

Phase 2 Mallina Basin Drill Program Commences

Highlights

- **Phase 2 drill program has commenced at Yule**
 - **Yule South – 2 structural and intrusive targets**
 - **Yule North – 4 target areas including Balla Yule intrusion and Sholl Shear zone**
- **Phase 2 program – (10,000 - 15,000m) – first results expected during November and December**

Gold and base metals exploration company Golden State Mining Limited (ASX code: "GSM" or the "Company") is pleased to report the commencement of the Phase 2 aircore ("AC") reconnaissance drill program at the Yule Project. This phase will consist of up to 15,000 metres of AC drilling to test target areas at Yule South and Yule North. The duration of the program is estimated to be 6 weeks with first drill results expected in November 2020.



Figure 1: Drilling the first hole at Yule South Target 1 West.

Golden State's Managing Director, Michael Moore commented: "The results gained from the inaugural aircore reconnaissance drilling program at Yule South are further evidence that this region has all the hallmarks of a premier gold exploration destination. GSM is strategically positioned with ~700km² of tenements and we look forward to embarking on our phase 2 (up to 15,000m) drilling programme over 6 target areas with an enhanced understanding of the substantial exploration potential in the Mallina Basin."

PHASE TWO DRILL PROGRAM

The next reconnaissance exploration program will consist of 10-15,000 metres of aircore ("AC") drilling testing target areas at Yule South and Yule North. The duration of the program is estimated to be 6 weeks with first drill results expected early November 2020.

Yule South (E47/3503 & E47/3507) 100% GSM

Two more target zones (Figure 2) will be tested at Yule South during Phase 2 of the reconnaissance AC program in addition to further drill traverses at Targets 2 and 3 from the first phase of drilling (refer to ASX announcements dated 7 September 2020).

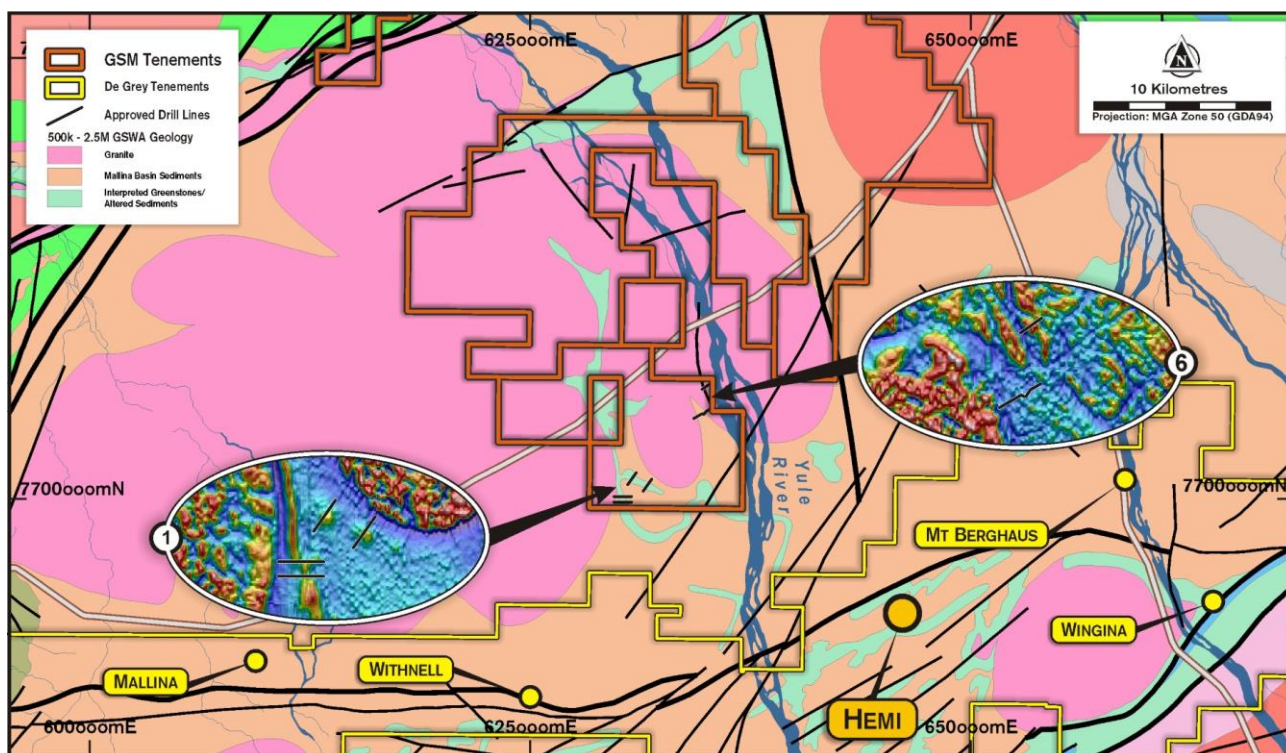


Figure 2: Yule South target location plan showing detailed magnetics of current target areas over regional geology.

Target 1 West

This gold target is located on the western side of the original Target 1 area and will focus on prospective structural and intrusive zones in this region. Two AC traverses will test several discrete magnetic anomalies along the southern margin of a granite pluton (Figure 2). These magnetic sources appear to be constrained along an interpreted south-east structural trend and are considerably more localised than other magnetic anomalies in the area.

Two more AC traverses will test dislocations to a major north-south structure and parallel demagnetised zones interpreted to represent localised alteration.

Target 6

This additional target area is located at the intersection of two north and north-west trending contact zones between major granite plutons and Malina Basin metasediments. This junction is interpreted to represent a fertile high strain zone for potential gold mineralisation.

Yule North (E47/3508) 100% GSM

The first four priority gold and base metal target areas have been selected along the prospective Sholl Shear Zone ("SSZ") and the Balla Yule Prospect (refer to ASX announcements dated 20 December 2019 & 8 January 2020).

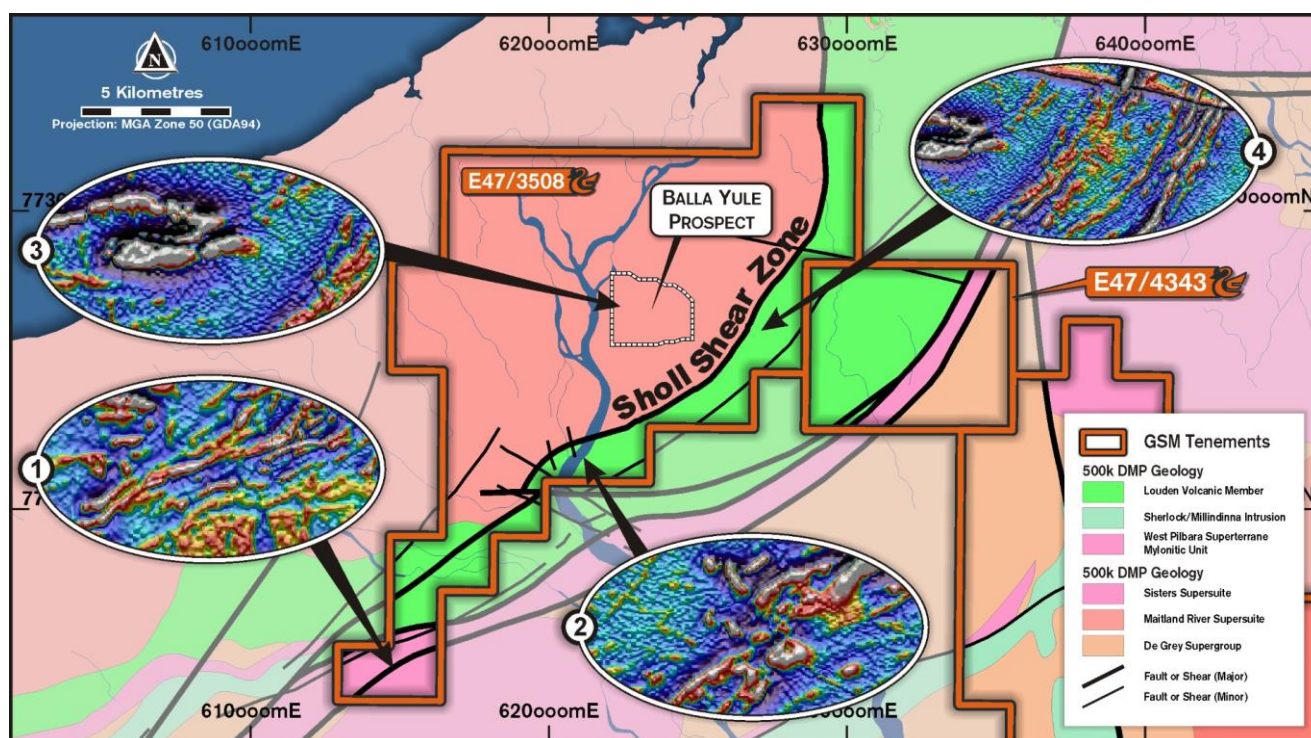


Figure 3: Yule North target location plan showing detailed magnetics of target areas over regional geology.

Target 1

The Quarry Well area is interpreted as a strongly deformed aeromagnetic target related to granite contact zone along the southern edge of the SSZ. These target types are considered prospective for potential gold mineralisation trap sites.

Target 2

This area marks a major dislocation and fault intersection within the SSZ comprising complex, fractured and altered relict greenstones.

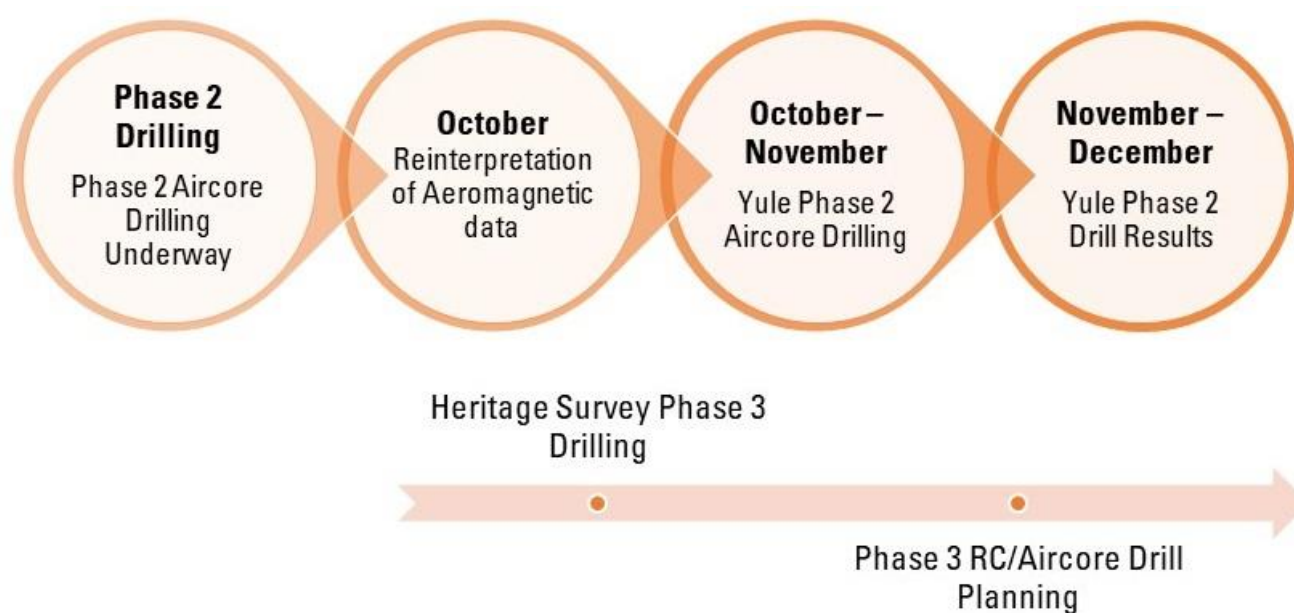
Target 3

The Balla Yule Prospect is an interpreted Archaean layered mafic-ultramafic intrusion with nickel-cobalt-copper potential based on historic drilling results (refer to ASX announcement dated 21 May 2019). Aeromagnetic interpretation indicates a complex structural gold target on the eastern part of the intrusive.

Target 4

Structurally complex zone of interpreted fracturing and folding with potential alteration and intrusive zones. These folded units appear to contain flexures and fault intersections with possible dilational zones.

Upcoming Yule Activities in 2020



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BOARD OF DIRECTORS

Damien Kelly
Non-Executive Chairman

Michael Moore
Managing Director

Brenton Siggs
Non-Executive Director

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ISSUED CAPITAL

Shares	56.6 m
Options	10.8 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, 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.