	Acquisition of exploration project from Lefroy Exploration Limited
12/06/2019	160,000	Unlisted options (\$0.25, Exp 8 Nov 2021)	\$0.003	N/A	\$480	Issue to unrelated consultants
08/08/2019	375,000	Fully Paid Ordinary Shares	\$0.08	11%	\$30,000	Part consideration for drilling services
Shares issued under Listing Rule 7.1A 10% Placement Capacity						
N/A						
TOTALS						
Fully Paid Ord Shares	2,075,000				\$293,700	
Options	7,792,544				\$58,043	

- (i) In respect of the issues of Equity Securities over the last 12 months that were issued for cash, the fifth bullet point of Listing Rule 7.3A.6(b) requires the Company to disclose in this Notice “the total cash consideration, the amount of that cash that has been spent, what it was spent on, and what is the intended use for the remaining amount of that cash (if any)”. Whilst the total cash consideration received was mingled with the funds then on hand, on the basis of accounting for funds spent on a first in first out method, \$35,163 of the total cash raised has been spent on the expenses of the Offer and general working capital.
- (j) At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities under Listing Rule 7.1A. Therefore, no existing Shareholder’s votes will be excluded under the voting exclusion in the Notice.

7.2 Directors’ Recommendation

Based on the information available, including the information contained in this Explanatory Statement, all of the Directors consider that Resolution 7 is in the best interests of the Company and recommend that Shareholders vote in favour of Resolution 7. The Directors have formed this view as the passing of this Resolution will provide greater flexibility when considering future capital raising opportunities. The passing of Resolution 7 will increase the Directors’ ability to issue new Shares permitted by the Listing Rules without requiring Shareholder approval.

Golden State Mining Limited

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Resolution 7 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Chairman intends to exercise all undirected proxies in favour of Resolution 7.

RESOLUTION 8 – RE-APPOINTMENT OF AUDITOR

The Board is proposing to re-appoint Stantons International Audit and Consulting Pty Ltd as the Company's auditors at a fee to be agreed by the Directors. The auditors have not as yet been appointed by shareholders in accordance with Section 327B(1) of the Corporations Act and as a result they only hold office until this AGM. The Company now seeks Shareholder approval for the ongoing appointment of Stantons International Audit and Consulting Pty Ltd as auditor of the Company and its controlled entities. In accordance with Section 328B of the Corporations Act the Company has obtained a nomination from a Shareholder for Stantons International Audit and Consulting Pty to be appointed as auditor of the Company and a copy of this nomination is attached with this explanatory statement at Annexure A.

In accordance with Section 328A(1) of the Corporations Act, Stantons International Audit and Consulting Pty has provided the Directors with written notification of its consent to act as auditor.

The Chairman intends to exercise all undirected proxies in favour of Resolution 8.

Annexure A – Copy of Nomination of Auditor

Attention: Company Secretary
Golden State Mining Limited
Suite 14, 19/21 Outram Street, West Perth WA 6005

18 October 2019

Dear sir

Nomination of Auditor – Golden State Mining Limited

Advanced Capital Management Pty Ltd, being a member of Golden State Mining Limited ("Company"), hereby nominate Stantons International Audit and Consulting Pty Ltd for appointment as auditor of the Company.

Yours faithfully



Damien Kelly
Director
Advanced Capital Management Pty Ltd
ACN 095 764 499

GLOSSARY

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

\$ means Australian dollars.

10% Placement Capacity has the meaning given in Section 7.1 of the Explanatory Statement.

10% Placement Period has the meaning given in Section 0(f) of the Explanatory Statement.

AGM, Annual General Meeting or Meeting means the meeting convened by the Notice.

Annual Report means the Directors' Report, the Financial Report and Auditor's report in respect of the financial year ended 30 June 2019 (copies of which have been sent to Shareholders who have made an election to receive it and copies of which are available on the Company's web site www.goldenstatemining.com.au).

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

Auditor's Report means the auditor's report on the Financial Report.

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

Board means the board of Directors.

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

Closely Related Party of a member of the Key Management Personnel means:

- a spouse or child of the member;
- a child of the member's spouse;
- a dependent of the member or the member's spouse;
- anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- a company the member controls; or
- a person prescribed by the *Corporations Regulations 2001 (Cth)*.

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

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

Convertible Security means a security of the Company which is convertible into Shares.

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

Director means a director of the Company.

Director's Report means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

Equity Securities has the same meaning as in the Listing Rules.

Explanatory Statement means this information attached to the Notice.

Financial Report means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Listing Rules means the listing rules of ASX.

Meeting has the meaning in the introductory paragraph of the Notice.

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

Option means an option to acquire a Share.

Proxy Form means the proxy form accompanying to this Notice.

Remuneration Report means the section of the Directors' Report contained in the Annual Report entitled "remuneration report".

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.

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules.

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«EFT_REFERENCE_NUMBER»

«Holder_name»
«Address_line_1»
«Address_line_2»
«Address_line_3»
«Address_line_4»
«Address_line_5»

«Company_code» «Sequence_number»

REGISTERED OFFICE:
SUITE 14
19-21 OUTRAM STREET
WEST PERTH WA 6005

SHARE REGISTRY:
Security Transfer Australia Pty Ltd
All Correspondence to:
PO BOX 52
Collins Street West VIC 8007
Suite 913, Exchange Tower
530 Little Collins Street
Melbourne VIC 3000
T: 1300 992 916
E: registrar@securitytransfer.com.au
W: www.securitytransfer.com.au

Code:

GSM

Holder Number:

«HOLDER_NUM

ACN: 621 105 995

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PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

VOTE
ONLINE

Lodge your proxy vote securely at www.securitytransfer.com.au
1. Log into the Investor Centre using your holding details.
2. Click on "Proxy Voting" and provide your Online Proxy ID to access the voting area.

«ONLINE

SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

☐ The meeting chairperson

OR

or failing the person named, or if no person is named, the Chairperson of the meeting, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Proxy sees fit) at the Annual General Meeting of the Company to be held at 10:00am WST on Friday 29 November 2019 at Celtic Club, 48 Ord Street, WEST PERTH WA 6005 and at any adjournment of that meeting.

SECTION B: Voting Directions

Please mark "X" in the box to indicate your voting directions to your Proxy. The Chairperson of the Meeting intends to vote undirected proxies in FAVOUR of all the resolutions. In exceptional circumstances, the Chairperson of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made. Where I/we have appointed the Chairperson as my/our proxy (or the Chairperson becomes my/our proxy by default), I/we expressly authorise the Chairperson to exercise my/our proxy on resolution 1 (except where I/we have indicated different voting intention below) even though resolution 1 is connected directly or indirectly with the remuneration of key management personnel, which includes the Chairperson.

RESOLUTION	For	Against	Abstain*
1. ADOPTION OF REMUNERATION REPORT	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. RE-ELECTION OF MR GREGORY HANCOCK AS A DIRECTOR	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. RE-ELECTION OF MR DAMIEN KELLY AS A DIRECTOR	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. RATIFICATION OF PRIOR ISSUE OF SHARES AND OPTIONS TO LEFROY EXPLORATION	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. RATIFICATION OF PRIOR ISSUE OF OPTIONS TO CONSULTANTS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. RATIFICATION OF PRIOR ISSUE OF SHARES FOR DRILLING SERVICES	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. APPROVAL OF 10% PLACEMENT CAPACITY	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. RE-APPOINTMENT OF AUDITOR	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If no directions are given my proxy may vote as the proxy thinks fit or may abstain. * If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SECTION C: Signature of Security Holder(s)

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security Holder

Security Holder 2

Security Holder 3

Sole Director & Sole Company Secretary

Director

Director/Company Secretary

Proxies must be received by Security Transfer Australia Pty Ltd no later than 10:00am WST on Wednesday 27 November 2019.

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Name:

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This is the name and address on the Share Register of the Company. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a shareholder of the Company.

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by contacting the Company's share registry or you may photocopy this form.

- a) On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- b) Return both forms in the same envelope.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

Proxy forms (and any Power of Attorney under which it is signed) must be received by Security Transfer Australia Pty Ltd no later than the date and time stated on the form overleaf. Any Proxy form received after that time will not be valid for the scheduled meeting.

Email registrar@securitytransfer.com.au

Personal information is collected on this form by Security Transfer Australia Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Australia Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.