

December 2019

Quarterly Activities Report

Gold and base metals exploration company Golden State Mining Limited (ASX code: "GSM" or the "Company") is pleased to report on its activities for the quarter ending 31 December 2019.

Yule Project – 100% GSM

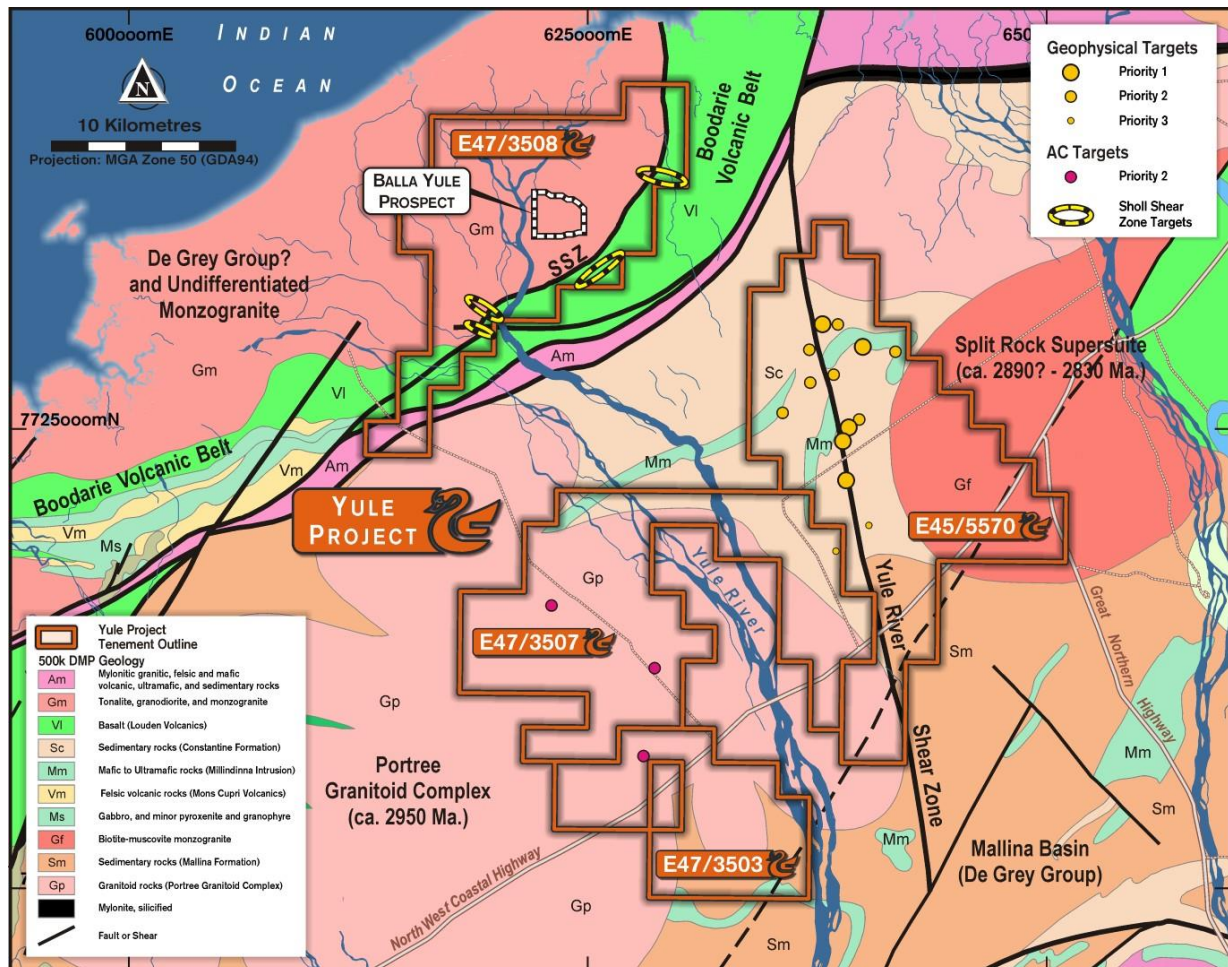


Figure 1: Project location plan showing planned exploration targets in 2020

Yule North

Early modelling results of a follow up Fixed Loop Transient Electro-magnetic (FLTEM) survey were received for the Balla Yule Prospect interpreted bedrock conductor **BYC1** (refer to ASX announcements dated 27 September and 20 December 2019). Modelling confirmed the presence of the BYC1 conductor. However, conductive overburden complicated the modelling process of the anomaly with two interpreted scenarios fitting the observed data. A revised model was interpreted as a flat-lying, shallower and weaker amplitude conductor than the original MLTEM modelling at 100 metres below surface. Further modelling to filter out conductive cover effects produced inconclusive results.

Based on this new information the company will revise its planned drilling at the Balla Yule Prospect to reflect the shallower target. This will include up to 1000 metres of RC drilling in four holes to test all of the bedrock conductor

interpretations. The company will also test the magnetic interpretation as an Archaean layered mafic/ultramafic intrusive target with exploratory drilling planned for Q2 2020. This will include up to 500 metres of Aircore drilling across interpreted structures within the elliptical feature at Balla Yule. The company will also pursue targeting of prospective structures within the Sholl shear zone. This will include up to 1000 metres of Aircore drilling across interpreted structural features within the Sholl Shear Zone.

Completion of planned drilling activities are dependent on favourable local weather conditions during the wet season in the northern Pilbara but are expected to commence in April 2020.

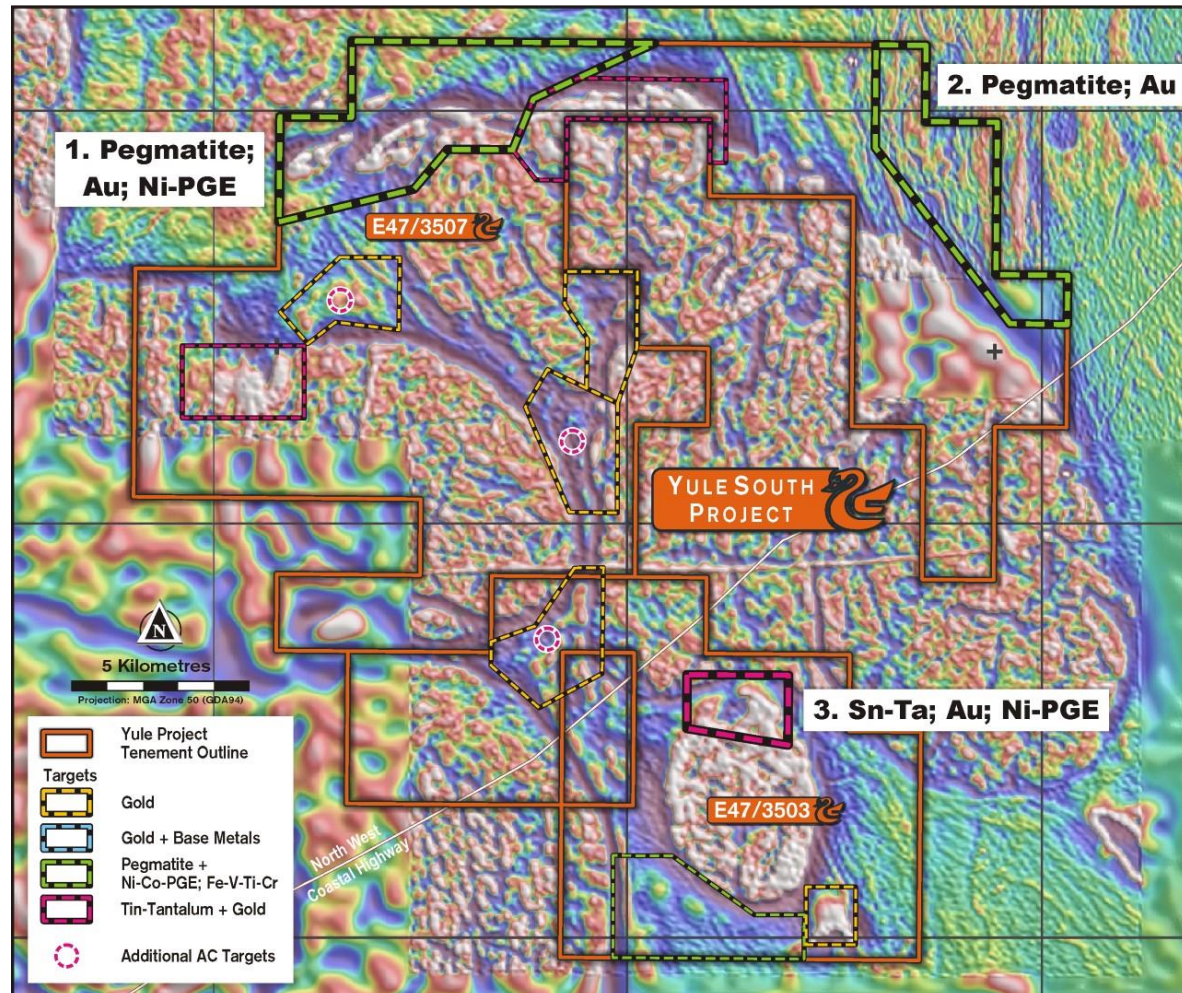


Figure 2: Yule South Target Areas showing planned Aircore program targets over RTP 1VD Magnetic Image

Yule South

A program of works and heritage survey requests are progressing for an Aircore drilling program planned to test three high priority gold and rare metal pegmatite targets (Figure 2).

Target areas 1 and 2 (Figure 2) contain interpreted sheared remnant greenstone sequences and dilational zones proximal to major structures which are considered prospective hosts for gold mineralisation. Target area 3 is located at the northern margin of a later, more magnetic granite pluton which is considered to be a suitable geological setting for gold and tin-tantalum potential.

Details of each target area are as follows:

Target 1

Interpreted greenstone/ultramafic sequence tightly folded along a North East axis, parallel to the Sholl Shear Zone. This interpreted structural corridor extends up to an unnamed younger fertile granite with rare metal pegmatite affinity and could act as a conduit for mineralising fluids.

Target 2

Similar geological setting to target 1 with possible greenstone sequence under cover along the Yule River shear zone ~4-5 km west of an interpreted rare metal fertile younger granite with connecting NE structures.

Target 3

Distinctly stronger magnetic responses from possible ultramafic or altered mafic at the northern margin of a later magnetic intrusive with a central low/demagnetised zone. Elevated magnetism at this northern contact zone is interpreted to represent possible ultramafic or altered mafic units or alteration associated with remnant Mallina Basin sediments. This could be related to a later intrusive phase of the granite with tin-tantalum potential.

In addition to the above, a further review of the remaining geophysical targets has expanded the scope of the exploration activities planned for the 2020 field season. Additional drill targets will now be added to the planned AC program currently under preparation via departmental statutory approvals (refer to ASX announcement 25 October 2019). The additional gold targets (Figure 2) are interpreted alteration zones and structural targets hosting Mallina Basin metasediments 'squeezed' between interpreted nested plutons of the Portree Granite Complex. This work is expected to commence in April 2020.

Murchison – 100% GSM

Cuddingwarra - Drilling

A heritage survey has been completed and program of works submitted for up to 4000 metres of aircore drilling at the Cuddingwarra group of tenements.

The program is designed to test a range of targets including interpreted structural trends based on geophysical data, soil anomalies identified from recent geochemical sampling and historic aircore drilling containing anomalous gold assay results at or near the bottom of hole.

Four Mile Well – 100% GSM

Aircore Drill Program

The Company completed the first recorded drill program at the Four Mile Well project during November/December (refer to ASX announcement dated 8 January 2019). The program consisted of 58 AC drill holes (Figure 3) for a total advance of 1742 metres. This first pass reconnaissance drill program was designed to test multiple target areas including interpreted geochemical anomalies and structural targets identified from geophysical data. The best results were encountered to the east of the Lancefield mine sequence in the south-east of the project area. Three holes intersected anomalous gold intervals greater than 50ppb (Figure 2) in four-metre composite sample intervals.

The Company is currently reviewing the recent drilling results and geological interpretation to establish whether any further work is required.

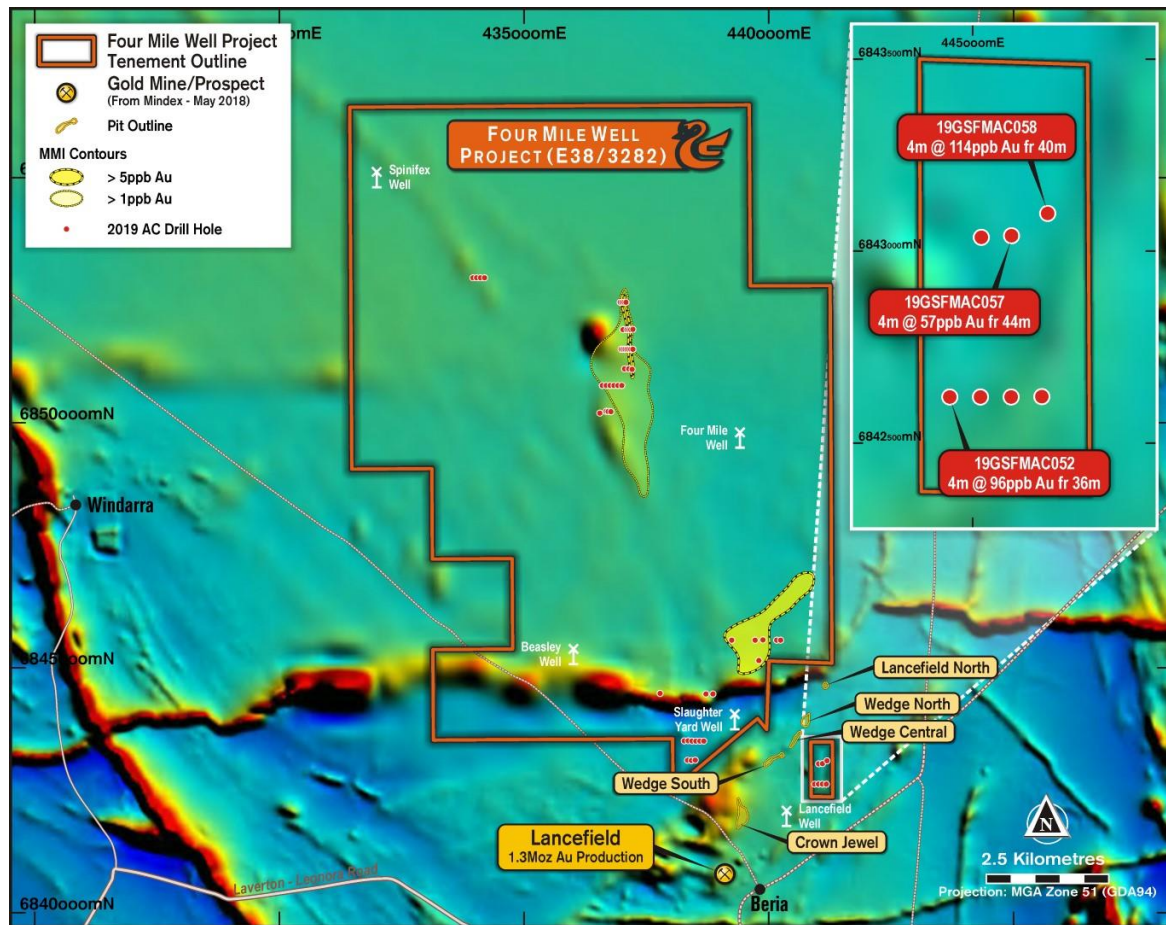


Figure 3: Drill Collar location plan at Four Mile Well over Total Magnetic Intensity (TMI) baseplan

Planned March Quarter Activities

During the March Quarter, the Company will focus upon the following activities;

- Yule North Project – Drill planning and approvals
- Yule South Project – Drill planning and approvals and further target definition
- Cuddingwarra - Drill planning and further target generation work

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

For further information please contact:

- Mike Moore (Managing Director) on 08 6323 2384 / 0438 938 934
- Greg Hancock (Non-Executive Director) 08 6323 2384 / 0418 263 388

BOARD OF DIRECTORS

Damien Kelly
Non-Executive Chairman

Michael Moore
Managing Director

Brenton Siggs
Non-Executive Director

Greg Hancock
Non-Executive Director

ISSUED CAPITAL

Shares	36.6 m
Options	9.2 m

REGISTERED OFFICE

Level 1, Suite 14
19-21 Outram Street
West Perth WA 6005

T: + 61 (08) 6323 2384
F: + 61 (08) 9467 9114
E: info@gsmining.com.au

Golden State Mining Limited
ABN 52 621 105 995

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.

The information in this release that relates to Geophysical Results and Interpretations is based on information compiled by Anne Tomlinson who is a Member of the Australian Institute of Geoscientists (AIG). Anne Tomlinson is a Principal Geophysicist and Director at Southern Geoscience Consultants. Anne Tomlinson has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaking 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'. Anne Tomlinson consents to the inclusion in the release of the matters based on this information in the form and context in which it appears.

APPENDIX 1 Summary of Mining Tenements

Table 1. As at 31 December 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 ⁴	Live
E 21/193	Lefroy Exploration Ltd ⁴	Live
P 20/2256	Lefroy Exploration Ltd ⁴	Live
P 20/2257	Lefroy Exploration Ltd ⁴	Live
P 20/2258	Lefroy Exploration Ltd ⁴	Live
P 20/2259	Lefroy Exploration Ltd ⁴	Live
P 20/2260	Lefroy Exploration Ltd ⁴	Live
P 20/2261	Lefroy Exploration Ltd ⁴	Live
P 20/2262	Lefroy Exploration Ltd ⁴	Live
P 20/2263	Lefroy Exploration Ltd ⁴	Live
P 20/2264	Lefroy Exploration Ltd ⁴	Live
P 20/2265	Lefroy Exploration Ltd ⁴	Live
P 20/2266	Lefroy Exploration Ltd ⁴	Live
P 20/2267	Lefroy Exploration Ltd ⁴	Live
P 20/2268	Lefroy Exploration Ltd ⁴	Live
P 20/2269	Lefroy Exploration Ltd ⁴	Live
P 20/2272	Lefroy Exploration Ltd ⁴	Live
P 20/2273	Lefroy Exploration Ltd ⁴	Live
P 20/2274	Lefroy Exploration Ltd ⁴	Live
P 20/2275	Lefroy Exploration Ltd ⁴	Live
L 20/60	Cue Consolidated Mining Pty Ltd ²	Live
L 20/61	Cue Consolidated Mining Pty Ltd ²	Live
L 20/62	Cue Consolidated Mining Pty Ltd ²	Live
L 20/66	Cue Consolidated Mining Pty Ltd ²	Live
L 20/68	Cue Consolidated Mining Pty Ltd ²	Live
L 20/69	Cue Consolidated Mining Pty Ltd ²	Live
L 20/70	Cue Consolidated Mining Pty Ltd ²	Live
L 20/78	Western Mining Pty Ltd ⁴	Pending
M 20/61	Cue Consolidated Mining Pty Ltd ²	Live
M 20/519	Cue Consolidated Mining Pty Ltd ²	Live
M 20/520	Cue Consolidated Mining Pty Ltd ²	Live
M 20/522	Cue Consolidated Mining Pty Ltd ²	Live
M 20/523	Cue Consolidated Mining Pty Ltd ²	Live
M 20/524	Cue Consolidated Mining Pty Ltd ²	Live
M 20/525	Cue Consolidated Mining Pty Ltd ²	Live
M 20/547	Western Mining Pty Ltd ⁴	Pending
P 20/2027	Western Mining Pty Ltd ⁴	Expired
P 20/2118	Cue Consolidated Mining Pty Ltd ²	Live

P 20/2160	Western Mining Pty Ltd ⁴	Surrendered
P 20/2162	Western Mining Pty Ltd ⁴	Surrendered
P 20/2174	Cue Consolidated Mining Pty Ltd ²	Live
P 20/2213	Cue Consolidated Mining Pty Ltd ²	Live
P 20/2214	Cue Consolidated Mining Pty Ltd ²	Live
P 20/2223	Cue Consolidated Mining Pty Ltd ²	Live
P 20/2276	Cue Consolidated Mining Pty Ltd ²	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	Cue Consolidated Mining Pty Ltd ²	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	Liv
P 20/2346	Cue Consolidated Mining Pty Ltd ²	Live
P 20/2349	Cue Consolidated Mining Pty Ltd ²	Live
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
P 20/2371	Cue Consolidated Mining Pty Ltd ²	Live
P 20/2372	Cue Consolidated Mining Pty Ltd ²	Live
P 20/2373	Cue Consolidated Mining Pty Ltd ²	Live
P 20/2374	Cue Consolidated Mining Pty Ltd ²	Live
P 20/2382	Cue Consolidated Mining Pty Ltd ²	Pending
P 21/756	Cue Consolidated Mining Pty Ltd ²	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	Pending
E 20/950	Cue Consolidated Mining Pty Ltd ²	Live
E 20/951	Cue Consolidated Mining Pty Ltd ²	Live

Yule Project		
E 47/3503	Crown Mining Pty Ltd ²	Live
E 47/3507	Crown Mining Pty Ltd ²	Live
E 47/3508	Crown Mining Pty Ltd ²	Live
E 45/5570	Crown Mining Pty Ltd ²	Pending
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.