

Yule Exploration Update

Highlights

- Yule South Aircore drilling program to be expanded
- Upscaled drilling program expected to commence late Q2
- EIS co-funding application for Yule South Project submitted

Golden State Mining Limited (ASX code: "GSM" or the "Company") is pleased to provide an update on the status of its planned drill program at its 100% owned Yule Project located 15 kilometres north west of De Grey Mining Limited's (ASX code: "DEG" or "De Grey") recent Hemi gold discovery. GSM is now planning to increase the scale and drill density of the initial planned program (refer to ASX announcement dated 12 February 2020). The revised scope of the program is designed to test an increased number of high priority targets and be a more robust drill test of all targets. Further details of the expanded drilling program will be announced upon finalisation. GSM has also submitted an application for co-funding from the Western Australian Government's Exploration Incentive Scheme (EIS).

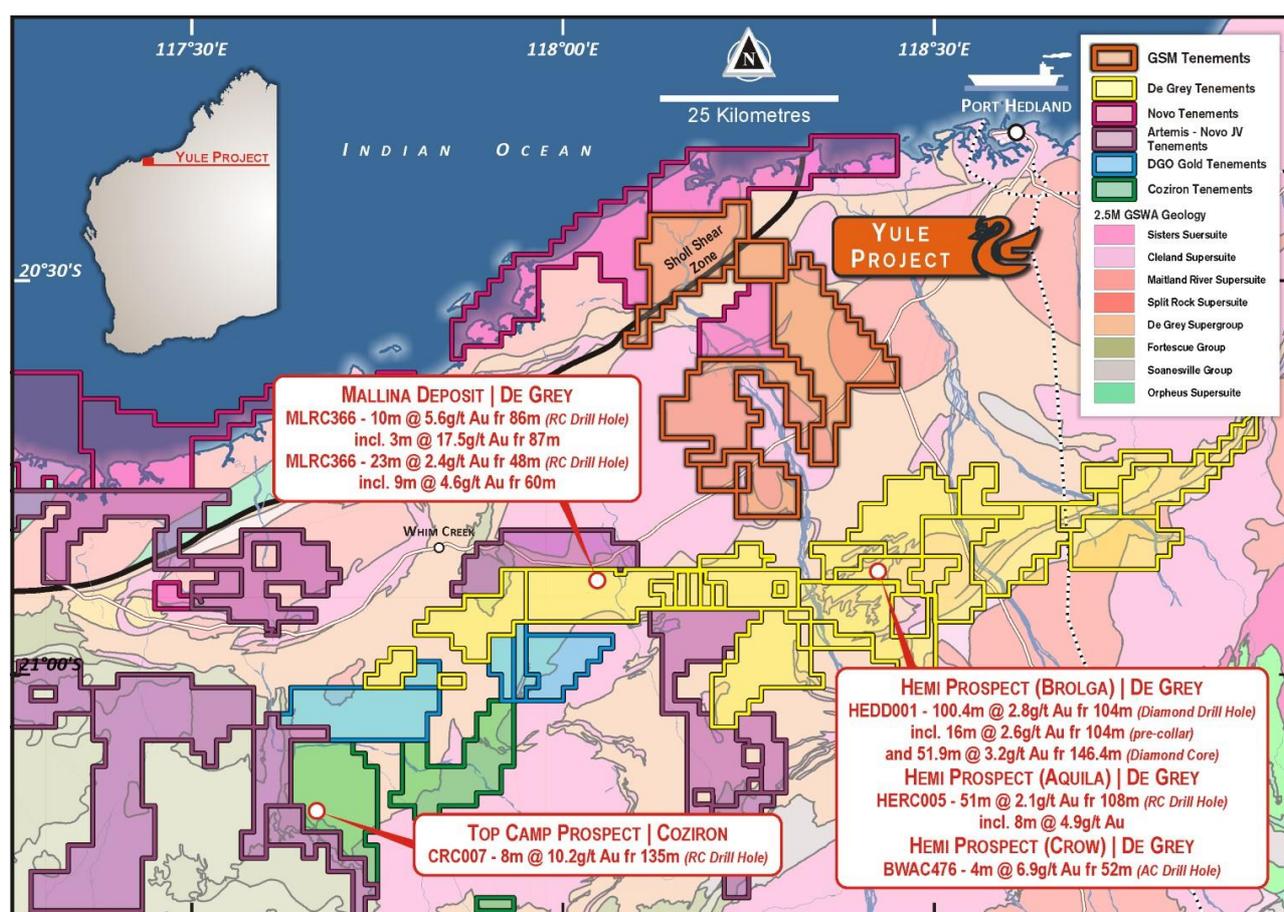


Figure 1: Location of GSM's 702km² of Yule tenements and De Grey prospects (DEG ASX Announcements dated 17/3/2020, 9/4/20 and 14/04/2020 & CZR ASX announcement 6/2/20)

Yule Project 100% GSM

Yule South Expanded Aircore Program

The planned Aircore ('AC') program at Yule South is being modified and expanded with the aim of more effectively testing the priority gold targets at a greater drill density along approved drill lines.

De Grey's Hemi Prospect was discovered using an initial 640m x 80m drill pattern (refer to DEG ASX announcement dated 6 Feb 2020). GSM recognizes this as a suitable drill pattern for testing similar geological features.

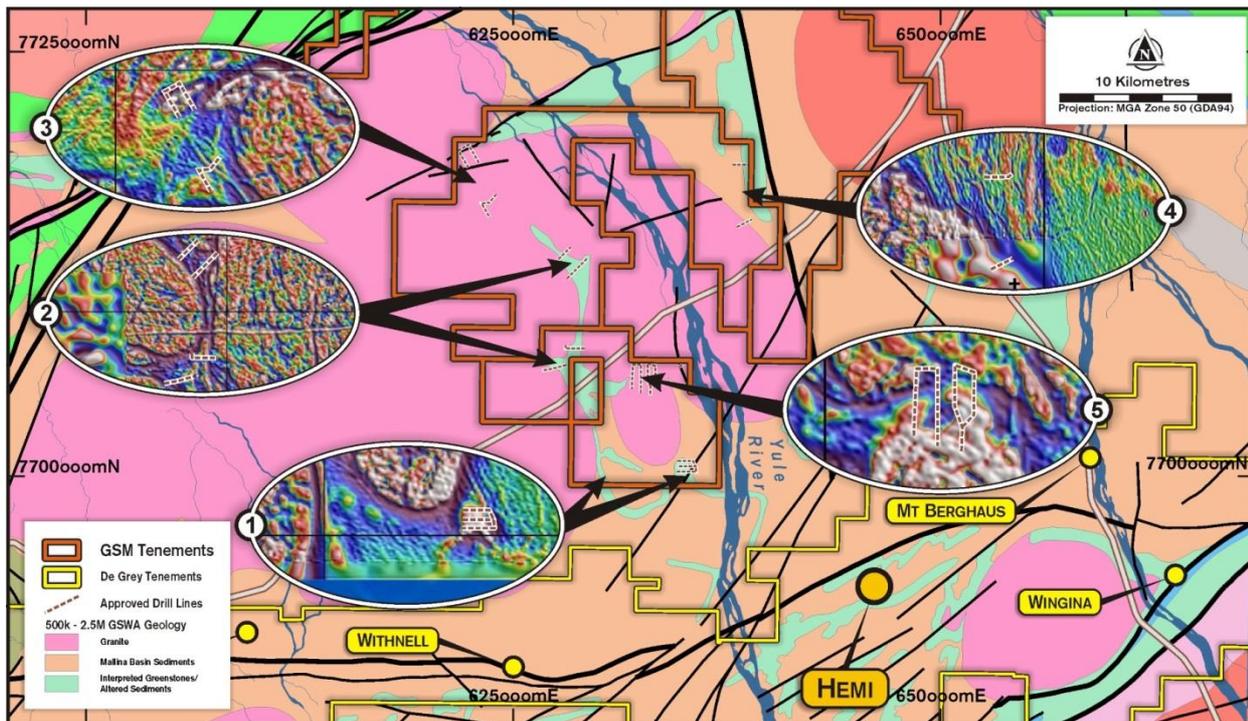


Figure 2: Yule South plan showing approved drill lines and detailed magnetics of target areas over regional geology

Key high priority targets (see Figure 2) include:

Target 1

This area consists of a tightly folded hinge zone of interpreted mafic units or an intrusive within the Mallina formation metasediments and magnetic anomalies parallel to a major north-south structure.

Target 2

A >10km structural corridor 'squeezed' between nested and deformed granitoid complexes is interpreted to contain altered metasediments and remnant greenstone enclaves within folded structures.

Target 3

The geology of this area is interpreted as a tightly folded greenstone/ultramafic sequence or intrusive along a granite contact zone which is parallel to a regional NNE trending regional Pilbara structure.

Target 4

The magnetic signature of this area is interpreted as potential greenstone sequences within Mallina Basin sediments which are proximal to a secondary fault splay trending NE off the Yule River Shear Zone ('YRSZ') to east.

Target 5

This target is located along the highly magnetic northern contact zone of a later intrusive body within the Portree granite complex which is interpreted as a distinct intrusive phase or alteration zone.

EIS Co-funding Application

GSM has submitted an application for co-funding to the Western Australian Government's Exploration Incentive Scheme (EIS). The application is part of Round 21 of the scheme for the co-funding of innovative drilling programs. Successful applications are expected to be announced in mid-late May 2020.

Golden State's Managing Director, Michael Moore commented: The expansion of the planned aircore program at Yule South will provide our shareholders with a much greater opportunity for exploration success. In addition, if the company is successful with its EIS co-funding application, it will also reduce drilling costs over the near term. We look forward to further updating shareholders as we advance towards drilling commencement.

For further information please contact:

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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

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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.

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