Golden State Mining Limited
ABN 52 621 105 995

Annual Report
30 June 2022

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

Auditors
Stantons
Level 2, 40 Kings Park Road
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Solicitors
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16 Phillimore Street
Fremantle WA 6160

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30 JUNE 2022

CHAIRMAN'S LETTER

Dear Fellow Shareholder,

The company's June 2022 financial year has been a year of progressive and disciplined action, with multiple drilling programs, field work, regional targeting and corporate activity over multiple projects targeting gold, lithium and base metals. We finished the year in a strong cash position as we prepared to launch a gold-lithium reverse-circulation ("RC") drilling program over one of many gold and lithium target areas at Yule following a successful $2.5 million capital raise completed in June 2022.

We have always appreciated the potential that lies under cover in this under-explored Pilbara region. The nearby Hemi discovery by De Grey Mining (ASX code: "DEG" or "De Grey") continues to demonstrate the prospectivity of this new Australian gold province, with De Grey having recently increased the JORC gold resources of its Mallina Gold Project to over 10 million ounces[1]; and whilst Yule was one of our three founding projects acquired well before the Hemi discovery, it was selected for more than just its gold potential.

The multi commodity nature of the host geology at many of our projects, including Yule, provides the company with strong exposure to gold, lithium and base metals.

During the year, regional air-core ("AC") drilling at Yule North and Yule East revealed further encouraging gold and gold pathfinder anomalism for follow up, which provides GSM with a platform to launch into more focused follow-up drill testing. The scope for follow-up is very broad as the drilling of some areas where mineralisation was intersected was very sparse or located at the end of a drill traverse.

A limited but deeper RC campaign at Yule South earlier in the financial year confirmed the presence of intrusive rocks as well as low levels of gold mineralisation. The program was designed to follow up just some of the initial gold targets highlighted from our previous AC drilling at Yule South and the subsequent, thorough examination and review of those results, which included multiple, anomalous intersections, broad zones of hydrothermal alteration and quartz veining, and other identified gold and lithium pathfinders.

Such results from mostly shallow, limited drilling programs over just some of our targets – based solely on aeromagnetic interpretation – in a largely untested district, is very encouraging. It speaks volumes about our greenfield targeting and strategy not just at this ~730km^2 (Yule) project but also at our other projects, especially the new project tenure systematically assessed and applied for earlier in the year (more on that below).

GSM conducted a whole-of-Western Australia targeting study focused on gold, base and battery metals as it looks to identify exploration targets that have been largely untouched using modern exploration techniques. In conjunction with high calibre industry consultants, several targets were identified which subsequently resulted in numerous tenement applications being made in the December 2021 quarter, greatly increasing GSM's prospectivity footprint across Western Australia, and for which we'll continue to deliver evidence-based exploration programs.

This includes the Company's new Payne's Find project, covering ~1200km^2 selected for lithium and base metal potential. The other new projects are Southern Cross East (Au), Yamarna (Au-Ni-PGE), Eucla (Cu-Ni-Au) and Ashburton (Pb-Ag-Au).

The Payne's Find project lies in a region where lithium-bearing pegmatites are known to exist and has a favourable geological setting comprising multiple, apparently late-stage granitic intrusive episodes into potential greenstones. The Company is also investigating a possible VMS-style target corridor, which is interpreted as a similar geological setting to the recent Orion discovery at Tempest Minerals' Meleya project 30kms to the west.

[1] Refer to DEG ASX announcement of 31 May 2022.

Your team has also been working diligently throughout the year to explore and maximise value from our other existing projects.

One of two additional exploration license applications were granted at our Four Mile Well project (located near the 1.3Moz Lancefield mine), where the company undertook further work that resulted a ~1200m air-core drill program over prospective, untested structural and geochemistry corridors. Assays were received after the end of the financial year, with the most significant intercept recorded in an interpreted (now confirmed) porphyry unit which coincides with a magnetic high, considered to be in a buried greenstone sequence[2]. We are now looking forward to the granting of the remaining tenement application at Four Mile Well, where evidence of a continuation of the buried greenstone has been recorded in historic water bore chips.

In the Murchison, GSM agreed to sell its Cue project for $1.125 million in cash, with cash payments totalling $225,000 received during the year, but the purchaser was not able to complete the agreement. Other low-risk and low-cost opportunities to explore, fund or otherwise realize monetary value at Cue are now being pursued, with recent adjustments to reduce the overall royalty burden assisting in this regard.

GSM also entered into a joint venture with Caprice Resources Limited (ASX: CRS) pursuant to which Caprice acquired an 80% interest in the Cuddingwarra and Big Bell South projects in return for GSM receiving around $750,000 in cash and Caprice shares[3]. Importantly, GSM retains a 20% interest, free-carried to completion of a pre-feasibility study, allowing GSM to focus on its other projects, whilst entrusting Caprice to unlock the potential at Cuddingwarra and Big Bell South.

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,

Damien Kelly
Chairman

30 September 2022

[2] In hole 22GSFMAC0069 with 4 metres @ 224ppb Au from 16 metres - refer to ASX announcement 18 August 2022.

[3] 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 of $0.22 as at 26 July 2021.

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 2022.

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) and Chairman of First Development Resources Limited (UK).

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. 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 Triangle Energy (Global) Limited and Non-Executive Director of Group 6 Metals Limited. 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).

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, 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	2,095,100	3,000,000
Damien Kelly	1,760,100	2,400,000
Greg Hancock	250,000	1,600,000
Brenton Siggs	910,000	1,600,000

PRINCIPAL ACTIVITIES

During the financial year, the Group's principal activities were 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 2021-22

Yule Project 100% GSM

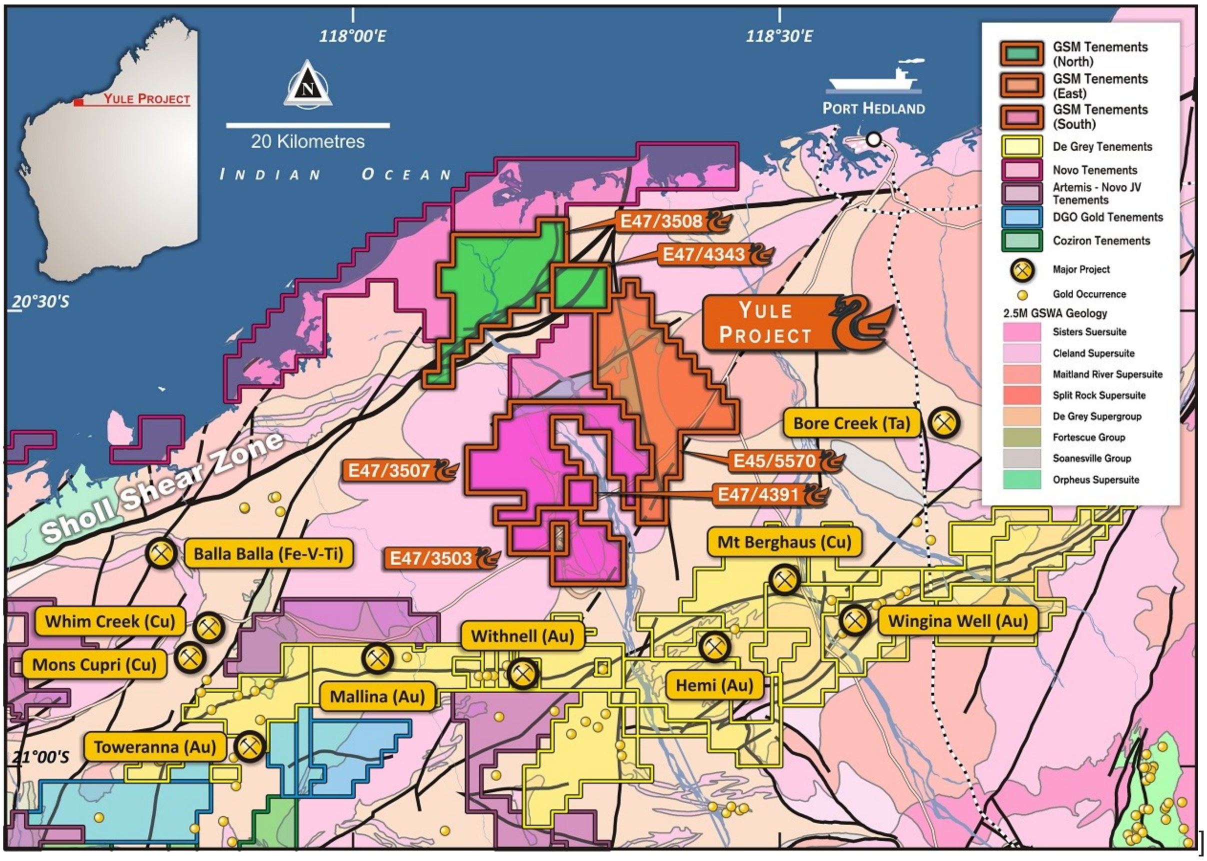

Figure 1: Yule Project Location Plan

Yule South RC drilling

The Yule South reverse circulation ("RC") program that concluded on the 17th August 2021 was designed to test three main gold targets generated from the 2020 exploration campaigns. The targets were: Target 1 East, Target 1 West and Target 5 (Figure2). The program consisted of 19 holes for a total advance of 3,542 metres. Assays were received for 16 of the 19 holes drilled. Two of the holes (21GSYSRC0007 & 0013) were abandoned during the casing process through alluvial cover and one hole remains a cased pre-collar only (21GSYSRC0017).

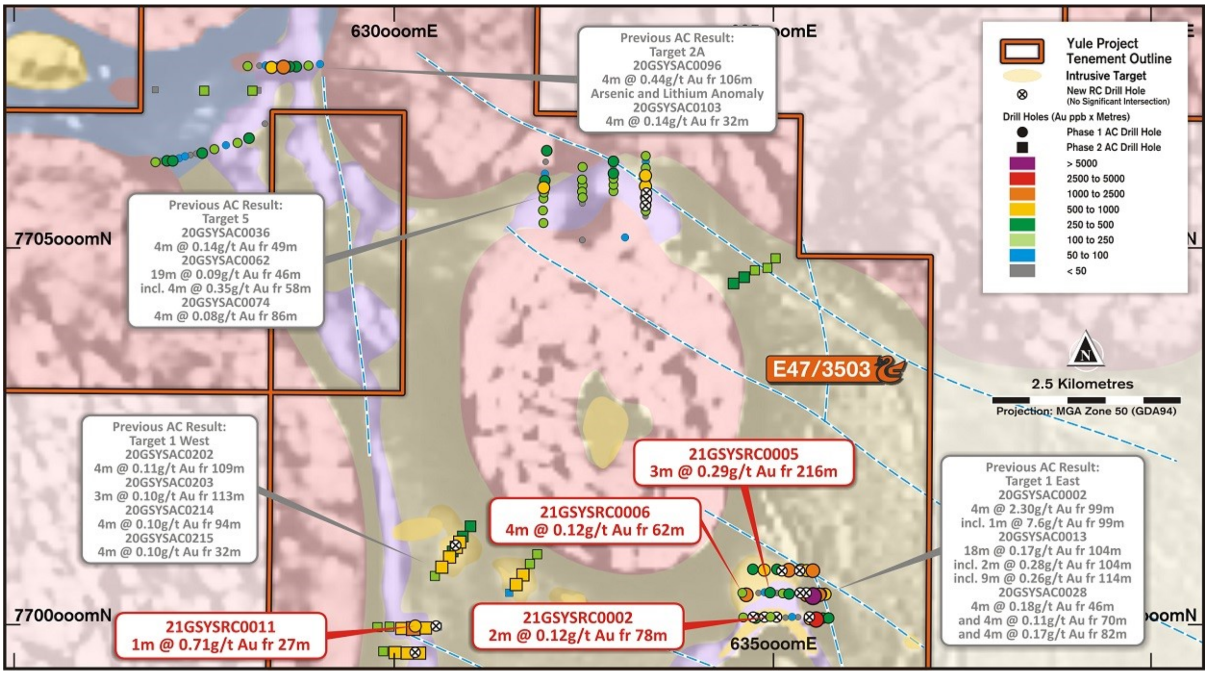

Figure 2: Yule South geological plan showing August RC drilling results over gold targets.

Target 1 East Results

Drilling at this target (11 holes, 2,018m, Figure 1) intersected a diorite intrusive with extensive zones of sulphide (mainly pyrite up to 5%) mineralisation. Encouraging gold results included 3 metres @ 0.29g/t from 216 metres downhole (21GSYSRC0005) hosted in a hornfels metasediment at the contact zone of a diorite intrusive. In addition, 2 metres @ 0.12g/t from 76m (21GSYSRC0002) (Figure 3) was intersected adjacent to a sulphidic zone hosted in diorite.

The remaining RC holes tested an interpreted shear zone adjacent to the diorite intrusive and previous air-core ("AC") gold anomalies. Sheared metasediments and quartz vein zones were encountered but no significant results were intersected.

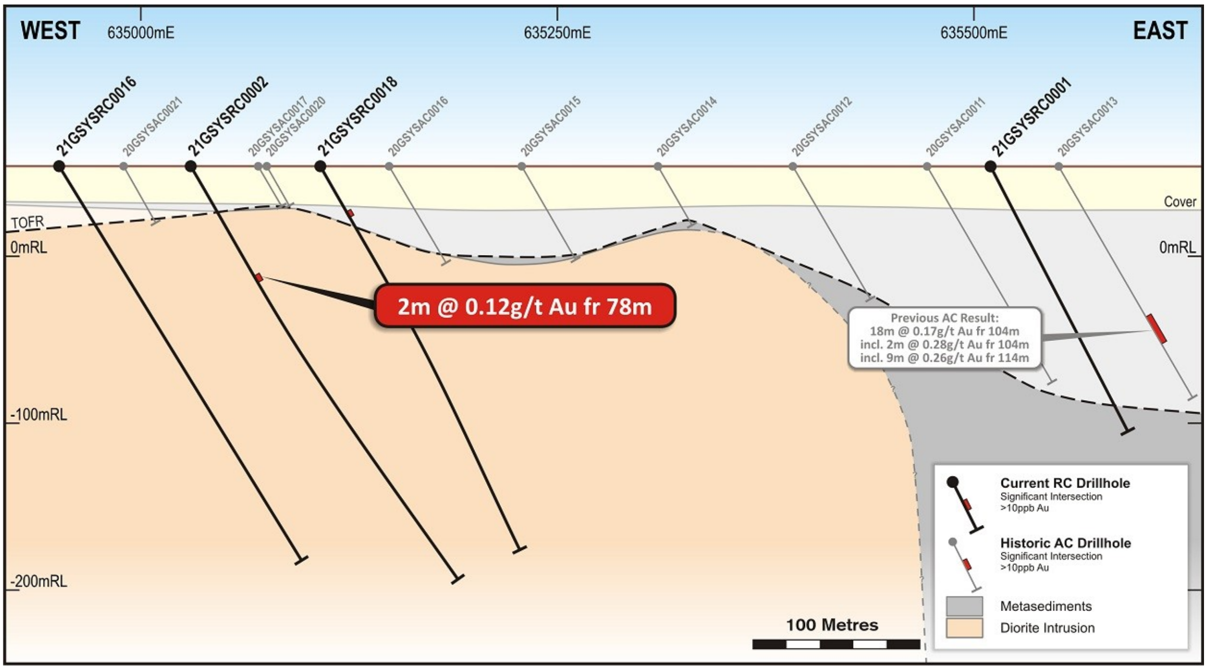

Figure 3: Target 1 East Cross Section showing RC results.

Target 1 West

RC drilling (4 holes, 804m) targeted a potential mineralised intrusive at depth where significant silica and pyrite alteration was recorded in addition to multiple intersections of anomalous 0.1g/t gold from the phase 2 AC program. Holes 21GSYSRC0010-12 tested interpreted dislocations to a major north-south structure. The most significant assay result was intersected in hole 21GSYSRC0011 consisting of 1 metre @ 0.27g/t from 71 metres downhole hosted in a quartz vein within a weathered schist.

Hole 21GSYSRC0012 intersected a granodiorite intrusive from 30 metres with disseminated pyrite and some quartz vein intervals. No significant gold assay results were recorded in this hole.

Target 5

Follow up RC drilling (3 holes, 522m) at Target 5 tested a strong silica, patchy sericite and pyrite alteration zone returned from first pass AC drilling. No significant gold assay results were returned.

Yule Phase Three AC Program

Final assay results were reported for the phase three 16,326 metre AC drill program reconnaissance completed in late 2021 at the Yule project in the Mallina Basin. The drilling focused on eighteen gold and lithium target areas in total including two new areas at Yule North, six existing target area at Yule South and ten new target areas at the recently granted Yule East tenement.

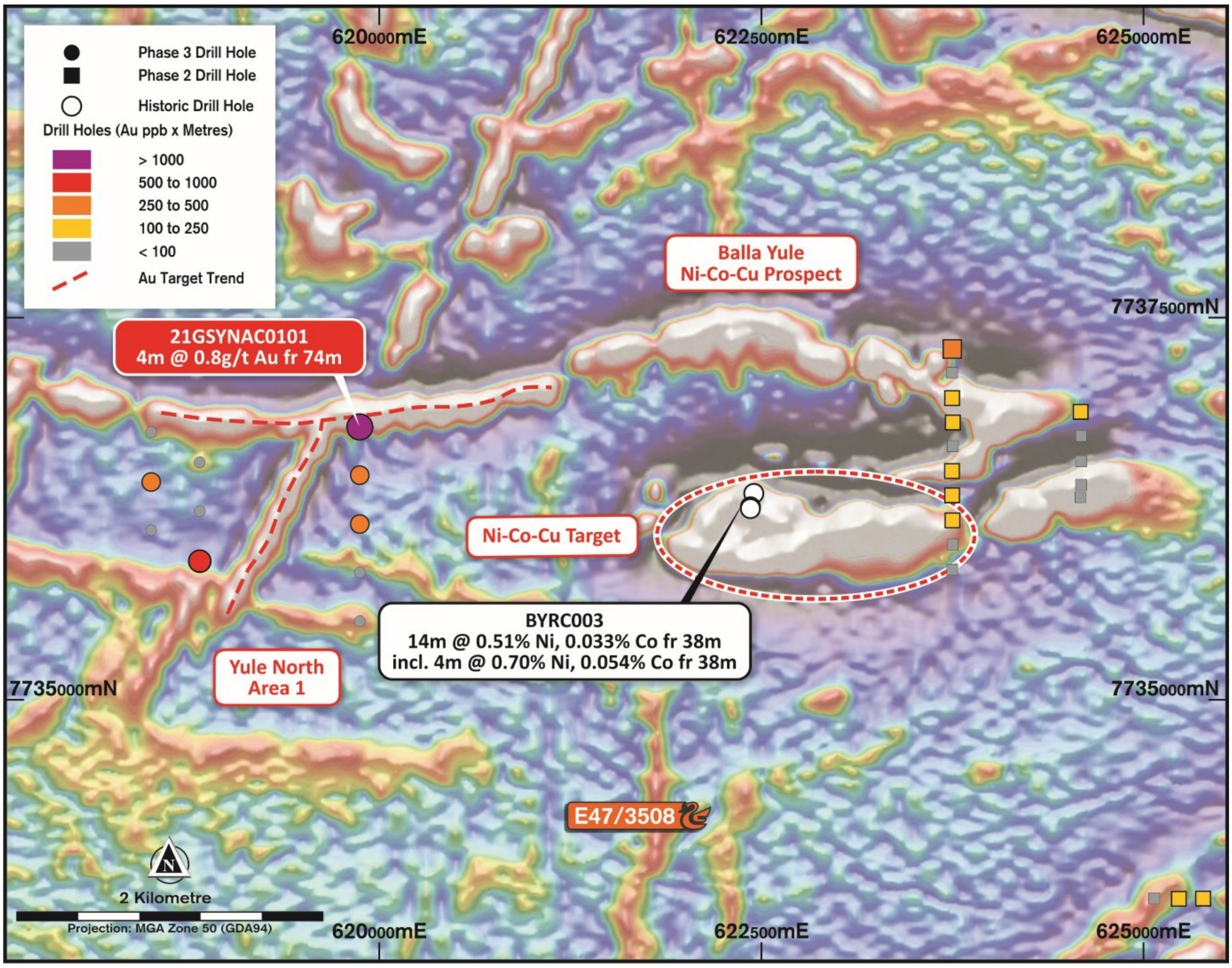

Figure 4: Yule North plan showing significant gold results at Yule North Area 1 near Balla Yule Ni-Co-Cu prospect.

Yule North - Area 1

First pass, wide-spaced (nominal 320m centres) AC drilling at this new target area (Figure 4) tested an interpreted dilational zone adjacent to distinct breaks in aeromagnetic high features approximately 2.5 kilometres to the west of the Balla Yule nickel-cobalt-copper prospect. A significant gold intersection (4m @ 0.8g/t from 74 metres in hole 21GSYNAC0101) was recorded in a composite sample of weathered magnetic, possible silica altered granitic intrusive beneath the transported bedrock interface.

The scope for follow-up is very broad as the drilling in the vicinity of this gold intercept is very wide-spaced and located on the end of a drill traverse. As a result, this target is not only open at depth, but also open to the north and along the extensive dislocated aeromagnetic target corridor to the east and west.

Yule North - Area 3

GSM's first reconnaissance AC drilling on tenement E47/4343 tested for gold and base metals at an interpreted structural break in the Sholl Shear Zone ('SSZ') sequence (Figure 5). No significant results were recorded from this target.

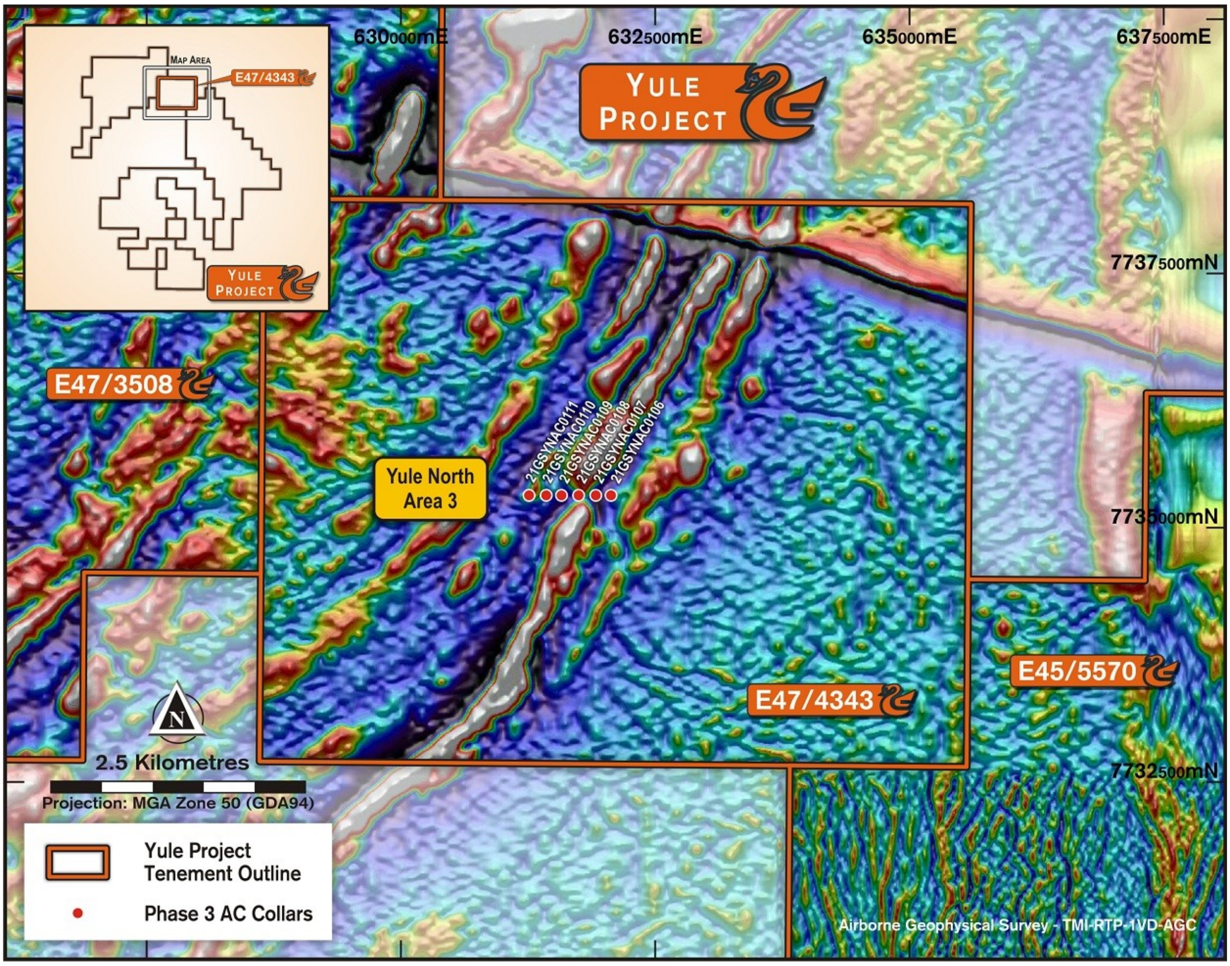

Figure 5: Yule North E47/4343 plan showing phase 3 AC collars at Area 3

Yule South - Target 1 East

Additional drilling at this target continued to probe a diorite intrusive and structural corridor previously discovered in phases 1 & 2 air-core programs (Figure 6). The best gold intersection occurred in a weathered saprolite horizon in hole 21GSYSAC0317 with 4m @ 200ppb from 30 metres. In addition, transported cover related gold mineralisation was intersected in hole 21GSYSAC0311 within an interpreted paleochannel containing a ferruginous grit host with 6m @ 190ppb Au from 24 metres. This shallow paleochannel anomaly requires follow-up drilling to investigate the potential gold source.

Yule South - Target 1

Reconnaissance AC drilling at this location was designed to target a south-east trending structural corridor potentially containing mafic units interpreted from aeromagnetic data (Figure 6). The best bedrock gold intersection (Figures 6 & 7) occurred near the end of hole 21GSYSAC0341 in a slatey fine-grained metasediment with pyrite with 1m @ 120ppb from 89 metres. Several anomalous gold intersections were also encountered at or near surface in weathered metasediments. The best result was recorded in hole 21GSYSAC0338 in a weathered arkosic saprock unit with 4m @ 200ppb from 21 metres.

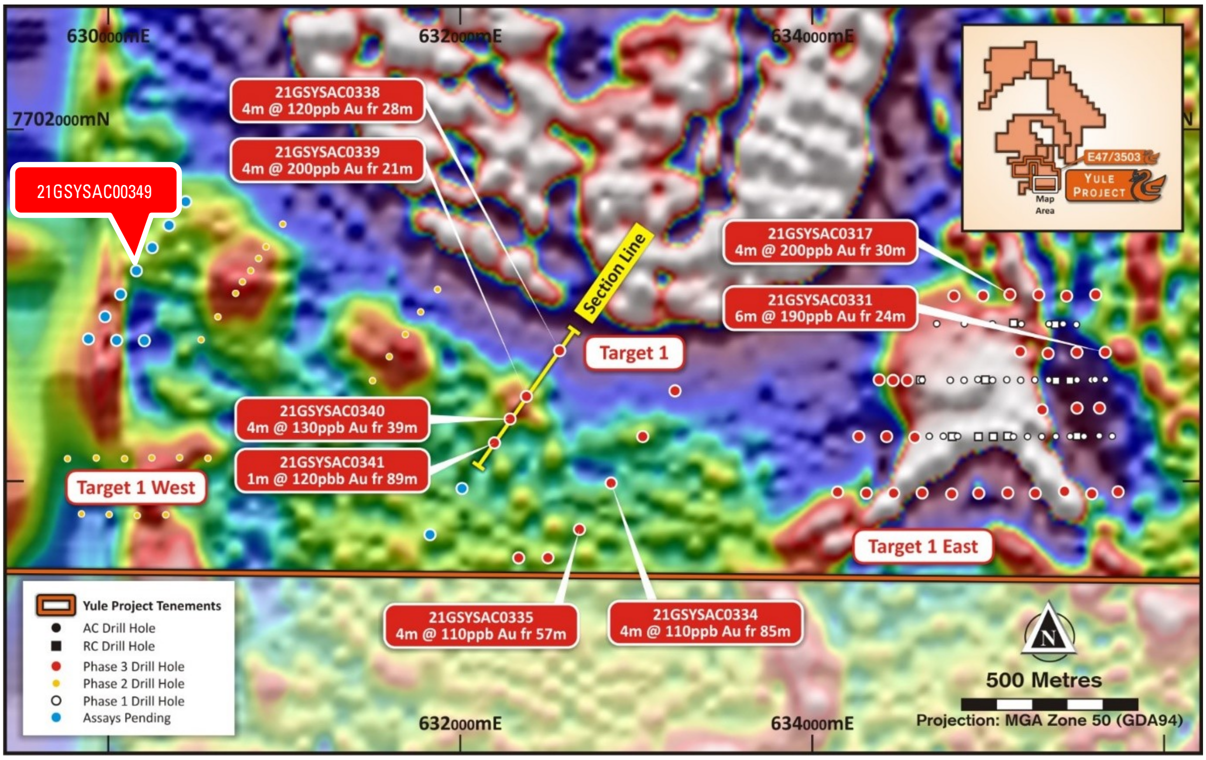

Figure 6: Target 1 plan at Yule South showing significant gold results

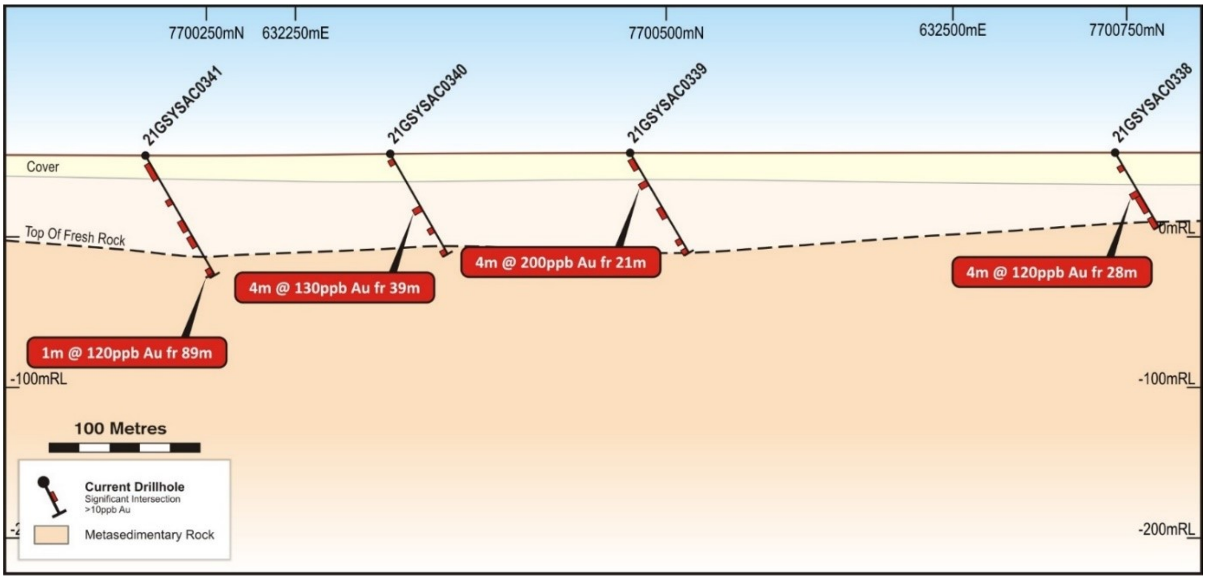

Figure 7: Target 1 Section showing significant gold results

GSM will follow up on the interpretation of the bedrock intersections and the considerable potential of paleochannel related gold mineralisation in this area due to its proximity to the Hemi gold deposit.

Yule South - Target 1 West

2021 AC drilling consisted of one reconnaissance AC traverse located 500 metres to the north-west (Figure 6) of previous GSM AC drilling to target an interpreted buried intrusive. Hole 21GSYSAC0349 intersected a weathered granodioritic rock with elevated arsenic and copper pathfinder values recorded at the end of this and other holes with no significant gold results.

Yule South - Target 2A

Two AC traverses to the north of existing GSM drilling (refer to ASX announcement dated 7 September 2020) targeted the apex of an interpreted antiform for gold and Lithium-Caesium-Tantalum ('LCT') pegmatite potential (refer to ASX announcement dated 17 February 2021). Anomalous arsenic and LCT pegmatite pathfinders were intersected in multiple holes (Figure 8) resulting in the expansion of the previous anomaly footprint another 600 metres to the north.

GSM interprets these latest results as further evidence of a potential rare alkali dispersion halo of Li-Rb-Cs interpreted as a distal signature from a potential lithium pegmatite source. This dispersion halo is of the type described by Selway et al. (2005) as a distal footprint for LCT pegmatites. The company believes that the prospectivity of this region for LCT pegmatites is further enhanced by Sayona Mining Ltd.'s (ASX code: "SYA") Mallina project (refer to ASX announcement dated 31 October 2018 & 14 March 2022) containing a substantial field of spodumene bearing LCT pegmatites approximately 37 kilometres to the southwest of Target 2A in the same tectonostratigraphic terrane of the Mallina Basin.

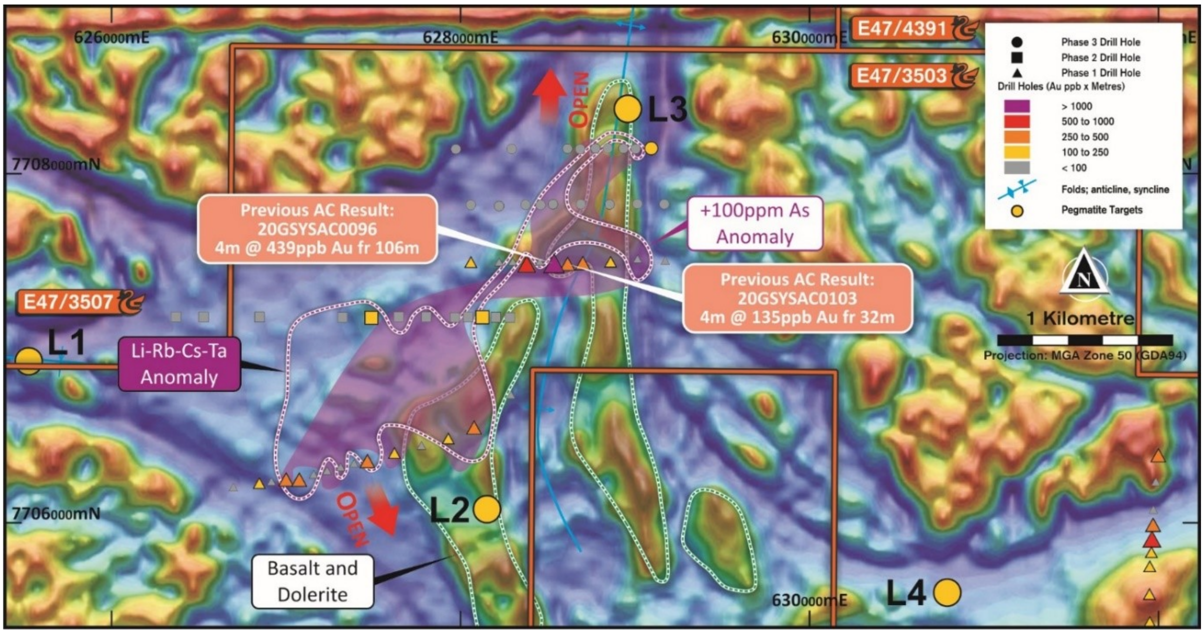

Figure 8: Target 2A Plan showing significant results and LCT pegmatite RC targets

Yule South - Target 3

Reconnaissance AC drilling targeted a discrete magnetic high at the northern margin of a granite pluton (Figure 9) with no significant results were recorded.

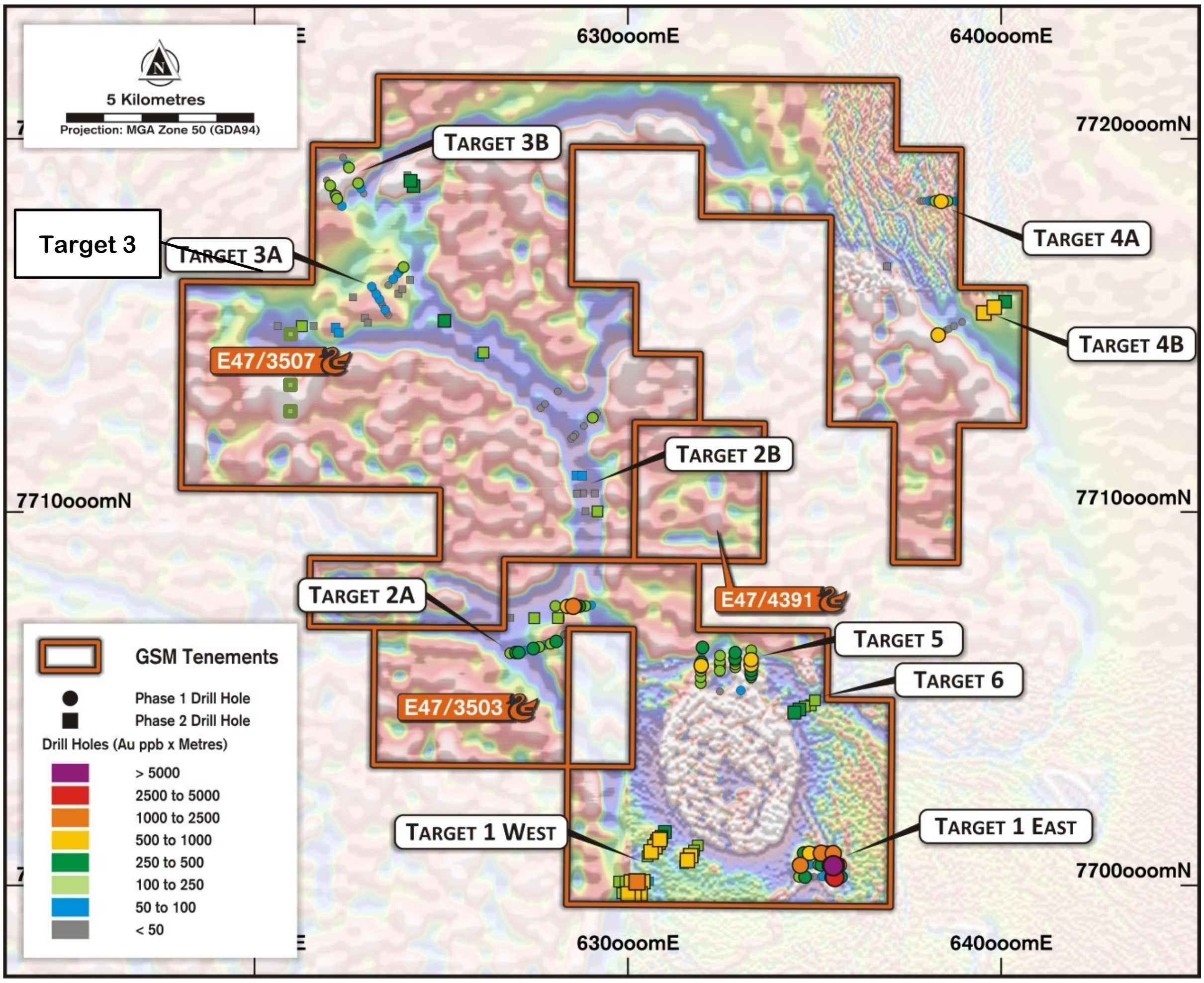

Figure 9: Yule South plan showing Target 3 location

Yule East

The inaugural reconnaissance AC drilling at Yule East recorded two encouraging +100ppb gold intersections at Area 1 & 2. The company is investigating a possible link between the two gold intersections at Areas 1 & 2 potentially occurring within the same structure (Figure 10). Further magnetic modelling and interpretation will be completed to optimise any follow up drill orientations. A potential interpretation of these +100ppb Au intercepts is that they are associated with a NW-SE trending structure which is poorly tested and remains open to the NW and SE.

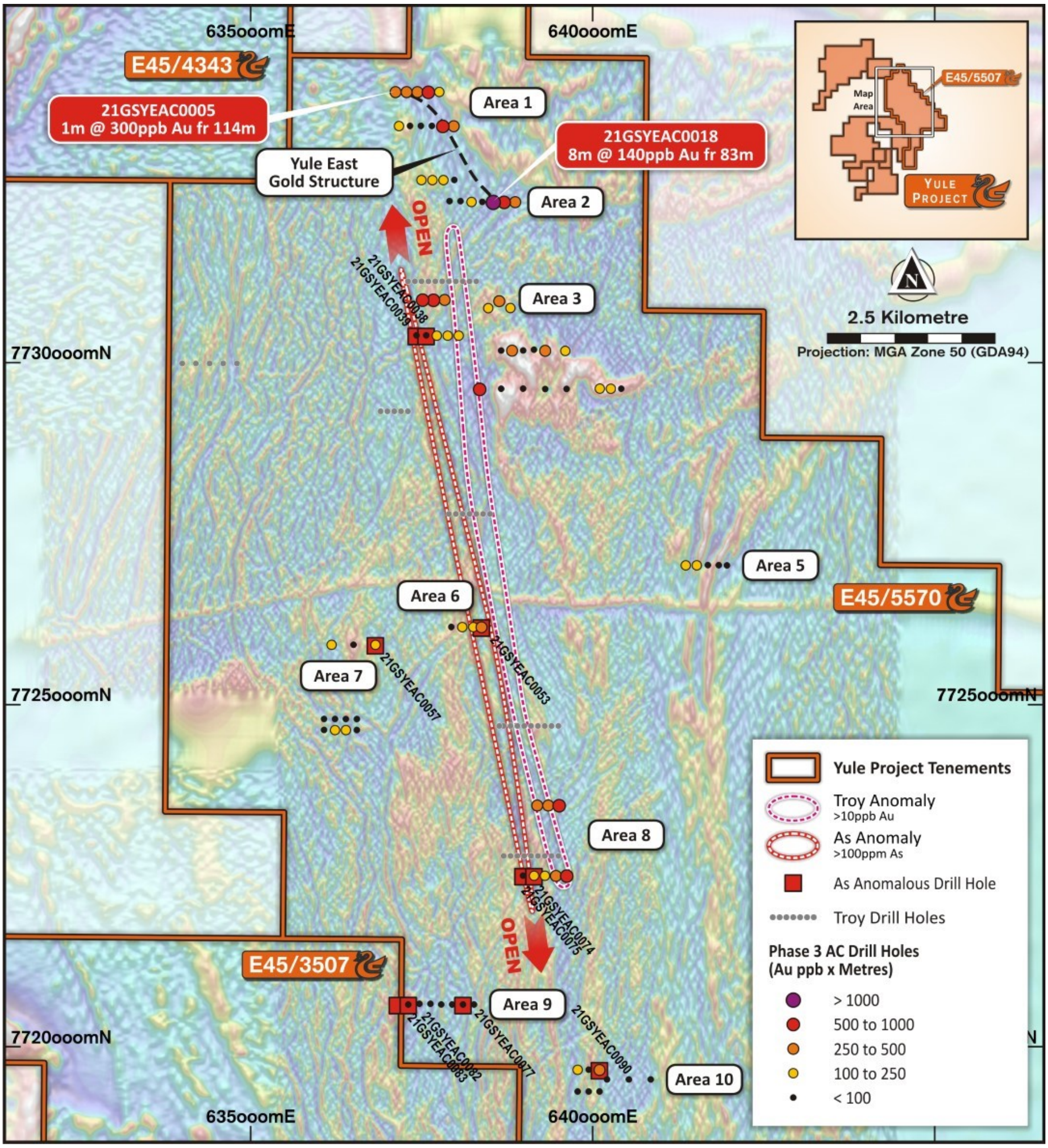

Figure 10: Yule East plan showing significant gold and gold pathfinder results.

The additional gold and potential base metal pathfinder anomalism (Figure 11) is consistent with the results of previous drilling along the YRSZ (Figure 5). GSM will continue working with industry consultants to consider this anomalism as potential vectors to economic mineralisation and understand the geological setting in which it may occur in the Mallina Basin.

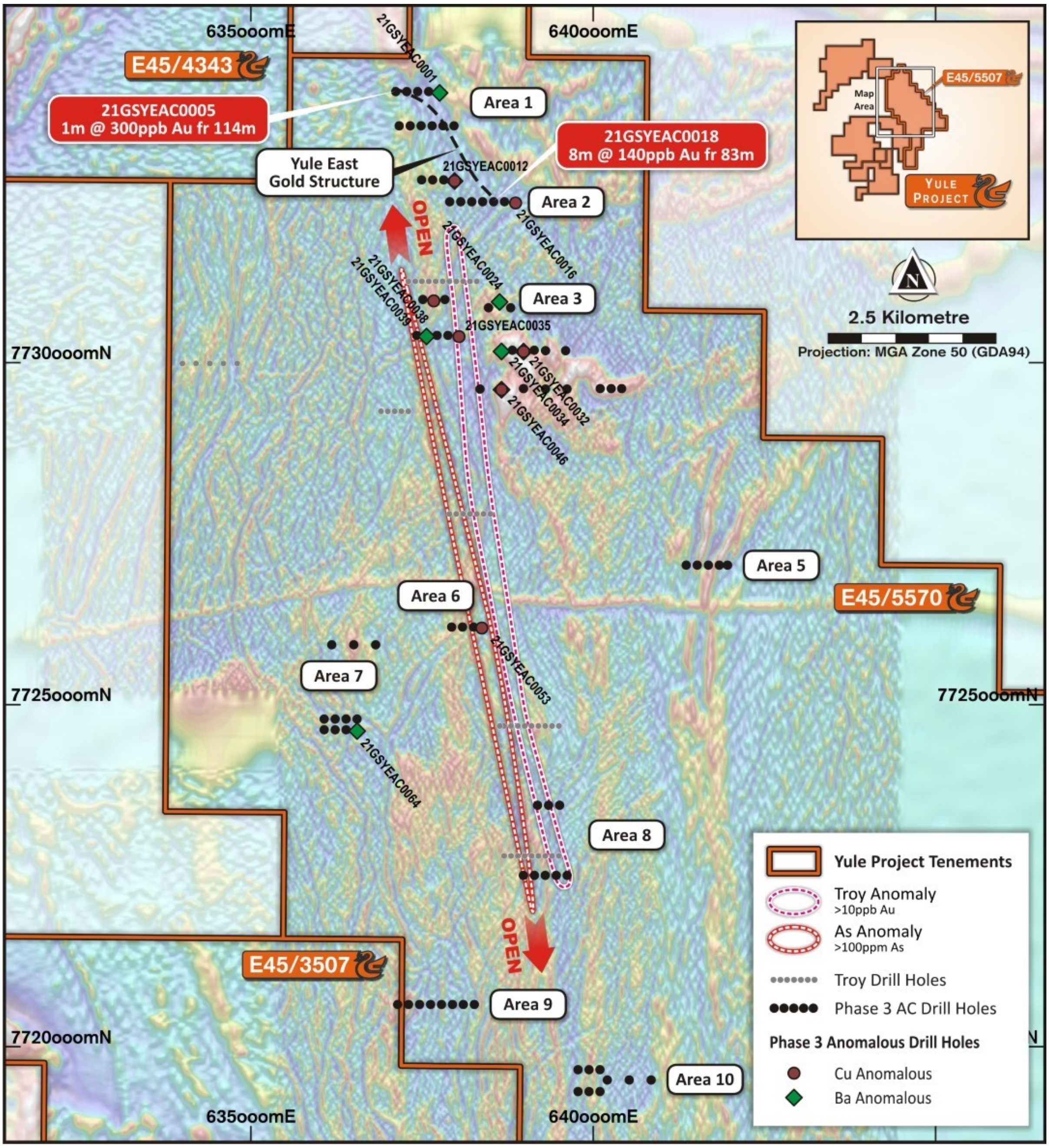

Figure 11: Yule East plan showing potential base metal pathfinder results

Follow Up Drilling Targets

GSM completed its assessment of the drill assay results and pathfinder vectors from all three regional AC programs completed to date at the Yule Project and six multi-commodity target areas (Figure 12) have now been prioritised for follow up drilling.

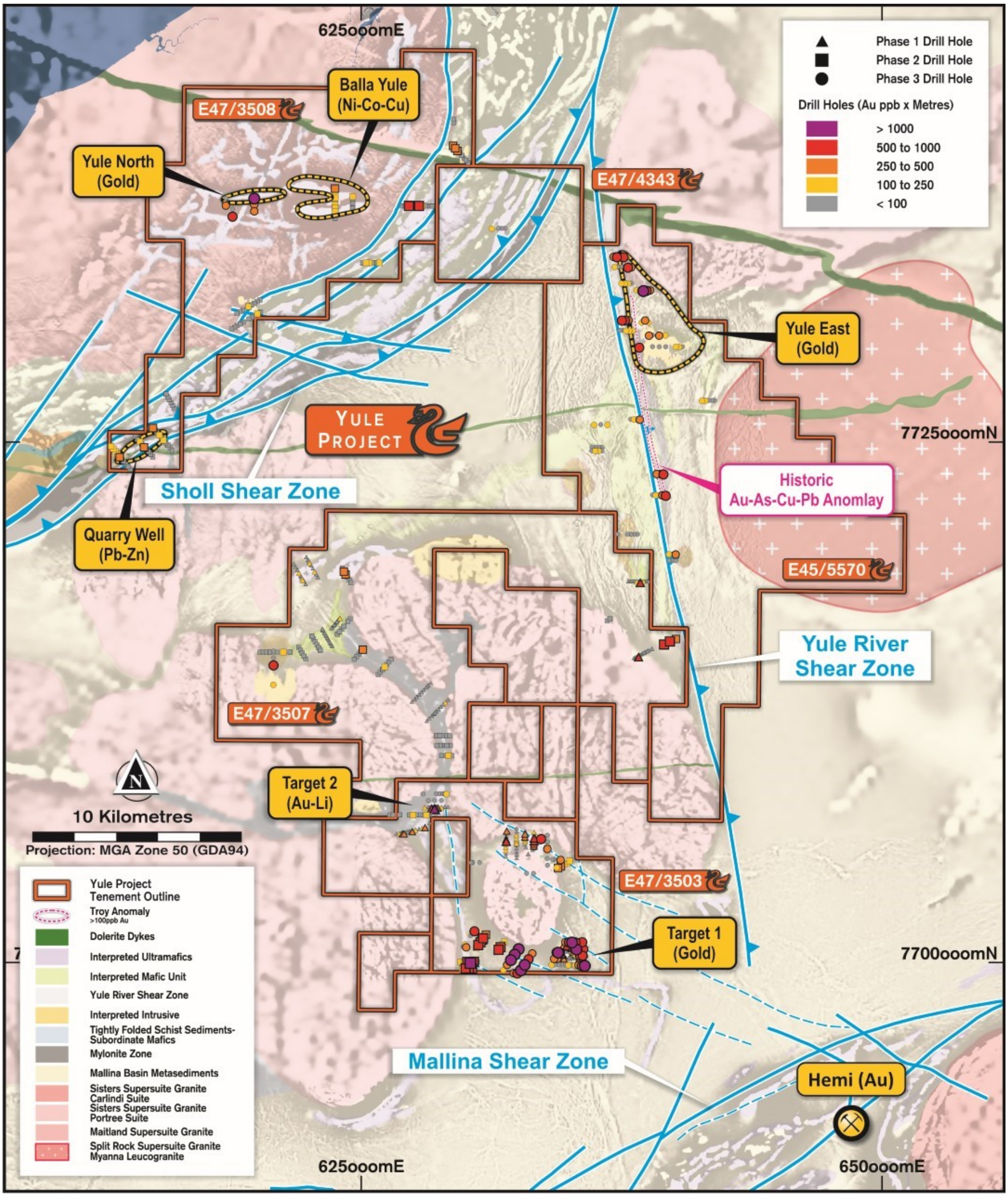

Figure 12: Yule Project Plan showing follow up drill targets established from reconnaissance AC drilling vectors

Yule East (Au)

GSM has incorporated the latest AC gold and pathfinder results in the northern part of Yule East with a structural framework study. This work aimed to address the relationship between pathfinder and rock alteration observations and Archaean gold deposit models relating to large 'rigid' granitoid bodies and fertile 'pressure shadow' or dilational zones as sites for potential gold mineralization. This work will support new drill-hole planning.

Balla Yule (Ni-Co-Cu)

GSM is planning first pass RC drilling at the Balla Yule prospect to test for the interpreted layered mafic-ultramafic intrusive hosted Ni-Co-Cu sulphide style mineralisation. The Balla Yule prospect has been subject to little previous drill testing with only one successfully completed historic RC drill-hole recorded. A historic abandoned RC hole recorded oxide Ni-Co values in the weathering profile with no follow-up drilling completed. Historic RC drilling also revealed LCT pegmatite potential with several anomalous Li_2O values over 200ppm recorded with the highest values up to 715ppm. Previous assessment of this project has suggested the potential for a hydrothermal nickel target.

Quarry Well (Pb-Zn)

The Company is planning follow up AC drilling at the Quarry Well prospect within the SSZ to evaluate interpreted deformed, siliceous, chert-like lithologies with elevated portable X-ray fluorescent ("pXRF") zinc and lead readings up to approximately 0.25%. These base metals values are coincident with a historic VTEM anomaly leading the VHMS exploration model.

Yule South Target 2A (Au-Li)

Since the end of the financial year, GSM has tested a large arsenic AC drill-hole bedrock anomaly with elevated to anomalous gold intercepts and a semi-coincident lithium-rubidium-ceasium pathfinder anomaly with focussed RC drilling (Figure 6). Assay results are expected early October (refer to ASX announcements dated 18 August 2022).

Yule South Target 1 (Au)

GSM will continue drill planning at Target 1 to determine the source (bedrock or paleochannel) of encouraging gold intersections. The form of future drilling is currently being reviewed at Target 1 East to establish the orientation of several vein hosted gold intersections (4 metres @ 2.3g/t Au including 1 metre @ 7.6g/t Au from 99m) adjacent to a diorite intrusive.

Yule North Area 1 (Au)

The latest, significant gold intersection in the weathering profile reported above requires further investigation as the mineralisation is open at depth, to the north and along the interpreted aeromagnetic structure to the west and east. Follow up drilling is being planned at this location.

Four Mile Well – 100% GSM

Geochemical Sampling

GSM completed an orientation geochemical program on two traverses over an historic arsenic-bismuth +/- gold soil anomaly (Figure 13). The aim of the orientation program was to validate the historic anomalous values, collected as conventional lag samples with a more appropriate ultra-fine soil fraction (UFF) analytical method determined from GSM's regolith analysis. The UFF technique was specifically developed for transported sand covered terrain as observed in the northern part of the Four Mile Well project.

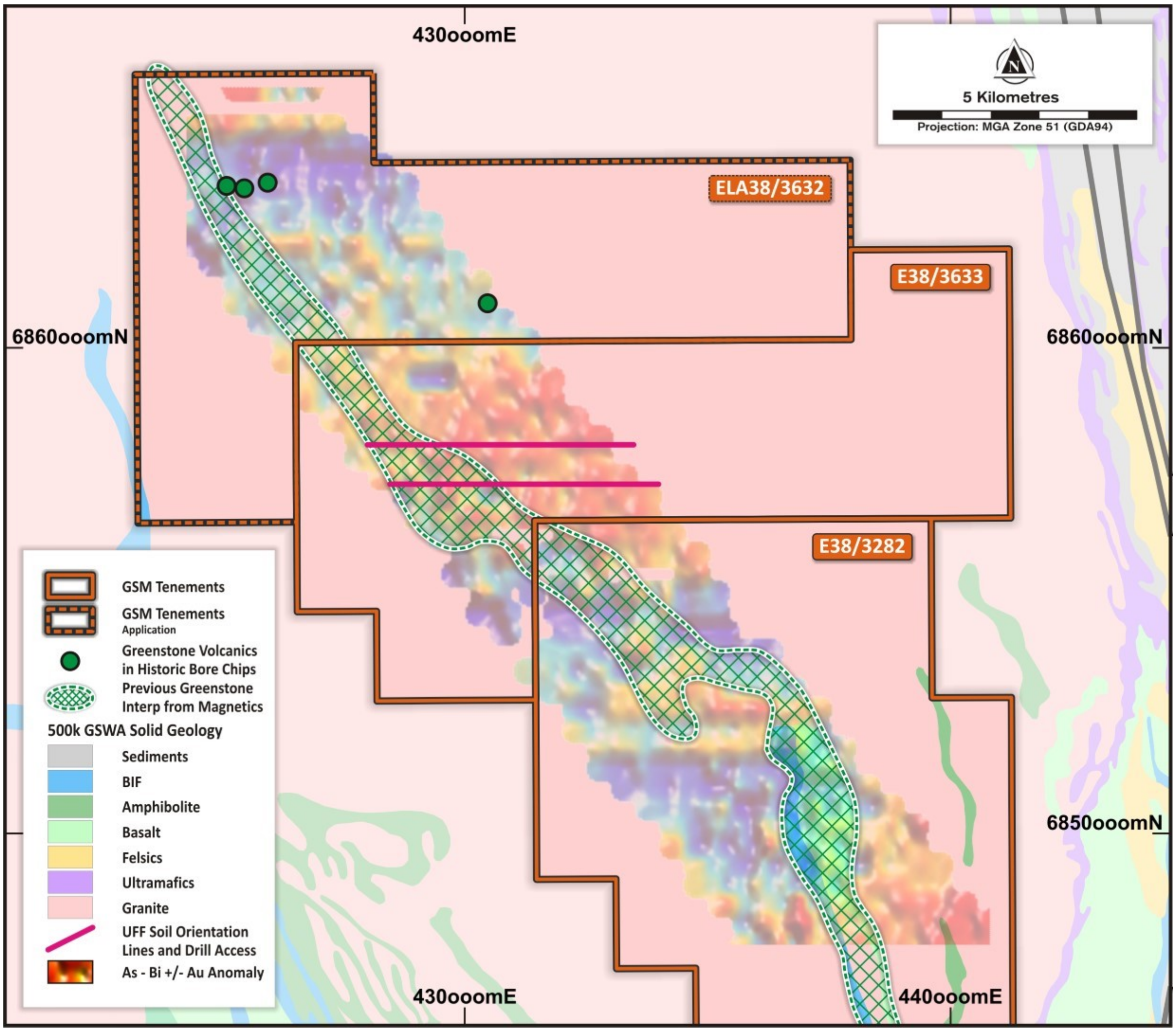

Figure 13: Four Mile Well plan showing recorded greenstone locations and soil orientation lines

Although UFF is a different collection and analytical method to the historic lag sampling, some broad correlations can be interpreted between the UFF geochemistry and the historic lag sampling results. The analysis has provided sufficient encouragement to undertake further work and sampling over this area.

Reconnaissance work also revealed several historic, wide-spaced water bore collars located on the northern tenement application ELA 38/3632 (Figure 13) where remnant drill chips were collected for petrographic analysis. These drill chips were recorded as fine-grained schistose chlorite-sericite altered intermediate/volcanoclastic types, including some specimens with weak sulphide mineralisation. These findings demonstrate the presence of an untested corridor of altered greenstone rocks striking north-northwest beneath the sand covered northern portion of the Four Mile Well project in an area previously interpreted as buried granite by the GSWA. DMIRS WAMEX searches and field-checking has shown the northern portion of the Four Mile Well project has not been the subject of any effective reconnaissance drill testing.

Air-core Program

The Company merged the surface geochemical and field observation dataset with the historic geochemistry data and aeromagnetic structural interpretation work resulting in the design of a ~1200m AC drill program over prospective, untested structural and geochemistry corridors. This AC drill program commenced on Friday 17th of June and was concluded with 27 holes completed for 1,162 metres (Refer to ASX announcement dated 5 July 2022).

Murchison

Cuddingwarra and Big Bell South – 20% GSM

The Company executed a binding term sheet with Caprice Resources for the sale of an 80% interest in the Cuddingwarra and Big Bell South gold projects (Figure 14) which was completed in early August 2021. GSM retains 20% ownership in the Projects, forming a Joint Venture ('JV') with Caprice Resources.

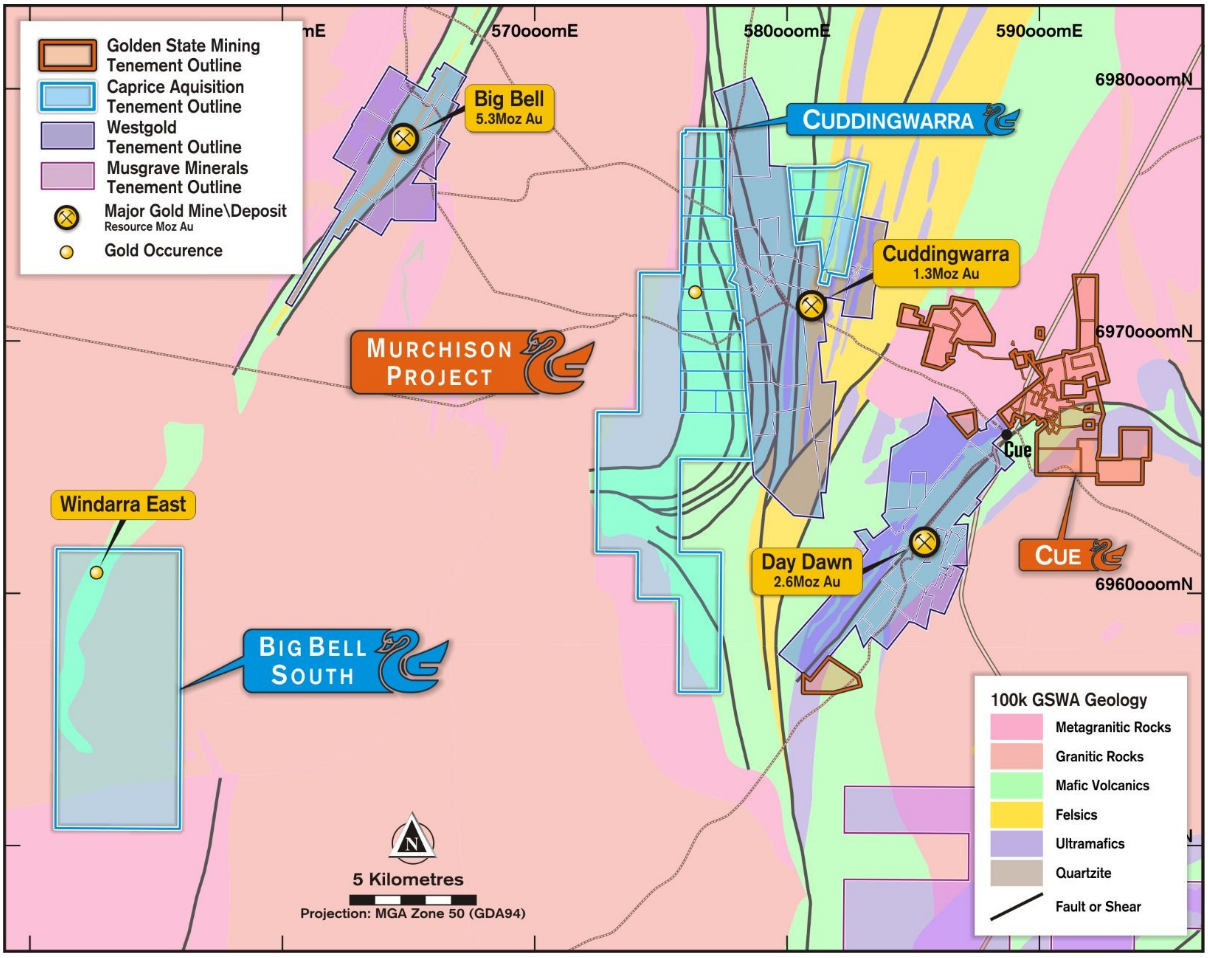

Figure 14: Caprice Resources transaction tenements near Cue in the Murchison.

Key terms for the sale and JV are summarised as follows:

- Caprice issued GSM 2,500,000 fully paid ordinary shares in the capital of Caprice,
- a $200,000 cash payment, and
- 250,000 options in Caprice with an exercise price of $0.25 per option and expiring 2 August 2024.
- GSM's retained 20% ownership over the projects is free-carried through to completion of a pre-feasibility study after which point GSM can elect to contribute or dilute.
- Should GSM elect to dilute below 10% project ownership the 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 GSM elect to dispose of its project ownership.
- Caprice will operate and manage the JV.
-

Cue Project– 100% GSM

GSM entered into a binding agreement to sell its Cue project to Cue Revival Pty Ltd ("Cue Revival") for $1.125 million in cash, with non-refundable cash payments totalling $225,000 received during the period.

Cue Revival was not able to complete the agreement and GSM terminated the agreement in accordance with the default provisions of the agreement.

Payne's Find - 100% GSM

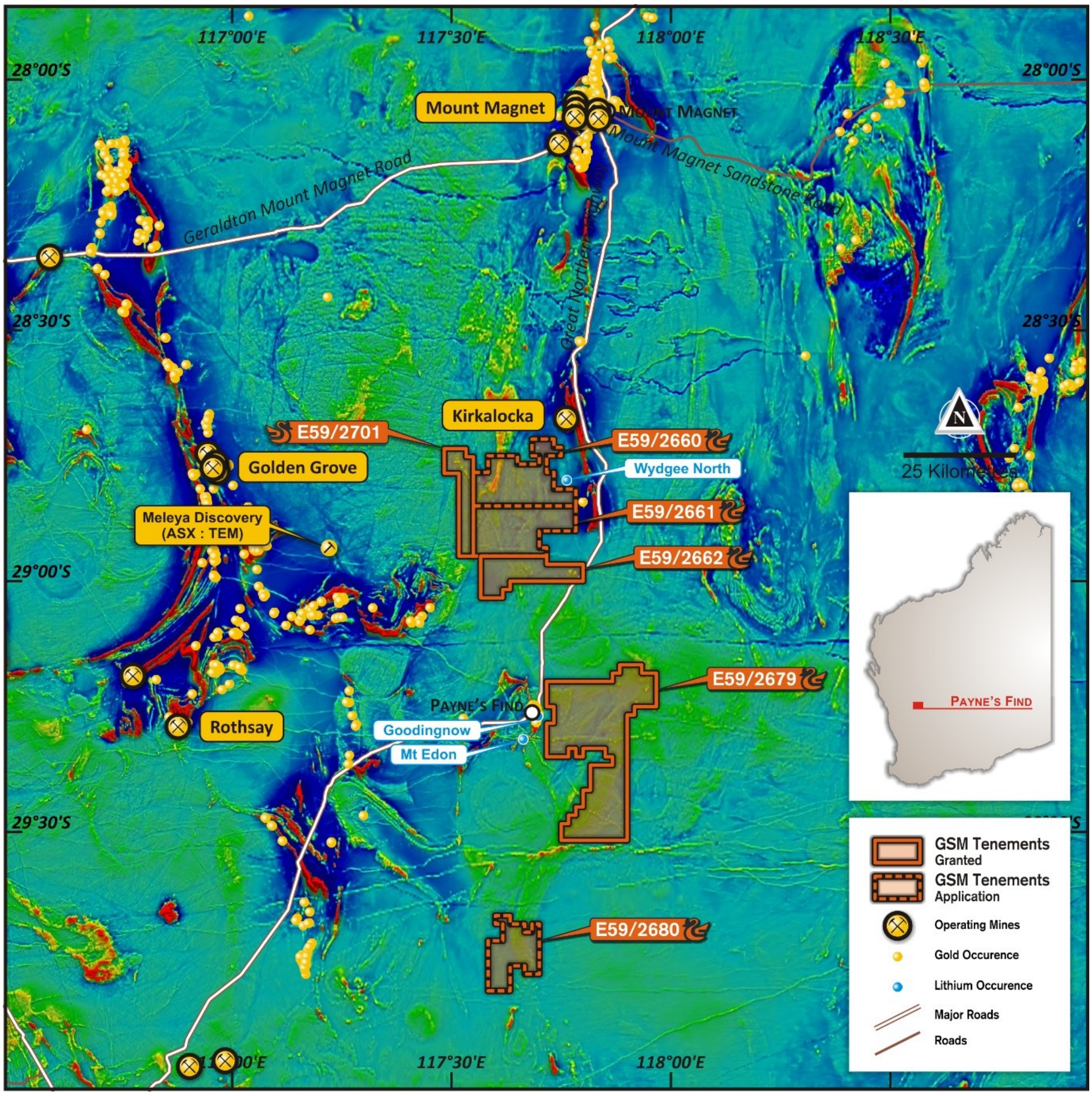

Figure 15: Payne's Find Project location plan.

The new Payne's Find project (Figure 15) is located immediately east and up to 30kms north of Payne's Find in the Murchison region of Western Australia. GSM secured the ground for its lithium and base metal potential based on open file aeromagnetic and remote sensing data evaluation. Selection criteria supporting the GSM ground selection in the Payne's Find region includes known lithium-bearing pegmatites (e.g., Mount Edon & Goodingnow) in the region and a favourable geological setting for potential lithium mineralisation comprising multiple granitic intrusive episodes (many of which appear to be "late-stage") intruding into a potential extension of the "Youanmi Terrane" greenstones. The project-scale lithium targeting work has already commenced on the new, underexplored tenure of the entire project area. In addition, the technical team are assessing the interpreted base metal potential corridor on the western part of the Payne's Find North tenements (Figure 16).

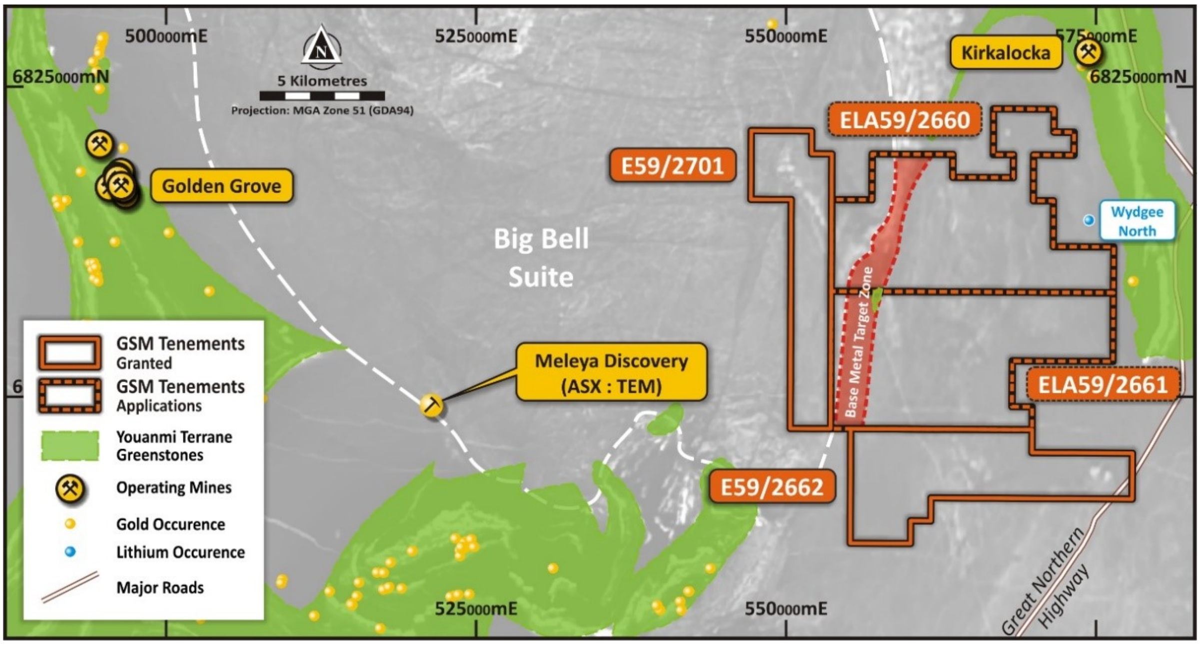

Figure 16: Payne's Find North location plan showing target zone with respect to Meleya Discovery

GSM completed an initial field reconnaissance trip over its granted tenure in the northern and central parts of the project area. Activities included initial stakeholder consultation with supportive local pastoralists and establishing access to all parts of the ground holding. Regolith assessment and geochemical sampling was completed in areas elevated for gold in historic laterite sampling. Initial reconnaissance suggests historic geochemical sampling methods may not have been effective.

A review of available geophysical data and interpretation was undertaken using magnetics, gravity and airborne electro-magnetic data. Further field reconnaissance planning and regolith assessment is underway on the western side of Payne's Find North to determine the best method to investigate this potential VMS-style target corridor (interpreted as a similar geological setting to the recent Orion discovery at Tempest Minerals' Meleya project 30kms to the west – Figure 16).

REGIONAL TARGETING

The Company conducted a whole of Western Australia targeting study focused on gold, base and battery metals as it looks to identify exploration targets that have been largely untouched using modern exploration techniques. In conjunction with various industry consultants, several targets were identified which subsequently resulted in numerous tenement applications being made (Figure 17).

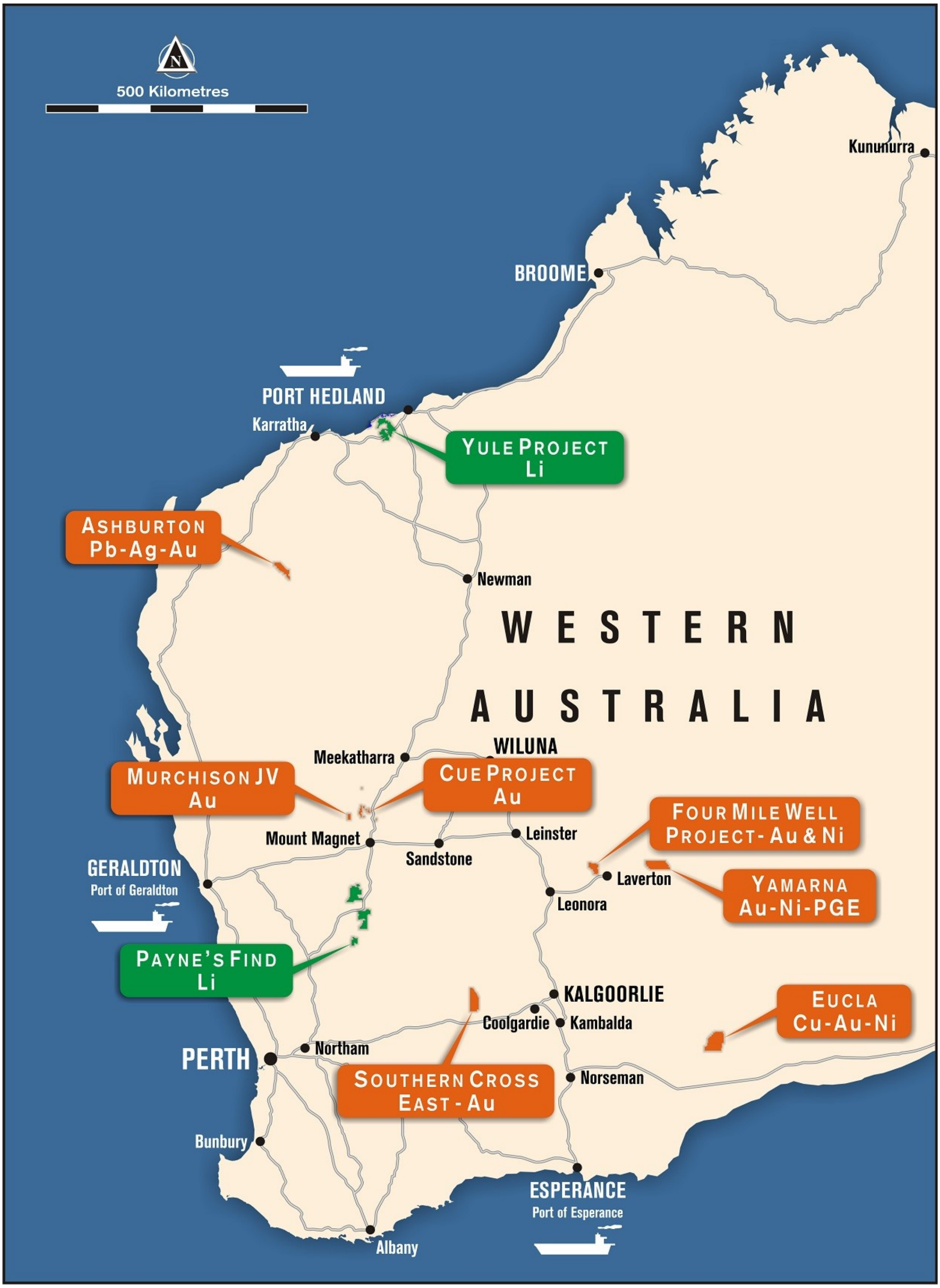

Figure 17: Regional Plan showing GSM projects and tenement applications.

Corporate

During the year the Company raised approximately $2.5 million (before costs) in a placement to sophisticated and professional investors through the issue of up to 33,333,334 new shares at 7.5 cents per share. The placement was divided into two tranches: the first tranche raising approximately $1.6 million (before costs) in April 2022 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 approximately $0.9 million (before costs) in June 2022.

RESULTS OF OPERATIONS

Revenues and results

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

	June 2022 $		June 2021 $	
	Revenues	Results	Revenues	Results
Consolidated entity revenues and (loss)	963,860	(3,162,787)	1,018,065	(3,139,752)

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 116,421,319 fully paid ordinary shares outstanding as at 30 June 2022. On 18 August 2022, 592,885 shares were issued after balance date in consideration for restructuring the Cue royalty.

As at the date of this report there are 117,014,204 fully paid ordinary shares outstanding.

OPTIONS

There were 16,972,560 options outstanding as at 30 June 2022, all of which are unlisted.

Number	Class
1,922,560	Unlisted options ($0.25 for GSM, Expire 26 Oct 2022)
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)
5,900,000	Unlisted options ($0.25 for GSM, Expire 15 Dec 2024)

Since the end of the financial year, a total of 100,000 options ($0.10, Expire 12 Aug 2024) were issued on 18 August 2022, and as at the date of this report there are 17,072,560 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	5	5
Damien Kelly	5	5
Greg Hancock	5	5
Brenton Siggs	5	5

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.

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 16 August 2022, the Company announced it had restructured the gold royalty payable in respect of its Cue project in the Murchison region of Western Australia. The previous royalty was a staged royalty of $50 per ounce for the first 40,000 ounces of refined gold produced (after the Company acquired the project), then $15 per ounce up to and including 250,000 ounces of gold produced, and $5 per ounce of gold produced thereafter. The new royalty is now payable at the rate of $25 per ounce for the first 40,000 ounces and $5 per ounce thereafter; and otherwise continues on the same terms previously set out in the Company's IPO prospectus dated 22 August 2018. In consideration for restructuring the royalty, on 18 August 2022, GSM issued the royalty holder (Western Mining Pty Ltd) with 592,885 GSM shares at an agreed price of 5.06 cents per share ($30,000 worth) plus 100,000 options exercisable at $0.10 each, expiring 12 August 2024.

No other matter or circumstance has arisen since 30 June 2022, 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.

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 10% for the 2022 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:

2022	Short term	Post Employment		
Director	Base Salary & Other Fees $	Superannuation $	Share-Based Payments $	Total $
Michael Moore	225,000	22,500	75,854	**323,354**
Damien Kelly	60,000	6,000	60,683	**126,683**
Greg Hancock	39,600	-	40,456	**80,056**
Brenton Siggs	36,000	3,600	40,456	**80,056**
Total	**360,600**	**32,100**	**217,449**	**610,149**

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**

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 or, at the Company's election, payment of the 3 months' notice period in lieu of notice. The Executive may terminate the employment without reason by giving 3 months written notice.
- Monthly package of $18,750 plus statutory superannuation.

Damien Kelly, Non-Executive Chairman:

- Term of agreement – Subject to retirement by rotation under the Company's Constitution.
- Monthly package of $5,000 plus statutory superannuation (if applicable).

Brenton Siggs (Non-Executive Director) and Greg Hancock (Non-Executive Director):

- Term of agreement – Subject to retirement by rotation under the Company's Constitution.
- Monthly package of $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

June 2022	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	-	470,000	2,095,100
Damien Kelly	1,510,100	-	250,000	1,760,100
Greg Hancock	-	-	250,000	250,000
Brenton Siggs	660,000	-	250,000	910,000
Total	**3,795,200**	**-**	**1,220,000**	**5,015,200**

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 2022	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	3,000,000	1,500,000	-	(1,500,000)	-	3,000,000	1,500,000	1,500,000
Damien Kelly	2,700,000	1,200,000	-	(1,500,000)	-	2,400,000	1,200,000	1,200,000
Greg Hancock	1,300,000	800,000	-	(500,000)	-	1,600,000	800,000	800,000
Brenton Siggs	1,550,000	800,000	-	(750,000)	-	1,600,000	800,000	800,000
Total	**8,550,000**	**4,300,000**	**-**	**(4,250,000)**	**-**	**8,600,000**	**4,300,000**	**4,300,000**

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 23: 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 $29,304 (2021: $24,420).

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 2022:

	30 June 2022 $	30 June 2021 $
Other income	963,860	1,018,065
Net loss before tax	3,162,787	3,139,752
Net loss after tax	3,162,787	3,139,752
Share price at start of the year	0.14	0.57
Share price at end of the year	0.04	0.14
Basic/diluted loss per share (cents)	(3.59)	(4.96)

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 17 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.

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 34.

Signed in accordance with a resolution of the Directors.

Michael Moore
Managing Director
30 September 2022

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30 September 2022

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 2022, 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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2022

	Notes	Year 30 June 2022 $	Year 30 June 2021 $
REVENUE			
Interest revenue		**10,300**	11,785
Other income	9	**953,560**	1,004,749
Gain on Sale of Asset		**-**	1,531
EXPENDITURE			
Administration expense		**(450,685)**	(404,145)
Bad debt expense		**-**	(712,758)
Depreciation expense	21	**(40,764)**	(50,778)
Exploration and tenement expense written off		**(2,262,591)**	(1,675,389)
Share-based payments expense	11	**(298,360)**	(713,186)
Employee benefits expense		**(736,747)**	(601,561)
Gain/(Loss) on shares at FVTPL	14	**(337,500)**	-
(LOSS) BEFORE INCOME TAX		**(3,162,787)**	(3,139,752)
Income tax benefit/(expense)	18	**-**	-
(LOSS) FOR THE YEAR ATTRIBUTABLE TO MEMBERS OF GOLDEN STATE MINING LIMITED		**(3,162,787)**	(3,139,752)
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified to profit or loss		**-**	-
Other comprehensive (loss) for the period, net of tax		**(3,162,787)**	(3,139,752)
TOTAL COMPREHENSIVE (LOSS) FOR THE PERIOD ATTRIBUTABLE TO MEMBERS OF GOLDEN STATE MINING LIMITED		**(3,162,787)**	(3,139,752)
Basic and diluted (loss) per share (cents)	22	**(3.59)**	(4.96)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Notes	30 June 2022 $	30 June 2021 $
CURRENT ASSETS			
Cash and cash equivalents	3	**3,736,729**	4,376,053
Trade and other receivables	4	**74,114**	30,906
Accrued income	5	**4,853**	2,329
Prepayments	6	**33,701**	6,645
TOTAL CURRENT ASSETS		**3,849,397**	4,415,933
NON-CURRENT ASSETS			
Property, plant and equipment	21	**72,832**	89,037
Financial assets	14	**212,500**	-
TOTAL NON-CURRENT ASSSETS		**285,332**	89,037
TOTAL ASSETS		**4,134,729**	4,504,970
CURRENT LIABILITIES			
Trade and other payables	7	**274,787**	222,908
Provisions	8	**133,407**	80,859
TOTAL CURRENT LIABILITIES		**408,194**	303,767
NON-CURRENT LIABILITIES			
Provisions	8	**188,864**	188,864
TOTAL NON-CURRENT LIABILITIES		**188,864**	188,864
TOTAL LIABILITIES		**597,058**	492,631
NET ASSETS		**3,537,671**	4,012,339
EQUITY			
Issued capital	10	**13,150,506**	10,760,747
Reserves	10	**1,668,246**	1,369,886
Accumulated losses	13	**(11,281,081)**	(8,118,294)
TOTAL EQUITY		**3,537,671**	4,012,339

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 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**
BALANCE AT 1 JULY 2021	**10,760,747**	**1,369,886**	**(8,118,294)**	**4,012,339**
Loss for the period	-	-	(3,162,787)	(3,162,787)
TOTAL COMPREHENSIVE INCOME (LOSS)	-	-	**(3,162,787)**	**(3,162,787)**
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS				
Share-based payments	-	298,360	-	**298,360**
Proceeds from issue of shares	2,500,000	-	-	**2,500,000**
Royalties paid in shares	42,707	-	-	**42,707**
Liabilities paid in shares	10,195	-	-	**10,195**
Securities issue costs	(163,143)	-	-	**(163,143)**
BALANCE AT 30 JUNE 2022	**13,150,506**	**1,668,246**	**(11,281,081)**	**(3,537,671)**

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	Notes	30 June 2022 $	30 June 2021 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Other income		**8,560**	261,991
Interest received		**7,776**	10,860
Payments to suppliers and employees		**(3,362,958)**	(2,608,988)
Net cash (used in) operating activities	16	**(3,346,622)**	(2,336,137)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceed from sale of projects		**395,000**	30,000
Proceeds from sale of plant and equipment		**-**	6,000
Payments for plant and equipment		**(24,559)**	(15,425)
Refund for Office Security Bond		**-**	2,640
Net cash from investing activities		**370,441**	23,215
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of securities		**2,500,000**	4,473,750
Payment for costs of issue of securities		**(163,143)**	(220,035)
Net cash from financing activities		**2,336,857**	4,253,715
Net (decrease)/increase in cash and cash equivalents		**(639,324)**	1,940,793
Cash and cash equivalents at the beginning of the year		**4,376,053**	2,435,260
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	3	**3,736,729**	4,376,053

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

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 30 September 2022. 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 2022 of $3,162,787 (2021: loss of $3,139,752) and had net cash outflows from operating activities of $3,346,622 (2021: $2,336,137). As at 30 June 2022 the Group had a working capital surplus of $3,441,203 (2021 surplus $4,112,166) and cash and cash equivalents of $3,736,729 (2021: $4,376,053).

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.

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.

- **AASB 2021-3: *Amendments to Australian Accounting Standards – COVID-19 Related Rent Concessions beyond 30 June 2021***

  The Group has applied AASB 2021-3: *Amendments to Australian Accounting Standards – COVID-19-Related Rent Concessions beyond 30 June 2021* this reporting period.

  The amendment amends AASB 16 to extend by one year, the application of the practical expedient added to AASB 16 by AASB 2020-4: *Amendments to Australian Accounting Standards – COVID-19-Related Rent Concessions*. The practical expedient permits lessees not to assess whether rent concessions that occur as a direct consequence of the COVID-19 pandemic and meet specified conditions are lease modifications and instead, to account for those rent concessions as if they were not lease modifications. The amendment has not had a material impact on the Group's financial statements.

- **AASB 2020-8: *Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2***

  The Group has applied AASB 2020-8 which amends various standards to help listed entities to provide financial statement users with useful information about the effects of the interest rate benchmark reform on those entities' financial statements. As a result of these amendments, an entity:
  - will not have to derecognise or adjust the carrying amount of financial statements for changes required by the reform, but will instead update the effective interest rate to reflect the change to the alternative benchmark rate;
  - will not have to discontinue its hedge accounting solely because it makes changes required by the reform, if the hedge meets other hedge accounting criteria; and
  - will be required to disclose information about new risks arising from the reform and how it manages the transition to alternative benchmark rates. The amendment has not had a material impact on the Group's financials.

New and Amended Accounting Policies Not Yet Adopted by the Group

- *AASB 2020-1: Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current*

  The amendment amends AASB 101 to clarify whether a liability should be presented as current or non-current. The Group plans on adopting the amendment for the reporting period ending 30 June 2024. The amendment is not expected to have a material impact on the financial statements once adopted.

- *AASB 2020-3: Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments*

AASB 2020-3: Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments is an omnibus standard that amends AASB 1, AASB 3, AASB 9, AASB 116, AASB 137 and AASB 141. The Group plans on adopting the amendment for the reporting period ending 30 June 2023. The impact of the initial application is not yet known.

- *AASB 2021-2: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates*

  The amendment amends AASB 7, AASB 101, AASB 108, AASB 134 and AASB Practice Statement 2. These amendments arise from the issuance by the IASB of the following International Financial Reporting Standards: Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) and Definition of Accounting Estimates (Amendments to IAS 8).

  The Group plans on adopting the amendment for the reporting period ending 30 June 2024. The impact of the initial application is not yet known.

- *AASB 2021-5: Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

  The amendment amends the initial recognition exemption in AASB 112: *Income Taxes* such that it is not applicable to leases and decommissioning obligations – transactions for which companies recognise both an asset and liability and that give rise to equal taxable and deductible temporary differences. The Group plans on adopting the amendment for the reporting period ending 30 June 2024. The impact of the initial application is not yet known.

(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.

(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 though 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.

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.

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.

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.

(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').

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.

(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.

(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.

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 2022 **$**	**June 2021** **$**
Cash at bank	496,729	436,053
Short-term deposits	3,240,000	3,940,000
Total	**3,736,729**	**4,376,053**

NOTE 4: TRADE AND OTHER RECEIVABLES

	June 2022 **$**	**June 2021** **$**
Kirkalocka Gold SPV Pty Ltd[1]	-	782,050
Less provision for doubtful debt	-	(782,050)
GST receivable	74,114	30,906
Total	**74,114**	**30,906**

[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 2021 financial year Administrators were appointed to Adaman and its subsidiaries. The Company has made a provision for doubtful debt for the entire amount. During this financial year $8,560 was recovered at the rate of 1.0945 cents in the dollar (refer to note 9).

NOTE 5: ACCRUED INCOME

	June 2022 $	June 2021 $
Term deposits - interest income receivable	4,853	2,329

NOTE 6: PREPAYMENTS

	June 2022 $	June 2021 $
Insurance	8,333	6,645
Legal expenses	25,368	-
Total	**33,701**	**6,645**

NOTE 7: TRADE AND OTHER PAYABLES

	June 2022 $	June 2021 $
Current		
Trade payables	136,041	63,203
Other payables and accruals[1]	138,746	159,705
Total	**274,787**	**222,908**

[1] As at 30 June 2021, '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 2022	0-30 days $	31-60 days $	61-90 days $	90+ days $	Total $
Trade payables	125,994	10,047	-	-	**136,041**

NOTE 8: PROVISIONS

	June 2022 $	June 2021 $
Current		
Provision for employee entitlements	133,407	80,859
Total Current	**133,407**	**80,859**
Non-current		
Environmental rehabilitation provision	188,864	188,864
Total Non-current	**188,864**	**188,864**

Environmental rehabilitation

As at 30 June 2022, 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 2022.

NOTE 9: OTHER INCOME

	June 2022 $	June 2021 $
Co-funded drilling grant	-	150,000
Deposit on sale of 80% Cuddingwarra & Big Bell South	-	30,000
COVID-19 business support grants	-	111,991
Sale of fixed assets	-	-
Kirkalocka Gold SPV Pty Ltd – ore sales, royalties, site rehabilitation and interest pursuant to the Ore Sale and Purchase Agreement	-	712,758
Project sales (see details below)	945,000	-
Adaman entities dividend	8,560	-
Total	**953,560**	**1,004,749**

Cuddingwarra and Big Bell South

During the period, the Group received the final $170,000 cash payment, 2,500,000 Caprice Resources Limited (ASX:CRS) fully paid ordinary shares valued at $0.22 per share ($550,000) and 250,000 unlisted options with an exercise price of $0.25 per option, expiring on 2 August 2024. The options have a nil book value.

Cue project sale

During the period, the Group received $225,000 in non-refundable cash payments from Cue Revival in relation to the sale of the Cue project (since terminated; see also Note 19).

NOTE 10: EQUITY SECURITIES ISSUED

Issued Capital

	June 2022 Shares	June 2022 $	June 2021 Shares	June 2021 $
Outstanding at the beginning of the year	**82,748,358**	**10,760,747**	46,726,200	6,435,632
Issues of ordinary shares				
Fully paid shares issued – Exercise of options	**-**	**-**	1,460,000	217,500
Fully paid shares issued – Placements	**33,333,334**	**2,500,000**	34,130,000	4,256,250
Fully paid shares issued – Drilling services	**-**	**-**	432,158	71,400
Fully paid shares issued – Earthworks for drilling	**81,554**	**10,195**	-	-
Fully paid shares issued – Royalties	**258,073**	**42,707**	-	-
Transaction costs	**-**	**(163,143)**	-	(220,035)
Outstanding at the end of the period	**116,421,319**	**13,150,506**	82,748,358	10,760,747

As at 30 June 2022, the Company had 116,421,319 fully paid ordinary shares.

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 2022 and 30 June 2021 are as follows:

	June 2022 $	June 2021 $
Cash and cash equivalents	3,736,729	4,376,053
Trade and other receivables	74,114	30,906
Accrued income	4,853	2,329
Prepayments	33,701	6,645
Trade and other payables	(274,787)	(222,908)
Provisions	(133,407)	(80,859)
Working capital position	**3,441,203**	**4,112,166**

Reserves

	June 2022 Number of options	June 2022 $	June 2021 Number of options	June 2021 $
Outstanding at the beginning of the year	**17,372,560**	**1,369,886**	12,232,560	716,780
Movements of options				
Exercised Options[1]	**-**	**-**	(1,460,000)	(60,080)
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	**-**	**139,360**	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
Issued, exercisable at $0.25, expiring 15 December 2024 - Directors & employees	**5,900,000**	**159,000**	-	-
Expiry of options	**(6,300,000)**	**-**	-	-
Outstanding at the end of the period	**16,972,560**	**1,668,246**	17,372,560	1,369,886

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

As at 30 June 2022, the Company had 16,972,560 unlisted options.

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 2022.

Options

	June 2022 No.	June 2022 WAEP	June 2021 No.	June 2021 WAEP
Outstanding at the beginning of the year	**17,372,560**	**$0.33**	11,832,560	$0.23
Granted during the period	**5,900,000**	**$0.25**	6,600,000	$0.48
Exercised during the period	**-**	**-**	(1,060,000)	$0.17
Expired during the period	**(6,300,000)**	**$0.27**	-	-
Outstanding at the end of the period [1]	**16,972,560**	**$0.32**	17,372,560	$0.33
Exercisable at the end of the period	**11,072,560**	**$0.36**	14,422,560	$0.27

[1] As at 30 June 2021, 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 2022 is 1.88 years (2021: 1.73).

The weighted average exercise price for the share-based payment options as at 30 June 2022 is $0.32 (June 2021: $0.33).

Options issued during the current year:

On 26 November 2021, there were 5,900,000 unlisted options granted subject to a vesting condition that the relevant director/employee remains an employee or officer of the Company until 31 October 2022, failing which the options granted lapse, unless and to the extent the Board waives the vesting condition; which had a fair value of $ 0.04230 per option based on a Black Scholes model with the following key inputs: interest free rate – 0.75%, volatility factor –101% measured since the date of ASX listing on 8 November 2018, grant date – 26 November 2021, days to expiry –1,115 and exercise price - $0.25. The total fair value of the options is $249,541. The vesting amount as at 30 June 2022 was $159,000 in accordance with the vesting period of the options.

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:

	2022 $	2021 $
Operating expenditure		
Options issued to directors, employees and consultants	298,360	713,186
Total	**298,360**	**713,186**

NOTE 12: DIVIDENDS

No dividends were paid during the year and no recommendation is made as to the dividends (2021: Nil).

NOTE 13: ACCUMULATED LOSSES

	June 2022	June 2021
Accumulated losses at the beginning of the financial year	(8,118,294)	(5,038,622)
Exercised/expired options (reserve transferred)	-	60,080
Net (loss) attributable to members of the company	(3,162,787)	(3,139,752)
Accumulated losses at the end of the financial year	**(11,281,081)**	**(8,118,294)**

NOTE 14: FINANCIAL ASSETS

As at 30 June 2022, the Financial Assets comprise of 2,500,000 Caprice Resources Limited shares of which 1,250,000 shares are escrowed until 2 August 2022. The shares were received as part consideration for the sale of the Cuddingwarra and Big Bell South projects (refer to note 9), at a fair value of $550,000 and were designated as financial instruments at FVTPL. The fair value measurement for the financial assets of $212,500 has been categorised as a Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities. $337,500 loss on shares at FVTPL was recognised in the Consolidated Profit and Loss Statement.

NOTE 15: 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:

	2022				2021			
Financial Instruments	**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	350,433	3,240,000	146,296	3,736,729	321,929	3,940,000	114,124	4,376,053
Trade and other receivables	-	-	74,114	74,114	-	-	30,906	30,906
Accrued Income	-	-	4,853	4,853	-	-	2,329	2,329
Total financial assets	**350,433**	**3,240,000**	**225,263**	**3,815,696**	**321,929**	**3,940,000**	**147,359**	**4,409,288**
Weighted average interest rate for the year	0.65%	1.40%			0.0%	0.32%		
Financial liabilities								
Trade and other payables	-	-	274,787	274,787	-	-	222,908	222,908
Total financial liabilities	**-**	**-**	**274,787**	**274,787**	**-**	**-**	**222,908**	**222,908**

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 2022.

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 $37,367 (2021: $43,761) which is attributable to the Group’s exposure to interest rates on its variable bank deposits

NOTE 16: RECONCILIATION OF LOSS AFTER TAX TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	Consolidated	
	June 2022 $	**June 2021 $**
Profit/(Loss) after income tax	**(3,162,787)**	**(3,139,752)**
Non-cash flows in loss for the period		
Depreciation	40,764	50,778
Share based payments	298,360	713,186
Gain on sale of assets	-	(1,531)
Loss on shares at FVTPL	337,500	-
Liabilities settled in shares	52,902	71,400
Other income from sale of projects	(945,000)	-
Changes in assets and liabilities		
(Increase) / Decrease in trade and other receivables	(43,208)	(28,098)
(Increase) / Decrease in Accrued income	(2,524)	(925)
(Increase) / Decrease in Prepayments	(27,056)	(6,645)
Increase / (Decrease) in trade and other payables	51,879	(26,276)
Increase / (Decrease) in Provisions	52,548	31,726
Net cash (outflows) from operating activities	**(3,346,622)**	**(2,336,137)**

NOTE 17: REMUNERATION OF AUDITORS/ NON-AUDIT SERVICES

	2022 $	**2021 $**
REMUNERATION OF AUDITORS		
Audit of financial reports	37,000	30,679
NON-AUDIT SERVICES		
Taxation (to associated entity)	3,381	2,050

NOTE 18: INCOME TAX EXPENSE

	Consolidated	
	June 2022 $	**June 2021 $**
The components of income tax benefit comprise:		
Current income tax benefit	(712,105)	(714,522)
Deferred income tax expense	**-**	**-**
Income tax expense reported in the consolidated statement of comprehensive income	(712,105)	-
Income tax expense recognised in equity	**(712,105)**	**-**
Accounting Profit/(Loss) before income tax	**(3,162,788)**	**(3,139,752)**
At the statutory income tax rate of 25% (2021: 26%)	(790,697)	(816,335)
Other non-deductible expenditure for income tax purposes	158,965	148,687
Other adjustments	(80,373)	(46,874)
Unrecognised tax losses	**712,105**	**714,522**
Deferred tax assets		
Carried forward revenue losses	2,507,370	1,795,265
Other	-	-
Gross deferred tax asset	**2,507,370**	**1,795,265**
Offset against deferred tax liability	**-**	**-**
Unrecognised Tax Asset	**2,507,370**	**1,795,265**

There were no ‘Deferred tax liabilities’ as at 30 June 2022.

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 19: CONTINGENCIES

During the reporting period, the Group entered into a binding agreement (since terminated) to sell its Cue project to Cue Revival Pty Ltd (“Cue Revival”). Cue Revival has issued a statement of claim in the District Court of Western Australia seeking $200,000 (in relation to amounts it has paid to GSM – see Note 9) plus costs. GSM has filed a defence and counterclaim. These claims represent a contingent liability and asset (respectively).

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. In particular, the statutory and private royalties in respect of gold production on M 20/520 and M 20/522 (described in section 11.1 of the IPO prospectus and payable to Western Mining Pty Ltd and the Yugunga Nya-People), may become payable by the Group if sufficient gold is produced from those tenements.

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

NOTE 20: 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.

The Group will be required to outlay approximately $840,260 (2021: $760,300) 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 21: PROPERTY, PLANT AND EQUIPMENT

	June 2022 $	June 2021 $
Property, Plant and Equipment at cost		
Opening balance	343,525	341,099
Additions	24,559	15,426
Disposals	-	(13,000)
Closing balance	**368,084**	**343,525**
Accumulated depreciation		
Opening balance	254,488	212,240
Depreciation for the year	40,764	50,778
Disposals	-	(8,530)
Closing balance	**295,252**	**254,488**
Summary		
At cost	368,084	343,525
Accumulated depreciation	(295,252)	(254,488)
Net carrying amount	**72,832**	**89,037**

NOTE 22: BASIC AND DILUTED EARNINGS/(LOSS) PER SHARE

	June 2022	June 2021
Basic and diluted (loss) per share (cents)	**(3.59)**	(4.96)
Profit/(Loss) attributable to members of Golden State Mining	**(3,162,787)**	(3,139,752)
Weighted average number of shares outstanding	**88,053,363**	63,331,199

NOTE 23: 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 provided $106,701 (excl. GST) (2021: $55,020) for geological services undertaken with respect to the Group's projects. As at 30 June 2022 the amount owing to Reefus Geology Services was $12,826 (incl. GST).

Damien Kelly is a director of Western Tiger Corporate Advisors which provided $40,000 (excl. GST) (2021: $16,000) for corporate consulting services. As at 30 June 2022 the amount owed to Western Tiger Corporate Advisors was $26,400 (incl. GST).

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. All the directors participated in the placement on substantially the same terms and conditions as those shareholders who participated to raise $2.5m (before costs) which was approved by shareholders at the General Meeting held on 25 May 2022.

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

2022	**Short term**	**Post Employment**		
Director	**Base Salary & Other Fees $**	**Superannuation $**	**Share-Based Payments $**	**Total $**
Michael Moore	225,000	22,500	75,854	**323,354**
Damien Kelly	60,000	6,000	60,683	**126,683**
Greg Hancock	39,600	-	40,456	**80,056**
Brenton Siggs	36,000	3,600	40,456	**80,056**
Total	**360,600**	**32,100**	**217,449**	**610,149**

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**

NOTE 24: 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 2022, including their personally related parties, is set out below:

Working Fully paid ordinary shares

June 2022	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	-	470,000	2,095,100
Damien Kelly	1,510,100	-	250,000	1,760,100
Greg Hancock	-	-	250,000	250,000
Brenton Siggs	660,000	-	250,000	910,000
Total	**3,795,200**	**-**	**1,220,000**	**5,015,200**

The Number of options which the Directors and Key Management Personnel of the Company held a relevant interest during the year ended 30 June 2022, including their personally related parties, is set out below:

Unlisted options

30 June 2022	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	3,000,000	1,500,000	-	(1,500,000)	-	3,000,000	1,500,000	1,500,000
Damien Kelly	2,700,000	1,200,000	-	(1,500,000)	-	2,400,000	1,200,000	1,200,000
Greg Hancock	1,300,000	800,000	-	(500,000)	-	1,600,000	800,000	800,000
Brenton Siggs	1,550,000	800,000	-	(750,000)	-	1,600,000	800,000	800,000
Total	**8,550,000**	**4,300,000**	**-**	**(4,250,000)**	**-**	**8,600,000**	**4,300,000**	**4,300,000**

NOTE 25: GOLDEN STATE MINING LIMITED (THE PARENT ENTITY) INFORMATION

	JUNE 2022	JUNE 2021
	$	$
Current assets	3,824,029	4,415,933
Non-current assets	276,308	58,072
Total assets	**4,100,337**	**4,474,005**
Current liabilities	387,153	240,018
Non-current liabilities	-	-
Total liabilities	**387,153**	**240,018**
NET ASSETS	**3,713,184**	**4,233,987**
Contributed equity	13,150,506	10,760,747
Reserves	1,668,246	1,369,886
Accumulated losses	(11,105,568)	(7,896,646)
Total equity	**3,713,184**	**4,233,987**
Loss for the year	(3,208,922)	(2,858,544)
Other comprehensive income	-	-
Total comprehensive loss for the year	**(3,208,922)**	**(2,858,544)**

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

NOTE 26: CONTROLLED ENTITIES

	Ownership interest	
	2022	**2021**
Parent entity		
Golden State Mining Limited		
Subsidiaries		
Cue Consolidated Mining Pty Ltd	100%	100%
Crown Mining Pty Ltd	100%	100%
WA Minerals Pty Ltd	100%	-
Reliance Minerals Pty Ltd	100%	-
Charge Metals Pty Ltd	100%	-

All members of the consolidated entity are incorporated in Australia.

NOTE 27: SUBSEQUENT EVENTS

Since the reporting date, on 16 August 2022, the Company announced had restructured the gold royalty payable in respect of its Cue project in the Murchison region of Western Australia. The previous royalty was a staged royalty of $50 per ounce for the first 40,000 ounces of refined gold produced (after the Company acquired the project), then $15 per ounce up to and including 250,000 ounces of gold produced, and $5 per ounce of gold produced thereafter. The new royalty is now payable at the rate of $25 per ounce for the first 40,000 ounces and $5 per ounce thereafter; and otherwise continues on the same terms previously set out in the Company's IPO prospectus dated 22 August 2018. In consideration for restructuring the royalty, on 18 August 2022, GSM issued the royalty holder (Western Mining Pty Ltd) with 592,885 GSM shares at an agreed price of 5.06 cents per share ($30,000 worth) plus 100,000 options exercisable at $0.10 each, expiring 12 August 2024.

No other matter or circumstance has arisen since 30 June 2022, 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.

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 2022 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 2022.

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.

Michael Moore
Managing Director
30 September 2022

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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 2022, 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 2022 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 as a whole, 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
Valuation of Share-based payments	
As disclosed in note 11 of the financial report, during the period the Company granted a number of share options to Directors and of the Company. The Company prepared a valuation of share options in accordance with its accounting policy and the accounting standard *AASB 2 - Share-based Payment*. 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.	In assessing the valuation of share options our audit procedures included, among others: 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 2022 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.

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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 skepticism 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 29 to 32 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Golden State Mining Limited for the year ended 30 June 2022 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 Tirodkar
Director
West Perth, Western Australia
30 September 2022

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 6 September 2022.

(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	**61**	19,788
1,001 • - 5,000	**299**	925,205
5,001 • - 10,000	**270**	2,276,554
10,001 • - 100,000	**665**	24,708,891
100,001 • and over	**208**	89,083,766
•	**1,503**	**117,014,204**
The number of shareholders holding less than a marketable parcel of shares are:	**505**	**1,976,713**

(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	10,500,000	8.97%
2	PURPLE STAR HOLDINGS PTY LTD <PLATINUM FAMILY A/C>	2,301,990	1.97%
3	MR MICHAEL JAMES MOORE & MRS RUTH HEATHER MOORE <PETHERWIN A/C>	2,095,100	1.79%
4	CITICORP NOMINEES PTY LIMITED	2,066,993	1.77%
5	STOCKHILL NOMINEES PTY LTD <STOCKHILL NOM P/L S/F A/C>	1,900,000	1.62%
6	MR STACEY HUBERT CARTER	1,733,334	1.48%
7	MCG (AUST) PTY LTD	1,600,000	1.37%
8	DR MARTIN DRU DANIELS	1,500,000	1.28%
9	OCEAN REEF HOLDINGS PTY LTD	1,500,000	1.28%
10	MR ANDREW JAMES VASARELLI	1,475,000	1.26%
11	MR PAUL GREGORY BROWN & MRS JESSICA ORIWIA BROWN <BROWN SUPER FUND A/C>	1,416,667	1.21%
12	MULLOWAY PTY LTD <JOHN HARTLEY POYNTON FM A/C>	1,370,000	1.17%
13	MR INGO APPEL	1,300,000	1.11%
14	ADVANCED CAPITAL MANAGEMENT PTY LTD <SOUTH POINT A/C>	1,250,100	1.07%
15	TRE PTY LTD <TIME ROAD SUPERANNUATION A/C>	1,200,000	1.03%
16	MR DAVID GREGORY MORTON	1,042,000	0.89%
17	REDROVE EQUIPMENT PTY LTD	1,000,000	0.85%
18	BLUEDALE PTY LTD <COMB SUPER FUND A/C>	1,000,000	0.85%
19	MULLOWAY PTY LTD <JOHN HARTLEY POYNTON FM A/C>	1,000,000	0.85%
20	DR LEON EUGENE PRETORIUS	1,000,000	0.85%
		38,251,184	**32.69%**

(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	10,500,000

(d) Voting rights

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

(e) Unquoted Securities

			Holders of 20% or more of the class*	
Class	Number of Securities	Number of Holders	Holder Name	Number of Securities
Unlisted $0.25 Options, expiry 26 Oct 2022	1,922,560	15	Zenix Nominees Pty Ltd	1,080,830
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>	750,000
			Mr Geoff Willetts & Mrs Jill Willetts <Willetts Superfund A/C>	600,000
			Advanced Capital Management Pty Ltd <South Point A/C>	600,000
Unlisted $0.25 Options, expiry 15 Dec 2024	5,900,000	6	Mr Michael James Moore & Mrs Ruth Heather Moore <Petherwin A/C>	1,500,000
			Mr Geoff Willetts & Mrs Jill Willetts <Willetts Superfund A/C>	1,200,000
			Advanced Capital Management Pty Ltd <South Point A/C>	1,200,000
Unlisted $0.10 Options, expiry 12 Aug 2024	100,000		Western Mining Pty Ltd	100,000

(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 25 November 2022 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 14 October 2022.

Table 1. As at 6 September 2022 the Company or its subsidiaries ("Group") had a beneficial interest in the following tenements:

Number	Holder	Status
Murchison Project – Cue		
L 20/60	Cue Consolidated Mining Pty Ltd[1]	Live
L 20/61	Cue Consolidated Mining Pty Ltd[1]	Live
L 20/62	Cue Consolidated Mining Pty Ltd[1]	Live
L 20/66	Cue Consolidated Mining Pty Ltd[1]	Live
L 20/68	Cue Consolidated Mining Pty Ltd[1]	Live
L 20/69	Cue Consolidated Mining Pty Ltd[1]	Live
L 20/70	Cue Consolidated Mining Pty Ltd[1]	Live
M 20/61	Cue Consolidated Mining Pty Ltd[1]	Live
M 20/519	Cue Consolidated Mining Pty Ltd[1]	Live
M 20/520	Cue Consolidated Mining Pty Ltd[1]	Live
M 20/522	Cue Consolidated Mining Pty Ltd[1]	Live
M 20/523	Cue Consolidated Mining Pty Ltd[1]	Live
M 20/524	Cue Consolidated Mining Pty Ltd[1]	Live
M 20/525	Cue Consolidated Mining Pty Ltd[1]	Live
P 20/2213	Cue Consolidated Mining Pty Ltd[1]	Live
P 20/2214	Cue Consolidated Mining Pty Ltd[1]	Live
P 20/2276	Cue Consolidated Mining Pty Ltd[1]	Live
P 20/2319	Cue Consolidated Mining Pty Ltd[1]	Live
P 20/2320	Cue Consolidated Mining Pty Ltd[1]	Live
P 20/2321	Cue Consolidated Mining Pty Ltd[1]	Live
P 20/2322	Cue Consolidated Mining Pty Ltd[1]	Live
P 20/2323	Cue Consolidated Mining Pty Ltd[1]	Live
P 20/2324	Cue Consolidated Mining Pty Ltd[1]	Live
P 20/2325	Cue Consolidated Mining Pty Ltd[1]	Live
P 20/2330	Cue Consolidated Mining Pty Ltd[1]	Live

P 20/2335	Cue Consolidated Mining Pty Ltd[1,3]	Live
P 20/2336	Cue Consolidated Mining Pty Ltd[1]	Live
P 20/2342	Cue Consolidated Mining Pty Ltd[1]	Live
P 20/2343	Cue Consolidated Mining Pty Ltd[1]	Live
P 20/2344	Cue Consolidated Mining Pty Ltd[1]	Live
P 20/2345	Cue Consolidated Mining Pty Ltd[1]	Live
P 20/2346	Cue Consolidated Mining Pty Ltd[1]	Live
P 20/2349	Cue Consolidated Mining Pty Ltd[1]	Live
P 20/2368	Cue Consolidated Mining Pty Ltd[1]	Live
P 20/2369	Cue Consolidated Mining Pty Ltd[1]	Live
P 20/2370	Cue Consolidated Mining Pty Ltd[1]	Live
P 20/2371	Cue Consolidated Mining Pty Ltd[1]	Live
P 20/2372	Cue Consolidated Mining Pty Ltd[1]	Live
P 20/2373	Cue Consolidated Mining Pty Ltd[1]	Live
P 20/2374	WA Minerals Pty Ltd[1]	Live
P 20/2426	WICKS, Janet Lee[4]	
P 20/2440	Cue Consolidated Mining Pty Ltd[1]	Live
P 21/756	Cue Consolidated Mining Pty Ltd[1]	Live
P 21/765	Cue Consolidated Mining Pty Ltd[1]	Live
P 21/766	Cue Consolidated Mining Pty Ltd[1]	Live
Murchison – Caprice Resources 80:20 JV		
E 21/192	WA Minerals Pty Ltd[1,2]	Live
E 21/193	WA Minerals Pty Ltd[1,2]	Live
P 20/2256	WA Minerals Pty Ltd[1,2]	Live
P 20/2257	WA Minerals Pty Ltd[1,2]	Live
P 20/2258	WA Minerals Pty Ltd[1,2]	Live
P 20/2259	WA Minerals Pty Ltd[1,2]	Live
P 20/2260	WA Minerals Pty Ltd[1,2]	Live
P 20/2261	WA Minerals Pty Ltd[1,2]	Live
P 20/2262	WA Minerals Pty Ltd[1,2]	Live

P 20/2263	WA Minerals Pty Ltd[1,2]	Live
P 20/2264	WA Minerals Pty Ltd[1,2]	Live
P 20/2265	WA Minerals Pty Ltd[1,2]	Live
P 20/2266	WA Minerals Pty Ltd[1,2]	Live
P 20/2267	WA Minerals Pty Ltd[1,2]	Live
P 20/2268	WA Minerals Pty Ltd[1,2]	Live
P 20/2269	WA Minerals Pty Ltd[1,2]	Live
P 20/2272	WA Minerals Pty Ltd[1,2]	Live
P 20/2273	WA Minerals Pty Ltd[1,2]	Live
P 20/2274	WA Minerals Pty Ltd[1,2]	Live
P 20/2275	WA Minerals Pty Ltd[1,2]	Live
P 20/2382	WA Minerals Pty Ltd[1,2]	Live
Yule Project		
E 47/3503	Crown Mining Pty Ltd[1]	Live
E 47/3507	Crown Mining Pty Ltd[1]	Live
E 47/3508	Crown Mining Pty Ltd[1]	Live
E 45/5570	Crown Mining Pty Ltd[1]	Live
E 47/4343	Crown Mining Pty Ltd[1]	Live
E47/4391	Crown Mining Pty Ltd[1]	Live
E47/4586	Crown Mining Pty Ltd[1]	Pending
E47/4587	Crown Mining Pty Ltd[1]	Pending
Four Mile Well Project		
E 38/3282	Crown Mining Pty Ltd[1]	Live
E 38/3632	Crown Mining Pty Ltd[1]	Pending
E 38/3633	Crown Mining Pty Ltd[1]	Live
Paynes Find Lithium Project		
E 59/2660	Charge Metals Pty Ltd[1]	Live
E 59/2661	Charge Metals Pty Ltd[1]	Live
E 59/2662	Charge Metals Pty Ltd[1]	Live
E 59/2679	Charge Metals Pty Ltd[1]	Live

E 59/2680	Charge Metals Pty Ltd[1]	Pending
E 59/2701	Charge Metals Pty Ltd[1]	Live
Southern Cross Gold Project		
E 77/2896	Reliance Minerals Pty Ltd[1]	Pending
E 77/2897	Reliance Minerals Pty Ltd[1]	Pending
E 77/2898	Reliance Minerals Pty Ltd[1]	Pending
Yamarna Nickel Project		
E 38/3670	Reliance Minerals Pty Ltd[1]	Pending
E 38/3671	Reliance Minerals Pty Ltd[1]	Pending
Eucla Nickel Project		
E 28/3175	Reliance Minerals Pty Ltd[1]	Pending
E 28/3176	Reliance Minerals Pty Ltd[1]	Pending
Ashburton Base Metals Project		
E 08/3456	Reliance Minerals Pty Ltd[1]	Pending
E 08/3469	Reliance Minerals Pty Ltd[1]	Pending
E 08/3477	Reliance Minerals Pty Ltd[1]	Pending

Notes:

1. 100% subsidiary of GSM.
2. 80:20 JV with Caprice Resources Limited with 20% held by WA Minerals a 100% subsidiary of Golden State Mining Limited.
3. Subject to transfer – Outgoing
4. Subject to transfer - Incoming

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