

Hemi Gold Discovery Highlights Golden State's Yule Project

Highlights

- De Grey Mining Limited has recently made an announcement of a potentially major gold discovery in the Pilbara Craton
- Golden State's 100% owned Yule Project is located ~13km north west of De Grey's Hemi discovery
- The Yule Project consists of 702 km² of ground granted and under application and captures a significant portion of the Pilbara Craton
- Golden State's drilling is planned to commence in early Q2 2020

Golden State Mining Limited (ASX code: "GSM" or the "Company") wishes to advise of the status and mineral potential of its 100% owned Yule Project which is very close to De Grey Mining Limited's (ASX code: "DEG" or "De Grey") recent Hemi gold discovery (refer to De Grey ASX announcement dated 6 February 2020: "Hemi Confirms Potential for Major Discovery" and ASX announcement dated 11 February 2020: "Further impressive thick and high grade gold at Hemi").

Golden State's Managing Director, Michael Moore commented: "We are very excited by the recent De Grey drilling results which underpins our commitment to gold exploration and discovery in this very prospective and underexplored region of the Pilbara Craton. Golden State now has 702 km² of ground granted and under application and this will be a focus for exploration and drilling in early Q2 2020. We already have several high priority gold targets for drilling up at Yule (refer to ASX announcement dated 20 December 2019) and in light of De Grey's recent discovery we are currently expanding on our exploration programmes and look forward to updating shareholders on this shortly."

Yule Project 100% GSM

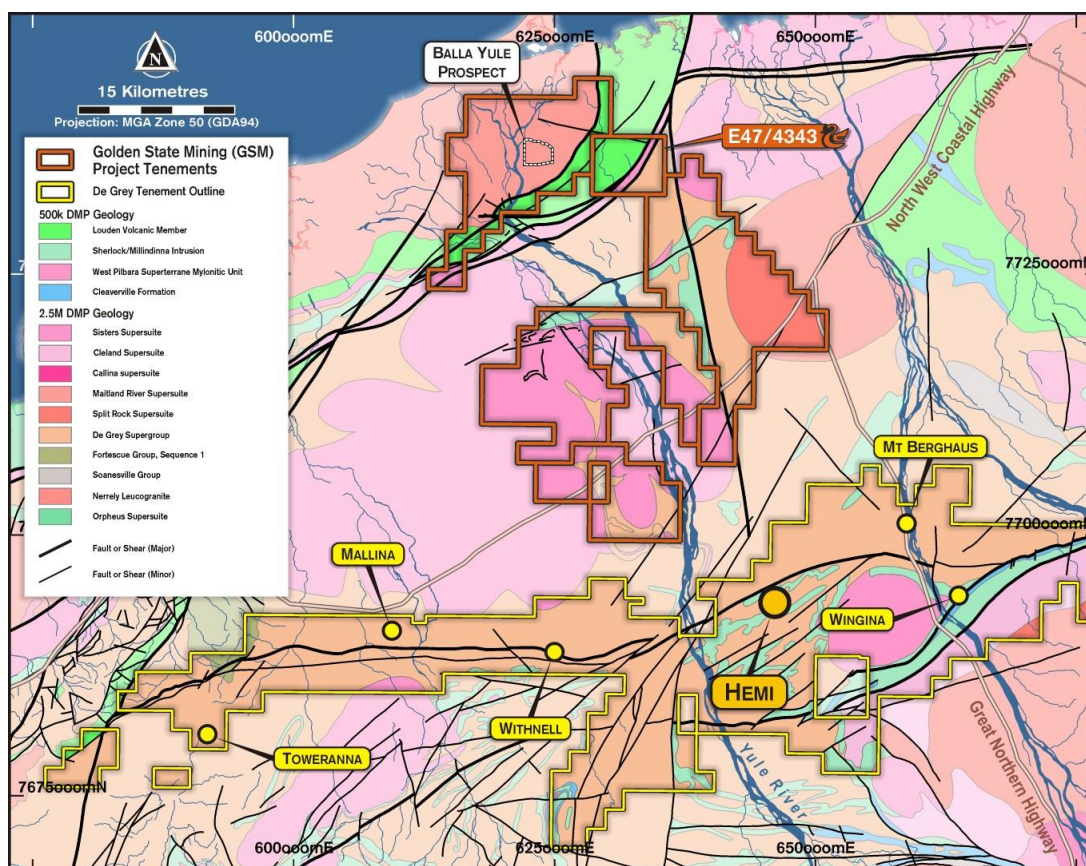


Figure 1: Yule Project location plan in relation to De Grey Mining's

The De Grey Mining results are especially relevant to GSM's planned Yule exploration programs, which are targeting similar geological settings within the Mallina Basin including:

- Hemi-style host – Hydrothermal emplaced gold in regional structures and intrusives
- Altered metasediments (Mallina Formation) and structures 'squeezed' between interpreted nested granite plutons
- Tightly folded greenstone/ultramafic sequences parallel to regional structures

Targeting has focused on untested major and secondary structures on GSM's ground which have potentially acted as a fluid pathway for gold mineralisation. The inaugural gold focused Aircore drill program consisting of 4000 metres will focus on four key target areas:

- **Target 1:** Interpreted greenstone/ultramafic sequence tightly folded and parallel to the regional structure
- **Target 2:** Interpreted greenstone sequence proximal to Yule River shear zone
- **Target 3:** Magnetic contact zone - possible greenstone units or altered Mallina Basin sediments
- **Target 4:** Alteration meta sediments and structures 'squeezed' between nested granites plutons

This program is expected to commence in April 2020, with key interim targets on track as follows:

- Heritage survey scheduled to commence 25 February 2020
- Drill contractor selection currently underway
- Final statutory approvals expected early March 2020

Yule North - Exploration License Application E47/4343

An additional exploration license application (Figure 1) covering additional prospective ground to the east of the current Yule North tenement has been submitted bringing the total project area (granted and applications) application to 702km². This license area not only provides an extension of the Boodarie Greenstone Belt within the Sholl Shear Zone but also a similar geological setting as the recently discovered Hemi Prospect within the Mallina Formation.

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

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BOARD OF DIRECTORS

Damien Kelly
Non-Executive Chairman

Michael Moore
Managing Director

Brenton Siggs
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Options	9.2 m

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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.