



GOLDEN STATE
MINING

Golden State Mining Limited
ABN 52 621 105 995

Annual Report
30 June 2021

Corporate Information

Directors

Mr. Michael Moore (Managing Director – appointed 15 August 2017)
Mr. Damien Kelly (Non-Executive Chairman – appointed 15 August 2017)
Mr. Greg Hancock (Non-Executive Director – appointed 6 April 2018)
Mr. Brenton Siggs (Non-Executive Director - appointed 10 August 2018)

Company Secretary

Mr. Marc Boudames

Registered Office and Principal Place of Business

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Email: info@gsmining.com.au
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Share Register

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Stock Exchange Listing

Golden State Mining Limited is listed on the Australian Securities Exchange (ASX code: GSM)

Auditors

Stantons
Level 2, 1 Walker Avenue
West Perth WA 6005

Solicitors

EMK Lawyers
Suite 1B
Chamber of Commerce Building
16 Phillimore Street
Fremantle WA 6160

Golden State Mining Limited

30 June 2021

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CHAIRMAN'S LETTER

Dear Fellow Shareholder,

The company's June 2021 financial year closed with excitement as we readied to launch our maiden reverse-circulation ("RC") drilling program at our Yule project following a major \$3.2 million capital raise completed in April 2021. This RC campaign was designed to follow up just some of the compelling gold anomalies highlighted from our 28,000m of air-core ("AC") drilling over 2020 and the subsequent, thorough examination and review of those results, which included multiple, +100ppb anomalous gold intersections, broad zones of hydrothermal alteration and quartz veining, and other identified gold and lithium pathfinders.

To deliver such results is very encouraging ... being from a shallow, first pass reconnaissance program over just some of our potential targets – based solely on aeromagnetic interpretation – in a largely untested emerging gold district. It speaks volumes about our greenfield targeting and strategy at Yule. Yet only a fraction of our ~700m² at Yule has been tested to date. The results continue to warrant follow up RC drilling of yet-untested anomalous zones and fresh reconnaissance AC drilling of unexplored targets, particularly intrusive targets.

We have always appreciated the potential that lies under cover in this under-explored region and the nearby Hemi discovery by De Grey Mining (ASX code: "DEG" or "De Grey") continues to be a game-changer for the whole region, with De Grey having released its maiden 6.8 million-ounce JORC resource near the end of June¹. Yule was one of our three founding projects when we first listed on ASX in November 2018. We were already preparing for our first AC drilling program and expanding our tenement holding – at negligible cost – well before De Grey announced (in February 2020) what seemed to be – and has since proven to be – a major new gold discovery in the Pilbara.

Our maiden RC drilling program commenced just after the end of the financial year, which was well planned and executed by Golden State Mining Limited's (GSM) seasoned, hands on, professional team, competently managing and overcoming many challenges. Three key target areas at Yule South were RC-drilled for a total of 3,542 metres and all samples have now been sent for analysis at a laboratory in Perth and we eagerly await the results. As most investors are aware, there is currently a long waiting period for assay results due to the significant level of activity in the resources sector.

Further RC-drilling for gold and lithium is also planned for Yule South at Target 2A, where there is a large, 800m x 1400m arsenic anomaly and gold anomalism. The Company has also completed a new heritage survey and booked an air-core rig for drilling on recently generated priority gold and lithium targets mostly at Yule East in October.

Your team has also been working diligently throughout the year to explore and maximise value from our other projects. The Murchison projects (Cuddingwarra/Cue) have been the subject of ongoing, integrated reviews for potentially low risk, early cash flow opportunities and other opportunities to realize monetary value.

During the March quarter, Adaman Resources Pty Ltd completed the collection, mining and processing (at its Kirkalocka Gold Mine processing plant) of the remnant mine tailings (battery sands) at the historic Cue No. 1 and Salisbury mines. Regrettably, Adaman was placed into administration shortly after and the Company therefore expects to receive only a negligible return from this exercise, if any. Nevertheless, the Company always made a point not to rely on any such potential income and to minimize any cost exposures given the inherent risks in such operations. Other low-risk opportunities to realize monetary value at Cue are also under consideration.

¹ Refer to DEG ASX announcement of 23 June 2021.

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CHAIRMAN'S LETTER

Shortly after the end of the financial year (in July 2021), GSM entered into a joint venture with Caprice Resources Limited (ASX: CRS) pursuant to which Caprice will acquire an 80% interest in the Cuddingwarra and Big Bell South projects in return for GSM receiving around \$750,000 in cash and Caprice shares². Importantly, GSM retains a 20% interest, free-carried to completion of a pre-feasibility study, allowing GSM to focus on Yule, whilst entrusting Caprice to unlock the potential at Cuddingwarra and Big Bell South.

At our Four Mile Well project (located near the 1.3Moz Lancefield mine), two additional exploration licenses were applied for, extending our tenure to the north of the existing tenement. These areas encompass a geochemical anomaly recently identified during a review of historic geochemical datasets.

On behalf of the board, I express thanks to our whole team – especially Mike Moore, our managing director, Geoff Willetts, our exploration manager – and to you, our shareholders, for your continued interest and support.

We look forward to an exciting year ahead!

Yours faithfully,

A handwritten signature in black ink, appearing to read 'DK', with a large, stylized flourish underneath.

Damien Kelly
Chairman

29 September 2021

² Refer to GSM ASX announcement of 27 July 2021. Value amount based on \$200,000 cash component and ~\$550,000 of Caprice shares using the Caprice share price as at 26 July 2021.

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DIRECTORS' REPORT

Your directors are pleased to present their report on the consolidated entity (referred to hereafter as the Group) consisting of Golden State Mining Limited (the Company) and the entities it controlled at the end of, or during, the year ended 30 June 2021.

DIRECTORS

The names and details of the Company's directors in office during the year and until the date of this report follow. Each Director was in office for this entire period unless otherwise stated.

Names, qualifications, experience and special responsibilities

Michael Moore (B Eng (Hons) Mining Eng. ACSM MAusIMM MAICD) - Managing Director (Appointed 15 August 2017)

Mr Moore is a mining engineer from the Camborne School of Mines with over 20 years operational and executive management experience across a diverse range of commodities in Australia, Indonesia, West Africa and Europe.

He has previously held senior and executive management roles with a number of companies including Rock Australia Mining & Civil Pty Ltd, Carnegie Minerals PLC and, more recently, with ASX listed Montezuma Mining Company Ltd where he was CEO.

Mr Moore is a member of the Australian Institute of Company Directors and the Australian Institute of Mining and Metallurgy. Mike is currently serving as a Non-Executive Director of Variscan Mines Ltd (ASX: VAR).

Damien Kelly (B.Com MBA CPA GDip App Fin & Inv) - Non-Executive Chairman (Appointed 15 August 2017)

Mr Kelly is the founder and principal of Western Tiger Corporate Advisers. He has broad corporate and commercial experience spanning over 20+ years. He provides professional services to ASX and AIM listed companies predominately in the natural resources sector (including the formation and initial listing of Sandfire Resources NL). 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 also a member of CPA Australia.

Greg Hancock (BA Econs B.Ed (Hons) F.Fin) - Non-Executive Director (Appointed 6 April 2018)

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, Cobra Resources Plc and Non-Executive Director of Zeta Petroleum Plc and King Island Scheelite Ltd. Mr Hancock was also a director of Strata-X Energy Ltd (since renamed Pure Hydrogen Corporation Limited) until March 2021.

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.

Brenton Siggs (B App Sc App Geol MAIG MSEG) Non-Executive Director (Appointed 10 August 2018)

Mr Siggs has over 29 years' experience in the Australian mineral resources industry and has held senior exploration roles on a range of gold, nickel-cobalt, petroleum, coal, phosphate and potash brine projects. He has been involved in all stages of regional and near-mine exploration project management, particularly in Western Australia, from conceptual targeting and ground acquisition through to resource definition drilling programs and mining geology.

Mr Siggs has worked in senior roles for Australian and international companies including Newcrest Mining Ltd., Inco Australia, Central Norseman Gold Corporation and VALE and most recently was Technical Director and the Exploration Manager for Goldphyre Resources Limited (now Australian Potash Limited).

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DIRECTORS' REPORT

COMPANY SECRETARY / CHIEF FINANCIAL OFFICER

Marc Boudames (B.com CPA MAICD) - Appointed 6 April 2018

Mr Boudames is experienced in statutory financial reporting, taxation, ERP systems, business analytics, corporate transactions, due diligence, mergers & acquisitions, finance, joint ventures and divestments. He previously worked at RSM Bird Cameron (RSM), as General Manager - Finance & Administration for ASX listed Redport Ltd and Mega Uranium Ltd (Australia), a Canadian TSX listed mining and equity investment company focused on global uranium properties and multi-mineral exploration. He has worked for multiple companies across various industries including listed and public companies associated with the mining and oil & gas sectors such as Toro Energy Ltd, WesTrac, CB&I and Spotless Group.

Interests in the shares and options of the Company and related bodies corporate

As at the date of signing this report, the relevant interests of the directors in the shares and options of Golden State Mining Limited were:

Director	Ordinary Shares	Options over Ordinary Shares
Michael Moore	1,625,100	3,000,000
Damien Kelly	1,510,100	2,700,000
Greg Hancock	-	1,300,000
Brenton Siggs	660,000	1,550,000

PRINCIPAL ACTIVITIES

During the financial year, the Group's principal activity was mineral exploration, evaluation and investment and to assess and pursue mineral property acquisition opportunities.

DIVIDENDS

No dividends were paid or declared during the year. No recommendation for payment of dividends has been made.

GSM Annual Operations Report 2020-21

Yule Project – 100% GSM

Yule Phase 1 Aircore Program

A first phase of reconnaissance air-core ('AC') drilling over five gold target areas (Figure 1 & 2) on the two southern tenements E47/3503 & 3507 (referred to as Yule South) was completed on 11 August 2020 with a total of 199 holes drilled for a total advance of 13,275 metres (refer to Figure 2 and ASX announcements dated 14 August and 7 Sept 2020).

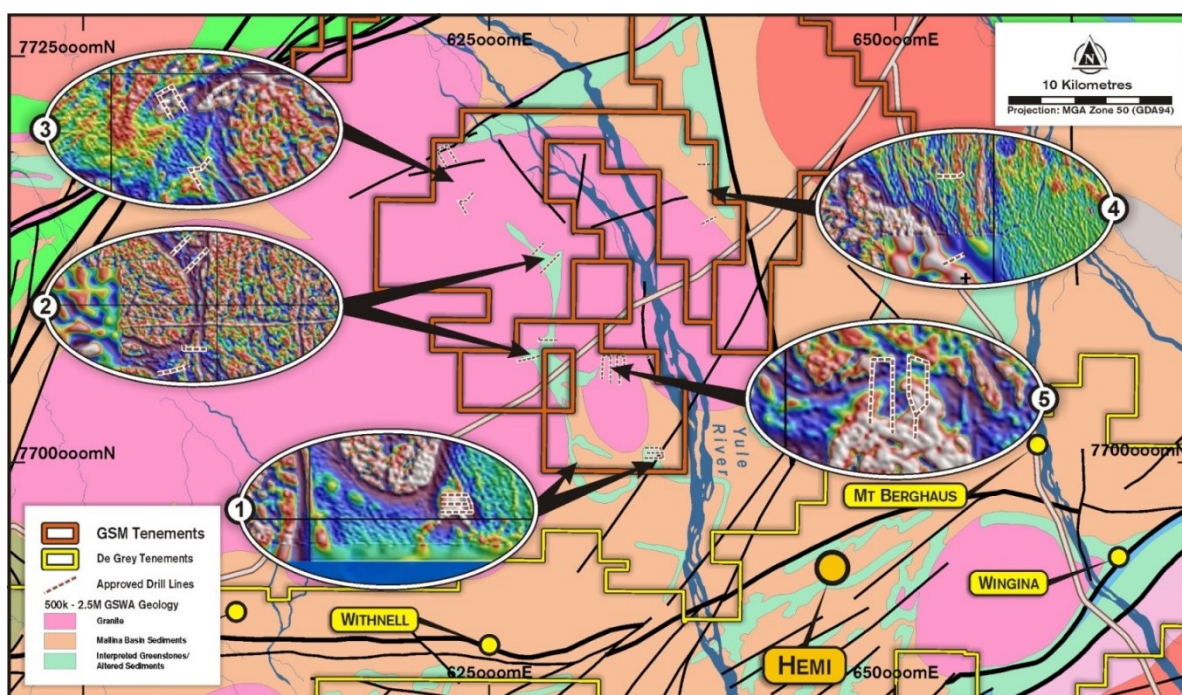


Figure 1: Yule South target location plan showing detailed magnetics of target areas over regional geology.

Key high priority targets

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.

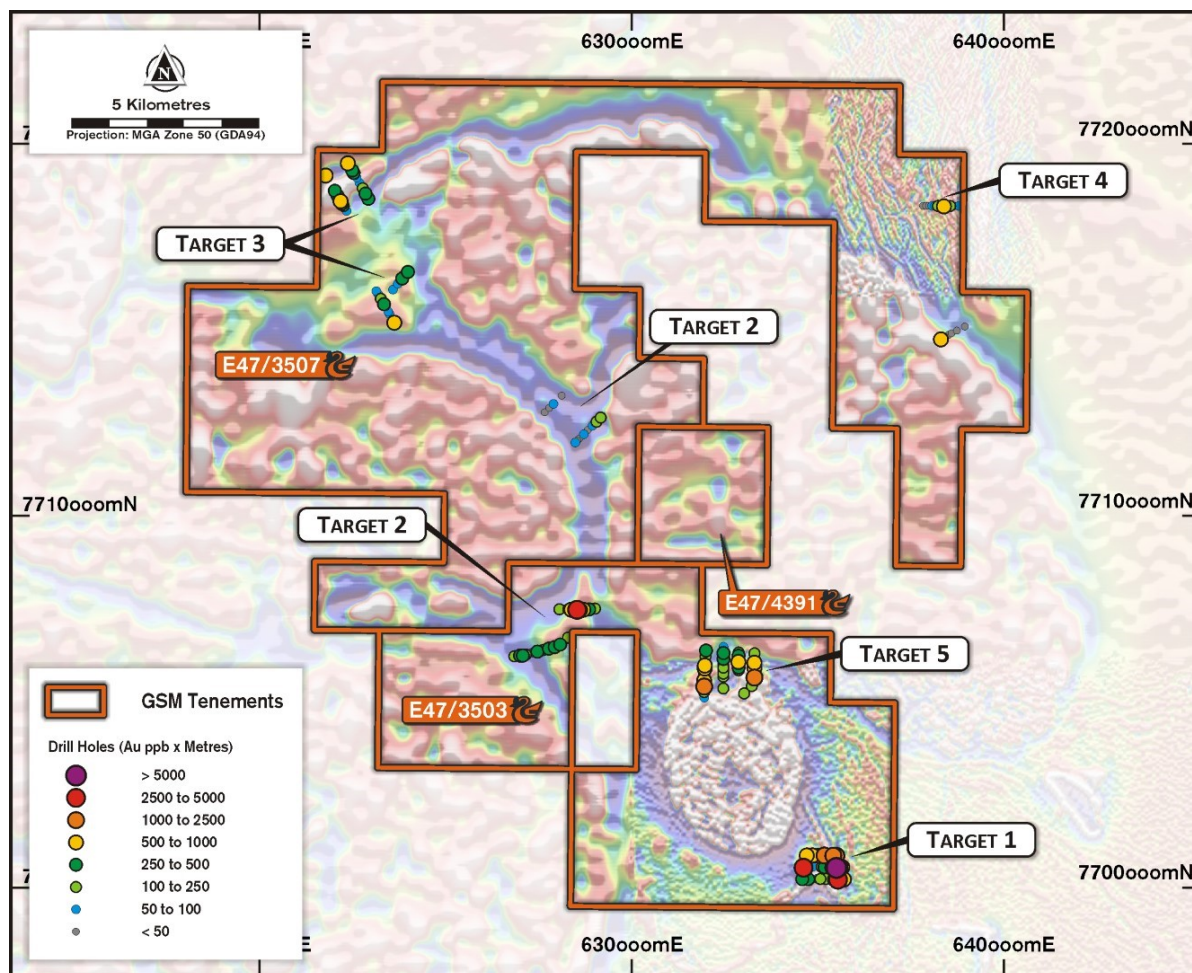


Figure 2: Yule South location plan showing collar gold parts per billion x downhole metres summary.

Phase 1 AC Results

Target 1

Reconnaissance first pass angled Aircore drilling on nominal 320m line spacing and 80-160m hole centres tested the hinge zone of an interpreted Mallina Basin mafic-metasedimentary rock package and a prominent north-trending magnetic structure trending through the eastern part of Target 1. Thirty drillholes were completed on this target for a total advance of 2,815 metres (Figure 3).

Drill logging revealed a sandy clay silcreted and calcrete cover horizon to approximately 30 metres, thence a variable weathered sequence of interpreted Mallina Basin metasedimentary rocks including very fine-grained siltstone, and medium grained sandstone and arkosic rocks on the eastern portion of the target area. Holes testing the magnetic high zone on the south and western part of Target 1 recorded fine-grained sedimentary, silicified felsic, dioritic intrusive and magnetic medium-grained doleritic lithologies.

Weak to moderate hydrothermal alteration was observed in several drill-holes with up to 2% sulphide mineralisation recorded in saprock and transitional/fresh units as very fine to fine grained disseminated pyrite.

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Assay results revealed multiple anomalous gold intersections with a best intercept of 8 metres @ 0.92g/t Au from 96 metres including 4 metres @ 1.81 g/t Au from 96m (20GSYSAC0002) which was recorded in a weathered, fine-grained schistose saprolitic metasedimentary sequence. Drillhole 20GSYSAC0013 located on a section 320m to the south intersected 20 metres @ 0.15g/t Au from 102 metres including 8 metres @ 0.30 g/t Au from 114m in a similar regolith setting. These gold intersections were based on four metre composite samples.

Follow up drilling at Target 1 East consisted of extension and neighbouring infill holes and an additional scissor hole to determine the extent and geometry of the host units of anomalous gold intersections. One metre assay results from hole 20GSYSAC0002 have returned an intercept of 4 metres @ 2.3g/t Au from 99 metres including a high-grade interval of 1 metre @ 7.6g/t Au from 99m. One metre samples from hole 20GSYSAC0013 returned 18 metres @ 0.17g/t Au from 104 metres. The impact of this first high-grade gold intercept recorded in weathered bedrock clearly demonstrates the strong potential for gold bearing structures in the Yule project area. Both gold intersections were observed in a weathered, fine-grained schistose saprolitic metasedimentary sequence close to an interpreted felsic intrusive. Petrological analysis confirmed this field logging and reveals a weakly foliated chlorite-sericite-biotite altered meta-wacke in hole 20GSYSAC0002 and a chlorite-quartz-sericite-sulphide altered rock in hole 20GSYSAC0013.

The extensional infill drilling (holes 20GSYSAC0095-96) completed on a section 320 metres to the north returned four +50ppb gold intersections in four metre composite samples and multiple +10ppb gold anomalies. These intersections were recorded in similar metasedimentary rocks with pyrite mineralisation occurring towards, and at the ends of both drill holes. Neighbouring infill drilling (holes 20GSYSAC0097-98), 80 metres either side of hole 20GSYSAC0002 also returned four anomalous +50ppb gold intersections including two +100ppb gold intervals in four metre composite samples. These holes also recorded multiple +10ppb gold anomalies.

A scissor hole (20GSYSAC0199) angled 60° west, was drilled under 20GSYSAC0002 to gain a better understanding of the geometry of the mineralised zone observed in 20GSYSAC0002. This hole intersected a deeply weathered meta-siltstone-sandstone sequence with a dark grey, weathered siliceous unit recorded at 111-117 metres downhole. The best gold intersection returned 4 metres @ 0.06g/t from 110m in a four-metre composite sample within the siliceous unit along with multiple +10ppb gold anomalies. This hole also recorded minor fine- grained pyrite (<2%) towards and at the end of hole.

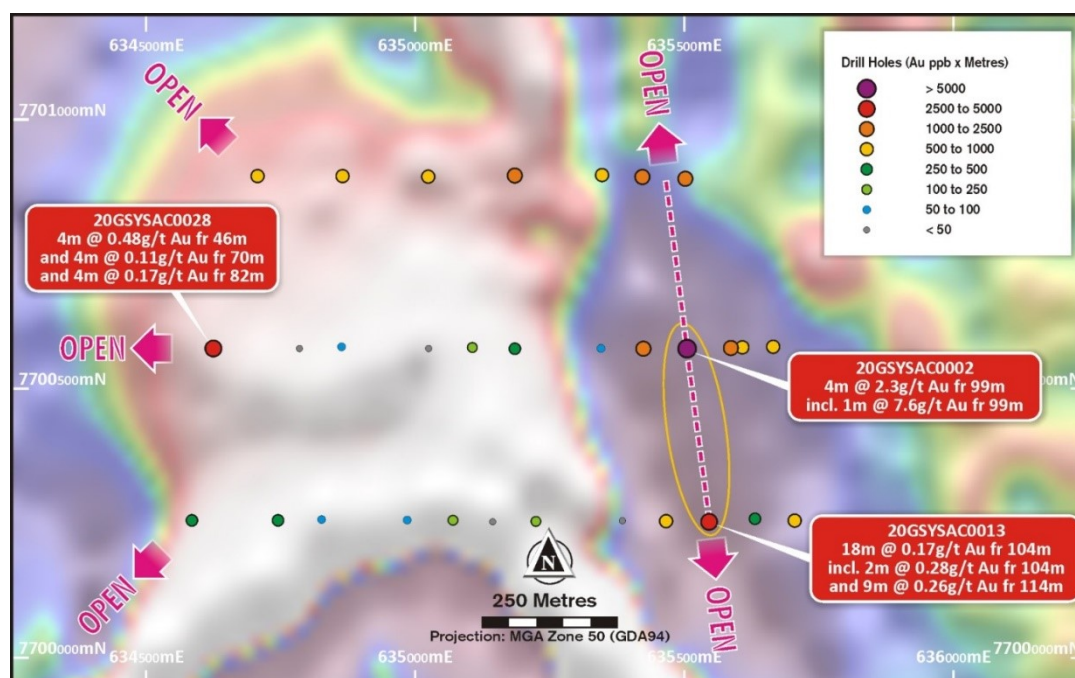


Figure 3: Target 1 location plan with significant results and collar gold parts per billion x downhole metres summary

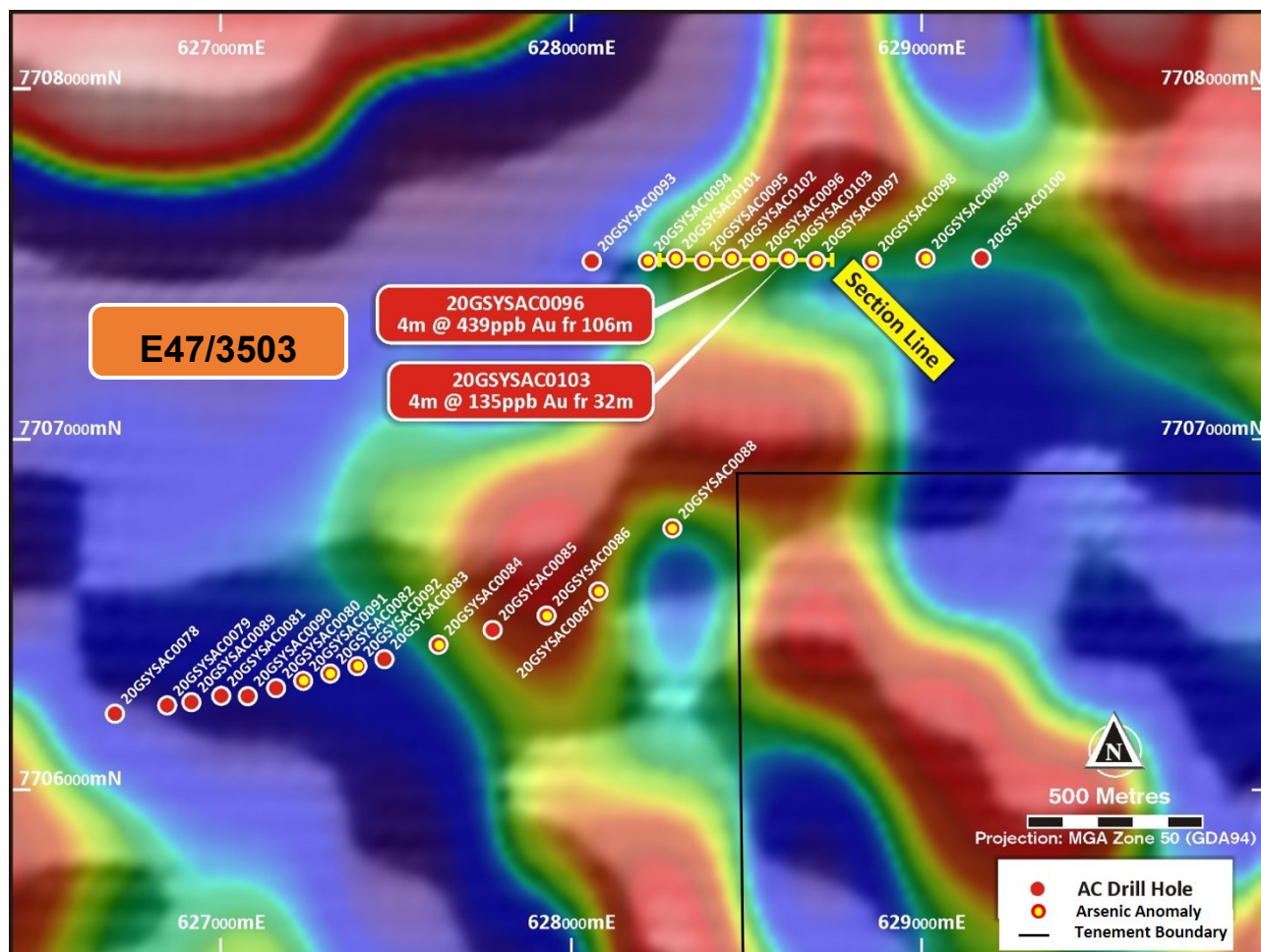


Figure 4: Collar location plan of Target 2 (Southern Section) and significant results.

Target 2

This target area was tested by reconnaissance first pass angled AC drilling on selective drill lines orientated to test target corridors on 80-160 metre hole centres. The AC drilling tested prospective zones in the north and south of a >10 kilometre structural corridor 'squeezed' between nested and deformed granitoid complexes. The target sequence was interpreted to contain altered metasediments and remnant greenstone enclaves within folded dilational structures.

Field drill logging revealed a clay to sand rich silcreted and calcretised in part, cover horizon to approximately 25 metres. Archaean bedrock geology at this target area revealed a range of variably weathered rock types with interpreted Mallina Basin rocks including fine to medium grained arkosic (sandstone), quartz- biotite-muscovite schist, fine grained mafic and amphibole-biotite-chlorite ultramafic types.

Two reconnaissance drill-lines on the southern section of Target 2 (Figure 4) were characterised by a marked variable weathering profile, moderate schistosity, and minor, patchy quartz veining. The northernmost line in the south area recorded an interpreted persistent silica-chlorite altered in part, arkosic-mafic-ultramafic schist sequence with minor thin porphyry intrusives.

Multiple gold intercepts (including 4m @ 0.44 g/t Au from 106 metres) were recorded in 4 metre composite samples collected from a weathered to fresh, silica-chlorite altered, sheared in part, minor quartz veined, mafic-ultramafic units in hole 20GSYSAC0096. An unusually high gold anomaly was also recorded in the cover sequence in this hole (6m @ 101ppb from 18 metres). Adjacent drillhole 20GSYSAC0103, collared 80 metres to the east, recorded a shallow gold anomalous interval in a deeply weathered schistose horizon (4m @

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135ppb Au from 32m). Another anomalous gold interval in 20GSYSAC0095 (4m @ 81ppb Au from 75m) was recorded in a weathered interpreted arkosic metasedimentary unit in close proximity to a granite contact to the east and may represent a sheared metasedimentary-granite contact target corridor.

Drilling at this target also revealed an 800 x 1400 metre arsenic anomaly and some gold anomalism intersected on the northern AC traverse. Preliminary petrological analysis of representative rock chips and end-of-hole air-core has enhanced this interpretation and identified a tourmaline-quartz schist (hole 20GSYSAC0097) and a foliated plagioclase-quartz-biotite schist (hole 20GSYSAC0102). Additional detailed lithology studies of drill chips with arsenic and gold anomalism indicates an interpreted complex alteration history of a mafic precursor rock type with widespread biotite mica alteration associated with localised smokey quartz and tourmaline vein development. Silicification and quartz veining of the biotite mica schists was also observed with associated pyrite and chlorite-sericite alteration.

Two reconnaissance drill-lines (with wide spaced nominal 160m centres) were completed on the northern section of Target 2. Drilling revealed common amphibole-biotite-chlorite rich mafic-ultramafic types with minor porphyry/granitoid intrusives. No significant gold intersections >50ppb were recorded on these two lines but another pathfinder arsenic anomaly was recorded in one end of hole assay in hole 20GSYSAC0114 of 284ppb arsenic on the southernmost of these two lines.

Target 3

Drilling consisted of 45 holes for a total advance of 2,972 metres. No significant bedrock gold intersections were encountered at this target. However, several transported cover related gold occurrences are considered anomalous (refer to ASX announcement dated 7 Sept 2020).

Detailed logging and follow-up microscope analysis revealed a sequence of mainly altered metasediments and schists. In contrast, one petrological sample of note collected at the end of hole 20GSYSAC0155 (59 m depth) is described as a foliated plagioclase-hornblende-zoisite-rock with opaques, interpreted as sulphides in a meta-quartz diorite intrusive with anomalous arsenic. The presence of a quartz diorite intrusive rock containing potential sulphide minerals is considered a high priority follow-up drill target.

Elevated gold results were all recorded in 6 metre composite samples in various horizons of the cover sequence. The best result was returned in 20GSYSAC0134 (6m @ 147ppb Au from 6 metres downhole) in a sand and clay horizon). These anomalous gold occurrences in the cover sequence require further investigation for possible paleochannel potential.

Target 4

Two lines of angled air-core drilling on a broad 3.6km line spacing and 80m hole centres tested potential greenstone sequences within Mallina Basin sediments, proximal to a secondary structure trending north-east of the Yule River Shear Zone. 25 holes have been completed at this target for a total advance of 1,310 metres.

Drill logging recorded a shallower cover sequence consisting of transported sand, clay and silcreted and calcrete sediments to approximately 15-20 metres. Bedrock geology logging recorded metasedimentary units for the majority of holes along with some interpreted mafic-ultramafic schists and micro-granodioritic intrusive rock types. Petrological analysis broadly agrees with this interpretation.

Numerous drill-holes (20GSYSAC0174-181) on the northern AC traverse recorded very fine to fine-grained sulphide mineralisation presenting as irregular smeared foliation and disseminated pyrrhotite + pyrite - up to 5% and persistent silica-chlorite +/-biotite alteration mainly in the metasedimentary units. The most significant gold anomalies were intersected in hole 20GSYSAC0177 where two separate intervals were recorded >50ppb in saprolite interpreted to be a metasedimentary unit.

The best gold intersection on the southern AC traverse occurred in hole 20GSYSAC0186 (4m @ 0.13g/t from 28m). This intersection occurred in a weathered schistose, probable ultramafic sequence with -chlorite-biotite alteration.

Target 5

47 holes were completed at this target for a total advance of 2,575 metres (refer to Figure 5 and ASX announcement dated 14 August 2020). Assay results revealed multiple elevated and anomalous gold intersections of >10 ppb (20GSYSAC0062) recorded in an interpreted weathered mafic-ultramafic unit with <2% fine grained, disseminated, and smeared foliation pyrite.

Detailed logging and petrological analysis from drill chips suggests metasedimentary and metamorphic sequence interpretations. Importantly, a meta-quartz diorite intrusive was identified at the end of hole of 20GSYSAC0062 which coincides with the best intersection at this target where a broad, anomalous zone of 19m @ 91ppb Au from 46m including 4m at 350ppb Au from 58m occurred (Figure 5).

Once again, the presence of an interpreted diorite intrusive with broad and elevated gold intercepts is highly encouraging and this target area is considered high priority for follow up drilling. The target area is open to the east and the proposed drilling will focus on this corridor.

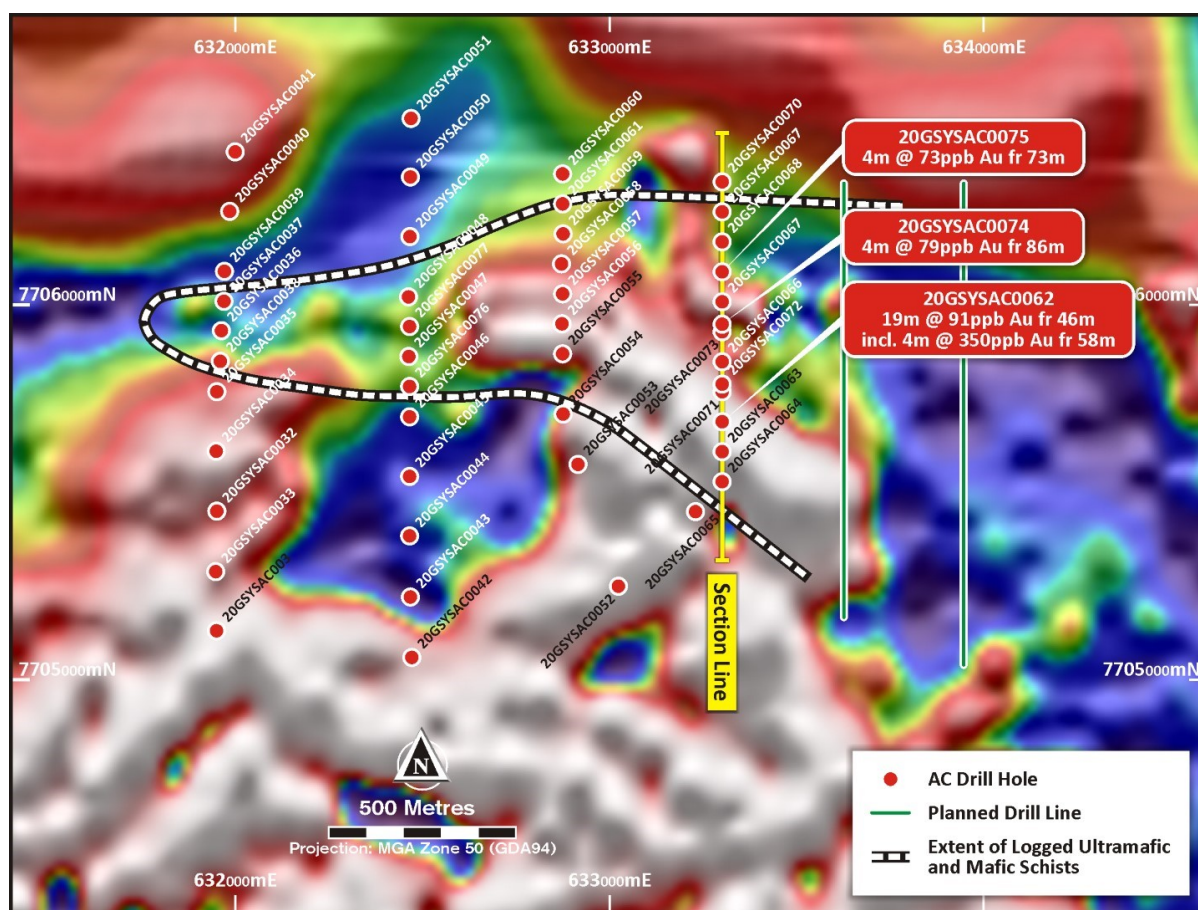


Figure 5: Target 5 collar location plan and significant results.

New Target areas

A five kilometre structural corridor has been interpreted from the aeromagnetic data based on the drill results from Target 1 (Figure 6). In addition, a broad target area to the east of Target 5 is interpreted as a continuation of the prospective mafic-ultramafic package logged in this area.

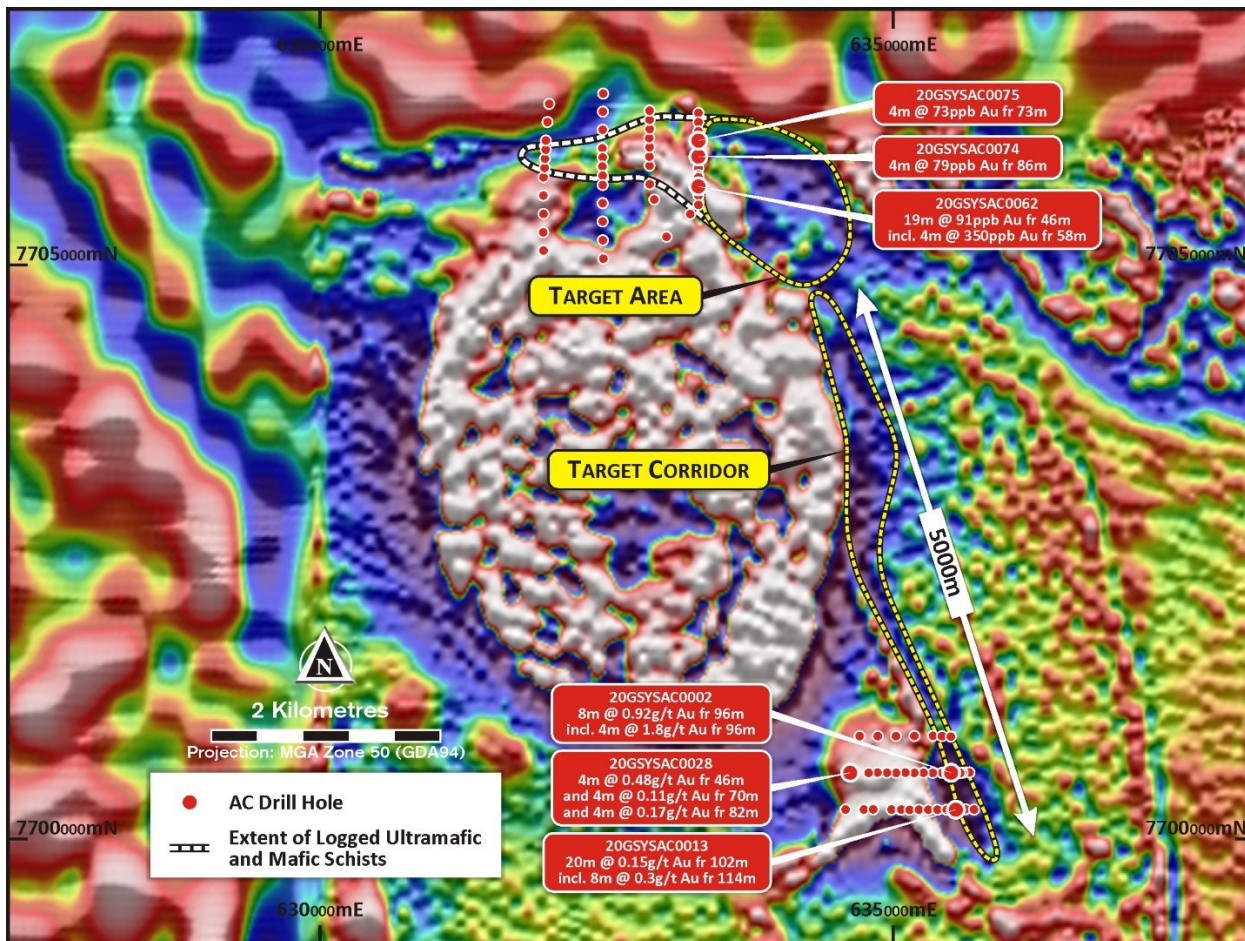


Figure 6: New Interpreted Target Areas

Yule Phase Two AC Program

A second phase of reconnaissance air-core drilling over a further 6 gold target areas on all the Yule tenements E47/3503 & 3507 (referred to as Yule South) and E47/3508 (referred to as Yule North) was completed on 11 November 2020 with a total of 196 holes drilled for a total advance of 15,125 metres (Figure 7).

Phase two drilling returned several four-metre composite intervals greater than 0.1 ppm gold, recorded 39 holes or 20% of holes in the phase 2 program ending in anomalous or elevated gold and/or arsenic and intersected numerous broad intervals of elevated gold values over downhole widths of 12 metres or more.

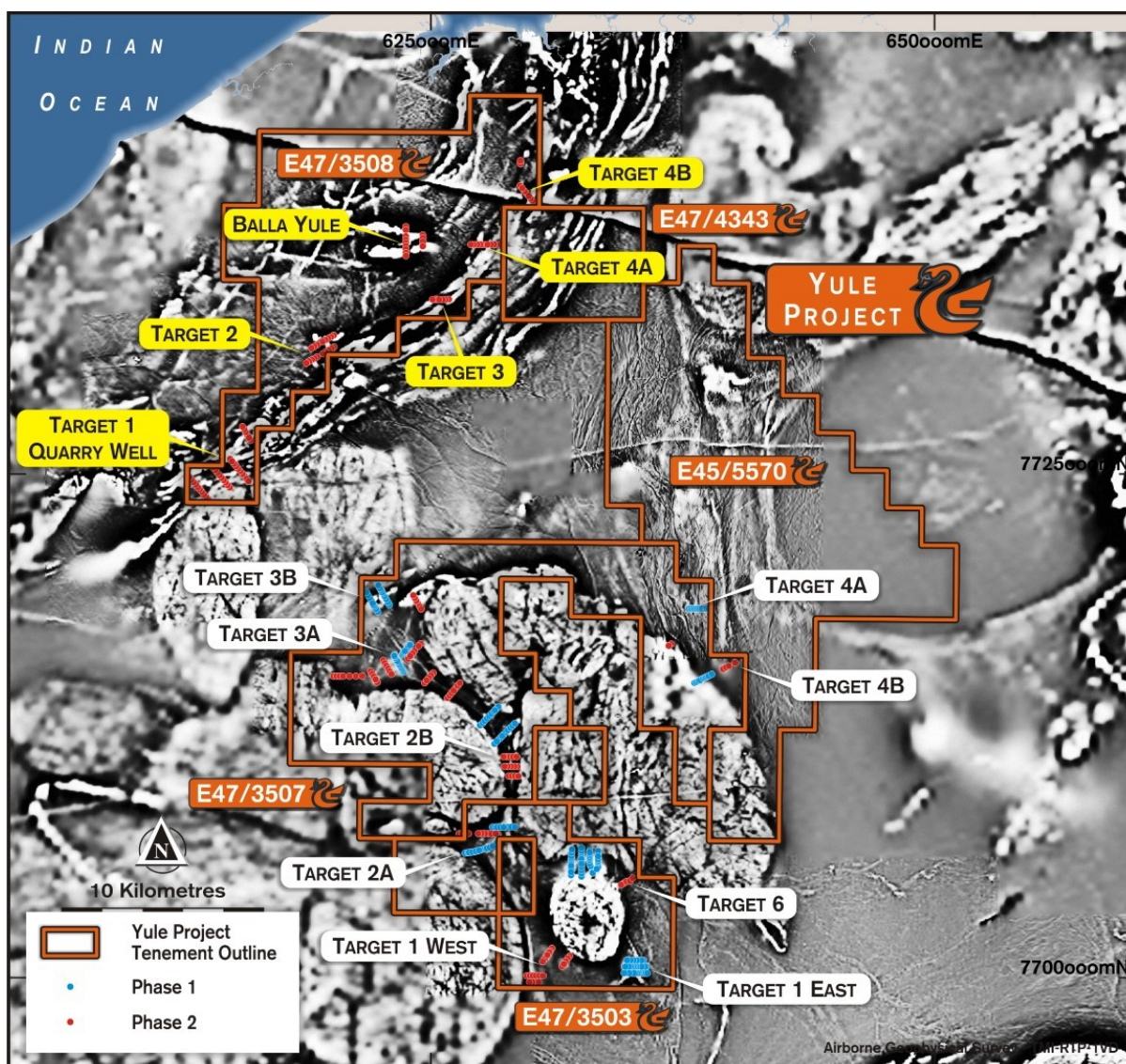


Figure 7: Collar and Target Location plan for Phase 1 & 2 programs.

Yule South (E47/3503 & 3508)

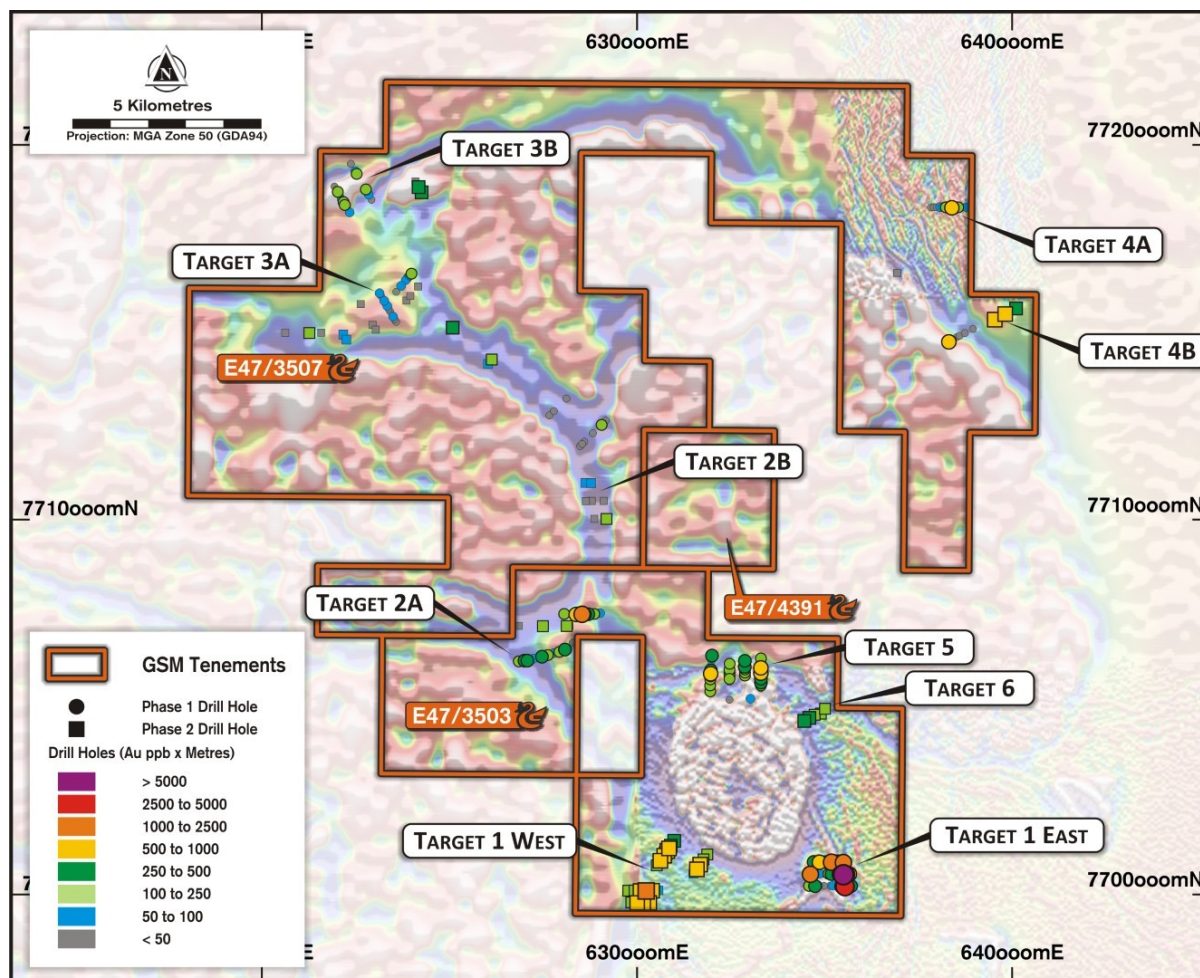


Figure 8: Yule South collar location plan showing the sum of gold parts per billion x downhole metres (refer to GSM ASX announcements dated 7 Sep 2020, 23 Sep 2020, 4 Dec 2020 & 17 Feb 2021).

Target 1 West

Drilling at this target was designed to test prospective structural and intrusive zones in this area. Twenty-one holes were drilled at Target 1 West on four traverses for a total advance of 2,168 metres (Figure 8). The best composite gold intersections included 4 metres @ 0.11g/t Au from 109 metres in hole 20GSYSAC0202 and 3 metres @ 0.10g/t Au from 113 metres in hole 20GSYSAC0203. These encouraging intersections were accompanied by multiple intervals of elevated +10ppb gold.

Infill drillholes 20GSYSAC0300-301 (Figure 9) encountered silica and pyrite alteration and intersected zones of elevated gold. 20GSYSAC0300 intersected a 48-metre interval of +10 ppb gold.

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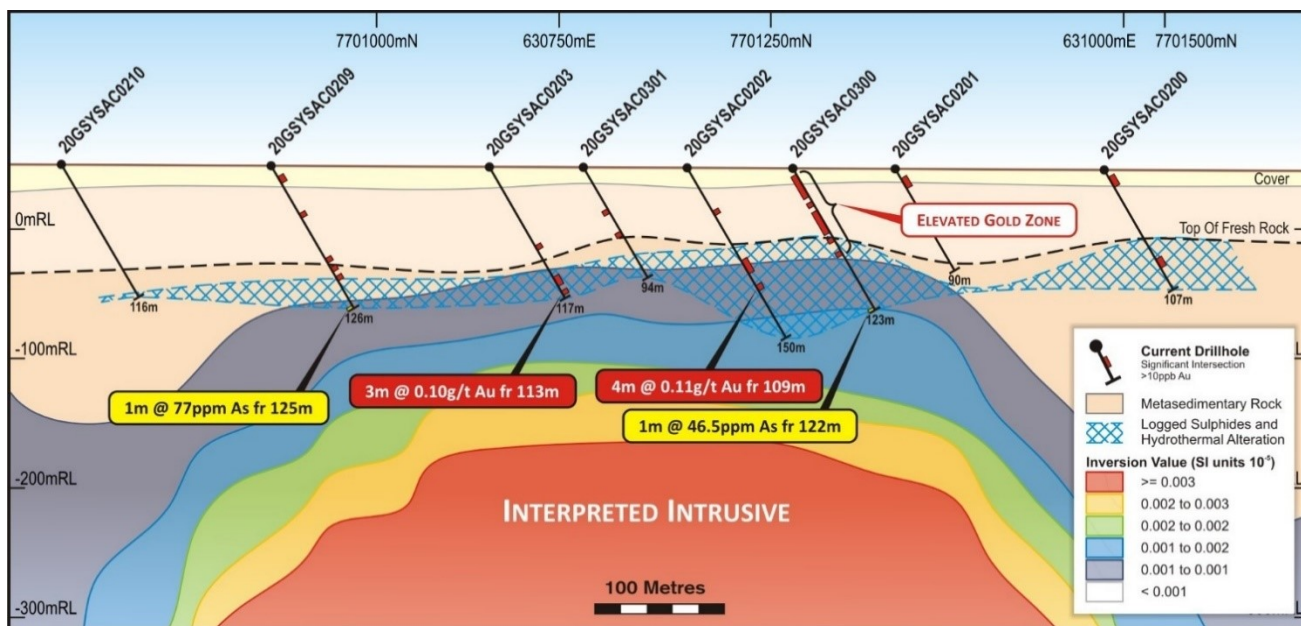


Figure 9: Target 1 West section showing significant results over interpreted intrusive.

Two additional AC traverses (Figure 10) tested magnetic dislocations to a major north-south structure and parallel demagnetised zones interpreted to represent localised alteration. Anomalous gold intersections included 4 metres @ 0.10g/t Au from 94 metres in hole 20GSYSAC0214 and 4 metres @ 0.10g/t Au from 32 metres in hole 20GSYSAC0215.

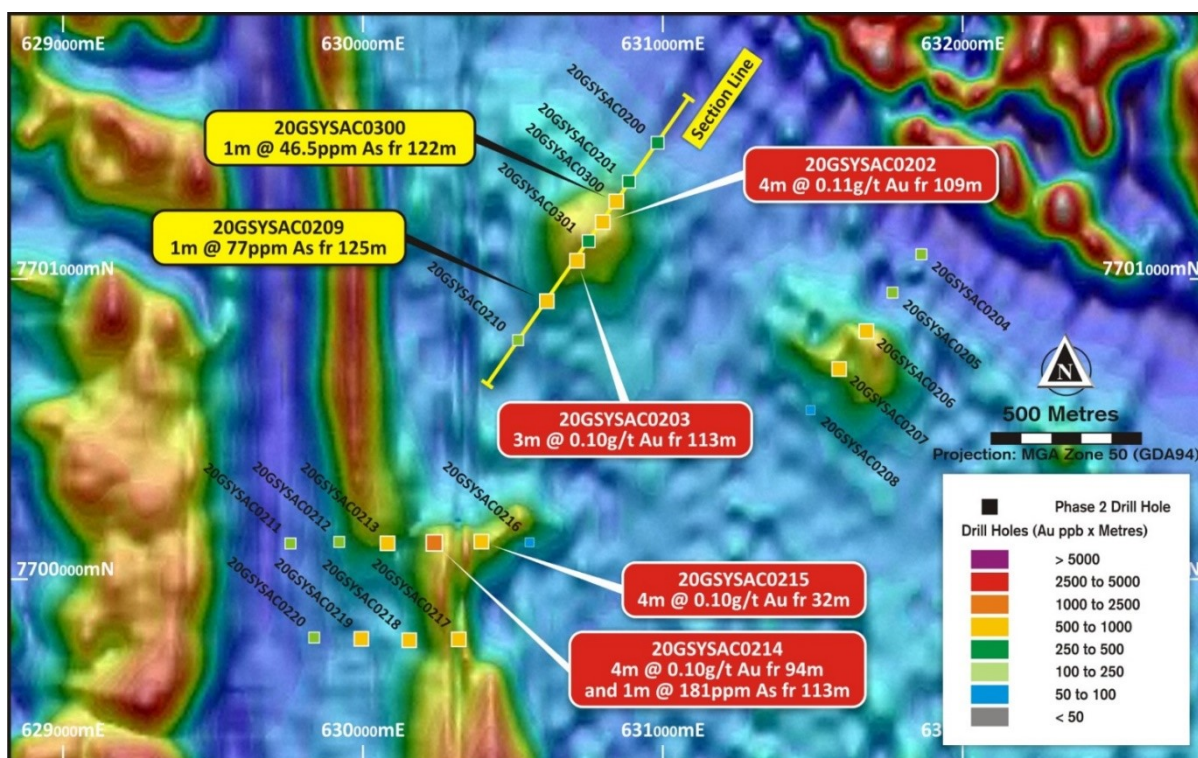


Figure 10: Target 1 West plan showing significant assay results.

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Two infill holes (20GSYSAC0300-301) on 80 metre centres drilled either side of hole 20GSYSAC0202 encountered similar silica and pyrite alteration of metasedimentary rocks and intersected zones of elevated gold. 20GSYSAC0300 intersected a 48 metre interval of +10 ppb gold hosted in a chlorite altered and iron-stained saprolite sequence interpreted as a metasediment unit.

Two more east-west 320 metre spaced AC traverses tested dislocations to a major north-south structure and parallel demagnetised zones interpreted to represent localised alteration. Two more notable gold intersections included 4 metres @ 0.10g/t Au from 94 metres in hole

Target 2

Twelve additional holes were drilled between existing traverses at Target 2A for a total advance of 722 metres. More end of hole ('EOH') arsenic anomalies were recorded which will aid target vectoring.

Fourteen holes were drilled on three east-west traverses at Target 2B (Figure 8) for a total advance of 859 metres. No significant gold intersections were encountered in these traverses, however multiple EOH +50ppm arsenic anomalies were recorded including 1 metre @ 666 ppm from 40 meters in hole 20GSYSAC0273.

Target 3

Thirty-six holes were drilled on six additional traverses at Target 3A (Figure 8) for a total advance of 2,159 metres. The best gold intersection was encountered in hole 20GSYSAC0226 with 4 metres @ 50ppb from 50 metres.

Six holes were also drilled on a single north-north-west trending traverse at Target 3B for a total advance of 482 metres. The most notable intersection was recorded in hole 20GSYSAC0241 with a broad elevated gold interval of 23 metres @ 29ppb from 30 metres and a single metre +50ppm arsenic anomaly at the EOH (74-75m).

Target 4

Six holes were drilled on two east north-east traverses at this target for a total advance of 602 metres. Subtle, elevated intersections were recorded in 20GSYSAC0291 (12 metre interval of elevated +30ppb gold from 36 metres) and a +50ppm end of hole arsenic anomaly from 155 metres. Another low-level interval was recorded in hole 20GSYSAC0293 (48 metre interval of elevated gold +10ppb encountered from 69 metres including 4 metres @ 55ppb from 85 metres).

The most notable gold intersection recorded in the cover sequence was a +50ppb interval recorded in hole 20GSYSAC0290.

Target 6

An interpreted structural intersection of north and north-west trending contact zones was targeted in this area along strike of the promising indicators from Target 5 drilled from the Phase 1 program. Five holes (20GSYSAC0295-299) were drilled here (Figure 8) for a total of advance of 488 metres on an east north-east trending single traverse. Field logging recorded bedrock geology consisting of mainly metasedimentary sequence with some possible minor mafic units. No significant gold intersections were encountered at this target although multiple intervals of elevated +10ppb gold were recorded including one twelve metre interval in hole 20GSYSAC0296.

Yule North (E47/3508)

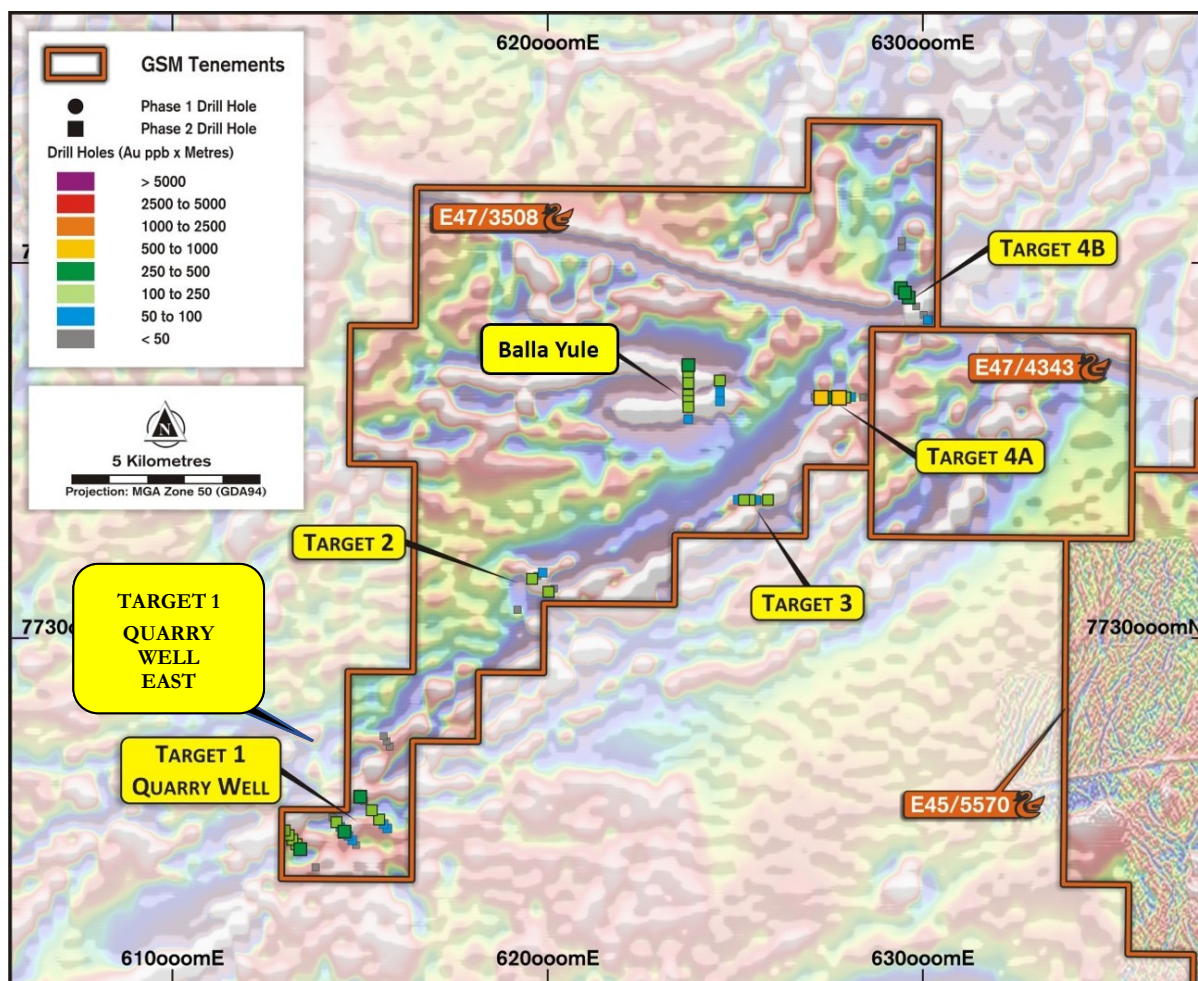


Figure 11: Yule North collar location plan showing the sum of gold parts per billion x downhole metres (refer to GSM ASX announcements dated 4 Dec 2020 & 17 Feb 2021).

Target 1 Quarry Well

The Quarry Well area (Figure 11) is interpreted as a strongly deformed aeromagnetic target related to a granite contact zone along the southern edge of the Sholl Shear Zone ("SSZ"). Twenty-nine holes (20GSYNAC0001-0029) were drilled on three ~1,000 metre spaced traverses for a total advance of 1,571 metres. Field logging recorded a cover sequence consisting of transported sand, clay and silcreted and calcrete sediments to approximately thirty metres. The best gold intersection within the cover sequence was a six-metre interval with 63ppb gold from six metres in hole 20GSYNAC0002 within part gritty silcrete/rubbly calcrete horizons. Bedrock geology consisted of a range of variably weathered ultramafic rock types with minor schist and chert units. Multiple elevated +10ppb gold intersections were initially reported from this target, two of which occurred in fresh rock at the EOH. The most notable occurred in a chert unit in hole 20GSYNAC0024 with a +50ppb interval recorded from thirty-four metres.

Quarry Well East

Drilling at this structural target was designed to test a dislocated zone within the SSZ. Six holes were drilled at 160 metre centres on one AC traverse for a total advance of 323 metres. Field logging recorded a slightly deeper cover sequence consisting of transported ferruginous sand, calcrete sediments and conglomeratic

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nodules to approximately 35 metres. Bedrock geology consisted of silicified mafic rock types containing variable quartz veining and possible hematite alteration. The best composite gold intersection occurred in the alluvial cover with 6m @ 0.18g/t Au from 6 metres downhole hosted in sandy calcrete with conglomeratic nodules at the bottom of the interval.

Target 2

This area marks a major dislocation and fault intersection within the SSZ comprising complex, fractured and altered relict greenstones. Eighteen holes (20GSYSAC0036-53) were drilled on two ~500 metre spaced east-north-east traverses for a total advance of 1,681 metres. Bedrock geology consisted of granitic, intermediate and felsic units. No significant +50ppb gold intersections were encountered at this target.

Target 3

Aeromagnetic interpretation of the Balla Yule Prospect indicated a complex structural gold target on the eastern part of the intrusive units. Fifteen holes drilled on two N-S traverses for a total advance of 1,281 metres. Field logging recorded bedrock geology consisting of mainly granitic and ultramafic units. An additional east-west traverse was drilled 2.5 kilometres to the south-east of Balla Yule over a structural flexure along the SSZ. Six holes (20GSYSAC0069-74) were drilled for a total advance of 451 metres. No significant gold or base metal values were encountered at these targets.

Target 4

Three discrete traverses were drilled in this area testing various areas of a structurally complex zone of interpreted fracturing and folding with potential alteration and intrusive zones. Twenty holes (20GSYNAC0075-94) for a total advance of 2,143 metres.

The southernmost east-west traverse at target 4A target delivered the most encouraging results at Target 4 from another structural break in the SSZ. Several intercepts of elevated gold were recorded over this target with the most notable occurring in hole 20GSYSAC0092 over an 18 metre interval from six metres hosted within a gritty calcrete horizon. Bedrock geology consists of granitic rocks on the western end proceeded by ultramafic and mafic schist units to the east. The best bedrock gold intersection occurred at the contact of a mafic schist and a silica altered ultramafic unit in hole 20GSYNAC0088 with 1 metre @ 0.11g/t from 93 metres within a 20m interval of +30ppb elevated gold from 89 metres.

Another broad interval of elevated gold was also encountered at Target 4A in hole 20GSYSAC0091 over 40 metres from 51 metres including a 4 metre +50ppb interval from 83 metres. Numerous other +10ppb gold intervals were recorded including one end of hole sample in hole 20GSYNAC0094 from 139 metres.

The central NW trending traverse at Target 4B targeted elliptical high magnetic feature straddling an interpreted late Proterozoic dyke. No significant gold intersections were recorded although multiple +10ppb gold values were recorded in six metre composite sample intervals in the three holes to the north-western end of this traverse.

The northern north-south trending traverse at Target 4B targeted a low magnetic feature off the main SSZ. Field logging recorded a possibly transported cover sequence consisting of alluvial sand, calcrete sediments and lateritic nodules and pebbles to approximately 95 metres. Only one hole intersected bedrock which was recorded as a granitic intrusive. Consequently, only two holes were drilled on this traverse with no significant gold intersections.

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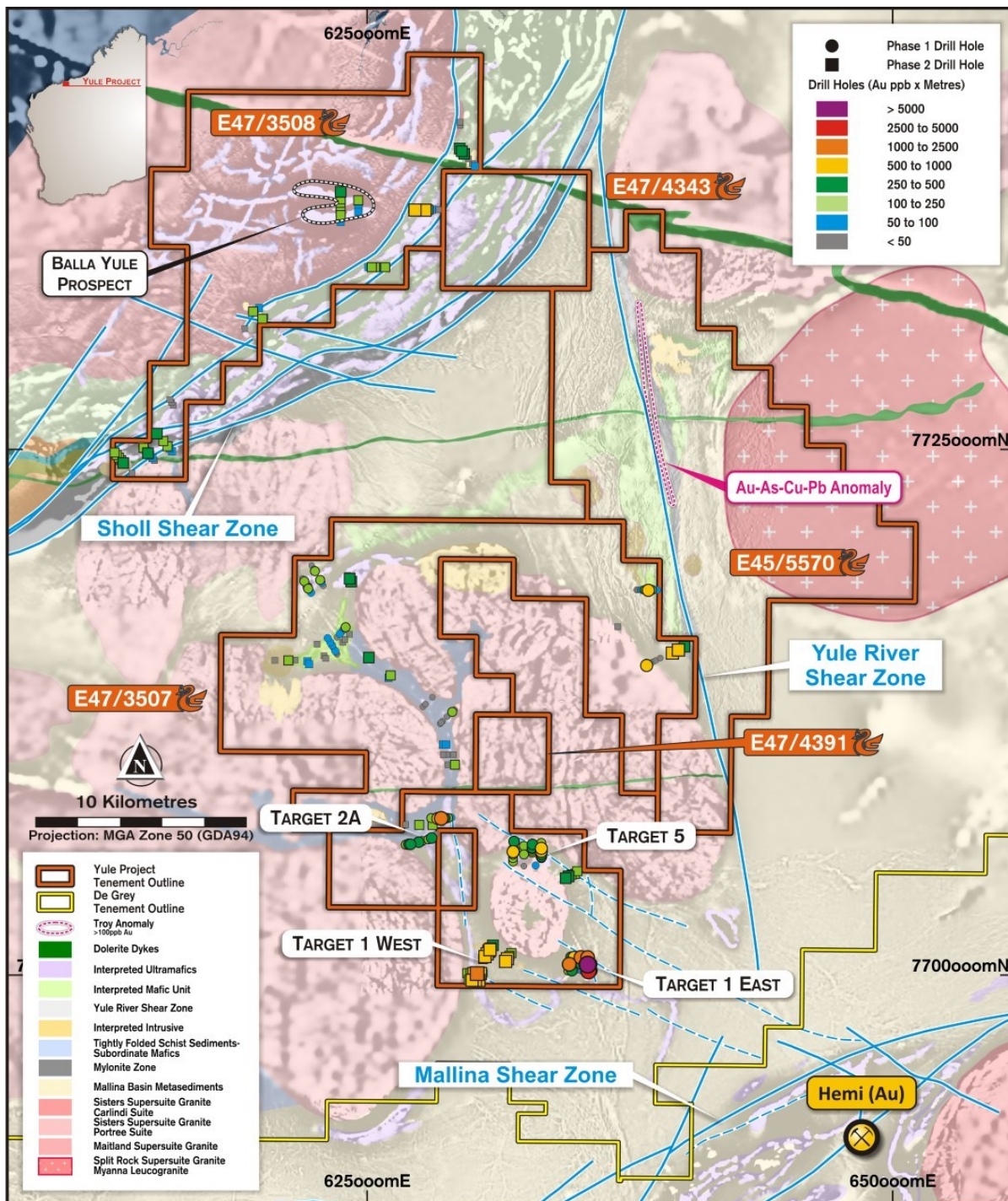


Figure 12: Yule geological plan showing drill target areas (refer to GSM ASX announcements dated 7 Sep 2020, 23 Sep 2020, 4 Dec 2020 & 17 Feb 2021).

Yule East E45/5570 100% GSM

A review of open file aeromagnetic data over an exploration license application (refer to ASX announcement dated 8 January 2020) to the east of the Yule project tenements was completed by Core Geophysics Pty Ltd (Figure 13).

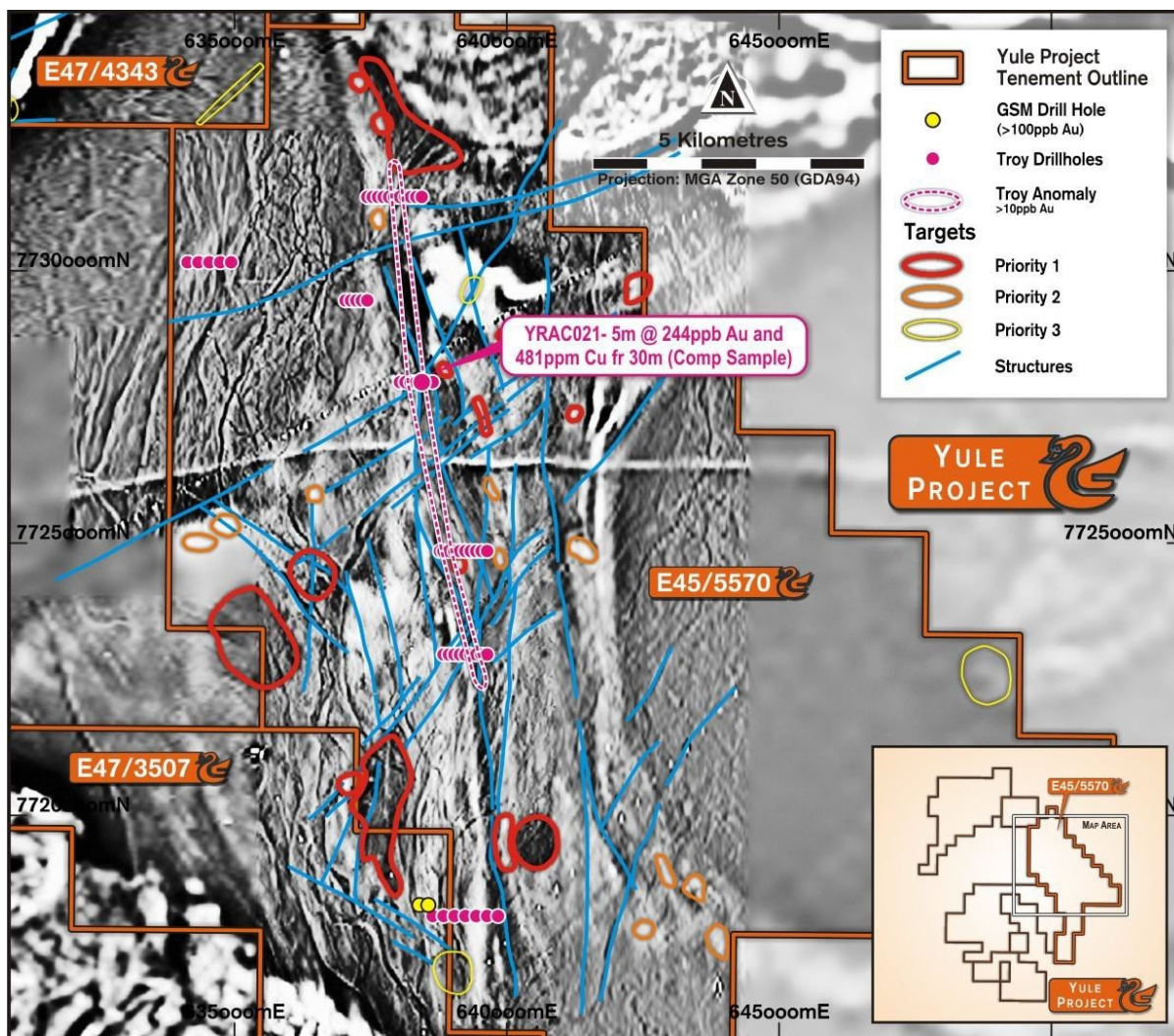


Figure 13: Exploration license application E45/5570 aeromagnetic interpretation and target areas

Numerous intrusive style targets and prospective structural settings and corridors (Figure 14) have been identified and prioritised for the 2021 field season. The new targets will compliment previously identified targets along the Yule River Shear Zone ("YRSZ") within the tenement area.

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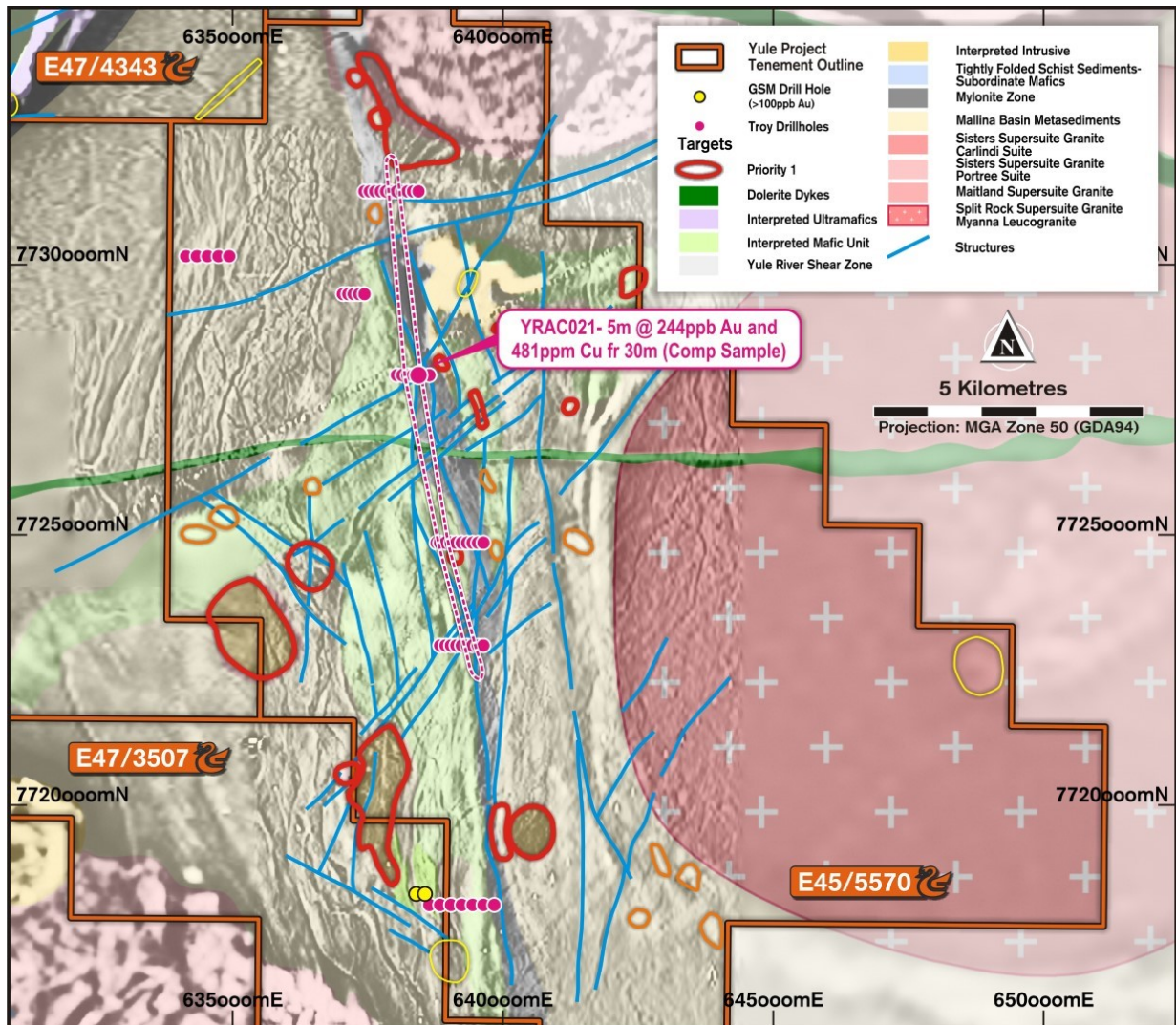


Figure 14: Yule East E45/5570 priority target areas for air-core drilling in 2021 (refer to GSM ASX announcements dated 4 Dec 2020 & 17 Feb 2021 & Troy Resources Limited ASX announcement dated 29 April 2005).

Exploration License E47/4343

An exploration license application (refer to ASX announcement dated 12 February 2020) for additional prospective ground to the east of the current Yule North tenement was granted during the reporting period. E47/4343 provides an extension of the Boodarie Greenstone Belt within the SSZ and an interpreted intrusive-style setting. Open file drilling report data has recorded only limited (4 drillholes), base-metal focused historic drilling within this tenement.

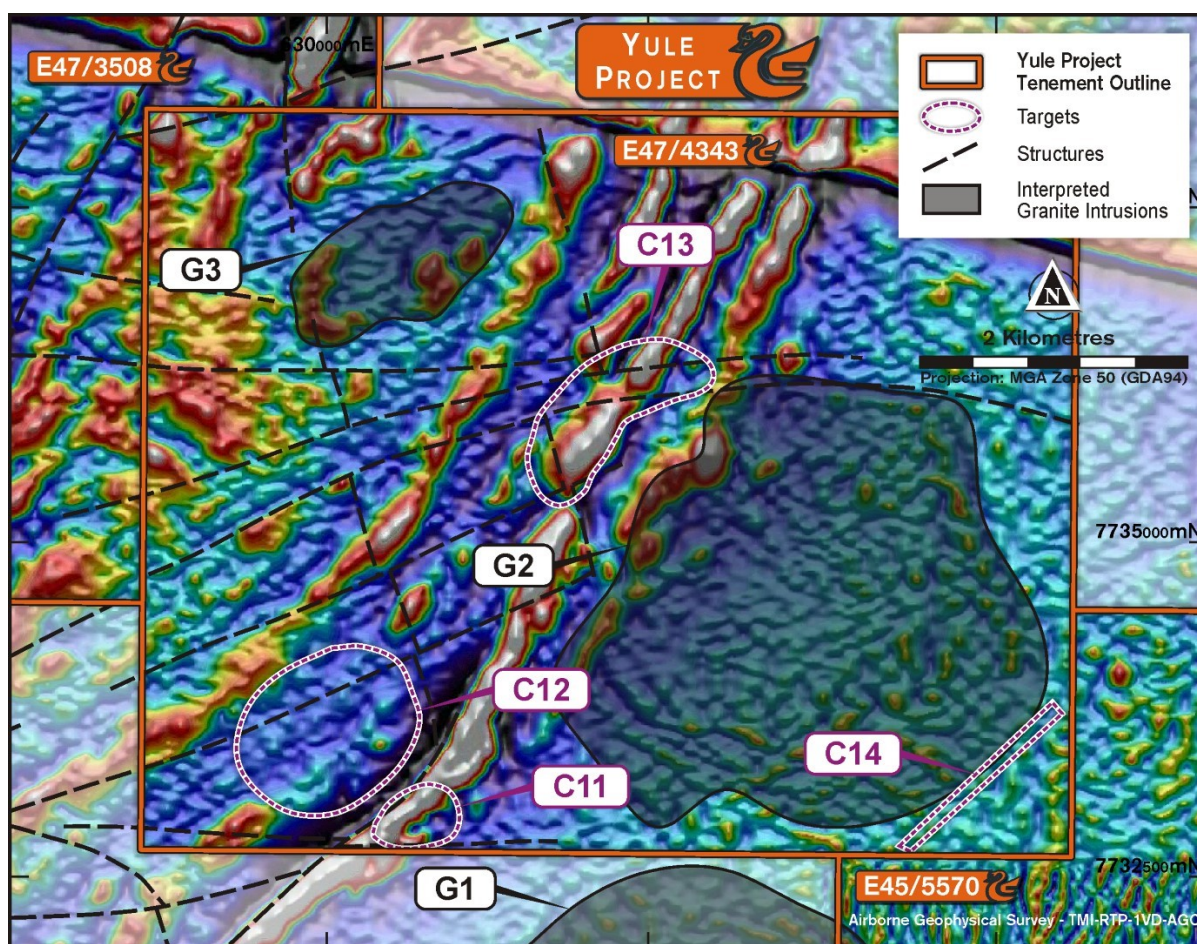


Figure 15: Core Geophysics Interpretation and targets over E47/4343

Four targets have been identified by Core Geophysics (Figure 15), all of which are considered primarily prospective for gold.

Target C11

An interpreted ultramafic unit displaying possible magnetic destruction due to structural deformation or potentially chemical alteration at a point of flexure.

Target C12

A broad zone of generally non-magnetic stratigraphy i.e., mafics, volcanics, felsics and sediments, proximal to a point of inflexion. This location between two interpreted granitic intrusives is considered favourable for deformation and a fluid focus trap site.

Target C13

Zone of low stress resulting from the intrusion of an interpreted granite pluton ('G2') at its north-western margin. This area shows dislocation of south-west trending shears of the SSZ which may favour dilatant brittle deformation and subsequent accumulation of mineralising fluids.

Target C14

Similar interpreted zone of potential low stress produced when intrusion of G2 caused warping of regional north-northeast and west-northwest structures at its south-eastern margin.

Yule North

Quarry Well VHMS Pathfinders

At the Quarry Well prospect, located on the Sholl Shear Zone ("SSZ") field logging recorded similar chert intervals in holes 20GSYNAC0008 & 15 (Figure 16). These chert intervals were recorded within a strongly sheared and hydrothermally altered mafic package consisting of quartz-sericite-pyrite schists with elevated zinc and lead portable X-ray fluorescent ("pXRF") readings up to approximately 0.25%.

The Company also noted that a historic VTEM anomaly was also found in the vicinity and therefore the prospect may have some VHMS prospectivity. Further work has revealed a series of holes with elevated zinc, lead, manganese and silver accompanied by an interpreted distal alteration halo.

Based on this work, target selection will now focus on untested magnetic and non-magnetic conductive sources that may represent valid VHMS targets within the SSZ.

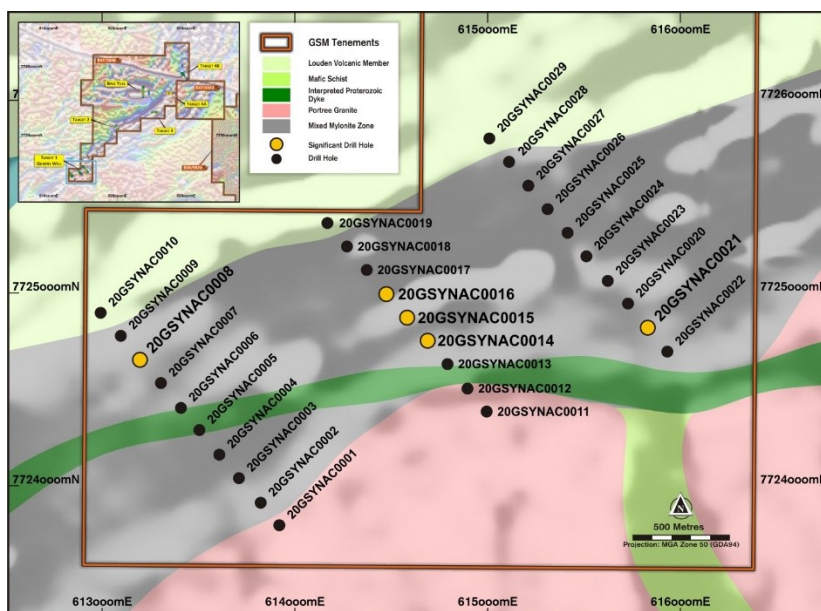


Figure 16: Quarry Well collar location plan showing holes with VHMS pathfinder anomalies.

Geophysical Data Acquisition and Reprocessing

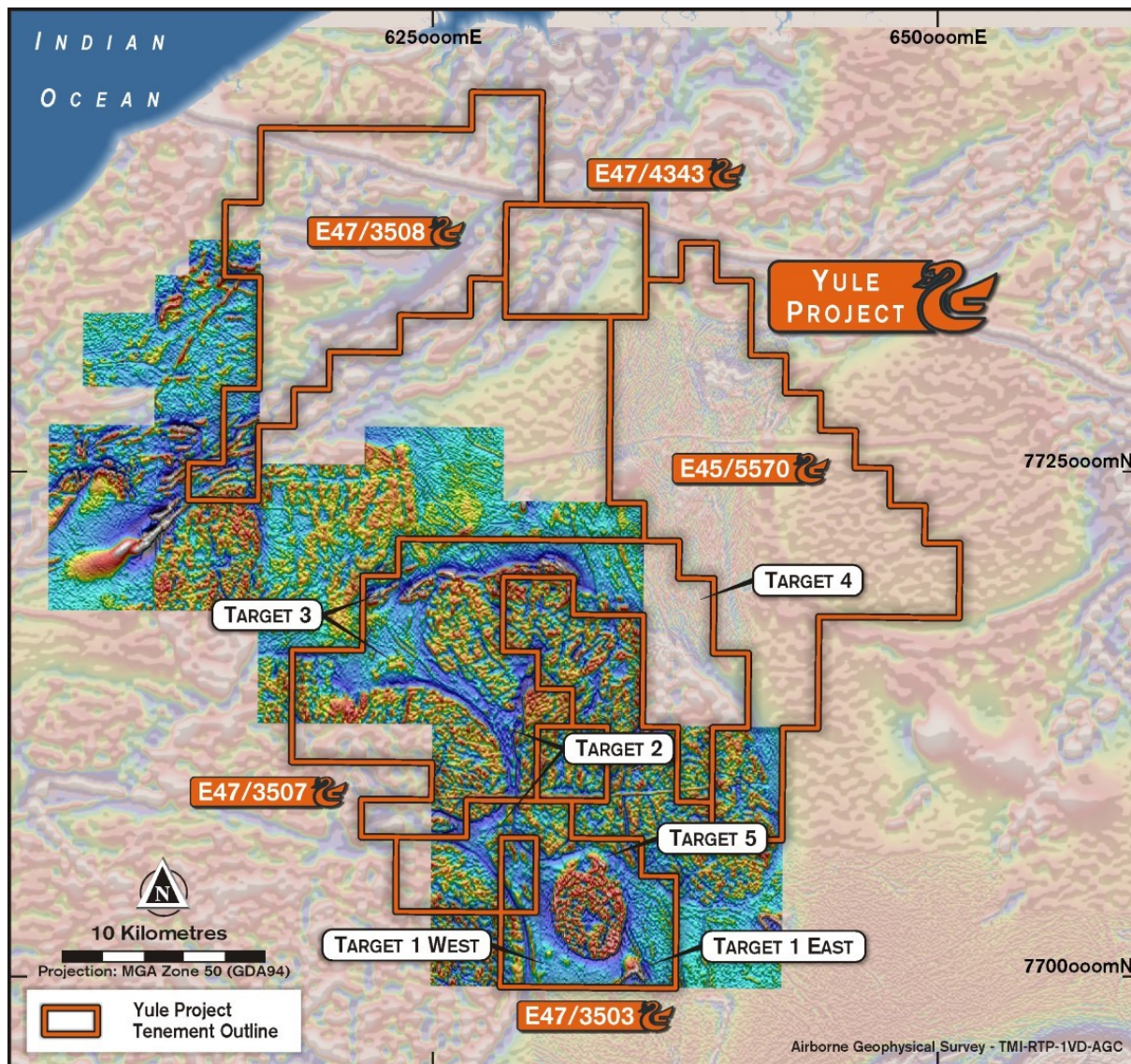


Figure 17: Yule Project plan showing detail of recently acquired Magnetic data overlaying GSM tenements.

GSM purchased an aeromagnetic dataset (Reg. number 60884) held under a multi-client license agreement by Core Geophysics Pty Ltd (Core Geophysics). This aeromagnetic survey (100-metre spaced) was flown by Fugro Airborne Surveys in 2006. The dataset (Figure 17) will provide far greater resolution from which to interpret additional structurally hosted gold targets with a focus on intrusive environments.

Core Geophysics merged the multi-client aeromagnetic data with GSM's existing open file dataset and use this combined data to produce an enhanced geological interpretation. This study will focus on any structural environments favourable for the development of intrusive style settings, in addition to extensions of mineralised structures intersected in the Phase 1 program.

Yule Project Gold and Lithium RC Drill Campaigns

Gold and Lithium Drill Targeting

The company provided an update on the status of its planned drilling activities for 2021 (refer to ASX announcement dated 17 February 2021). A summary is provided below. Further technical commentary was provided in Appendices 1 & 2 of ASX announcement dated 17 February 2021 and 13 July 2021.

Gold-only targets - 3,542m RC Drill program

An initial 3,542-metre follow-up reverse circulation ("RC") program commenced and was completed after the end of the financial year at three gold-only targets (Figure 18) generated from the Phase 1 and 2 air-core ("AC") drill program (refer to ASX announcement dated 20 August 2021). The three targets drilled were Target 1 East, Target 1 West and Target 5, all at Yule South and summarised above.

All samples have now been sent for analysis at a laboratory in Perth and the Company awaits the results. There is currently a long waiting period for assay results due to the significant level of activity in the resources sector.

Further RC-drilling for gold and lithium is also planned for Yule South at Target 2A, where there is a large, 800m x 1400m arsenic anomaly and gold anomalism (refer to Yule South Target 2 information above).

LCT Pegmatite Targeting - 1,500m RC Drill Program

Four Lithium-caesium-tantalum ("LCT") pegmatite targets (Figure 19) have been generated based on known lithium pathfinder analysis identified from the Phase 1 and 2 AC program results from 2020. Statutory approvals have been received for the 1,500 metre RC program designed to these target areas and the commencement of the program is now subject to drill rig and manning availability, with a heritage survey having been completed following the end of the financial year. Further technical commentary was provided in Appendix 2 of ASX announcement dated 17 February 2021.

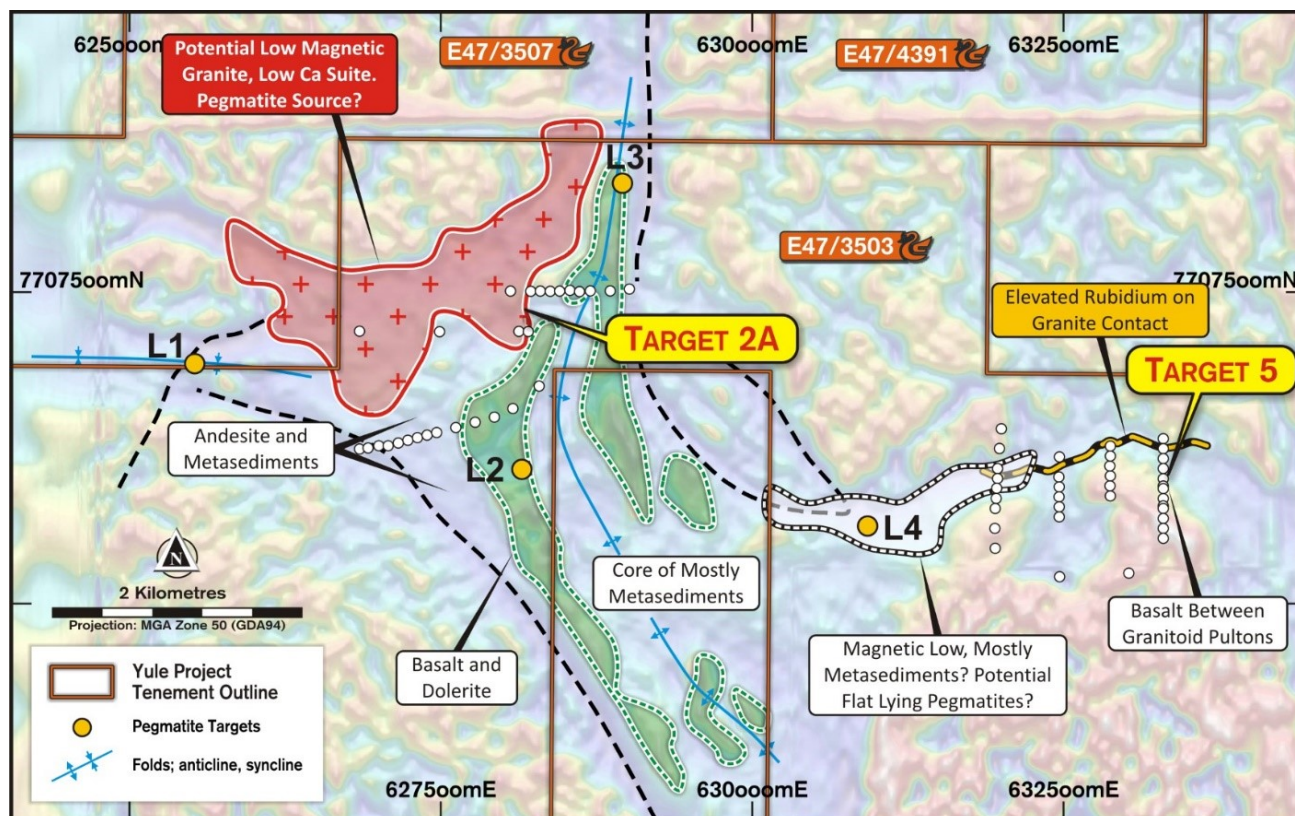


Figure 19: Lithium target locations over structural framework interpretation of basement rock units.

Murchison – 100% GSM

Mining Agreement

An agreement was signed (refer to ASX announcements dated 19 June 2020 and 18 December 2020) with Adaman Resources Pty Ltd (“Adaman”) to purchase, mine and process remnant mine tailings (battery sands) from GSM’s historic Cue No. 1 and Salisbury mines. Adaman completed processing the sands at its Kirkalocka Gold Mine processing plant during the March quarter 2021.

GSM noted that on 1 May 2021, administrators were appointed to Adaman and its subsidiaries (refer to ASX announcement dated 6 May 2021).

Based on the outcomes of creditors meetings and correspondence of Adaman’s administrators, the Company expects to receive only a negligible return as a creditor of Adaman in relation to the ore purchase agreement.

Four Mile Well – 100% GSM

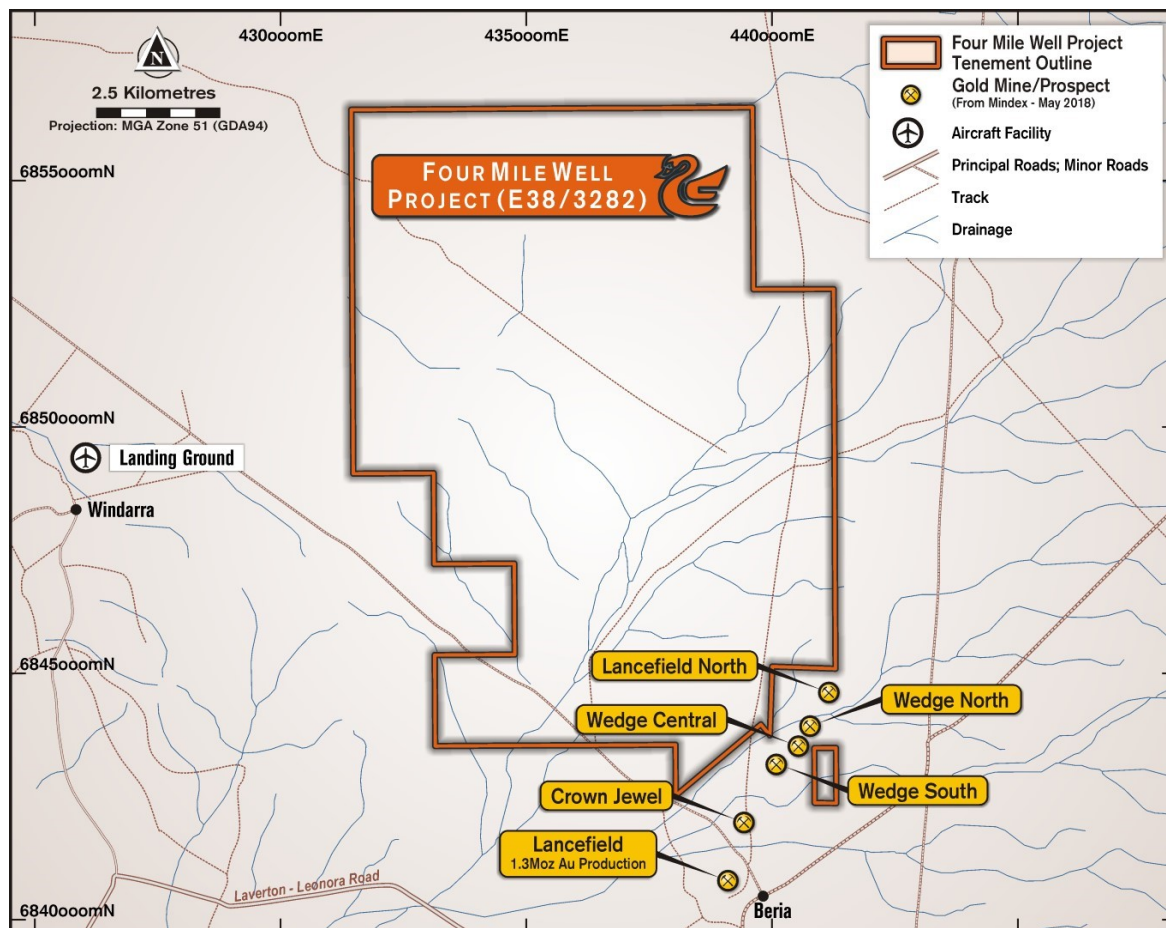


Figure 20: Four Mile Well Project near Laverton.

The company continues to evaluate drill target opportunities over untested historic geochemical anomalies and granite-greenstone contacts within the project area (Figure 20). The company is also focussing on the northern end of the tenement where the greenstone units disappear under deeper sand cover. These greenstone units are potential gold targets as they host ferruginous chert /BIF units. Previous geochemical sampling over this area may have been ineffective here due to the depth of overlying cover or lack of geochemical signature from the target lithologies.

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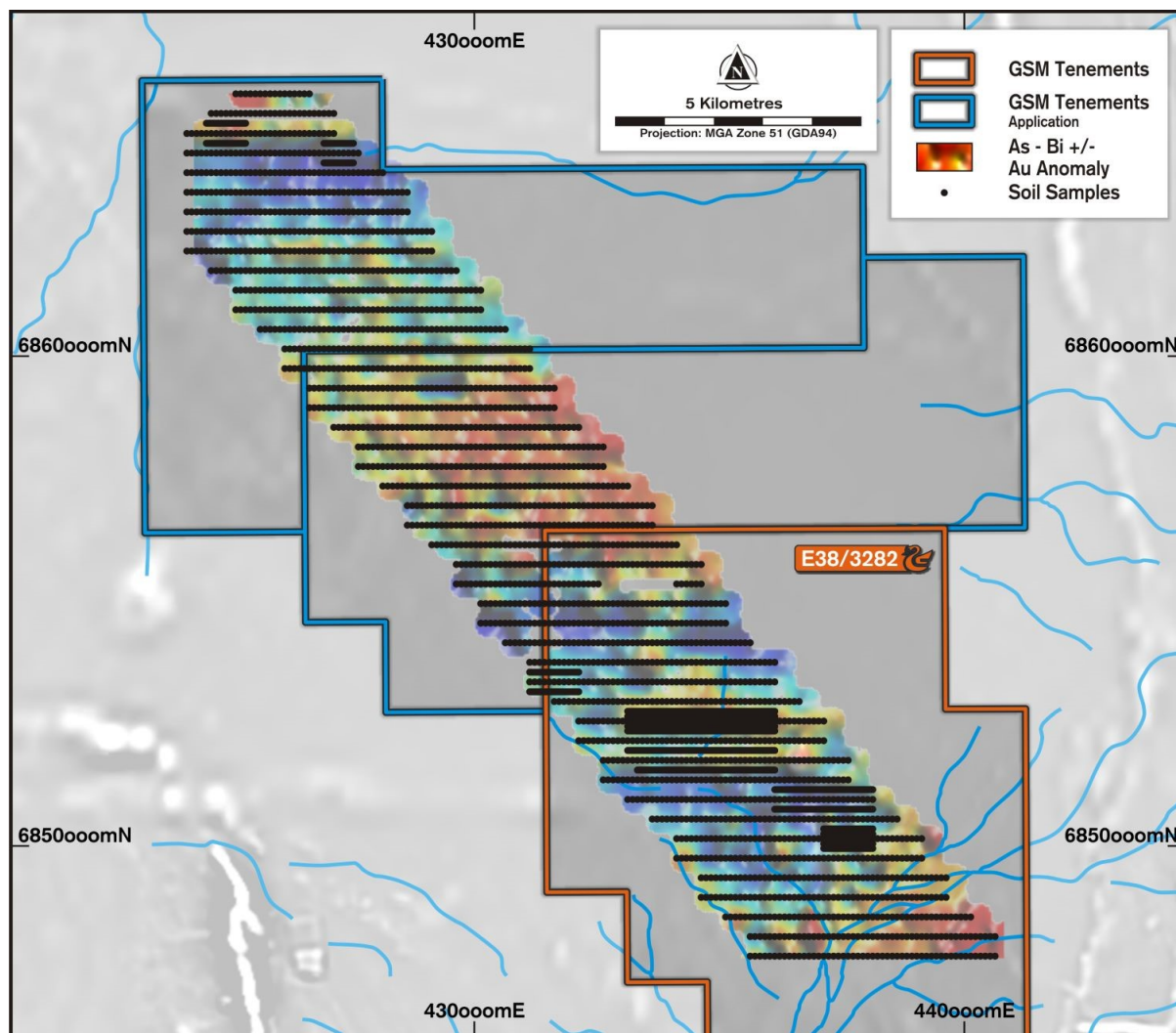


Figure 21: Four Mile Well Project showing location tenement applications over geochemical anomaly.

The Company applied for two additional exploration licenses at its wholly owned Four Mile Well project near Laverton. The tenement applications (Figure 21), encompass a geochemical anomaly recently identified during a review of historic geochemical datasets.

In 1988, Western Mining Corporation (“WMC”) completed a soil/lag geochemical survey over the northern part of GSM’s current tenure and beyond, testing north-west striking banded iron formation and mafic xenoliths under extensive windblown sand cover. Initial results produced several anomalous gold responses but follow up infill sampling failed to reproduce the initial results. The veracity of the original results was questioned, and the tenement was subsequently relinquished.

GSM completed a detailed review of this dataset to check WMC’s findings and to evaluate if any follow up geochemical sampling was required. The extra processing has highlighted a previously unrecognised anomalous response in the historic data revealing an encouraging Arsenic-Bismuth - low level gold anomaly on the northern boundary of GSM’s current tenure. The geochemical anomaly is interpreted to extend eastwards.

Fieldwork is expected to commence once the tenement applications have been granted.

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Corporate

As part of a \$2.2 million placement announced on 21 May 2020, the Company finalised its second tranche of that placement on 6 July 2020 to raise \$1,056,250 (before costs) through the issue of 8,450,000 million new shares at 12.5 cents per share.

During the year the Company further raised approximately \$3.2 million (before costs) in a placement to sophisticated and professional investors through the issue of up to 25,680,000 million new shares at 12.5 cents per share. The placement was divided into two tranches: the first tranche raising approximately \$1.7 million (before costs) in March 2021 using the company's pre-existing 15% and 10% placement capacities under listing rules 7.1 and 7.1A; and the second tranche, which was subject to shareholder approval, raising \$1.5 million (before costs) in April 2021.

On 19 February 2021, the Company issued 432,158 fully paid ordinary shares at \$0.165 per share to satisfy an invoice for the cost of drilling services provided to the Company to the value of \$71,400.

During the year the Company raised an additional \$257,500 through the exercise of 1,460,000 options with various exercise price ranges between \$0.1625 to \$0.25 per share.

RESULTS OF OPERATIONS

Revenues and results

A summary of the Group's revenues and results for the period is set out below:

	June 2021		June 2020	
	\$		\$	
	Revenues	Results	Revenues	Results
Consolidated entity revenues and (loss)	1,018,065	(3,139,752)	71,010	(1,663,463)

CORONAVIRUS (COVID-19) PANDEMIC

The Group has exercised judgement in considering the impacts of COVID-19 since the World Health Organisation declared the outbreak a pandemic in March 2020. As all the Group's tenements are located in Western Australia there has been little impact on access to tenements.

SHARES

There were 82,748,358 fully paid ordinary shares outstanding as at 30 June 2021. No shares were issued after balance date.

As at the date of this report there are 82,748,358 fully paid ordinary shares outstanding.

On 30 August 2021, 81,554 fully paid ordinary shares were proposed to be issued on about 29 October 2021 at \$0.125 per share to satisfy an invoice for the cost of earth works for drilling provided to the Company.

On 22 September 2021, 258,073 fully paid ordinary shares were proposed to be issued on about 29 October 2021, to satisfy certain royalty obligations in respect of the Cue Project.

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OPTIONS

There were 17,172,560 options outstanding as at 30 June 2021, all of which are unlisted.

Number	Class
1,722,560	Unlisted options (\$0.25 for GSM, Expire 26 Oct 2022)
1,000,000	Unlisted options (\$0.35 for GSM, Expire 8 Nov 2021)
5,300,000	Unlisted options (\$0.25 for GSM, Expire 8 Nov 2021)
3,000,000	Unlisted options (\$0.1625 for GSM, Expire 26 Jun 2023)
3,200,000	Unlisted options (\$0.40 for GSM, Expire 30 Sep 2024)
2,950,000	Unlisted options (\$0.60 for GSM, Expire 30 Sep 2024)

Since the end of the financial year, a total of 200,000 options (\$0.25, Expire 26 Oct 2022) were issued on 20 July 2021, and as at the date of this report there are 17,372,560 options outstanding.

The number of Directors' Meetings held during the year and the number of meetings attended by each Director is as follows:

Director	Board meetings	
	Attended	Entitled to Attend
Michael Moore	6	6
Damien Kelly	6	6
Greg Hancock	6	6
Brenton Siggs	6	6

The full board discharged the functions of the audit, remuneration, risk and nomination committees regularly and during the course of ordinary director meetings.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not a party to any such proceedings during the year.

CORPORATE STRUCTURE

Golden State Mining Limited is a company limited by shares that is incorporated and domiciled in Australia.

PERFORMANCE RIGHTS

There are nil performance rights on issue at the date of this report.

RISK MANAGEMENT

The board is responsible for ensuring that risks, and also opportunities, are identified on a timely basis and that activities are aligned with the risks and opportunities identified by the board.

The board believes that it is crucial for all board members to be a part of this process, and, accordingly, all board members form, and discharge the obligations of the risk management committee.

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The board has a number of mechanisms in place to ensure that management's objectives and activities are aligned with the risks identified by the board. These include implementation of board approved operating plans and budgets and board monitoring of progress against these budgets.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than as disclosed in this Annual Report, no significant changes in the state of affairs of the Group occurred during the financial year.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

Since the reporting date, on 20 July 2021, 200,000 unlisted \$0.25 options (expiry 26 Oct 2022) were issued to a consultant as part consideration for services. In addition on 30 August 2021, the Company proposed to issue 81,554 fully paid ordinary shares on 29 October 2021 to satisfy an invoice for the cost of earth works for drilling provided to the Company; and on 22 September the Company proposed to issue 258,073 fully paid ordinary shares on 29 October 2021 to satisfy certain royalty obligations in respect of the Cue Project.

On 27 July 2021, the Company announced (and has since completed) the sale of an 80% interest in its Cuddingwarra and Big Bell South Gold projects to Caprice Resources Limited (ASX: CRS). The Company retains 20% ownership in the projects, forming a Joint Venture ('JV') with Caprice Resources Limited.

Key terms of the acquisition and JV are summarised as follows:

- In consideration for the acquisition, the Company received from Caprice on 2 August 2021:
 - 2,500,000 fully paid ordinary shares in the capital of Caprice,
 - a \$200,000 cash payment (\$30,000 of which was received as a deposit prior to balance date), and
 - 250,000 options in Caprice with an exercise price of \$0.25 per option and expiring 3 years from the date of issue (subject to a 3 day VWAP of less than \$0.23 prior to completion).
- The Company's 20% ownership over the projects and will be free-carried through to completion of a pre-feasibility study, after which point GSM can elect to contribute or dilute.
- Should Company elect to dilute below 10% project ownership its interest will convert into a 2% Net Smelter Royalty (NSR) royalty, with Caprice able to buy-back the royalty for a cash payment of \$5,000,000.
- Caprice has first right of refusal should the Company elect to dispose of its project ownership.
- Caprice to operate and manage the JV.

No other matter or circumstance has arisen since 30 June 2021, which has significantly affected, or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in subsequent financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Group intends to continue to undertake appropriate levels of exploration of its tenement portfolio, and to seek new project opportunities.

Other than as set out above, likely developments in the operations of the Group and the expected results of those operations in future financial years have not been included in this report as the directors believe, on reasonable grounds, that the inclusion of such information would be likely to result in unreasonable prejudice to the Group.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group is subject to environmental regulation in respect to its activities.

The Group aims to ensure the appropriate standard of environmental care is achieved, and in doing so, that it is aware of and complies with all environmental legislation. The directors of the Company are not aware of any breach of environmental legislation for the year under review.

REMUNERATION REPORT (AUDITED)

The information provided in this remuneration report has been audited as required by section 308(3C) of the Corporations Act 2001.

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Policy principles used/to be used to determine the nature and amount of remuneration.

Remuneration Policy

The remuneration policy of Golden State Mining Limited is designed to align key management personnel objectives with shareholder and business objectives by providing a fixed remuneration component. The board of Golden State Mining Limited believes the remuneration policy for the year under review was appropriate and effective to attract and retain suitable key management personnel to run and manage the Group. Consideration has been and will continue to be given to offering specific short and long term incentives including, specifically, equity remuneration.

The remuneration policy, setting the terms and conditions for the executive directors and other senior executives (if any), was developed by the board. In general, in respect of the year under review, executives received a base salary (which was based on factors such as experience), superannuation and share-based payments. The board will review executive packages as and when it considers it appropriate to do so in accordance with its remuneration policy and by reference to the Group's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.

The board may exercise discretion in relation to approving incentives, bonuses and equity remuneration. The policy is to reward executives for performance that results in long-term growth in shareholder wealth.

The executive directors and executives receive, where required by law, a superannuation guarantee contribution required by the government of Australia, which was 9.5% for the 2021 financial year but are not entitled to receive any other retirement benefits.

All remuneration paid to directors and executives is "valued" at the cost to the Group and expensed. Where applicable, options granted as equity remuneration are ascribed a "fair value" in accordance with Australian Accounting Standards.

The board's policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The board determines payments to the non-executive directors and the policy is to effect reviews of remuneration annually, based on market practice, duties and accountability. Fees for non-executive directors are not linked to the performance of the Group. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company and are able to participate in equity remuneration arrangements.

Company performance, shareholder wealth and key management personnel remuneration

There is no relationship between the financial performance of the Company for the current or previous financial year and the remuneration of the key management personnel. Remuneration is set having regard to market conditions and to encourage continued services of key management personnel.

Use of remuneration consultants

No remuneration consultant made a remuneration recommendation in relation to any of the key management personnel for the Group for the financial year.

Key management personnel of the Group

The Key Management Personnel (KMP) of the Group was comprised of all the board of directors mentioned above and Mr Moore is the sole Executive Director.

Details of the remuneration of the directors and the key management personnel of the Group are set out in the following tables:

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2021	Short term	Post Employment		
Director	Base Salary & Other Fees \$	Superannuation \$	Share-Based Payments \$	Total \$
Michael Moore	180,000	17,100	170,815	367,915
Damien Kelly	50,000	4,750	136,652	191,402
Greg Hancock	30,000	-	91,101	121,101
Brenton Siggs	30,000	2,850	91,101	123,951
Total	290,000	24,700	489,669	804,369

2020	Short term	Post Employment		
Director	Base Salary & Other Fees \$	Superannuation \$	Share-Based Payments \$	Total \$
Michael Moore	180,000	17,100	-	197,100
Damien Kelly	50,000	4,750	-	54,750
Greg Hancock	30,000	-	-	30,000
Brenton Siggs	30,000	2,850	-	32,850
Janet Wicks ¹	17,500	-	-	17,500
Total	307,500	24,700	-	332,200

¹Balance as at Janet Wicks resignation as a director on 10 December 2019. The board agreed to pay Janet Wick's director fees up to 31 January 2020.

Written Service agreements

Michael Moore, Managing Director:

An employment agreement has been executed between the Company and Mr Moore. Material provisions of the agreement were as follows for the financial year:

- Term of agreement – The contract has no fixed term. It may be terminated without reason by the company by giving 3 months' written notice and 3 months payment or, at the Company's election, payment of the 6 months' notice period in lieu of notice. The Executive may terminate the employment without reason by giving 3 months written notice.
- Monthly package of \$15,000 plus statutory superannuation.

Since the end of the financial year, the Company has agreed to increase Mr Moore's monthly remuneration to \$18,750 plus statutory superannuation and for the Company to be able to terminate without reason by giving 3 months' written notice or, at the Company's election, payment of the 3 months' notice period in lieu of notice.

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Damien Kelly, Non-Executive Chairman:

- Term of agreement – Subject to retirement by rotation under the Company's Constitution.
- Monthly package of \$4,167 plus statutory superannuation (if applicable). Since the end of the financial year the Company has agreed to increase the monthly package to \$5,000 plus statutory superannuation (if applicable).

Brenton Siggs (Non-Executive Director), Greg Hancock (Non-Executive Director) and Janet Wicks (Non-Executive Director; resigned as a director 10 Dec 2019):

- Term of agreement – Subject to retirement by rotation under the Company's Constitution.
- Monthly package of \$2,500 plus statutory superannuation (if applicable). Since the end of the financial year the Company has agreed to increase the monthly package to \$3,000 plus statutory superannuation (if applicable).

Share holdings

The relevant interest held during the financial year by each KMP, including their personally related parties, is set out below. No shares were issued as compensation during the reporting period.

Fully paid ordinary shares

30 June 2021	Balance at start of the period	Granted during the year as compensation	Other changes during the year	Balance at end of the period
Michael Moore	1,625,100	-	-	1,625,100
Damien Kelly	1,510,100	-	-	1,510,100
Greg Hancock	-	-	-	-
Brenton Siggs	660,000	-	-	660,000
Total	3,795,200	-	-	3,795,200

Option holdings

The relevant interest in options over ordinary shares in the Company held during the financial year by each director of Golden State Mining Limited and other key management personnel of the Group is set out below.

Unlisted options

30 June 2021	Balance at start of the year	Granted as compensation	Exercised	Lapsed	Other changes	Balance at end of the year	Vested and exercisable	Unvested
Michael Moore	1,500,000	1,500,000	-	-	-	3,000,000	2,250,000	750,000
Damien Kelly	1,500,000	1,200,000	-	-	-	2,700,000	2,100,000	600,000
Greg Hancock	500,000	800,000	-	-	-	1,300,000	900,000	400,000
Brenton Siggs	750,000	800,000	-	-	-	1,550,000	1,150,000	400,000
Total	4,250,000	4,300,000	-	-	-	8,550,000	6,400,000	2,150,000

Golden State Mining Limited

30 JUNE 2021

DIRECTORS' REPORT

Other equity-related KMP transactions

There have been no other transactions during the financial year involving equity instruments apart from those described in the tables above relating to options, rights and shareholdings.

Loans to key management personnel

There were no loans to key management personnel during the year.

Other transactions with key management personnel

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to third parties unless otherwise stated. Refer to note 22: Related Party Transactions.

INSURANCE OF DIRECTORS AND OFFICERS

During or since the financial year, in accordance with each director's Deed of Indemnity, Insurance and Access with Golden State Mining Limited, the Group has paid premiums insuring all the directors of Golden State Mining Limited, to the extent permitted by law, against all liabilities incurred by the director acting directly or indirectly as a director of the Company. The cover extends to legal costs incurred by the director in defending proceedings, provided that the liabilities for which the director is to be insured do not arise out of conduct involving a wilful breach of the director's duty to the Company or a contravention of sections 182 or 183 of the Corporations Act 2001. The total amount of Directors and Officers insurance premiums paid is \$24,420 (2020: \$21,090).

The table below sets out summary information about the Group's earnings and movements in shareholder wealth for the two (2) years to 30 June 2021:

	30 June 2021 \$	30 June 2020 \$
Other income	1,018,065	71,010
Net loss before tax	3,139,752	1,663,463
Net loss after tax	3,139,752	1,663,463
Share price at start of the year	0.57	0.075
Share price at end of the year	0.14	0.57
Basic/diluted loss per share (cents)	(4.96)	(4.46)

END OF REMUNERATION REPORT (AUDITED)

NON-AUDIT SERVICES

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in note 16 to the financial statements.

In the event non-audit services are provided by Stantons, the Board has established precedence to ensure that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. These include:

- all non-audit services are reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- non-audit services do not undermine the general principles relating to auditor independence as set out in APES 110 'Code of Ethics for Professional Accountants' issued by the Accounting Professional & Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Golden State Mining Limited

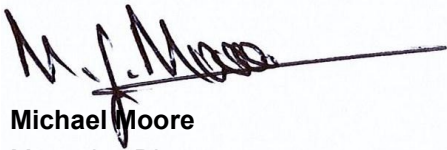
30 JUNE 2021

DIRECTORS' REPORT

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 39.

Signed in accordance with a resolution of the Directors.

A handwritten signature in black ink, appearing to read 'M. J. Moore', is written over a horizontal line. The signature is stylized and cursive.

Michael Moore

Managing Director

29 September 2021



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Australia

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29 September 2021

Board of Directors
Golden State Mining Limited
Suite 14, 19/21 Outram Street
WEST PERTH, WA 6005

Dear Directors

RE: GOLDEN STATE MINING LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Golden State Mining Limited.

As Audit Director for the audit of the financial statements of Golden State Mining Limited for the year ended 30 June 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD

Samir Tirodkar
Director



Golden State Mining Limited

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021**

	Notes	Year 30 June 2021	Year 30 June 2020
		\$	\$
REVENUE			
Interest revenue		11,785	25,081
Other income	9	1,004,749	45,929
Gain on Sale of Asset		1,531	-
EXPENDITURE			
Administration expense		(404,145)	(241,450)
Bad debt expense		(712,758)	-
Depreciation expense	20	(50,778)	(108,165)
Exploration and tenement expense written off		(1,675,389)	(686,038)
Share-based payments expense	11	(713,186)	(105,000)
Employee benefits expense		(601,561)	(593,820)
(LOSS) BEFORE INCOME TAX		(3,139,752)	(1,663,463)
Income tax benefit/(expense)	17	-	-
(LOSS) FOR THE YEAR ATTRIBUTABLE TO MEMBERS OF GOLDEN STATE MINING LIMITED		(3,139,752)	(1,663,463)
OTHER COMPREHENSIVE INCOME			
<i>Items that may be reclassified to profit or loss</i>			
Other comprehensive (loss) for the period, net of tax		-	-
		(3,139,752)	(1,663,463)
TOTAL COMPREHENSIVE (LOSS) FOR THE PERIOD ATTRIBUTABLE TO MEMBERS OF GOLDEN STATE MINING LIMITED		(3,139,752)	(1,663,463)
Basic and diluted (loss) per share (cents)	21	(4.96)	(4.46)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Golden State Mining Limited

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021**

	Notes	30 June 2021 \$	30 June 2020 \$
CURRENT ASSETS			
Cash and cash equivalents	3	4,376,053	2,435,260
Trade and other receivables	4	30,906	32,808
Accrued income	5	2,329	1,404
Prepayments	6	6,645	-
TOTAL CURRENT ASSETS		4,415,933	2,469,472
NON-CURRENT ASSETS			
Security deposit		-	2,640
Property, plant and equipment	20	89,037	128,859
TOTAL NON-CURRENT ASSETS		89,037	131,499
TOTAL ASSETS		4,504,970	2,600,971
CURRENT LIABILITIES			
Trade and other payables	7	222,908	249,184
Provisions	8	80,859	49,133
TOTAL CURRENT LIABILITIES		303,767	298,317
NON-CURRENT LIABILITIES			
Provisions	8	188,864	188,864
TOTAL NON-CURRENT LIABILITIES		188,864	188,864
TOTAL LIABILITIES		492,631	487,181
NET ASSETS		4,012,339	2,113,790
EQUITY			
Issued capital	10	10,760,747	6,435,632
Reserves	10	1,369,886	716,780
Accumulated losses	13	(8,118,294)	(5,038,622)
TOTAL EQUITY		4,012,339	2,113,790

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Golden State Mining Limited

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021**

	Contributed Equity \$	Reserves \$	Accumulated Losses \$	Total \$
BALANCE AT 1 JULY 2019	5,196,031	600,943	(3,409,322)	2,387,652
Loss for the period	-	-	(1,663,463)	(1,663,463)
TOTAL COMPREHENSIVE INCOME (LOSS)	-	-	(1,663,463)	(1,663,463)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS				
Expired Options	-	(34,163)	34,163	-
Share-based payments – Drilling services	30,000	-	-	30,000
Share-based payments – Lead managers	-	150,000	-	150,000
Proceeds from issue of shares	1,143,750	-	-	1,143,750
Proceeds from shares to be issued	50,000	-	-	50,000
Proceeds from exercise of options	230,000	-	-	230,000
Securities issue costs	(214,149)	-	-	(214,149)
BALANCE AT 30 JUNE 2020	6,435,632	716,780	(5,038,622)	2,113,790
BALANCE AT 1 JULY 2020	6,435,632	716,780	(5,038,622)	2,113,790
Loss for the period	-	-	(3,139,752)	(3,139,752)
TOTAL COMPREHENSIVE INCOME (LOSS)	-	-	(3,139,752)	(3,139,752)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS				
Share-based payments	-	713,186	-	713,186
Exercised share-based payments options	-	(60,080)	60,080	-
Proceeds from issue of shares	4,256,250	-	-	4,256,250
Drilling costs paid in shares	71,400	-	-	71,400
Proceeds from exercise of options	217,500	-	-	217,500
Securities issue costs	(220,035)	-	-	(220,035)
BALANCE AT 30 JUNE 2021	10,760,747	1,369,886	(8,118,294)	4,012,339

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Golden State Mining Limited

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021**

	Notes	30 June 2021 \$	30 June 2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Other income		261,991	45,929
Interest received		10,860	30,324
Payments to suppliers and employees		(2,608,988)	(1,536,498)
Net cash (used in) operating activities	15	<u>(2,336,137)</u>	<u>(1,460,245)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceed from sale of tenements		30,000	-
Proceeds from sale of plant and equipment		6,000	-
Payments for plant and equipment		(15,425)	(57,438)
Refund for Office Security Bond		2,640	-
Net cash (used in) investing activities		<u>23,215</u>	<u>(57,438)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of securities		4,473,750	1,423,750
Payment for costs of issue of securities		(220,035)	(139,150)
Net cash from financing activities		<u>4,253,715</u>	<u>1,284,600</u>
Net increase/(decrease) in cash and cash equivalents		1,940,793	(233,083)
Cash and cash equivalents at the beginning of the year		2,435,260	2,668,343
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	3	<u><u>4,376,053</u></u>	<u><u>2,435,260</u></u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Golden State Mining Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. The financial statements are for the Group consisting of Golden State Mining Limited and its subsidiaries. The financial statements are presented in the Australian currency. Golden State Mining Limited is a public company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange. It is a “for profit” entity. The financial statements were authorised for issue by the directors on 29 September 2021. The directors have the power to amend and reissue the financial statements.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001. Golden State Mining Limited is a for-profit entity for the purpose of preparing the financial statements.

The consolidated financial statements have been prepared on the basis of historical cost, except for certain financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for goods and services. All amounts are presented in Australian dollars, unless otherwise noted.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the Group takes into account the characteristics of the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of AASB 2 Share-based Payment, leasing transactions that are within the scope of AASB 16 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in AASB 102 Inventories or value in use in AASB 136 Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Going concern

The financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

The Group has incurred a net loss after tax for the year ended 30 June 2021 of \$3,139,752 (2020: loss of \$1,663,463) and had net cash outflows from operating activities of \$2,336,137 (2020: \$1,460,245). As at 30 June 2021 the Group had a working capital surplus of \$4,112,166 (2020 surplus \$2,171,155) and cash and cash equivalents of \$4,376,053 (2020: \$2,435,260).

The ability of the entity to continue as a going concern is dependent on securing additional capital raising activities to continue its operational and exploration activities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Should the entity not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements and that the financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the entity not continue as a going concern.

(i) Compliance with IFRS

The consolidated financial statements of the Golden State Mining Limited Group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(ii) New and amended standards adopted by the Group

The Group has considered the implications of new and amended Accounting Standards which have become applicable for the current financial reporting period.

Initial adoption of AASB 2020-04: COVID-19-Related Rent Concessions

AASB 2020-4: *Amendments to Australian Accounting Standards – COVID-19-Related Rent Concessions* amends AASB 16 by providing a practical expedient that permits lessees to assess whether rent concessions that occur as a direct consequence of the COVID-19 pandemic and, if certain conditions are met, account for those rent concessions as if they were not lease modifications.

Initial adoption of AASB 2018-6: Amendments to Australian Accounting Standards – Definition of a Business

AASB 2018-6 amends and narrows the definition of a business specified in AASB 3: *Business Combinations*, simplifying the determination of whether a transaction should be accounted for as a business combination or an asset acquisition. Entities may also perform a calculation and elect to treat certain acquisitions as acquisitions of assets.

Initial adoption of AASB 2018-7: Amendments to Australian Accounting Standards – Definition of Material

This amendment principally amends AASB 101 and AASB 108 by refining the definition of material by improving the wording and aligning the definition across the standards issued by the AASB.

Initial adoption of AASB 2019-3: Amendments to Australian Accounting Standards – Interest Rate Benchmark

This amendment amends specific hedge accounting requirements to provide relief from the potential effects of the uncertainty caused by interest rate benchmark reform.

Initial adoption of AASB 2019-1: Amendments to Australian Accounting Standards – References to the Conceptual Framework

This amendment amends Australian Accounting Standards, Interpretations and other pronouncements to reflect the issuance of Conceptual Framework for Financial Reporting by the AASB.

The standards listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(b) Principles of consolidation

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of financial position respectively.

(ii) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of Golden State Mining Limited.

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, jointly controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a jointly controlled entity or associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the full board of Directors.

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Golden State Mining Limited's functional and presentation currency.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. They are deferred in equity if they are attributable to part of the net investment in a foreign operation.

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of profit and loss and other comprehensive income are translated at average exchange rates (unless that is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

(e) Revenue recognition

The Group applies AASB 15 Revenue from Contracts with Customers. The Group does not have any revenue from contracts with customers.

(i) Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(f) Income tax

The income tax expense or revenue for the year is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(g) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(h) Cash and cash equivalents

For statement of cash flows presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

(i) Financial instruments (AASB 9)

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial instruments (except for trade receivables) are measured initially at fair value adjusted by transaction costs, except for those carried at 'fair value through profit or loss', in which case transaction costs are expensed to profit or loss. Where available, quoted prices in an active market are used to determine the fair value. In other circumstances, valuation techniques are adopted. Subsequent measurement of financial assets and financial liabilities are described below.

Trade receivables are initially measured at the transaction price if the receivables do not contain a significant financing component in accordance with AASB 15.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expired.

Classification and measurement

Financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- amortised cost;
- fair value through other comprehensive income (FVOCI); and
- fair value through profit or loss (FVPL).

Classifications are determined by both:

- the contractual cash flow characteristics of the financial assets; and
- the Group's business model for managing the financial asset.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet with the following conditions (and are not designated as FVPL);

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Financial assets at fair value through other comprehensive income (Equity instruments)

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; and
- the financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling the financial asset.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB 132 Financial Instruments: Presentation and are not held for trading.

Financial assets at fair value through profit or loss (FVPL)

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, gains and losses arising on changes in fair value are recognised in profit or loss.

Impairment

The Group assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by AASB, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(j) Plant and equipment

All plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the statement of profit and loss and other comprehensive income during the reporting period in which they are incurred.

Depreciation of plant and equipment is calculated using the prime cost method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(g)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit and loss and other comprehensive income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(k) Exploration and development expenditure

Exploration and evaluation costs are expensed as incurred. Acquisition expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis in determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

(l) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured, non-interest bearing and are paid on normal commercial terms.

(m) Employee benefits

Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised as current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(n) Share-based payments

The Group may provide benefits to employees (including directors) of the Group, and to vendors and suppliers, in the form of equity-based payment transactions, whereby employees render services, or where vendors sell assets to the Group, in exchange for shares or rights over shares ('equity-settled transactions').

The cost of equity-settled transactions with employees is measured by reference to the "fair value", not market value. The "fair value" is determined in accordance with Australian Accounting Standards. In the case of share options issued, in the absence of a reliable measure, AASB 2 Share Based Payments prescribes the approach to be taken to determining the fair value. The Black-Scholes European Option Pricing Model is an industry accepted method of valuing share options. Other models may be used.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled (if applicable), ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of options that, in the opinion of the directors of the Group, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market condition.

Where an option is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the option is recognised immediately. However, if a new option is substituted for the cancelled option, and designated as a replacement option on the date that it is granted, the cancelled and new option are treated as a modification of the original option.

(o) Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(p) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(q) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(r) New accounting standards for application in future periods

There are a number of new accounting standards and interpretations issued by the AASB that are not yet mandatorily applicable to the Group and have not been applied in preparing these consolidated financial statements. The Group does not plan to adopt these standards early.

These standards are not expected to have a material impact on the Group in the current or future reporting periods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(s) Critical accounting judgements, estimates and assumptions

The preparation of these financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are:

Taxation

Balances disclosed in the financial statements and the notes thereto related to taxation are based on the best estimates of the directors. These estimates take into account both the financial performance and position of the Group as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors' best estimate, pending an assessment by the Australian Taxation Office.

Share-based payments

Share-based payment transactions, in the form of options to acquire ordinary shares, are valued using the Black-Scholes option or other recognised pricing model. Models use assumptions and estimates as inputs.

Whilst the Directors do not necessarily consider the result derived by the application of, say, the Black-Scholes Option Pricing Model is in anyway representative of the market value of the share options issued, in the absence of reliable measure for the same, AASB 2 Share Based Payments prescribes the fair value be determined by applying a generally accepted valuation methodology. The Company has adopted the Black-Scholes Option Pricing Model for presently relevant purposes. Other recognised models may be used.

Recovery of Deferred Tax assets

Judgment is required in determining whether deferred tax assets are recognised in the balance sheet. Deferred tax assets, including those arising from un-utilised tax losses require management to assess the likelihood that the Group will generate taxable earnings in future periods, in order to utilise recognised deferred tax assets. Deferred tax assets will not be recognised until the Group is able to generate a net taxable income.

Estimates of future taxable income will be based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the reporting date could be impacted.

Additionally, future changes in tax laws in the jurisdictions in which the Group operates could limit the ability of the Group to obtain tax deductions in future periods.

(t) Financial Risk Management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program includes consideration of the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group in the context of the board's judgement as to an acceptable balance as between risk/reward in the context of the Company and all the prevailing circumstances.

Risk management is carried out by a risk management committee comprised of the full board of Directors as the Group believes, given the circumstances of the Company, that it is crucial for all board members to be involved in this process. Therefore, all Directors have responsibility for identifying, assessing, treating and monitoring risks and reporting to the board on risk management.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(A) Market risk

(i) Foreign exchange risk

The Group is currently not exposed to foreign exchange risk.

(ii) Price risk

The Group is currently not exposed to foreign exchange risk.

(iii) Interest rate risk

The Group is exposed to movements in market interest rates on cash and cash equivalents. Exposure to interest rate risk arises on financial assets and financial liabilities recognised at reporting date whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

(B) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with credit worthy counterparties as a means of mitigating the risk of financial loss from activities.

The Group does not have any significant credit risk exposure to any single counterparty or any Group of counterparties having similar characteristics. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Group's maximum exposure to credit risk.

(C) Liquidity risk

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring sufficient cash and marketable securities are available to meet the current and future commitments of the Group. Debt and equity funding are options open to the Company. The board of Directors constantly monitor the state of equity markets in conjunction with the Group's current and future funding requirements, with a view to ensuring the Group has adequate funds available.

The financial liabilities of the Group are confined to trade and other payables as disclosed in the statement of financial position. All trade and other payables are non-interest bearing and due within 12 months of the reporting date.

(D) Fair value measurements

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. All financial assets and financial liabilities of the Group at the balance date are recorded at amounts approximating their fair value.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price.

The carrying value, less impairment provision, of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

Golden State Mining Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 2: SEGMENT INFORMATION

The Group has identified that it operates in only one segment based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The Group's principal activity is mineral exploration, evaluation and investment.

NOTE 3: CASH AND CASH EQUIVALENTS

	June 2021 \$	June 2020 \$
Cash at bank	436,053	715,260
Short-term deposits	3,940,000	1,720,000
Total	4,376,053	2,435,260

NOTE 4: TRADE AND OTHER RECEIVABLES

	June 2021 \$	June 2020 \$
Kirkalocka Gold SPV Pty Ltd ¹	782,050	-
Less provision for doubtful debt	(782,050)	-
GST receivable	30,906	32,808
Total	30,906	32,808

¹ Kirkalocka Gold SPV Pty Ltd a subsidiary of Adaman Resources Pty Ltd ("Adaman") was invoiced \$782,050 (including GST) for ore sales, royalties, site rehabilitation and interest pursuant to the Ore Sale and Purchase Agreement that was signed with Adaman to purchase, mine and process remnant mine tailings (battery sands) from the Company's historic Cue No. 1 and Salisbury mines. During the year Administrators were appointed to Adaman and its subsidiaries. The Company has made a provision for doubtful debt for the entire amount.

NOTE 5: ACCRUED INCOME

	June 2021 \$	June 2020 \$
Term deposits - interest income receivable	2,329	1,404

NOTE 6: PREPAYMENTS

	June 2021 \$	June 2020 \$
Prepaid insurance	6,645	-

Golden State Mining Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 7: TRADE AND OTHER PAYABLES

	June 2021 \$	June 2020 \$
Current		
Trade payables	63,203	148,408
Other payables and accruals ¹	159,705	100,776
Total	222,908	249,184

¹ Other payables and accruals include \$53,749 for royalties owing pursuant to the purchase, mining and processing remnant mine tailings (battery sands) from the Company's historic Cue No. 1 and Salisbury mines by Adaman.

June 2021	0-30 days \$	31-60 days \$	61-90 days \$	90+ days \$	Total \$
Trade payables	\$63,036	167	-	-	63,203

NOTE 8: PROVISIONS

	June 2021 \$	June 2020 \$
Current		
Provision for employee entitlements	80,859	49,133
Total Current	80,859	49,133
Non-current		
Environmental rehabilitation provision	188,864	188,864
Total Non-current	188,864	188,864

Environmental rehabilitation

As at 30 June 2021, there is an estimated cost provision of \$188,864 for the environmental rehabilitation of the Cue Gold project tenements. The environmental rehabilitation cost relates to the pre-acquisition mine operation and closure plan by Western Mining Pty Ltd. The directors have reviewed the estimates close to balance date and are of the opinion that no further provision is required as at 30 June 2021.

Golden State Mining Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 9: OTHER INCOME

	June 2021	June 2020
	\$	\$
Co-funded drilling grant	150,000	-
Deposit on sale of 80% Cuddingwarra & Big Bell South	30,000	-
COVID-19 business support grants	111,991	43,809
Sale of fixed assets	-	2,120
Kirkalocka Gold SPV Pty Ltd – ore sales, royalties, site rehabilitation and interest pursuant to the Ore Sale and Purchase Agreement	712,758	-
Total	1,004,749	45,929

NOTE 10: EQUITY SECURITIES ISSUED

Equity shares

	June 2021 Shares	June 2021 \$	June 2020 Shares	June 2020 \$
Outstanding at the beginning of the year	46,726,200	6,435,632	36,251,200	5,196,031
Issues of ordinary shares				
Fully paid shares yet to be issued ¹	-	-	-	50,000
Fully paid shares issued – Exercise of options	1,460,000	217,500	950,000	230,000
Fully paid shares issued – Placements	34,130,000	4,256,250	9,150,000	1,143,750
Fully paid shares issued – Drilling services	432,158	71,400	375,000	30,000
Transaction costs	-	(220,035)	-	(139,149)
Options issued to Lead Managers	-	-	-	(75,000)
Outstanding at the end of the period	82,748,358	10,760,747	46,726,200	6,435,632

¹As at 30 June 2020, there was \$10,000 paid for 80,000 shares that were issued at \$0.125 per share on 6 July 2020 in the Tranche 2 placement. In addition, there was \$40,000 received for the exercise of 200,000 options at \$0.20 per option and the shares were issued on 6 July 2020.

As at 30 June 2021, the Company had 82,748,358 fully paid ordinary shares.

Golden State Mining Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern and to take advantage of organic and acquisitive mineral property opportunities, so that it may strive to provide returns for shareholders and benefits for other stakeholders.

Debt and equity funding options are open to the Group. The working capital position of the Group at 30 June 2021 and 30 June 2020 are as follows:

	June 2021 \$	June 2020 \$
Cash and cash equivalents	4,376,053	2,435,260
Trade and other receivables	30,906	32,808
Accrued income	2,329	1,404
Prepayments	6,645	-
Trade and other payables	(222,908)	(249,184)
Working capital position	4,193,025	2,220,288

Options

	June 2021 Number of options	June 2021 \$	June 2020 Number of options	June 2020 \$
Outstanding at the beginning of the year	12,232,560	716,780	16,015,104	600,943
Movements of options				
Issued, exercisable at \$0.1625, expiring 26 June 2023 – Lead managers	-	-	4,000,000	150,000
Exercised Options ¹	(1,460,000)	(60,080)	(950,000)	-
Expired options - (exercise price \$0.25, expiring 8 Nov 2019)	-	-	(6,832,544)	(34,163)
Issued, exercisable at \$0.40, expiring 30 September 2024 - Directors & employees	2,950,000	428,276	-	-
Issued, exercisable at \$0.60, expiring 30 September 2024 - Directors & employees	2,950,000	243,596	-	-
Issued, exercisable at \$0.40, expiring 30 September 2024 - Consultant	250,000	22,075	-	-
Issued, exercisable at \$0.25, expiring 8 November 2021 - Consultant	250,000	4,217	-	-
Issued, exercisable at \$0.25, expiring 26 October 2022 - Consultant	200,000	15,022	-	-
Outstanding at the end of the period	17,372,560	1,369,886	12,232,560	716,780

¹ The \$60,080 is the fair value that was attributed to the options when granted.

As at 30 June 2021, the Company had 17,372,560 unlisted options.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 11: SHARE-BASED PAYMENTS

The following table illustrates the number (No.) and weighted average exercise prices (WAEP) and movements in share options issued as share based payments as at 30 June 2021.

Options

	June 2021 No.	June 2021 WAEP	June 2020 No.	June 2020 WAEP
Outstanding at the beginning of the year	11,832,560	\$0.23	8,632,560	\$0.26
Granted during the period	6,600,000	\$0.48	4,000,000	\$0.16
Exercised during the period	(1,060,000)	\$0.17	(800,000)	\$0.25
Outstanding at the end of the period ¹	17,372,560	\$0.33	11,832,560	\$0.23
Exercisable at the end of the period	14,422,560	\$0.27	11,832,560	\$0.23

¹ Balance included 200,000 options granted in the period but issued on 20 July 2021.

The weighted average remaining contractual life for the share-based payment options as at 30 June 2021 is 1.73 years (2020: 2.10).

The weighted average exercise price for the share-based payment options as at 30 June 2021 is \$0.33 (June 2020: \$0.23).

Options issued during the current year:

On 27 November 2020, there were 2,950,000 unlisted options granted which had a fair value of \$ 0.1452 per option based on a Black Scholes model with the following key inputs: interest free rate – 0.1%, volatility factor –109% measured since the date of ASX listing on 8 November 2018, grant date – 27 November 2020, days to expiry –1,369 and exercise price - \$0.40. The value recognised to the options was \$428,276.

On 27 November 2020, there were 2,950,000 unlisted options granted subject to a vesting condition that the relevant director/employee remains an employee or officer of the Company until 31 October 2021, failing which the options granted lapse, unless and to the extent the Board waives the vesting condition; which had a fair value of \$ 0.1298 per option based on a Black Scholes model with the following key inputs: interest free rate – 0.1%, volatility factor –109% measured since the date of ASX listing on 8 November 2018, grant date – 27 November 2020, days to expiry –1,369 and exercise price - \$0.60. The vesting amount as at 30 June 2021 was \$243,596 in accordance with the vesting period of the options.

On 15 June 2021, there were 250,000 unlisted options granted to advisors as an incentive for services which had a fair value of \$0.01687 per option based on a Black Scholes model with the following key inputs: interest free rate – 0.1%, volatility factor – 85% measured approximately 5 months prior to grant date – 15 June 2021, days to expiry –146 and exercise price - \$0.25. The value recognised to the options was \$4,217.

On 15 June 2021, there were 250,000 unlisted options granted to advisors as an incentive for services which had a fair value of \$0.0883 per option based on a Black Scholes model with the following key inputs: interest free rate – 0.1%, volatility factor – 104% measured since the date of ASX listing on 8 November 2018, grant date – 15 June 2021, days to expiry – 1,203 and exercise price - \$0.40. The value recognised to the options was \$22,075.

Golden State Mining Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

On 15 June 2021, there were 200,000 unlisted options granted to advisors as an incentive for services which had a fair value of \$0.07511 per option based on a Black Scholes model with the following key inputs: interest free rate – 0.1%, volatility factor – 120% measured approximately 16.5 months prior to grant date – 15 June 2021, days to expiry – 498 and exercise price - \$0.25. The value recognised to the options was \$15,022. These options, although granted in the period, have been issued on 20 July 2021.

During the period, a total of 1,060,000 unlisted options granted as share based payments were exercised as follows:

60,000 unlisted options exercised at \$0.25, expiry 8 November 2021; and
1,000,000 unlisted options exercised at \$0.1625, expiry 26 June 2023.

In previous year options valuations Black-Scholes model was used for the valuation of share-based payments, taking into account the terms and conditions upon which the options were granted. The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

No option holder has any right under the options to participate in any other share issue of the Company or any other entity.

Recognised share-based payments expenses

Total expenses arising from share-based payment transactions recognised during the period as part of share-based payment expense were as follows:

	2021 \$	2020 \$
Operating expenditure		
Options issued to directors, employees and consultants	713,186	-
Lead manager options (corporate advisory)	-	75,000
Shares issued for drilling services	-	30,000
Total	713,186	105,000

NOTE 12: DIVIDENDS

No dividends were paid during the year and no recommendation is made as to the dividends.

NOTE 13: ACCUMULATED LOSSES

	June 2021	June 2020
Accumulated losses at the beginning of the financial year	(5,038,622)	(3,409,322)
Exercised/expired options (reserve transferred)	60,080	34,163
Net (loss) attributable to members of the company	(3,139,752)	(1,663,463)
Accumulated losses at the end of the financial year	(8,118,294)	(5,038,622)

Golden State Mining Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 14: FINANCIAL RISK MANAGEMENT

The company's financial instruments consist mainly of deposits with banks, accounts receivable and payable. The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements are as follows:

Financial Instruments	2021				2020			
	Floating Interest Rate	Fixed Interest Rate	Non-interest bearing	Total	Floating Interest Rate	Fixed Interest Rate	Non-interest bearing	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets								
Cash and cash equivalents	321,929	3,940,000	114,124	4,376,053	653,820	1,720,000	61,440	2,435,260
Trade and other receivables	-	-	30,906	30,906	-	-	32,808	32,808
Total financial assets	321,929	3,940,000	145,030	4,406,959	653,820	1,720,000	94,248	2,468,068
Weighted average interest rate for the year	0.0%	0.32%			0.0%	0.8%		
Financial liabilities								
Trade and other payables	-	-	222,908	222,908	-	-	249,184	249,184
Total financial liabilities	-	-	222,908	222,908	-	-	249,184	249,184

Financial Risk Management Policies

The director's overall risk management strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

Risk management policies are approved and reviewed by the Board of Directors on a regular basis. This includes credit risk policies and future cash flow requirements.

The main purpose of non-derivative financial instruments is to raise finance for company operations.

The company does not have any derivative instruments as at 30 June 2021.

Sensitivity analysis

At reporting date, if interest rates had been 100 basis points higher or lower and all other variables were held constant, the Company's net loss would increase or decrease by approximately \$4,376 (2020: \$2,435) which is attributable to the Group's exposure to interest rates on its variable bank deposits.

Golden State Mining Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 15: RECONCILIATION OF LOSS AFTER TAX TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	Consolidated	
	June 2021 \$	June 2020 \$
Profit/(Loss) after income tax	(3,139,752)	(1,663,463)
Non-cash flows in loss for the period		
Depreciation	50,778	108,165
Share based payments	713,186	105,000
Gain on sale of assets	(1,531)	-
Liabilities settled in shares	71,400	-
Changes in assets and liabilities		
(Increase) / Decrease in trade and other receivables	(28,098)	(12,677)
(Increase) / Decrease in Accrued income	(925)	5,242
(Increase) / Decrease in Prepayments	(6,645)	-
Increase / (Decrease) in trade and other payables	(26,276)	(31,992)
Increase / (Decrease) in Provisions	31,726	29,480
Net cash inflows (outflows) from operating activities	(2,336,137)	(1,460,245)

NOTE 16: REMUNERATION OF AUDITORS/ NON-AUDIT SERVICES

	2021 \$	2020 \$
REMUNERATION OF AUDITORS		
Audit of financial reports	30,679	30,921
NON-AUDIT SERVICES		
Taxation (to associated entity)	2,050	2,500

Golden State Mining Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 17: INCOME TAX EXPENSE

	Consolidated	
	June 2021 \$	June 2020 \$
The components of income tax benefit comprise:		
<i>Current income tax benefit</i>	(714,522)	(505,021)
<i>Deferred income tax expense</i>	-	-
Income tax expense reported in the consolidated statement of comprehensive income	-	-
Income tax expense recognised in equity	-	-
Accounting Profit/(Loss) before income tax	(3,139,752)	(1,663,463)
At the statutory income tax rate of 26% (2020: 27.50%)	(816,335)	(457,452)
Other non-deductible expenditure for income tax purposes	148,687	2,423
Other adjustments	(46,874)	(49,992)
Unrecognised tax losses	714,522	(505,021)
<i>Deferred tax assets</i>		
Carried forward revenue losses	1,795,265	1,219,046
Other	-	-
Gross deferred tax asset	1,795,265	1,219,046
Offset against deferred tax liability	-	-
Unrecognised Tax Asset	1,795,265	1,219,046

There were no 'Deferred tax liabilities' as at 30 June 2021.

Tax loss not recognised

All unused tax losses were incurred in Australia. Potential deferred tax assets net of deferred tax liabilities attributable to tax losses have not been brought to account because the Directors do not believe it is appropriate to regard realisation of the future income tax benefits as probable as at the date of this report.

NOTE 18: CONTINGENCIES

In addition to statutory royalties generally applicable mineral production in Western Australia, certain tenements which make up part of the Group's Cue and Yule projects are subject to private royalties in respect of minerals produced from those tenements. These private royalties are described in sections 11.1 and 11.2 (respectively) of the Company's IPO prospectus dated 22 August 2018.

There are no material contingent liabilities or contingent assets of the Group at the reporting date.

NOTE 19: COMMITMENTS FOR EXPENDITURE

Exploration Commitment

In order to maintain current rights of tenure to various tenements, the company is required to perform minimum exploration work to meet the minimum expenditure requirements specified by Western Australia. These obligations are expected to be fulfilled in the normal course of operations and are not provided for in the financial report.

If the company decides to relinquish certain leases and/or does not meet these obligations, assets recognised in the balance sheet may require review to determine the appropriateness of carrying values. The sale, transfer or farm-out of exploration rights to third parties will reduce or extinguish these obligations.

Golden State Mining Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

The Group will be required to outlay approximately \$760,300 (2020: \$548,800) in the following financial year to meet minimum expenditure requirements.

Operating Lease Commitment

The Company has not entered into a commercial property lease on its corporate office premises or any other operating leases. Office rent is currently paid on a month by month basis.

NOTE 20: PROPERTY, PLANT AND EQUIPMENT

	June 2021 \$	June 2020 \$
Property, Plant and Equipment at cost		
Opening balance	341,099	283,661
Additions	15,426	57,438
Disposals	(13,000)	-
Closing balance	343,525	341,099
Accumulated depreciation		
Opening balance	212,240	104,075
Depreciation for the year	50,778	108,165
Disposals	(8,530)	
Closing balance	254,488	212,240
Summary		
At cost	343,525	341,099
Accumulated depreciation	(254,488)	(212,240)
Net carrying amount	89,037	128,859

NOTE 21: BASIC AND DILUTED EARNINGS/(LOSS) PER SHARE

	June 2021	June 2020
Basic and diluted (loss) per share (cents)	(4.96)	(4.46)
Profit/(Loss) attributable to members of Golden State Mining	(3,139,752)	(1,663,463)
Weighted average number of shares outstanding	63,331,199	37,321,623

NOTE 22: RELATED PARTY TRANSACTIONS AND KMP REMUNERATION

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Brenton Siggs is a partner of Reefus Geology Services which was paid \$55,020 (excl. GST) (2020: \$19,380) for geological services undertaken with respect to the Group's projects. As at 30 June 2021 the amount owing to Reefus Geology Services was nil.

Damien Kelly is a director of Western Tiger Corporate Advisors which provided \$16,000 (excl. GST) (2020: Nil) for corporate consulting services. As at 30 June 2021 the amount owed to Western Tiger Corporate Advisors was \$17,600 (incl. GST).

Golden State Mining Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

The Key Management Personnel (KMP) of the Group was comprised of all the board of directors mentioned above and Mr Moore is the sole Executive Director.

Details of the remuneration of the directors and the key management personnel of the Group are set out in the following tables:

2021	Short term	Post Employment		
Director	Base Salary & Other Fees \$	Superannuation \$	Share-Based Payments \$	Total \$
Michael Moore	180,000	17,100	170,815	367,915
Damien Kelly	50,000	4,750	136,652	191,402
Greg Hancock	30,000	-	91,101	121,101
Brenton Siggs	30,000	2,850	91,101	123,951
Total	290,000	24,700	489,669	804,369

2020	Short term	Post Employment		
Director	Base Salary & Other Fees \$	Superannuation \$	Share-Based Payments \$	Total \$
Michael Moore	180,000	17,100	-	197,100
Damien Kelly	50,000	4,750	-	54,750
Greg Hancock	30,000	-	-	30,000
Brenton Siggs	30,000	2,850	-	32,850
Janet Wicks ¹	17,500	-	-	17,500
Total	307,500	24,700	-	332,200

¹Balance as at Janet Wicks resignation as a director on 10 December 2019. The board agreed to pay Janet Wick's director fees up to 31 January 2020.

Golden State Mining Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 23: EQUITY INSTRUMENTS DISCLOSURE - KEY MANAGEMENT PERSONNEL

The Number of shares in which the Directors and Key Management Personnel of the Company held a relevant interest during the year ended 30 June 2021, including their personally related parties, is set out below:

Working Fully paid ordinary shares

June 2021	Balance at start of the period	Granted during the year as compensation	Other changes during the year	Balance at end of the period
Michael Moore	1,625,100	-	-	1,625,100
Damien Kelly	1,510,100	-	-	1,510,100
Greg Hancock	-	-	-	-
Brenton Siggs	660,000	-	-	660,000
Total	3,795,200	-	-	3,795,200

The Number of options which the Directors and Key Management Personnel of the Company held a relevant interest during the year ended 30 June 2021, including their personally related parties, is set out below:

Unlisted options

30 June 2021	Balance at start of the year	Granted as compensation	Exercised	Lapsed	Other changes	Balance at end of the year	Vested and exercisable	Unvested
Michael Moore	1,500,000	1,500,000	-	-	-	3,000,000	2,250,000	750,000
Damien Kelly	1,500,000	1,200,000	-	-	-	2,700,000	2,100,000	600,000
Greg Hancock	500,000	800,000	-	-	-	1,300,000	900,000	400,000
Brenton Siggs	750,000	800,000	-	-	-	1,550,000	1,150,000	400,000
Total	4,250,000	4,300,000	-	-	-	8,550,000	6,400,000	2,150,000

Golden State Mining Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 24: GOLDEN STATE MINING LIMITED (THE PARENT ENTITY) INFORMATION

	JUNE 2021	JUNE 2020
	\$	\$
Current assets	4,415,933	2,469,472
Non-current assets	58,072	60,452
Total assets	4,474,005	2,529,924
Current liabilities	240,018	286,830
Non-current liabilities	-	188,864
Total liabilities	240,018	475,694
NET ASSETS	4,233,987	2,054,230
Contributed equity	10,760,747	6,435,632
Reserves	1,369,886	716,780
Accumulated losses	(7,896,646)	(5,098,182)
Total equity	4,233,987	2,054,230
Loss for the year	(2,858,544)	(1,555,020)
Other comprehensive income	-	-
Total comprehensive loss for the year	(2,858,544)	(1,555,020)

There were no guarantees, contingencies and subsequent events other than those disclosed elsewhere in the report.

NOTE 25: CONTROLLED ENTITIES

	Ownership interest	
	2021	2020
Parent entity		
Golden State Mining Limited		
Subsidiaries		
Cue Consolidated Mining Pty Ltd	100%	100%
Crown Mining Pty Ltd	100%	100%

All members of the consolidated entity are incorporated in Australia.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 26: SUBSEQUENT EVENTS

Since the reporting date, on 20 July 2021, 200,000 unlisted \$0.25 options (expiry 26 Oct 2022) were issued to a consultant as part consideration for services. In addition on 30 August 2021, the Company proposed to issue 81,554 fully paid ordinary shares on 29 October 2021 to satisfy an invoice for the cost of earth works for drilling provided to the Company; and on 22 September the Company proposed to issue 258,073 fully paid ordinary shares on 29 October 2021 to satisfy certain royalty obligations in respect of the Cue Project.

On 27 July 2021, the Company announced (and has since completed) the sale of an 80% interest in its Cuddingwarra and Big Bell South Gold projects to Caprice Resources Limited (ASX: CRS). The Company retains 20% ownership in the projects, forming a Joint Venture ('JV') with Caprice Resources Limited.

Key terms of the acquisition and JV are summarised as follows:

- In consideration for the acquisition the Company received from Caprice on 2 August 2021:
 - 2,500,000 fully paid ordinary shares in the capital of Caprice,
 - a \$200,000 cash payment (\$30,000 of which was received as a deposit prior to balance date), and
 - 250,000 options in Caprice with an exercise price of \$0.25 per option and expiring 3 years from the date of issue.
- The Company's 20% ownership over the projects and will be free-carried through to completion of a pre-feasibility study after which point GSM can elect to contribute or dilute.
- Should Company elect to dilute below 10% project ownership its interest will convert into a 2% Net Smelter Royalty (NSR) royalty, with Caprice able to buy-back the royalty for a cash payment of \$5,000,000.
- Caprice has first right of refusal should the Company elect to dispose of its project ownership.
- Caprice to operate and manage the JV.

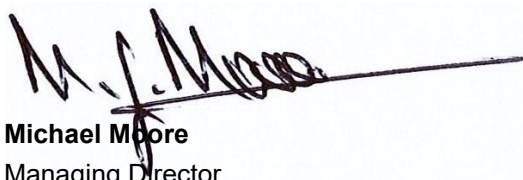
No other matter or circumstance has arisen since 30 June 2021, which has significantly affected, or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in subsequent financial years.

Golden State Mining Limited

DIRECTORS' DECLARATION

1. In the opinion of the Directors of Golden State Mining Limited:
 - (a) The consolidated financial statements and notes, and the Remuneration Report in the Directors' Report are in accordance with the Corporations Act 2001, including:
 - (i) Giving a true and fair view of the Group's financial position as at 30 June 2021 and its performance, for the financial year ended on that date, and
 - (ii) Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;
 - (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable, and
2. The directors have been given the declarations required by section 295A of the Corporations Act 2001 from the Managing Director for the financial year ended 30 June 2021.
3. The financial report also complies with International Financial Reporting Standards as disclosed in note 1(a) to the consolidated financial statements.

Signed in accordance with a resolution of the Directors.

A handwritten signature in black ink, appearing to read 'M. J. Moore', is written over a horizontal line. The signature is stylized and somewhat cursive.

Michael Moore
Managing Director
29 September 2021

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
GOLDEN STATE MINING LIMITED**

Report on the Audit of the Financial Report

Opinion

We have audited the consolidated financial report of Golden State Mining Limited, the Company and its subsidiaries, ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration..

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including

- (i) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How the matter was addressed in the audit
<p>Valuation of Share based payments</p> <p>As disclosed in note 11 of the financial report, during the period the Company granted a number of share options to Directors, employees and consultants of the Company.</p> <p>The Company prepared a valuation of share options in accordance with its accounting policy and the accounting standard <i>AASB 2 - Share-based Payment</i>.</p> <p>The valuation of options is considered to be a key audit matter as it involved judgment in assessing the fair value of the equity instruments granted, the grant date, vesting conditions and vesting periods.</p>	<p>In assessing the valuation of share options our audit procedures included, among others:</p> <ol style="list-style-type: none"> i. Obtaining an understanding of the underlying transactions, reviewing agreements, minutes of the Board meetings and ASX announcements; ii. Reviewing the inputs used in the valuation models, the underlying assumptions used and discussing with management the justification for these inputs; iii. Ensuring the mathematical accuracy of the valuation model utilised; and iv. Assessing whether the Company's disclosures met the requirements of the accounting standards.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2021 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance opinion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in Internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

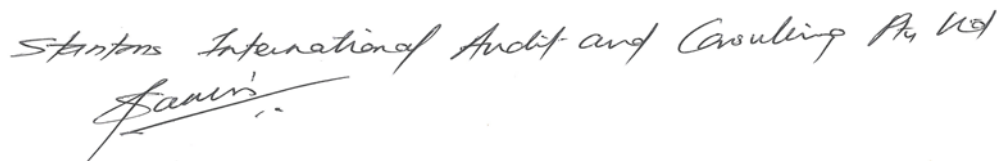
We have audited the Remuneration Report included in pages 33 to 37 of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Golden State Mining Limited for the year ended 30 June 2021 complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An Authorised Audit Company)



Stantons International Audit and Consulting Pty Ltd
Samir

Samir Tirodkar

Director

West Perth, Western Australia

29 September 2021

ASX Additional Information

Additional information required by Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows.

The information is current as at 7 September 2021.

(a) Distribution of equity securities Analysis of numbers of equity security holders by size of holding:

		Ordinary shares	
		Number of holders	Number of shares
0	• - 1,000	54	21,484
1,001	• - 5,000	343	1,044,851
5,001	• - 10,000	273	2,250,557
10,001	• - 100,000	604	21,452,646
100,001	• and over	142	57,978,820
	•	1,416	82,748,358
The number of shareholders holding less than a marketable parcel of shares are:		329	740,310

(b) Twenty largest shareholders of quoted ordinary shares

The names of the twenty largest holders of quoted ordinary shares are:

		Listed ordinary shares	
		Number of shares	Percentage of ordinary shares
1	PERTH SELECT SEAFOODS PTY LTD	8,500,000	10.27%
2	WESTERN MINING PL <WESTERN MINING A/C>	2,750,000	3.32%
3	MULLOWAY PTY LTD <JOHN HARTLEY POYNTON FM A/C>	2,350,000	2.84%
4	STOCKHILL NOMINEES PTY LTD <STOCKHILL NOM P/L S/F A/C>	1,900,000	2.30%
5	MR MICHAEL JAMES MOORE & MRS RUTH HEATHER MOORE <PETHERWIN A/C>	1,625,100	1.96%
6	DR MARTIN DRU DANIELS	1,500,000	1.81%
7	ADVANCED CAPITAL MANAGEMENT PTY LTD <SOUTH POINT A/C>	1,250,100	1.51%
8	CITICORP NOMINEES PTY LIMITED	1,173,283	1.42%
9	MR DAVID GREGORY MORTON	1,042,000	1.26%
10	PURPLE STAR HOLDINGS PTY LTD <PLATINUM FAMILY A/C>	1,001,990	1.21%
11	REDROVE EQUIPMENT PTY LTD	1,000,000	1.21%
12	DR LEON EUGENE PRETORIUS	1,000,000	1.21%
13	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	802,072	0.97%
14	MR TIMOTHY STEWART CAMPBELL	800,000	0.97%
15	GPI MANAGEMENT SERVICES PTY LTD	800,000	0.97%
16	MR SCOTT ROBERT WEIR <THE S R INVESTMENT A/C>	790,117	0.95%
17	OCEAN REEF HOLDINGS PTY LTD	720,000	0.87%
18	MUPPET HOLDINGS PTY LTD	674,599	0.82%
19	ST BARNABAS INVESTMENTS PTY LTD <THE MELVISTA FAMILY A/C>	650,000	0.79%
20	TRE PTY LTD <TIME ROAD SUPERANNUATION A/C>	650,000	0.79%
		30,979,261	37.45%

Golden State Mining Limited

(c) Substantial shareholders

The names of substantial shareholders who have notified the Company in accordance with section 671B of the Corporations Act 2001 are:

	Number of Ordinary Shares
Perth Select Seafoods Pty Ltd	8,500,000

(d) Voting rights

All fully paid ordinary shares carry one vote per share. All options have no voting rights.

(e) Unquoted Securities

Class	Number of		Holder Name		Number of Securities
	Number of Securities	of Holders	Holder Name		
Unlisted \$0.25 Options, expiry 26 Oct 2022	1,922,560	15	Zenix Nominees Pty Ltd		1,080,830
Unlisted \$0.35 Options, expiry 8 Nov 2021	1,000,000	1	Ms Jill Louise Willetts		1,000,000
Unlisted \$0.25 Options, expiry 8 Nov 2021	5,300,000	8	Advanced Capital Management Pty Ltd <South Point A/C> Mr Michael James Moore & Mrs Ruth Heather Moore <Petherwin A/C>		1,500,000
Unlisted \$0.1625 Options, expiry 26 Jun 2023	3,000,000	1	Zenix Nominees Pty Ltd		3,000,000
Unlisted \$0.40 Options, expiry 30 Sep 2024	3,200,000	7	Mr Michael James Moore & Mrs Ruth Heather Moore <Petherwin A/C>		750,000
Unlisted \$0.60 Options, expiry 30 Sep 2024	2,950,000	6	Mr Michael James Moore & Mrs Ruth Heather Moore <Petherwin A/C> Mr Geoff Willetts & Mrs Jill Willetts <Willetts Superfund A/C> Advanced Capital Management Pty Ltd <South Point A/C>		750,000 600,000 600,000

(f) ASX Listing Rule 3.13.1

The Company advises, in accordance with ASX Listing Rule 3.13.1, that its Annual General Meeting (**AGM**; an item of business at which will be the election of directors) is proposed to be held on 26 November 2021 and, based on this proposed AGM date, in accordance with the Company's constitution, the closing date for receipt of valid nominations from persons wishing to be considered for election as a director at the AGM will be 15 October 2021.

Golden State Mining Limited

Table 1. As at 10 September 2021 the Company or its subsidiaries (“Group”) had a beneficial interest in the following tenements:

Number	Holder	Status
Four Mile Well Project		
E 38/3282	Crown Mining Pty Ltd ²	Live
E 38/3632	Crown Mining Pty Ltd ²	Pending
E 38/3633	Crown Mining Pty Ltd ²	Pending
Yule Project		
E 45/5570	Crown Mining Pty Ltd ²	Live
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 47/4343	Crown Mining Pty Ltd ²	Live
E 47/4391	Crown Mining Pty Ltd ²	Live
E 47/4586	Crown Mining Pty Ltd ²	Pending
E 47/4587	Crown Mining Pty Ltd ²	Pending
Cue Murchison Project		
E 21/0192	Cue Consolidated Mining Pty Ltd ³	Live
E 21/0193	Cue Consolidated Mining Pty Ltd ³	Live
P 20/2256	Cue Consolidated Mining Pty Ltd ³	Live
P 20/2257	Cue Consolidated Mining Pty Ltd ³	Live
P 20/2258	Cue Consolidated Mining Pty Ltd ³	Live
P 20/2259	Cue Consolidated Mining Pty Ltd ³	Live
P 20/2260	Cue Consolidated Mining Pty Ltd ³	Live
P 20/2261	Cue Consolidated Mining Pty Ltd ³	Live
P 20/2262	Cue Consolidated Mining Pty Ltd ³	Live
P 20/2263	Cue Consolidated Mining Pty Ltd ³	Live
P 20/2264	Cue Consolidated Mining Pty Ltd ³	Live
P 20/2265	Cue Consolidated Mining Pty Ltd ³	Live
P 20/2266	Cue Consolidated Mining Pty Ltd ³	Live

Golden State Mining Limited

P 20/2267	Cue Consolidated Mining Pty Ltd ³	Live
P 20/2268	Cue Consolidated Mining Pty Ltd ³	Live
P 20/2269	Cue Consolidated Mining Pty Ltd ³	Live
P 20/2272	Cue Consolidated Mining Pty Ltd ³	Live
P 20/2273	Cue Consolidated Mining Pty Ltd ³	Live
P 20/2274	Cue Consolidated Mining Pty Ltd ³	Live
P 20/2275	Cue Consolidated Mining Pty Ltd ³	Live
P 20/2382	Cue Consolidated Mining Pty Ltd ³	Live
L 20/0060	Cue Consolidated Mining Pty Ltd ²	Live
L 20/0061	Cue Consolidated Mining Pty Ltd ²	Live
L 20/0062	Cue Consolidated Mining Pty Ltd ²	Live
L 20/0066	Cue Consolidated Mining Pty Ltd ²	Live
L 20/0068	Cue Consolidated Mining Pty Ltd ²	Live
L 20/0069	Cue Consolidated Mining Pty Ltd ²	Live
L 20/0070	Cue Consolidated Mining Pty Ltd ²	Live
M 20/0061	Cue Consolidated Mining Pty Ltd ²	Live
M 20/0519	Cue Consolidated Mining Pty Ltd ²	Live
M 20/0520	Cue Consolidated Mining Pty Ltd ²	Live
M 20/0522	Cue Consolidated Mining Pty Ltd ²	Live
M 20/0523	Cue Consolidated Mining Pty Ltd ²	Live
M 20/0524	Cue Consolidated Mining Pty Ltd ²	Live
M 20/0525	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

Golden State Mining Limited

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	Live
P 20/2346	Cue Consolidated Mining Pty Ltd ²	Live
P 20/2348	Stephen Francis Pearson ¹	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 20/2440	Cue Consolidated Mining Pty Ltd ²	Live
P 21/0756	Cue Consolidated Mining Pty Ltd ²	Live
P 21/0765	Cue Consolidated Mining Pty Ltd ²	Live
P 21/0766	Cue Consolidated Mining Pty Ltd ²	Live

Notes:

1. Held in trust for Cue Consolidated Mining Pty Ltd pending transfer.
2. 100% subsidiary of GSM.
3. 80% JV to Caprice Resources Limited; GSM retains at 20% interest.